

SoHo BID Battle Rages On at City Council Hearing

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By Andrea Swalec, DNAinfo

CITY HALL — The fight over the creation of a business improvement district in SoHo has spanned five years and showed no sign of dying down Wednesday at a contentious City Council hearing.

Dozens of supporters and opponents of the proposal that would cover Broadway between East Houston and Canal streets sounded off Wednesday morning at the final public hearing on the creation of the BID before the Council votes on it as soon as mid-April.

Voicing a concern shared by many of his neighbors, 32-year Broadway resident Pete Davies said he wanted to prevent control of the neighborhood from being handed to developers and real estate firms, which have representatives on the BID formation committee. Rent-controlled residents should have the same say on the BID board that commercial property-holders do, he said.

"What's needed is a fair plan that fully reflects residents," Davies said.

BID formation committee co-chairman Brian Steinwurtzel, an executive at real estate firm Newmark Grubb Knight Frank, said the BID board would be made up of an equal number of residents and commercial property-holders, and would organize neighbors around common concerns.

"If we can create this BID ... this area will be able to solve the trash problem, the vending problem and the traffic problem," he said.

City Councilwoman Margaret Chin, who represents the area, supports the BID and said it's important residents get a fair shake regarding decisions in their neighborhood.

Assemblywoman Deborah Glick echoed Chin's concerns, a spokeswoman said.

The SoHo BID intends to have a \$550,000 annual budget funded by yearly payments by property owners.

About \$200,000 of the budget would be devoted to sanitation services and snow removal. Another \$200,000 would be spent on advocacy and administrative costs. And the remaining \$150,000 would be devoted to pedestrian and public safety costs, like paying uniformed guards who would keep sidewalk traffic moving.

The assessment paid by each commercial property owner would be determined by a formula that takes into account a property's value and its amount of street frontage and side frontage.

A property holder with 63 feet of frontage on Broadway, for example, would pay more than \$7,000 to the BID per year.

Residential property holders would pay only \$1 per year each, placing the burden on retailers with large storefronts, the BID formation committee argues.

Locals have 30 days to file objections to the SoHo BID plan with City Council. The finance committee will vote on the proposal then, after which the matter will be reviewed by the full Council and then by Mayor Michael Bloomberg.

COMMENTS

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The BID Committee can "argue" all it wants, but the vast majority of commercial leases permit tax assessments to be passed on to ALL commercial tenants in a building.

In a 2011 survey the SoHo Alliance undertook with Columbia University, it was clearly demonstrated that most commercial renters on Broadway are not the few score ground-floor retailers that many people associate with SoHo, but the hidden 1000+ small businesses on the UPPER floors.

The Columbia Survey revealed these businesses are overwhelmingly small, new, independent, start-ups in the creative field: design, software, the arts, film, architecture, non-profits, etc., mirroring SoHo's history of creative enterprise.

So, in fact, it is these small, struggling, creative entrepreneurs that the real-estate giants behind the BID will tax to clean up the tourists' mess left behind from their tenants on the ground floor: large, multinational retailers who can easily afford to pay the tax much more than the struggling little guys on the upper floors.

Councilmember Chin refuses to explain why she supports small businesses in Chinatown with government grants, but chooses to tax them in SoHo.