Fiscal 2005 Preliminary Budget Response

Part IV

Capital Budget Response

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TABLE OF CONTENTS

CAPITAL BUDGET AS A TOOL FOR ACHIEVING LONG TERM STRENGTH AND STABILITY

The capital budget is an integral component of the City budget. It is one of the primary engines for growth and development in the City. Each capital budget is the building block in a plan for the future; it is a document that provides the framework for the repair and improvement of the City's aging infrastructure as well as for new development. The extent of the benefits derived from the expenditure of capital funds can be measured for many years and in some cases multiple decades. Therefore, the costs associated with such projects should be borne out over many years and in some cases generations. The capital budget should not be viewed or used as a tool for balancing the budget. The size and scope of the capital budget should not be entirely dependent on the City's present fiscal condition.

Deferred capital will cost the City more in the future.

In the 1970's, during the City's fiscal crisis, all capital spending was brought to a halt. The damage wrought by deferring the necessary capital maintenance during the 70's has cost the City untold millions of dollars. To this day New York City is still struggling to deal with the deterioration of major portions of its infrastructure resultant from the crisis of the 70's. In addition, since 1990 New York City's population has grown by 9.4 percent, easily outstripping the growth rate of the entire region that has, in general, seen a decline in population. The expanding population in the City and the metropolitan region as a whole has placed an increased strain on the City's infrastructure. The deterioration of the City's roadways and bridges as greater numbers of automobiles are used on the City's streets, the overcrowding of the schools as more and more children enroll and the erosion of the parks over the past 20 years are antecedent to even greater decline if the City's infrastructure continues to be taxed at the levels commensurate with the region's population growth. The consequences of a burgeoning population taxing an aging infrastructure that has suffered through years of neglect will likely be much greater costs in the future. Currently, the capital spending in New York City by all levels of government is not keeping pace with overall maintenance needs and certainly does not come close to meeting the City's requirements for future growth.

Need to focus on Education Facilities and Housing to Safeguard the City's Long-term Social and Economic Health

The City's public school facilities have still not recovered from the period of neglect during the 1970's. During the 1990's when capital spending continued to lag behind the growth in student population, there was even greater physical deterioration. City schools will require huge expenditures, far beyond the City's capacity to fund on its own, to bring facilities into the reasonable condition that other school districts take for granted. In addition, for years it has been recognized that the City has a critical need for additional affordable housing. However, plans to create needed affordable housing are continually put off due to short-term budgetary considerations. Failure to address this long-term capital need will cost the City an inordinate amount as the middle and working class populations continue to dwindle. Loss of the middle class will negatively affect the social and economic well-being of the City and will discourage future attempts to retain and attract businesses to the City.

Capital expenditure is an economic engine for growth, and those areas on which the Council would focus capital dollars contribute to the City's economic strength.

Building activity is one of the pillars of New York City's economy. For each dollar spent on new construction, maintenance or repairs in New York City, $1.50 in economic activity is generated in all New York City industries. In addition, each $1 million spent on construction in New York City creates 13.9 jobs in the City plus additional jobs in the rest of the state and region.

The Council's priorities for capital spending will help contribute to the City's economic growth. Such Council proposals as additional capital funding for cultural institutions and the initiation of a comprehensive waterfront development program would greatly enhance the City's economic vitality. In addition, investing $164 million in the City's higher education system – which would leverage additional State funds – would contribute to the City's ability to provide the higher education necessary for a 21st Century workforce.

The urgency of the current situation requires new sources of financing and perhaps an entire new financing strategy.

The City may need to consider utilizing sources of financing such as dedicated taxes and user fees like those employed by the New York City Water Finance Authority. In addition, the City must broaden its tax base, so that all those who earn their livings in the City and benefit from City services and infrastructure contribute to meeting the City's capital needs. Without this, important capital needs are deferred, and these unmet needs become a drain on the City's economic and social well being – to the detriment of all who live and work here.

FAIR SHARE COMMUTER/REVERSE COMMUTER REIMBURSEMENT PROGRAM

The most equitable way to broaden the City's tax base and address both a large part of our structural imbalance and our capital needs is by enacting a fair share commuter/reverse commuter reimbursement program. Since the State eliminated New York City's modest "commuter tax" in 1999, the approximately 800,000 non-resident workers who come to the City each day to earn their living pay no tax to the City on income they earn here. On average, these commuters earn almost three times what a New York City resident earns. Likewise, the 140,000 City residents who leave the City each day to work in neighboring New York counties such as Nassau, Suffolk and Westchester, do not contribute to the tax base of those jurisdictions. Those jurisdictions, like the City, are suffering in the current economy and some have been forced to drastically increase property taxes on their residents and to cut services. The fact that they do not levy a personal income tax on their residents makes the institution of a commuter tax by those jurisdictions problematic. It is no less unfair, however, that the solutions to the financial burdens facing those jurisdictions must be borne solely by residents, while ignoring the fact that they play "host," and provide essential services and benefits, to tens of thousands of people each day who are not required to directly contribute to their tax base.

A commuter tax/reverse commuter reimbursement program would require the State to authorize a commuter tax on non-resident workers in New York City at a rate of 1.1 percent. New York City would then, in effect, reimburse the suburban counties in the State for the services used by City residents who work in those counties. The amount of the reimbursement would be equal to 1.1 percent of the wages earned by City reverse commuters.[1]

The Council estimates that the two Long Island counties would receive approximately $48 million and that the remaining counties in the State would receive $27 million. These amounts represent significant contributions to the fiscal health of our neighbors.

Since the State Legislature's repeal of the City's commuter tax in 1999, the City has lost over $2 billion. The fact that the City's tax base was narrowed to exclude 800,000 commuters – many of whom are high wage earners – from its tax base is a large factor contributing to the structural imbalance of the City's budget.

In Fiscal 2005, this commuter tax/reverse commuter reimbursement program would raise $1.102 billion for New York City, which would be offset by the $75 million that would reimburse the neighboring counties on Long Island and to the north of the City. In the out-years of the plan period, the commuter tax increases to $1.195 billion and $1.271 billion in Fiscal 2006 and 2007, respectively. While the reverse commuter reimbursement portion of the program would rise to $81 million in Fiscal 2006 and $86 million in Fiscal 2007.

For New York City, this approximately $1 billion in revenue each year should be used to issue bonds to provide for two needs which will – if they continue to go unmet – jeopardize the City's long-term social and fiscal health: Educational Facilities and Affordable Housing. By using 60 percent of the revenues stream to finance debt for education capital needs, the City could fund approximately half of the amount which both the Council and Department of Education agree is essential to address the Public School Systems fundamental needs over the next five years. The remaining 40 percent of this revenue stream could be used to create and preserve 40,000 units of affordable housing. Without addressing these needs – which year after year are deferred due to fiscal constraints brought about by the budget's structural imbalance -- the City will be unable to educate the workforce necessary to attract and retain business, and will be unable to attract and retain a middle and working class to keep those businesses here and thriving.

