

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE

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April 29, 2014  
Start: 10:10 a.m.  
Recess: 10:20 a.m.

HELD AT: Committee Room - City Hall

B E F O R E:

JULISSA FERRERAS  
Chairperson

COUNCIL MEMBERS:

Ydanis A. Rodriguez  
James G. Van Bramer  
Vanessa L. Gibson  
Robert E. Cornegy, Jr.  
Laurie A. Cumbo  
Corey D. Johnson  
Mark Levine  
I. Daneek Miller  
Helen K. Rosenthal  
Vincent M. Ignizio

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

James Mattham  
Assistant Commissioner  
Department of Small Business Services

Lydon Sleeper  
Department of Small Business Services

[gavel]

CHAIRPERSON FERRERAS: Good morning, welcome to today's Finance Committee hearing; my name is Julissa Ferreras and I chair the Finance Committee. I'd like to acknowledge we've been joined by Council Member Rodriguez, Levin... Levine -- sorry -- Cornegy and Rosenthal and other members will be joining us shortly. Today we have eight items; we have three BIDs of transparency resolution and four land use items; let's start with the three BID items.

If you remember on April 10th, this Committee voted on three resolutions as set today for the Finance Committee to consider amendments to the district plans of three BIDs, the Church Avenue BID in Council Member Eugene's district and Kings Highway BID in Council Member Deutsch's district seek to delete provisions in the district plan that require the BIDs to maintain brick layers along the sidewalk in their district. This change will shift the ability of sidewalk maintenance from the BID to the individual property owners. The Downtown Alliance BID in Council Member Chin's district also seeks a district plan amendment to require the commercial portion of a mixed-use property to be assessed at the

1 commercial rate rather than the residential rate of  
2 \$1. Pursuant to BID law, a BID may make amendments  
3 to its district plan, change improvement or services  
4 or change the method of assessment upon which the  
5 district charge is based. These changes would  
6 require the adoption of Local Law by the City  
7 Council. Such a local law may be adopted by the City  
8 Council after a determination that it is in public  
9 interest to authorize such change and that the tax  
10 debt limits prescribed in the BID law will not be  
11 exceeded.  
12

13 We will hear from the Department of Small  
14 Business Services shortly to hear whether the BID law  
15 has been complied with. All three council members  
16 support these plan amendments and have submitted  
17 support letters.

18 Next we have a transparency resolution;  
19 this resolution sets forth new changes in the  
20 designation of certain organizations receiving local,  
21 aging and youth discretionary funding, as well as  
22 changes to the designation of certain organizations  
23 receiving funding pursuant to certain initiatives in  
24 the budget. Organizations appearing in the  
25 resolution that have not yet completed the

1  
2 prequalification process conducted by the Mayor's  
3 Office of Contract Services, the Council or any other  
4 entity are identified in the attached charts with an  
5 asterisk.

6           As with all transparency resolutions,  
7 Council Members will have to sign a disclosure form  
8 indicating whether or not a conflict exists with any  
9 of the groups on the attached list. If any Council  
10 Member has potential conflict of interest with any of  
11 the organizations listed, he or she has the  
12 opportunity to disclose the conflict at the time of  
13 their vote. As a reminder, please disclose any  
14 conflicts you may have with proposed subcontractors  
15 that are used by organizations sponsored by  
16 discretionary funding; these disclosures must be made  
17 before the subcontractor can be approved. Jeremy  
18 Paulker [sp?] from the General Counsel's Office can  
19 assist you with any questions or concerns regarding  
20 the disclosure.

21           Next we have four land use items; the  
22 first is Crotona Estates in Council Member Maria del  
23 Carmen Arroyo's district in the Bronx. Crotona  
24 Estates, which received an Article 11 full property  
25 exemption, provides 153 units of rental housing to

1  
2 low-income tenants. These properties originally  
3 received 40-yr partial tax exemption from the Board  
4 of Estimates in 1972. This resolution amends the  
5 property tax exemption to make it full and  
6 retroactive to 1972 for the remainder of the  
7 exemption term.

