

Franchise and Concession Review Committee Special Public Meeting
September 30, 2015

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SPECIAL PUBLIC MEETING
FRANCHISE AND CONCESSION REVIEW COMMITTEE

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22 Reade Street
New York, New York 10007
Barrish Conference Room

Wednesday, September 30, 2015
2:26 p.m.

APPEARANCES:

- Mayor: Peter Hatch
- Office of the Mayor: Benjamin Furnas
- Corporation Counsel: Howard Friedman
- Office of Management and Budget: Yvonne Quintian
- Comptroller: Richard Friedman
- Bronx Borough President: Tom Lucania
- Brooklyn Borough President: Jeff Lowell
- Manhattan Borough President: James Caras
- Queens Borough President: Jasmine Narang
- Staten Island Borough President: James Shipp

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APPEARANCES CONTINUED:

Clerk: Stephanie Ruiz

Michelle Craven
Senior Executive Director of Cityscape & Franchises
New York City Department of Transportation

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MR. HATCH: Good afternoon and thank you for being here. The Franchise and Concession Review Committee Special Public Meeting will now come to order. Will the Clerk please call the roll?

MS. RUIZ: Mayor?

MR. HATCH: Here.

MS. RUIZ: Office of the Mayor?

MR. FURNAS: Here.

MS. RUIZ: Comptroller?

MR. FRIEDMAN: Here.

MS. RUIZ: Corporation Counsel?

MR. FRIEDMAN: Here.

MS. RUIZ: Office of Management and Budget?

MS. QUINTIAN: Here.

MS. RUIZ: President, Borough of the Bronx?

MR. LUCANIA: Here.

MS. RUIZ: President, Borough of Brooklyn?

MR. LOWELL: Here.

MS. RUIZ: President, Borough of Manhattan?

MR. CARAS: Here.

MS. RUIZ: President, Borough of Queens?

MS. NARANG: Here.

MS. RUIZ: President, Borough of Staten Island?

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MR. SHIPP: Here.

MR. HATCH: Will the Clerk please call the first calendar item?

MS. RUIZ: New York City Department of Transportation, Calendar Item Number One. In the matter of the intent to seek Franchise and Concession Review Committee approval relating to:

1) the approval of a proposed change in control of Cemusa NY, LLC, which, pursuant to an assignment from Cemusa Inc., holds a non-exclusive franchise giving it the right to install, operate, and maintain bus shelters, automatic public toilets, and public service structures; and install and maintain newsstands on the inalienable property of the City of New York. And sell and place advertising as set forth in the franchise agreement and to derive revenue therefrom; and

2) the approval of proposed amendments to the franchise agreement.

A proposed resolution was submitted relative thereto, and the resolution is calendared for adoption.

MR. HATCH: At this time, I would like to

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invite Michelle Craven, Senior Executive Director of Cityscape and Franchise for the New York City Department of Transportation, to read into the record changes that have been made to the franchise agreement since its distribution to the FCRC.

MS. CRAVEN: Thank you.

We have one change today. In Section 2.4.4 of the agreement, we added one sentence at the end that reads, "the company acknowledges that the City, in exercising its rights and obligations under this agreement, will act consistent with the memorandum of understanding entered into between DOT and the Borough Presidents."

And that is everything.

MR. HATCH: Thanks.

The FCRC received written testimony after the Special Public Hearing by the Honorable Kathleen A. Roberts, court-appointed Interim Trustee of 650 Fifth Avenue Company, against the proposal to install 15 bus shelters along Fifth Avenue from 58th Street to 35th Street. The written testimony has been distributed to the

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committee members and will be made part of the final record.

Is there a member who wishes to make a statement or ask a question on this matter?

MR. CARAS: Yes. I'd like to ask the Law Department, if they would, to address the legal concerns that were raised at the hearing concerning the siting of the bus shelters.

MR. FRIEDMAN: Sure. There were three issues raised by, I guess it was by Mr. Kusich's testimony.

The first was that the franchise is inconsistent with the authorizing resolution. He didn't specify which part of the authorizing resolution he thought was being violated, but two parts of it that seemed relevant were that, there needed to be siting criteria and there needed to be a consultation process.

And his complaint was specifically about the Fifth Avenue shelters, although the answer is true for all of them, that the DOT considered the siting criteria that were part of the franchise and sited the Fifth Avenue shelters consistent with the criteria. Once it had determined which

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were viable shelters, it consulted with City Council members and Community Board exacted the authorizing resolution required. So, we don't think that's a legal problem.

