

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE

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November 16, 2016
Start: 10:35 a.m.
Recess: 11:23 a.m.

HELD AT: Committee Room - City Hall

B E F O R E:

JULIE FERRERAS COPELAND
Chairperson

COUNCIL MEMBERS:

Majority Leader Van Bramer
Council Member Gibson
Council Member Cornegy
Council Member Rodriguez

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

Michael Blaze Backard
Deputy Commissioner for Neighborhood
Development
Department of Small Business Services

David Brause
Brause Realty
Founding Chairman of the Long Island City
Business Improvement District

Dr. Angelo Epilito
Co-chair LIC Bid Expansion
Steering Committee

Paula Kirby
Co-chair LIC Bid Expansion
Steering Committee

Elizabeth Luskin
President of the Partnership
Executive Director of the Current Bid

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CHAIRPERSON COPELAND: Today we have four items on the agenda. A transparency resolution to land use items and a bid item.

Let's start with the transparency resolution which sets forth the new designation, changes in the designation of certain organizations receiving local, aging and youth discretionary funding and funding pursuant to certain initiatives in the budget. Organizations appearing in the resolution that I have not yet completed the pre-qualification process conducted by the Mayor's Office of Contract Services, the Council or another entity identified in the attach chart with an asterisk. As with all transparency resolutions, Council Members will have to sign a disclosure form indicating whether or not a conflict exists with any of the organizations on the attached list.

If any Council Member has a potential conflict of interest with any of the organizations listed, he or she has the opportunity to disclose the conflict at the time of their vote. As a reminder, please disclose any conflict you may with proposed subcontractors that are used by organizations sponsored by discretionary funding. These

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2 disclosures must be made before the subcontractor can
3 be approved. Rohand Grant from the General Counsel's
4 office can assist you with any questions or concerns
5 regarding disclosure.

6 Next we will have two new items. The
7 first is a tree of life and Council Member Lancman's
8 District in Queens. This property will receive a
9 full thirty year property tax exemption to construct
10 174 units of affordable housing through the City's HD
11 of C program.

12 The second is 2178 Atlantic Avenue in
13 Council Member Mealy's District in Brooklyn. This
14 property will receive a forty year property tax
15 exemption to preserve sixteen units of affordable
16 housing through the City's HD of C program. The
17 exemption will be a full retroactive exemption back
18 to 2005 and then a partial exemption from 2017
19 onwards. Both Council Members are supportive of
20 these projects.

21 Lastly we will hold a public hearing on
22 Intro 1314 which relates to the Queen's Plaza Court
23 Square Bid in Council Member Van Bramer's District.
24 On October 27 this Committee voted on a Resolution
25 1259 to set today as the hearing date to hear from

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2 individuals who may be affected by the proposed
3 changes to the Bid. The Bid was first established in
4 2005 in the area in and around the bid constitutes a
5 major transportation retail manufacturing and retail
6 hub for western Queens. As a result of 2001's
7 rezoning, there is now a large day time working
8 population and increasingly a large residential
9 population. The Bid is currently requesting that the
10 Council approve the following changes to its district
11 plan.

12 An extension of its boundaries to add a
13 new south sub district to the existing boundaries
14 which will then become the north sub district and a
15 renaming of the entire Bid, the Long Island City Bid.
16 A change to the method by which assessments are
17 calculated and be based on the formula that factors
18 in the assessed value of the property and the linear
19 foot frontage of a commercial properties. A \$350,000
20 increase in its annual assessment from \$450,000 to
21 \$800,000. First we will hear from any witnesses who
22 wish to testify. Once we have heard any testimony,
23 we will then adjourn the hearing for at least thirty
24 days to allow any property owners within the proposed
25 extended area of the Bid to file an objection to the

1 extension of the Bid with the City Clerk. In the
2 absence of objections filed either by a majority of
3 all impacted property owners or by property owners
4 owning a majority of the assessed value of the
5 property within the proposed extended Bid [That was a
6 very long sentence [Laughter]], the Committee and the
7 full Council may adopt the legislation extending the
8 Queens Plaza Court Square Bid. In order to do so,
9 the Committee and the full Council must be prepared
10 to answer the following four questions in the
11 affirmative.
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13 Were all the notices of the hearing for
14 all hearings required to be held, published and
15 mailed as required by law and otherwise sufficient?

