

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE

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JANUARY 19, 2016

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HELD AT: COUNCIL CHAMBERS - CITY HALL

B E F O R E: JULISSA FERRERAS-COPELAND
CHAIR

COUNCIL MEMBERS:

ROBERT CORNEGY
LAURIE CUMBO
VANESSA GIBSON
MARK LEVINE
STEVEN MATTEO
I.DANEEK MILLER
HELEN ROSENTHAL

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

Blaise Backer
Deputy Commissioner for Neighborhood
Development at the Department of Small
Business Services

Kris Goddard
Executive Director of Neighborhood
Development

Phillip Kellogg
Executive Director of the FAB Alliance
Business Improvement

Deborah Howard
Secretary of FAB Alliance Board

Alex Duffy
Founder and Artistic Director of the non-
profit arts center JACK

Mwata Nubian

Joe Gonzalez

Lucy Koteen

Schellie Hagony

2 CHAIR FERRERAS-COPELAND: Good morning
3 and welcome to today's Finance Committee hearing I'm
4 Council Member Julie Ferreras-Copeland and I Chair
5 the Committee. We've been joined by Council Members
6 Levine, Cornegy, Gibson and Cumbo and Minority Leader
7 Matteo. I know that's why I didn't, ok. Today, I'm
8 going to give you the no button. Today we have 5
9 items on the agenda. The first item is a
10 transparency resolution, the second item is
11 legislation requiring the Department of Finance to
12 provide notice to certain SCRIE AND DRIE tenants
13 about preferential rents and the remaining 3 times
14 are BID items. Let's start with the transparency
15 resolution which set forth the new designation and
16 changes in the designation of certain organizations
17 receiving local aging and youth discretionary funding
18 and funding pursuant to certain initiatives in the
19 budget. Organizations appearing in the resolution
20 that I have not yet completed the pre-qualification
21 process conducted by the Mayor's Office of Contracts
22 Services. The Council or other entity are identified
23 in the attached charts with an asterisk. As with all
24 transparency resolutions, Council Members will have
25 to sign a disclosure form indicating whether or not a

2 conflict exist with any of the groups on the attached
3 list. If any Council Member has a potential conflict
4 of interest with any of the organizations listed,
5 here or she has the opportunity to disclose the
6 conflict at the time of their vote. As a reminder,
7 please disclose any conflicts you may have with
8 proposed sub-contractors that are used by
9 organizations sponsored discretionary funding. These
10 disclosures must be made before the subcontractor can
11 be approved. Rohiem Grant, from the General
12 Counsel's Office can assist you with any questions or
13 concerns regarding disclosures.

14 Next we have proposed Intro. 798-B,
15 sponsored by Council Member Cornegy in relations to
16 requiring notice about preferential rent to certain
17 tenants enrolled in the scree or dree programs. In
18 the context of rents stabilized apartments, a
19 preferential rent is any amount charged by landlord
20 that is less than the legal regulated rent for the
21 unit. When the tenants paying a preferential rent
22 apply for scree or dree, DOS must by law freeze there
23 rent at the legal, at the legally regulated rent and
24 not at the preferential rent amount that the tenant
25 pays each month. This is true even when the

2 preferential rent amount I more than 1/3 of the
3 tenants monthly household income which would I
4 qualify for them for benefits. In many cases this
5 causes confusion for tenants who may previously have...
6 have paid attention only to the preferential rent
7 amount since that is the amount that they are
8 actually paying. It also causes additional stress
9 for these already vulnerable population who may be
10 unable to afford to pay the higher rent amount even
11 if it is frozen through the rent freeze program.
12 This bill would provide tenants with an explanation
13 of the various rent amount as well as information
14 about how to contact the State Agency that
15 administers the rent regulations to obtain more
16 information about the rent history of their
17 apartments or to file a complaint. Lastly, this bill
18 would require DOF to both the preferential and legal
19 regulated rent amounts paid by SCRIE AND DRIE
20 applicants once the agency has a technological
21 capacity to do so. Thank you to DOF and the
22 administration for working collaboratively with us on
23 this bill. I understand that this legislation was
24 drafted after many discussions between DOF, the Law
25 Department, the Council's Staff and we appreciate

2 your support on this issue. Council Member Cornegy
3 would you like to have a few words on your bill?

4 COUNCIL MEMBER CORNEGY: Thank you Madam
5 Chair. By voting in favor of Intro. 798 today we are
6 striking a blow in favor of clarity and the City's
7 administration of the rent freeze programs. Today's
8 preferential rent tenants, that's one quarter of the
9 rent regulated units are falling through the rent
10 freeze safety net. It's a shame and we should not be
11 adding confusing to their legitimate worries about
12 whether they will be able to afford to remain in the
13 apartments where they are secure. This bill commits
14 our City to provide a clear honest response and
15 guidance for preferential rent tenants and their
16 advocates. It will provide data to help us rappel
17 with what our constituents are actually facing moving
18 forward and it should send a signal to Albany that
19 these programs need to be improved. I'm grateful to
20 Finance Chair Julissa Ferreras-Copeland and her
21 counterpart on the Aging Committee Margaret Chin for
22 the support and moving this bill forward. I'd like
23 to thank all the witness who illuminate the confusion
24 that the current way of doing business has caused for
25 tenants and their advocates. And finally to

1 COMMITTEE ON FINANCE

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2 acknowledge all the hard work that Tanesha Edwards,
3 Rebecca Chasen and my Legislation Director, Dynishal
4 Gross put into developing and negotiating the
5 revisions to this bill. The Department of Finance
6 was critical partner in this work and I want to thank
7 Commissioner Geha(sp) and his staff for being so
8 accessible and with that I proudly vote yes, you
9 didn't call for the vote yet right?

10 CHAIR FERRERAS-COPELAND: We haven't
11 called for the vote yet.

12 COUNCIL MEMBER CORNEGY: I'm a little
13 anxious.

14 CHAIR FERRERAS-COPELAND: I know, I know.
15 We haven't called the vote yet, but hold on to that.

16 COUNCIL MEMBER CORNEGY: Ok.

17 CHAIR FERRERAS-COPELAND: Thank you
18 Council Member Cornegy. Next we will have the 3 BID
19 items. The first BID item which will be voted on
20 today is proposed Intro. 107-A regarding the
21 MetroTech area BID in Council Member Cumbo's
22 district. The MetroTech area BID is seeking to amend
23 its district plan to do 3 things; extend it
24 boundaries to include 10 new blocks surrounding the
25 Brooklyn Academy of Music, other cultural facilities

