



This Week in New York

Covering New York State and City Government

A Publication of Pitta Bishop & Del Giorno LLC

May12, 2017 Edition



In the News – New York State

Governor Cuomo and Governor Christie Call for Private Operator for Penn Station

New York Governor Andrew Cuomo and New Jersey Governor Chris Christie this week issued a joint letter to the CEO of Amtrak calling for a private operator at Penn Station.



Citing that New York and New Jersey pay almost \$150 million annually for the use of Penn Station, the Governors asserted that “systemic changes cannot wait” and “a professional, qualified, private station operator must be brought in to take over the repairs and manage this entire process going forward.”

The Governors’ missive to Amtrak CEO Charles Moorman, chronicled the railroad’s “decades of underinvestment” that have led to two derailments and delays that are projected to last into the summer.

“The situation at Penn Station has gone from bad to worse to intolerable,” Governor Cuomo and Governor Christie wrote. “Every commuter in the New York/New Jersey area agrees with us that drastic action must be taken to immediately remedy the situation. The time, energy, and suffering of our commuters in both states require nothing less.”

Penn Station’s 21 tracks and 11 platforms accommodate train traffic from Amtrak, NJ Transit and the Long Island Railroad.

Following two derailments in 10 days that were attributed to issues with tracks inside Penn Station, Mr. Moorman indicated that Amtrak would seek outside help to upgrade the facility. The Governors contended, however, that the situation warrants much more intervention.

“We must have the right to approve any private contractor that Amtrak selects in response to our request and the record of failure causing these problems at Penn Station,” the Governors wrote.

In a statement prepared for Thursday’s State Assembly hearing on the issue, Mr. Moorman asserted that Amtrak is adequately maintaining Penn Station.

“One thing I do want to address at this point is the question of whether Amtrak is adequately maintaining Penn Station,” Mr. Moorman said. “Despite these last two track incidents, which are very rare, the answer to this is yes.”



New York State's tourism industry set new records for total number of visitors, economic impact and direct spending in 2016. Last year, a record 239 million visitors traveled to New York State, generating an economic impact of \$104.8 billion and generated an all-time high \$64.8 billion in direct spending. These figures each represent a nearly three percent increase over 2015.

Economic Impact: \$104.8 billion

The total economic of tourism statewide reached a record \$104.8 billion, exceeding \$100 billion for the third straight year.

Direct Spending: \$64.8 billion

Visitors to New York State in 2016 generated \$64.8 billion in direct spending, nearly three percent higher than in 2015.

State and Local Taxes: \$8.2 billion

New York State tourism generated \$8.2 billion in state and local taxes in 2016, a nearly three percent increase over 2015.

Employment: 914,000

Tourism remains the fourth largest private sector employer in the state, supporting more than 914,000 jobs, according to the New York State Department of Labor. The tourism industry was also responsible for nearly \$21 billion in direct wages, a 25 percent increase from 2011.

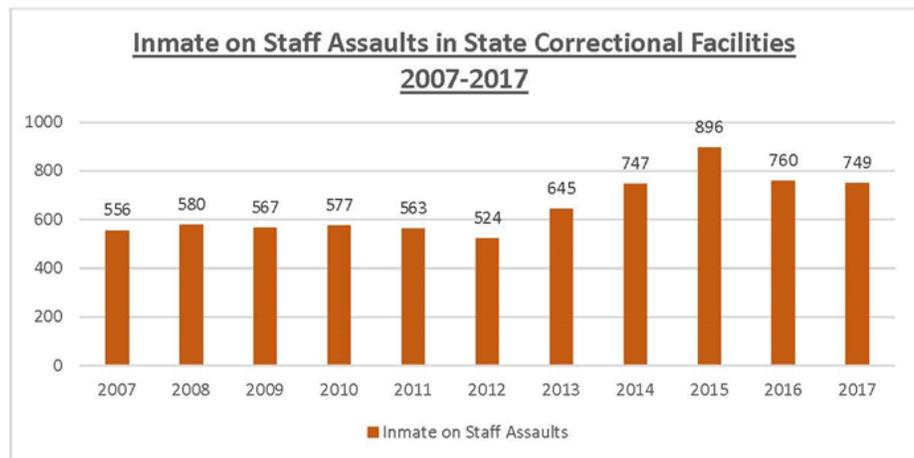
Additionally, passenger counts at all New York State airports increased more than five percent in 2016, with a nearly four percent jump in hotel room demand.