16 Does all the real property within the
17 extended District boundaries benefit from the
18 District except as otherwise provided by law?

19 Is all real property benefitted by the
20 extension of the District included within the
21 proposed extension?

22 Is the extension of the District in the
23 best interest of the public?

24 In the Committee and full Council finds
25 in the affirmative on these four questions and the

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2 number of objections required to prevent the
3 extension of the Bid are not filed, then the
4 legislation can be adopted. In addition, the
5 Committee and the full Council must determine that it
6 is in the public interest to authorize an increase in
7 the maximum annual expenditure amount that the
8 relevant tax and debt limits will not be exceeded and
9 that the notice of increased proposed expenditures
10 amount was properly published. Majority Van Bramer
11 supports the proposed extension and other changes to
12 the Bid. For further details on the Queens Plaza
13 Court Square Bid, please refer to the Committee
14 Report and the attached City Planning Commission
15 Report and the Bid's proposed District plan.

16 Representatives from the Department of
17 Small Business Services are here to provide testimony
18 on the Queens Plaza Court Square Bid. SBS can come
19 up and you will be sworn in by my counsel. [Pause]
20 All right, SBS has to be paying attention. I thought
21 my opening statement was riveting.

22 [Crosstalk] [Laughter]

23 Okay, everybody's up now? Yes, good.
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2 COUNSEL: Do you affirm that your
3 testimony will be truthful to the best of your
4 knowledge, information and belief?

5 MICHAEL BLAZA BACKARD: I do. Good morning
6 [Laughter]. Good morning Chair Ferreras Copeland and
7 members of the Finance Committee. I'm Michael Blaze
8 Backard [phonetic], Deputy Commissioner for
9 Neighborhood Development to the Department of Small
10 Business Services and I'm joined by our Executive
11 Director of Neighborhood, Chris Scottard [phonetic],
12 our bid program director, Jennifer Kidson [phonetic]
13 and our Senior Program Manager, Limel[phonetic]
14 Lindsay. We are here to testify in support of the
15 expansion of the Queens Plaza Court Square business
16 improvement district most commonly known as the Long
17 Island City Bid. At SBS we are looking hard, working
18 hard to open doors for New Yorker's across the five
19 Boroughs focusing on creating stronger businesses,
20 connecting New Yorkers to good jobs and fostering
21 thriving neighborhoods. We believe that the vitality
22 of the City's commercial corridors is a key part of
23 achieving this goal and bids have been valuable and
24 proven partners in revitalization and economic
25 development across all five Boroughs.

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2 In addition to our role overseeing and
3 supporting the City's existing network of 72 bids,
4 SBS also supervises the bid formation and expansion
5 process serving as an advisor and resource for
6 communities interested in developing and expanding
7 bids. We are careful to ensure that each Steering
8 Committee we work with adheres to our planning
9 process and policies, solicits robust community input
10 and performs extensive outreach to collect and
11 demonstrate broad based support across all
12 stakeholder groups.

13 Moreover, we are cognizant of the unique
14 nature of each community we assist and aim to empower
15 local stakeholders to make determinations on proposed
16 services, boundaries and budget size that best suit
17 their community's needs and appetite and ability to
18 pay assessments. While we always impart strong
19 planning principals and share our data and best
20 practices from across the bid network, when working
21 with any bid formation expansion efforts, we
22 recognize that the power and effectiveness of bids
23 rests in their unmatched understanding of local needs
24 and issues. Like other recent bid formation
25 expansions that SBS has overseen, the Long Island

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2 City expansion effort involved numerous meetings and
3 consultations with local stakeholders throughout the
4 planning and outreach phases. After an extensive
5 outreach effort and close coordination with all key
6 parties, SBS determined that the documented support
7 among all stakeholder groups including over 50% of
8 the areas commercial assessed value providing written
9 support in favor was sufficient to submit the
10 application to City Planning and City Council.

11 As required by law, the Long Island City
12 Bid Expansion Steering Committee mailed a summary of
13 the City Council resolution no less than ten days and
14 no more than thirty days before today's hearing to
15 the following parties:

16 To each owner of real property within the
17 existing District to propose expansion at the address
18 shown on the latest City assessment roll, to such
19 other persons as are registered with the City to
20 receive tax bills concerning real property within the
21 existing District and proposed expansion and to
22 tenants of each building within the existing District
23 and the proposed expansion area. In addition, SBS
24 arranged for the publication of a copy of the summary
25 of the resolution at least once in the City Record.

