

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE

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October 9, 2013
Start: 10:40 a.m.
Recess: 11:14 a.m.

HELD AT: Committee Room - City Hall

B E F O R E:

KAREN KOSLOWITZ
Chairperson

COUNCIL MEMBERS:

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

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

Elizabeth De Leon Bhargava
Deputy Commissioner
Department of Small Business Services

Andrew Schwartz
First Deputy Commissioner
Department of Small Business Services

Eddy Eng
Director
Neighborhood Development Division
Department of Small Business Services

[gavel]

CHAIRPERSON KOSLOWITZ: Meeting is called to order.

Good morning; welcome to today's Finance Committee hearing. My name is Karen Koslowitz; today my colleague and Chairman of... today my colleague and Chairman of the Finance Committee, Domenic M. Recchia, Jr., will not be able to Chair today's hearing and he has asked me to chair on his behalf; of course it is my pleasure to do so.

I'd like to at this time recognize our... my colleagues, we're joined by Annabel Palma from the Bronx; she's not on the Committee, but she is definitely welcome, Council Member Oliver Koppell from the Bronx and Council Member Al Vann from Brooklyn, Council Member Leroy Comrie from Queens, Council Member Julissa Ferreras from Queens and Vincent Ignizio, Council Member from Staten Island and Council Member Diana Reyna from Brooklyn and Queens and Council Member Joel Rivera from Bronx and Council Member Cabrera from the Bronx.

Today we have four items on our agenda; we have a transparency resolution, an expense budget modification, a Sandy fee waiver reso and a local law

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2 that would establish the SoHo BID in Council Member
3 Chin's district.

4 Let's first start with the transparency
5 resolution. This transparency resolution makes
6 mostly technical corrections to the designations
7 listed in the Fiscal 2014 Schedule C and designates
8 new organizations.

9 For clarification purposes it is to be
10 noted that organizations appearing in the resolution
11 that have not yet completed the prequalification
12 process conducted by the Mayor's office of Contract
13 Services by the Council or other government agency
14 are identified in the attached chart with an
15 asterisk.

16 Additionally, as with the transparency
17 resolutions Council Members will have to sign a
18 disclosure form indicating whether or not a conflict
19 exists with any of the groups on the attached list.
20 If any Council Member has a potential conflict of
21 interest with any of the organizations listed, he or
22 she may want to disclose the conflict at the time of
23 their vote.

24 We also have an expense budget
25 modification that is related to this transparency

1 resolution, as well as past transparency resolutions.

2 This modification is our first budget modification

3 relating to the Fiscal 2014 Expense Budget that we

4 adopted in June. This modification reallocates

5 appropriations that were reflected in the Fiscal Year

6 2014 adopted budget to fund City Council initiatives.

7 This modification only includes Council-related items

8 and does not include any items from the

9 Administration. Without this modification many

10 organizations would not get their funding. Items in

11 today's transparency resolution that require the

12 budget modification in order for their funding to

13 move forward are referenced in the chart with a

14 double asterisk.

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16 Our next item is a Preconsidered

17 Resolution that would allow New York City to waive

18 certain State-imposed fees for pulling documents,

19 such as deeds or other property records from the

20 County Clerk's Office in support of applications for

21 Sandy-related Small Business Administration benefits.

22 On September 27th the Governor signed

23 into law a bill that authorizes New York City to

24 waive these fees and if the City chooses to do so,

25 the Council must pass a resolution acting on such

1 authorization within 30 days of an enactment of the
2 State law.

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4 These small business loans are required
5 by law to be recorded in the same manner as the
6 mortgage with the respective County Clerks or City
7 Register where the real property is located. As
8 such, the fees associated with the filing practice
9 are imposed on the real property owner.

10 In an effort to provide some additional
11 relief to the real property owner suffering from the
12 devastation incurred from Hurricane Sandy, this
13 resolution would exempt the real property owner from
14 the State portion of the required filing fee as well
15 as authorize the County Clerk to issue refunds to
16 those real property owners that have already paid the
17 such filing fee.

18 This Preconsidered Resolution is
19 sponsored by Council Member Lew Fidler and I applaud
20 the Council Member for sponsoring this legislation;
21 who hasn't joined us yet.

