

**DEPUTY COMMISSIONER BLAISE BACKER STATEMENT**  
**BEFORE NEW YORK CITY COUNCIL FINANCE COMMITTEE**  
**May 27, 2015**

Good morning Chairwoman Ferreras and members of the Finance Committee. My name is Blaise Backer, Deputy Commissioner at the Department of Small Business Services (SBS). I am joined by Kris Goddard, Executive Director of the Business Improvement District (BID) program. I wish to express our support for the local law authorizing amendments to the District Plan of the Lower East Side Business Improvement District.

The Lower East Side BID wishes to change the method of assessment upon which the district charge for supplemental services, programs, and improvements are based. The district's current method of assessment charges all properties devoted to commercial use, in whole or in part, using assessed value to calculate the base rate. In addition, vacant properties, or those under construction, are assessed only one dollar (\$1.00) annually. Considering the dramatic changes to the district since its creation – including the upcoming redevelopment of the Seward Park Urban Redevelopment Area (SPURA) and the development of other large, non-contextual mixed-use and commercial buildings within the district – amendments have become necessary to more equitably distribute assessment charges. This bill would address these changes by dividing the district into two separate sub-districts with different assessment formulas. In the first sub-district, properties will be assessed using a 75% assessed value and 25% square footage blended rate. The second sub-district will utilize commercial square footage and lot size to assess properties. We believe these changes will ensure that assessment charges are more fairly distributed and be reflective of a property's impact on the district.

Additionally, the district wishes to modify the services to be provided. The dramatic changes to the district since its creation have produced the need to modify how services are provided based on the new needs of business owners, property owners and residents in the area. The services to be modified include expanded advocacy services for local stakeholders; economic and community development services such as capital and technical assistance programs; and traffic, transportation and pedestrian safety planning services.

As required by law, the BID published a notice of the public hearing at least once in a local newspaper having general circulation in the districts specifying the time and place where the hearing will be held and stating the proposed modifications to the district plans. In addition, the BID certified that they have mailed a letter to property owners informing them of the time, place, and purpose of this public hearing. The district plan amendments will not impact the tax and debt limits prescribed in the BID law.

At this time, we are happy to answer any questions you might have. In addition, representatives from the BID are on hand to provide further clarity.

Thank you.

**THE COUNCIL  
THE CITY OF NEW YORK**

*Appearance Card*

I intend to appear and speak on Int. No. 764 Res. No. \_\_\_\_\_

in favor     in opposition

Date: 5/27/15

(PLEASE PRINT)

Name: Blaise Backer, Deputy Commissioner, JBS

Address: \_\_\_\_\_

I represent: \_\_\_\_\_

Address: \_\_\_\_\_

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