

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

SUBCOMMITTEE ON ZONING AND FRANCHISES

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B E F O R E:

DONOVAN J. RICHARDS
Chairperson

COUNCIL MEMBERS:

ANTONIO REYNOSO
DANIEL R. GARODNICK
JUMAANE D. WILLIAMS
RITCHIE J. TORRES
RUBEN WILLS
VINCENT J. GENTILE

A P P E A R A N C E S (CONTINUED)

Michelle Craven
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[gavel]

CHAIRPERSON RICHARDS: Good morning.

I'm Donovan Richards, Chair of the Subcommittee on Zoning and Franchises. And this morning we are joined by Council Members Reynoso, Torres, Kallos, and Chair Greenfield. We have one item for a hearing in our consideration today; Resolution 1349 an authorizing resolution pursuant to Section 363 of the Charter. This resolution would authorize the New York City Department of Transportation... grant a franchise for the provision of aerial tramway service over the East River between Manhattan and Roosevelt Island to the Roosevelt Island Operating Corporation. We will hear from first Franco Esposito NYCDOT, Michelle Craven NYCDOT, and Benjamin Smith from DOT this morning. With that being said, you may begin. Oh, I'm sorry. We will go to Council Member Kallos on abbreviated statement on this issue.

COUNCIL MEMBER KALLOS: Thank you Chair Richards and Chair Greenfield. Good morning. I'm Council Member Ben Kallos. As always, you can tweet me at Ben Kallos. And I have the privilege of representing Roosevelt Island in the near, in the

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2 city of New York as well in, and as well as in the
3 city council. Roosevelt Island is one of the city's
4 most unique locations and has a fascinating
5 history. I'll regale you with that history going
6 back to 1976 beginning with a dark stormy day in
7 19... no. The Roosevelt Island Tram began operating
8 in 1976. And for 13 years it was the only
9 alternative to the bridge to get on or off the
10 island. At one time, it was the only commuter
11 aerial tramway in North America and is the oldest
12 of three currently operating on the continent. The
13 original franchise agreement expired in 1995 and
14 discussions between this council and Roosevelt
15 Island Operation Corporation in the decade since
16 had failed to produce a successor agreement because
17 of disagreements over advertising. I'm pleased that
18 we're all on board with a new agreement which
19 allows for the continuation of advertising in the
20 interior of the cars but prohibits advertising on
21 the exterior of the cars and stations but for of
22 course the iconic Roosevelt Island of lettering on
23 the outside of those beautiful red cars that
24 thousands of tourists come to use every single
25 year. By preserving a crucial and iconic mode of

1 transportation for residents and visitors this 25
2 year agreement is good for the state, city, and
3 most importantly the residents who call this island
4 home. I want to thank Chair Richards and Council
5 Member Garodnick, Department of Transportation...
6 Council's Land Use Division, particularly Julee
7 Lubin, for their work in reaching this agreement. I
8 encourage my colleagues to vote aye after hearing
9 the testimony. And just an odd point of trivia; the
10 Roosevelt Island Tram actually lands in Tramway
11 Plaza which is across the street from my district
12 in Council Member Dan Garodnick's district. And I
13 do thank him for his cooperation and assistance in
14 this renewal.
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16 CHAIRPERSON RICHARDS: Thank you. You
17 may begin. Please state your name and who you're
18 representing for the record.

19 MICHELLE CRAVEN: Okay. Well good
20 morning Chairman Richards and members of the
21 Subcommittee on Zoning and Franchises. My name is
22 Michelle Craven. And I am the Senior Executive
23 Director of Cityscape and Franchises at the New
24 York City Department of Transportation. I am joined
25 today by Franco Esposito Supervising Senior

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2 Counsel, and Benjamin Smith Deputy Director of
3 Legislative Affairs. Pursuant to its authority
4 under Executive Order number 25 dated August 23rd,
5 1995 and in accordance with the procedures set
6 forth in Section 363 of Chapter 14 of the charter
7 of the city of New York. DOT has prepared and
8 submitted to the council a proposed authorizing
9 resolution which would authorize DOT to grant a
10 franchise for the provision of aerial tramway
11 service over the East River between Manhattan and
12 Roosevelt Island, to the Roosevelt Island Operating
13 Corporation or RIOC. The service that will be
14 provided pursuant to such franchise will promote
15 the interest of the public by ensuring the
16 continued operation of the iconic Roosevelt Island
17 Tramway. This resolution will authorize DOT to
18 enter into a sole source franchise agreement with
19 RIOC. A New York state public benefit corporation
20 for the provision of Tramway Service. We believe
21 this is the appropriate process to follow in this
22 instance taking into consideration the history
23 surrounding the tramway. In 1959 the city leaves
24 various lands, buildings, and structures to the New
25 York state Urban Development Corporation for the

