

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON FINANCE

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January 18, 2012
Start: 10:23am
Recess: 10:39am

HELD AT: Council Chambers
City Hall

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

A P P E A R A N C E S

COUNCIL MEMBERS:

James G. Van Bramer
Vincent M. Ignizio
James S. Oddo

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

Elizabeth De Leon
Deputy Director
New York City Department of Small Business Services

Eddy Eng
BID Development Director
New York City Department of Small Business Services

2 CHAIRPERSON RECCHIA: I believe
3 Jimmy Oddo is on his way down. Okay. We're going
4 to begin the hearing while we're still waiting for
5 a few members 'cause SBS will testify in the
6 meantime. Okay? So we'll just start off. Okay.
7 Good morning. Welcome to today's Finance
8 Committee hearing. My name is Domenic M.
9 Recchia, Jr. I'm the Chair of this wonderful
10 Committee and I welcome everyone here today.
11 Today we have a number of items on our agenda, but
12 before we do that, I'd like to introduce all my
13 colleagues who have joined us this morning. Just
14 walking in is Rosie Mendez—welcome, Rosie—Gale
15 Brewer, Jimmy Van Bramer, Dan Halloran. To my
16 right, we have Joel Rivera, Julissa Ferreras,
17 Karen Koslowitz, Vincent Ignizio. Vinny is to my
18 right. He's all the way to my right. - - .

Okay. First we have three Land Use items that will receive full property tax exemptions from HPD. The first Land Use item is a Cooper's Square property [phonetic] located in Council Member Mendez's and Chin's district. This property consists of 21 buildings, - - 328 units of rental housing for low income families will

undergo a rehab. Council Members Chin and Mendez support this item.

The next Land Use item is the Hale House, a property located in Council Member Inez Dickens' district in Manhattan. The current tax exemption for this property is expiring so this is a new exemption that would keep the property affordable. This property currently provides 28 units of rental housing for low income families. Council Member Dickens supports this item.

The last Land Use item is Homeward Bound, a property located in Council Member Dickens' district. Like the last property, the current tax exemption for this property is expiring, so the exemption that will keep the property affordable we're voting on today. This property currently provides 33 units of rental housing for low income families. And Council Member Inez Dickens supports this.

21 Our last item related to BIDs.
22 Intro 741 authorizes an increase in the budget of
23 six BIDs. The six BIDs have requested a budget
24 increase, 34th Street, 125th Street, Grand Central,
25 East - - Road, Fordham Road, Bayside Village. The

budget increases were made at the request of all six BIDs to pay for additional improvement in services in their districts. All the Council Members of these BIDs have submitted letters of support for budget increases. SBS will testify shortly on the six BIDs, and we'll hear testimony from anyone else who wishes to testify on the six BIDs. HPD is also here to answer any questions you may have on the Land Use items. Before we hear from SBS, I want to remind everybody that the Finance Committee will be meeting next Monday, January 23rd, the Finance Committee. Alright. We'll have one hearing. We were supposed to have two hearings. We are postponing the -- hearing that was going to be at 10 o'clock. We will recalendar [phonetic] that. We will let everyone know, but we will have another hearing at 2 o'clock. Okay? The second hearing will begin at two in this room. It related to Intro 729, which is a contract transparency bill sponsored by Council Member Darlene Mealy. These will be the first hearings of these bills, so there will not be a vote. Does anyone have any questions at this time? Okay. So Lew Fidler has joined us. Okay.

2 SBS, we welcome you to say a few words.

3 ELIZABETH DE LEON: Good morning,
4 Mr. Chairman and members of the Finance Committee.
5 I am Elizabeth De Leon [phonetic], deputy
6 commissioner to the Small Business Services
7 Agency. I'm here along with Eddy Eng [phonetic]
8 and other colleagues of SBS in order to express
9 our support for the law that allows an increase in
10 the amount to be expended in six business
11 improvement districts. As required by law, the
12 six BIDs published a notice of the public hearing
13 at least once in the local newspaper, having
14 general circulation in the districts specifying
15 the time and the place where the hearing will be
16 held and stating the proposed amount to be
17 expended annually. In addition, each BID has
18 certified that they have mailed a letter to each
19 property owner informing them about the proposed
20 assessment increase and the time and place of this
21 public hearing. The six BIDs requesting increases
22 of annual expenditures desired to further expand,
23 reinforce and strengthen existing core services
24 currently provided in the business districts. The
25 BIDs wish to increase the amount to be expended

2 annually beginning on July 1st, 2011 as follows:

3 Bayside Village from 81,368 to 155,000, Fordham

4 Road from 500,000 to 625,000, Grand Central

5 Partnership from 11,565,540 to 12,709,372, - -

6 East Gunhill Road from 209,000 to 259,000, 125th

7 Street from 867,390 to 947,820 and the 34th Street

8 Partnership from 9,291,500 to 9,940,000. SBS has

9 over three decades of BID experience and extensive

10 knowledge of BID assessments and the maximum

11 permitted under law. We wish to assure the City

12 Council Finance Committee that the assessment

13 increases of the six BIDs do not exceed the

14 maximum amount allowed under law. As you already

15 know, the city's BIDs supplement city sanitation,

16 public service, safety services, promote

17 businesses through marketing initiatives and

18 public events, enhance the city's physical

19 environment through streetscape improvement

20 projects and engage local communities in programs

21 such as student internship programs. In addition,

22 BIDs and partnerships with city government help

23 create jobs, improve the quality of life for all

24 New Yorkers and visitors, enhance the city's tax

25 base and strengthen the local economy in tough

1 economic times. I will be happy to answer any
2 questions you may have and I thank you for your
3 time.

