

LIC BID Public Meeting on Proposed Formula Change

July 31, 2019

LIC BID: Brief History

- Created in 2005, the original LIC BID encompassed the commercial corridors along Queens Plaza and Jackson Avenue to Court Square.
- It was expanded in 2017 to include the commercial corridors continuing along Jackson Avenue, Vernon Boulevard, and 44th Drive.
- Currently the BID consists of a North Subdistrict (NSD) the original corridors, and a South Subdistrict (SSD) the expanded corridors.
- Managed by the Long Island City Partnership, the BID provides *supplementary sanitation, beautification and visitor services within the District, addresses street conditions, and carries out community development and marketing initiatives* that benefit the greater neighborhood.

LIC BID Boundaries



- North Subdistrict (NSD)
- South Subdistrict (SSD)

Sanitation

Before



After



Flower Basket Plantings (90 baskets)



Horticulture & Plantings (78 tree pits)

Spring: Tulips



Summer: Begonias



Tree Pit Maintenance

Before



After



Volunteer Days: Fall Tulip Planting



Volunteer Days: jetBlue & Tishman Speyer



Holiday Lights



Graffiti Removal

Before: 26-04 Jackson Ave



After



Before: 10-34 44th Drive



After



Before: 21-21 44th Drive



After



Streetscape Improvements:

Working with DOT

Before



After



Streetscape Improvements:

Working with Building Owners

Before



After



SBS Business Compliance Workshop



Public Safety Roundtable with NYPD



Visitor Services: LIC Local



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LIC BID Budget and Relation to Assessment

- The budget funds these BID services
- There is an overall cap that is set by the members through the City Council
- The Board then approves an overall budget within that cap and a sub budget for each subdistrict
- The assessment formula determines how much each property will pay of that budget

Current Classifications

- **Class A – Commercial:** All properties in whole devoted to commercial, industrial, or commercial parking uses, including vacant and undeveloped land
- **Class B – Mixed Use:** All properties with single tax lots containing both residential and commercial uses
- **Class C – Residential:** All properties, including residential condominium units and residential parking lots, devoted in whole to residential uses. Only pays \$1.
- **Class D – Non-Profit/Government:** Exempt from assessment

Current Formula

- **Variables and Weighting:**
 - **NSD: Assessed Value** is 60% of the budget and **Foot Frontage** is 40%
 - **SSD: Assessed Value** is 30% of the budget and **Foot Frontage** is 70%
- **Rate:**
 - ***CURRENT CLASS A INDIVIDUAL ASSESSMENT =***
$$(PROPERTY\ AV \times AV\ RATE) + (PROPERTY\ FF \times FF\ RATE)$$
 - ***CURRENT CLASS B INDIVIDUAL ASSESSMENT =***
$$INDIVIDUAL\ FF \times FF\ RATE$$
 - ***CLASS C = \$1***

What are the Changes being Proposed?

- **Classification Changes:**
 - Changing Class B Mixed Use to assess large scale residential rentals similar to wholly commercial buildings.
- Switching from a formula using **foot frontage** to **square footage**.
 - Square footage is a more accurate, more frequently updated number by the City
 - With the change in classifications, becomes more appropriate as a measure than foot frontage

Why change the formula?

- Former Class A vacant lots are being developed throughout the district, many into large scale residential rentals.
 - These buildings when developed, pay less than they previously had paid as a small commercial building or vacant lot under the current formula.
 - This shifts more of the assessment on to the remainder of Class A Commercial properties.
- We've tried to address as best we could when the BID was expanded but were limited in what was allowed. That change was not enough. Now there is more flexibility from the City.
- With many more new buildings opening up, the effects are accelerating.

