STATE OF NEW YORK

3447--A

2017-2018 Regular Sessions

IN SENATE

January 23, 2017

Introduced by Sen. SERRANO -- read twice and ordered printed, and when printed to be committed to the Committee on Cities -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the public authorities law, in relation to the Roosevelt Island operating corporation; and to repeal chapter 899 of the laws of 1984 relating to the creation of a public benefit corporation to plan, develop, operate, maintain and manage Roosevelt Island, in relation to the management of such corporation

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Chapter 899 of the laws of 1984, relating to the creation of a public benefit corporation to plan, develop, operate, maintain and manage Roosevelt Island is REPEALED.

§ 2. Article 8 of the public authorities law is amended by adding a new title 35 to read as follows:

TITLE 35

ROOSEVELT ISLAND OPERATING CORPORATION

Section 2799-aaaa. Legislative declaration.
2799-bbbb. Definitions.
2799-cccc. Establishment of the corporation; organization of the board.
2799-dddd. Powers of the corporation.
2799-eeee. Rules and regulations; approval of development plan amendments; applicability of local laws.
2799-ffff. Powers and duties of urban development corporation; lease and tramway franchise.
2799-gggg. Equal employment opportunities.
2799-hhhh. Indemnification; notice of claims.
2799-iiii. Annual budget and report.
2799-jjjj. Future management study.

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

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2799-kkkk. Open space development prohibited.
2799-llll. Liability for community obligations; tax exemption.
2799-mmmm. Division of housing and community renewal; assistance and services.
2799-nnnn. Operation of motor vehicles.
2799-oooo. Not-for-profit grant distribution.
2799-pppp. Severability of provisions.
2799-qqqq. Transfer of funds.

§ 2799-aaaa. Legislative declaration. The legislature hereby finds, determines and declares that: (a) the city of New York and the New York state urban development corporation have entered into a lease providing for the urban development corporation to use its statutory powers to create on Roosevelt Island a new community which would retain and heighten the benefits of urban living while preserving a sense of scale and open space for Roosevelt Island residents and New York city as a whole; (b) the urban development corporation has and its successors have constructed the first phases of the island's development, including public facilities, pursuant to a general development plan for Roosevelt Island, which plan is being updated and which plan contemplates significant future development, including the provision of additional housing, commercial, civic, recreational and other facilities; (c) it is in the public interest for the urban development corporation to transfer all of its rights and obligations with respect to the development, operation and supervision of both such existing and such proposed development to a public benefit corporation which shall be under the supervision of the commissioner of homes and community renewal; and (d) it is in the public interest that the public benefit corporation plan, design, develop, operate, maintain and manage Roosevelt Island and have vested in it such powers as are necessary or convenient to effectuate those functions and that the division of housing and community renewal be authorized to assist such corporation in the performance of its duties with respect to Roosevelt Island.

§ 2799-bbbb. Definitions. As used in this title, the following terms shall have the following meanings:

1. "City" shall mean the city of New York;

2. "Commissioner" shall mean the commissioner of homes and community renewal;

3. "Corporation" shall mean the Roosevelt Island operating corporation created by this section;

4. "Development subleases" shall mean (a) the sublease dated August first, nineteen hundred eighty between the urban development corporation and the city, (b) the ground lease, dated October thirtieth, nineteen hundred seventy-two, between the urban development corporation and North Town Phase II Houses, Inc., (c) the ground lease, dated April twenty-fifth, nineteen hundred seventy-three, between the urban development corporation and North Town Phase III Houses, Inc., (d) the restated ground lease, dated November thirtieth, nineteen hundred seventy-seven, between the urban development corporation and Rivercross Tenants' Corporation, (e) the ground lease between the corporation and Manhattan Park dated August fourth, nineteen hundred eighty six, (f) the ground lease between the corporation and related and Hudson Companies dated December twenty-first, two thousand one, and (g) the sublease between the corporation and MEPT Octagon, LLC dated November third, two thousand four;

5. "Division" shall mean the New York state division of housing and community renewal;

