

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE

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December 15, 2016  
Start: 10:42 a.m.  
Recess: 11:21 a.m.

HELD AT: Committee Room - City Hall

B E F O R E: JULIE FERRERAS COPELAND:  
Chairperson

COUNCIL MEMBERS: Corey D. Johnson  
Steven Matteo  
Laurie A. Cumbo  
I. Daneek Miller  
Mark Levine  
Ydanis A. Rodriguez  
Richard Cornegy  
Helen K. Rosenthal

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

Michael Blaise Backer  
Deputy Commissioner  
Neighborhood Development  
Department of Small Business Services

Jennifer Kitson  
BID Program Director  
Neighborhood Development  
Department of Small Business Services

Lamal Lindsey [phonetic]  
Senior Program Manager  
Neighborhood Development  
Department of Small Business Services

Alexandria Sica  
Executive Director  
DUMBO Improvement District

Chris Martin  
Director of Operations and Community  
Development  
DUMBO BID



[sound check] [pause]

CHAIRPERSON FERRERAS COPELAND: Good

morning and welcome to today's finance committee hearing. I am Council Member Julie Ferreras Copeland. I am the chair of the committee. We have been joined by Council Members Johnson, Matteo, Cumbo, and Miller. Today for the committee's final meeting of 2016 we have several items on the agenda - two budget modifications, a transparency resolution, three land use items, and a bid. Let's start with the budget modifications. The first is a revenue modification that recognizes a \$105.5 million-dollar decrease in revenues compared with Fiscal Year 2017's adopted budget, representing a decrease in city funds of approximately 0.02%. This reflects the fact that tax revenue collections for FY 2017 are decreased by \$125 million below the adopted plan, largely due to reduced collections from the General Corporation Tax, Real Proper Tax Transfer, and the Personal Income Tax. This reduction is partially offset by \$20 million in the miscellaneous revenue from increases from charges for services, licenses, franchises, etcetera, as well as rental income. The second modification is an expense modification that

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2 represents movement of approximately \$760 million of  
3 funding between and within city agencies to implement  
4 expense budget changes, which were reflected in  
5 Fiscal 2017's November financial plan, and includes  
6 any agency changes for local initiatives, as well as  
7 other discretionary programs. Next up is a  
8 transparency resolution which sets forth a new  
9 designation and changes in the designation of certain  
10 organizations receiving local [INAUDIBLE] and new  
11 discretionary funding, and funding pursuant to  
12 certain initiatives in the budget. Organizations  
13 appearing in the resolution that have not yet  
14 completed the prequalification process conducted by  
15 the Mayor's Office of Contract Services, the Council,  
16 or other entities, are identified in the attached  
17 chart with an asterisk. As with all transparency  
18 resolutions, council members will have to sign a  
19 disclosure form indicating whether or not a conflict  
20 exists with any of the groups on the attached list.  
21 If any council member has a potential conflict of  
22 interest with any of the organizations listed he or  
23 she has the opportunity to disclose the conflict at  
24 the time of their vote. As a reminder, please  
25 disclose any conflicts you may have with proposed

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2 subcontractors that are used by organizations  
3 sponsored by discretionary funding. These  
4 disclosures must be made before the subcontractor can  
5 be approved. Rohan Grant from the General Counsel's  
6 Office can assist you with any questions or concerns  
7 regarding disclosures. Next, we have three LU items.  
8 The first is 943-947 Teller Avenue. It's Council  
9 Member Salamanca's district in the Bronx. This  
10 property will receive a full 35-year property tax  
11 exemption to preserve 35 units of affordable housing  
12 through the city's HDFC. The second is an amendment  
13 to a prior resolution regarding the property located  
14 at 14802 Archer Avenue, which is part of the Jamaica  
15 Crossing Project in Council Member Miller's district  
16 in Queens. The council previously approved the  
17 exemption for the project in November 2015, which  
18 approved the receipt of a 40-year property tax  
19 exemption to construct 129 units of affordable  
20 housing through the city's HDFC program. HPD has  
21 requested that the prior resolution be amended to  
22 explicitly request an exemption for the community  
23 facility portion of the project. The third is also  
24 an amendment to a prior resolution regarding part of  
25 the Jamaica Crossing Project in Council Member

