

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON FINANCE

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May 26, 2011
Start: 10:00am approx
Recess: 12:00pm approx

HELD AT: Committee Room - 16th Floor
250 Broadway

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

COUNCIL MEMBERS:
Gale Brewer
Margaret Chin
Leroy G. Comrie, Jr.
Lewis A. Fidler
Daniel J. Halloran III
Vincent Ignizio
Robert Jackson
G. Oliver Koppell
Karen Koslowitz
James S. Oddo
Diana Reyna
Joel Rivera
James G. Van Bramer
Albert Vann

A P P E A R A N C E S

Paul Nelson
Assistant Commissioner
Department of Small Business Services

Patrick Yau
Executive Director
First America International Bank

Peter Lau
Pharmacist and Local Businessman
Chinatown BID

David Louie
Representative
Chinese Chamber of Commerce of New York

Angela Rossi
Director of Projects and Programs
Lower Manhattan Development Corporation

Robert Zuckerman
Executive Director
Lower East Side Business Improvement District

Susan Stetzer
District Manager
Community Board #3

Jan Lee
Local Businessman
Chinatown - Mott Street

Michael Salzhauer
Owner
Benjamin Partners

Wellman Wu
Owner
Peking Duck House

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

Frank Gee
President
Gee's Association

Wellington Chen
Executive Director
Chinatown Partnership

David Reck
Chairman
Manhattan Community Board #2

Phillip Grossman
Attorney
Coalition Against Chinatown BID

Steven Chung
Real Estate Broker
Chinatown

Peter Cheng
Executive Director
Indochina Sino-American Community Center

So Soon Medum
Chinatown Resident
Business Owner

Wi Kay Wong
Resident
Brooklyn

Singer Sun
Former Employee
Chinatown Partnership

Unknown Male One

Unknown Male Two

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2 CHAIRPERSON RECCHIA, JR.: Good
3 morning, welcome to today's Finance Committee
4 hearing, my name is Domenic M. Recchia, Jr., I'm
5 the Chair of this wonderful Committee. Before we
6 get started, I just want to say that this is a
7 very nice day to take a break from our executive
8 hearings. We've been doing budget hearings for
9 the last past two weeks, we had a little break
10 today. We will resume on Monday ... Tuesday, it's a
11 holiday weekend. I hope everybody enjoys their
12 Memorial Day weekend. Okay, come down to the
13 beaches at Coney Island, all right, but leave your
14 cigarettes at home. What? And remember our
15 veterans on Monday, Memorial Day, and there's a
16 parade on Staten Island, I believe, a parade in
17 Brooklyn and- -

18 COUNCIL MEMBER BREWER:
19 (interposing) 89th and Riverside Drive.

20 CHAIRPERSON RECCHIA, JR.: And
21 Riverside Drive, and Chinatown. Okay, we're ...
22 this is what it's all about today, today is
23 Chinatown's day. So today we have three items on
24 our agenda, we have business improvement district
25 and two land use items. We'll begin with Intro

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2 569, which establishes the Chinatown Business
3 Improvement District, in Council Member Margaret
4 Chin's district. On May 11th this Committee voted
5 on Resolution 818 to set today as the first
6 hearing date to hear from individuals who may be
7 affected by establishing the Chinatown BID. After
8 we hear from all witnesses, we will adjourn the
9 hearing for at least 30 days, to allow property
10 owners that are negatively affected by the
11 establishment of the BID to file objections. In
12 the absence of significant objections if this
13 Committee and the full Council can answer the
14 following four questions affirmatively, it may
15 adopt the intro establishing the Chinatown BID.
16 The four questions that we must be prepared to
17 answer are: 1. Were all notices of the hearing for
18 all hearings required to be held published and
19 mailed as required by law, and otherwise
20 sufficient? 2. Does all the real property within
21 the district boundaries benefit from the
22 establishment of the district, except as otherwise
23 provided by law? 3. Is all real property
24 benefited by the district included within the
25 district? And 4. Is the establishment of the

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2 district in the best interests of the public? If
3 the Committee finds in the affirmative on these
4 four questions and the number of objections
5 required to prevent the creation of the BID are
6 not filed, then the legislation can be adopted.
7 Council Member Chin supports the establishment of
8 the BID, which will be the city's 66th BID. The
9 total first year budget is \$1.3 million, which
10 will go to sanitation, holiday lighting and
11 administration. The details on the management
12 structure and the district profile of the
13 Chinatown BID, along with the services provided by
14 properties within the BID, please review the BID's
15 Committee report and the attached district plan.
16 Before we move on to our next item, I just want to
17 say that it has been brought to my attention that
18 individuals experienced difficulty in obtaining
19 the BID objection form from the City Clerk. My
20 counsel, Tanisha Edwards ... Tanisha, raise your
21 hand, raise your hand ... okay, has copies of the
22 objection form, and she will make them available.
23 Just contact her after this meeting. We had a
24 hearing a few weeks ago where two people objected,
25 they couldn't get the form, we helped them out,

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2 okay? Next, we have a land use item located in
3 Council Member Maria del Carmen Arroyo's and
4 Melissa Mark-Viverito's district, this pre-
5 considered resolution provides a property tax
6 exemption to the South Bronx Community Management
7 Project, to be used to support the rehab of 30
8 buildings that would provide 1,220 units of
9 affordable housing for low-income rental families.
10 Both Council members support this item. The next
11 land use is located in Council Member Fernando
12 Cabrera's district in the Bronx, a property tax
13 exemption to be provided to Kingsbridge Court and
14 be used to support the rehab of one building that
15 would provide 97 units of affordable housing for
16 low-income rental families. Council Member
17 Cabrera supports this item. Those are all the
18 items on our agenda today. Now, before we hear
19 from the Department of Small Business Services
20 about the Chinatown BID, I just want to mention a
21 few reminders and housekeeping items. On Tuesday,
22 May 31st, at 10:00 a.m., the Finance Committee will
23 resume its executive budget hearings. The hearing
24 will be held at the Immigrant Savings Bank, so we
25 do not come to this room, because no one will be

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2 here. On Tuesday we will hear from the Human
3 Resource Administration, the Administration for
4 Children's Services, the Department of Homeless
5 Services, and again, from the Administration for
6 Children's Services with a focus on juvenile
7 justice issues. As a reminder, the public will be
8 allowed to testify on the last day of the budget
9 hearings on June 6th, at approximately 3:30 - 4:00.
10 For members of the public who wish to testify on
11 June 6th, but cannot make the hearing, you can fax
12 your testimony to my counsel, Tanisha Edwards, and
13 she will make it part of the official record. Her
14 fax number is 212-788-7061. Before we hear from
15 Paul Nelson, the new Assistant Commissioner from
16 SBS, I will recognize the wonderful Council Member
17 from Chinatown, Margaret Chin.

18 COUNCIL MEMBER CHIN: Thank you,
19 Chair Recchia. Thank you so much for your
20 leadership and your support. This is an exciting
21 day, it's finally come to the hearing at the City
22 Council, and I look forward to hearing from
23 community members, I look forward to hearing from
24 everyone. I think that ultimately this will be a
25 good thing for Chinatown, and for lower Manhattan,

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2 and for New York City. And years of effort of
3 organizing from some of the leaders who are here
4 today, especially the veterans from the American
5 Legion, the Kimlau Memorial Post, I see them in
6 the audience. It's historic for our community,
7 and I really look forward to all the testimony,
8 and we will work together, all of us in Chinatown,
9 whether you support the BID or you don't support
10 the BID, ultimately we all have to work together
11 to improve our community, and I thank all the
12 community leaders and members, community board
13 representatives, for being here today.

14 CHAIRPERSON RECCHIA, JR.: Thank
15 you, Council Member, and you're doing a great job,
16 and your constituents should be very proud of you.
17 Okay, first we're going to hear from Small
18 Business Services.

19 MR. NELSON: Good morning, Mr.
20 Chairman and members of the Finance Committee, I'm
21 Paul Nelson, an Assistant Commissioner with the
22 New York City Department of Small Business
23 Services. SBS supports the establishment of the
24 Chinatown Business Improvement District in the
25 borough of Manhattan. Geographically, the

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2 proposed BID district is generally bounded by
3 Broome Street to the north, Broadway to the west,
4 Allen Street to the east and Worth Street to the
5 south. Services to be provided in the Chinatown
6 BID include sidewalk sweeping and maintenance,
7 graffiti removal, holiday lights, retail
8 marketing, transportation management and parking,
9 advocacy administration and other services as may
10 be required for the promotion and enhancement of
11 the district. The Chinatown District Management
12 Association will manage the district. The budget
13 for the first year of operation is \$1.3 million.
14 As required by law, the Chinatown BID steering
15 committee mailed the summary of the City Council
16 resolution to each owner of real property within
17 the proposed district at the address shown on the
18 latest city assessment roll, to such other persons
19 as are registered with the city to receive tax
20 bills concerning real property within the
21 district, and to tenants of each building within
22 the proposed district. In addition, SBS arranged
23 for the publication of a copy of the summary of
24 the resolution at least once in the City Record.
25 Thank you.

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2 CHAIRPERSON RECCHIA, JR.: Thank
3 you very much. Okay, does anyone have any
4 questions? Without recognizing any questions, I
5 want to thank you for coming and we then want to
6 thank you very much. There's only one thing I
7 want to set the record straight and put on the
8 record, is that all of the money that is
9 collected, okay, from the assessments, will all
10 that money be used only for the Chinatown BID?

11 MR. NELSON: Correct, it will be
12 used and managed by the Chinatown District
13 Management Association.

14 CHAIRPERSON RECCHIA, JR.: Okay,
15 and it's just only for the Chinatown BID?

16 MR. NELSON: Correct.

17 CHAIRPERSON RECCHIA, JR.: Thank
18 you very much. If you ... once you enter into the
19 master contract of the Chinatown BID, we would
20 like an executed copy.

21 MR. NELSON: Yes, I will do so.

22 CHAIRPERSON RECCHIA, JR.: Okay,
23 that's very cool, for our records.

24 MR. NELSON: Yes.

25 CHAIRPERSON RECCHIA, JR.: Okay,

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thank you very much.

MR. NELSON: Thank you, Chairman,
thank you, Committee members.

CHAIRPERSON RECCHIA, JR.: Just so
some people might be wondering why I asked that
question, is that this administration, in parts of
New York City, they've been trying, and they've
been taking money from BIDs for partnerships that
one time that they funded, and they no longer
could fund them. So they are taking money from
BIDs to do this, okay, and it's become a problem
across New York City. That's why I'm making it
very clear, because this City Council thinks that
the money all should go for the BID, the BID that
was established, because that's why we established
the BID. And it's been happening with this
administration, and it has to stop. And that's
why this City Council is not going to tolerate it.
That's why I asked this question. And SBS is well
aware of what I mean and why we're upset with
that. Okay, let's call the first panel. I've
been joined by Oliver Koppell from the Bronx,
welcome.

FEMALE VOICE: Patrick Yau, Peter

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2 Lan, and David Louie. Peter Lau, I'm sorry.

3 MR. LAU: Good morning, Mr.

4 Chairman, members of the Finance Committee, my
5 name is Peter Lau, I'm a pharmacist and have owned
6 and operated two pharmacies in Chinatown for 25
7 years. I'm speaking in favor of the BID. For us
8 these are the benefits from the cleaning efforts
9 of the last two years. Savings: we have saved
10 money, because we did not have to pay for any
11 fines for dirty sidewalks like before. Second,
12 more business, I actually have more customers
13 coming in and they all have good comments about
14 how clean are the streets. Pride: we are all
15 proud of our cleaner neighborhood. Efficiency:
16 clean-up efforts have been reliable and timely.
17 And finally, fairness: they have told me that the
18 Chinatown BID was only ... would be one of the
19 lowest, if not the lowest in the city. 35% of the
20 owners pay less than \$200, and 74% pay less than
21 \$1,000. I think it's a good investment. I spent
22 a couple of thousand dollars just for a classified
23 ad in the local Chinese newspaper a year, and the
24 best of all, my customers, local customers, they
25 come to me, residential owners, they only pay one

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2 dollar, and which I think is fantastic. Looking
3 forward, this is what I think the BID will do for
4 us in the long run. Like many other small
5 businesses in New York City, we are proud to be a
6 unique landscape of the city. We provide
7 excellent service to our customers and employment
8 to a lot of folks. Competition is out there,
9 whether it's from big-box stores or mail order,
10 but we are not worried. We will survive, and we
11 will strive ... we will thrive, because I know that
12 the BID will give us a level playing field, with
13 cleaner streets and a more attractive
14 neighborhood. And we will do the rest ourselves
15 to grow our business and keep our customers.
16 Members of the Council, Mr. Chairman, please help
17 us so that we can help ourselves. Thank you very
18 much.

