

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON HOUSING AND BUILDINGS

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January 26, 2009

Start: 1:20 pm

Recess: 3:50 pm

HELD AT: Council Chambers
City Hall

B E F O R E:
ERIK MARTIN DILAN
Chairperson

COUNCIL MEMBERS:
Joel Rivera
Tony Avella
Leroy G. Comrie Jr.
Lewis A. Fidler
Robert Jackson
Rosie Mendez
James Vacca
Thomas White Jr.
James S. Oddo
Jessica S. Lappin
Melinda R. Katz
Gale A. Brewer

A P P E A R A N C E S

Donald Ranschte
Director of Intergovernmental Affairs
Department of Buildings

Rick Del Mastro
Owner
Spring Scaffolding

Christopher D. Carr
President
City Outdoor

Sergio Fernandez de Cordova
Executive Vice President
Fuel Outdoor

Steven S. Pretsfelder
Executive VP/General Counsel
Van Wagner Communications

Vanessa Gruen
Director of Special Projects
Municipal Art Society

Andrew Berman
Executive Director
Greenwich Society of Historic Preservation

Patricia Dolan
Executive Vice President
Queens Civic Congress

Paul Collins Jr.
Local Union 137
Sheet Metal Workers

Kenneth Buettner
President
New York Scaffold Equipment Corporation

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

Larry Silver
Commercial Building Manager

Dan Pisark
VP of Retail Services
34th Street Partnership

Barbara Randall
President
Fashion Center BID

Ari Noe
CEO
OTR Media

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2 CHAIRPERSON DILAN: We're going to
3 start in a few minutes, but I just want to
4 announce that if anybody has a cell phone, please
5 set it to silent mode or shut it off. If there's
6 a need for a private conversation with anyone in
7 the room during the hearing please take that
8 conversation outside of the chambers. Again,
9 anyone that wishes to testify on Intro. 623, which
10 is the only item that we will be taking testify on
11 today. There are three items on the committee's
12 agenda. Please see a sergeant-at-arms and fill
13 our an appearance card on Intro. 623. You should
14 mark on that card whether you're in favor or
15 opposed. We'll start in about another minute or
16 two. Good afternoon, everybody. My name is Erik
17 Martin Dilan and I am the chair of the City
18 Council's Housing and Buildings Committee. Today
19 the committee will be conducting a hearing on
20 three bills before the agenda, two of which will
21 be for the purposes of a vote. As soon as we have
22 a quorum, I'd like to pause the hearing on Intro.
23 623 so that we can dispose of Intros 878-A as well
24 as Intro 760-A. I'll go into my opening. It's
25 pretty long, so just bear with me. The reason for

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2 the length is because when we first heard Intros
3 670-A and 878-A, we heard the original versions,
4 not the amended versions of these bills. So I
5 just want to get all of the amendments on the
6 record so that everybody fully understands what
7 was agreed to so we can go forward and pass these
8 bills into law. I urge my colleagues to vote in
9 favor of both of these Intros. Proposed Intro.
10 760-A would allow the Department of Buildings to
11 appoint a safety compliance office at construction
12 sites with immediately hazardous violations, which
13 the commission has determined adversely affect
14 public safety. Prior to the appointment of safety
15 complain officer, the commissioner must do the
16 following: describe in writing why a safety
17 compliance officer is needed and during the
18 duration of the monitoring period talk about the
19 conditions which much be satisfied before the
20 monitoring period may end. The safety compliance
21 officer may be an engineer or architect with
22 experience supervising construction projects in
23 the City of New York, a licensed site safety
24 coordinator or manager or a special inspector.
25 The owner of the site where the SCO is appointed

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2 will bear the cost of the safety compliance
3 officer. Amendments to this bill from the
4 original version include changing of terminology
5 to satisfy a safety compliance officer as opposed
6 to an independent monitor. Revising the criteria
7 which would necessitate the appointment of an SCO,
8 the commissioner may now appoint and SCO to any
9 site with immediately hazardous violations that
10 adversely affect public safety. It revises the
11 length of the monitoring period to allow for the
12 SCO to be appointed for up to 90 days and may not
13 serve on the same job site consecutively. It
14 removes procedures that the commissioner must
15 follow to identify the appropriate personnel to
16 perform the required monitoring services. It also
17 eliminates provisions related to the
18 commissioner's implementation of corruption
19 prevention guidelines and procedures for audit
20 inspection, examination and review of services
21 performed by the monitoring panel. Finally, the
22 removal of language related to concurrent
23 jurisdiction of the fire department. In a
24 different vein, proposed Intro. 878-A would
25 require certain general demolition and concrete

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2 contractors operating within the City of New York
3 to submit certain information to the Department of
4 Buildings in order to be issued a safety
5 registration number. Without a safety control
6 number, no contractors may do business in the City
7 of New York on or after October 1st of 2009.

8 Amendments to the original version of this bill
9 include changing the title of the bill. I won't
10 get into that. It includes change the title of
11 the bill. That's technical. I don't think that
12 really deals with the substance. Changing the
13 terminology to reflect: the new term, safety
14 registration recipient, clarifying the type of
15 work which requires a safety registration number
16 to include an application for a new building
17 permit or an alteration permit for work involving
18 an enlargement of more than 1,000 square feet, or
19 an alternation permit for work involving a
20 vertical or horizontal enlargement of more than
21 25% of the floor area of a building, or an
22 alteration permit for work that involves
23 alteration or demolition of more than 50% of the
24 floor area in a building, an alteration permit for
25 work resulting in the removal of at least one

1 floor or a demolition permit, concrete contractors
2 at a job site where the concrete portion of the
3 project involves pouring a maximum of 2,000 yards
4 or another amount as determined by rule. The bill
5 was also amended to allow the commissioner to
6 require a safety registration recipient to submit
7 a plan to reduce its rate of immediately hazardous
8 violations. That plan could include the
9 employment of a safety compliance officer. It
10 will require the commissioner, after consultation
11 with the affected industries, to submit to the
12 mayor's office and the council recommendations
13 related to the criteria that the commissioner may
14 use to begin a proceeding to suspend, revoke,
15 refuse or to renew a safety registration number.
16 The City Council may act within 90 days of
17 receiving these recommendations. Finally, on this
18 item, new fees related to the fee for a safety
19 registration number for concrete contractors,
20 demolition contractors and general contractors
21 were inserted, along with a new re-issuance of
22 fees for a site safety coordinator, a site safety
23 manager and tower crane rigger license. It also
24 includes increased renewal fees for a tower crane
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1 license not submitted in a timely manner. The
2 late renewal fee for a general contractor
3 registration was reduced to \$50 instead of \$240,
4 which was in the original registration. As soon
5 as we receive a quorum of the committee I will
6 move to dispose of these items. Today the
7 committee will consider Intro. 623 for the first
8 time, introduced by Council Member Melinda Katz,
9 who is with us today. Intro. 623 would allow the
10 Department of Buildings to issue permits for
11 advertisements on sidewalk sheds solely in
12 commercial and manufacturing districts within the
13 City of New York. Today on this item the
14 committee expects to hear and receive testimony
15 with regards to Intro. 623 from representatives
16 from the Department of Buildings, property owners
17 and other professionals, as well as members of the
18 advertising industry and the general public.
19 Again, I would like to ask anyone that wants to
20 testify on Intro. 623 to please see the sergeant-
21 at-arms and fill out an appearance form. At this
22 time, I'd like to call on Council Member Kats, who
23 was the sponsor of Intro. 623, for a brief
24 opening.
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2 COUNCIL MEMBER KATZ: Thank you,
3 Mr. Chair, for bringing this issue to the
4 forefront today and for all of your work as we
5 move forward to try to figure out the best balance
6 for the City of New York with regards to this
7 legislation and the issues that we've been having
8 in enforcing throughout the city. You've shown
9 great leadership and I thank you for that. This
10 is a bill which relates to advertising on sidewalk
11 sheds. It would allow advertising on sidewalk
12 sheds and have the Commissioner of Buildings
13 establish a fee schedule for a permit to allow
14 such. One of the big problems, as you know, Mr.
15 Chair and everyone in the audience here, is that
16 clearly a lot of this is done already. There are
17 folks out there that are advertising. They are
18 making profits on this and the Department of
19 Buildings is spending money enforcing it. The
20 idea here is to create a standard throughout the
21 entire city so that we can have advertising on
22 these sheds that will allow and upkeep of it and
23 force someone to be looking after it and have a
24 revenue stream for the city when it comes to
25 permit fees. Also, we are in negotiations, as you

1 know, Mr. Chair, in having a revenue stream come
2 from the profit, which this will give to the folks
3 that are in the building in this business. The
4 sidewalk shed legislation only allows for a
5 commercial district to have this permit process
6 and to have these advertisings. That would be
7 equivalent to an R-7 or a wide R-7A or R-8. It
8 would only be allowed in a manufacturing district.
9 It would not be allowed where it abuts an historic
10 district. It would force the advertising permit
11 to be displayed at all times on the shed. So if
12 there are any complaints from the community or the
13 civic associations or the community boards, there
14 is a way to easily identify what it is that the
15 complaint is about. The permit would be limited
16 to one year, consisting of an initial six months
17 and then set up for two consecutive periods of
18 three months where the Department of Buildings
19 could grant it at the Department of Buildings'
20 discretion. So if there's any complaints or any
21 issues arising from it, the Department of
22 Buildings can actually take that into account.
23 Mr. Chair, this really comes out of time in our
24 government where we are looking for revenue
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2 streams almost anywhere we can find it. I think
3 that that is an important aspect of this
4 legislation. I believe that the department is
5 spending a lot of resources enforcing. We need to
6 be able to make sure that in times of economic
7 needs like we are having, we are doing several
8 things. The first thing is to think outside the
9 box. The second thing is to create jobs in the
10 City of New York. We need to put people, men and
11 women, to work. They need to be good paying jobs.
12 We need to be able to create that revenue stream
13 for workers of this city. The third thing,
14 however, is we clearly love our small communities
15 and we love the fact that this is New York City
16 and it is made up of these smaller density
17 communities. So that's why we're not allowing
18 this to even be an issue in lower than commercial
19 or R-7 districts. That's important to note. The
20 fourth thing is that although legislation does not
21 require it, it's important to note that the
22 industry has agreed to negotiate with us as far as
23 creating a revenue stream with the profits.
24 That's an important aspect of this as well. I
25 thank you for your time. The community and the

1 audience should know this is merely the first
2 hearing. We look forward to hearing everything
3 that folks have to say on this and moving forward
4 from there. I thank you for your time, Mr. Chair.

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6 CHAIRPERSON DILAN: Thank you,
7 Council Member Katz. I understand at this time we
8 have a quorum. So I want to just call on Council
9 Member Lappin for a brief statement on her bill,
10 which is 760-A that we are about to vote on very
11 shortly. And then follow that by Council Member
12 Comrie and then I look to dispose of these items.

13 COUNCIL MEMBER LAPPIN: Thank you,
14 Mr. Chair. I wish I could stay for more of the
15 hearing on Councilwoman Katz's bill, of which I'm
16 a sponsor, but I'm chairing a Landmarks Committee
17 meeting next door. I did just want to briefly
18 talk about this important piece of legislation
19 that we're voting on today regarding safety
20 compliance officers at construction site. This
21 grew out of a package of legislation that we have
22 been working on since the first crane collapsed
23 back in March. We all know that in our respective
24 communities there are good guys and bad guys, in
25 every profession and in every field.

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2 Unfortunately, when they're bad guys and bad
3 developers in construction, people can lose their
4 lives. That's just the reality. And
5 unfortunately we saw that all too often last year.
6 When we were discussing this bill, somebody said
7 it was a little bit like pornography, you know it
8 when you see it, but it's hard to define. That's
9 true, it is hard to define exactly what makes a
10 developer or a contractor a bad or irresponsible
11 person. But we do know that there are sites where
12 we have blatant disregard for the law, blatant
13 disregard for the safety of the workers on those
14 sites and for the people who live and walk nearby.
15 We often will call the Buildings Department and
16 work with you because you know who they are too.
17 Continually, every week and every day sometime ask
18 them to send somebody out because there are bricks
19 falling in the street or there's black smoke
20 coming out of the crane or a long list of things
21 that we can see with our eyes and know they aren't
22 right without even being an expert. The Buildings
23 Department is to be continually and perpetually on
24 their backs to keep people safe. The goal of this
25 legislation is to make it easier for the Buildings

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2 Department to keep us safe. It allows the
3 commissioner to put a safety compliance officer on
4 sites that we know to be hazardous so that we have
5 a set of eyes and ears there day in and day out
6 for a 90-day period keeping that person honest and
7 keeping the rest of us safe. Because it was a
8 little bit hard to define, we worked very hard
9 together on this. I want to thank the
10 commissioner. The industry, the labor unions, the
11 Buildings Department, the commissioner, the chair
12 of this committee, Council Member Dilan, the
13 Speaker, and myself worked to put something on
14 paper that will help, will make sense, that is
15 enforceable and that we think will work. I'm very
16 pleased that we have gotten to that point, even if
17 it took us ten months. But I think it's better to
18 take your time and do the right thing than to do
19 something in haste that may be the wrong thing. I
20 would very much ask my colleagues on this
21 committee to vote in support of this legislation
22 and look forward to its passage at the stated
23 council meeting later this week.

24 CHAIRPERSON DILAN: Thank you,
25 Council Member Lappin. Council Member Comrie?

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2 COUNCIL MEMBER COMRIE: Thank you,
3 Mr. Chair. I want to urge all members today to
4 vote for Intro. 878-A. I want to thank the chair
5 and the speaker for doing all of the work
6 necessary to hold the hearings, to have the
7 negotiations and to do the discussions that
8 brought about the compromise that we have today.
9 The intent of this legislation is to ensure the
10 contractors that have large numbers of sites, or
11 that have construction sites set up a plan to deal
12 with any possible hazardous violations with the
13 employment of a safety compliance officer. We've
14 had a major hearing on this legislation on January
15 14th. I want to thank Council Member Lou Fidler
16 for his additions and ideas on the building, Rob
17 Newman and all of the people that have been
18 working to make sure that we do everything
19 required to ensure that site safety is brought to
20 another level in this city. To make sure that all
21 construction is done as safely as possible so that
22 we can make sure that the construction that needs
23 to be done, that improvements that have to be done
24 to our city can be made with the highest degree of
25 safety possible. I want to thank all of the

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2 members of the industry, all of the members of the
3 construction trades that have been involved in
4 making sure that there was language in the bill
5 that ensured that all of the stakeholders had an
6 opportunity to understand it and impact it. With
7 that I urge a yes vote. I want to just take the
8 opportunity to congratulate Council Members Lappin
9 and Katz on the bill that will passed today and
10 will be discussed today regarding the sidewalk
11 shed advertising. Council Members Lappin's bill
12 with the safety compliance officers, it's
13 important that we pass her bill as well. I like
14 the idea to do more revenue for the city and I
15 want to congratulate Council Member Katz for
16 coming up with this legislation. Thank you.

