

REBNY Testimony | February 9, 2023

The Real Estate Board of New York to The New York State Senate Finance and Assembly Ways & Means Committees Joint Legislative Budget Hearing on FY 2023-24 Executive Budget: Taxes

The Real Estate Board of New York (REBNY) is the City's leading real estate trade association. Founded in 1896, REBNY represents commercial, residential, and institutional property owners, builders, managers, investors, brokers, salespeople and other organizations and individuals active in New York City real estate. REBNY appreciates the opportunity to submit testimony concerning the importance of extending several economic development programs that help spur job creation throughout the five boroughs.

REBNY is a proud member of the Five Borough Jobs Campaign, a New York City-based coalition fighting for the preservation of a slate of economic incentive programs crucial to the region's economic recovery. For this reason, we join organizations from across the city in commending Governor Hochul for including a five-year extension of the Commercial Expansion Program (CEP), the Energy Cost Savings Program (ECSP), the Commercial Revitalization Program (CRP), Commercial Rent Tax Special Reduction (CRT), and the Lower Manhattan Energy Program (LMEP) in the 2023-2024 Executive Budget. We encourage legislators to join the Governor in support of these programs so that they can continue to support New York's economic growth.

Unfortunately, New York City's economic recovery is lagging. The city is still 176,000 jobs below pre-pandemic levels and the metropolitan area is the slowest recovering region in the nation. Now is not the time to remove programs that have proven to help businesses across the city open their doors and expand their economic opportunity.

The ways these incentives will bolster struggling business cannot be understated. For example, CEP and ECSP are designed to specifically target businesses outside of Manhattan and provide tens of thousands of dollars in savings for businesses of all sizes. In FY '22 alone, ECSP provided over \$10.2 million in benefits to nearly 400 businesses in locations including the Greenpoint Manufacturing and Design Center, Industry City, and Brooklyn Army Terminal. Similarly, CRP, CRT, and LMEP continue to be needed to help foster growth in lower Manhattan, where the impact of the pandemic has been particularly acute.

For these reasons, we urge support for a five-year extension as outlined in the Executive Budget. Thank you for considering these thoughts.