

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON FINANCE

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October 23, 2008
Start: 11:34am
Recess: 11:48am

HELD AT: Council Chambers
City Hall

B E F O R E:
DAVID I. WEPRIN
Chairperson

COUNCIL MEMBERS:
Gale A. Brewer
Helen Sears
Lewis A. Fidler
Joel Rivera
Maria Baez
Alan J. Gerson
Vincent J. Gentile
G. Oliver Koppell
Robert Jackson
Leroy G. Comrie, Jr.
Diana Reyna
James S. Oddo
Vincent Ignizio
Peter F. Vallone, Jr.
Bill de Blasio
David Yassky
Eric N. Gioia

A P P E A R A N C E S

COUNCIL MEMBERS:

Letitia James

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

Jeremy Waldrup
Assistant Commissioner
Department of Small Business Services

David Beer
Director, Real Estate Development
Common Ground

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CHAIRPERSON WEPRIN: Good morning.
Welcome to this morning's Finance Committee. My name is David Weprin. I Chair the Committee. Today, the Finance Committee will vote on four items. Let me introduce my colleagues that are here. We have Council Member Gale Brewer from Manhattan, Council Member Helen Sears from Queens, Councilman Lew Fidler from Brooklyn, Council Member Joel Rivera from the Bronx, Council Member Maria Baez from the Bronx, Council Member Alan Gerson from Manhattan, Council Member Tish James from Brooklyn, Council Member Vincent Gentile from Brooklyn, Council Member Oliver Koppell from the Bronx, Councilman Robert Jackson from Manhattan and Council Member Leroy Comrie from Queens.

The first item on our agenda is a Resolution setting the date and time for the initial hearing of the establishment of the Fulton Street BID in Brooklyn. Proposed Resolution 1618-A will start the lawmaking process for the creation of the Fulton Street BID in Brooklyn. This Resolution sets November 13th as the date this Committee will consider the local law to establish the BID. On such date, we will hear all those who

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2 may be affected by the establishment of the BID.
3 And then, we will adjourn until the statutory 30-
4 day objection period has run before we actually
5 vote on the local law. This BID will be in
6 Council Member James' district. And, she supports
7 the creation of this BID.

8 We have another BID item on our
9 agenda, a Resolution that will set the date for a
10 hearing on a local law authorizing budget
11 increases for 13 BIDS. The statute authorizing
12 the establishments of BIDS and amendments to the
13 plans by which they operate provide that the
14 Council may, by local law, authorize increases to
15 a BID's annual budget. Unlike when a BID is
16 created or extended, the Council does not have to
17 have an initial hearing prior to voting to
18 increase the BID assessments. This pre-considered
19 Resolution sets the date and time of the
20 consideration of the local law that will increase
21 the BID assessments for 13 BIDS on November 13th at
22 11 a.m., here in the Committee Room. The amount
23 of the assessments are located in the Council's
24 committee report prepared by Council staff.

25 The BID law requires notice to be

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2 given by publication. However, in the past, in
3 addition to the notice required by law, we have
4 also asked the Department of Small Business
5 Services to send notices by mail to all property
6 owners in the BIDs when the BID is seeking an
7 increase in its budget. We will do the same in
8 the case of these 13 BIDs.

9 The next two items on our agenda
10 are two Land Use items that will provide housing
11 for persons of low income. The first TSI property
12 located in Queens in Council Member Monserrate's
13 district, seeks a property tax exemption for the
14 rehabilitation of a three-story building with six
15 units that will provide low-income housing for
16 persons with disability. Council Member
17 Monserrate supports this project.

18 The second Land Use item, the
19 Common Ground Senior Housing, seeks a property tax
20 exemption for the construction of a seven-story
21 building with 71 units that will provide rental
22 housing for elderly persons of low income. This
23 property is located in Council Member Darlene
24 Mealy's district and she supports this project.

25 We will now hear from Assistant

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2 Commissioner Jeremy Waldrup from the Department of
3 Small Business Services on the two BID items.

4 But, if anyone has any questions on the two Land
5 Use items, representatives from Council Finance
6 are on hand to address such questions. And, I'm
7 also told, so don't give him a hard time, this is
8 Assistant Commissioner's Jeremy Waldrup's birthday
9 today. So, we have to be nice to him.

