

Statement by Deputy Commissioner Blaise Backer, NYC Dept. of Small Business Services
New York City Council, Finance Committee
December 9, 2021

Good morning Chair Dromm and members of the Finance Committee, I am Michael Blaise Backer, Deputy Commissioner of Neighborhood Development at the Department of Small Business Services (SBS). I am joined by Roxanne Earley and Stephen Lee, Director and Senior Program Manager for the Business Improvement District (BID) program. I wish to express our support for the law providing an increase in the amount to be expended in 2 Business Improvement Districts or BIDs.

At SBS, we are working hard to open doors for New Yorkers across the five boroughs – focusing on creating stronger businesses, connecting New Yorkers to good jobs, and fostering thriving neighborhoods. Throughout the pandemic and now into recovery, SBS has been a key provider of programs, services, and critical information to small businesses and commercial corridors alike. We provide guidance to BIDs to help businesses comply with Key to NYC requirements, as well as information on how businesses can ensure safe reopening for employees and customers. In addition, we have coordinated hundreds of hours of interagency response through regular program calls, and partnerships with DOT on Open Streets and the Office of Recovery on commercial district safety and cleanliness. We believe BIDs are central to these efforts as valuable and proven partners in fostering the vitality of the City’s neighborhoods and commercial districts. Due to the lingering effects of the COVID-19 pandemic and recovery on our neighborhoods, BIDs have been called upon to deliver an increased level of services and support to the small business community. These additional supports address the public health and economic impacts of the pandemic and subsequent recovery, and every single BID has been scouring their budgets for savings and efficiencies.

Part of our role in overseeing and supporting the City’s existing network of 76 BIDs includes guiding them through legislative processes, including increases to their assessment cap. 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 five-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 justifications and determines whether they are sufficient to bring to City Council.

As required by law, each of the 2 BIDs published a notice of this 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 BID 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 SBS that assessment increase proposals focus on enhancing programs and services provided to the district. The 2 BIDs proposing assessment increases are doing so to address vital needs and changing conditions on the ground. For example, the Lower East Side will provide community programming and public art installations to Open Streets and public plazas; restore its marketing budget trimmed in recent years to deliver sanitation and public space maintenance services; and hire a full-time operations manager to oversee and maintain its public assets. For Hudson Yards, the increase will provide sanitation, security, marketing, holiday lighting, streetscape enhancements, and beautification to a service area doubling in size as construction projects are completed. The BID will also implement capital projects proposed in its recently completed streetscape plan and deliver programs and maintenance to Bella Abzug Park.

The proposed increases will begin in FY23 and vary according to budget size, district size, and proposed changes in programs and services. The proposed increases are:

- (1) Lower East Side, from \$1,300,000 to \$2,000,000, and
- (2) Hudson Yards, from \$3,000,000 to \$6,000,000.

The City's 76 BIDs invest over \$170 million into neighborhood 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 advocating 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. Currently, BIDs have been critical partners in executing the City's pandemic response and reopening. They have been advocates for small businesses, boosting marketing efforts and pushing new programs for those businesses that are open; remained an important liaison between government and their commercial corridors in distributing accurate, up-to-date information; and have provided direct technical assistance, helping businesses apply for grants and loans during the height of the pandemic and distribute information about reopening safely. In partnership with city government, BIDs help spur job creation, improve the quality of life for New Yorkers and visitors, enhance the city's tax base, and strengthen local economies.

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.

| BID Name | Yr Est. | Previous Increase Year | Current Authorized Assessment Cap | Proposed Authorized Assessment Cap | \$ Increase Request | | Months Reserve | Increase Schedule | Retro/Forward | CM District (s) | SBS Justification |
|-----------------|---------|--------------------------|-----------------------------------|------------------------------------|----------------------|---|----------------|--|-----------------------|--------------------------|--|
| | Yrs | Previous Increase Amount | | | Requested % Increase | Annualized % Increase since Establishment | | | | Supporting Councilmember | |
| Lower East Side | 1993 | 2018 | \$1,300,000 | \$2,000,000 | \$700,000.00 | | 12.0 | Phased \$1,425,000 (FY23) \$1,575,000 (FY24) \$1,725,000 (FY25) \$1,875,000 (FY26) \$2,000,000 (FY27) | Forward starting FY23 | 1 | Assessment increase will restore marketing budget to promote small businesses and district activities that was reduced in previous years because of increased sanitation and public space maintenance costs; provide increased sanitation and maintenance as development projects are completed; provide community programming to Open Streets and public plazas; reconstruct and maintenance of Delancey Street and associated bike lanes; hire a full-time operations manager to maintain public assets; expand public art installations throughout the district including roll-down gate murals, roadway murals, and other related art projects to enhance street conditions and deter illegal graffiti and tags. |
| | 28 | \$325,400 | | | 53.85% | 1.25% | | | | Chin | |
| Hudson Yards | 2013 | None | \$3,000,000 | \$6,000,000 | \$3,000,000.00 | | 5.9 | Phased \$3,600,000 (FY23) \$4,400,000 (FY24) \$6,000,000 (FY25) | Forward starting FY23 | 3 | Assessment increase will be directed to providing sanitation, security, marketing, holiday lighting, streetscape, and beautification services to an area doubling in size as construction projects are completed that are currently vacant or under construction; provide additional NYPD Paid Detail at plazas and parks; expand marketing and support for local businesses; deliver holiday lighting program to newly developed blocks; implement capital projects outlined in completed Streetscape Plan; and maintain and program Bella Abzug Park which is doubling in size. Note that existing properties will hold their assessments at current levels while buildings currently under construction will be assessed as they are completed. |
| | 8 | None | | | 100.00% | 6.25% | | | | Johnson | |

**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: 9 DEC 2021

(PLEASE PRINT)

Name: M. BLAISE BACKER

Address: 1 LIBERTY PLAZA, 70TH FL NYC 10006

I represent: SMALL BUSINESS SERVICES

Address: _____

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