



This Week in New York

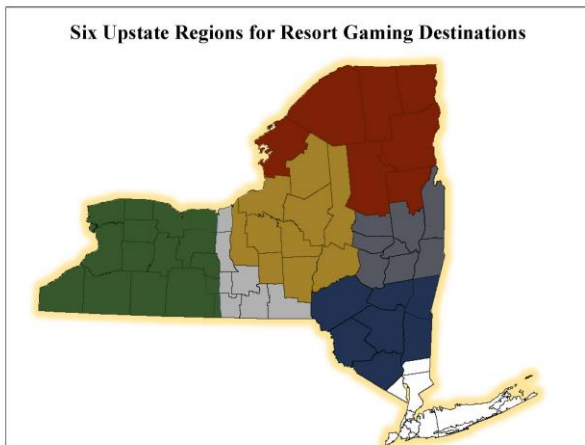
Covering New York State and City Government

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In the News – New York State

Six Upstate Regions for Resort Gaming Destinations



Governor Sets Tourism Agenda

Governor Cuomo Unveils Resort Gaming Destination Plan to Bring Tourism and Jobs to Upstate New York & Details \$60 Million Plan to Market New York

From casinos, to regional branding, to international marketing plans, *NYS Tourism Equals Business* was Governor Andrew Cuomo's mantra this week in Albany. His plans include a "comprehensive resort gaming destination plan to create jobs and boost tourism in Upstate New York" and a targeted campaign committing nearly \$60 million to "grow the tourism industry, create jobs, and attract even more visitors to the Empire State."

The Governor launched his effort on Wednesday with a Tourism Summit, attracting almost 200 people to the Convention Center, including state and local government officials, trade association leaders, and representatives of private industry such as JetBlue, Delta, Google, and Loews Hotels. At the summit the Governor unveiled his \$60 million tourism marketing plan (three times the amount in last year's budget) which includes a NY Sports and Events Commission, an international tourism campaign, advertising on public transportation, and targeted marketing efforts (details on page 3).

Seemingly saving the best for last, the Governor piggy-backed on his expanded marketing plan with the much-anticipated release of his gaming plan. The Governor's plan details a "non-political independent" process for the siting of resort gaming destinations, new specific criteria for selecting the gaming operators, and a breakdown on the distribution of revenue in a way that benefits multiple localities, counties and the State. Under the Governor's plan, upstate New York would be divided into six regions, and three resorts would be bid out with only one resort eligible to be located within a region. Details of the plan include:

Gaming and Destination Plan

According to the Governor, his plan for resort gaming destinations would be at the center of a strategy that combines tourism, economic development, and revenue, especially for upstate New York.

Locations for Resort Gaming Destinations: Three resorts would be bid out in upstate New York. Under the plan, upstate New York would be divided into six regions. Only one resort could be located within a region.

Indian Gaming: Three regions in the State have Indian gaming. An Indian Nation with a zone of exclusivity would have that zone honored by the state when siting new resorts, as long as the compact between the nation and the state is in good standing. If the compact is not in good standing, the region would be eligible for a commercial (non-Indian) gaming resort.

Evaluation Criteria for Selection of the Resort Gaming Destinations: Evaluation Criteria will include:

- Number of Jobs
- Amount of Capital Investment (expected floor of \$250-\$500 million)
- Amount of Projected Revenue to States and Localities
- Local Support (Home Rule)
- Amount of Franchise Fee
- Vision for Development and Integration with Regional Tourism

In addition, a series of added evaluation criteria will include:

- Immediate and Full Financing Available
- Comprehensive Development Approach
- Experience in Gaming Development
- Speed in Construction/Date of Completion
- Pass Ethics and Integrity Reviews
- Workforce Development
- Labor Agreement
- Environmental Sensitivity
- Addressing Problem Gambling

The selection criteria are the minimum threshold for any project to be approved in a region even if no competing projects are offered. Winning projects would be given a five-year exclusive period with no additional casinos cited in New York City or Upstate. Racinos would be able to compete as well, and all contracts with horse tracks would be honored.

Recipients of Revenue Distribution:

- 10% for the host community
- 10% for counties in the region
- 80% for the state

Uses of Revenue: The revenue would be used for state education aid above the annual formula, property tax relief, and reimbursement for local costs.