2 in the Atlantic Center Mall, increases annual
3 assessment from approximately \$2.6 million to just
4 over \$3.6 million and change the method by which it
5 calculate those assessments by creating 2 assessments
6 sub districts. On December 7, 2015, this Committee
7 held a hearing to consider the local law that would
8 effectuate the changes to the BID and all the
9 testimony that we heard was in support of the BID
10 expansion and other amendments to the district. As
11 required by law, that hearing was closed without a
12 vote on an 30 day objection period began to allow
13 property owners affected by the expansion of the BID
14 to formally object to its creation. According to the
15 City Clerk, with whom these objections would be
16 filed, no property owners filed a valid objection to
17 the expansion of the MetroTech area BID during the 30
18 day period. Accordingly the Committee may now vote
19 in favor of proposed Intro. 1007 in which we can
20 hear, we can answer the following 4 question in the
21 affirmative. We're... we're all notices of the hearing
22 for all hearings required to be held, published and
23 mailed as required by law and otherwise sufficient,
24 does all the real property within the district
25 boundaries benefit from the establishment of the

1 district expect as otherwise provided by law. Is all
2 real property benefited by the district included
3 within the district and is the establishment of the
4 district in the best interest of the public. In
5 addition, the Committee must determine that it, that
6 it is in the public interest to authorize and
7 increase in the maximum annual expenditures amount
8 that the relevant tax and debt limits will not be,
9 will not be exceed and that the notice of the
10 increase proposed expenditures amount was properly
11 published. Council Member Cumbo supports the
12 proposed extension and other changes in the BID.
13 Next we will hold a public hearing and vote today on
14 the second BID item, proposed Intro. 1030-A, which
15 would authorize an increase in the budget of 9 BIDS
16 for fiscal 2016. The budget increases have been
17 requested by the property owners within the
18 boundaries of each BID and would be used to enhance
19 the services provided. The 9 BIDS that are seeking
20 budget increases are the 108th Street BID in Council
21 Member Miller's district. The Bay Ridge 5th Avenue
22 BID in Council Members Gentile's district, the
23 Belmont BID in Council Member Torres's district, The
24 Brian Park BID in Council Member Garodnick's
25

2 district, the Columbus Avenue BID in Council Member
3 Rosenthal's district, the Montegue Street in Council
4 Member Levin's district, the Myrtle Avenue BID in
5 Council Member Reynoso's district, the Union Square
6 BID in Council Member Mendez's district, the Village
7 Alliance BID that spans the district of Council
8 Member Chin, Mendez and Johnson. All of these
9 Council Members have submitted letters in support of
10 the requested budget increase, more information
11 regarding the specific amounts of the assessment
12 increases and additional services that will be
13 provided can be found in the Committee report
14 prepared by the Finance division. The 3rd BID item
15 is public here, is a public hearing on Intro. 1029
16 concerning the Fulton Street business improvement
17 district also known as the Fulton Area Business
18 Alliance or FAB Alliance, which is also in Council
19 Member Cumbo's district. The Fulton Street BID
20 neighbors the MetroTech BID and the BID is requesting
21 that Council Member, the Council approve amendments
22 to it's district plan so that it can provide services
23 to 5 additional blocks that front the edge of the
24 downtown, of the, that front the edge of downtown
25 Brooklyn that were not included in the proposed

2 MetroTech BID expansion. Specifically the BID is
3 requesting the following changes; an expansion of its
4 boundaries to include 9 existing properties, one
5 property under construction and the Brooklyn Academy
6 of Music. Harry Peter as well as the removal of
7 residential property that was included in error when
8 the BID was established. A change in the method by
9 the assessment how the, how the assessments are
10 calculated to include both a front footage rate and
11 an assess value rate and an increase in its annual
12 assessment from \$300,000 to \$500,000. First we will
13 hear from any witnesses who wish to testify. Once
14 we've heard my any testimony we will then adjourn the
15 hearing for at least 30 days to allow any property
16 owner within the existing BID or proposed extension
17 to file an objection to the extension of the BID with
18 the City Clerk. In the absence of objections of
19 objections filed either by a majority of all impacted
20 property owners or by property owners owning a
21 majority of the assess value of the property within
22 the proposed extended BID, the Committee and the full
23 Council may adapt a legislation exceeding the Fulton
24 Street BID. In order to do so the Committee and the
25 full Council must be prepared to answer the 4

2 questions already describe above in the affirmative.
3 If we are able to do so and the number of objections
4 required to prevent the extension of the BID or not
5 filed, then the legislation can be adopted. In
6 addition, the Committee and the full Council must
7 determine that it is in the public interest to
8 authorize an increase in the maximum annual
9 expenditure amount that the relevant tax and debt
10 limits will not be exceeded and the notice of the
11 increase proposed expenditure amount was properly
12 established. Council Member Cumbo supports the
13 proposed extension and other changes to the BID.
14 Representatives from the Department of Small Business
15 Services are here to testify on each of the 3 BID
16 items and to answer any questions we may have and we
17 will then here from any member of the public who
18 would like to testify. Council Member Cumbo if you
19 would like to speak on your 2 proposed BIDS.

20 COUNCIL MEMBER CUMBO: Thank you Chair
21 Ferraras-Copeland. I just want to say that today is
22 really a very important day because we are doing
23 something very different and unique. As many of you
24 may know I have a strong background in the arts and
25 cultural community and today is really very important

2 because now within the bam cultural district or
3 rather the Brooklyn cultural district, there is a
4 thriving arts community that has been there, that has
5 been thriving but has had very little support during
6 that time. So today is really an opportunity for us
7 to work together to incorporate way to support the
8 not for profit organizations that make up the
9 vitality of Brooklyn New York, to support the great
10 level of tourism that's coming to the Borough of
11 Brooklyn and particularly within central Brooklyn.
12 It's going to be an opportunity for us to be able to
13 find solution to keep everything from our plazas to
14 our public spaces, to our parks, to our sidewalks, to
15 making sure that we have the type of community that
16 is reflective of all that people are coming to
17 Brooklyn to actually see but most importantly that
18 local residents have an opportunity to have a
19 community that is safe, that's well attended to, that
20 has opportunity for programmatic experiences to
21 happen and more way to bring the community together.
22 There continue to be a lot of challenges as we move
23 forward in the Borough of Brooklyn, given that
24 gentrification has become such an overwhelming factor
25 in terms of people's viability and able to live

2 within the Borough that they helped to build and to
3 create. So I'm hoping that with these particular BID
4 expansion that were going to be able to move forward
5 and find more opportunities to support our local
6 businesses and continue to find ways to make sure
7 that all that is going to be coming to the Borough
8 particularly with expansion, with new visitors, with
9 an increase of people moving to the Borough that were
10 able to support our local businesses, to support our
11 not for profit organizations and make sure that
12 everybody grows with the growth and the development
13 that is being experienced in the Borough of Brooklyn.
14 So I thank you to our Chair, I look forward to
15 hearing testimony and look forward to hearing
16 everyone's suggestions and thoughts moving forward,
17 thank you.

18 CHAIR FERRERAS-COPELAND: Thank you
19 Council Member and we've also been joined by Council
20 Member Rosenthal and we will now here from SBS. And
21 you will all be tested on everything that I said.

22 COMMITTEE COUNCIL: Do you affirm that
23 your testimony will be truthful to the best of your
24 knowledge, information and belief?

