



**THE COUNCIL OF THE CITY OF NEW YORK
FINANCE DIVISION
PRESTON NIBLACK, DIRECTOR
FISCAL IMPACT STATEMENT**

INTRO. NO: 1106

COMMITTEE: Finance

TITLE: A Local Law to amend the administrative code of the city of New York in relation to authorizing an increase in the amount to be expended in eight business improvement districts.

SPONSOR: Council Member Weprin (by request of the Mayor)

SUMMARY OF LEGISLATION: The proposed local law amends various sections in chapter 4 of title 25 of the administrative code of the city of New York (the "Code") which would increase the budget amounts of eight Business Improvement Districts ("BID") throughout the City. The budgets are funded by special assessments on properties within the district and pay for additional services beyond those which the City provides. The special assessments are collected with the City's property tax collection system and passed through to the BIDs.

EFFECTIVE DATE: This local law would take effect immediately and shall be retroactive to July 1, 2009.

FISCAL YEAR IN WHICH FULL FISCAL IMPACT ANTICIPATED: Fiscal 2010.

FISCAL IMPACT STATEMENT:

	Effective FY10	FY Succeeding Effective FY11	Full Fiscal Impact FY10
Revenues (+)	\$0	\$0	\$0
Expenditures (-)	\$0	\$0	\$0
Net	\$0	\$0	\$0

IMPACT ON REVENUES AND EXPENDITURES: There will be no net impact on revenues or expenditures resulting from the enactment of this legislation on the City's budget adopted for Fiscal 2010. The BID assessments are charges separate from the City's property tax levy and thus do not impact the General Fund. The assessments are levied on the businesses located in the impacted BIDs. The BIDs' budgets for Fiscal 2010 will increase from the Fiscal 2009 amounts (see below) as a result of this legislation.

BID Name	Year Est.	Last Assessment Increase	Present Assessment	Proposed Assessment	Purpose of Assessment Increase
125 th Street	1994	FY 08 \$116,766	\$719,766	\$842,126	Increase in office expenses due to relocation, insurance, professional fees and other general and administrative expenses; revenue sources decreased over \$200,000.
Columbus-Amsterdam	1987	FY 04 \$33,600	\$201,600	\$260,000	Increase in promotional programs, tree pits, holiday lights, and general and administrative costs such as office expenses and rent.
DUMBO	2005	Not applicable	\$400,000	\$500,000	Increase in promotions, marketing and special; insurance costs projected to increase by 43% as a result of the opening of The Archway under the Manhattan Bridge; increase in other general and administrative costs such as rent and printing.
Lower East Side	1992	FY 09 \$45,200	\$290,400	\$335,600	Increase in economic development activities to assist businesses in the down economy; grants and contributions projected to decrease by 44%.
Montague Street	1998	FY 03 \$16,500	\$124,500	\$175,000	Increase expenses related to the expansion of landscaping, holiday programming and office expenses; anticipate increases in audit costs.
Pitkin Avenue	1994	FY 98 \$11,500	\$125,403	\$225,000	Increase to adjust to cost of living increases for several years; increases for marketing and outreach programs, sanitation and administrative expenses. Salary increase will allow for a part-time hire and plans to have more events and promotions to help businesses in the district.
Queens Plaza/ Court Square	2006	Not applicable	\$300,000	\$450,000	Additional services will be added to serve new commercial and residential tenants, including sanitation and security; cost of living increase.
Union Square (14 th Street)	1984	FY 06 \$250,000	\$1,439,500	\$2,000,000	Reduced sponsorship income and lower interest rates, lowering the revenue projections; expenses increased given inflation and the demands of increased pedestrians on the streets and the users of Union Square Park; a new multi-year sanitation contract increased expenses up to 15-20%; administrative costs increase including health insurance and insurance costs; community programming for Union Square Park, including the North End, and new costs related to care and maintenance of 80 tree pits along 14 th Street.

SOURCE OF FUNDS TO COVER ESTIMATED COSTS: BID special assessments.

SOURCE OF INFORMATION: City Council Finance Division
NY City Department of Small Business Services

ESTIMATE PREPARED BY: Tanisha Edwards, Counsel
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FIS HISTORY: To be considered by the Committee on December 21, 2009.