17 CHAIRPERSON DILAN: Thank you.

18 Before I call the roll, I want to acknowledge the
19 delegation from the Country of Jordan. The
20 Country of Jordan has members of their parliament
21 here today. We welcome you. They are escorted by
22 Mr. Anatoli [phonetic], and excuse me Anatoli if I
23 mess up the last name. Could you help me with it?
24 What's the last name? Thank you. Anatoli is with
25 the U.S. Department of State. With that I'd like

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2 to ask the clerk to call the roll. Let me stop.
3 I'd like to ask the clerk if he can couple both
4 items and then call the roll.

5 WILLIAM MARTIN: William Martin,
6 Committee Clerk of the Council. Roll call on
7 Committee on Housing and Buildings. Council
8 Member Dilan?

9 CHAIRPERSON DILAN: I vote aye on
10 both.

11 WILLIAM MARTIN: Rivera?

12 COUNCIL MEMBER RIVERA: I vote aye
13 on both.

14 WILLIAM MARTIN: Avella?

15 COUNCIL MEMBER AVELLA: Aye on
16 both.

17 WILLIAM MARTIN: COMRIE?

18 COUNCIL MEMBER COMRIE: Aye on
19 both.

20 WILLIAM MARTIN: Vacca?

21 COUNCIL MEMBER VACCA: I vote aye
22 on both and ask that my name be added as a co-
23 sponsor to those bills.

24 WILLIAM MARTIN: White?

25 COUNCIL MEMBER WHITE: I vote aye

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2 and I ask also that my name be affixed to both
3 bills.

4 WILLIAM MARTIN: Oddo?

5 COUNCIL MEMBER ODDO: Yes.

6 WILLIAM MARTIN: By a vote of seven
7 in the affirmative, zero in the negative and no
8 abstentions, both items have been adopted.

9 Members, please sign the committee reports. Thank
10 you.

11 CHAIRPERSON DILAN: I will pass the
12 committee report around the members' signatures
13 and we'll also leave the vote open for as long as
14 possible. We've been joined by Mr. Donald
15 Ranschte from the Department of Buildings. Mr.
16 Ranschte, do you have a statement that you want to
17 read on Intro. 623?

18 DONALD RANSCHTE: Yes, Mr.
19 Chairman. Thank you. I'd like to take the
20 opportunity to introduce myself. I'm Donald
21 Ranschte, the Director of Intergovernmental
22 Affairs for the Department of Buildings. Chairman
23 Dilan, I'd like to thank you for your leadership
24 shepherding those other two bills through your
25 committee and sending them to the full council for

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2 a vote. We're hoping the passage there will make
3 construction and building in the city safer. I
4 have a letter that I'd like to read into the
5 record that was written by the New York City
6 Department of Law by Gabriel Taussig, Division
7 Chief of the Administrative Law Division. Dear
8 Council Member Dilan and members of the committee,
9 I write regarding the January 26, 2009 hearing
10 scheduled by the Housing and Buildings Committee
11 on Intro. 623, concerning advertising on sidewalk
12 sheds. As you may know, the Law Department is
13 presently defending four lawsuits brought by seven
14 different outdoor advertising companies to
15 challenge the city's regulation of outdoor
16 advertising through zoning. Three of those
17 lawsuits are currently pending before Judge Paul
18 A. Crotty in the United States District Court of
19 the Southern District of New York, and the fourth
20 is pending before Justice Eileen Rakower in the
21 New York State Supreme Court, New York County. In
22 light of these pending lawsuits and because of the
23 close relationship of the issues involved, it
24 would be inappropriate for anyone from the
25 administration to give testify on Intro. 623 at

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2 this time. Thank you. I will listen to any
3 questions, although I don't know if I'll be able
4 to answer any questions you may have.

5 CHAIRPERSON DILAN: My questions
6 will be in terms of timeframe. Do you have a
7 general sense as to when you think these four
8 lawsuits may be disposed of?

9 DONALD RANSCHTE: Currently, in two
10 of the lawsuits, we are awaiting a ruling handed
11 down and two are still being heard, so there's no
12 timeframe for those.

13 CHAIRPERSON DILAN: So you're not
14 sure. I agree with a lot of the statements that
15 Council Member Katz brought out in her opening. I
16 think this could be a wonderful economic
17 development tool for the city's economy as a whole
18 and has the potential, if done right, to create
19 revenue for the city budget as well. I would take
20 it that given your opening, you can't comment on
21 those items. Is that correct?

22 DONALD RANSCHTE: We would prefer
23 not to make any comments until the disposition of
24 all four of the lawsuits.

25 CHAIRPERSON DILAN: I'll go in this

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2 direction. How often does DOB respond to
3 complaints of illegal advertising on sidewalk
4 sheds?

5 DONALD RANSCHTE: I'd say it is a
6 fairly common complaint that is received by the
7 department.

8 CHAIRPERSON DILAN: Do you believe
9 if we implemented any such laws that this would
10 affect the number of complaints?

11 DONALD RANSCHTE: There would still
12 be complaints. What we're doing in the bill is
13 regulating the zoning districts in which you'd be
14 able to have advertising. The members of the
15 public may not understand the nuances of that.

16 CHAIRPERSON DILAN: Do any of my
17 colleagues have any questions they want to ask of
18 the administration? Council Member Comrie?

19 COUNCIL MEMBER COMRIE: The
20 lawsuits that are pending, according to the
21 letter, are they regarding sidewalk sheds? Or is
22 this regarding outdoor advertising dealing with
23 signage? Are any of these suits dealing with the
24 sidewalk sheds that are referenced in this letter?

25 DONALD RANSCHTE: The lawsuits are

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for various segments of outdoor advertising.

COUNCIL MEMBER COMRIE: Various segments of outdoor advertising. So you don't know if it's including the sheds or not?

DONALD RANSCHTE: No, I don't.

COUNCIL MEMBER COMRIE: But you've been constrained to speak about anything dealing with the possibility of increasing revenue to the city. I'm just trying to understand what their reticence is to talk about an opportunity to gain revenue. I'm confused. You can't give us a breakdown on what the lawsuits are? Do you know what the lawsuits are specifically?

DONALD RANSCHTE: I don't know the specifics of the four suits.

COUNCIL MEMBER COMRIE: I know that the industry has been complaining about the regulations that the Department of Building has had, which has restricted their ability advertise on signs that were previously regulated and approved by the Department of Buildings. Has there been a history of violations that you know of regarding advertising on sidewalk sheds?

DONALD RANSCHTE: Currently you're

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2 not allowed to advertise on sidewalk sheds and we
3 do enforce that.

4 COUNCIL MEMBER COMRIE: Could you
5 get a list of violations on that to the committee
6 at another time?

7 DONALD RANSCHTE: Absolutely. We
8 can give you the breakdown of violations issued
9 for that.

10 COUNCIL MEMBER COMRIE: Do you have
11 any idea when these lawsuits are going to be
12 heard?

13 DONALD RANSCHTE: All four are
14 currently being heard. Two are awaiting a
15 disposition and the other two are still active.

16 COUNCIL MEMBER COMRIE: I'm not
17 going to ask any more questions. Again, I just
18 want to emphasize that I think that this is a good
19 bill that Council Member Katz has come up as an
20 idea to raise revenue for the city. I think it's
21 something that's truly needed in this time. I
22 never supported the Buildings Department in their
23 efforts to regulate an industry that's generating
24 income for the city. The issues that the
25 billboard industry has had with the Department of

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2 Buildings I think needs to be addressed and
3 readdressed. The issues of advertising on the
4 poles, the issues of advertising on the buildings,
5 the issues of advertising on the sidewalk is an
6 issue in this day and age that really needs to be
7 addressed. I think the industry is being unfairly
8 paralyzed by the reticence of the Buildings
9 Department dealing with old regulations from and
10 old time. We all have advertisements that bombard
11 us in everything that we do to the point where we
12 don't complain about it anymore. It's a fact of
13 life. I have yet to get a complaint from anyone
14 at billboards anymore or any of the other things
15 that generate revenue for this city. We're in a
16 time in this city where we need to gain revenue
17 from any aspect possible. Donald, you're a good
18 man. I depend on you for a lot of things. I'm
19 not going to beat you up. But I urge that we make
20 sure that this is resolved as soon as possible so
21 that we can generate the income necessary for the
22 city. If there's a sidewalk shed that's available
23 and can be brightened and highlighted by an
24 advertisement as opposed to just a dark gray shed
25 or a dark blue shed or even a light shed, I think

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2 it really would brighten up the aspects for a city
3 and a neighborhood. I would hope that we get
4 these old issues resolved. The reticence of the
5 Buildings Department to work with an industry that
6 wants to work with them and has tried to work with
7 them, I think we need to deal with that. This is
8 2009 and we all have to open up our eyes and
9 change our ways. Time flies as I try to get rid
10 of my gray hair. Time flies so I think that the
11 Buildings Department is dealing with something
12 that happened based on issues in the 70s and not
13 based on issues in the new millennium. Thank you
14 very much, Mr. Chair.

15 CHAIRPERSON DILAN: Thank you,
16 Council Member Comrie. Council Member Katz?

17 COUNCIL MEMBER KATZ: Councilman
18 Leroy, you can use my process for getting rid of
19 your gray hair, it's a lot easier. Just for the
20 record, my understanding is that lawsuits mostly
21 deal with the arterials and legislation that the
22 council passed years ago regarding the big
23 billboards on the arterials of the city. As Land
24 Use chair, I don't believe we've done any other
25 legislation regarding sidewalk sheds. So I just

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2 wanted to put that into perspective. The second
3 thing is that Councilman Comrie, I think that
4 you're right. We need to look for absolutely new
5 ways right now to raise money for the city.
6 Someone's making a profit on this stuff. Someone
7 is making money. You know why? Because they're
8 there. There is advertising. I think the idea is
9 that if they're going to make a profit on it then
10 the city should be part of that. It should be
11 regulated. The folks that actually want to do it
12 the right way, including the building owners and
13 the workers, should get the opportunity to do
14 that. We want to keep them out of the smaller
15 communities, which is why the zoning is an
16 important aspect of this. I wish that the city
17 could at least talk a little bit about the
18 enforcement issues now. But I understand the
19 position. We all respect you, Don, and the work
20 that you do there. But just for the record, I
21 don't believe that the lawsuits should prohibit
22 from talking about it. But there'll be a second
23 hearing, so we look forward to it. Thank you.

24 DONALD RANSCHTE: We look forward
25 to appearing at the second hearing as well,

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2 Councilwoman.

3 CHAIRPERSON DILAN: Seeing no
4 further questions for the administration, I'd like
5 to thank you, Mr. Ranschte for your time here
6 today.

7 DONALD RANSCHTE: Thank you,
8 Chairman.

9 CHAIRPERSON DILAN: I'd like to
10 call up the first panel from the industry,
11 consisting of Mr. Rick Del Mastro, Mr. Christopher
12 Carr, Mr. Sergio Fernandez de Cordova, and Mr.
13 Steven Pretsfelder. Gentlemen, if you have a
14 prepared statement to give to the committee, you
15 can hand it to the sergeant-at-arms and he can
16 share it with the committee members. If not, you
17 can begin in any order that you'd like. Please
18 read your statement into the record. Begin by
19 identifying yourself first and then going into
20 your statement.

21 SERGIO FERNANDEZ DE CORDOVA: Thank
22 you. Sergio Fernandez de Cordova. I want to
23 begin by thanking Council Member Melinda Katz for
24 sponsoring Intro. 623, Chairman Erik Dilan and the
25 members of the Housing and Building Committee for

1 holding this hearing and all 35 members of the
2 council who have lent their support for the
3 important measure. Since 1995, when the city
4 passed Local Laws 10 and 11, the number of
5 sidewalk sheds in New York has more than tripled
6 to an estimated 4,000. Any New Yorker or tourist
7 encounters these sheds on almost every block of
8 our great city. They're unsightly, often poorly
9 maintained, occasionally dangerous, stay up too
10 long and add nothing positive to our streetscape.
11 At the same time, property owners are struggling
12 to comply with the cost of Local Laws 10 and 11,
13 in an increasingly difficult economic environment.
14 They want to, but may be unable to pass along
15 these costs to tenants who are struggling
16 themselves. Meanwhile, the advertising industry,
17 which employs thousands of New Yorkers, are also
18 struggling. As corporate profits grow thinner,
19 Madison Avenue advertising budgets are being cut
20 and that translates into a significant number of
21 job losses for New Yorkers. Finally, most
22 important for all New Yorkers, the city is facing
23 estimated budget gaps, which seemingly grow by the
24 minute and needs to find new sources of revenue to
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1 protect the quality of life of its residents.
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3 Intro. 623 would help address all of these issues
4 at once. By passing Intro. 623, New York could
5 enact a regulatory program that would allow
6 temporary advertising on sidewalk sheds, improve
7 their visual character, create economic
8 opportunities for struggling New Yorkers and add
9 to the city's bottom line at the same time. Let's
10 talk about the revenue first. Advertising on
11 sidewalk sheds can generate millions of dollars in
12 revenue for the city. At present the city is
13 receiving zero dollars from this potential
14 advertising source. One option is to enact a
15 significant permit fee. Another is to create a
16 revenue sharing program. I have no doubt that the
17 industry can get together with the council and the
18 administration to create a program which would
19 ensure that the city receive a steady significant
20 stream of revenue in the tune to \$4 to \$8 million.
21 I would not one word of caution. Unlike other
22 advertising arrangements that the city has,
23 sidewalk shed advertising has three parties
24 involved. Instead of just two, there's the
25 advertisers, the city and the property owners. We

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2 need to make sure that whatever solution we come
3 up is not so burdensome that it defeats its
4 purpose. There needs to be an economic incentive
5 for the outdoor advertising industry and the
6 property owners to participate in the program so
7 they can generate revenue for the city. This
8 means the program must be reasonable for all
9 parties. The thousands of poorly maintained
10 sidewalk sheds that litter our streets simply
11 don't look good. Many of them are unevenly
12 painted and constructed and often have barbed
13 wire. They seem to never come down. We need to
14 create an incentive for property owners to build
15 better looking, better maintained structures that
16 come down faster. Intro. 623 does just that. It
17 would create a revenue for the property owners to
18 be able to comply with Local Law 10 and 11 but
19 limits the opportunity to get that revenue to one
20 year out of every five. One of the positive
21 aspects of Intro. 623 is that it's a reasonable
22 piece of legislation. It even sets a limit of
23 size of the advertising. Certainly we could
24 create more revenue for the city if we were
25 allowed to create advertisements that were 12 feet

1 high, 16 feet high or 20 feet high. But Intro.
2 623 limits that size to 8 feet, a requirement that
3 the industry can live with and that strikes a
4 reasonable balance. One possibility that is not
5 addressed in Intro. 623 that I would suggest the
6 committee to consider is the idea of using some of
7 the returns for public service announcements. The
8 returns being the corner of the sheds that return
9 to the building face. One other important point
10 is that Intro. 623 prohibits advertising in
11 residential areas or in front of landmarks. We
12 need to respect the character of our streetscapes.
13 Allowing temporary advertising in industrial and
14 commercial neighborhoods simply makes sense.
15 Let's just note that once again we aren't breaking
16 new ground here. Many other major cities across
17 the globe allow this kind of advertising, often in
18 much larger form. London, Madrid, Berlin, Rome
19 and Singapore are just a few examples of this form
20 of advertising. Finally, Intro. 623 is a bill
21 that recognizes the need of two industries that
22 are central to the prosperity of New York, the
23 real estate community and the advertising
24 community. Property owners are struggling right
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2 now and they can't afford to pass along those
3 costs to tenants who are also struggling as well.
4 I can tell you that many New Yorkers who work in
5 the advertising industry are also out of work
6 today. The city has always encouraged creativity.
7 Intro. 623 is a creative solution to a series of
8 problems that New York faces today. I encourage
9 you to enact it as soon as possible. Let's put
10 creative New Yorkers back to work and help New
11 York's bottom line. Thank you for your attention
12 with this matter.

