

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE

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November 26, 2013
Start: 10:27 a.m.
Recess: 11:15 a.m.

HELD AT: Committee Room
 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
Robert Jackson
G. Oliver Koppell
Diana Reyna
Fernando Cabrera
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 Bhargava
Deputy Commissioner
Department of Small Business Services

James Mettham
Assistant Commissioner
Department of Small Business Services

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2 CHAIRPERSON RECCHIA: Good morning and
3 welcome to today's Finance hearing. My name's
4 Domenic M. Recchia, Jr.; I'd like to introduce some
5 of my colleagues who have joined us here today, we
6 have Council Member Vincent Ignizio from Staten
7 Island, Council Member [background comment] Jim Oddo
8 from Staten Island, Council Member Gale Brewer from
9 the borough of Manhattan; Council Member Jimmy Van
10 Bramer.

11 Today we have two BID items on our agenda
12 and nine land use items; we'll start with Hudson
13 Square BID. If you remember, November 14th this
14 committed voted on Reso 1992 which set today as the
15 date to consider Int. 1071, which is a Local Law that
16 would authorize additional improvements and a change
17 in assessment to the Hudson Square BID located in the
18 Speaker's district; the Hudson Square BID wants to do
19 several capital projects, including additional open
20 space at Pier 40 at Hudson River Park, DEP's water
21 tunnel site at Clarkson Street and the Tony Dapolito
22 Recreation Center. To help fund these projects,
23 property owners in the BID have agreed to pay a one-
24 time assessment of \$5 per square foot of the
25 project's residential use to date; there are no

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2 projections yet on costs to property owners, since
3 nothing has been built.

4 This BID is in Speaker Quinn's district
5 and she supports the amendment to this BID district
6 plan.

7 Our next BID provides assessment
8 increases. On November 14th this committee voted on
9 Reso 1993 which set today as the date and time to
10 consider Int. 1185, which is a Local Law that would
11 authorize an increase to budgets of seven BIDs and
12 two special assessment districts.

13 The budget increases for the improvement
14 districts are being made at the request of property
15 owners in the district. The seven BIDs and two
16 special assessment districts that have a requested a
17 budget on 165th Street Mall BID, Sutphin Boulevard,
18 Times Square, Fashion Center, Fulton Mall, DUMBO BID,
19 Lower East Side BID, Grand Street and Lincoln Square
20 BID. All the Council Members in these districts
21 have submitted letters of support for the budget
22 increases.

23 Next we have nine land use items; all of
24 the land use items are HDFCs that will receive a new
25 Article 11 tax exemption from HPD to replace their

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2 existing exemption. All projects will provide rental
3 housing for low-income families and nine projects
4 will receive a new Article 11 tax exemption.

5 They are the G & M Properties in Council
6 Member Palma's district, the 1350 University Avenue
7 project and Vanessa... Vanessa Gibson -- whose district
8 is this? [background comments] -- the Bronx
9 Delegation supports that; St. Barnabas Housing, the
10 Promenade Apartments, in Ydanis Rodriguez; the
11 Belmont 1, 2 and the Venezia project; these items --
12 three separate buildings under one project that will
13 receive a property tax exemption, Council Member
14 Rivera's district.

15 Finally, we have two technical
16 corrections to two land use items that we provided a
17 property tax exemption in October; the Committee is
18 making technical corrections to the resos that
19 provide Article 11 tax exemptions to the Tweemill
20 House, HDFC in Council Member Melissa Mark's district
21 in Manhattan and the Renewal HDFC in Council Member
22 Fernando Cabrera's district in the Bronx; all council
23 members for these items support these projects.

24 [background comment]

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2 These are all the items on today's; the
3 Department of Small Business Services is here to
4 testify briefly; before we hear from the Department
5 of Small Businesses I wanna remind everyone that on
6 Monday, December 2nd, the Finance Committee will meet
7 at 1 p.m. in the 16th Floor Committee Room across the
8 street at 250 Broadway to consider proposed Int.
9 1040, which will require the City to establish a
10 searchable online database to the public for
11 Hurricane Sandy funds. If you remember, this
12 committee held a hearing on the bill on November 15th
13 but only a representative from the Mayor's Office of
14 Housing Recovery testified and he was unable to
15 answer many of the committee's questions, so on
16 Monday we will proceed forward with another hearing;
17 this time we have questions from OMB, who will be
18 able to answer our questions regarding Sandy funding
19 and questions relating to the database the
20 administration is currently implementing to see how
21 we can accommodate provisions in our bill. There
22 will not be a vote at Monday's hearing; the
23 legislation is sponsored by my colleague, Council
24 Member Donovan Richards; I encourage all my
25 colleagues to attend.

