

THE COUNCIL OF THE CITY OF NEW YORK

Hon. Melissa Mark-Viverito
Speaker of the Council

Hon. David Greenfield
Chair, Committee on Land Use



Report on the Mayor's 2017 Preliminary Budget and the Fiscal 2016 Preliminary Mayor's Management Report Landmarks Preservation Commission March 29, 2016

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Landmarks Preservation Commission Overview

The Landmarks Preservation Commission (LPC or the Commission) designates, regulates and protects the City's 1,351 individual architectural, historic and cultural landmarks, more than 34,000 properties in 114 historic districts, and 23 extensions to existing historic districts. The Commission reviews applications to alter landmark structures, investigates complaints of illegal work, and initiates action to compel compliance with the Landmarks Law.

This report provides a review of the LPC's Preliminary Budget for Fiscal Year 2017. In the first section, the highlights of the expense budget are presented. The report provides a financial summary of the Commission's budget as well as reviews highlights regarding the agency's contract and revenue budget. The report then provides analysis of significant changes and budget actions included in the Preliminary Budget and reviews relevant sections of the Preliminary Mayor's Management Report for Fiscal 2016.

Fiscal 2017 Preliminary Budget Highlights

LPC Expense Budget						
	2014	2015	2016	Preliminary Plan		*Difference
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	2016	2017	2016 - 2017
Personal Services	\$4,315	\$4,415	\$5,283	\$5,280	\$5,419	\$136
Other Than Personal Services	428	366	460	562	701	241
TOTAL	\$4,743	\$4,781	\$5,743	\$5,842	\$6,120	\$377

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.*

The City's Preliminary Fiscal 2017 Budget is \$82.1 billion, \$3.6 billion more than the Fiscal 2016 Adopted Budget of \$78.5 billion. LPC's Fiscal 2017 Preliminary Budget totals \$6.1 million, representing less than one percent of the City's total Budget. The Department's Fiscal 2017 Preliminary Budget is \$377,000 or nearly seven percent more than the Fiscal 2016 Adopted Budget of \$5.7 million. The Preliminary Plan includes funding for collective bargaining and mayoral costs, as well as costs associated with relocating the Commission to a new City building.

The key action affecting the agency's proposed plan:

- **Historic American Buildings Survey (HABS).** The Fiscal 2017 Preliminary Plan includes \$25,000 in Fiscal 2016 for LPC's Environmental Review Unit to hire contractors to conduct Historic American Buildings Survey (HABS) photographic documentation of historic buildings and structures on the State/National Register of Historic Places that are being demolished.

Financial Summary

LPC Financial Summary						
<i>Dollars in Thousands</i>						
	2014 Actual	2015 Actual	2016 Adopted	Preliminary Plan		*Difference
				2016	2017	2016 - 2017
Spending						
Personal Services	\$4,315	\$4,415	\$5,283	\$5,280	\$5,419	\$136
Other Than Personal Services	428	366	460	562	701	241
TOTAL	\$4,743	\$4,781	\$5,743	\$5,842	\$6,120	\$377
Funding						
City Funds	\$0	\$0	\$5,164	\$5,175	\$5,527	\$363
Federal - Community Development	0	0	579	667	593	\$14
TOTAL	\$4,743	\$4,781	\$5,743	\$5,842	\$6,120	\$377
Budgeted Headcount						
Full-Time Positions - Civilian	59	68	70	70	70	0

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.*

The Commission's funding sources for Fiscal 2017 consist of \$5.5 million in City tax-levy funds and \$593,000 in federal Community Development Block Grant (CDBG) funds. LPC's Fiscal 2017 Preliminary Budget reflects a 6.6 percent increase in spending over the Fiscal 2016 Adopted Budget of \$5.7 million.

Contract Budget

The New York City Charter mandates the preparation of a Contract Budget to identify expenditures for contractual services, which are defined as any technical, consultant or personal service provided to the City by means of a contract. The Contract Budget is actually a subset of the OTPS portion of the City's Expense Budget. The Administration prepares a Contract Budget twice each fiscal year. In January, it is prepared with the Departmental Estimates, and in late April it is submitted to the Council with the Executive Budget.

The following table provides LPC Preliminary Contract Budget for Fiscal 2017.

