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COMMITTEE ON FINANCE

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE

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November 15, 2023
Start: 10:18 A.M.
Recess: 10:30 A.M.

HELD AT: COMMITTEE ROOM - CITY HALL

B E F O R E: Justin L. Brannan
Chairperson

COUNCIL MEMBERS:

- Diana Ayala
- Charles Barron
- Gale A. Brewer
- Selvena N. Brooks-Powers
- David M. Carr
- Amanda Farias
- Kamillah Hanks
- Crystal Hudson
- Farah N. Louis
- Francisco P. Moya
- Chi A. Ossè
- Keith Powers
- Pierina Ana Sanchez
- Althea V. Stevens
- Marjorie Velázquez
- Nantasha M. Williams
- Julie Won

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COMMITTEE ON FINANCE

A P P E A R A N C E S

Calvin T. Brown
Deputy Commissioner for Neighborhood Development
at the Department of Small Business Services

Leslie Velazquez
Director of the BID Development and Legislation

1
2 SERGEANT AT ARMS: Good morning, good morning,
3 this is mic check. This is mic check on today's
4 Committee vote on Finance in the Committee Room,
5 recorded by Walter Lewis.

6 SERGEANT AT ARMS: Good morning and welcome to
7 the New York City Council Hearing of the Committee on
8 Finance. At this time, can everybody please silence
9 your cell phones. If you wish to testify, please
10 come up to the Sergeants desk to fill out a testimony
11 slip. Thank you for your cooperation, Chair we are
12 ready to begin.

13 CHAIRPERSON BRANNAN: Thank you Sergeant.
14 [GAVEL] Okay, good morning. Welcome to today's
15 Finance Committee Meeting. I'm Councilman Justin
16 Brannan, I have the privilege of Chairing the
17 Committee on Finance. We've been joined this morning
18 by Council Members Louis, Barron, Ossè, Sanchez,
19 Carr, Hanks, Won, Ayala, and Farias. Moya is on
20 Zoom. Brooks-Powers is also here. Today, the
21 Committee will be hearing and voting on five items:
22 Intro. 1070A; two Article 11 Tax Exemptions and
23 Intro. 1209 and 1210.

24 We'll start with Intro. 1070A sponsored by
25 Council Member Gutiérrez would reinstate the biotech

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2 tax credit against the city's unincorporated business
3 tax, general corporation tax and corporate tax of
4 2015 capped out nearly \$3 million for a period from
5 January 1, 2023 through January 1, 2026.

6 Next the First Article 11 Resolution is for a
7 full 40-year exemption for three buildings in Council
8 Member Salamanca's district. The exemption would
9 allow for rehab and energy efficiency upgrades to the
10 buildings and it will place the buildings under an
11 HPD regulatory agreement setting rent and income
12 restrictions as well as reserve 15 percent of the
13 units for homeless referrals.

14 The second Article 11 Resolution is for a full 40
15 year exemption for six buildings in Council Member
16 Richardson Jordans district. The exemption would
17 allow for rehab of the buildings and place the
18 buildings under an HPD regulatory agreement setting
19 rent and income restrictions, reserve 10 percent of
20 the units for homeless referrals and impose HPD's
21 Aging in Place Initiative.

22 Finally, Intro 1209 would amend the district plan
23 of the Westchester Square Business Improvement
24 District to allow for a change in the assessment
25 methods of the BIDs District charge. The change

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2 would require the BID to more equitably access
3 properties based on linear frontage along the main
4 retail, commercial, and professional side of the
5 property as opposed to assessing the property based
6 on the longest frontage overall. The authorized
7 budget for the BID would remain unchanged.

8 And lastly, Intro. 1210 would authorize four BIDs
9 to increase the amounts they expend annually to the
10 amounts as follows: the Village Alliance BID to
11 \$1,900,000; Brighton Beach BID to \$300,000; Fordham
12 Road Bid to \$1.5 million; and the Meatpacking Area
13 BID to \$6.2 million.

14 The Council previously approved Resolutions 807
15 and 808 on October 19, setting today as the date for
16 a public hearing on these two items. The Amendment
17 and the budget increases have been requested by the
18 property owners within the boundaries of each BID and
19 would be used to enhance the services provided.

