

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON PARKS AND RECREATION

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January 27, 2020

Start: 1:13 PM

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HELD AT: Committee Room - City Hall

B E F O R E: PETER A. KOO
Chairperson

COUNCIL MEMBERS: Adrienne E. Adams
Joseph C. Borelli
Justin L. Brannan
Andrew Cohen
Mark Gjonaj
Mark Levine
Francisco P. Moya
Carlina Rivera
Eric A. Ulrich
James G. Van Bramer

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

David Cerron, Assistant Commissioner of
Concession, NYC Department of Parks

Alexander Han, Director of Concessions,
NYC Department of Parks

Matt Drury, Director of Government
Relations, NYC Department of Parks

Emily Walker, Director of Outreach and
Programs, New Yorkers for Parks

Frank Rafael, Concessionaire and prior
Assistant, Henry Stern Parks Commissioner

2 (sound check) (pause)

3 CHAIRPERSON KOO: Good afternoon. The
4 Committed On Parks and Recreation will commence.

5 (gavel) Good afternoon. I am Peter Koo, Chair of
6 the Committee on Parks and Recreation (coughs) and
7 I'd like to welcome all of you to this hearing, which
8 will examine the Parks Department's, the concession
9 process. Practically every time you purchase a
10 product or a service from a vendor in a park, their
11 business is a concession operating with the license
12 to do a business by DPR. There are currently over
13 500 concessions operating in the city's parks
14 ranging—ranging from push carts to restaurants, to
15 golf courses to tennis courts, and riding stables.
16 DPR is responsible for determining whether there's a
17 need for service and whether you should be provided
18 through a concession. After the appropriate process,
19 it's then awards the concession and monitors and
20 complies with the terms in their agreements, and
21 collects the payments from the Concession operators.
22 Parks will go into the great details on this, but
23 generally, when DPR decides to have a concession, it
24 will issue a Request for Proposal, RFP or a request
25 for Request for Bid, RFB. All concessions must be

2 awarded competitively and fairly so after all
3 proposals have been received, they are reviewed, and
4 one is selected based on the criteria set forth in
5 the RPF or RFB. The criteria generally included such
6 factors as how well the proposed—how well the
7 proposal matches the original RFP. The financial
8 stability of the operator and the amount of financial
9 investments the concession then plans to make.
10 Ultimately, most concessions would then have to be
11 reviewed and approved by the Finance and Concession
12 Review Committee, FCRC. Parks concessions are
13 clearly an integral part of the department's revenue
14 generated capacity for the city, and by extension,
15 our parks. Even though such revenue gets deposite-
16 deposited directly in the General Fund, and not
17 allocated directly to Parks, I would like to see how
18 we can optimize the use of concessions to increase
19 revenues for our city and our parks in a responsible
20 way. Over the last few fiscal years revenue
21 generated by concessions has averaged in the high \$40
22 million from \$45 million in Fiscal 2014 to \$50
23 million for Fiscal Year 2019. Basically, the revenue
24 has remained mostly flat even if you look back
25 further. Perhaps this is the reason that we can use

2 to spur the city to be more engaged and more creative
3 in seeking out new concessions especially small ones
4 and those operated by MWBEs. Additionally, I'd like
5 to use this hearing to clarify various issues
6 surrounding concessions such as how did DBR
7 determines where the concession is needed, how it
8 enforces the rules against concession owners who bend
9 or break the rules, whether there's a disparity in
10 our parks, in certain neighborhoods are served by
11 concessions when compared to parks in other areas,
12 whether the bidding process is too long and
13 difficult, and whether we need to diversify the types
14 of concessions that are offered at our parks. I look
15 forward to discussing these issues at today's
16 hearing, and examining how we can ensure that the
17 concession process enhances the quality of our parks
18 and benefits all New Yorkers. Thank you. Now, I
19 would like to ask counsel to do the affirmation.

20 LEGAL COUNSEL: Do you affirm to tell the
21 truth, the whole truth and nothing but the truth in
22 your testimony before this committee today?

23 DAVID CERRON: I do.

24 ALEXANDER HAN: I do.

25 MATT DRURY: I do.

2 LEGAL COUNSEL: Thank you.

3 CHAIRPERSON KOO: You may start after you
4 identify yourself. Yes.

5 DAVID CERRON: Good afternoon Chair Koo
6 and members of the Committee on Parks and Recreation.
7 My name is David Cerron, the Assistant Commissioner
8 overseeing concession at NYC Parks. Joining me on
9 this panel are Alexander Han our Director of
10 Concessions, and Matt Drury, Director of Government
11 Relations. Thank you for inviting us to testify
12 today to discuss concessions within New York City's
13 parks. Concessions are popular amenities, which
14 serve to enhance the park experience by providing
15 opportunities for park patrons to get something to
16 eat or to engage in a recreational activity.
17 Concessions are varied and diverse, and include
18 restaurants, snack bars, mobile food units, horse
19 riding stables, ice skating rinks, tennis bubbles,
20 golf courses, driving ranges, carousels, marinas, and
21 much more. In each of these cases New York City
22 Parks partners with members of the business community
23 and the non-profit community to provide amenities in
24 order to improve the life of our public parks. While
25 concessions help generate revenue for the city's

2 general fund, they also provide other benefits that
3 outweigh the value of the funds they generate. Indeed
4 concessions help activate and bring life to our
5 city's parks. They make our park safer and more
6 vibrant. They provide services to park users. They
7 provide venues where park visitors make memories and
8 celebrate important life milestones, and they employ
9 thousands of New Yorkers many of whom are either
10 working or managing their own small businesses for
11 the very first time. In fact, popular concessions
12 are woven into the very fabric of the lively park
13 system. Almost from the beginning of the park
14 system, concessions have helped to deliver important
15 amenities for the public. The idea of providing food
16 and recreation in public spaces is intertwined with
17 the founding of our city, and the first formal
18 concessions were in place as far back as the 1860s
19 with the opening of a restaurant and the introduction
20 of boat rides in Central Park. Today, our parks host
21 approximately 400 concessions. Our intent is to
22 provide a wide diversity of park experiences where
23 visitors to our parks can get something to eat or
24 enjoy a recreational activity while simultaneously
25 enjoying our public green spaces. Many of our

2 concessionaires spend funds on facility improvements,
3 repairs and maintenance to city owned properties,
4 parks and assets. For example, the new operators of
5 the Bensonhurst Tennis Center in Brooklyn Match Point
6 NYC restored a facility that had been devastated by
7 Super Storm Sandy. Another significant restoration
8 in recent years includes a restored driving range and
9 clubhouse with a restaurant at the Alley Pond Golf
10 Center in Douglaston. Queens. Additionally, brand
11 new concessions that opened in recent years, which
12 received investments by concessionaires include the
13 Cary Leads Tennis Center at Quitona Park in the Bronx
14 and Ellington in the Park at Riverside Park at 105th
15 Street. This year we will open a new restaurant and
16 amusement facility along Arthur Kill Road in State
17 Island. Many of our concessions also provide value
18 added benefits for New Yorkers particularly the youth
19 of our city. The New York Junior Tennis League
20 provided free tennis instruction at Quitona Park, and
21 the City Parks Foundation provides free tennis
22 instruction at Cunningham Park, Alley Pond Park,
23 Mill Pond Park, Queensboro Oval and McCarren Park
24 with their advance Junior Tennis Academy taking place
25 at the USTA Billy Jean King National Tennis Center.

2 CPS also offers free golf instruction at city courses
3 including Dyker Beach, Greerview, Cassena, and the
4 Flushing Meadows Pitch and Putt. Many of our golf
5 courses also participate in the Met PGA's Youth On
6 Course Program, which last year provided access to
7 nearly 100 dedicated CPF junior golfers to our
8 courses for only one dollar per round. In regard to
9 the license fees that our concessions generate as per
10 the New York City Charter, they are direct toward the
11 General Fund, which pays for essential city services
12 such as teachers, police firefighters, social
13 services as well as parks. Indeed, during Fiscal
14 Year 2019 nearly \$51 million in concession revenue
15 was generated, but I should also point out there are
16 circumstances where concession revenue is shared with
17 those non-profit partners who help care of our parks
18 and green spaces through formal agreements with
19 Parks. The Prospect Park Alliance, the Randal's
20 Island Park Alliance, the Green Belt Conservancy, and
21 others are some of the non-profit organizations that
22 have the contractual ability to invest concession
23 revenue directly back into their care of our public
24 parks. Moreover, we should always keep in mind that
25 behind each one of our concessions are women and men

2 who operate them. They are the true success stories
3 of this economic model. The city's concessionaires
4 are as varied as the concessions they offer. From
5 companies to individual entrepreneurs our
6 concessionaires bring enormous dedication and
7 creativity to parks, and most important literally
8 thousands of jobs are created from our concessions,
9 which include the people who are directly employed by
10 each concession ranging from the person standing
11 behind one our mobile food push carts to the person
12 renting bicycles and kayaks to park visitors to the
13 person giving horseback riding lessons at one of our
14 stables. Concessions awful give—also give budding
15 business men and women, many of them first-time
16 business owners a way to get a foothold in the local
17 economy and chase a piece of the American Dream. Our
18 concessions provide unique, low cost and low overhead
19 opportunities you can't find anywhere else. I would
20 like to spend a few minutes to discuss the current
21 process by which the city grants concessions within
22 parks. The solicitation and award process is an
23 interagency effort where Parks collaborates closely
24 with the Mayor's Office of Contract Services, which
25 we'll call as—we'll MOCS, the City's Corporation

2 Counsel, the City Comptroller's Office and the
3 Franchise Concession and Review Committee, the FCRC.
4 Our processes are primarily outlined and defined by
5 the New York City Concession Rules Title 12 of the
6 Rules of the City of New York City. You see a
7 process map in front of you. I just want to say it's
8 not as complicated as it looks, but we do want you to
9 have a, you know, an understanding of the process
10 that we go through for awarding concessions. Parks
11 regularly engages with community stakeholders prior
12 to the release of any concession solicitation. Often
13 times it is the ideas that we receive from the
14 community requesting a concession, which leads us to
15 release a solicitation. We encourage members of the
16 public to reach out to us any time to communicate
17 their input. Information on Parks' concessions and
18 upcoming opportunities is readily available on the
19 Parks' website. In accordance with the concessions
20 rules are notices then provided to the applicable
21 borough president and community board at least 40
22 days prior to the issuance of a request for proposal,
23 a request for bids or if we plan on going back to the
24 FCRC to seek permission to negotiate a sole source
25 concession agreement. We follow up by calling the

2 community board and offering to meet with them and
3 present our plans. We also reach out to the offices
4 or elected officials to advise of our intent, and to
5 seek feedback. After incorporating community
6 feedback, we draft the solicitation and work with
7 MOCS to approve the language before releasing it. A
8 majority of our solicitations are RFPs and RFBs, but
9 there are exceptions where other processes outlined
10 in the Concession Rules such as sole source
11 agreements are utilized. For RFPs, we host a public
12 site to prospective proposers so they may tour the
13 property and ask questions. Often, we will issue an
14 addendum to the solicitation that addresses
15 additional questions raised by interested proposers.
16 The addendum is also approved by MOCS. In the case
17 of RFPs, after receiving proposals, Parks evaluates
18 them based on the specific criteria set forth in the
19 solicitation. Interviews are held with the top rated
20 proposers, and there are opportunities for the
21 proposers to amend their proposals by submitting best
22 and final offers. Parks then rates any amended
23 proposals before arriving at a highest rate of
24 proposer. Upon notification if they have not done so
25 already, the selected proposer must create a vendor

2 account in Passport, the online citywide system
3 providing comprehensive contract management
4 information. After they submit principal and vendor
5 questionnaires, Parks works with the Department of
6 Investigation and the Department of Finance on
7 additional background information.