8           The next land use item is also in Council  
9 Member Maria del Carmen Arroyo's district in the  
10 Bronx. Crotona Longfellow provides 153 units of  
11 rental housing across two buildings to low-income  
12 tenants. These properties originally received a 40-  
13 year partial tax exemption from the Board of  
14 Estimates in 1974. The resolutions amend the  
15 property tax exemption to make it a full exemption  
16 and retroactive in 1974 until the remainder of the  
17 exemption term.

18           The next land use item is also in Council  
19 Member Maria del Carmen Arroyo's district in the  
20 Bronx. Evergreen Estates provides 234 units of  
21 rental housing across six buildings to low-income  
22 senior. This property originally received a 40-year  
23 partial tax exemption from the Board of Estimates in  
24 1972. This resolution amends the property tax  
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1  
2 exemption to make it a full exemption and retroactive  
3 to 1972 until the remainder of the exemption term.

4           The last land use item is in my district  
5 in Corona, Queens. The Daniel Gilmartin Apartments  
6 currently provides 151 units of rental housing to  
7 low-income seniors. In 1984 the Board of Estimates  
8 approved a full tax exemption for the property;  
9 however, the exemption and the regulatory agreement  
10 was linked to the property's mortgage; the property  
11 now seeks to refinance their mortgage and accordingly  
12 must also seek a new property tax exemption to be  
13 coterminous with the new mortgage. So this  
14 resolution would provide a new Article 11, full  
15 property tax exemption which will be in effect for 40  
16 years and will be coterminous with the new mortgage.

17           These are all the items for today; before  
18 we hear from the Department of Small Business  
19 Services on the three BIDS, I want to remind my  
20 colleagues that on Thursday, May 1st at 1 p.m. in  
21 Council Chambers this Committee, along with the  
22 Committee on Aging, will hold an Oversight Hearing on  
23 Senior Citizen Rental Increase Exemption Program,  
24 otherwise known as SCRIE. During this hearing we  
25 will consider legislation that would increase the

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maximum income threshold for those qualifying for SCRIE from \$29,000 to \$50,000. We will also consider a resolution that would link future SCRIE income increases to the Consumer Price Index so that the income levels can increase annually. The briefing report for the SCRIE report... thank you... will be emailed by Finance Committee Counsel Tanisha Edwards this afternoon.

That's all for the housekeeping items, now we will hear from SBS, but just before we do that, I want to acknowledge that we've been joined by a former Council Member, Jessica Lappin, who's now the Executive Director of the Downtown-Lower Manhattan BID. Thank you for being here.

And also, I don't see him here -- he's probably doing something else -- but wanted to acknowledge that I have a new Chief of Staff... oh... Jorge Fanjul, who has joined my staff, so thank you Jorge for your first stated... well kind of sort of.

Again, we will call up SBS. Hello. And we've been joined by Council Member Van Bramer.

[background comments]

JAMES METTHAM: Hi. Good morning  
Chairman Ferreras and members of the Finance



1  
2 Committee. My name is James Mettham; I'm an  
3 Assistant Commissioner in the Department of Small  
4 Business Services and I'm joined by my colleague  
5 today, Lydon Sleeper.

6 I wish to express our support this  
7 morning for three Local Laws which authorize  
8 amendments to the district plans of the Downtown-  
9 Lower Manhattan Business Improvement District, the  
10 Church Avenue business improvement district and the  
11 Kings Highway business improvement district.

12 The Downtown-Lower Manhattan BID wishes  
13 to change the method of assessment upon which the  
14 district charge for supplemental services, programs  
15 and improvements are based. The district's current  
16 method of assessment does not assess commercial uses  
17 in mixed-use properties that are predominantly  
18 residential in nature. This bill would authorize  
19 commercial square footage in all district properties  
20 to be assessed at the same rate, approximately 22  
21 cents per square foot, regardless of building type or  
22 the presence of other non-commercial uses. We  
23 believe the change will result in a fair assessment  
24 of all properties with commercial uses in the  
25 district.

