

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON FINANCE

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November 29, 2011  
Start: 10:50 a.m.  
Recess: 11:10 a.m.

HELD AT: 250 Broadway  
Committee Rm. 16th Fl.

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

COUNCIL MEMBERS:

Gale A. Brewer  
Leroy G. Comrie, Jr.  
Lewis A. Fidler  
Helen D. Foster  
Robert Jackson  
Darlene Mealy  
Diana Reyna  
Joel Rivera  
Albert Vann  
Fernando Cabrera  
Julissa Ferreras  
Karen Koslowitz  
James G. Van Bramer

## A P P E A R A N C E S

## COUNCIL MEMBERS:

James S. Oddo

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

Elizabeth De Leon  
Deputy Commissioner  
Department of Small Business Services

Andrew Schwartz  
First Deputy Commissioner  
Department of Small Business Services

Eddy Eng  
BID Development Director  
Department of Small Business Services

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2 CHAIRPERSON RECCHIA: I'm sorry. I  
3 apologize for my lateness. I was stuck in a  
4 meeting with the Speaker. We had some pressing  
5 issue to discuss. All right. Welcome to today's  
6 Finance Committee Hearing. My name is Domenic M.  
7 Recchia, Jr. I'm the Chair of this wonderful  
8 committee. I want to thank my wonderful finance  
9 staff, under the leadership of Preston Niblack,  
10 and Jeffrey Rodus, the First Deputy. And I'd like  
11 to thank the staff, Ray, Tanisha Edwards, my  
12 wonderful attorney--always does great work. We  
13 mentioned Jeff Rodus. Who else? I forgot  
14 Jonathan there. We've got Ralph. All right.  
15 We've got everybody from Finance. Raymond. Ray  
16 Majewski. Okay? And we also have my staff,  
17 Makayla [phonetic], and Lizzie. All right. Today  
18 we have eight items on our agenda. We have six  
19 land use items, we have a bill that would extend  
20 the hotel tax, and we have a bill that would  
21 establish the Westchester Square BID. Let's first  
22 start with the Land Use items. The follow  
23 properties will be rehabilitated and receive full  
24 property tax exemption. The first is Fairway  
25 Gardens in Council Member Debbie Rose, in Staten

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2 Island. The second item is Francis Houses Phase  
3 II, located in Council Member Inez Dickens's  
4 district in Manhattan. The property contains 220  
5 rentals for low-income families. The third is  
6 Greene Avenue Senior Citizens Center, located in  
7 Tish James's district in Brooklyn. The property  
8 contains 150 units of rental housing for low-  
9 income families. The fourth is Oceanview I,  
10 located in Council Member Sanders's district, in  
11 Queens, which 149 units are residential housing  
12 for low-income families. The fifth is Oceanview  
13 II, in Council Member Sanders's district. Okay,  
14 like the previous property the property contains  
15 149 units of proposed rental housing for low-  
16 income families. The sixth and last land use item  
17 is Heyson Gardens, also located in Sanders's  
18 district in Queens, with 30 units of rental  
19 housing for low-income family. Now we'll move to  
20 Intro, starting first, Intro or proposed Intro  
21 704-A, which extends the current rate of hotel  
22 tax. The current rate of hotel tax is 5.875%.  
23 Without this bill the current rate would sunset  
24 tomorrow and revert to 5%. Proposed Intro 704-A  
25 extends the current rate until November 30th,

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2 2013, beginning on December 1st, 2013, the hotel  
3 tax would revert back to 5%. In calendar year  
4 2010 at the 5.875% rate, the hotel tax brought in  
5 about \$363 million. With this bill we're expected  
6 to get an extra \$56 million in FY 13 for a total  
7 of \$427 million. The difference in the average  
8 amount people pay for hotel rooms at the 5% rate  
9 and the 5.875% rate is \$2, which is a small price  
10 to pay for the additional \$56 million that the  
11 city will get. Our next item is an intro that  
12 would establish Westchester Square BID in Jimmy  
13 Vacca's district. If approved, this would be the  
14 city's 68th BID. The first budget for this BID is  
15 \$320,000. About two-thirds of it going towards  
16 marketing and sanitation. Council Member Vacca  
17 supports the BID. The Committee first considered  
18 this BID October 17th. Pursuant to BID law,  
19 whenever a BID is created, a public hearing must  
20 be held on the legislation and the Committee must  
21 wait at least 30 days. It can again consider the  
22 vote. The 30-day period immediately after the  
23 public hearing serves an objection period. Any  
24 property owner may during this time period  
25 formally object to the bid by filing objections at