Corrections Without Protections: The Increasing Dangers Facing New York's Boldest Officers

Independent Democratic Conference Releases Investigative Report on the Rise of Correctional Worker Assaults

Members of the Senate Independent Democratic Conference stood with state and local correction officers and released a new report, *Corrections Without Protections: The Increasing Dangers Facing New York's Boldest Officers*, on the rising number of assaults and contraband seizures in New York's jails and prisons.

The report examined inmate assaults on officers between 2007 and 2016, and found that they had risen from a low of 524 in 2012 to a high of 896 in 2015. For the year 2017, the number of assaults is on pace to be nearly as many as last year, at 749 projected assaults of correction officers.



The injuries received from assaults often result in workers compensation claims that cost the state millions of dollars. In its report, the IDC found that the increase in workers compensation claims coincided with the increase in assaults. From a fiscal standpoint, the amount of workers compensation claims has increased from \$16.6 million in 2011-2012 to \$19.1 million in 2015-2016.

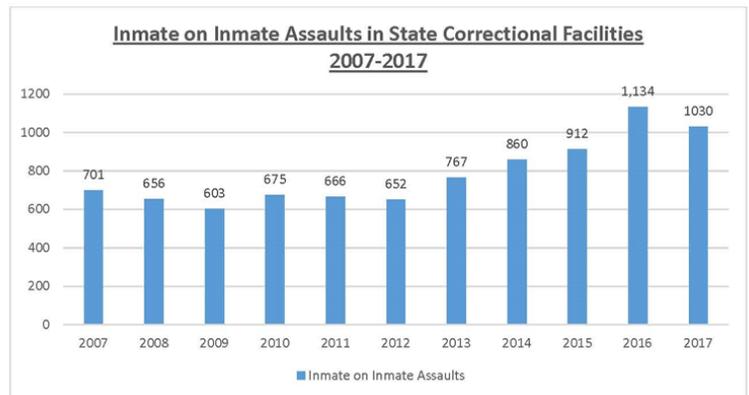
“Correction officers in New York hold one of the hardest jobs imaginable,” Senator Jeff Klein (D-Bronx-Westchester) said. As indicated by the report ... their jobs have only gotten more difficult. It is unacceptable to see this rise in assaults on those who are protecting us. We must ensure that dangerous drugs and other contraband are kept out of prisons so that correction officers can feel safe when they go to work every day.”

According to the report, in the City of New York, 650 correction officers were assaulted in 2016, with more than 1300 correction officers assaulted since 2015. The number of stabbings and slashings in jails in the City of New York also rose from 108 in 2015 to 131 in 2016, representing a 21% increase. One cause of the slashings and assaults on officers comes from gang activity within the jails and prisons.



“With over 1,300 Correction Officers assaulted by inmates over the past two years and stabbings and slashings up 18%, it's not very difficult to see why the NYC DOC is engulfed in a major security crisis, NYC COBA President Elias Husamudeen explained. “Now more than ever, New York City Correction Officers need the steadfast support from our friends in the IDC, led by Coalition Leader Jeff Klein, to ensure that the nation's second-largest jail system is also the safest.”

In addition to assaults on staff, the report also found an increase in inmate on inmate assaults, peaking in 2016 at 1,134 assaults from a low of 603 in 2009. These assaults included fights between two inmates and large-scale assaults involving over 100 inmates. During the same period in which assaults increased, an increase in contraband seized by correctional workers was also found.