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2 It is also important to note that this
3 Bid expansion proposal has the written support of
4 Queens Borough President, Melinda Katz and Majority
5 Leader Jimmy Van Bramer and Queens Community Boards
6 one and two. Additionally, we would like to
7 acknowledge and thank Majority Leader Van Bramer for
8 his strong and on-going support on City Bid and for
9 his steadfastness throughout this expansion effort.
10 Lastly like to acknowledge that the Bid expansion
11 effort is represented here today by the Bid Expansion
12 Steering Committee who will testify and be available
13 to address any specific questions that I'm unable to
14 answer. At this time, I'm happy to take any
15 questions.

16 CHAIRPERSON COPELAND: Do you have any
17 questions for SBS? Seeing none, thank you for coming
18 to testify. We're going to ask the next panel to
19 please come up.

20 COUNSEL: Elizabeth Luskin, Paula Kirby,
21 David Brause and Andrew Epiledo [phonetic] [pause].

22 DAVID BRAUSE: Thank you. My name is
23 David Brause of Brause Realty. I am the founding
24 chairman of the Long Island City Business Improvement
25 District and an owner of approximately one million

1 square feet of commercial and residential space in
2 this neighborhood. I'm pleased to be here today and
3 to have the chance to express my support for the
4 proposed expansion of the LIC Business Improvement
5 District. I would also like to take this opportunity
6 to thank the leadership of the City Council and in
7 particular Majority Leader Jimmy Van Bramer for their
8 foresight and support in encouraging the renaissance
9 of Long Island City. In 2005, the existing Long
10 Island City Bid was formed by the stakeholders of the
11 Queens Plaza and Court Square area to improve the
12 neighborhood with supplemental services such as
13 street sweeping and neighborhood marketing. Since
14 then, the neighborhood has thrived with the business
15 services, overall quality of life and safety have
16 significantly improved with cleaner streets and an
17 attractive pedestrian environment of colorful
18 plantings and tree beds, neighborhood banners and
19 information kiosks. These changes have clearly
20 demonstrated the positive impact that a bid can have
21 on a neighborhood and over the past few years, the
22 bid services have been requested on the adjacent
23 areas where we are now looking to expand. The bid
24 services would be particularly helpful to retailers
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2 who would benefit from a more attractive and active
3 street life. Queens Plaza and Court Square have been
4 major transportation hubs and Long Island City's
5 other commercial corridors are expecting even more
6 foot traffic than ever before. Benefits that a bid
7 provides would be shared by the neighborhood's
8 diverse community. For residents, workers, business
9 owners and visitors alike who pass through the bid
10 every day in the tens of thousands yet who sometimes
11 miss all of our great retail and services because of
12 the street conditions. As an increasingly mixed use
13 area with close to 11,000 residential new units and
14 three and a half million square feet of commercial
15 office development to be completed in the next four
16 years, the LIC Bid needs to expand more than ever so
17 it can meet the needs of this growing area and help
18 maintain a vibrant authentic mix of uses in a full
19 service neighborhood. I urge you to vote to approve
20 the expansion of our Bid as soon as possible to allow
21 us to begin improving the greater Long Island City
22 neighborhood quickly. Thank you.

23 ANGELO EPILITO: Hi, my name is Dr. Angelo
24 Epilito and I am privileged to be one of the co-chair
25 persons of the LIC Bid Expansion Steering Committee.

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2 Since early in 2014 a great deal of time and effort
3 has been put forth by the Steering Committee, members
4 of which are community stakeholders who strongly
5 support the creation of an LIC Bid sub district which
6 will provide supplemental services and improvements
7 along the commercial corridors of Vernon Boulevard,
8 Jackson Avenue and 44th Drive. Meetings were held to
9 discuss variables such as boundaries, budget,
10 proposed services and assessment formula.