20 The details about which BID would see increases
21 and the amount sought are set forth in the briefing
22 documents prepared by the Finance staff. To adopt
23 this, we must make sure that proper notice was given
24 and that the increase in annual amounts to be
25 expended are in the public interest and that the tax

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2 and debt limits prescribed in the law will not be
3 exceeded.

4 Deputy Commissioner Calvin Brown from SBS is here
5 to testify regarding the requested assessment
6 increases and representatives from the two BIDs are
7 here to answer any questions that my colleagues may
8 have. I'll now turn it over to Committee Counsel to
9 swear in Deputy Commissioner Brown.

10 COMMITTEE COUNSEL: Good morning. Raise your
11 right hand please. Do you affirm that your testimony
12 will be truthful to the best of your knowledge,
13 information and belief, and that you will respond
14 honestly to Council Member questions? Deputy
15 Commissioner Brown?

16 CALVIN BROWN: I do.

17 COMMITTEE COUNSEL: Thank you, you may begin.

18 CALVIN BROWN: Thank you. Good morning Chair
19 Brannan and members of the Finance Committee. I'm
20 Calvin T. Brown, the Deputy Commissioner for
21 Neighborhood Development at the Department of Small
22 Business Services.

23 I'm joined today by Leslie Velazquez, the
24 Director of the BID Development and Legislation and
25 members of my team. I wish to express our support

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2 for the laws provided and increase in amount to be
3 expended in the four business improvement districts,
4 often referred to as BIDs and authorizing the
5 amendment of the district plan for the Westchester
6 Square BID. At SBS, we are working hard to open up
7 the doors for New Yorkers across the five boroughs
8 focusing on creating stronger businesses, connecting
9 New Yorkers to good jobs and fostering thriving
10 neighborhoods.

11 We oversee and support the city's network of
12 business improvement districts and groups who wish to
13 form new BIDs in their communities. We believe BIDs
14 are central to these efforts as valuable, improving
15 partners in fostering of the vitality of the city's,
16 neighborhoods and commercial districts.

17 The Mayor's Economic Blueprint also place BIDs
18 front and center in several initiatives to rebuild
19 and reinvent our commercial corridors and central
20 business districts.

21 Part of our role in overseeing and supporting the
22 existing network of 70 plus BIDs, includes guiding
23 them through the legislative process, including
24 increasing their assessment caps and amendments to
25 their district plans. To propose an assessment

1
2 increase or an amendment to a district plan, BIDs
3 must complete a multistep review process that is
4 overseen by SBS.

5 The BID Board of Directors which includes local
6 property owners, merchant and residents as well as
7 representatives from the City Comptroller's Office,
8 Borough President, City Council and SBS must review
9 and approve and propose assessed increasements or
10 plan amendments.

11 For assessment increases, SBS requires all bids
12 to submit a five part justification outlining how the
13 increase will be allocated minutes from the board
14 meeting, when the increase was approved and letters
15 of support from all the City Council members
16 represented in the BIDs boundaries. SBS then reviews
17 these justifications and determines whether they are
18 sufficient to bring to City Council.

19 The District Plan Amendment goes through a
20 similar process plus an additional requirement to
21 host a public meeting to present the plan and allow
22 stakeholders to comment. As required by law, each of
23 the five BIDs published a notice of this public
24 hearing at least once in a local newspaper having
25 general circulation in their districts, specifying

1
2 the time, place in today's hearing and stating the
3 change to the assessment or the district plan.

4 It is priority of SBS that assessment increases
5 proposes focus on enhancing programs and services
6 provided to the district. The four BIDs proposed and
7 assessment increases are doing so to address vital
8 needs and changing conditions on the ground. The
9 increases will further expand, reinforce and
10 strengthen core services currently provided in the
11 business district including funds for additional
12 streetscape improvements, open street programming,
13 new public events and added staff capacity.

14 Additionally, portions of these increases will be
15 used to sustain or increase the current levels of
16 sanitation and public safety programs and services
17 impacted by the rising cost related to inflation and
18 minimum wage increases.

