

## **Proposed Change to the District Plan & Assessment Formula of the Lincoln Square Business Improvement District**

At the Lincoln Square BID's Board of Directors meeting on September 24, 2024, the Board voted to revise the District Plan and amend the assessment formula to assess residential properties at a modest rate of approximately \$0.06 per square foot. If approved by the City Council, this would be implemented in FY '27. Currently, approximately 55% of the total square footage in our district is dedicated to residential use.

For assessment purposes, we will maintain three classes of properties, based on an initial assessment budget of \$3 million. The classes are as follows:

1. **Retail, Office, and Commercial Properties:** This class will include all retail, office, hotel, theater, gym, professional, and other commercial uses. The initial rate for this new class, which constitutes approximately 26% of the square footage in the district, will be approximately \$0.47 per square foot, lower than the current rates for retail and commercial properties. *The annual assessment for a retail or office space of about 1,500 square feet will be approximately \$705.*
2. **Garage and Vacant Land:** This class accounts for approximately 3% of space. The assessment rate for garage and vacant land will remain close to the existing rate of approximately \$0.26 per square foot.
3. **Residential Properties:** Residential properties currently account for nearly 10 million square feet, or approximately 55% of the district's total space. This number is expected to grow as more residential buildings are developed. The initial rate for assessment purposes for residential space will be approximately \$0.06 per square foot. *An apartment of about 1,000 square feet will have an annual assessment of approximately \$60.*

*The Board is not increasing the current \$3 million assessment, although the Lincoln Square BID is authorized to bill at the maximum approved cap of \$3.2 million. If the Board were to bill at the maximum permitted cap of \$3.2 million, the rates would be approximately \$0.50 for retail/office/commercial spaces, approximately \$0.28 for garage and vacant land, and approximately \$0.064 for residential space. Note: for FY '26, the Board has approved a \$3 million assessment budget, and the rates will remain roughly the same as last year—\$0.26 for garage and vacant land, \$0.58 for commercial space, and \$0.63 for retail space.*

Regarding residential condo ownership, condo owners are currently billed \$1 annually for each unit, with the charge applied to the condo association. Under the revised formula, condo owners will be assessed individually for their units at the residential rate of approximately \$0.06 per square foot. *For instance, a condo unit of about 1,000 square feet will have an annual assessment of approximately \$60.* If the condo building contains retail/office or commercial space, that portion of the building will be assessed at the new commercial rate of approximately \$0.47 per square foot. If the building includes a garage, that space will be assessed at approximately \$0.26 per square foot.

Cooperative apartment buildings are assigned a single tax lot, and the assessment for the building will be based on the total residential square footage multiplied by the residential rate. *For example, the annual assessment for a co-op building with 100,000 residential square feet will be approximately \$6,000.* If the co-op building includes retail/office or commercial space, that portion will be assessed at the new commercial rate of approximately \$0.47 per square foot. Similarly, if the building includes a garage, that space will be assessed at approximately \$0.26 per square foot.

Residential Rental Properties: The square footage used exclusively for residential purposes will be assessed at the residential rate. *For example, if a rental building has 200,000 square feet of residential space, the owner will be assessed at \$0.06 per square foot, resulting in an annual assessment of approximately \$12,000. **The property owner of the rental building will be responsible for the assessment.*** Any space in the building used for retail/office or commercial purposes will be billed at approximately \$0.47 per square foot, while garage space will be billed at approximately \$0.26 per square foot.

We will continue to use the same three-tiered assessment formula that was established by the founders of the BID more than 30 years ago. **As in the past, the assessment rates will change as the square footage of the district changes.** We will also eliminate language in the District Plan that provides for a phase-in period for new development properties, which delayed the full assessment of these properties for approximately four years. This phase-in is counter intuitive as it is during the construction period that the district experiences the most impact from ongoing development. *Assessments will continue to be billed by Block and Lot and sent to property owners of record by the NYC Department of Finance.*

Since the BID's formation, the neighborhood has seen significant development, including the construction of many new residential buildings and an increase in spaces converted to nonprofit uses, which are not assessed. In the past year alone, three buildings, or portions of buildings, have become exempt from the BID assessment. While we strive to operate as efficiently as possible, rising costs and new mandates from the City necessitate these changes to ensure that Lincoln Square remains as clean, safe, beautiful, and vibrant as residents, businesses, and property owners have come to expect.

**You are welcome to ask questions about this proposed change to our District Plan and assessment formula at our Annual Meeting of the Membership on Wednesday, April 30th at 9:30AM at Lincoln Center's David Rubenstein Atrium or at any time prior to the meeting by contacting either Monica Blum or Ralph Memoli at [info@lincolnsquarebid.org](mailto:info@lincolnsquarebid.org) or at 212.581.3774.**