Independent Selection Commission: The Commission will include real estate and finance experts, and a financial advisor will be selected by the panel. The Commission is temporary and would dissolve following completion of its work. The Legislature would not be involved in the selection process.

(Source: Governor's press office)

ILOVENY Promotion

The Governor's \$60 million marketing initiative includes:

NYS Sports and Special Events Commission: The Commission will be charged with recruiting sporting and other special events to venues across the state – “and competing for part of the \$600 billion global sports tourism industry.”

International Tourism Campaign: From Asia to South America: ILOVENY ASIA / ILOVENY SOUTH AMERICA will include NYS representatives in parts of Asia and South America to promote the Empire State as a top travel destination and help plan itineraries.

I LOVE NY LGBT: The I Love NY LGBT niche tourism initiative will market NYS to the LGBT community, “which accounts for approximately \$70 billion in tourism spending in the U.S. every year.”

New I LOVE NY marketing campaign with Port Authority and MTA to promote Upstate NY tourism destinations: The MTA and Port Authority will provide \$2 million dollars' worth of advertising space on subways, bus and commuter rail systems and at airport arrival points and kiosks to promote Upstate tourism.

- *The MTA/I LOVE NY Partnership will result in more 7,000 advertising spaces throughout the MTA subway, bus and commuter rail systems. This will include 2,500 posters at subway stations, platforms and in rail cars; 2,600 ads in New York City buses; 2,000 ads in Metro North and LIRR trains; and ads at 250 Metro North and LIRR station platforms promoting Upstate tourism. In addition, the MTA and I LOVE NY will co-brand railroad destination and getaway packages to Long Island and Hudson Valley beaches, wineries, parks and attractions.*
- *The Port Authority/I LOVE NY Partnership will result in advertising at the Port Authority's most important travel hubs and services: JFK Airport, LaGuardia Airport, PATH, Stewart Airport, the Port Authority Bus Terminal and the JFK AirTrain.*

I LOVE NY in Times Square: The Times Square Alliance has agreed to give the state space at the Visitors Center to help market state attractions to the more than 400,000 tourists that pass through Times Square every year.

New Tourism Information for Decision-Makers: Empire State Development will be a clearing house for tourism metrics, offering New York's businesses a place to go for information on how to best market to visitors and attract tourists.

New Welcome Centers at Border and Interstate Crossings: The centers will serve as hubs of information about the State's tourism assets and attractions. New signs showcasing local attractions will also be strategically placed at these border and interstate crossings.

New Taste NY Marketing Efforts: As announced today, Taste NY products will be sold at "strategically located" rest stops across the State. The Governor also announced there will be a Taste NY Tent at this year's PGA tournament in Rochester, selling and sampling Made in NY products to tournament-goers.

According to the Governor, tourism is currently New York's fifth largest employment sector. It supported 714,000 jobs and generated more than \$29 billion in wages in 2012. One out of every 12 jobs in New York is tourism-related. The more than 202 million international and domestic visitors that visited the Empire State last year resulted in \$57 billion in direct tourism spending, and generated \$7 billion in state and local taxes.

Comptroller DiNapoli: IDA Performance Improves

New York's Industrial Development Agencies (IDAs) supported nearly 4,500 projects and provided \$560 million in net tax exemptions in 2011, increasing estimated job gains by almost 36,000 from the previous year, according to a report issued this week by State Comptroller Thomas P. DiNapoli.

The Comptroller's report found the state's 113 active IDAs provided \$1.5 billion in total tax exemptions in 2011. Local property taxes accounted for \$680 million of total IDA tax exemptions while school property tax breaks accounted for \$439 million. Other exemptions included state and local sales tax, county property taxes and mortgage recording taxes.

The exemptions were partially offset by \$917 million in payments-in-lieu of taxes, leaving the total net exemptions for the year at \$560 million – an increase of \$77 million, or 16 percent, in net exemptions from 2010.

In 2011, IDA projects reported a total of 701,169 full-time equivalent positions, which reflects an increase of 217,587 jobs over the life of these projects, at an average cost of \$2,575 per job gained. In 2010, cumulative job gains stood at 181,712 with an average cost per job of \$2,659.