1  
2 the Office of the City Clerk. If at least 51% of  
3 the total number of property owners or owners with  
4 51% of the assets valuation of all the benefitted  
5 real property within the District object to the  
6 BID, then the City Council is prohibited by law  
7 from approving such BID. I feel insulted. Nobody  
8 wants to listen to me. But that's okay, continue  
9 on your conversations. So, after the end  
10 conclusion of the objection period, the Committee  
11 must answer the following four questions. Were  
12 all notices of the hearings for all hearings  
13 required to be held public mailed as so required?  
14 Does all the real property within the district  
15 boundaries benefit from the establishment of the  
16 district except as otherwise provided by the law?  
17 Is it all real property benefitted by the district  
18 included within the district? And is the  
19 establishment of the district in the best interest  
20 of the public? The objection period for the BID  
21 ended November 26th. If the Committee finds in  
22 the affirmative on these four questions and the  
23 number of objections required to prevent the  
24 creation of such a district are not filed, then  
25 the legislation can be adopted. If notice was--

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2 if, repeat, Council Members listen to this part.  
3 Listen to this part because this is very  
4 important, because we have an issue with this  
5 today. If notice was not properly given, then the  
6 bill must be laid over and the vote--and voted out  
7 at a time to be determined by later Committee.  
8 There is an issue with this bill about notice.  
9 We're going to hear from SBS, then we'll talk  
10 about it. All right? The Committee looks forward  
11 to hearing from the Small Business Services  
12 regarding whether the sufficient number of  
13 objections to deny the establishment of the BID  
14 has been reached, and whether notice was properly  
15 and sufficiently mailed to all owners. Those are  
16 all the items on today's agenda. Representatives  
17 from the administration are here to discuss and  
18 answer any questions on the hotel tax, land use,  
19 and we'll hear from Department of Small Business  
20 Services. Does anyone have any questions about  
21 anything else but Westchester Square BID? Not  
22 seeing that, Small Business Services, you're up.  
23 Okay. Westchester Square BID. Just identify--  
24 everybody identify themselves for the record.  
25 Tell us who's up there, and then we'll... Go ahead.



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ELIZABETH DE LEON: You can start.

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Go ahead. Elizabeth De Leon Deputy Commissioner

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to SBS.

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ANDREW SCHWARTZ: Andy Schwartz,

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First Deputy Commissioner, SBS.

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EDDY ENG: Eddie Eng, BID Director

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at SBS.

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ELIZABETH DE LEON: Good morning,

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Mr. Chairman, members of the Finance Committee. I

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have a little bit of a cold, so...

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CHAIRPERSON RECCHIA: So do I.

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ELIZABETH DE LEON: Yeah? Look at

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that.

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CHAIRPERSON RECCHIA: Do you want a

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cough drop?

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ELIZABETH DE LEON: Actually? No.

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I'm the Deputy Commissioner at the Department of

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Small Business Services. We're please to provide

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information to assist the Finance Committee in its

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determination regarding the legal sufficiency of a

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mailing of a summary notice for the establishment

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of the Westchester Square BID, located in the

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Borough of the Bronx.

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On October 5th, 2001, the City

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2 Council adopted a resolution setting forth October  
3 17th as the date, 10:00 a.m. as the time, in the  
4 City Council Hearing Room, 16th Floor, 250  
5 Broadway, New York City, as the place for public  
6 hearing to hear all persons interested in the  
7 proposed legislation, which would establish the  
8 Westchester Square BID.

9 In addition to the City Council  
10 authorized the Westchester Square BID Steering  
11 Committee to mail on its behalf a notice of the  
12 public hearing containing the information required  
13 by § 25-406(c) of the New York City Administrative  
14 Code, and summarizing the resolution adopted.

15 On October 6th, 2011, the  
16 Westchester Square BID Steering Committee mailed  
17 the summary of the City Council Resolution to 77  
18 owners of the real property within the proposed  
19 district at the addresses shown on the latest City  
20 Assessment roll, and to such other persons as are  
21 registered with the City to receive tax bills,  
22 concerning real property within the district.

23 Further, the BID Steering Committee  
24 hand-delivered the summary notice to 150  
25 commercial tenants and 47 residential tenants

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2 within the proposed district. Additionally, we  
3 wish to report on the results of the objections  
4 filed with the City Clerk against the  
5 establishment of the proposed Westchester Square  
6 BID.

