

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON FINANCE

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September 8, 2011

Start: 11:45 am

Recess: 12:30 pm

HELD AT: Committee Room - 16<sup>th</sup> Fl.  
250 Broadway

B E F O R E:

DOMENIC M. RECCHIA, JR.  
Chairperson

COUNCIL MEMBERS:

Gale A. Brewer  
Leroy G. Comrie, Jr.  
Lewis A. Fidler  
Helen D. Foster  
Robert Jackson  
G. Oliver Koppell  
Darlene Mealy  
Diana Reyna  
Joel Rivera  
Albert Vann  
Fernando Cabrera  
Julissa Ferreras  
Karen Koslowitz  
James G. Van Bramer  
Vincent M. Ignizio  
James S. Oddo

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

Andrew Schwartz  
First Deputy Commissioner  
NYC Department of Small Business Services

Eddy Eng  
Executive Director for the BID program  
NYC Department of Small Business Services

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2 CHAIRPERSON RECCHIA: Good morning—  
3 almost afternoon. Welcome to today's Finance  
4 Committee hearing. My name is Domenic M. Recchia,  
5 Jr. I'm the chair of this wonderful Committee. I  
6 want to first of all welcome you all to today's  
7 hearing and I want to thank all the members of  
8 this wonderful Committee for attending yesterday's  
9 Chinatown BID hearing. It was a long, lengthy  
10 hearing, and we had a great turnout, and I want to  
11 thank my colleagues. Before we proceed, I'd like  
12 to recognize everybody who is here today: Fernando  
13 Cabrera, Leroy Comrie, Jimmy Van Bramer, Julissa  
14 Ferreras, Karen Koslowitz—the Queens delegation is  
15 over here—Rob Jackson, Al Vann, Vincent Ignizio,  
16 Helen Diane Foster—the new mother, Lewis Fidler,  
17 Jimmy Oddo, Ruben Wills and anybody else?  
18 Alright. Steve Levin is stuck in traffic; we were  
19 waiting for him, but he's stuck in traffic.  
20 Hopefully, he will be here before we vote out  
21 Atlantic Avenue BID.

22 Today we have one item on our  
23 agenda—a local law to establish the Atlantic  
24 Avenue BID. Intro 518 establishes the Atlantic  
25 Avenue BID located in Council Member Steve Levin

1  
2 and Brad Lander's district. On April 28<sup>th</sup>, this  
3 Committee held its first hearing on Intro 518. At  
4 this hearing, I heard from property owners who may  
5 be effected by this establishment of the BID. By  
6 law after the hearing, the Committee had to wait  
7 at least 30 days to allow property owners that are  
8 negatively affected by this establishment of the  
9 BID to file objections with the clerk. The  
10 objection period for the creation of the BID ended  
11 on May 27<sup>th</sup> at 5pm. According to the clerk, out of  
12 576 property owners located in the proposed BID,  
13 not one owner filed an objection. One person did  
14 file an objection, but such person was not able to  
15 prove ownership of the property that - - located  
16 in Atlantic Avenue BID. We will hear more about  
17 the objections from SBS when they testify; the  
18 absence of significant objection if this Committee  
19 and the full Council can answer the following four  
20 - - questions affirmatively, it may adopt the  
21 intro and establish the BID. Question #1; were  
22 all notices of the hearing for all hearings  
23 required to be held published and mailed as  
24 required by law sufficient? Does all the real  
25 property within the district boundaries benefit

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2 from the establishment of the district except as  
3 otherwise provided by law? Number 3; is all real  
4 property benefitted by the district included  
5 within the district? And fourth, is the  
6 establishment of the district in the best interest  
7 of the public and the community? Since the number  
8 of objections required to prevent the creation of  
9 the BID have not been filed with the city clerk,  
10 if the Committee finds the affirmative on these  
11 four questions, then the legislation can be  
12 adopted and the BID can be established.

13 Council Member Levin and Lander  
14 support the establishment of this wonderful BID,  
15 which will be the City's 65<sup>th</sup> BID. The total first  
16 year budget is 240,000, which will go to security,  
17 sanitation, marketing, administration. For  
18 details on the management structure and district  
19 profile of the Atlantic Avenue BID along with the  
20 services provided by properties located within the  
21 BID, please review the BID's Committee Report and  
22 the attached district plan.

23 Now we will hear from SBS, Eddy Eng  
24 [phonetic] and the BID director and Andy Schwartz,  
25 who will give us more detail and answer any

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questions that we have. Mr. Schwartz?

