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COMMUNITY BOARD NO. 2, MANHATTAN

3 WASHINGTON SQUARE VILLAGE

NEW YORK, NY 10012-1899

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October 20, 2017

Hon. Bill de Blasio
Mayor of the City of New York
City Hall
New York, NY 10007

Hon. Melissa Mark-Viverito
Speaker of the New York City Council
City Hall
New York, NY 10007

Hon. Daniel Garodnick
Member of the New York City Council
City Hall
New York, NY 10007

Dear Mayor de Blasio, Council Speaker Mark-Viverito, and Council Member Garodnick:

At its Full Board meeting on October 19, 2017, CB#2, Manhattan (CB2, Man.), adopted the following resolution:

City Council Intros 1472 and 799A-A Discussion of the Commercial Rent Tax and its impact on businesses in CB2, with recommendations to the New York City Council and Mayor to sign into law a) Intro 799A: A local law in relation to the Commercial Rent Tax, and b) Intro 1472: A local law in relation to exempting certain grocery stores from the Commercial Rent Tax.

Whereas:

1. The City of New York imposes a tax on the rent paid by a tenant in commercial space south of 96th Street and north of Murray Street in Manhattan where the annual rent exceeds \$250,000. After allowing for certain statutory adjustments, and subject to certain exemptions and partial credits, the commercial tax rate is 3.9% of the base rent. The threshold for the imposition of the commercial rent tax (the "Tax") has not been adjusted since 2001; and
2. The City of New York and the State of Florida are the only jurisdictions in the United States still employing a version of a commercial rent tax; and
3. Because the tax only applies in Manhattan between 96th Street and the Financial District, it puts an unfair, regressive burden on businesses in some of the city's most expensive neighborhoods, where there is immense upward pressure on commercial storefront rents; and
4. Our small businesses operate in one of the most competitive and challenging markets anywhere in the nation. In addition, in a typical commercial lease in Manhattan, the landlord passes along to its commercial tenants some or all of the real property taxes on the premises, or at a minimum some or all of increases to the real property taxes during the lease term; and

5. Full service grocery stores – also known as supermarkets - are low profit margin neighborhood businesses that are essential to providing local access to a range of affordable fresh foods and staples for home food preparation and consumption, especially for older adults and families; and
6. Commercial Rent Tax (CRT) reform is a borough-wide and citywide issue of concern as many who live above or below the CRT zone may still work or study in the CRT zone and shop in the CRT zone, or work for employers within the CRT zone; and
7. Intro 799A, sponsored by City Council Member Daniel Garodnick, proposes to raise the threshold for the imposition of the Tax from \$250,000 to \$500,000, and to make certain other amendments to increase certain partial credits and adjustments to the Tax. As of tax year 2016, the increase in the threshold would have made about 3,400 fewer businesses subject to the Tax, with a savings of \$45.9 million.
8. Intro 1472, sponsored by Manhattan Borough President Gale A. Brewer and City Council Member Corey Johnson, was crafted to reflect the FRESH program’s insistence on produce, fresh meats and dairy. Stores that seek the CRT exemption must accept SNAP and WIC, while earning the majority of their revenue from the sale of grocery items; and
9. The New York City Council Committee on Finance held a February 13, 2017 public hearing on Intro 799 and Intro 1472 at which the Manhattan Chambers of Commerce, Partnership for NYC, New York City Hospitality Alliance, Times Square Alliance, REBNY, testified in support of Intro 799A, building on the wide range of citywide support the proposal has received from a broad-based coalition of elected officials, businesses organizations and owners; and
10. At the same Finance Committee hearing, Hunter College Food Policy Center, CUNY Urban Food Policy Institute, American Heart Association, Locals 338 and 1500, the National Supermarket Association, Food Industry Alliance, Red Apple Group and Morton Williams testified in support of Intro 1472; and
11. While small businesses in our District and Borough face many more challenges to their survival, and are in need of a far more comprehensive approach to supporting and sustaining these vital elements of our local economy and sources of employment, the measures cited above are an important first step in leveling the playing field for these small and low profit margin businesses which could be otherwise be hiring additional employees or investing in their businesses; and

Therefore be it resolved that CB2, Man.:

1. Urges the New York City Council to pass Intro 799A and Intro 1472 and the Mayor to sign them into law before the close of the current City Council legislative session in December 2017.
2. Suggests that an indexing mechanism be added to provide periodic adjustments to the annual rent cap.