8 SERGEANT-AT-ARMS: Keep it down, please.

9 DAVID CERRON: These findings help us
10 prepare a responsibility determination, which is sent
11 to MOCS for review and approval. Simultaneously,
12 Parks will negotiate a license agreement with the
13 selected proposer working with the city's Corporation
14 Counsel for their review and approval on the text of
15 the agreement. Once approved, MOCS schedules a
16 public hearing on the agreement. Such hearings are
17 held for any concession defined as significant
18 meaning a term of at least 10 years or contract value
19 of at least \$100,000 per year. If that is the case,
20 we issue a notice to the applicable borough president
21 and community board at least 15 days prior to the
22 hearing. At that time, the text to the agreement
23 itself is made available for public review. At the
24 FCRC public hearing, any member of the public may
25 testify on the agreement. If testimony is received,

2 Parks takes it under consideration to determine if it
3 warrants any modifications to the agreement prior to
4 signing. Once an agreement is signed, Parks then
5 compiles a registration packet and sends it to the
6 City Comptroller's Office. The Comptroller office
7 then has 30 calendar days to register the agreement.
8 The agreement may be returned to us with additional
9 questions, which Parks will then make every effort to
10 address often times in consultation with corporation
11 counsel and MOCS. Registration of the agreement is
12 required before we can issue our concessionaire with
13 a notice to proceed. Once a notice to proceed has
14 been issued and the concessionaire's term has begun,
15 Parks then works to ensure that they comply with the
16 terms of their agreement. Each concession is
17 assigned to a project manager to resolve any day-to-
18 day issues. Our compliance team also meets with the
19 concessionaire upon the commencement of their term to
20 review the requirements of their agreement and to
21 ensure that expectations are clear, inspections are
22 regularly conducted by a compliance team, and we work
23 to resolve any issues that need to be addressed. The
24 concession process can be lengthy, but it results in
25 the selection of high quality concessions that

2 provide quintessential New York City experiences.
3 Even long time New Yorkers may not know the extent to
4 which the city's parks and licensed concessionaires
5 have defined the New York City experience. If you
6 eat sea food at snack bar along Rockaway Beach in
7 Queens, take a ride on the Willowbrook Carousel in
8 Staten Island, go horseback riding in Van Cortlandt
9 Park in the Bronx, go kayaking in Marine Park in
10 Brooklyn, or enjoy a breakfast taco in Madison Square
11 Park, a dosa in Washington Square Park or a pretzel
12 or ice cream at hundreds of parks throughout the
13 city, then you are taking part in a Parks'
14 concession, and people are voting with their feet.
15 Many of our concessions attract hundreds or thousands
16 of users. We continue to work to establish popular,
17 healthy and diverse array of concessions. We are
18 seeking to transform vacant or little used facilities
19 into vibrant concessions. We are striving to
20 increase access to great amenities in parks in all
21 five boroughs, and many of our concessions involve
22 athletic and healthy activities such as bike riding,
23 kayaking, and to even draw people to the park during
24 the winter months with ice skating and indoor tennis.
25 Let me conclude by saying the principal role or

2 concessions is to augment life—the life of a park.
3 As with all public amenities, concessions are an
4 evolving business, which we can always improve and we
5 look forward to discussing ideas with you, of whether
6 a renowned restaurant or a curbside vendor, we
7 believe that Parks' concessions have added to the
8 richness of New York City's parks and the urban
9 experience.

10 CHAIRPERSON KOO: Thank you,
11 Commissioner. We are joined by committee members
12 Adams, Rivera, Moya, Council Member Van Bramer,
13 Council Member Borelli, Cohen, Levine and Ulrich.
14 So, thank you very much for coming in to testify
15 before the committee. I will ask a few questions,
16 and then I'll ask my members if they want to ask
17 questions, please register with our Counsel here. So,
18 my first question. So, what was the amount of
19 revenue earned by past concessions for the five most
20 recent fiscal years, and what has been the trend in
21 revenue over the last decade?

22 DAVID CERRON: Thank you for the
23 question, Chair Koo. So, for the past—for the past
24 several years and in FY15 the concessions' revenue
25 was \$47.2 million. In FY16, the concessions' revenue

2 was \$50.4 million. In FY17 the concessions' revenue
3 was \$49.3 million; in FY18, the concessions' revenue
4 was \$48.7 million, and in FY19, the concessions'
5 revenue is \$50.8 million.

6 CHAIRPERSON KOO: So, what has been the
7 trend in revenue over the last decade?

8 DAVID CERRON: Over the last decade I
9 think you've—we've seen a steady increase. Of
10 course, I'd have to go back, you know, a few years,
11 but going back to FY13, the revenue was \$42.3
12 million. It grew then to \$45.7 million in FY14. So,
13 we've gone up I think generally speaking perhaps with
14 a few peaks and valleys from the low 40s now to low
15 50s.

16 CHAIRPERSON KOO: Yeah, I think it is
17 really going up steadily every year, but usually on
18 commercial leases there's a clause that you increase
19 the rent or the lease by 2% of 1.5% a year or 3%, you
20 know. It depends on—usually it depends on inflation,
21 you know.

22 DAVID CERRON: Yeah, yes, yes.

23 CHAIRPERSON KOO: So on the costs—on the
24 leases you signed there is no increase of fees year
25 after year, you know?

2 DAVID CERRON: Yes, that's—that's true.
3 You know in most of our—of our solicitations, we—we,
4 um, we encourage proposers to have a yearly
5 escalation in their fee. Sometimes what you will
6 see is—is—is kind of, you know, changes in—in
7 contracts where some contracts end and some contracts
8 begin, which could lead a, you know a dip in revenue.
9 So, that's part of it. I think, you know, another
10 part of it is that, you know, we have been very
11 focused in working and partnering with the community
12 with the community board with elected officials and—
13 and, you know, with other stakeholders, and, of
14 course with members of the Council like yourself.
15 And, you know, often times what we hear is that
16 there's desire for additional services perhaps for
17 services that are lower cost or in some cases
18 services that are no cost, and so that could also
19 lead proposals, which, you know, are still I think,
20 you know, very, very beneficial, perhaps, you know
21 more beneficial to the community, but, you know, in
22 some cases could lead to a little bit of a lower fee.

23 CHAIRPERSON KOO: Okay, so, you notice
24 and you keep the—this price at a steady rate so that

2 they will not charge too much different to the
3 customers?

4 DAVID CERRON: That's--that's right. You
5 know, certainly we're very proud of the revenue that
6 we generate for the city's general fund. As I
7 mentioned in the testimony that goes to police
8 officers, that goes to, you know, teachers,
9 firefighters, to city services. You know, I live in
10 the city, we live in the city. You know, we're--we're
11 proud of being able to try and do something that can
12 give back, but the--the--the revenue from the
13 concessions is--is--is only part of it. Um, we--we want
14 to do our best to make sure that the concessions are--
15 are--are--are--is responsive as possible to what--to what
16 the public wants, and sometimes, you know, depending
17 on the agreement that can mean taking a little bit
18 less money.

19 CHAIRPERSON KOO: So, do you set up
20 prices for the push carts, the ice cream place or
21 these--

22 DAVID CERRON: So, in--

23 CHAIRPERSON KOO: --small--small operator
24 do you set up prices for them, and how much do you
25 charge for a bottle of water or a Snapple?

2 DAVID CERRON: Yes, yes, Chair Koo, um,
3 for-for, RFPs our Requests for Bids prices will-will-
4 will be set for things like a hot dog or a bottle of
5 water or anything along those liens. Um, if it's-if
6 it's an RFP, we have language in our Request for
7 Proposals that urge the concessionaires to proposing
8 concessionaires to propose prices that are as low as
9 possible.

10 CHAIRPERSON KOO: And-and the restaurants
11 the prices you leave them alone where the operator
12 determines the price.

13 DAVID CERRON: So, with regard to
14 something like a restaurant, when we do an RFP, the
15 RFPs are generally open-ended. So, it's hard to
16 know, you know, in some cases what kind of restaurant
17 might be there, what kind of cuisine might be there,
18 and we always encourage the proposers to have
19 affordable rates, you know, as-as low as possible,
20 and then when we see how many proposals we-we get,
21 you know, that's part of the-the back and forth of a
22 negotiation, but we always try to have a range of
23 prices so there's price points for-for, you know
24 customers who-who, you know, what to spend a little
25 bit more or want to spend a little bit less.

2 CHAIRPERSON KOO: So, so how-how as the
3 benchmark or setting of prices for the--how-how you
4 know it's \$2.00 for the bottled water?

5 DAVID CERRON: So, you know--

6 CHAIRPERSON KOO: It costs only ten cents
7 to buy a bottle of water, you know.

8 DAVID CERRON: You know, part-part-part
9 of it is-is the cost that does in to-to-to, you know,
10 to running a push cart. There's a lot of costs that,
11 you know, the-the public may not necessarily see.
12 Certainly, they have to work with the Department of
13 Health to make sure that they have the proper
14 permits. They have to put the cart in a commissary
15 night so they have to store it in a place that's
16 approved by the Department of Health, and make sure
17 that it's-you know, the carts are cleaned. Um, you
18 know, there's the cost of-of the staff in those push
19 carts, the cost of having the food delivery, the cost
20 of insurance. So, there's a lot of costs that go
21 above and beyond just the product itself that's being
22 sold.

23 CHAIRPERSON KOO: Can you tell me like
24 how many concessions are currently operating-
25 operating on DPL property?

2 DAVID CERRON: So, it's a number that
3 fluctuates as contracts begin and end. Um, generally
4 it's hovering around 400. You know, sometimes of
5 years as contracts expire at the end of the year, it
6 can be a little bit lower.