1 purpose of developing Roosevelt Island. In 1974 UDC
2 was granted a 10-year franchise agreement from the
3 state to construct, maintain, and use the tramway.
4 In 1990 RIOC, as a successor and interest to UDC
5 and matters involving Roosevelt was granted an
6 interim operating authority to continue to maintain
7 and operate the tramway. Although the franchise
8 agreement expired in 1995 RIOC continues to operate
9 and maintain the tramway. The state has expended
10 significant funds in construction, maintaining, and
11 upgrading the tramway. And the tramway continues to
12 provide alternative transportation for Roosevelt
13 Island residents, workers, and visitors, a
14 significant percentage of which are seniors and
15 people with disabilities as well as students. As
16 part of the prior interim operating authority the
17 city continues to receive one half of one percent
18 of the tramway's gross receipts as compensation.
19 The proposed resolution would ensure that the
20 tramway can continue to provide service to the
21 public with appropriate oversight from the city. I
22 would like to specifically address two points about
23 the requirements of the franchise agreement
24 authorized by the proposed resolution that I know
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2 are important to members of the council. First,
3 regarding advertising RIOC will be permitted to
4 place advertising inside the tramway cars and
5 stations but not on the exterior of the cars. This
6 will continue the requirements and restrictions
7 currently in place. Second, the franchise agreement
8 will provide for appropriate oversight by DOT
9 including the following requirements. RIOC will be
10 required to retain an independent licensed and
11 qualified engineer to conduct inspections at least
12 annually and provide the results of such
13 inspections to DOT. RIOC will be required to
14 provide adequate service to the public as well as
15 such artificial illumination of the tramway as is
16 required for public welfare and sufficient light,
17 heat, and ventilation in enclosed portions of the
18 tramway at all times during operational hours in
19 accordance with its schedule as published from time
20 to time and maintained on file at DOT. The contract
21 agreement must include provisions establishing
22 standards of performance and reporting mechanisms
23 related to the operation and maintenance of the
24 tramway. DOT will be entitled to inspect the
25 tramway's facilities, equipment, or service at any

1 time. And RIOC must maintain books of account and
2 records for the tramway in accordance with
3 generally accepted accounting principles and make
4 them available to DOT upon request. Accordingly, on
5 behalf of the mayor, the New York City Department
6 of Transportation urges the prompt adoption of the
7 resolution for granting a franchise to RIOT to
8 continue to operate and maintain the tramway. Thank
9 you for the opportunity to testify before the
10 subcommittee today and I'd now be happy to answer
11 any questions. And also, before I forget we've left
12 for all the subcommittee members a presentation
13 sort of showing the location of the tramway where
14 it is on Roosevelt Island, where it is in
15 Manhattan. I'm happy to go through it if you're
16 unfamiliar or we can just skip ahead to questions.

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18 CHAIRPERSON RICHARDS: Alrighty. Great.
19 Thank you so much. So, going to take questions. So,
20 22 years later obviously we're looking at this...
21 what took so long?

22 MICHELLE CRAVEN: That's an excellent
23 question. As Council Member Kallos said the
24 agreement expired in 1995. There were some
25 discussions at the time, I think in the late 1990s

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2 there was an authorizing resolution. Conversations
3 continued into the early 2000s. And I believe at
4 the time they fell apart over the advertising
5 question. And then a number of different things I
6 think got in the way over time. I know the state
7 did a lot of work in the 2000s. And so, there were
8 periods where it wasn't fully operational and they
9 were running busses instead of the tram. That
10 didn't seem to be the best time to move forward
11 with a franchise agreement. And we've been looking,
12 we've been working on this now I guess for the last
13 couple of years so...

14 CHAIRPERSON RICHARDS: And are there
15 any other locations around the city that are in
16 similar standing?

17 MICHELLE CRAVEN: Not that I'm aware
18 of.

19 CHAIRPERSON RICHARDS: So you're not
20 aware of... Can you go back and double check? We
21 would just want to know if there are any other
22 agreements out there that are in a similar state.

23 UNIDENTIFIED MALE: We don't believe
24 there is any other franchise operators that are in
25 a similar state as the Roosevelt Island Tram.

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2 CHAIRPERSON RICHARDS: Okay. And then
3 I'm going to go to Council Member Kallos. You said
4 point five gross receipts come to the city?

5 MICHELLE CRAVEN: That's right.

6 CHAIRPERSON RICHARDS: How much does
7 that equate to?

8 MICHELLE CRAVEN: Last year that was...
9 sorry, fiscal year 2015 that was \$25,400... \$25,483.

10 CHAIRPERSON RICHARDS: Okay. And, and
11 just last question from me. And when will this
12 particular agreement expire?