[1] This reverse commuter reimbursement would be accomplished through State legislation authorizing or reimposing a commuter tax on commuters working in the City at the rate of 1.1 percent. However, pursuant to a Memorandum of Understanding entered into between the City and State executives and legislative leaders, the State would withhold and remit to the surrounding counties an amount equal to 1.1 percent of the wages earned by New York City residents who commute to those counties. In this manner, the City would effectively be reimbursing its neighboring counties for the costs associated with City commuters at the identical rate that commuters to the City would be taxed.

EDUCATION CAPITAL

Although the plans differ, both the Council and the City's Department of Education (DOE) have estimated that the City's educational facilities require at least $13 billion over the next five years to eliminate overcrowding, bring facilities to a state of good repair and provide schools with the basic necessities such as science labs, computers and physical education facilities that most school systems take for granted. The Council has long recognized the need to address the ills plaguing our school system. This year, both the State's highest Court and the Administration have joined us in demanding their immediate redress. Both the Speaker and the Mayor have demanded that the State contribute half the cost of the school system's capital needs over the next five years, or approximately $6.5 billion. A large contribution by the State would appear to be required by the findings of the Court of Appeals that the State owes City schoolchildren the resources to afford them a sound basic education. State building aid formulas that substantially shortchange the City in building reimbursement for new construction, providing the City with a reimbursement rate of approximately 25 percent as compared with the State average of 60 percent, fall far short of what is required. From the $1 billion in revenue from a Fair Share Commuter Tax/Reverse Commuter Reimbursement Program, $600 million will be dedicated to education capital.

EXPANDING AND PRESERVING AFFORDABLE HOUSING FOR ALL NEW YORKERS

The Council believes that $400 million in annual revenues from a Commuter/Reverse Commuter Reimbursement Program should be used to leverage approximately $5 billion in funds for affordable housing. This $5 billion would be used to develop 30,000 new units and for the preservation of approximately 10,000 units of housing over the next 10 years. These units would be in addition to the 65,000 units projected to be created through the Mayor's New Marketplace Housing Plan. The Council recognizes that greater per unit subsidies will be necessary if a higher percentage of the units funded will be affordable to low-income households than in the Mayor's plan. Accordingly, this proposal anticipates an average per unit subsidy of approximately $125,000 as opposed to the figure of $50,000 used in the New Marketplace Plan.

COUNCIL PLAN – DISTRIBUTION OF UNITS BY HOUSEHOLD INCOME

Household Income (family of four)	Estimated Units	Percentage of total
Less than $25,000	19,800*	49.5%
Less than $38,000	5,800	14.5%
Less than $50,000	4,800	12%
Less than $76,000	4,800	12%
Less than $104,000	4,800	12%

*This figure includes the preservation of 10,000 project-based Section 8 units

The Council proposes the following guidelines for the use of this new pool of funds. Five percent or 2,000 units would be set aside for seniors. Although there is widespread recognition that demand for such housing far exceeds supply, the Mayor's housing plan does not specifically address the need for more senior housing. The 2,000 senior housing units created under the Council's initiative would be primarily for low-income people, but the exact breakdown by income group would depend on site availability and the extent to which funds are combined with other subsidy mechanisms. Another five percent, or approximately 2,000 units, would be designated for homeless families and individuals with special consideration given to victims of domestic violence. The Department of Homeless Services shelter census remains at near record highs – in February 2004 more than 38,000 people utilized the shelters on a daily basis. A third five percent, or 2,000 units in the plan, is designed specifically for persons with physical disabilities. As many people who testified before the Council's Housing and Buildings Committee at the Preliminary Budget Hearing made clear, there is a tremendous unmet need in this area. Unfortunately, the Mayor's plan does not specifically address the need for more housing for this population. The current SSI benefit for a person living alone in New York State is $639 dollars per month leaving subsidized or sub-standard housing as the only option for this group of residents.

The remaining 34,000 units would be targeted to the general population and would consist of two components. The Council's plan includes funding for the preservation of up to 10,000 units in project-based Section 8 buildings, with the balance of the funding allocated for approximately 24,000 units of new construction. There is the possibility that a number of project-based Section 8 buildings may opt-out and go market rate or be foreclosed on by HUD with conversion of the rent subsidies to tenant-based vouchers. In certain neighborhoods this poses a risk of losses to the affordable housing stock that is unlikely to be offset entirely through new construction. The exact breakdown between preservation and new construction under the Council's initiative will ultimately be determined by what policies HUD and the City put in place regarding project-based Section 8 housing. For the 24,000 new construction units, the Council envisions that an equal number of units would be affordable to five income categories: households making less than $25,000; between $25,000 and $38,000; between $38,000 and $50,000, between $50,000 and $76,000, and between $76,000 and $104,000. These targets would be on an overall basis as opposed to a project-by-project requirement. In addition, some projects might include unsubsidized market rate apartments.

ALTERNATIVE FINANCIAL PLAN

The Council's response to the Fiscal 2005 Preliminary Capital Budget is made up of two recommendations. The first, using revenue from a Fair Share Commuter Tax/Reverse Commuter Reimbursement Program to fund the critical needs of education and housing, has been summarized above. The second portion of the Council's response is the presentation of an Alternative Financial Plan for Fiscal 2005 that redistributes approximately $737 million in capital funds. This funding will be used to build parks, restore comfort stations, green City streets, rehabilitate our library branches and cultural institutions, provide for increased economic development activity and provide 1,800 units of low-income rental housing. The Council's Alternative Financial Plan will also invest $168 million to access another $223 million in State funds to do major capital work for CUNY. These increases would be funded by reductions of other commitments in the capital budget detailed below.

PROPOSED CUTS TO THE CAPITAL PLAN

In order to fund further additions to the capital commitment plan, the Council is proposing to cut the following City-funded projects from the current capital plan for Fiscal 2005. None of these proposed cuts will adversely impact any agency's ability to provide its core services. The proposed cuts total approximately $737 million (10.4 percent of Citywide commitments) and are distributed amongst the following agencies.

Courts $628 million

Construction of Criminal/Family Court Building – 330 Jay Street, Brooklyn – The Mayor's Preliminary Capital Budget includes $628 million in Fiscal 2005 to exercise an option on a 20-year lease to purchase a newly constructed courthouse. Since the City is already required to pay the debt service for the newly constructed courthouse under the terms of the lease, the delay of this commitment by one month (from 6/05 to 7/05) will not alter the construction schedule of the project. This delay would result in the availability of $628 million that could be used to fund desperately needed capital projects.