He raised the issue of needing Public Design Commission approval and the Public Design Commission, in fact, a decade or so ago, approved the prototype for the shelters and that's all that was legally required. So, we don't think that's a problem.

And he sited a specific section of the zoning resolution dealing with sign regulation, and the streets aren't part of the zoning law so therefore the zoning resolution doesn't apply to the franchise in the way he was talking. So, we don't think that that was a problem.

MR. CARAS: Thanks a lot.

MR. HATCH: Any other member have a question or statement?

MR. CARAS: Can I just say a couple words? As I said at the hearing on Monday, parts of this were very difficult but we think on the whole this is an important franchise to the City. Bus shelters are important amenities and we want the

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change and control to occur.

We're getting significant additional foreign advertising opportunities that were disappearing under the former controlling entity.

We are getting reciprocal bus shelters in Northern Manhattan and the other boroughs.

Obviously the difficult issue was, you know, Fifth Avenue, Madison Avenue. We to a large extent, you know, protected the -- you know, those avenues and came up with way of -- you know, a limited amount of bus shelters in locations that obviously were very, very, you know, were controversial with a lot of valid competing interests but we think, you know, this is a good agreement for the City.

MR. HATCH: Thank you.

Will member please make a motion to move this item?

MR. SHIPP: Can I say something first?

MR. HATCH: Forgive me. Staten Island.

MR. SHIPP: The letter from the Honorable Kathleen A. Roberts, the owner of 650 Fifth Avenue Company Store there, I would just like it to be noted that this letter is to be distributed

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to all Borough Presidents' offices not just the Staten Island Borough President's office as is noted on this letter.

That's all. Just for the record. Thank you.

MR. HATCH: Anyone else?

Will a member please make a motion to move the item?

MR. CARAS: So moved.

MR. HATCH: Will another member please second?

MR. FRIEDMAN: Second.

MR. HATCH: Will the Clerk please take the vote?

MS. RUIZ: Mayor?

MR. HATCH: Yes.

MS. RUIZ: Office of the Mayor?

MR. FURNAS: Yes.

MS. RUIZ: Comptroller?

MR. FRIEDMAN: Yes.

MS. RUIZ: Corporation Counsel?

MR. FRIEDMAN: Yes.

MS. RUIZ: Office of Management and Budget?

MS. QUINTIAN: Yes.

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MS. RUIZ: And on behalf of the Borough Presidents, President, Borough of Manhattan?

MR. CARAS: Yes.

MS. RUIZ: Calendar Item Number One, the resolution is adopted.

We ask that the reporter make the entire Special Public Meeting Agenda, which was made publicly available and distributed at this meeting, part of the final record of this proceeding.

That completes the calendar.

MR. HATCH: Thank you. Meeting adjourned.

(Time noted 2:33 p.m.)

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C E R T I F I C A T E

STATE OF NEW YORK)
) ss.:
COUNTY OF KINGS)

I, BONITA RICHARDS, a Notary Public within and
and for the State of New York, do hereby certify:

THAT the within transcript is a true and
accurate record of the proceedings.

I further certify that I am not related to any
of the parties to this action by blood or
marriage; and that I am in no way interested in
the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set my
hand this 5th of October 2015.



