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Int. No. 819

By Council Members Comrie, James, Liu, Mark-Viverito, Palma, Barron, Reyna and Yassky

A Local Law to amend the New York city charter and the administrative code of the city of New York, in relation to requiring financial reports for real property acquired by the city through eminent domain.

Be it enacted by the Council as follows:

Section 1. Subdivision 1 of section 1301 of the New York city charter is amended to read as follows:

- a. to establish business, industrial and commercial policies, programs and projects which affect the business, industrial, commercial or economic well-being, development, growth and expansion of the economic life of the city and to examine the economic impact on the city when eminent domain is used to take ownership of private property located within the city;
- b. to serve as liaison for the city with local development corporations, other not-for-profit corporations and all other entities involved in economic development within the city. In furtherance of this function, the department shall include in any contract with a local development corporation under which such

local development corporation

is engaged in providing or administering economic development benefits on behalf of the city and expending city capital appropriations in connection therewith, a requirement that such local development corporation submit to the mayor, the council, the city comptroller, the public advocate and the borough presidents by January 31 of each year, a report for the prior year in the form prescribed hereunder with regard to projected and actual jobs created and retained in connection with any project undertaken by such local development corporation for the purpose of the creation or retention of jobs, or economic development, as defined in a judicial determination after judicial review, pursuant to the eminent domain procedure law, whether or not such project involves the expenditure of city capital appropriations, if in connection with such project assistance to a business entity was provided by such local development corporation in the form of a loan, grant or tax benefit in excess of one hundred fifty thousand dollars, or a sale or lease of land where the project is estimated to retain or create not less than twenty-five jobs. With regard to any project for which the project agreement and any other documents applicable to such project have been executed on or after July 1, 2005, the report shall be for the period commencing on the date that the project agreement and any other documents applicable to such project have been executed through the final year that such entity receives assistance for such project, except that, as to projects consisting of a lease or sale of city-owned land, the report shall commence from the date of the lease or conveyance of title by the city and shall continue for seven years or such longer period as is deemed appropriate by the department. For projects in existence prior to July 1, 2005, the report shall be made with regard to each such project for the first seven years from the date when any project agreement or other document applicable to the project is executed by the entity receiving such assistance with such local development corporation and the report shall contain, for the current reporting year, the following information with respect thereto: (i) the project's name; (ii) its location [;], and whether such project was acquired by the city pursuant to the eminent domain procedure law, for economic development; (iii) the time span over which the project is to receive any such assistance; (iv) the

type of such assistance provided, including the name of the program or programs through which assistance is provided; (v) for projects that involve a maximum amount of assistance, a statement of the maximum amount of assistance available to those projects over the duration of the project agreement, and for those projects that do not have a maximum amount, the current estimated amount of assistance over the duration of the project agreement, the amount of tax exempt bonds issued during the current reporting year and the range of potential cost of those bonds; project assistance to be reported shall include, but shall not be limited to, PILOT savings, which shall be defined for the purposes of this paragraph as the difference between the PILOT payments made and the property tax that would have been paid in the absence of a PILOT agreement, the amount of mortgage recording fees waived, related property tax abatements, sales tax abatements, the dollar value of energy benefits and an estimated range of costs to the city of foregone income tax revenues due to the issuance of tax exempt bonds; (vi) the total number of employees at all sites covered by the project at the time of the project agreement including the number of permanent full-time jobs, the number of permanent part-time jobs, the number of full-time equivalents, and the number of contract employees where contract employees may be

included for the purpose of determining compliance with job creation or retention requirements; (vii) the number of jobs that the entity receiving benefits is contractually obligated to retain and create over the life of the project, except that such information shall be reported on an annual basis for project agreements containing annual job retention or creation requirements, and, for each reporting year, the base employment level the entity receiving benefits agrees to retain over the life of the project agreement, any job creation scheduled to take place as a result of the project, and where applicable, any job creation targets for the current reporting year; (viii) the estimated amount, for that year and cumulatively to date, of retained or additional tax revenue derived from the project, excluding real property tax revenue other than revenue generated by property tax improvements; (ix) the amount of assistance received during the year covered by the report, the amount of assistance received since the beginning of the project period, and the present value