The report outlined IDAs' support of retail projects between 2008 and 2011. (Prior to 2008, IDAs were restricted from supporting retail projects). During that time, the number of retail projects increased 191 percent, from 36 projects in 2008 to 105 projects in 2011, with a total project value of \$1.2 billion. Citing that retail projects do not increase economic activity or generate jobs, the 2013-14 Enacted Budget reinstated the prior restrictions.

In addition to reinstating the retail restrictions on IDAs, legislation enacted as a part of the State Fiscal Year 2013-14 requires that IDAs recapture and remit to the Department of Taxation and Finance any state sales tax revenue that projects have received improperly, as well as those received by a project that fails to comply with certain provisions of its IDA agreement.

Justice Sheila Abdus-Salaam Confirmed As NYS Court of Appeals Justice

The New York State Senate this week confirmed Sheila Abdus-Salaam, an Associate Justice of the Appellate Division of the New York State Supreme Court, to serve on the New York State Court of Appeals. Justice Abdus-Salaam is the first African-American woman to serve on the Court of Appeals. She was nominated by Governor Andrew M. Cuomo on April 5.



Justice Sheila
Abdus-Salaam

Justice Abdus-Salaam has served as an Associate Justice of the Appellate Division, First Department, since April 2009. She was elected Justice of the Supreme Court of the State of New York in November 1993 and re-elected in November 2007. From January 1992 to December 1993, she served as Judge on the Civil Court of the City of New York.

Prior to her judicial service, she was General Counsel in the New York City Office of Labor Services from June 1988 to December 1991, and as an Assistant Attorney General in the Civil Rights and Real Estate Financing Bureaus from August 1980 to May 1988. She began her legal career as a lawyer at East Brooklyn Legal Services. Justice Abdus-Salaam is a graduate of Barnard College and received her J.D. from the Columbia University School of Law.

Legislative Activity

Bills Currently in the Governor's Office

S3800 (*sponsored by Senator Carlucci/ M of A Weisenberg*) -- Extends the authority of the New York State Association for Retarded Children, Inc. to maintain bonds.

S3846 (*sponsored by Senator Lanza/ M of A Cusick*) -- Extends effectiveness of Chapter 395 of the Laws of 1978 relating to moratoriums on the issuance of certificates of environmental safety for the siting of facilities and certification of routes to transport liquefied natural or petroleum gas in cities with a population of one million or more until April 1, 2015.

S4319 (sponsored by Senator Marcellino/ M of A Markey) -- Extends statutory provision allowing for the resale of tickets to places of entertainment through May 14, 2014

Bills Passed by Both Houses but Not Delivered to Governor

A587 (sponsored by M of A Magnarelli/ Senator DeFrancisco) -- Requires the division of veterans' affairs to maintain mental health, substance abuse and physical disabilities portals on its website.

A857 (sponsored by M of A Weinstein (MS)/ Senator Hannon) -- Enacts the uniform guardianship and protective proceedings jurisdiction act.

A1935A (sponsored by M of A Englebright (MS)/ Senator Hannon) -- Provides for the mapping of breast cancer in the state.

A3601 (sponsored by M of A Maisel (MS)/ Senator Golden) -- Adds a new section to the general business law that provides that consumers send convenience checks by credit or debit card issuers shall not be liable for the use of such checks unless the consumer has accepted the check by using it.

S3792 (sponsored by Senator Bonacic/ M of A Pretlow) – Permits the transportation and display of gambling devices within the state for certain specific circumstances to allow the transportation and possession of a gambling device for the purposes exhibition, marketing, and product development.

In the News – New York City

Feds Approve NYC's Sandy Recovery Plan

The City's plan for spending federal disaster recovery aid has been approved by the Department of Housing and Urban Development. Speaking at an announcement today with U.S. Housing and Urban Development Secretary Shaun Donovan and Senator Charles Schumer, Mayor Michael Bloomberg said the first \$1.7 billion in federal funding will be released this summer.

The City's plan included grants to homeowners and businesses affected by the storm, as well as efforts to protect public housing and critical infrastructure from future storms. The funding is the first installment of funding from the \$51 billion disaster relief package to be distributed to New York, New Jersey, and other affected areas.

