

ANDREW SCHWARTZ STATEMENT
BEFORE CITY COUNCIL FINANCE COMMITTEE
October 17, 2011

Good morning Mr. Chairman and members of the Finance Committee. I am Andrew Schwartz, First Deputy Commissioner at the Department of Small Business Services (SBS). SBS supports the establishment of the Westchester Square Business Improvement District (BID) in the Borough of the Bronx.

Geographically, the proposed BID generally includes properties along both sides of Williamsbridge Road and East Tremont Avenue from Eastchester Road and Silver Street to Westchester Avenue, and the properties in the triangular blocks in the middle of the district along East Tremont Avenue and Williamsbridge Road.

Services to be provided in the Westchester Square BID include: supplemental sanitation and security, marketing and promotion of local businesses, holiday lights, economic development and new initiatives, administration, and other services as may be required for the promotion and enhancement of the district. Proposed capital improvements include street and sidewalk amenities to beautify the district and improve pedestrian circulation and safety. The Westchester Square District Management Association will manage the district. The budget for the first year of operation is \$320,000.

As required by law, the Westchester Square BID Steering Committee mailed the summary of the City Council Resolution to each owner of real property within the proposed district at the address shown on the latest City assessment roll, to such other persons as are registered with the City to receive tax bills concerning real property within the district, and hand-delivered the summary to tenants of each building within the proposed district. In addition, SBS arranged for the publication of a copy of the summary of the resolution at least once in the City Record. SBS plans to provide the Council Finance Committee with all relevant information about the mailing of the summary in order to assist the Committee in making a determination about the sufficiency of the summary notice pursuant to law.

Thank you.



Bronx Borough President Ruben Diaz Jr.

TESTIMONY OF BRONX BOROUGH PRESIDENT RUBEN DIAZ JR. TO THE NEW YORK CITY COUNCIL FINANCE COMMITTEE IN SUPPORT OF THE ESTABLISHMENT OF THE WESTCHESTER SQUARE BUSINESS IMPROVEMENT DISTRICT

OCTOBER 17, 2011

Good Morning Chairman Recchia and members of the New York City Council Committee on Finance, my name is Thomas Lucania and I am here today to provide testimony on behalf of Bronx Borough President Ruben Diaz Jr. in support of Intro 644, the establishment of the Westchester Square Business Improvement District.

Borough President Diaz strongly supports the creation of a business improvement district (BID) for the neighborhood of Westchester Square. In addition, Bronx Community Board #10 and the Bronx Borough Board have both voted unanimously to support the creation of the BID.

Westchester Square is one of the most important commercial strips in the Bronx, and each day it brings thousands of residents, students and visitors to its confines to shop, eat and converse with their neighbors. A business improvement district in this area would bring new services to the community, such as street cleaning, new marketing efforts, community events and holiday lighting that are greatly needed to insure the future vibrancy and economic vitality of this commercial district.

The merchants of Westchester Square have come together over the last few years to make this dream a reality. In addition to the organizing the BID, sponsoring Merchant Sales Days, luring the Bronx Council on the Arts to a new home on the Square and sponsoring events for community youths, they have worked closely with local elected officials to rehabilitate Owen Dolan Park, which is in the heart of the BID area. Borough President Diaz and Council Member James Vacca have both provided capital funds for this project, which will be a focal point for new and exciting programs for senior citizens and the youth of the community.

The addition of the Westchester Square BID to the other existing BID's in the Bronx will make the commercial districts in the Bronx even stronger.

The Bronx Overall Development Corporation and its president, Marlene Cintron, have also expressed their support of the BID and look forward to continuing to work with the BID management as they move forward.

Borough President Diaz is thankful to John Bonizio, the president of the BID Steering Committee, the property owners and all of the merchants for their commitment to the Bronx in establishing this BID. The borough president looks forward to continuing to work with the BID to make Westchester Square a premier shopping district.

The Westchester Square Business Improvement District

In the borough of the Bronx

Testimony submitted to the New York City Council

October 17, 2011

The Steering Committee of the proposed Westchester Square Business Improvement District respectfully submits this testimony in support of its BID formation plan.

