

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE JOINTLY WITH COMMITTEE ON SMALL BUSINESS

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December 11, 2014  
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HELD AT: 250 Broadway- Committee Rm, 14<sup>th</sup> Fl.

B E F O R E:

JULISSA FERRERAS  
Chairperson

ROBERT E. CORNEGY, JR.  
Co-Chairperson

COUNCIL MEMBERS:

COREY D. JOHNSON  
HELEN K. ROSENTHAL  
I. DANEEK MILLER  
JAMES G. VAN BRAMER  
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CARLOS MENCHACA  
ERIC A. ULRICH  
INEZ E. DICKENS  
KAREN KOSLOWITZ  
MATHIEU EUGENE

COUNCIL MEMBERS: (CONTINUED)  
PAUL A. VALLONE  
PETER A. KOO  
RUBEN WILLS

## A P P E A R A N C E S (CONTINUED)

2 [gavel]

3 CHAIRPERSON FERRERAS: First I'd like to  
4 say good morning and excuse my lateness. I usually  
5 like to start my hearings on time but I was in  
6 budget negotiations meeting upstairs. So thank you  
7 to my colleague and for all of you who waited  
8 patiently. Welcome to today's joint hearing on the  
9 Committees on Finance and Small Business. I am  
10 Council Member Julissa Ferreras and I chair the  
11 Committee on Finance. We've been joined by Council  
12 Member and Chair Cornegy, Vallone, Menchaca,  
13 Ignizio, and Levine. I'm very happy to be here  
14 today with the committee on small businesses  
15 chaired by my council, by my colleague Chair  
16 Cornegy who also serves on the Finance Committee to  
17 learn more about the Department of Small Business  
18 Services Neighborhood Development Division. The  
19 Finance Committee deals regularly with this  
20 division with respect to Business Improvement  
21 Districts commonly referred to as BIDs. By way of  
22 background BIDs are specific areas established by  
23 law in which property owners agree to form a  
24 district and have a special assessment levied on  
25 their property within the BID. The special

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2 assessment is collect to fund additional services  
3 beyond those which the city provides normally. A  
4 BID's additional services are in the areas of  
5 security, sanitation, physical or capital  
6 improvement, seasonal activities such as holiday  
7 lights, marketing, and advertising. The Finance  
8 Committee's responsible for considering any  
9 legislation that creates, expands the boundaries of  
10 a BID, increases a BID's annual assessment amount,  
11 changes the formula by which property owners  
12 assessments are calculated and dissolves a BID. SBS  
13 neighborhood development division is involved at  
14 all stages of a BID establishment expansion and is  
15 responsible for the management and oversight of  
16 each BID. The last time the council had a  
17 comprehensive oversight hearing on BIDs was almost  
18 15 years ago. That hearing was in response to an  
19 extensive investigation conducted by the Finance  
20 Committee in the mid to late 1990s into the  
21 formation operation oversight of BIDs. The  
22 investigation found a lack of accountability  
23 between BID managers and property owners and  
24 tenants who support the BID, a lack of evaluation  
25 of the services provided by BIDs and property

2 owners and tenant satisfaction within those  
3 services, and a lack of standards in operating  
4 procedures governing certain essential BID  
5 operations such as contracting. After the reports  
6 of the investigations were issued SBS undertook  
7 several significant reforms with respect to the  
8 contract it entered into which each BID in an  
9 effort to better manage and oversee the entire BID  
10 process SBS also instituted several rules and  
11 internal benchmarks to better gauge BID support  
12 prior to formation and ensure that property owners  
13 and tenants are well informed throughout all stages  
14 of the BID establishment. Now over a decade later,  
15 later the committees on Finance and Small Business  
16 look forward to hearing from SBS's successes in  
17 improving its BID oversight functions and learning  
18 about any further reforms it has implemented to  
19 better oversee the BID process. I'd also like to  
20 acknowledge and thank the legislative director, my  
21 legislative director Ivan Acosta [sp?], Finance  
22 Chief Counsel Tanisha Edwards, Finance Assistant  
23 Council Rebecca Chasten, Finance Analyst Alia Ali  
24 [sp?], Small Business Counsel Jeff Campania, Small  
25 Business Policy Analyst James Sabutti [sp?] I'm

2 sorry if I said that with a little Latino flare Mr.  
3 Campania. I often do that. I will now turn the  
4 microphone over to Council Member and Chair Cornegy  
5 as Chair of the Small Business Services and he has  
6 oversight over the entire Department of Small  
7 Business Services and extensive involvement with  
8 the Neighborhood Development Division, all of its  
9 programs including Avenue NYC, the Coro  
10 Neighborhood Leadership Program, and the  
11 Neighborhood Challenge Innovation Grant. Chair  
12 Cornegy.

13 CO-CHAIRPERSON CORNEGY: Thank you.

14 Thank you Chair Ferreras. It is indeed a pleasure  
15 to be joining you today for this hearing which is  
16 long overdue. Before we begin I'd like to also  
17 acknowledge Council Member Ignizio, Menchaca,  
18 Vallone, and Mark Levine. Anybody else I missed? I  
19 seen Mark. To pick up where you left off in  
20 planning this hearing it became clear that in order  
21 to get a complete picture of the roll of BIDs it is  
22 necessary to look at the complete suite of  
23 solutions the Neighborhood Development Division  
24 provides to assist business owners in a cultivation  
25 of commercial districts which includes the

2 Neighborhood Challenge Innovation Grant, Avenue  
3 NYC, The Coro Neighborhood Leadership Program. The  
4 Neighborhood Challenge Innovation Grant, a  
5 competitive grant up to 100 thousand dollars  
6 offered in partnership between SBS, the New York  
7 City Economic Development Corporation, and the New  
8 York City Business Assistance Corporation supports  
9 innovative and catalytic projects that solve small  
10 business challenges, generate community and  
11 economic impacts, and receive local recognition  
12 upon implementation. Avenue NYC, another SBS grant  
13 program is a one year grant that targets areas of  
14 the city experiencing different degrees of  
15 stagnation, deterioration, or disinvestment where  
16 the incomes of the area's populations are low to  
17 moderate. Funded by the U.S. Department of Housing  
18 and Urban Development Community Development Block  
19 Grants Avenue NYC must be used in neighborhoods  
20 that are at least 51 percent residential. Avenue  
21 NYC funding can be used for merchant organizing,  
22 business attraction, place making, façade  
23 improvement, and a capacity building, and capacity  
24 building but it cannot be used for capital projects  
25 that last beyond the one year contract term of the



2 grant. While I've heard great things about this  
3 program in 2013 HUD informed SBS that there were  
4 insufficient reliable data to determine the degree  
5 to which the deliverables of the CDBG grant  
6 funding, funding, funded grantees had an impact on  
7 reversing the decline of targeted commercial  
8 corridors. So among the issues we will cover today  
9 is SBS's oversight of the Avenue NYC program and  
10 the metrics used to account for the success.  
11 Thirdly we hope to hear about the Coro Neighborhood  
12 Leadership Program. For 30 years the Coro New York  
13 Leadership Center has been training young people,  
14 early professionals, mid-career professionals, and  
15 others committed to creating change in the public  
16 sector. In partnership with SBS's Neighborhood  
17 Development Division and funded in part by the New  
18 York City Council Coro offers a six month program  
19 that provides non-profit management professionals  
20 whose work is focused on commercial revitalization,  
21 the opportunity to develop their personal  
22 leadership skills, hone their commercial  
23 revitalization expertise and learn new ways to lead  
24 change in their organizations and communities.  
25 Graduates of the program have gone on to lead BIDs

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2 and to work in city government. I look forward to  
3 hearing more about these programs from the  
4 administration and the organizations that  
5 participate in them and to engaging in a productive  
6 discussion of the mechanisms we have for meaningful  
7 oversight and accountability. Finally I'd like to  
8 thank my Legislative Director Diana Shelgrose  
9 [sp?], the finance staff Counsels Tanisha Edwards  
10 and Rebecca Chasten and the Small Business  
11 Committee Staff Policy Analyst Jeff Sabutti,  
12 Finance Analyst Alia Ali [sp?], and Counsel Jeff  
13 Campania. Thank you.

14 CHAIRPERSON FERRERAS: Thank you Chair.  
15 SBS you may begin your testimony. Oh, we have to  
16 swear you in.

17 UNKNOWN FEMALE: Do you affirm that your  
18 testimony will be truthful to the best of your  
19 knowledge, information, and belief?

20 MICHAEL BLAISE BACKER: I do.

21 UNKNOWN FEMALE: Thank you.

22 CHAIRPERSON FERRERAS: Does everybody or  
23 just...

24 [background comments]  
25

2 CHAIRPERSON FERRERAS: Okay, just want  
3 to make sure, okay.

4 MICHAEL BLAISE BACKER: Okay good  
5 morning. Thanks for having us. Good morning Chair  
6 Cornegy, Chair Ferreras, and members of the Small  
7 Business and Finance Committees. My name is Michael  
8 Blaise Backer, Deputy Commissioner of the  
9 Neighborhood Development Division at the Department  
10 of Small Business Services. I'm joined today by  
11 assistant commissioner James Mettham, Lydon Sleeper  
12 our senior advisor and other members of the  
13 Neighborhood Development Team to discuss some of  
14 SBS's main initiatives to support and strengthen  
15 our commercial districts across the city and to  
16 discuss how we plan to advance these goals moving  
17 forward. We will describe the programs our  
18 divisions manages including commercial  
19 revitalization efforts, business improvement  
20 districts and capacity building services to support  
21 community based development organizations across  
22 the five boroughs. Before getting into any of these  
23 programs I'm going to give a quick overview of the  
24 agency. SBS is an agency of approximately 270  
25 employees with an overall budget of approximately

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2 119.4 million dollars. Our mission led by the goals  
3 of the de Blasio administration is to fight  
4 inequality in all of its forms on every front and  
5 to build a city where everyone can rise together.  
6 At SBS we are uniquely positioned to achieve these,  
7 this change because we support businesses  
8 neighborhoods and job seekers. The agency is  
9 structured in five core programmatic divisions with  
10 three divisions focused on supporting businesses  
11 including the Business Development Division, the  
12 Division of Business Acceleration, and the Division  
13 of Economic and Financial Opportunity. One division  
14 is focused on supporting job seekers, the workforce  
15 development division, and the division that focuses  
16 on helping neighborhoods the Neighborhood  
17 Development Division. Together the five divisions  
18 of SBS are committed to impacting the following  
19 three pillars; good jobs, stronger businesses, and  
20 a fair economy. Through a creative and  
21 collaborative and community driven approach. The  
22 purpose of SBS's Neighborhood Development Division  
23 is to work collaboratively with community based  
24 economic development organizations to create the  
25 conditions under which local businesses can thrive

2 to create vibrant mixed-use neighborhoods where  
3 people can live, do business, work, shop, and play.

4 By capitalizing on the knowledge and experience of  
5 local stakeholders community based organizations  
6 and elected officials we strive to comprehensively

7 address neighborhood issues through sustained and

8 trusted collaboration between the city and each

9 community. Our programs rely on local grassroots

10 efforts to empower communities to employ proven

11 tools for community engagement and commercial

12 revitalization according to their unique needs.

13 Before delving into any of these major program

14 areas I was asked to touch on the division's

15 resources, challenges, and opportunities. First I

16 wanted to give everyone a sense of the geographic

17 reach of our work. Between all of the community

18 based development organizations we contract with

19 including BIDs, LDCs, and merchant organizations

20 and all of our grantees and participants at our

21 various capacity building programs. We have a

22 considerable number of touch points across the city

23 reaching over 100 unique commercial districts yet

24 we have limited resources to support that work.

25 NDD's budget is generated through a variety of

2 funding sources. First in FY15 NDD received  
3 approximately two million in community development  
4 block grant funds to operate its commercial  
5 revitalization programs. Of this two million  
6 approximately 1.4 million are generated, are  
7 granted out to Community based organizations  
8 through our Avenue NYC grant program. Approximately  
9 200 thousand of CDBG funding is used for various  
10 commercial revitalization initiatives developed and  
11 implemented by NDD staff and the remaining 400  
12 thousand is used to fund seven NDD staff salaries.  
13 Another source of funding is 600 thousand dollars  
14 in city tax levy funds which account for seven  
15 staff salary lines and associated OTPS for division  
16 administrative needs to oversee the BID program and  
17 additional commercial revitalization efforts. For  
18 this current fiscal year NDD is also responsible  
19 for the administration and contract management of  
20 1.5 million dollars in city council discretionary  
21 funds and council initiatives allocated to  
22 community based organizations across the city.  
23 Lastly NDD is currently leveraging more than 2.6  
24 million dollars in private and other funding  
25 streams to run the Post-Sandy Storefront

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2 Improvement Program and our Neighborhood Challenge  
3 Grant Program. With a staff of 15 people NDD  
4 administers more than 300 commercial revitalization  
5 contracts including those for BIDs, competitive  
6 grant programs, storefront improvements, and city  
7 council discretionary funds. This represents 150  
8 percent increase in contract management over the  
9 past three years. What these last few slides  
10 demonstrate are three challenges NDD faces that I  
11 hope will stick with each of you during and after  
12 my testimony today. Given the dramatic scale and  
13 diversity of this city we must double our efforts  
14 at reaching every community in need of our services  
15 and we could certainly use the council's help with  
16 that effort. Given limited resources NDD must  
17 continue to strive to secure tax levy funding in  
18 order to provide grants to more neighborhoods, to  
19 provide them with more commercial revitalization  
20 tools and to provide higher touch assistance to  
21 organizations with lower capacity. And given the  
22 continuously growing contract administration and  
23 oversight demands being placed on my team we must  
24 seize the opportunity to work together to create a  
25 more efficient, strategic, and impactful way to

2 direct scarce public dollars to the community  
3 organizations on the ground and in the field. We're  
4 working tirelessly to affect lasting and meaningful  
5 change throughout the city's neighborhoods. Now I  
6 want to delve into the three core areas of NDD  
7 programs; Commercial Revitalization Grants  
8 including Avenue NYC Grants, Neighborhood Challenge  
9 Grants, and the Post-Sandy Storefront Improvement  
10 Program, our Business Improvement Districts  
11 including our roll in BID management oversight and  
12 formation, and Organizational Capacity Building  
13 Programs including the Capacity Building Workshops  
14 Programs in partnership with academic institutions  
15 and the Coro Neighborhood Leadership Program. SBS  
16 offers direct support to community based  
17 development organizations through Avenue NYC  
18 Program. Avenue NYC funds commercial revitalization  
19 initiatives led by community based organizations  
20 and low to moderate income neighborhoods across the  
21 city. The program also offers an array of capacity  
22 building services designed to enhance the ability  
23 of participating organizations to execute impactful  
24 programs. Proposed projects must operate within  
25 defined geographic boundaries, target commercial



2 corridors as a whole and consider the needs of  
3 small to medium businesses and local residents. The  
4 Avenue NYC program is currently funded entirely  
5 through Community Development Block Grant  
6 allocations provided by the US Department of  
7 Housing and Urban Development with no current  
8 support from Tax Levy funds. With this funding  
9 stream organizations must target commercial  
10 corridors that serve neighborhoods federally  
11 designated as low to moderate income. To reward  
12 grants we rely on a rigorous competitive  
13 application process taking into account existing  
14 organizational capacity, strength of project  
15 proposal viability of the proposed budget, and  
16 strategic positioning of the project within the  
17 defined neighborhood. Moreover we evaluate the  
18 performance of previously awarded organizations and  
19 consider their assigned performance ratings and  
20 award decisions for recurrent applicants.  
21 Organizations apply for funding within the  
22 following five project categories, business  
23 attraction retention, merchant organizing, façade  
24 improvement management, place making in public  
25 space activation and non-profit capacity building.