10 JEREMY WALDRUP: Thank you. Yes,
11 another year. Yes, we're still morning. Good
12 morning, Chairman Weprin and members of the
13 Finance Committee. I'm Jeremy Waldrup. I'm
14 Assistant Commissioner of Department of Small
15 Business Services. SBS supports the City Council
16 Resolution setting the date, time and place for
17 the public hearing concerning an increase in the
18 amount to be expended in 13 Business Improvement
19 Districts.

20 The 13 BIDs will arrange for the
21 publication of a notice of the public hearing at
22 least once in a local newspaper, having general
23 circulation in the districts, specifying the time
24 and the place of the hearing and stating the
25 proposed amount to be expended annually. In

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2 addition, they will mail notices to property
3 owners providing them with information about the
4 public hearing, as well as the reasons for the
5 request for the increased assessments.

6 The 13 BIDs requesting increases of
7 annual expenditures desire to further expand and
8 reinforce existing supplemental services currently
9 provided in the Business Districts. The BIDs wish
10 to increase the amount to be expended annually
11 beginning on July 1st, 2008, as follows: Steinway
12 Street, \$325,000; 34th Street, 9,291,500; Myrtle
13 Avenue, 406,141; 82nd Street, 224,450; Lower East
14 Side, 290,400; Village Alliance, 984,900; Sunset
15 Park 5th Avenue, 300,000; Lincoln Square, two
16 million; Church Avenue, 188,500; 47th Street,
17 500,000; Columbus Avenue, \$308,800; Kingsbridge,
18 329,000; and Brighton Beach, 190,000.

19 In addition, SBS supports the City
20 Council Resolution setting the date, time and
21 place for the public hearing concerning the
22 establishment of the Fulton Street Business
23 Improvement District in the Borough of Brooklyn.
24 The Fulton Street BID Steering Committee has
25 successfully completed the outreach and planning

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2 work consistent with SBS program rules. In
3 addition, SBS has received the boundaries of the
4 proposed Fulton Street BID and found the
5 boundaries to be acceptable. The proposed BID
6 includes properties on both sides of Fulton
7 Street, from Ashland Place to Classon Avenue on
8 the south side of Fulton Street and from Rockwell
9 Place to Classon Avenue on the north side of
10 Fulton Street.

11 SBS will arrange for the
12 publication of the summary of the City Council
13 Resolution at least once in the City Record. The
14 Fulton Street BID Steering Committee will arrange
15 the mailing of the summary of the Resolution as
16 required by law. Thank you.

17 CHAIRPERSON WEPRIN: Any questions
18 for the birthday boy? Council Member Fidler.

19 COUNCIL MEMBER FIDLER: Happy
20 Birthday.

21 JEREMY WALDRUP: Thank you.

22 COUNCIL MEMBER FIDLER: On the
23 Fulton BID, is there any involvement in this BID
24 by the Downtown Brooklyn Partnership?

25 JEREMY WALDRUP: No.

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2 COUNCIL MEMBER FIDLER: That's all
3 I need to know.

4 CHAIRPERSON WEPRIN: Council Member
5 Koppell, did you have a question?

6 COUNCIL MEMBER KOPPELL: On the
7 increases in the assessments, I realize that today
8 we're just setting a hearing on this, but what is
9 the process that the BID goes through to request
10 the increase in the assessment?

11 JEREMY WALDRUP: Sure, this process
12 begins about this time last year, with the Board
13 of Directors reviewing their current budget and in
14 the Finance Committee, and recommending an
15 increase in the assessment. That assessment is
16 then presented to the full Board, where there's a
17 vote. They submit a proposal to our agency for
18 review. The BID prepares justification documents,
19 talking about why they need the assessment
20 increase. They then receive support from their
21 representatives of the City Council. This new BID
22 budget is presented at the annual meeting, which
23 typically occurs in the spring, of each Business
24 Improvement District. And then, we begin the
25 legislative process.

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COUNCIL MEMBER KOPPELL: You

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mentioned approval of the local City Council

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Member. It's possible that the BID, the

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Kingsbridge BID is in my district, it is possible,

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I'm not saying that the BID people didn't talk to

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some of my staff, but, they certainly didn't talk

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to me. And, I don't know if you have people who

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coordinate with them. But, you can tell them

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flatly that I will oppose any increase if there

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isn't a specific conversation with me, personally,

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on this.