BONITA RICHARDS

**Franchise and Concession Review Committee Special Public Meeting
September 30, 2015**

<p align="center">A</p> <p>accurate (1) 11:12 acknowledges (1) 5:11 act (1) 5:13 action (1) 11:15 added (1) 5:10 additional (1) 8:3 address (1) 6:7 adjourned (1) 10:13 adopted (1) 10:6 adoption (1) 4:24 advertising (2) 4:17 8:4 afternoon (1) 3:2 Agenda (1) 10:8 ago (1) 7:8 agreement (6) 4:18,21 5:6,10,13 8:16 amendments (1) 4:20 amenities (1) 7:25 amount (1) 8:12 answer (1) 6:21 APPEARANCES (2) 1:12 2:2 apply (1) 7:15 approval (4) 4:8,9,20 7:7 approved (1) 7:8 assignment (1) 4:11 authorizing (3) 6:14,15 7:4 automatic (1) 4:14 available (1) 10:9 Avenue (7) 5:22,24 6:21,24 8:9,9 8:24 avenues (1) 8:11</p>	<p>certify (2) 11:9,14 change (3) 4:9 5:9 8:2 changes (1) 5:5 City (8) 2:5 4:5,16 5:3,12 7:2,24 8:16 Cityscape (2) 2:4 5:3 Clerk (4) 2:3 3:5 4:3 9:14 come (1) 3:4 Commission (2) 7:7,8 committee (4) 1:6 3:4 4:8 6:2 Community (1) 7:3 company (3) 5:11,22 8:24 competing (1) 8:15 complaint (1) 6:20 completes (1) 10:12 Comptroller (3) 1:17 3:10 9:20 concerning (1) 6:9 concerns (1) 6:8 Concession (3) 1:6 3:3 4:8 Conference (1) 1:9 considered (1) 6:22 consistent (2) 5:14 6:24 consultation (1) 6:19 consulted (1) 7:2 CONTINUED (1) 2:2 control (2) 4:10 8:2 controlling (1) 8:5 controversial (1) 8:14 Corporation (3) 1:15 3:12 9:22 Council (1) 7:3 Counsel (3) 1:15 3:12 9:22 COUNTY (1) 11:6 couple (1) 7:21 court-appointed (1) 5:21 Craven (3) 2:4 5:2,8 criteria (3) 6:18,23,25</p>	<p>Executive (2) 2:4 5:2 exercising (1) 5:12 extent (1) 8:10</p>
<p align="center">B</p> <p>Barrish (1) 1:9 behalf (1) 10:2 Benjamin (1) 1:14 blood (1) 11:15 Board (1) 7:3 BONITA (2) 11:8,21 Borough (15) 1:18,19,20,21,22 3:16,18,20,22,24 5:15 9:2,3 10:2 10:3 boroughs (1) 8:7 Bronx (2) 1:18 3:16 Brooklyn (2) 1:19 3:18 Budget (3) 1:16 3:14 9:24 bus (6) 4:13 5:23 6:9 7:24 8:6,12</p>	<p align="center">D</p> <p>dealing (1) 7:13 decade (1) 7:8 Department (4) 2:5 4:5 5:4 6:7 derive (1) 4:18 Design (2) 7:7,7 determined (1) 6:25 difficult (2) 7:23 8:8 Director (2) 2:4 5:2 disappearing (1) 8:5 distributed (3) 5:25 8:25 10:9 distribution (1) 5:6 DOT (2) 5:15 6:22</p>	<p align="center">F</p> <p>F (1) 11:3 fact (1) 7:8 FCRC (2) 5:7,19 Fifth (6) 5:22,23 6:21,24 8:9,23 final (2) 6:3 10:10 first (3) 4:4 6:13 8:20 foreign (1) 8:4 Forgive (1) 8:21 former (1) 8:5 forth (1) 4:18 franchise (12) 1:6 3:3 4:7,12,18,21 5:3,6 6:13,23 7:16,24 Franchises (1) 2:4 Friedman (8) 1:15,17 3:11,13 6:10 9:13,21,23 Furnas (3) 1:14 3:9 9:19 further (1) 11:14</p>
<p align="center">C</p> <p>C (2) 11:3,3 calendar (4) 4:4,6 10:5,12 calendared (1) 4:24 call (2) 3:5 4:3 Caras (7) 1:20 3:21 6:6 7:18,21 9:10 10:4 Cemusa (2) 4:10,11</p>	<p align="center">E</p> <p>E (2) 11:3,3 entered (1) 5:15 entire (1) 10:7 entity (1) 8:5 exacted (1) 7:3</p>	<p align="center">G</p> <p>getting (2) 8:3,6 giving (1) 4:12 good (2) 3:2 8:16 guess (1) 6:11</p> <p align="center">H</p> <p>hand (1) 11:19 Hatch (14) 1:13 3:2,7 4:3,25 5:18 7:19 8:17,21 9:7,11,14,17 10:13 hearing (3) 5:20 6:8 7:22 hereunto (1) 11:18 holds (1) 4:11 Honorable (2) 5:20 8:22 Howard (1) 1:15</p> <p align="center">I</p> <p>important (2) 7:24,25 inalienable (1) 4:16 inconsistent (1) 6:14 install (3) 4:13,15 5:23 intent (1) 4:7 interested (1) 11:16 interests (1) 8:15 Interim (1) 5:21 invite (1) 5:2 Island (4) 1:22 3:25 8:21 9:3 issue (2) 7:6 8:8 issues (1) 6:10 item (5) 4:4,6 8:19 9:9 10:5</p> <p align="center">J</p> <p>James (2) 1:20,22 Jasmine (1) 1:21</p>

