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**T H E C O U N C I L**

**REPORT OF THE FINANCE DIVISION**

**LATONIA MCKINNEY, DIRECTOR**

**COMMITTEE ON FINANCE**

# HON. DANIEL DROMM, CHAIR

**January 23, 2020**

**PRECONSIDERED RES 1227:** By Council Member Daniel Dromm

**TITLE:** Resolution authorizing an increase in the amount to be expended annually in the Downtown Flushing Transit Hub Business Improvement District in the Borough of Queens, an extension of the boundaries of such district, the provision of additional services and the modification of existing services in such district, a change in the method of assessment upon which the district charge is based, and an increase in the maximum total amount to be expended for improvements in such district, and setting the date, time and place for the public hearing of the local law authorizing such changes as set forth in the amended District Plan of the Downtown Flushing Transit Hub Business Improvement District

**BACKGROUND**

Pursuant to the authority granted by chapter 4 of title 25 of the Administrative Code of the City of New York (hereinafter the “Law”), the Mayor and the Council are authorized to establish and extend Business Improvement Districts (hereinafter “BIDs”) in New York City and thereafter amend each BID’s district plan or authorize an increase in annual expenditures. BIDs, which are specifically established areas, use the City’s property tax collection mechanism to approve a special tax assessment with which to fund additional services that would enhance the area and improve local business. The additional services are normally in the areas of security, sanitation, physical/capital improvements (lighting, landscaping, sidewalks, etc.), seasonal activities (Christmas lighting) and related business services (marketing and advertising). The District Management Association of a BID carries out the activities described in the BID’s District Plan.

The Downtown Flushing Transit Hub BID was first established in 2003 and includes properties along Main Street from Northern Boulevard to Sanford Avenue, Roosevelt Avenue between Union Street and Prince Street, 40th Road from Main Street to Prince Street, 39th Avenue from Main Street to College Point Boulevard, Kissena Boulevard from Main Street to Barclay Avenue, and the north side of Kissena Boulevard between Barclay Avenue and Sanford Avenue.

Since the BID was established, the neighborhood has grown dramatically and Downtown Flushing has expanded to adjacent corridors that have become part of the area’s commercial core. This growth has resulted in concerns from local business owners and the community, including automobile and pedestrian traffic, cleanliness and security. Consequently, the BID has identified a greater need for services that aim to improve the overall experience in Downtown Flushing, as well as the quality of life for businesses, residents, and visitors.

The BID is requesting that the Council approve the following changes to the District Plan:

1. extending existing BID boundaries to include properties along Main Street between Sanford Avenue and Franklin Avenue and, generally, from College Point Boulevard to the west to Union Street to the east;
2. expanding services to include beautification as well as traffic management and pedestrian safety, and authorizing streetscape improvements to complement these services;
3. increasing the BID annual assessment from $380,000 to $1 million, funded by the expansion to new properties and by changes in the method of assessment authorized to be calculated on a formula applicable to the class of property, and authorizing the BID to spend up to $1 million per year.

*Boundary Expansion*

The amended district plan would extend BID boundaries to include properties on Main Street south to Franklin Avenue, properties on 37th Avenue west to College Point Boulevard and east to Union Street, Prince Street from 37th Avenue to 40th Road, Union Street from 37th Avenue to Roosevelt Avenue, and College Point Boulevard from 37th Avenue to 41st Road. It would also extend east on 39th Avenue to Union Street, on Roosevelt Avenue from College Point Boulevard to Prince Street, 41st Avenue from College Point Boulevard to Main Street, and 41st Road from College Point Boulevard to Main Street.

 The expanded BID boundary would contain over 2,000 businesses, an increase of approximately 900 businesses from the 1,100 within current the BID boundary. These businesses include restaurants, food courts, supermarkets, green grocers, clothiers, jewelers, pharmacies, optical, personal care salons, a variety of convenience and specialty stores, and a variety of professional practices, including banking, insurance brokerages, realtors, medical, dental, and secondary medical testing centers. There is also limited office space above and below sidewalk level storefront businesses. There are also roughly 1,550 residential units in the BID expansion area, approximately 60 percent of which are owner-occupied.

*Service Expansion and Improvements*

The current district plan already authorizes a range of services, including street maintenance, marketing and promotions (including holiday lights), administration, and other services. The amended district plan would continue authorization of these services and would add two new categories of authorized services: beautification, as well as traffic management and pedestrian safety.

The amended district plan would authorize new beautification services, including landscaping, seasonal plant purchasing, installation and maintenance of tree pits, planters and hanging baskets. As opportunities emerge, the BID would also be authorized to provide open-space management services.

The amended district plan would also authorize a range of new traffic management and pedestrian safety services aimed at improving pedestrians experience in the midst of massive traffic congestion. These services would include, but would not be limited to, working with the City to implement a number of signalization, channelization, and stripping improvements throughout the District; employing pedestrian Traffic Managers at key intersections during weekday rush hours; and committing resources toward analyzing the traffic and transportation challenges to support a more comprehensive approach.