6. "Lease" shall mean the lease, dated December twenty-third, nineteen hundred sixty-nine, as heretofore or hereafter amended, among the city of New York, the New York state urban development corporation and the Roosevelt Island development corporation, pursuant to which the city leased substantially all of Roosevelt Island to the New York state urban development corporation for development substantially in accordance with the development plan referred to therein;

7. "Roosevelt Island" shall mean the island located in the east river, city and county of New York, extending from approximately fiftieth street to eighty-sixth street in Manhattan;

8. "Safe affordable housing for everyone, inc." shall mean the New York corporation organized under article six-A of the private housing finance law and under the supervision and control of the commissioner;

9. "Tramway franchise" shall mean the franchise for the Roosevelt Island tramway granted by the city to the urban development corporation on February nineteenth, nineteen hundred seventy-four; and

10. "Urban development corporation" shall mean the New York state urban development corporation and any successor agency.

§ 2799-cccc. Establishment of the corporation; organization of the board. 1. To effectuate the purposes and provisions of this title, there is hereby created the "Roosevelt Island operating corporation", which shall be a body corporate and politic constituting a public benefit corporation and a political subdivision of the state of New York.

2. The board of directors of the corporation shall be composed of nine members. One member shall be the commissioner, who shall serve as the chair; one member shall be the director of the budget; and seven public members shall be appointed by the governor with the advice and consent of the senate. Of the seven public members, two members, one of whom shall be a resident of Roosevelt Island, shall be appointed upon the recommendation of the mayor of the city; and four additional members shall be residents of Roosevelt Island. Each member shall serve for a term of four years and until his or her successor shall have been appointed and shall have qualified, except that the commissioner and the director of the budget shall serve so long as they continue to hold their respective offices. Any action taken by the directors of the corporation shall be taken by majority vote of the directors then in office. The elected public officials who represent Roosevelt Island shall be representatives to the board of directors of the corporation entitled to receive notice of and attend all meetings of such board but shall not be entitled to vote. Failure to give such notice shall not affect the validity of any action taken at a meeting of such board.

3. The governor may fill any vacancy which occurs on the board of directors of the corporation in a manner consistent with the original appointment. Any member of the corporation may be removed by the governor for cause, but not without an opportunity to be heard, in person or by counsel, in his or her defense, upon not less than ten days' written notice.

4. The commissioner and the director of the budget may each designate an officer or employee of his or her respective division to represent such member at meetings of the corporation. Such designation shall be by written notice filed with the chair or the secretary of the corporation by the member making the designation, and may be revoked at any time by similar notice. Any representative so designated shall have the power to attend and to vote at any meeting of the corporation from which the member making the designation is absent with the same force and effect as if the member making the designation were present and voting. No such

designation shall limit the right of the member making the designation to attend and vote in person at any meeting of the corporation.

5. A member of the corporation who is not an officer or employee of the state or the city shall not receive a salary or other compensation, but shall be entitled to reimbursement for actual and necessary expenses incurred in the performance of official duties as a member. A member of the corporation who is not an officer or employee of the state or the city may engage in private employment, or in a profession or business, unless otherwise prohibited by law from doing so. Notwithstanding any other provision of law, general, special, or local, no officer or employee of the state or any civil division thereof shall be deemed to have forfeited, or shall forfeit such office of employment because of acceptance of membership in the corporation, or by virtue of being an officer, employee or agent thereof.

§ 2799-dddd. Powers of the corporation. The corporation's powers shall be limited to carrying out the development, management and operation of Roosevelt Island. In carrying out such development, management and operation, the corporation shall have the power to:

1. Sue and be sued;

2. Have a seal and alter the same at pleasure;

3. Make and alter by-laws for its organization and internal management and make rules and regulations governing the use of its property and facilities;

4. Make and execute contracts and all other instruments necessary or convenient for the exercise of its powers and functions under this act;