13 MICHELLE CRAVEN: It is set in the
14 resolution to be set at a 25-year term with a
15 possible renewal that would be either 25 years or
16 would expire in 2068 which is the end of the lease
17 that the city granted to RIOC.

18 CHAIRPERSON RICHARDS: ...the thinking of
19 25 years? Is that just standard or..

20 MICHELLE CRAVEN: That is the standard.

21 CHAIRPERSON RICHARDS: That is the
22 standard.

23 MICHELLE CRAVEN: Of the charter, yeah.
24
25

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2 CHAIRPERSON RICHARDS: Okay. Alrighty.
3 I'll go to Council Member Kallos for questions.
4 ...joined by Council Member Gentile.

5 COUNCIL MEMBER KALLOS: Okay. So just
6 to follow along the lines of Chair Richards. So,
7 \$25,000, not a lot of money for the general fund
8 but would be a lot of money for improvements to
9 Tramway Plaza which sees thousands of riders every
10 year. Are there any current franchises in the city
11 of New York, that you're aware of, that provide for
12 benefits for the area in which a franchise is
13 situated?

14 MICHELLE CRAVEN: Not that I'm aware
15 of. Not any DOT franchises certainly.

16 COUNCIL MEMBER KALLOS: Would DOT be
17 open to, to putting aside a, a 0.5 percent of
18 franchise to benefit the Tramway Plaza Park which
19 is a deep... operated by City Parks and does see a
20 lot more traffic due to the fact that it is a
21 public transportation hub for Roosevelt Island and
22 that \$25,000 while not a lot for the general fund
23 would be enough to have somebody there to take care
24 of cleanliness and take care of plantings and take
25 care of that park?

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2 MICHELLE CRAVEN: I think we're open to
3 any options for the funds. I know it's a long-
4 standing city policy that all money from a
5 franchise is supposed to go to the general fund so
6 I think that'll require a conversation with OMB and
7 possibly Corporation Council but I think we're open
8 to discussions.

9 COUNCIL MEMBER KALLOS: That is great.
10 And I guess... have you had... to see the advertising
11 that we are approving for the tram?

12 MICHELLE CRAVEN: New advertising...

13 COUNCIL MEMBER KALLOS: Well...

14 MICHELLE CRAVEN: ...or was...

15 COUNCIL MEMBER KALLOS: ...existing
16 advertising.

17 MICHELLE CRAVEN: I mean I've been on
18 the tram so...

19 COUNCIL MEMBER KALLOS: And could you
20 describe the nature of the ads that you do see on
21 the tram?

22 MICHELLE CRAVEN: No, I don't really
23 pay attention to the ads.

24 COUNCIL MEMBER KALLOS: So, I, I guess
25 one of the things I'd just like to share for the

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2 record of the public is basically what we're
3 talking about on the tram is, is not really a
4 subway style, it's literally four LCD screens
5 situated at different corners of the tram which
6 largely carry public service announcements.
7 Everything from an advisory from the Roosevelt
8 Island Operating Corporation to changes in the tram
9 schedule to mobile hours for local council members
10 to yoga Tuesdays or visit for freedoms this day for
11 a, a music concert. So, I think the advertising
12 we're talking about is, is modest. And if, if you
13 could just... And the reason we haven't seen the
14 renewal was the disagreement over this advertising?

15 MICHELLE CRAVEN: That's my
16 understanding of why things fell apart.

17 COUNCIL MEMBER KALLOS: Well I'm glad
18 that 20 years later we've been able to resolve that
19 and that the people of Roosevelt Island can rest
20 assured that they will be able to get to and from
21 the island through the tram. Because without it the
22 F train doesn't often run into Manhattan and that
23 can leave residents who do not have cars stranded
24 or forced to take a Q bus into western Queens to
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1 then try to find their way back into the city or
2 take the F train in the wrong direction.

3 MICHELLE CRAVEN: Right.

4 COUNCIL MEMBER KALLOS: So I think the
5 tram is, is essential. And between the tram and the
6 ferry service and the F train we're doing
7 everything we can to help our residents... So thank
8 you very much.

9 CHAIRPERSON RICHARDS: We're going to
10 go to Chair Greenfield for questions.

11 COUNCIL MEMBER GREENFIELD: So Council
12 Member Kallos what you're saying is I could
13 advertise my office hours on the tram? Very excited
14 about that possibility. What's that? Yeah, well
15 okay fair enough. Thank you Mr. Chair, for pointing
16 out... For the record, I shall not advertise... shall
17 not advertise my Brooklyn office hours on the
18 Roosevelt Island Tram so long as you agree not to
19 put up a sign that says please call Councilman
20 Greenfield for all your landmarking issues. That
21 seem reasonable Council Member Kallos?

