

Michael Blaise Backer Statement
Before City Council Finance Committee
January 19, 2016

Good morning Chair Ferreras-Copeland and members of the Finance Committee. I am Michael Blaise Backer, Deputy Commissioner of Neighborhood Development at the Department of Small Business Services (SBS). I am joined by our Executive Director of Neighborhood Development, Kris Goddard and Business Improvement District (BID) Program Director, Jennifer Kitson.

I am here today to provide testimony on three (3) distinct items:

- The MetroTech BID Expansion effort
- Support for nine (9) proposed BID Assessment Increases
- And Support for the Fulton Street BID Expansion proposal (also known as the FAB Alliance BID)

For the first item – today’s vote on the MetroTech BID expansion – I’d like to report on a few items.

As required by law, the MetroTech BID Expansion Steering Committee mailed the summary of the City Council Resolution to the following parties:

- to each owner of real property within the existing district and proposed expansion, 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 existing district and proposed expansion, and
- to tenants of each building within the existing district and the proposed expansion area.

SBS also arranged for the publication of a copy of the summary of the Resolution at least once in the City Record.

We would also like to report on the result of the objections filed with the City Clerk against the expansion of the MetroTech BID. At the conclusion of the objection period at 5:00 PM on January 6, 2016 and taking into consideration any objections filed the next two business days, January 7th and January 8th, 2016, no valid objections were filed with the City Clerk.

Due to zero objections being filed, this is within the acceptable threshold needed to advance the bill for favorable consideration by the full City Council. SBS requests the City Council approve the MetroTech BID expansion.

At this time, we are happy to take any questions. If there are none, I'll move on to the next item.

[pause for questions]

Moving to the second item – today's hearing and vote on BID assessment increases – I would like to express our support for the law providing an increase in the amount to be expended in 9 BIDs.

As required by law, the nine (9) BIDs published a notice of the public hearing at least once in a local newspaper having general circulation in the districts specifying the time when, and the place where, the hearing will be held and stating the proposed amount to be expended annually. In addition, each BID has certified that they have mailed a letter to property owners informing them about the proposed assessment increase, and the time and place of this public hearing. Finally, the councilmember for each district has submitted a letter of support for each BID's assessment increase.

The BIDs that wish to increase the amount to be expended annually, retroactive to July 1, 2015, are as follows:

- 180th Street, from \$60,000 to \$78,000;
- Bay Ridge Fifth Avenue, from \$338,000 to \$427,000
- Belmont, from \$340,000 to \$440,000
- Bryant Park, from \$1,100,000 to \$1,600,000
- Columbus Avenue, from \$308,800 to \$458,800
- Montague Street, from \$175,000 to \$210,000
- Myrtle Avenue (Queens), from \$406,141 to \$507,676
- Union Square, from \$2,000,000 to \$2,600,000; and
- Village Alliance, from \$984,900 to \$1,400,000.

These nine (9) BIDs requesting increases of annual expenditures are doing so to address vital needs and changing conditions. These increases will further expand, reinforce and strengthen existing core services currently provided in each business district.

Representatives from each BID requesting an assessment increase are present to answer any questions pertaining to their specific requests. However, I am happy to answer any questions you may have. If there are none, I'll move on to the final item.

[pause for questions]

For the final item – today's hearing on the FAB Alliance BID expansion – I am here to testify in support of the effort.

As the oversight agency for the City's BID program, SBS oversees the BID formation and expansion process, and serves as an advisor and resource for BID expansion steering committees. SBS will only introduce BID proposals into the legislative process if we believe that the effort has followed the planning process correctly, solicited robust community input, and has sought to collect and demonstrate broad-based support across all stakeholder groups.

Speaking specifically to the FAB Alliance expansion effort, it has been an important priority of the de Blasio administration to develop a mechanism by which to ensure the proper maintenance of the public investment in the Brooklyn Cultural District's public spaces and sidewalks. Because there are already four BIDs abutting the Cultural District, and given both the small geography and the number of non-assessment paying properties, SBS determined that the expansion of 2 BIDs—MetroTech and FAB Alliance—was preferable to creating an entirely new BID.

About a year and a half ago, SBS initiated a very inclusive process with many stakeholders – including the FAB Alliance, the Downtown Brooklyn Partnership, many of the cultural organizations, and large local property owners – on developing the precise boundaries for the expansions taking place to cover the entire cultural district. The expansion steering committee held numerous meetings, all attended by SBS, to ensure the administration's input was being incorporated.

We were encouraged by the FAB Alliance's extensive outreach effort to community stakeholders, and of the responses received, there was strong documented support. Those stakeholders that did not respond were reached out to multiple times through multiple channels, but ultimately did not submit written support or opposition. Considering the documented support, the transparent and inclusive planning process, and exhaustive outreach efforts to all stakeholder

groups, SBS determined that the BID expansion proposal was ready for CPC and Finance Committee submission.

Additionally, we support the removal of one property from the BID's existing boundaries. This property, a mid-block residential property on Adelphi Street, off of the commercial corridor of Fulton Street, is being amended out of the BID boundary map and benefited properties list. This property was originally included due to a technical error that occurred during the formation process. Outreach has been done to notify the property owner of the change.

As required by law, the FAB Alliance Expansion Steering Committee mailed the summary of the City Council Resolution, no less than 10 days and no more than 30 days before today's hearing, to the following parties:

- to each owner of real property within the existing district and proposed expansion, 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 existing district and proposed expansion, and
- to tenants of each building within the existing district and the proposed expansion area.

In addition, SBS arranged for the publication of a copy of the summary of the Resolution at least once in the City Record.

It is also important to note that this BID expansion proposal has also received the written support of Brooklyn BP Eric Adams, Council Member Laurie Cumbo, and Community Board 2.

