



This Week in New York

Covering New York State and City Government

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“Every record has been destroyed or falsified, every book rewritten, every picture has been repainted, every statue and street building has been renamed, every date has been altered. And the process is continuing day by day and minute by minute. History has stopped. Nothing exists except an endless present in which the Party is always right.”
-George Orwell, 1984-

In the News – New York State



PACB Approves State-City Funding Agreement to Rebuild Penn Station

The State Public Authorities Control Board (PACB) this week unanimously approved the Pennsylvania Station Area Civic and Land Use Improvement Project – PILOT Agreement (22-UD-1958) to support Governor Kathy Hochul’s \$7 billion proposal to rebuild Penn Station and its surrounding area.

The PACB vote locks in an [agreement](#) between Governor Hochul and New York City Mayor Eric Adams on a financial framework to fund the station reconstruction and potential expansion, public realm improvements, and enhancements to transit infrastructure. The framework ensures that the City maintains a current and consistent level of property tax revenue while requiring that the project funding come in part from private development. As part of the agreement, the City and State have committed to establishing a joint city-state development corporation to oversee public realm improvements in coordination with the Penn Station Public Realm Task Force.

Highlights of the plan include development of a single-level, double-height train station that doubles passenger circulation space on the new public level to approximately 250,000 square feet and up to 1800 residential units (of which up to 708, or nearly 40 would be affordable or supportive housing).

Last week, Empire State Development's Board of Directors voted to approve the Pennsylvania Station Area Civic and Land Use Improvement Project's General Project Plan, Governor Hochul's vision to reimagine Penn Station and the surrounding area.

The City’s labor leaders lauded the PACB approval and the Governor’s plan.

“District Council 9 looks forward to our work together as we continue to revitalize New York and construct a pathway to the middle class for many New Yorkers,” Business Manager and Secretary Treasurer of District Council 9 of the International Union of Painters and Allied Trades Joseph Azzopardi said. "These plans will not only build up this prominent area of New York City but will create good-paying and career-sustaining union jobs. "

Executive Secretary-Treasurer of the New York City and Vicinity District Council of Carpenters Joseph Geiger asserted, "More than ever, New York City needs a once-in-a-generation investment in infrastructure to make up for decades of neglect...Years from now, when people ask, 'How did New York begin to rebuild its middle class?' This will be the moment they point to."

However, not all involved were onboard with moving forward with the project. Just hours before the PACB meeting, State Comptroller Thomas DiNapoli urged the panel to delay a vote to ensure "sufficient information and funding commitments are in place."

Meanwhile, PACB board member Senator Leroy Comrie asserted that this PACB vote was only the "first step" and "...not the final say on this massive undertaking" as "future review and votes will be required, both by the PACB and the MTA Capital Program Review Board (CPRB)."

"To be clear, while I will vote yes on today's resolution, I will not vote in favor of any future PILOT agreements for individual above-ground building in this project footprint until we have secured necessary federal approvals and the fair share of funding from the federal government and New Jersey," Senator Comrie said.

In the News – New York City



MTA Announces Major Progress on Congestion Pricing

Traffic Mobility Review Board Empaneled & Environmental Assessment Release Expected Within Two Weeks

Metropolitan Transportation Authority (MTA) Chair and CEO Janno Lieber this week announced two significant steps toward the implementation of congestion pricing, known formally as the Central Business District Tolling Program. The MTA empaneled the program's Traffic Mobility Review Board (TMRB), announcing the appointment of its five members. In addition, the Authority indicated the Federal Highway Administration (FHWA) will release the necessary Environmental Assessment on or about August 10.

The MTA's appointments are:

- **Carl Weisbrod**, *Chair of the Traffic Mobility Review Board*, served as Chairman of the New York City Planning Commission and Director of the New York City Department of City Planning. He is the founding President of the NYC Economic Development Corporation.
- **John H. Banks**, President Emeritus of the Real Estate Board of New York (REBNY) and former MTA Board member.