1 Miller's district located at 14718 Archer Avenue.  
2  
3 The council previously approved this exemption for  
4 the project also in November of 2015. The project  
5 would construct 538 units of affordable housing for  
6 low- and moderate-income households. However, HPD  
7 has requested an amendment to the prior resolution  
8 reflecting the correct tax lot number of the dwelling  
9 units and the square footage of commercial and  
10 parking space. Council Members Salamanca and Miller  
11 both are supportive of these projects. Lastly, we  
12 will hold a public hearing on [INAUDIBLE] 1371, which  
13 relates to the DUMBO BID in Council Member Levine's  
14 district. On November 29 this committee voted on the  
15 Resolution 1291 to set today as the hearing date to  
16 hear from individuals who may be affected by the  
17 proposed changes to the BID. The BID was first  
18 established in 2005. Historically, DUMBO was  
19 primarily a neighborhood of manufacturing and  
20 shipping use. However, it is now a mixed use  
21 community with offices, artist space, retail, and  
22 residence. It is particularly known for the  
23 substantial presence of the tech industry, including  
24 digital design, digital marketing, and educational  
25 tech, and e-commerce firms. The BID is currently

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2 requesting that the council approve the following  
3 changes to its district - an extension of its  
4 boundaries to add an area east of the existing BID  
5 known as DUMBO Heights, properties around the  
6 Brooklyn Bridge, and an additional commercial  
7 property at the edge of the district, and \$185,000  
8 increase in its annual assessment from \$650,000 to  
9 \$835,000. First, we will hear from any witnesses who  
10 wish to testify once we have heard any testimony. We  
11 will then adjourn the hearing for at least 30 days to  
12 allow any property owner within the proposed extended  
13 area of the BID to file an objection to the  
14 establishment of the BID with the city clerk. In the  
15 absence of the objections filed either by a majority  
16 of all impacted property owners or by property owners  
17 owning a majority of the assessed value of the  
18 property within the proposed extended BID, the  
19 committee and the full council may adopt the  
20 legislation existing extending the DUMBO BID. In  
21 order to do so, the committee and the full council  
22 must be prepared to answer the following four  
23 questions in the affirmative. Were all notices of  
24 the hearing for all hearings required to be held  
25 published and mailed as required by the law and



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2 otherwise sufficient? Does all the real property  
3 within the extended district boundaries benefit from  
4 the expansion of the district, except as otherwise  
5 provided by law? Is all real property benefitted by  
6 the extension of the districted included within the  
7 proposed extension? Is the extension of the district  
8 in the best interest of the public? If the committee  
9 and the full council finds it in the affirmative on  
10 these four questions and the number of objection  
11 required to prevent the extension of the BID are not  
12 filed, then the legislation can be adopted. In  
13 addition, the committee and the full council must  
14 determine that it is in the public's interest to  
15 authorize an increase in the maximum annual  
16 expenditure amount, that the relevant tax and debt  
17 limits will not be exceeded, and that the notice of  
18 the increase proposed expenditure amount was properly  
19 published. Council Member Levine supports the  
20 proposed changes to the BID. For further details on  
21 the DUMBO BID please refer to the committee report  
22 and the attached City Planning Commission Report, and  
23 the BID's proposed district plan. Representatives  
24 from the Department of Small Business Services are  
25 here to provide testimony under DUMBO BID SBSC

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2 [phonetic]. Come up and my counsel will swear you  
3 in. But before that, we're going to open up the vote  
4 for two members who have to exit to meet with the  
5 speaker, Matteo and Johnson.

6 UNIDENTIFIED: [INAUDIBLE] Committee on  
7 Finance, Council Member Johnson.

8 UNIDENTIFIED: [INAUDIBLE]

9 UNIDENTIFIED: Council Member Matteo.

10 COUNCIL MEMBER MATTEO: Yes.

11 CHAIRPERSON FERRERAS COPELAND: And I  
12 just want, I read this in speed reading for you guys  
13 [laughs]. And now we'll ask SBS to come up to talk  
14 about the BID and - [pause] [background talking]

15 LEGAL COUNSEL: Can you raise your  
16 right hand, please? Do you affirm to tell the truth,  
17 the whole truth, and nothing but the truth in your  
18 testimony before the committee today, and to respond  
19 honestly to council member questions?