13 CHAIRPERSON DILAN: Thank you, Mr.
14 Cordova.

15 SERGIO FERNANDEZ DE CORDOVA: Thank
16 you.

17 CHRISTOPHER D. CARR: My name is
18 Chris Carr. I'm president of City Outdoor, an
19 independent outdoor advertising company based in
20 New York with over 200 employees in all of our
21 affiliates. I would first like to thank the
22 council for allowing me to voice our support for
23 Intro. 623 permitting advertising on sidewalk
24 sheds in commercial and manufacturing areas in the
25 city. Without beating a dead horse, we all know

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2 that the advertising business, as well as most
3 businesses throughout the world, are experiencing
4 tremendous challenges in this current financial
5 environment. This shed advertising bill, which is
6 a very small component of this, will provide
7 revenue for this city, jobs for construction
8 companies, support a weakening job climate in the
9 advertising business, as well as ease the
10 financial burden property owners are also
11 experiencing from obligations from Local Law 11 as
12 well as the current economy. I also want to point
13 out that under this bill I know there are some
14 concerns of situations that have happened in the
15 past, but there is a key component with a 12-month
16 term limit on the advertising space. I know the
17 initial stage is six, three and three review in
18 terms of how the permits will be granted with the
19 authority. We're still relying on the city to
20 authorize the extension on any of the authorized
21 permits. I also want to point out that the
22 current lawsuits should really have no bearing on
23 a good policy for the city and for the community.
24 I want to stress that as well because we feel at
25 this critical time with the economic circumstances

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2 that we're under, we have to exhaust every
3 opportunity to be able to generate revenue for the
4 city and also to make sure that we secure and keep
5 jobs. Another important consideration is safety
6 and aesthetics. I know the scaffolding industry
7 has been trying to address many of those issues
8 with the city. This bill would also encourage and
9 support compliance and safety issues, which would
10 be a key consideration in the passing of Intro.
11 623. From an aesthetic perspective, we can all
12 agree the wood scaffolds leave a lot to be
13 desired. Because of Local Law 11, they are going
14 to be a permanent part of our city landscape. The
15 opportunity to cover these structures with some of
16 the most prestige creative advertising copy does
17 address part of that situation on a temporary
18 basis, reducing in many cases the visual blight
19 that the current scaffolds have in this city.
20 Advertising is based on the assumption it produces
21 good will and product sales. Something we believe
22 is a key need today. New York being the
23 advertising capitol of the world should be a
24 showcase city. Many international cities in
25 Europe and the Far East have made shed advertising

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2 a key component of their outdoor advertising menu,
3 most with historical districts and buildings that
4 are centuries old. But it is done with style and
5 grace, providing visual dynamics and energy, as
6 well as all the many benefits that we are trying
7 to promote today in this hearing. I want to thank
8 the committee. I look forward to working with you
9 in the future on Intro. 623. We believe firmly
10 that this is in the best interest of the city and
11 the community in which we live. Thank you very
12 much.

13 STEVEN S. PRETSFELDER: My name is
14 Steven Pretsfelder. I'm the executive vice
15 president and general counsel of Van Wagner
16 Communications. I want to thank you for the
17 opportunity to speak this afternoon on Intro. 623.
18 We at Van Wagner believe that regulation of
19 outdoor advertising is both necessary and good.
20 We have been longstanding advocates of outdoor
21 advertising regulation that fairly addresses the
22 city, community and business concerns. We support
23 this sidewalk shed advertising legislation and
24 urge the committee and council to do so as well.
25 We believe it balances in an appropriate and

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2 evenhanded way the interests of the city, the
3 community, property owners and the outdoor
4 advertising industry for the following reasons.
5 First, as we've heard, the proposed legislation
6 provides for only limited advertising on sidewalk
7 sheds. It limits advertising at a site to a six-
8 month period, with a possible extension of up to
9 six months at the discretion of the DOB. It does
10 not permit advertising at any site for more than
11 one year in any five-year period, thus eliminating
12 the incentive for landlords to erect sidewalk
13 sheds and never remove them. Finally, it limits
14 the advertising to commercial and manufacturing
15 zones and would prohibit shed advertising in front
16 of landmark buildings and in residential and
17 abutting historic zones. It's very important to
18 recognize that sidewalk sheds are a fact of life
19 in New York City. They are erected for safety
20 reasons when property owners undertake mandatory
21 Local Laws 10 and 11 work and for construction
22 renovation and demolition projects. It is not the
23 advertising that generates construction of the
24 sidewalk sheds. The sheds are and will be there
25 with or without advertising. However, allowing

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2 advertising in the limited manner contemplated by
3 this legislation will yield a number of benefits
4 to different constituencies in the city. First,
5 the sidewalk shed advertising permit program would
6 bring additional revenue to the city. At this
7 difficult economy time, the city needs to increase
8 and expand revenue sources. This new revenue
9 source is likely to generate millions of dollars
10 for the city. Allowing advertising on sidewalk
11 sheds also will provide jobs for sign hangers and
12 other workers in the midst of an economic
13 recession. Advertising on sidewalk sheds also
14 will help generate revenue for property owners
15 that can help offset the increasing cost of their
16 mandatory compliance with the Local Laws 10 and
17 11. Property owners are also struggling in this
18 economy and this added income will ensure that
19 they can meet the cost of this work. Advertising
20 on sidewalk sheds will also help enhance the look
21 of the sidewalk sheds and the overall cityscape.
22 Sidewalk sheds without advertising are often
23 poorly maintained and can be dirty or filled with
24 graffiti or wild posting. Properly designed sheds
25 with appropriate advertising will add to the look

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2 and feel, not only of the specific project, but to
3 the entire area in which the project is located.
4 Finally, by adopting this legislation, New York
5 City will be joining the rank of numerous world
6 class cities in which advertising on sidewalk
7 sheds and on scaffolding is permitted. In cities
8 such as London, Berlin, Madrid, Rome, Singapore
9 and others, advertising on scaffolding is not only
10 a fact of life, but is an integral part of city
11 life and the cityscape. In summary, this
12 legislation provides an opportunity for the City
13 Council to address the needs, concerns and
14 interest of the city, its residents, property
15 owners and outdoor advertising community in a
16 fair, evenhanded way and a responsible way.
17 Therefore, we would urge you to adopt it. Thanks
18 very much.

19 RICK DEL MASTRO: If I read what I
20 have here, I'd repeat what three people have just
21 said. So I'd rather just address some key points.

22 CHAIRPERSON DILAN: That's
23 definitely your prerogative. You still have to
24 introduce yourself for the record. You can talk
25 about whatever you like.

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2 RICK DEL MASTRO: No, I thought you
3 all knew me. I'm disappointed in that. I'm Rick
4 Del Mastro. I'm the owner of Spring Scaffolding,
5 as well as being in the sign business. It's
6 difficult sitting here and listening to everybody
7 talk about my child, scaffolding, and how ugly it
8 is. It's referred to as visual pollution. But
9 they're right. It's very difficult to make it
10 beautiful, especially based on the competitive
11 pricing that exists in the industry. Keep in mind
12 also that it's not really regulated. I represent
13 the scaffolding industry with the Building
14 Department. We encourage being regulated. We
15 want to be regulated. The same way the sign
16 industry is regulated, the scaffolding and the
17 shed business wants to be regulated as well. That
18 way we can put up a better shed. I can't believe
19 that anybody visually would look behind me and see
20 those and say that a dressed shed doesn't look
21 better than an undressed shed. Whether they're
22 green or they're blue or they're beige, no matter
23 what we do, we can't make them look that way. You
24 have to understand the way a shed is constructed.
25 It's constructed by 4x8s, which are really 3x6,

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2 which by the way is in the Building Code, as the
3 minimum size. There is no maximum size. So it
4 could be 8, it could be 12, it could be 16. The
5 minimum size is it must be 3x6. So the 3x6 is a
6 4x8 and the 4x8s are lined up next to one another.
7 What the vinyl does is strengthen the shed. If
8 you think about that logically, it's wrapped
9 around from the bottom and the top and to the
10 sides. So you have a stronger structure by adding
11 the vinyl to the shed. From a safety standpoint
12 that's one enhancement that putting advertising on
13 sheds would bring. How is it fastened to the
14 building? We submitted both to the city and to
15 the Building Department, engineer drawings of how
16 we would fasten an eight foot, which doesn't exist
17 by the way in the Building Code, how we would
18 fasten an eight-foot shed to make it strong and
19 safer and how it would adhere to the building.
20 We've addressed the issues of safety. We've
21 addressed the issues as they have to of making it
22 look better and not visual pollution. These are
23 different times. If the president of the United
24 States were here today, he would tell us to find a
25 way to work together. Find a way to find a

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2 solution so this can happen. Melinda, I commend
3 you, because you are the one that put forth the
4 regulations that are currently being challenged.
5 And at the same time you're smart enough to
6 recognize that this is a separate issue. Here you
7 are supporting the industry, and not just the
8 industry. This is not about the advertising sign
9 business. This is about the advertising agency.
10 In times like this where it's so difficult, you
11 don't see the traditional advertises back up.
12 Advertises are looking for different ways to reach
13 the public. This is a different way. Different
14 is what this is all about today. The real estate
15 industry is mandated to put up the shed. Mandated
16 to put up a shed. They're in trouble. I drove
17 down here and I cannot believe the amount of open
18 space that we have in the City of New York. So
19 the real estate industry is not in great shape.
20 The advertising is not in good shape. You could
21 see the layoffs that happened in Clear Channel
22 just yesterday, and every one of the other
23 companies that are going down, along with agencies
24 across the board. So you look at this and then
25 you look at the shed industry and say, if the

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2 construction industry is going to be reduced, then
3 the shed industry is going to be reduced. We
4 employ 140 workers in spring alone. We're one of
5 the largest here in City of New York. The impact
6 of this is to our advantage. To help find work
7 for our men is a critical thing. This creates
8 opportunity because it lessens the burden of Local
9 Law 11 on the real estate owner in the hopes of
10 getting this done. I'll end with this in terms of
11 finding a way to work together. We're here with a
12 proposal that has benefit to the city, benefit to
13 the real estate industry, benefit to the
14 advertising community, benefit to the shed
15 industry, and benefit to the installers. At the
16 end of the day we produce a safer and better
17 looking product. I don't know why this is so
18 difficult and why it's taking so long. As has
19 been said before, this is a time of change. This
20 is a time of need. This is green. By putting
21 vinyl around the wood, the wood has a longer life.
22 There's one million linear feet of wood on the
23 streets of New York City. If it's covered by
24 vinyl it has at least twice the life. Think about
25 how many trees we'll save by adding vinyl to

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2 sheds. Thank you very much.

3 CHAIRPERSON DILAN: We're going to
4 get into questions in a moment. I need to
5 acknowledge two members of the committee that are
6 here. I need to recognize them for the purposes
7 of a vote on Intro. 670-A as well as 878-A, which
8 was voted earlier. We'll go with questions and
9 then as soon as Billy is here we'll call on
10 Council Members Jackson and Fidler to vote.
11 Council Member Katz, if you'd like to take
12 prerogative and question this group first.

13 COUNCIL MEMBER KATZ: I just want
14 to point out that the signs behind the gentleman
15 were probably the most telling for me when I first
16 started talking about this legislation. People in
17 this audience may or may not know that I was the
18 one who tried desperately to restrict advertising
19 on the arterials of the city. That was in the
20 city's interest to do that and to regulate that.
21 I think in this particular case what I did was
22 looked around at other advertising when we were
23 going through that fight and other areas in the
24 city that were blank. I think that what Mr. Del
25 Mastro was talking about was really a key thing in

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2 my thinking, which was that I go to the different
3 neighborhoods and see these sheds that have
4 haphazard advertising on them. They're not kept.
5 They're not maintained. They have a whole bunch
6 of different things on them. I just thought about
7 how we can take that empty space and maintain it
8 well. I just wanted to point out those signs and
9 the differences between the before and after. I
10 think that's extremely important. I would like to
11 ask just one person, if you could just answer,
12 what is your history with the city and the
13 Department of Buildings on these issues? You must
14 be talking to some of your colleagues. What's the
15 thought about this in the industry as well?

16 RICK DEL MASTRO: Numerous meetings
17 with the city and the Department of Buildings.
18 One of the things that I think should be pointed
19 out is that I'm not sure what violations exist on
20 signage on sheds. In fact, I know of none. Two
21 years ago we did a moratorium. We voluntarily
22 removed every sign on sheds in New York City. I
23 don't know of one outdoor company that has put a
24 sign back up. So you're right, what's up there is
25 a collection of various little things that exist

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2 in the code which identify the local store that
3 might be there because they lost their identity
4 when the construction went up. There is a
5 proposal that is before the Building Department
6 and there is one that is also the same that was
7 sent to the mayor's office. They have not
8 responded with their position. Whether it be the
9 shed industry or the sign industry, the position
10 is that until the issue of the lawsuit is
11 resolved, they will not entertain a discussion
12 about the shed advertising. How those two can be
13 locked together is beyond me. One is on city
14 property. One is on private property. As you've
15 pointed out, they are two different issues. Times
16 are different. Needs are different.

17 COUNCIL MEMBER KATZ: I think, Mr.
18 Chairman, it's important to note that what Mr. Del
19 Mastro is talking about is when we started talking
20 about this, which was two years ago when I found
21 out there was a moratorium and beforehand there
22 was enforcement. We were wondering how to get the
23 city's resources to gain revenues. Use the city's
24 resources to gain revenues as opposed to simply
25 going out and doing a moratorium when you're not

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2 gaining anything from it. I think that's a very
3 important aspect of it. We have been talking
4 about revenue sharing and the revenue stream that
5 could result from this. It is not part of the
6 original legislation. Through discussions we have
7 made an agreement to do that. Do you have any
8 comment on that or any discussions you guys have
9 had among yourselves?

10 CHRISTOPHER D. CARR: Basically the
11 discussions that we have had about the revenue is
12 that it would be a net revenue similar to the pay
13 phones. The reason being is that you have three
14 different players here. You have the sign
15 companies, you have the real estate holders and
16 you have the city. That's something that we are
17 open to continuing to discuss, but it has to be
18 hashed out. But it would follow in that similar
19 structure. But as I said, we need to make sure
20 that it benefits all parties and it's something
21 that's structured and beneficial to us because we
22 still need to run a business and need to be able
23 to generate enough income.

