

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON FINANCE

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January 18, 2012
Start: 10:23am
Recess: 10:39am

HELD AT: Council Chambers
City Hall

B E F O R E: DOMENIC M. RECCHIA, JR.
Chairperson

COUNCIL MEMBERS:
Gale A. Brewer
Leroy G. Comrie, Jr.
Lewis A. Fidler
Helen D. Foster
Robert Jackson
G. Oliver Koppell
Darlene Mealy
Diana Reyna
Joel Rivera
Albert Vann
Fernando Cabrera
Julissa Ferreras
Karen Koslowitz

A P P E A R A N C E S

COUNCIL MEMBERS:

James G. Van Bramer

Vincent M. Ignizio

James S. Oddo

A P P E A R A N C E S (CONTINUED)

Elizabeth De Leon
Deputy Director
New York City Department of Small Business Services

Eddy Eng
BID Development Director
New York City Department of Small Business Services

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2 CHAIRPERSON RECCHIA: I believe
3 Jimmy Oddo is on his way down. Okay. We're going
4 to begin the hearing while we're still waiting for
5 a few members 'cause SBS will testify in the
6 meantime. Okay? So we'll just start off. Okay.
7 Good morning. Welcome to today's Finance
8 Committee hearing. My name is Domenic M.
9 Recchia, Jr. I'm the Chair of this wonderful
10 Committee and I welcome everyone here today.
11 Today we have a number of items on our agenda, but
12 before we do that, I'd like to introduce all my
13 colleagues who have joined us this morning. Just
14 walking in is Rosie Mendez—welcome, Rosie—Gale
15 Brewer, Jimmy Van Bramer, Dan Halloran. To my
16 right, we have Joel Rivera, Julissa Ferreras,
17 Karen Koslowitz, Vincent Ignizio. Vinny is to my
18 right. He's all the way to my right. - - .

19 Okay. First we have three Land Use
20 items that will receive full property tax
21 exemptions from HPD. The first Land Use item is a
22 Cooper's Square property [phonetic] located in
23 Council Member Mendez's and Chin's district. This
24 property consists of 21 buildings, - - 328 units
25 of rental housing for low income families will

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2 undergo a rehab. Council Members Chin and Mendez
3 support this item.

4 The next Land Use item is the Hale
5 House, a property located in Council Member Inez
6 Dickens' district in Manhattan. The current tax
7 exemption for this property is expiring so this is
8 a new exemption that would keep the property
9 affordable. This property currently provides 28
10 units of rental housing for low income families.
11 Council Member Dickens supports this item.

12 The last Land Use item is Homeward
13 Bound, a property located in Council Member
14 Dickens' district. Like the last property, the
15 current tax exemption for this property is
16 expiring, so the exemption that will keep the
17 property affordable we're voting on today. This
18 property currently provides 33 units of rental
19 housing for low income families. And Council
20 Member Inez Dickens supports this.

21 Our last item related to BIDs.
22 Intro 741 authorizes an increase in the budget of
23 six BIDs. The six BIDs have requested a budget
24 increase, 34th Street, 125th Street, Grand Central,
25 East - - Road, Fordham Road, Bayside Village. The

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2 budget increases were made at the request of all
3 six BIDs to pay for additional improvement in
4 services in their districts. All the Council
5 Members of these BIDs have submitted letters of
6 support for budget increases. SBS will testify
7 shortly on the six BIDs, and we'll hear testimony
8 from anyone else who wishes to testify on the six
9 BIDs. HPD is also here to answer any questions
10 you may have on the Land Use items. Before we
11 hear from SBS, I want to remind everybody that the
12 Finance Committee will be meeting next Monday,
13 January 23rd, the Finance Committee. Alright.
14 We'll have one hearing. We were supposed to have
15 two hearings. We are postponing the - - hearing
16 that was going to be at 10 o'clock. We will
17 recalendar [phonetic] that. We will let everyone
18 know, but we will have another hearing at 2
19 o'clock. Okay? The second hearing will begin at
20 two in this room. It related to Intro 729, which
21 is a contract transparency bill sponsored by
22 Council Member Darlene Mealy. These will be the
23 first hearings of these bills, so there will not
24 be a vote. Does anyone have any questions at this
25 time? Okay. So Lew Fidler has joined us. Okay.