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2 This year in FY2015 SBS was awarded more than 1.3  
3 million in grant, awarded more than 1.3 million in  
4 grants to 42 local organizations to fund 52  
5 projects in 46 council districts citywide. We  
6 provided a breakdown of the projects by borough as  
7 well as by project category in the submitted  
8 written testimony for the joint committee to  
9 review. Over the past two fiscal years the Avenue  
10 NYC Program has yielded the following commercial  
11 revitalization outcomes. Over 33 merchant  
12 associations established more than 90 neighborhood  
13 events attracted with more than 64 thousand  
14 attendees, more than 50 quarter marketing campaigns  
15 launched, nearly 140 new businesses attracted to  
16 commercial corridors to fill vacancies and 25  
17 storefront façades improved by leveraging more than  
18 900 thousand dollars in private investment. The  
19 division is also responsible for Neighborhood  
20 Challenge, a competitive grant initiative designed  
21 to encourage innovation and service delivery  
22 improvement from BIDs and community based  
23 development organizations to support small  
24 business, businesses, generate economic activity  
25 and attract investment to local commercial

2 corridors. Grants of up to 100 thousand dollars are  
3 awarded to local organizations that present the  
4 most creative and impactful economic development  
5 projects. Since launching in 2012 Neighborhood  
6 Challenge has awarded 13 BIDs and community based  
7 organizations, nearly 675 thousand dollars in  
8 grants to implement storefront improvements,  
9 district marketing campaigns, public guard  
10 instillations in the Bronx, Brooklyn, Manhattan,  
11 and Queens. A recent successful example of  
12 neighborhood challenges impact is on southern  
13 boulevard in the Bronx where the loud trains from  
14 the elevated tracks create a noisy dim environment  
15 for pedestrians. The Women's Housing and Economic  
16 Development Corporation or WHEDco's Boogie Down  
17 Booth project addressed this problem. In  
18 partnership with the Design Trust for Public Space  
19 and the Department of Transportation's under the  
20 elevated project. The Boogie Down Booth is a  
21 seating area with localized speakers that play  
22 Bronx music, curated by the Bronx Music Heritage  
23 Center and uses solar power to provide lighting.  
24 We're very excited to hold the finalist pitch  
25 competition tomorrow morning to select the 2015

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2 round of Neighborhood Challenge winners from 11  
3 finalist organizations. For the Storefront  
4 Improvement Program, again this is in the wake of  
5 Hurricane Sandy, many retail corridors and impacted  
6 areas were scarred by destroyed buildings and  
7 storefronts. SBS in partnership with City Community  
8 Development recognized the importance of getting  
9 these areas back to business and initiated a  
10 Storefront Improvement Grant Program. First in the  
11 Rockaways on Beach 116<sup>th</sup> Street and then expanded  
12 to other areas impacted by Sandy. To date the  
13 programs have helped rehabilitated 112 façades  
14 across nine neighborhoods. The Post-Sandy  
15 storefront improvement program has made use of  
16 creative storefront design to revitalize building  
17 façades, improve storefront visibility and  
18 transparency, and increase foot traffic to damaged  
19 commercial corridors. Currently NDD is developing  
20 strategies to expand the reach of the storefront  
21 program to 15 high need commercial corridors and is  
22 seeking private and public funding assistance to  
23 support the expansion of the program. The  
24 Neighborhood Development Division oversees New York  
25 City's network of 70 Business Improvement

2 Districts, or BIDS. As many of you know a business  
3 improvement district is a public/private  
4 partnership in which property and business owners  
5 come together to make a collective financial  
6 contribution to the maintenance, development, and  
7 promotion of their commercial district within a  
8 defined boundary. The programs, activities, and  
9 support the BIDs provide to local businesses and  
10 communities address local needs and are conceived  
11 and funded by local stakeholders and go above and  
12 beyond baseline services delivered by the city.  
13 Over time BIDs have been credited with significant  
14 contributions to down street revitalization in  
15 cities around the world. New Yo9rk City has long  
16 been a pioneer in BID innovation and service  
17 delivery dating back to the 1970s in the city's  
18 physical crisis. During this era several of the  
19 city's commercial districts became neglected and  
20 crime ridden. As a resolve to produce city  
21 resources and increase competition from new  
22 suburban shopping centers. The creation of these  
23 initial special assessment districts which is the  
24 full... improvement association being the first is a  
25 estimate to the business and property owners who

2 responded to this crisis by pulling their resources  
3 to take back their districts. Today New York City  
4 is home to the largest BID network in the country  
5 consisting of 70 active BIDs across the five  
6 boroughs. BIDs can vary greatly in size with this  
7 year's annual operating budgets ranging from 53  
8 thousand dollars to, to more than 17 million  
9 dollars. Given the wide range in budget size and  
10 recognizing the different needs of the commercial  
11 districts they serve BID services vary but they all  
12 support the commercial activity and the quality of  
13 life in a particular district. In FY14 BIDs  
14 invested more than 120 million dollars in services  
15 to over 85 thousand businesses including more than  
16 30 thousand storefront businesses across the five  
17 boroughs with over 80 percent of those services  
18 paid for by the BID's annual assessment from  
19 property owners and businesses. Collectively the  
20 BIDs allocated more than 40, almost 42 percent of  
21 their resources to support supplemental sanitation  
22 and security services to 3,200 block faces across  
23 the city. BIDs removed over 50 thousand incidents  
24 of graffiti and maintain over 13,000 pieces of  
25 street furniture in the city streetscape. During

2 the same time period BIDs organized more than 19  
3 hundred public events that drew an estimated of 1.4  
4 million attendees, maintained 99 plazas and public  
5 spaces, and over 19 thousand tree pits. Many BIDs  
6 take on other services as well including district  
7 advocacy, small business assistance, capital  
8 improvements, and social services. The BID program  
9 continues to grow as organizations expand their  
10 services and challenge themselves to meet new and  
11 innovative goals. And as constituents from other  
12 commercial districts begin to recognize the  
13 benefits of creating a BID. SBS provides oversight,  
14 outreach, support, and technical assistance for  
15 BIDs to ensure that they have the necessary tools  
16 to provide robust levels of service delivery to  
17 their districts. As an oversight agency for BIDs  
18 SB, SBS maintains many responsibilities including  
19 monitoring the fiscal and organizational health of  
20 all 70 BIDs, managing each BIDs contract with the  
21 City of New York and monitoring contractual  
22 compliance, ensuring assessment building review and  
23 delivery for all BIDs, representing the mayor on  
24 every BID's board of directors, and guiding BIDs  
25 through the necessary legislative processes as

2 needed. Each BID board of directors is made up of  
3 property owners, commercial tenants, residential  
4 tenants, and representatives of the Mayor, borough  
5 president comptroller, and city council member.

6 Many BIDs also have a community board member as a  
7 non-voting member. NDD staff members represent the  
8 mayor on all BID boards serving as full voting  
9 members of the board of directors. Additionally NDD  
10 requires BIDs to have our staff members serve on  
11 each BID's audit and finance committees. Aside from  
12 oversight tasks SBS offers a key supporting role  
13 for all 70 BIDs including coordinating involvement  
14 with other agencies and elected officials,  
15 assisting underperforming BIDs, developing BID  
16 related policies with the New York City BID  
17 Association, aggregating and sharing BID impact  
18 data, facilitating best practice sharing across the  
19 BIDs and providing capacity building and technical  
20 assistance. This includes the provision of  
21 workshops, funding opportunities, leadership  
22 training, and assistance for BIDs through all  
23 legislative processes. BIDs in New York City are  
24 formed through a multi-year process that starts  
25 with the active engagement of property owners,



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business owners, residents, and local stakeholders.

The division is currently working with upward of 20 communities throughout the five boroughs that are in various stages of the BID planning process. When local stakeholders approach SBS about BID formation our first step is to work with the group to evaluate the feasibility of a bid in the proposed area. If the group determines that a BID is not the best course to pursue at that time then NDD can provide guidance and resources for alternative commercial revitalization and neighborhood development options. For commercial corridors involved in BID formation SBS serves as a resource for the steering committee which is the group of local stakeholders that leads the formation effort and decides on the details of the plan for the proposed BID. SBS expects steering committees to involve all stakeholder groups including property owners and commercial and residential tenants in the entire process of BID formation. This includes representation from all stakeholders on the steering committee surveying all stakeholders during the needs assessment survey and holding public meetings for this, for the community and

2 requiring broad support from all stakeholders to be  
3 demonstrated during the outreach phase. SBS works  
4 closely to guide these groups. The planning,  
5 outreach, legislative, and startup phases of the  
6 BID formation process to ensure that it proceeds  
7 fairly and properly. SBS will only, only introduce  
8 proposed BIDs into the legislative process if we  
9 believe that the steering committee has followed  
10 the planning process correctly, solicited community  
11 input and has demonstrated broad based support  
12 across all stakeholder groups of property owners  
13 and tenants. SBS not only provides organizations  
14 with funding to implement specific commercial  
15 revitalization projects but we also deliver  
16 services designed to increase the capacity of  
17 organizations so they can lead inclusive and  
18 responsible changes within their neighborhoods. In  
19 recent years SBS has engaged the support center for  
20 non-profit management and commercial revitalization  
21 specialist to provide CBDOs with non-profit  
22 management workshops and technical assistance.  
23 Participating organizations receive guidance on how  
24 to implement innovative programs and develop  
25 sustainable organizations able to tackle the

2 complex economic development issues affecting their  
3 communities. Last year 230 individuals representing  
4 65 organizations and 82 commercial corridors  
5 received more than 750 hours of training on a range  
6 of organizational development topics including  
7 writing successful grant proposals, becoming  
8 effective stewards of donors, developing measurable  
9 outcomes, creating strong partnerships and building  
10 effective non-profit boards. In efforts to better  
11 serve the community based organizations across the  
12 city we'll be launching an even more robust set of  
13 offerings in 2015. We are expanding our curriculum  
14 and hope to engage at least 80 organizations  
15 serving 100 corridors in sessions on strategic  
16 planning, non-profit financial management,  
17 corporate governance, and commercial revitalization  
18 strategies, and program design. We also will be  
19 rolling out an expanded approach to technical  
20 assistance in 2015. SBS will connect emerging and  
21 established CBDOs in targeted neighborhoods with  
22 high touch, one on one, change management  
23 consultants who'll work side by side with the  
24 organizations and impart the ability to effectively  
25 execute commercial revitalization strategies while

2 building a sustainable, nimble, and non-profit  
3 organization. NDD has built strong partnerships  
4 with academic institution and looks to continue  
5 building these relationships to expand our service  
6 offerings. This year we launched the Neighborhood  
7 Legal Fellows Program in partnership with New York  
8 Law School that pairs exceptional second and third  
9 year law students with small BIDs seeking legal and  
10 governing support. This year four Neighborhood  
11 Legal Fellows are supporting eight BIDs without in-  
12 house council in navigating matters of non-profit  
13 governance and other compliance issues. Legal  
14 fellows are supervised by a licensed attorney at  
15 SBS and services are provided at no cost to the  
16 BID. As the program grows we intend to expand  
17 support to CBDOs other than BIDs and hopefully  
18 engage a larger number of legal fellows and other  
19 law schools in each cohort. Since 2011 NDD has  
20 partnered with the School of Visual Arts to connect  
21 community based organizations in low to moderate  
22 income neighborhoods with graduate level and  
23 professional designers to provide pro bono design  
24 assistance. These efforts are building the capacity  
25 of organizations throughout the city providing them

2 with the skills and resources needed to develop  
3 stronger commercial corridors. In 2011 SBS launched  
4 the Neighborhood Leadership Program in partnership  
5 with the Coro New York Leadership Center and the  
6 Association for a Better New York or ABNY.

7 Neighborhood Leadership is a free five month  
8 training program that each year provides 20  
9 neighborhood development practitioners from CBDOs  
10 across the five boroughs with leadership and  
11 commercial revitalization skills. Participants  
12 learn and practice their leadership skills, expand  
13 their networks within government agencies in the  
14 economic development field and learn commercial  
15 revitalization strategies. Over the past four years  
16 approximately 80 participants have graduated from  
17 the Neighborhood Leadership Program. Our fifth  
18 cohort class was just selected from the pool of  
19 applicants and will begin the program at the end of  
20 January. By June 2015 100 community leaders will  
21 have completed the program. We'd like to thank  
22 Speaker Melissa Mark-Viverito for her generous  
23 support of this year's program. Over the past year  
24 NDD has made a dedicated effort to directly engage  
25 local elected officials, stakeholders, and

1 COMMITTEE ON FINANCE JOINTLY WITH COMMITTEE ON SMALL BUSINESS 30  
2 community partner organizations on the issues that  
3 are impacting their neighborhoods and programs that  
4 SBS can deploy or develop. We have participated in  
5 more than 500 meetings with organizations, local  
6 property owners, businesses, residents, elected  
7 officials, and other community stakeholders. We are  
8 proud to say that three-quarters of these  
9 interactions involved are on the ground  
10 participation in numerous neighborhoods across the  
11 five boroughs. Additionally we have conducted over  
12 400 individual project site visits to community  
13 organizations receiving Avenue NYC funding and have  
14 participated in many interagency community planning  
15 sessions in neighborhoods like East New York,  
16 Cromwell-Jerome, Brownsville, East Harlem, Far  
17 Rockaway, and Jamaica. Finally since I started in  
18 SBS in May we've individually met with  
19 approximately one-third of the council members and  
20 their staffs to discuss neighborhood development in  
21 their respective districts and how SBS can better  
22 collaborate with their offices and constituencies.  
23 We appreciate the council as a partner in  
24 commercial revitalization efforts and thank you  
25 again for the opportunity to present our work to

2 you. While I know we cannot compete with the social  
3 media prowess and many of the council members  
4 sitting here today... no but I... Carlos... we are  
5 definitely making our best effort. In order to  
6 deepen impact in awareness of our work in 2012 SBS  
7 launched a reformatted neighborhood development  
8 website as well as division specific twitter  
9 account and blog. Through regular campaigns and  
10 original content these social media platforms serve  
11 to amplify the reach of those neighborhood partners  
12 with a less developed digital presence, increase  
13 the visibility of SBS's commercial revitalization  
14 impact and promote New York City's neighborhood  
15 commercial corridors to local residents and the  
16 general public. In just over one year these  
17 platforms have attracted nearly 2,000 followers,  
18 created 15 original campaigns and created a  
19 platform by which all New York City community based  
20 organizations are able to make their voices heard  
21 to an even wider audience. As I wrap up my  
22 testimony here today I wanted to leave you with at  
23 least one idea of how my division might collaborate  
24 with the council in the coming year. The increase  
25 in the quantity of city council grants that NDD is

2 managing over the last three fiscal years has made  
3 it more important than ever for my division to  
4 strategically tie its internal commercial  
5 revitalization programming and tools with those of  
6 the council. The largest source of NDD's commercial  
7 revitalization funding comes from federal community  
8 development block grants. This funding is both  
9 limited in amount and restrictive in its use for  
10 commercial revival, revitalization activities.

11 Since FY2012 the funding allotted for Avenue NYC  
12 has been reduced and the future of CDBG continues  
13 to be uncertain. As a result NDD has broadened its  
14 efforts to tap into other public and private  
15 funding streams that can advance the agencies  
16 goals. Based on my individual meetings with council  
17 members thus far there seems to be considerable  
18 interest in not only aligning our investments in  
19 community based organizations in order to have the  
20 greatest impact but perhaps even expanding our  
21 commercial revitalization tool kit to include such  
22 areas as navigating government, neighborhood plazas  
23 and public art and local tourism campaigns. We're  
24 fortunate to have the council's partnership in  
25 these efforts and look forward to working with



2 these members and these communities, and these  
3 committees in particular to promote and expand our  
4 impact and neighborhoods throughout the city. As  
5 you have heard this administration and our agency  
6 have made significant efforts to fight economic  
7 inequality by creating strategies to insist, to  
8 assist in the cultivation of self-sustaining  
9 commercial corridors throughout the city. These  
10 programs do not seek to impose a top down one size  
11 fits all approach to commercial revitalization.  
12 Rather they are about empowering local leaders in  
13 individual communities to facilitate responsible  
14 change that aligns with neighborhood needs. With  
15 that said there is still more that could done to  
16 support and elevate the work of our community  
17 partners to help small businesses and neighborhoods  
18 thrive across the five boroughs. I want to thank  
19 the council for all of your help in supporting our  
20 existing programs and for expressing a dedicated  
21 interest in our city's neighborhoods and commercial  
22 corridors. With the help of the Neighborhood  
23 Development Team I would now be happy to answer any  
24 questions you may have.

