



# This Week in New York

## Covering New York State and City Government

A Publication of Pitta Bishop Del Giorno & Giblin LLC  
January 6, 2011 Edition



## *In the News – New York State*



### **Keep an Eye & Ear Open for the Details**

On Wednesday, Governor Andrew Cuomo gave New Yorkers exactly what they needed – reasons to get excited for 2012.

At the annual State of the State Address, Governor Cuomo delivered an impassioned speech laden with calls for jobs, economic resurgence, education reform, and human rights protection:

*“We know that if we build it, they will come”*

*“Do gaming right”*

*“‘B’ for Billion and ‘B’ for Buffalo”*

*“The only group without lobbyists are the students...  
I’m taking a second job”*

*“Last year, we learned to walk — this year, we run”*

All very effective sound bites sure to invigorate New Yorkers.

From Niagara Falls to Montauk, the initial media accounts have been overwhelmingly positive. From both sides of the political aisle, the accounts have been overwhelmingly positive. Even the Seneca Indians, who currently have a foothold on casinos in New York, are “okay” with the Governor’s initiatives (see page 2).

The Annual State of the State “SOS” is viewed as the set-up for the hammer of the Executive Budget. In the SOS, the specifics of the proposals begin to take shape; the details are “forthcoming.”

Governor Cuomo outlined a \$25 billion package on Wednesday, including \$1 billion for Buffalo, \$4 billion in private investment for a convention center in Queens, and \$15 billion in public and private funding for roads and bridges.

"We can't do this on government time. This is going to have to happen on real time," Governor Cuomo said. "It can't take three years to put a shovel in the ground."

According to published reports, aides to the Governor declined to detail the Governor's plans. Details would be provided when the Governor releases his 2012-2013 Executive Budget proposal on January 17th.

In a radio interview on Thursday, Howard Glaser, Governor Cuomo's Director of State Operations, said that the State could not finance all the infrastructure projects. He indicated that New York would look to public-private partnerships in which investors would gain equity in, but not ownership of, state assets.

"Unless you find a creative way to include a financial mechanism that includes private leverage, you're not going to be able to do the things that need to be done," Mr. Glaser said.

Governor Cuomo also called for action on mandate relief, as part of his proposal to hold the line on spending. He cited figures indicating that pension costs for schools and state and local governments have increased 100 percent since 2009.

"We need to reform the pension system and create a Tier VI," he proposed, asserting that maintaining the current pension benefit structure in the State's current economic condition is a "violation of the public trust."

To this end, he has called upon the joint Legislative and Executive Mandate Relief Council to begin its work this month, including public meetings to facilitate "a robust public discussion on the pros and cons of the mandates." The Commission is to issue a package of recommendations by the end of the session as we "need a yea or nay vote this year."

However, the ultimate fate of the Tier VI proposal lies in its drafting.

Assembly Speaker Silver, in a radio interview, declined comment until he sees a specific proposal. The Speaker added that the Legislature had just recently adopted Tier V, which is supposed to save over \$30 billion over 30 years. However, he noted that, as of yet, no savings have been realized because the plan applies to new hires. Since the state workforce has been contracting there have been negligible savings based on new hires.

As we move closer to the January 17<sup>th</sup> release of the budget, more and more snippets of information will become available. Until then, keep your eyes and ears open.

## Senecas to NY: A Deal is a Deal

Seneca Nation President Robert Odawi Porter attended Governor Andrew Cuomo's State of the State speech this week and emphasized that the Nation does not oppose statewide casino gambling, but expects State lawmakers to honor State law and retain the Nation's 14-county exclusivity zone.



“If the governor, the state Legislature and a majority of New Yorkers decide that the best course is to permit casino gambling in New York City, the Catskills, Saratoga, the Adirondacks and so on, that’s their choice,” President Porter said. “What the Seneca Nation wants and expects is that current State law carving out an area of exclusive gaming operations for the Nation is fully retained in Western New York. Those operations belong to the Nation, separate from the state, even though the State benefits greatly from them.”

“The Governor wisely recognizes the economic benefits to New York State of Indian-owned casinos. The Seneca Nation has no quarrel with the Governor’s goal of bringing this success to other parts of the state,” President Porter said. “But in the course of doing so, the State must not kill the golden goose that supports the Western New York economy and must recognize our exclusivity zone.”

President Porter explained that the Nation’s “regional monopoly” comes at a high cost, both in money already invested and in revenues shared with the state and three host municipalities. The Nation, which invested \$900 million over the last 10 years in three casinos and two resort hotels, has debt-service agreements based on that exclusive zone promise.