- **Scott Rechler**, chair of the Regional Plan Association and CEO & Chairman of RXR.
- **Elizabeth Velez**, President of the construction services firm Velez Organization and MTA Board Member.
- **Kathryn Wylde**, President and CEO of the Partnership for New York City.

According to the MTA, a sixth member will be recommended by New York City Mayor Eric Adams.

Upon approval by the Federal Highway Administration, the MTA explained, the TMRB will develop recommendations for toll rates, as well as any credits, discounts, or exemptions and then present the recommendations to the MTA Board for consideration before the program is implemented. The MTA Board will determine the final toll structure after the TMRB's recommendations. The plan must ensure collection of annual net revenues and fees necessary to fund at least \$15 billion for the MTA's 2020 to 2024 capital program.

Lieber indicated that appointing the TMRB members prior to the release of the Environmental Assessment will allow them to benefit directly from the public comment period. The agency anticipates holding a series of six virtual public hearings on the plan beginning on Thursday, August 25, and concluding on Wednesday, August 31.

Earlier this week, the MTA acknowledged that it will exhaust its \$15 billion federal COVID allocation by 2024, one year earlier than anticipated, bringing the Authority to its fiscal cliff in 2025.

The Authority cited a delay in ridership recovery. In November 2020, McKinsey & Company projected that levels of ridership would reach between 80% to 92% of pre-pandemic levels by the mid-2020s. However, that forecast has been revised and the new model indicates ridership might not hit 80% until the end of 2026.

The revised financial plan projects annual structural deficits of \$2.5 billion within two years, rising to \$2.75 billion in 2028.

"The reforecast of ridership projections has created a new higher and earlier fiscal cliff for the MTA," said MTA Chief Financial Officer Kevin Willens. "While there is sufficient Federal Aid to cover structural deficits through 2024, State and City action by 2023 to create new, dedicated revenue streams to the MTA can lower the fiscal cliff to \$1.6 billion and save billions in costly debt service expense."

Briefs

Governor Signs Legislative Package to Uphold and Strengthen Rights of People with Disabilities

Governor Kathy Hochul this week signed a legislative package that further upholds and strengthens the rights of New Yorkers with disabilities. This legislative package encourages individual autonomy in decision making, seeks to educate the public about the ways people with intellectual and developmental disabilities contribute to their communities, and reduces harmful stigma and stereotyping.

Chapter 481, sponsored by Senator John Mannion and AM Joann Simon, recognizes Supported Decision-Making as a less restrictive alternative to guardianship that promotes autonomy for people with intellectual and developmental disabilities. The new law will formalize the legal process by which an individual with intellectual and developmental disabilities and trusted persons in their lives can reach a written agreement (a "Supported Decision-Making Agreement") that describes the settings in which the individual desires support, the kinds of support they want from each trusted person, and how they want to receive that support.

It will also create obligations and corresponding immunity from liability for third parties to honor and effectuate supported decisions made using a Supported Decision-Making Agreement.

Chapter 480, sponsored by Senator Mannion and AM Carrie Woerner, requires OPWDD to develop and implement a public awareness campaign that combats discrimination stigma and stereotyping of people with developmental disabilities. The program will utilize public forums, social and mass media, the Internet, radio, and print advertising to educate the public about developmental disabilities and highlight positive contributions people with developmental disabilities make to the state and their communities.

Chapter 479, sponsored by AM Thomas Abinanti and Senator Roxanne Persaud, replaces references to "mentally retarded" in numerous sections of New York State law to more accurate terms such as with "people with intellectual or developmental disabilities." Legislation (S.6195-B A.7443-C) replaces certain references to "mentally retarded" or "mentally ill" persons with the term "individuals with a developmental disability."

Attorney General James Sues CVS for Harming New York Safety Net Hospitals and Clinics & Diverting Funds from Underserved Communities

New York Attorney General Letitia James this week sued CVS Health Corporation (CVS) for violating antitrust laws in relation to 340B prescription subsidies afforded to the State's safety net hospitals and clinics. According to the Attorney General, CVS required New York safety net hospitals and clinics to exclusively use a CVS-owned company, Wellpartner, to process and obtain federal subsidies on prescriptions filled at CVS pharmacies under the federal 340B program.