Proposed New Classifications

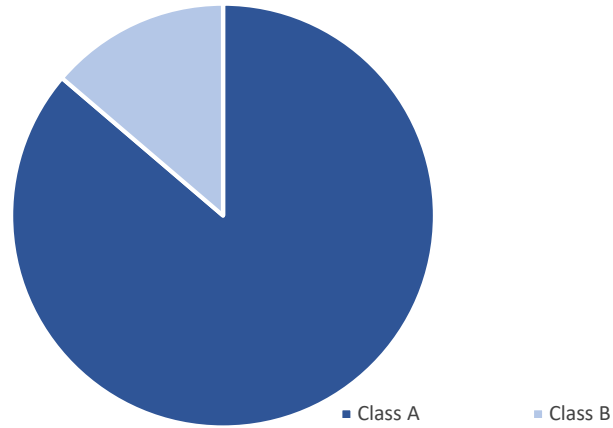
- **Class A – Commercial:** All properties in whole devoted to commercial, industrial, or commercial parking uses, including vacant and undeveloped land.
- **Class B – Mixed Use:** Properties containing both commercial and residential use are defined as Class B and assessed at 80% of Class A rates, except for pre-2001 rezoning (built prior 2001) properties where only the commercial part is assessed at Class A rates.
- **Class C – Residential:** Wholly residential properties, including individual residential condominium units, are defined as Class C and assessed at \$1.00 per year, except single condominium tax lots that contain multiple units which are assessed at Class B rates.
- **Class D – Non-Profit/Government:** Exempt from assessment

Proposed New Formula

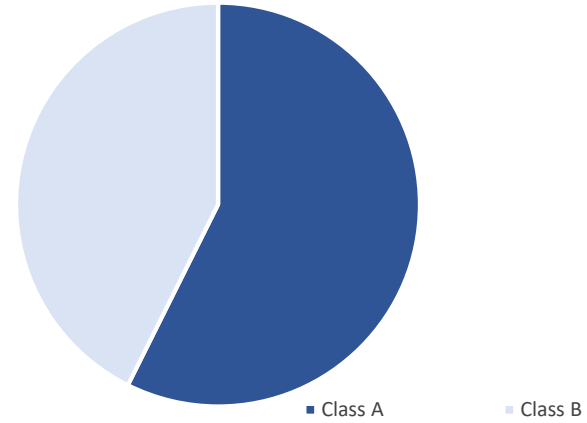
- **Variables and Weighting:**
 - **NSD: Assessed Value** rate is 50% of the budget and **Square Footage** is 50%
 - **SSD: Assessed Value** rate is 10% and **Foot Frontage** is 90%
- **Rate:**
 - **CLASS A INDIVIDUAL ASSESSMENT** =
 $(PROPERTY\ AV \times AV\ RATE) + (PROPERTY\ SF \times SF\ RATE)$
 - **CLASS B (Post – Zoning) INDIVIDUAL ASSESSMENT** =
 $.8 \times (PROPERTY\ AV \times AV\ RATE) + (PROPERTY\ SF \times SF\ RATE)$
 - **CLASS B (Pre – Zoning) INDIVIDUAL ASSESSMENT** =
 $(COMMERCIAL\ AV \times AV\ RATE) + (COMMERCIAL\ SF \times SF\ RATE)$

Estimated Effect of Formula Change in FY21

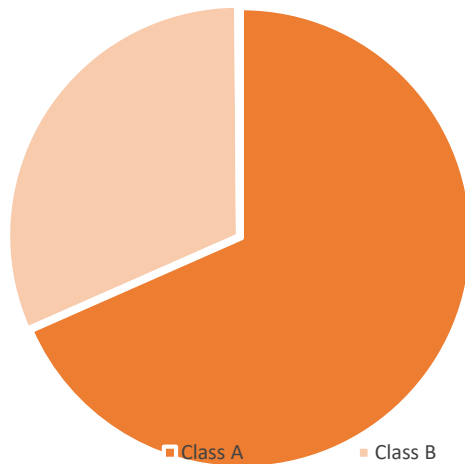
Current Formula (NSD)



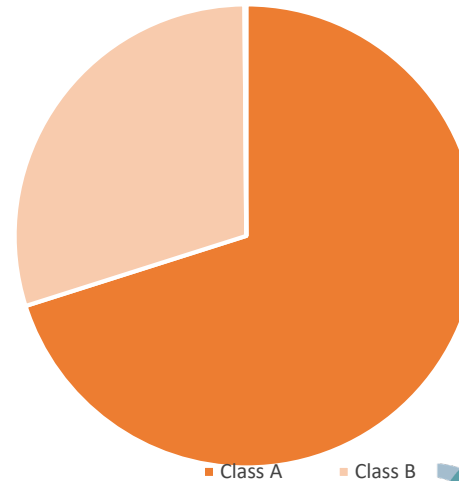
Proposed Formula (NSD)