7 CHAIRPERSON KOO: What about by borough?
8 Do you have the numbers by borough?

9 DAVID CERRON: Oh, by borough, um, yes.
10 So--so with regard to the concessionaires by borough,
11 I think you have approximately mid-60s in the--in the--
12 in Brooklyn, mid-60s in the Bronx, approximately, you
13 know, low hundreds in Manhattan, maybe 100 and--110,
14 somewhere about. Um, the 70s in Queens, mid-70s and
15 I thin in the 30s in Staten Island.

16 CHAIRPERSON KOO: 70 in Queens?

17 DAVID CERRON: It's--it's--

18 CHAIRPERSON KOO: Because I only counted
19 10 Council (sic) No.

20 DAVID CERRON: Well I'd be happy to--to--to
21 work with your staff later this week go over our--our
22 listing, if that's--if that's helpful?

23 CHAIRPERSON KOO: Yeah, because you only
24 175 total concessions on your website. Yeah,
25 concessions, yeah.

2 DAVID CERRON: Well--well, you know, we're
3 happy to--to follow up with you. I think there are a
4 number of concessions we have that are brick and
5 mortar facilities, but then there are--are several
6 hundred concessions about, you know, 200 or more that
7 are on mobile food carts.

8 CHAIRPERSON KOO: And what is the most
9 common type of concessions? A restaurant, push cart
10 or other vendors or--?

11 DAVID CERRON: That's a great question,
12 and the most common type of concessions are the--the
13 push carts and the--and the mobile trucks--

14 CHAIRPERSON KOO: Mobile trucks.

15 DAVID CERRON: --and--and--and that is
16 approximately 200.

17 CHAIRPERSON KOO: Can you tell us how is
18 the park and location chosen for a concession? How
19 do you determine oh, this is a good place for a
20 concession?

21 DAVID CERRON: So, it really is a
22 partnership. I mean, of course, there are, you know,
23 a number of concessions that we've inherited that,
24 you know, predate all of us, and at least in you
25 know, the current concessions team that we work on

2 contract administration and, you know, when, you
3 know, an issue in new RFPs when that comes up, but
4 when there is a new concession, we do a number of
5 things. You know, we like to partner with the Council
6 so if you or any of your colleagues in Parks
7 Committee have ideas for new concessions, we
8 absolutely want to talk with you and have a
9 conversation about that, and, um, you know, see what
10 we can do. Um, we certainly will work with community
11 board. We work with other elected officials and
12 stakeholders. We have an email address on our—on
13 our Parks Website where people can suggest a
14 concession idea. The email address is
15 concessions@parks.nyc.gov, and that email is checked
16 every single day. And we do receive a number of
17 ideas for push carts and I think the majority of them
18 are for mobile truck locations and for push carts,
19 and we work to implement those and it's a, you know,
20 it's a great—it's a great way to—to —to give us some
21 perspective on what the public wants and what, you
22 know, our operators think would be a good location.
23 And then, of course, we work within—within the agency
24 in the boroughs with Park administrators to ask them
25 about whether or not they think a concession would be

2 a good idea, and sometimes it is, and, you know,
3 other times it may not be.

4 CHAIRPERSON KOO: So, do you seek
5 community input?

6 DAVID CERRON: Yes, yes, yes sir, but as
7 I mentioned, you know, we certainly—we reach out to—
8 to community boards to ask them for feedback with
9 regard to locations for push carts. There's—there's
10 options for, you know, suggesting concession ideas,
11 and we have the email address. We have a link on the
12 website. So, we're eager to hear people's feedback
13 and if there's any feedback that you or your
14 colleagues have, we absolutely want to talk to you,
15 and—and—and, um, find out what you're thinking.

16 CHAIRPERSON KOO: So, what is the process
17 by which DPR determines the concessions to operate in
18 a particular area? You do advertisements or what?

19 DAVID CERRON: So, yes, um, so what's,
20 you know, for—for what's super for an RFP for, you
21 know, for a snack bar or something like that, there
22 would be, you know, quite a bit of—of outreach.
23 There's print outreach, there's digital advertising.
24 Um, every time we do a concession we write to the
25 borough president, we write to community board. we

2 reach out to Council Members in the—in the district.

3 We will call the district manager in instances of a

4 new concession, and we will ask them if they'd like

5 us to come and appear at the next Parks Committee

6 meeting, and present the concession that we have in

7 mind. Wit it's a new concession the only way we're

8 not showing up at the Parks Committee meeting is if

9 they said, you know, thanks for calling, but we're—

10 we're okay. So, there's quite a bit of outreach

11 there. In addition, you know, every Request for

12 Proposal or even Request for Bid, have—they have

13 project managers that are assigned to these projects,

14 and so what—one thing we do is we will go to the

15 neighborhood and go around businesses in the

16 neighborhood and, you know, hand out business cards,

17 hand out a copy of the—of the letter, you know so

18 people have a phone number. They have an email

19 address. You know, if the person, you know that we

20 need to speak to is not there, we try to get their

21 email address so we can, you know, we can reach out

22 to them via email. We want to do everything we can to

23 make sure people are aware of these concessions

24 opportunities to make sure the opportunity is—is

25

2 transparent as possible, and to make sure that it's
3 as competitive as possible.

4 CHAIRPERSON KOO: So, who drafts and
5 reveals RFPs? Are they all similar for certain types
6 of concessions or are they just carbon copies of
7 each?

8 DAVID CERRON: So, there, you know,
9 everyone is-is-is a little bit different, you know,
10 and every concession, you know, has a little bit of a
11 different history. Certainly we-we-we, you know in
12 order to have, you know, consistent-and consistency
13 we try to a-a template, which would be, you know,
14 perhaps the most recent. We're doing a snack bar
15 again, we would take the most recently completed
16 snack bar RFP because that would have the most recent
17 language that had been approved by the Mayor's Office
18 of Contract Services, and then, you know, a project
19 manager would draft it. They work with our Counsel's
20 Office, and work with the Mayor's Office of Contract
21 Services to make sure that the language was
22 appropriate, that their standards were fair and
23 reasonable, that we were explaining the process in as
24 transparent a way as possible, and I should add that,
25 you know, in addition to all the outreach that we do,

2 in addition to the, um, you know, to the drafting of
3 the RFP, once it's released, we have a site tour for
4 the site in question. We go out with any person-you
5 know any-any potentially interested operators, and,
6 of course, members of the community are welcome to
7 come. Anyone who wants to attend can attend. We
8 lead through the site tour. We answer as many
9 questions as we can. If there is any question that
10 comes up, that is not already an issue-and is not
11 already, you know, contemplated and addressed in the
12 RFP we will do an addendum to the RFP to, you know,
13 so there's--there's transparency with regard to the
14 questions that were asked and the answers that were
15 provided, and then we circulate that RFP to anyone
16 who downloaded it, and anyone who attended the site
17 tour.

18 CHAIRPERSON KOO: So, how about for those
19 small operators like those who operate a push cart.
20 How-how is the RFP different for-for them? Because
21 they are really small.

22 DAVID CERRON: So-so for--

23 CHAIRPERSON KOO: They don't have much
24 experience to handle this stuff, the paperwork, you
25 know.

2 DAVID CERRON: They, you're—you're Chair,
3 there is a lot of paperwork. Um, we certainly do
4 everything we can to make the process as friendly and
5 as efficient as possible, but it's still a lot of
6 paperwork. That's, you know, one reason we have
7 project managers so there's someone, there's a, you
8 know, we don't want it just to be some sort of like,
9 you know. faceless organization in—in the Concessions
10 Team. We want people to have a face, and a name, and
11 a phone number and email address that they can attach
12 to each one of these solicitations, and we're—and for
13 the BIDs whether it's a push cart operator or a
14 mobile truck operator. So they have a person they
15 can call to, you know, that always gets back to them,
16 and answers those questions. The outreach is—is—is,
17 you know, is—is fairly similar. However, when—when e
18 do bids as opposed to a proposal, the bids will be
19 due on a certain date, and, um, and the bids are—are
20 physically brought over to the Parks headquarters
21 building the Arsenal, and what we have is a public
22 bid opening, um, which is, you know, always pretty
23 highly attended. It's not unusual during these bid
24 opens to have, you know, 30 or 40, you know, bidders
25 there with seats, and we open each one of the bids.

2 You know, we have a microphone the same way we do
3 today for each site, and we read out the bid so
4 everyone know as soon as soon as it's opened who the
5 highest—who the highest bidder is, and generally
6 speaking, you know, pending a, you know, any
7 background check with the city and stuff like that,
8 you know, that is the—that is the individual or that
9 is the—the—the entity that is awarded the contract
10 for that location.

11 CHAIRPERSON KOO: So, do you offer any
12 help for those who are small operators who non-
13 English speaking?

14 DAVID CERRON: So, you know, I believe
15 the—the city offers, um, the city offers translation
16 services. We do have a number of people win our
17 group that speak Spanish and other languages. So,
18 whenever, you know, whenever we can be helpful, we
19 want to make sure we're being helpful. So, if
20 there's translation that, you know, our staff can
21 provide in house, we absolutely do that. If we know
22 someone in the building that, um, you know, that
23 speaks a certain language, we will seek that person
24 out. We—we-we try to do everything we can to make
25 sure that, um, we're being transparent and we're

2 giving the public and potential proposers,
3 respondents to these solicitations, information that
4 they need.

5 CHAIRPERSON KOO: So, how you know how
6 you say the fees to be paid by concession operators?
7 How do you determine the fee, you know?

8 DAVID CERRON: So, the--the fees are--are--
9 are proposed to us. Um, so when we have a Request for
10 Proposals one of the criteria that a proposer is
11 evaluated on not the only criteria, but one of the
12 criteria is the fee offer. Um, and that's something
13 that they will have to tell us. We don't tell anyone
14 what they should be paying. Um, if it's, you know,
15 if it's a concession that has a, you know, a history
16 of operation, we will provide the last four or five
17 years of business. So, you know, that concession--that
18 potential operator knows what the facility reported
19 in its gross sales and what they paid to the city.
20 If it's a new concession, and they're really, you
21 know, there's no history of operation there. We make
22 an effort to provide some sort of comparables that we
23 have for our concessions. You know, perhaps a
24 concession, you know, in--in a similar neighborhood or

2 in, you know, in the same neighborhood rather or-or-
3 or-or one of a similar size.

4 CHAIRPERSON KOO: So, can you give us an
5 example of a fee? So a push cart in a certain park
6 in the city, how much?

7 DAVID CERRON: The fees, can, you know-
8 the fees can range, you know, for a push cart in
9 Central Park for I think, you know, perhaps, you
10 know, low six digits or maybe just below there for
11 Central Park, but in other parks the fees can be, you
12 know, below \$1,000 a year, and that's something we're
13 really happy about. We want to make sure that there's
14 a broad opportunity, and if you can start your own
15 business, yes there's going to be other costs, but if
16 you're paying the city, you know, less than a \$1,000
17 or \$1,000 a year, um, you know, we're-we're-we're
18 thrilled that we can-we can help provide that
19 opportunity to someone.