2 CHAIRPERSON FERRERAS: Thank you very  
3 much for your testimony. We're really excited to be  
4 holding this hearing today. We've been joined by  
5 Council Members Koslowitz, Dickens, Miller,  
6 Rosenthal, Van Bramer, and Koo and Menchaca. I have  
7 a couple of questions but I wanted to first say  
8 that you know I know that you put your twitter  
9 follower number out there, that was abysmal. So we  
10 have to help you. We have to help you with social  
11 media. And the other thing is and I'm going to give  
12 a little plug to Queens but... yeah big plug, we've  
13 earned it. I was talking to my co-chair we... Lonely  
14 Planet thinks we're just the most wonderful place  
15 to travel to in the world. It is. So I would hope  
16 that, that SBS can be reflective and use some of  
17 that narrative to help promote small businesses for  
18 all of New York City but of course in the Crown  
19 Jewel of Queens is where we want you to focus on.  
20 Alright good. So I have a couple questions I'm  
21 going to only ask a few, pass it over to my co-  
22 chair and then come back in a second round so that  
23 we have, everybody has an opportunity to ask  
24 questions in a timely manner. This is for  
25 classification specifically to fiscal year 2015's

2 adopted budget, the budget for SBS neighborhood's  
3 housing, I mean neighborhood services, Neighborhood  
4 Development Division is 7.7 million dollars, that's  
5 what we adopted. However according to SBS internal  
6 budget documents SBS reports that the adopted  
7 budget was 3.17 million which is a concern to me  
8 because the document that we work with is, that is,  
9 which is provided in this public, for everyone to  
10 see so there's a huge discrepancies. I'd like you  
11 to explain the discrepancy. Was it simple human  
12 error, or a typo which I would really be concerned  
13 about because how many of those do we have  
14 throughout the budget, and can, and is this error  
15 reconciled in the budget modification that is  
16 scheduled to be voted on in this council?

17 MICHAEL BLAISE BACKER: So we, we have  
18 looked into that number with Council... staff and  
19 our, our understanding at this point in time is  
20 that the discrepancies there is actually city  
21 council discretionary funds that were in the budget  
22 put towards NDD but are managed by other divisions  
23 within the agency.

24

25

2 CHAIRPERSON FERRERAS: So we have a four  
3 million dollar discrepancy that city council, our  
4 initiatives?

5 MICHAEL BLAISE BACKER: Yeah your  
6 initiatives... at the agency but they are not within  
7 the neighborhood development division so our  
8 understanding is that almost the entirety of S, and  
9 I, well I, almost the entire... SBS is city council  
10 managed initiatives were somehow put within NDD's  
11 budget when we actually, well they're actually  
12 managed by other divisions... [cross-talk]

13 CHAIRPERSON FERRERAS: While I  
14 appreciate your response I'd like to have a more  
15 delineated breakdown of where this is. It concerns  
16 me even more that it is our monies that are kind of  
17 parked in other places. So we'd like to have  
18 appropriate oversight of every penny that we have.  
19 So I'd like you to follow up with the committee on  
20 that. SBS's total adopted fiscal budget is 147  
21 million dollars. In the November plan this FY15  
22 total department budget is 286 million. In your  
23 testimony you said that it was 119.4 million for  
24 all of SBS but adopted 147 million so I wanted to  
25 know what the difference is. And now in the

2 November plan you're at 280 million. So can you  
3 walk me through what it is and what we have?

4 MICHAEL BLAISE BACKER: So sorry wait,  
5 that, for the entire agency you're talking about?

6 CHAIRPERSON FERRERAS: Right.

7 MICHAEL BLAISE BACKER: Okay is this...

8 CHAIRPERSON FERRERAS: In your November  
9 plan there...

10 MICHAEL BLAISE BACKER: Yeah...

11 CHAIRPERSON FERRERAS: ...the increase was  
12 to 286,230.

13 MICHAEL BLAISE BACKER: So just for the,  
14 for the purposes of this hearing we can definitely  
15 follow-up with an overall breakdown of, of the  
16 entire agency's budget. The team up here is not  
17 the, the best crew to answer the full agency budget  
18 questions so we can follow-up very quickly on that  
19 with, with our financial division.

20 CHAIRPERSON FERRERAS: Right.

21 MICHAEL BLAISE BACKER: Yeah.

22 CHAIRPERSON FERRERAS: So I would hope  
23 that you're able to respond to me expeditiously.  
24 We're going to follow up with any additional  
25 questions that we have so please make sure to get

2 me that number. Specifically to BID and outreach  
3 how does SBS measure whether a proposed BID has  
4 sufficient amount of support from property owners  
5 and commercial tenants? We are going through this  
6 currently and we consistently go back and forth  
7 with the percentage. So is there a formula that is,  
8 will be consistent moving forward and for those  
9 BIDs that are in the pipeline will, is your  
10 intention to impose or are we going to remain with  
11 the numbers that were originally example. There is  
12 a BID that you guys are a little familiar with.  
13 Originally the expected percentage was about 30  
14 percent. We have a new administration, now we're  
15 asking for 50 percent. Are we changing in numbers  
16 or, or what is, what is your thought about support  
17 that is needed so that you can put on the record  
18 and members that are here understand how much  
19 commitment they need from the corridors to get a  
20 BID either expanded or created?

21 MICHAEL BLAISE BACKER: ...since we, I  
22 know you and I have discussed this a lot but, so  
23 the law requires only that 51 percent do not oppose  
24 the effort. But SBS goes above and beyond that and  
25 expects broad support across all stakeholders. So

2 SBS recommends that steering committees strive to  
3 demonstrate 50 percent support across stakeholder,  
4 stakeholder categories. But when groups have  
5 exhausted all outreach efforts SBS will perform a  
6 comprehensive evaluation of the BID formation  
7 effort to date and review all statements of support  
8 in opposition. If the steering committee is able to  
9 demonstrate that there is broad based support for  
10 the effort across all stakeholder groups including  
11 property owners, commercial tenants and residents  
12 within the proposed boundaries SBS will formally  
13 submit the proposal to the legislative review  
14 process.

15 CHAIRPERSON FERRERAS: So is it 50  
16 percent or a percentage of each group or in, in a  
17 collective?

18 MICHAEL BLAISE BACKER: Of each group.

19 CHAIRPERSON FERRERAS: Of each group.

20 MICHAEL BLAISE BACKER: Stakeholder  
21 group, yes.

22 CHAIRPERSON FERRERAS: Of each  
23 stakeholder. So small businesses, residents if  
24 there are any...

2 MICHAEL BLAISE BACKER: And property  
3 owners.

4 CHAIRPERSON FERRERAS: ...and property  
5 owners.

6 MICHAEL BLAISE BACKER: Commercial  
7 property owners.

8 CHAIRPERSON FERRERAS: Right. Okay and  
9 then I'm going to ask one final question before we  
10 come back to the second round. After a BID is  
11 created what mechanisms are in place to ensure that  
12 property owners remain satisfied with the BID and  
13 how does, does SBS communicate with property owners  
14 about their satisfaction or lack thereof?

15 MICHAEL BLAISE BACKER: So... well so SBS  
16 we provide a number of oversight rolls and, and  
17 certainly remain in constant communication with the  
18 BID. We require certainly a, you know with an  
19 annual, we do an annual report where we collect  
20 data from all of the BIDs and we compile that data  
21 in order to shows to the impacts of that individual  
22 BID as well as the collective BIDs on the city.  
23 BIDs are required to have an annual meeting open to  
24 all membership at which they present their annual  
25 reports to the membership. And, and then of course



2 in today's day and age they are, they are you know  
3 in contact with their membership and property  
4 owners in particular be you know email  
5 communication, social media, and a number of other  
6 means.

7 CHAIRPERSON FERRERAS: And just as a  
8 follow-up a lot of complaints when, when some BIDs  
9 aren't necessarily doing what they were challenged  
10 or what they are mandated to do what, from the  
11 elected official perspective we don't necessarily  
12 hear it from the property owners, we'll hear it  
13 from our constituents who say you know there's more  
14 garbage, it's more evident. So is there a role for,  
15 for just regular New Yorkers to be able to express  
16 their concerns about a bid independent of coming to  
17 our offices is there a space for that within SBS?

18 MICHAEL BLAISE BACKER: Yes, most  
19 definitely. So they can yeah, residents any  
20 businesses can contact SB, you know via 3-1-1 or  
21 via our website in order you know file a complaint  
22 of some kind so that we can look into it and  
23 communicate with that bid to see what might be  
24 taking place.

2 CHAIRPERSON FERRERAS: Right complaint  
3 or being favorable. So I, you know a lot of people  
4 watch us on TV so maybe you want to say your number  
5 and where they can call. So if you can just say...

6 MICHAEL BLAISE BACKER: The best phone  
7 number for that particular complaint?

8 CHAIRPERSON FERRERAS: Right, don't give  
9 them your desk but...

10 MICHAEL BLAISE BACKER: I was going to  
11 say...

12 CHAIRPERSON FERRERAS: ...yeah.

13 MICHAEL BLAISE BACKER: I don't know our  
14 general number.

15 CHAIRPERSON FERRERAS: Your cell phone  
16 would be awesome.

17 MICHAEL BLAISE BACKER: Right.

18 [laughter]

19 CHAIRPERSON FERRERAS: Okay you'll get  
20 back to me.

21 MICHAEL BLAISE BACKER: We'll get back  
22 to you on that.

23 CHAIRPERSON FERRERAS: Oh boy, god...

24 MICHAEL BLAISE BACKER: We have a lot of  
25 numbers but they're not the right numbers.

2 CHAIRPERSON FERRERAS: I was trying to  
3 give you a plug gosh. Alright Chair Cornegy.

4 CO-CHAIRPERSON CORNEGY: Good morning.  
5 So I am going to be very specific. I'm going to  
6 follow-up on the chair's, some of the chair's  
7 questions and then I'm going to move to Avenue NYC.  
8 But just as a follow-up, you know a lot of the, the  
9 districts that BIDs are prescribed to serve in find  
10 themselves under gentrification. So there, there's  
11 tremendous tenant merchant issues that arise from  
12 that. So I just want to leave my line of  
13 questioning there and then move to Avenue NYC. So  
14 I'm curious who's generally more interested in  
15 forming a BID, commercial property owners or  
16 commercial tenants?

17 MICHAEL BLAISE BACKER: I think, I mean  
18 I do think it really is a on a case by case basis.  
19 I mean I think in the situation you know since SBS  
20 serves to fill the numbers of inquiries for BID  
21 formation across the city we, we really get a, a  
22 wide range. So I mean Council Members sometimes  
23 take the lead, community boards other times. And I  
24 think in terms of commercial tenants or commercial  
25 property owners I'm not sure I could say that, it's

2 one more than the other because it really does  
3 depend on the neighborhood. I think in some cases  
4 if merchants are particularly active I think then  
5 sometimes they do take the lead and in other cases  
6 we have property owners reach out to us. Again  
7 sometimes just based on their kind of you know  
8 their involvement in the community assuming they're  
9 sort of locally based property owners.

10 CO-CHAIRPERSON CORNEGY: If, if you know  
11 do most property owners or some property owners, I  
12 don't know what the ratio would be that shift the  
13 assessment, their assessment onto their tenants?

14 MICHAEL BLAISE BACKER: Sorry what, did  
15 you ask what the ratio is or just... [cross-talk]

16 CO-CHAIRPERSON CORNEGY: Yeah if, if you  
17 know it.

18 MICHAEL BLAISE BACKER: Oh, no I do not  
19 know it. I think, so property owners again  
20 depending on the commercial lease certainly have  
21 the ability to pass on a number of expenses onto  
22 their commercial tenants including property taxes  
23 or BID assessment. There's no way for us, we don't  
24 have a, a mechanism to know exactly how many do  
25 that.

2 CO-CHAIRPERSON CORNEGY: I'm curious  
3 though what's the likelihood of that happening in,  
4 you know in smaller group, smaller BID formations  
5 as opposed to larger BID formations. You mentioned  
6 you know 53 thousand to 17 million.

7 MICHAEL BLAISE BACKER: Right.

8 CO-CHAIRPERSON CORNEGY: Does that play  
9 a part in the shifting of assessments based on the,  
10 the size?

11 MICHAEL BLAISE BACKER: I mean my, my  
12 opinion would be that it, it has a lot to do with  
13 sort of commercial real estate and the nature of  
14 the property and the nature of the sophistication  
15 perhaps of a property owner and their lease. So I  
16 think, I think, I, I don't have any evidence to  
17 back this up but I do think that it's, is very  
18 likely that in some of the more, more dense central  
19 business districts that that is more common that  
20 assessments are passed on. But I, I think in some  
21 of the outer boroughs and some of the retail  
22 neighborhood based BIDs it really does depend.

23 CO-CHAIRPERSON CORNEGY: So before I  
24 move on to some of my colleagues I do want to ask  
25 just one questions it relates to the programming

2 and, and Avenue NYC being the specific. So what  
3 percentage, I mean what, what percentage of  
4 recipients are BIDs of the Avenue NYC grant?

5 MICHAEL BLAISE BACKER: In this current  
6 fiscal year it was 30 percent.

7 CO-CHAIRPERSON CORNEGY: 30 percent. And  
8 to what extent does allocating Avenue NYC funding  
9 to a bid reduce the amount of money available to  
10 CBOs working in revitalized commercial corridors  
11 where the BID model is not viable?

12 MICHAEL BLAISE BACKER: So since Avenue  
13 NYC is restricted to low to moderate income areas  
14 we want to supplement the work of organizations  
15 that are working those areas BID or not BID so  
16 since only 30 percent are, on average are going to  
17 BIDs and those BIDs are serving low to moderate  
18 income areas you know we feel that it is important  
19 to supplement that work. A lot of those BIDs have  
20 maybe a single staff person. Yeah as I know you  
21 know or maybe one or two staff people. So we want  
22 to support... commercial revitalization activities in  
23 those areas as well.

24 CO-CHAIRPERSON CORNEGY: And then lastly  
25 on this topic, for this round at least, are there

2 BIDs that have received Avenue NYC grants and  
3 Neighborhood Innovation Challenge Grants during the  
4 same fiscal year?

5 MICHAEL BLAISE BACKER: Yes. Given the  
6 limitations of Avenue NYC funding we do encourage  
7 organizations to apply and leverage as many funding  
8 sources as possible So I do note you know as an  
9 example just in this past year the Central Fulton  
10 District Management Association and Five Alliance  
11 received both place making grant as well as an  
12 Avenue NYC Neighborhood Challenge Grant.

13 CO-CHAIRPERSON CORNEGY: So, I'm going to  
14 come back to that type of round of questioning as  
15 it relates to Avenue NYC. But at this time you know  
16 there's some questions from my colleagues.

17 CHAIRPERSON FERRERAS: Great thank you  
18 Chair Cornegy. First question will be from Council  
19 Member Menchaca followed by Council Member Miller.

20 COUNCIL MEMBER MENCHACA: Thank you  
21 chairs. And I want to thank the chairs for, for  
22 their line of questioning. I'm going to, I'm going  
23 to continue in that vein. I want to thank Deputy  
24 Commissioner Backer for being here today for the  
25 incredible presentation. I think we always expect

2 great things from SBS and the PowerPoint really  
3 kind of gave us a lot of information. I want to say  
4 two general things and then go into the questions.  
5 One of the, one of the important things to and, and  
6 something that I've in time through my own kind of  
7 public service career have dealt a lot with the  
8 BIDs. And, and I know that you've, you've done a  
9 lot of great work on the ground in Brooklyn. I want  
10 to thank you for coming to Sunset Park to walk the  
11 corridors in Sunset Park 5<sup>th</sup> Avenue and 8<sup>th</sup> Avenue  
12 both for our 5<sup>th</sup> Avenue BID and where we don't have  
13 a BID on 8<sup>th</sup> Avenue. Both of these are very  
14 immigrant community, communities and so these,  
15 these things all play a big role and so just thank  
16 you to you and your office for, for this commitment  
17 to the district. What I want to concentrate on is  
18 on one of your slides on, on slide 9, I don't know  
19 if we can kind of go to that slide but I want to  
20 better understand the city council funding and how  
21 it's supporting NDD and particularly what I'd like  
22 to do is ask about that, that split where the  
23 dollars are going, where are the dollars going and  
24 here you have it, have it split toward the



2 contracts and the staff. Can you, can you walk us  
3 through what, what that means?

4 MICHAEL BLAISE BACKER: Sure. Sure so in  
5 this case and to, to Chair Ferreras' question  
6 earlier so we, right now, and this is a very  
7 active, the 1.5 million is actually the  
8 discretionary and initiative contracts that NDD is  
9 currently managing. Like since, you know even since  
10 the most latest transparency resolution. And so  
11 that, you know we're managing 1.5 million, that  
12 includes some of the NYC clean initiative money.  
13 And you know, but, but that money does not come  
14 with personnel funds so we do not take it... [cross-  
15 talk]

16 COUNCIL MEMBER MENCHACA: And what,  
17 what, what does, what does, what prevents you from,  
18 from doing that? Is that a city council request or  
19 is that, is that a SBS requirement?

20 MICHAEL BLAISE BACKER: We, it is not an  
21 SBS requirement. I think the council will have to  
22 allocate money to, for us to manage those contracts  
23 sort of above and beyond sort of you know expense  
24 dollars.