The zone needs to be protected by the state law on which the investment is based. The Nation’s “compact” with New York, enacted in 2002, says: : “the Nation shall have total exclusivity with respect to the installation and operation of...gaming devices, including slot machines, within the geographic area defined by...” the area west of State Route 14.

President Porter asserts that the 21-year agreement guarantees that the Nation’s investment would be exclusive and he expects the State to honor the law the Legislature passed and Governor George E. Pataki signed.

In return for that exclusivity, the Nation paid the State and its casinos’ host communities – Niagara Falls, Buffalo and Salamanca – \$476 million since 2002. With Indian-owned and -run casinos, the state did not have to regulate casinos, create new levels of government to manage casino business or deal with repercussions on casino-host communities.

“Paying the state close to 25 percent of our gross slot revenues is an extraordinary amount that the Nation nonetheless agreed to and paid until 2009,” Councilor Nikki Seneca said. “This is a much higher rate than the state will obtain from any commercial casino operator and it makes our exclusivity zone bought and paid for, in accordance with state law. The state must respect our mutual agreement.”

# Campaign Finance Reform on Governor's Agenda

In an effort to engage all New Yorkers, Governor Andrew Cuomo's Annual Message called for campaign finance reform. In drafting his proposal, the Governor will draw from New York City's system which has "helped to increase the number of overall contributors — and especially the number of small donors — in city elections."

	Current Law	Bill
Individual Limits to Candidates per Election Cycle (also applies to PACS and labor organizations)	\$18,000	\$5,000
Statewide candidates	\$37,800	\$10,000
Primary	\$55,800	\$2,300
General election	\$6,000	\$4,600
Total	\$9,500	\$1,150
Senate candidates	\$15,500	\$1,150
Primary	\$3,800	\$1,150
General election	\$9,500	\$2,300
Total	\$7,600	
Assembly candidates		
Primary		
General election		
Total		
Local candidates		
	Depending on office sought, ranges from \$1,000 to \$55,000	Depending on office sought, ranges from \$1,000 to \$3,000

"Specifics" of the Governor's proposal include:

- ❑ **Public Campaign Financing:** Proposed implementing a system of public funding of elections. The Governor added that he will propose enacting "strict limits" on total public funding per election will phase the system in gradually.
- ❑ **Lower Contribution Limits:** According to the Governor, for most offices, New York State's contribution limits are substantially higher than those of any other state that imposes limits and "existing contribution limits for corporations are riddled with loopholes. In short, the state's campaign finance laws fail to prevent the dominance of wealthy contributors and special interests."
- ❑ **Pay to Play Rules:** Enact pay-to-play rules to further restore the public trust. Companies and individuals who do business with the state should have no undue influence over elected officials. Accordingly, we must enact low contribution limits for public contractors and lobbyists.
- ❑ **Additional Enforcement:** Proposed creating a new enforcement unit in the State Board of Elections with the independence and authority to investigate alleged violations.

## *In the News – New York City*



### **Legislature Begins to Make Good on Taxi Deal**

Keeping up their end of the bargain, the State Senate and Assembly have introduced legislation to bolster New York City's recently enacted taxi law. Senator Martin Golden (R Brooklyn) and Assemblyman Carl Heastie (D Brooklyn) introduced the agreed-upon chapter amendment and the legislative standing committees will begin to debate the bill next week.

Following months of speculation and negotiation, in December Governor Andrew Cuomo signed the Bloomberg administration-backed legislation expanding New York City's taxi system. The Governor agreed to sign the bill in the face of opposition – some coming from the national level – with the caveat that the legislature pass legislation addressing the concerns.

“The Legislature has agreed to pass a chapter amendment that would provide hail service to the outer boroughs, give livery drivers a means to improve their economic future, and make the New York City taxi system more accessible to individuals with disabilities,” Governor Cuomo explained in his approval message. “With this agreement made, I approve this bill.”

According to Senator Golden, the bill would allow the City to implement a taxi plan that will more effectively service all five boroughs of New York City and greatly increase the availability of accessible taxicabs and for-hire vehicles.

Senator Golden explained that the creation of the plan was prompted by three persistent mobility problems: the lack of accessible vehicles for people with disabilities; nearly non-existent taxi availability in underserved areas of the City (e.g., boroughs outside Manhattan); and, insufficient taxi supply in Manhattan's central business district.