20 CHAIRPERSON KOO: So, what is-what is the
21 difference between the process, between like
22 conservancies in the Park Department?

23 DAVID CERRON: So, yes, as I had
24 mentioned, um, thank you for the question, as I had
25 mentioned, um, in-in the testimony, um, there are

2 instances. The—the funds from the—from concessions
3 generally goes to the General Fund. Um, but there
4 are instances where it's approved by the FCRC, you
5 know, in a vote for funds to be given to Park
6 partners like the Prospect Park Alliance with the
7 Green Belt Conservancy or the Randall's Island Park
8 Alliance, and that goes back into the maintenance and
9 operation of the park, and that's approved by the
10 FCRC. Those are sole sources processes, and a sole
11 source process has two steps. Step 1 is the
12 permission to negotiate and step 2 is approval of the
13 agreement and those both require votes so that, you
14 know, on the FCRC, you have the affected borough
15 president. You have the Comptroller's Office and
16 then representatives from the Mayor's Office from the
17 City's Law Department and from the Office of
18 Management and Budget.

19 CHAIRPERSON KOO: So, for conservant
20 services like Central Park Conservancy, the fee they
21 collect belongs to them. They don't go to the city
22 general fund, right?

23 DAVID CERRON: So, the conservancy is—is—
24 is a—it's a little—It's a little bit different.
25 Their—their model is there's a split of the

2 concession revenue. So, they retain 50% of the-of
3 the fees, and the city retains the other 50%.

4 CHAIRPERSON KOO: Okay. So, how does the
5 city determine what is a major versus significant
6 concession? A major one and a significant one?

7 DAVID CERRON: So, the significant
8 concessions are-are any-any license agreement that is
9 a term of 10 years or more or fees, annual fees paid
10 to the city of \$100,000 or more. Honestly, the-the
11 definition of a-of a major concession is, um, is-is-
12 is, you know, somewhat complex and-and difficult for
13 me to understand at times, I can tell you that we
14 don't have any major concessions in our portfolio.
15 At-at times when it has come up, it is always a
16 matter that-that-that the city attorneys, you know
17 consult on it and-and advise on.

18 CHAIRPERSON KOO: What is the process for
19 revoking concessions, and have any been revoked
20 recently?

21 DAVID CERRON: So, you know, you know, at
22 times, you know, concession licenses will be-will be
23 terminated. You know, the most common reason is if,
24 you know, someone, you know, has not paid their, um,
25 license fees, but in-in those-in those matters, um,

2 you know, we—the concessions were—we really work on
3 the kind of things that we've been discussing today.
4 Um, we place a lot of emphasis on doing outreach on
5 connecting with elected officials, you know, like you
6 and your colleagues at the Council, the Borough
7 President's Office, other local elected officials,
8 the community board. We care about the contracting
9 and solicitation process about making things as
10 accessible and competitive as possible. The contract
11 negotiation, it's a—you know, it's a lengthy process
12 working with the Mayor's Office of Contract Services,
13 working with the Comptroller's Office, working with
14 the Mayor, with the city's Law Department. There's a
15 lot of steps in all that, and then doing the contract
16 administration. When, you know, in instances when it
17 comes times to—to terminate a contract, it's really
18 something we turn over to the city's attorneys,
19 because it's a legal process.

20 CHAIRPERSON KOO: Is there any data on
21 the number of revoked or terminated concessions in
22 the last fiscal years?

23 DAVID CERRON: Um, yeah that—we can
24 certainly gather that data for you. Um, I can tell
25 you in Fiscal Year 19 I believe it was—it was 16--

2 CHAIRPERSON KOO: 16?

3 DAVID CERRON: --contracts that--that
4 were terminated.

5 CHAIRPERSON KOO: (background
6 comment/pause) Council Member Rivera do you have
7 questions? Yeah.

8 COUNCIL MEMBER RIVERA: Thank you very
9 much. Thank you. Um, I just want to clear up the
10 Charter states that concession revenue goes into the
11 General Fund. However, you do have I guess a couple
12 of agreements in place with certain conservancies who
13 you said take 50%.

14 DAVID CERRON: Um, in-in the case of the
15 Central Park Conservancy that's--that's correct.

16 COUNCIL MEMBER RIVERA: Is there--are there
17 other examples of conservancies or trusts that
18 directly benefit rather than the--which to me is the
19 more--the more popular process, which is the General
20 Fund.

21 DAVID CERRON: Yes, um, the--again, the--
22 some of the examples I think are Prospect Park
23 Alliance, um, the Green Belt Conservancy in Staten
24 Island and, um, um, the Randall's Island Park
25 Alliance.

2 COUNCIL MEMBER RIVERA: So, why these
3 alliances are trusts? Because they're larger?

4 DAVID CERRON: So, it's, you know, it-it
5 really is-I think it's-it's a-it's a-it's a-it's part
6 of what has gone through the FCRC process. Um, in,
7 you know, I think in-in all of these cases, uh, I
8 should state this isn't, you know, this is part of-of
9 the agency's process that goes beyond just the
10 concessions group. There's a-a partnerships group
11 that's dedicated to working with our partners, and
12 they're obviously very knowledgeable about the
13 process as well, and directly manage those
14 relationships, but with regard to the-to the, you
15 know, the revenue component or it, these are groups
16 that have or-or pursuing maintenance and operation
17 agreements with the agency. So, in-in these cases
18 like with the Alliance or with, um, the rails on
19 parking lots, they're-they're contributing a lot of-a
20 lot of, um, staff and a lot of time that the agency
21 would otherwise, and the city would otherwise have to
22 put forth to maintain and-and to improve these-these
23 parks. So these are instances where the FCRC has
24 looked at it, and there's always a vote, and they

2 voted to approve, you know, directing some of the
3 concessions' revenue to those groups.

4 COUNCIL MEMBER RIVERA: Okay. So, you
5 have—they vote on this agreement because these
6 conservancies are trusts. They contribute so many
7 resources towards general maintenance that they're
8 granted the exception--

9 DAVID CERRON: Yes

10 COUNCIL MEMBER RIVERA: --through review?

11 DAVID CERRON: That's right and—and
12 there's and there's two votes. The first vote is
13 step one where they vote on whether or not the agency
14 should even enter into negotiations for this, and
15 then the second vote is a review and approval of the
16 agreement.

17 COUNCIL MEMBER RIVERA: It—would you—
18 would you say that the process to—to be granted this
19 exception is it's difficult, is it challenging, does
20 it require a lot of prep?

21 DAVID CERRON: I think, you know,
22 there's—it's—it's a public process. There's always—
23 there's always questions. There's—there's always
24 scrutiny and I think in, you know, in each instance,
25 you know, we do our best to be as responsive as we

2 can to what the questions are. Um, so I don't, you
3 know I don't think it's—it's ever easy, but I don't
4 know, you know, precisely how challenging.

5 COUNCIL MEMBER RIVERA: Okay.

6 MATT DRURY: So, Council Member, if I
7 may, I just wanted to interject that just to state
8 that, you know, generally speaking, it's a relatively
9 uncommon arrangement because the degree of, you know,
10 resources that are provided, you know, the degree of,
11 you know essentially that it's, you know, these
12 alliances or groups are taking on, you know, taking
13 on, you know, significant responsibilities in terms
14 of the maintenance of these parks. It requires a
15 certain amount of capacity, a certain, you know, a
16 certain level of responsibility there. So, I think
17 there's a degree to which it sort of—it's not—it's
18 not especially common across our park system, but
19 just to kind of provide a little context about that.

20 COUNCIL MEMBER RIVERA: No, I'm sure, and
21 I only asked 'cause of I don't know what the
22 definition of considerable resources is. I know
23 Central Park Conservancy is a very big organization,
24 and I know that Randall's Island since you mentioned
25 it does considerable work, and they have the batting

2 cages, and all that, which I love. Actually, let me
3 ask you a quick question about batting cages. So, I'm
4 always interested in not just league recreation, but
5 also individual practice space, and does Parks
6 currently for example have batting cage concessions?

7 DAVID CERRON: We do have a few. I would
8 have to—I would have to get back to you with regard
9 to, you know, precisely where I think where. I think
10 we have one in the Bronx and one in Staten Island.
11 Alex, do you want to add anything?

12 ALEXANDER HAN: Just a few examples of
13 concessions with batting cages includes the Schmitz
14 Lane facility on Staten Island, the, um, Turtle Cove
15 Driving Range in the Bronx. Just a couple of
16 examples where we have batting cages as part of a
17 larger concession that includes other things like
18 mini golf and things like that.

19 COUNCIL MEMBER RIVERA: I asked because,
20 um, I have a very large park about to go through the—
21 it's the Eastside Coastal Resiliency Project, and we
22 have many ball fields that are very heavily utilized,
23 and there are many baseball teams that play there.
24 So, I wanted to actually ask that you look at Pier
25 42, which we negotiated as a space for a potential

2 batting cage. I think it would be a huge benefit so
3 we can produce as many baseball stars as Tottenville.
4 Anyway, so the last question: Since we are always
5 seeking new funding for New York City parks, would it
6 be helpful to have the estimated \$82 million in
7 concessions revenue go directly into parks
8 operational budget? And I realize that that would be
9 a Charter change, but wouldn't it help?

10 DAVID CERRON: We-we appreciate the
11 question. You know, while we're very proud of the
12 concession's revenue that we bring in for the city,
13 and-and the projects that we-we hope residents and
14 visitors really enjoy, the budget-we're very
15 appreciative of the budget from OMB and, you know,
16 that's a budget for the agency that exceeds the
17 concession revenue we bring in many times over.

18 COUNCIL MEMBER RIVERA: And I appreciate
19 your appreciation. I think, though, this is one of
20 the most under-funded agencies historically. We
21 invested many resources this last budget, which we
22 are very proud of, but you all provide an invaluable
23 asset in resource, and I guess my last question:
24 What are examples of potential concession expansion
25 at our city parks?

2 DAVID CERRON: Uh, with regard to
3 expansion, do-do you mean expansion of an existing
4 concession, or do you mean just more-more
5 concessions?

6 COUNCIL MEMBER RIVERA: Generally, like
7 what-what can we do to expand what exists? Are there
8 ne ideas in looking at spaces? There are parks all
9 over the city without any concessions, and I feel
10 looking at the numbers there were fairly balanced,
11 but Manhattan does have the most, 110 compared to 70s
12 in Queens and 60s in Brooklyn and the Bronx, and I
13 just want to make sure we're looking for expansion
14 equitably in all five boroughs.