Vote: Unanimous with 43 Board members in favor.

Please advise us of any decision or action taken in response to this resolution.

Sincerely,



Terri Cude, Chair
Community Board #2, Manhattan



Anita Brandt, Chair
Land Use & Business Development Committee
Community Board #2, Manhattan

Frederica Sigel

Frederica Sigel, Co-Chair
Land Use & Business Development Committee
Community Board #2, Manhattan

TC/fa

c: Hon. Jerrold L. Nadler, Congressman
Hon. Nydia M. Velazquez, Congresswoman
Hon. Brad Hoylman, NY State Senator
Hon. Daniel L. Squadron, NY State Senator
Hon. Deborah J. Glick, Assembly Member
Hon. Yuh-Line Niou, Assembly Member
Hon. Gale A. Brewer, Man. Borough President
Hon. Corey Johnson, Council Member
Hon. Margaret Chin, Council Member
Hon. Rosie Mendez, Council Member

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October 24, 2017

Marisa Lago, *Chair*
City Planning Commission
22 Reade Street
New York, NY 10007

Dear Ms. Lago:

At its Full Board meeting on October 19, 2017, CB#2, Manhattan (CB2, Man.), adopted the following resolution:

181 Mercer Street (between Houston and Bleecker Streets) NYU is to present, a second time, modifications to the NYU Core Special Permit (M 120124 (A) ZSM) of their new building 181 Mercer Street.

Whereas:

1. New York University seeks to modify the Large-Scale General Development special permit approved by the NYC City Planning Commission on June 6, 2012 and modified by the NYC Council on July 25, 2012.
2. The proposed minor modification relates to only one of the new buildings: the 181 Mercer St. building, also known as the Zipper Building, located on the south block between Bleecker and Houston Streets.
3. The application would make minor changes to the massing of portions of the 181 Mercer St. building but would not increase the building's zoning floor area.
4. NYU presented its application to CB2's Land Use committee in September and returned to the committee in October with more information.
5. The modifications affect Towers C, D, E, G and H.
6. Residents from 200 Mercer Street and 88 Bleecker Street came to both meetings to express their concerns with respect to infringements on their light and air as a result of the proposed 19'-0" shift of Tower C's expansion to the east and the addition of an elevator mechanical bulkhead (a two-story, 43'-0" deep structure to the east towards Mercer Street) to the roof of the 85' high base of the building. The residential neighbors expressed concern that the proposed massing changes favor NYU and the commercial establishments at the expense of the residential neighbors.

7. Concerns were also expressed in regard to remediation for nearby buildings from construction dirt and noise, noise from future open dorm windows and the proposed outdoor space on the roof of the building's base (85' above sidewalk level) along the entire Bleecker Street façade, and future illumination from the project.

Therefore, be it resolved that CB2, Man. recommends that NYU and the Department of City Planning work with the community and elected officials to resolve these issues.

Vote: Unanimous, with 43 Board members.

Please advise us of any decision or action taken in response to this resolution.

Sincerely,



Terri Cude, Chair
Community Board #2, Manhattan



Anita Brandt, Chair
Land Use & Business Development Committee
Community Board #2, Manhattan



Frederica Sigel, Co-Chair
Land Use & Business Development Committee
Community Board #2, Manhattan

TC/fa

- c: Hon. Jerrold L. Nadler, Congressman
Hon. Deborah Glick, Assembly Member
Hon. Gale A. Brewer, Manhattan Borough President
Hon. Margaret Chin, Council Member
Sylvia Li, Dept. of City Planning