2 COUNCIL MEMBER MENCHACA: So your  
3 testimony really kind of pointed to the fact that  
4 your, your case management is growing and, and  
5 during the budget season we hear a lot of that from  
6 all organizations; our legal service providers, our  
7 social service providers and, and, and so what I,  
8 I, I kind of want the world to know is that SBS is,  
9 is full of organizers too and I think we forget  
10 that sometimes. And so I, I think we need to  
11 understand what your organizing needs are because  
12 this council, this new council is, is really  
13 dedicated to, to beefing up our own kind of  
14 organizing presence in the communities. And so it'd  
15 be important for us to note that going into the  
16 next budget season for our chair and all our city  
17 council members that we can, we can just better  
18 understand that because zero going to organizers  
19 for our contracts is saying something. And, and, I  
20 don't know if you can speak, speak to that?

21 MICHAEL BLAISE BACKER: What to just,  
22 you mean just to be, I mean obviously we are  
23 administering those contracts and providing the  
24 necessary oversight but we have to absorb that  
25 within our existing staff levels no matter how much

1 COMMITTEE ON FINANCE JOINTLY WITH COMMITTEE ON SMALL BUSINESS 51

2 discretionary money we are managing right. So, so  
3 it is true that many of our, you know many of our  
4 staff are, are planners and organizers and type of  
5 thing but they are spending a considerable amount  
6 of their time doing the contract administration  
7 work in the office instead of maybe being out in  
8 the field more.

9 COUNCIL MEMBER MENCHACA: And, and I  
10 would have described that work as not necessarily  
11 paper pushing but maybe I'll let you describe what  
12 that is.

13 MICHAEL BLAISE BACKER: Oh.

14 COUNCIL MEMBER MENCHACA: Specifically  
15 that work that we're talking about that is, is not...  
16 [cross-talk]

17 MICHAEL BLAISE BACKER: Sure.

18 COUNCIL MEMBER MENCHACA: ...just kind of  
19 filling out paperwork but, but going into the  
20 community, understanding the community,  
21 understanding how these... and I'm, and we're going  
22 to move over to the storefront improvement grants  
23 but how, how labor intensive these things can be.

24 MICHAEL BLAISE BACKER: Yes. I mean it  
25 is. I think it's, you know it's a very, an

2 important part of the puzzle obviously to, to go  
3 through the contracting requirements that are  
4 needed to make sure a group you know is, is legit  
5 and has you know done it's... forms and done all of  
6 these things. So you know our staff essentially  
7 walk that group through that and make sure all the  
8 submitted documents have been put into place. You  
9 know those all get compiled. They're, they're, they  
10 sort of go through our own internal process around  
11 procurement, our legal team, you know then, you  
12 know and then that sort of makes its way outside of  
13 the agency. And then after the contract is  
14 registered of course we're, those same staff  
15 members are dealing with the dispersal of funds. So  
16 as, as money gets spent our team will you know kind  
17 of make sure that that is, you know that there's  
18 proof that those funds have been spent, make sure  
19 the required, the required documentation's been  
20 submitted and process those payments, and then, you  
21 know and then obviously close out the contract  
22 which in some cases doesn't happen at the end of  
23 the fiscal year and can drag on for quite some  
24 time. So clearly again a necessary role and I do  
25 think we, we actually do it quite well and I think

2 that's actually, you know we seem to be getting,  
3 having groups request that we manage their  
4 contracts in some cases but I think it is a lot and  
5 I think we would, I would rather leverage our teams  
6 abilities in our, both an organizing and urban  
7 planning work to get them out and actually  
8 providing sort of more hands on assistance to the  
9 organizations.

10 COUNCIL MEMBER MENCHACA: Again it, it  
11 sounds like there's a direct relationship to the  
12 ability for you to administer these contracts and  
13 so we could be putting council dollars in jeopardy  
14 if we can't get them out there efficiently and well  
15 organized as possible. So if your case load is  
16 growing up it'd be important for us to understand  
17 that.

18 CHAIRPERSON FERRERAS: And if I could  
19 just piggy back I think that should be reflected in  
20 your request for O&B, right when you are meeting  
21 with your commissioners and it should be reflected  
22 and it's something that we can follow-up and look  
23 at, you know make sure that it's there, especially  
24 if it's in need and specifically if it's tied to  
25

2 council discretionary dollars. Thank you Council  
3 Member Menchaca.

4 COUNCIL MEMBER MENCHACA: Thank you  
5 Chair. Thank you. And so the Avenue NYC dollars  
6 that's coming out of CDBG funding as well. And no  
7 text levy dollars are going towards those programs?

8 MICHAEL BLAISE BACKER: Correct.

9 COUNCIL MEMBER MENCHACA: Okay. And then  
10 the storefront grants. Can you tell us a little bit  
11 about the impact? I mean it's been incredibly  
12 impactful in my district and I think Sandy kind of  
13 showed us a different value for, for that. How's  
14 that program funded?

15 MICHAEL BLAISE BACKER: So that, on the,  
16 the grant program is entirely funded by private  
17 dollars so initially we piloted the program with  
18 city community development. And then since then  
19 we've received funds from the mayor's fund. And so  
20 that, so again it's totally private money. It does,  
21 it helps the, the grants to, we can disperse them  
22 very quickly and, which has been very helpful in  
23 this case. And, and that program the funds are, are  
24 limited and we will expect to run out by June of  
25

2 next year. So we are, we're working to I think I  
3 touched on in the testimony...

4 COUNCIL MEMBER MENCHACA: Yeah.

5 MICHAEL BLAISE BACKER: ...that we are  
6 working to raise additional private funds to expand  
7 that program beyond Sandy impacted areas.

8 COUNCIL MEMBER MENCHACA: So this point  
9 they won't continue beyond June if you can't get  
10 replenished funding for that?

11 MICHAEL BLAISE BACKER: Correct.

12 COUNCIL MEMBER MENCHACA: Okay. Well  
13 again thank you so much for your, for your work and  
14 your commitment.

15 MICHAEL BLAISE BACKER: You're welcome.

16 CHAIRPERSON FERRERAS: Thank you Council  
17 Member Menchaca. Council Member Miller if you can  
18 excuse me I actually had Council Member Vallone in  
19 the queue and then you'll follow him.

20 COUNCIL MEMBER MILLER: Sure.

21 CHAIRPERSON FERRERAS: Yes please, thank  
22 you. Council Member Vallone.

23 COUNCIL MEMBER VALLONE: Thank you Madam  
24 Chair and, and all of our council members. I too  
25 want to echo our council member's thanks for your

2 agency and how you administer it. And then my  
3 questions... I'll just back up by saying I find in,  
4 throughout the first year of council that many of  
5 the champions of the middle class often look to  
6 your agency for the help. And any year where the  
7 middle class has struggled I struggled to find  
8 where the assistance is going here. So I'm looking  
9 to make this for all BIDs. And if it would be fair  
10 to say that the middle class neighborhoods would  
11 then be able, assessed and taxed highest they  
12 probably receive the least back. And when I go to  
13 my BID because I've one who can handle the  
14 assessment and the levy and we're trying to  
15 establish another and I find that... not just in my  
16 district. They're more fearful than of grant of  
17 being, granting this designation because of be able  
18 to pay for it. And I say well what grants are you  
19 receiving and they say none. We don't meet the  
20 financial requirements. I have a major issue with  
21 that. And I think in championing the middle class  
22 we all should be doing that because without middle  
23 class it's not a city of New York. We need to say  
24 well how can we, I'm not big on the negatives, well  
25 how do, how do we go forward and maybe change that.



2 How do we allocate some of the funding so that,  
3 and, and I'd like to see what I can't see from the  
4 statistics and the numbers is how much of the  
5 allocation of the city tax revenues go to BIDs that  
6 don't fall within the HUD...

7 [background sneeze]

8 COUNCIL MEMBER VALLONE: God bless you.

9 [background comment]

10 COUNCIL MEMBER VALLONE: ...the HUD  
11 requirements. So when I look at your avenue NYC  
12 requirement it says two things, they have to at  
13 least 51 residential and census tracts and the  
14 residential population has low to moderate income  
15 as designated by HUD. So the question then is not  
16 about Avenue NYC because clearly the middle class  
17 don't fall into that category, it would be in all  
18 the remaining revenue that SBS generates. Could you  
19 give a summary of how that money if anything goes  
20 back to a BID that doesn't qualify for an Avenue A?

21 MICHAEL BLAISE BACKER: So currently the  
22 only program that, or let's say direct funding  
23 program if you're talking about actual hard dollars  
24 going to a BID from us that does not fall within  
25 low to moderate income is the Neighborhood

2 Challenge Program which I touched on. So right now  
3 that is funded through, currently actually funded  
4 through some, some money from EDC. And so that, and  
5 that was actually part of the reason that program  
6 was launched three years ago because this is a  
7 program about you know spurring innovation and, and  
8 making catalytic investments in communities and so  
9 that, because it is not you know CDBG funding any  
10 BID or any, you know any community based  
11 development organization around the city is  
12 eligible to apply... [cross-talk]

13 COUNCIL MEMBER VALLONE: So how many  
14 neighborhood challenge grants were awarded?

15 MICHAEL BLAISE BACKER: So it's only, so  
16 it's a three year program and actually the, the  
17 latest ones would be, the latest competition is  
18 tomorrow so at this point we have, you know so  
19 again it's different each year but we generally  
20 funded approximately six or seven a year and those  
21 grants are actually larger so they can range from  
22 as low as 30 thousand dollars to up to 100 thousand  
23 dollars.

24

25

2 COUNCIL MEMBER VALLONE: And of those  
3 applicants how many of the seven are ones that  
4 receive Avenue A grants versus ones that do not?

5 MICHAEL BLAISE BACKER: I would have to  
6 look in the, so which ones have not received Avenue  
7 NYC...

8 COUNCIL MEMBER VALLONE: Exactly.

9 MICHAEL BLAISE BACKER: ...but have  
10 received... I know, so I'd have to look at the exact  
11 numbers. I know off the top of my head there's a  
12 few because they'll say like Dumbo Improvement  
13 District has been very successful in Neighborhood  
14 Challenge Grant Competition but they are not  
15 eligible for Avenue NYC funds.

16 COUNCIL MEMBER VALLONE: So would you...  
17 [cross-talk] hearing that I'm not very totally  
18 encouraged because there's only... and I... something...

19 MICHAEL BLAISE BACKER: Yeah.

20 COUNCIL MEMBER VALLONE: ...we may want to  
21 go through budgetary process and EDC and we can all  
22 champion for, as everything in every hearing  
23 increase in funding. But understand where we're  
24 coming from, and, or at least I'm coming from. I  
25 have, I have a district that is, is probably the

2 highest taxed in the city and receive probably the  
3 least from the city. And when I go to my neighbors  
4 and friends there, there's anger because they can't  
5 pay anymore and they're not getting back. So I find  
6 this as, as I, your agency to be a champion of help  
7 because without small business there isn't middle  
8 class. I mean it was myself I had five workers in  
9 my law firm and, and that's what I figure as a  
10 small business middle class business. So you ended  
11 your testimony by saying you're looking for  
12 additional avenues for revenue and as you reach out  
13 to grow these initiatives would what, what hope can  
14 I find in that. Where, where would those, would,  
15 how would those fundings be spent?

16 MICHAEL BLAISE BACKER: So I, so I  
17 think, so I should, to maybe piggyback a little on  
18 what Council Member Menchaca asked about as well is  
19 what you're asking me. You know the Avenue NYC  
20 program does not need to be only a low to moderate  
21 income program, it just is because of the current  
22 funding source. So several years back and I don't  
23 know exactly there was tax levy money put in by  
24 council to that program and we managed the program  
25

2 in a very similar way with the same RFP process  
3 but...

4 COUNCIL MEMBER VALLONE: When was that?

5 MICHAEL BLAISE BACKER: 2009 was the  
6 last time we had that council... [cross-talk]

7 COUNCIL MEMBER VALLONE: That seems to  
8 be the dreaded year when everything... [cross-talk]

9 MICHAEL BLAISE BACKER: Yes. So we  
10 would... [cross-talk] you know run the programs  
11 similarly with the same commercial revitalization  
12 tools and obviously customizing to the  
13 neighborhoods. But it would open it up to sort of  
14 non-LMI areas.

15 COUNCIL MEMBER VALLONE: Well that's  
16 where I would hope if you could help champion us to  
17 make those... of the possible ways that we can go  
18 back to those scenarios so that the funding could  
19 be available to any BID throughout the city. And,  
20 and I think that should just be fairly done.  
21 Clearly the low income, that's what the... federal  
22 should be there to assist those BIDs. And I give  
23 you that example because we're, we're fighting in,  
24 in Whitestone to start one and, and there's such  
25 fear that they won't be able to pay the assessment

2 and what will they get and then they go to the  
3 existing BID and say what have you guys got and  
4 unless it's from my discretionary funding which  
5 always happens, all the council members have to  
6 save the day it's not a lot. So I would like... and,  
7 and a second round of questions may be other  
8 council members, chairs to help champion that to go  
9 forward.

10 MICHAEL BLAISE BACKER: Sure. I mean  
11 we'd be happy to meet with you soon you know or to  
12 discuss how we could do that.

13 COUNCIL MEMBER VALLONE: Thank you.

14 [cross-talk]

15 CHAIRPERSON FERRERAS: Thank you very  
16 much Council Member Vallone. But also if you can,  
17 when you follow up with the committee on this  
18 information, I know this is 2009 funding can you  
19 get to us... and we can find it here but if you can  
20 get it to us how much was that pot for how long?  
21 Was it only one year, was it several years, and how  
22 much was the pot was.

23 MICHAEL BLAISE BACKER: Sure.  
24  
25

2 CHAIRPERSON FERRERAS: And I'm sure my  
3 Finance Committee staff can do it also but if you  
4 can get it to us... Chair Cornegy?

5 CO-CHAIRPERSON CORNEGY: I was saying to  
6 Council Member Vallone that we were discussing here  
7 following up on that and seeing how we can expand  
8 some of this program to include all small  
9 businesses.

10 CHAIRPERSON FERRERAS: Thank you we will  
11 have Council Member Miller followed by Council  
12 Member Dickens. And we've been joined by Council  
13 Members Eugene and Council Member Johnson.

14 COUNCIL MEMBER MILLER: Good morning  
15 Madam Chair and Co-Chair Cornegy. Thank you for  
16 this important hearing and good morning Deputy  
17 Commissioner. So I, I want to follow-up but I, I  
18 really want to kind of just talk about your mission  
19 statement in, in terms of being able to provide the  
20 economic support and technical support to some of  
21 the BIDs and small businesses throughout the city.  
22 But I, I... Has it been your experience that, that,  
23 that, how do you quantify your success in that  
24 because I, I have a number three BIDs in my  
25 district and they seem to be struggling a bit. And

2 I know we've had conversations I kind of want to  
3 hear you kind of speak to that.

4 MICHAEL BLAISE BACKER: So I think as,  
5 so as I touched on earlier you know we do a lot of  
6 data collection annually from the BIDs in order to  
7 get a sense of you know how they're spending their  
8 resources and how we are... you know so we can  
9 quantify their impacts both in their neighborhoods  
10 as well as collectively across all the BIDs. I  
11 think to speak to I think what you were addressing,  
12 I mean there, there are sometimes capacity issues  
13 with some of the BIDs and that's where you know our  
14 staff is spending a considerable amount of its time  
15 in recent years in order to help in some cases  
16 smaller BIDs or in, in other cases just BIDs where,  
17 where we think they could achieve, where we think  
18 that they could innovate or we think that they  
19 could you know direct funding towards you know sort  
20 of you know priorities that either the, the  
21 neighborhood has or... And then of course as I  
22 touched on with the capacity building piece you  
23 know there's a lot of programs that we try to get  
24 some of, some BID directors in or, or senior staff  
25 in including the Leadership Development Program,



2 some of the non-profit management trainings and  
3 workshops. We do a lot with board development,  
4 supporting supportive legal services and assistance  
5 via the pro bono Neighborhood Legal, Legal Fellows  
6 and then again in some cases and we, we have  
7 supported some of the BIDs in your district with,  
8 with Avenue NYC through a number of sort of the,  
9 the commercial revitalization tools.

10 COUNCIL MEMBER MILLER: So while, while  
11 I really appreciate, and I am encouraged by the  
12 enhanced investment for FY15 that'll be made but  
13 again is, well what is the oversight to, to,  
14 mechanism to understand? Do you have the staff  
15 that, that, that can support such a program that  
16 goes in and can identify the statistics that say  
17 that maybe this isn't working and you need  
18 something different?