I would like to acknowledge that the BID expansion effort is represented here today by FAB Alliance staff, who will testify and be available to address any specific questions that I am unable to answer.

At this time, I am happy to take any questions you might have.

Thank you.

Alec Duffy
Artistic Director, JACK
505 ½ Waverly Ave, Brooklyn, NY 11238
aduffy@jackny.org

January 19, 2016

Good morning. My name is Alec Duffy and I am the founder and Artistic Director of the non-profit arts center, JACK, located off of Fulton Street in Clinton Hill, which I started four years ago with several co-founders. We rent our storefront from Fulton Partners, LLC and their property is part of the BID.

No one can argue that we want Fulton Street businesses to succeed. Naturally, when a plan gets implemented, we see some successes, but, with time, we're also able to see room for improvement. I'd like to offer my perspective as a commercial tenant on how we can make this BID better. Here are some of the issues that have come up, from my standpoint:

When I negotiated the lease with the owner, I was told I would have to shoulder the burden of the BID tax along with the other commercial tenants on the property. I was able to negotiate on several items, but changing that was a non-starter. All of the business tenants on Fulton St that I've talked to express the same thing – that their landlord passes the BID tax on to them.

This raises a tricky issue, because as the neighborhood improves, commercial tenants that are paying into the BID are no longer able to afford the rent when their lease comes up for renewal. Both of my neighboring commercial tenants, Essential Cakes and Sushi Tatsu, closed or moved further out in Brooklyn when their lease came up. So in essence, with the BID, they paid into a system that resulted in their own demise. When our lease comes up in three years, I, too, am fully expecting not to be able to afford to pay the new market rate rent.

And yet we as commercial tenants who are shouldering the cost of the BID are not allowed a vote on its future. In a country that was founded by a revolution against "taxation without representation," it's clear this is a huge issue.

I encourage lawmakers to consider this as they consider the future of the BID and any possible expansion without a radical re-thinking of who is represented at the table when making these decisions. The beneficiaries are the property owners who pay nothing into the BID yet reap the benefit of being able to double rent once a lease comes up for renewal. The ones who prop up the BID with payments – the commercial tenants – are the ones who are most vulnerable to the changes the BID encourages, and suffer from the BID's successes.

Thank you for your time.

TESTIMONY - NY CITY COUNCIL PUBLIC HEARING

January 19, 2016

Expansion of the Fulton Area Business (FAB) Alliance Business Improvement District

Submitted by Claudette Macey, Executive Director, Fort Greene Council

Good morning Council Members. My name is Claudette Macey, Executive Director of the Fort Greene Council, Inc. and a member of the FAB Alliance Board. I am here to testify in support of the FAB Alliance proposal to expand its boundaries and amend its district plan.

The Fort Greene Council, Inc. has been at 966 Fulton Street for over 42 years. Our institutions include the **Grace Agard Harewood Neighborhood Senior Center** and **Young Minds Day Care Center**.

Since it started operations, FAB has been improving conditions in the area by making the sidewalks cleaner, planting more trees and creating a public plaza that the seniors and children of the center love.

The Seniors are daily users of the Putnam Triangle Plaza which is right across the street. ~~And~~ The children participate in free events and activities produced in the plaza by FAB. We especially appreciate FAB's partnership in soliciting our input to create events that are sensitive to the needs of all age groups.

FAB is also helping us explore options for making improvements to the facade of our building, including lighting for public safety and an awning to protect the seniors and children from the rain and inform the community about services that are available. We are grateful for the support from FAB for our events and activities. ~~And~~ Also for how they promote our services through social media, in printed business guides and on the web.

The area's improved so much since FAB has been here. These changes will help them build on that wonderful momentum.

Thank you. I am happy to answer any questions.

Claudette Macey

Executive Director, Fort Greene Council, Inc.

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THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: 1/19/16

(PLEASE PRINT)

Name: Schellie Hagans

Address: 60 Downing St

I represent: _____

Address: _____

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Name: Joe Gonzalez

Address: _____

I represent: _____

Address: _____

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Appearance Card

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in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Alec Duffy

Address: 618 Dean St, Brooklyn, NY

I represent: JACK arts center

Address: 505 1/2 Waverly Ave, Brooklyn

◆ Please complete this card and return to the Sergeant-at-Arms ◆

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Appearance Card



I intend to appear and speak on Int. No. 1029, 79813, Res. No. _____
 in favor in opposition

Date: 1/19/16

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Name: Blaise Backer, Deputy Commissioner (SBS)

Address: _____

I represent: _____

Address: _____

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 in favor in opposition

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Name: Lucy Koteen

Address: 138 Lafayette Av, Brooklyn

I represent: _____

Address: _____

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Appearance Card



I intend to appear and speak on Int. No. ~~79813~~ Res. No. 1029
 in favor in opposition

Date: 1/19/16

(PLEASE PRINT)

Name: Deborah Howard

Address: 201 Dekalb Ave - Brooklyn 11205

I represent: FAB Alliance

Address: 846-900 Fulton St, BK 11238

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Appearance Card

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 in favor in opposition

Date: 1-19-2016

(PLEASE PRINT)

Name: PHILIP KELLOGG
Address: 896-500 FULTON ST., BKLYN 11238
I represent: FAB AWIANCE BID
Address: 896-900 FULTON ST., BKLYN 11238

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Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. 1029
 in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Mwata Nubian
Address: 966 Fulton Street, Brooklyn, N.Y. 112
I represent: Fort Greene Council, Inc.
Address: 966 Fulton St. Brooklyn, N.Y. 11238

Please complete this card and return to the Sergeant-at-Arms