“Across New York correction officers walk the toughest beat in America, Staten Island/ Brooklyn Senator Diane Savino said. “The shocking numbers in this report are likely not a surprise to any of them who face the threat of assault on a daily basis. The IDC will continue to work towards finding solutions that protect these hard working men and women.”

In the News – New York City

Analysis Shows New York City’s Economy Continues to Produce

New York City’s economy continued to grow in the first three months of 2017 while unemployment reached a record low, according to a new Quarterly Economic Update released this week by New York City Comptroller Scott Stringer.

As in years past, the Comptroller warned of long-term challenges presented by growth in the City’s low-wage industries. The Comptroller explained that while unemployment fell to the lowest rate on record, roughly 48 percent of the jobs added in the first quarter of 2017 were in low-wage industries, which pay an average of \$42,000 per year. In addition, venture capital investment in New York City fell almost 45 percent year-over-year, reaching just \$1.5 billion.

“After a few quarters of bumpy growth, our economy has gotten onto more solid footing. We’re growing jobs, but too many are in low-wage areas. The real estate market is heating up, but unevenly. And we’re seeing national trends pull venture capital investment in the City down.” New York City Comptroller Scott M. Stringer said. “With more and more uncertainty coming out of Washington every day, we need to prepare now, while our economy is strong, for whatever comes next.”

Released every three months, the Comptroller’s Quarterly Economic Update tracks economic indicators for our City and reports on the health of New York City’s economy in the national context. The report includes data on economic growth, unemployment, average wages, business activity, and real estate indicators.

New York City’s economy grew at the beginning of 2017

- The City’s economy grew 2.3 percent in the first quarter of 2017, up from 1.8 percent at the end of 2016.
- The City’s economy outpaced the nation, clocking in expansion 1.5 percentage points higher than the national economy.

Unemployment drops, but low-wage jobs are on the rise

- In the first quarter, the City added 32,300 private sector jobs — the largest increase since the third quarter of 2014.
- This increase brought the City’s unemployment rate to 4.3 percent — the lowest on record — and 0.4 percent below the nation’s unemployment rate.
- Most of these new jobs, however, were low-wage industries, which have average salaries of just \$42,000. Low-wage industries accounted for 47.8 percent of job creation, followed by medium-wage (35.7 percent) and high-wage (16.5 percent). This continues a years-long trend of dominant low-wage job creation.
- In addition, the City’s employment-to-population ratio rose to a record-high of 57.7 percent, up from 56.4 percent in the last quarter of 2016

Wages jumped, while income from other sources fell

- Personal income taxes withheld from paychecks, which are used as a proxy for wages, grew 7.2 percent year-over-year to about \$2.7 billion.
- Average hourly earnings, another proxy for personal income, increased by 3.4 percent year-over-year to \$35.05 in the first quarter of 2017.
- In contrast, estimated tax payments — which reflect trends in non-wage income, including interest, rental income, and capital gains — fell 18.9 percent year-over-year to just \$656 million.

Venture capital investment continued to drop

- Venture capital investment in the New York Metro Area dropped 44.9 percent in the first quarter of 2017 to just \$1.5 billion. This represents the fourth consecutive quarter of falling venture capital investment in New York.
- The number of venture capital deals in New York fell to 154 from 178 a year ago, and the New York Metro Area’s share of venture capital investment fell from 17.2 percent to 10.7 percent year-over-year.

New York's housing market showed mixed signs

- New commercial leasing activity in Manhattan exceeded 7.6 million square feet, 16 percent higher than the first quarter of 2016. Despite this increase, Manhattan's overall office vacancy increased to 9.4 percent.
- Residential real estate in Manhattan improved, with average sales prices, average price per square foot, and the number of sales increasing compared to the first quarter of 2016. The listing inventory, however, increased 6.6 percent and the absorption rate grew to 6.1 months.
- Total building permits in New York City almost tripled year-over-year, signaling a demand in construction and an increase in construction jobs. This increase coincided with the agreement on a program to replace the expired 421-a tax abatement.