“Taken together, both the issuance of HAIL licenses for underserved neighborhoods and of new accessible medallions, as authorized by this legislation, would substantially improve the ability of residents and visitors, including persons with disabilities, to move throughout the City,” Senator Golden said.

Specifics of the chapter amendment include:

- ❑ Authorizes New York City to issue up to 450 HAIL base permits and up to 18,000 HAIL licenses, 6,000 of which must be accessible, and authorizes the transfer of HAIL licenses.

- ❑ Requires the New York City Taxi and Limousine Commission (TLC) to prepare a HAIL market analysis prior to the second and third issuances of HAIL licenses.
- ❑ Authorizes New York City to issue up to 2,000 taxi licenses and requires all 2,000 licenses to be for accessible vehicles.
- ❑ Requires the TLC to establish a program to support the introduction of accessible vehicles into the HAIL vehicle fleet.
- ❑ Requires the TLC to prepare and submit to the New York State Department of Transportation a comprehensive disabled accessibility plan for its approval.
- ❑ Restates the right of taxis to pick up passengers by street hail anywhere it is permitted in New York City.
- ❑ Amends the MTA taxi surcharge to include HAIL vehicle rides.
- ❑ Establish fines and penalties associated with the newly created HAIL licenses including picking up passengers within the exclusionary zone or fleeing a TLC officer or a police officer within the exclusionary zone; establish procedures for the seizure and forfeiture of vehicles operating as HAIL vehicles without a HAIL license; and increase fines for unlawful solicitation of transportation at an airport.

The bill is scheduled to be considered by the Senate Cities Committee next week. In the Assembly, it will be considered by the Assembly Cities, Codes, and Ways & Means Committee. If approved at the committee level, the legislation could go before the full Legislature.

## **Senate to Consider MTA Head Appointment**

The New York State Senate next week will consider the nomination of acting Metropolitan Transportation Authority chief Joseph Lhota.



**MTA Chief Lhota**

Prior to his nomination, Mr. Lhota served as the Executive Vice President, Administration for Madison Square Garden. He also served as the Executive Vice President of Corporate Administration for Cablevision, the Director of Public Finance for First Boston, and the Managing Director of the Municipal Securities Group for PaineWebber Incorporated. Mr. Lhota has served as the New York City Deputy Mayor for Operations under Mayor Rudolph Giuliani, and also served as Budget Director, where he managed the City's \$36 billion operating budget and \$45 billion capital budget. Mr. Lhota also served as Commissioner for the City's Department of Finance. He had previously served as a MTA board member from December 14, 1999 to April 26, 2001.

The son of a NYPD lieutenant, Mr. Lhota was born in the Bronx, grew up on Long Island, and currently resides in Brooklyn Heights. He graduated cum laude from Georgetown University and received his M.B.A. from Harvard Business School.

The nomination will be considered by the Senate Transportation Committee, Senate Finance Committee, and the full Senate.



## **MTA Communications Faulted in Christmas 2010 Snowstorm**

The MTA Inspector General late last month (December 20<sup>th</sup>) made public its final report on the agency's response to 2010 Christmas snowstorm which stranded bus and subway riders across the City.

According to the report, NYC Transit estimated that approximately 650 buses were stuck in the snow, while some 500 people were stranded aboard subway cars overnight. The recovery process was lengthy, with passengers still being rescued on Monday morning. Full service was not restored for several days.

The Inspector General found that communications – radio transmissions and internal – adversely contributed to the response plan. Specifically, the agency's twenty-year old radio system failed, leaving bus drivers unable to communicate. The lack of reliable agency radio communications was compounded by agency policies that prohibited use of personal cell phones by drivers.

In addition, the Inspector General found that under the then-agency's Buses Storm Plan, only the Senior Vice President of Buses (the department's top Executive) was authorized to "issue specific instructions on the reduction or curtailment of scheduled service due to reduced ridership and/or the potential for immobilized vehicles due to hazardous conditions." As a result, depot Assistant General Managers continued to dispatch buses (although they knew that buses were becoming stuck) because they did not have the authority to alter the plan.

In development of the report, OIG staff interviewed high level managers of buses, subways, and corporate communications, as well as staff-level personnel directly involved -- hands-on -- in responding to the blizzard, including those working the command centers or operating the vehicles. Staff also interviewed customers and employees stranded on buses and trains.

In June 2011, MTA officials presented to the MTA Board the proposed final agency report on MTA Storm Performance Review. The report included 25 recommendations for improving agency performance in the areas of operations, customer communications, staffing and equipment. According to the Inspector General, while developed specifically to improve performance in blizzard conditions, many of these recommendations are also intended to be applicable to other major service disruptions. These recommendations, if properly implemented, should improve how MTA and NYC Transit mobilize resources to be ready in the event of major storms, execute plans for snow and ice clearing, and restore service quickly after a disruptive event.