The amended district plan would specifically authorize the BID to undertake various streetscape improvements, in coordination with the relevant city agency and affected community board, to complement these expanded services. The BID would be authorized to undertake sidewalk amenities to identify, enhance and beautify the District, including sidewalk plantings, tree, shrubs and flowers in tubs and at grade, and sidewalk logos and plaques identifying the area of the BID as the Flushing BID. The BID would also be authorized to undertake street and sidewalk amenities to improve pedestrian circulation and safety, including information boards and kiosks, new news boxes and newsstands, street and subway identification, and intersection repainting. The authorization to spend BID funds on such improvements is capped for the life of the BID at $10 million.

*Budget Expansion, Authorization to Spend, and Funding Formula Changes*

The current budget for the BID is $380,000 and it has not increased since the BID was established in 2003. Since then, Downtown Flushing has grown significantly and the demand for services has increased. The geographic expansion of the BID would provide additional funding and would allow for the expansion of services to new areas and augmentation of services in the existing area. The expansion would increase the budget by $620,000, resulting in an increased first-year budget of $1 million. The BID would be authorized to spend up to $1 million in any year.

The main source of BID funding would continue to be an assessment of the properties within the BID. Commercial properties, vacant land, and undeveloped lots would continue to be assessed using both linear feet and assessed valuation, but would also now would also pay a $250 base fee, after which those rates will be calculated. Residential properties would continue to be assessed at $1.00 annually. Not-for-profit and government properties would continue to not be assessed anything.

**PRECONSIDERED RES.**

This Preconsidered Resolution is required by law to set the public hearing date, time, and place for the consideration of the local law which would amend the district plan of the Downtown Flushing Transit Hub BID. The public hearing will be held on February 11, 2020, in the City Council Committee Room, 2nd Floor, City Hall at 10:00 a.m. before the Committee on Finance.

Because the proposal involves an amendment to the BID’s District Plan that would increase the amount it expends annually and change the method of assessment, the Preconsidered Resolution directs the Downtown Flushing Transit Hub District Management Association to, not less than ten nor more than thirty days before the date of the public hearing, mail a copy of the Preconsidered Resolution or a summary thereof to each owner of real property within the BID at the address shown on the latest City assessment roll, to such other persons as are registered with the City to receive tax bills concerning real property within the BID, and to the tenants of each building within the BID. The Preconsidered Resolution also directs Small Business Services to arrange for the publication of a copy of this Resolution or a summary thereof at least once in the City Record or a newspaper in general circulation in the City, the first publication to be not less than ten nor more than thirty days before the date of the public hearing. The Preconsidered Resolution further directs the Downtown Flushing Transit Hub District Management Association to publish in a newspaper having general circulation in the BID, not less than ten days prior to the public hearing, a notice stating the time and place of the public hearing and stating the increase in the amount to be expended annually in the BID.

Preconsidered Res. No.

Resolution authorizing an increase in the amount to be expended annually in the Downtown Flushing Transit Hub Business Improvement District in the Borough of Queens, an extension of the boundaries of such district, the provision of additional services and the modification of existing services in such district, a change in the method of assessment upon which the district charge is based, and an increase in the maximum total amount to be expended for improvements in such district, and setting the date, time and place for the public hearing of the local law authorizing such changes as set forth in the amended District Plan of the Downtown Flushing Transit Hub Business Improvement District

By Council Member Daniel Dromm

 Whereas, Pursuant to the authority granted by chapter 4 of title 25 of the Administrative Code of the City of New York (the “Law”), the Mayor, by authorization dated May 24, 2019, provided for the preparation of an amended district plan for the Downtown Flushing Transit Hub Business Improvement District (the “District”) in the Borough of Queens; and

Whereas, Pursuant to Local Law No. 82 for the year 1990, the City Council assumed responsibility for adopting legislation relating to Business Improvement Districts; and

Whereas, Pursuant to authority granted by the Law, the District was established by Local Law No. 58 for the year 2003; and

Whereas, Pursuant to Section 25-410(b) of the Law, an amendment to the District Plan that provides for additional improvements or services or any change in the method of assessment upon which the district charge is based, or an increase in the amount to be expended annually for improvements, services, maintenance and operation, may be adopted by local law, provided that the City Council determines, after a public hearing, that it is in the public interest to authorize such changes and that the tax and debt limits prescribed in Section 25-412 of the Law will not be exceeded by such changes; and

Whereas, Pursuant to Section 25-410(c) of the Law, an amendment to the District Plan that provides for an increase in the total maximum amount to be expended for improvements in the District may be adopted by local law, provided that the City Council determines, after a public hearing, that it is in the public interest to authorize such increase and that the tax and debt limits prescribed in Section 25-412 of the Law will not be exceeded by such increase; and