24 COUNCIL MEMBER KATZ: There's
25 clearly an agreement amongst the industry that

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there will be some sort of stream.

CHRISTOPHER D. CARR: Right.

CHAIRPERSON DILAN: I'm going to hold questions because I see we've been joined by the clerk. I'd like to ask the clerk to continue the roll on the two items that are before the committee for disposition.

WILLIAM MARTIN: Council Member Fidler?

COUNCIL MEMBER FIDLER: I'd like to thank Chairman Dilan, Rob Newman and the speaker's office for all their work on 878-A and acknowledge also the cooperation of Lou Colletti [phonetic] and the building trades folks in helping to draft this bill. I vote aye on both.

WILLIAM MARTIN: Council Member Jackson?

COUNCIL MEMBER JACKSON: I vote aye on all.

WILLIAM MARTIN: The vote now currently stands at nine in the affirmative, zero in the negative and no abstentions.

CHAIRPERSON DILAN: Thank you. We'll continue. I'd like to ask the clerk to

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2 continue the roll to acknowledge Council Member
3 Mendez for the purposes of a vote.

4 WILLIAM MARTIN: Council Member
5 Mendez?

6 COUNCIL MEMBER MENDEZ: Thank you,
7 Chair Dilan. I vote aye on all.

8 WILLIAM MARTIN: The vote now
9 stands at ten.

10 CHAIRPERSON DILAN: Thank you.
11 When I first met with the industry for my support
12 on this, I agree with Council Member Katz, the
13 aesthetics was the first thing that jumped out at
14 me. I think just visually you can look at them
15 and see one form clearly looks better than another
16 form. I believe that there is the potential for
17 revenue sharing in this bill. I know there's
18 definitely potential for revenue sharing with the
19 industry and the real estate community. How the
20 city gets involved in its sharing of the revenue I
21 think will be the more complicated part of the
22 process. We have the general agreement with the
23 industry to discuss that and that's a good start.
24 Two or three of you mentioned in your opening
25 testify of other cities that allow this type of

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2 advertising. I believe most of the cities were in
3 foreign countries. Are there any U.S. cities that
4 allow the same type of advertising? If you don't
5 know, that's fine, I just wanted to ask that.

6 RICK DEL MASTRO: I'd have to
7 respond that I don't know. One of the issues is
8 this is a shed. Sheds are used to protect the
9 city sidewalks. Many cities have a setback so the
10 needs are different and the sheds don't exist.
11 I'd really have to look into where else there are
12 sheds across the United States and if in fact it
13 is used. The same kind of construction doesn't
14 exist in many cities.

15 CHAIRPERSON DILAN: I understand.
16 I have no problem with New York being the first.
17 It would just be a little bit easier for our
18 purposes if another U.S. city had it. We can do
19 our own research as well.

20 STEVEN S. PRETSFELDER: Our
21 research found it in no other U.S. city because
22 they didn't have the set of regulations the New
23 York has. One of the things that we did with our
24 analysis was to analyze like cities like New York
25 across the world. Unfortunately there was no

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2 other matching city in the country.

3 CHAIRPERSON DILAN: So there may be
4 no other cities across the country that prohibit,
5 but the everyday use of sheds is maybe different
6 than the City of New York. It would appear by the
7 way this sounds that this should be very easy to
8 do. When the administration comes before this
9 committee and they say that they have a concern
10 for them commenting because it may affect the
11 outcome of other lawsuits, I certainly respect
12 that position. The Law Department also has their
13 job to do. You may be right as to whether the
14 arterials and the other signs are different from
15 this aspect. But they could potentially lose
16 lawsuits and any revenue we created out of this
17 would probably end up in a net loss. I think
18 that's something that we can continue to work to
19 in our discussions with the administration, but I
20 certainly respect their position, even if I
21 disagree with that position. Putting that aside,
22 there may still be some that oppose this. I think
23 you've done a lot of work to address this. I
24 think it made perfect sense to exclude the
25 residential districts. I understand also gives

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2 the Department of Buildings the final say as to
3 how long the sheds remain up. If there were any
4 detractors, what do you believe that opposition
5 would be if you were a detractor?

6 RICK DEL MASTRO: I can't think of
7 something that makes it wrong. I only think of
8 things that make it right. I think you're looking
9 for something that you don't know either. I can't
10 help you.

11 CHAIRPERSON DILAN: I understand
12 that. I think there may be some people that are
13 opposed to this and I'm interested in their views.
14 What does it for me at the end of the day is that
15 it is different. It could be new revenue.
16 Whether economic times are good or bad I don't
17 think really matters too much to me. If revenues
18 are great and we can expand upon revenues by doing
19 something that makes sense, I'm for that as well.
20 It only makes more sense now in times of economic
21 downturn. I want to be mindful of the opposition.
22 If we can make this cleaner and better within
23 reason, I'm for that as well.

24 STEVEN S. PRETSFELDER: When we got
25 the industry together and stopped the practice of

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2 advertising on sidewalk sheds at the end of 2005,
3 one of the things that we did is we all together
4 and tried to address the various concerns of
5 things that people did not want. Different
6 players in the industry knew that in the
7 residential communities there were problems. We
8 knew that near parks and near schools and near
9 landmarks like the Flatiron building it was a
10 problem. We believe we were able to able to agree
11 that this bill as it's structured addresses all
12 the negatives.

13 CHAIRPERSON DILAN: Did you want to
14 follow up on that?

15 RICK DEL MASTRO: We may have
16 experienced new challenges in '09, but it's two
17 years since we've been working on this. It began
18 when things are not as they are today. It just
19 has an added value today because of the added
20 strain on the economy.

21 CHAIRPERSON DILAN: I believe it
22 was you, Mr. Fernandez de Cordova, that said you
23 believe the positive impact on city revenues could
24 be somewhere around \$4 million. Can you explain
25 how you came to that figure?

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2 SERGIO FERNANDEZ DE CORDOVA: Just
3 grabbing an estimated amount of sheds that were up
4 and putting together whether it be a permit fee or
5 a revenue share stream to the city. Basically
6 just as many signs that were up at any given time
7 throughout an entire year.

8 CHAIRPERSON DILAN: I want to call
9 on Council Member Gale Brewer of Manhattan who has
10 joined us. She'll be followed by Council Member
11 Fidler of Brooklyn.

12 COUNCIL MEMBER BREWER: Thank you
13 very much. I appreciate the persons who are
14 testifying because I know we met some time ago
15 about this. I appreciate it. I think the
16 community boards in my area called me Friday
17 because one of the issues that we're concerned
18 about would be a mixed used district. I didn't
19 know how this would be considered. They don't
20 want advertising in what we would consider mixed
21 use. To me that's commercial on the bottom and
22 residential on the top, like Broadway. Under your
23 scenario, would advertising be allowed in that
24 situation?

25 STEVEN S. PRETSFELDER: The way

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2 it's structured currently, I assume that if it's
3 commercial it is. That's something that we as an
4 industry are open to discussion.

5 COUNCIL MEMBER BREWER: The only
6 reason I mention that is I know that you've talked
7 to us and we appreciate it. Maybe the Chairman is
8 aware of this that in Manhattan you need to talk
9 directly to the community boards and have some
10 discussions. Because for whatever reason, they
11 didn't follow this hearing until Friday, and then
12 everybody called me. They're concerned. My
13 suggestion would be to show how open you are by
14 going to some of them and talking to them and
15 letting them know that it's flexible. There are
16 things to be ironed out. In my area we're almost
17 exclusively housing on top of commercial, so that
18 would be a commercial district. We don't want
19 advertising up and down Broadway. The community
20 board feels really strongly about it. So I bring
21 that to your attention and it's something to focus
22 on. Thank you, Mr. Chairman.

23 CHAIRPERSON DILAN: Thank you,
24 Council Member Brewer. Council Member Fidler?

25 COUNCIL MEMBER FIDLER: Thank you,

1
2 Mr. Chairman. I apologize that I came in late.
3 If I missed some of this before I got in, I
4 apologize for asking a repeat question. I am not
5 one of the council members who is on this bill and
6 that's because I am not convinced. The Chairman a
7 few moments ago asked you why anyone would be
8 against this and you said you can't fathom why.
9 Let me give you a couple of reasons and ask for
10 your response to them. The first is the
11 aesthetics. There are some people who believe
12 that advertising on sheds is ugly. The fact that
13 sheds are now being abused and that it's uglier
14 than it would be under this bill and be less ugly
15 is one way of looking at it. I guess the other
16 way is the city could turn around and require you
17 to maintain the aesthetics of your sheds by
18 removing the illegal advertisements that are put
19 on them. What would your response be to that?

20 RICK DEL MASTRO: As I said before,
21 I'm unaware of the illegal advertising.

22 COUNCIL MEMBER FIDLER: This
23 picture right here where someone has slapped up
24 ads on your shed.

25 RICK DEL MASTRO: These are mockups

1
2 of what existed and what could exist. These are
3 not actually up.

4 COUNCIL MEMBER FIDLER: I know.

5 But everyone knows that on any wall in the City of
6 New York somebody is just as likely to put up a
7 snipe for their band without the permission of the
8 property owner.

9 RICK DEL MASTRO: I think that if
10 you look at what's been drafted, this is not about
11 that. This is about a vinyl cover. This is about
12 one piece of vinyl that is going to cover the
13 entire shed. This would eliminate things like
14 that because we would be responsible to the
15 advertising community who is paying to put this up
16 and to make certain that that advertising that we
17 did put up is maintained. As it is anywhere else
18 we have a bulletin or a wallscape in the city, a
19 permanent site, of course, we would be required to
20 maintain it. The ad community wouldn't tolerate
21 us having their advertising in graffiti. This
22 would eliminate it. This covers the shed with one
23 piece of vinyl.

24 COUNCIL MEMBER FIDLER: I think
25 you're missing my question. Maybe I'm not asking

1
2 it artfully enough. Are you now required to
3 maintain the aesthetics of your shed?

4 RICK DEL MASTRO: We are required
5 to maintain the aesthetics of the shed. We put up
6 signs saying post no bills. We maintain them as
7 well as we can. I'll give you visuals of all of
8 our locations. But keep in mind it's really the
9 responsibility of the property owner, not the
10 responsibility of the shed company.

11 COUNCIL MEMBER FIDLER: Honestly, I
12 don't know who you are each representing other
13 than I know that you're advocating for the bill.
14 So when I say you, I'm being generic. The
15 property owner or the shed company or however you
16 contract between who is responsible. If somebody
17 goes up and puts a flier on your shed wall now,
18 are you responsible for removing that even though
19 you've put a post no bills sign on it?

20 RICK DEL MASTRO: We do remove that
21 because we are under an agreement, unofficially.
22 There's a moratorium that there will be no
23 advertising on sheds. So, yes, we do remove them.

24 COUNCIL MEMBER FIDLER: Moratorium
25 aside, would the presence of that unauthorized

1
2 advertisement be illegal under the city law
3 currently?

4 RICK DEL MASTRO: Yes.

5 COUNCIL MEMBER FIDLER: What is the
6 fine? Who enforces this?

7 RICK DEL MASTRO: I would assume it
8 is enforced by the Buildings Department. I don't
9 believe you have that currently in the city.

10 COUNCIL MEMBER FIDLER: I'm not
11 talking about under this legislation. I'm talking
12 about now.

13 RICK DEL MASTRO: I'm talking about
14 as a shed company, we do not have postings on
15 scaffolding. If we do, it is removed.

16 COUNCIL MEMBER FIDLER: And if it
17 is not removed, the Department of Buildings under
18 the law may issue a violation and a fine notice to
19 you for not removing it. Is that what you're
20 telling me?

21 RICK DEL MASTRO: That is correct.
22 We have none of this in Spring Scaffolding.

23 COUNCIL MEMBER FIDLER: It would
24 astonish me. I know the Department of Buildings
25 can't be here. I'd love to know how many

1
2 violations they've issued for that.

3 CHRISTOPHER D. CARR: In terms of
4 what's currently on the street, each one of the
5 outdoor advertising companies is a registered
6 company within the city. The stuff that is
7 appearing is primarily on-premise advertising
8 promoting either the McDonald's or the Starbucks
9 in a small form advertising that's promoting that
10 on-premise store that's there. In some cases
11 we've seen that if they're renovating a bank, they
12 are utilizing that as an on-premise sign.

13 COUNCIL MEMBER FIDLER: I'll get to
14 the on-premise issue on a second because that was
15 going to be criticism number two.

16 CHRISTOPHER D. CARR: I can't vouch
17 for every location in the city. All of us are out
18 on a day to day basis throughout the industry and
19 we have not experienced or seen any paid
20 advertising through any one of the registered
21 outdoor advertising companies.

22 COUNCIL MEMBER FIDLER: Not paid
23 advertising. I'm talking about unauthorized
24 advertising. You can say that this is fair or not
25 fair. We live in this city, we all have eyes and

1
2 we all know that on any given wall that is
3 unattended, other than graffiti, there is this
4 desire of people to advertise their own stuff.
5 They take some glue and slap it up on your wall.
6 I am pretty confident that sheds have not been
7 exempted from that practice.

8 RICK DEL MASTRO: If I can comment
9 again, I believe they have been. I believe that
10 if you take a look and I'd be happy to spend any
11 time traveling through the city streets and
12 looking at sheds. We have made it a point for the
13 last two years while we've been working on try to
14 get this through to make certain that there's
15 nothing up there. Any outdoor company is now
16 licensed and if they did they would get a
17 violation. The first violation is 10, the second
18 is 25 and on the third we lose our license and
19 won't be able to practice in the City of New York.
20 So I believe we are all in compliance. I believe
21 that your issues may be outside of sheds. This is
22 about sheds and only sheds. If we stay focused on
23 the sheds that this is being maintained and it is
24 not being posted.

25 COUNCIL MEMBER FIDLER: I

1 understand the difference and the distinction.

2 Mr. Chairman, I take it that we're not going to
3 have the Department of Buildings testify here
4 today because of the lawsuit.

5
6 CHAIRPERSON DILAN: The Department
7 of Buildings was here. The Department of
8 Buildings testified.

9 COUNCIL MEMBER FIDLER: Shame on
10 me.

11 CHAIRPERSON DILAN: The Department
12 of Buildings agreed to get us the amount of fines
13 and violations they issued in terms of
14 unauthorized advertising.

15 COUNCIL MEMBER FIDLER: Thank you.
16 I would like to see that.

17 CHAIRPERSON DILAN: So that
18 information is forthcoming to the committee.

19 COUNCIL MEMBER FIDLER: Thank you.
20 I look forward to seeing that. Let me move on to
21 the second point. What about the stores that are
22 underneath those sheds? You know, the building is
23 undergoing renovation and no one knows they're
24 there. You want to put up one of these really
25 nice vinyl signs. What accommodation is being

1
2 made for these small retailers that are on the
3 street that need to be identified as being there.
4 Because the building looks like it's being
5 rehabbed doesn't mean the business has been moved
6 out. What accommodation under this law would
7 there be?