19 CHAIRPERSON RECCHIA, JR.: Thank
20 you very much. All right, we have to keep the
21 applause down.

22 MR. LOUIE: Okay, all right. Thank
23 you, Chairman Domenic Recchia, my name is David
24 Louie, I'm the representative of the Chinese
25 Chamber of Commerce in New York, I'm also co-

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2 Chairman of the BID Steering Committee. Yes, I
3 wish to thank you for allowing us to be here, and
4 I especially want to thank members of community
5 boards #1, #2, and #3 for giving us their
6 unanimous support of this BID after hearing
7 testimony about what we intend to do and how we
8 intend to revitalize the Chinatown territory. I
9 also especially want to thank Margaret Chin for
10 her persistent support in the face of bitter
11 attacks from all sorts of less-than-knowledgeable
12 people about the BID, and she has led the way to
13 educate and help us get through this BID
14 processing. While we only have a short two
15 minutes, it is very important to acknowledge these
16 people, because without them we would not be
17 getting here this far, almost the last hurdle of
18 our BID. The BID is without a doubt the most
19 effective way for us to improve the quality of
20 life of everyone in our community, and the BID is
21 not going to cost the city more. It is giving us
22 the opportunity to raise the money from within
23 ourselves, so that we can spend it in the way we
24 find best for the area, that is to clean streets,
25 graffiti removal, and to educate the public about

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2 the importance of Chinatown. And also to try to
3 draw more tourists to Chinatown to improve the
4 economy. The BID helps us deal with sidewalk
5 cleaning, snow removal and other issues. The BID
6 will provide entry-level work for at least 30
7 workers, to keep them employed in cleaning jobs.
8 We, with the tool of the BID, will then be able to
9 unite the community, which as you know Chinatown
10 is divided into three community boards. With the
11 BID acting as a unifying force, we will be able to
12 secure more government services for Chinatown and
13 make the voice of Chinatown better heard. So I
14 would ask the Finance Committee to approve the
15 BID, and I would ask Gale Brewer to help us again
16 with Chinatown as she did once before, with the
17 bicycle helmets. And Margaret, please continue
18 your persistence and help us get this BID through.
19 Thank you.

20 CHAIRPERSON RECCHIA, JR.: All
21 right, let's get the applause down. Isn't Gale
22 Brewer great with those bike helmets?

23 MR. LOUIE: Yes, thank you.

24 CHAIRPERSON RECCHIA, JR.: That's
25 what she is good ... you know, at one time she was

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2 known as, you know, the tech guru of the City
3 Council. Now it's taken over by the bicycle
4 helmets.

5 MR. LOUIE: She helped Chinatown
6 secure the bicycle helmet law, which protects the
7 bicycle messengers.

8 CHAIRPERSON RECCHIA, JR.: Yes.

9 MR. LOUIE: And most of them being,
10 many of them being Chinese, and we appreciate
11 that. Thank you.

12 CHAIRPERSON RECCHIA, JR.: She is
13 with the bicycles. Do you know what she gave
14 Jimmy Vacca for Christmas? A bicycle. We've been
15 joined by Karen Koslowitz, Rob Jackson, okay,
16 moving right ahead, go ahead.

17 MR. YAU: Thank you, Chair Recchia
18 and members of the Finance Committee, my name is
19 Patrick Yau, I'm a community banker. I serve as
20 co-Chair of Chinatown Partnership LDC, as well as
21 the Chinatown BID task force. I will want to
22 start with extending truly our deepest gratitude
23 to our Council Member Chin for her full-fledged
24 support, and really her tremendous courage and
25 perseverance under, as David Louie just said, you

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2 know, vicious attacks on herself by opponents of
3 the BID. So I would like to extend our great
4 gratitude to Council Member Chin. I would also
5 like to take this opportunity to thank SBS Eddy
6 Eng, for, you know, his tremendous guidance, you
7 know, since four years ago. And without him, you
8 know, Chinatown BID would not have come today.
9 And talking about outreach, for four years the
10 entire Chinatown community have been working very
11 hard to create a BID. Our outreach efforts have
12 been unique and unprecedented, and listen to this.
13 71,000 pieces of material have been sent to
14 residents, property owners, business owners, and
15 you know, most of them bi-lingual, in both English
16 and Chinese. And this includes just the 15,000
17 pieces of mailings that we sent out the last month
18 to notify everyone in the service area, in the
19 community, to attend this hearing. And over that
20 three, four year period we've conducted 27 public
21 meetings and presentations. The steering
22 committee and its task force held 31 meetings with
23 all groups representing the entire community.
24 Steering committee members and yellow jacket
25 workers, you can see some of them out there, have

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2 gone door-to-door with information on the
3 Chinatown BID. We met with managing agents in
4 residential lobbies and posted information where
5 permitted. There were almost actually over 200
6 articles on print media talking about the
7 Chinatown BID, for it as well as against it. And
8 so we have a very extensive public debate on this
9 before we came here. We did 27 print media
10 advertisements, 1,100 minutes of radio time, to
11 introduce the BID. And we did a survey to all
12 2,300 property owners in the process, supervised
13 by the Department of Small Business Services. And
14 the result, you know, we are really very happy to
15 present to you today really the overwhelming
16 support from the property owners and the
17 community, the property owners in particular, and
18 these are the people who will pay for the BID
19 assessment. And we've gone through seven
20 hearings, and as David Louie just mentioned, we
21 got unanimous support from all community boards,
22 #1, #2, and #3, and we heartily thank every
23 community board member for it. And after that, we
24 also have unanimous support from City Planning
25 Commission. And we have done our duty to put

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2 together this proposal, and today we present this
3 to your Committee, and we would ask you kindly to
4 approve it and let us help ourselves. Thank you.

5 CHAIRPERSON RECCHIA, JR.: Okay,
6 thank you very much. Does any Council Member have
7 any questions? Not recognizing any questions, I
8 want to thank you all three for testifying, and we
9 will call the next panel.

10 MR. YAU: Thank you.

11 FEMALE VOICE: Angela Rossi, Bob
12 Zuckerman, and Susan Stetzer. (crosstalk)

13 CHAIRPERSON RECCHIA, JR.: Okay,
14 who would like to go first?

15 MS. ROSSI: Chairman Recchia and
16 distinguished members of the Finance Committee,
17 thank you for the opportunity to submit testimony
18 on the proposed creation of the Chinatown Business
19 Improvement District. I'm Angela Rossi, the
20 Director of Projects and Programs for the Lower
21 Manhattan Development Corporation, and I am proud
22 to announce LMDC's support for the creation of
23 this BID in Chinatown. In addition, LMDC would
24 like to applaud the efforts of Council Member Chin
25 for her dedication to the creation of the first

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2 BID in Chinatown. LMDC has supported the concept
3 of the Chinatown BID since 2004, when LMDC
4 received recommendations from the Rebuild
5 Chinatown Initiative, a comprehensive community
6 assessment and planning initiative held in
7 Chinatown and led by the Asian-Americans for
8 Equality. The RCI called for the creation of a
9 not-for-profit community organization to lead the
10 efforts of enhancing a variety of civic, business
11 and cultural interests in Chinatown after the 9/11
12 attack. In 2004 the Chinatown Local Development
13 Corporation, or otherwise known as CLDC, was the
14 organization created to implement many of those
15 recommendations made by the Rebuild Chinatown
16 Initiative. One issue that was identified
17 consistently in the post-9/11 studies pertaining
18 to Chinatown was the issue of sanitation. As a
19 result of ongoing discussions between the New York
20 City Department of Small Business Services, then-
21 Deputy Mayor Dan Doctoroff's office, and LMDC, a
22 supplemental sanitation program was created for
23 Chinatown. Over the course of the past six years,
24 the LMDC, in partnership with SBS, has implemented
25 this highly-successful supplemental sanitation

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2 program, known as the Chinatown Clean Streets
3 Program, otherwise known as a pilot BID program.
4 LMDC provided \$5.4 million in funding to cover
5 100% of the cost for the first two years, after
6 which LMDC funds were to be scaled down and
7 supplemented by community investment, which is
8 where we are today. As of the completion of the
9 program on March 31st, 2011, the LDC through the
10 Clean Streets Program has removed over 700,000
11 bags of trash, removed over 1.8 pounds of garbage,
12 and has removed graffiti from over 6,000 sites in
13 Chinatown. It should be noted that without the
14 formation of a Chinatown BID, this supplemental
15 sanitation program will not continue and Chinatown
16 will surely feel the effects. It is the belief of
17 LMDC that a Chinatown BID should be created to
18 mirror the work already conducted by the Chinatown
19 LDC.

20 CHAIRPERSON RECCHIA, JR.: Next.

21 MS. STETZER: Thank you, my name is
22 Susan Stetzer, I am district manager for Community
23 Board #3, and I want to thank you for this
24 opportunity to testify. Community Board #3 voted
25 to support the proposed Chinatown BID with an

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2 overwhelming majority, and the back of my
3 testimony that you have has our resolution. CB3
4 has been working closely and collaboratively with
5 the Chinatown Partnership since its inception.
6 The relationship has been mutually beneficial,
7 positive and productive for the community. For
8 instance, in December we partnered with the
9 Chinatown Partnership to present a bilingual
10 training workshop on rats for the Chinatown
11 property owners, market and restaurant owners.
12 Based on our past experience with the Chinatown
13 Partnership and our past collaborative experience
14 with the Lower East Side BID, Community Board #3
15 expects the Chinatown BID to have a positive
16 impact on the Chinatown businesses. Street
17 cleaning will continue, and we expect to see
18 renewed efforts, such as Taste of Chinatown, to
19 drive economic development, as well as way-finding
20 signs, better lighting and advocacy and aid for
21 our Chinatown businesses. And on a personal note,
22 I would like to say that I've been working with
23 the Chinatown Partnership since day one, and I
24 have witnessed tireless work for the community and
25 absolutely the only agenda has been to improve our

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community, and we expect to have an even bigger and collaborative work together. Thank you.

CHAIRPERSON RECCHIA, JR.: Thank you very much. All right, let's keep the applause down, let's keep no applause. Go ahead.

MR. ZUCKERMAN: Good morning, thank you, Mr. Chairman, for giving me the opportunity to testify. My name is Bob Zuckerman, I am the Executive Director of the Lower East Side Business Improvement District, and I am speaking here today on behalf of our entire Board of Directors to volunteer our absolute support for the Chinatown Business Improvement District. I've been at the BID now for a little over a year, I see the great work that BIDs can do, in terms of marketing assistance, certainly cleaning streets, the streets that we clean are on any given day much cleaner than the neighboring streets that are not currently in the BID area, so and I've seen the progress made over in Chinatown. For me, or for us, you know, it's just like it was for the Lower East Side property owners 20 years ago when that BID was formed, it's about self-determination for a community. And I just want to say also on a

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2 personal note, that I've very much enjoyed my
3 working relationship with Wellington Chen, the
4 head of the Partnership, and we look forward to
5 working very closely with them on joint
6 activities, we're adjoining neighborhoods and I
7 just wanted to say again that, you know, we ... the
8 Chinatown BID has our full support, and I also
9 want to thank Council Member Chin for her
10 leadership of this, so thank you very much.

11 CHAIRPERSON RECCHIA, JR.: Okay,
12 thank you very much. Does any Council Member have
13 any questions? Without recognizing any questions,
14 thank you very much. Call the next panel, please.

15 FEMALE VOICE: Mr. Jan Lee.

16 MR. LEE: Good morning.

17 CHAIRPERSON RECCHIA, JR.: Good
18 morning. Okay, you can begin.

19 MR. LEE: Thank you. I do want to
20 note- -

21 CHAIRPERSON RECCHIA, JR.:
22 (interposing) Please state your name for the
23 record.

24 MR. LEE: My name is Jan Lee, I am
25 from Chinatown on Mott Street, I do want to state

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2 for the record, there is about 75 property owners
3 that are downstairs and very disappointed that
4 they were turned away. They're in the lobby and
5 outside the building, waiting to come in. But the
6 sergeant-at-arms has let us know that they were
7 not able to.

8 CHAIRPERSON RECCHIA, JR.: They
9 were not able to, because it was a fire hazard.
10 Okay, that's why, and all the rooms are filled up.

11 MR. LEE: And they are here
12 voluntarily, while there are a lot of paid
13 employees that are here speaking on behalf of the
14 BID, so.