ANDREW SCHWARTZ: Thank you,  
Chairman Recchia and members of the Finance  
Committee. I'm Andrew Schwartz, first deputy  
commissioner at Small Business Services. I'm here  
today with our executive director for the BID  
program, Eddy Eng. Thank you for this opportunity  
to testify on the Atlantic Avenue BID. As  
required by the BID law, the Atlantic Avenue BID  
Steering Committee mailed a summary of the City  
Council's resolution to each owner of real  
property within the proposed district at the  
address shown on the latest city assessment roll  
or to such other persons that are registered with  
the city to receive tax bills concerning real  
property within the district and to tenants of  
each building within the proposed district. In  
addition, Small Business Services arranged for the  
required publication of the summary of the  
resolutions in the City record.

We are pleased to report on the  
result of the objections filed with the city clerk  
against the establishment of the proposed Atlantic  
Avenue Business Improvement District at the

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2 conclusion of the objection period at 5pm on May  
3 27, 2011 and taking into consideration any  
4 objections post-marked by that date. No valid  
5 objections were filed with the city clerk. Two  
6 invalid objections were filed; one objection had  
7 no proof of ownership and another was filed late.  
8 The total assessed valuation of real property  
9 within the district is \$164,859,022 and the total  
10 number of properties is 734, which are held by  
11 approximately 576 property owners. Our review  
12 concludes that the level of objection filed in  
13 terms of either number of property owners or  
14 percentage of assessed valuation is within the  
15 acceptable threshold needed to advance this bill  
16 for favorable consideration by the full City  
17 Council; therefore, SBS requests the City Council  
18 approve the establishment of the Atlantic Avenue  
19 BID in Brooklyn. The Department of Small Business  
20 Services supports the establishment of the BID.  
21 In our judgment the BID will improve business  
22 conditions and quality of life in the Atlantic  
23 Avenue area, making it a good place to live, work  
24 and visit and laying the groundwork for further  
25 neighborhood development activities in Brooklyn.

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2 Thank you for your consideration. I'd be happy to  
3 answer any questions at this time.

4

CHAIRPERSON RECCHIA: Does any  
5 member have any questions? I recognize the  
6 Council Member from Brooklyn, Lewis Fidler.

7

COUNCIL MEMBER FIDLER: Thank you,  
8 Mr. Chairman—

9

CHAIRPERSON RECCHIA: [Interposing]  
10 Before you do that, I want to recognize we've been  
11 joined by Oliver Koppell from the Bronx.

12

COUNCIL MEMBER FIDLER: Could you  
13 tell us what the nature of the two invalid  
14 objections were?

15

[pause]

16

EDDY ENG: Yeah, I'll be happy to.  
17 The objection that filed with no proof of  
18 ownership basically said that the real estate  
19 taxes are high that the property owner has many,  
20 many other costs and the principal activities that  
21 are performed by the BID should be performed by  
22 the City of New York, so those are some of the  
23 reasons for the objection.

24

COUNCIL MEMBER FIDLER: And the  
25 other one? The one that was late?



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2 EDDY ENG: The late objection  
3 stated that the property owner cannot afford any  
4 additional taxes on the property.

5 COUNCIL MEMBER FIDLER: So the same  
6 nature?

7 EDDY ENG: Same nature.

8 COUNCIL MEMBER FIDLER: Okay.  
9 Certainly can be sympathetic to that point of  
10 view. The budget for the BID according to the  
11 Council Committee report is \$240,000—almost half  
12 of which is for administration. Can you tell me  
13 whether or not this BID is going to contract out  
14 for its administration in any shape, manner or  
15 form in any amount to any group?

16 ANDREW SCHWARTZ: No, there is no  
17 plan to contract out the services from this BID to  
18 any other group.

19 COUNCIL MEMBER FIDLER: When you  
20 say there is no plan, is there a plan in place for  
21 the management of this BID that precludes that?

22 ANDREW SCHWARTZ: When I say  
23 there's no plan, the BID is going to be managed by  
24 the BID.

25 COUNCIL MEMBER FIDLER: Okay. I'm

1  
2 going to take that representation from you, Mr.  
3 Schwartz and understand that I would not vote for  
4 this BID under any other circumstance. I'm  
5 extraordinarily distressed that what has happened  
6 in the variety of business improvement districts  
7 in downtown Brooklyn where they seem to be being  
8 gobbled up by the partnership—I think  
9 inappropriately. I think it compromises their  
10 independence, so I'm going to vote for this and  
11 I'm going to vote for it based upon that  
12 representation, and I'm going to be a very, very  
13 unhappy Council Member if it turns out to be  
14 different.