15 DAVID CERRON: So, I mean I think one of
16 the things we absolutely want to do is we want to
17 work with you, and your colleagues on the Parks
18 Committee and in the Council. If there are ideas, we
19 appreciate the batting cage at Pier 42 suggestion. We
20 will-we will absolutely follow up on that. Um, we
21 want to be as responsive as we can. So, if there any
22 ideas or suggestions that any of you have, or any of
23 your colleagues have for new concessions, please we
24 want to have a dialogue. You know, the same goes for
25 the Community Board for the Borough President's

2 Office. We do have, you know, a number of new
3 concessions that we're, you know, that we're working
4 on. You know, throughout the city we have some new
5 Farmers Market locations that we've solicited for.
6 We had a proposal that just closed at 151st Street
7 in Riverside Park for an arcade and rotunda by a
8 pedestrian and bike bridge that we're very excited
9 about. We're working a new tennis facility in Staten
10 Island. We're looking at under-utilized facilities.
11 Concessions are not right in every location. I
12 think, you know, we really want to partner with the
13 community, and we want to find out where people think
14 it will work and where it may not work. Um, but like
15 I said, we're—we're—we're eager for ideas and for
16 feedback. So, we look forward to continuing to talk
17 to—to you and your colleagues about this.

18 COUNCIL MEMBER RIVERA: Thank you for
19 being open. Um, and—and thank you, Mr. Chair for the
20 time.

21 CHAIRPERSON KOO: Uh, Council Member
22 Levine.

23 COUNCIL MEMBER LEVINE: (off mic) Thank
24 you Chair. (on mic) Thank you Chair Koo, and good
25 morning Commissioner and to the Parks Department. As

2 you are aware, the Trump organization operates a
3 total of four parks concession businesses on our
4 public land. They operate the Wollman Ice Rink in
5 Central Park, Alaska Ice Rink in Central Park, the
6 Central Park Carousel and the Trump Links Golf Course
7 in Council Member Gjonaj's district. This is a
8 privilege they've been granted by the city to run
9 profit making businesses on our public land. The
10 Trump Organization is currently under investigation
11 by the New York State Attorney General, by the
12 Manhattan District Attorney, and by the United States
13 Attorney of the Southern District of New York, and we
14 know from the Michael Cohen testimony among other
15 sources some of the alleged crimes they include
16 election finance violations, bank fraud, charity
17 fraud, tax fraud, insurance fraud, suborning perjury
18 and others, and even if only a subset of those are
19 proven true, they would be vulnerable for prosecution
20 under RICO laws, which are usually reserved for
21 organized crime. This is not the first time that a
22 Parks concessioner has been entangled allegedly with
23 organized crime. In 2005, the city granted a parks
24 concession contract to a company called East Coast
25 Golf, which was given the privilege of running the

2 golf course and pro shop in Marine Park, Brooklyn, a
3 pretty substantial contract at the time. I believe
4 about \$10 million, and then in 2007, it was alleged
5 that the president of that company, a guy named—a
6 gentleman named Dominic Lagaso was doing business
7 with someone who himself was alleged to be a member
8 of the Columbo Crime Family. That individual's name
9 was Craig Marino. Now, you talked about how often
10 concession agreements are cancelled because of
11 failure to pay license fees. As far as we know, East
12 Coast Colf-Golf was paying its license fees. As far
13 as we know, they were complying with the programmatic
14 operation obligations of the contract on the golf
15 course in the Pro Shop. However, the city said,
16 "Although Mr. Lagaso is not implicated in any of the
17 criminal activities alleged in the Mareno indictment,
18 the information we have obtained give rise to
19 numerous integrity concerns about the concessionaire,
20 and later went on to say that the Administration had
21 determined that this agreement was not prudent,
22 quoting that. The Trump organization by any
23 reasonable definition is under serious suspicion of
24 entanglement in a long list of criminal activity that
25 under the analysis of many dispassionate legal

2 observers including the Trump Administration
3 appointed United States Attorney for the Southern
4 District of New York has exposed them to considerable
5 criminal vulnerability. Various precedent for us
6 cancelling a parks concession contract because
7 quoting again: "The agreement is not prudent." How
8 is it that we continue to give the Trump organization
9 the privilege, not the right, the privilege to earn
10 money on our public property?

11 DAVID CERRON: Thank you for the Council.
12 Thank you for the question, Council Member. I mean
13 just as a bit of background, it's clear you know
14 this, you know, these are agreements that are older
15 agreements. In many cases I think probably, you know,
16 10 to 15 years old if not—if not longer than that.
17 It certainly predates, you know, Matt, Alex and I.
18 It predates the current administration. You know, and
19 then as we have been talking about with the chair and
20 with the Deputy Leader, you know, there's a
21 tremendous amount of outreach that—that this office
22 focuses on with regard to the community, with regard
23 to potential vendors, with regard to contracting,
24 solicitation, going through the FCRC Committee's
25 rules making sure we're compliant, and we the

2 documentation to support that. Working with the
3 Comptroller's office, working with all the--the other
4 city agencies, and--and that really is, you know,
5 that's--that's the focus of this office. When it
6 comes to, you know, matters of contract termination,
7 it really is a--it's a matter of it's dealt with by
8 the city's lawyers.

9 COUNCIL MEMBER LEVINE: By the city's
10 lawyers. Okay. Commissioner, what possible standard
11 allowed you to cancel the East Coast Golf Contract in
12 Marine Park? What standard allowed you to take
13 action in that case? There was no conviction. There
14 was an allegation. There was no question about the
15 operation of the businesses in the parks property,
16 but the city out of an abundance of prudence, the
17 city's word, terminated that contract, a contract,
18 which at that time would not have expired until 2026.
19 What possible standard explains action in one case
20 and not in the other?

21 DAVID CERRON: So, you know, I--I--I do have
22 to just note on that on that also, you know, that's
23 from--that I believe you said was in 2005 when that
24 took place? Is that correct? Am I right--

2 COUNCIL MEMBER LEVINE: (interposing) The
3 contract was granted in 2005, and it was revoked I
4 believe in 2007.

5 DAVID CERRON: So, although, you know, I—
6 I certainly was not in my current role at that time.
7 You know, I heard about that, but, you know, I have
8 to imagine that that was a decision that was made by
9 the city's attorneys by the agency's attorneys, and
10 Corporation Counsel. I'm not familiar with the
11 specifics of that situation but, you know, I can—I
12 feel very confident in that it was, you know, it was—
13 it was, you know, it was handled by the—by the
14 agency's attorneys and the city's attorneys.

15 COUNCIL MEMBER LEVINE: I'm sure it was
16 handled very well. I fear that we're not handling
17 this case well. I understand the contracts with the
18 Trump Organization were signed before the tenure of
19 this administration, but now it's on us, it's on you
20 to fix it as new information has emerged, and new
21 information emerges by the day about an organization
22 which increasingly appears to be a criminal
23 enterprise, and we have to act on it. We don't have
24 to wait until these contracts expire. One of them
25 doesn't expire I think until the late 2020s. We

2 don't—we don't have the luxury of waiting. We need
3 to act now. Why not act now?

4 DAVID CERRON: Well, you know, I'm sorry—
5 sorry to—to, you know, be repeating my earlier
6 comment. When there is a matter of termination it
7 could be as simple as—as, you know, someone is not
8 paying their contractual obligated license fees.
9 These are things we always—we always turn over to
10 the—to the agency's attorneys and to the city's
11 attorneys, and this situation, you know, wouldn't be
12 any different. It really a matter for—for
13 corporation counsel, and I'm sorry I can't provide
14 that.

15 COUNCIL MEMBER LEVINE: What are the
16 terms of these agreements? How much revenue does the
17 city receive?

18 DAVID CERRON: I would have to—I would
19 have to go back and look at the—at the precise
20 revenue.

21 COUNCIL MEMBER LEVINE: Well, come on,
22 you have—you have to know that. You have to know
23 that.

24 DAVID CERRON: For—for—for—for which—
25 which concession?

2 COUNCIL MEMBER LEVINE: Start with any of
3 the four that you know.

4 DAVID CERRON: So, I believe for the, um,
5 Carousel it's a-it's a few hundred thousand dollars a
6 year for Central Park Carousel. You know \$300,000
7 somewhere in that-in that.

8 COUNCIL MEMBER LEVINE: Off of-off of how
9 much revenue?

10 DAVID CERRON: I have to remember the
11 gross receipts. I'm sorry. We could follow up with
12 your office this week. I just don't remember what
13 the-what the report was.

14 COUNCIL MEMBER LEVINE: This is probably
15 the most high-highest profile parks concession
16 agreement in your portfolio.

17 DAVID CERRON: The Carousel?

18 COUNCIL MEMBER LEVINE: These four
19 collectively. None have gotten this kind of
20 attention. I'm surprised you don't know the terms of
21 these contracts.

22 DAVID CERRON: Well, I-you know, for,
23 well, just for the-for the Carousel, for the-for the
24 rinks, you know, Alaska and-and Wollman are, um, are
25 under the same license agreement, and my recollection

2 is—is the—the annual license fees paid to the city is
3 approximately \$3 million.

4 COUNCIL MEMBER LEVINE: Off of what
5 revenue?

6 DAVID CERRON: I—I—I, you know, I don't
7 want to, and I could be—I could be mistaken, but I—I
8 believe it's around \$9 tot \$10 million for both
9 sites again.

10 COUNCIL MEMBER LEVINE: And the golf
11 course?

12 DAVID CERRON: The golf course, um, you
13 know, pursuant to the—the terms of that license, the
14 first five years did not have any fees that were due,
15 and I believe the fifth year has—has just recently
16 wrapped up.

17 COUNCIL MEMBER LEVINE: Is the revenue
18 the city receives pegged to the overall earnings of
19 the businesses--

20 DAVID CERRON: Um--

21 COUNCIL MEMBER LEVINE: Or is it a fixed
22 fee?

23 DAVID CERRON: Um, no it's—there are—I
24 believe that the Carousel it's a fixed fee, and at

2 the—at the other—at the other locations, you know
3 there's a—there's a fixed fee versus a percentage.

4 COUNCIL MEMBER LEVINE: There have been
5 numerous reports of declining revenue at all four of
6 these properties. Can you confirm that?

7 DAVID CERRON: I—I would—I would have to—
8 I would have to double check on—on whether or not
9 the—the, um, the revenues have the reported, you
10 know, gross receipts or revenues have declined to be
11 sure. My recollection is, um, that that is—that is
12 true for the golf. I'm not sure that's the case for
13 the ice rinks.

