

DAILY NEWS

Rich get all the breaks with Mike

By Juan Gonzalez

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For more than two years, Mayor Bloomberg has sought a huge expansion of property tax breaks on Manhattan's far West Side for his real estate developer friends.

Bloomberg finally got his wish last Thursday when City Council Speaker Gifford Miller quietly secured Council approval for a new program of Payments In Lieu of Taxes (PILOTs) for the Hudson Yards commercial district. Under the program, the city will allow developers who build on the West Side to pay annual PILOTs at a much lower rate than the normal property tax.

But those new tax breaks are "unwarranted and fiscally irresponsible," according to a report last week by the nonprofit Fiscal Policy Institute.

Tax breaks to major businesses have exploded under Bloomberg and are bound to get worse with the Hudson Yards project, said economist James Parrott, author of the report.

During Bloomberg's first two years in office, Parrott said, the city granted at least \$1 billion in commercial property tax breaks. That's 40% more than during Rudy Giuliani's final two years in office.

Even worse, Parrott says, the PILOTs program usually sets maximum payment levels for as long as 20 or 30 years. So if a budget deficit suddenly forces City Hall to increase property taxes - as Bloomberg did a few years ago - commercial owners are totally protected while the rest of us pay more to balance the city's budget.

"This program will shift the city's tax burden away from large corporations and real estate developers to smaller businesses and other taxpayers," Parrott said.

The Hudson Yards plan that the City Council approved this year already earmarks \$3 billion in city bonds for infrastructure improvements for Hudson Yards, including the extension of the No. 7 train line. That commitment alone has sparked such a rise in real estate values that no further subsidies are needed for developers.

But Bloomberg and his economic development czar Dan Doctoroff never seem to tire of devising new tax giveaways for the super-rich.

City Controller William Thompson audited the PILOTs program this summer and found there were so many of these deals that city officials had underbilled landlords in a

disturbing number of cases and they sometimes neglected to put properties back on the tax rolls when the abatements ended.

This month, NBC, a subsidiary of General Electric, is slated to get yet another tax break from the city's Economic Development Corp.

According to city documents, NBC has applied to renew its exemption from "city and state sales and use taxes, and real estate taxes" related to its renovation of 50,000 square feet of office space on the 11th and 12th floors of 30 Rockefeller Plaza.

The package is part of a job retention tax deal that NBC has been milking since 1987. Back then, the company was threatening to leave Rockefeller Center for New Jersey.

Imagine that: Tom Brokaw, reporting from Hoboken.

Frightened city officials under former Mayor Ed Koch immediately cobbled together a big tax incentive package, and NBC has continued to feed on those breaks each year until 2003. But then Bloomberg's EDC decided to keep doling out tax breaks to one of world's most profitable companies.

Tonight our billionaire mayor is scheduled to appear at his second debate against Fernando Ferrer, his feisty underdog opponent from the Bronx. Their showdown will take place at the very NBC headquarters in Rockefeller Center that city taxpayers have been subsidizing for 18 years.

Someone needs to tell Bloomberg, right there in front of those NBC cameras, that no matter who wins next week, the tax trough for his rich friends has to end.