



Legislation Text

File #: Res 0277-2004, **Version:** *

Res. No. 277

Resolution calling upon the State of New York to end the real property tax exemption granted to Madison Square Garden (“MSG” or the “Garden”) so that the revenue raised from putting MSG back on the City’s property tax rolls can be used to provide City services or tax relief to City residents.

By Council Members Sears, Comrie, Avella, Gonzalez, Katz, McMahon, Nelson, Sanders Jr., Gentile, Jackson, Weprin, Addabbo Jr., Fidler, Gennaro, Provenzano, Quinn, Moskowitz, Liu, Recchia Jr., Reyna, Gallagher and Oddo

Whereas, Madison Square Garden is a facility located in the City of New York used for sports, entertainment, expositions, conventions and trade shows; and

Whereas, The Garden was granted a full real property tax exemption by the State of New York in 1982, pursuant to section 429 of the State Real Property Tax Law, to help ensure that the Garden would continue to be the home of several of the City’s professional and college sports teams and thereby bring economic benefits to the City of New York; and

Whereas, At the time the exemption was granted, the incentive was regarded as necessary to keep the sports teams from leaving the City, then thought to be a very real threat; and

Whereas, The Garden and its owner, Madison Square Garden, L.P., claim to host over 500 events annually, including concerts, theatrical productions, ice shows, the circus and much more in its arena and theater and, according to the Independent Budget Office (IBO), collects both rent and concession revenue and cable broadcast advertising; and

Whereas, Other privately owned sports arenas built in recent years in other major cities, according to the IBO, generally do pay real property taxes - as did MSG from 1968 when it opened until 1982; and

Whereas, The cost of the current MSG property tax exemption, or amount of foregone taxes to the City, for Fiscal 2005 is estimated to be \$11.6 million; and

Whereas, The City of New York is just recovering from one of its worst fiscal crises in three decades, and, in order to balance its last two budgets was forced both to make budget cuts and increase taxes; and

Whereas, The \$11.6 million generated by returning MSG to the City's property tax rolls can be used to help restore important programs that were cut over the course of the last two budgets or to offer tax relief in addition to that being currently contemplated for City residents; and

Whereas, Inasmuch as all New Yorkers have been asked to sacrifice by accepting higher real property taxes, higher fees and cutbacks in City services, it is only fair that a large profitable institution such as MSG contribute its fair share, and in so doing help ease the burden on those New Yorkers who have helped carry the City through the last two years of economic hardship; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the State of New York to end the real property tax exemption granted to Madison Square Garden so that the revenue raised from putting MSG back on the City's property tax rolls can be used to provide City services or tax relief to City residents.