LPC Fiscal 2017 Preliminary Contract Budget				
<i>Dollars in Thousands</i>				
Category	Fiscal 2016 Adopted	Number of Contracts	Fiscal 2017 Preliminary	Number of Contracts
Contractual Services - General	\$13	1	\$13	1
Telecommunications Maintenance	0	0	1	1
Maintenance and Repair General	115	12	115	12
Office Equipment Maintenance	5	2	5	2
Data Processing Equipment	6	1	6	1
Printing Contracts	5	1	5	1
Temporary Services	11	1	11	1
Professional Services Other	69	1	55	1
TOTAL	\$224	19	\$211	20

The City's Contract Budget, as proposed, totals \$13.16 billion in Fiscal 2017, a decrease of \$76 million or less than one percent when compared to the Fiscal 2016 Adopted Budget of \$13.24 billion. LPC's Fiscal 2017 Preliminary Budget includes 20 registered city contracts, at a total cost of \$211,000. Of these 19 registered contracts, 12 are for maintenance and repairs as part of restoration projects under the agency's federally funded Historic Preservation Grant Program (HPGP). These contracts are anticipated to cost approximately \$115,000 in Fiscal 2017.

Revenue

LPC Miscellaneous Revenue Budget Overview						
<i>Dollars in Thousands</i>						
Revenue Sources	2014	2015	2016	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2016	2017	2016 - 2017
<i>Licenses, Permits & Franchises</i>						\$0
Landmark Permits	5,800	6,303	4,034	4,034	4,034	0
<i>Miscellaneous</i>						0
Landmark Settlements and Other	52	111	9	9	9	0
<i>Grants</i>						0
State Grants Categorical	0	10	0	0	0	0
TOTAL	\$5,852	\$6,424	\$4,043	\$4,043	\$4,043	\$0

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.*

LPC collects revenue from the issuance of landmark permits and landmark settlements. LPC anticipates additional revenue from the continued growth in permit applications. Applications for work on landmark buildings have been on the rise in recent years, partly due to the resurgence of construction across the City since the economic downturn, and partly as a result of the expansion of landmark protection to thousands of additional buildings to meet community demand. LPC continues to designate landmarks on an ongoing basis, which correlates with an increase in the volume of permit applications. In total, the Commission has roughly estimated that the City will realize approximately \$4 million in revenue in Fiscal 2017 from the issuance of landmark permits.

Performance Indicators

Landmarks and Historic Districts

In the first four months of Fiscal 2016, the Commission designated two historic districts in the Mount Morris section of Manhattan. This included 276 buildings and prioritized research for another 800 buildings in a district in the Bedford-Stuyvesant section of Brooklyn. When compared to the first four months of Fiscal 2015, the Commission designated three fewer individual landmarks / historic districts. Moreover, the total number of buildings designated increased to 276 during the first four months of Fiscal 2016, up from 272 in the same reporting period in Fiscal 2015.

Work Permits Issued

The Fiscal 2016 Preliminary Mayor's Management report indicates that the Commission has seen a 3.2 percent decrease in the number of work permit applications received, with 4,643 applications received during the first four months of Fiscal 2016, down from 4,797 in

Fiscal 2015. In addition, LPC's issuance of work permits for the first four months of the fiscal year has decreased by 26.5 percent, from 6,447 in Fiscal 2015 to 4,737 in Fiscal 2016. In August 2014 there was an administrative withdrawal of approximately 1,747 applications that had remained inactive for over two years, which inflated the number of actions taken in the first four months of Fiscal 2015 (classified as permits.)

Appendix A: Budget Actions in the November and the Preliminary

<i>Dollars in Thousands</i>	FY 2016			FY 2017		
	City	Non-City	Total	City	Non-City	Total
LPC Budget as of the Adopted 2016 Budget	\$5,164	\$579	\$5,743	\$5,513	\$588	\$6,101
Other Adjustments						
FY16 CD Rollover - Non Residential	\$24	\$0	\$25	\$0	\$0	\$0
FY16 CD Rollover - Residential	\$35	\$0	\$25	\$0	\$0	\$0
Organization of Staff Analysts Collective Bargaining	\$15	\$0	\$25	\$18	\$0	\$18
FY16 CD OTPS Increase	\$25	\$0	\$25	\$0	\$0	\$0
Subtotal, Other Adjustments	\$99	\$0	\$100	\$18	\$0	\$18
TOTAL, All Changes	\$99	\$0	\$100	\$18	\$0	\$18
LPC Budget as of the Preliminary 2017 Budget	\$5,263	\$579	\$5,842	\$5,531	\$588	\$6,120