



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

INTRO. NO: 437

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 seven business improvement districts.

SPONSOR:
Recchia, Jr. (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 seven 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, 2010.

FISCAL YEAR IN WHICH FULL FISCAL IMPACT ANTICIPATED: Fiscal 2011.

FISCAL IMPACT STATEMENT:

	Effective FY11	FY Succeeding Effective FY12	Full Fiscal Impact FY11
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 2011. 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 2011 will increase from the Fiscal 2010 amounts (see below) as a result of this legislation.

BID Name	Present Assessment	Proposed Assessment	Purpose of Assessment Increase
125 th Street	\$842,126	\$867,390	Increase in costs of public safety services, and hiring a project manager.
Brighton Beach	\$190,000	\$220,000	Expand sanitation operations during spring/summer season; expand graffiti removal program; enhance promotional events; re-design holiday lights; and implement a new banner program.
Fashion Center	\$5,000,000	\$5,750,000	Create Mannequin Parade, a new promotional program; provide added arts project; upgrade Broadway Boulevard including streetscape maintenance and improvements; and enhance holiday lights.
Fifth Avenue	\$2,562,000	\$2,715,720	Increases in insurance costs; lower staff turnover resulting in higher pension expenses; and costs-of-living increases.
HUB-Third Avenue	\$400,927	\$450,927	Annual maintenance of video surveillance equipment, and trash compactors; increases in advertising campaign; increases in office equipment and supplies; and insurance rates increases.
Myrtle Avenue Brooklyn	\$350,000	\$425,000	Hire two part-time employees; enhance marketing and promotional materials; increases in insurance costs; and increases in sanitation costs.
Times Square	\$10,400,000	\$11,685,440	Enhanced maintenance services for Broadway Plazas and Duffy Square; increases in New Year's Eve project costs, rebuilding cash reserves and cost-of-living increases for sanitation workers.

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
Ralph Hernandez, Finance Analyst

FIS HISTORY: To be considered by the Committee on December 20, 2010.