



# This Week in New York

Covering New York State and City Government

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July 27, 2018 Edition



## *In the News – State*

### **NYS Revokes Charter/Time Warner Merger**



#### *PSC Gives Charter 60 Days to Develop a Plan for a Successor*

The State Public Service Commission (PSC) today voted to revoke its 2016 approval of the Charter-Time Warner Cable merger, thereby preventing the company from operating in New York State. The order gave the company 60 days to develop a plan to transition to an alternate provider.

Charter is “simply not serving New Yorkers,” PSC Chairman John Rhodes said prior to a vote to rescind the merger. “We need to seek a different provider.”

In January 2016, the PSC approved the \$65 billion merger of Charter Communications and Time Warner Cable. The merger agreement required Charter to expand services to underserved areas. Specifically, Charter was to expand its network to 145,000 addresses that did not have access to broadband internet.

Over the last two years, the PSC and Charter have entered into settlement agreements to create benchmarks for the expansion. Charter repeatedly fell short of the PSC’s expectations and has been fined \$2 million for underperformance.

According to a PSC press release, the Commission revoked its approval because “Charter, doing business as Spectrum, has — through word and deed — made clear that it has no intention of providing the public benefits upon which the Commission’s earlier approval was conditioned.” In addition, the PSC directed its counsel to bring an enforcement action in State Supreme Court to seek additional penalties for Charter’s past failures and ongoing non-compliance. That enforcement action will be filed today in State Supreme Court in Albany.

With its decision, the PSC determined that Charter failed to deliver the benefits to New Yorkers that were at the core of the merger approval. The various instances of misconduct include:

- The company’s repeated failures to meet deadlines;
- Charter’s attempts to skirt obligations to serve rural communities;
- Unsafe practices in the field;
- Its failure to fully commit to its obligations under the 2016 merger agreement; and
- The company’s purposeful obfuscation of its performance and compliance obligations to the Commission and its customers.

The PSC asserted that these recurring failures led the Commission to the broader conclusion that the company was not interested in being a good corporate citizen and that the Commission could no longer in good faith and conscience allow it to operate in New York.

“Charter's repeated failures to serve New Yorkers and honor its commitments are well documented and are only getting worse. After more than a year of administrative enforcement efforts to bring Charter into compliance with the Commission’s merger order, the time has come for stronger actions to protect New Yorkers and the public interest,” said Commission Chair Rhodes. “Charter’s non-compliance and brazenly disrespectful behavior toward New York State and its customers necessitates the actions taken today seeking court-ordered penalties for its failures and revoking the Charter merger approval.”

Charter is ordered to file within 60 days a plan with the Commission to ensure an orderly transition to a successor provider(s). During the transition process, Charter must continue to comply with all local franchises it holds in New York State and all obligations under the Public Service Law and the Commission regulations. Charter must ensure no interruption in service is experienced by customers, and, in the event that Charter does not do so, the Commission will take further steps, including seeking injunctive relief in Supreme Court in order to protect New York consumers.



## State Comptroller Finds NYC Finances Strong; But Out-Year Budget Gaps Have Grown

New York City's economy is on pace to add more than 72,000 jobs in 2018 and the unemployment rate has fallen to 4.2 percent, the lowest level in 42 years, but financial risks for the city persist, according to a report released this week by State Comptroller Thomas DiNapoli.

"New York City's economy is robust and the fiscal year 2019 budget is balanced under current conditions," Comptroller DiNapoli said. "However, the out-year gaps have grown and there are risks that could make closing them more difficult. The City has increased its reserves and should continue to do so given the threats on the horizon."

The city's most recent four-year financial plan, released in June, projects a surplus of nearly \$4.6 billion in FY 2018, the largest in 10 years. The surplus, which was used to balance the FY 2019 budget, resulted mostly from a reallocation of unneeded reserves and higher tax revenues.

Tax receipts exceeded the city's forecast at the beginning of FY 2018 by \$2.2 billion, driven by higher personal income tax (PIT) collections. PIT collections increased by more than 15 percent in FY 2018 and collections exceeded the city's initial forecast by \$1.5 billion.

The FY 2018 citywide savings program is expected to generate, on average, more than \$900 million annually, but only a small share of the savings will come from efficiencies that improve agency operations. Since the beginning of FY 2018, new needs increased agency spending by \$1 billion in FY 2018 and slightly larger amounts in subsequent years.

Spending is driven by the cost of current labor agreements, agency spending, rising health insurance and debt service costs, and the impact of state actions. The largest state action requires the city to match the state's contribution of \$418 million to the Metropolitan Transportation Authority's (MTA) Subway Action Plan.

The city projects budget gaps of \$3.3 billion in FY 2020, \$2.9 billion in FY 2021 and \$2.3 billion in FY 2022. The financial plan includes reserves of nearly \$1.4 billion in FY 2019 and \$1.25 billion in subsequent years. If unneeded, these resources could be used to help close the projected gaps.

