

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  
Start: 10:42 A.M.  
Recess: 11:42 A.M.

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

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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 disclosers must be made before the subcontractor can  
11 be approved. Rohiem Grant, form the General  
12 Counsel's Office can assist you with any questions or  
13 concerns regarding disclosers.

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

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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

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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 constitutes 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 elluminate the confusion  
24 that the current way of doing business has caused for  
25 tenants and their advocates. And finally to

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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 CORNEY: 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 CORNEY: 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

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

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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 3<sup>rd</sup> 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

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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

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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?

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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

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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.

25

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 7<sup>th</sup> and January 8<sup>th</sup>, 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

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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

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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.

25

2                   The BIDs that wish to increase the amount  
3 to be expended annually are as follows: 180<sup>th</sup> 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,

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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

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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

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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

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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

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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  
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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 vibrate 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 Layfette 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

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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

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30

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.

25

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

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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 for 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 an non-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

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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

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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.

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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

25

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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

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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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40

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.

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 COMMITTIE 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 Layfette Avenue between Fort Greene Place and  
4 Rockwell Place widens that income gap and it widens  
5 again and it widen 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 stigle 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

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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

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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

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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