5. Acquire in the name of the corporation by purchase, grant or gift, or by the exercise of the power of eminent domain pursuant to the eminent domain procedure law, or otherwise, real or personal property, or any interest therein deemed necessary or desirable for the development, management or operation of Roosevelt Island, including, without limitation, leasehold interest, air and subsurface rights, easements and lands under water at the site of Roosevelt Island or in the general vicinity thereof, and to subject such property or interest therein to a purchase money or other lien or security interest in connection with the acquisition and development thereof, provided that the corporation shall have no authority or power to issue any notes, bonds or other debt obligations, whether for the purpose of financing the development of Roosevelt Island or otherwise;

6. Hold and dispose of real or personal property for its corporate purposes;

7. Appoint officers, agents and employees, prescribe their duties and fix their compensation in accordance with a staffing and compensation plan submitted to and approved by the director of the budget;

8. Engage the services of private consultants on a contract basis for rendering professional and technical assistance advice;

9. Procure insurance against any loss in connection with its activities, properties and other assets, in such amount and from such insurers as it deems desirable;

10. Charge and collect fees, rents and other charges for the occupancy or other use of real or personal property or facilities owned, operated, managed or regulated by the corporation;

11. Accept any gifts or grants of money or property, or financial or other aid in any form, from the federal government, the state, or the city (or any instrumentality of any such government) or from any other source and, subject to the provisions of this title and other applicable

law, to comply with any conditions of such assistance and execute any contracts or other instruments in connection therewith;

12. Invest any funds of the corporation, or any other monies under its custody and control not required for immediate use or disbursement, at the discretion of the corporation, in obligations of the state or the United States government or obligations the principal and interest of which are guaranteed by the state or the United States government, or in any other obligations in which the comptroller of the state is authorized to invest pursuant to section ninety-eight of the state finance law;

13. Enter into such agreements with the state, the urban development corporation and the city as the parties thereto deem appropriate to effectuate the provisions of this title;

14. Assume and perform the obligations and responsibilities of the urban development corporation under the lease, the tramway franchise, and all other contracts, leases, and agreements heretofore entered into by the urban development corporation relating to the development, management and operation of Roosevelt Island (except that the corporation shall not assume any of the rights, duties and responsibilities of the urban development corporation in relation to any bonds or notes issued, or mortgages or security agreements held, by the urban development corporation or any of its subsidiaries) and exercise all of the rights of the urban development corporation with respect thereto; and

15. Do and perform all other acts necessary or convenient to carry out the foregoing in connection with the development, management or operation of Roosevelt Island.

§ 2799-eeee. Rules and regulations; approval of development plan amendments; applicability of local laws. 1. The corporation shall promulgate such rules and regulations as it shall deem appropriate to provide an opportunity for residents of Roosevelt Island to comment upon any major amendment of the development plan for Roosevelt Island referred to in the lease at a public hearing held prior to its adoption by the corporation.

2. Any amendment of the development plan for Roosevelt Island referred to in the lease shall be subject to the review and approval of the director of the budget, and the corporation shall not enter into any agreement for the design or construction of any improvement provided for in any such amendment prior to such approval.

3. The requirements of all local laws, ordinances, codes, charters or regulations shall be applicable to the construction, alteration or improvement of any building or structure on Roosevelt Island, provided that the corporation may, in lieu of such compliance, determine that the requirements of the New York state uniform fire prevention and building code, formulated by the state fire prevention and building code council pursuant to article eighteen of the executive law, shall be applicable to such work. In the event of such compliance with the New York state uniform fire prevention and building code, the city shall have no power to modify any drawings, plans or specifications for such work or for the plumbing, heating, lighting or other mechanical branches thereof, or to require that any person, firm or corporation employed on any such work perform the same except as provided by such plans and specifications or obtain any additional authority, approval, permit or certificate from the city in connection therewith.

§ 2799-ffff. Powers and duties of urban development corporation; lease and tramway franchise. 1. The corporation shall perform all obligations of the urban development corporation or any of its subsidiaries with

respect to the development, management and operation of Roosevelt Island, including, without limitation, all such obligations arising under the lease and the tramway franchise.