## **Bills Delivered to the Governor**

***A8806 Sponsored by Assemblymember Fahy/Senator Amedore*** - Requires the certification of the final state equalization rate, class ratios, and class equalization rates shall occur no later than thirty days prior to the the tax levy.

***A9873 Sponsored by M of A Cusick/Senator Lanza*** - Extends, until December 31, 2019, the authorization of residential property owners in high risk brush fire areas on Staten Island to cut and remove reeds.

***A9966A Sponsored by M of A Magnarelli/Senator DeFrancisco*** - Creates a provisional permit for clinical laboratory personnel.

***A10236 - Sponsored by M of A Ortiz/Senator Lanza*** - Relates to certain water charges for hospitals and charities in New York city; extends provisions.

***A10468B - Sponsored by M of A Ryan/Senator Jacobs*** - Allows the Department of Health to reclassify drugs by regulation following an action by the federal government.

***A10647 - Sponsored by M of A Dinowitz/Senator Bonacic*** - Extends provisions of law relating to the use of electronic means for the commencement and filing of papers.

***S7158B - Sponsored by Senator Golden/M of A Joyner*** - Provides a cost of living adjustment in relation to the special accidental death benefit paid to a widow or widower.

***S8339 Sponsored by Senator Phillip/M of A Mosley*** - Extends certain provisions of law relating to limiting the check cashing exemption for national banks and other regulated entities.

## *In the News – City*

### **Guy Molinari, 89**

**U.S. Congressman (1981-1990)**

**NYS Assemblyman (1975-1980)**

**SI Borough President (1990-2002)**



Guy Molinari gives daughter Susan a lift as his wife Marguerite Molinari looks on. November 4, 1985. (Staten Island Advance)

Distinguished Staten Island politician Guy Molinari, who represented Staten Island in the State Assembly and U.S. Congress and guided the borough as its president, passed away this week. He was 89.

During Mr. Molinari's tenures the Fresh Kills landfill was closed, the fare for the Staten Island Ferry was eliminated, the toll for Brooklyn-bound cars on the Verrazano-Narrows Bridge was ended, and a minor league ballpark was built on the island.

Gaetano "Guy" Molinari was born in Manhattan, the son of the first Italian immigrant to serve in the State Assembly, S. Robert Molinari. A graduate of Wagner College and New York Law School, he was a U.S. Marine who served in the Korean War.

Following a successful career as a real estate attorney, he ran for and won the seat previously held by his father in the State Assembly. This led him to Washington – where his daughter, Susan, followed him in Congress. He closed his public service as Staten Island Borough President.

Mr. Molinari is survived by his daughter Susan; her husband, William Paxon, a former Buffalo congressman; and their two daughters. He was predeceased by his wife, Marguerite.



### **The Bronx By the Numbers**

**Employment:** The Bronx was the only borough in New York City that did not lose jobs during the Great Recession. Since 2007, it has gained an estimated 40,900 private sector jobs (up 21 percent), reaching a record of 239,900 jobs in 2017. Health care, leisure and hospitality, retail trade and social assistance accounted for three-quarters of the gains.

**Unemployment:** The unemployment rate averaged 12 percent from 2009 through 2013, but it dropped to 6.2 percent by 2017, the lowest level since 1990. Recent data shows the unemployment rate fell to a new record low of 4.7 percent in May 2018.

**Population:** The Bronx's population grew 26 percent between 1980 and 2017, reaching almost 1.5 million people, and it was the fastest-growing county in New York State since 2010. The borough's population growth was driven by an increase in the number of foreign-born residents.

**Ethnicity:** The number of immigrants in The Bronx has more than doubled since 1980 and made up 37 percent of the total population in 2016, up from 18 percent in 1980. Three-quarters of all immigrants in The Bronx are from Latin America, with more than half coming from the Dominican Republic (219,700). Immigrants are a large part of the borough's economic success, making up nearly half of the work force and 60 percent of self-employed entrepreneurs.

**Income:** The Bronx's median household income of \$37,500 in 2016 was significantly lower than in the other boroughs. The household poverty rate (28.4 percent) and the child poverty rate (40.1 percent) were significantly higher than the citywide rates (18.4 percent and 26.6 percent, respectively).

**Housing:** Rental units accounted for 81 percent of all housing units in The Bronx in 2016, the highest share among the boroughs. There are nearly 44,300 public housing units in The Bronx, accounting for 13 percent of all rental units, the highest share among the boroughs.

**Industry:** Health care is the largest employer in The Bronx, accounting for 27 percent (65,800 jobs) of all private sector jobs. The sector added more jobs (11,300) than any other sector between 2007 and 2017. The leisure and hospitality sector had the fastest growth since 2007, increasing by 54 percent and adding 7,500 jobs (mostly in restaurants).