Whereas, The District wishes to increase the amount to be expended annually in the District to $1,000,000, to extend the District’s boundaries, to provide additional services and modify existing services, to change the method of assessment upon which the district charge is based and to increase the maximum total amount to expended for improvements in the District; and

Whereas, Pursuant to section 25‑405(c) of the Law, the New York City Department of Small Business Services (“SBS”) submitted an amended District Plan (the “Amended Plan”) for the District to the City Planning Commission (the “CPC”) on May 30, 2019; and

Whereas, Pursuant to section 25-405(c) of the Law, the CPC submitted the Amended Plan to the City Council on June 3, 2019; and

Whereas, Pursuant to section 25-405(c) of the Law, the CPC submitted the Amended Plan to the Council Member representing the council district in which the District is located on June 3, 2019; and

Whereas, Pursuant to section 25-405(c) of the Law, the CPC submitted the Amended Plan to Queens Community Board 7 (the “Community Board”), in which the proposed extended district is located, on June 3, 2019; and

Whereas, Pursuant to section 25-405(c) of the Law, the CPC submitted the Amended Plan to the Queens Borough President on June 3, 2019; and

Whereas, Pursuant to section 25-405(c) of the Law, the Community Board notified the public of the Amended Plan in accordance with the requirements established by the CPC; and

Whereas, On June 17, 2019, the Community Board voted to approve the extension of the District; and

Whereas, Pursuant to section 25-405(c) of the Law, the CPC reviewed the Amended Plan, held a public hearing on July 31, 2019, and prepared a report certifying its unqualified approval of the Amended Plan; and

Whereas, Pursuant to section 25-405(c) of the Law, the CPC submitted its report to the Mayor, to the Queens Borough President, to the City Council and to the Council Member representing the council district in which the District is located; and

Whereas, Pursuant to section 25-405(c) of the Law, a copy of the CPC’s report, the original district plan and the Amended Plan were transmitted for filing with the City Clerk on September 3, 2019; and

Whereas, Pursuant to section 25-406(a) of the Law, a copy of the Amended Plan and the CPC’s report are annexed hereto and are made part of this Resolution; and

Whereas, Pursuant to section 25-406(a) of the Law, the Amended Plan is on file for public inspection in the Office of the City Clerk, 141 Worth Street, New York, New York; and

Whereas, Pursuant to Section 25‑406(b) of the Law, any owner of real property, deemed benefited and therefore within the proposed extended district, objecting to the Amended Plan must file an objection at the Office of the City Clerk within thirty days of the conclusion of the hearing held by the City Council, notice of which is provided by this Resolution, on forms made available by the City Clerk; and

Whereas, Pursuant to Section 25‑406(b) of the Law, if owners of at least fifty‑one percent of the assessed valuation of all the benefited real property situated within the boundaries of the District proposed for extension, as shown upon the latest completed assessment roll of the City, or at least fifty‑one percent of the owners of benefited real property within the area included in the District proposed for extension, file objections to the Amended Plan with the City Clerk within the thirty-day objection period, the District will not be extended; now, therefore, be it

Resolved, That the Council of the City of New York, pursuant to Section 25‑406 of the Law, hereby directs that February 11, 2020 is the date and 10:00 am is the time and the City Council Committee Meeting Room, 2nd Floor, City Hall is the place for a public hearing (the “Public Hearing”) to hear all persons interested in the legislation that would authorize an increase in the amount to be expended annually in the District, an extension of the District’s boundaries, the provision of additional services and the modification of existing services in the District, a change in the method of assessment upon which the district charge in the District is based and an increase in the maximum total amount to be expended for improvements in the District; and be it further

Resolved, That the Downtown Flushing Transit Hub District Management Association shall, not less than ten (10) nor more than thirty (30) days before the date of the Public Hearing, mail a copy of this Resolution or a summary thereof to each owner of real property within the proposed extended district at the address shown on the latest City assessment roll, to such other persons as are registered with the City to receive tax bills concerning real property within the proposed extended district, and to the tenants of each building within the proposed extended district; and be it further

Resolved, That SBS shall arrange for the publication of a copy of this Resolution or a summary thereof at least once in the City Record or in a newspaper in general circulation in the City, the first publication to be not less than ten (10) nor more than thirty (30) days before the date of the Public Hearing; and be it further

Resolved, That in the event that the Downtown Flushing Transit Hub District Management Association mails, or SBS arranges for the publication of, a summary of this Resolution, such summary shall include the information required by section 25‑406(c) of the Law; and be it further

Resolved, That on behalf of the City Council and pursuant to Section 25-410(b) of the Law, the Downtown Flushing Transit Hub District Management Association is hereby authorized to publish in a newspaper having general circulation in the District, not less than ten (10) days prior to the Public Hearing, a notice stating the time and place of the Public Hearing and stating the increase in the amount to be expended annually in the District.