15 CHAIRPERSON RECCHIA, JR.: Listen,
16 that's not, people are here because this is a very
17 important issue to the community, and to all New
18 Yorkers. If it was that important to you, you
19 would have been here at 8:30, and you would have
20 been seated here.

21 MR. LEE: Well, we were- -

22 CHAIRPERSON RECCHIA, JR.:
23 (interposing) It's a fire hazard, and my number
24 one priority is to protecting the people of the
25 City of New York. We understand this, you have to

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2 understand City Hall is being renovated, and we
3 have to deal with the best accommodations that we
4 could, that's why had City Hall not been
5 renovated, we would be in the Council Chamber.

6 MR. LEE: I understand that now.

7 CHAIRPERSON RECCHIA, JR.: Believe
8 me, we will hear from everyone, they could give us
9 their testimony, okay, and we will try our best to
10 accommodate everyone.

11 MR. LEE: Thank you for letting me
12 know that.

13 CHAIRPERSON RECCHIA, JR.: And in
14 addition, okay, we'll hear from what you have to
15 say now.

16 MR. LEE: Thank you very much. My
17 name is Jan Lee and I'm proud to represent two
18 humble tenement buildings on Mott Street which
19 have been in my family since the 1920's. The Lee
20 family has over the decades owned and operated a
21 laundry, a dry cleaner, a coffee shop, an antiques
22 gallery, and even a small fruit stand where my
23 brother Geoff sold Gino's Italian Ices. The
24 entrepreneurial spirit runs deep in my family, and
25 it was that spirit that kept us alive and working

1
2 on Mott Street after that horrible day on
3 September the 11th, 2001. We didn't run from New
4 York as many chose to do, yet it wasn't easy to
5 pay our bills and pay our taxes. Chinatown is
6 still not fully recovered, there have been more
7 commercial vacancies in the core of Chinatown in
8 the last few years than I have seen in a lifetime.
9 The millions of dollars spent by the Chinatown
10 Partnership didn't contribute in any measurable
11 way to the economy of Chinatown, despite a \$5
12 million cleaning campaign. Year after year, I saw
13 my neighboring businesses shutter their
14 storefronts, and then a year and a half ago, after
15 17 years, I had to do the same. As property
16 owners, we have frozen both commercial and
17 residential rent increases many times, so as to
18 keep tenants that are good standing, rather than
19 risk suffering long vacancies. Currently there
20 are three empty storefronts on my block today.
21 Two huge buildings on my block have a combined
22 over 35,000 square feet of empty, vacant office
23 space. This is not the time to be levying more
24 taxes on property owners. To suggest otherwise is
25 done so with ignorance.

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2 CHAIRPERSON RECCHIA, JR.: I don't
3 mean to interrupt you, do you have a copy of what
4 you're reading?

5 MR. LEE: Yes, it should be the
6 white one.

7 CHAIRPERSON RECCHIA, JR.: This
8 one.

9 MR. LEE: It starts off with "Good
10 morning".

11 CHAIRPERSON RECCHIA, JR.: No,
12 that's not what I have. Okay. We have ... oh yeah,
13 that says "Good morning". Oh, okay, this is ... all
14 right, I'm sorry.

15 MR. LEE: Thank you, I appreciate
16 it.

17 CHAIRPERSON RECCHIA, JR.: Go
18 ahead.

19 MR. LEE: I have three food-related
20 businesses in my buildings, my commercial tenants
21 are directly affected by double-digit water
22 increases, insurance hikes, gas and water fuel
23 costs, and of course property tax raises. All of
24 these have gone up, not to mention workmen's
25 compensation, unemployment insurance, fuel

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2 surcharges, delivery surcharges, social security
3 tax, phone excise tax and tolls. And now, our
4 Councilman and her partnership, Chinatown
5 Partnership, after using up \$7 million of Recovery
6 money, want to tax my tenants even more. I hear
7 from my tenants every day, the Partnership and the
8 Council member are simply out of reach, out of
9 touch. From a business standpoint, this BID is
10 not a good deal. The BID tax is fluctuating, not
11 a fixed expense, since it is pegged to an ever-
12 increasing property tax. While all other
13 utilities have been rising, so too has my property
14 tax. I don't have a choice in paying those other
15 taxes, but I do have a choice in whether or not I
16 want this one, and I'm saying now I don't want
17 another tax. I don't like it when I'm not told
18 all the facts as a businessperson, and that's why
19 I'm here today, to tell you that we've been kept
20 in the dark. The Chinatown Partnership claims to
21 have sent out 56,000 informational mailings, yet
22 not one sheet of paper discloses what they pay
23 their employees, their administrators, their
24 staff, or their consultants. There is no balance
25 sheet, there is no invoice, there are no board

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2 minutes, no copies of their latest IRS filings are
3 available. The Partnership's 990 forms and
4 financial statements are not on their website,
5 which by the way cost over \$70,000 to produce.
6 Most reputable 501 3C's publish their financials
7 on the website, such as Ace and SoHo or Ready,
8 Willing and Able, but not Chinatown Partnership.
9 In fact, the only financial information available
10 for public review, available by FOIA request,
11 stops at December, 2008. Now I ask you, is it
12 reasonable to ask me to jump on board with this
13 scheme, while I don't know how they spent the
14 money for the last two and a half years? It's
15 just not something that someone in the private
16 sector would do, it's not something that we should
17 do now. In sharp ... as if it wasn't bad enough,
18 the Chinatown Partnership has completely ignored a
19 letter from a coalition of twenty-plus property
20 owners on Mott Street who expressed in no
21 uncertain terms that they do not want their
22 properties to be included in the Business
23 Improvement District. This is in sharp contrast
24 to property owners in SoHo and Little Italy, who
25 expressed exactly the same desire, except they

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2 were met with personal interviews and their
3 parcels were quickly removed from this Chinatown
4 BID. This covert financial activity, coupled with
5 the complete dismissal of many property owners,
6 has fostered a healthy distrust of the Chinatown
7 Partnership in Chinatown among reasonable and
8 intelligent, successful property owners and
9 businessmen. Finally, the Chinatown Partnership,
10 rather than hire proven non-profit cleaning
11 services, which exist a few blocks from Chinatown,
12 inexplicably chose to hire a private cleaning
13 contractor in Tennessee. I find that
14 reprehensible. How the Council member could
15 endorse paying a private, out-of-state company
16 with 9/11 recovery funds that were supposed to be
17 earmarked for Lower Manhattan is beyond me. So in
18 closing, I implore you not to support the
19 formation of a Chinatown BID, to do so will only
20 repeat this dysfunctional and expensive broom
21 pushing. It will open the doors to rapid
22 gentrification, a displacement of culturally-
23 important small businesses, and the eventual
24 Disneyland conversion of Chinatown at the expense
25 of those who can least afford it.

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CHAIRPERSON RECCHIA, JR.: All

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right. First I want to just start off by saying,

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did you go to all the community board meetings?

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MR. LEE: I did, sir.

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CHAIRPERSON RECCHIA, JR.: And did

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you set for the record straight what you're

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setting here?

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MR. LEE: I did, sir. I was often

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cut off though.

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CHAIRPERSON RECCHIA, JR.: Okay.

12

In addition to that, you have 30 days from today

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to file your objections, we have the forms here.

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MR. LEE: Okay.

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CHAIRPERSON RECCHIA, JR.: So we

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will give them to you. Once you lay them out in

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great detail, each one has to be labeled, written

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out why you object.

19

MR. LEE: Yes.

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CHAIRPERSON RECCHIA, JR.: Okay?

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So- -

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MR. LEE: (interposing) I do want

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to ask if the people who have this supposed

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approval of the Chinatown BID, who have signed

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ballots of approval, if they had to get notarized

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and also show proof of their deed?

CHAIRPERSON RECCHIA, JR.: Well that's ... listen, what you have to do is put everything in writing- -

MR. LEE: (interposing) Oh no, I'm asking a question.

CHAIRPERSON RECCHIA, JR.: This is not for you to ask us questions, that time has passed. That's why they had all these informational hearings.

MR. LEE: In fact they don't need to notarize or show a deed, in case you- -

CHAIRPERSON RECCHIA, JR.: (interposing) All right, I'm not here to discuss the process, I'm here to hear what you have to say, and inform you of your rights, and that's my, you know, job here, is to hear what you have to say. And the reason why we have you put it in writing, okay, is to lay everything out. So if you want to object to the process, you have to lay out exactly each part of the process that you object to, okay? In addition to that, I just want you to know, because you talk about the rate of double digits.

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MR. LEE: Yes.

CHAIRPERSON RECCHIA, JR.: Of the water rates, that was true up until this year, okay. We just passed legislation, the Water Board- -

MR. LEE: (interposing) I'm aware of that, thank you.

CHAIRPERSON RECCHIA, JR.: ... in the course of what we did. We knocked it down.

MR. LEE: Yes.

CHAIRPERSON RECCHIA, JR.: And we understand that, because we understand everything that we're going through. But we will, you know, recognize and take into consideration everything that you lay out. So what I strongly recommend, for you to file this within the 30 days, and when you file it, file it with a return receipt so ... or in person, okay, whatever you do, just get proof that you filed it.

MR. LEE: I understand.

CHAIRPERSON RECCHIA, JR.: All right?

MR. LEE: So is it recommended that they drop it off at the City Clerk?

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CHAIRPERSON RECCHIA, JR.: Yes.

This is under state law that you have to file it with the City Clerk.

MR. LEE: Got it.

CHAIRPERSON RECCHIA, JR.: Okay?

So we will then see all of the objections, and then look into it and see what has to be, you know ... and we might ask, call you up for further information, and see what else you have to say. And I'm just trying to get everything else here. So your main reason for objection to this is the process?

MR. LEE: Mismanagement.

CHAIRPERSON RECCHIA, JR.:

Mismanagement?

MR. LEE: Yeah, we've shown no appreciable increase in business at all, after \$7 million expenditure. There is no way for me to make an honest business decision, sir, if I don't have financials in front of me. The Chinatown Partnership has not produced IRS filings for the last couple of years that are available to the public. I find that to be, number one, mysterious, and two, irresponsible, if they're

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asking us to make business decisions, and this is all about business. It's just a bad business decision without any information.

CHAIRPERSON RECCHIA, JR.: Okay, I just wanted to hear what you had to say.

MR. LEE: Sure.

CHAIRPERSON RECCHIA, JR.: It's been proven across the city where BIDs have been developed, ssh, please, please hold the conversations. It's been proven that where BIDs have been developed, businesses have increased a majority of the times where BIDs have been formed, and businesses have prospered by this. And I understand how you feel as a property owner, okay, and so I just will take everything into consideration, and hear from ... we have some more people to testify, okay? So sergeant-at-arms, could you give this gentleman- -

MR. LEE: (interposing) I appreciate it, Mr. Chairman.

CHAIRPERSON RECCHIA, JR.: ... a few of these forms? If you have any questions, you could call up my attorney, Tanisha Edwards. It's the same thing there. Tanisha, do you have one of

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2 your cards for him? Nick, give him ... this is
3 Tanisha Edwards, she is the attorney for the
4 Finance Committee. If you have any questions, you
5 could ... okay?

6 MR. LEE: Thank you very much, I
7 appreciate it.

8 CHAIRPERSON RECCHIA, JR.: Thank
9 you very much. Okay, call the next panel.

10 FEMALE VOICE: Wellington Chen,
11 Michael Salzhauer, Wellman Wu, Frank Gee.

12 CHAIRPERSON RECCHIA, JR.: Okay.
13 Gentlemen, who would like to testify first? Okay.

14 MR. CHEN: Mr. Chairman, I would
15 defer to one of the co-Chairs of the BID Steering
16 Committee, Mr. Michael Salzhauer first, I'll speak
17 last.

18 CHAIRPERSON RECCHIA, JR.: Sure,
19 whoever, whatever order you'd like to go in.

20 MR. SALZHAUER: Mr. Chairman, my
21 name is Michael Salzhauer, and my family business
22 is Benjamin Electric. I've been doing business ...
23 Benjamin Electric actually was our original family
24 business, now it's Benjamin Partners.

25 CHAIRPERSON RECCHIA, JR.: Glad to

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see it's prospering.