In response to the report, the MTA released the following statement: "Last winter's weather was tough for New York and the MTA, but we've made improvements to our service protocols, equipment and communications to provide the best possible service this year. We're prepared to clear more snow and ice than ever before, and we'll be working hard to keep service running. But we won't hesitate to suspend service on parts of our system when it's necessary to protect the safety of our riders, employees and equipment."

## ***In Brief***

### **Law to Require Online Posting of Meeting Materials**

Governor Andrew Cuomo signed legislation this week that requires state and local governments to post materials online before a meeting, or provide copies before or at the meeting when possible.

The new law applies to records scheduled to be discussed during an open meeting, including proposed resolutions, laws, rules, policies and amendments. The documents have to be posted online when possible if the agency's website is updated regularly and it uses a high-speed Internet connection. Exceptions to the requirement include documents that are submitted late or that would be too expensive or onerous to copy.

### **Belleayre Mountain Ski Center to Olympic Regional Development Authority**

The Cuomo Administration is considering a plan to give a boost to the state-run ski resort in the Catskills, according to published reports. The Belleayre Mountain Ski Center is now operated by Department of Environmental Conservation. The State may transfer control of Belleayre to the Olympic Regional Development Authority, which now operates the Gore and Whiteface ski areas. Supporters hope the changes to Belleayre could lead to more tourism and capital.

### **Constantine "Connie" Sidamon-Eristoff**

Constantine "Connie" Sidamon-Eristoff, who served for nearly two decades as a Board Member and Secretary of the New York League of Conservation Voters Education Fund, passed away over the recent holidays. Connie was a significant force for environmental progress in New York, and his legacy endures with many environmental organizations across the state.

An attorney from New York City and Highland Falls, he was most recently of counsel at Lacher & Lovell & Lovell-Taylor. Mr. Sidamon-Eristoff served as Regional Administrator for Region II of the U.S. Environmental Protection Agency during the first Bush administration. He was for 15 years a Commissioner of the Metropolitan Transportation Authority of the State of New York (MTA). Before that he was New York City Highways Commissioner and Transportation Administrator under Mayor John Lindsay. A memorial service for friends and family will be held in February.

## Pope Benedict Names NYC Archbishop as Cardinal

Archbishop Timothy M. Dolan, who has led the Archdiocese of New York for two and 1/2 years, has been named a cardinal by the Vatican, according to an announcement from Vatican Radio. The Archbishop was among 22 new cardinals named by Pope Benedict XVI today. Eighteen of them, including Archbishop Dolan, are under the age of 80 and are therefore eligible to participate in the conclave to elect a successor to Pope Benedict. There are 120 cardinals who serve as papal electors. The Archbishop will be elevated to Cardinal in ceremony on February 18<sup>th</sup>.

## Coming Up

### *New York State*

***Monday, January 9<sup>th</sup>***

***To examine alternative project delivery methods***

Senate Committee on Higher Education

Van Buren Hearing Room A, Legislative Office Building, 2nd Floor, Albany, 12:00 – 2:00 p.m.

***Tuesday, January 10<sup>th</sup>***

***Prisoner Count and Reallocation***

New York State Legislative Task Force on Demographic Research and Reapportionment  
Room 124, State Capitol Building, Albany, 1:30 p.m.

***Thursday, January 12<sup>th</sup>***

***Potential Closure of Indian Point Energy Center (IPEC)***

Assembly Committee on Energy and Assembly Committee on Corporations, Authorities & Commissions

Assembly Hearing Room, 250 Broadway, Room 1923, 19th Floor, New York, 10 a.m.

### *New York City*

***Tuesday, January 10<sup>th</sup>***

***Subcommittee on Landmarks, Public Siting & Maritime Uses, 250 Broadway, 16th Fl., 11 a.m.***

***Subcommittee on Planning, Dispositions & Concessions, 250 Broadway, 16th Fl., 1 p.m.***

***Thursday, January 12<sup>th</sup>***

***Committee on Land Use, 250 Broadway - Committee Rm, 16th Fl., 10 a.m.***

***Committee on Juvenile Justice, 250 Broadway - Committee Rm, 14th Fl., 1 p.m.***

***Oversight - Examining the Division of Youth and Family Justice's Positive Alternative Towards Home Program.***

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