Department of Citywide Administrative Services (DCAS) $46.7 million

Citywide EDP Projects – Out-Year Planning – $4.4 million
In the Preliminary Capital Plan, DCAS eliminated $11.8 million from this lump-sum project in Fiscal 2004. The Council proposes a reduction of $4.4 million in Fiscal 2005.

FISA's EDP Projects – Out-Year Funds – $17.5 million
In the Preliminary Capital Plan, DCAS eliminated $5.2 million from FISA's EDP Projects – Current Year Funds in Fiscal 2004. The Council proposes a 50 percent reduction for the $35 million proposed in Fiscal 2005. This would make $17.5 million available.

Fuel Facilities – $4.6 million
In the Preliminary Capital Plan, DCAS eliminated $509,000 from this project in Fiscal 2004. The Council proposes to eliminate an additional $4.6 million in Fiscal 2005.

Channel 16 Network Delays – $20.2 million

The Preliminary Capital Plan includes $2 million in the Fire Department's Fiscal 2005 Capital Budget for the purchase of UHF radios related to the City's Channel 16 infrastructure project and $20.2 million in the DCAS Fiscal 2005 Capital Budget for "citywide communication projects." Channel 16 is a proposed citywide radio frequency network infrastructure that will relieve congestion on other channels and allow public safety agencies in the New York Metropolitan Area to communicate during emergencies. The implementation of this project, which is being managed by the Department of Information, Technology, and Telecommunications (DoITT), was supposed to have been completed by Fiscal 2004, but the funding has been both significantly reduced and rolled to successive out-years for reasons that the Administration has been unable to explain. [In addition, the DCAS funding, which was originally committed to two projects entitled "Channel 16 Infrastructure" and "Channel 16 Radios," has been shifted without explanation to the non-specific project title, "Citywide Communication Projects.] The City Council considers the Channel 16 project to be of enormous importance to citywide emergency response and has voiced that opinion at numerous public hearings overseen by the Committees on Public Safety, Fire and Criminal Justice Services, and Technology in Government. However, given the Administration's continued failure to complete the project, or even explain the reason for the delay, the funding can be deferred by one month from June 2005 to July 2005 without an expected implementation delay.

Department of Correction (DOC) $23.5 million

Improvements to Closed Facilities – $18.4 million

The Department currently has six jail facilities that are closed and not scheduled for re-opening, yet the DOC Preliminary Capital Budget includes $18.4 million in Fiscal 2005 for capital improvements at three of these facilities: the Brooklyn Detention Center (BKDC); the Bronx Detention Center (BXDC), and the Queens Detention Center (QDC). Given the excess jail bed capacity in the DOC system, projects at these closed facilities can be delayed or eliminated without affecting services, thus making available an additional $18.4 million in Fiscal 2005. (A combined $17.2 million in Fiscal 2005 funding for ongoing façade, bathroom, and utility renovation projects can be pushed into the out-years, and an additional $1.2 million for window replacement, furniture and equipment, and other small capital projects at these sites can be eliminated until the re-opening of the facilities is foreseeable.)

Minimal Delay of Certain Renovation Projects – $5.1 million

The Department's Fiscal 2005 Capital Budget includes two projects totaling $5.1 million with capital commitments that are not scheduled until June 2005. The funds are planned to be used to reconstruct shower facilities at Rikers Island's Adolescent Reception and Detention Center ($2.7 million) and the roof at Rikers Island's Anna M. Kross Center ($2.4 million). The delay of these commitments by one month from June 2005 to July 2005 will not significantly alter the renovation schedule, and $5.1 million would become available.

Department of Transportation (DOT) $18.3 million

Design/Build For Various Pedestrian Bridges, Citywide – DOT's Preliminary Capital Plan includes $36.5 million in Fiscal 2005 for this project. The Department has not provided the Council with any details concerning this project. The Council proposes to delay 50 percent of this commitment one month from June 2005 to July 2005. This delay would result in the availability of $18.3 million.

Department of Information Technology $15 million

Miscellaneous Technology Projects – The Mayor's Preliminary Capital Budget includes $15 million in Fiscal 2005 for an as-of-yet to be determined technology and computer project. Since the Department's commitment plan includes over $60 million for various technology upgrades in Fiscal 2004 and the Fiscal 2005 funding has yet to be identified, the Council recommends that this commitment be eliminated

Police Department (NYPD) $3.87 million

Relocation of Creedmoor Facilities - $3.33 million
The NYPD Fiscal 2005 Preliminary Capital Budget includes $3.33 million to renovate and equip a newly leased facility. The new facility will replace a leased facility located on the grounds of the Creedmoor Psychiatric Center that currently houses certain NYPD squads such as the Auto Crime Division. This project has been delayed and the funding pushed to successive out-years because of the inability to locate an appropriate site. There is no expectation that a suitable space will be found in Fiscal 2005. As such, the funding can either be pushed into out-years, or the project can be eliminated and the squads relocated to existing NYPD facilities.

Eliminate Funding for Temporary Headquarters Vehicle – $541,000
The NYPD Preliminary Capital Budget includes $541,000 for the purchase of a mobile command post that could be used in the event that One Police Plaza must be evacuated. However, according to Commissioner Raymond W. Kelly, the Department currently has 23 large Command Post Vehicles and "lack[s]…a need for additional vehicles of this kind." As such, funding for this vehicle can be eliminated and an existing Mobile Command Post can be outfitted as a Temporary Headquarters Vehicle.

Fire Department (FDNY) $2 million

Channel 16 Network Delays - The Preliminary Capital Plan includes $2 million in the FDNY's Fiscal 2005 Preliminary Capital Budget for the purchase of UHF radios related to the City's Channel 16 infrastructure project and $20.2 million in the Department of Citywide Administration Services' Preliminary Capital Budget for "citywide communication projects." As described earlier, this funding can be delayed by one month from June 2005 to July 2005 without an expected delay in the implementation of the project.

PROPOSED ADDITIONS TO THE CAPITAL PLAN

Higher Education $163.8 million

The City University of New York (CUNY or the University) is the largest municipal university system and the third largest public university system in the nation. The University is a conglomeration of ten senior colleges, six community colleges, a graduate center, a technical college, a law school, an affiliated medical school and CUNY sponsored Hunter Campus Schools. While New York State assumes 100 percent responsibility for capital funding and operation of all senior colleges and the schools for advanced studies, New York City and the State split the financial responsibility equally (50 percent each) for capital funding of the University's six community colleges and Medgar Evers College.

