

Staff: Tanisha Edwards, Counsel, Finance
Division



THE COUNCIL
REPORT OF THE FINANCE DIVISION
PRESTON NIBLACK, DIRECTOR
JEFF RODUS, FIRST DEPUTY DIRECTOR

COMMITTEE ON FINANCE
HON. DOMENIC M. RECCHIA, JR., CHAIR
October 30, 2013

PRECONSIDERED RES.

By: Council Members Recchia Jr. and The Speaker
(Council Member Quinn)

TITLE:

Resolution concerning the establishment of the Hudson Yards Business Improvement District in the Borough of Manhattan and setting the date, time and place for the public hearing to hear all persons interested in the establishment of such district.

BACKGROUND

Pursuant to the authority granted by chapter 4 of title 25 of the Administrative Code of the City of New York (the "Law"), the Mayor and the Council are authorized to establish Business Improvement Districts (BIDs) in New York City. BIDs, which are specifically established areas, use the City's property tax collection mechanism to approve a special tax assessment with which to fund additional services that would enhance the area and improve local

business. The additional services are normally in the areas of security, sanitation, physical/capital improvements (lighting, landscaping, sidewalks, etc.), seasonal activities (Christmas lighting) and related business services (marketing and advertising). The Steering Committee of a BID demarcates the areas in which services will be enhanced and also establishes the mechanism for the assessment needed to generate the required budget.

The proposed Hudson Yards Business Improvement District (hereinafter the "District") is located in the borough of Manhattan and is generally bounded by West 42nd street to the north, eleventh avenue to the west, ninth avenue to the east, and West 30th street to the south. The District is largely within the Hudson Yards Special District, which was created in 2005 to foster a mix of uses and densities, provide new publicly accessible open space, extend the Midtown central business district by providing opportunities for substantial new office and hotel development, reinforce existing residential neighborhoods and encourage new housing on Manhattan's Far West Side.

The District represents portions of 26 blocks and has 1,164 tax lots. The District is located in Community Board 4. There are approximately 150 ground level retail tenants, approximately 300 upper floor commercial tenants, and 6,336 residential units of which 836 are individual residential condos. The District also contains 5 buildings with 975 hotel rooms.

The District will be managed by the Hudson Yards District Management Association, Inc. Services to be provided in the District include: maintenance for Hudson Park (as agreed upon with the Parks Department) for public safety, traffic safety, creation of more open green space, marketing and promotion, administrative expenses, and a reserve (\$1.8 million).

Maintenance for Hudson Park (as agreed upon with Parks department) for public safety	\$445,000
District Wide services (traffic safety, creation of more green space, Ads and informational docs about local businesses)	\$430,000
Administration	\$325,000
Future Year Reserves	\$1.8 M

The budget for the first year of operation is \$1.2 million; with the maximum annual thereafter to operate the BID is \$3 million. The maximum cost for capital improvements for the entire existence of the proposed District shall be \$7 million.

Not for profits and individuals residential condominiums pay \$1.00, government buildings located within the proposed District are exempt. 226 tax lots of the 1,164 (19%) will pay the assessment, which averages to \$5,259. Assessment payments would vary with the highest totaling approximately \$178,000 for an 866,000 square foot mixed use property with an assessed value of \$83 million, and the lowest payment totaling approximately \$94 for a 550 square foot property with an assessed value of \$28,000.

PRECONSIDERED RESOLUTION

This Preconsidered Resolution is required by Section 25-407(b) (2) of the Administrative Code, which requires, in relevant part, that a further hearing shall be called by Resolution if the City Council finds that notice of the initial hearing on the proposed District was incorrectly or insufficiently given to property owners within a proposed district.

The main purpose of this Resolution is to set the public hearing date, time and place for the review of the local law which would establish the Hudson Yards Business Improvement District.

The hearing on the local law and the Plan will be held on November 14, 2013 at 10:00

a.m. in the Committee Room at City Hall in New York, New York to hear all persons interested in the establishment of the District.

This Resolution also directs SBS and the Hudson Yards BID Steering Committee, respectively to, not less than ten nor more than thirty days before the date of the public hearing, mail a copy of this Resolution or a summary thereof to each owner of real property within the proposed District at the address shown on the latest City assessment roll, to such other persons as are registered with the City to receive tax bills concerning real property within the proposed District, and to the tenants of each building within the proposed District. The Resolution also directs SBS to arrange for the publication of a copy of this Resolution or a summary thereof at least once in the City Record or a newspaper in general circulation in the City, the first publication to be not less than ten nor more than thirty days before the date of the public hearing.