8 CHRISTOPHER D. CARR: I'm Chris
9 Carr, president of City Outdoor. What we would
10 accommodate is, depending on the size of the
11 bridge, each one of those on-premise signs with a
12 sign that indicates the business. So we would be
13 providing them with an on-premise opportunity.

14 COUNCIL MEMBER FIDLER: Is there
15 anything in this bill that would require you to do
16 so?

17 CHRISTOPHER D. CARR: I don't
18 believe so.

19 SERGIO FERNANDEZ DE CORDOVA: Just
20 to address the point here. This bill is basically
21 suggesting that we're following the cycles of
22 Local Law 10 and 11. Scaffoldings are going up
23 already. These scaffoldings are being built and
24 the signage is being put below. It could be the
25 management company who's building the scaffolding.

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2 If we're managing the actual asset, the location,
3 it's part of a contractual relationship that we
4 have when we provide this sort of medium to an
5 advertiser that we make sure that the retail
6 community is not being blocked by this
7 advertising. That people know that they're
8 coming. People know that they're there, whether
9 they're under the shed or people as they're
10 driving through the streets. To a building owner,
11 this is their main source of income. This is just
12 an ancillary product that actually helps them
13 offset the cost and the burden of Local Law 10 and
14 11. So I just want to make sure that we're
15 focused that this is addressing Local Law 10 and
16 11. We're suggesting a form of revenue here for
17 the real estate community.

18 COUNCIL MEMBER FIDLER: Not every
19 landlord gets along with every tenant. In the
20 course of doing major renovation on a building,
21 which would require a shed, some landlords
22 wouldn't give a hoot whether or not they drove
23 their street tenant out in the hopes that they
24 could get a bigger anchor tenant to replace the
25 tenant or whatever. The question was asked about

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2 what criticisms could you have. I look at
3 something like the "get more." I wouldn't know
4 what store is underneath that sign. I see the
5 Downtown Alliance left testimony for the record
6 that mentioned that point. I'm not convinced I'm
7 against it, but I'm certainly not satisfied yet.
8 I would want to see something that guaranteed that
9 any such tenant that wanted that access to let
10 people know that they're there on the shed would
11 be guaranteed that access without cost to the
12 tenant.

13 RICK DEL MASTRO: I think you make
14 an excellent point. Right now the real estate
15 industry is not insensitive about having a tenant
16 because tenants are far and in between. So
17 they're very sensitive to that.

18 COUNCIL MEMBER FIDLER: Today.

19 RICK DEL MASTRO: It also is
20 reflected in the lease. Most leases of retail
21 space has a provision. Construction is a mandate.
22 It's Local Law 11. It's going to happen within
23 the cycle. So it's not something that comes by
24 surprise when a shed goes up. In most leases it's
25 addressed that they are provided with a certain

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2 amount of signage for recognition when that shed
3 goes up. Most of them are dealing with
4 pedestrians, especially here in Manhattan. So the
5 signage usually runs perpendicular to the store so
6 that you pick it up when you're walking. It's not
7 really to the street traffic, it's to the
8 pedestrian traffic. So when you're walking past
9 you know that sign is there, or from across the
10 street. I can give you visuals of where that is
11 done. I happen to own a shed company. The
12 landlords would come to us and ask us to produce
13 the signage for the clients that have the retail
14 space in the building. I'll show you how they're
15 hung. I'll show you where they're positioned and
16 I'll show you what we do.

17 COUNCIL MEMBER FIDLER: I've seen
18 that. I've seen both. I think if I were a tenant
19 I'd want both so that people who are across the
20 street and driving by would know that I'm still
21 there. The issue that I raise as well is that
22 we're creating a theoretical revenue stream here.
23 I know how leases work. I'm ashamed to admit it,
24 I'm a lawyer, so I know exactly how they work. I
25 would not want to see that passed on. If the

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2 building owner decides he's going to do something
3 that requires a shed and all of the sudden the
4 tenant has to pay his piece of the revenue that's
5 being generated to have a sign on the shed.

6 RICK DEL MASTRO: I know a few
7 cases where that cost is passed back to the
8 retailer. It is a provision of the lease and it
9 is provided by real estate company.

10 COUNCIL MEMBER FIDLER: That's
11 something I'd want to see carved out before this
12 bill moved as well. Because quite frankly, the
13 last thing in the world that I would want to do is
14 to create a revenue stream that is now being
15 passed on to small businesses up and down the City
16 of New York. I think that's probably a bad idea
17 right now and I wouldn't want to do that.

18 RICK DEL MASTRO: I think you make
19 an excellent point. Even though it may be in the
20 lease, it should be incorporated into this
21 document as well and we'll make certain that it is
22 I'm sure.

23 COUNCIL MEMBER FIDLER: Anything we
24 do in this law would override a lease, so that's
25 why I would do it in the legislation. How long is

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the average shed up in the City of New York?

RICK DEL MASTRO: It depends on how long the site is under construction.

COUNCIL MEMBER FIDLER: Of course.

RICK DEL MASTRO: So it's a difficult question to answer. However, the way the legislation is written, it could be up for two years but you're only allowed a period of advertising for a six month interval and then two renewals at three months each. If all three permits were approved, in the cycle of Local Law 11. you would have one year of advertising. So it is regulated and driven so you're not putting up sheds to get advertising. You're only allowed to do it during the period of Local Law 11. The permits are a six-month, a three and a three. That's it.

COUNCIL MEMBER FIDLER: I ask this question maybe out of naiveté. That's under this proposal or under existing law that you could have a shed for 12 months?

RICK DEL MASTRO: You can renew a shed permit if the work is not completed after a 12-month period of time. What I responded is how

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long the advertising can be up for.

COUNCIL MEMBER FIDLER: So under this bill, the advertising could not be up longer than a year, even if the shed was up for longer than a year.

RICK DEL MASTRO: Correct. That would require three permits, not one. A six-month and two three-month permits.

COUNCIL MEMBER FIDLER: I assume that you automatically renew and there's no criteria in this bill that would tell you why they wouldn't be renewed, right?

RICK DEL MASTRO: I would say it will be a decision by the Department of Buildings. Obviously if there were complaints or any problems, they wouldn't renew it. If we do what we should be doing right, it will be renewed.

COUNCIL MEMBER FIDLER: If that's going to be the mechanism, then the criteria you just laid out, which are commonsense, ought to be in the bill. If you're not maintaining the shed properly, if the advertisements are in some way detrimental to the character of the neighborhood, if there's graffiti on you shed, those should all

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2 be reasons spelled out in this bill for why a
3 permit should not be reissued if there are
4 violations and things like that that remain
5 uncorrected and unpaid. I find the revenue
6 estimate a little astonishing. That is a very
7 relevant factor to me in terms of trying to
8 convince me that this could work and that I should
9 vote for it. It is not as simple as it may seem
10 to you from the perspective that you have and the
11 responsibilities that you have being in this
12 industry. There are a lot of other competing
13 concerns. Certainly generating the revenue is
14 something that we all have to be mindful of. I
15 don't see how you get the \$4 million just on
16 permit fees. I don't see anything in this bill
17 that tells us how revenue sharing would work. I'm
18 not all that trusting of the Department of
19 Buildings to figure that out. I would want to see
20 that scheme a little bit more clearly spelled out
21 here. One of the issues that is raised is that
22 people are concerned that sheds are up for too
23 long. Sheds are a necessary evil. They impede
24 pedestrians. They impede merchants. They don't
25 look particularly good. We would like the sheds

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2 down as quickly as they could be. There is some
3 feeling, whether it's legitimate or not, that if
4 it becomes a revenue stream that there will be
5 less pressure on you to remove the shed. I was
6 going to suggest that perhaps if you're allowed to
7 continue to advertise at a certain point in time
8 100% of the revenue goes to the City of New York
9 so that there is absolutely no incentive to either
10 the realtor, the contractor, the advertising
11 company to keep those sheds up longer than that
12 period of time.

13 RICK DEL MASTRO: This is not the
14 first time that there will be advertising
15 permitted on a city property. At one point in my
16 life I was president of Gannet Outdoor here in new
17 York. There is subway advertising. There is bus
18 advertising. The advertising in terms of quality
19 is regulated and there are procedures in place
20 that control what's on city property. So that's
21 easily adopted and incorporated into this. So
22 that wouldn't be a fear or concern. In terms of
23 the length of advertising, I was clear as to
24 what's in here. That is six months and then two
25 additional permits. I would assume that the two

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2 additional permits are not only tied to were we
3 good people and is the advertising okay, but
4 whether there is still a need for the shed to
5 remain. That would be a Building Department
6 issue. So I think you have checkpoints in here
7 that address those concerns. However, you have
8 also made some very interesting points that should
9 be included in this. I believe this is the first
10 hearing and the idea of a first hearing is to get
11 input like this. I haven't had the opportunity to
12 speak with you before. You have some great
13 suggestions. I think it will make it a better
14 bill. I don't think it hurts it; I think it helps
15 it. I think that we can get this done by working
16 together we can get this done. I welcome your
17 input.

18 COUNCIL MEMBER FIDLER: I certainly
19 want to hear from other witnesses as well. I
20 appreciate the fact that you're open to the things
21 I laid out. I think they are minimum entry fee
22 requirements for my being able to consider voting
23 for this. I think there are people out there who
24 are very troubled by the idea that we are
25 encouraging this kind of activity that they would

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2 rather not see. I will continue to work with the
3 industry and with the chair on those issues to see
4 if we can't resolve as many of them as possible
5 and see what other issues are raised by the public
6 today. Thank you.

7 CHAIRPERSON DILAN: Thank you,
8 Council Member Fidler. I'd like to thank the
9 panel for their input on this issue this morning.
10 I'd like to apologize to the panel for maybe
11 seating too many on such a small table. I'll try
12 to avoid that mistake with future panels. Next I
13 have a panel in opposition to Intro. 623. Vanessa
14 Gruen of the Municipal Art Society. Andrew
15 Berman, the Greenwich Society of Historic
16 Preservation. Patricia Dolan of the Queens Civic
17 Congress. You can begin in any order. Please
18 identify yourselves for the record. The last
19 panel had some photographs for display. Do you
20 want to take them back, or are you submitting them
21 for the record? The sergeant-at-arms will bring
22 it to you.

23 ANDREW BERMAN: Good afternoon,
24 Council Members. My name is Andrew Berman. I'm
25 the executive director of the Greenwich Village

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2 Society for Historic Preservation. We are the
3 largest membership organization in Greenwich
4 Village, the East Village and NoHo. I'm here
5 today to urge you not to support Intro. 623. I'm
6 going to deviate from my written testimony just to
7 summarize what I think are some of the most
8 salient points. Certainly in Lower Manhattan,
9 commercial and manufacturing districts cover an
10 enormous percentage of our neighborhoods. Areas
11 that are factually largely or predominately
12 residential are nevertheless zoned as commercial
13 or manufacturing. There was some reference at the
14 beginning, and I may have missed it, to R-7 and R-
15 8 districts possibly being covered by this as
16 well. If that's the case, you're talking about
17 90% of Manhattan, including residential districts.
18 So the impact that this bill would have would be
19 enormous. If it's just commercial and
20 manufacturing districts, in our neighborhood
21 that's about 50% of the neighborhood that would be
22 covered by this bill. So I would urge you to
23 consider that as well. Secondly, the biggest
24 concern that we have is the fact that this will
25 encourage sidewalk sheds to remain up for longer

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2 than they already do. It's already an enormous
3 problem. I know that built into the bill is this
4 provision that's supposed to limit these
5 advertising signs to no longer than a year. Right
6 now in areas where advertising signs are outright
7 prohibited, it is so difficult to get the
8 Department of Buildings to take meaningful
9 enforcement action to get them removed. Even when
10 they do, it's really just the cost of doing
11 business for the sign operators because they are
12 so profitable. So even if you get the Department
13 of Buildings to issue fines against the signs,
14 they rarely if ever come down. So that's the
15 situation when they are outright prohibited.

16 Imagine when you have circumstances where they are
17 allowed for a year and then the year expires and
18 whether it's the signage company or whoever else
19 just sort of figures they're making a lot of money
20 here. I don't care if I get a couple of fines.

21 I'm sure that they rarely will. I have no doubt
22 whatsoever that this will result in signage on
23 scaffolding for significant longer than a year.

24 If you look at the experience in the city with
25 trying to get enforcement against signage, it is

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2 very clear what you're going to get in these
3 circumstances. I would hate to see well
4 intentioned legislation opening up that door and
5 the unintended consequences of not only the
6 proliferation of advertising signage for much more
7 than a year on sidewalk sheds, but significantly
8 lengthening the amount of time that you see
9 sidewalk sheds up in neighborhoods. We're all
10 aware of what the negative impacts are that they
11 have. They are necessary in many cases. But in
12 other cases they are not. This is really just
13 going to exacerbate and extend the circumstances
14 where you have unnecessary sidewalk sheds up for
15 longer than they need be.

16 VANESSA GRUEN: Good afternoon. My
17 name is Vanessa Gruen. I'm the director of
18 special projects at the Municipal Art Society.
19 I'm grateful to you for this opportunity to appear
20 before you. I was the one that put up these two
21 photographs. Let me identify them briefly. The
22 one with the car is across the street from Madison
23 Square Park. That was up before the moratorium on
24 the sidewalk shed signage went into effect when
25 the city was really covered with these signs all

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2 over the city. Anybody who had a construction
3 shed or a sidewalk shed up would put up this kind
4 of signage. It was clearly illegal. The
5 Buildings Department told me that it was illegal
6 and then they actually worked on getting a
7 moratorium. The advertising was removed. The
8 other one is on Madison Avenue. These are
9 commercial districts. The new proposed law would
10 allow these signs to go back up. And actually
11 same size because this is eight foot high. That's
12 the size the signage would end up being. I agree
13 with everything that Andrew said about the signage
14 and the sidewalk sheds staying up longer than we
15 want. But also I want to say that while the city
16 has attempted to adopt new and expanded
17 limitations on billboards along arterials, it
18 should not now allow billboards in new locations
19 in these zones on our major walking and shopping
20 streets. Such inconsistent policies have led to
21 litigation seeking to void wise regulations
22 authorized by this body many years ago. Because
23 of the litigation these regulations are still not
24 implemented. The proposed legislation would
25 create yet another burden on the overtaxes staff

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2 of the Department of Buildings to issue and
3 enforce the required permits. These
4 responsibilities have the potential to diminish
5 DOB's ability to function effectively and to
6 address the life threatening situations that ought
7 to be their focus. Legislation like this, which
8 is an imposition on public space with little
9 benefit to the city would be a gift to landlords
10 and outdoor advertising firms. Given the
11 likelihood of limited revenue generation for the
12 city, what public interest is advanced by this
13 legislation? DOB is already saddled with too many
14 enforcement procedures for which they are
15 understaffed. To add this additional burden will
16 greatly diminish DOB's ability to function
17 effectively and to fully assess life threatening
18 situations. Our campaign against illegal
19 advertising has been very popular with New Yorkers
20 because it's so closely related to the issue of
21 livability and the preservation of the city's
22 unique streetscapes. It would be a true shame if
23 the City Council is allowed to legalize
24 advertising signage that the public clearly does
25 not want. Thank you very much.

