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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

**May 12, 2021**

**INT. NO. 2267:** By Council Member Daniel Dromm (by request of the Mayor)

**TITLE:** A Local Law to amend the administrative code of the city of New York, in relation to amending the district plan of the Flatbush Avenue business improvement district to authorize additional services for the district and to change the method of assessment upon which the district charge is based

**ADMINISTRATIVE CODE:** Adds Administrative Code § 25-435.1

1. **INTRODUCTION**

 On April 29, 2021, the Committee on Finance (“Committee”), chaired by Council Member Daniel Dromm, approved Preconsidered Res. 1618-2021, which set the date, time and place for the public hearing on an amendment to the District Plan of the Flatbush Avenue Business Improvement District (“Flatbush Avenue BID”) for May 12, 2021, in the City Council Remote Hearing, Virtual Room 1 at 9:00 a.m.[[1]](#footnote-1)

 Pursuant to § 25-410(b) of the Administrative Code, a Business Improvement District (“BID”) may make amendments to its District Plan to: 1) provide for additional improvements or services; 2) provide for a change in the method of assessment upon which the district charge is based; or 3) increase the amount to be expended annually for improvements, services, and maintenance by means of the adoption of a local law amending the BID’s district plan. Such a local law may be adopted by the City Council after a determination 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 Administrative Code will not be exceeded. Notice of the hearing on this local law must be published in at least one newspaper having general circulation in the district specifying the time and the place where the hearing will be held and stating the proposed change in the method of assessment upon which the district charge in the BID is based.

**FLATBUSH AVENUE BID**

* 1. *Background*

 The Flatbush Avenue BID was first established in 1988, and is bounded by properties on both sides of Flatbush Avenue from Parkside Avenue to Cortelyou Road in Brooklyn. The BID was established primarily to address the influx of people that moved to the neighborhood, which increased the need for additional housing.

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

1. Expanding services to include, but not be limited to: sanitation, public safety, marketing and promotions, holiday lighting, economic development, administration and advocacy; and
2. Changing in the method of assessment authorized to be calculated on a formula applicable to the class of property.
	1. *Service Expansion*

The current district plan already authorizes a range of services required for the enjoyment and protection of the public and the promotion and enhancement of the district, which include security services, holiday and seasonal decorations, promotion services of local retail opportunities, sanitation program services, administration and other additional services.

The amended district plan would authorize the provision of additional services in the district. Such supplemental services would include, but not be limited to: sanitation, public safety, marketing and promotions, holiday lighting, economic development, administration and advocacy. According to the BID, this amendment would bring the district plan into alignment with current district plans in terms of additional services provided as the needs in the district have changed since establishment.

* 1. *Formula Change*

The current method of assessment for the Flatbush Avenue BID is based on the linear front footage for commercial properties. Under the amended district plan, all properties devoted to commercial use, including parking facilities, commercial condominiums or vacant/development sites would be assessed 60 percent on Flatbush-facing linear frontage and 40 percent based on commercial square footage.

Government- and not-for-profit-owned properties devoted to public or not-for-profit use would be exempted from an assessment. All residential properties would be assessed at one dollar ($1.00) per year.

The amendment to the method of assessment would account changes in the district since its creation in 1988, and provide a fair assessment of district properties. When the Flatbush Avenue BID was first formed, the most prevalent building type was the three-story walk-up, with residential units or storage spaces, above ground floor retail premises, single-story buildings, four-story buildings, and a few larger bank structures and theatres. However, according to the BID, since 1988 the district has changed so that the front-footage method of assessment no longer provides fair assessment of properties.

Of the 190 properties within the Flatbush Avenue BID, 29 properties would pay more under the new assessment formula, with an average increase of $3,025.44 per year and 161 properties would pay less, with an average decrease of $544.96 per year. The assessment formula change would shift the burden of assessment from the majority of the small property owners toward the owners with larger commercial square footage, that is, those that have the greater potential for revenues per square footage in their commercial spaces.

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..Body

Be it enacted by the Council as follows:

 Section 1. Chapter 5 of title 25 of the administrative code of the city of New York is amended by adding a new section 25-435.1 to read as follows:

 § 25-435.1 Flatbush Avenue business improvement district; amendments to the district plan. a. The city council having determined, pursuant to subdivision b of section 25‑410 of chapter four of this title, that it is in the public interest to authorize additional services for the Flatbush Avenue business improvement district and to authorize a change in the method of assessment upon which the district charge in the Flatbush Avenue business improvement district is based, and the council having determined further that the tax and debt limitations prescribed in section 25-412 of chapter four of this title will not be exceeded by such change, there are hereby authorized in the Flatbush Avenue business improvement district such changes as set forth in the amended district plan required to be filed with the city clerk pursuant to subdivision b of this section.

 b. Immediately upon adoption of this local law, the council shall file with the city clerk the amended district plan setting forth the authorization of additional services and containing the change in the method of assessment authorized by subdivision a of this section.

 § 2. This local law takes effect immediately and is retroactive to and deemed to have been in effect as of July 1, 2020.

1. Previously, on April 22, 2021, the Council had approved Res. 1605-2021 that set the date of the hearing as May 13, 2021. However, due to a change in the calendar, a new resolution setting May 12, 2021 as the new hearing date needed to be considered by the Committee. [↑](#footnote-ref-1)