Bills Signed by the Mayor

Introduction 81-A, sponsored by Council Member Lancman, requires DOB to notify OSHA about Construction Code violations that may endanger workers.

Introduction 648-A, sponsored by Council Member Dromm, requires landlords to disclose bedbug infestations in their buildings and provide any tenant signing a lease with bedbug history.

Introduction 891-A, sponsored by Council Member Cornegy, gives businesses the option to be informed by text or email if a 311 complaint is issued for the address of their building.

Introduction 965-A, sponsored by Council Member Rodriguez requires DOT to create a citywide transit study. In particular, focusing on how to bring increased transit to less well served communities.

Introduction 1224-A, sponsored by Council Member Rosenthal, increases the types of contracts that require vendors to fill out questionnaires.

Introduction 1254-A, sponsored by Council Member Treyger, requires that information about college savings plans be sent home with Pre-K students and requires DOHMH to send this information to families within 3 months of a birth.

Introduction 1271-A, sponsored by Council Member Rosenthal, requires vendors to submit information to VENDEX digitally.

Introduction 1311-A, sponsored by Council Member Deutsch, requires DOT to notify NYPD and FDNY about resurfacing.

Introduction 1324-A, sponsored by Council Member Lander, requires MOCS to post information about City of New York contracts and contractors online.

Introduction 1421-A, sponsored by Council Member Chin, requires certain cranes to have GPS or other locating devices or for DOB to be notified when these cranes are moved on or off a work site.

Introduction 1433-A, sponsored by Council Member Kallos, requires DOB to list online incidents that have occurred on a construction site

Introduction 1435-A, sponsored by Council Member Maisel, requires certain cranes to be equipped with data-logging equipment to record operations & work conditions.

Introduction 1446-A, sponsored by Council Member Williams, requires Class-B hoisting machine operators to get a license rating to use certain cranes.

Introduction 1448-A, sponsored by Council Member Williams, requires that contractors retain construction superintendents for all major projects at buildings over three stories.

Passed by the City Council

Introduction 518-A, sponsored by Council Member Richards, seeks to ensure that consumers are aware of any recalls associated with a used car before making a purchase. It requires secondhand automobile dealers to disclose recall information to consumers when selling automobiles, parts or equipment that are the subject of a recall by the National Highway Traffic Safety Administration (NHTSA).

Introduction 823-A, sponsored by Council Member Ydanis Rodriguez, would require the Department of Buildings to submit an annual report to the Council on the illegal conversions of dwelling units for other than permanent residence purposes.

Introduction 1028-B, sponsored by Council Member Cumbo, would create a sexual health education task force comprised of a minimum of nine members, including experts in sexual health education, high school students, DOE staff, and at least one expert in the field of LGBTQ and TGNC health education. The task force would review information about the current recommended sexual health education curriculum and the implementation of sexual health education in DOE schools, and submit a report to the Mayor and the Speaker by December 1, 2017.

Introduction 1117-A, sponsored by Council Member Bramer, would amend these laws to cover commercial bicyclists that are classified as independent contractors.

Introduction 1177-A, sponsored by Council Member Helen Rosenthal, would require the Department of Transportation to prepare a report by August 1, 2017 regarding the feasibility of implementing Barnes dance pedestrian interval crossing systems at high-crash intersections.

Introduction 1218-A, sponsored by Council Member Gentile by request of the Brooklyn Borough President, would increase the penalties for illegally converting residential space so that it contains three or more dwelling units above the amount legally allowed.

Introduction 1285-A, sponsored by Council Member Rodriguez, would require the Department of Transportation to prepare a report by June 1, 2018 relating to pedestrian traffic. The study would require

DOT to identify six locations with significant pedestrian traffic and develop strategies for enhancing safety and traffic flow at those locations.

Introduction 1346-A, sponsored by Council Member Constantinides by request of Mayor de Blasio, would provide the New York City Department of Environmental Protection (DEP) with the authority to implement and enforce stormwater management practices that are needed to comply with the State-issued Permit.