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2 The Church Avenue BID and Kings Highway  
3 BID were established in 1986 and 1989 respectively to  
4 provide supplemental services within their districts.  
5 Over time the service needs of both districts have  
6 changed; both BIDS are requesting to replace  
7 discontinued maintenance programs with more robust  
8 supplemental sanitation, public safety, promotional  
9 services and seasonal programming.

10 As required by law, the three BIDs  
11 published a notice of the public hearing at least  
12 once in a local newspaper having general circulation  
13 in the districts specifying the time and place where  
14 this hearing would be held and stating the proposed  
15 modifications to the district plans. In addition,  
16 the BIDs certified that they have mailed a letter to  
17 property owners informing them of the time, place and  
18 purposed of this public hearing. The three district  
19 plan amendments will not impact the tax and debt  
20 limits prescribed in the BID law. Thank you.

21 CHAIRPERSON FERRERAS: Thank you. Any  
22 members have questions on these three BIDs? No?  
23 Thank you, SBS. Do we have any questions on the rest  
24 of the agenda items for today? Okay. So I will ask  
25 for the roll call to be called. Thanks.

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COMMITTEE ON FINANCE

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COMMITTEE CLERK: William Martin,  
Committee Clerk, roll call vote, Committee on  
Finance. Council Member Ferreras.

CHAIRPERSON FERRERAS: I vote aye.

COMMITTEE CLERK: Rodriguez.

COUNCIL MEMBER RODRIGUEZ: Aye.

COMMITTEE CLERK: Van Bramer.

COUNCIL MEMBER VAN BRAMER: Aye.

COMMITTEE CLERK: Cornegy.

COUNCIL MEMBER CORNEGY: Aye on all.

COMMITTEE CLERK: Levine.

COUNCIL MEMBER LEVINE: Aye.

COMMITTEE CLERK: Rosenthal.

COUNCIL MEMBER ROSENTHAL: Aye on all.

COMMITTEE CLERK: By a vote of 6 in the  
affirmative, 0 in the negative and no abstentions,  
all items have been adopted. Members, please sign  
the Committee Reports. Thank you.

CHAIRPERSON FERRERAS: We'll keep the  
roll open for another 15 minutes.

[pause]

[background comments]

[gavel]

1 COMMITTEE ON FINANCE 12

2 COMMITTEE CLERK: Council Member... Council  
3 Member Ignizio voting aye.

4 COMMITTEE CLERK: Vote now stands at 7 in  
5 the affirmative.

6 [pause]

7 [background comments]

8 [gavel]

9 COMMITTEE CLERK: Council Member Miller.  
10 COUNCIL MEMBER MILLER: Aye on all.  
11 MALE VOICE: There you go; now... now... now  
12 you're on.

13 COUNCIL MEMBER MILLER: Now I'm on. Aye  
14 on all.

15 COMMITTEE CLERK: Vote on Finance now  
16 stands at 8 in the affirmative.

17 [pause]

18 [background comments]

19 COUNCIL MEMBER JOHNSON: Aye.  
20 COMMITTEE CLERK: Council Member Johnson.  
21 COUNCIL MEMBER JOHNSON: Aye on all.  
22 [pause]  
23 [background comments]

24 COMMITTEE CLERK: Council Member Cumbo.  
25 COUNCIL MEMBER CUMBO: Aye on all.

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COMMITTEE ON FINANCE

COMMITTEE CLERK: Council Member Gibson.

COUNCIL MEMBER GIBSON: I vote aye on  
all.

COMMITTEE CLERK: Final vote, Committee  
on Finance is 11 in the affirmative, 0 in the  
negative and no abstentions.

[pause]

[background comments]

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 \_\_\_\_\_ May 13, 2014 \_\_\_\_\_