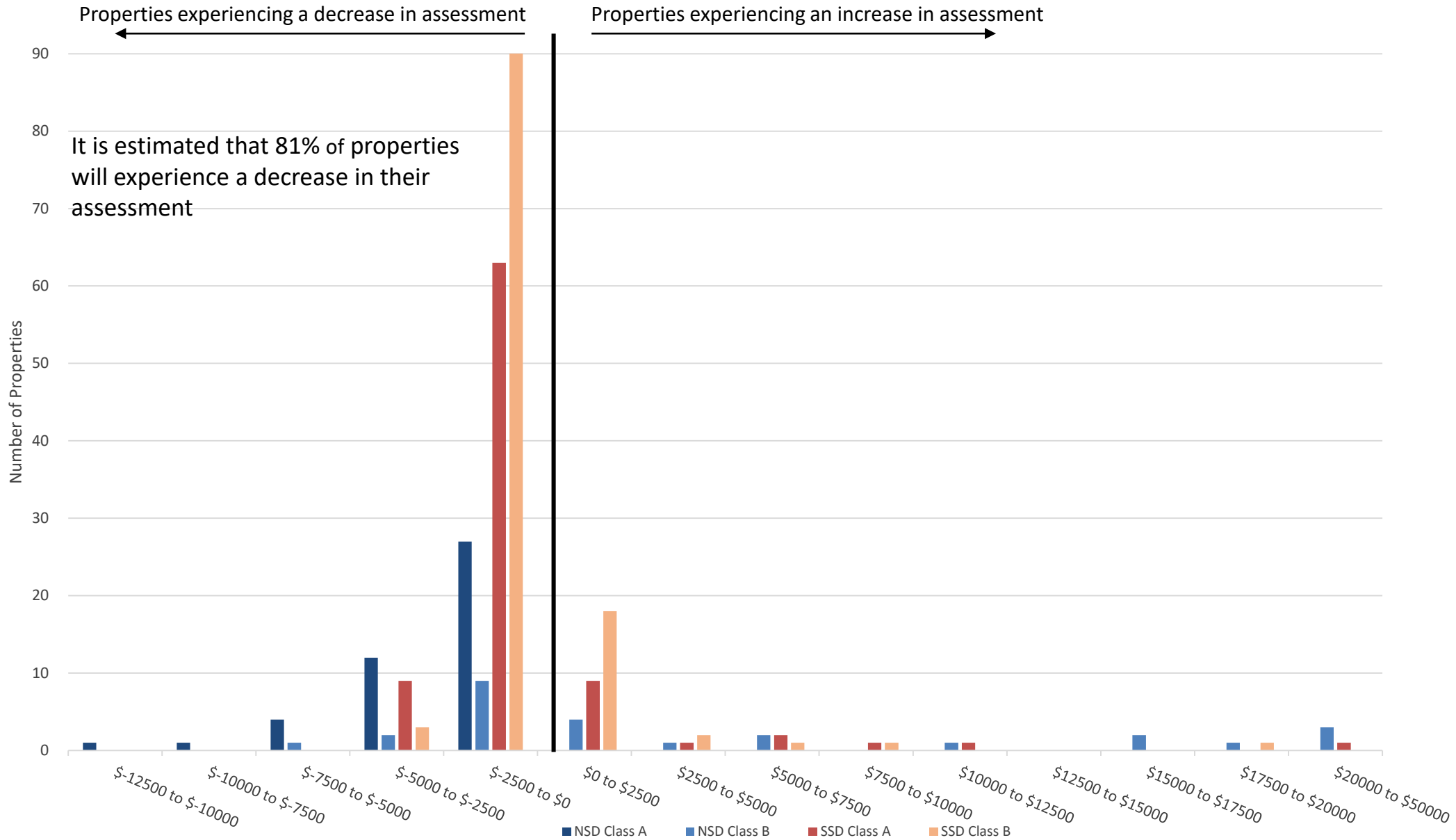
Current Formula (SSD)



Proposed Formula (SSD)



Estimated Change in Assessment Between Proposed Formula and Current Formula



Timeline

- To implement, we would need to proceed with the required legislative process after August 15th.
- Please contact us at [BID@licpartnership.org](mailto: BID@licpartnership.org) or 718-786-5300 if you have any follow up questions.

Fall 2019

- City Council sets public hearing date and holds public hearing
- City Council votes on the legislation to BID formula
- Mayor signs amendment into law
- Implement new formula by July 1, 2020 (Fiscal Year 21)

Questions/Discussion