



**Proposed Budget FY 2027-28
Overview**

Capital Projects

The Proposed Budget FY 2027-28 projects capital improvements in the amount of \$17,597,000, an increase of \$2,988,000 over the Approved Budget FY 2026-27 amount of \$14,609,000. The increase in capital expenditure projection primarily consists of Island wide infrastructure improvements \$1,316,000, sports fields and parks renovation of \$1,050,000, historical landmark and structure improvements \$1,380,000, long-term tramway improvements of \$450,000 and miscellaneous project contingency of \$650,000. These increases are offset with reduction in vehicle equipment replacement of \$1,834,000 and facilities and office improvements \$24,000.

For sports fields and parks, the Proposed Budget FY 2027-28 projects expenditures in the amount of \$2,200,000 an increase of \$1,050,000 over the Approved Budget FY 2026-27 \$1,150,000. The increase is being attributed to the design and construction of Firefighters Field comfort station, irrigation and landscaping upgrades, Blackwell playground renovation, and Nellie Bly Monument upkeep.

For historic and landmark structures improvement, the Proposed Budget FY 2027-28 projects expenditures in the amount of \$2,105,000, an increase of \$1,380,000 from the Approved Budget FY 2026-27 amount of \$725,000. The increase is mainly due to Blackwell House exterior and roof construction and Good Shepherd Chapel elevator room upgrade and exterior and interior repairs.

For infrastructure improvements, the Proposed Budget FY 2027-28 projects expenditures in the amount of \$8,695,000, an increase of \$1,316,000 from the Approved Budget FY 2026-27 of \$7,379,000. The increase is mainly due to the flood risk assessment and interim protection study, AVAC upgrades, roadway rehabilitation, Cultural Center HVAC upgrade, and Island wide rehabilitation including Tramway overlook enhancement.

For facilities and office improvements, the Proposed Budget FY 2027-28 projects expenditures in the amount of \$21,000, a decrease of \$24,000 from the Approved Budget FY 2026-27 amount of \$45,000. The decrease is primarily due to a reduction in planned office equipment purchases.

For equipment and vehicles, the Proposed Budget FY 2027-28 projects expenditures in the amount of \$1,206,000, a decrease of \$1,834,000 over the Approved Budget FY 2026-27 of \$3,040,000. The decrease is mainly due to scale of equipment and vehicle purchases for this fiscal year.

For the Tramway, the Proposed Budget FY 2027-28 projects expenditures in the amount of \$2,620,000, an increase of \$450,000, over the Approved Budget FY 2026-27 of \$2,170,000. The increase is primarily driven by long-term maintenance, tram infrastructure overhauls, and safety maintenance.

For miscellaneous, the Proposed Budget FY 2027-28 projects expenditures in the amount of \$750,000 to engage in On Call Architects & Engineers, and Construction Managers.



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Revenues

RIOC's Proposed Budget FY 2027-28 projects revenues of \$47,484,119, an increase of \$5,404,038 or 12.8% over the Approved Budget FY 2026-27 amount of \$42,080,081. RIOC generates most of its revenues from long-term ground leases to developers of housing projects on the Island. These leases specify the methodology by which the ground lease revenues are derived, including amounts, timing and escalation of ground lease payments, specifically residential fees, ground rents and public safety fees.

In addition, RIOC generates revenues from its Tramway transportation system, Motorgate parking garage, metered street parking, commercial leases and interest income. Other revenues mostly consist of permit fees collected for activities that take place in the Sportspark sports facility, the Cultural Center, the Sports Fields and third-party construction on the Island.

Residential fees are projected to increase by \$789,675 or 13.0%. This is mainly due to Southtown 3 and 6 Tax Equivalency Payment escalation.

Ground rents are projected to increase by \$3,810,203 or 41.6% and interest earned on lease to increase by \$1,129,897 or 11.8% per GASB 87 reporting guidelines. GASB 87 reflects the amortization of the leases and the recognition of interest over the lease term. The projected increase is also driven by ground rent reset from Manhattan Park and contractual escalations.

Commercial rents are projected to increase by \$166,758 or 7.9% due to contractual escalations.

Public Safety revenues are projected to increase by \$86,220 or 3.1% due to contractual escalations.

Transport/parking revenues are projected to increase by \$67,899 or 2.3% mainly due to the increase in monthly parking permit holder.

Tramway revenues are projected to decrease by \$425,475 or 6.9% with the reduction in ridership in anticipation of ongoing upgrades and maintenance.

Other revenues are projected to decrease by \$198,245 or 9.0%, mainly due to conservative assumption of permit revenues based on FY 2025-26 actual data.



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Expenses

Personnel Expenses

RIOC's Proposed Budget FY 2027-28 projects personnel expenses of \$23,841,561, an increase of \$3,353,088 or 16.4% over the Approved Budget FY 2026-27 of \$20,488,474. The projected increase is due to increase in staff, cost-of-living adjustments, conversion of temporary employees to full-time, and other post-employment benefits.

Other Than Personnel Services (OTPS)

The Proposed Budget FY 2027-28 projects total OTPS of \$22,983,560, an increase of \$1,415,601 or 6.6% over the Approved Budget FY 2026-27 of \$21,567,959. Significant increases and decreases in spending are described below, including but not limited to expenses for insurance, professional services, management fees, legal expenses, repairs and maintenance, vehicle expenses, trees/shrubs and sod, and parts and supplies.

For insurance costs, the Proposed Budget FY 2027-28 projects expenditures in the amount of \$5,787,785, an increase of \$55,210 or 1.0% over the Approved Budget FY 2026-27 of \$5,732,575. The increase is mainly due to RIOC's unique property schedule and carriers' reinsurance cost in the property insurance marketplace. Prior year, the insurance program achieved a favorable decrease of (-0.5%) for the overall premium and enhanced coverage through efforts in negotiations.

For management fees, the Proposed Budget FY 2027-28 projects expenditures in the amount of \$7,951,023, an increase of \$362,712 or 4.8% over the Approved Budget FY 2026-27 of \$7,588,311. The amount budgeted mainly incorporates market adjustment increases.

For grant and community support, the Proposed Budget FY 2027-28 is a total of \$515,800, an increase of \$16,000 over the Approved Budget FY 2026-27 amount of \$499,800. This is mainly due to an increase in contractual holiday decorations.

For professional services, the Proposed Budget FY 2027-28 projects expenditures in the amount of \$2,590,400, an increase of \$41,030 or 1.6% over the Approved Budget FY 2026-27 amount of \$2,549,370. The increase is mainly due to consultation services and service agreements that cater towards the needs of the corporation.

For trees/shrubs sod and snow removal services, the Proposed Budget FY 2027-28 projects expenditures in the amount of \$325,000, an increase of \$44,000 or 15.7% under the Approved Budget FY 2026-27 of \$281,000. The increase is mainly due to contractual renegotiation.



Roosevelt Island Operating Corporation

For Marketing/Advertising, the Proposed Budget FY 2027-28 projects expenditures in the amount of \$77,750, an increase of \$10,000 or 14.8% under the Approved Budget FY 2026-27 of \$67,750. The increase is mainly due to marketing efforts related to employee recruitment.

For legal fees, the Proposed Budget FY 2027-28 projects expenditures in the amount of \$1,375,000, an increase of \$305,000 or 28.5% under the Approved Budget FY 2026-27 of \$1,070,000.

Offset by

For Service Maintenance, the Proposed Budget FY 2027-28 projects expenditures in the amount of \$116,377, a decrease of \$1,975 or 1.9% over the Approved Budget FY 2026-27 of \$118,352. The decrease is mainly due to maintenance service agreements.