1 COMMITTEE ON FINANCE

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2 MICHAEL BLAISE BACKER: I do. Good
3 morning Chair Ferreras-Copeland and members of the
4 Finance Committee. I am Michael Blaise Backer,
5 Deputy Commissioner for Neighborhood Development at
6 the Department of Small.

7 CHAIR FERRERAS-COPELAND: I'm... I'm so
8 sorry if you can just give me a few minutes, we have
9 to have Council Member Rosenthal vote.

10 MICHAEL BLAISE BACKER: Oh, my apologies.

11 CHAIR FERRERAS-COPELAND: So will have
12 the Committee Clerk read the.

13 COMMITTEE CLERK: Matthew DeStepho,
14 Committee Clerk, Committee on Finance, roll call vote
15 on Intros. 798-B, 1007-A, 1030-A and the pre-
16 considered transparency resolution, Council Member
17 Rosenthal.

18 COUNCIL MEMBER ROSENTHAL: Aye on all.

19 CHAIR FERRERAS-COPELAND: You may
20 continue thank you.

21 MICHAEL BLAISE BACKER: Sure, I am Blaise
22 Backer, Deputy Commissioner for Neighborhood
23 Development at the Department of Small Business
24 Services. I am joined by Executive Director of
25 Neighborhood Development, Kris Goddard and Business

2 Improvement District Program Director, Jennifer
3 Kitson. As you mentioned I am here today to provide
4 testimony on three distinct items; The MetroTech BID
5 expansion effort, support for 9 proposed BID
6 Assessment Increases and the support for the Fulton
7 Street BID expansion proposal, also known as the FAB
8 Alliance BID.

9 For the first item today's vote on the
10 MetroTech BID expansion I'd like to report on a few
11 items. As required by law, the MetroTech BID
12 Expansion Steering Committee mailed the summary of
13 the City Council Resolution to the following parties;
14 to each owner of real property within the existing
15 district and proposed expansion, at the address shown
16 on the latest City assessment roll, to such other
17 persons as registered with the City to receive tax
18 bills concerning real property within the existing
19 district and proposed expansion, and to the tenants
20 of each building within the existing district and the
21 proposed expansion area.

22 SBS also arranged for the publication of
23 a copy of the summary of the resolution at least once
24 in the City Record.

2 We would also like to report on the
3 result of the objections filed with the City Clerk
4 against the expansion of the MetroTech BID. At the
5 conclusion of the objection period at 5:00 p.m. on
6 January 6, 2016 and taking into consideration any
7 objections filed the next two business days, January
8 7th and January 8th, 2016, no valid objections were
9 filed with the City Clerk.

10 Due to zero objections being filed, this
11 is within the acceptable threshold needed to advance
12 the bill for favorable consideration by the full City
13 Council. SBS requests the City Council approve the
14 MetroTech BID expansion.

15 At this time, we are happy to take any
16 questions on this issue and if there are none I can
17 move on to the second one.

18 COUNCIL MEMBER CUMBO: I just want to
19 make sure for full clarity so that way it's an
20 education for me on the spot as well, when you put
21 forward that opportunity for people to provide
22 objections, how is that information disseminated and
23 how do people that potentially might want to have an
24 objection, how are they notified? Does it happen
25 through announcements at community board? Does it

2 happen through some sort of meeting that people are
3 encouraged to do this? Or, how are people informed
4 about that?

5 KRIS GODDARD: Chair hi KRIS Goddard,
6 there are two distinct opportunities, there's one,
7 there's a full before this ever enter the legislative
8 phase, there's a distinct outreach phase in which
9 property owners, business owners, residence are all
10 notified and mailed information on... on the effort.
11 Once this actually moves into the legislative phase
12 which is similar to a ULERB process, there are
13 Community Board hearings, there is City Planning
14 Commission hearings, City Council hearings and
15 addition the required mailing that we just read about
16 where every property owner, business owner and tenant
17 within the boundaries are all required to receive the
18 information on the effort. In addition, the BID
19 itself, the FAB Alliance is posting and holding
20 public meeting themselves in addition to additional
21 mailings, email blast, etc. to their, to their
22 distribution channels.

23 COUNCIL MEMBER CUMBO: I'd like to add
24 that as members of the City Council I think it would
25 also be advantageous to ask elected officials to also

2 disseminate that information throughout there
3 district because I would venture to believe that
4 there is no other source within any district that has
5 access to as many of the residence constitutes as the
6 elected official does, thank you.

7 KRIS GODDARD: Thank you.

8 MICHAEL BLAISE BACKER: Moving to the
9 second item. Today's hearing and vote on BID
10 assessment increase. I would like to express our
11 support for the law providing an increase in the
12 amount to be expended in 9 BIDs.

13 As required by law, the 9 BIDs published
14 a notice of the public hearing at least one in a
15 local newspaper having general circulation in the
16 districts specifying the time when, and the place
17 where, the hearing will be held and stating the
18 proposed amount to be expended annually. In
19 addition, each BID has certified that they have
20 mailed the letter property owners informing them
21 about the proposed assessment increase and the time
22 and place of this public hearing. Finally, the
23 Council Member for each district has submitted a
24 letter of support for each BID's assessment increase.

2 The BIDs that wish to increase the amount
3 to be expended annually are as follows: 180th Street,
4 from \$60,000 to \$78,000; Bay Ridge Fifth Avenue, from
5 \$338,000 to \$427,000; Belmont, from \$340,000 to
6 \$440,000; Bryant Park, from \$1,100,000 to \$1,600,000;
7 Columbus Avenue, from \$308,800 to \$458,800; Montague
8 Street, from \$175,000 to \$210,000; Myrtle Avenue
9 Queens, from \$406,141 to \$507,676; Union Square, from
10 \$2,000,000 to \$2,600,000; and Village Alliance, from
11 \$984,900 to \$1,400,000.

12 These 9 BIDs requesting increase of
13 annual expenditures are doing so to address vital
14 needs and changing conditions. These increase will
15 further expand, reinforce and strengthen existing
16 core services currently provided in each business
17 district. Representatives from each BID requesting an
18 assessment increase are present to answer any
19 questions pertaining to their specific request.
20 However... however, I am happy to answer any question
21 you may have.

22 COUNCIL MEMBER CUMBO: I'm busy today, I
23 got a lot going on in my district today. Just wanted
24 to ask for... for the clarity on this, when these
25 assessment are made in terms of... of the increases,

2 when an increase happens is it that of course the
3 property owners are the ones that are voting on it
4 but I just want to get further clarity to make sure
5 that when property owners do vote for these increase
6 that somehow they don't figure out a way to pass it
7 on to their tenants. Is there some kind of mechanism
8 in place to make sure that, that doesn't happen?

9 MICHAEL BLAISE BACKER: No, so what
10 actually happens in this case for assessments
11 increases, it's a board of director's votes, so right
12 the elected board of the membership of the business
13 improvement district votes to prove there, you know
14 to prove their budget and for an annual assessment
15 increase, they have to collect a certain amount of
16 material to us to justify the increase to explain
17 sort of where the increase are going and what it is
18 for and then again they get the support from the
19 Council Member and do the mailing that I talked
20 about, you know as is the case that I know we've
21 spoken about this before; a property owner or you
22 know whether an assessment is passed on to a tenant,
23 really it depends on the individual lease each
24 property owner may have with the commercial tenant,
25 so while the commercial property owner is... is the

2 entity that is legally assessed through the BID
3 assessment process, it really is a case by case
4 basis.