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2 CHAIRPERSON DILAN: Before we get
3 to the next person, I'd just like to ask if you
4 could just restate your name for the record.

5 VANESSA GRUEN: It's Vanessa Gruen.
6 I'm with the Municipal Art Society.

7 CHAIRPERSON DILAN: Thank you.

8 PATRICIA DOLAN: I'm Patricia
9 Dolan. I'm the executive vice president of the
10 Queens Civic Congress, an umbrella of more than
11 110 community and neighborhood based organizations
12 representing tenants, co-op and condo owners and
13 homeowners living in every part of Queens. I'm
14 also the president of the Kew Gardens Hills Civic
15 Association. Construction sheds are a necessary
16 evil and should be tolerated only as a safety
17 measure while construction is taking place. Too
18 often the sheds remain in place long after there
19 is any need for them. Indeed, in these difficult
20 economic times we can expect to see more sheds on
21 our streets for longer periods of time as
22 developers abandon projects and leave the sheds
23 behind. Legalizing ads on the sheds will only
24 encourage developers to view the sheds as revenue
25 producers for failed projects. As the mayor and

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2 the council strive to preserve New Yorkers'
3 quality of life and not allow the city to spiral
4 into the neglect and decrepitude experienced in
5 the 1970s and early 80s, care must be taken for
6 the aesthetics of the physical city. Keeping our
7 streets and avenues attractive and well-lighted is
8 intrinsic to that goal. Advertising on sidewalk
9 sheds has no role in that mission. The past few
10 years at the behest of preservationists and
11 neighborhood advocates, the Buildings Department
12 has been enforcing regulations banning commercial
13 ads from sidewalk sheds. The effect of that
14 effort can be seen on the streets of Manhattan.
15 As a Queen's civic organization, we would like to
16 see more enforcement of those regulations on our
17 commercial streets in Jamaica, Flushing, Long
18 Island City and in Forest Hills. Now is the time
19 to congratulate the department for its effort, not
20 repeal a regulation that helps make our
21 environment more attractive. Forty years after
22 Lady Bird Johnson launched the successful
23 nationwide movement to rid the city's highways of
24 unsightly billboards, and a decade after New York
25 City banned most ads from arterial highways, the

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2 City Council should reject out of hand any
3 uglification of our streets and avenues. Thank
4 you.

5 CHAIRPERSON DILAN: I would like to
6 start and if any of my colleagues have any
7 questions for this panel, they'll get my
8 attention. I want to start with Mr. Berman
9 because I think you got into a specific point of
10 your opposition. I would like to know if change
11 would have any impact on the position of your
12 organization. Relating to what you stated as the
13 R-7 and possibly R-8s and if that were removed, if
14 it's even indeed in the bill. I think that's
15 where Council Member Katz is going to try to
16 prevent me from asking it because it might not be
17 in there. But I just want to ask it anyway. If
18 it's removed and is strictly commercial and
19 industrial zones, manufacturing zones, does that
20 have an impact on your organization's objection?

21 ANDREW BERMAN: This testimony was
22 written based on the assumption that it applied
23 just to commercial and manufacturing zones. My
24 reference to the R-7 and R-8 was something that
25 was said while I was out of the room and I wasn't

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sure what the implications of it were.

CHAIRPERSON DILAN: So you're just responding to something that you heard.

ANDREW BERMAN: Our position of opposition is based on it just being commercial and manufacturing zones.

CHAIRPERSON DILAN: I just want to be clear. Commercial and manufacturing zones, which is the way it's written, your objection would still remain the same.

ANDREW BERMAN: Right. As I said, it would cover about half of our neighborhoods, which in many cases are in fact predominately residential. NoHo, SoHo, Hudson Square are all manufacturing zone districts. Much of Greenwich Village has commercial zoning, especially on its avenues.

CHAIRPERSON DILAN: The other two organizations addressed broader and what you believe to be principled objections, but not specifics. If I understand correctly, your objection would remain that way. There's no specifics that you can cite in terms of technical uses. You're just broadly and outright opposed to

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the bill.

VANESSA GRUEN: We are broadly and outrightly opposed to the bill.

CHAIRPERSON DILAN: I just wanted to make sure I understood that.

PATRICIA DOLAN: As is the Civic Congress.

CHAIRPERSON DILAN: Do any of my colleagues have anything they'd like to add? Council Member Katz?

COUNCIL MEMBER KATZ: Just a point of information. I've been Land Use Chair for seven years. Every time I talk about a commercial zone, I talk about the equivalent. That's where that misunderstanding came. I apologize. It is manufacturing and commercial, it's just the equivalent of those R designations. Thank you.

CHAIRPERSON DILAN: Thanks. Council Member Brewer?

COUNCIL MEMBER BREWER: Thank you. I was on the bill and I took my name off of it because I was under the impression that commercial really meant commercial. But all of the mixed use that are relevant for your neighborhoods are the

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2 same on the west side. We tend to be commercial
3 and residential on top of each other. Do you
4 think if it was really truly just commercial and
5 really truly just industrial that that would
6 change your mind? Right now, under my reading, it
7 certainly includes my neighborhoods and your
8 neighborhoods. That is not appropriate for my
9 neighborhood.

10 ANDREW BERMAN: I don't make these
11 decisions unilaterally for my organization.
12 Certainly we'd be happy to bring that back. It
13 depends on how it's defined. In Lower Manhattan
14 there are a lot of residential neighborhoods that
15 are M. As I mentioned, SoHo, NoHo and some other
16 areas. If it's possible to exclude those and
17 other places like the meat packing district, which
18 is also an M zone. It's not a residential
19 neighborhood but it's really intertwined with a
20 residential neighborhood. It's possible that that
21 could address some of our concerns. We do have a
22 lot of the same principle concerns that the other
23 speakers gave as well.

24 CHAIRPERSON DILAN: Thank you. If
25 there's no more questions I'd like to thank the

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2 panel for their time and their testimony today.
3 You can give that to the sergeant-at-arms and
4 he'll make sure that everybody on the committee
5 will get a copy of it. Next we have Mr. Paul
6 Collins, Mr. Kenneth Buettner and Mr. Larry
7 Silver. Then they'll be followed by the final
8 panel on this item. Mr. Amato, you signed up to
9 speak in favor of Intro. 760A. Is Mr. Amato still
10 here? That explains that one. So then the last
11 panel will be Mr. Dan Pisark, followed by Barbara
12 Randall. That'll be the panel directly after this
13 one. Gentleman, you can proceed in any order.
14 Please introduce yourself for the record before
15 you begin your testimony.

16 PAUL COLLINS JR.: Good afternoon.
17 My name is Paul Collins. I represent the Sheet
18 Metal Workers Local Union 137, plus I have other
19 titles which I'll also through at you. I'm also
20 the president of the New York State Council of all
21 the sheet metal workers in the State of New York.
22 I'm also vice President of AFL-CIO and vice
23 president of the Sheet Metal Workers International
24 Association. The first comment I want to make is
25 that the photographs that were just presented up

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2 here, I don't believe they were eight foot. They
3 were more like 12 or more feet. You could tell
4 that by looking at the person and then take that
5 image in relation. Those photographs were not
6 eight foot at all. I want to correct that
7 testimony by that person that said they were eight
8 foot. I believe in this regulation it prevents
9 you from keeping up a sidewalk bridge for a period
10 of time just to gain advertising revenue. I
11 understand that's in the bill. Those are two
12 misconceptions. I represent the sheet metal
13 workers, the people that put up the vinyl on these
14 signs and install these signs. As far as
15 Councilman Fidler, the question of safety is that
16 they will become safer because my members will
17 have to work on those. They will have more eyes
18 and hands on it and they'll be more visible to
19 make sure that they remain safe. That's a main
20 concern of ours. Most important is that our union
21 provides jobs and not minimum wage jobs but good
22 paying jobs. I think that the city has to
23 understand this. When I'm talking about good
24 paying jobs, I'm talking about all my members
25 receive health care. Every dollar that we spend

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2 in health care, 10% goes back to the state. Every
3 dollar that we spend in health care is less of a
4 burden on the city. This is continuous. Our
5 pension plans are there. It provides for people
6 until the day they die, which is another burden
7 that the city doesn't have and the whole
8 government. Our scholarships provide education to
9 our members' children. Another asset which is not
10 a burden to the City of New York. The sign
11 industry has been my industry for a lot of years.
12 There's 700 people working in this industry. We
13 have reduced our size from probably about 1,000 of
14 us before, because of the changes in the outdoor
15 advertising. I just wanted to say that there was
16 also one other comment that Representative
17 Lawrence said that she couldn't figure out who the
18 good guys are. I just want to let you know that
19 the unions are the good guys and these are good
20 jobs. They've not minimum wage jobs. So when
21 you're creating jobs there, you're creating good
22 jobs. You're not even creating jobs, you're
23 creating careers. We take care of people from the
24 day they come in and sign up until the day they
25 die. Thank you.

CHAIRPERSON DILAN: Thank you.

LARRY SILVER: My name is Larry Silver. I'm a commercial building manager. I've been doing that in the city now for about 25 years. As everybody in this room knows, the nature of the real estate business here is cyclical and we're in the down cycle now. What none of us know is where we are on that slope. What we do know is that our revenues are being hurt badly. Many major tenants and minor tenants as well are either folding up or renegotiating their leases. Our mandated expenses, some of which are actually generated in this room itself, have been going up. To be able to throw a lifeline to many of the commercial landlords in this city. This may seem like a small amount of dough but it's not. Sometimes this is enough to mean the difference between staying in business and not staying in business. On the subject of the aesthetics of the sidewalk shed itself, I'd like to point out a couple of things. My art department consists of a guy with a bucket of green paint and a roller. The art departments of the major advertising companies certainly produce

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2 a somewhat less ugly product than I'm able to do.
3 As Councilman Fidler has pointed out, there's lots
4 of times when banded advertisers will just simply
5 glue a sign onto whatever vertical surface they
6 can find. When you present them with a lovely
7 tabula rasa, a blank slate, of a green painted
8 piece of plywood, that's about as attractive as
9 you can get. I've never seen a commercial vinyl
10 sign graffitied. I've never seen one plastered
11 over. So that should do a lot for you. Thank you
12 very much.

13 CHAIRPERSON DILAN: Thank you.

14 KENNETH BUETTNER: Before I speak,
15 I wonder if I should be sitting at this table
16 because I'm on the opposite side of the fence.

17 CHAIRPERSON DILAN: I'll do this.
18 I do have a member of the next panel that is in
19 favor. If you want to testify with the next panel
20 where I have two others that are in opposition
21 that's your prerogative. If you want to go now
22 it's your prerogative.

23 KENNETH BUETTNER: I'll be happy to
24 speak now. Thank you. Good afternoon, Chairman
25 Dilan and members of the committee. My name is

1 Ken Buettner and I'm president of New York
2 Scaffold Equipment in Long Island City. I'm the
3 third generation of our four generation family
4 owned and operate business. For over 80 years
5 we've erected scaffolding and sidewalk sheds to
6 help build and maintain New York City and its
7 surrounding areas. I'm past president of the
8 Scaffold Industry Association. I was a member of
9 the Technical Advisory Board to the DOB for their
10 recent rewrite of the building code for the
11 scaffolding and the sidewalk sheds. I'm currently
12 a member of the Scaffold Safety Work Task Force
13 and the Scaffold Advisory Board for the Department
14 of Buildings. I need to make it clear that in its
15 current state I do not find this proposal
16 attractive. We in the sidewalk shed and scaffold
17 business are not looked upon favorably by people
18 in many neighborhoods in this city. I wonder if
19 this will make things better or will makes things
20 worse as it currently exists. This legislation
21 like any other must be considered in three
22 different ways: economic impact to the city,
23 safety to its residents and visitors and quality
24 of life. Regarding economic impact, clearly
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2 collecting permit fees for the allowance of
3 advertising on sidewalk sheds offers an attractive
4 opportunity for new revenue. But as with any new
5 permitted activity, there are new associated
6 expenditures and problems that arise. I found it
7 a little bit difficult to listen earlier to the
8 statement that since this illegal activity already
9 exists we should therefore legalize it and make
10 money off of it. There are a lot of other things
11 we could suggest that to as well in this city. As
12 far as safety to residents and visitors, some of
13 that's already been touched on. No sidewalk shed
14 should remain in place any longer than is
15 absolutely necessary for the completion of the
16 work to be done. Currently an owner or a
17 contractor waits until the work on a building will
18 commence to erect a sidewalk shed. Likewise,
19 either the full shed or parts of the shed are
20 currently removed as soon as progress on the work
21 will allow. It currently costs the owner and
22 contractor rental to keep a shed in place. With
23 the income which might be generated from
24 advertising on a sidewalk shed, there becomes
25 little incentive for the owner to remove that shed

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2 quickly. Indeed, it could be incentive for the
3 shed to remain in place for the full duration of
4 the permit that would granted for that advertising
5 to be in place. I have a few concerns regarding
6 quality of life as well. Some of them were
7 cleared up and some were added to my confusion
8 with the discussion earlier of where the
9 advertising can be and cannot be done. I
10 understand in reading it that the major industrial
11 areas and manufacturing areas would be allowed.
12 But these are places where I don't think you would
13 receive the kind of heavy traffic that would
14 justify that kind of expenditure. These are the
15 backwater areas where we relegate the sex shops
16 and the gentleman clubs now. I don't think that
17 people would be looking to put advertising in
18 place in those neighborhoods. But other
19 commercial areas: Main Street Flushing; parts of
20 Queens Boulevard; Flatbush Avenue in Brooklyn;
21 Madison Avenue or Broadway in Manhattan, and many
22 other neighborhoods of mixed use zoning would
23 likely fall within the allowance of sidewalk shed
24 advertising as I understand it. As Councilman
25 Fidler said earlier, the small shopkeeper, dry

1 cleaner, shoe repair, and florist who is already
2 inconvenienced by the imposition of a sidewalk
3 shed in front of their business might be made to
4 suffer further. Intro. 623 does prohibit
5 advertising with interfering from the temporary
6 signs which are currently allowed by the law for
7 these people. But the law currently allows that
8 they're able to put a small sign on the outside of
9 the sidewalk shed. It does not allow the signs
10 which are sometimes found illegally hanging
11 underneath the sidewalk sheds. Those are actually
12 against the law. I find it difficult that a
13 storekeeper's modest signs will be forced to
14 compete successful with large, slick, expensive
15 advertising for ladies underwear and fast food
16 products. The proposed legislation also would
17 take the currently required four foot height of a
18 parapet of a sidewalk shed and allow it to go to
19 eight foot in height. This doubled square footage
20 increase in the parapet would increase the bulk of
21 the sidewalk shed when viewed from the street. It
22 wasn't as large as the photograph shown, but
23 certainly would be higher than is currently
24 allowed. Also, under the current four foot
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2 maximum, people working in the second and third
3 floors of commercial buildings with sidewalk sheds
4 in front of them are only slightly inconvenienced
5 when they look out their windows. Under the
6 proposal, these people would look out their
7 windows and see the back side of an eight-foot
8 high plywood wall outside their windows for the
9 duration of that advertising. Until about 15
10 years ago, illegal and unwanted notices were
11 regularly posted on sidewalk sheds throughout the
12 city advertising concerts, performances, musical
13 releases, et cetera. The NYPD and the DA's
14 offices were vigilant for a long time and brought
15 that to closure before the recent wave of much
16 more artistic advertising that was put up on an
17 illegal basis. There needs to be a very firm
18 determination of what is allowed and what is not
19 allowed and where it would be. Intro. 623 does
20 not encourage a better shed, it merely provides
21 for a revenue stream for the people who have a
22 shed in place. It does not encourage proper
23 maintenance of sidewalk sheds as it is written.
24 Again, it provides a revenue stream, which may be
25 attractive, but it does not answer some of the

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2 claims that have been made earlier. I'm also
3 expecting that if sidewalk shed advertising comes
4 in place that the next step the council will take
5 would be to allow advertising on supported
6 scaffolds, such as the ones that we had seen in
7 the past on Flatiron Building and in some other
8 places that raised quite a bit of public outcry
9 some years ago. The council and the
10 administration have worked hard to make our city a
11 safe place for its citizens to live and for its
12 visitors to enjoy. I would be concerned that we'd
13 backtrack if we don't do something very carefully
14 here. There's an opportunity to do something very
15 right, or inadvertently to do something very
16 wrong. I urge the committee to move cautiously
17 and carefully.