Under the federally approved application, the City's recovery programs fall into four categories: housing recovery, business recovery, infrastructure and resiliency.

Housing Recovery – \$648 Million

The housing relief programs funded through the Community Development Block Grant Disaster Relief program include:

- \$306 million for reconstruction of one- and two- family homes;
- \$225 million for repair and reconstruction projects in multi-family buildings;
- \$108 million for resiliency improvements to public housing; and
- \$9 million for up to 24 months of rental assistance for families displaced by Hurricane Sandy.

The application process for the housing recovery programs will launch at the beginning of next month, and homeowners will be able to register for grant, loan and rental assistance by calling 311 or visiting www.nyc.gov.

Once the registrations are processed, homeowners will be assigned a housing recovery specialist who will work directly on their application. With the exception of the money going towards public housing, the New York City Housing Recovery Office and the Department of Housing Preservation and Development will manage these funds.

Business Recovery – \$293 Million

The business relief programs funded through the City's Federal aid plan include:

- \$72 million for business loans and grants;
- \$90 million for investments in business resiliency;
- \$90 million for "Game-Changer Investment Competition" to reward innovative ideas for spurring economic development in hard hit areas; and
- \$41 million for a competition to develop resilient technologies.

The application process for the business loan and grant program will open on Monday, May 20th. Business owners can find out more information about the application and other requirements by calling 311 or visiting www.nyc.gov. The City's Department of Small Business Services will oversee the loan and grant program. Business owners will work directly with an account manager at the NYC Business Solutions Center to apply for loans of up to \$150,000 and matching grants of up to \$60,000.

Infrastructure and Resiliency Programs

The City will extend \$360 million to repair City infrastructure damaged by the storm, and for City services set up in the response and recovery work. The City has set aside \$294 million for resiliency investments to be detailed in a report issued by the Special Initiative for Rebuilding and Resiliency later this month. Finally, per Federal requirements, \$177 million has been allocated for planning and administration of the City's recovery programs.

SED: NYC Teacher Evaluation System by June 1st

State Education Department Commissioner John King this week released the procedures to ensure that New York City will have a teacher evaluation system by June 1, even if the Bloomberg Administration and the United Federation of Teachers cannot resolve disputed issues.

The recently enacted New York State Budget established provisions providing for an arbitration process for districts that did not have an approved annual professional performance review (APPR) plan on or before January 17, 2013 and do not have an APPR plan approved by the Commissioner by May 8, 2013 for the 2013-2014 school year.

According to Commissioner King, 690 school district APPR plans have been approved. The New York City School District is the only school district in New York State without an approved APPR plan for the 2012-2013 school year.

Per the procedure, on Wednesday, the Bloomberg Administration and the UFT submitted position papers (limited to 20 pages in length) outlining the respective positions for all applicable elements of the district's APPR plan. The submissions were required to include a list of provisions of the APPR that are in dispute, as well as an explanation of its positions on the disputed provisions and/or any issues that need to be resolved for the parties to fully implement the district's APPR plan.

According to SED, because these documents reflect unresolved issues pertaining to ongoing collective bargaining negotiations, all APPR submissions and position papers are considered to be confidential.

SED will schedule a pre-arbitration telephone conference on Tuesday, May 14th for the parties and the Commissioner to discuss the submissions. In addition to discussing the outstanding issues, the parties will discuss the details of arbitration proceedings in the event the parties continue to have no APPR plan approved by the Commissioner by May 29th.

In the event that the parties fail to reach an agreement by May 29, 2013, Commissioner King will conduct an expedited arbitration proceeding. Following this hearing, the Commissioner is required to render a final and binding written determination on or before June 1, 2013.

Briefs

Comptroller DiNapoli: Empire Blue Cross Continuing to Overpay for Special Medical Items

New York State health insurance provider Empire BlueCross BlueShield overpaid hospitals by nearly \$490,000 for special medical items such as implants, drugs and blood, including more than \$77,000 to just one hospital, over a six month period, according to an audit of the New York State Health Insurance Program (NYSHIP) released by State Comptroller Thomas P. DiNapoli.