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2 Those are everything so far and now we
3 will hear from SBS. If anybody would like to
4 testify, please fill out one of these forms in the
5 back with the Sergeant at Arms.

6 ELIZABETH DE LEON BHARGAVA: Good morning
7 Mr. Chairman and members of the Finance Committee. I
8 am Elizabeth de Leon Bhargava, Deputy Commissioner at
9 the Department of Small Business Services; I am
10 joined here today by my Assistant Commissioner, James
11 Mettham.

12 SBS supports the Hudson Square BID
13 district plan amendment which falls entirely within
14 City Council District 3, represented by Speaker
15 Christine Quinn.

16 The purpose of the district plan
17 amendment is to provide a funding source to address
18 the impact of new development and provide additional
19 open space and recreation improvements in and
20 immediately around the district. The amendment
21 creates a sixth assessment class, Class F, for
22 development properties under the Special Hudson
23 Square District Zoning enacted on March 20th, 2013.
24 Under this new class, old properties within the BID
25 constructed as, converted to or enlarged to include

1 new residential use will pay a one-time assessment of
2 \$5 per square foot of residential use at the time
3 that a temporary certificate of occupancy is granted
4 by the New York City Department of Buildings. Funds
5 collected from the one-time assessment on Class F
6 will be deposited by the BID into a not-for-profit
7 organization area open space special improvement fund
8 designated by the New York City Department of Parks
9 and Recreation or to an accounting team by the Parks
10 Department for the purpose of active recreation space
11 or open space improvements. The Parks Department
12 will determine appropriation of these funds in
13 consultation with Community Board 2. The active
14 recreation space and open space improvements will be
15 in the Hudson Square neighborhood and will benefit
16 the properties in the BID.

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18 The Hudson Square BID published the
19 public hearing notice at least once in a local
20 newspaper, as required by law. In addition, the BID
21 mailed a notice of local property owners as requested
22 by the Finance Committee.

23 Next I wish to express our support for
24 the law providing an increase in the amount to be
25 expended in the nine business improvement districts.

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2 As required by law, the nine BIDs published a notice
3 of the public hearing at least once in a local
4 newspaper having general circulation in the
5 districts, specifying the time, when and the place
6 where the hearing will be held and stating the
7 proposed amount to be expended annually. In
8 addition, the BIDs certified that they have mailed a
9 letter to property owners, informing them of the
10 proposed assessment increase and the time and place
11 of this public hearing. The nine BIDs requesting
12 increases of annual expenditures desire to further
13 expand, reinforce and strengthen existing core
14 services currently provided in the business
15 districts. The BIDs wish to increase the amount to
16 be expended annually beginning on July 1st, 2013 as
17 follows: Times Square, approximately \$11,685,000 to
18 \$12,640,000; Fashion Center, \$5,750,000 to \$7.8
19 million; Lincoln Square, \$2.2 million to \$2.5
20 million; Fulton Mall, approximately \$1.5 to
21 \$1,537,500; Lower East Side, \$335,600 to \$974,600;
22 DUMBO, half a million to \$650,000; Sutphin Boulevard,
23 from \$177,000 to \$252,000; Grand Street BID,
24 approximately \$181,000 to approximately \$226,500;
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2 165th Street Mall, approximately \$169,000 to
3 \$200,000.

4 The City's BIDs supplement City
5 sanitation and public safety services; they promote
6 businesses through marketing initiatives and public
7 events, enhance the City's physical environment
8 through streetscape improvement projects and engage
9 local communities through social service and outreach
10 programs. In addition, BIDs, in partnership with the
11 City government, help create jobs, improve the
12 quality of life for New Yorkers and visitors, enhance
13 the city's tax base and strengthen the local economy
14 in tough economic times.

15 I'm happy to answer any questions that
16 you may have. Thank you.

17 CHAIRPERSON RECCHIA: Thank you very
18 much. Okay, we've been joined by Council Member
19 Cabrera, Council Member Koppell, Council Member Leroy
20 Comrie; Council Member Jackson and we have a quick
21 question from Oliver Koppell.

22 COUNCIL MEMBER KOPPELL: Yeah.
23 [background comment]... 'Kay. We go through a big
24 process to authorize these BIDs. When... including
25 notification of the property owners and you have to

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2 get a certain percentage of consent -- for these
3 increases you mentioned that the property owners have
4 been notified; do they have any say in the amount of
5 the increase?