22 Now let's move onto our last item. Today
23 we will vote on Intro 0598, which is a local law that
24 would establish a business improvement district in
25 SoHo, which is located in the district of Council

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2 Member Margaret Chin who supports the establishment
3 of this BID.

4 The total first year budget of this BID
5 is \$550,000 which will go to sanitation, snow
6 removal, public safety services and general
7 administration services.

8 Please review the BID's Committee Report
9 and the attached district plan for details on the
10 management, structure and district profile of the
11 SoHo BID, along with the services provided by and
12 property located within the BID.

13 If you remember, although not required by
14 law, on November 20th, 2012 this Committee held an
15 Oversight hearing on the SoHo BID before considering
16 the legislation to create the BID. This Committee
17 believed an Oversight hearing was necessary to allow
18 the property owners and tenants in the BID boundaries
19 an opportunity to be heard.

20 Following that hearing amendments were
21 made to the BID's district plan and on March 13th
22 this Committee held its first legislative hearing on
23 Intro 0598. By law the Committee had to wait at
24 least 30 days after its first public hearing on the
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2 BID before it can again consider and possibly vote to
3 approve legislation to establish the BID.

4 The 30-day period immediately after the
5 public hearing serves as an objection period, which
6 gives a property owner affected by this BID a chance
7 to formally object to its creation.

8 When considering Intro 0598, by law the
9 Committee must answer the following four questions.
10 Were Notices of Hearings for all hearings required to
11 be held published and mailed as so required? Does
12 all the real property within the district's
13 boundaries benefit from the establishment of the
14 district except as otherwise provided by the law? 3.
15 And all real property benefited by the district
16 included within the district, and 4. Is the
17 establishment of the district in the best interest of
18 the public?

19 If the Committee finds in the affirmative
20 on these four questions and the number of objections
21 required to prevent the creation of such district are
22 not filed, then the legislation can be adopted. The
23 objection period for the creation of this BID ended
24 on April 11th at 5 p.m. According to the City Clerk,
25 2.7 percent or 7 of the 260 property owners located

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2 in the proposed BID filed valid objections. Even
3 though a small percentage of people within the BID
4 boundaries objected to the creation of the SoHo BID
5 this Committee, along with Council Member Chin, who
6 was nothing short of patient, reasonable and
7 flexible, wanted to ensure that all affected
8 individuals were pleased with the creation of the
9 SoHo BID.

10 To that end, Council Member Chin entered
11 into an MOU with a BID Steering Committee to require
12 a 50 percent ratio between residential property
13 owners and commercial property owners, a SoHo BID
14 website, require at least two public informational
15 sessions each year and require the BID Board to
16 summarize and post all public comments, issues and
17 concerns on the website of the SoHo BID DMA within 7
18 days.

19 Responses to such comments, issues and
20 concerns shall be posted on the DMA website within 30
21 days. These provisions, along with many others in
22 the MOU reflect Council Member Chin, the Finance
23 Committee and SBS' commitment to the people of SoHo
24 and the people of New York City.

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2 Shortly we will hear from the Department
3 of Small Business Services to hear whether all notice
4 requirements were complied. The End.

5 [laughter]

6 COMMITTEE COUNSEL: SBS. Once we hear
7 from SBS Billy will call the roll on all four items.

8 ELIZABETH DE LEON BHARGAVA: Good morning
9 Madame Chairman, members of... [interpose]

10 CHAIRPERSON KOSLOWITZ: One moment
11 please; I just wanna mention the names of the Council
12 Members that joined us; Council Member Gale Brewer,
13 Jimmy Oddo and Council Member Darlene Mealy.

14 ELIZABETH DE LEON BHARGAVA: 'Kay? Okay.
15 Good morning Madame Chairman; members of the Finance
16 Committee, I am Elizabeth De Leon Bhargava, Deputy
17 Commissioner of the Department of Small Business
18 Services. I am joined here today by First Deputy
19 Commissioner Andy Schwartz and Eddy Eng, Director at
20 the Neighborhood Development Division.