## **Briefs**

### **De Blasio Administration Launches Plan to Reduce Maternal Deaths and Complications from Childbirth Among Women of Color**

The de Blasio Administration is launching the City's first comprehensive plan to reduce maternal deaths and life-threatening complications of childbirth among women of color. The five-year plan aims to eliminate disparities in maternal mortality and reduce by half the number of severe maternal morbidity events in the five boroughs. Severe maternal morbidity is defined as life-threatening complications of childbirth; maternal mortality is defined as a death of a woman while pregnant or within one year of the termination of pregnancy due to any cause related to or aggravated by the pregnancy or its management.

The City will invest \$12.8 million over the next three years in this plan. Funding will focus on enhancing maternal care at NYC Health + Hospitals' facilities; expanding public education in partnership with community-based organizations and residents; training private and public health care providers; and enhancing data tracking and analysis of severe maternal mortality and maternal morbidity events.

In New York City, more than 3,000 women experience a life-threatening event during childbirth, and about 30 women die from a pregnancy-related cause each year. Preliminary data shows that in New York City, Black non-Hispanic women are eight times more likely to die of pregnancy-related complications than White women.

## **NYC Department of City Planning**

The Department of City Planning this week released a new tool to track land use and zoning applications. Zoning Application Portal, ZAP, features a search function with data on 28,000 projects reaching as far back as 1970 and an online map of applications undergoing public review. The search functions allows users to filter projects through various geographic filters. Access ZAP [here](#).

## **Mayor de Blasio Launches PUREsoil NYC to Recycle Clean Soil for Community Improvements**

New York City this week launched PUREsoil NYC, an initiative that recycles clean soil from construction projects in NYC to community uses, where it improves soil quality and increase resilience to the effects of climate change. Under this program, the city will provide clean soil to community-based organizations to improve the quality of degraded soils in gardens, yards, and other open spaces and lower exposure to lead and other pollutants. Clean soil will also be used to create tidal and fresh water wetlands, berms, and levees and raise the elevation of coastal land to reduce risks from sea level rise and stronger storm surges caused by climate change. PUREsoil NYC and the source of the soil, the NYC Clean Soil Bank, are operated by the NYC Mayor's Office of Environmental Remediation (MOER).

Soil used in PUREsoil NYC is subject to a 12-step chemical quality vetting process to ensure purity. The design of PUREsoil NYC was guided by scientific studies by MOER, Lamont Doherty Earth Observatory Columbia University and Brooklyn College.

## **New York State Companion Animal Capital Fund Round 2**

### ***\$5 Million Available for Animal Shelter Improvement Projects***

Governor Andrew Cuomo announced an additional \$5 million is available to continue the support of critical improvement projects at New York's animal shelters. This is the second round of funding for the New York State Companion Animal Capital Fund, which will allow eligible organizations to make significant updates to their facilities to enhance animal care and health.

The Companion Animal Capital Fund will provide competitive matching grants to offset the costs associated with capital projects at these shelters, such as renovating dog kennels or building more efficient shelters to reduce the cost of operation. Funds can be used to construct, renovate, rehab, or acquire buildings or equipment needed to house, treat, and care for sheltered dogs and cats.

Eligible organizations that serve a single municipality with a population of less than two million people may apply for grants of \$50,000 to \$200,000. The awarded funding may not exceed 50 percent of the proposed project cost and applicants are required to match 50 percent of the grant total.

Eligible organizations serving two or more municipalities, or one municipality with a population of more than two million individuals, may apply for grants of \$100,000 to \$500,000. For these grants, the awarded funding may not exceed 75 percent of the proposed project cost and applicants are required to match 25 percent of the grant.

All applicants must apply through Grants Gateway by November 7, 2018 at 4 p.m. More details on eligibility and the application process are available on the Current Funding Opportunities page at [www.agriculture.ny.gov/RFPS](http://www.agriculture.ny.gov/RFPS).

## Coming Up

### New York State

#### Monday, July 30<sup>th</sup>

*Opportunity for public input regarding the implementation of Part Y of Chapter 57 of the Laws of 2018 which amends Articles 153 (Psychology), 154 (Social Work), and 163 (Mental Health Practitioners) of the State Education law, New York State Education Department, Room 5A & 5B, Education Building, 89 Washington Avenue, Albany, 1 p.m.*

### New York City

#### Tuesday, July 31<sup>st</sup>

*Committee on Parks & Recreation, Committee Room – City Hall, 1 p.m.*

*T2018-2543 - A Local Law in relation to the naming of one thoroughfare and public place, Jean-Jacques Dessalines Boulevard in the Borough of Brooklyn.*

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120 Broadway, 28th Floor  
New York, New York 10271  
Telephone (212) 652-3890  
Facsimile (212) 652-3891

111 Washington Avenue, St. 401  
Albany, New York 12210  
Telephone (518) 449-3320  
Facsimile (518) 449-5812

25 Hyatt Street, St. 202  
Staten Island, New York 10301  
Telephone (718) 943-1050  
Facsimile (718) 943-1051