14 COUNCIL MEMBER LEVINE: Right. I've laid
15 out the case for cancellation of these contracts on
16 legal grounds, but the city also has a bad financial
17 deal at properties, which are being shunned
18 increasingly by New Yorkers who don't want to give a
19 penny to anything with the name Trump. They
20 recently—the Trump organization recently removed, as
21 we know, many prominent displays of the Trump name in
22 these properties we presume because they understand
23 just for the liability it is. That's fine for them,
24 but we're stuck with declining revenues. Do you see
25 this as a good deal at this point?

2 DAVID CERRON: This is--this is the deal
3 that we have. Whenever we have a license it could be
4 for anyone. You know, the--we--we work with the deal
5 that we have and we expect the operator to work with
6 the deal that they have.

7 COUNCIL MEMBER LEVINE: I won't go into
8 the fact that there's ample case law establishing
9 this as a clear violation of the Emoluments Clause.
10 I--I will mention something that is more intangible,
11 which is that parks represent for New York City the
12 most open, democratic, equitable institutions. They
13 are and must be places where everyone feels invited
14 and welcome and valued, and the Trump name has come
15 to stand for the polar opposite of that. I can't
16 imagine how an undocumented immigrant would feel
17 going to one of these properties and seeing that name
18 and perhaps more than any other rationale that I've
19 offered that truly upsets me that our precious public
20 space has been turned over to someone who represents
21 the worst of xenophobia and bigotry in a city that
22 should stand for democracy and openness for all. We
23 have got to cancel these contracts. We can't wait
24 until they expire. We can't leave this to the next
25 administration. We have got to do this. There is

2 precedent. We've done it in the past. The law is on
3 our side. We need to do this immediately. Thank you
4 and thank you Mr. Chair.

5 CHAIRPERSON KOO: Council Member Gjonaj,
6 you are next to ask questions?

7 COUNCIL MEMBER GJONAJ: Thank you,
8 Chairman. So good to see you all again. I do have
9 some questions regarding the concessions and the
10 structure. In particular in and around average
11 concession agreement. How many years is it?

12 DAVID CERRON: So the--the agreement, well
13 the terms will vary. If it's a mobile cart or a
14 mobile truck or a push cart the term is five years.
15 If it's something like a snack bar or something
16 bigger, depending on the amount of investment that
17 may be necessary to rebuild it--to rehabilitate the
18 building, it could be up to 20 years.

19 COUNCIL MEMBER GJONAJ: Uh-hm.

20 DAVID CERRON: 20 years is the maximum
21 contract term we can--we can provide.

22 COUNCIL MEMBER GJONAJ: But typically I
23 believe it's a ten-year. When it's a brick and
24 mortar some times five to ten with a rollover for a
25 second five or ten. Is that the typical deal?

2 DAVID CERRON: We—we generally—we don't—
3 there's—we—unless we're uncertain about what will
4 happen with the space there won't be option years. It
5 will be a—it will be a fixed term so that when we're
6 doing the solicitation everyone has a—has a clear
7 understanding of the time that they would have to
8 operate the facility, and yet, you know, it's—it's—I
9 think it's fair to say ten years. Sometimes, you
10 know, sometimes a little bit more

11 COUNCIL MEMBER GJONAJ: Okay. Is there
12 any consideration that's given to the concessions
13 that have established this agreement that have built
14 a business when it's—that term is up?

15 DAVID CERRON: So, the—pursuant to the—to
16 the, you know, to the FCRC and to the city's
17 concession rules, there is five criteria that we have
18 for, um, for evaluating concession responses for—for
19 request for proposals. So that's the planned
20 operation. The operating experience, the
21 improvements to the facility, the fee offer to the
22 city and the financial capability of the
23 organization. So, if you are, you know, if you are
24 an incumbent and you have operated that space before
25 and you have a good operating history, you know,

2 perhaps that could be helpful and perhaps it could be
3 hurtful. I depends on that history of operation.

4 COUNCIL MEMBER GJONAJ: Right. I would
5 imagine if you're a small—we'll look at this as a
6 small business. You invest in the infrastructure to
7 build up the business to a level where it's
8 profitable. You do a percentage of sales guaranteed,
9 fixed pricing. It takes a number of years to
10 establish yourself. By the time you build it and have
11 it up and running and now you're seeing the fruit of
12 your labor, your agreement is up, and there's no
13 guarantee that the next concessionaire could do the
14 same type of business. We've seen this time and time
15 again. Just one example like Tavern on the Green I
16 believe was the restaurant that was closed under the
17 previous administration. It was a well established
18 business. It was flourishing. It was there for a
19 number of years. The idea was that we should—that
20 concession did not get renewed, right or was the
21 agreement stopped? I don't remember the
22 circumstances.

23 DAVID CERRON: There was—there was a
24 break in operation. My recollection is the, um, the
25 prior concessionaire, which was the Lagoid (sp?)

2 family had to liquidate a number of the assets that
3 they—that belonged to them within the facility, but
4 we, you know, the—the agency did subsequently issue
5 an RFP and there is a new operator in place now.

6 COUNCIL MEMBER GJONAJ: Right, but it's
7 nowhere near the amount of business that the previous
8 concession was doing. Nowhere—nowhere near the amount
9 of money or revenue that was being generated for the
10 Parks Department through the percentage agreement
11 that you have.

12 DAVID CERRON: The sales there. The
13 gross receipts are lower. That's true.

14 COUNCIL MEMBER GJONAJ: I'm sorry?

15 DAVID CERRON: The—the sales are lower.
16 That's true.

17 COUNCIL MEMBER GJONAJ: Much lower and it
18 was shut down for a number of years. I don't know—I
19 don't recall, but I'm just using that as an example
20 and we don't give enough thought and perhaps it's not
21 Parks that has to be questioned in this, right?
22 Maybe it's the whole process of how we issue these
23 RFPs. You know, what one business is able to do,
24 there's no assurance that the next person that comes
25 in can equal that business or improve it, and when

2 concessions such as restaurants, which we have a
3 number of them, and their end of term is coming up,
4 they're prevented from even taking reservations for
5 the upcoming season. By undermining their ability
6 and no one knows if they are going to be successful
7 in the RFP, if they're going to be awarded the
8 concession creates this limbo that actually costs
9 Parks Department more than anyone could even imagine.
10 You're interfering because of the lapse in time and
11 the review process and the approval process. You're
12 preventing that business to continue to operate, and
13 allowing for downfall in revenue for the upcoming
14 season, and we see this in marinas, restaurants,
15 concessions, brick and mortar across the board
16 whether it be ice skating rinks or golf courses or
17 any of those establishments face the same challenges.
18 What can we do to get ahead of this? I mean when
19 RFPs are coming up for a concession agreement that's
20 ending in advance of the end of that agreement we
21 should know whether that existing concession is going
22 to be awarded the contract or if someone new is
23 coming in. So, the business model doesn't get
24 interrupted. So, you can continue to promote your
25 services, and in particular when it comes around

2 marinas boaters don't—it's not that easy for them to
3 establish themselves at a different marina and come
4 back later. When they are there, they pay for the
5 season, and there's no guarantee that after that
6 season you can have them return. When it's a
7 restaurant, a catering hall, and they're not able to
8 take reservations for upcoming holidays or the summer
9 months of the Christmas holiday season, they've
10 established themselves somewhere else. That revenue
11 is lost forever, and I think you understand the point
12 I'm trying to make here. Is there anything that we
13 can do to streamline this process where there is an
14 existing concession, one that a business model that
15 is both favorable to the establishment and the City
16 of New York so that we don't undermine their very
17 business?

18 DAVID CERRON: So, thank you for the
19 question, Council Member. You know, honestly it's a—
20 it's a—it's a tricky issue. We—we always have to
21 make to sure we're working within the city's
22 concession rules. You know, one could say that
23 issuing an RFP ahead of time, you know, sooner. We
24 always do it ahead of time, but, you know--

2 COUNCIL MEMBER GJONAJ: What is that time
3 period? Ahead of time means what?

4 DAVID CERRON: I mean at least—at least a
5 year if not—if not more.

6 COUNCIL MEMBER GJONAJ: So walk me
7 through the process then? A year. You issue and
8 RFP. How long before the RFPs are responded to? How
9 long before the review process? How long before
10 decision is made, and then how close does that come
11 to the actual termination date?

12 DAVID CERRON: So, okay. So, working on
13 the presumption that we're at the point where we've
14 got approval. You know, we've—we've coordinated
15 with—with stakeholders such as yourself, and with
16 other elected officials. The RFP is out on this
17 treatment. You know, let's just say February 1—one
18 year. Generally speaking the RFP will be out for 8
19 to 10 weeks. Within that time, as I mentioned, there
20 is a site tour where the project manage and others
21 will meet with anyone who is interested in attending
22 the site tour and has questions. The public can
23 attend his. We will answer as many questions as we
24 can. If there's a questions that's asked where we
25 can't answer it, we will go back. We will find the

2 information. Then we'll do an addendum. The
3 addendum will be circulated to everyone who attended
4 the site tour, and to everyone who downloaded the
5 RFP, and we will answer the questions in the
6 addendum. There are times when, you know, we have,
7 you know feedback from other people who wanted to
8 attend the site tour and they couldn't. So, it's
9 possible there will be a second site tour. You know
10 it's possible in some instances that we will hear
11 back from, you know, interested folks saying I'm
12 really interested, but I-I could use an extra week or
13 two. We may extend that, you know, 8 to 10 weeks to
14 be, you know, 11 or 12 weeks. While working under
15 the presumption that, you know, let's just say it's
16 been 10 weeks, that takes us to March 31st or
17 thereabouts. Proposals come in. It depends how many
18 proposals we get. We could get n o proposals. We
19 could get one. We could get more. At that point
20 there's selection committee. Everyone on the
21 committee has to sign a disclosure statement saying
22 that there's no conflict with any of the proposers.
23 They don't have any vested interest in the outcome.
24 Once that's done, the project manager who is
25 overseeing it will put together a summary of the

2 proposals, an executive summary. So, all the
3 proposals—all the evaluators can review that for some
4 high level information, and then they can review all
5 the proposals. The process is quicker if there's
6 only, you know, one or two proposals, but it could be
7 that there's, you know, 7 or 8 proposals, and it
8 could be that of those 7 or 8, you know, 6 of 7 are
9 really, you know, high qualified—highly qualified,
10 you know, good potential operators. So, then each
11 one of those operators would have to be called in and
12 we would have to interview them. We would have to
13 make sure we understand their proposals for purposes
14 of rating. There might be an iterate—an iteration
15 of—of best and final offer process where we ask them
16 to go back and take a look at a part of their
17 proposal like something on prices for example. So, we
18 would get through all of that, and that could take,
19 you know, another, you know, 8 to 10 weeks to go
20 through, have everyone come in. And, you know, at
21 that point where you're at, you're, you know, you're
22 at the end of—of May. So, then say, you know at that
23 point we've identified our highest rate of proposer.
24 We've notified them, and then we want to get started
25 with negotiating contract. If it's someone who has

2 done business with the city before with Parks because
3 park land is inalienable, you know, it's a—it's a
4 different sort of, you know, license. It's a
5 different contract than you would have in any other
6 area in terms of a standard commercial lease. You
7 know, so there's big differences between a license
8 and a lease, and we would begin that negotiation
9 process, but that can be a very lengthy process. You
10 know, generally speaking, you know, the
11 concessionaire will have an attorney. The attorney
12 may also may not be familiar with the contract, and
13 there could be a back and forth. We've had instances
14 where we get through a contract negotiation in a
15 matter of weeks. We've had instances where it takes
16 months and months and months. So, I think that
17 begins to lay out the process and, of course, we get
18 back to what we've discussed earlier where we have
19 public hearings, and we—and we seek to really
20 coordinate with—with other stakeholders, and go back
21 to the Comptroller's Office, and—and seek to register
22 the agreement once it's been, you know, once it's
23 been approved to form by the Law Department and—and
24 all parties have signed.