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SBS, we welcome you to say a few words.

ELIZABETH DE LEON: Good morning,
Mr. Chairman and members of the Finance Committee.
I am Elizabeth De Leon [phonetic], deputy
commissioner to the Small Business Services
Agency. I'm here along with Eddy Eng [phonetic]
and other colleagues of SBS in order to express
our support for the law that allows an increase in
the amount to be expended in six business
improvement districts. As required by law, the
six BIDs published a notice of the public hearing
at least once in the local newspaper, having
general circulation in the districts specifying
the time and the place where the hearing will be
held and stating the proposed amount to be
expended annually. In addition, each BID has
certified that they have mailed a letter to each
property owner informing them about the proposed
assessment increase and the time and place of this
public hearing. The six BIDs requesting increases
of annual expenditures desired to further expand,
reinforce and strengthen existing core services
currently provided in the business districts. The
BIDs wish to increase the amount to be expended

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2 annually beginning on July 1st, 2011 as follows:
3 Bayside Village from 81,368 to 155,000, Fordham
4 Road from 500,000 to 625,000, Grand Central
5 Partnership from 11,565,540 to 12,709,372, - -
6 East Gunhill Road from 209,000 to 259,000, 125th
7 Street from 867,390 to 947,820 and the 34th Street
8 Partnership from 9,291,500 to 9,940,000. SBS has
9 over three decades of BID experience and extensive
10 knowledge of BID assessments and the maximum
11 permitted under law. We wish to assure the City
12 Council Finance Committee that the assessment
13 increases of the six BIDs do not exceed the
14 maximum amount allowed under law. As you already
15 know, the city's BIDs supplement city sanitation,
16 public service, safety services, promote
17 businesses through marketing initiatives and
18 public events, enhance the city's physical
19 environment through streetscape improvement
20 projects and engage locals communities in programs
21 such as student internship programs. In addition,
22 BIDs and partnerships with city government help
23 create jobs, improve the quality of life for all
24 New Yorkers and visitors, enhance the city's tax
25 base and strengthen the local economy in tough

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economic times. I will be happy to answer any questions you may have and I thank you for your time.

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CHAIRPERSON RECCHIA: Thank you very much. Does any Council Member have any questions?

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Yes, Gale Brewer, I recognize Gale Brewer from Manhattan.

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COUNCIL MEMBER BREWER: Thank you very much. I know the hard work of the BIDs. I have two questions. One, what in terms of the social media—a couple of them mentioned social media—I was wondering what that entails and is there any way in which they could work together on social media, obviously promoting different aspects, different BIDs, different locations and so on?

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ELIZABETH DE LEON: I'll defer this question to Eddy Eng.

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EDDY ENG: Social media includes such things as Facebook and I think BIDS through their own associations - - to coordinate and work together, so I think that's a distinct possibility - - .

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COUNCIL MEMBER BREWER: In other

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2 words, you could have one person doing several
3 BIDS so you save money? I'm just trying to see
4 if everybody's got their own little niche or are
5 we trying to figure out a way that they could
6 enhance together?

7 EDDY ENG: I believe they always
8 look for ways to coordinate and save - - and the
9 city encourages that they work together. I think
10 through the BID association, they do that.

11 GALE BREWER: Alright. Second
12 question I have is when you work on these BIDs, do
13 you find continually that the--do you like poll the
14 local stores in addition to the owners to see if
15 they're benefitting? And the reason I say this
16 is obviously my BIDs we do that. I have three of
17 them. I know them well. Do we constantly find if
18 the small stores--the mom and pops, which I've - -
19 my whole life trying to support and find ways to
20 support more--are they also feeling positive about
21 the work of these BIDs and just BIDs in general?