20 DEPUTY COMMISSIONER BACKER: Yes, I do.  
21 Good morning, Chairperson Copeland and the members of  
22 the finance committee. I am Michael Blaise Backer,  
23 deputy commissioner of Neighborhood Development of  
24 the Department of Small Business Services. I am  
25 joined by our BID program director, Jennifer Kitson,

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2 and our senior program manager, Lamel Lindsey  
3 [phonetic]. We are here to testify in support of the  
4 expansion of the DUMBO Business Improvement District.  
5 At SBS we are working hard to opens doors for New  
6 Yorkers across the five boroughs, focusing on  
7 creating stronger businesses, connecting to New  
8 Yorkers to get jobs, and fostering thriving  
9 neighborhoods. I believe the vitality of the city's  
10 commercial corridors is a key part of achieving this  
11 goal and BIDs have been valuable and proven partners  
12 in revitalization and economic development across the  
13 five boroughs. In addition to our role overseeing  
14 and supporting the city's existing network of 73  
15 BIDs, SBS also supervisors the BID formation and  
16 expansion process, serving as an advisor and resource  
17 for communities interested in developing or expanding  
18 BIDs. We are careful to ensure that each steering  
19 committee we work with adheres to our planning  
20 process and policies, solicits robust community  
21 input, and performs extensive outreach to collect and  
22 demonstrate broad-based support across all  
23 stakeholder groups. Moreover, we are cognizant of  
24 the unique nature of each community we assist and aim  
25 to empower local stakeholders and make determinations

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2 on proposed services, boundaries, and budget size  
3 that best suit their communities' needs and appetite  
4 and ability to pay assessments. While we always  
5 impart strong planning principles and share our data  
6 and best practices from across the BID network when  
7 working with any BID formation or expansion effort,  
8 we recognize that the power and effectiveness of BIDs  
9 rests in their unmatched understanding of local needs  
10 and issues. Like other recent BID formation  
11 expansions that SBS has overseen, the DUMBO expansion  
12 effort involved numerous meetings and consultations  
13 with local stakeholders throughout the planning and  
14 outreach phases. After an extensive outreach effort  
15 and close coordination with all key parties, SBS  
16 determined that the documented support among all  
17 stakeholder groups, including support from property  
18 owners of the five of the six commercial properties  
19 in the expansion area was sufficient to submit the  
20 application to City Council. As required by law, the  
21 DUMBO BID mailed the summary of the City Council  
22 resolution no less than ten days and no more than  
23 thirty days before today's hearing to the following  
24 parties: to each owner of real property within the  
25 existing district and proposed expansion at the

1 address shown on the latest city assessment roll; to  
2 such other persons that are registered with the city  
3 to receive tax bills concerning real property within  
4 the existing district and proposed expansion; and to  
5 tenants of each building within the existing district  
6 and the proposed expansion area. Additionally, the  
7 DUMBO BID published a notice of the public hearing at  
8 least once in a local newspaper having general  
9 circulation in the district, specifying the time when  
10 and the place where the hearing will be held and  
11 stating the increased proposed and the maximum amount  
12 to be expended annually. Furthermore, SBS arranged  
13 for the publication of a copy of the summary of the  
14 resolution at least once in the city record. It is  
15 also important to note that this BID expansion  
16 proposal has received the written support of Brooklyn  
17 borough president, Eric Adams, council member Steven  
18 Levin, and Brooklyn Community Board, too. Lastly,  
19 I'd like to acknowledge that the BID expansion effort  
20 is represented here today by the BID and local  
21 stakeholders, who will testify and be available to  
22 address any specific questions that I am unable to  
23 answer. At this time I am happy to take any  
24 questions.  
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CHAIRPERSON FERRERAS COPELAND: Thank you. Do we have any questions in reference to the DUMBO BID? No? [INAUDIBLE] thank you.

UNIDENTIFIED: Thank you.

CHAIRPERSON FERRERAS COPELAND: We will call up Chris Martin from Etsy, Alexandra Sica. I think, DUMBO Improvement District, I'm sorry if I mispronounced your name, and Atika Khalid from Two Trees Management. [pause]

ALEXANDRIA SICA: Good morning and thank you to the chair and all of the council members for having us today. I am Alexandria Sica, executive director of the DUMBO Improvement District. Our BID has been operating for ten years, a time of great change for the neighborhood, which has emerged today as one of New York's most sought-after addresses, both for residents and commercial tenants, as well as many, many tourists from around the world. The BID has successfully helped to grow this area, providing creative place-making, public art, advocacy, restoring Belgian block streets, daily maintenance, business services, and much more. We are the heart of the Brooklyn Tech Triangle, the area cultivated jointly by our organization, the Downtown Brooklyn