19 MICHAEL BLAISE BACKER: Well as I  
20 touched on I mean there... The oversight is, is  
21 substantial in terms of our, our roll you know  
22 making sure that BIDs are compliant with non-profit  
23 law, complying with their contracts, with their  
24 district management, with their district plan. So  
25 you know we, we definitely provide oversight in

2 that role. I think we're, maybe you're getting at  
3 in terms of the capacity building role. I do think  
4 obviously there, the number of bids continues to  
5 grow so yes it, it does stretch our resources but I  
6 think some types of capacity building like  
7 workshops and even some of the trainings are  
8 relatively low touch right, so I mean the, the, the  
9 ED or whomever needs to certainly take initiative  
10 to get that sort of assistance. I think what I, I  
11 touched on in the testimony is... looking to actually  
12 with resources create sort of a higher touch option  
13 where we actually are providing sort of a change  
14 management consultant or someone who can actually  
15 work with the BID and assess the organization in  
16 such a way where we can determine you know where,  
17 where are the shortcomings in terms of a governance  
18 standpoint and how can we make improvements?

19 COUNCIL MEMBER MILLER: And, and, and,  
20 and you're, you're, you are sure that you, your  
21 outreach mechanism is sufficient in, in these  
22 cases?

23 MICHAEL BLAISE BACKER: Outreach to  
24 whom?  
25

2 COUNCIL MEMBER MILLER: Out, outreach to  
3 the BIDs. And then I would speak to the outreach to  
4 the members because we haven't had a conversation.  
5 I know you said one-third and, and, and I'm not one  
6 of those one-third so I would certainly, looking  
7 forward to have a, a real one on one because I have  
8 had these ancillary conversations with members of  
9 your agency about the BIDs but we have not really  
10 had a one-on-one about that and I do have a number  
11 of concerns about that. Also there has been  
12 suggestions of consolidation. And so that certainly  
13 will require real conversations so I'm hoping that  
14 we can be engaged sometime in the very near future.

15 MICHAEL BLAISE BACKER: Yes. I mean I  
16 should say it, so around outreach I mean we can  
17 always do better and we, but, and we certainly  
18 strive to. I think, I think with the BIDs  
19 themselves, BID staff, and BID chair, board chairs  
20 I mean we have constant communication via email in  
21 order to let them know about opportunities that are  
22 available to them. I think I, I know we touched  
23 base around the unification possibility there in  
24 Jamaica and so we, we have actually submitted, we  
25 reached out to your staff in order to get something

2 on your calendar for early January because that is  
3 something moving forward and we'd like to discuss  
4 with you.

5 CHAIRPERSON FERRERAS: Thank you Council  
6 Member Miller. We will now have Council Member  
7 Dickens.

8 COUNCIL MEMBER DICKENS: Thank you  
9 Chairs and, and thank you Deputy Commissioner for  
10 your testimony. Please can you explain for me the  
11 correlation between property tax assessment versus  
12 BID assessments for property that's within a BID  
13 footprint?

14 MICHAEL BLAISE BACKER: I'm sorry the  
15 difference between did you say?

16 COUNCIL MEMBER DICKENS: The  
17 correlation.

18 MICHAEL BLAISE BACKER: The correlation.  
19 It really depends on the BID. So some BID form,  
20 every BID formula and how they assess properties is  
21 distinct so in some cases, but if a proper, if a  
22 BID does take assessed value into account in its  
23 formula then, then there was certainly some  
24 correlation in regards to how much a BID assessment  
25 is compared to their property taxes. When a BID

2 does something like that what happens if the  
3 property owner has to go into in rem or has  
4 difficulty in paying the taxes as frequently  
5 happens?

6 MICHAEL BLAISE BACKER: So given how BID  
7 assessments are collected as, when we work with the  
8 Department of Finance they are, they're actually  
9 handled similarly so I, I can't speak to exactly  
10 what happens to each individual property owner but  
11 certainly the Department of Finance would deal with  
12 the property owner in precisely the same way for  
13 BID assessments as they would with property taxes.

14 COUNCIL MEMBER DICKENS: Can you please  
15 define for me capacity building for an individual  
16 small business as it relates to NDD?

17 MICHAEL BLAISE BACKER: A small business  
18 or BID, I'm sorry.

19 COUNCIL MEMBER DICKENS: No. Small  
20 businesses within a BID what is, what, please  
21 define what can you do to assist in capacity  
22 building for small business? That's what I'm, I'm  
23 asking about. And is there, are there any, do you  
24 have any additional assistance that you give to  
25 MWBEs?

2 MICHAEL BLAISE BACKER: So our division  
3 at NDD does not provide that direct assistance but  
4 other divisions within SBS do so our business  
5 development division and our, will, they  
6 specifically would work on capacity building around  
7 BID, with businesses. So through our business  
8 solution center network for example you know  
9 businesses can be connected with workshops, with  
10 access to capital. And then regarding MWBEs our  
11 Division of Economic and Financial Empowerment,  
12 DEFO, specifically works with those businesses.

13 COUNCIL MEMBER DICKENS: The storefront  
14 improvement grants, how does that work per  
15 storefront in a historic district versus a landmark  
16 building. And I ask that because frequently there's  
17 a higher cost attributable to storefront's for a  
18 landmark building versus a historic district or  
19 versus not being either.

20 MICHAEL BLAISE BACKER: So quite  
21 honestly I don't know how much detail you want me  
22 to get into because the storefront improvement  
23 programs are relatively complicated the way,  
24 because of how funds can be used. Our storefront  
25 improvement program as I discussed as sort of post-

2 Sandy program of course we, we have worked with  
3 some landmark properties specifically around the  
4 seaport for that program. And so it, it is true  
5 that the construction and, and sort of the  
6 permitting process can be somewhat more complicated  
7 and perhaps more costly. So we you know attempt to  
8 you know allocate where possible larger grants. For  
9 our Façade improvement management program through  
10 Avenue NYC where we provide operating support to a  
11 nonprofit, to, to implement a storefront  
12 improvement program that really does depend on  
13 where that organization is securing sort of the  
14 grant dollars that go to the business or the  
15 property owner. So we are not able to provide that  
16 with our grant. So we're supporting staff to manage  
17 a program but that, those funding sources it really  
18 does depend on where they're securing that funding  
19 from so perhaps the New York State's New York Main  
20 Street Program or perhaps private dollars. But  
21 they, they certainly can, can implement the program  
22 as they wish and if it is a landmark district they  
23 can certainly you know modify grant size.

24 COUNCIL MEMBER DICKENS: So that it  
25 would be increased if it's in a landmark building

2 or a historic district where there's frequently  
3 demands on even color and material that's utilized...  
4 [cross-talk]

5 MICHAEL BLAISE BACKER: I think it  
6 would...

7 COUNCIL MEMBER DICKENS: ...and the sign.

8 MICHAEL BLAISE BACKER: ...I think it  
9 would be up to the organization and how they have  
10 designed their program.

11 COUNCIL MEMBER DICKENS: Alright. And my  
12 last question is on the block grants for the, that  
13 is used for the commercial revitalization is it  
14 relegated to an area such as street scape,  
15 lighting, etcetera, is that what we're talking  
16 about? I just want to understand.

17 MICHAEL BLAISE BACKER: No our Community  
18 Development Block Grants are directed towards a  
19 community based organization for their, for their  
20 cost around so specifically around business  
21 attraction and retention, again façade improvement  
22 management, merchant organizing, place making, and  
23 capacity building, so it's providing operating  
24 support to the organization.



2 COUNCIL MEMBER DICKENS: Alright thank  
3 you, thank you so much for your testimony.

4 MICHAEL BLAISE BACKER: Sure.

5 CHAIRPERSON FERRERAS: Thank you Council  
6 Member Dickens. And I just wanted to follow up on  
7 the MWBE questions. Have you found any  
8 opportunities because I know you've clearly shown  
9 the influence that BIDs have and, and their  
10 spending dollar when it comes to contracting for  
11 clean ups in different organizations. Do we have  
12 any numbers on, or do you retain any numbers on how  
13 many of those are MWBEs? Do you go out of your way  
14 to support... For example if you have a cleanup  
15 service do you go out of your way to ensure that  
16 it's another small business that you're hiring or  
17 is it a bigger... and if that business is MWBE...

18 MICHAEL BLAISE BACKER: Right. Well I  
19 can say that you know each BID adopts its own sort  
20 of specific procurement policies but we certainly  
21 highly encourage that they use MWBEs or our local  
22 contractors where possible.

23 CHAIRPERSON FERRERAS: I think you know  
24 that's something that we should really look into  
25 especially when it comes to small businesses

2 helping small businesses and if there's  
3 opportunities for them to hire instead of you know,  
4 no knock on staples but if they're able to hire  
5 another small business to do some printing services  
6 as opposed to going to the local staples, Kinkos so  
7 that everybody gets a little piece. But you know  
8 those opportunities I think you have a, an  
9 important role to be able to connect or encourage  
10 aggressively encourage your BID directors to look  
11 in that, in that way. Two things and then I'm going  
12 to give it to Cornegy and then I'm going to ask my  
13 follow-up questions. Just wanted to, you mentioned  
14 the annual report of BID data. Is that publically  
15 shared? Is it shared with this council? Where,  
16 where is it?

17 MICHAEL BLAISE BACKER: Yes it will be  
18 and we just, we literally, I mean the data in my  
19 testimony is the most current but it literally has  
20 just been collected so we will be compiling that  
21 and, and distributing it publically.

22 CHAIRPERSON FERRERAS: and how do you  
23 share that? Is it on your website or...

24 MICHAEL BLAISE BACKER: It'll definitely  
25 be on our website. In the past we have printed

2 copies of it. I, we need to determine, make sure we  
3 have the money to do that but certainly we'll be  
4 distributing it...

5 CHAIRPERSON FERRERAS: Yes and if you  
6 can share that, those copies... uh-huh, I'm sorry.

7 MICHAEL BLAISE BACKER: Yeah and the  
8 BIDs themselves of course will, will publish their  
9 own...

10 CHAIRPERSON FERRERAS: Right.

11 MICHAEL BLAISE BACKER: ...data.

12 CHAIRPERSON FERRERAS: Right. If, but if  
13 you can collect the comprehensive data of all the  
14 BIDs to this committee and its members I would  
15 greatly appreciate that.

16 MICHAEL BLAISE BACKER: Sure.

17 CHAIRPERSON FERRERAS: And then you  
18 mentioned on several occasions these change  
19 management consultants, what, what is that?

20 MICHAEL BLAISE BACKER: Yes so this is...

21 CHAIRPERSON FERRERAS: And what do they  
22 do?

23 MICHAEL BLAISE BACKER: This is  
24 something we're...

2 CHAIRPERSON FERRERAS: And how much does  
3 it cost?

4 MICHAEL BLAISE BACKER: Oh I can't tell  
5 you that yet but we're looking into that now so  
6 we're essentially developing an RFP currently. That  
7 is, you know it's essentially as we have been doing  
8 some thinking about some of the high need areas  
9 around the city as well, you know as, and in some  
10 cases those high need areas may have an  
11 organization that is you know either low capacity  
12 or perhaps they haven't done commercial  
13 revitalization work but, but that are otherwise are  
14 high capacity. You know we, we just want, we want  
15 to be able to provide you know more hands on  
16 assistance so we've been look, we've been  
17 developing an RFP to sort of, to get some  
18 consultants on retainer who can do that higher  
19 touch work that would look and really assess an  
20 organization much more comprehensively and, and  
21 make recommendations about where they can improve  
22 and you know what are the shortcomings and, and  
23 where there are opportunities. So...

24 CHAIRPERSON FERRERAS: So they...

2 MICHAEL BLAISE BACKER: ...we'll keep you  
3 posted.

4 CHAIRPERSON FERRERAS: ...may potentially  
5 have several BIDs or several corridors under their  
6 portfolio?

7 MICHAEL BLAISE BACKER: We would need...  
8 We're, we're sort of working out what we think it  
9 would look like I, my guess at this early stage  
10 would be that you know again we would have some  
11 consultants on retainer and we would, and I imagine  
12 some of them would perhaps have different  
13 specializations and we would sort of... [cross-talk]

14 CHAIRPERSON FERRERAS: I think this is a  
15 great opportunity especially since you haven't  
16 closed that window. However if you're able to one,  
17 help us understand your intentions with the change  
18 agent, not the agents, the change management  
19 consultants but also perhaps we can let you know  
20 what we're hearing from our corridors and how, how  
21 those change management consultants might be able  
22 to help us. But I don't think there's been a  
23 conversation on this particular one. So I don't  
24 know what the best way to do that but if you can  
25 help find an opportunity for council members to

2 speak about their districts and what we see as  
3 needs so maybe you could be more responsive to the  
4 immediate support that our, our communities need.

5 MICHAEL BLAISE BACKER: Sure. Most  
6 definitely and that actually, that is actually not  
7 precisely the consultants but in our individual  
8 meetings with council members. We have been you  
9 know sort of brining maps and, and discussing not  
10 only corridors that are high need but also sort of  
11 any sort of challenges they are noticing with any  
12 of the community based organizations you're  
13 currently working with or currently allocating  
14 funding to. So we do, we want to hear that from you  
15 most definitely and, and would love to hear like  
16 where there are opportunities of groups we can work  
17 with.

18 CHAIRPERSON FERRERAS: Okay. Chair  
19 Cornegy.

20 CO-CHAIRPERSON CORNEGY: So I was  
21 wondering how long it was going to take in this  
22 hearing before I was able to give a shameless plug  
23 to by Bed-Stuy Gateway BID I will take, I will take  
24 that opportunity now and say that you know in  
25 answer to your question about MWBEs and that

2 contracting I've found it that in working with my  
3 BID we've done that when necessary and appropriate  
4 we found ways to, to do that so big shout out to...  
5 Lambert who I see here. So this, this round of  
6 questioning again is back to Avenue, Avenue NYC.  
7 And so the, the activities that are eligible for  
8 funding have changed over the last couple of years  
9 to exclude, to exclude website development and  
10 multiple, multi-neighborhood initiatives and to  
11 include capacity building. Basically why... like we,  
12 you know there was a big move, we saw the abysmal  
13 social media numbers that you mentioned earlier. So  
14 we're curious as to why the, the movement away from  
15 funding, those types of things.

16 MICHAEL BLAISE BACKER: So in some cases  
17 it, it was regard, in regard to certain  
18 restrictions that were placed on us. But you know  
19 in general Avenue NYC funds can be used towards  
20 staff salaries, you know event production, surveys,  
21 consultants, and holding you know merchant  
22 meetings. So although SBS discourages organizations  
23 spending all that money in, in, in one place or in  
24 one, anyone of these expenses we still are  
25 supporting generally most of the same initiatives.

2 I think specifically in the website one I think you  
3 know we were, through our analysis we were finding  
4 it wasn't the most effective use of resources.

5 CO-CHAIRPERSON CORNEGY: Okay. And how  
6 does the retail leasing program which trains  
7 leaders and CBOs to assist a person considering  
8 opening a retail storefront, I.E. what is the point  
9 of interface between a person who is not yet  
10 operating a business in an Avenue NYC Business and  
11 the organization that has received the retail  
12 leasing training grant.

13 MICHAEL BLAISE BACKER: So, so actually  
14 the, so I mean it's a little, the, well the  
15 recruitment program actually sort of trains CBO  
16 leaders to better understand the retail needs of  
17 their commercial district and market that district  
18 to perspective tenants. So with training you know  
19 the leaders will learn to market their district and  
20 how to connect property owners to perspective  
21 tenants. You know besides proactive outreach to  
22 retailers in the community the, the CBOs can often  
23 like post you know retail vacancy listings in the  
24 neighborhood and you know attempt to do their best  
25 to reach people considering opening businesses in



2 the area. But that particular program you know  
3 essential we, we worked specifically with  
4 consultants that would match, you know a consultant  
5 that wouldn't, we would work with sort of for  
6 targeted areas in a year that would help them to  
7 develop that sort of program and help them to  
8 implement it.

9 CO-CHAIRPERSON CORNEGY: So I'm going to  
10 move to how you measure your results. And that, I  
11 think that came up earlier in questioning so, so  
12 literally how do you measure results of the Avenue  
13 NYC program?

14 MICHAEL BLAISE BACKER: Thought you  
15 might ask that.

16 CO-CHAIRPERSON CORNEGY: Hmm?

17 MICHAEL BLAISE BACKER: We thought you  
18 might ask that. So we evaluate each organization's  
19 performance towards specific program goals and we  
20 would, we record quarterly, we essentially require  
21 quarterly reports to be submitted. We can talk site  
22 visits and... evaluations. So you know evaluation  
23 criteria include accuracy and timeliness of  
24 contract administration and performance including  
25 achievement on those negotiated outcomes. We also

2 provide feedback on quarterly reports and  
3 performance through a formal mid-year review  
4 process and we evaluate organizations through the  
5 typical... process in the fourth quarter which  
6 includes an evaluation of fiscal management. We,  
7 you know we also do at least one site visit a year  
8 and we hold monthly check in calls with each of the  
9 organizations as funded.

