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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

**April 22, 2021**

**PRESCONSIDERED. RES. 1604:** By Council Member Daniel Dromm

**TITLE:** Resolution concerning an amendment to the district plan of the Queens Plaza/Court Square Business Improvement District that provides for a change in the method of assessment upon which the district charge is based, and setting the date, time and place for the public hearing of the local law authorizing such change.

1. **INTRODUCTION**

 The Committee on Finance, chaired by Council Member Daniel Dromm, will consider Preconsidered Resolution, a resolution setting the date, time and place for the public hearing on an amendment to the District Plan of the Queens Plaza/Court Square Business Improvement District (“Queens Plaza/Court Square BID”) for May 13, 2021, in the City Council Remote Hearing, Virtual Room 1 at 9:00 a.m.

 The Preconsidered Resolution is required by the existing law, Chapter 4 of Title 25 of the New York City Administrative Code, (the “BID Law”), which authorizes the City Council to establish Business Improvement Districts.

 The main purpose of this Resolution is to set the public hearing date, time and place for the review of the local law which would amend the District Plan of the Queens Plaza/Court Square BID. The hearing on the local law and the Queens Plaza/Court Square BID plan, as amended, will be held on May 13, 2021, in the City Council Remote Hearing, Virtual Room 1 at 9:00 a.m. before the Committee on Finance.

 This Resolution also directs that all notices required under the BID Law be properly given by the Department of Business Services and the District Management Association of the Queens Plaza/Court Square BID. The notice of the hearing will state the proposed change in the method of assessment upon which the district charge in the Queens Plaza/Court Square BID is based.

 BID’s, 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 such areas 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 BID demarcates the areas in which services will be enhanced and also establishes the mechanism for the assessment needed to generate the required budget.

1. **QUEENS PLAZA/COURT SQUARE BID**
2. *Background*

 Located in the Long Island City community in Queens, the Queens Plaza/Court Square BID was first established in 2005 and consists of two sub-districts: the North Sub-District (“NSD”) and the South Sub-District (“SSD”).

 The NSD is the original BID area and is centered around Queens Plaza and Court Square. It generally includes all street-facing property lots extending north along Jackson Avenue on both sides of the street from 45th Avenue/Thomson Avenue (Court Square) to Queens Plaza, and extending west along Queens Plaza North and Queens Plaza South from Northern Boulevard/Jackson Avenue to 21st Street. It also includes Queens Plaza East (the 29-00 block of Northern Boulevard) and additional properties on the 42-00 block of Crescent Street, and the 43-00 block of Queens Street.

 The SSD expands south and west from the end of the NSD at 45th Avenue/Thomson Avenue. It generally includes properties facing Jackson Avenue from the terminus of NSD at 45th Avenue/Thomson Avenue south to 51st Avenue, properties facing Vernon Boulevard from Borden Avenue north to 44th Drive, including the properties facing 10th Street between 45th Avenue and 44th Drive, and properties facing 44th Drive from Vernon Boulevard east to Hunter Street.

 The Queens Plaza/Court Square BID constitutes a major transportation, retail, manufacturing, and retail hub in western Queens. Much of the area accommodates a large daytime working population and, increasingly, a large residential population. Furthermore, one of New York City’s largest commuter populations passes through the BID each day via the Ed Koch/Queensboro Bridge and New York City Transit subways and buses, or makes intermodal transfers within the BID.

 The Queens Plaza/Court Square BID is currently requesting that the Council approve the change in method of assessment upon which the district charge is based.

1. *Formula Change*

The current method of assessment for the Queens Plaza/Court Square BID is based on a combination of linear front footage and assessed value. Under the amended district plan, all properties will be assessed based on a specified formula for each applicable class of property within each of the two sub-districts.

Any property identified as a Class A property devoted to commercial, industrial, or commercial parking uses, including vacant and undeveloped land, will be assessed by assessed valuation and square footage in the service area. Any vacant and undeveloped properties may be reclassified upon the issuance of a temporary certificate of occupancy from the New York City Department of Buildings and be assessed in the same manner as defined within the appropriate classes and formula, as provided in the amended district plan.

Any property identified as a Class B mixed-use property in either of the sub-districts would be assessed at 80 percent of the commercial rate, and the variables used to calculate the formula would be shifted from a combination of front footage and assessed value to a combination of building square footage and assessed value.

Under the amended district plan, all residential properties, including residential condominium units and residential parking lots, devoted in whole to residential uses within the two sub-districts would continue to be assessed at a nominal rate of $1.00 per annum. Additionally, not-for-profit and government-owned properties devoted in full to public or not-for-profit use would continue to be exempted from assessment. Any not-for-profit or government-owned property devoted in part to commercial uses would be assigned to the appropriate class and the proportion of the property devoted to for-profit uses would be assessed in the same manner as defined within the appropriate class description and assessment formula provided in the amended district plan.

Of the 270 properties in Queens Plaza/Court Square BID, 62 properties would pay more under the new assessment method and 208 properties would pay less. For the 62 properties for which assessments would be increasing, they would increase an average of $1,130.89 per year. For the 208 properties which assessments would be decreasing, they would decrease on average of $3,793.96 per year. This is the intended outcome of the formula change because as more properties in the BID are built as mixed-use rentals, more of the overall assessment is borne by fewer commercial properties under the current method of assessment. Under the new proposed formula, mixed-use properties would be assessed at 80 percent of the commercial rate, and the variables used to calculate the formula would be shifted from a combination of front footage and assessed value to a combination of building square footage and assessed value.

Preconsidered Res. No.

..Title

Resolution concerning an amendment to the district plan of the Queens Plaza/Court Square Business Improvement District that provides for a change in the method of assessment upon which the district charge is based, and setting the date, time and place for the public hearing of the local law authorizing such change.

..Body

By Council Member Dromm

 Whereas, pursuant to the authority granted by chapter 4 of title 25 of the Administrative Code of the City of New York (the "BID Law"), the City established the Queens Plaza/Court Square 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 Section 25-410(b) of the BID Law, an amendment to the District Plan that provides for any change in the method of assessment upon which the district charge is based 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 change and that the tax and debt limits prescribed in Section 25-412 of the BID Law will not be exceeded by such change; and

 Whereas, the District wishes to amend the District Plan in order to provide for a change in method of assessment upon which the district charge is based; and

 Whereas, pursuant to Section 25-410(b) of the BID Law, the City Council is required to give notice of the public hearing by publication of a notice in at least one newspaper having general circulation in the district specifying the time when and the place where the hearing will be held; now, therefore, be it

 Resolved, that the Council of the City of New York, pursuant to Section 25-410(b) of the BID Law, hereby directs that:

1. May 13, 2021 is the date and the City Council Remote Hearing, Virtual Room 1, is the place and 9:00 a.m. is the time for a public hearing (the "Public Hearing") to hear all persons interested in the legislation that would authorize a change in the method of assessment upon which the district charge in the Queens Plaza/Court Square Business Improvement District is based; and

 (ii) On behalf of the City Council and pursuant to Section 25-410(b) of the BID Law, the District Management Association of the Queens Plaza/Court Square Business Improvement District is hereby authorized to publish in a newspaper of 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.