11 Amidst these variable, however, the one
12 constant was and still is the idea that the
13 aforementioned business corridors are in need of a
14 boost to improve business activity. Elements of this
15 boost are, but not limited to, expanded sanitation,
16 beautification of public space improvements, targeted
17 marketing initiatives, and neighborhood promotion.
18 The goal of this boost is to make the sub district
19 area more attractive and inviting to new businesses
20 and consumers. As evidenced by positive ballots and
21 two well attended public meetings, there is a great
22 deal of support for the LIC Bid Expansion. I
23 personally hit the sidewalks a few times and had one-
24 on-one dialog with many business owners who are
25 overwhelmingly in support of the sub district. In

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2 conclusion, I will tell you that I've been a business
3 owner, property owner and resident of the sub
4 district area for fifteen years and I strongly
5 support this proposal. It is my hope that the LIC
6 Bid Expansion initiative will take all businesses in
7 the sub district area from survive mode to thrive
8 mode. Thank you.

9 PAULA KIRBY: Good morning, Committee
10 Members and Majority Leader Jimmy Van Bramer. My
11 name is Paula Kirby. I'm a member of the third
12 generation of our family business Plaxol [phonetic]
13 that has been based in Long Island City for over
14 seventy years and I'm also one of the co-chairs of
15 the LIC Bid Expansion Steering Committee. Outreach
16 efforts to educate stakeholders about the bid have
17 been on-going for the last three years. A Steering
18 Committee of over thirty community members was formed
19 at the outset and the Committee has held numerous
20 informal meetings with members of the community as
21 well as engaged in many one-to-one conversations over
22 this time period. I personally went door to door
23 speaking with local business owners in an effort to
24 build awareness and support for the Bid and as a
25 property owner I also spoke with many of our tenants

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2 in order to listen to their concerns and to explain
3 both the process required to implement the expansion
4 and the benefits that this expansion could provide.
5 Steering Committee and Long Island City Partnership
6 Staff have followed up diligently with business
7 owners and residents they met to educate all on the
8 proposal and to collect ballots. All of this
9 outreach was done in addition to the required public
10 meetings and notification mailers. Through this
11 Committee, property owners and tenants have been
12 working in partnership to develop the District plan
13 to enhance our neighborhood. Despite the relatively
14 modest budget, we believe that the Bid will have a
15 powerful and effective impact. It can improve
16 wayfinding and street signage, supplement street
17 cleaning, provide street beautification and while our
18 neighborhood is safe, enhance pedestrian lighting.
19 All of these will create a more welcoming environment
20 for residents, employees and the many tourists who
21 are increasingly coming to live, work and play in
22 LIC. Many of the small business owners view the Bid
23 assessment as a much better investment than
24 advertising and firmly believe the Bid will help
25 create a better business and community environment.

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2 Support from businesses and residence is evident from
3 the hugely positive public meetings. As a
4 representative of the Plaxol family, an engaged
5 member of the community and an enthusiastic co-chair,
6 I strongly support the Bid Expansion.

7 LIZ LUSKIN: Thank you. Good morning,
8 Chair Ferreras Copeland, Majority Leader Van Bramer
9 and members of the Finance Committee. I'm Liz
10 Luskin. I'm the President of the Partnership and
11 Executive Director of the current bid which the
12 Partnership manages. As you've heard in 2005, the
13 existing bid was formed and for the area adjacent to
14 the sub district and over the past few years a large
15 and diverse Committee of stakeholders has been
16 working to bring the benefits of that bid in its own
17 unique way to this area just south of the existing
18 bid. In this effort, we've had the tremendous
19 support and direction and leadership of Majority
20 Leader Van Bramer and thank you very much for that.
21 As has been noted, the Steering Committee has worked
22 diligently to determine what the boundaries should
23 be, the assessment formula and the services and
24 really worked hard to construct a proposal that was
25 affordable for the people in the area but produced

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2 meaningful improvements so I won't go through all my
3 testimony because a lot of it's been said, but the
4 budget for this sub district would be a modest
5 \$350,000 and given the assessment formula, that would
6 result in more than 60% of the people paying less
7 than \$660 per year. With this modest amount, we do
8 still feel that we can make important and meaningful
9 interventions through improved streets, cleaning,
10 hanging baskets, marketing and other kinds of
11 improvements so it's a modest proposal but we do
12 believe that it can nevertheless make a very big
13 difference for the people in the area, particularly
14 the retailers who are very strongly in need of help
15 to bring people from the major transportation hubs
16 that we have through the area to their businesses.
17 Um, this proposal has been approved by the City
18 Planning Commission, both Community Boards in the
19 area, the Borough Board, the Borough President and as
20 we have said and very much appreciate the strong
21 support of the Majority Leader so I hope that the
22 City Council, Finance Committee will approve this
23 measure and that we can begin providing services as
24 soon as possible in the New Year. Thank you.