2. The urban development corporation, the division and the corporation shall each use their best efforts to obtain any required consents to the assignment of the lease and the tramway franchise from the urban development corporation to the corporation and to any other assumption by the corporation of the obligations of the urban development corporation or any of its subsidiaries under any other contracts, leases, agreements or instruments entered into by the urban development corporation, or any such subsidiary, relating to the development, management or operation of Roosevelt Island (other than any bonds or notes issued, or mortgages or security agreements held, by the urban development corporation or any of its subsidiaries) and, upon obtaining such consents, the corporation and the urban development corporation shall enter into such agreements and take such actions as shall be necessary to effectuate such assignments and assumptions, provided that in order to permit the urban development corporation to recover the investment which it has heretofore made in the development of Roosevelt Island, such agreements shall provide appropriate assurances satisfactory to the urban development corporation (a) for the prompt payment directly to the urban development corporation of all sums from time to time due from lessees under the development subleases and all sums received by the corporation from the city in connection with the termination of the lease, and (b) for the amending or supplementing of the development subleases to the extent, if any, necessary to protect the rights of the holders of any mortgages on the leasehold interests created thereunder. Nothing in this title shall constitute or authorize an assignment by the urban development corporation, or any subsidiary thereof, of any mortgage or security interest held by the urban development corporation, or any such subsidiary, on any real or personal property or interest therein on Roosevelt Island or any rights or obligations of the urban development corporation, or any such subsidiary, arising under any such mortgage or security agreement, relieve the urban development corporation of any of its obligations under any bonds heretofore issued by the urban development corporation, or otherwise affect the interests of the holders of any such bonds.

3. All revenues, other than state appropriations, derived from the contracts, leases, agreements or instruments assigned to or assumed by the corporation pursuant to subdivision two of this section shall be applied first to the payment of those obligations assigned to or assumed by the corporation.

4. The urban development corporation and the corporation are hereby authorized to enter into such agreements with the city as the corporation shall determine to be appropriate to amend, reform or supplement the lease, including the development plan referred to therein, and the tramway franchise in order to carry out the purposes of this title. The provisions of any general, special or local law notwithstanding, the city is hereby authorized to enter into any such agreements with the corporation and the urban development corporation.

§ 2799-gggg. Equal employment opportunities. 1. The corporation shall not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, sexual orientation, age, disability or marital status, and will undertake or continue programs of affirmative action to ensure that minority group persons and women are afforded equal employment opportunity without discrimination. Such action shall be taken with reference, but not be limited, to recruit-

ment, employment, job assignment, promotion, upgrading, demotion, transfer, layoff, termination, rate of pay or other forms of compensation, and selections for training or retraining, including apprenticeship and on-the-job training.

2. The corporation shall request each employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding, to furnish a written statement that such employment agency, labor union or representative shall not discriminate because of race, creed, color, national origin, sex, sexual orientation, age, disability or marital status and that such union or representative will cooperate in the implementation of the corporation's obligations hereunder.

3. The corporation shall state, in all solicitations or advertisements for employees placed by or on behalf of the corporation, that all qualified applicants will be afforded equal employment opportunity without discrimination because of race, creed, color, national origin, sex, sexual orientation, age, disability or marital status.

4. The corporation shall seek meaningful participation by minority business enterprises in the programs of the corporation and shall actively and affirmatively promote and assist their participation in the corporation's programs, so as to facilitate the award of a fair share of contracts to such enterprises. For purposes hereof, "minority business enterprise" shall mean any business enterprise which is at least fifty-one per centum owned by, or in the case of publicly owned business, at least fifty-one per centum of the stock of which is owned by, citizens or permanent resident aliens who are Black, Hispanic, Asian, American Indian or women, and such ownership interest is real, substantial and continuing.