21 As required by the BID law, the SoHo BID
22 Steering Committee mailed the summary of the City
23 Council Resolution to each owner of real property
24 within the proposed district at the address shown on
25 the latest City Assessment Roll or to such other

1 persons as are registered with the City to receive
2 tax bills concerning real property within the
3 district and to the tenants of each building within
4 the proposed district. In addition, the Department
5 of Small Business Services arranged for the required
6 publication of a copy of the summary of the
7 resolution to the City record.
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9 We are pleased to report on the result of
10 the objections filed with the City Clerk against the
11 establishment of the proposed SoHo Business
12 Improvement District. At the conclusion of the
13 objection period at 5:00 on April 11th, 2013 and
14 taking into consideration any objections postmarked
15 by that date, seven valid objections were filed with
16 the City Clerk. Owners of 7.4 percent of the
17 assessed valuations of all benefited property
18 situated within the district filed objections to the
19 City district establishment. Also, 2.7 percent of
20 the owners of benefited real property filed
21 objections.

22 The total assessed valuation of real
23 property within the district is \$525,512,183 and the
24 total number of properties is 280, which are held by
25 260 property owners.

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2 Our review concludes that the level of
3 objection filed in terms of either number of property
4 owners or percentage of assessed valuation is within
5 the acceptable threshold needed to advance the bill
6 for a favorable consideration by the full City
7 Council.

8 The Department of Small Business Services
9 requests that this Committee and the City Council
10 approve the establishment of the SoHo BID in
11 Manhattan. The Department of Small Business Services
12 supports the establishment of the SoHo BID and in our
13 judgment the BID will improve business conditions and
14 quality of life in the SoHo Broadway area, making it
15 a better place to live, work and visit.

16 I'd like to, before I conclude, just to
17 take a moment to actually acknowledge publicly a
18 member of my staff who's retiring after 26... 27 years...
19 are you about to do... I'm not gonna take it away.
20 Okay, never mind, forget... Okay.

21 CHAIRPERSON KOSLOWITZ: I wanna do it... To
22 Eddie... [interpose]

23 [laughter]

24 CHAIRPERSON KOSLOWITZ: To Eddy Eng, I
25 have a selfish reason... [interpose]

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[laughter]

CHAIRPERSON KOSLOWITZ: he happens to be
my constituent also...

[background comments]

CHAIRPERSON KOSLOWITZ: He lives in my
community and Eddy was dealing with this when I was
in the Council the last time, so Eddy,
congratulations; I'm waiting for a call from you so
you can help me out in my district...

[laughter]

CHAIRPERSON KOSLOWITZ: Congratulations
and the best of luck to you.

COMMITTEE COUNSEL: And we love you...

[laughter]

[applause]

EDDY ENG: Thank... thank you, Council
Member, Madame Chairman; if I may be accorded the
privilege to say a comment or two.

I'm very proud of your work for Father
Seuss community (sp?), so I'm very privileged to be
with you here today, Madame Chairman.

And to the rest of the Council Members on
the Finance Committee, you know over the last, about
three decades I have experienced the growth of the

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2 program from 20 BIDs to soon to be 68 BIDs, so I have
3 helped some 48 neighborhood become Business
4 Improvement Districts and this Council, under the
5 leadership of Chairman Berman, Weprin and Recchia
6 have really worked in such a productive, close way
7 with the Department of Small Business Services; I'm
8 very, very proud of that relationship. I hope for
9 the next two or three decades this Committee works
10 just as well with our department and with the head of
11 our Neighborhood Development. So I look forward to
12 seeing that happen. Thank you very much for your
13 applause.

14 ELIZABETH DE LEON BHARGAVA: Thank you.
15 If members of the Committee have any questions.

16 CHAIRPERSON KOSLOWITZ: Anybody have any
17 questions? Okay, I guess we can vote.

18 WILLIAM MARTIN: William Martin,
19 Committee Clerk. Roll call vote Committee on
20 Finance. Council Member Ferreras.

21 COUNCIL MEMBER FERRERAS: I vote aye.

22 WILLIAM MARTIN: Koslowitz.

23 WILLIAM MARTIN: Rivera.

24 COUNCIL MEMBER RIVERA: I vote aye.

25 WILLIAM MARTIN: Reyna.

COMMITTEE ON FINANCE

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COUNCIL MEMBER REYNA: Aye.