MR. SALZHAUER: I hope it is. We work, we try every day. I've been doing business in the Chinatown community for over ... well, going on 30 years. My family has been doing business in the area for probably 50 years, and we try to contribute to and help the communities in which we do business. In all of my time in working in this area, various iterations of small business people have tried to organize themselves to try to help the community, and the things that they attempted to do have largely been the things that only a BID can accomplish effectively. We raise money privately and organize ourselves privately, time and time, trying to clean the streets, trying to provide additional sanitation, trying to provide marketing, and unfortunately, each one of those attempts have failed. Many of the people that have been involved in the BID Steering Committee are people that I know over the years because they've been intimately involved with those attempts. When September 11th came, and this is from my perspective as a real estate owner, observing businesses in Chinatown, it really was

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2 almost a death knell to the community. The spine
3 of community employment was largely the garment
4 industry. It was hurt for all the reasons that
5 the garment industry is hurt in the United States,
6 and when September 11th came, the businesses were
7 virtually all put out of business, because they
8 couldn't ship goods. The LMDC money and the
9 ability to organize and form what we hope will be
10 a BID has been a godsend to the community. It's a
11 community that is characterized by classic small
12 immigrant businesses, by small property owners.
13 These are the kinds of businesses that are very,
14 very difficult to organize, and as a result of
15 that, unfortunately, they don't have a voice,
16 which is why the ... our sort of slogan as a
17 steering committee is, help us help ourselves. We
18 believe that the BID will give us advocacy, we
19 believe that the BID will bring business to
20 Chinatown. Speaking as a Caucasian person who
21 walks the streets of Chinatown almost every day, I
22 can tell you that visitors to Chinatown are lost.
23 They're looking to come to Chinatown, they're
24 looking to learn about Chinatown, they're looking
25 to do business in Chinatown and an organization

1
2 like a BID can make the community more friendly,
3 will help these businesses do additional business.
4 I'd like to thank our Councilperson, Margaret
5 Chin, who has been a vital catalyst in this
6 process, in the face of often unfair and just
7 plain nasty attacks, that's my opinion. I would
8 like to tell you that in my experience as a
9 businessperson and a BID steering committee co-
10 Chair, I have found that this process to be
11 transparent, responsible. Our statements are
12 audited, all of our activities have been in close
13 cooperation with, and under the supervision of,
14 the Small Business Services. I have tremendous
15 personal and professional confidence in Wellington
16 Chen. In my experience as a property owner in
17 other areas, I can tell you that the costs for
18 providing the services in our proposed budget,
19 down to the individual line items like cleaning,
20 are substantially less in this BID than any other
21 BID that I have seen. I will tell, as you
22 investigate this matter and its history, that one
23 red herring after another have been thrown up.
24 Each one, when one falls, another one comes out.
25 For example, today we heard that the BID's

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2 assessments are tied to property taxes, and it's
3 my understanding that they're two totally
4 independent matters. You know, I have seen
5 tremendous community support for this project. I
6 think it's amazing that three community boards
7 supported us in the fashion that they did, and
8 you've really heard enough from me at this point,
9 help us help ourselves.

10 CHAIRPERSON RECCHIA, JR.: Go
11 ahead. What I just wanted ... what people don't
12 understand, okay, is that the way they collect the
13 money is through the process when they collect
14 taxes, they collect the money for the BIDs, and so
15 we're going to clarify, and that's why I asked
16 that gentleman to put everything in writing, okay,
17 and make it very clear what he is objecting to.
18 And then once we get that, we'll do ... we will deal
19 with this.

20 MR. SALZHAUER: Thank you.

21 CHAIRPERSON RECCHIA, JR.: Okay.

22 MR. WU: Okay, good morning,
23 everybody.

24 CHAIRPERSON RECCHIA, JR.: Good
25 morning.

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MR. WU: I'm the ... my name is

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Wellman Wu, I'm the true establishment in

4

Chinatown, when Mott Street picked the owner and

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the property owner for Peking Duck House. We've

6

been there for 30 years.

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CHAIRPERSON RECCHIA, JR.: I've got

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to tell you something, I love the Peking Duck

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House.

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MR. WU: Thank you.

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CHAIRPERSON RECCHIA, JR.: I was

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just there two weeks ago.

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MR. WU: And also I have- -

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CHAIRPERSON RECCHIA, JR.:

15

(interposing) I've got to tell you something.

16

MR. WU: ... establishment on Canal

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Street, Kam Man Food, we've been there for almost

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40 years. So I love Chinatown, I would like to

19

have a clean Chinatown, we would like to have an

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organization to improve our environment for the

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business. So that's why I'm supporting the BID.

22

Thank you.

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CHAIRPERSON RECCHIA, JR.: Thank

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you very much.

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MR. GEE: Thank you, Mr. Chairman,

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2 for giving me the opportunity to make a few
3 remarks. Somehow I lost my voice on the way up
4 here, so I'm going to make it very brief. My name
5 is Frank Gee, and I'm the President of the Gee's
6 Association, it's a family association. We own
7 the building on 156 Canal Street, and I'm also an
8 active member in the American Legion Post in
9 Chinatown, so all my activities are in Chinatown.
10 In regard to the concept of the BID, I ... it's a
11 sound one and it's proven to be working in every
12 community. So this is an opportunity that I think
13 it would be good for our community to embrace the
14 BID concept. And I was already convinced that it
15 was good for the community, but after listening to
16 the first three speakers, I'm ... more than ever I'm
17 convinced that they have a mission statement and
18 they have a vision. So I think it's a good
19 opportunity that we should follow that, and it,
20 again it's a very great opportunity for us, not
21 only for Chinatown, but I believe our future
22 depends on it. And I also take this opportunity
23 to thank Margaret for involving in this project.
24 Margaret is also a member of our American Legion
25 Post, and our American Legion Post is very proud

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of you, Margaret. Thank you.

MR. CHEN: Chairman Recchia, I'm Wellington Chen, I'm the Executive Director of the Chinatown Partnership. I have the distinct honor of being in charge of this public trust for the last few years, and indeed it is an honor. And I just want to reassure you that what Mr. Salzhauer alluded to is absolutely correct, the red herrings, those red herrings keep on coming up, it's absolutely not true. Many of you know me for many, many decades, and I'm squeaky clean, and this is a public trust. There has never been anything that, you know, it has never been about money. This is about doing as the American Legion just said, it's about doing the right thing. This is decade after decade, public after public, survey after survey, children after children has spoken out loud and clear, you have the records here right now of the last summer, sir. Find the children's design contest, and they said, "Please do it for us", the winning poster that was designed by a four-year-old. It says, "This is Chinatown, not Garbagetown, please do it for our future". So there is no other sustainable way of,

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2 other than, you know, of funding or sunset. And
3 all along we have to thank SBS, Paul Nelson and
4 LMDC and HUD, because we've been given a bottle of
5 champagne, we've been given a tremendous gift,
6 post-9/11, out of the tragedy of 9/11. And we
7 have a choice. In life you can choose to believe
8 you can never do anything, that everything is
9 sinister, is hidden, is skeptical, and that's
10 fine, that's democracy. But I like to believe
11 that we are about lightness, that the difference
12 between some that are still in the light and those
13 in the darkness. We are about lightness, and we
14 believe that we will take all the hits, but we
15 withstood the test of time. The 17 million pounds
16 of garbage, the 9,000 storefront power washes, the
17 200 parking spaces, every single major street in
18 Chinatown today, there is physical evidence of our
19 physical work together with the Chamber, the
20 American Legion and all the stakeholders, on
21 Bowery, the center median with 31 trees, and
22 safety crossing, 19 pedestrian lights are on Canal
23 Street, the safety crossing on mid-block on East
24 Broadway, the new additional trees on St. James.
25 We don't tell them, but I'm very proud today, and

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2 I can assure you, I just want to reassure you,
3 that the surest way to go to jail is to tamper
4 with Federal money. Al Capone could kill judges,
5 can ... you cannot get away with tampering with
6 Federal money. So therefore I want to assure you,
7 we are under the scrutiny of LMDC, SBS, HUD, non-
8 profit laws, our Y90 is online, and our posting is
9 online, as MPS veteran saw himself. So I just
10 want to say to you that, you know, the moment has
11 come, we have a choice, and this is about whether
12 doing the right thing or leaving it behind. So I
13 just want to say that the gentleman that created
14 this big self-help concept was a proud Chinese-
15 Canadian. After 40 years, Canadian prime minister
16 personally wrote a letter to thank him. He's
17 still alive today, he's waiting for the signing
18 ceremony. And worldwide now there are 1,800 BIDs
19 around the world. If it's such a bad deal, if
20 it's such a detriment to the community, why would
21 they keep on proliferating? Why would you keep
22 them growing? We are going to be the 66th BID,
23 there are a couple more behind us, there are 900
24 BIDs across North America, and one other thing,
25 it's absolutely not true, every one of our bids,

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2 the competitive bid for cleaning the streets is
3 open bidding. We have multiple IP's, multiple
4 vendors bid on it, the winner happened to be the
5 one with the best infrastructure, and that's
6 block-by-block, they're sitting in the audience.
7 They're in 36 cities in the United States, from
8 Albuquerque to Hawaii, Waikiki Beach. And their
9 employees are local, so therefore, and to say the
10 statement they're occupying here, all the
11 employees are outside in the hallway, these are
12 all supporters sitting here today. So I think the
13 evidence speaks loud and clear of what it is
14 about. It is about doing the right thing, it's
15 about setting a strong infrastructure, and one
16 other thing, we have not spent the \$7 million.
17 There's another \$1.9 million sitting there for the
18 BID to form so that we can sign a maintenance
19 agreement with DOT, to attract more business here,
20 to put in lighting, to put in mapping, and so this
21 is a choice. Do you want to leave \$2 million on
22 the table, and turn back into a pumpkin, and turn
23 back into rats, or do you go forward? Thank you
24 very much.

25 CHAIRPERSON RECCHIA, JR.: Thank

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2 you very much. We don't want you to turn into a
3 pumpkin. Okay. Council Member Halloran has a
4 question.

5 COUNCIL MEMBER HALLORAN III: Thank
6 you very much. My district is actually forming
7 the Bayside BID right now, they are going through
8 the growing pains that you are going through, so I
9 appreciate your testimony. Just to alleviate my
10 Republican/Conservative tendencies, can you just
11 tell me that you're ... you have made your filings
12 available, that your current filings are there to
13 be had, and that there's no issue in that regard?

14 MR. CHEN: We have consistently
15 done that in the last few years and it's required
16 by law, or by other compliance. And we have a
17 compliance officer, by the way, for those of you
18 that don't know. We have a compliance officer
19 stationed in our office that monitors every T that
20 has to be crossed and every I that has to be
21 dotted.

22 COUNCIL MEMBER HALLORAN III: Keep
23 crossing them and good luck, and hopefully this
24 will be the start of something fantastic for your
25 district.

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MR. CHEN: Thank you, Councilman.

CHAIRPERSON RECCHIA, JR.: Okay, thank you. Well, before we call on the next Council Member, I want to recognize we have been joined by Council Member Reyna, Council Member Halloran, Council Member Jimmy Van Bramer. We recognize Council Member from Brooklyn, Council Member Diana Reyna.

COUNCIL MEMBER REYNA: Thank you, Mr. Chair, he always forgets Queens, because he just wants me to be from Brooklyn, but I do represent two boroughs, Brooklyn and Queens, so I'm always jumping back and forth, and I want to just, as Council Member Halloran has just mentioned, the growing pains of starting a BID, I too am going through that with our Broadway BID, which is proposed. And it's very unfortunate that it takes so long to people to invest in the concept of, while others are flourishing, as far as businesses are concerned, and the community infrastructure that is supported. I wanted to just express to you, I am the Chair of the Small Business Committee here on the City Council, and I look forward to working with your staunch

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2 advocate, Council Member Chin, who does nothing
3 but represent the interests of her community in
4 the most eloquent and fierce way to make sure that
5 there is a beautified Chinatown that will preserve
6 its culture and its interests in making sure that
7 businesses, residents and tourism all alike remain
8 and continue to thrive. And this is just another
9 added piece to that vision. I want to just
10 support the statements of seeing how fruitful a
11 BID can be, and it's what you do with it that will
12 then demonstrate success. Not every BID is as
13 good as it claims it can be, and it takes years
14 before you start seeing the fruit of your labor.
15 But from what I can see, you're just adding to
16 what is already success, and trying to create a
17 structure. And that structure is very important
18 to start synthesizing a lot of the issues, as
19 small businesses get lost in the shuffle. So I
20 appreciate and applaud your efforts here, and I do
21 want to support you. Thank you.

22 MR. CHEN: Thank you very much,
23 Council Member.

24 CHAIRPERSON RECCHIA, JR.: Thank
25 you very much for testifying, we have ... this is

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one more panel.

FEMALE VOICE: David Reck, Phillip Grossman and Steven Chung.

MR. RECK: I'm David Reck.