In 1998 the Governor and the State Legislature created and supported an unprecedented five-year, $1 billion capital program for CUNY's senior and community colleges for the period 1998-2002. The plan identified approximately $900 million for senior college facilities and $109.7 million in capital funds for community colleges. The $109.7 million for community colleges, when matched equally by New York City as required by education law, would have provided almost $220 million for capital projects at community college facilities. To date, the City has matched only $45.4 million ($8.75 from the City Council) of State capital funds, leaving $64.3 million unmatched and unused. The New York State Fiscal 2003 - 2004 Budget supported new bonded funds in the amount of $50 million for the community colleges and Medgar Evers College. To date, the City has not matched any of these capital funds.

The New York State Fiscal 2004 - 2005 Executive Budget recommends the reappropriation of $114.3 million for capital projects at the Community Colleges and Medgar Evers, consisting of $64.3 million from the State's previous five-year capital plan (never matched by the City) and $50 million from the 2003-04/2007-08 five year capital plan. CUNY has requested an additional $108.3 million from the State Legislature for the Fiscal 2004-2008 five-year period. If the State Budget is adopted with the additional funds requested by CUNY, there will be State appropriations totaling $222.6 million. One of the primary reasons the Governor requested only $50 million for the upcoming budget is the fact that the City has not appropriated the matching funds needed to utilize prior State appropriations.

The Council is concerned that the Administration will not allocate the necessary funds to take advantage of these matching State funds. The University's community colleges play an indispensable role in addressing the educational needs of New York City. In addition to providing academic and career instruction, and being a gateway to baccalaureate and professional opportunities, they promote workforce and economic development, provide literacy and English language instruction, and facilitate the movement of thousands to meaningful career paths and gainful employment. The colleges also provide an array of cultural and intellectual opportunities that enrich the quality of life in their communities.

The community colleges including, Borough of Manhattan, Bronx, Hostos, Kingsborough, LaGuardia and Queensborough, currently serve over 70,000 students through their degree program offerings and another 105,000 individuals who participate in continuing education programs during the academic year. Despite the critical educational opportunities and services provided by CUNY's community colleges, and the heavy burden placed on their facilities, very small capital appropriations have been provided to these colleges during the past six years. The City Council has been an ardent supporter of CUNY over the years. We have continually expressed disappointment when the Executive Budget is submitted and it does not include appropriations for capital projects at the community colleges. For that reason, the City Council's Alternative Budget includes $163.8 million for CUNY's capital budget.

This increased funding for the community colleges and Medgar Evers will enable CUNY to draw down an additional $226.6 million (includes reappropriation of $64.3 million from the prior five-year plan and $50 million from the State's Fiscal 2004 Capital Budget, for a total reappropriation of $114.3 million). These actions will increase the total available funds to $445.2 million for additional capital projects for CUNY. This would represent a departure from previous years when the City left State funding for capital projects unused. The State lowered the allocation available this year for CUNY because the City is not fully utilizing all available CUNY funding. If this additional funding is included in the City's adopted capital plan, the State will be more likely to make additional funds available.

WHAT ACTIONS ARE NEEDED	
State Budget	
$108.3 Million in new State funding is being requested from the State Legislature.	Allowing for the re-appropriation of $114.3 million, the State's Capital Outlay Program must provide an additional $108.3 million in new funding to secure the required $222.6 million State appropriation.
City Budget	
$163.8 Million in City funding is required	In the absence of recent capital appropriations from the City, a commitment of $163.8 million in matching capital funds is required

This funding would provide for essential construction and rehabilitation projects as well as initiatives that address health and safety, energy conservation, facilities preservation and technology infrastructure at each of the campuses.

PROPOSED CAPITAL BUDGET COMMITMENT FROM NEW YORK CITY & NEW YORK STATE FOR THE COMMUNITY COLLEGES AND MEDGAR EVERS COLLEGE

	State Appropriation	City Matched	Balance	State & City Commitment	City's Unmatched Balance
				(for Medgar Evers)	
FY 1998-2003	$109.7M	$45.4M	$64.3M	$39.45M	$24.90M
FY 2004	$50.0M		$50.0M	$19.40M	$30.60M
TOTALS			**$114.3M**	**$58.85M**	**$55.50M**
	Additional State $	**City Unmatched Balance**		**Total Needed From City**	
	$108M	$55.5M		$163.8M	

HIGHLIGHTS

- Allows CUNY to design and construct <u>two</u> classroom buildings at Bronx and Queensborough Community Colleges
- Allows CUNY to design and construct several floors of Center III at La Guardia Community College
- Allows CUNY to design and construct two floors at 500 Grand Concourse at Hostos Community College
- Allows CUNY to design and construct science labs and student lounge at Borough of Manhattan Community College (99 Chambers Street)
- Allows CUNY to design and construct roof replacements/security systems at Kingsborough Community College
- Allows CUNY to design and construct several health & safety/technology/ADA/code compliance projects

Department of Parks & Recreation $140 million

Restore All of the City's Comfort Stations - $20 million
Currently the Parks Department manages and operates over 600 comfort stations in approximately 390 parks and playgrounds citywide. For a variety of reasons, many of these bathrooms have been out of service for years, leaving the parks users to find alternative facilities. New York is one of the few major cities in the world without a comprehensive plan for the placing of public bathroom facilities. The Parks Department claims that of the approximately 150 comfort stations currently out of service, half require full renovations while the other half require only partial renovations. The Council's plan provides $20 million for the rehabilitation of those comfort stations not currently in operation. It is estimated that it will cost an average of $200,000 to completely renovate a comfort station and $75,000 for a partial renovation. The Council is budgeting $15 million for the complete renovation projects and $5 million for the smaller partial renovations.

Tree Planting - $70 million
It has been estimated that there are currently 500,000 street trees planted citywide. While this urban forestry is one of the largest in total numbers, in terms of canopy coverage New York City ranks as one of the lowest in the nation. While most urban areas can claim to have over 20 percent canopy coverage on its streets, New York City's canopy covers less than 14 percent of total street area. The Parks Department claims that there are approximately 265,000 locations on City streets in which trees could be planted. If each of these locations was planted the population of street trees would grow by over 50 percent and the City's canopy coverage would increase likewise. In order to get a start on this huge task and to provide for the health and well-being of the City and its children the Council will provide funds for the initiation of a major street-tree planting program. In the first year of this program the Council would provide $70 million, or enough funds to plant 140,000 trees.

Hudson River Park – $50 million
Hudson River Park is one of the first major public works projects in 50 years that the City has been able to initiate. The project is not only transforming New York's underutilized waterfront but also the way in which the City's waterfront is perceived. The project has already begun to provide dividends for the City, as it has become an economic generator for its adjacent neighborhoods. Developers have been acquiring and building on vast parcels of previously undeveloped land contiguous to the park.