5 CHAIRPERSON RECCHIA: Thank you very
6 much. Does any Council Member have any questions?
7 Yes, Gale Brewer, I recognize Gale Brewer from
8 Manhattan.

9 COUNCIL MEMBER BREWER: Thank you
10 very much. I know the hard work of the BIDs. I
11 have two questions. One, what in terms of the
12 social media—a couple of them mentioned social
13 media—I was wondering what that entails and is
14 there any way in which they could work together on
15 social media, obviously promoting different
16 aspects, different BIDs, different locations and
17 so on?

18 ELIZABETH DE LEON: I'll defer this
19 question to Eddy Eng.

20 EDDY ENG: Social media includes
21 such things as Facebook and I think BIDS through
22 their own associations -- to coordinate and work
23 together, so I think that's a distinct possibility
24 -- -- .

25 COUNCIL MEMBER BREWER: In other

words, you could have one person doing several BIDS so you save money? I'm just trying to see if everybody's got their own little niche or are we trying to figure out a way that they could enhance together?

EDDY ENG: I believe they always look for ways to coordinate and save - - and the city encourages that they work together. I think through the BID association, they do that.

GALE BREWER: Alright. Second question I have is when you work on these BIDs, do you find continually that the--do you like poll the local stores in addition to the owners to see if they're benefitting? And the reason I say this is obviously my BIDs we do that. I have three of them. I know them well. Do we constantly find if the small stores--the mom and pops, which I've - - my whole life trying to support and find ways to support more--are they also feeling positive about the work of these BIDs and just BIDs in general?

EDDY ENG: More than several BIDs have done surveys of their businesses and submitted them to SBS and looking some results of the survey, I think for the most part, merchants

2 are happy, businesses are happy with the services
3 and the improvements that the BIDs made.

4 COUNCIL MEMBER BREWER: Is that
5 something that down the line we could see those
6 surveys or the culmination and summary of those
7 surveys of the business of the individual stores?

8 EDDY ENG: I'm sure the - - will be
9 happy to provide the Council with that information
10 if you wish to request it.

11 COUNCIL MEMBER BREWER: Alright.
12 Thank you.

13 CHAIRPERSON RECCHIA: We're going
14 to recognize Dan Halloran.

15 COUNCIL MEMBER HALLORAN: Thank
16 you, Mr. Chairman. Appreciate you guys being here
17 today. Very happy to see the Bayside BIDs'
18 numbers going up. I just have one question in
19 regards to how you determine the allocations and
20 the ask here [phonetic]. Could you just explain
21 to me, who is not a member of the Finance
22 Committee, how we come up with the specific
23 numbers? Is it a request by the entity? Is it
24 an analysis that you've done? Is it geared to
25 the size of the BID? Is it some combination of

those things, and if so, looking forward, how often do we have to review this sort of information to make sure we're actually keeping up with the times and the improvements? Bayside for example is a very, very busy strip, and I certainly want to make sure that we're doing everything we can to assist the BID in moving forward.

EDDY ENG: Each BID, its property owners--and it's represented by the BID board of directors--annually make an assessment of their needs, and it's based on what they need to either provide additional services or make additional improvements. They come up with an annual budget. It's that budget that is then provided to the City Council with breakdowns as to what the significant increases are. So in the Bayside example, they wanted to add additional promotional programs and they wanted to do additional special events, as well as paying additional cost of living increases for their sanitation workers and so on. So it's self-determined by the property owners and the BIDs themselves.

COUNCIL MEMBER HALLORAN: But it's

2 capped by law at a certain percentage, a certain
3 ratio? What is the...?

4 EDDY ENG: The cap on the law is
5 20% of the real property taxes in the district on
6 an annual basis. That's the cap.

7 COUNCIL MEMBER HALLORAN: Thank you
8 very much, and would I be able to just get from
9 you the—what 20% of the property taxes are in the
10 Bayside BID zone, so that I would be able to
11 determine what percentage we're actually using
12 versus what we should be using?

13 EDDY ENG: We would be happy to
14 provide that information. In fact, we requested
15 the Department of Finance provide that information
16 about three weeks ago. They said that they would
17 give us that information sometime next week.