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<p>Jeff (1) 1:19</p>	<p>office (7) 1:14,16 3:8,14 9:3,18,24 offices (1) 9:2</p>	<p>resolution (8) 4:22,23 6:14,16 7:4 7:13,15 10:6</p>
<p align="center">K</p> <p>Kathleen (2) 5:21 8:23 KINGS (1) 11:6 know (6) 8:8,10,10,12,14,15 Kusich's (1) 6:11</p>	<p>Once (1) 6:25 operate (1) 4:13 opportunities (1) 8:4 order (1) 3:5 outcome (1) 11:17 owner (1) 8:23</p>	<p>revenue (1) 4:19 Review (3) 1:6 3:3 4:8 Richard (1) 1:17 RICHARDS (2) 11:8,21 right (1) 4:12 rights (1) 5:12 Roberts (2) 5:21 8:23</p>
<p align="center">L</p> <p>large (1) 8:9 law (2) 6:6 7:14 legal (2) 6:7 7:5 legally (1) 7:10 letter (3) 8:22,25 9:4 limited (1) 8:12 LLC (1) 4:10 locations (1) 8:13 lot (2) 7:18 8:14 Lowell (2) 1:19 3:19 Lucania (2) 1:18 3:17</p>	<p align="center">P</p> <p>p.m (2) 1:10 10:14 part (5) 6:2,15,23 7:14 10:10 parties (1) 11:15 parts (2) 6:17 7:22 Peter (1) 1:13 place (1) 4:17 please (6) 3:5 4:3 8:18 9:8,11,14 President (11) 1:18,19,20,21,22 3:16,18,20,22,24 10:3 President's (1) 9:3 Presidents (2) 5:16 10:3 Presidents' (1) 9:2 problem (3) 7:5,11,17 proceeding (1) 10:11 proceedings (1) 11:12 process (1) 6:19 property (1) 4:16 proposal (1) 5:23 proposed (3) 4:9,20,22 protected (1) 8:10 prototype (1) 7:9 public (9) 1:5 3:4 4:14,14 5:20 7:6 7:7 10:8 11:8 publicly (1) 10:9 pursuant (1) 4:10</p>	<p>roll (1) 3:5 Room (1) 1:9 Ruiz (19) 2:3 3:6,8,10,12,14,16,18 3:20,22,24 4:5 9:16,18,20,22,24 10:2,5</p>
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<p align="center">N</p> <p>Narang (2) 1:21 3:23 needed (2) 6:18,18 needing (1) 7:6 New (8) 1:8,8 2:5 4:5,16 5:3 11:5,9 newsstands (1) 4:15 non-exclusive (1) 4:12 Northern (1) 8:7 Notary (1) 11:8 noted (3) 8:25 9:4 10:14 Number (2) 4:6 10:5 NY (1) 4:10</p>	<p align="center">R</p> <p>R (1) 11:3 raised (3) 6:8,11 7:6 read (1) 5:4 Reade (1) 1:8 reads (1) 5:11 received (1) 5:19 reciprocal (1) 8:6 record (5) 5:5 6:3 9:5 10:10 11:12 regulation (1) 7:13 related (1) 11:14 relating (1) 4:8 relative (1) 4:23 relevant (1) 6:17 reporter (1) 10:7 required (2) 7:4,10</p>	<p align="center">T</p> <p>T (2) 11:3,3 take (1) 9:14 talking (1) 7:16 testimony (3) 5:19,25 6:12 thank (5) 3:2 5:8 8:17 9:5 10:13 Thanks (2) 5:18 7:18 therefrom (1) 4:19 thereto (1) 4:23</p>
<p align="center">O</p> <p>obligations (1) 5:13 obviously (2) 8:8,13 occur (1) 8:2 October (1) 11:19</p>		