7                   On October 17th, 2011, the City  
8 Council Finance Committee held a public hearing on  
9 the establishment of the proposed Westchester  
10 Square BID as required under the law. The public  
11 hearing was closed without a vote and the  
12 committee waited at least 30 days before it  
13 reconsidered the legislation on the establishment  
14 of the Westchester Square BID. The 30-day period  
15 immediately after the public hearing serves as an  
16 objection period. At the conclusion of the  
17 objection period, which ended at 5:00 p.m. on  
18 Tuesday, November 15th, 2011, and after taking  
19 into consideration any objections postmarked by  
20 that date, two valid objections were filed with  
21 the City Clerk.

22                   Owners of 1.1% of the assessed  
23 valuations of all benefitted real properties  
24 situated within the district filed objections to  
25 the district's establishment. Also, 2.6% of the

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2 owners of benefitted real property filed  
3 objections. In addition, one invalid objection  
4 was filed with no proof of property ownership.  
5 The total assessed valuation of real property  
6 within the district is \$32,289,212. And the total  
7 number of properties is 87, which are held by 77  
8 property owners.

9 Our review concludes that neither  
10 the assessed valuation nor the owner property  
11 percentage of 51% as required under law has been  
12 reached. Therefore, SBS supports the City Council  
13 determination to hold a further hearing on the  
14 establishment of the proposed Westchester Square  
15 BID. Thank you.

16 CHAIRPERSON RECCHIA: All right.  
17 Here's my question. Before we go forward, there  
18 is a notice issue with this BID, just so all my  
19 colleagues know. Now, before that, let me just  
20 introduce everyone that has arrived. We have  
21 Lewis Fidler walking through the door. Lew, show  
22 your head. All right. We have Karen Koslowitz to  
23 my right. Ms. Ferreras, from Queens. Julissa  
24 Ferreras. We have Diana Reyna. We have myself.  
25 We have Joel Rivera, Fernando Cabrera. I'm

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getting it right.

COUNCIL MEMBER RIVERA: Ferreras,  
Rivera, Cabrera. Say that three times fast.

CHAIRPERSON RECCHIA: Gale Brewer,  
Al Vann, Robert Jackson. Okay.

In order for notice to be  
sufficient, notice must be mailed to each owner of  
real property within the proposed district at the  
address shown on the latest city assessment roll,  
and the tenants of each building within the  
proposal district. SBS has just testified that  
while notice was hand-delivered to tenants, it was  
not mailed as required by law. Is that correct?

ELIZABETH DE LEON: Yes.

CHAIRPERSON RECCHIA: All right.  
And could you explain to us why this happened?

ELIZABETH DE LEON: It was  
personally mailed.

ANDREW SCHWARTZ: Yeah, I think we  
discussed this a little bit the first time around.  
The sponsor for this committee, the group that's  
helping put it together, there was a very--  
unfortunately a very tight timeframe involved when  
the Council first set the date and the mailing has

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2 to go out ten days before the hearing. So I think  
3 in this case that didn't get done, the mailing  
4 didn't get done. They decided how can we make  
5 this effective, so they hand delivered it. So it  
6 was probably good actual notice to the tenants,  
7 but no, not in exact compliance.

8 CHAIRPERSON RECCHIA: Okay. So,  
9 because it was hand delivered, all right, we all  
10 know that that's better than being mailed. It's  
11 not in compliance with the law. On calling this  
12 Committee must make--can I have everyone's  
13 attention? I want to recognize Leroy Comrie who  
14 just walked in. Accordingly this Committee must  
15 make a determination on whether notice was  
16 sufficient. According to the state law it had to  
17 be mailed and it wasn't mailed. If we find that  
18 notice did not meet the law's requirement, then we  
19 must lay this bill over until about February.  
20 We'll have a hearing on December 19th and it won't  
21 probably get passed until February.

22 COUNCIL MEMBER BREWER: What's  
23 Jimmy Vacca's position?

24 CHAIRPERSON RECCHIA: Jimmy, he  
25 supports the establishment of the BID, okay? But,

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2 if we don't lay this over and it gets challenged,  
3 they will win in court. The whole process could  
4 start all over. Where if we just lay this over,  
5 it would get passed in February instead of today.  
6 You know what I mean? So my recommendation is  
7 that we should lay this over, get it passed and do  
8 this the right way so we don't have any  
9 complications. Because there were two objections  
10 and if they want to file it in Court they could.  
11 All right? But we have to call a vote on what you  
12 want to do. My recommendation is to hold this  
13 over. Okay? So, you want to call the vote?