6 ELIZABETH DE LEON BHARGAVA: Absolutely.
7 The same way... and I will allow my Assistant
8 Commissioner to actually discuss the details, but in
9 the same way that when they are first starting they
10 discuss as a group and have to vote on the budget;
11 they have to do the exact... pretty much the same
12 process and have to vote and agree on not only the
13 budget increase, but agree as a board on the
14 increase. [crosstalk]

15 COUNCIL MEMBER KOPPELL: The property
16 owners or just the BID member?

17 ELIZABETH DE LEON BHARGAVA: Both.

18 COUNCIL MEMBER KOPPELL: The property
19 owners actually have to agree? [crosstalk]

20 ELIZABETH DE LEON BHARGAVA: Everyone
21 who's part of the BID.

22 COUNCIL MEMBER KOPPELL: Yeah. I just
23 was noting... modest increases I understand... one had
24 like a triple increase; is... just curious; is there
25 reason for that?

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2 ELIZABETH DE LEON BHARGAVA: Yes there
3 are. I'll have James... if you have a specific BID
4 that you'd like to... [interpose]

5 COUNCIL MEMBER KOPPELL: But I just... it
6 just hit me that this one BID; the Lower East Side
7 BID is tripling its assessment.

8 JAMES METTHAM: Hi, my name is James
9 Mettham; I'm an Assistant Commissioner at the
10 Department of Small Business Services. Yes, as you
11 noted, the Lower East Side is expected to increase
12 its assessment over time to \$974,600, which is nearly
13 three times as much as its current assessment; they
14 are planning to do that over a five-year period and
15 the rate in which properties will be assessed in this
16 district will be as new development occurs at the
17 Seward Park development sites... [interpose]

18 COUNCIL MEMBER KOPPELL: 'Kay.

19 JAMES METTHAM: so that the rate of
20 assessment for the entire BID, for each property,
21 will remain the same but will allow them to assess
22 these new properties. [crosstalk]

23 COUNCIL MEMBER KOPPELL: Okay. That's a
24 good explanation Mr. Chairman and it makes me much
25 happier to vote for it.

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2 CHAIRPERSON RECCHIA: Thank you very
3 much. Gale Brewer has a quick question.

4 COUNCIL MEMBER BREWER: I am a big
5 supporter of increases that will, I think in the case
6 of Lincoln Square, help the salaries of those who are
7 cleaning and so on. So while the increases exist, do
8 you monitor... in other words, with all due respect,
9 this shouldn't just go to personnel and anybody's
10 large salary, it should, in my opinion, go to workers
11 and things that are beneficial to the neighborhood,
12 so whom... I know that... I sit on the BID, so my BID
13 boards, I read everything, but are you paying
14 attention to that kind of issue, that it go to... I
15 don't know what you call it... not necessarily...
16 everything is legitimate, but causes that the public
17 would even be interested in?

18 ELIZABETH DE LEON BHARGAVA: Absolutely.
19 There are additional BIDs that have put in for a BID
20 assessment and the Commissioner actually reviews
21 every single one and we... upon our review we will then
22 decide to move forward and present them... [beep] but
23 before then there is a review; not all the BIDs
24 actually get approval by SBS to move forward.
25 [interpose]

COMMITTEE ON FINANCE

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COUNCIL MEMBER BREWER: Okay.

ELIZABETH DE LEON BHARGAVA: So yes,
there is a review.

COUNCIL MEMBER BREWER: Alright, thank
you.

CHAIRPERSON RECCHIA: Okay. Leroy Comrie
has a quick question.

COUNCIL MEMBER COMRIE: Thank you Mr.
Chair, good morning. Did the Jamaica Avenue BID; did
they do an assessment increase over the last year or
were they part of the request, the... Jamaica Avenue,
Queens?

ELIZABETH DE LEON BHARGAVA: I'm sorry
Councilman Comrie; can you... what BID are you
referring to?

COUNCIL MEMBER COMRIE: Jamaica... the
great... uh... [interpose]

ELIZABETH DE LEON BHARGAVA: Jamaica?

COUNCIL MEMBER COMRIE: Yeah.

ELIZABETH DE LEON BHARGAVA: They didn't
put in for it this year... James; do you wanna answer
on the last year? [crosstalk]

JAMES METTHAM: Yeah, the... the Jamaica
Center BID did not request an increase this current

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2 fiscal year; the 165th Street Mall did however and
3 they are a part of this group.

4 COUNCIL MEMBER COMRIE: Okay. I work
5 with the 165th Street Mall, Sutphin Boulevard and
6 Jamaica and the 180th Street quite clearly and I know
7 that, you know they're all excellent BIDs and they've
8 been working hard, so I was just wondering why the
9 Jamaica Center BID didn't put in a request for
10 increase.

11 JAMES METTHAM: And I will mention also,
12 Sutphin Boulevard as well put in for an increase this
13 year... [crosstalk]

14 COUNCIL MEMBER COMRIE: Yes, I see
15 Sutphin Boulevard and the director's here also, so...
16 [crosstalk]

17 JAMES METTHAM: Yeah. The Jamaica
18 Center...

19 COUNCIL MEMBER COMRIE: I won't speak
20 against her BID while she's in the room. [laughter]

21 JAMES METTHAM: I know Jamaica Center has
22 discussed the possibility of an increase; their board
23 is still determining whether or not it's appropriate
24 at this time to do so, so we may... [crosstalk]

25 COUNCIL MEMBER COMRIE: Uh...

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2 JAMES METTHAM: see them in the near
3 future.