2 COUNCIL MEMBER GJONAJ: So, all and all
3 we just described a very complicated process by which
4 you have to go through, which can at times, and I'm
5 sure this is not unheard of, can go beyond the
6 concession agreement forcing you to temporarily
7 extend the agreement because of technicalities
8 without any concrete or assurances that a new
9 agreement will be in place? All of this impacts
10 small-that business model especially with sensitive
11 issues like marinas where a boat owner wants to know,
12 Hey, am I safe here or not? Is this marina going to
13 be operating or is it not? If you can't assure me, I
14 have to move on. If it's a restaurant, am I assured
15 that I'm going to be able to hold my wedding here or
16 not? If you can't assure me, I have to move on.
17 These are very sensitive issues that impact those
18 very businesses. In fact, you're hurting the-the
19 amount of revenue that you can raise because of the
20 uncertainties and insecurities that are being created
21 by the process. I think we can both agree that
22 streamlining-streamlining this and doing this far in
23 advance of the expiring concession agreement would
24 benefit all parties. On the record would you agree?

2 DAVID CERRON: I mean I would just say
3 we're-we're eager to work with you. We'd like to
4 streamline the process wherever we can. As I said,
5 it is a tricky process, but, you know, we're happy to
6 work with you, with your staff. We want to make
7 things as easy for the public as we can, and-and, you
8 know, no one gets any-any joy over breaks in service.
9 You know, it's not something that we, you know-you
10 know that is a goal of ours by any stretch. I hear
11 what you're saying. It's-you know, it's not helpful
12 for the business operators to have uncertainty and,
13 you know, of course we don't want to break any
14 service to the public.

15 COUNCIL MEMBER GJONAJ: Exactly. So,
16 even the public suffers here because they're not-they
17 can't rely on the services or even if it's a food
18 concession stand at a local beach they would be
19 deprived. So, it has a toll. Um, I'm a big
20 supporter of this. I'm a fan of taking public land
21 and property and creating a stream of revenue where
22 both businesses can thrive and jobs are created, and
23 being able to provide a source of revenue for the
24 city without having to manage the business itself.
25 Comfort stations. I made a proposal for large comfort

2 stations. There is one model already where a
3 concession came in, took over the comfort station,
4 operating a business out of it, making sure that the
5 restrooms are open, clean, locked and they have
6 management oversight over the facility. That is
7 smart thinking. We know that the Parks Department's
8 resources are limited. By creating concessions with
9 not-for-profits or small business owners where they
10 offer a product and a service and they absorb the
11 overhead costs that are needed to maintain Parks
12 property would be a very cost-efficient and
13 profitable way for Parks Department to give more in
14 the form of services, and receive revenue. I
15 encourage this as well as the streamlining component.
16 I encourage this with Orchard Beach rather than look
17 to raise or find the—I believe it's an estimated \$20
18 million that's needed for a section of Orchard Beach
19 to open up to the public. Give it out as a
20 concession. Let them make the infrastructure needs
21 and the investments that are needed saving taxpayer
22 dollars, allowing for a business to flourish,
23 allowing for job creation, and revenue back into the
24 tax base. So, saving taxpayer dollars from doing the
25 initial infrastructure work that's needed would be a

2 tremendous advantage, and instantly allowing for
3 revenue to come into the city coffers through the
4 Concession Agreement. It's a great way to continuing
5 offering services and not using taxpayer dollars to
6 subsidize the improvements, and creating steady
7 revenue for the city of New York. Please open up
8 your minds and embrace this more and get creative.
9 The private sector can build things at fraction of
10 the cost that you do, most agencies. Let's save
11 taxpayer dollars and put it to where it's needed most
12 where it can be most effective. Let's not spend \$3
13 million on concessions that are just going to be a
14 further burden to maintain. Let's give as many of
15 these properties to concessions as possible. It's the
16 smart thing, the wise thing to do. Thank you.

17 CHAIRPERSON KOO: That's right. Council
18 Member Cohen.

19 COUNCIL MEMBER COHEN: Thank you, Chair
20 Koo. This has been a great hearing. I do find
21 myself always a little nervous when I'm in total
22 agreement with Councilman Gjonaj, but I do think
23 that, um-

24

25

2 COUNCIL MEMBER GJONAJ: Would you please
3 repeat that for the record? We want to make sure
4 that's written in the record.

5 COUNCIL MEMBER COHEN: You know what they
6 say about stopped clock. It is right twice a day.
7 So, um, but I—I do think that we share a concern
8 that—that maybe that this—that the concession process
9 and identifying concessions, which I'd like to ask
10 more specifically about and maybe marketing
11 concessions that we're not doing as good a job as we
12 could be doing on this front, and that, you know,
13 and, you know I don't need to tell you here at daes
14 that, you know, what a strong advocate I am for
15 parks, but concessions can be, you know, just, you
16 know, a win-win. I like to go to the beach. When I
17 go to the beach I like to have an ice cream cone like
18 that's, you know, it's—it's fundamental to the
19 experience, the park experience. So, smart
20 concessioning I don't think has to be about park
21 exploitation. I think it can be about enhancing the—
22 the experience in parks, and I think that we could do
23 that. I mean I think there are examples where we do
24 do that smartly, but I think that there are more of
25 them, and I think that we have a lot of assets that

2 are under-utilized. You know, Council Member Gjonaj
3 brought up Orchard Beach like it's just the ability
4 that you have to park there that we don't use for,
5 you know, except for, you know, however many sunny
6 days we have in-in the summer, that space is really
7 not utilized. It's just an asset of the Parks
8 Department that is-and there's a myriad of them, and-
9 and I, you know, I'm not satisfied that Van Cortlandt
10 is the park it could be, and I think that there is a
11 role for concessions that could enhance the park
12 experience. It could bring more people into that
13 park. Could you talk a little bit about how you
14 identify ne franchise opportunities, what you do to
15 market them? It's one thing go issue an RFP but
16 sometimes, you know, it takes more than, you know,
17 than just, hey does anybody like really identifying
18 the market. You know your property better than
19 anybody. You should be able to say that we think
20 that there's an opportunity here, and maybe, you
21 know, using the private sector. I don't know if you
22 engage in real estate firms to try to get the word
23 out about concessions, but in terms of marketing and
24 identifying, could you talk about what you do, and
25 how that process works?

2 DAVID CERRON: Yes. Thank you for the
3 question. So, we've—we've actually, you know, had a—
4 had a similar sentiment over the past couple years
5 and just wanting to make sure we were doing
6 everything we could to make sure that these
7 opportunities were available and were—were, you know
8 communicated to as broad an audience as we—as we can.
9 So, we've worked with the agency's Marketing
10 Division, which has been, you know, extraordinarily
11 helpful in helping us come up with targeted ad
12 campaigns, digital campaigns in a variety of, you
13 know, different media outlets, and you know, that's,
14 you know, that's something that we'll—we'll see over
15 the next, you know, several months and year how
16 successful and how helpful that's been, but in
17 addition to that, of course, you know, there's print
18 advertisement that we do. There is kind of the door
19 to door, you know, personal retail that we do with
20 the project managers going into different businesses,
21 introducing themselves. We're always looking to do
22 more. We, you know, we could work with you. We
23 could work with your staff to try and, you know,
24 identify some other, you know, whether it's Orchard
25 Beach or Van Cortlandt Park or any other park in your

2 district that you think could benefit from
3 concessions, you know, we want to work with you and-
4 and do everything we can to-to figure out if that's
5 possible.

6 COUNCIL MEMBER COHEN: I would like to do
7 that. The second part of my question was, though, is
8 identifying franchise opportunities, and I appreciate
9 the strategic partnerships is one way. Could you
10 talk about how you, you know, internally identify
11 them, and also I'd like to, you know, you gave the
12 number of franchises. Has that number been stable?
13 Have you identified new opportunities in the last few
14 years, you know, under this Administration?

15 DAVID CERRON: Yes. So, I'll-I'll talk
16 about the latter part of that first, and then we'll
17 get back to how we identify new locations, but
18 there's a number of-of-of new concessions that we've
19 started of the past, you know, couple of years.
20 Bicycle rentals in Brooklyn and Staten Island. We
21 have an RFP that's expanding bike rentals now in
22 Queens. I mentioned the Rotunda at Riverside Park
23 and 151st Street, adding farmer's markets in
24 Cunningham Park, and McGlew Park. We have a snack
25 bar at McCarron Park, which we are finalizing the

2 agreement in terms of getting it registered, and
3 going through a design process. We've met with the
4 community board about it several times. The tennis
5 facility, new tennis facility at Willowbrook Park in
6 Staten Island. You know, in the—in the—over the past,
7 you know, 12 to over some months we've issued RFPs
8 for Railroad Park, Tremont Park, Dubai. In Brooklyn
9 the Brooklyn War Memorial. All these are new
10 concessions that we've, you know, either, you know,
11 we're working on starting or attempted to start. With
12 regards to, you know, where the ideas come from, it
13 really it's—it's such a mix between members of the
14 public suggesting ideas. Sometimes, you know, you
15 know in the non-profit or business communities will
16 call us and say, Hey, have you ever looked at this
17 space? You know, have you ever thought about what it
18 could be? It comes internally from the agency. It
19 could come from the division. So, there's lot of,
20 you know, there's a lot of—of—of, you know, of
21 different areas, and we really embrace that. You
22 know, we're not going to think of everything. We're
23 not going to have all the ideas. We certainly have
24 not cornered the market on where new—new young ideas
25 or where a new concession should be, or—or—or. You

2 know, precisely what they should be as long as it's a
3 Parks appropriate activity. So, we really do want to
4 hear from as many people as we can. With regard to
5 number, it has been—it has been pretty static in
6 terms of, you know, a mere 400, but I do want to
7 stress, you know, the goal has not been to just—to
8 build up that number as high as it could be. The—the
9 goal really has been to work with, you know, the
10 community, to work with residents, and to find places
11 where they're interested in having concessions.
12 People are not always you know, it's not, you know,
13 10 times our of 10 it's not—it's not always going to
14 be the right thing to do.