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2 Partnership, and the Brooklyn Navy Yard, and we are  
3 thrilled that the former Jehovah's Witnesses  
4 headquarters are being redeveloped into a new tech  
5 cluster. This was one of the cornerstones of our  
6 2013 Tech Triangle master plan. The expansion before  
7 you today is the result of several years of  
8 discussions with these developers and the anchor  
9 tenant, Etsy, as well as our partners at SBS,  
10 Community Board 2, and City Planning. We believe  
11 that the expansion of the BID boundaries will allow  
12 us to serve this new area and provide critical links  
13 for our businesses currently in our district, as well  
14 as providing services along the additional public  
15 properties included in the expansion area for the  
16 benefit of the entire community. Particularly, the  
17 DUMBO Heights Campus is a natural expansion of the  
18 district. It sits immediately on our border and  
19 fills in a gap between DUMBO and downtown Brooklyn.  
20 It's attracting many creative companies similar to  
21 those who exist today, and many of DUMBO's existing  
22 tenants have moved and expanded their offices up into  
23 the DUMBO Heights buildings, including Etsy, Prolific  
24 Interactive, and Alexis Bittar. These are existing  
25 DUMBO BID members who will once again become members

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2 in the new properties. You've heard all of the  
3 details of our financial expansion to go along with  
4 this plan. We have purposely designed the increase  
5 to keep assessments level static for our existing  
6 members, who are now paying on average around 21  
7 cents per square foot, and to assess the new  
8 properties at the same level. I'd like to thank you  
9 for your consideration and I'm happy to answer any  
10 questions.

11           CHRIS MARTIN: Good morning. I'm Chris  
12 Martin. I'm the director of operations and community  
13 development for the DUMBO BID. I'm reading a letter  
14 in support on behalf of Etsy. Good morning,  
15 Chairwoman Ferreras Copeland and members of the  
16 community. Thank you for the opportunity to speak  
17 today in support of the DUMBO BID expansion. Etsy is  
18 a marketplace where people around the world connect,  
19 both online and offline, to make, sell, and buy  
20 unique goods. Etsy began in a Brooklyn apartment in  
21 2005 and has evolved into a sophisticated technology  
22 platform that connects Etsy sellers and buyers across  
23 borders, languages, and devices. With over 950  
24 employees worldwide, we are a company that spans the  
25 globe and a business that is committed to creating



1  
2 lasting change in the world. Etsy was born and bred  
3 in Brooklyn, with deep roots in the DUMBO business  
4 community. Our CEO, Chad Dickerson, has been a  
5 member of the DUMBO Business Improvement District's  
6 board of directors since 2006 and was a leader in the  
7 BID's efforts to form the Brooklyn Tech Triangle  
8 alongside the Downtown Brooklyn Partnership and the  
9 Brooklyn Navy Yard. Just this summer we moved a few  
10 blocks up the hill to our new global headquarters,  
11 located at 117 Adams, where we occupy roughly 200,000  
12 square feet of space. The move to this new location  
13 created exciting opportunities to reimagine a  
14 sustainable work place that could support our  
15 employees and the DUMBO community we call home. As  
16 part of the building renovation we participated in  
17 the Living Building Challenge, which is the most  
18 advanced sustainability certification program for the  
19 built environment. Our new headquarters is furnished  
20 with more than 750 pieces of furniture and light  
21 fixtures from small and micro businesses here in New  
22 York City and our Global Food Program provides a  
23 twice-weekly communal meal catered by local eateries  
24 and vendors. The rest of the week the employees are  
25 encouraged to support our local neighborhood lunch

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2 spots. Etsy has supported the proposed expansion of  
3 the DUMBO BID since we made the decision to move just  
4 outside the district's current boundaries from our  
5 previous headquarters located at 55 Washington  
6 Street. The BID has played an important role in  
7 keeping the neighborhood clean and desirable, and we  
8 were constantly collaborating on new initiatives to  
9 engage the community and local businesses. We  
10 recently partnered with the DUMBO BID in hosting our  
11 annual craft party, which included a spotlight on  
12 several local businesses, to celebrate and encourage  
13 creativity in our local community. With innovation  
14 and public art exhibitions, interactive events, and  
15 incredible business promotion, the BID creates a  
16 neighborhood where Etsy and our employees thrive.  
17 We're excited to see other companies make the move up  
18 the hill, or relocate entirely to Dumb Heights. The  
19 BID's thoughtful and fair approach to assess the new  
20 building at the same rate currently paid by existing  
21 BID members speaks to the true value they put on  
22 place making. At roughly 21 cents per square foot  
23 per year the BID is an invaluable investment that  
24 will only bolster the Tech Triangle's appeal to  
25 future partners and support local businesses that

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2 make the neighborhood such a desirable place to start  
3 and grow a business. Expanding the DUMBO BID is both  
4 logical and timely. It will ensure the integration  
5 of a growing new commercial center and allow  
6 employees, residents, and visitors to fully benefit  
7 from the creative ecosystem that it helped create.  
8 Thank you for the opportunity to share our support in  
9 the expansion. If you have any questions you can  
10 contact Josh Wise, the global director of workplace  
11 ecology and design at Etsy. Thank you.