NYSHIP provides health insurance coverage to active and retired state employees, participating local government and school district employees and their dependents. The Department of Civil Service contracts with Empire Blue Cross and Blue Shield (Empire) to provide hospitalization coverage under the Empire Plan. Empire processes plan claims for hospital services and medical items in accordance with agreements it negotiates with participating hospitals.

Comptroller DiNapoli's auditors found that the overpayments included 52 claims from hospitals with contracts limiting the amounts they should have charged for special items.

Hospital	Amount Empire Paid	Amount Empire Should Have Paid per Contract	Amount Empire Overpaid	Percent Overpaid by Empire
A	\$602,158	\$539,858	\$62,300	11.5%
B	\$333,646	\$277,178	\$56,468	20.4%
C	\$73,228	\$20,700	\$52,528	253.8%
D	\$43,782	\$25,018	\$18,764	75.0%
E	\$41,865	\$27,576	\$14,289	51.8%

City Council Approves Paid Sick Bill

The City Council this week voted (45 to 3) to approve the paid sick bill which requires employers to provide 5 paid sick days per year to full-time employees. The measure will first apply to employers of 20 or more employees in 2014 and will be expanded to employers of 15 or more employees in 2015. Implementation is tied to the City's economic performance.

Mayor Michael Bloomberg has indicated that he will not approve the measure. In the event of a veto, the Council has pledged to override.

Delayed Bike-Share Program Is to Start on Memorial Day

The City's Transportation Department announced that the New York City's bike-share program that the program would begin operating on May 27th, Memorial Day, for individuals with annual memberships. For riders seeking daily or weekly passes, the program will begin on June 2.

More than 8,000 people had signed up so far for annual memberships, according to the City DOT. Officials said that annual memberships needed to be bought by May 17th to receive access to the system for the week beginning Memorial Day.

For a yearly cost of \$95 (pre-tax), riders will be able to borrow any of 6,000 bikes from 330 stations in Manhattan south of 59th Street and a cluster of Brooklyn neighborhoods, including Brooklyn Heights, Dumbo and Fort Greene. The system allows riders to check out a bike from one station and return it to another, with no additional fee charged for rides of 45 minutes or less. The system is expected to eventually have 10,000 bikes and 600 stations, covering the Upper East and Upper West Sides; Park Slope, Cobble Hill and Crown Heights in Brooklyn; and Long Island City and Sunnyside in Queens.

Coming Up

New York State

Monday May 13th

New York State Assembly Legislative Session Day

New York City

Monday May 13th

Subcommittee on Zoning and Franchises, 250 Broadway– Committee Rm, 14th fl, 9:30 a.m.

Committees on Finance and Governmental Operations, 250 Broadway, 16th fl, 10 a.m.

Executive Budget Hearings

10:00 - 11:00 Citywide Administrative Services

11:00 - 12:00 Board of Elections

12:00 - 12:30 Office of Administrative Trial and Hearings

12:30 - 1:15 Law Department

1:15 - 1:45 Campaign Finance Board

Subcommittee on Landmarks, Public Siting, and Maritime Uses, 250 Broadway, 14th fl, 11 a.m.

Subcommittee on Planning, Dispositions, and Concessions, 250 Broadway, 14th fl, 1 p.m.

Tuesday May 14th

Committee on Land Use, 250 Broadway- Committee Rm, 14th fl, 10 a.m.

Committees on Fire and Criminal Justice Services and Finance, 250 Broadway, 16th fl, 1 p.m.

Executive Budget Hearings

1:00 - 3:00 Fire/Emergency Medical Services

3:00 - 4:00 Correction

4:00 - 4:45 Legal Aid

4:45 - 5:30 Criminal Justice Coordinator (Indigent Defense Services)

Friday May 17th

Committees on Finance, Small Business, and Economic Development, 250 Broadway, 16th fl, 10 a.m.

NEW YORK CITY COUNCIL FISCAL YEAR 2014 EXECUTIVE BUDGET HEARINGS

10:00 - 11:00 Small Business Services

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

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

50 Main Street, 10th Floor
White Plains, NY 10606
Telephone (914) 682-2632
Facsimile (914) 663-5180

191 Grand Central Ave.
Amityville, NY 11701
Telephone (516) 742-8930
Facsimile (516) 742-8937