14 TANISHA EDWARDS: Pursuant to BID  
15 law, I will poll the members and get their opinion  
16 on what they want to do in regards to this bill.  
17 We can either vote this bill out today or vote to  
18 lay it over once you find that notice was  
19 insufficient.

20 CHAIRPERSON RECCHIA: Right. So  
21 the first vote is to lay it over. I make a motion  
22 to lay this over. Do we have a second on that?

23 COUNCIL MEMBER REYNA: Second.

24 CHAIRPERSON RECCHIA: Okay. Call  
25 the roll.

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TANISHA EDWARDS: Domenic Recchia?

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CHAIRPERSON RECCHIA: Aye, in favor

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of laying it over.

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TANISHA EDWARDS: Council Member

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Rivera?

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COUNCIL MEMBER RIVERA: I vote Aye.

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TANISHA EDWARDS: Council Member

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Reyna?

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COUNCIL MEMBER REYNA: Aye.

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TANISHA EDWARDS: Council Member

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Brewer?

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COUNCIL MEMBER BREWER: Aye to lay

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it over.

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TANISHA EDWARDS: Comrie?

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COUNCIL MEMBER COMRIE: Aye to lay

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it over.

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TANISHA EDWARDS: Council Member

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Foster?

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COUNCIL MEMBER FOSTER: Aye.

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TANISHA EDWARDS: Council Member

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Jackson?

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COUNCIL MEMBER JACKSON: Aye.

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TANISHA EDWARDS: Council Member

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Ferrereras.



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COUNCIL MEMBER FERRERAS: Aye.

TANISHA EDWARDS: Council Member

Vann?

COUNCIL MEMBER VANN: Lay it over.

TANISHA EDWARDS: Council Member

Cabrera?

COUNCIL MEMBER CABRERA: Aye.

TANISHA EDWARDS: Council Member

Koslowitz?

COUNCIL MEMBER KOSLOWITZ: Aye.

TANISHA EDWARDS: 10 out of the 17

Finance Committee Members have voted to lay--

Council Member Fidler? Council Member Lewis

Fidler?

COUNCIL MEMBER FIDLER: Aye.

TANISHA EDWARDS: 11 out of the 17

members have voted to lay the bill over, and this

Committee will consider the resolution to set

another hearing date sometime in December.

ANDREW SCHWARTZ: Thank you. We

look forward to this coming before the Committee

again. We support the establishment of this BID.

CHAIRPERSON RECCHIA: All right.

Thank you very much. Okay. Now, we're going to

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take a vote on the hotel tax and the six land use items.

TANISHA EDWARDS: Billy is going to call that roll.

CHAIRPERSON RECCHIA: Where's Billy? Oh, Jimmy Van Bramer just joined us. Jimmy now do you vote on the Westchester Square BID?

COUNCIL MEMBER VAN BRAMER: Aye.

CHAIRPERSON RECCHIA: Okay, thank you. Aye. To lay it over.

COUNCIL MEMBER VAN BRAMER: Aye to lay it over.

CHAIRPERSON RECCHIA: Okay. Now this vote is for the hotel tax and the land use items. Darlene Mealy just walked--Darlene Mealy we recognize Darlene Mealy from Brooklyn. We took a prior vote on the Westchester Square BID in laying it over. Council Member how would you vote? We recommend that you vote Aye on laying over the Westchester Square BID. How do you vote?

COUNCIL MEMBER MEALY: I vote Aye.

CHAIRPERSON RECCHIA: Okay. And Jimmy Oddo, how do you vote?

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COUNCIL MEMBER ODDO: I vote Aye on all, with the exception of Lew Fidler's egregious tax raising bill.

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CHAIRPERSON RECCHIA: No, no. We didn't vote on that. This is the Westchester Square BID.

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COUNCIL MEMBER ODDO: I'm practicing.

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CHAIRPERSON RECCHIA: The Westchester Square BID, how do you vote?

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COUNCIL MEMBER ODDO: I vote however the Chairman wants me to vote.

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CHAIRPERSON RECCHIA: To lay it over. Aye.

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COUNCIL MEMBER ODDO: Yes.