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2 CHAIRPERSON COPELAND: Thank you for your
3 testimony Majority Leader Van Bramer.

4 MAJORITY LEADER VAN BRAMER: Thank you
5 very much Madam Chair and welcome to all of you. I'm
6 not sure if all of you have testified before, before
7 the City Council but on behalf of all of the
8 residents of Long Island City and in our District,
9 you did a great job. I, I want to start by saying
10 that the existing Bid and the Partnership have
11 already done great work. You have been doing that
12 for quite some time and this is an extension of great
13 work that you've already done and the lasting effects
14 of which are felt every single day and as David
15 pointed out, the growth of Long Island City, what we
16 are anticipating is quite dramatic and so it's
17 important for government to anticipate future needs
18 and to actually plan for the future. This is part of
19 that, right, being ready for not just what is today
20 Long Island City, but what will be Long Island City
21 in two, four, six years and so this is a great thing.
22 I want to thank David for your leadership, Angelo
23 Epilito and Gianna Cerbone-Teoli owns Manducati's
24 Rustica who couldn't be here today but I know has
25 been so instrumental in this process as well, Paula

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2 you and your family and Liz your leadership. The Bid
3 is a great thing for our community. I'm very proud
4 of the work that you've done. Very proud to have
5 been a staunch supporter since day one and I know
6 everyone is gonna feel very good about this victory
7 for our community so I just want to thank you for
8 your hard work. It's been a long time coming. A
9 little bit longer than we thought but we're here and
10 that's the important thing and we're gonna do the
11 right thing by other people of Long Island City so
12 thank you all very much.

13 CHAIRPERSON COPELAND: Thank you and
14 thank you for your testimony. Thank you, you can go
15 back to your seat. Before I ask the Clerk to call
16 the roll, I'd like to remind my Finance colleagues
17 that we'll be holding a joint hearing with the
18 Committee on Housing and Buildings next week about
19 the Administration's enforcement of the 421A tax
20 exemption program. The hearing will be on Tuesday,
21 November 22 at 10 a.m. in the Chambers and
22 representatives from HPD and DOF will be here to
23 testify and now I'm wishing you all a very Happy
24 Thanksgiving and maybe get a little bit of rest and

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2 I'll ask Billy Martin, the Committee Clerk to please
3 call the roll.

4 BILLY MARTIN: Billy Martin, Committee
5 Clerk, roll call vote Committee on Finance, Chair
6 Ferreras Copeland.

7 CHAIRPERSON COPELAND: I vote aye.

8 BILLY MARTIN: Rodriguez

9 RODRIGUEZ: Aye.

10 BILLY MARTIN: Van Bramer

11 MAJORITY LEADER VAN BRAMER: I vote aye.

12 BILLY MARTIN: Cornegy

13 CORNEGY: I vote aye.

14 BILLY MARTIN: Cumbo

15 CUMBO: Aye.

16 BILLY MARTIN: Matteo

17 MATTEO: Aye.

18 BILLY MARTIN: By vote of 6 in the
19 affirmative, 0 in the negative and no abstentions,
20 all items have been adopted.

21 CHAIRPERSON COPELAND: Thank you. We
22 will keep the role open until 11:15. Thank you.

23 [Pause]

24 BILLY MARTIN: Continuation roll call the
25 Committee on Finance. Council Member Gibson.

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GIBSON: I vote aye.

BILLY MARTIN: The vote is now 6 in the affirmative, excuse me 7.

[Pause]

BILLY MARTIN: Continuation roll call the Committee on Finance. Council Member Levine.

LEVINE: I vote aye.

BILLY MARTIN: Vote now currently stands at 8 in the affirmative.

BILLY MARTIN: Continuation roll call the Committee on Finance. Council Member Rosenthal.

ROSENTHAL: Aye, aye on all.

Final vote, Committee on Finance. All items have been adopted by a vote of 9 in the affirmative, 0 in the negative and no abstentions.

CHAIRPERSON COPELAND: The hearing is now adjourned. Thank you.

C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date December 5, 2016