Introduction 1586, sponsored by Council Member Ritchie Torres, would extend by two years the limitations placed on the conversion of certain hotel space for purposes other than use as a hotel, as imposed by Local Law number 50 for the year 2015. The bill would also require the preparation of a supplementary hotel industry report that analyzes the impact of the industry on the economy of the city, with specific attention toward analyzing and addressing any impacts hotel conversions have on the availability of quality jobs for city residents.

Briefs

NY Video Lottery Revenue Sets Record \$2 Billion in Lottery Sales & VLT

The New York State Gaming Commission announced this week that New York Lottery sales and Video Lottery Terminal (VLT) net win in Fiscal Year 2016/17 generated a combined total of \$9.67 billion in revenue, including a new record for VLT net win.

VLT net win increased 0.5 percent on top of last year's \$1.98 billion for a total \$2 billion. This past fiscal year, machines at Resorts World Casino New York City generated an additional \$8.2 million over the previous year and Empire City Casino at Yonkers Raceway brought in another \$20.9 million on top of FY 2015/16.

Traditional lottery games generated \$7.68 billion in sales, a little less than last year's record of \$7.7 billion. This includes draw games such as Mega Millions, Powerball, Cash 4 Life, Lotto, Numbers, Win 4, Take Five, Pick 10, Quick Draw, and Instant Games. Draw game sales held their own with \$3.68 billion in FY 2016/17 against last year's record-setting numbers \$3.79 billion. Instant games, also known as "scratch-offs" grew another 2.3 percent over last year with \$4 billion in FY 2016/17 as compared to \$3.91 billion in FY 2015/16.

All profits go directly to Aid to Education for New York's public schools – meaning the New York Lottery earned \$3.27 billion for distribution to all school districts in the state.

A.G. Schneiderman Announces \$4.19 Million In Settlements With Six Companies That Illegally Purchased And Resold Hundreds Of Thousands Of Tickets To Concerts And Other NY Events

Attorney General Eric Schneiderman this week announced settlements with six ticket brokers that illegally purchased and resold hundreds of thousands of tickets in New York State since 2011, including on popular ticket resale platforms like StubHub and Vivid Seats.

Five of the companies – Renaissance Ventures, LLC (d/b/a Prestige Entertainment) of Connecticut, Ebrani Corp (d/b/a Presidential Tickets) of New York, Concert Specials, Inc. of New York, Fanfetch Inc. of New York and BMC Capital Partners, Inc. of New York – violated New York’s ticket laws by using illegal software (known as ticket “bots”) to purchase large numbers of tickets on websites such as Ticketmaster.com before the tickets could be obtained by consumers. After obtaining the tickets illegally, resellers then resold them at a large profit to New York consumers, among others. Five of the companies – Prestige Entertainment, Presidential Tickets, Concert Specials, Fanfetch and JAL Enterprises, LLC (d/b/a Top Star Tickets) of Massachusetts – each illegally sold tickets to events in New York over the last several years without first obtaining the required license.

The settlements require that the companies and their principals maintain proper ticket reseller licenses if they wish to resell tickets to New York events, abstain from using bots, and pay penalties for having operated illegally. The settlements require the six companies to pay a combined total of \$4.19 million in profits and penalties to the State.

Prestige Entertainment paid \$3,350,000, Concert Specials paid \$480,000, Presidential Tickets paid \$125,000, BMC Capital paid \$95,000, Top Star Tickets paid \$85,000, and Fanfetch paid \$55,000.

MWBE Business Growth Accelerator and MWBE Certification Assistance Programs

Proposals Due on Monday, June 5th

A Request for Proposals has been issued for the creation of the MWBE Business Growth Accelerator and Certification Assistance programs, which are designed to increase capacity and ensure MWBE participation in State contracting.

The NYS MWBE Business Growth Accelerator Program creates an opportunity for participating MWBEs to receive intensive technical assistance and business development training through selected local providers with demonstrated experience in serving this business community. Up to five grant recipients will be tasked with implementing an 18 month program that includes seminars and individualized one-on-one business development assistance to participating MWBEs.