4 COUNCIL MEMBER COMRIE: and I would
5 strongly suggest that they, you know, put in for a
6 BID increase there; there's a lot of... you know,
7 Jamaica Avenue, downtown Jamaica's a high-trafficked
8 [background comment] area; there's more garbage going
9 in that area from people, they're littering all the
10 time and I know that they need to have a larger
11 component of people that are working to mitigate that
12 into work with the BIDs. Alright, now it looks
13 beautiful; they put their Christmas lights already,
14 but I know that there are many other things that the
15 business owners have requested and I believe that an
16 increase would be more than... because it's truly
17 needed in that area to address all of the needs and
18 the high volume of people that go through there and
19 the fact also that they have those old cobblestone
20 crosswalks that are constantly breaking up and always
21 need repair; I know that that BID needs an increase,
22 so.

23 But I just wanna take an opportunity to
24 congratulate all of the BIDs and the Sutphin
25 Boulevard BID and the 165th Street BID, as I said

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2 earlier, are run by excellent directors and they've
3 really been innovative and they definitely need an
4 increase to continue the innovation that they've been
5 doing there. Thank you, Mr. Chair.

6 CHAIRPERSON RECCHIA: Thank you very
7 much. Without seeing any further questions, please
8 call the roll.

9 WILLIAM MARTIN: William Martin, the
10 Committee Clerk, roll call vote Committee on Finance.
11 Council Member Recchia.

12 CHAIRPERSON RECCHIA: I encourage all my
13 colleagues to vote aye.

14 WILLIAM MARTIN: Brewer.

15 COUNCIL MEMBER BREWER: I vote aye.

16 WILLIAM MARTIN: Comrie.

17 COUNCIL MEMBER COMRIE: [background
18 comments] I vote aye.

19 WILLIAM MARTIN: Jackson.

20 COUNCIL MEMBER JACKSON: First I'd like
21 to congratulate Miss de Leon for her service to the
22 City of New York; as a Deputy Commissioner I had the
23 opportunity to work with her on the 181st Street BID
24 and you're doin' an excellent job; keep up the good
25 work, and I vote aye on all.

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2 WILLIAM MARTIN: Jackson. Oops...
3 [laughter, background comments] Koppell. Cabrera.

4 COUNCIL MEMBER CABRERA: Aye.

5 WILLIAM MARTIN: Van Bramer.

6 COUNCIL MEMBER VAN BRAMER: Aye.

7 WILLIAM MARTIN: Ignizio.

8 COUNCIL MEMBER IGNIZIO: Yeah.

9 WILLIAM MARTIN: Oddo.

10 COUNCIL MEMBER ODDO: Yes.

11 WILLIAM MARTIN: By a vote of 9 in the
12 affirmative, 0 in the negative, no abstentions, all
13 items have been adopted; members, please sign the
14 Committee Reports.

15 CHAIRPERSON RECCHIA: Just say... there was
16 one person who wanted to testify, Ellen Bayer
17 [phonetic]; does that person still want... no?
18 [background comment] Okay. [laugh] Without seeing
19 anybody else who wants to testify or say anything
20 else, Monday, 1:00 there's another Finance hearing
21 [background comments] on the Sandy bill... [background
22 comment] tracking bill. Okay, we're gonna keep the
23 vote... [background comments] alright, we're gonna keep
24 the vote open [background comments] for a half uh...

25 MALE VOICE: Quiet please.

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[background comments]

MALE VOICE: Quiet...

CHAIRPERSON RECCHIA: clock... we have
Diana Reyna... we recognize the Councilwoman from
Brooklyn, Diana Reyna.

[background comment]

[pause]

DIANA REYNA: Thank you. [background
comments] Yeah. Tanisha, I wanna vote.

MALE VOICE: Quiet down please. Quiet
please. [background comments]

WILLIAM MARTIN: Council Member Reyna.

COUNCIL MEMBER REYNA: I vote aye.

WILLIAM MARTIN: Vote now stands at 10 in
the affirmative.

[background comments]

[pause]

WILLIAM MARTIN: Council Member Fidler.

COUNCIL MEMBER FIDLER: Aye on all.

WILLIAM MARTIN: Vote now stands at 11 in
the affirmative.

[pause]

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COMMITTEE ON FINANCE

WILLIAM MARTIN: Final vote in the
Committee on Finance is now 11 in the affirmative, 0
in the negative and no abstentions.

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 December 12, 2013