§ 2799-hhhh. Indemnification; notice of claims. 1. The state shall indemnify and hold harmless the corporation, urban development corporation and safe affordable housing for everyone, inc., and pursuant to section seventeen of the public officers law, their respective officers, directors and employees, from and against any and all liability, claim, loss, damage, suit or judgment and any and all costs and expenses including, but not limited to, counsel fees and disbursements that such corporations or their officers, directors or employees may suffer or incur, whether before or after the date hereof, as a result of either (a) the development, management or operation of Roosevelt Island or (b) the performance or non-performance by the division of any of its obligations or duties with respect to Roosevelt Island. All of the provisions of section seventeen of the public officers law which are not inconsistent with this section shall apply to the officers, directors, and employees of such corporations, including the provisions relating to the defense by the attorney general or private counsel of any civil action and the payment of legal costs incurred in connection with the defense of any such action. Any member, officer or employee of such corporations seeking to be saved harmless or indemnified or to claim any other benefits available pursuant to this section or section seventeen of the public officers law shall comply with the procedural requirements of such section seventeen. As used in this section the terms "member", "officer" and "employee" shall include a former member, officer or employee, his estate or judicially appointed personal representative.

2. A notice of claim, served in accordance with the provisions of section fifty-e of the general municipal law, shall be a condition precedent to the commencement of an action against the corporation, its officers, directors and employees. No such action shall be commenced

more than one year after it has accrued, except that an action against the corporation for wrongful death shall be commenced within the notice of claim and time limitation provisions of title eleven of article nine of this chapter.

3. Notwithstanding the provisions of section one hundred thirteen of the retirement and social security law and any other general, special or local law, the Roosevelt Island operating corporation shall provide to persons employed by the Roosevelt Island operating corporation any retirement, disability, death or other benefits provided or required pursuant to any agreement with a labor union of which its employees are members, and the Roosevelt Island operating corporation is hereby authorized to retroactively or in the future make such contributions as may be necessary to provide such benefits.

4. For purposes of the retirement and social security law, persons employed by the Roosevelt Island operating corporation and to whom the Roosevelt Island operating corporation provides any retirement, disability, death and other benefits required pursuant to any agreement with a labor union of which its employees are members, shall be deemed not to be employees of the Roosevelt Island operating corporation. Such other persons who are employees of the Roosevelt Island operating corporation as of the effective date of this title shall be eligible to receive credit under the retirement and social security law for previous service with the entities, or where applicable, their subsidiaries, made subject to section seventeen of the public officers law by subdivision one of this section.

§ 2799-iiii. Annual budget and report. 1. On or before September fifteenth, nineteen hundred eighty-four and on each September fifteenth thereafter, the chair of the corporation shall make and deliver to the director of the budget for his or her review a proposed budget for the operation of the corporation for the next fiscal year of the state. The chair of the corporation shall also deliver a copy of such budget to the chair of the senate finance committee and the chair of the assembly ways and means committee at the same time that the budget is delivered to the director of the budget. The budget shall include the total amount needed for corporate purposes, including the funds required by the corporation for operation of Roosevelt Island facilities and improvements, the source of all funds that the corporation expects to receive and such other information as the director of the budget shall require. The governor shall recommend in his or her annual budget such appropriations to the corporation for its operations as he or she deems necessary.

2. The corporation shall submit to the director of the budget, chair of the senate finance committee and the chair of the assembly ways and means committee, within ninety days after the end of its fiscal year, a complete and detailed report setting forth (a) its operations and accomplishments, and (b) its receipts and expenditures during such fiscal year in accordance with categories and classifications established by the corporation, with the approval of the director of the budget, for its operating and capital outlay purposes.

§ 2799-jjjj. Future management study. The corporation shall study the future operation and management of Roosevelt Island. Such study shall be completed by December thirty-first, nineteen hundred eighty-five.

§ 2799-kkkk. Open space development prohibited. Notwithstanding any other provision of this title, or any other law to the contrary, on or after the effective date of this section, no further development or construction for other than park purposes shall be permitted on any real property which is identified as open space areas in the general develop-

ment plan as amended May tenth, nineteen hundred ninety, and as subsequently amended, and approved by the board of estimate of the city of New York on August seventeenth, nineteen hundred ninety and referred to in the lease defined in subdivision six of section twenty-seven hundred ninety-nine-bbbb of this title, and on such real property shall remain open space areas for the duration of the lease unless such development or construction includes the reconstruction, restoration, rehabilitation or preservation of the historic landmarks located in such open space areas and furthers the use of the areas surrounding the historic landmarks as open space areas. Open space areas, as used in this section shall be limited to Lighthouse Park, Octagon Park, Blackwell Park, and South Point Park.