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JEREMY WALDRUP: Okay.

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COUNCIL MEMBER KOPPELL: And, I

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think my colleagues and the Council should know

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about this, too. And, no BID should come to this

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Council without having, just like the Chair, you

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know, announced that the Council Member involved

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with the Fulton Street BID was supportive. The

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Chair and the Committee should be sure that the

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members are supportive of these increases before

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we're asked to vote on them, so that the people on

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the BID realize that they have to interact with

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us, 'cause this, you know, this does impact on the

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property owners in my district. And, there should

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2 be [crosstalk]--

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CHAIRPERSON WEPRIN: It's a point well taken, Council Member. Mr. Waldrup, would you be able to follow up with them on that, please?

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JEREMY WALDRUP: Sure, definitely.

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CHAIRPERSON WEPRIN: Thank you.

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Council Member James.

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COUNCIL MEMBER JAMES: First, let

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me thank you. I support the Fulton Street BID

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under the direction of the Pratt Area Community

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Council. My question to you is, there is a

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rezoning that we're about to do, a spot rezoning

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at 470 Vanderbilt Ave. How is 470 Vanderbilt

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being treated compared to the other small

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businesses on Fulton Street?

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JEREMY WALDRUP: I honestly am not

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familiar with that specific project. But, we can

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look that up and get back to you.

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COUNCIL MEMBER JAMES: Obviously, I

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support this BID and thank you for all of your

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work.

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CHAIRPERSON WEPRIN: Council Member

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Brewer.

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COUNCIL MEMBER BREWER: Thank you.

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I want to pick up Council Member Koppell. With

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Lincoln Square and Columbus Avenue, I am very

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aware of their requests. I don't always feel

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competent to be-- I mean, I sign off on them. You

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get lobbied by them. And then, the question is

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when does this stop? In other words, is it like

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every 10 years? How often do they request,

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generally, on average, because you don't know how

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far it has to go in order to be relevant and

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supportive of the neighborhood, 'cause they do a

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great job, but also we worry about pass-alongs.

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JEREMY WALDRUP: Sure. The average

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time in which a BID, in this current 13, requested

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an assessment increase is almost 5 1/2 years. So,

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there's no typical, you know, allowance of time

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that must expire before they can go after an

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assessment increase. It's really the validity of

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the request. But, in this particular case, it's a

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little over five years.

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COUNCIL MEMBER BREWER: I'm just

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wondering, as time goes on, 'cause BIDs have now

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become a wonderful entity in our City. I don't

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know that we ever predicted that there would be so

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2 many of them. So, I just didn't know if there
3 would be some review process to see should they be
4 asking for increases forever. Or, is there some
5 plateau that should be reached? I don't know.
6 But, you know, in terms of issues of challenging
7 times for the business community coming, it's
8 something to think about.

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JEREMY WALDRUP: Sure, yeah. I
10 mean, I think what we see a lot of, especially in
11 this round of 13, are typical cost of living
12 increases, as rent increases for the BIDs that
13 have space in their districts, you know, as staff
14 needs to be paid more, a lot of the increase is
15 going to those types of costs. So, I would say
16 that you'll continue to see an increase. But, you
17 know, we do monitor and put a lot of scrutiny on
18 what these BIDs are proposing to do. We make sure
19 that they have the support at the Board. And now,
20 we're going forward to see if there's support, you
21 know, at the community level for this.

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COUNCIL MEMBER BREWER: All right.

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Thank you.

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CHAIRPERSON WEPRIN: Council Member

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Gerson.

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COUNCIL MEMBER GERSON: I want to urge support for the amendment--oh, that's later. I couldn't resist. Two of the BIDs up for consideration for rate increase lie within Council District 1, the Village Alliance and the Lower East Side. I'm very familiar with their request and the basis for their request. I agree with the fundamental point raised by Oliver Koppell and that should be implemented as a matter of procedure and policy. In the case of these two BIDs, they do great work. And, I support their request and look forward to the hearing and the approval. And, I thank the SBS for your work and your support of these BIDs. Thank you.