CHAIRPERSON RECCHIA, JR.: You're first.

MR. RECK: I'm first, okay, that's cool.

CHAIRPERSON RECCHIA, JR.: We have Phillip Grossman's testimony.

MR. GROSSMAN: I hope it's been distributed.

CHAIRPERSON RECCHIA, JR.: Yeah, it's been distributed.

MR. RECK: I believe Board #2's resolution has been distributed too.

CHAIRPERSON RECCHIA, JR.: Okay, who would like to go first?

MR. RECK: I would love to. I'm David Reck, I chair Board #2's Land Use Committee and I chaired the public hearing for this BID. I have to tell you that it was very, very impressive that the BID turnout was so tremendously in support of the BID. There were a few people in

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2 opposition, and contrary to what the previous
3 gentleman in opposition said, I made sure that
4 everyone, pro and con, got as much time as they
5 wanted to say whatever they wanted and ask
6 whatever questions they wanted. And the BID
7 answers were really quite intense. Board #2 is
8 not naïve to BIDs, we have the Hudson Square BID,
9 the Eighth Street BID, and the NoHo BID, all of
10 which have done tremendous things in our board,
11 and we were careful to ask a lot of very good
12 questions about these guys, and frankly, they were
13 able to show such extensive community outreach, it
14 was far and beyond what we have seen before, and
15 they produced documents that showed - printed
16 documents signed by property owners - that showed
17 the tremendous support in their district. And
18 that was very impressive. We also know a lot
19 about how BIDs spend their money, and we were
20 careful to grill them at great extent as to what
21 was going on. In the end at Board #2, there was
22 one abstention and every other board member voted
23 in favor of this BID. I would also say from my
24 own experience as a community activist, I have
25 known Wellington Chen for many years, and he's a

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terrific guy, and any accusation against him is like totally unfounded. This guy is squeaky clean, and he's one of the hardest-working community activists I know. So I'm very pleased to be here to support this BID.

CHAIRPERSON RECCHIA, JR.: Thank you very much. Next. Put ... speak into the microphone.

MR. GROSSMAN: Oh sure, I'm sorry, I'm not used to speaking at City Council hearings.

CHAIRPERSON RECCHIA, JR.: That's okay.

MR. GROSSMAN: Okay. I'd like to thank you for inviting me up to speak here today. I thought I was being locked out.

CHAIRPERSON RECCHIA, JR.: Hold on, hold on. No, you're not being locked out. No one is getting locked out. Everyone, please, I need to have quiet in the room, we've got ... okay. Go ahead.

MR. GROSSMAN: Many of the people posted that couldn't be here today, because the room is so small, I'd like to note as we get started, in my letter we- -

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CHAIRPERSON RECCHIA, JR.:

(interposing) Could you speak into the microphone?

MR. GROSSMAN: I'll try again.

According to newspeople- -

CHAIRPERSON RECCHIA, JR.:

(interposing) Why don't you sit down?

MR. GROSSMAN: Okay. Okay, are we
all set?

CHAIRPERSON RECCHIA, JR.: Go

ahead.

MR. GROSSMAN: Okay. According to
news reports, 550 property owners submitted
ballots in support of the BID, but however, in
this area there are about 2,300 properties. So
basically about 25% of property owners submitted
ballots for the BID, which means that 75% of the
people did not indicate their support for the BID.
In my conversations with local property owners,
many of the people were under the misapprehension
that, if you don't send in a ballot, that's enough
to oppose the BID. So my contention is that,
since there was no formal election held where the
ballots were actually inspected, that property
owners were ... that an investigation was made to

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2 make sure that actual property owners voted, that
3 basically 75% of the people are opposed to the
4 BID, based on their silence. So in fact there is
5 no popular support for this BID locally. It is
6 unfair, it is really unfair, to pass a law and
7 then during the 30 day period to oppose it,
8 require 51% of the property owners to submit
9 notarized ballots, with copies of their deed, to
10 oppose it, it is just unfair. Many of the
11 property owners locally are fluent in another
12 language and really don't understand the American
13 law, and they really don't understand the
14 necessity of submitting their opposition to the
15 ballot, either initially or even after this law is
16 enacted. So our contention is, there is no ...
17 there is no popular majority support for this BID.
18 Also, the proponents of the BID, in soliciting ...
19 in eliciting support, failed to state the negative
20 aspects of BIDs, and there are many negative
21 aspects of BIDs. There may be positive aspects,
22 there are also negative aspects. For example, the
23 taxes will go up every year. There are problems
24 with borrowing limits, there are problems with
25 getting rid of the BID if it's unsatisfactory,

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2 because it's very, very to get rid of a BID if in
3 fact the BID does not work out. I also note that
4 the way the BID is set up, it's my understanding
5 is that the BID proposal has a \$5,000 cap on the
6 annual BID tax. What that means in effect is
7 this, that very large property owners be limited
8 to tax of \$5,000 caps. Let's say a property of
9 say a \$100 million, or actually I gave an example
10 here in my letter, of a \$10 million office
11 building. They might have to pay \$16,500 in tax,
12 but due to the \$5,000 cap, they would only have to
13 pay \$5,000. That shifts the burden on to small
14 property owners, and that's another unfair aspect
15 of this BID, it tends to favor very, very large
16 property owners on an unreasonable basis. Also,
17 the way the BID is set up, it's stacked, the deck
18 is stacked against small property owners, because
19 the residential condo units in the area only have
20 to pay one dollar a year in tax. But they account
21 for approximately 786 properties out of the 2,300
22 properties in the area, so they have ... these, the
23 proponents of the BID have a ready basis of
24 support by people who pay little or no tax. My
25 letter basically goes in full details into many of

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2 the negative aspects of the BID, what I believe is
3 the failure of the Chinatown Partnership in
4 operating the street cleaning actions and other
5 programs, and actually improving the business
6 climate for local business owners. The fact is
7 that since the Chinatown Partnership has been in
8 action there's been no improvement in local
9 business, and so our contention is that their
10 program in fact is a failure, it's overloaded with
11 overhead, and it's something that should not be
12 enacted into existence. In conclusion, I
13 respectfully request that you oppose, that you not
14 approve the BID, or if you do, that you set tight
15 limits on them. Get rid of the \$5,000 cap,
16 replace the sunset provisions, so at least if
17 people find out the BID does not work, that they
18 can vote this BID out of action. Now I note that
19 Community Board #3, in enacting the BID proposal,
20 it asked that the recommendation be made that
21 there be some sort of sunset provision addressing
22 the effectiveness of the BID after three years,
23 and I just want to call that to your attention,
24 it's on page four of my letter, it's in footnote
25 with an asterisk on the last page. In conclusion,

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2 I would ask again that you not approve this
3 proposed BID. I thank you for your time. And if
4 you have any questions, please feel free to ask.

5 CHAIRPERSON RECCHIA, JR.: Yes,
6 we're going to take testimony from the other
7 gentleman sitting to your left, and then we'll
8 have questions. Go ahead.

9 MR. CHUNG: Yes, my name is Steven
10 Chung, I'm a real estate broker in Chinatown over
11 20 years, also as a property owner. I'm here
12 against the BID, I have the following couple of
13 reasons. The first, Chinatown and the Lower East
14 Side business and the real estate market is
15 depressed, it is already depressed. And the BID
16 is only going to add more burden to the business,
17 local business, and the real estate market, and
18 also property owners, that's the first that are
19 going to get hit with the extra tax. The second,
20 the city, if the city cannot clean Chinatown's
21 streets, why do we have to penalize ... why do the
22 property owners have to be penalized to pay extra
23 for their service? The property owners already
24 pay real estate taxes, including your service, why
25 do they have to pay double? If the pothole, if

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2 next time the pothole was not being fixed by the
3 city, is the property owner going to have to come
4 up with extra revenue to fix the pothole? We just
5 worry about it's a never-ending battle with the
6 city. The third one, as I know, because I'm in
7 the real estate business in Chinatown over 20
8 years, I know mostly the property owners. They
9 are against this BID, which I respect. And we'd
10 like to see is the voting, we'd like to recount
11 this voting. We don't believe what this voting,
12 is it true? We'd like to recount those votes.
13 And what I think the city government should do is
14 to encourage the businesses to spend more money
15 and hire more people in the city in the Chinatown
16 area, not discourage to impose unnecessary
17 regulations. And also the city should encourage
18 real estate development in Lower East Side and the
19 Chinatown area, to create more jobs and revenues.
20 Thank you for letting me speak in this Committee.

21 CHAIRPERSON RECCHIA, JR.: All
22 right, thank you very much. We have questions for
23 this panel, but before we ask questions, I have to
24 take a vote on two land use items, okay? We are
25 not voting on the Chinatown BID today or now,

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okay? We are not.

MR. CHUNG: I understand.

CHAIRPERSON RECCHIA, JR.: Okay?

Just so everybody knows. I have to take a vote on these other issues. Call the roll, please, Billy. Go ahead.

COMMITTEE CLERK MARTIN: William Martin, Committee Clerk, roll call vote on Committee on Finance, preconsidered land use. Council Member Recchia.

CHAIRPERSON RECCHIA, JR.: Aye on all, and I encourage all my colleagues to vote aye on land use matters.

COMMITTEE CLERK MARTIN: Rivera.

COUNCIL MEMBER RIVERA: I vote aye on all.

COMMITTEE CLERK MARTIN: Reyna.

COUNCIL MEMBER REYNA: Aye on all.

COMMITTEE CLERK MARTIN: Fidler.

COUNCIL MEMBER FIDLER: Aye on all.

COMMITTEE CLERK MARTIN: Jackson.

COUNCIL MEMBER JACKSON: Aye on all.

COMMITTEE CLERK MARTIN: Koppell.

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COUNCIL MEMBER KOPPELL: Aye.

COMMITTEE CLERK MARTIN: Vann.

COUNCIL MEMBER VANN: Aye.

COMMITTEE CLERK MARTIN: Koslowitz.

COUNCIL MEMBER KOSLOWITZ: Aye.

COMMITTEE CLERK MARTIN: Van

Bramer.

COUNCIL MEMBER VAN BRAMER: Aye.

COMMITTEE CLERK MARTIN: Ignizio.

(no response)

COMMITTEE CLERK MARTIN: Oddo.

COUNCIL MEMBER ODDO: Aye on all.

COMMITTEE CLERK MARTIN: By a vote

of ten in the affirmative, zero in the negative
and no abstentions, land use items have been
adopted.

CHAIRPERSON RECCHIA, JR.: Thank
you for the votes, all Council Members make sure
you sign the documents. The rules will begin
downstairs, fourteenth floor, okay? All right.
Let's let the Council Members ... pass this down,
let the Council Members go on to their next vote.
Okay. All right, Mr. Chung, you read a statement,
do you have a copy for us?

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MR. CHUNG: Yes.

CHAIRPERSON RECCHIA, JR.: Okay.

Someone get us a copy of that.

MR. CHUNG: Thank you.

CHAIRPERSON RECCHIA, JR.: Okay, I just want to talk about a few things, what the ... Mr. Grossman made a statement to, all right? Hold on for a minute. The law is very clear that you must state, if you're a property owner, by not responding or not voting, okay, it's not going to be taken as that you're against it. The state law and the general municipal law states very clear, all right, that you must affirmatively oppose the BID, okay, in a vote. And you have to mail it back and say "No".

MR. GROSSMAN: That statement is inaccurate then.

CHAIRPERSON RECCHIA, JR.: Okay.

MR. GROSSMAN: My mistake.

CHAIRPERSON RECCHIA, JR.: It must ... it's very clear, okay, in all aspects. Number two, you must ... we have the forms, okay, we have the forms if you object. You must lay out each objection clearly, okay, and file it with the

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county clerk within ... with the city clerk within
30 days from today.

MR. GROSSMAN: I think the date
that the law is enacted if I'm not correct, sir.

CHAIRPERSON RECCHIA, JR.: No, from
today, from the day of the first hearing.

MR. GROSSMAN: Oh, okay.

CHAIRPERSON RECCHIA, JR.: Okay?
So you have this form, the sergeant-at-arms ...
okay, do you want to give this? All right, I just
have to ... hold on, I have to give Mr. Comrie and
Mr. Ignizio a chance to vote.

COMMITTEE CLERK MARTIN: Council
Member Comrie, on pre-considered land use items.

COUNCIL MEMBER COMRIE, JR.: Aye on
all.

COMMITTEE CLERK MARTIN: Ignizio.

COUNCIL MEMBER IGNIZIO: Aye.

COMMITTEE CLERK MARTIN: The vote
now stands at twelve in the affirmative.

