



Fiscal 2009 Preliminary Budget Hearings

Department of Cultural Affairs (Capital)

March 2008

*Hon. Christine C. Quinn
Speaker of the Council*

*Hon. David I. Weprin, Chair
Committee on Finance*

*Hon. Domenic M. Recchia Jr., Chair
Committee on Cultural Affairs, Libraries &
International Intergroup Relations*

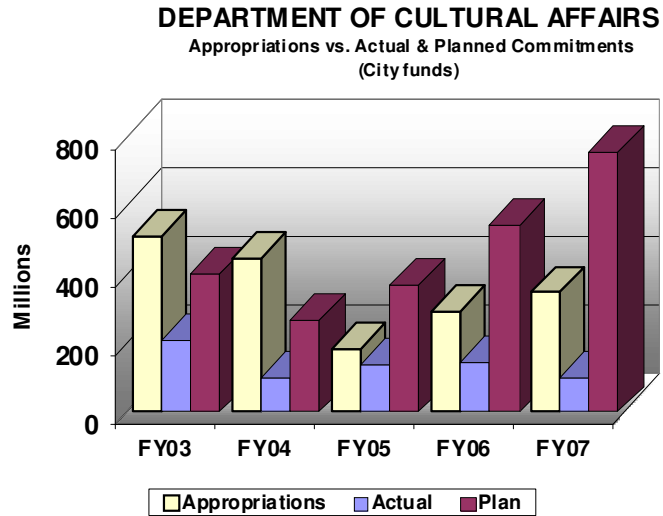
*James Caras, Acting Director
Finance Division*

Fiscal 2009 Preliminary Capital Budget Report

Agency Overview

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 Agency is primarily concerned with overseeing the implementation and coordination of the financial, administrative, legal and managerial support needed by more than 34 cultural institutions housed primarily in City-owned buildings.

The City of New York is home to nearly 1,400 arts and cultural institutions and organizations that are found throughout the five boroughs. DCA is charged with fostering coordination among City, State and Federal governments and these cultural institutions and provides funding, technical support and information services in all the visual, literary and performing arts disciplines as well as for zoos, museums, botanical gardens, and historical and preservation societies.



DCA oversees and maintains more than 9.8 million gross square feet of facility space for 273 buildings, many of which are landmarks. The Department's capital expenditure responsibilities consist mainly of managing a capital construction program for the 34 primary cultural institutions that occupy City-owned buildings and the management of programs for other capital-eligible institutions. Capital projects include design, renovation, construction, computerization and exterior rehabilitation of facilities, provision of security, public safety improvements, and code compliance.

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Current Budget Summary

The January 2008 Capital Commitment Plan includes \$1.35 billion in Fiscals 2008-2011 for the Department of Cultural Affairs (including City and Non-City funds). This represents 2.6 percent of the City's total \$52.5 billion January Plan for Fiscals 2008-2011. The agency's January Commitment Plan for Fiscals 2008 - 2011 has increased less than one percent since the September Commitment Plan, an increase of \$2.9 million.

Over the past five years the DCA has only committed an average of 29.2 percent of its annual capital plan. Therefore, it is assumed that a large portion of the agency's Fiscal 2008 capital plan will be rolled into Fiscal 2009 thus greatly increasing the size of the Fiscal 2009-2012 capital plan. Since adoption last June, the Capital Commitment Plan for Fiscal 2008 has decreased from \$955.1 million to \$725.4 million, a reduction of \$229.7 million or 24 percent.

Currently the DCA's appropriations total \$877.9 million in city-funds for Fiscal 2008. These appropriations are to be used to finance the DCA's \$642.6 million city-funded Fiscal 2008 capital commitment program. The agency has over 36.6 percent more funding than it needs to meet its entire capital commitment program for the current fiscal year.

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The Department of Cultural Affairs' capital commitments for the last five years are shown below:

FIVE YEAR HISTORY – CAPITAL BUDGET (\$ in millions)					
	FY03	FY04	FY05	FY06	FY07
CITY	207	98	140	144	99
NON-CITY	0	2	0	8	5
TOTAL	207	100	140	152	104

The Adopted Four-Year Capital Plan is shown below:

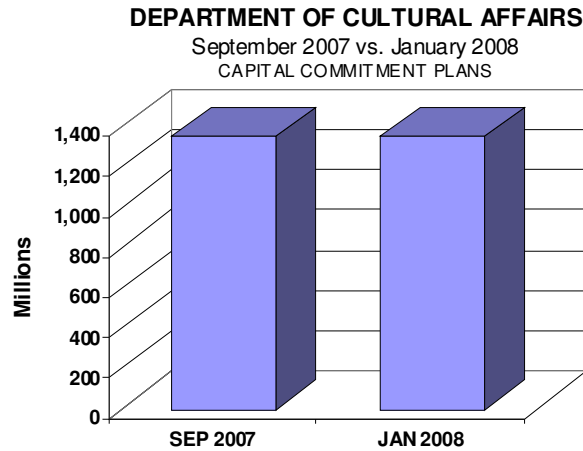
ADOPTED CAPITAL BUDGET – SEPTEMBER 2007 (\$ in millions)					
	FY08	FY09	FY10	FY11	FY's 08-11
CITY	905.9	267.9	21.8	109.9	1,305.5
NON-CITY	49.2	0	0	0	49.2
TOTAL	955.1	267.9	21.8	109.9	1,354.7

The Preliminary Four-Year Capital Plan is shown below:

PRELIMINARY CAPITAL PLAN – JANUARY 2008 (\$ in millions)					
	FY08	FY09	FY10	FY11	FY's 08-11
CITY	696.3	480.5	21.8	109.9	1,308.5
NON-CITY	29.1	20.1	0	0	49.2
TOTAL	725.4	500.6	21.8	109.9	1,357.7

PRELIMINARY BUDGET ISSUES:

- The Department of Cultural Affairs' January Commitment Plan for Fiscal Year 2008 is 24.0 percent less than the \$955.1 million in the September Commitment Plan, a reduction of \$229.7 million. This reduction is due to many projects being pushed to Fiscal Years 2009. These projects were pushed to Fiscal Year 2009 because they will not be committed during this Fiscal Year.



PRELIMINARY BUDGET HIGHLIGHTS (Four-Year Capital Plan):

- Lincoln Center Redevelopment - \$197 million
- New York Aquarium Master Plan - \$74 million
- Bronx Zoo Site-Wide Improvements - \$46 million
- Queens Museum of Art Expansion - \$41 million
- Snug Harbor Cultural Center Site-Wide Improvements - \$26 million