15 ANDREW SCHWARTZ: Understood on  
16 that point, Council Member. I appreciate that.

17 COUNCIL MEMBER FIDLER: Thank you.

18 CHAIRPERSON RECCHIA: To follow up  
19 on what Councilman Fidler said, we brought this up  
20 at the first hearing—what the Bloomberg  
21 Administration did in downtown Brooklyn and what  
22 they're doing now by taking money from the Fulton  
23 BID, the MetroTech [phonetic] BID, the Monty  
24 [phonetic] Street BID and using it for the  
25 partnership, we feel is inappropriate and you

1  
2 don't have the right to do that. Okay? No one  
3 came to the City Council to amend any of their  
4 plans or ask for permission. This is a serious  
5 problem and since it was just really voted on a  
6 few weeks ago, we do plan on proceeding forward in  
7 seeing what should be done. I think this is a  
8 conversation that we must have with this Committee  
9 and with SBS because many of my colleagues in  
10 Brooklyn have serious questions whether you have  
11 the authority to do this or not. When those BIDs  
12 come up for renewal or for increases or anything  
13 like that, they're going to have some serious  
14 problems. What my question is: is that in the  
15 master contract--what I think should be placed in  
16 the master contract is language that says, "All  
17 the money will be used to provide services for  
18 Atlantic Avenue BID and not for the Downtown  
19 Partnership." Is that possible?

20                   ANDREW SCHWARTZ: I'll take that  
21 request back. I do want to make it clear because  
22 I've been involved with Downtown Brooklyn  
23 Partnership and the three BIDs--Court-Livingston  
24 Fulton Mall, and MetroTech, and this has never  
25 been on anyone's agenda to involve this Atlantic

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Avenue BID. I do want to be emphatic about—

CHAIRPERSON RECCHIA: [Interposing]

Well, you know what? It was never nobody's agenda for those BIDs to support the Downtown Partnership and to support Joe Chan's salary of \$225,000. That is a problem.

ANDREW SCHWARTZ: No, and I think we would sit down and discuss Downtown Brooklyn Partnership and what the arrangement is there with the three BIDs and I hear your concerns--

CHAIRPERSON RECCHIA: [Interposing] 'Cause the administration decided—no one asked for the Downtown Partnership. Nobody wanted the Downtown Partnership. It was forced upon us—shoved down our throats. They put the BAM LDC out of business. I'm still trying to see what it brought us, and we have serious problems with this. This City Council and the Brooklyn delegation, we have serious problems with that. We will move forward with that, but before I move forward, Steve Levin couldn't be here, but...

[pause]

CHAIRPERSON RECCHIA: He made it. We have to wait for Steve Levin. He wants to say

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2 a few words. There he comes. And now introducing  
3 the Council Member, Steve Levin, from the Atlantic  
4 Avenue BID. Steve, you're up. Do you want to  
5 take a breather?

6 COUNCIL MEMBER LEVIN: Thanks, Mr.  
7 Chairman. I just want to offer my congratulations  
8 to Sandy Balboza [phonetic] and the Atlantic  
9 Avenue BID. This has been a long time coming. A  
10 lot of hard work has gone into this--a lot of  
11 community outreach, a lot of outreach to  
12 businesses. I want to thank SBS for shepherding  
13 this through and working very closely with the  
14 merchants. I offer my full support and my  
15 heartfelt congratulations to everyone that's put  
16 so much work into this. Thank you very much, Mr.  
17 Chair.

18 CHAIRPERSON RECCHIA: Thank you.  
19 Mr. Schwartz, we were with the master contract and  
20 the language that--we would like something in  
21 there--what is the timeline after it gets passed  
22 today for the master contract to be drafted?

23 ANDREW SCHWARTZ: What Eddy is  
24 saying is three, four months is typical.

25 CHAIRPERSON RECCHIA: Alright. So,

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2 Mr. Eng, could you keep in touch with Tanisha  
3 Edwards, my wonderful attorney?