18 CHAIRPERSON DILAN: Thank you.

19 Clearly I think the impact on small businesses
20 needs to be addressed. I think there's a general
21 agreement that it needs to be addressed. The
22 question is the details on how that gets done and
23 I'm confident that we can sit down and work out
24 that issue. You've worked on safety and this
25 committee has worked on it. The issue of safety

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2 wasn't intended to be addressed in this bill. But
3 there are other pending bills, as well as other
4 safety legislation that we've passed that maybe
5 didn't deal directly with sheds, but we are going
6 to get to safety with these type of sheds as well.
7 I anticipate that being done. Maybe not in this
8 legislation but in legislation to come. I
9 appreciate the work that you've done with the
10 Scaffolding Task Force and look forward to your
11 input on this bill and adopt amendments where
12 practical and reasonable. We heard from Mr. Del
13 Mastro earlier, who has a scaffolding company.
14 Now we're hearing from yourself, who also has a
15 scaffolding company. Why such a difference of
16 opinion between scaffolding companies? Is there
17 anything that you can enlighten me on as to why
18 Mr. Del Mastro is pro and you're so far against?
19 It's just a philosophical question. But just
20 sitting here I need a little help with it.

21 KENNETH BUETTNER: It comes in a
22 couple of directions. One would be, indeed, the
23 locations and the sizes of the sidewalk sheds
24 where the advertising would be justifiable
25 economically are primarily in more well traveled

1 areas where the sidewalk sheds are also larger.
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3 In my experience, most of the sidewalk sheds that
4 I have seen that are in decrepit condition and are
5 really terribly maintained are not in areas where
6 they would be candidates for advertising to assist
7 the building owner in sprucing up the sidewalk
8 shed or making it better. I don't see them as an
9 associated issue. One would not help the other.
10 It's also a matter of pure preference. I am not
11 one to see a tremendous amount of advertising in
12 places where it may be inappropriate. It is
13 certainly appropriate in Times Square. There are
14 other parts of the city where it might be. I
15 don't think that this Intro has clearly laid out
16 where it should be and should not be. I am not
17 adverse to it. I think it needs to be much better
18 stated and what its purpose would be.

19 CHAIRPERSON DILAN: Thank you. As
20 we move along with this bill, we'd appreciate
21 having you as a part of that discussion. For the
22 other two gentleman, I can understand your reasons
23 for support. I have a question as to how many
24 union jobs you believe could be created under this
25 bill.

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2 PAUL COLLINS JR.: That would be
3 dependent upon how many sidewalk bridges there
4 are. I would just guess. I may not create any
5 more jobs at this point. I may be preserving jobs
6 the way it's working out now. I may be keeping
7 people from being laid off. That's probably my
8 biggest fear right now. This whole year looks
9 that way. I think there as a statement of 4,000
10 sidewalk sheds up. It probably takes a full day's
11 worth of work for each one of those. If in the
12 regulations which is changed three times. So off
13 the top of my head I wouldn't know that as an
14 answer. But I could just give you a ballpark that
15 it would create a substantial amount of jobs. But
16 creating jobs may not be the thing that's
17 happening here. It may be preserving those jobs.

18 CHAIRPERSON DILAN: That's fair
19 enough. Two of my colleagues have questions.
20 Council Member Fidler followed by Council Member
21 Brewer.

22 COUNCIL MEMBER FIDLER: Mr.
23 Collins, as a lifelong Democrat you make feel like
24 opposing this bill is going to be against mom and
25 apple pie. I'm a little concerned. If we're not

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2 creating any sheds where there isn't already a
3 need for sheds, how does this bill create
4 additional jobs for your union members?

5 PAUL COLLINS JR.: Good question.
6 My members are the people that put the signs up,
7 not the guys that build the sheds. My members are
8 in the advertising industry. I represent the
9 people in the advertising industry.

10 COUNCIL MEMBER FIDLER: But we have
11 a moratorium now on that in the city, right? So
12 there are no signs on sheds. There are no legal
13 signs on sheds now, right?

14 PAUL COLLINS JR.: That's correct.

15 COUNCIL MEMBER FIDLER: So your
16 guys have been out of work for two years?

17 PAUL COLLINS JR.: No. I don't
18 normally do sheds. We're doing Shay Stadium for
19 example. We do signs.

20 COUNCIL MEMBER FIDLER: Citi Field
21 I think.

22 PAUL COLLINS JR.: Right. I'm
23 sorry, Citi Field. It will take me a while.

24 COUNCIL MEMBER FIDLER: Can't slip
25 that past.

2 CHAIRPERSON DILAN: That's subject
3 for another hearing, Council Member Fidler.

4 PAUL COLLINS JR.: I'm sorry. It's
5 going to take me a while to get used to that.

6 COUNCIL MEMBER FIDLER: So they're
7 the guys putting up the big billboards and stuff.

8 PAUL COLLINS JR.: Billboards and
9 little signs. They could be working here in City
10 hall putting up signs. They have a variety of
11 things. The effects of the laws that have been
12 passed have definitely hurt my membership.

13 COUNCIL MEMBER FIDLER: How many of
14 these sheds do you think are going to go up every
15 year?

16 PAUL COLLINS JR.: I don't really
17 know how many will go up. All I'm saying to you
18 is whatever goes up will be additional work for my
19 members.

20 COUNCIL MEMBER FIDLER: I
21 understand that. You try and quantify and weigh.
22 I mean we're certainly here in the City of New
23 York looking to put people to work, particularly
24 at good paying union jobs. But there's a
25 counterbalance, because we're also looking at

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2 whether or not this is a good idea for the quality
3 of life for your members who have to live in this
4 city as well. We weigh those things. We're
5 trying to quantify just how many jobs we're
6 talking about here. I just wonder since most of
7 these sheds are going to go up and they're going
8 to be able to advertise on them for a year. Which
9 means there'll be one installation per shed. Will
10 it be 70 in a year? Will there be 20 in a year?
11 Will it be 120 in a year? How many guys get
12 employed with that?

13 PAUL COLLINS JR.: I'm just going
14 to guesstimate right now. If there's a shed
15 that's 100 feet long by 8 foot high, that would be
16 four or five men for one day. So if you took that
17 number and the industry said to me that they're
18 anticipating 2,000 or 4,000 sheds I'd just have to
19 multiply that out. But off the top of my head I'm
20 just guessing.

21 COUNCIL MEMBER FIDLER: I find it
22 hard to fathom to there would be 4,000 sheds in a
23 year. It would take 365 sheds to employ four of
24 your people for a year.

25 PAUL COLLINS JR.: Well, yeah, if

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you count Saturdays and Sundays.

COUNCIL MEMBER FIDLER: You're right.

PAUL COLLINS JR.: We'd like to count that too. We like double time.

COUNCIL MEMBER FIDLER: Again, as we're trying to find out what the numbers are, figuring out just how many sheds there are we could back into how many union jobs that would be. But in my wildest imagination I can't imagine that we're talking more than a dozen. I mean I don't mean to trivialize that to those 12 people. That's important. I'm just trying to get a grip on it.

PAUL COLLINS JR.: I think there could be more than that. Because if they're changing them three times a year, so that's three times that amount.

COUNCIL MEMBER FIDLER: Why are they changing them three times a year?

PAUL COLLINS JR.: From what I understand six months and then three months and then three months.

COUNCIL MEMBER FIDLER: No, you're

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2 getting a permit. I have to assume that the same
3 advertisement that went up for the first six
4 months is going to stay up for the next three
5 month permit periods. If you have a McDonald's ad
6 up there for six months and McDonald's isn't going
7 out of business I find it hard to believe that
8 McDonald's isn't just going to re-up for the other
9 six months.

10 PAUL COLLINS JR.: That's not
11 really what happens. If you look at the billboard
12 industry, they put a billboard up for a month and
13 they change it a month later, or a couple of
14 months later. So you do have those kind of
15 changes in it.

16 COUNCIL MEMBER FIDLER: What's more
17 expensive, the installation of shed advertising or
18 the reapplication of a new billboard front?

19 PAUL COLLINS JR.: What's more
20 expensive?

21 COUNCIL MEMBER FIDLER: I'm just
22 trying to get a grip on the economics. How much
23 does it cost to replace the vinyl cover to put up
24 a completely new advertisement as opposed to
25 laying the paper over the billboard to change the

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2 billboard on the average billboard in New York?

3 PAUL COLLINS JR.: That's something
4 I wouldn't know. I'm sorry. I know what payroll
5 is. I know what the members get.

6 COUNCIL MEMBER FIDLER: I got the
7 wrong end of the horse here. I understand.

8 PAUL COLLINS JR.: They tell me
9 they never make money on it.

10 COUNCIL MEMBER FIDLER: That's why
11 I'm kind of wondering about this \$4 million
12 revenue estimate.

13 PAUL COLLINS JR.: At the
14 negotiations they tell me that.

15 COUNCIL MEMBER FIDLER: I got it.
16 Thank you.

17 PAUL COLLINS JR.: Thank you.

18 CHAIRPERSON DILAN: Thank you,
19 Council Member Fidler. Council Member Brewer?

20 COUNCIL MEMBER BREWER: Mr. Silver,
21 in my neighborhood we would give the gentleman
22 with the green paint a prize just to keep it like
23 that on the west side of Manhattan. I'm just
24 letting you know that would be a big deal in our
25 neighborhood. I don't know if it's possible, but

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2 if we were to limit the bill to do the real
3 commercial and the real manufacturing areas that
4 are not also residential areas, I know you
5 indicated that you thought very few people would
6 actually do that because they're not well
7 traveled. Do you think that that's something that
8 would in fact generate any interest? I know in my
9 area on the west side this bill will not be
10 popular because it does include residential and
11 people don't want advertising on sheds. We've
12 called the Buildings Department hundreds of times
13 about sheds that are up for a long period of time.
14 It's an ongoing discussion. So people would take
15 the more cynical view that advertising is there
16 and therefore the shed is going to stay up longer,
17 even though that's not true. Do you think if the
18 bill was limited to real commercial and real
19 industrial areas that there would be any interest
20 in the advertising? Would it not be in an area
21 that's traveled enough?

22 PAUL SILVER: I can't really speak
23 to the zoning issues there. But I can tell you
24 that because of the provisions in the bill in
25 which timelines are critical and which the

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2 penalties for exceeding one's timeline that the
3 incentive would be to take the thing down so as to
4 be able to put it up again four years hence, to be
5 able to regenerate revenue. No advertiser is
6 going to write a contract to be on a sign that
7 they know is going to be illegal because it can be
8 torn down at any moment. The provisions of the
9 legislation keep it a little bit cleaner than it
10 would be if they were not in place. Thank you.

11 COUNCIL MEMBER BREWER: Thank you.
12 Anybody else want to add to it? Thanks.

13 CHAIRPERSON DILAN: I'd like to
14 thank you gentleman for coming in and sharing your
15 ideas on today's agenda item. The final panel
16 will consist of two members that I called before,
17 Dan Pisark and Barbara Randall and on that I had
18 accidentally omitted, Mr. Ari Noe. You can begin
19 in any order. Start by stating your name for the
20 record and then you can continue on with your
21 testimony.

22 BARBARA RANDALL: Thank you, Mr.
23 Chairman and New York City Council for conducting
24 these hearings on sidewalk shed legislation. I'm
25 Barbara Randall, president of the Fashion Center

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2 BID and I am here on behalf of that organization
3 and its members testifying in strong opposition to
4 the proposal that advertising be legitimized on
5 sidewalk sheds. The proliferation of sidewalk
6 sheds in the fashion district, a manufacturing
7 district, is of great concern to us and we believe
8 this bill will only fuel that proliferation. Our
9 objections to sidewalk sheds are many. Sidewalk
10 sheds have a negative impact on business, safety
11 and quality of life. They give a blighted
12 appearance to the district, they obscure
13 storefronts and they cast vast areas of the
14 sidewalk into darkness. Sheds also limit the
15 width of our very narrow streets. The fashion
16 district is one of the most densely traversed
17 districts in the City of New York. They have also
18 historically provided a haven for criminal
19 activity. In an area that still depends on the
20 movement of goods between buildings, and
21 additional obstruction is particularly
22 disagreeable. The fashion district currently has
23 45 sidewalk sheds in an area that consists of 9
24 whole and 16 partial blocks, which means that we
25 have at least one shed per block. In 23 cases

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2 these sheds have been up in excess of one year and
3 in some cases they have been up for three years or
4 more. In many cases it's obvious that there's no
5 real work being done on the adjacent buildings and
6 the sidewalk sheds remain erect simply so the
7 property owners may limit liability that may occur
8 from falling debris from deferred maintenance.

9 The Fashion Center BID has urged property owners
10 to complete necessary and legitimate work
11 expediently so that sheds can be removed as soon
12 as possible. But with the ability to renew shed
13 permits for years on end and with little
14 enforcement of the regulations, our hands are
15 tied. Some sidewalk sheds have already become
16 advertising revenue streams, which is a huge
17 disincentive to the sidewalk sheds being removed.
18 It would be a grave mistake to legitimize this
19 practice as this bill would seek to do. The
20 efforts of the Buildings Department should be
21 spent on enforcing the sidewalk shed regulations,
22 providing incentives for completing building work
23 in a timely manner and providing disincentives for
24 leaving sheds up for longer than they need to be.
25 Finally, it was not long ago that our sidewalk

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2 sheds were used as cover for drug dealing. The
3 Fashion Center BID worked very closely Midtown
4 South to address this issue and we have been
5 largely successful. However, we do not know what
6 the future holds and our best defense against a
7 return of this practice is the elimination of
8 sheds, not programs or policies that would
9 encourage or extend their use. In summary, it's
10 the position of the Fashion Center BID that
11 sidewalk sheds are a visual blight and pedestrian
12 impediment that will decrease the quality of life,
13 impede business and pose a risk to public safety.
14 Allowing and encouraging of advertising on them
15 will only create a legitimate revenue stream that
16 will make removing them impossible. Instead the
17 council's energies should be spent on identifying
18 mechanisms for reducing the number of sidewalk
19 sheds in the city. While we recognize and
20 appreciate the safety they provide for
21 pedestrians, the allowing of advertising will only
22 encourage additional abuse and diminish the
23 aesthetics of our city.