19 The proposed increases vary according to the BID
20 size, district size and proposed changes in programs
21 and services. The proposed increases are Brighton
22 Beach Avenue BID from \$220,000 to \$300,000, Fordham
23 Road BID from \$1,010,000 to \$1,510,000. The
24 Meatpacking Area BID from \$3,200,000 to \$6,200,000
25 and the Village Alliance BID from \$1,400,000 to

1
2 \$1,900,000. A district plan amendment is most often
3 used to revise the assessment formula to more
4 equitably assess the properties within a district.

5 The proposed Westchester Square District Plan
6 Amendment will provide additional details to the
7 assessment formula which will address any ambiguity
8 about the assessment for corner properties.

9 Currently, the corner properties are assessed based
10 on the length of the longer side of the building.

11 This proposed law will amend the method of assessment
12 to clarify that corner properties should be assessed
13 based on the linear frontage of one of the main
14 retail commercial or professional side of the
15 property.

16 The Amendment also increases the base fee of the
17 corner properties with commercial uses that are above
18 grade level from \$300 to \$500. This amended method
19 of assessment is more equitable because it is based
20 on the length of the commercial frontage, rather than
21 the longest linear frontage.

22 Representatives from each of the BIDs, requesting
23 City Council Finance Committee approval for their
24 legislative changes are present to answer any
25 questions pertaining to their specific requests.

1
2 However, I'm happy to answer any questions. Thank
3 you.

4 CHAIRPERSON BRANNAN: We've also been joined by
5 Council Members Powers, Hudson and Stevens. Do we
6 have any questions from any of my colleagues? Okay,
7 alright, thank you Commissioner.

8 CALVIN BROWN: Thank you.

9 CHAIRPERSON BRANNAN: Okay, we're now going to
10 call Billy to call the roll.

11 COMMITTEE CLERK: Good morning everyone. William
12 Martin, Committee Clerk roll call vote Committee on
13 Finance. All items are coupled. Chair Brannan?

14 CHAIRPERSON BRANNAN: I vote aye.

15 COMMITTEE CLERK: Ayala?

16 COUNCIL MEMBER AYALA: Aye.

17 COMMITTEE CLERK: Moya?

18 COUNCIL MEMBER MOYA: I vote aye.

19 COMMITTEE CLERK: Thank you. Powers?

20 COUNCIL MEMBER POWERS: Aye.

21 COMMITTEE CLERK: Louis?

22 COUNCIL MEMBER LOUIS: Aye.

23 COMMITTEE CLERK: Brooks-Powers? Barron?

24 COUNCIL MEMBER BARRON: Aye.

25 COMMITTEE COUNSEL: Brewer? Farias?

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COUNCIL MEMBER FARIAS: I vote aye.

COMMITTEE CLERK: Hanks?

COUNCIL MEMBER HANKS: Aye.

COMMITTEE CLERK: Hudson?

COUNCIL MEMBER HUDSON: Aye, thank you.

COMMITTEE CLERK: Ossè?

COUNCIL MEMBER OSSÈ: Aye.

COMMITTEE CLERK: Sanchez?

COUNCIL MEMBER SANCHEZ: Aye.

COMMITTEE CLERK: Stevens?

COUNCIL MEMBER STEVENS: Aye.

COMMITTEE CLERK: Velázquez? Williams? Won?

COUNCIL MEMBER WON: Aye.

COMMITTEE CLERK: Carr?

COUNCIL MEMBER CARR: Aye.

COMMITTEE CLERK: With a vote of 14 in the affirmative, zero in the negative and no abstentions, all items have been adopted by the Committee.

CHAIRPERSON BRANNAN: Amanda, you can go.

Alright guys, thank you. We're going to leave it open for the Majority Whip but you guys can go.

COMMITTEE CLERK: Quite please. Continuation roll call. Ladies and gentleman please.

Continuation roll call Committee on Finance, Council
Member Brooks-Powers?

COUNCIL MEMBER BROOKS-POWERS: I vote aye.

COMMITTEE CLERK: Thank you. Final vote now
Committee on Finance, all items have been adopted by
the Committee with 15 in the affirmative, zero in the
negative and no abstentions.

CHAIRPERSON BRANNAN: Okay, this hearing is
adjourned. [GAVEL]

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date November 17, 2023