In 1992 the City agreed to fund the construction of the Hudson River Park. The agreement called for a total of $200 million to be split evenly by the City and the State. The funds have all been appropriated with the entire amount to be committed in the coming fiscal years. Unfortunately the original cost projections for the park were vastly under-estimated and there will be a need for at least another $200 million to complete it. A portion of these funds may be provided by a $75 million federal grant for the section of the park in lower Manhattan. However, the remainder of the funding will have to be raised elsewhere. The Council envisions a completed Hudson River Park as the anchor for the renaissance of the waterfront in the City. Along with the developing Brooklyn Bridge Park, these are prime examples of how the City should be utilizing its natural resources for the betterment of all. The Council supports this valuable project and would reallocate $50 million for its continued development in hopes that the State would match this allocation.

Economic Development Corporation (EDC) $125 million

The Economic Development Corporation is one of the City's primary mechanisms for generating economic activity. EDC's mandate is to offer programs that provide assistance for the revitalization of business and the creation of jobs, with the ultimate goal of generating additional revenues for the City. EDC has the ability to accomplish these goals through the implementation of a wide range of strategies, including: job creation incentive programs, corporate attraction incentive programs, infrastructure improvements, capital improvements in neighborhood shopping districts and public spaces, provision of technical assistance for emerging industries. EDC's Preliminary Capital Plan represents the agency's blueprint for achieving the aforementioned goals.

Job Creation and Sector Development - $50 million
In recent years the City Council has become increasingly concerned with EDC's job retention practices. Many millions of dollars designated for economic development initiatives wind up in the coffers of a few multi-billion dollar corporations. The amount spent on "corporate welfare" is unsettling when contrasted to the number of dollars spent on other aspects of the City budget, such as assistance for the mentally ill or the provision of quality affordable housing. The Council has consistently supported the Administration's utilization of tax credits and abatements as job retention tools. Yet over the past few years, in a disturbing trend, these retention strategies have been abandoned in favor of a greater number of direct payments to corporations.

A few years ago the Giuliani Administration had planned to provide hundreds of millions of capital dollars for acquisition of land for construction of an expanded New York Stock Exchange (NYSE). The funds committed for this project were justified by the Giuliani Administration as a means to facilitate the retention of thousands of high paying financial sector jobs. The fear that the NYSE would relocate to another municipality compelled the Administration to further sweeten its economic package for the Stock Exchange. Eventually the entire plan fell through, but not as a result of the economic incentive packages. Rather, the NYSE deal fell through as a result of the uncertainty following the terrorist attacks of September 11th. At the time it was unlikely that any of the exchanges would move to New Jersey without the consent of their largest members. Many of the large trading firms, such as Goldman Sachs & Co., Smith Barney Inc., Merrill Lynch and Morgan Stanley Dean Witter had already built their own trading floors in lower Manhattan, many with generous tax abatements from the City. With their stakes firmly planted in lower Manhattan, few of these firms would be amenable to a NYSE move.

The Council understands that there is no one hundred percent accurate method for determining whether companies such as the NYSE are seriously considering leaving the City. Yet, it has become evident that EDC would rather focus its efforts on the retention of jobs to the detriment of job creation programs and the development of emerging industries. The Council expects that the agency charged with promoting economic development will focus more on “development” and less on “corporate welfare”. The NYSE deal was another example of the City’s unhealthy reliance on the financial sector. It further emphasizes the need for supporting the diversification of the City’s business sector.

In his testimony before the Council, EDC President Andrew Alper stated that one of the goals of the EDC is to diversify the City’s economic base. On a job-by-job accounting the financial-sector accounts for only 14.3 percent of all employment in the city. But when looking at the sector as a percentage of total citywide income, the financial-sector accounts for a far greater portion of the pie. Over the last 20 years, the City’s prosperity has become directly linked to the changing fortunes of the financial sectors. By providing stimulus for the development of new or emerging industries, EDC lessens the uncertainty caused by this reliance on one sector of the economy. The Council envisions a future in which the City will not be dependent on the ever-changing fortunes of one or two job-sectors.

The Council was one of the vanguards in supporting targeted investments for emerging industries such as biotechnology and light manufacturing. The Council is pleased to see EDC’s renewed focus on development of the Life Sciences as well as the Tourism and Hospitality sectors. The EDC should continue to publicize and cultivate the inherent competitive advantages that exist in a City of the size and magnitude of New York City. Only through the careful nurturing of these nascent industries will the City’s economy be able to withstand future economic downturns.

The Council proposes that EDC expands its efforts on these fronts by providing additional capital funds for the construction of incubator space to stimulate the further development of the biotech industry. The biotech center currently in development at SUNY Downstate in Brooklyn is a first step towards this goal. The Council’s plan calls for the allocation of capital funds to be used for the completion of this site as well as the development of similar projects elsewhere in the City.

Waterfront Development - $75 million

The Preliminary Capital Budget includes more than $3.3 billion for projects related to the development of the City’s waterfront. Much of the expenditure is attributable to upgrades at water pollution control facilities. Excluding those projects, the budget for capital work related to the waterfront for Fiscal 2005-2008 is just over $1 billion. EDC does not appear to have a comprehensive waterfront development plan. Waterfront projects have been done piecemeal with little consideration for an overall planning strategy. The Department of City Planning has issued many waterfront revitalization plans over the years, but few of these recommendations have been implemented.

The Council envisions a time when all of the City's valuable waterfront properties and the waterways themselves are utilized to their fullest extent. This vision for the future of the waterfront includes the development of comprehensive ferry service and other appropriate waterfront usage.

Ferries are not just an environmentally efficient mode of transit that reduce street traffic, they can also assist in spurring waterfront redevelopment. For years, one of the primary factors inhibiting development of the City's waterfront has been a lack of efficient mass transit. The proliferation of ferry service along the City's coast lines would speed residential and commercial development in neighborhoods with inadequate subway options like Hunter's Point, Greenpoint, Red Hook and the Rockaways – just as ferry service was a crucial ingredient enabling huge investments along the New Jersey waterfront. The Council envisions a time when most of the region is easily accessible from a system of publicly and privately operated ferries. The City should spur such development by investing in pier and infrastructure improvements. Coupled with a comprehensive plan for the revitalization of other waterfront properties, regional ferry service could some day become the City's preferred mode of transportation.