24 DAN PISARK: Good afternoon. I am
25 Dan Pisark. I'm the vice president of Retail

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2 Services for the 34th Street partnership and the
3 Bryant Park Corporation, two BIDS in Midtown
4 Manhattan. Thank you for the opportunity this
5 afternoon to discuss Intro. 623. I may deviate
6 slightly from my notes. I'm personally a little
7 skeptical of the outdoor advertising industry. I
8 believe that the industry ran amok back in 2002,
9 2003, 2004 and 2005 with advertising on sidewalk
10 sheds and scaffolds in blatant violation of the
11 zoning. As the vice president of Retail Services
12 I spend a good part of my time on the phone trying
13 to get the Buildings Department to react to the
14 violations and calling 311. It was very time
15 consuming. I'm sure those companies are unlikely
16 to be in the room here today. So I can't really
17 say that anyone here in the room is responsible
18 for the illegal advertising for those many years.
19 One of the giant advertising signs was at the east
20 end of the Bryant Park BID on Fifth Avenue,
21 opposite the New York Public Library. I believe
22 it for Verizon. It went up multi-stories and it
23 was there for years and it was horrendous. I
24 could not get the Buildings Department to act on
25 it in a timely manner. Nevertheless, our two BIDs

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2 currently do business with outdoor media companies
3 and we have for many years. We operate Harold and
4 Greeley Squares. We have two newsstands on 42nd
5 Street. There are outdoor signs on those
6 structures. They're human scale. They work. But
7 I believe that encouraging and allowing outdoor
8 advertising on sidewalk sheds and scaffolds is a
9 serious mistake. Of course, I will concur with
10 some of my colleagues who have appeared before me
11 that the method to support the advertising is the
12 real problem. It's the sidewalk shed itself.
13 They have long been a blight in our two midtown
14 districts. Sheds do more damage than just
15 creating visual clutter and obstructing building
16 facades. They often cause significant damage to
17 street trees. We have invested tens of millions
18 of dollars to upgrade the streetscape in the 34th
19 Street Partnership, including our own money to
20 upgrade Harold Square and Greeley Square. I've
21 seen many of these signs go in and they've done
22 damage to trees. They create hazards for
23 pedestrians as well. The worst part of it is by
24 reducing the visibility of the stores, and that
25 includes the signs and the windows and the

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2 entrances. Sheds are bad for retail business and
3 are always disliked by merchants. I can't
4 remember the last time a store called me and said,
5 thanks for the shed, it's really great. It just
6 doesn't happen. They're very harmful. Frequently
7 the advertising back in the bad old days was
8 competition for the store that was at street
9 level. Coinciding with the new recent façade
10 inspection laws, sheds have become more common
11 than ever. In 2008, the 34th Street District
12 experienced at its peak as much as 27% of the
13 linear feet of its sidewalks covered by sidewalk
14 sheds. That's nearly 9,000 feet of sidewalk sheds
15 at one peak time. That's a snapshot in time. We
16 have a 31-block midtown district. Now obviously
17 I'm not part of the outdoor advertising industry.
18 But again, I did point out, we do business with
19 certain companies. So I'm not an expert but it
20 appears to me that outdoor advertising still
21 remains a lucrative business even in this economy.
22 We believe that placing large ads on sheds, and
23 even if they're only eight feet tall, linear wise
24 they could be 25 feet, 50 feet, 75, 100 and on and
25 on they will go. They will only prolong the life

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2 of sidewalk sheds and scaffolding. I've read the
3 law. I'm convinced that there will be loopholes.
4 I'm convinced that there will be companies that
5 will misbehave. Certain companies will figure out
6 how because the deals are lucrative. With Intro.
7 623 as a stimulus, the sheds will become even more
8 of a public nuisance. I know of many that have
9 been in place for years in the 34th Street
10 district, because apparently it's easy to get your
11 permits renewed. Those ever-present sheds that
12 seemingly remain in place for years will likely
13 stay even longer if they are covered with
14 advertising signs. It's a no-brainer. Any
15 provision that could extend the life of a shed
16 because a profitable ad deal is in place, is
17 really disturbing. It's a disturbing development
18 and it should not happen under any circumstances.
19 We therefore ask that Intro. 623 be not approved
20 by this committee. I'd also like to say that
21 there was a statement made earlier today that a
22 dressed shed looks better than an ugly shed. I
23 disagree. The sheds are almost universally ugly.
24 This is probably the way sheds looked 30 years or
25 40 years ago. There have been no changes

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2 aesthetically speaking in the sheds. So putting a
3 large advertising sign that is detrimental in a
4 place like 34th Street to the retail stores down
5 below. It's not the way to go. We also heard a
6 statement today that vinyl helping the wood is a
7 plus for the environment. I think that's
8 ridiculous. I don't really believe in that at
9 all. So I ask you not to approve Intro. 623. I
10 believe that many BIDs in New York would be
11 willing to work with committee to find a better
12 solution than what is proposed at this time.
13 Thank you.

14 CHAIRPERSON DILAN: Thank you.

15 ARI NOE: Good afternoon, ladies
16 and gentleman of the City Council. My name is Ari
17 Noe. I'm the chief executive officer of OTR Media
18 Group, a New York City based outdoor advertising
19 company. I'm here to testify in favor of Intro.
20 623. Thank you, Mr. Chairman and thanks to
21 Melinda Katz for initially writing this bill. I'm
22 going to keep it short. I prepared 50 pages, but
23 I'm going to say 2. As you all know, the economic
24 downtown is having a devastating effect to all New
25 York City businesses, including our industry,

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2 outdoor advertising. Allow me quickly to share
3 with you the advantages of passing Intro. 623 to
4 the city, the public, the real estate community,
5 the madmen of Madison Avenue and the outdoor
6 advertising industry. We heard about the
7 statistics but I'll talk about the other cities,
8 other governments in other countries which they
9 have passed the law. It works around the whole
10 word. According to a report on the BBC
11 television, on April 24th, 2005, "officials in
12 Edinburg gave the go ahead to produce advertising
13 on scaffolding and sidewalk sheds in the city.
14 The scheme, which has met with approval of the
15 City Council, is aimed to helping property owners
16 to pay their expensive repairs. Advertisements
17 carrying protective vinyl is placed over
18 scaffolding and sidewalk sheds and it's used in
19 other European cities. The City Council had asked
20 for an assessment of the idea before making this
21 decision. The advertising can be used to offset
22 the cost of the construction bridge alone, which
23 can often be one of the most expensive elements in
24 re-construction projects." Previously, Mr.
25 Chairman, you were asking if there was another

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2 area in the USA with sidewalk sheds. New York
3 City we all know is the advertising capitol of the
4 world and our clients are always saying that they
5 only want to be in New York City. I don't think
6 they're asking for Idaho or in Kentucky, but New
7 York City. So that's why it makes sense in New
8 York City. Therefore I think Intro. 623 is
9 reasonable. It's a measured step in the right
10 direction. The advertising industry provides
11 tremendous economic opportunities at good wages
12 for New York workers. That's why organized labor
13 supports Intro. 623. I would like to close my
14 testimony by telling you a relevant personal
15 story. At the time of the 9/11 attack, the
16 building in the immediate area on Broadway which
17 was undergoing renovations, had a construction
18 scaffolding covered with this vinyl. The ad
19 served for purposes, branding and safety. It
20 prevented debris from falling and injuring
21 pedestrians during the renovation. A doctor's
22 office windows were covered by the sidewalk shed.
23 Across the street there was a sidewalk shed
24 without the sign installed on it and parts of the
25 sidewalk shed collapsed, injuring some people and

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2 damaging the building. On this tragic day, the
3 doctors and the staff and patients were safe from
4 all of the shattered glass, debris and smoke from
5 all over. The vinyl on the sidewalk shed
6 certainly contributed to it. 9/11 changed this
7 doctor's life. Had it now been for this vinyl
8 there would have been more injuries, or god
9 forbid, fatalities that day. I would like to
10 donate for the Municipal Art Society for a
11 historical artifact. Thank you for your attention
12 and your time.

13 CHAIRPERSON DILAN: Thank you. I
14 just want to check with my colleagues if there's
15 any questions for this panel. Council Member
16 Fidler?

17 COUNCIL MEMBER FIDLER: Just one.
18 Mr. Pisark, I've been sitting here trying to
19 chronicle all the omissions and the loopholes in
20 this bill. You said you are convinced that the
21 industry will find loopholes. I guess you were in
22 the room when I was questioning the panel. Other
23 than the things that I brought up, do you see any
24 obvious loopholes in this bill in addition to
25 those? That way I can try and address them.

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2 DAN PISARK: Obvious? Well I just
3 think that somehow because these outdoor deals are
4 extremely lucrative that ways will be figured to
5 maintain the advertising on the sheds longer than
6 what is allowed. I've seen it in the past. It
7 was a problem everywhere in our district. I think
8 a lot of it, again, has to do with the Department
9 of Buildings and the ability of the Department of
10 Buildings to send inspectors out to the field to
11 study the problem. I'm convinced that the
12 Department of Buildings has more important
13 functions to do in the city than going out and
14 looking for violations of outdoor advertising on
15 sheds.

16 COUNCIL MEMBER FIDLER: I certainly
17 don't disagree with your skepticism about the
18 Department of Buildings' ability to do this job
19 because I don't think they've been doing it very
20 well up to now. Let me just take a step back.
21 It's difficult to legislate and assume the utter
22 incompetence of the people that you'll be asking
23 to administer something. It may be reality, but
24 you always hope that they will do better or they
25 will improve and they will get the job done if you

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2 tell them that they must do it. If this is in
3 fact going to be a revenue stream, I would assume
4 that part of that revenue stream would be
5 dedicated to hiring the additional inspectors
6 necessary to enforce this. If this bill included
7 a provision that specified that any signage that
8 remained up after the permit period would be fined
9 at a monthly rate of twice the average monthly
10 cost of the advertising during the life of that
11 year. That that would be a sufficient
12 disincentive for it to remain up and a positive
13 incentive for the Buildings Department to go out
14 and issue the violation.

15 DAN PISARK: That's a good start.
16 I think the penalties need to be severe. I think
17 the Buildings Department should have the ability
18 to actually go to the building to take down
19 illegal advertising as well that has extended
20 beyond the permit period. I don't see that in
21 Intro. 623 at the moment.

22 COUNCIL MEMBER FIDLER: I don't
23 know that I would have Buildings Department
24 personnel do it.

25 DAN PISARK: Well there could be

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2 contractors who could be found.

3 COUNCIL MEMBER FIDLER: I certainly
4 could see empowering the Buildings Department to
5 seek a court order directing it under the penalty
6 of contempt.

7 DAN PISARK: I agree.

8 COUNCIL MEMBER FIDLER: Thank you.

9 CHAIRPERSON DILAN: Thank you. I'd
10 like to thank this panel for their time and their
11 testimony on today's Intro. I want to recognize
12 Council Member Katz for a brief statement.

13 COUNCIL MEMBER KATZ: Thank you,
14 Mr. Chair. I thank the committee for the
15 diligence with which it is reviewing this piece of
16 legislation. I do think this is a good first
17 hearing. We've heard a lot of great testimony and
18 different ideas on how we can make this better as
19 we move forward and try to reach compromises not
20 only with folks on the committee but also with the
21 community and with the other council members. I
22 just have a few brief comments if we move forward.
23 I think that just a tag on with what Council
24 Member Fidler was talking about, which is one of
25 the comments I was going to make is if we cease to

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2 write legislation based on the supposed
3 incompetency of some of the agencies which are
4 charged with enforcement I think that the City
5 Council may sometimes come to a halt. I think we
6 need to write legislation based on what we think
7 is the right thing to do and the enforcement of
8 it, which is the responsibility of the agencies
9 needs to be encouraged. We need to try to fund it
10 at times. We need to figure out how we can make
11 that better. I don't think not writing
12 legislation based on the idea that folks are not
13 going to enforce in general is not how I view how
14 government should be. I just want to point out a
15 few other things that we talked and that maybe we
16 can make clearer. There are separate permits
17 required for the sheds than are required for
18 advertising. They are not one in the same. I
19 think one of the things that you talked about, Mr.
20 Chairman, was why not other cities in the United
21 States. That's because other cities don't have a
22 lot of the sidewalk sheds. If we're going to have
23 sidewalk sheds in the city and we're going to have
24 a permit required for that, then I think that
25 that's something we need to sort of accept as part

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2 of the conversation, unless we're going to talk
3 about how to deal with the issue of just sheds.
4 That's not what we're here discussing. We're
5 talking about what to do with them since we're
6 going to have them as part of the process. The
7 other thing I just want to point out in this
8 legislation is that after one year; the six
9 months, three months and three months; there will
10 be no advertising allowed on those sheds for four
11 years. I think that's important when we talk
12 about whether or not it will continue past the
13 time of the permit and whether or not sidewalk
14 sheds will remain up longer, although it will be a
15 different enforcement issue because of it.

16 Lastly, I just want to point out that I carried
17 legislation to make advertising on the arterials
18 illegal. We're actually getting sued for it. So
19 I do believe that there are times when advertising
20 is appropriate and I believe there are times when
21 it is not. This is a piece of legislation that I
22 do hope passes. It is about sidewalk sheds. It
23 is not about future pieces of advertising. It is
24 not about where else we'll be able to put it. It
25 is not about a slippery slope. It is about this

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2 piece of legislation, these sidewalk sheds.
3 Separate permitting for the sidewalk sheds to be
4 in existence than for the advertising. But I do
5 think today was a really good first step. I look
6 forward to negotiating with my colleagues and with
7 the communities and other folks that have
8 suggestions to make the bill better. I thank you
9 for your time, Mr. Chairman.

10 CHAIRPERSON DILAN: Thank you,
11 Council Member Katz. I just want to note that we
12 received testimony from the Alliance for Downtown
13 New York for the record. I'd like to ask that it
14 be entered into the record as if read in full, in
15 opposition to today's agenda item. We've also
16 received testimony from the Times Square Alliance
17 from Mr. Tim Tompkins in opposition of today's
18 agenda item. We asked that it be entered into the
19 record as if read in full. As I said at the
20 outset, this is an initial hearing on Intro. 623.
21 The bill has not been amended. It was heard in
22 its original form. I think there are some great
23 opportunities for this legislation. But obviously
24 more work needs to be done on it and it's
25 definitely not in its final state. With that,

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Intro. 623 will be laid aside and this community

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hearing will be adjourned.

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C E R T I F I C A T E

I, Donna Hintze certify that the foregoing 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.



Signature_____

Date February 2, 2009_____