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CHAIRPERSON RECCHIA: Okay. Now.

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COUNCIL MEMBER ODDO: Now I want to vote on Lew Fidler's egregious tax raising bill.

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CHAIRPERSON RECCHIA: Okay. Now we're going to vote on the hotel tax and the six land use items. Okay? Does anybody want to speak on the hotel tax? Without seeing anybody who wants to speak on it--you can speak before you vote Jimmy. All right. Call the roll.

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2 WILLIAM MARTIN: William Martin,  
3 Committee Clerk. Roll call vote on Committee on  
4 Finance. Council Member Recchia.

5 CHAIRPERSON RECCHIA: Aye on all.

6 WILLIAM MARTIN: Rivera.

7 COUNCIL MEMBER RIVERA: I vote Aye.

8 WILLIAM MARTIN: Reyna.

9 COUNCIL MEMBER REYNA: Aye.

10 WILLIAM MARTIN: Brewer.

11 COUNCIL MEMBER BREWER: Aye.

12 WILLIAM MARTIN: Comrie.

13 COUNCIL MEMBER COMRIE: Aye.

14 WILLIAM MARTIN: Fidler.

15 COUNCIL MEMBER FIDLER: Pass.

16 WILLIAM MARTIN: Foster.

17 COUNCIL MEMBER FOSTER: Aye.

18 WILLIAM MARTIN: Jackson.

19 COUNCIL MEMBER JACKSON: Aye.

20 WILLIAM MARTIN: Vann.

21 COUNCIL MEMBER VANN: Aye.

22 WILLIAM MARTIN: Mealy.

23 COUNCIL MEMBER MEALY: Aye.

24 WILLIAM MARTIN: Ferreras.

25 COUNCIL MEMBER FERRERAS: Aye.

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WILLIAM MARTIN: Cabrera.

COUNCIL MEMBER CABRERA: Aye.

WILLIAM MARTIN: Koslowitz.

COUNCIL MEMBER KOSLOWITZ: Aye.

WILLIAM MARTIN: Van Bramer.

COUNCIL MEMBER VAN BRAMER: Aye.

WILLIAM MARTIN: Oddo.

COUNCIL MEMBER ODDO: Pass.

CHAIRPERSON RECCHIA: Now we have a pass. Now we recognize the Council Member from Brooklyn, Lewis Fidler.

COUNCIL MEMBER FIDLER: I can't pass again, can I?

CHAIRPERSON RECCHIA: No, you can't. You have to step up to the plate.

COUNCIL MEMBER FIDLER: I can only imagine what my dear colleague and friend, James Oddo, is about to say is--first of all, I do want to thank Finance Chairman Recchia and Counsel Tanisha Edwards for her work on the hotel tax extender. I'm sure that we will all enjoy not having to cut the budget by an additional \$60 million for revenue provided by not one single person who lives and breathes in New York who

1  
2 isn't here as a tourist. I know that Councilman  
3 Oddo will appreciate that as well. And I also  
4 want to thank the Mayor for coming to his senses  
5 and realizing that we can't afford not to maintain  
6 the hotel tax at its present rate. I vote Aye on  
7 all.

8 WILLIAM MARTIN: Oddo.

9 COUNCIL MEMBER ODDO: May--

10 CHAIRPERSON RECCHIA: [Interposing]

11 Hold on. Hold on.

12 COUNCIL MEMBER ODDO: Set it up,

13 Dom. Set it up.

14 CHAIRPERSON RECCHIA: Go ahead,

15 Jimmy. Go ahead, I'm not going to say it.

16 COUNCIL MEMBER ODDO: My name is

17 Simcha Felder, and I approved this message.

18 Fidler, Felder, Iceberg, Goldberg, what's the

19 difference? I vote no on the hotel tax bill, and

20 Aye on all others.

21 CHAIRPERSON RECCHIA: Okay.

22 WILLIAM MARTIN: By a vote of 15 in

23 the affirmative, 0 in the negative and no

24 abstention, all items are adopted, with the

25 exception of Introduction 704-A, which is adopted

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by a vote of 14 in the affirmative, 1 in the  
negative, and no abstentions. Members, please  
sign all committee reports.

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CHAIRPERSON RECCHIA: Okay. We're

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going to leave the vote open. This meeting is

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adjourned. The meeting is adjourned. All right?

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We're not keeping the vote open.

C E R T I F I C A T E

I, Erika Swyler 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 12/13/11