CHAIRPERSON RECCHIA, JR.: Okay.

COMMITTEE CLERK MARTIN: Council
Member Brewer.

COUNCIL MEMBER BREWER: Aye.

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COMMITTEE CLERK MARTIN: The vote now stands at thirteen.

CHAIRPERSON RECCHIA, JR.: In addition, okay, did you make all of your issues at the community board?

MR. GROSSMAN: We raised it by all, our letter. Unfortunately, the rules at the community board level are as follows: we're limited to speak for only three minutes, three or is it five minutes, it varies depending on the rules, we were able to submit letters, but unfortunately, we were not given a fair hearing. The proponents of the BID were given as much time as they want, and we were not given sufficient time to rebut their arguments. Sir, your rules limit our speaking time to three minutes ... your rules limit our speaking time to three or five minutes, but the proponents of the BID had a full private session with the community board, and it varies, each board is different. There are three different boards involved, and it's my understanding in each board they had a private meeting where they would fully lay out all their plan in full detail. So we never really had a

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fair opportunity to oppose the BID.

CHAIRPERSON RECCHIA, JR.: Okay.

Mr. Reck, did you want to say something?

MR. RECK: That's simply not true.

On my committee, I chaired the public hearing on this, and although I do have the right to limit testimony, I rarely do so, and in this particular case, I gave this gentleman every opportunity to say whatever he wanted, and when he said things that were very controversial, I gave the BID people an opportunity to respond to it. And he brought up many accusations that were responded to by the BID. The committee listened to him thoroughly, for whatever it is he wanted to say.

MR. GROSSMAN: Sir, I was limited to five minutes.

MR. RECK: No you were not, sir.

CHAIRPERSON RECCHIA, JR.: All right.

MR. GROSSMAN: No, I was.

CHAIRPERSON RECCHIA, JR.: Okay, all right, listen, we're not going to get into an argument here. Okay, so is there any other Council member that has any other questions? All

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right. Yes, sure. I recognize Diana Reyna from Brooklyn and Queens.

COUNCIL MEMBER REYNA: Thank you, Mr. Chair. I wanted to just understand, this particular BID proposal began with a larger geographic area, correct? Can you speak into the mic? I'm sorry, Mr. Grossman.

MR. GROSSMAN: It was actually a few blocks larger, they shrank it a few blocks.

COUNCIL MEMBER REYNA: And were you opposed then?

MR. GROSSMAN: We ... I have been involved and property owners opposed the BID since the beginning on this. I might add, it's a very, very large BID. If you look at page four of my letter, paragraph fourteen, it's approximately, according to my estimates, approximately 50 blocks, and they did shrink a few blocks off the BID. But it includes- -

COUNCIL MEMBER REYNA:
(interposing) By request or ... I think by- -

MR. GROSSMAN: (interposing) By people opposed to it.

COUNCIL MEMBER REYNA: By request

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of the property owners?

MR. GROSSMAN: Yes ... in some cases,
yes, in many cases- -

COUNCIL MEMBER REYNA:
(interposing) Do you represent them?

MR. GROSSMAN: I represented some
property owners that are no longer associated with
this BID. They were- -

COUNCIL MEMBER REYNA:
(interposing) Well, it's not a BID yet.

MR. GROSSMAN: Well, it's not a BID
yet, yes. But there are some property owners that
were removed, and some of them I did represent.
There are other attorneys that represented other
property owners, like Kerr Trekman parcels, well
that wouldn't mean anything to you, but he owns
like a half-block front that was taken out.

COUNCIL MEMBER REYNA: And those
property owners were removed on the basis of what?

MR. GROSSMAN: Apparently at the
discretion of the proponents of the BID.

COUNCIL MEMBER REYNA: But you
represented some of them, so you would know.

MR. GROSSMAN: I wouldn't know

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exactly how that happened. All I know is that a letter went out and certain parcels were removed.

COUNCIL MEMBER REYNA: So what was the reason for the removal?

MR. GROSSMAN: They didn't give a reason.

COUNCIL MEMBER REYNA: Well, what were the reasons given to the proponents of the BID for removal?

MR. GROSSMAN: Okay- -

COUNCIL MEMBER REYNA:
(interposing) If you represent ... I'm just trying to understand- -

MR. GROSSMAN: (interposing) Okay.

COUNCIL MEMBER REYNA: ... how that was able to happen.

MR. GROSSMAN: Okay.

COUNCIL MEMBER REYNA: If you represented one portion, but today you're representing- -

MR. GROSSMAN: (interposing)
Various properties that are still associated with it.

COUNCIL MEMBER REYNA: Correct, and

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so you represented from the beginning a host of property owners, some of which have been removed from the original proposal.

MR. GROSSMAN: Well, that's not quite the way it happened.

COUNCIL MEMBER REYNA: That's what you just said.

MR. GROSSMAN: Well, maybe there was a misunderstanding.

COUNCIL MEMBER REYNA: Okay.

MR. GROSSMAN: Okay, initially I represented several property owners, they were removed from the BID, but later on- -

COUNCIL MEMBER REYNA:
(interposing) Based on what?

MR. GROSSMAN: Based on letters that were submitted to- -

COUNCIL MEMBER REYNA:
(interposing) Saying what?

MR. GROSSMAN: Essentially what it said, we opposed the BID because we felt it was not good for these particular property owners. Also, the properties were on the periphery of the proposed BID, they were actually in Little Italy

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2 in this case, and they were removed so I think
3 maybe the real reason that they removed those
4 because it was on the periphery of the BID, and
5 the properties in fact were in Little Italy. That
6 I think is the reason, but I'm just speculating
7 because I don't know what their motivation was.

8 COUNCIL MEMBER REYNA: But you
9 represented these parties.

10 MR. GROSSMAN: Yes.

11 COUNCIL MEMBER REYNA: And so you
12 would know, you would have drafted the reasons why
13 they wanted to be removed.

14 MR. GROSSMAN: See, I wrote a
15 letter to them.

16 COUNCIL MEMBER REYNA: Okay, so
17 what were the reasons laid out as- -

18 MR. GROSSMAN: (interposing) Oh,
19 essentially most of the same reasons that are set
20 forth in the letter that I sent to the City
21 Planning Commission, which your agency has a copy
22 of today.

23 COUNCIL MEMBER REYNA: Yeah, we're
24 trying to get ... I just got my copy now. So I will
25 continue to review this, as far as the Land Use

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2 Committee and its Chair, if I could just direct my
3 questions to you, at the point when the Land Use
4 was looking at this, those particular properties
5 had been removed already.

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MR. RECK: Not all the properties
had been removed.

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COUNCIL MEMBER REYNA: Okay.

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MR. RECK: I don't know.

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COUNCIL MEMBER REYNA: Can you ... is
the mic on?

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MR. RECK: There we go, I do not
know about the properties in Little Italy, they
were not presented to Board #2 at all, so there
was on the west side of the block from Broome to
Grand, there was just one west side strip of
properties not across the street, and everywhere
else seemed to be well-formed. And in fact the
request came from a community board member who
felt that those properties didn't really belong in
the Chinatown BID. There was no objection to the
property owners at Board #2, it just seemed that
it was an odd spot to do that, and we just chopped
off just a couple of properties at the top end,
and frankly the BID seemed to feel that that was

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2 perfectly appropriate and did that for us at our
3 request. It was not at the request of the
4 property owners.

5 COUNCIL MEMBER REYNA: Okay, so in
6 order to maintain what would be a Chinatown-
7 represented BID, these ... the proposal of removals,
8 whether it was instigated from property and/or
9 suggestions of the community board, the final
10 product is a consensus.

11 MR. RECK: Yes.

12 COUNCIL MEMBER REYNA: And
13 consensus means everyone is not going to be happy.
14 So that this was a negotiated effort to move this
15 BID forward.

16 MR. RECK: That's correct.

17 COUNCIL MEMBER REYNA: Okay.

18 MR. RECK: I also wanted to note,
19 by the way, I appeared on behalf of Board #2 and
20 testified at City Planning, and there was no
21 opposition whatsoever from anyone at City
22 Planning.

23 COUNCIL MEMBER REYNA: Okay. All
24 right. Can you just speak into the mic, so that
25 way we have- -

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MR. GROSSMAN: (interposing) Yes, as you can see, I sent a letter to City Planning Commission.

COUNCIL MEMBER REYNA: Right.

MR. GROSSMAN: Right before they held the hearing, so there was in fact opposition. I couldn't appear.

COUNCIL MEMBER REYNA: Right, so there was no verbal record, but there was record of submission for a testimony.

MR. GROSSMAN: You can see the date stamp.

MR. RECK: Yes, but no one appeared in opposition.

COUNCIL MEMBER REYNA: No, it's okay.

CHAIRPERSON RECCHIA, JR.: All right.

COUNCIL MEMBER REYNA: All right. And as far as the property owner ... I apologize.

CHAIRPERSON RECCHIA, JR.: It's okay.

COUNCIL MEMBER REYNA: If I could get your name again?

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CHAIRPERSON RECCHIA, JR.: Steven

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Chung.

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MR. CHUNG: Steven Chung.

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COUNCIL MEMBER REYNA: Thank you,

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Mr. Chung. Your opposition is based on exactly

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what reasons?

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MR. CHUNG: I'll tell you the

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truth, I'm coming here 9:30, and we had a whole

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bunch of people, this is terrible, today's

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experience.

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COUNCIL MEMBER REYNA: Right.

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MR. CHUNG: 9:30, which we received

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the letter it is a ten o'clock meeting. I come in

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at 9:30, there's a whole bunch of people

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downstairs, they cannot get in.

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COUNCIL MEMBER REYNA: Right.

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MR. CHUNG: To the meeting, it's

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not fair for property owners, because they are the

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one to pay this bill, they don't have a voice to

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get heard.

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COUNCIL MEMBER REYNA: Right, and I

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just wanted, Mr. Chung, for you to answer my

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question.

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MR. CHUNG: Yes I will.

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2 COUNCIL MEMBER REYNA: And the
3 Chairman has already indicated to you the form
4 that we have provided this panel.

5 MR. CHUNG: The objection, yes.

6 COUNCIL MEMBER REYNA: Yes.

7 MR. CHUNG: I will, we will.

8 COUNCIL MEMBER REYNA: Yes, so that
9 you will have that opportunity.

10 MR. CHUNG: Okay.

11 COUNCIL MEMBER REYNA: It doesn't
12 end today.

13 MR. CHUNG: I know.

14 COUNCIL MEMBER REYNA: So if you
15 can just elaborate on the opposition that has
16 warranted your appearance here today.

17 MR. CHUNG: Right.

18 COUNCIL MEMBER REYNA: What is it?

19 MR. CHUNG: Right, we understand.
20 We understand, we have- -

21 COUNCIL MEMBER REYNA:
22 (interposing) No, what is your opposition? You're
23 the property owner, right?

24 MR. CHUNG: Yeah, probably our
25 objection.

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COUNCIL MEMBER REYNA: Your- -

MR. CHUNG: (interposing) Our objection to this proposal.

COUNCIL MEMBER REYNA: Right, you're a property owner.

MR. CHUNG: Yes.

COUNCIL MEMBER REYNA: Amongst the blocks that have been designated, correct?

MR. CHUNG: Right.

COUNCIL MEMBER REYNA: And so you as a property owner are opposing it for what reason?

MR. CHUNG: For what reason, I just spoke before, they penalized homeowners because dirty Chinatown, because unsanitary conditions in Chinatown, it's not good to just penalize property owners.

COUNCIL MEMBER REYNA: Do you- -

MR. CHUNG: (interposing) The city should do the job, if they do the job, fire the supervisor if they handle the Chinatown district.

COUNCIL MEMBER REYNA: I just want you to understand, this is supplemental, this isn't about replacing services, this is about

1
2 giving extra services. And so 14th Street has a
3 BID, you shop at 14th Street, Union Square.

4 MR. CHUNG: Yes I did.

5 COUNCIL MEMBER REYNA: You love the
6 way it looks.

7 MR. CHUNG: Yes I did.

8 COUNCIL MEMBER REYNA: That's what
9 we want for Chinatown as well.

10 MR. CHUNG: There's a difference in
11 that Chinatown is mostly residential area.

12 COUNCIL MEMBER REYNA: It's not
13 just residential.

14 MR. CHUNG: 14th Street- -

15 COUNCIL MEMBER REYNA:
16 (interposing) It has commercial space, right?

17 MR. CHUNG: Mostly I'll tell you,
18 it's about 80% is residential.

19 COUNCIL MEMBER REYNA: Okay.

20 MR. CHUNG: Those taxes you cannot
21 pass to those residential tenants. So the
22 business tenant will get hit with a partial of the
23 increased tax.

