



CITY OF NEW YORK

**MANHATTAN COMMUNITY BOARD FOUR**

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**JOHN WEIS**  
Chair

**ROBERT J. BENFATTO, JR., ESQ.**  
District Manager

February 4, 2010

Hon. Christine C. Quinn  
Speaker  
New York City Council  
250 Broadway, Suite 1856  
New York, New York 10007

**Re: Real Estate Incentives for Small to Mid-sized Non-profit Theaters and Performing Arts Organizations**

Dear Speaker Quinn:

As Manhattan Community District 4's representative on the New York City Council, and in your role as Speaker of the New York City Council, we are writing to request your assistance in exploring the viability of government incentives, including a real estate tax credit to encourage owners to rent to small-to-midsized non-profit performing arts organizations.

This request is the result of an informal alliance among the various theater, art and cultural related committees of all twelve Manhattan Community Boards. Since 2008, these committees have worked together to identify innovative solutions to the intractable financial and real estate problems that are now threatening the existence of the independent theater movement of New York, commonly referred to as "Off-Off Broadway."

After multiple meetings and public sessions held at Community Board sponsored events all over the city there is a consensus that exploring the concept of a real estate tax credit or similar incentive would be the best way to move forward.

Manhattan District 4 is home to the largest concentration of small to mid-sized theaters in New York City<sup>1</sup>. In 2008, New York Innovative Theatre Foundation released a widely publicized study (featured in the New York Times) that evaluated trends in performance venues from neighborhood to neighborhood. The study found that over the last five years this sector lost large number of theaters to development. For example, within Manhattan Community District 4 twenty-six percent (26%) of all small to mid-sized performance space inventory has been lost.<sup>2</sup>

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<sup>1</sup> New York Innovative Theater Foundation, OOB Study 2008

<sup>2</sup> NYIT Off-Off Broadway Survey Program, pp.5-6

Small to mid-sized non-profit theaters and performing arts organizations groups add both cultural and economic value to New York City's communities, and to the city as a whole. The current economic climate, however, has made it extraordinarily difficult for many of the remaining theaters and performing arts companies to stay in business.

There is a core group of small to mid-sized non-profit performing arts groups that hold long-term leases and who also have vibrant artistic missions that benefit the artists they work with and the communities within which they have found a home. These groups are the life blood of this sector, as they also sublet their spaces to other performing arts groups that do not have the financial strength to commit to long-term leases. As these core theaters and companies continue to disappear, the hundreds of other groups they provide space for are endangered and the entire sector is diminished.

It is imperative that we find solutions that will preserve the seriously threatened small to mid-sized non-profit performing arts sector and stimulate its future growth. These groups are the heart and soul of New York City's cultural landscape, and this sector has its greatest concentration of theaters within the confines of Manhattan Community District 4.

One solution that has worked in other industries is a tax credit for developers and landlords who rent performance space at a substantial discount - or donate theater spaces - to nonprofit performing arts groups. This credit, or similar incentive, could be specifically targeted to those spaces that have been created using a "Community Facility Bonus."

The informal alliance of Community Board Arts committees has already presented this concept to the Finance Division of the City Council of New York, and the Land Use Planning Department of the Manhattan Borough President's Office for comment and feedback. In addition, a presentation was made to the Manhattan Borough Board at its January 21, 2010 meeting. As a follow-up to that meeting the Manhattan Borough President is exploring providing Land Use Planning intern support to compile an inventory of spaces created through a Community Facility bonus and their current utilization.

The City would ultimately reclaim the lost tax revenue through the ancillary spending generated by people patronizing arts-related events, who spend money at local businesses. As the well-regarded, peer reviewed, Alliance for the Arts 2005 economic impact study showed, there is a significant benefit to the New York City tax base from the non-profit performing arts. Local businesses such as restaurants, food markets, clothing stores, parking garages, and similar other retailers benefit greatly from the influx of people brought into the community by these non-profit performing arts organizations.

The non-profit performing arts, including our small to mid-sized theater community, also benefit the city and its communities in non-financial ways, including:

- Encouraging community-friendly evening foot traffic, safe streets and protecting small business diversity;
- Improving the quality of life in local neighborhoods and serving as a source of pride for local residents and businesses;
- Serving as the primary incubators where new talent first emerges, is developed, and where real artistic risks can be taken – in essence serving as the foundation of New York City's arts and creative industries; and

- Providing one of the major reasons individuals, college graduates and corporations locate and remain in New York City.

For all of these reasons we ask that you, as both our district's representative on the City Council and the Speaker of the New York City Council, work with Manhattan Community Board 4, the Borough President of Manhattan's office, the alliance of the art and cultural related committees of all twelve of Manhattan's Community Boards, and other elected City and State officials, to explore incentives, including a real estate tax credit, to benefit small to mid-sized non-profit performing arts organizations.

Working together, we believe that we will come up with innovative and implementable solutions to help halt the rapid demise of this important sector of the City's cultural scene.

Sincerely,



John Weis  
Chair  
Manhattan Community Board 4

cc: Scott Stringer, Manhattan Borough President  
NYS Senator Tom Duane  
Lolita Jackson, Community Assistant Unit, Mayor's Office  
Patricia Harris, First Deputy Mayor  
Kate Levin, Dept Cultural Affairs  
Assembly member Linda Rosenthal  
Assembly member, Daniel O'Donnell  
Di Nora Getachew, Office of the Public Advocate  
Ginny Louloudes, ART/NY  
Shay Gines, New York Innovative Theater Foundation  
Real Estate Board of New York

Mr. John Clancy  
League of Independent Theaters  
85 E 4th Street, NYC, 10003

Sincerely,