12                   ATIKA KHALID: Good morning. My name is  
13 Atika Khalid. I'm from Two Trees Management Company.  
14 We're a member of the board of directors of the DUMBO  
15 Improve District and a major property owner in the  
16 DUMBO district. We are very supportive of the  
17 expansion of the DUMBO improvement district. The  
18 boundaries include the new properties alongside with  
19 Sand Street and Prospect Street, known as DUMBO  
20 Heights. As you know, Two Trees is one of the  
21 founding members of the BID and we roughly own 30% of  
22 the properties assessed. We believe it's a very  
23 natural expression of the BID to include the  
24 properties recently purchased by the developers of  
25 DUMBO Heights and we're fully supportive of this

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2 effort. Our BID has a long history of success,  
3 helping to transform DUMBO into a neighborhood full  
4 of art and interesting public spaces, branding the  
5 neighborhood as part of the Brooklyn Tech Triangle  
6 and providing our tenants with opportunities and  
7 amenities to make a real difference. DUMBO has  
8 become an economic development powerhouse and is now  
9 one of the most sought-after locations for the New  
10 York City-based companies. As the neighborhood  
11 grows, so must our BID and [INAUDIBLE] continues to  
12 provide great services and we believe this expansion  
13 will serve not only new businesses moving into the  
14 [INAUDIBLE] and throughout the neighborhood. The BID  
15 board has voted to approve this expansion and we are  
16 pleased to deliver this message on behalf today.  
17 Thank you.

18 CHAIRPERSON FERRERAS COPELAND: Any  
19 members have any questions on the DUMBO BID  
20 expansion? Seeing none. Thank you very much for  
21 coming to testify today, and wishing you all a very,  
22 very happy holidays. We will not see you until 2017,  
23 so have a happy, healthy, and prosperous holiday  
24 season and a very happy New Year, and see you here  
25 2017. Billy, can you please call the roll?

1  
2 WILLIAM MARTIN: William Martin,  
3 continuation of roll call, the Committee on Finance.  
4 Chair Ferraras Copeland.

5 CHAIRPERSON FERRERAS COPELAND:  
6 [INAUDIBLE].

7 WILLIAM MARTIN: Van Bramer.

8 MAJORITY LEADER VAN BRAMER: Aye.

9 WILLIAM MARTIN: Gibson.

10 COUNCIL MEMBER GIBSON: With my warmest  
11 regards, and wishing everyone a very happy holidays.  
12 I'm so excited. Merry Christmas, Happy Kwanza, Happy  
13 Hanukkah, best wishes for a great New Year. I  
14 probably vote aye on all, yes, thank you Jesus.

15 WILLIAM MARTIN: Cumbo.

16 COUNCIL MEMBER CUMBO: I vote aye.

17 WILLIAM MARTIN: Levine.

18 COUNCIL MEMBER LEVINE: I vote aye.

19 WILLIAM MARTIN: Miller.

20 COUNCIL MEMBER MILLER: I vote aye on  
21 all.

22 WILLIAM MARTIN: I have a vote of 8 in  
23 the affirmative, zero in the negative, and no  
24 abstentions. All items have been adopted by the  
25 committee.

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CHAIRPERSON FERRERAS COPELAND: Thank you. We will keep the vote open for an additional twenty minutes, so staffers please let your members know that we'll be open for twenty minorities.

[pause]

WILLIAM MARTIN: Continuation roll call, Committee on Finance. Council Member Rodriguez.

COUNCIL MEMBER RODRIGUEZ: Aye.

WILLIAM MARTIN: The vote now stands at 9 in the affirmative. [pause] Roll call Committee on Finance. Council Member Cornegy.

COUNCIL MEMBER CORNEGY: Aye. [pause]

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

COUNCIL MEMBER ROSENTHAL: I vote aye on all, and the committee is adjourned.

WILLIAM MARTIN: Final vote, Committee on Finance, now stands at 11 in the affirmative, zero in the negative, and no abstentions.

CHAIRPERSON FERRERAS COPELAND: And now the meeting is adjourned. [gavel]

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 31, 2016