CHAIRPERSON WEPRIN: Any further questions? Okay. Thank you, Mr. Waldrup. And, happy birthday. We just have one more person to testify briefly. And then, we're going to call for a vote on all the items. David Beer, who's going to testify on the Common Ground housing property tax exemption. And then, Mr. Beer, if you could identify your title and affiliation for the record, as well.

DAVID BEER: David Beer, Director

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2 of Real Estate Development at Common Ground.
3 Common Ground is a not-for-profit community
4 development and affordable housing organization
5 established in 1990 with a mission to create homes
6 for homeless persons.

7 The proposed seven-story seniors'
8 residence will provide permanent affordable
9 housing to 71 seniors, 40% of whom will be
10 formerly homeless persons with special needs. The
11 remaining units will serve low income seniors from
12 the Ocean Hill, Brownsville community. There will
13 be a mix of studios and one bedroom apartments.

14 Common Ground will be the
15 developer, the property manager and the services
16 provider. The on-site support services will help
17 residents maintain stable tenancy and live as
18 independently as possible. I respectfully ask
19 your support for the proposed action.

20 CHAIRPERSON WEPRIN: Thank you.
21 That was brief and to the point. Any questions
22 for Mr. Beer? Seeing none, I'm going to couple
23 the four items, the two BIDs and the two Land Use
24 items. Call the roll.

25 WILLIAM MARTIN: William Martin,

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2 Committee Clerk. Roll Call. Council Member
3 Weprin.

4 CHAIRPERSON WEPRIN: Aye on all.

5 WILLIAM MARTIN: Rivera.

6 COUNCIL MEMBER RIVERA: I vote aye.

7 WILLIAM MARTIN: Reyna.

8 COUNCIL MEMBER REYNA: I vote aye.

9 WILLIAM MARTIN: Baez.

10 COUNCIL MEMBER BAEZ: Aye.

11 WILLIAM MARTIN: Brewer.

12 COUNCIL MEMBER BREWER: Aye.

13 WILLIAM MARTIN: Comrie.

14 COUNCIL MEMBER COMRIE: Aye on all.

15 WILLIAM MARTIN: Fidler.

16 COUNCIL MEMBER FIDLER: Aye.

17 WILLIAM MARTIN: Gerson.

18 COUNCIL MEMBER GERSON: Aye on all.

19 WILLIAM MARTIN: Jackson.

20 COUNCIL MEMBER JACKSON: Aye on

21 all.

22 WILLIAM MARTIN: Koppell.

23 COUNCIL MEMBER KOPPELL: Aye.

24 WILLIAM MARTIN: Sears.

25 COUNCIL MEMBER SEARS: Aye on all.

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WILLIAM MARTIN: Gentile.

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COUNCIL MEMBER GENTILE: Aye on

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all.

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WILLIAM MARTIN: By a vote of 12 in

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the affirmative, zero in the negative and no

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abstentions, all items are adopted. Members,

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please sign the Committee Reports.

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CHAIRPERSON WEPRIN: Yeah, I'm

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going to keep the roll open for a half hour.

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Other than that, we're adjourned.

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FEMALE VOICE: Council Member Oddo.

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COUNCIL MEMBER ODDO: Yes, yes.

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FEMALE VOICE: Council Member

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Ignizio.

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COUNCIL MEMBER IGNIZIO: Yes.

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FEMALE VOICE: At a vote of 14 to

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zero, this Committee stands adjourned.

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WILLIAM MARTIN: Council Member

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Vallone.

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COUNCIL MEMBER VALLONE: Aye.

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WILLIAM MARTIN: Council Member de

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Blasio.

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COUNCIL MEMBER de BLASIO: Aye.

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WILLIAM MARTIN: Council Member

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Yassky.

COUNCIL MEMBER YASSKY: Aye.

WILLIAM MARTIN: Want to vote?

Council Member Gioia.

COUNCIL MEMBER GIOIA: Thank you.

I'd like to vote yes. And, I vote yes.

WILLIAM MARTIN: Final vote on the
Committee on Finance now stands at 18 in the
affirmative, zero in the negative and no
abstentions. Thank you.

C E R T I F I C A T E

I, DeeDee E. Tataseo certify that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.

Signature

A handwritten signature in cursive script that reads "DeeDee E. Tataseo". The signature is written in black ink and is positioned above a horizontal line that serves as a signature line.

Date October 30, 2008