Westchester Square in the Bronx is bordered by the communities of Pelham Bay, Throggs Neck, Morris Park, Zerega, and Castle Hill. It became a major commercial hub in the 1920's when the IRT line was constructed, and the area grew to become a vibrant commercial center in the decades that followed. In the late 1970's, the introduction of Express Bus Service to the northeast Bronx (and in particular its exclusion from the Westchester Square community) started a decline in foot traffic. In the 1990s, Westchester Square's primary anchor store, Woolworth's, closed its doors, leaving a major vacuum that began a decline that affected the entire area and began moving outward into neighboring communities.

Today, Westchester Square is made up of an assortment of diversified businesses, 90% of which are owner occupied. Its 136 merchant storefronts are housed in 86 buildings. The vacancy rate, well under 10% throughout most of the last decade, has risen to 13% in the current economic downturn. There is no vacant private property, and the only city-owned properties are a large building housing the Department of Transportation and the Owen Dolen Park and Recreation Center, which is in the middle of the Square. Because of this central location, Owen Dolen Park has great potential as a destination point from which to spark a revitalization of the area.

Westchester Square has been called the "Gateway to the North Bronx" because of its geographic location at the intersection of Community Boards 9, 10, and 11, as well as for its strategic placement between the higher density housing structures to its south and west and the low density "private" homes that characterize the landscape of the northeast sections of the borough. The surrounding area consists of 6,460 residents in 2,459 housing units; 53.9% is Hispanic, 19.1% is White, 16.5% is Asian (largely from India and Pakistan), and 4.7% is African-American. The median family income is \$34,741, with 21.3% below the poverty level. The unemployment rate is above the national average but below the average for the Bronx as a whole. There are 22 social service agencies located in the immediate area that erode the merchant base and threaten to destabilize the community.

The recent development of the nearby Hutchinson/Metro Center, which is linked to the area's train station and 7 bus lines, and the purchase of large buildings and properties by Hutch/Metro's investors (within and just outside the Square), have prompted a spark in attention to the area. The local Merchants' Association has also been revitalized, and a cooperative advertising program in local media has stepped up traffic to the shops in the commercial strip. Unfortunately, attempts to attract businesses that can provide an improved retail mix have been thwarted by the overall decrease in pedestrian traffic.

The Merchants' Association has embarked on a 4 point plan for the revitalization of Westchester Square. The plan includes recommendations for improvements and/or coordination in the following categories:

1. The Development of Cultural Attractions
2. Private Commercial Development
3. The Establishment of a Business Improvement District
4. Overall Economic Development Initiatives

We believe the success of the initiatives suggested in the plan will not only benefit the immediate area, but also expand outward to promote economic development in the neighborhoods surrounding Westchester Square. In time, what happens in the Square can become a model upon which to base the improvement of the overall economic condition of the northeast Bronx. The BID is seen as the coordinating entity necessary to assure consistency and tie together the loose pieces of these individual efforts.

Eight specific initiatives have been identified as "pressing needs" in the development of the plan. To date, six of them have been at least started with the assistance of the merchants' association and the BID steering committee. They are:

Encouraging an Anchor Store at 34 Westchester The merchants association worked closely with the property's landlord to attract ABC Super Store, a Woolworth-like multi product retailer that took all 28,000 square feet and has helped to boost consumer attraction to the area. Retail mix efforts for the area are now focused on attracting smaller national and regional retailers to complement the anchor's attraction.

The Redesign of Owen Dolen Park After four years of planning, construction is finally underway on a \$5 million capital improvement project in the park. The plan was created with the input of the merchants association, the Bronx Council on the Arts, and local residents among others. The project is seen as a centerpiece for the new BID, and a significant portion of the BID's marketing budget will be expended on cultural activities in the park to lure increased traffic to the area.