5 COUNCIL MEMBER CUMBO: I see.

6 MICHAEL BLAISE BACKER: On whether that
7 is passed on.

8 COUNCIL MEMBER CUMBO: Ok, thank you.

9 CHAIR FERRERAS-COPELAND: You may
10 continue.

11 MICHAEL BLAISE BACKER: For the final
12 item, today's hearing on the FAB Alliance BID
13 expansion, I am here to testify in support of the
14 effort.

15 As the oversight agency for the City's
16 BID program, SBS oversees the BID formation and
17 expansion process, and serves as an advisor and
18 resource for BID expansion steering committees. SBS
19 will only introduce BID proposals into the
20 legislative process if we believe that the effort has
21 followed the planning process correctly, solicited
22 robust community input, and has sought to collect and
23 demonstrate broad based support across all
24 stakeholder groups. Speaking specifically to the FAB
25 Alliance expansion effort, it has been an important

2 priority of the de Blasio administration to develop a
3 mechanism by which to ensure that proper maintenance
4 of the public investment in the Brooklyn Cultural
5 District's public spaces and sidewalks. Because
6 there are already four BIDs abutting the Cultural
7 District, and given both the small geography and the
8 number of non-assessment paying properties, SBS
9 determined that the expansion of 2 BIDs, MetroTech
10 and FAB Alliance was preferable to creating an
11 entirely new BID.

12 About a year and a half ago, SBS
13 initiated a very inclusive process with many
14 stakeholders including the FAB Alliance, the Downton
15 Brooklyn Partnership, many of the cultural
16 organizations and large local property owners on
17 developing the precise boundaries for the expansion
18 taking place to cover the entire cultural district.
19 The expansion steering committee held numerous
20 meetings, all attended by SBS, to ensure the
21 administration's input was being incorporated. We
22 were encouraged by the FAB Alliance's extensive
23 outreach effort to community stakeholders, and of the
24 responses received, there was strong documented
25 support. Those stakeholders that did not respond

2 were reached out to multiple times through multiple
3 channels, but ultimately did not submit written
4 support or opposition. Considering the documented
5 support, the transparent and inclusive planning
6 process, and exhaustive outreach efforts to all
7 stakeholder groups, SBS determined that the BID
8 expansion proposal was ready for CPC and Finance
9 Committee submission.

10 Additionally, we support the remove of
11 one property from the BID's existing boundaries.
12 This property, a mid-block residential property on
13 Adelphi Street, off of the commercial corridor of
14 Fulton Street, is being amended out of the BID
15 boundary map and benefited properties list. The
16 property was originally included due to a technical
17 error that occurred during the formation process.
18 Outreach has been done to notify the property owner
19 of the change. As required by the law, the FAB
20 Alliance Expansion Steering Committee mailed the
21 summary of the City Council Resolution, no less than
22 10 days and no more than 30 days before today's
23 hearing, to the following parties; to each owner of
24 real property within the existing district proposed
25 expansion, at the address shown on the latest City

2 assessment roll, to such other persons as are
3 registered with the City to receive tax bills
4 concerning real property within the existing district
5 and proposed expansion and to tenants of each
6 building within the existing district and the proposed
7 expansion area.

8 In addition, SBS arranged for the
9 publication of a copy of the summary of the
10 resolution at least in the City record. It is also
11 important to note that this BID expansion proposal
12 has also received the written support of Brooklyn
13 Borough President Eric Adams, Council Member Laurie
14 Cumbo and Community Board 2.

15 I would like to acknowledge that the BID
16 expansion effort is represented here today by FAB
17 Alliance staff, who will testify and be available to
18 address any specific questions that I am unable to
19 answer. At this time I am happy to happy to take any
20 questions, thank you.

21 CHAIR FERRERAS-COPELAND: Thank you for
22 coming to testify.

23 MICHAEL BLAISE BACKER: Thank you.

24

25

2 CHAIR FERRERAS-COPELAND: My Committee
3 Council Rebecca Chasin will now call up the next
4 panel.

5 COMMITTEE COUNCIL: Phillip Kellogg,
6 Deborah Howard, Mwata Nubian and Alex Duffy.

7 CHAIR FERRERAS-COPELAND: And we will be
8 on a 3 minute clock so please make your testimony
9 concise, you have 3 minutes.

10 PHILLIP KELLOGG: Good morning Council
11 Members, Madam Chair, My name is Phillip Kellogg and
12 I'm Executive Director of the FAB Alliance Business
13 Improvement district and thrilled to be here this
14 morning to speak with you on behalf of this proposal
15 that will help build capacity, expand services and
16 maintain Fulton Street amazing momentum. When FAB
17 Alliance started back in 2009, the retail storefront
18 vacancy rate was almost 13%, it was 12.7% of empty
19 storefronts, now it is less than 3%. FAB Alliance
20 has been able to advocate for on behalf of it's
21 businesses and properties owners to bring over \$7
22 million in capital improvements and public space
23 enhancements including plazas and public safety,
24 pedestrian safety improvements. FAB been recognized
25 by the Metlife Foundation in an award for it's public

2 safety work to reduce crime and disorder in
3 particular in Clinton Hill section of the district.
4 Foot traffic is up dramatically throughout the Fulton
5 Street district and now for the first time in years,
6 vacant lots are long left empty are now being
7 developed into vibrant commercial mixed use
8 buildings. Over the past year we were working with
9 the stakeholder and the existing BID, the expansion
10 area, the FAB board and SBS developed this proposal
11 in gather support. This included obtaining unanimous
12 support of the FAB board which is made up of both
13 business owners and property owners. Mailing
14 (inaudible) property owner and tenant multiple public
15 information sessions, follow up meeting, emails and
16 telephone calls as well as personal meetings. First
17 the FAB expansion will allow us to bring BID services
18 to the blocks that connect with the Fort Green
19 community as they feed directly into it nexus at
20 Fulton Street and Lafayette Avenue. Together with the
21 expansion, the MetroTech BID that was described
22 previously the entire Brooklyn cultural district will
23 now receive BID services and in addition FAB looks
24 forward to continuing it's work and collaborating
25 with other BID to promote the district, the cultural

2 district and it's offering including cultural
3 organizations that may fall outside of any particular
4 BID boundaries. The current frontage only formula
5 makes no distinction between a vacant lot and a new 8
6 story development that generates significantly more
7 income and value for its owner. These developments
8 will increase population's density and place added
9 burden on the BID. The FAB board considered dozens
10 of options before determining that included a modest
11 amount of assessed value in the mix was just more
12 equitable. Increasing the maximum district
13 assessment to \$500,000 and for clarity that's an
14 assessment cap with a first year amended budget of
15 \$375,000 of the first increase in 7 years, will give
16 the board flexibility in future years as they plan
17 for their district needs. In doing a test run of the
18 assessments, changes, approximately 72% of the
19 properties experience a slight reduction in their BID
20 assessment or an increase of less than 10%. I'd also
21 like to draw attention to testimony written testimony
22 submitted by a business owner that is in your packet
23 speaking about the benefits and how the BID is able
24 to do what she as business owner is not able to do on

2 her own behalf and with that I want to thank you and
3 I'd be happy to answer any questions.

