

**Statement by Deputy Commissioner Blaise Backer, NYC Dept. of Small Business Services**  
**New York City Council, Finance Committee**  
**November 14, 2018**

Good morning Chair Dromm and members of the Finance Committee, I am Michael Blaise Backer, Deputy Commissioner, Department of Small Business Services (SBS). I wish to express our support for the law providing an increase in the amount to be expended in 14 Business Improvement Districts (BIDs).

The City's 75 BIDs invest over \$147 million into local economies in the form of supplemental services and programs that serve more than 93,000 businesses across the city. BIDs have been valuable and proven partners in ongoing initiatives of neighborhood revitalization and economic development across the five boroughs, making New York City neighborhoods cleaner, safer, and more vibrant. BIDs are also advocates for small businesses in their districts, helping them to navigate government, facilitating networking among fellow business owners, providing business retention support, and attracting shoppers to the area. In partnership with city government, BIDs help create jobs, improve the quality of life for New Yorkers and visitors, enhance the city's tax base, and strengthen local economies.

BIDs will typically request to increase the assessment on property owners in their district every three to ten years. Assessment increases allow BIDs to expand existing services, add new programs, add staff capacity, or sustain current levels of programs and services impacted by rising contract costs associated with the increase in minimum wage. BID Boards of Directors will determine the new maximum cap for BID assessments, as well as whether to phase it in gradually based on the projected costs of programs and services. SBS reviews the requested

increase amount to ensure it is reasonable to accommodate the expanded services without being overly burdensome or arbitrary.

To propose an assessment increase, BIDs must complete a multi-step review process overseen by SBS. The BID Board of Directors—which includes local property owners, merchants, and residents, as well as representatives from the City Comptroller, Borough President, City Council, and SBS—must review and approve the proposed assessment increase. Additionally, SBS requires all BIDs to submit a four-part justification outlining how the increase will be allocated, minutes from the Board meeting when the increase was approved, and letters of support by all City Councilmembers represented in the BID boundaries. SBS then reviews these proposals and determines whether they are sufficient to bring to City Council.

Additionally, as required by law, each of the 14 BIDs published a notice of the public hearing at least once in a local newspaper having general circulation in the districts specifying the time and place of today's hearing and stating the proposed amount to be expended annually. Each District has also certified that they have mailed a letter to property owners informing them about the proposed assessment increase, and the time and place of this public hearing.

It is a priority of the Agency that assessment increase proposals focus on enhancing programs and services provided to the district. The 14 Districts proposing assessment increases are doing so to address vital needs and changing conditions. These increases will further expand, reinforce and strengthen existing core services currently provided in the business districts, and include funds for capital improvements, plaza activation, and added staff capacity. Additionally, portions

of these increases will be used to sustain current levels of sanitation and public safety programs and services impacted by rising contract costs related to the increase in minimum wage.

The proposed increases for FY19 range from \$97,900 to \$4.2 million, varying according to budget size, district size, and proposed changes in programs and services. I am happy to restate the specific amounts if necessary.

- (1) 125th Street, from \$1,005,793 to \$1,240,462;
- (2) Bay Ridge 5th Avenue, from \$427,000 to \$534,000;
- (3) Chinatown, from \$1,300,000 to \$1,800,000;
- (4) Court-Livingston-Schermerhorn, from \$907,000 to \$1,400,000;
- (5) Madison/23rd/Flatiron/Chelsea, from \$2,200,000 to \$3,250,000;
- (6) Fashion Center, from \$8,800,000 to \$13,000,000;
- (7) Graham Avenue, from \$137,638 to \$250,000;
- (8) Grand Street, from \$226,460 to \$324,360;
- (9) Lincoln Square, from \$2,500,000 to \$3,200,000;
- (10) Queens Plaza/Court Square, from \$800,000 to \$1,000,000;
- (11) Lower East Side from \$974,600 to \$1,300,000;
- (12) Park Slope Fifth Avenue from \$300,000 to \$500,000;
- (13) Steinway Street from \$400,000 to \$520,000; and
- (14) Westchester Square from \$320,000 to \$425,920.

Representatives from each BID requesting an assessment increase are present to answer any questions pertaining to their specific requests. However, I am happy to answer any questions you may have. Thank you.



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Gale A. Brewer, Borough President

November 14, 2018

**Testimony of Manhattan Borough President Gale A. Brewer  
New York City Council – Committee on Finance  
Int. No. 1144 (Authorizing an Increase in the amount to be expended annually in the Garment  
District Alliance Business Improvement District)**

Good morning Chair Dromm and members of the Finance Committee. I am Jim Caras, Senior Advisor to Manhattan Borough President Gale A. Brewer, and I am here to make a statement on her behalf in support of the proposed increase in the amount of annual expenditures for the Garment District Alliance (or BID).

