



Legislation Text

File #: Res 0916-2003, **Version:** *

Res. No. 916

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 prevent the proposed closing of six City fire houses.

By Council Members Sears, Gallagher, Nelson, Avella, Comrie, Felder, Gerson, Katz, Monserrate, Recchia, Yassky, Jackson and Espada

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 2004 is estimated to be \$11.4 million; and

Whereas, The City of New York is facing one of its worst fiscal crises in three decades and has been struggling to close a budget deficit of several billion dollars for Fiscal 2004; and

Whereas, The Mayor, as part of his plan to close the budget gap, has proposed to shutter six firehouses in several parts of the City, which raises serious public safety concerns for the neighborhoods served by these firehouses; and

Whereas, The \$11.4 million generated by MSG being returned to the City's property tax rolls can be used to keep open the six firehouses that the Mayor has proposed to close; and

Whereas, Inasmuch as all New Yorkers are being 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 agree to contribute its fair share; and

Whereas, Throughout its history, MSG has benefited from the services offered by the City - including police, fire, sanitation and EMS; 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 prevent the proposed closing of six City fire houses.