The Relocation of The Bronx Council On The Arts is in development to a space at 2700 East Tremont Avenue. This initiative promises to establish the Square as the emerging art center of the borough, attracting businesses and consumers for a variety of cultural attractions. J.P.Morgan Chase gifted the property to BCA, thanks in part to assistance from Mayor Bloomberg and Congressman Joseph Crowley. The Steering Committee has worked with BCA for years to develop an arts centric cultural initiative for the area. On May 14, 2011, both groups hosted the third annual *Fair @ The Square*, an all day concert, Art Walk, artisan exhibit, sidewalk sale, and children's carnival.

NYPD and DOE Concerns – For years, more than 4,000 students from local high schools were released into the merchant strip each day for open lunch programs without a coordinated increase in police

monitoring. Following numerous meetings with the merchants, the BID steering committee, the local community board, the 45th Precinct, and Councilman Vacca (initiated in part because of a spike in violent crime by students in the area) enhanced security measures at Lehman HS were put into place that prohibit students from release at lunch time. This has taken much of the burden off NYPD who are able to concentrate more resources throughout the community.

Government Vehicle Parking – Until recently, there were more than 45 official city vehicles, dozens of federal vehicles with parking placards, and dozens more private vehicles owned by City employees assigned to the Square, all parking at metered spaces and “no parking” zones during the business day. At any one time, more than 25% of the parking available for consumers had been taken by these vehicles. Following meetings with Traffic Enforcement and the NYPD, a lot was secured for the housing of these vehicles. There remains some abuse of privilege, but sequestered spaces have been reduced to about 10% of available spaces. The remainder consists mostly of vehicles from DOT who park on the street adjoining their headquarters at 1400 Williamsbridge Road.

B.I.D. Development – The establishment of the BID will provide a vehicle for the coordination of all these efforts, as well as the initiatives provided for in the BID budget (i.e, cooperative marketing, cleanliness and security, and administrative oversight).

The two outstanding initiatives are:

Development of 10,000 sq. ft. Lot at 120-129 Westchester Square The property owner has filed with DOB for a one story, 10,000 sq.ft. building to house 5 stores. The plans are currently stalled at DOB. The main tenant will reportedly be Nathan’s. A major Pizza chain and another welcome national food chain are also rumored to be coming. These will provide badly needed food vendors for the area. The developer has worked closely with the merchants and the steering committee to attract tenants that will enhance the retail mix of the area.

The Redevelopment of The Huntington Library – Long abandoned and in need of development, this historical property is of interest to the NYPL as a considered site for a regional library. The success of such an initiative would fill this hazardous void and attract people to the area. Dozens of meetings have been held between the NYPL, the office of Councilman Vacca, the steering committee and the Huntington’s chairman, to move this project forward. Recently, this project has caught the attention of Mayor Bloomberg who has shown his support for the revitalization of the area.

OUTREACH & DOCUMENTATION

The effort to establish the BID actually started at the recommendation of Councilman James Vacca, who recognized the important need for a consistent leadership initiative in the Square. Following a presentation to the Mayor’s office and the call for a task force to oversee revitalization of the area, the Councilman brought in the Bronx Business Alliance to organize the merchants and begin the process.

BBA began the process by going block to block in the proposed target area and meeting each merchant and educating them on the benefits of re-establishing a functional merchant association. Each merchant was polled for a better understanding of their needs, concerns, and problems. The concept of the BID was introduced and explained. BBA also collected business information, and some landlord information, from the merchants. As data was collected it was entered by block and address into a master database.

Subsequently, the database was expanded to include information from NYC Department of Finance tax rolls. During this time, merchants were routinely re-visited, to keep their interest peaked in anticipation of an initial general meeting. The first meeting, attended by over 50 businesses, was held in November 2007 and lasted more than 3 hours. Subsequent meetings in December 2007, and January 2008, saw invigorated discussions of what the merchants concerns were, and what they wanted to see occur in the commercial corridor. An executive board was elected and sworn in.

In June 2008, a luncheon/information session was held for the area landlords. A panel, comprised of representatives from SBS, BID representatives from the White Plains Road BID and the Hub 3rd Avenue BID, Councilman Jimmy Vacca, and the District Manager of CB #10, were in place to answer questions and educate the landlords about the BID process. During the meeting, the steering committee was formed, and their first meeting was held on June 12, 2008.

