



New York City agrees on \$59 billion Fiscal Year 2008 budget

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The city has come up with an agreement on the Fiscal Year (FY) 2008 New York City Budget. The \$59 billion budget includes \$1.3 billion in property, sales, and small-business tax cuts, including a property tax rate cut rate of 7% for the coming year.

The \$59 billion budget includes \$1.3 billion in property, sales, and small-business tax cuts. These tax cuts come in addition to the \$256 million in \$400-per-homeowner tax rebates requested by the city and approved by the state legislature last week.

The budget fulfills a pledge we made in our state of the city in January to substantially cut New Yorkers' taxes while still keeping our streets safe, improving the services city government provides, and setting aside money now for costs we know are coming in the future.

In partnership with speaker Quinn and the city council, we have agreed to a one-year, seven percent reduction in the property tax rate, larger than the cut we proposed in January, and in the months ahead, we'll keep a close eye on the city's finances as we weigh whether to extend this property tax cut next year, as well.

I want to thank speaker Quinn and the council members' for working with us to craft a budget which benefits New Yorkers now while also addressing the long-term outlook of the city.

"I am proud to stand with my colleagues and the mayor to announce an on-time budget that balances fiscal responsibility with the need to provide essential city services to New Yorkers. We are wisely paying down future budget gaps, putting additional funds toward covering future retiree costs, and saving New Yorkers more than a billion dollars in property taxes while also making good on our promise to cut taxes for our city's small businesses," said speaker Quinn. "Restoring 6-day library service, which was lost in the economic downturn after September 11, will allow seniors, students and working families to access literacy programs, tutoring and job training."

The FY 2008 budget includes funding for six-day-per-week library service, provides resources for bulletproof vests for auxiliary officers in the police department and funds enhancements to the 311 system.

It also provides new funding for the ongoing health impacts of the terrorist attack of September 11, 2001.

It includes funding for a new police academy and for parks, transportation and other programs related to PlaNYC.

The budget invests in the city's long-term fiscal outlook through pay-go capital and the restructuring of debt to help reduce forecast out-year budget gaps.

The \$2.3 billion to pay expenses and cover debt service in Fiscal Years 2009 and 2010 is more money than the city has ever set aside to help fill out-year budget gaps.

In addition, this agreement includes a further \$500 million in pre-payments into the city's retirees' health benefits trust fund, bringing total in the fund to \$2.5 billion.

Michael Bloomberg is mayor of New York, N.Y.

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