10 CO-CHAIRPERSON CORNEGY: So how many new  
11 businesses and how many existing businesses did  
12 Avenue NYC assist during fiscal year 2014?

13 MICHAEL BLAISE BACKER: New businesses  
14 and existing businesses?

15 CO-CHAIRPERSON CORNEGY: Mm-hmm.

16 MICHAEL BLAISE BACKER: I would have to  
17 probably get you that data. We, I mean again it's  
18 sort of a, a, it's a tricky number because raise,  
19 so we're obviously helping the community based  
20 organizations or, we're then consequently helping  
21 businesses so we typically, you know we an  
22 aggregate all that data but I think it does depend  
23 on sort of the program that we funded each  
24 community based organization in. But if you'd like  
25 that data we can... [cross-talk]

2 CO-CHAIRPERSON CORNEGY: I would, I  
3 would... [cross-talk] but just to go back to my prior  
4 question I guess what I was looking for as an  
5 answer is how actually you measure impact of the  
6 Avenue NYC program.

7 MICHAEL BLAISE BACKER: Oh it's a... Sure,  
8 so again depending on the program area where, where  
9 we're measuring so let's say for business  
10 attraction as an example we, we look, we require  
11 that the businesses... essentially work with them to  
12 determine how many you know vacancies they're going  
13 to fill each year and so that, that is, so we track  
14 essentially you know contacts made via sort of two  
15 new prospects, you know how many spaces were in  
16 fact filled, but how that impacted the vacancy rate  
17 in the district. How many perhaps like you know  
18 merchant sort of meetings or broker breakfasts that  
19 were held so that kind of thing.

20 CO-CHAIRPERSON CORNEGY: So at some  
21 point I, I probably will want to sit and really  
22 look, see what that looks like. I mean obviously...

23 MICHAEL BLAISE BACKER: Sure.

24 CO-CHAIRPERSON CORNEGY: ...this is not  
25 the time for that but I'd like in greater detail to

2 understand what that really looks like so you can  
3 understand whether or not that, that's on the right  
4 track.

5 MICHAEL BLAISE BACKER: I'd be happy to.

6 CO-CHAIRPERSON CORNEGY: So just two  
7 more question. I got, I got all the questions okay.

8 CHAIRPERSON FERRERAS: [off mic] ...I  
9 still have my questions.

10 CO-CHAIRPERSON CORNEGY: Okay. When you  
11 report on how many businesses Avenue NYC assisted  
12 is that number based on a number of organizations  
13 receiving grants or the number of businesses that  
14 may have benefited from the programs and services  
15 provided by grantees? So there's this little  
16 discrepancies when we were going over this. And if  
17 it's the latter how do you account for those  
18 numbers?

19 MICHAEL BLAISE BACKER: So yeah I do  
20 think there may have been a discrepancy in what I,  
21 when I actually saw... but we, we do attempt to  
22 calculate the number of you know businesses  
23 impacted, local businesses impacted through the  
24 Avenue NYC Grants but of course we're also tracking  
25 data around the number of organizations funded.

2 CO-CHAIRPERSON CORNEGY: And again I  
3 think, you know I didn't, I don't want to blindside  
4 you but I really think that those are some numbers  
5 that are important to the council and I think at a  
6 later time I'd like to sit with you and kind of  
7 tease through them.

8 MICHAEL BLAISE BACKER: Sure.

9 CO-CHAIRPERSON CORNEGY: And then lastly  
10 for this round of questioning according to the  
11 Consolidated Plan Annual Performance Report Avenue  
12 NYC assisted 3,513 existing businesses in '07 and  
13 only 23 in '11. To what do you attribute that  
14 tremendous decrease?

15 MICHAEL BLAISE BACKER: I'm sorry the  
16 first number was from, from what... [cross-talk]

17 CO-CHAIRPERSON CORNEGY: The, it was  
18 from the consolidated plan annual performance  
19 report.

20 MICHAEL BLAISE BACKER: And the, and  
21 the, from 2007 did you say?

22 CO-CHAIRPERSON CORNEGY: From 2007. In  
23 2007 the numbers, the business numbers assisted was  
24 3,513.

25 MICHAEL BLAISE BACKER: Okay.

2 CO-CHAIRPERSON CORNEGY: And then in '11  
3 it was 23.

4 MICHAEL BLAISE BACKER: So I think this,  
5 the latest number, the last number, the 23 you  
6 cited, is only taking account the façade  
7 improvement program because I believe through, in  
8 our work, work talking to OMB and HUD and how that  
9 sort of direct impact should be measured with that  
10 as the number they asked us to use going forward.  
11 So while before I think we probably were taking the  
12 number you were asking about before, sort of all  
13 the businesses in a district we were asked to just  
14 look at the façade improvement program where direct  
15 funds were going, right, so essentially where we're  
16 happening, helping a business directly. And so  
17 that's the number we're tracking currently.

18 CO-CHAIRPERSON CORNEGY: Well so I'm  
19 going to suggest, so myself and my, and, and the  
20 Chair of Finance we're doing our briefing prior to  
21 this hearing there were so many unanswered  
22 questions that we had about the reporting, about  
23 the metrics. So I'm going to suggest that I, I even  
24 get a chance to come out. I, I know the chair's way  
25 more busy than I am but that I get to come out and

2 kind of go through these things and tease through  
3 them with you at a later date so that we don't have  
4 this kind of discrepancies in a hearing if you  
5 don't mind.

6 MICHAEL BLAISE BACKER: Sure, that'd be  
7 great.

8 CHAIRPERSON FERRERAS: Thank you Co-  
9 Chair. So I wanted to follow up on the master  
10 contract. The master contract gives SBS the  
11 authority to monitor and approve the performance of  
12 district management associations with respect to  
13 among other things the services provided by the  
14 BID. Any debt incurred and any subcontractors  
15 awarded and any capital improvements undertaken.  
16 Does SBS exercise this authority and if so how?

17 MICHAEL BLAISE BACKER: So what was the  
18 last, exercise the authority in which...

19 CHAIRPERSON FERRERAS: To... you know in,  
20 in case that someone isn't following the master  
21 contract...

22 MICHAEL BLAISE BACKER: Right.

23 CHAIRPERSON FERRERAS: So what, what's  
24 your authority over that? What can you do?

2 MICHAEL BLAISE BACKER: Right well I  
3 mean I, I, we, we've, obviously these are all  
4 community based organizations that we work with so...

5 CHAIRPERSON FERRERAS: Right.

6 MICHAEL BLAISE BACKER: So... it, I mean I  
7 guess it really does depend what, what exactly  
8 we're talking about so and a lot of times we  
9 certainly are working with the staff and the board  
10 to correct any problems as quickly as possible  
11 because we are in such close contact with all of  
12 the bids. We, you know in terms of, and I don't  
13 know if this is where you're going with this but  
14 you know in terms of sort of the more severe you  
15 know ways we can either withhold an assessment or  
16 something like that with the BID we, you know we  
17 use that as a last resort. It's not something we  
18 want to do because we think in most cases you know  
19 there's you know a way to remedy the situation. But  
20 you know we do require sort of you know annual  
21 independent audits that are submitted to us and so  
22 you know I think when, when things start going  
23 astray we, we, there are signs that things are  
24 happening and, and then we can make, take the  
25 appropriate actions in each case.



2 CHAIRPERSON FERRERAS: Well I'm... has  
3 been corrected. You know I experience that in my  
4 district, not this...

5 MICHAEL BLAISE BACKER: Yes.

6 CHAIRPERSON FERRERAS: ...administration  
7 was actually even corrected in the last one.  
8 However it was incredibly frustrating that you know  
9 this BID was probably a little wayward and not  
10 doing what they were supposed to be doing for maybe  
11 10 years. Because assessments were made and that's  
12 why I'm consistently looking for information and,  
13 and I really want to make sure that this doesn't  
14 happen to any other district within the 70 that we  
15 have. It's a huge accomplishment. I'm constantly  
16 stopped about, from members on wanting to start new  
17 ones. But I need to feel confident and comfortable  
18 that this doesn't happen and I don't know, I'm  
19 trying to make sure that you have every avenue  
20 available to you to be able to enforce anything,  
21 to, in, in my case we had to kind of shift board  
22 members and make, make... because there were board  
23 members that were inactive an executive director  
24 that was definitely not engaged. So although we  
25 highlight the wonderful BIDs and, and you know of

2 one pretty well I would hate that there are BIDs  
3 somewhere in New York City that went through what I  
4 went through with my two block BID.

5           MICHAEL BLAISE BACKER: Yeah well and,  
6 and as you know I mean these, these community based  
7 organizations I mean it's complicated there's a lot  
8 of personalities at play, politics at play, we're  
9 dealing with you know staff members, numerous board  
10 members of all different stakeholder groups so it  
11 does, you know it takes a constant sort of  
12 attention and I think there are some you know BIDs  
13 that maybe have been around quite a long time. And  
14 I think prior to any of us being at, at SBS I think  
15 it, you know we are taking a new look at a lot of  
16 BIDs and that is where again it's sort of offering  
17 that higher touch capacity building where we can  
18 actually take a, like a slightly more hands on  
19 approach where it is sort of figuring out why a BID  
20 is not, or a board is not engaged or the board,  
21 they can't reach quorum or you know whatever else  
22 might be happening so I, but I, I, your point is  
23 well taken and we are you know continuing to  
24 improve upon it.

2 CHAIRPERSON FERRERAS: Thank you. I want  
3 to talk about the length of establishing a BID. Can  
4 you walk me through the longest process what's well  
5 the length, what part of that timeline is the  
6 longest and recommendations in which we can help  
7 expedite but also not taking away an opportunity  
8 for all those that need to voice their opinion on  
9 the process but you know in some cases we've heard  
10 from I think the, the fastest BID was probably in  
11 Flushing with Council Member Lou, well he's had  
12 many titles, at the time. That one seemed to be  
13 expedited so why did that one happen so efficiently  
14 and then we have some other BIDs that have kind of  
15 been talked about for years and haven't necessarily  
16 gotten into the space.

17 MICHAEL BLAISE BACKER: Yeah. So  
18 generally we say you know 18 months to two, two  
19 years is how long we've seen it take on average. I  
20 think two, I think you know the longest phase is  
21 really you know the outreach phase and actually  
22 educating and you know the stakeholders in an area  
23 and reaching out to them and making sure that, I  
24 mean you're doing, between doing a needs assessment  
25 to actually getting together you know a steering

2 committee and actually you know educating all the  
3 property owners and stakeholders about what the  
4 potential assessment would be so that it's very  
5 clear and transparent. It takes a considerable  
6 amount of time sometimes. I, you know I think it  
7 really depends a lot on how organized a group, the  
8 sponsoring entity might be so in some cases we do  
9 have a well-run you know local development  
10 corporation or merchant association sponsoring the  
11 formation and that usually involves paid staff and  
12 that involves just a lot more attention paid  
13 towards the effort overall. Other times it might be  
14 an idea and there's sort of a, you know a loose  
15 group of individuals that are just coming together  
16 for the first time and so that can take a lot  
17 longer.

18 CHAIRPERSON FERRERAS: So for the, for  
19 the council members that are trying to establish in  
20 your experience what's the best way to get this  
21 rolling or the, the way that it would get it more  
22 expedited most. Do you think it's by having a local  
23 organization already established or what have you  
24 seen?

2 MICHAEL BLAISE BACKER: Yes. I mean I'm  
3 not sure I would say it expedites it per say but I  
4 think yes having a local organization that you  
5 perhaps already have a relationship with and that's  
6 already well run and in most cases providing, you  
7 know it does require funding to make it happen. So  
8 I think again in some cases if it's a low to, low  
9 to moderate income area our merchant organizing  
10 funds or Avenue NYC could be eligible. Obviously  
11 discretionary funds could be used for that but I do  
12 think it actually you know requires a paid staff  
13 person working on this and not just you know an  
14 intern who might be there for a month or two and,  
15 and then you lose you know continuity in the  
16 efforts so I...[cross-talk]

17 CHAIRPERSON FERRERAS: Right and, and I  
18 think also the steering committee is usually  
19 comprised by business owners so they don't have the  
20 time to necessarily dedicate to all the outreach  
21 and, and the complexities. I wanted to talk about  
22 the assessments, not necessarily about how much  
23 they are but what happens if a property owner fails  
24 to pay his or her property taxes and BID  
25 assessment, if that causes a shortfall in the BID

2 revenue what happens to the services that the BID  
3 is supposed to provide. And to SBS's knowledge has  
4 this ever occurred?

5 MICHAEL BLAISE BACKER: So, so  
6 Department of Finance takes on the responsibility  
7 of collecting the BID charges and depositing the  
8 funds in the BID accounts in two payments, 50  
9 percent in July, and 50 percent in January. And you  
10 know this is critical for the BIDs because it  
11 allows them to better plan and to have you know  
12 funds in their accounts at the beginning of, of the  
13 year and to deliver services without interruption.  
14 So BIDs never receive a shortfall in their  
15 discernments. Department of Finance collects  
16 interest on delinquent BID payments and uses those  
17 funds to cover any potential shortfall. And city  
18 funds have never been used to cover BID payments.  
19 So the only time BIDs may receive less than their  
20 budget is when there's a billing error and the  
21 charges need to be cancelled. So SBS will work  
22 immediately with Department of Finance and the BIDs  
23 to resolve these situations but we advise the BIDs  
24 to maintain, you know generally at least two to  
25 three months of operating reserves that allow them

2 to continue operations in case something like that  
3 should happen. But Department of Finance might be  
4 able to speak to, you know to...

5 CHAIRPERSON FERRERAS: Yes.

6 MICHAEL BLAISE BACKER: ...all the nuances  
7 of that process.

8 CHAIRPERSON FERRERAS: So we'll follow  
9 up with the Department of Finance and Commissioner  
10 Gia... these questions also. I wanted to talk about  
11 the increases. I know that we just went through a  
12 slew of increases which is traditional for the  
13 committee to do for BIDs. Have you ever seen an  
14 opportunity or has there ever been an, a need to  
15 decrease an assessment for a BID?

16 MICHAEL BLAISE BACKER: So at the need...  
17 so, so a BID's board of directors of course is the  
18 one that determines its budget and therefore its  
19 assessment. So, so the, the, the cap that, that the  
20 council approves for their assessment is, is it,  
21 that, that's what it is is a cap. The board, the  
22 BID does not have to assess for that entire cap. So  
23 they always have the possibility to actually  
24 approve a budget that is below their cap at any  
25 time.

2 CHAIRPERSON FERRERAS: Oh I didn't,  
3 thank you that's interesting I didn't know that.  
4 Usually, I'm sure a lot of them budget for the cap  
5 because of the opportunities. But for example in  
6 some BID expansions right so if there's a BID  
7 that's expanding the current BID obviously is a, is  
8 assessed at a higher number potentially because  
9 it's more property owners trying to cover a budget  
10 so now we expand the BID. But, so how, how is the  
11 existing BID debt with when they have a decrease?  
12 Obviously I'm sure they're happy potentially but  
13 if... okay... [cross-talk] Yeah, I saw you're face. So  
14 let's say there's a BID that's assessed at 90  
15 dollars right but now with the...

16 MICHAEL BLAISE BACKER: Gotcha.

17 CHAIRPERSON FERRERAS: ...expansion  
18 there's more people that are going to cover that  
19 budget.

20 MICHAEL BLAISE BACKER: Gotcha.

21 CHAIRPERSON FERRERAS: So it's not going  
22 to be 90 dollars, it's going to be shared 70  
23 dollars. So how does, what's the internal metrics  
24 to make sure or correction that these, the original  
25



2 business owners are not charged at 90 and the new  
3 guys are at 70?

4 MICHAEL BLAISE BACKER: So when, so in  
5 that particular case again the, the approved BID  
6 budget is divided among all the properties in the  
7 district according to the BID's assessment formula  
8 so as, I guess to your point if the area grows and  
9 the BID, the BID assessment does not grow then each  
10 property owner's paying less. So if, so in many  
11 cases if there is an expansion I guess just I a  
12 recent example Fordham Road.

13 CHAIRPERSON FERRERAS: Mm-hmm.

14 MICHAEL BLAISE BACKER: Right. So they  
15 did expand by just two properties and at the same  
16 time they also passed an increase in their  
17 assessment so that they weren't dropping the  
18 assessment across the board but actually  
19 maintaining it for property.