18 COUNCIL MEMBER HALLORAN: Thank
19 you.

20 CHAIRPERSON RECCHIA: Just to
21 follow up on Councilman Halloran's request, my
22 wonderful attorney, Tanisha Edwards, sitting right
23 by here, has requested this information I believe
24 weeks ago or months ago, and we're still waiting
25 for this information. So we will be following up

2 with a letter. I'll be sending you a letter to
3 follow up for this information so we have a
4 request in writing. Before we move forward, I
5 want to recognize we've been joined by Council
6 Member Leroy Comrie, Council Member Jackson,
7 Council Member Cabrera and Council Member Diana
8 Reyna. Welcome. Does anyone else have any
9 questions? Without seeing any further questions,
10 I want to thank you for testifying here today.
11 Does anyone wish to testify? I strongly urge
12 you. We have the votes in favorites, so you're
13 ahead of the game. If you want to testify, you
14 might lose it. Only joking.

15 [laughter]

16 CHAIRPERSON RECCHIA: Can have a
17 sense of humor. Alright. Without seeing no one
18 else wants to testify...

19 [background conversation]

20 CHAIRPERSON RECCHIA: Council
21 Member Jackson, you want to say a few words?

22 COUNCIL MEMBER JACKSON: No, I'm
23 fine. We're way ahead of the game.

24 CHAIRPERSON RECCHIA: Okay. Does
25 any Council Member want to say anything else about

2 BIDs or anything else on today's agenda? Okay.

3 Let's call the vote.

4 COMMITTEE CLERK: William Martin,
5 Committee Clerk. Roll call vote Committee on
6 Finance. Council Member Recchia?

7 CHAIRPERSON RECCHIA: I vote aye on
8 all and I encourage all my colleagues to vote aye
9 in support of everything on today's agenda.

10 COMMITTEE CLERK: Rivera?

11 COUNCIL MEMBER RIVERA: I vote aye
12 on all and congratulations to the BIDs.

13 COMMITTEE CLERK: Reyna?

14 COUNCIL MEMBER REYNA: Aye on all.

15 COMMITTEE CLERK: Brewer?

16 COUNCIL MEMBER BREWER: Aye on all.

17 COMMITTEE CLERK: Comrie?

18 COUNCIL MEMBER COMRIE: Aye on all.

19 COMMITTEE CLERK: Fidler?

20 COUNCIL MEMBER FIDLER: Aye.

21 COMMITTEE CLERK: Jackson?

22 COUNCIL MEMBER JACKSON: Aye on
23 all.

24 COMMITTEE CLERK: Ferreras?

25 COUNCIL MEMBER FERRERAS: Aye.

2 COMMITTEE CLERK: Cabrera?

3 COUNCIL MEMBER CABRERA: Aye.

4 COMMITTEE CLERK: Koslowitz?

5 COUNCIL MEMBER KOSLOWITZ: Aye.

6 COMMITTEE CLERK: Van Bramer?

7 COUNCIL MEMBER VAN BRAMER: Aye on
8 all.

9 COMMITTEE CLERK: Ignizio?

10 COUNCIL MEMBER IGNIZIO: Yes, and I
11 would be remiss if I did not point out my good
12 friend and former Council Member Fred Cirullo
13 [phonetic] in the audience, who is running the - -
14 . It's great to have him here back in the Council
15 and I just also want to point out one quick thing,
16 if I could explain my vote very temporarily. Some
17 of the larger BIDs I think would be-I would
18 encourage or ask them if they would be as helpful
19 as quite frankly, as Fred's has in Staten Island
20 with some of the fledgling BIDs. Some of them are
21 just coming up and they don't know the benefits
22 that you guys do take part in and have done so for
23 so long, so if you would-I think SBS would be wise
24 to start some sort of a mentor program between
25 larger BIDs and smaller BIDs. I'm hearing that

2 you have one? So I would like to take advantage
3 of that if we can and just encourage you to
4 continue with that and I vote aye on all. Thank
5 you very much.

6 COMMITTEE CLERK: By a vote of 12
7 in the affirmative, zero in the negative and no
8 abstentions, all items have been adopted.
9 Members, please sign the Committee Reports.

10 CHAIRPERSON RECCHIA: Okay. In
11 addition to that, I'd like to thank my Finance
12 staff, Tanisha Edwards, the director, Preston
13 Niblack, Jeffrey Rodus [phonetic], the first
14 deputy. I'd like to—Ralph—who else do we have?
15 Anthony and who else? We have everybody else. I
16 want to thank Elizabeth and Michaela [phonetic]
17 from my staff. Thanks for doing a great job on
18 this. -- Alright. We're all done for today.
19 We'll keep the vote open until 11 o'clock.

20 [gavel]

21 COMMITTEE CLERK: Council Member
22 Oddo?

23 COUNCIL MEMBER ODDO: Yes.

24 COMMITTEE CLERK: The vote now
25 stands at 13.

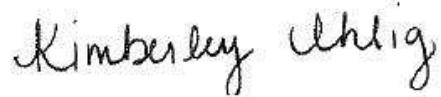
2 [pause]

3 COMMITTEE CLERK: Final vote in the
4 Committee on Finance is 13 in the affirmative,
5 zero in the negative and no abstentions. Thank
6 you. This hearing is now 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



Date

2/4/12