The City's waterfront is a hodgepodge of properties managed by hundreds of different entities. The City, through its various agencies, controls a large portion of the waterfront property, yet there is no comprehensive inventory of this property. Studies have found that agencies as varied as the Parks Department, Department of Sanitation and the Department of Housing Preservation and Development occupy some portion of the City's waterfront. In many cases the usage of these properties is not water-dependent and the only thing preventing the relocation from the waterfront is inertia. The City could, with a small investment, relocate the agencies from the waterfront, making way for more appropriate uses. Additional funds should be made available to develop these properties to enable residential development, sensible manufacturing development and waterfront greenways and street-end parks. These plans are but a precursor to a larger coordinated waterfront development effort that must occur. We can fundamentally reshape the City by creating a comprehensive waterfront development plan, including the following:

- Invest capital in pier and waterfront infrastructure improvement to attract private ferry operations

- Relocate agencies from the waterfronts that have no explicit need for waterfront property

- Provide funds for site preparation for vacated waterfront property for use as residential, light manufacturing, or waterfront greenways and street-end parks

Libraries $100 million

The New York City Library System consists of three independently operated systems, each with its own Board of Trustees. The New York Public Library manages the library systems for Manhattan (39 branches), the Bronx (34 branches), Staten Island (12 branches), and also has managerial responsibility for the City's four research libraries. The Brooklyn Public Library System is a 58-branch operation along with a Business Library and a Central Library. The Queens Borough Public Library System has 62 branches, including adult learning centers, a cultural center and a central library. The Libraries' capital program consists of the renovation and enhancement of facilities, collections, programs and services that are available to all City residents.

Libraries play a vital role in our neighborhoods. They serve as partners in educating our children, as community centers for reading and learning, and as information storehouses that help local businesses grow. Public libraries provide a safe, structured environment for tens of thousands of school children after school, every day, in every community in the City. Libraries provide the only after-school programs that serve each and every community in the City.

Library Technology Enhancement - $15 million

As a result of major operating funding reductions in the last few years, the three City public library systems are unable to maintain their technology infrastructure and services. Computers normally considered to have three-year life spans must now be used for far longer. Deferred maintenance of old equipment ultimately results in the decline of public service. New Yorkers rely on free access to the Internet to access the vast array of City services now available on line. In fact, over 90 percent of all publicly accessible computers in New York City are available in public libraries.

Advances in technology increasingly drive the 21st Century economy. Globalization has enabled businesses to search worldwide for workers with the required backgrounds and skill-sets. In this type of economy, computer/technology education has become more important than ever to both individuals and businesses. The Council is calling for $15 million for the purchase of computers, printers, furniture and wiring for the City's 208 branch libraries and four research libraries. A percentage of these funds will leverage additional Federal support for the public libraries through the Universal Service program. A portion of the wiring would go toward the creation of wireless environments in libraries and laptops therefore saving significant public service space.

Library Facilities' Enhancements - $85 million

The Library systems' capital programs have been reduced dramatically over the last two years. The systems' capital budgets have been reduced by almost $300 million (approximately 55 percent). These funds were not for extravagant purposes, but for building needs such as leaking roofs and replacing equipment; without effectively maintaining our local branches, the reductions cause disruptions in library service and can damage previous investments in libraries. In order to address some of the dreadful conditions at the City's libraries, the Council proposes to invest $85 million for capital improvements. Each library system (New York, Brooklyn and Queens) would receive $25 million and the Research Libraries would receive $10 million. Listed below are projects that could be undertaken with these additional funds.

New York Public Library - $25 million

Borough-Wide needs

- DYNIX Upgrade - **$3.325 million**
  (Upgrade components of the aging technology infrastructure into the 21st century. Provide improved user access to collections through a more modern database)
- New Central Circulating Library - **$5 million** toward a $150 million project
- Replacement fund for new roofs, windows and HVAC/Boiler - **$2 million**

Manhattan

- Fort Washington (full renovation) - **$5.2 million**

Bronx

- Melrose (full renovation) - **$3.9 million**

Staten Island

- Huguenot Park (purchase site and create replacement branch) - **$6 million**

Research Libraries - $10 million

Humanities and Social Sciences Library

- Construct rooftop mechanical room that will enable relocation of HVAC equipment and related water lines currently located in attics over rare and valuable collections at the north end of the building - **$3.5 million**
- Upgrade Main Stacks Environment – replace outdated stack system and inadequate HVAC control systems serving eight levels of stacks with new temperature and humidity control - **$3 million**
- Jewish Division renovation (last division in need of renovation) - **$2.5 million**
- Exterior Facade Phase 1 - **$1 million**
- General interior renovations including new volunteer desk for Astor Hall, restoration of interior space including public restrooms, elevator lobbies and floors. - **$1 million**

Brooklyn Public Library - $25 million

- ***New Kensington Branch Library* - $8.5 million** – Full funding will allow BPL to immediately begin construction on a replacement for a deteriorated, cramped leased facility. The design for this new building is complete, and recently won an award for excellence from the New York City Art Commission. This is a green building and will be LEEDS certified upon completion.

- ***Visual and Performing Arts Library (VPA)* - $4 million** – Funding will allow design work to proceed. A 2002 NEA-sponsored competition resulted in the selection of a striking, transparent, wedge-shaped design by Enrique Norten of TEN/Architectos for the VPA, to be located in the BAM Cultural District in Downtown Brooklyn.

- ***Branch Retrofit Program* - $12.5 million total/$500,000 per branch** – Funding for this initiative will allow BPL to undertake necessary repairs at every library where significant work is not completed or planned. Work would begin at the most deteriorated branches first and address the most critical needs, including HVAC systems, leaky roofs, and other basic infrastructure. This allocation would address infrastructure and retrofitting needs at anywhere between 25 and 30 branches.

Queens Borough Public Library - $25 million

- ***Douglaston Branch - $250,000*** - Masonry Repair and Repointing - Deteriorated brickwork; prevent interior water damage and interruption of public service.

- ***Flushing Branch - $255,000*** – Replace Entrance Doors – Extremely high usage; existing doors are inadequate to accommodate public.

- ***Langston Hughes Branch - $200,000*** – Lower Level Egress & Renovation – Conversion of current unfinished space in lower level to increase public service.

- ***Astoria Branch - $325,000*** – Roof Rehabilitation – Roof substrate and selected tiles have failed; repairs necessary to prevent tiles from falling and interior water damage.

- ***Glen Oaks Branch - $575,000*** – Design Shortfall – Lack of adequate design funds impacts progress; new facility required to replace existing building that is inadequate to provide quality level of public service.

- ***North Hills Branch - $425,000*** – Roof Replacement – Existing roof has failed; prevent interior water damage and interruption of public service.

- ***North Hills Branch - $275,000*** – ADA Site Work – Existing entrance is not in compliance with ADA requirements for grade, landings and handrails; denies public access.

- ***Queens Village Branch- $275,000*** – HVAC – Existing heating distribution system has failed; new combination heating and air conditioning system to continue public service.

- ***Hillcrest Branch - $175,000*** – Roof Replacement – Current project for cyclical replacement; anticipates failure to prevent interior water damage and interruption of public service; construction shortfall for unanticipated ACM abatement.