To realize the benefits of the 340B program, safety net hospitals and clinics must contract with the pharmacies that are used by their patients. The lawsuit alleges CVS would not contract with hospitals and clinics that used other third-party providers and the safety net hospitals and clinics were forced to incur millions of dollars in additional costs to hire and train staff and change their data systems to align with Wellpartner's system.

As of 2021, there were more than 4,440 safety net health care providers enrolled in the 340B program across New York, which include Federally Qualified Health Centers (FQHCs), critical access hospitals, Ryan White HIV/AIDS Program grantees, rural referral centers, sole community hospitals, black lung clinics, community health centers, family planning clinics, and tuberculosis clinics. These facilities primarily treat low-income patients and rely on 340B savings to fund patient care services to underserved and vulnerable populations.

Through her lawsuit, Attorney General James is seeking injunctive relief, equitable monetary relief for the lost revenue and additional costs safety net health care providers were forced to incur, and civil penalties for CVS's unfair and illegal business practices. In addition, Attorney General James seeks to require CVS to inform all safety net health care providers that they are not required to exclusively use Wellpartner.

Slump in June Market Causes \$262 Billion Drop in Public Pension Funded Status

Milliman, Inc., a global consulting and actuarial firm, this week released the latest results of its Public Pension Funding Index (PPFI), which consists of the nation's 100 largest public defined benefit pension plans. In June, the Milliman 100 public pension funded ratio dropped from 78.4% on May 31, 2022 to 74.0% as of June 30, 2022. The drop in funding was the result of poor investment performance, with PPFI plans experiencing investment losses of 5.13% in aggregate for the month and with an approximately \$240 billion loss in asset market value.

"Public pensions have seen their funding tumble during June 2022, thanks to the continuing turmoil in financial markets," said Becky Sielman, author of Milliman's PPFI, according to published reports. "Combined with the normal growth in liabilities, these public pensions saw their aggregate deficit rise by \$262 billion in June alone."

The market decline pushed eight plans below the 90% funded mark as of June 30, 2022; now just 19 plans still stand above this benchmark, compared to 27 on May 31, 2022, and 46 at the close of 2021.

Comptroller DiNapoli: Local Sales Tax Collections Up Over 12% in Second Quarter of 2022

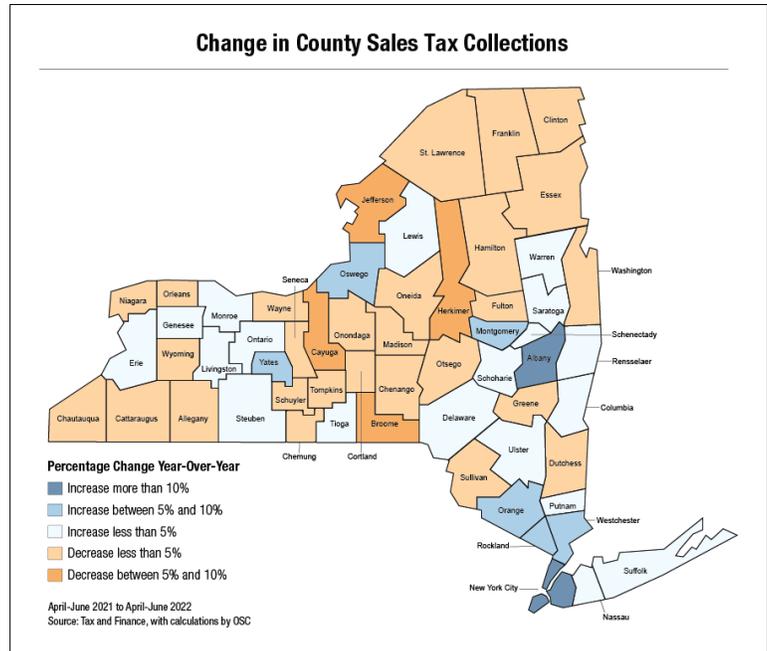
Local sales tax collections in New York state totaled more than \$5.5 billion in the second quarter of 2022 (April-June), an increase of 12.2% or nearly \$604 million compared to the same quarter last year, [according to a new report](#) issued by State Comptroller Thomas DiNapoli.