Over the course of the next 2 years more than a dozen BID Steering Committee meetings were held as the 7 steps in Phase 1 of the BID Formation Process were completed. Also during this time all newsletters, announcements, newspaper articles, and BID updates, were sent to the landlords. We extended merchant services to the landlords to assist them in filling vacancies. With the assistance of Senator Jeffrey Klein and his staff, a promotional marketing package was produced and distributed to members of the NYS Retailers Council to assist in our efforts in working with the landlords. The committee produced a Westchester Square BID brochure, which became part of an extensive, and comprehensive, information package that was mailed to each landlord. Ballots to vote for, or against, the formation of a BID were included as well.

Staff members and Steering Committee members made countless telephone calls, e-mail communications, and personal visits, to all the landlords for receipt of their ballots. Public Notices, for the 2 required public meetings, were published in newspapers, sent out in e-mail blasts, and mailed by postcard to every property owner for each date. As of today, 56% of the eligible properties have voted, with a resounding 87% in favor of BID formation.

ANTICIPATED FUTURE BENEFITS OF BID FORMATION

Thanks to the development of the nearby Hutchinson Metro Center, the 10461 zip code enjoys the largest job growth creation in the borough. Construction of the new backup 911 call center on the same parcel of land, and future redevelopment of a now closed Old London factory also on the site, ensures additional area growth and economic development. The Westchester Square BID district is immediately adjacent to the Hutch/Metro Center and is surrounded by three hospitals and five schools. MTA statistics show a transient population through the area of more than 80,000 commuters per day. Total pass through numbers are estimated at more than 120,000 per day.

Talks and plans for a private link between the sites are underway, as are discussions with hotel developers and private investment concerns interested in the area's potential. The formation of the BID will provide a community oversight component that encourages coordination of these vast initiatives, assuring adherence to the plan submitted here today. In time, the successes of the BID and the area in general will provide a model to be duplicated in other areas of the Northeast Bronx.

The Steering Committee therefore respectfully requests the support of the Council for its approval of the Westchester Square Business Improvement District Plan.

Submitted this 17th day of October, 2011.

Presented by: John Bonizio, Chairman
Joseph Regina, Merchants Association
Joseph Kelleher, Simone Development

THE COUNCIL
THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: 10/17/11

(PLEASE PRINT)

Name: Sandi Luck

Address: 2868 Harrington Ave

I represent: Westchester Square - Zerega Improvement Inc

Address:

THE COUNCIL
THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. 644 Res. No. _____

in favor in opposition

Date: 10/17/11

Name: JOHN MARANO (PLEASE PRINT)

Address: 2922 LAFAYETTE AVE

I represent: BX COMMUNITY BLDG 10

Address: 3156 BROADWAY AVE BX NY 1046

THE COUNCIL
THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. 644 Res. No. _____

in favor in opposition

Date: 10-17-2011

(PLEASE PRINT)

Name: JOSEPH REGINA

Address: 25 WESTCHESTER SQ. 2ND FLOOR BX 1046

I represent: WEST SQ. MERCHANTS ASSN.

Address:

THE COUNCIL
THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. 644 Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: JOHN BONIZIO

Address: 25 WESTCHESTER SQ. BX 10761

I represent: WESTCHESTER SQ BID STEERING

Address: - SAME - COMMITTEE

THE COUNCIL
THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. 644 Res. No. _____

in favor in opposition

Date: 10/17/11

(PLEASE PRINT)

Name: JOSEPH BELLETER

Address: 1250 WATERS PLACE, BRONX, NY

I represent: SIMONA DEVELOPMENT & BRONX CHAMBER OF

Address: " " COMMERCE

THE COUNCIL
THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. 644 Res. No. _____

in favor in opposition

Date: 10-17-11

(PLEASE PRINT)

Name: THOMAS LUCANIA

Address: _____

I represent: BRONX BOROUGH PRESIDENT

Address: Westchester Square BID
ITEM

Please complete this card and return to the Sergeant-at-Arms