20 CHAIRPERSON FERRERAS: Okay thank you.  
21 Council, Chair Cornegy.

22 CO-CHAIRPERSON CORNEGY: So god forbid a  
23 small business hearing would come to a close  
24 without me mentioning Chamber on the Go. So I want  
25 to take this opportunity to ask you if, you know

2 the, the Chamber on a Go was designed to meet the  
3 needs of small businesses that did not have BIDs  
4 and did not have merchants associations. Are you  
5 including your materials on the Chamber on the Go  
6 and pushing for consolidation or solidarity around  
7 the idea that if you are on, you know if Chamber on  
8 the Go is on one of those commercial thoroughfares  
9 or commercial corridors that does not have a BID  
10 are you giving them BID materials as they visit?

11 MICHAEL BLAISE BACKER: I would give it...  
12 like BID organizing materials for those groups? I,  
13 I mean I think that's a great idea but I would need  
14 to get back to you to know for certain that that is  
15 happening. I mean we certainly provide you know SBS  
16 materials but to know that there's specifically  
17 receiving ones around BID formation I'm not  
18 certain.

19 CO-CHAIRPERSON CORNEGY: So my original  
20 question was how do you promote the program and  
21 solicit applications but that was my attempt at  
22 weaving in Chamber on the Go...

23 MICHAEL BLAISE BACKER: Ah.

24 CO-CHAIRPERSON CORNEGY: ...into that  
25 question. So the original question is... the original

2 question is how do you promote the program and  
3 solicit applications in that, obviously there's a  
4 subtle suggestion in there that... [cross-talk]

5 MICHAEL BLAISE BACKER: Yeah.

6 CO-CHAIRPERSON CORNEGY: ...you do it...

7 [cross-talk]

8 MICHAEL BLAISE BACKER: I guess I was  
9 addressing them specifically with BIDs. I mean BID  
10 formation is sort of a unique thing we don't  
11 obviously have an application for but certainly  
12 with Avenue NYC which our... for that will go out I  
13 think in just over a week for the next year. So we  
14 will certainly get that information out to the  
15 committees. But certainly we, we will use all  
16 channels available to get that information out.

17 CO-CHAIRPERSON CORNEGY: Thank you.

18 CHAIRPERSON FERRERAS: Thank you. We  
19 have some more questions but we're going to follow-  
20 up in a letter with you so that you can follow-up  
21 with us. I ask that you get back to us as soon as  
22 possible, really soon before the holidays would be  
23 awesome. So, because we're not going to ask them  
24 here. We want to call up the next panel. Thank you

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2 so much for testifying today and for allowing us  
3 this, this oversight opportunity on NDD. Thank you.

4 MICHAEL BLAISE BACKER: You're welcome.  
5 Thank you.

6 CHAIRPERSON FERRERAS: We're going to  
7 call up the next panel. Andrew Steiniger [sp?] I'm  
8 sorry, oh I did, oh good. My last name is Ferreras  
9 so I've been through everything. Oh, this is just...  
10 so we're just going to have him on the panel and  
11 then we're going to bring up the next one. Alex  
12 Felman of WEDco, Doctor Kerry Goodman 161<sup>st</sup> BID  
13 come on up, and Michael Lambert of the Bed-Stuy  
14 Gateway BID, New York City BID Association...  
15 something else, Assistant Director. ...testimony to  
16 the Sargent of Arms. SBS, someone staying behind?  
17 Oh, there you go. Thank you. You may begin your  
18 testimony in the order you were called up. Oh I'm...  
19 we're assessing whether we have to swear you in. I  
20 think we're going to be okay without having to swear  
21 you in. The administration, they're the ones that  
22 we have a little question about. You may begin your  
23 testimony.

24 ANDREW STEINIGER: ...Brooklyn Chamber of  
25 Commerce who sends his personal greetings to you

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2 both and to the committee. The Brooklyn Chamber is  
3 a membership based business assistance organization  
4 which represents the interests of nearly 2,000  
5 member businesses as well as other businesses  
6 across the borough and the city of New York. The  
7 Brooklyn Alliance is the non-for-profit economic  
8 development organization of the chamber which works  
9 to address the needs of businesses to direct  
10 business assistance programs including business  
11 solution center, the NYC Business Solution Center,  
12 Good Help Health Works, the Brooklyn Tourism  
13 Initiative Explore Brooklyn, the Brooklyn  
14 Industrial Program that we call Brooklyn Made, the  
15 Navigator, we are the King's County affordable  
16 navigator operator in Brooklyn and of course  
17 Brooklyn Health Works. We thank you both Chairs  
18 Ferreras and Cornegy for inviting us to testify  
19 today. Today's hearing focusing on SBS's  
20 neighborhood development division and programs it  
21 administers. I'd also like to express the  
22 organization's admiration for the SBS Commissioner  
23 Maria Torres Springer and her Deputy at the NDD  
24 Blaise Backer both of whom we maintain an active  
25 and very engaging relationship with as well as

2 depend on them for guidance and input. The Brooklyn  
3 Alliance's Neighborhood Entrepreneurship Program,  
4 we work to address needs of small businesses by  
5 providing neighborhood shopping districts. Many  
6 traditionally underserved communities with  
7 comprehensive technical assistance and direct  
8 business support services. However this assistance  
9 that we provide to businesses would absolutely not  
10 be possible. Without the support and mentorship of  
11 the NDD which they have been providing directly  
12 financially since 2001 and even further back  
13 through technical assistance through their Avenue  
14 NYC program. We are an Avenue NYC recipient, we are  
15 an awardee. The alliance is currently engaged on  
16 both Havemeyer Street in Southside Williamsburg and  
17 in Midwood. With this funding we were able to  
18 facilitate a number of economic and community  
19 development initiatives such as coordinating  
20 merchant meetings, building structures to create  
21 sustainable merchant organizations, conducting  
22 outreach to increase merchant participation,  
23 coordinating weekend walks, assisting organization  
24 campaign such as the holiday shopping and street  
25 cleaning, supplemental sanitation services. And

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2 furthermore we have used this support and you had  
3 touched on this briefly in your questions to  
4 leverage private resources to serve an additional  
5 11 neighborhoods across Brooklyn focusing on LMI  
6 and Sandy impacted areas. With the active  
7 involvement of NDD and the partnership with local  
8 city council members we are working hard to form  
9 Business Improvement Districts in areas where both  
10 the property owners and businesses and the council  
11 members have asked us to; 7<sup>th</sup> Avenue in Park  
12 Slopes, 13<sup>th</sup> Avenue Dyker Heights, and Court Smith  
13 Street in Carroll Gardens. We are actively managing  
14 two BIDs, north Flatbush Business Improvement  
15 District and the Flatbush Junction Business  
16 Improvement District. Some specific neighborhood  
17 projects that we have also facilitated, facilitated  
18 thanks to SBS include the Crown Heights... families  
19 zone study, the Sheepshead Bay economic development  
20 Study, the Brooklyn Go Digital Boot camp, our  
21 Passport to Red Hook, Passport to Dumbo, Passport  
22 to Myrtle Avenue, 12 Days of Shopping on Louis  
23 Avenue, and of course let me just skip to the most  
24 important of them all with a very shameless plug  
25 and a big debt of gratitude to the council the

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2 Brooklyn Chamber on the Go. This is of course  
3 thanks to someone on the panel, Mr. Cornegy thank  
4 you and of course to all your colleagues on the  
5 city council where we bring business services  
6 directly into the stores of businesses, in areas  
7 that both have merchant associations BIDs, but also  
8 those that do not. Suffice to say the Neighborhood  
9 Development Division is a vital resource for  
10 economic development entities such as ours. They  
11 are... key support a mechanism for communities that  
12 may not have adequate resources to organize  
13 merchants, enhance streetscapes, and drive economic  
14 activity in their commercial hubs. The Brooklyn  
15 Chamber wants to thank, thanks you for facilitating  
16 this hearing and we look forward to continuing to  
17 work with our NDD and the New York City Council to  
18 provide businesses with the support that they  
19 desperately need to thrive and be successful. Thank  
20 you.

21 ALEX FELMAN: Good morning and thank you  
22 for having me this morning. My name is Alex Felman  
23 and I am the Social Enterprise Coordinator at  
24 WEDco, the Women's Housing and Economic Development  
25 Corporation in the Bronx. I'm here to share our



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2 experience building small businesses in the Bronx  
3 and working with the Department of Small Business.  
4 So for more than two decades the Women's Housing  
5 and Economic Development Corporation, WEDco, has  
6 helped hundreds of entrepreneurs get their  
7 businesses off the ground. We train over 500  
8 childcare business owners each year. We have  
9 launched 168 food entrepreneurs from the Urban  
10 Horizon's Incubator Kitchen. We have reduced the  
11 commercial vacancy rate on the South Bronx'  
12 Southern Boulevard Commercial Corridor by more than  
13 10 percent and we've started a merchant's  
14 association there with 38 members. And we have  
15 trained over 250 perspective green cart produce  
16 vendors. These new small businesses provide jobs  
17 and incomes to their owners and employees and  
18 deliver much needed goods and services to community  
19 residents. We have partnered with the New York City  
20 Department of Small Business Services, SBS on many  
21 of our small business programs. Since 2008 we have  
22 received Avenue NYC grants to support our work with  
23 the Southern Boulevard Merchant Association which  
24 includes organizing merchants and community members  
25 to create a more vibrant economically successful

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2 commercial corridor and attracting new businesses  
3 to the fast growing surround neighborhoods of  
4 Morrisania and Melrose. In 2013 we were awarded a  
5 neighborhood challenge grant that allowed us to  
6 build our first Boogie Down Booth that was  
7 mentioned in SBS' testimony before, thank you for  
8 the shout out. So the Boogie Down Booth is a  
9 temporary street installation we piloted to  
10 activate underutilized space under the elevated  
11 train with seating for pedestrians, solar powered  
12 lighting, 24/7 music from local Bronx musicians and  
13 connections to local history, business, and arts.  
14 And for the past two years we have been a member of  
15 the NYC Small Business Technology Coalition,  
16 SBTech, a partnership sponsored by city community  
17 development between SBS and five New York City non-  
18 profits to provide technology training such as  
19 computer basics, marketing and financial reporting  
20 to help hundreds of small business owners in all  
21 five boroughs use technology more effectively to  
22 manage and grow their businesses. We are grateful  
23 for the support from SBS that has enabled us to  
24 serve hundreds of small business owners in the  
25 South Bronx. From our experience we have learned

2 the critical role that technical assistance can  
3 play for first time business owners, especially  
4 those from low income backgrounds. We have  
5 developed a hyper local approach that energizes  
6 entrepreneurs' neighborhood knowledge and helps  
7 define niche markets to weave a strong retail  
8 sector. We have seen how economic security can help  
9 micro-entrepreneurs overcome multiple barriers  
10 including language and education. Yet many barriers  
11 persist. Differences in culture and communication  
12 stand between some entrepreneurs and critical  
13 assistance. Money management skills are lacking.  
14 Some small business requires access to new  
15 financial resources, low in, low interest startup  
16 capital and mainstream banking services, all of  
17 which are scarce in the Bronx. We suggest the  
18 following policy recommendations that will help  
19 micro entrepreneurs especially those from low  
20 income backgrounds start or grow their businesses.  
21 Encourage mainstream banking institutions to offer  
22 more small business services in low income areas.  
23 The Bronx has fewer banks and credit unions but  
24 more payday lenders and cash, check casher than the  
25 rest of the city. The responsible banking act which

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2 was passed by the New York City council in 2012 but  
3 has yet to be implemented is a first step towards  
4 encouraging banks to provide more services in  
5 underserved neighborhoods. The law requires banks  
6 that do business with the city to publicize  
7 information about the services they provide in low  
8 income communities and will encourage the city to  
9 work with banks that provide the best services to  
10 low income neighborhoods. Create new sources of  
11 funding for local small businesses like simple  
12 affordable lines of credit, competitive grants or  
13 low interest loans, risk capital, micro financing,  
14 or alternative forms of capital like providing  
15 equipment instead of monetary grants support  
16 community based organizations that support low  
17 income entrepreneurs. Many immigrant entrepreneurs  
18 come from cultures or countries where they do not  
19 borrow money from institutions or expect to get  
20 assistance, let alone free assistance from  
21 government or non-profit organizations. They often  
22 are not connected to traditional social service  
23 networks. Connecting these business owners to  
24 resources requires building trust which community  
25 based organizations have already worked hard to

2 establish. The city could better serve these small  
3 business owners by supporting the work of community  
4 agencies and community developers who work daily to  
5 build trust with residents and local entrepreneurs  
6 and introduce them to vital business supporting  
7 networks. Bring services directly to small business  
8 owners. Currently the city's small business  
9 solution centers are only open on weekdays from  
10 9:00 a.m. to 5:00 p.m. with extended hours one day  
11 per week. Micro entrepreneurs, especially sole  
12 proportions are often running their own businesses  
13 during these hours and cannot afford to close up  
14 shop and potentially lose revenue to seek services.  
15 We find that marketing computer and financial  
16 assistance are among the top areas of need. SBS  
17 should create a mobile unit that can visit shop,  
18 shop keepers at their place of business. A similar  
19 mobile model could be used to bring banking  
20 services to underserved areas. Bank officers could  
21 provide financial counselling, assist in completing  
22 loan applications, and guide new business owners  
23 through online banking services during on-site  
24 visits. Finally SBS should spearhead the creation  
25 of a website to meet Bronx entrepreneurs' dire need

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2 for information about where to access low and no  
3 cost business services in the Bronx and citywide.  
4 Provide sector specific small business services. We  
5 have found generic small business support to be  
6 less effective in helping low income entrepreneurs  
7 get off the ground. Our most successful micro  
8 entrepreneurs start with a clear vision for their  
9 product, our staff helped them to assess the market  
10 for that product, provide tailored advice and help  
11 entrepreneurs to navigate the legal and regulatory  
12 challenges relevant to that products industry. This  
13 is a model that could be replicated citywide.  
14 Finally promote self-employments as a viable form  
15 of employment. Traditional workforce development  
16 programs like those run by SBS do not adequately  
17 promote entrepreneurship as a viable option for job  
18 seekers. However starting a business can provide a  
19 source of income and the development of marketable  
20 skills especially in the Bronx which has the  
21 highest rate of unemployment in New York City.  
22 Workforce development and job placement centers  
23 should promote entrepreneurship as a pathway to  
24 economic security. We have found entrepreneurship  
25 though food and childcare to be the most successful

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2 sector specific pathways among those we served thus  
3 far. But we see the arts and technology as ever-  
4 growing links to new opportunities. Before I close  
5 I'd just like to mention that last week WEDco was  
6 honored by a visit from the President of the New  
7 York FED. And in conjunction with that visit we  
8 actually produced a report Building Small  
9 Businesses in the Bronx which goes into more detail  
10 for, some of the recommendations that I presented  
11 today and I've provided a copy of that report for  
12 you today. Thank you.