- ***Jackson Heights Branch - $15,000,000*** – Building Replacement - New facility is required to replace existing building that is inadequate to provide quality level of public service; anticipated design/construction dollars required for FY05.

- ***Long Island City - $1,300,000*** – New Facility Construction Shortfall – Proposed general contractor to replace disqualified low bidder; additional funding required to register contract; new facility to replace two inadequate rental branches.

- ***Woodside Branch - $250,000*** – Building Waterproofing - Below grade waterproofing is required to prevent interior water damage and interruption of public service, as areas of the building are unusable.

- ***Cambria Heights - $900,000*** – New Facility Outfitting – New branch currently in construction; funding required for furniture and equipment and for library materials in order to open facility to public.

- ***Central Branch - $975,000*** – Fire Alarm – Original system is 40 years old; lack of upgraded system impacts life safety.

- ***Central Branch - $250,000*** – Masonry Repair – Selected brickwork of mechanical penthouse has failed; impacts life safety.

- ***Baisley Park Branch – $275,000*** - HVAC Replacement – Existing heating, ventilating and air conditioning equipment is 30 years old and beyond economical repair; anticipates failure-impacting interruption to public service.

- ***Lefferts Branch - $335,000*** – Roof Replacement – Cyclical replacement; anticipates failure to prevent interior water damage and interruption of public service.

- ***Maspeth Branch - $135,000*** – Fire Alarm and Security Lighting – Lack of fire alarm and security lighting impacts life safety.

- ***Ridgewood Branch - $1,500,000*** – Building Renovation – Current project for selected building renovation/ADA; additional scope for main floor of building to provide full public services.

- ***Richmond Hill Branch - $255,000*** – Masonry Rehabilitation – Existing masonry fence is collapsing; repairs required for public/staff safety.

- ***Arvene Branch - $75,000*** – Perimeter Fence – Installation of perimeter fence to prevent illegal dumping and drug use on property.

- ***Far Rockaway Branch - $475,000*** – Building Expansion/ADA – Existing branch is inadequate to accommodate quality level of public services; lack of access to all areas denies public service.

- ***Peninsula Branch - $275,000*** – Heating – Existing furnace is 30 years old and beyond economical repair; anticipates failure-impacting interruption to public service.

Department of Cultural Affairs $75 million

The Department of Cultural Affairs (DCA) is the principal City agency responsible for overseeing and sustaining New York City's cultural life, heritage and artistic preeminence. The City is home to nearly 1,400 arts and cultural institutions. DCA must work with City, State and Federal governments in order to secure funding for the maintenance, rehabilitation and construction of these institutions. The agency oversees and maintains more than 9.8 million gross square feet of facility space for 273 buildings, many of which are landmarks. The Department manages the capital construction programs for the 34 primary institutions and for other capital-eligible institutions that occupy City-owned buildings.

New York City has long been known as the cultural capital of the world. Cultural institutions play a significant role in the City by contributing to the quality of life and by generating tourism. Cultural institutions are big business, attracting millions of people to the City annually. The investments made in the City’s cultural institutions can be justified in terms of their overall beneficial economic impact.

Asset Management Program - $50 million
The Preliminary Capital Plan does not address the basic infrastructure needs of many cultural institutions. These needs include roof replacements, mechanical and electrical system upgrades, elevator rehabilitation, and air-conditioning and boiler replacements. With minimal funding available for these critical projects, the infrastructure of some facilities, which are housed in City-owned buildings, is in jeopardy. It has become increasingly difficult for cultural institutions to raise private money for basic infrastructure projects. Private donors tend to fund more glamorous projects such as new museum wings and galleries.

The Council's Alternative Financial Plan includes an additional $50 million of capital funds for an asset management program. City-funded cyclical infrastructure improvements dedicated to asset management would allow cultural institutions in which the City has an ownership interest to maintain aging infrastructure in a responsible, efficient and coherent way. The City has a tacit obligation to repair and maintain buildings in which it holds an ownership interest. The current practice of ad hoc capital support for facilities operated by non-profit organizations for public purposes hurts the City, its non-profit partners and the public.

Needless to say, ad hoc capital repairs cost more than a planned program of capital asset management, often putting overall safety and security at risk. The inability to rely on the City for regular capital support of cyclical infrastructure needs also affects fire protection, HVAC and related public amenities, and the integrity of the priceless collections and expensive equipment central to the missions of these institutions. Those who suffer most are the workers, students and families who use these facilities. A dedicated asset management fund within the City's capital budget would allow non-profit cultural institutions to develop meaningful public/private funding partnerships to improve their stewardship of the City's real estate for the public good.

Revolving Capital Loan Fund - $25 million
The City Council's plan also includes $25 million for a revolving capital loan fund for working capital for smaller cultural institutions. Small cultural organizations distinguish New York City and support the diversity and range of activity that define the City as the nation's premier cosmopolitan and intellectual center. These organizations are central to the public policy goals of the City of New York and, as vendors, provide direct City service. Such public/private partnerships work well on the operating side of the City budget, but falter with respect to capital investment, where the rigidity and complexity of the City's funding and procurement requirements overwhelm the needs and capacity of small, though healthy organizations.

Access to working capital is a critical need of small organizations, which, because commercial investors largely ignore them, must rely almost exclusively on private giving to improve their capital assets. The City's interest in supporting the work of these vital service providers would be well-served by creating a mechanism for such access that would allow small non-profits to maintain their infrastructure without sacrificing their core service missions. The creation of a revolving capital loan fund housed in a stand-alone non-profit organization would act as a clearing-house for re-granting the City's funds as free or low-cost revolving loans to City pre-approved projects, following City procurement and related guidelines.

A long-standing example of such a public/private access to capital partnership is the Alliance of Resident Theaters/New York's Elizabeth Steinway Chapin Loan Fund, established with federal HUD funds. This micro-lending program provides capital financing of up to $200,000 to eligible non-profit theaters. The keys to the loan fund's success are low interest rates and long payback periods, which help recipient theatres manage debt service while addressing long-term infrastructure needs such as facilities, equipment and staff development. These projects, while in the City's express interest, are too small and organization-specific for the City to manage effectively or efficiently.