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<p>think (5) 7:5,10,17,23 8:15 thought (1) 6:16 three (1) 6:10 time (2) 4:25 10:14 today (1) 5:9 toilets (1) 4:14 Tom (1) 1:18 transcript (1) 11:11 Transportation (3) 2:5 4:6 5:4 true (2) 6:22 11:11 Trustee (1) 5:22 two (1) 6:16</p> <hr/> <p align="center">U</p> <p>understanding (1) 5:14</p> <hr/> <p align="center">V</p> <p>valid (1) 8:14 viable (1) 7:2 violated (1) 6:16 vote (1) 9:15</p> <hr/> <p align="center">W</p> <p>want (1) 7:25 way (3) 7:16 8:11 11:16 We're (1) 8:3 Wednesday (1) 1:10 WHEREOF (1) 11:18 wishes (1) 6:4 WITNESS (1) 11:18 words (1) 7:21 written (2) 5:19,25</p> <hr/> <p align="center">X</p> <p>X (2) 1:4,7</p> <hr/> <p align="center">Y</p> <p>York (8) 1:8,8 2:5 4:5,17 5:3 11:5,9 Yvonne (1) 1:16</p> <hr/> <p align="center">Z</p> <p>zoning (3) 7:13,14,15</p> <hr/> <p align="center">0</p> <hr/> <p align="center">1</p> <p>1 (1) 4:9 10007 (1) 1:8 15 (1) 5:23</p> <hr/> <p align="center">2</p> <p>2 (1) 4:20 2.4.4 (1) 5:10 2:26 (1) 1:10 2:33 (1) 10:14 2015 (2) 1:10 11:19 22 (1) 1:8</p>	<hr/> <p align="center">3</p> <hr/> <p>30 (1) 1:10 35th (1) 5:24</p> <hr/> <p align="center">4</p> <hr/> <p align="center">5</p> <hr/> <p>58th (1) 5:24 5th (1) 11:19</p> <hr/> <p align="center">6</p> <hr/> <p>650 (2) 5:22 8:23</p>
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SPECIAL PUBLIC MEETING

FRANCHISE AND CONCESSION REVIEW COMMITTEE

WEDNESDAY, SEPTEMBER 30, 2015 @ 2:00 P.M.

22 READE STREET, NEW YORK, NY

NOTE: INDIVIDUALS REQUESTING SIGN LANGUAGE INTERPRETERS SHOULD CONTACT THE MAYOR'S OFFICE OF CONTRACT SERVICES, 253 BROADWAY, 9TH FL., NEW YORK, NEW YORK, N.Y. 10007 (212) 788-7490, NO LATER THAN SEVEN (7) BUSINESS DAYS PRIOR TO THE PUBLIC MEETING. TDD USERS SHOULD CALL VERIZON RELAY SERVICE.

*Franchise and Concession Review Committee Special Public Meeting
Wednesday, September 30, 2015 @ 2:00 P.M.*

NEW YORK CITY DEPARTMENT OF TRANSPORTATION

No. 1: **IN THE MATTER** of the intent to seek Franchise and Concession Review Committee approval relating to: 1) a proposed change in control of Cemusa NY, LLC ("Franchisee"), which, pursuant to an assignment from Cemusa Inc. (immediate parent of Franchisee), holds a non-exclusive franchise giving it the right to (a) install, operate and maintain bus shelters, automatic public toilets, and public service structures and install and maintain newsstands on the inalienable property of the City and (b) sell and place advertising as set forth in the franchise agreement and to derive revenue therefrom. In this transaction, all of the shares of Corporación Europea de Mobiliario Urbano, S.A. (immediate parent of Cemusa Inc.) in Cemusa Inc. would be transferred to JC Decaux North America, Inc., thereby resulting in a change in control of Franchisee (hereinafter referred to as the "2015 Change in Control"); and 2) proposed amendments to the franchise agreement, in the form of an amended and restated franchise agreement ("franchise agreement"), that will modify various sections including but not limited to: (a) an increase in overseas markets for NYC & COMPANY advertising; (b) the elimination of the City's option to return any or all of its share of advertising panels on the Coordinated Franchise Structures (as defined in the franchise agreement) for cash to be paid by the Franchisee to the City; (c) changes to the total number of bus shelters obligated to be installed by the Franchisee, including but not limited to specific bus shelters on 5th Avenue between 34th Street and 59th Street and the right of the City in certain circumstances to reciprocal shelters; (d) the obligation of the City to compensate Franchisee for depreciation of certain bus shelters in the event that an advertising Public Communications Structure or Public Pay Telephone is installed on 5th Avenue between 34th Street and 59th Street; and (e) clarification of the alternative compensation language that confirms the obligation of the Franchisee to exclude the value added tax ("VAT") from computation of the value owed to the City in alternative compensation.

A proposed resolution was submitted relative thereto.

RESOLUTION FOR ADOPTION.