13 DOCTOR GOODMAN: Hi, I'm Doctor Kerry  
14 Goodman, Executive Director of the 161<sup>st</sup> Street  
15 BID. Madam Chairwoman I started my career here 40  
16 years ago on the 16<sup>th</sup> floor at a desk around the  
17 corner from Gale Brewer, now Manhattan Borough  
18 President. And there was a considerable amount of  
19 gap between then and my more recent work which has  
20 brought me back here and in fact I testified before  
21 the Small Business Committee of the Council in  
22 2011-12 with now Deputy Borough President Diana  
23 Reyna in your chair. So I actually really in, in  
24 Council Member Cornegy's chair. Anyway I'm  
25 delighted to be back here to talk about sort of how

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2 we view the BIDs and the BID community and I think  
3 this will be substantially different than what I've  
4 heard for the hours of testimony prior to this. I  
5 represent a BID where the property owners are  
6 essentially small realtors, small businesses and,  
7 and the definition of small there is they own a  
8 building or two or three, they're not related or...  
9 Where the businesses there are tailors or maybe  
10 delis there not up to 200 and some odd people, it's  
11 an entirely different landscape and the kind of BID  
12 that I have is the majority BID in New York City.  
13 We all almost only have one staff person. We all  
14 almost only have a budget that is a fraction of  
15 what we could use to really make a vibrant  
16 neighborhood built around the BID. And so I'm here  
17 today to really sort of call upon the council to  
18 thank about this sort of tale of two BIDs that,  
19 that sort of is the landscape across the city's 70  
20 of them. There are programs that SBS has that  
21 they've designed to assist BIDs but those programs  
22 were designed and developed in previous  
23 administration where the goal was to create more  
24 BIDs to really expand the network of BIDs. And so  
25 the model of how you organize BID and how you, how



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2 the city relates to those BIDs was created to suit  
3 the first BIDs, Times Square, Union Square, the big  
4 corporate BIDs. And those of us who were in  
5 community BIDs we struggle to meet the  
6 documentation requirements, the licensing  
7 requirements. To hold the street fair it probably  
8 takes about a, I'd say almost a month of my work to  
9 get a street fair through the processes. So we're  
10 an entirely different sort of element and I'm here  
11 today to make a suggestion to the council about how  
12 SBS and the council working together, the Speaker's  
13 Office and Mayor's Office working together could  
14 sort of energize the community BIDs that are at  
15 Sutphin Boulevard or Pitkin Avenue or in Sutphin  
16 Boulevard in the Bronx, just all over the city. I'd  
17 like to see the city council create a program  
18 whether at the initiative at the speaker or within  
19 the context of these other revenue streams that  
20 already exist that provides matching funds. In  
21 other words in, in every community BID there were  
22 people who were saying we believe in this, in this  
23 neighborhood. We're going to tax ourselves above  
24 and beyond what we have to. That's really kind of a  
25 crazy you know phenomena. These people want to pay

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2 more taxes and I'd like to see the city step up and  
3 say we're going to match that either on a dollar  
4 for dollar basis or a ratio to be determined by how  
5 little. But for example 53 thousand dollars for a  
6 BID to be what; sweep the streets, create holiday  
7 lights, market the BID, have an office, respond to  
8 documentation? Impossible. And so really to see the  
9 BID as an element of the mayor's overall economic  
10 development strategy with neighborhoods being built  
11 in a five borough wide capacity I think there's  
12 that component, a whole new different revenue  
13 stream, matching funds, and secondly SBS, you've  
14 heard from, I think even testimony by the agency  
15 these 200 or 300 people are located in you know  
16 lower Manhattan. But the businesses are all over  
17 the city and there's rarely any personal interface  
18 between the two. I heard I think in the, in the  
19 chairman of SBS's Small Business Committee's  
20 report, what is the outreach effort? It's initial  
21 and it's episodic at best. Almost, I have 150  
22 businesses in my BID, none of them have ever had  
23 the opportunity to avail themselves of the  
24 workshops of the technical, to to say they're not  
25 valuable, not to say they're not important, but

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2 they're in southern tip of Manhattan during a time  
3 right, they're selling a, a sandwich or you know  
4 selling some garments. So you know I really want to  
5 urge them sort of a strategy that the council could  
6 take leadership in and sort of redeploying those  
7 people who... you know I know many of them have a lot  
8 of marketing skills, send them out, assign them to  
9 a BID and let them help that BID market, business  
10 attraction, business retention, marvelous. So  
11 anyway thank you so much for your indulgence and I  
12 appreciate the opportunity to return.

13 CHAIRPERSON FERRERAS: Thank you so much  
14 and thank you for expressing your concerns. Both  
15 the Chair and I have been in discussions of  
16 different ideas and different things to do  
17 understanding the challenges. And since we both  
18 represent outer boroughs or the other boroughs  
19 we're very sensitive to those needs. We've been  
20 joined by Council Members Will and Ulrich. And now  
21 you may begin your testimony.

22 MICHAEL LAMBERT: So good afternoon  
23 everyone. I'm going to probably try maybe even  
24 connect some of the dots that Kerry mentioned  
25 because I think there is a lot of work to be done

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2 but I think that one thing I'm here to do is really  
3 speak on behalf of myself personally and basically  
4 the support that I've got from the very, many  
5 different programs from Department of Small  
6 Business Services while working Bedford-Stuyvesant  
7 right now where we do have an Avenue NYC grant and  
8 a Neighborhood Challenge Grant and to the work I've  
9 done previously. So good afternoon. My name is  
10 Michael Lambert. I'm the executive director of the  
11 Bedford-Stuyvesant Gateway Biz Improvement  
12 District. It's home to about 400 small businesses  
13 along Fulton Street between Troy and Classon  
14 Avenues and along Nostrand Avenue from Atlantic  
15 Avenue to Halsey Street in the central Brooklyn  
16 neighborhood of Bedford-Stuyvesant. I also serve as  
17 the co-chair of the New York City BID Association  
18 which is a member organization of the city's BID  
19 directors created to collectively address issues  
20 faced by the city's BIZ improvement districts. I  
21 would like to thank Mayor de Blasio, Small Business  
22 Committee Chair Cornegy, Finance Committee Chair  
23 Ferreras and the other members of the Council's  
24 Committees on Small Biz and Finance for giving me  
25 the opportunity to testify here at today's hearing.

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2 As a BID director I'm in charge of executing  
3 programing that keeps my commercial district clean,  
4 safe, and marketed while also providing other forms  
5 of assistance to the many businesses and property  
6 owner stakeholders in my district. Providing  
7 service... often enhanced by the additional resources  
8 provided through the relationships with the  
9 Department of Small Business Services, two BIDs and  
10 community development agencies across the city. As  
11 a new leader in the Field of Economic, I'm sorry,  
12 excuse me. Four years ago I transitioned from a  
13 career in healthcare administration a career in  
14 community and economic development when I took on a  
15 role as an executive for Bronx based community  
16 development program. In addition to overseeing a  
17 small neighborhood BID under that program I was  
18 also charged with helping merged in three  
19 commercial corridors develop capacity to access  
20 resources that would help them improve economic  
21 conditions in their neighborhoods. As a new leader  
22 in the field of economic and community development  
23 who had previously spent over two decades running  
24 ambulatory healthcare programs I came to rely on  
25 many of the programs from the Neighborhood

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2 Development Division of the Department of Small  
3 Businesses Services to help ensure that my career  
4 transition was both soon as possible and as  
5 successful as possible. In my new role I inherited  
6 two SBS Avenue NYC grants; one to revitalize a once  
7 thriving but then dormant merchant association in  
8 the Norwood Section of the Bronx actually Fernando  
9 Torrado [sp?] who actually was a district manager  
10 in Community Board 7 was also very instrumental in  
11 helping me execute some of those initiatives with  
12 that Avenue NYC grant. They, that merchant  
13 association been created in the 1950s and there was  
14 another grant to facilitate the creation of  
15 merchant association in the Kings... Road area of the  
16 Bronx. In the case of the 50 plus year-old East  
17 204<sup>th</sup> Street and Bay... Avenue Merchant Association  
18 in Northwest Bronx whose membership and moral was  
19 decimated due to two devastating fires. I was able  
20 to utilize the Avenue NYC funding to increase  
21 Merchant Membership in the Association from two  
22 members to approximately 20 very active members to  
23 restructure the association's leadership to include  
24 new and energetic officers who demonstrate a strong  
25 commitment to improving the corridor to implement a

2 due structure that's all funds raised which for the  
3 first time in about a decade resulted in the return  
4 of holiday lights to the commercial strip. That  
5 became the talk at several neighborhood meetings  
6 that year and instilled a reenergized sense of  
7 pride in the community. Presently that holiday  
8 lighting program has been expanded to more blocks  
9 under the leadership of the revitalized merchant  
10 association that's... thriving right now. In the case  
11 of the Kingsbridge Road March Association Avenue  
12 NYC funding was used to grow the membership of the  
13 merchants and bring greater awareness to the  
14 organization as the official voice of the small  
15 business community along Kingsbridge Road from the  
16 Grand Concourse to Cedric Avenue in the Northwest  
17 Bronx. In addition to helping grow the  
18 association's membership the SBS Avenue NYC  
19 merchant organizing and subsequent capacity  
20 building grants also saw the merchant group grow  
21 marketing and promotional efforts exemplified by  
22 their moving from the execution of it was a very  
23 small and limited sidewalk sale including a handful  
24 of merchants to their current annual street  
25 festival which is a fundraising event that actually

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2 attracts an estimated 3,000 individuals now.

3 Additionally the merchants have increased their  
4 annual programming to include a winter holiday tree  
5 lighting event that also attracts hundreds of area  
6 residents to... commercial corridor as well. And  
7 those are only a couple of the examples of some of  
8 the benefits that have come from the Avenue NYC  
9 program to those two specific corridors. The Avenue  
10 NYC program's additional grants available to CDB  
11 eligible areas so... their retail attraction program  
12 has been instrumental in reducing vacancy rates  
13 and, and increasing the retail mix in several  
14 neighborhoods across the city. Another key  
15 neighborhood development division program is the  
16 SBS Coro Neighborhood Leadership Program which has  
17 provided me with invaluable training and access to  
18 other colleagues in the field of neighborhood and  
19 economic development who have enhanced my ability  
20 to excel in my prior role as executive director of  
21 a small retail base BID in the Northwest Bronx and  
22 now as the Executive Director of a medium sized BID  
23 in Bedford-Stuyvesant and the Co-Chair of the New  
24 York City BID Association. The Neighborhood  
25 Leadership Program fostered comradery between



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2 myself and other economic and community development  
3 leaders from various areas. In addition to help  
4 building strong, a strong network of colleagues in  
5 the fields of economic and neighborhood development  
6 who were able to learn from each other, support  
7 each other, share best practices, and help each  
8 other realize their economic and community  
9 development goals and objectives the SBS Coro  
10 Neighborhood Leadership Program provides a  
11 framework to allow me to be, to make an, take an  
12 introspective look at myself as a leader in the  
13 field of economic development and neighborhood  
14 development. In addition the program has provided  
15 me with a framework that helps me better manage  
16 stressful situations to deal with, to develop  
17 solutions for adaptive problems to actively listen,  
18 to focus on facts, and to better manage my work  
19 life balance. These are elements that have allowed  
20 myself and my fellow neighborhood leadership alumni  
21 to grow and excel in our respective programs.

22 Council Member Ferreras just to take it back to you  
23 I had... exchange with Seth this morning, the Former  
24 Director of the 82<sup>nd</sup> Street... regards. Seth is also  
25 my roommate from the Coro program as well. And one

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2 thing I wanted to highlight was also his leveraging  
3 of the Neighborhood Challenge Grant that, that was  
4 received in Jackson Heights which is a competitive  
5 grant program that I believe was spoken about  
6 earlier before I got here and it was designed to  
7 bring key improvements and programs to economic  
8 development corridors across the city. Utilizing  
9 funding from the neighborhood challenge the 82<sup>nd</sup>  
10 Street partnership was able to cover soft cost  
11 related to items like design, drawing, and permits  
12 to facilitate the leveraging of over 150 thousand  
13 dollars of total investment into 10 storefronts  
14 with property and business owners paying the  
15 related construction costs. Not only did this  
16 result and improve aesthetics but it also resulted  
17 in the correction of more than 20 LPC violations.  
18 This is one of many examples of how the  
19 neighborhood challenge program is improving  
20 commercial corridors across the city. In summation  
21 the SBS neighborhood development programs are  
22 effective programs that provide outcome based  
23 benefits to many of the New York City neighborhoods  
24 that we have been charged with improving. If  
25 there's any way the council can assist in further

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2 expanding these programs I am sure that many more  
3 New York City's commercial corridors will benefit  
4 greatly. Thank you again for allowing me to testify  
5 this morning.

6 CHAIRPERSON FERRERAS: Thank you very  
7 much for your testimony and I appreciate all the  
8 different perspectives that you each brought. I  
9 think it speaks to the diversity of services that  
10 the city has through the different SBS program. I  
11 just also wanted to follow-up thank you Mr. Goddard  
12 the executive director of the N, the NDDs who  
13 provided me with a telephone number, his probably,  
14 for anyone that has any BID related questions,  
15 concerns, visioning, or anything. You can just call  
16 him. His number is (212)513-9256, (212)513-9253 or  
17 you can email him at Kgoddard, G O D D A R D, at  
18 SBS dot NYC dot gov. My Chair, Co-Chair.

19 CO-CHAIRPERSON CORNEGY: I just want to  
20 thank you all for your testimony. But I wanted to  
21 point out Ms. Felman and to Doctor Goodman one of  
22 the things you mentioned was the ability, the  
23 inability for what we determine to be micro  
24 businesses to get, to participate in vast array of  
25 services. So again I would remiss if I didn't

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2 mention Chamber on the Go. I, I suggested the  
3 gentleman sitting to your right you exchange cards  
4 with. He can have that vehicle.

5 [background comments] [cross-talk]

6 CO-CHAIRPERSON CORNEGY: No it's a five  
7 borough initiative. And if it hasn't reached you  
8 yet it's coming to a district near you. But you  
9 should, you should make sure to...

10 [cross-talk] [background comments]

11 CO-CHAIRPERSON CORNEGY: Absolutely.

12 [background comments]

13 CO-CHAIRPERSON CORNEGY: And Vanessa  
14 will absolutely make that happen but that, the, the  
15 program was designed based on those needs that you  
16 just articulated.

17 [background comments]

18 CHAIRPERSON FERRERAS: Okay and if I  
19 could just ask. On the... I have a very noisy  
20 elevated train myself and I thought it was very  
21 creative and it was kind of passed through very  
22 quickly but can you speak to how it's addressed the  
23 noise or mitigated some of the congregating areas  
24 in, in, in the area where you are?

25

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2 ALEX FELMAN: Sure. So yes, so the  
3 Boogie Down Booth was part of a, a program... we...  
4 [cross-talk]

5 CHAIRPERSON FERRERAS: I couldn't quite  
6 remember the name so I... [cross-talk]

7 ALEX FELMAN: Yes.

8 CHAIRPERSON FERRERAS: ...was like it's  
9 the...

10 ALEX FELMAN: The Boogie, the Boogie  
11 Down Booth in the Boogie Down Bronx. Yes, it's, it  
12 is a physical structure that's placed underneath  
13 the elevated train at the Freeman stop of the 2-5  
14 line in the Bronx. So it is a covered area where  
15 you can sit. The covering has directional speakers  
16 that play music that is produced by artists from  
17 the Bronx. And the directional speakers mean that  
18 when you are directly under it, meaning if you're  
19 sitting at the Booth you hear the music and you  
20 don't hear the train. It actually does a pretty  
21 good job of covering the noise from around you. But  
22 the directional part means that if you're standing  
23 just a few feet away from the booth you don't hear  
24 the music so that way the booth is not contributing  
25 to the general clamor and noise that's around the

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2 area. Instead it, it provides sort of haven where  
3 you can go and, and hide from the other noise while  
4 still participating in the street life. It also has  
5 lighting, the booth is powered by solar panels so  
6 it has lighting which adds a level of safety to an  
7 otherwise sort of barren and dark corner. So we  
8 unfortunately the first Boogie Down Booth, it was  
9 always meant to be a temporary project. We've  
10 already completed the first booth and it's been  
11 taken down temporarily. We're hoping that early  
12 next year we're going to move it further up  
13 southern boulevard for the second location and we'd  
14 like to continue reproducing them around the Bronx.

15 CHAIRPERSON FERRERAS: I think it's a  
16 fascinating idea and would love to follow up and  
17 see if we can do some...

18 ALEX FELMAN: Yeah.

19 CHAIRPERSON FERRERAS: I don't know if  
20 we could call it Boogie Down in Queens but... [cross-  
21 talk]

22 ALEX FELMAN: Probably not.

23 CHAIRPERSON FERRERAS: But we could  
24 figure... [cross-talk] the cool out box or speaker or  
25 whatever...

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2 [cross-talk]

3 UNKNOWN MALE: Madam Chair since I see  
4 that my colleagues are taking the opportunity to  
5 brag about their districts I'd like to mention that  
6 this is the exact cap that I was wearing when I met  
7 Derek Jeter when he came to our district, when we  
8 had the Gatorade commercial that became the most  
9 widely viewed commercial in the history of YouTube.

10 CHAIRPERSON FERRERAS: Got it. Thank  
11 you.

12 UNKNOWN MALE: This hat.

13 CHAIRPERSON FERRERAS: Thank you for the  
14 plug. I represent the Mets so... we don't have as  
15 much wonderful stories. But I thank you and this  
16 hearing was one that we were very, it was exactly  
17 what we were looking for, for, when it comes to  
18 oversight and please continue. We're going to  
19 continue to have these conversations here. And your  
20 testimony's important so that when we go back to  
21 our colleagues when, especially when we talk about  
22 the budget and things that need to be reflected  
23 your voice is very important. So thank you very  
24 much. Thank you all for coming today to, for your  
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1 COMMITTEE ON FINANCE JOINTLY WITH COMMITTEE ON SMALL BUSINESS  
128  
2 testimony or to watch our hearing and I'll call  
3 this meeting to adjourn. Alright.

4 [gavel]

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date December 16, 2014