WILLIAM MARTIN: Brewer.

[background comments]

COUNCIL MEMBER BREWER: I vote aye. I know that there are a lot of concerns still about business improvement districts, particularly in this area and I assume that the Department of Business Services has done due diligence and I look forward to working with those who still may have concerns; I know BIDs well, I know what they do well; what they don't do well and I look forward to the challenge. Thank you.

WILLIAM MARTIN: Comrie.

COUNCIL MEMBER COMRIE: Aye.

WILLIAM MARTIN: Jackson

COUNCIL MEMBER JACKSON: Aye.

WILLIAM MARTIN: Koppell.

COUNCIL MEMBER KOPPELL: Aye.

WILLIAM MARTIN: Vann.

COUNCIL MEMBER VANN: Aye.

WILLIAM MARTIN: Mealy.

COUNCIL MEMBER MEALY: Aye.

WILLIAM MARTIN: Cabrera.

COUNCIL MEMBER CABRERA: Aye.

COMMITTEE ON FINANCE

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WILLIAM MARTIN: Ignizio.

COUNCIL MEMBER IGNIZIO: Aye.

WILLIAM MARTIN: Oddo.

COUNCIL MEMBER ODDO: Yes.

WILLIAM MARTIN: Jackson.

COUNCIL MEMBER JACKSON: I vote aye on
all.

WILLIAM MARTIN: Mealy.

COUNCIL MEMBER MEALY: I vote aye on all
and congratulations.

WILLIAM MARTIN: By a vote of 13 in the
affirmative, 0 in the negative and no abstentions,
all items have been adopted. Members, please sign
the Committee Reports. Thank you.

CHAIRPERSON KOSLOWITZ: Okay, we're gonna
keep the roll call open for 20 minutes.

[pause]

WILLIAM MARTIN: Council Member Van
Bramer.

COUNCIL MEMBER VAN BRAMER: Aye on all.

WILLIAM MARTIN: Vote now currently
stands at 14 in the affirmative.

[pause]

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2 WILLIAM MARTIN: Council Member Fidler.
3 Finance... Final vote in the Committee on Finance is 15
4 in the affirmative, 0 in the negative and no
5 abstentions.

6 CHAIRPERSON KOSLOWITZ: I'd like call on
7 Council Member Chin to make a comment about the SoHo
8 BID.

9 COUNCIL MEMBER CHIN: Thank you, Chair.
10 Thank you for your support and thank you for the
11 Committee's support.

12 The SoHo Broadway BID is being approved
13 today, but this has gone on for couple'a years and I
14 really wanted to thank all of the organizers for the
15 BID and all the community members that have given us
16 their tremendous input on this, so this BID is really
17 different from what it was in the beginning; now we
18 have a commitment that going forward the Board, the
19 property owner will be 50 percent business property,
20 commercial property owner and 50 percent residential
21 property owner, really to recognize uniqueness of
22 this BID in SoHo that allowed the resident property
23 owner has made tremendous contribution to this area
24 and they, going forward will have full input in this
25 effort.

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2 And I wanted to thank Chair Recchia for
3 his support and meeting with people who support this
4 BID, people who didn't support the BID, holding
5 public hearing and of course, the Counsel, Tanisha
6 Edwards, for all the meetings that you had with us
7 and all your support on this and also to the
8 Department of Small Business Services and the BID
9 Steering Committee for all their commitment,
10 perseverance to finally making this happen, so going
11 forward the SoHo BID along Broadway, between Houston
12 and Canal will be clean, will be well-managed and
13 it'll be a great place for people to live and visit.
14 So thank you very much for all of your support.

15 Oh thank you to my staff, Matt and Giana
16 [phonetic] for all these years of meeting with...
17 [interpose]

18 [background comments]

19 COUNCIL MEMBER CHIN: all the
20 constituents. Thank you.

21 CHAIRPERSON KOSLOWITZ: The Finance
22 Committee is adjourned.

23 [gavel]

24

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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 _____ October 19, 2013 _____