April and May collections grew by 15.7% and 16.7%, respectively, while June increased 6.5%, marking the first time since March 2021 that the overall monthly year-over-year growth dipped below double-digits.

Comptroller DiNapoli noted second quarter growth over last year continued to be strong in New York City, while growth in the rest of the state slowed. The city's collections increased by 24.9%, from a "relatively weak" \$1.9 billion in April-June 2021 to \$2.4 billion.

In contrast, year-over-year growth in total collections for the counties and cities in the rest of the state slowed to 2.6% over the same period last year, going from \$2.7 billion to \$2.8 billion. Only a handful of counties saw more than 5% year-over-year growth in second quarter sales tax collections and 31 counties had declines.

Most of the decreases were seen in upstate counties whose collections, for the most part, had rebounded quickly after the first wave of the pandemic in the spring of 2020 and went on to experience significant growth up until recently.



New York's Third Offshore Wind Solicitation to Accelerate Clean Energy Development

The New York State Energy Research & Development Authority (NYSERDA) this week released the State's third competitive offshore wind [solicitation](#), seeking at least 2,000 megawatts of renewable energy to power at least 1.5 million New York homes.

Provisions within the solicitation include:

- Introducing a first of its kind "meshed ready" offshore transmission configuration, based on recommendations from the [New York State Power Grid Study](#), which will facilitate offshore wind projects' transition to a future system that can grow over time and provide greater reliability and flexibility while setting New Yorkers up to save approximately \$55-\$60 million annually.
- Awarding evaluation points for repurposing existing downstate fossil-based electric generation infrastructure and utilizing energy storage to enhance future system reliability and support more renewable energy on the grid.
- Emphasizing in-state manufacturing, inclusive economic development and climate equity, fostering relationships with New York's workforce including construction backed by prevailing wage, and encouraging project labor agreements.

- In promoting the intent of the New York Buy American Act, the solicitation sets a minimum U.S. iron and steel purchase requirement for all projects awarded under the solicitation to encourage domestic steel production and requiring developers to provide opportunities for U.S.-based steel suppliers to participate in the growing offshore wind industry.

Interested proposers can apply on NYSERDA's [offshore wind solicitation page](#). Proposals are due on December 22, 2022, by 3:00 p.m. A webinar will be held on August 23, 2022, at 10:00 a.m. to provide more information on this solicitation.

Governor Hochul Announces \$113 Million to Increase SUNY Enrollment and College Completion Rates

Governor Kathy Hochul this week announced that the State University of New York Board of Trustees approved the criteria for allocating \$113 million to support campus programs designed to increase services to SUNY students, bolster enrollment at SUNY institutions, and support college completion rates.

Included in the \$113 million is \$60 million to be distributed across SUNY's campuses for investing in enrollment, academic programs, student services, and operational efficiencies. Campuses receiving funding must report to SUNY System Administration how the funds will address enrollment issues, address academic program offerings, build on existing operational efficiencies while seeking new opportunities, and provide essential student services.

The additional \$53 million will be used to hire new full-time faculty. Following an analysis that primarily relied on a comparison of SUNY campuses versus other public institutions, over 30 SUNY campuses were selected to receive this funding that will be used to support the salary and benefit costs.

Coming Up

New York State

No Scheduled Hearings

New York City

Wednesday, August 3rd

Committee on Finance, Hybrid Hearing – Council Chambers – City Hall, 10 a.m.

"No man can be a good citizen unless he has a wage more than sufficient to cover the bare cost of living, and hours of labor short enough so after his day's work is done he will have time and energy to bear his share in the management of the community, to help in carrying the general load."

-Theodore Roosevelt-

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