4 DEBORAH HOWARD: Good morning, thank you
5 so much for this opportunity for me to speak. Good
6 morning, thank you so much for this opportunity to
7 speak to the Committee. My name is Deb Howard, I'm
8 the Secretary of FAB Alliance Board, I am also the
9 Executive Director of Impact Brooklyn which helped to
10 found the facilitate the founding of FAB Alliance of
11 7 years ago. I'm here today to share the board's
12 unanimous ongoing support of FAB proposed expansion
13 assessment formula change an assessment cap increase.
14 The board strongly believes that these changes are
15 essential to build on the tremendous momentum of the
16 past year, few years and position us to meet the need
17 of our growing community. Growing responsibilities
18 such as the increase use of the plazas while
19 proactively planning for FAB future. As secretary I
20 am proud to say that over the past 1 ½ the board has
21 been actively engaged in strategic planning and the
22 expansion process. Participating in extra meeting,
23 special ad hoc committees, animated conversations,
24 public information sessions and grassroots
25 collaboration with peers, fellow property owners and

2 tenants, both within our existing boundaries and in
3 the proposed expansion area. With the goal of
4 gaining equity, the board reviewed multiple scenarios
5 regarding BID boundaries; various assessment formula
6 options and maximum assessment caps. In the
7 individual and collective impacts that would these
8 would these changes in assessment would make. They
9 would have, they would have on the properties in the
10 proposed district and (inaudible) at large. The
11 board unanimously and enthusiastically voted to
12 support the changes to our boundaries and assessment
13 formula in cap. We urge you to support the proposed
14 before you and thank you to the Finance Committee for
15 this opportunity to share our support.

16 MWATA NUBIAN: Good morning my name is
17 Mwata Nubian, I am reading testimony for Claudette
18 Macey, Executive Director of Fort Greene Council.
19 Good morning Council Members, my name is Claudette
20 Macey, Executive Director of the Fort Greene Council,
21 Inc. and a member of the FAB Alliance Board. I am
22 here to testify in support of the FAB Alliance
23 proposed, proposal to expand its boundaries and amend
24 its district plan.

2 The Fort Greene Council, Inc. has been at
3 966 Fulton Street for over 42 years. Our institution
4 includes the Grace Agard Harewood Neighborhood Senior
5 Center and Young Minds Day Care Center. Since it
6 started operations, FAB has been improving conditions
7 in the area by making the sidewalks cleaner, planting
8 more trees and creating a public... public plaza that
9 the seniors and children of the center love. The
10 seniors are daily users of the Putnam Triangle Plaza
11 which is right across the street from us The children
12 participate in free events and activities produced in
13 the plaza by FAB. We especially appreciate FAB's
14 partnership in soliciting our input to create events
15 that are sensitive to the needs of all age groups.
16 FAB is also helping us explore options for making
17 improvements to the façade of our building, including
18 lighting for public safety and an awning to protect
19 seniors and children from the rain and inform the
20 community about services that are available. We are
21 grateful for the support from FAB for our events and
22 activities, also for how they promote our services
23 throughout social media, in printed business guides
24 and on the web. The area's improved so much since
25 FAB has been there. These changes will help them

2 build on that wonderful momentum. Thank you, I am
3 happy to answer any questions at this point.

4 ALEX DUFFY: Good morning, forgive me for
5 being a bit nervous. I don't have many opportunities
6 to speak in front of elected officials but thank you.
7 My name is Alex Duffy and I'm the founder and
8 Artistic Director of the non-profit arts center JACK
9 which is located in Clinton Hill. It's right off of
10 Fulton Street and I started four year ago with
11 several co-founders and we present music theaters and
12 dance performances that our mission really is to
13 create an art center that reflects the diversity of
14 the City and that is threaded into the surrounding
15 community. We have a free afterschool program for
16 teens, for theaters on social justice issues, we rent
17 our store from from Fulton Partners LLC and their
18 property is part of this BID, the FAB BID.

19 No one can argue that we want Fulton
20 Street businesses to succeed. Naturally when a plan
21 gets implemented, we see some successes, but with
22 time, we're also able to see room from improvement.
23 I'd like to offer my perspective as a commercial
24 tenant on how we can make the BID better. Here are
25 some of the issues that have come up for me from my

2 standpoint. So when I negotiated the lease with the
3 owner, I was told that I would have to shoulder the
4 burden as the commercial tenant of the BID tax along
5 with the other commercial tenants that were a part of
6 our property. I was able to negotiate of several
7 other items but changing that fact was anon-starter
8 with the owner. All of the business tenants on
9 Fulton Street that I've talked to express the same
10 thing, basically they've had the same experience with
11 their separate owners that the landlord passes the
12 BID tax on to them. This raises a tricky issue
13 because if the neighborhood improves, commercial
14 tenants that are paying into the BID are no longer
15 able to afford the rent when their lease comes up for
16 renewal, so this happened to my 2 neighboring
17 tenants, Edwin Gordon of Essential Cakes and Sushi
18 Tatsu, they both when their lease came up, they had
19 been paying into BID for several years and then a
20 lease came up, the landlord wanted them to, wanted to
21 double the rent and they weren't able to afford it.
22 Sushi Tatsu closed, Edwin Gordon moved further out
23 into Brooklyn, outside of the BID. In essence, with
24 the BID they paid into a system that resulted into
25 their in their own demise. When our lease comes up

2 in 3 years I, too am fully expecting not to be able
3 to afford to pay the new market rate rent. And yet
4 we as commercial tenants were shouldering the cost of
5 BID are not allowed a vote on its future. In a
6 country that was founded by a revolution against
7 taxation without representation, it's clear this is a
8 huge issue and I encourage lawmakers to consider this
9 as they consider the future of the BID and any
10 possible expansion without a radical re-thinking of
11 who is represented at the table when making these
12 decisions. The beneficiaries of the BID are the
13 property owners who pay nothing into the BID yet reap
14 the benefit of being able to double the rent once a
15 lease comes up for renewal. The ones who prop up the
16 BID with payments, the commercial tenants are the
17 ones who are most vulnerable to the changes the BID
18 encourages and suffer from the BID's successes. Thank
19 you for your time.

20 CHAIR FERRERAS COPELAND: Thank you very
21 much for your testimony do Council Member Cumbo.

22 COUNCIL MEMBER CUMBO: Hello Alex how are
23 you? I just wanted to ask a question when you talked
24 about that was the portion of the lease that you
25 could not negotiate, what did that dollar figure

2 amount look like for your business? What was the
3 amount that you could not negotiate in that
4 particular instance?