22 EDDY ENG: More than several BIDs
23 have done surveys of their businesses and
24 submitted them to SBS and looking some results of
25 the survey, I think for the most part, merchants

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2 are happy, businesses are happy with the services
3 and the improvements that the BIDs made.

4 COUNCIL MEMBER BREWER: Is that
5 something that down the line we could see those
6 surveys or the culmination and summary of those
7 surveys of the business of the individual stores?

8 EDDY ENG: I'm sure the - - will be
9 happy to provide the Council with that information
10 if you wish to request it.

11 COUNCIL MEMBER BREWER: Alright.
12 Thank you.

13 CHAIRPERSON RECCHIA: We're going
14 to recognize Dan Halloran.

15 COUNCIL MEMBER HALLORAN: Thank
16 you, Mr. Chairman. Appreciate you guys being here
17 today. Very happy to see the Bayside BIDs'
18 numbers going up. I just have one question in
19 regards to how you determine the allocations and
20 the ask here [phonetic]. Could you just explain
21 to me, who is not a member of the Finance
22 Committee, how we come up with the specific
23 numbers? Is it a request by the entity? Is it
24 an analysis that you've done? Is it geared to
25 the size of the BID? Is it some combination of

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2 those things, and if so, looking forward, how
3 often do we have to review this sort of
4 information to make sure we're actually keeping up
5 with the times and the improvements? Bayside for
6 example is a very, very busy strip, and I
7 certainly want to make sure that we're doing
8 everything we can to assist the BID in moving
9 forward.

10 EDDY ENG: Each BID, its property
11 owners--and it's represented by the BID board of
12 directors--annually make an assessment of their
13 needs, and it's based on what they need to either
14 provide additional services or make additional
15 improvements. They come up with an annual budget.
16 It's that budget that is then provided to the City
17 Council with breakdowns as to what the significant
18 increases are. So in the Bayside example, they
19 wanted to add additional promotional programs and
20 they wanted to do additional special events, as
21 well as paying additional cost of living increases
22 for their sanitation workers and so on. So it's
23 self-determined by the property owners and the
24 BIDs themselves.

25 COUNCIL MEMBER HALLORAN: But it's

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2 capped by law at a certain percentage, a certain
3 ratio? What is the...?

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5 EDDY ENG: The cap on the law is
6 20% of the real property taxes in the district on
7 an annual basis. That's the cap.

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9 COUNCIL MEMBER HALLORAN: Thank you
10 very much, and would I be able to just get from
11 you the—what 20% of the property taxes are in the
12 Bayside BID zone, so that I would be able to
13 determine what percentage we're actually using
14 versus what we should be using?

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16 EDDY ENG: We would be happy to
17 provide that information. In fact, we requested
18 the Department of Finance provide that information
19 about three weeks ago. They said that they would
20 give us that information sometime next week.

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22 COUNCIL MEMBER HALLORAN: Thank
23 you.

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25 CHAIRPERSON RECCHIA: Just to
follow up on Councilman Halloran's request, my
wonderful attorney, Tanisha Edwards, sitting right
by here, has requested this information I believe
weeks ago or months ago, and we're still waiting
for this information. So we will be following up

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2 with a letter. I'll be sending you a letter to
3 follow up for this information so we have a
4 request in writing. Before we move forward, I
5 want to recognize we've been joined by Council
6 Member Leroy Comrie, Council Member Jackson,
7 Council Member Cabrera and Council Member Diana
8 Reyna. Welcome. Does anyone else have any
9 questions? Without seeing any further questions,
10 I want to thank you for testifying here today.
11 Does anyone wish to testify? I strongly urge
12 you. We have the votes in favorites, so you're
13 ahead of the game. If you want to testify, you
14 might lose it. Only joking.

15 [laughter]

16 CHAIRPERSON RECCHIA: Can have a
17 sense of humor. Alright. Without seeing no one
18 else wants to testify..

19 [background conversation]

20 CHAIRPERSON RECCHIA: Council
21 Member Jackson, you want to say a few words?

22 COUNCIL MEMBER JACKSON: No, I'm
23 fine. We're way ahead of the game.

24 CHAIRPERSON RECCHIA: Okay. Does
25 any Council Member want to say anything else about

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2 BIDs or anything else on today's agenda? Okay.