of the future assistance estimated

to be given for the duration of the project period; (x) for the current reporting year, the total actual number of employees at all sites covered by the project, including the number of permanent full-time jobs, the number of permanent part-time jobs, the number of contract jobs, and, for entities receiving benefits that employ two hundred fifty or more persons, the percentage of total employees within the "exempt" and "non-exempt" categories, respectively, as those terms are defined under the United States fair labor standards act, and for employees within the "non-exempt" category, the percentage of employees earning up to twenty-five thousand dollars per year, the percentage of employees earning more than twenty-five thousand per year up to forty-thousand dollars per year and the percentage of employees earning more than forty thousand dollars per year up to fifty thousand dollars per year; (xi) whether the employer offers health benefits to all full-time employees and to all part-time employees; (xii) for the current reporting year, with respect to the entity or entities receiving assistance and their affiliates, the number and percentage of employees at all sites covered by the project agreement who reside in the city of New York. For the purposes of this subparagraph, "affiliate" shall mean (i) a business entity in which more than fifty percent is owned by, or is subject to a power or right of control of, or is managed by, an entity which is a party to an active project agreement, or (ii) a business entity that owns more than fifty percent of an entity that is party to an active project agreement or that exercises a power or right of control of such entity; (xiii) a projection of the retained or additional tax revenue to be derived from the project for the remainder of the project period; (xiv) a list of all commercial expansion program benefits, industrial and commercial incentive program benefits received through the project agreement and relocation and employment assistance program benefits received and the estimated total value of each for the current reporting year; (xv) a statement of compliance indicating whether, during the current reporting year, the local development corporation has reduced, cancelled or recaptured benefits for any company, and, if so, the total amount of the reduction, cancellation or recapture, and any penalty assessed and the reasons therefore; (xvi) for business entities for which project assistance was provided

by such local development corporation in the form of a loan, grant or tax benefit of one hundred fifty thousand dollars or less, or a sale or lease of city-owned land where the project is estimated to retain or create less than twenty-five jobs, the data should be included in such report in the aggregate using the format required for all other loans, grants or tax benefits; and (xvii) an indication of the sources of all data relating to numbers of jobs. The report shall be submitted by the statutory due date and shall bear the actual date that the report was submitted. Such report shall include a statement explaining any delay in its submission past the statutory due date. Upon its submission, the report shall simultaneously be made available in electronic form on the website on the local development corporation or, if no such website is maintained, on the website of the city of New York. Reports with regard to projects for which assistance was rendered prior to July 1, 2005, need only contain such information required by this subdivision as is available to the local development corporation, can be reasonably derived from available sources, and can be reasonably obtained from the business entity to which assistance was provided.

§2. Section 5-304 of the administrative code of the city of New York is amended by adding a new subdivision d to read as follows:

d. Notwithstanding any other provision of law to the contrary, any contract entered into by a city agency and a local development corporation under which such local development corporation is engaged in providing or administering economic development benefits on behalf of the city and expending city capital appropriations in connection with any project or action that invokes the power of eminent domain pursuant to the eminent domain procedure law on the basis of economic development, as determined by judicial review, shall be accompanied by a financial impact report. Such report shall include, but not be limited to (i) an analysis of the estimated costs and benefits of the proposed project or action; (ii) the estimated amount of retained or additional tax revenue estimated to be derived from the project for the next three succeeding years; (iii) and the amount of assistance received by the local development corporation in the form of a loan, grant, or tax benefit since the beginning of the project period, and (iv) the present value of the future assistance

estimated to be given for the duration of the project period. Where such report is prepared by a local development corporation, the city agency, in consultation with such other city agencies as it deems appropriate, shall review such report and make recommendations, if necessary.

§3. This local law shall take effect immediately.

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