The NYS MWBE Certification Assistance Program will identify up to five selected grantees to provide support to firms seeking NYS MWBE Certification. This program will allow firms to work with an expert to identify any deficiencies in their MWBE certification application that may affect the timeliness and ultimate certification decision by DMWBD.

The Business Growth Accelerator Program RFP is available [here](#).

The Certification Assistance Program RFP is available [here](#).

State AG Secures Judgment Against Morrisonville Cab Operator For Deceptive And Exploitative Practices Targeting Refugees Fleeing The U.S.

Attorney General Eric Schneiderman this week secured a court judgment against Northern Taxi and its owner and operator, Christopher Crowningshield, for repeatedly violating state and local laws by charging refugees fleeing the United States as much as \$300 or more for a taxi ride from Plattsburgh to Canadian border, normally a \$50 to \$75 fare. Mr. Crowningshield is required by the order to make changes in Northern Taxi's business practices to ensure that all customers are quoted fares ahead of time and are not overcharged for trips to the border. He also must pay the Attorney General \$2,500 in penalties and costs.

Ray Rogers Targets REBNY

Labor Organizer Ray Rogers has placed his sights squarely on the Real Estate Board of New York (REBNY), debuting a five-minute animated film depicting the negative impact the Board has had on the City. The film, *Bullies*, viewed this week at the Cinema Village Movie Theater as part of the Workers Unite Film Festival, according to published reports.

REBNY, according to its website, is the "City's leading" real estate trade association with more than 17,000 members including major commercial and residential property owners and builders, brokers and managers.

Mr. Rogers is credited with the following labor campaigns:

- NYC District Council of Carpenters vs. TIAA-CREF
- SINALTRAINAL & CCI vs. The Coca-Cola System
- IBEW Local 103 vs. Pharmaceutical Industry
- Public Employees Federation (PEF) vs. New York State:
- TWU Local 100 vs. Metropolitan Transit Authority (MTA)
- TWU Local 101 vs. Brooklyn Union Gas

Bullies can be viewed at: <https://youtu.be/qwYIwusH-hY>.

Coming Up

New York State

Legislature is in session Monday, May 15th through Wednesday, May 17th

New York City

Monday May 15th

Committee on General Welfare, Council Chamber – City Hall, 10 a.m.

Committee on Finance, Council Chamber – City Hall, 10 a.m.

Committee on Women’s Issues, Council Chamber – City Hall, 1:30 p.m.

Committee on Juvenile Justice, Council Chamber – City Hall, 1:30 p.m.

Tuesday May 16th

Subcommittee on Zoning and Franchises, Committee Room, 16th Floor – 250 Broadway, 9:30 a.m.

Committee on Education, Council Chamber – City Hall, 10 a.m.

Committee on Finance, Council Chamber – City Hall, 10 a.m.

Subcommittee on Landmarks, Public Sitting and Maritime Uses, Committee Room, 16th Floor – 250 Broadway, 11 a.m.

Subcommittee on Planning, Dispositions and Concessions, Committee Room – 250 Broadway, 16th Floor, 1 p.m.

Wednesday May 17th

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

Committee on Transportation, Council Chambers – City Hall, 10 a.m.

Thursday May 18th

Committee on Public Housing, Council Chambers – City Hall, 10 a.m.

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

Committee on Land Use, Committee Room – City Hall, 11 a.m.

Committee on Land Use, Council Chambers – City Hall, 12 p.m.

Committee on Technology, Council Chambers – City Hall, 12 p.m.

Committee on Parks and Recreations, Council Chambers – City Hall, 1 p.m.

Friday May 19th

Committee on Cultural Affairs, Libraries and International Intergroup Relations, Council Chambers – City Hall, 11 a.m.

Subcommittee on Libraries, Council Chambers – City Hall, 101 a.m.

Committee on Finance, Committee Room – City Hall, 11 a.m.

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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