24 COUNCIL MEMBER REYNA: And what is
25 the square footage for your commercial property?

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MR. CHUNG: Let's say it's about 9,000 square foot, the whole building.

COUNCIL MEMBER REYNA: No, the commercial space.

MR. CHUNG: The commercial space is only about 1,000.

COUNCIL MEMBER REYNA: A thousand square feet, and what is the per-price square footage?

MR. CHUNG: I- -

COUNCIL MEMBER REYNA:
(interposing) What do you charge?

MR. CHUNG: I don't have the calculations, around maybe \$50 - \$60 per square foot. If you add on another- -

COUNCIL MEMBER REYNA:
(interposing) Is that expensive or average?

MR. CHUNG: In today's business environment it's expensive. Five, six years ago people were willing to pay extra, but today's environment, after three years, they're cleaning Chinatown, they've been cleaning Chinatown for three years, I don't see any improvement with the business. We don't see improvement of business.

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COUNCIL MEMBER REYNA: But it doesn't have a BID yet. So right now there is no improvement, but the improvements are not there- -

MR. CHUNG: (interposing) No, they just spend a lot of money with the cleaning.

COUNCIL MEMBER REYNA: Okay.

MR. CHUNG: What I mean is, the cleaning is not going to resolve the depressed Chinatown market.

COUNCIL MEMBER REYNA: It's not ... and so it's not just about cleaning.

MR. CHUNG: Not just cleaning.

COUNCIL MEMBER REYNA: It is- -

MR. CHUNG: (interposing) It is like a person has cancer, you cannot just treat it one spot, it spreads to other spots.

COUNCIL MEMBER REYNA: I think we all agree, and so your opposition is based on the cost.

MR. CHUNG: The cost passed to- -

COUNCIL MEMBER REYNA: (interposing) That you cannot pass on to the small business owner.

MR. CHUNG: That's true.

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COUNCIL MEMBER REYNA: Despite the fact that you do pass on property taxes.

MR. CHUNG: We pass on property taxes.

COUNCIL MEMBER REYNA: You do.

MR. CHUNG: Which we had to pay for it.

COUNCIL MEMBER REYNA: But you do pass it on already.

MR. CHUNG: No, no, no, pass to the commercial tenants, which they cannot afford to pay extra more. So one, we will see more vacancies in Chinatown. You already see a lot of vacancies in Chinatown. I'm in the real estate business over 20 years, I saw it's depressed happening in Chinatown area.

COUNCIL MEMBER REYNA: Okay.

MR. GROSSMAN: If I could be permitted to elaborate, maybe I could add something?

CHAIRPERSON RECCHIA, JR.: No, no, no. Hold on, just- -

COUNCIL MEMBER REYNA:
(interposing) The Chair- -

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CHAIRPERSON RECCHIA, JR.:

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(interposing) Hold on, Mr. Grossman.

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COUNCIL MEMBER REYNA: ... will

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recognize you, I apologize. But thank you very
much, Mr. Chair, and to the panel.

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CHAIRPERSON RECCHIA, JR.: Yeah,

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just let me say it, okay? I'll give you an

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opportunity to say a few words. I just want you

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to know, I just ordered the sergeant-at-arms to

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bring up more people that are waiting downstairs

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to testify. I will stay here for as long as it

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takes, to hear everyone who wants to testify. I'm

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not going to hear that this City Council did not

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give people an opportunity to speak. So no one is

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going to be locked out, okay? Mr. Grossman, you

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wanted to make a statement?

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MR. GROSSMAN: I'd like to

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elaborate on- -

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CHAIRPERSON RECCHIA, JR.:

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(interposing) Speak into the microphone, turn it

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on.

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MR. GROSSMAN: I'd like to

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elaborate, I think I know what he meant. In that

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area, the 50-block proposed Chinatown BID, is

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2 mostly a residential area. The typical building
3 over there is a tenement with a ground-floor
4 store. And the typical lease, commercial lease in
5 that area, would probably not have a real estate
6 pass-along. So basically the property owner will
7 probably have to eat any increase in the BID tax,
8 at least initially, till lease renewals come
9 along. I think that's what- -

10 MR. CHUNG: (interposing) That's
11 what I mean.

12 MR. GROSSMAN: I think that's what
13 he meant, sir. And I just wanted to help out.

14 MR. CHUNG: The 14th Street may be a
15 commercial area is different, because every
16 tenant, they will pay partial of the increase.

17 MR. GROSSMAN: And another thing
18 I'd like to add is that in fact the Chinatown
19 Partnership has been operating as a de facto BID,
20 and the results have been ... have not been
21 productive in improving the business climate in
22 the past four years of that particular area. So
23 it's been a failure, and that's another reason I
24 think we're opposing this particular BID, and I
25 think that's what you wanted to say.

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MR. CHUNG: Yes, yes.

CHAIRPERSON RECCHIA, JR.: Okay.

All right, thank you very much for testifying. I don't see any further questions. Okay, we're bringing up some more people to testify, as soon as they get up here we'll hear from them.

MR. GROSSMAN: Thank you again for the opportunity to speak.

CHAIRPERSON RECCHIA, JR.: You're welcome, Mr. Grossman, don't forget, fill out that form.

MR. GROSSMAN: I'll certainly do that.

CHAIRPERSON RECCHIA, JR.: Billy Martin, where did he go? Oh, okay. They're coming? Thanks a lot, Nick.

UNKNOWN MALE SPEAKER ONE: ... per cent, why not a reasonable 1.5%? I have a mortgage outstanding. Chase Bank charges me about 4% for my mortgage, the BID comes here at 5%. I think it's a little bit outrageous. There are some here who do agree. Moreover, the BID members, I'm sure they're outstanding citizens and their intentions are well-meant, but the idea is

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2 that not one of them to my knowledge owns property
3 in Chinatown. So they say, hey, let the owners
4 pay the BID surcharge, let the small business
5 people absorb the cost, but they're out there not
6 realizing the burden of small owners. Now, I'm in
7 Chinatown for over three decades or more, and I
8 mean, I'm honored today to be in this room today
9 with the honorable Margaret Chin, because I have
10 seen her rise from politician to here at the City
11 Council membership board, which is admirable. But
12 Mrs. Chin, you have lived in Chinatown yourself
13 with your husband for many, many years, you know
14 the conditions in Chinatown. I say to you, you
15 know this before, ten, fifteen years ago, prior to
16 9/11, Chinatown never had one vacant store on Mott
17 Street. Today, you see every other five stores a
18 vacancy. You say what a terrible landlord who
19 caused the increase in the rent to put these
20 people out of business. It's not true, the truth
21 of the matter is, the landlords are being squeezed
22 by rising costs, due to our falling economy, due
23 to inflationary pressures, and this is the reason
24 why small owners, business owners, mom and pop
25 businesses, are out of business. I have never

1
2 seen a Chinese restaurant business go out of
3 business anywhere in New York City until most
4 recently. Why? Chinese meals are so reasonable,
5 five dollars you get everything, compared to a
6 pastrami sandwich. Today you see Chinese
7 restaurants closing left and right. Why in God's
8 name are you saying add another nail to the coffin
9 of the Chinatown community? Help us, Mrs. Chin,
10 understand our people's suffering. We came here
11 as immigrants, we are poor people. Because we own
12 a building does not make us millionaires. It
13 looks great, but with the costs spiraling out of
14 control Chinatown does not need an additional
15 burden. Please help us and maybe delay this thing
16 for a little while and give the Chinatown people a
17 breather.

18 CHAIRPERSON RECCHIA, JR.: Okay,
19 thank you very much. Jerry, we're going to have
20 to go on the clock, give everybody now three
21 minutes. I'm sorry, it's getting late and I have
22 to be out of here by one o'clock. Okay, go ahead.
23 You have three minutes. Next.

24 UNKNOWN MALE SPEAKER TWO:
25 (speaking in Chinese)

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2 MR. CHENG: He needs translator,
3 will we get six minutes that way?

4 CHAIRPERSON RECCHIA, JR.: I'll
5 take it under advisement.

6 UNKNOWN MALE SPEAKER TWO: (through
7 a translator) I truly appreciate the opportunity
8 for the BID, and we can improve Chinatown that
9 way. All the workers in the yellow sweatshirts,
10 you guys work hard. I have lived in Chinatown for
11 18 years, and I have had a business for ten years.
12 I live on Eldridge Street, and my business is
13 located right at the subway entrance on Grand
14 Street. Where I live is very representative of
15 Chinatown, my business is located at the subway
16 which has over 100,000 passengers coming in all
17 day, and where I live is where the long-range bus
18 depot, and all these ... we have a lot of people
19 coming from out-of-state. In the past I always
20 felt that the New York City government has
21 shortchanged us, where I live and where I work,
22 they're full of garbage, and the New York City
23 government has not taken care of it. Whether you
24 oppose or agree with the BID, our attitude is
25 stand at the Grand Street subway station, you just

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2 stand there for a little while, and you will see
3 how the garbage accumulates. Without these
4 yellow-shirt workers, it would be like, you know,
5 a small hill there. Chinatown should not be
6 represented by garbage. Chinatown is a window of
7 the Chinese-Americans and that's how we show
8 ourselves to the general society, and I ... no, he
9 talked too long, I lost the train of thought.

10 CHAIRPERSON RECCHIA, JR.: Tell him
11 he has to ... he's finished? Okay, so he's in favor
12 of the BID?

13 MR. CHENG: Yes, I think so.

14 CHAIRPERSON RECCHIA, JR.: Okay, I
15 think I see that. Okay. Do you want to say
16 something, or were you there to translate for him?

17 MR. CHENG: I have my own- -

18 CHAIRPERSON RECCHIA, JR.:
19 (interposing) You have your own statement, okay.
20 All right, we're going to start another three
21 minutes. State your name.

22 MR. CHENG: Yes, Chairman Recchia-

23 -

24 CHAIRPERSON RECCHIA, JR.:
25 (interposing) What's your name?

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2 MR. CHENG: My name is Peter Cheng,
3 I am one of the co-chairs of Chinatown Partnership
4 LDC, and Chairman Recchia, City Council members
5 Reyna and Chin, I want to thank you for this
6 opportunity to testify here. First of all I just
7 want to correct some misconceptions that some of
8 the former speakers mentioned. I just want to
9 mention that in the past two weeks we mailed over
10 15,000 pieces of mail to every single resident in
11 Chinatown, to inform them of this upcoming
12 meeting, so that people can come to present their
13 testimony. So it's not fair to say that we are
14 hiding information from people opposing it. And
15 the news about the Chinatown BID and, you know, it
16 has been on the news ... I'm sorry, there was a
17 question?

18 CHAIRPERSON RECCHIA, JR.: No, at
19 the end she'll ask all the questions.

20 MR. CHENG: Okay. It has been on,
21 we have collected hundreds of articles, both in
22 Chinese and English language, newspapers, on
23 media, on radio, and to say that they have not
24 heard of it, and that they don't know how to go
25 about objecting to it, this is to me just

1
2 incredible. And as about how much cleaner
3 Chinatown has been after the BID, don't take our
4 words for it, the city has a rating of cleanness
5 of every neighborhood. All you have to do is go
6 to the city rating, look at Chinatown's rating
7 before the LDC started the cleaning project, and
8 then after the LDC started the cleaning project,
9 and you can see an outstanding improvement in the
10 cleanliness of Chinatown. You know, again these
11 are objective ratings by the city, so you can just
12 go check it out. I want to say that the Chinatown
13 BID proposal has won unanimous support from
14 Community Boards #1, #2 and #3, and from the City
15 Planning Commission. If we approve this BID, the
16 entire Chinatown community will have a voice in
17 the maintenance of the neighborhood. With the BID
18 you create a unified force, which will serve all
19 Chinatown, and the future of the area will be in
20 the hands of the people who are directly affected
21 by these choices. If we approve, the BID will
22 give the power of the community back to the people
23 who live and work in it, so we respectfully ask
24 for your approval, let's help ourselves.

25 CHAIRPERSON RECCHIA, JR.: Okay,

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thank you very much. This young lady. All right, she has to go slow, so he can translate.

MS. MEDUM: (through a translator)
My name is So Soon Medum (phonetic), I lived in Chinatown more than 20 years and doing a business more than 20 years.

CHAIRPERSON RECCHIA, JR.: She owns a business?

TRANSLATOR: Yes, she owns a business.

CHAIRPERSON RECCHIA, JR.: Okay.
Does she own a property?

TRANSLATOR: No sir.