Housing Preservation and Development (HPD) $50 million

Through last year's budget process, the Council appropriated $25 million for affordable housing in HPD's Fiscal 2005 Capital Commitment Plan. The Council proposes that these funds and an additional $25 million be used to support the development and preservation of up to 1,800 units of housing in total. Funds would be allocated for a number of different new initiatives as well as enhancements to existing programs to be undertaken by HPD and the New York City Housing Authority (NYCHA). The HPD - administered initiatives include the following: the establishment of a non-profit acquisition fund that would leverage private financing to assist approximately 650 units of new construction; deepening the subsidies for approximately 375 units of housing that were caught up in the 203-K scandal and are being treated through HPD's various disposition programs; deepening the subsidies for approximately 75 units of housing in HPD's Third Party Transfer Program as part of a housing for victims of domestic violence pilot program; and the establishment of a special loan fund as part of a pilot to preserve project-based Section 8 developments as low-income rental housing or to assist in their conversion to limited equity cooperatives. The proposed initiatives to be administered by NYCHA are as follows: the development of 160 two-family homes on vacant NYCHA land, with current NYCHA residents being given preference for purchase of the new homes; assisting the development of approximately 100 units that are part of NYCHA's HOPE VI project in Ocean Hill – Brownsville; and the rehabilitation of 100 single-family homes owned and managed by NYCHA in Southeast Queens.

Police Department (NYPD) $36.4 million

New 120th Precinct Station House - $16.4 million

Of the Police Department's 76 station houses, six date from the 19th century and 24 are more than 50 years old. Many station houses have decrepit plumbing and electrical systems and are in need of major constructional renovation; some need to be entirely replaced. Accordingly, the February 2002 Capital Commitment Plan added $22.5 million for design, construction, and furniture and equipment for a new 120th Precinct station house on Staten Island. Construction on the 120th Precinct was scheduled for completion in Fiscal 2004. However, in order to reach a Capital Budget reduction target, the funding for this project (as well as station house replacement projects in other precincts) was removed in its entirety in the January 2003 Capital Commitment Plan.

Recognizing the dilapidated physical condition of the existing 120th Precinct station house, the City Council re-appropriated $20 million to construct a new building during the Fiscal 2004 Adopted Budget process. The funding was proposed for commitment in Fiscal 2005 ($10 million) and Fiscal 2006 ($10 million), and a 104,000-square-foot City-owned parcel in Stapleton was designated as the site for the new structure. However, the original funding request for the project was based upon similar new capital construction projects of that time, and costs have increased. The project also requires additional funding for design, furniture, and equipment. A current total estimate to design, construct, and equip a replacement 120th Precinct station house is $36.4 million, or $16.4 million in excess of current available funding.

The Council recommends the addition of $16.4 million to the NYPD's Fiscal 2005 Capital Budget so that adequate funding is available to build a new 120th Precinct station house.

Technological Initiatives - $20 million
Police Commissioner Kelly testified at the NYPD's Fiscal 2005 Preliminary Budget Hearing that the Department was "technologically challenged." Most precinct station houses lack a sufficient number of computers for important data retrieval, such as checking criminal records or analyzing crime trends, and the time needed to access crucial crime-fighting data is considered excessive. Information such as school crime statistics have until recently been culled and reported to the Department of Education using a paper system. The Department utilizes several different data systems to maintain certain records, but information is not transferable across system platforms.

The City Council recommends that $20 million be added to the Department's Fiscal 2005 Capital Budget for technological initiatives, with an emphasis on computerization of all City precincts and upgrades to database systems that would allow for real-time retrieval of criminal records and crime trend analysis.

Department of Health $30 million

The Council's Alternative Plan includes $23 million for the Department of Health to fund necessary capital improvements to the City's Child Health Clinics. These facilities provide primary and preventive care to children and teenagers. The modernization of these facilities will ensure that the clinics have an updated infrastructure to effectively deal with this very vulnerable population. The Council is also recommending that $7 million be provided for modern equipment to be made available throughout the City's public health facilities.

Fire Department $18 million

Two Additional Hazmat Units - $2 million
The Fire Department currently has only one Hazardous Materials (Hazmat) Unit, which responds to incidents whenever hazardous materials are released. In a situation such as a chemical or biological attack involving multiple contaminated sites, the City's emergency response, in particular the rescue and decontamination off civilians, would be

compromised by the lack of additional Hazmat units. The City Council's plan includes an additional $2 million to purchase and equip an additional two Hazmat Units.

Firehouse Restoration – $15 million
Similar to the Police Department, many FDNY firehouses were built in the early 1900's and are currently in a state of disrepair. The FDNY's Fiscal 2005 Preliminary Capital Plan includes funding for the renovation and improvement of existing facilities, including allocations for: the gut rehabilitation of three firehouses; the installation of emergency generators; the reconstruction of apparatus floors; boiler, roof, window, kitchen, and bathroom replacement; and waterproofing and repointing. However, the funds dedicated to these projects are not sufficient for the upkeep of the FDNY's aging firehouses, and therefore, the City Council recommends that an additional $15 million for firehouse renovation be included in the agency's Fiscal 2005 Capital Budget.

Additional Boston Whaler Fireboats - $1 million
The Fire Department's Marine Operations fleet includes five large firefighting vessels and an aging group of Boston Whalers, which are used for smaller emergency dispatch operations. The Department currently needs four Boston Whalers to upgrade and complement its fleet at the following locations: Fort Totten/Little Neck Bay in Queens, Jamaica Bay, Marine 1 (lower Manhattan, Hudson River), and Great Kills Bay off Staten Island. The City Council's plan includes $1 million for the FDNY's Fiscal 2005 Capital Budget to purchase and properly equip these four vessels.

COUNCIL'S ALTERNATIVE CAPITAL PLAN

PROPOSED CHANGES TO FISCAL 2005 CAPITAL BUDGET BASED ON PRELIMINARY CAPITAL PLAN

City Funds - ($'s in millions)

	Mayor's Preliminary Plan	Council's Proposed Commitment Plan	Variance	Percent Variance*
Transportation	$819	$801	($18)	-2.23%
Courts	$682	$54	($628)	-92.08%
HHC	$18	$18	$0	0.00%
Transit Authority	$72	$72	$0	0.00%
Police	$84	$116	$32	38.57%
Fire	$69	$85	$16	23.19%
Corrections	$106	$82	($24)	-22.64%
Health	$44	$74	$30	68.18%
Public Buildings	$123	$123	$0	0.00%
Sanitation	$662	$662	$0	0.00%
Economic Development	$120	$245	$125	104.17%
HPD	$254	$304	$50	19.69%
Housing Authority	$10	$10	$0	0.00%
Education	$1,319	$1,319	$0	0.00%
CUNY	$21	$185	$164	780.00%
Parks	$140	$280	$140	100.00%
Culturals	$82	$157	$75	91.46%
Libraries	$49	$149	$100	204.08%
Environmental Protection	$2,271	$2,271	$0	0.00%
Other Agencies	$165	$103	($62)	-37.58%
Citywide Total	**$7,110**	**$7,110**	**($0)**	**0.00%**

*Note - The percentage variances will be significantly reduced once the impact of all rolls from Fiscal 2004 into Fiscal 2005 have been taken into account. The Council currently anticipates that as much as 38% of Fiscal 2004's projects will be rolled into Fiscal 2005. This roll is not reflected in this chart.