The legislation before you today would approve increases in the budgets of fourteen New York City BIDs. I support this action in the case of the Garment District Alliance, because it will make available funds that are part of a comprehensive program to ensure Manhattan's garment manufacturing businesses can remain in the City's historic Garment Center. The Council's Subcommittee on Zoning and Franchises will hold a hearing tomorrow to contemplate lifting the manufacturing preservation requirements embodied in the Special Garment District's zoning. Manhattan's Garment Center is about to undergo serious changes and this assessment will help ensure that the displacement of the garment industry is *not* one of those changes.

When the City first proposed to lift the Garment Center's zoning preservation requirements in 2017, it sought to assist in the relocation of garment manufacturing businesses from the Garment Center to Brooklyn's Sunset Park neighborhood. The City and Garment Center BID even committed funds for this purpose. But as my office began speaking to the manufacturers and employees in the Garment Center, it became clear that Manhattan's Garment Center, with its rich ecosystem of garment-related businesses, needed to remain the core of the fashion industry. Without that core, the New York fashion industry is at risk. The Borough President came to emphatically believe that any funds raised by the BID needed to be spent helping businesses thrive in the Garment Center – not relocate out of the district.

We knew that if preservation requirements were to be lifted, we would need extensive programs and funding to support and retain the garment manufacturing industry. Early in 2017 we began our outreach to industry representatives, and in May 2017, Council Speaker Johnson and the Borough President's Office formed the Garment Center Steering Committee, which was comprised of elected officials, Community Boards 4 and 5, the New York City Economic Development Corporation (EDC), and representatives of manufacturers, designers, unions, and real estate, including the Garment District Alliance. Their recommendations provided valuable guidance for addressing the needs of the garment

industry. Through their collective efforts, we have come a long way from the original proposal to lift the zoning restrictions and not provide any accompanying assistance for the garment industry in Manhattan. Among the recommendations of the Steering Committee were:

1. Establish a tax incentive program to retain long-term garment production space in the Garment Center: this has been done through EDC's creation of the Industrial Development Agency (IDA) Program;
2. Work to effectuate a public-private building acquisition of a building that will be used to garment production: EDC has also taken the lead on this, issuing a Request for Expressions of Interest (REFI) and committing \$20 million for the acquisition of a garment manufacturing building;
3. Support and develop new and existing talent pipelines for the garment-related workforce in mid-Manhattan;
4. Support business planning and marketing among garment manufacturers; and
5. Develop communications platform to elevate garment manufacturers.

We want to thank the Garment District Alliance for working so hard as part of the Steering Committee and taking its recommendations so seriously. The majority of the increase being requested by the BID is to assist in its commitment to support businesses – and especially garment manufacturers and their workers – within the BID's boundaries. Originally this money was to be used for relocation expenses of manufacturing businesses that left the district, but in September under the BID director's leadership the BID voted to redirect this money for programs available to assist businesses within the BID's boundaries.

The Garment District Alliance will support garment manufacturing in the area by providing \$2.5 million each year to fund efforts that will assist businesses, including garment manufacturers, with workforce development, trainings, and facilitating communications among businesses in the district. And I'm sure we'll see many more programs that will help the garment industry remain vital to New York's economy.

This support will be crucial as the zoning protections in the Special Garment District are lifted. I therefore urge you to approve the proposal before you today, but the Garment District Alliance must also commit to work with our office, the Speaker's office and other stakeholders to design programs that will be part of a long-term effort to foster the continued health of the garment industry. While we understand that no one can guarantee the efficacy and demand for programs ten years from now, we need assurances that as long as the need to assist the manufacturing and garment related businesses in the district continues over the course of the next decade, the BID will work with us to ensure that effective programs are available and funded.

Thank you for the opportunity to testify on this important matter.

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: 11/14/2018

(PLEASE PRINT)

Name: Rexanne Earley

Address: \_\_\_\_\_

I represent: BBS; Director; Business Improvement District Program

Address: 100 William St. NYC

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: 11/14/2018

(PLEASE PRINT)

Name: Michael Blaise Backer

Address: \_\_\_\_\_

I represent: Dept. Small Biz Services; Dep Commish Neighborhood Dev. Division

Address: 100 William St

THE COUNCIL  
THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. 1144 (input) Res. No. \_\_\_\_\_  
 in favor  in opposition

Date: 11/14

(PLEASE PRINT)

Name: James Garas

Address: \_\_\_\_\_

I represent: Manhattan Borough Pres

Address: 1 Centre St.