22 COUNCIL MEMBER KALLOS: I won't
23 advertise in your district if you don't advertise
24 in my district.
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2 COUNCIL MEMBER GREENFIELD: Fair

3 enough. Alrighty. So yes, we're very, we're very
4 excited to... this franchise agreement. One question,
5 one question that we chatted about before. I think
6 you addressed it. I just want to reflect it for the
7 record. Regarding safety information from the tram,
8 right. There have been some high-profile instances
9 of the tram not working as promised. And so how
10 does that work in terms of who's responsible for
11 the safety of the tram? What oversight and what
12 information and reporting is coming to your
13 respective offices?

14 MICHELLE CRAVEN: So currently we are
15 not receiving any information. We don't have a sort
16 of formalized existing relationship with the
17 tramway. So, this franchise agreement would give
18 the city more oversight. And as I mentioned in my
19 testimony they would conduct an annual inspection
20 that we would receive the report from. We would
21 require regular maintenance reports and complaint
22 logs so that we would get an understanding of sort
23 of what's happening day to day at the tramway which
24 we do not have now.

2 COUNCIL MEMBER GREENFIELD: Okay so it...
3 you would, you would then... from here on in you're
4 saying you would receive safety reports and
5 complaint logs as well?

6 MICHELLE CRAVEN: That's our plan, yes.

7 COUNCIL MEMBER GREENFIELD: Okay and
8 that information... would that information be
9 accessible or... for inspection by the public?

10 MICHELLE CRAVEN: I think it would be...
11 yes.

12 COUNCIL MEMBER GREENFIELD: Okay. Okay.
13 Very good. Congratulations.

14 MICHELLE CRAVEN: Thank you.

15 COUNCIL MEMBER GREENFIELD: And I'm
16 still waiting for Council Member Kallos to invite
17 us all for apparently this new hip, exciting,
18 program called tram yoga so... Let us know when
19 that's happening. We... Chair and I would love to
20 participate as well.

21 COUNCIL MEMBER KALLOS: So they
22 advertise yoga which happens at Four Freedoms Park
23 as well as at the Senior Center...

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1 COUNCIL MEMBER GREENFIELD: Oh we
2 thought it was on the tram. We're like that's so
3 cool.

4 COUNCIL MEMBER KALLOS: They advertise
5 yoga on the tram as well...

6 COUNCIL MEMBER GREENFIELD: Got it.

7 COUNCIL MEMBER KALLOS: ...as other
8 programs on there. No, the tram is far too crowded.

9 COUNCIL MEMBER GREENFIELD: We thought
10 there was tram yoga so...

11 COUNCIL MEMBER KALLOS: I... I think...

12 COUNCIL MEMBER GREENFIELD: ...we were
13 actually excited about that.

14 COUNCIL MEMBER KALLOS: ...now that you
15 said this it will probably make the village voice
16 and then somebody will likely do it as a
17 performance...

18 COUNCIL MEMBER GREENFIELD: My mission
19 is accomplished then today. I have no further
20 questions Mr. Chairman. Thank you.

21 CHAIRPERSON RICHARDS: Thank you.
22 Alright are there any other members of the
23 committee who have questions? Any members from the
24 public? Okay, seeing none we'll now call the vote.
25

We'll now close the public hearing on Resolution 1349 and we'll call counsel please call the role.

COMMITTEE COUNSEL: Chair Richards.

CHAIRPERSON RICHARDS: I vote aye.

COMMITTEE COUNSEL: Council Member Gentile.

COUNCIL MEMBER GENTILE: I vote aye.

COMMITTEE COUNSEL: Council Member Reynoso.

COUNCIL MEMBER REYNOSO: I vote aye.

COMMITTEE COUNSEL: Council Member Torres.

COUNCIL MEMBER TORRES: I vote aye.

COMMITTEE COUNSEL: The vote to approve Resolution 1349 is approved by a vote of four in the affirmative, zero abstentions, and zero in the negative.

CHAIRPERSON RICHARDS: Alright. I want to thank the Land Use staff for today. Yes. I want to thank Raju, Julie Lubin, Amy Levitan, and Dillon Casey for their work today and the rest of the Land Use staff for putting this together. Thank you to the Department of Transportation. We'll hold the

1
2 vote opened for another 15 minutes. With that being
3 said, thank you.

4 COMMITTEE COUNSEL: Council Member
5 Garodnick.

6 COUNCIL MEMBER GARODNICK: I vote aye.
7 Thank you.

8 COMMITTEE COUNSEL: The vote to approve
9 Land Use item 1349 is approved by a vote of five in
10 the affirmative, zero negatives, and zero
11 abstentions.

12 CHAIRPERSON RICHARDS: Alrighty this
13 meeting is now adjourned.

14 [gavel]

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date _____ Date of Transcription _____