§ 2799-llll. Liability for community obligations; tax exemption. 1. The obligations of the corporation shall not be debts of the state, and the state shall not be liable thereon, and such obligations shall not be payable out of any funds other than those of the corporation.

2. It is hereby found, determined and declared that the creation of the corporation and the carrying out of its purposes is in all respects for the benefit of the people of the state and is a public purpose, and that the corporation will be performing an essential governmental function in the exercise of the powers conferred upon it by this title. The corporation and its operations, property and moneys shall be free and exempt from taxation of every kind by the city and the state and any subdivision thereof. Except as hereinabove provided and except as may otherwise specifically be provided, nothing contained in this act shall confer exemption from any tax, assessment or fee upon any person, firm, corporation or other entity, or upon the obligations of any of them.

§ 2799-mmmm. Division of housing and community renewal; assistance and services. The corporation may from time to time request the division to perform such services and render such technical assistance to the corporation with respect to the development, management or operation of Roosevelt Island as the corporation deems necessary or convenient and may provide for the reimbursement to the division by the corporation of the reasonable cost of such services. The division is hereby authorized to perform such services and render such technical assistance as may be agreed upon between the division and the corporation pursuant to this section. In addition, the commissioner is hereby authorized to represent the corporation in any negotiations with the city concerning amendments or supplements to or reformations of the lease and tramway franchise as contemplated by section twenty-seven hundred ninety-nine-ffff of this title.

§ 2799-nnnn. Operation of motor vehicles. In addition to any other power conferred upon it by this title, the corporation is hereby authorized to prescribe rules and regulations governing the operation, including the parking, standing or stopping of vehicles on Roosevelt Island; provided however, that such rules and regulations shall not restrict access to any city facilities situated on Roosevelt Island nor unreasonably restrict parking by city of New York employees, their visitors and invitees. The violation of such rules or regulations shall be an offense punishable upon a first conviction thereof by a fine of not more than fifty dollars, upon a second within a period of eighteen months by a fine of not more than one hundred fifty dollars, and upon a third or subsequent conviction thereof within a period of eighteen months by a fine of not more than one hundred fifty dollars. For purposes of enforcement and administration of such rules and regulations, including but not limited to conferring jurisdiction with respect thereto upon the

applicable courts and administrative tribunals, all provisions of law relating to, and rules or regulations of, the New York city department of transportation not inconsistent with this title shall be applicable.

§ 2799-oooo. Not-for-profit grant distribution. 1. The corporation is authorized to provide financial assistance in the form of grants to not-for-profit corporations that provide direct services or benefits to the residents of Roosevelt Island, the totality of such grants not to exceed three per centum per annum of the operating budget of the corporation, and upon the approval of a majority of the entire board of the corporation.

2. Annually, within ninety days after the end of the fiscal year of the corporation, the corporation shall post a report on its website that shall list and identify each grant recipient in such fiscal year, the amount provided to each recipient, and a general description of the public benefit of each grant.

§ 2799-pppp. Severability of provisions. If any section, clause or provision of this title or the application thereof shall be adjudged invalid, such judgment shall not affect or invalidate any other section, clause or provision of this title.

§ 2799-qqqq. Transfer of funds. 1. Notwithstanding the provisions of any general or special law, the director of the budget is authorized to transfer to the corporation from funds appropriated to the division for the fiscal year beginning April first, nineteen hundred eighty-four, the amount he or she determines necessary to carry out the provisions of this title, including providing for Roosevelt Island operations, capital improvement program and any other appropriate management expenses.

2. Notwithstanding the provisions of any general or special law, no part of such appropriations shall be available for the purposes designated until a certificate of approval of availability shall have been issued by the director of the budget and a copy of such certificate is filed with the state comptroller, the chair of the senate finance committee and the chair of the assembly ways and means committee. Such certificate may be amended from time to time, subject to the approval of the director of the budget, and a copy of each such amendment shall be filed with the state comptroller, the chair of the senate finance committee and the chair of the assembly ways and means committee.

§ 3. This act shall take effect immediately.