3 Let's call the vote.

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5 COMMITTEE CLERK: William Martin,

6 Committee Clerk. Roll call vote Committee on

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8 CHAIRPERSON RECCHIA: I vote aye on

9 all and I encourage all my colleagues to vote aye

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COMMITTEE CLERK: Rivera?

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12 COUNCIL MEMBER RIVERA: I vote aye

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COMMITTEE CLERK: Reyna?

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COUNCIL MEMBER REYNA: Aye on all.

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COMMITTEE CLERK: Brewer?

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COUNCIL MEMBER BREWER: Aye on all.

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COMMITTEE CLERK: Comrie?

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COUNCIL MEMBER COMRIE: Aye on all.

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COMMITTEE CLERK: Fidler?

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COUNCIL MEMBER FIDLER: Aye.

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COMMITTEE CLERK: Jackson?

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COUNCIL MEMBER JACKSON: Aye on

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all.

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COMMITTEE CLERK: Ferreras?

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COUNCIL MEMBER FERRERAS: Aye.

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COMMITTEE CLERK: Cabrera?

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COUNCIL MEMBER CABRERA: Aye.

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COMMITTEE CLERK: Koslowitz?

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COUNCIL MEMBER KOSLOWITZ: Aye.

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COMMITTEE CLERK: Van Bramer?

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COUNCIL MEMBER VAN BRAMER: Aye on

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8 all.

COMMITTEE CLERK: Ignizio?

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COUNCIL MEMBER IGNIZIO: Yes, and I

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11 would be remiss if I did not point out my good

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12 friend and former Council Member Fred Cirullo

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13 [phonetic] in the audience, who is running the - -

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14 . It's great to have him here back in the Council

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15 and I just also want to point out one quick thing,

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16 if I could explain my vote very temporarily. Some

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17 of the larger BIDs I think would be—I would

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18 encourage or ask them if they would be as helpful

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19 as quite frankly, as Fred's has in Staten Island

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20 with some of the fledgling BIDs. Some of them are

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21 just coming up and they don't know the benefits

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22 that you guys do take part in and have done so for

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23 so long, so if you would—I think SBS would be wise

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24 to start some sort of a mentor program between

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25 larger BIDs and smaller BIDs. I'm hearing that

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2 you have one? So I would like to take advantage
3 of that if we can and just encourage you to
4 continue with that and I vote aye on all. Thank
5 you very much.

6 COMMITTEE CLERK: By a vote of 12
7 in the affirmative, zero in the negative and no
8 abstentions, all items have been adopted.

9 Members, please sign the Committee Reports.

10 CHAIRPERSON RECCHIA: Okay. In
11 addition to that, I'd like to thank my Finance
12 staff, Tanisha Edwards, the director, Preston
13 Niblack, Jeffrey Rodus [phonetic], the first
14 deputy. I'd like to—Ralph—who else do we have?
15 Anthony and who else? We have everybody else. I
16 want to thank Elizabeth and Michaela [phonetic]
17 from my staff. Thanks for doing a great job on
18 this. - - Alright. We're all done for today.
19 We'll keep the vote open until 11 o'clock.

20 [gavel]

21 COMMITTEE CLERK: Council Member
22 Oddo?

23 COUNCIL MEMBER ODDO: Yes.

24 COMMITTEE CLERK: The vote now
25 stands at 13.

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[pause]

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COMMITTEE CLERK: Final vote in the

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Committee on Finance is 13 in the affirmative,

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zero in the negative and no abstentions. Thank

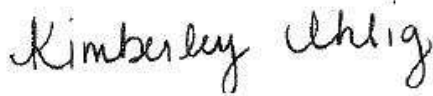
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you. This hearing is now adjourned.

C E R T I F I C A T E

I, Kimberley Uhlig certify that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.

Signature _____



Date _____

2/4/12