CHAIRPERSON RECCHIA, JR.: Okay.

MS. MEDUM: I see that Chinatown is very dirty and needs to be changed, but it's not like ... not BID. When my rent from \$3,000 increased to \$12,000, the fees only increased the rent to the landlord, the landlord increased the rent for the small business. So I currently, like 120 small business owners, signed the petition against the BID. There are many better ways to clean up the Chinatown streets, not ... we don't need BID, you know, small business owners can

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2 clean up by themselves. Yes, I represent, you
3 know, other small businesses against the BID.
4 Thank you.

5 CHAIRPERSON RECCHIA, JR.: Okay,
6 thank you very much. You have to explain to her
7 that she has to file those in the City Clerk's
8 office. Okay, one quick statement, but the
9 microphone, the microphone.

10 MR. LEE: Thank you, Mr. Chairman,
11 please, a courtesy. Please understand, folks, the
12 Chinese people in Chinatown are law-abiding
13 citizens, they are clean people. We come from a
14 civilization that's 8,000 years old. The filth in
15 Chinatown is not a Chinatown problem, it's the
16 buses and the tourists who drink and they throw
17 their hot dog papers and wrappers out their window
18 and they leave everything behind for the property
19 owners to clean up. So education is necessary,
20 maybe imposing a small fine on a bus company is
21 necessary. It's not the property owners. I own a
22 small property, as I testified earlier, and I
23 clean my office sidewalk three times a day, and a
24 guy with a suit and tie picks up filth, I'm not
25 beyond that. But the problem again is not the

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2 Chinatown people. Chinatown people are very proud
3 of their community, they want to live clean, just
4 like Park Avenue people, but we must educate the
5 tourists not to bring filth to our community.

6 CHAIRPERSON RECCHIA, JR.: Okay,
7 thank you all, and Council members, any questions?

8 COUNCIL MEMBER REYNA: I just have
9 one. I wanted to just ask, clarification on the
10 15,000 resident plus business owners, plus
11 property owners, there was a mail survey or a
12 notification?

13 MR. CHENG: Thank you for asking.
14 There was over 15,000 pieces of mail that were
15 sent to every business, every property owner,
16 every household in Chinatown. It actually took us
17 days and days and days, that we checked every
18 single building in Chinatown.

19 COUNCIL MEMBER REYNA: How much ...
20 what was the expectation of that mail?

21 MR. CHENG: The mail is to notify
22 people of today's hearing.

23 COUNCIL MEMBER REYNA: By
24 confirming that they received it with a phone
25 call? What was the confirmation? If I received

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that letter- -

MR. CHENG: (interposing) It was notifying them of today's hearing, so- -

COUNCIL MEMBER REYNA:
(interposing) Of today's hearing, this hearing, I see.

MR. CHENG: Yes.

COUNCIL MEMBER REYNA: And was that translated as well?

MR. CHENG: Oh yes.

COUNCIL MEMBER REYNA: Okay, so prior to today, aside from that ... I'm sorry.

CHAIRPERSON RECCHIA, JR.: Whoa, whoa, whoa, quiet, quiet.

COUNCIL MEMBER REYNA: I am just trying to get clarification on whether or not the mail that was sent out for today's hearing was translated.

MR. CHENG: Okay, my apologies, Wellington can clarify that.

COUNCIL MEMBER REYNA: Okay. Speak into the mic.

CHAIRPERSON RECCHIA, JR.: State your name for the record.

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2 MR. CHEN: Wellington Chen,
3 Chinatown Partnership. I'm going to actually sign
4 a notarized ... I signed a notarized form testifying
5 to that, okay. as part of any BID regulation,
6 there is a very stringent regulation in terms of
7 notification. I have a team of interns that for
8 the last two months have gone door-to-door,
9 building-to-building.

10 COUNCIL MEMBER REYNA: So speaking
11 in their native- -

12 MR. CHEN: (interposing) No, no,
13 no, you have to understand the requirement.
14 There's a misunderstanding about the requirement.
15 The property owners, the 2000 some property owners
16 were served with certified mail.

17 COUNCIL MEMBER REYNA: Okay.

18 MR. CHEN: And we confirmed their
19 receipt.

20 COUNCIL MEMBER REYNA: Okay.

21 MR. CHEN: Okay? The rest of them,
22 we are required to verify against the Department
23 of Finance records, our own database, against our
24 own ... let me repeat again, and I don't want you to
25 misunderstand this. Never, and I can proudly say,

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2 never in the history of any BID formation, to my
3 knowledge of 30 years of community activism, has
4 anybody gone to the depth and the breadth, I'm
5 very proud of the team, some of the members are
6 here. We've gone door-to-door, we've gone through
7 checking against the names.

8

COUNCIL MEMBER REYNA: Right.

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10 MR. CHEN: To comply with the
11 regulations. It's far and above what anybody else
12 has done.

12

COUNCIL MEMBER REYNA: Right.

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14 MR. CHEN: And so this 15,000 is
15 to, because it cannot be bi-lingual because the
16 law says it can only be one piece, double-sided,
17 in English. So therefore, but I want you to know,
18 newspapers, the website blogs, have always stated
19 that this is, and how you can object, and I'm not
20 making it up, you can do a Google search tonight
21 on world journal, where some of you will show up.

21

COUNCIL MEMBER REYNA: Right.

22

23 MR. CHEN: And how you can object.
24 So therefore I want you to know that it comes down
25 to this choice.

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COUNCIL MEMBER REYNA: I just

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2 wanted clarity on the 15,000-piece mailer because
3 I wasn't too sure at what juncture that was mailed
4 out and for what purpose, and so I understand now
5 it was for this hearing, not any prior, and just
6 to make sure that as far as the voting process is
7 concerned, only the property owners vote on the
8 BID formation, not residents, not small business,
9 but property owners.

10 MR. CHEN: Madam, I can say this,
11 democracy is about tolerating differences. I used
12 to be a community board member. To get 50
13 community board members on each community board to
14 agree that this is the right thing to do, to go
15 through three different community boards, eight
16 public hearings on those three community boards,
17 and then- -

18 COUNCIL MEMBER REYNA:
19 (interposing) I'm not referring to the community
20 boards.

21 MR. CHEN: Right, okay.

22 COUNCIL MEMBER REYNA: If you could
23 just answer my question.

24 CHAIRPERSON RECCHIA, JR.: All
25 right, can we sum it up- -

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COUNCIL MEMBER REYNA:

(interposing) Property owners- -

CHAIRPERSON RECCHIA, JR.:

(interposing) We have someone else- -

COUNCIL MEMBER REYNA:

(interposing) ... are the only ones- -

MR. CHEN: (interposing) Let me just answer it properly. We have served to the nth degree, far and above any BID in the history of BID formation I can tell you that to the degree of notification, the clarification, the first BID to have a bilingual website, the first ... I've been on the radio for two years, 200 articles, okay.

CHAIRPERSON RECCHIA, JR.: All right, I'm going to have to stop ... all right- -

MR. CHEN: (interposing) If I mailed 15,000 and this is all that is there to show, it speaks for itself.

CHAIRPERSON RECCHIA, JR.: Okay, I'm going to have to stop this, because we have another panel, and I have to move on. Okay?

MR. CHEN: I think we can clarify-
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CHAIRPERSON RECCHIA, JR.:

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(interposing) That's all for testifying, that's it.

MR. CHEN: Okay.

CHAIRPERSON RECCHIA, JR.: I have another panel to go, thank you very much.

FEMALE VOICE: Wi Wong, Sun Singer, Zi Yi, David Mack and Jackson Mack.

CHAIRPERSON RECCHIA, JR.: Okay, state your name for the record.

MR. WONG: My name is Wi Kay Wong, I've been living in Chinatown for- -

CHAIRPERSON RECCHIA, JR.:
(interposing) Hold on, we're on the clock, start the clock, go ahead.

MR. WONG: I've been living in Chinatown for a long time and, you know, and to me I support the BID because, there's two reasons. One, I could see what they're doing. The streets are much cleaner, and I hear people saying that all Chinatown is filthy, dirty. If you walk in the morning, at six o'clock in the morning, it smells, the whole Chinatown is filled with garbage. And the second thing is, okay, we are baby boomers, we are getting old. And I see these

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2 people like during snow time, and they pick up the
3 snow, you know, to let the passage for people to
4 pass. And I think they done a fantastic job,
5 okay. Like Councilman, Mr. Koo, Councilman Peter
6 Koo mentioned, you have to put a little
7 investment, okay. Okay, like in my area where I
8 live in Brooklyn, okay, we have BID, okay. It
9 only cost us a very little. And it's almost like
10 a little investment because I got kids walking
11 from different schools to pass my area always drop
12 like papers and stuff like that. But now it never
13 happens, since we got a BID in Brooklyn, okay.
14 And also now if you walk in Chinatown and you see
15 it much cleaner, and the garbage cans are not
16 overflowing. A lot of times, you know, tourists
17 like come to see and they drop stuff and the
18 garbage can is, you know, flying all over the
19 place. That's all I have to say, thank you.

20 CHAIRPERSON RECCHIA, JR.: Thank
21 you very much. Next.

22 MR. SUN: (through a translator) My
23 name is Mr. Sun, my last name is S-U-N. In 2006 I
24 started working at CP LDC. Then in 2008, they
25 said that there was no longer any money left and

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2 they fired me. In the beginning there was a total
3 of 30 people, five people were management and 25
4 people did cleaning the streets, and besides the
5 managers, the consultant, the supervisors, it
6 became probably one person supervised three
7 workers. (pause) When we go into the bathroom, we
8 have to report. When we come out of the bathroom,
9 we would have to report. We cannot be a minute
10 late for work, or they will take off points and
11 deduct money. So in 2009 they fired fifteen
12 people and then so there's only ten cleaning
13 workers left. And afterwards there ended up being
14 basically with all the supervisors in total one
15 person managing one worker. So in only two years,
16 all of the money was gone, and ... but still they
17 had millions of dollars in money, so all that
18 money was gone. So then I thought that after
19 these two years, where this money, you know, it
20 probably went to their own pockets. Before the
21 BID came, there was another cleaning company who
22 was working on cleaning the streets. The name of
23 the cleaning company is called ... was sent by Lan
24 Sang Real Estate Company, and the boss's name was
25 Ling Cha Wa (phonetic). They never took money

1
2 from the government, they also didn't take a
3 single cent from the small businesses, they took
4 out ... the real estate company took out their own
5 money to do the cleaning, and then to do the ...
6 also provide trash bags. This is an example of
7 somebody who really cares about Chinatown. I
8 don't ... this is somebody who shows that he really
9 cares about Chinatown, and although I don't know
10 him personally, you know, but this is somebody you
11 can respect. To clean the Chinatown streets, I
12 don't know why it takes that much money to do it.
13 Just to, you know, change the garbage bags from
14 one to another.

15 CHAIRPERSON RECCHIA, JR.: Okay, I
16 gave him ... I gave him double the amount of time.
17 Does he want to say anything ... he wants ... you
18 can't translate what he wanted to say? Okay, I
19 would love to know that now, that's the good
20 stuff. I want to thank you ... all right, what did
21 he say? Okay, what did he say?

22 TRANSLATOR: He just said, you
23 know, he feels like the company already cheated
24 the government of its money and now I don't want
25 them to cheat the community of their money.

1
2 CHAIRPERSON RECCHIA, JR.: Okay,
3 thank you very much for testifying, both of you,
4 thank you very much. All right. Do you want to
5 say something? Okay, it's okay, let's ... all
6 right, thank you very much. All right, we have
7 one more panel. Okay, tell him that's it.

8 TRANSLATOR: He says there's other
9 alternatives.

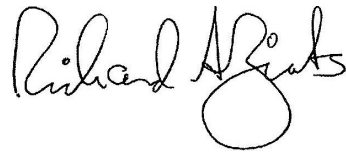
10 CHAIRPERSON RECCHIA, JR.: Okay.
11 Tell him to fill out an objection form, okay, to
12 file it. Okay. This is the last panel.

13 FEMALE VOICE: This is a recall of
14 the last panel. Jackson Mack, David Mack and Di
15 Yi.

16 CHAIRPERSON RECCHIA, JR.: Are they
17 here? Okay, they are not here. This meeting is
18 closed, okay, it's finished. All people who are
19 objecting to the BID have to file this with the
20 City Clerk by June 25th, and I will look into it to
21 see what we can do about getting this translated
22 into other languages and placed on my website,
23 drecchia.com. Thank you very much.

C E R T I F I C A T E

I, Richard A. Ziats, 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 June 9, 2011