5 ALEX DUFFY: Right, it actually wasn't a
6 dollar amount, they ask you to pay a certain
7 percentage of whatever the BID tax will be, so in our
8 case it was 30% and we were not told what the BID
9 assessment was, in fact when we signed the lease we
10 were told by BID by FAB that we were not a part that
11 our property was not a part of the BID but then 6
12 months later they told us that in fact we were a part
13 of the BID and that we would pay into the we would be
14 paying that 30% that we had signed up to pay for on
15 the lease. It was a little bit of a confusing
16 situation.

17 COUNCIL MEMBER CUMBO: So that the
18 landlord would pay 70% of the assessment and you
19 would pay 30% as you were told, is that?

20 ALEX DUFFY: There are 3 commercial
21 tenants that the property owners has.

22 COUNCIL MEMBER CUMBO: Oh I see.

23 ALEX DUFFY: So the other 2 were paying
24 the rest of the 70%, the other 2 commercial tenants
25 and the landlord paid 0.

2 COUNCIL MEMBER CUMBO: So let me ask you
3 this question, are those spaces of a comparable size
4 to yours?

5 ALEX DUFFY: No, there smaller.

6 COUNCIL MEMBER CUMBO: There smaller.

7 ALEX DUFFY: But there on, there actually
8 on Fulton Street where as we are around the corner
9 which is a less visible.

10 COUNCIL MEMBER CUMBO: Right.

11 ALEX DUFFY: You know.

12 COUNCIL MEMBER CUMBO: So can I ask you
13 do you feel comfortable at this time stating what
14 your percentage of that would be.

15 ALEX DUFFY: It's 30%.

16 COUNCIL MEMBER CUMBO: The dollar amount.

17 ALEX DUFFY: Oh, I'm sorry.

18 COUNCIL MEMBER CUMBO: If you feel
19 comfortable sharing that information.

20 ALEX DUFFY: Yeah, yeah I believe this
21 year would be \$1,800.

22 COUNCIL MEMBER CUMBO: So your portion of
23 that would be and additional \$1,800 and the other
24 tenants would have to pay somewhere in the ballpark I

2 guess between \$800 to \$1,500 or so or something like
3 that.

4 ALEX DUFFY: Something like that, yeah.

5 COUNCIL MEMBER CUMBO: So that would be
6 the portion that you were paying would be in addition
7 to the rent that you're already paying on the space.

8 ALEX DUFFY: Right.

9 COUNCIL MEMBER CUMBO: And can I ask you
10 what that overall rental fee is?

11 ALEX DUFFY: Yeah that's \$5,800 a month.

12 COUNCIL MEMBER CUMBO: So you would be
13 paying \$5,800 plus an additional \$1,800 that you were
14 not aware of?

15 ALEX DUFFY: I'm sorry just to be clear
16 this is \$1,800 is per year.

17 COUNCIL MEMBER CUMBO: Ok I understand.

18 ALEX DUFFY: Yeah.

19 COUNCIL MEMBER CUMBO: Ok.

20 ALEX DUFFY: For now that is the
21 assessment.

22 COUNCIL MEMBER CUMBO: Right, that's
23 still substantial, ok, all right. Let me ask Mr.
24 Kellogg a question as well. For not for profit
25 organizations that fall within FAB, how are they

2 assessed in this particular BID expansion or just in
3 the BID in general?

4 PHILLIP KELLOGG: It depends. Non-profit
5 organizations that own their property and I'll ask
6 SBS to make sure I don't misstate anything do not
7 pay, there exempt. Whether it's a house of worship or
8 a non-profit. There are non-profits that are in
9 commercial properties and paying rent and that again
10 becomes between them and their landlord. But if it's
11 a commercial property, even if it's rented by a non-
12 profit it is assessed.

13 COUNCIL MEMBER CUMBO: I see. Let me ask
14 you another question, has there been conversation in
15 terms of those that are tenants versus the actually
16 owners have there been additional conversation about
17 them both having a voice and a equal vote in terms of
18 how the assessments are made or the approval of them?

19 PHILLIP KELLOGG: And just to clarify
20 they do both have a voice and the FAB Alliance board
21 is a 29 member board of directors elected by the
22 membership that includes not only property owners but
23 people who own commercial businesses in the district
24 as well as members of the elected office and their
25 representatives, so they are at the table and the

2 budget is set by the board and there in fact taxing
3 themselves rather their property owners and or
4 merchants.

5 COUNCIL MEMBER CUMBO: So in the case of
6 Mr. Duffy, who's not a member of the board and he's
7 not a voting member but also because I'm sure your
8 very active in the community and your business is not
9 exactly on the Fulton Street (inaudible) you're on
10 Waverly correct? So you many not even know or
11 understand how you configured all into this but now I
12 guess you know you are configured into it but in that
13 case the decision is being made for Mr. Duffy by a
14 board. If he wanted to than have more control over
15 whether these assessments happened or not, would the
16 advice be for him to join the board so that he would
17 have a vote in this particular situation? Or even if
18 he joined the board he would not have that power?

19 PHILLIP KELLOGG: Oh he would absolutely
20 have that power if I may say you were at the last
21 annual meeting, we had a very vibrate and dynamic
22 annual meeting where several people including Mr.
23 Duffy expressed interest in being on the board and
24 that process is coming up in May for the election of
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2 the directors and we would look forward to that
3 participation.

4 COUNCIL MEMBER CUMBO: Is there a cap on
5 the number of members that can be a part of the
6 board?

7 PHILLIP KELLOGG: Yes.

8 COUNCIL MEMBER CUMBO: What is that
9 number?

10 PHILLIP KELLOGG: Right now it's 29
11 members.

12 COUNCIL MEMBER CUMBO: That's the cap,
13 that's the most amount of people that can be on the
14 board?

15 PHILLIP KELLOGG: Correct.

16 COUNCIL MEMBER CUMBO: And just one
17 final.

18 PHILLIP KELLOGG: That can be changed or
19 altered but that is the current cap, yes.

20 COUNCIL MEMBER CUMBO: And are the vast
21 majority property owners or are the vast majority
22 tenants?

23 PHILLIP KELLOGG: By law and again
24 correct me if I'm not stating this correctly, there
25 has to be a majority of property owners.

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2 COUNCIL MEMBER CUMBO: All right, thank
3 you I don't have any further questions.

4 CHAIR FERRERAS-COPELAND: Thank you very
5 much, thank you for coming to testify today. We will
6 have a last panel with 3.

7 COMMITTEE COUNCIL: Lucy Koteen, Joe
8 Gonzalez and Schellie Hagony.

9 CHAIR FERRERAS-COPELAND: Again you will
10 also be on a 3 minute clock, the clock is to your
11 right and you may begin your testimony whenever
12 you're ready. I said you have 3 minutes. If you want
13 to collectively I'm sure the members, no
14 individually.