4 EDDY ENG: I'll be happy to.

5 CHAIRPERSON RECCHIA: So we could  
6 somehow make sure language in there—and to those  
7 from Atlantic Avenue, we just want to try to  
8 protect you—that the money you collect stays with  
9 Atlantic Avenue—that Downtown Partnership doesn't  
10 get their hands into it. Okay? I'm very afraid  
11 of that. We learned our first time, and it won't  
12 happen anymore. Okay. So, ready to call the  
13 roll? Anybody else? Any questions? Okay, call  
14 the roll.

15 COMMITTEE CLERK: William Martin,  
16 Committee Clerk, roll call vote in the Committee  
17 on Finance Introduction 518. Council Member  
18 Recchia?

19 CHAIRPERSON RECCHIA: In the  
20 interest for the residents of downtown Brooklyn, I  
21 encourage all my members to vote aye. Aye.

22 COMMITTEE CLERK: Cabrera?

23 COUNCIL MEMBER CABRERA: Aye.

24 COMMITTEE CLERK: Comrie?

25 COUNCIL MEMBER COMRIE:

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2       Congratulations to all of those involved, and I  
3       want to congratulate Council Members Levin, Fidler  
4       and Recchia for making sure that the money stays  
5       with the BID and doesn't go anywhere else.   Aye.

6                       COMMITTEE CLERK:   Fidler?

7                       COUNCIL MEMBER FIDLER:   Based on  
8       the representations that were made here in full  
9       and total agreement with the Chairman in hopes  
10      that language will be included in the master  
11      contract that will prevent the abomination that's  
12      been occurring in downtown Brooklyn with the BIDs,  
13      I will vote aye.

14                      COMMITTEE CLERK:   Foster?

15                      COUNCIL MEMBER FOSTER:   Aye.

16                      COMMITTEE CLERK:   Jackson?

17                      COUNCIL MEMBER JACKSON:   Aye.

18                      COMMITTEE CLERK:   Koppell?

19                      COUNCIL MEMBER KOPPELL:   Aye.

20                      COMMITTEE CLERK:   Vann?

21                      COUNCIL MEMBER VANN:   Aye.

22                      COMMITTEE CLERK:   Ferreras?

23                      COUNCIL MEMBER FERRERAS:   Aye.

24                      COMMITTEE CLERK:   Koslowitz?

25                      COUNCIL MEMBER KOSLOWITZ:   Aye.

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COMMITTEE CLERK: Van Bramer?

COUNCIL MEMBER VAN BRAMER: Aye.

COMMITTEE CLERK: Ignizio?

COUNCIL MEMBER IGNIZIO: I just as soon vote no, but at the request of Council Member Levin and Recchia, I'm happy to vote yes, but I don't like—I want SBS to know—giving up my authority then say trust us in the backend and we'll try to make it right, but at the request of the Chair and the Council Member in the district, I will vote aye.

COMMITTEE CLERK: Oddo?

COUNCIL MEMBER ODDO: Once again protecting Brooklyn's southern flanks, Staten Island votes with them and votes yes.

COMMITTEE CLERK: By a vote of 13 in the affirmative, zero in the negative, no abstentions, the item is adopted. Members, please sign the Committee report. Thank you.

CHAIRPERSON RECCHIA: Okay. I want to thank everyone for coming. This hearing is concluded. I hope everyone has a very good first day of school. We're going to vote open for 30 minutes.



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COMMITTEE CLERK: Council Member

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Reyna?

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COUNCIL MEMBER REYNA: I vote aye.

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COMMITTEE CLERK: The vote now

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currently stands at 14 in the affirmative.

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[pause]

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COMMITTEE CLERK: Council Member

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Brewer?

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COUNCIL MEMBER BREWER: I vote aye.

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COMMITTEE CLERK: The vote now

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currently stands at 15 in the affirmative, zero in

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the negative and no abstentions.

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[pause]

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COMMITTEE CLERK: Council Member

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Rivera?

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COUNCIL MEMBER RIVERA: Thank you

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very much. I vote aye on all items on today's

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calendar.

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COMMITTEE CLERK: The final vote on

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the Committee on Finance is now 16 in the

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affirmative, zero in the negative and no

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abstentions.

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COUNCIL MEMBER RIVERA: At this

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point in time, I'll close out today's hearing on

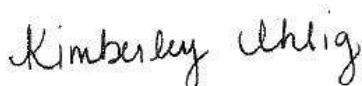
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Finance. The meeting is adjourned.

C E R T I F I C A T E

I, Kimberley Uhlig 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

Handwritten signature of Kimberley Uhlig in cursive script.

Date

September 14, 2011