15 SCHELLIE HAGONY: Thank you and good
16 morning. I would like to speak in opposition to the
17 expansion of the Fulton Avenue BID. Once upon a time
18 in a different New York City, this may have helped
19 the merchants. Now in the time of billion dollar New
20 York City, most BIDs are a relic of the past. If you
21 talk to the merchants on Fulton Street you will hear
22 that most of them have never spoken to the BID, been
23 spoken to by the BID manager. There only contact is
24 when they are asked for money. Most of these shop
25 owners are minorities and immigrants. Many come from

2 a world where they dare not confront authority or ask
3 questions. Terrible things happen to them in their
4 families when they do. Many come from lands where
5 they are used to being extorted in order to be
6 allowed to work. Talk to the merchants and they will
7 tell you they are not helped by the BID and they have
8 no idea what it is for. Why do you think they pay?
9 To them it is another tax that they have to pay to
10 survive. Have you asked yourself how is this
11 different from extortion? In the 7 years of the BID
12 existence, 60 stores have closed. There was no
13 intervention by FAB to try to help them stay open.
14 Who is FAB serving if not the merchants? If the
15 merchants don't feel served, are they served? Who
16 than is served? The landlords, the real estate
17 industry, the store owners cannot take time out to
18 come here and testify. They have to be in their
19 stores. Fees are expected to go up, how will they
20 pay? How many more will have to close down? They
21 can't work more hours to make the money to pay higher
22 fees. Many of them are open 24/7 so they can't
23 increase their hours. To the merchants, these bid
24 managers are another kind of overlord like the ones
25 they knew back home. There is no oversight. The

2 manager is not elected and has no term limit. If you
3 anger him what will happen to you? The City has done
4 nothing to help small business to survive. The BID
5 fees are another means to drive out the immigrant and
6 minority shop owners and workers. There is no
7 protection for them. In order for the BID to expand,
8 51% of the landlords must approve, 0% of the
9 merchants have a vote, thank you and I wish you would
10 have listed though.

11 [background comments]

12 LUCY KOTEEN: Good morning honorable
13 Finance Committee. This is an important hearing.
14 Unfortunately those for whom it is the most important
15 can't be here because they can't take the morning off
16 from running their family businesses. I speak of
17 course of the store owners within this BID. This
18 administration has rightly taken on income and
19 equality as a fight to win. This BID showcases
20 income and equality and the application it has before
21 you will widen that gap between rich and struggling,
22 huge versus small, luxury versus sketchy. BAM is not
23 the same business as the little nail salon nor is the
24 Chinese takeout equal to the multi-national CFI
25 Corporation. Not in size, not in income, not in

2 political prestige. Adding the super deluxe stretch
3 of Lafayette Avenue between Fort Greene Place and
4 Rockwell Place widens that income gap and it widens
5 again and it widens the most by changing the formula
6 to collect the BID tax to luxury apartment buildings
7 which have begun to line Fulton Street, thanks to the
8 re-zoning that the people involved with this BID
9 helped to put into place. The luxury building about
10 to open near Grand can pay way more than the bodega
11 next door, but the bodega will have to pay more to,
12 in fact this application looks to change the meaning
13 of a business improvement district all together. If
14 the little stores are the least of the, of what's in
15 the BID now they'll be even more leased because
16 business will be the stige in the abbreviation for
17 luxury real estate. This BID is going after the big
18 bucks of the luxury building boom. The little stores
19 just get littler, the meaning of a BID just got lost.
20 We New Yorkers pride ourselves on diversity. This
21 BID has been hard on diversity in its 7 years we have
22 lost some 60 stores. Almost everyone minority owned
23 and the majority of those immigrant owners. Most of
24 the Muslims. Those who are still left are the most
25 vulnerable to the new formula BID and fees. The

2 meaning of business improvement district has also
3 been re-written by the passage of time. The BID
4 legislation is about 50 years old. It was intended
5 to help a broke New York City get back on its feet.
6 New York City is booming today. It is entirely
7 different from 50 years ago, everything is different
8 but the BID legislation is unchanged. Can I go on?
9 Ok, we ask that you revisit the BID legislation. We
10 would, we would like that. We have tried to help the
11 store owners by videotaping a few of them. There are
12 two videos now on youtube, one is merchant speak
13 about FAB and the other one is partner plaza bad
14 business. We hope you can view them. We also wonder
15 if you might be able to hold a hearing in the
16 neighborhood. I assure you, you'd get packed house
17 and it would help to instill some belief in... in store
18 owners who think their voices aren't being heard. And
19 I would like to submit 2 letters.

20 CHAIR FERRERAS-COPELAND: Ok, you can
21 give them to the sergeant at arms for, will get them
22 on the record, thank you very much for your
23 testimony, you may begin.

24 LUCY KOTEEN: Ok, thank you very much

2 JOE GONZALEZ: Good morning Madam Chair
3 and members of the Committee, my name is Joe
4 Gonzalez, I'm tax payer and I'm a frequent shopper on
5 Fulton Street in the Fort Greene, Clinton Hill area
6 and I have some serious concerns. I only learned a
7 few day ago of this hearing so I didn't have time to
8 prepare a formal statement but I will send one to
9 your office in the next few days memorializing my
10 concerns. I think before generally my concern is
11 just in two parts. Before this Council gives the BID
12 additional resources and additional jurisdiction this
13 Council might seriously look at tightening up on the
14 supervision of the BIDs. In two ways; one because 60
15 stores have shut down on Fulton Street under FAB
16 nose. Some of us think it's more than 60 stores, a
17 lot more than 60 stores. I began to look around at
18 the question of who tracks store closures, it now
19 appears that FAB holds the dubious distinction of
20 having the loss more stores than any BID in New York
21 City and so when I looked around society I found out
22 that there's a number of institutions that are
23 regulated when there some kind of failure, some kind
24 of tragedy, there's a written document and there's a
25 tracking of tragedy. When there's a plane crash or

2 train crash, the NTSB comes in, the document it and
3 its expensive files of what happened. If there's a
4 police shooting, there's some process of review. If
5 someone dies or is in a car accident, there reports,
6 there's various entities that review that failure.
7 With respect to BIDs closing in this case over 60
8 perhaps 70 or more close, SBS is clueless. They
9 haven't got a clue that stores are closing so before
10 you give them more money and more power, require them
11 by law to track store closures and your body, the
12 Council should get a written document an email, phone
13 call something when a store opens up and when a store
14 closes. There 3 members of this Council who know me
15 well and hear from me regularly when a store closes.
16 I shouldn't be the only one letting them know that a
17 store closes. Some of the express surprise when they
18 hear from me that a store close and some already knew
19 it but there's something fundamentally wrong when SBS
20 doesn't track store closures. So before you give
21 them more jurisdiction mandate that they track store
22 openings and closing so members of this Council would
23 have immediate notification and there would be a
24 tracking as to why so many stores close down. Very,
25 very important, with respect to FAB there's something

2 intellectually dishonest about them asking for the
3 ability to tax greater. BIDs started with the
4 understanding, with the understanding that they would
5 be assisting stores getting more customers. To the
6 extent that FAB and other BIDs want to tax
7 residences, there's something dishonest about that
8 because there not driving customers or tenants to
9 those buildings. So to enable Mr. Kellogg and his
10 organization to start assessing these luxury towers
11 going up, there's something wrong with that, he not
12 providing service, he not a licensed real estate
13 broker, he not doing anything (inaudible) essentially
14 they're going to be paying him money for nothing.
15 There's something fundamentally wrong with it's a,
16 it's a tax but the BID is not providing customers or
17 helping these luxury builders going up, so there's a
18 question as to why is he going to be able to tax
19 these BIDs. So I'll send a formal document to you
20 but I really want this Committee to take a very close
21 look at mandating SBS to track and publically reveal
22 on their website and have notification to the elected
23 that stores are closing so that there will be some
24 process of reviewing the closure stores, thank you

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2 Madam Chair. If there any questions perhaps I'll, I
3 can, I can take any questions from my Council Member.

4 CHAIR FERRERAS-COPELAND: Ok that's the
5 Chair's job, thank you very much.

6 JOE GONZALEZ: I'm sorry.

7 CHAIR FERRERAS-COPELAND: That's my job
8 to open to questions.

9 JOE GONZALEZ: Oh, I'm sorry.

10 CHAIR FERRERAS-COPELAND: Thank you, do
11 you have any additional questions Committee Members?
12 We see none, thank you very much for your testimony
13 today.

14 JOE GONZALEZ: Thank you for having me.

15 CHAIR FERRERAS-COPELAND: And we will now
16 ask the Clerk to, the Committee Clerk to call the
17 roll for our vote.

18 COMMITTEE CLERK: Continuation of the
19 roll call vote on Intro. 798-B, 1007-A, 1030-A and
20 the pre-considered transparency resolution, Chair
21 Ferreras-Copeland.

22 CHAIR FERRERAS-COPELAND: I... I highly
23 appreciate everyone coming to testify today so that
24 we can hear opinions and understand the BID process,

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2 I ask that my colleagues vote aye and I vote aye on
3 all items on the today's agenda.

4 COMMITTEE CLERK: Chair Ferreras-
5 Copeland, aye. Councilwoman Gibson.

6 COUNCIL MEMBER GIBSON: Permission to
7 explain my vote.

8 CHAIR FERRERAS-COPELAND: Yes.

9 COUNCIL MEMBER GIBSON: Thank you Madam
10 Chair and thank you for this very important hearing.
11 I appreciate the opportunity to hear from SBS as well
12 as the representatives of the BID. I'm certainly
13 members of the public who are the not only customers
14 but frequenters of these specific areas and certainly
15 moving forward I know that it is our commitment to
16 always try and attempt to find balance. It's not
17 easy when you talk about BID assessments. I
18 represent 1 BID and I'm trying to establish other and
19 I know there's a lot of complications that go in with
20 that and so I certainly encourage our business
21 owners, BID representatives as well as members of the
22 public to really work with your Council Member
23 because we you know, if not my Borough but certainly
24 I understand that anything that happens in one
25 Borough can certainly affect another Borough and I'm

2 very cognizant of that so I appreciate the chance to
3 really hear and listen to a lot of the concerns
4 whether it's for or against and I appreciate the
5 opportunity to explain my vote and I will be voting
6 aye on all, thank you very much.

7 COMMITTEE CLERK: Cornegy.

8 COUNCIL MEMBER CORNEGY: I vote aye.

9 COMMITTEE CLERK: Cumbo.

10 COUNCIL MEMBER CUMBO: Permission to
11 explain my vote.

12 CHAIR CUMBO: Yes.

13 COUNCIL MEMBER CUMBO: Thank you, I want
14 to thank all of those that came here to testify
15 today. I believe that we can all agree in many ways
16 that BIDs have done a tremendous amount of work in
17 terms of promoting, improving our local communities.
18 But I would say as a resident of Brooklyn, New York
19 and having grown up in the area, I too share some of
20 the concerns that were brought forward here today. As
21 we do look at the development and the growth of
22 downtown Brooklyn we do see that many of the, I'll
23 even call them institutions that have been a major
24 part of our Borough have closed and I would say that
25 it's not fair to attribute that exclusively to the

2 development of the BID, there are multiple factors to
3 take into consideration as to why so many of these
4 particular business have closed. I've been saddened
5 by many of the businesses that have closed because I
6 grew up in many of those organizations and businesses
7 but I would say at this particular time I support the
8 development and the growth of these particular two
9 BIDs but I would say at the same time as to Mr.
10 Gonzalez's point, we have introduced and discussed
11 the same legislation that you talked about in terms
12 of having a greater track record of understand when
13 businesses are closing. I would also say to Mr.
14 Duffy's point as well, I'm extremely concerned about
15 the fact that business, commercial owners are then
16 passing those assessments fees onto local businesses
17 and they are benefiting from the development of the
18 property and of the neighborhood without contributing
19 to it in any meaningful way and so I look forward to
20 working with my colleagues moving forward to make
21 sure that we change that dynamic because ownership
22 should have ownership of the development of the
23 community as well as the local business that is
24 actually being utilized at that time. So I support
25 this but I think that this entire body and all of my

2 colleagues can agree, there's a lot more that we can
3 do to make sure that our businesses are supported
4 that they are protected and that we do actually
5 modify the BID legislation that was created to fit
6 the modern day needs of today's business owners. So
7 I vote aye, I thank you again all for being here and
8 we have to continue to move forward to make sure that
9 we exhaust every resource possible to make sure that
10 our local businesses are supported, thank you. I vote
11 aye.

12 COMMITTEE CLERK: Levine.

13 COUNCIL MEMBER LEVINE: Permission to
14 briefly explain my vote:

15 CHAIR FERRERAS-COPELAND: Briefly yes.

16 COUNCIL MEMBER LEVINE: I promise I'll be
17 brief. I do want to congratulate Council Member
18 Cumbo on navigating a really complicated policy and
19 political landscape and for pushing a vision of
20 economic growth that lifts all votes. The key here
21 is implementation and I know that you'll provide
22 really strong oversight as these BID's are rolled out
23 with a keen eye to supporting small businesses and
24 preserving retail diversity. I think your district

1 COMMITTEE ON FINANCE

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2 very lucky have you at the helm on this and I'm happy
3 to vote aye on all.

4 COMMITTEE CLERK: Miller.

5 COUNCIL MEMBER MILLER: I vote aye on
6 all.

7 COMMITTEE CLERK: Matteo.

8 COUNCIL MEMBER MATTEO: Yes.

9 COMMITTEE CLERK: By a vote of 8 in the
10 affirmative, 0 in the negative and no abstentions,
11 all items have been adopted.

12 CHAIR FERRERAS-COPELAND: Thank you very
13 much and thank you for coming to today's Committee
14 hearing. A reminder today is Stated and for Queen's
15 delegation we have delegation immediately following
16 this hearing, thank you again.

17 [gavel]

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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 January 27, 2016