15 COUNCIL MEMBER COHEN: Well, you know I
16 have had parks in my district that are designate
17 forever wild and I don't think that we should
18 probably plop down a significant concession there,
19 but I do think, you know, and you didn't mention like
20 do you ever use consultants or people, you know—I
21 almost wonder, like I, you know, you know, in—in
22 light of all the change going on in the city I'm like
23 I wonder if I could leave the City Council someday
24 and go develop a business identifying in marketing
25 opportunities in that—into concession in the Parks

2 Department because I think that there are just—there
3 seems to be a lot of opportunities. You know, even
4 the concessions—the existing concessions. I have a
5 concession—a concessionaire who operates a facility
6 that in addition to its primary purpose they do some
7 sort of catering there, but it—it doesn't seem to me
8 to be a huge business, and I wonder if it's not a
9 huge business because you're not—yeah, you didn't
10 drive a hard enough bargain to get the—it's not their
11 primary business, and, um, if you had told this
12 first—concessionaire that they had to produce more
13 revenue, the I'd get a second business out of there,
14 and again I want to get people into my parks enjoying
15 my parks, and again have that nexus between a
16 service, an amenity that people really want in the
17 park, and their ability to enjoy it. I'm not
18 advocating for concessions that, you know, were going
19 to be destructive or disruptive to park enjoyment. I
20 think that there is, you know, a real opportunity to
21 enhance the experience.

22 DAVID CARRON: Sorry, Council Member. I
23 did not mean to indicate in any way that, you know,
24 that you were advocating for that. So, apologies if
25 that's—if that's the way that it sounded. Um, but in

2 any event, you know we have, you know, in the past
3 yes, we have used consultants, the Boston Consulting
4 group. This is, you know, years ago. You know, it
5 predates, you know, my role here, but they did come
6 and they were able to do pro bono work to help us
7 identify, you know, kind of different services that
8 people may want and, you know, from that we ended up
9 doing—we ended up doing specialty cards, which is,
10 you know, which is something that's, you know, it's—
11 the notion was is there, you know, is there something
12 that, you know, is quick that's a little bit
13 different than the traditional, you know, hot dog
14 and—and pretzel, and in certain locations it's done
15 well. In other locations, you know, what we've found
16 out is when people come to a park they really do want
17 a hot dog and pretzel. So, you know, that's been a
18 learning experience, but certainly it's—it's
19 something we can revisit, you know, for, you know,
20 doing again, and another thing we've—we've done,
21 which may be, you know, of interest to you is from
22 time to time when we've got a space or we've got
23 something that's underutilize like you mentioned the
24 parking lots, we'll do a Request for Expression of
25 Interest, RFEI, and so we kind of get the, you know,

2 we get as much outreach as we can to let people know
3 either there's this space here. We're interested in
4 using it for a concession. We're very open to ideas
5 and to and to suggestions. We're not quite sure what
6 to do with it. What do you think would be a good
7 idea. Most recently we did that with the Baruch
8 Bathhouse on the Lower East Side of Manhattan.

9 COUNCIL MEMBER COHEN: I-I-I'll finish.
10 I just-it's a suggestion that I wonder if there isn't
11 an opportunity and particularly related to concession
12 that it make sense the are partnerships with
13 consultants with marketing people to, you know, to do
14 a better job. I mean in certain places, you know,
15 retail space is going for a gazillion dollars a
16 square foot, and we're having trouble finding any-you
17 know, we have, you know you have-you don't have a lot
18 of negotiating power when you have one response to
19 your RFP, and-and-I mean you know I have a number of
20 concessions in Van Cortlandt Park, and I'm not saying
21 those concessionaires are doing a bad job, but the
22 concessions are very static. They're not, you know,
23 dynamic. They serve whoever they serve, and-and
24 again, you know, we could put some positive pressure
25 on these concessionaires if we had other bidders, if

2 we had, you know, if we were able to sort of cast a
3 wider net in terms of getting people and—and making
4 people want to partner with the Parks Department, and
5 that goes to Council Member Gjonaj's point about the
6 bureaucracy, and trying ways to—to streamline this
7 process, to make it attractive, but I mean, you know,
8 I've been exposed to incredibly complicated real
9 estate deals in New York and people find a way, and I
10 think that there is a way if we were trying to
11 promote and—and get people to realize that there are
12 opportunities here, and again, for the benefit of New
13 Yorkers who are using the parks. Thank you, Chair. I
14 really appreciate the opportunity to ask questions.

15 DAVID CERRON: If I could just make one
16 clarification to my remarks earlier today. When I
17 was discussing the Central Park Conservancy
18 Agreement, and the revenue split, just to clarify,
19 while there is a split in revenue, all of the—the
20 proceeds, the revenue from concessions and from, you
21 know, events and things of that nature go to the
22 General Fund, and then later on there was a—there was
23 a payment to the Conservancy that takes place—that
24 takes place in—in the amount of 50% of that revenue,

2 but I just want to be clear in that, um, it-it goes
3 to the General Fund first.

4 CHAIRPERSON KOO: Thank you. Yes.

5 Commissioner, we-I just have a few more questions,
6 sir. So, what is the average time for a typical
7 concession agreement, and can you raise it higher?

8 DAVID CERRON: I'm sorry. I didn't mean
9 to cut you off.

10 CHAIRPERSON KOO: What is the average time
11 for a typical concession agreement?

12 DAVID CERRON: It would be-it depends on
13 the-on the type of concession. If we're talking
14 about a mobile truck or a push cart, something along
15 those lines, it's going to be five years. Um, there
16 is no infrastructure investment involved so the-the
17 term is relatively short. From there the term can
18 increase. If you're talking about a restaurant where
19 there's, you know, there's more infrastructure and
20 improvements that are required, you are talking
21 probably 15 to 20 years, and if you're talking about,
22 you know, something where there's like a mid level,
23 you're-you're probably in that, um, 12 to 14 year
24 range.

2 CHAIRPERSON KOO: Okay, can you describe
3 how concessions are enforced. How is there assurance
4 that a concession will not go beyond it's footprint?
5 What maps or other similar diagrams are used to show
6 a concession's footprint? There's a bicycle renting
7 place. You can go outside the advisor on it. (sic)

8 DAVID CERRON: Uh-hm. So, with regard to—
9 to how concessions are enforced, we have—the rules
10 are enforced. We have a Compliance Team that's part
11 of the Concessions Office, and that Compliance Team
12 consists of a Director of Concessions, a Senior
13 Compliance Officer and a Concessions Inspector, and
14 there's a number of strategies they have for—for, you
15 know, helping to—to-to, you know, foster a culture of
16 compliance. Before the agreements begin the Director
17 of Concessions will meet with the licensee, and
18 they'll go over the license page by page. You know
19 this is for the larger licenses, and go over the, you
20 know, the expectations that the agency has, the
21 reporting requirements. You know, the pricing, the—
22 the operating—operation hours, and then after that
23 meeting, they'll send the operator a memo
24 memorializing the conversation saying this is what we
25 discussed. These are the expectations. You know,

2 it's just, you know, kind of a synopsis of the
3 critical points of the meeting. In addition to that,
4 the compliance inspectors will go to the brick and
5 mortar facilities or to, you know, push carts and
6 they'll do inspections to make sure that the proper
7 prices are being charged, that the proper DOHMH
8 certificates and, you know, credentials are—are in
9 place, and that the facility, you know, is generally
10 clean, and in volume (sic) and appearance and, you
11 know, and in a professional appearance. And then
12 beyond that, there are in rule and binding rule
13 compliance mailings. So, we will just remind the
14 concessionaires hey, you know, it's—it's, you know,
15 if you're golf course, it's, you know, it's almost
16 winter time. You've got to make sure that you put
17 your ice ladders out by any bodies of water. If
18 there's changes in, you know, in legal requirements
19 regarding gratuities or something like that, you
20 know, we will send a mailing advising the
21 concessionaires to be mindful of this. So, that's—
22 that's part of how we—how we, you know, ensure that
23 they're—they're following the rules.

24 CHAIRPERSON KOO: So how is there an
25 assurance that the city is getting all the money it's

2 owed from concession For those concessions that have
3 the city receiving percentages of proceeds, describe
4 the city oversight of the books of the
5 concessionaires.

6 DAVID CERRON: So, every time there a-
7 every time there is, you know, a percentage agreement
8 or anything like that, there is a monthly statement
9 of gross receipts that's due to be sent to the
10 Accounting Team in the-in the Concessions Office, and
11 it has to be signed by someone who is a principal or
12 a-or, you know, an officer of the company and they
13 have to say that they're attesting that the-that the
14 numbers show are true and correct in their, you know
15 in-in each of those months reported. So, when we need
16 someone to, you know, to make sure that they're-
17 they're giving their name over to each one of those
18 reports, and then beyond that in the compliance for
19 the compliance efforts, you know, there's a
20 spreadsheet that double checks each one of their
21 calculations. We have annual reports that they're
22 also required to send us and then, you, the
23 Comptroller's Office will also perform on it, and
24 then the agency does have a small, you know, internal
25

2 audit team that will look at some of the reporting as
3 well.

4 CHAIRPERSON KOO: Thank you. So, do you
5 guys have a cap on the number of push carts it will a
6 concession to? Do you have a-a--?

7 DAVID CERRON: No. There's--there's no
8 specific cap. Obviously, you know within every
9 location we don't want to undermine any--any
10 individual concessionaire's business. So, we won't
11 put two concessionaires, you know, right next to each
12 other, but really what we try to do is we, you know
13 is we work with, you know, with, you know, people
14 like yourself with elected officials. If there's a
15 concern, we work with people who are interested in,
16 you know, in opening up a push cart business and
17 making sure that we have, you know, as much service
18 as--as we can.

19 CHAIRPERSON KOO: Are all food
20 concessions inspected by the Department of Health?

21 DAVID CERRON: If there's--if there's a--a
22 food service requirement, they are certainly required
23 to have the appropriate food handler's permit or any
24 other DOHMH, you know, certificate. With regard to
25 inspections, you know, I can't speak precisely to

2 what the DOHMH requirements are, but my understanding
3 is they are all periodically inspected.

4 CHAIRPERSON KOO: So, you said there are
5 over 400 concessions, but you show 175 on the—on the
6 website. So, can you clarify that later for us, yeah?

7 DAVID CERRON: Alex, do you know the
8 answer to that.

9 ALEXANDER HAN: I'm sorry. What was the
10 question, Council Member?

11 CHAIRPERSON KOO: You mentioned in your
12 testimony there are over 400 concessions, right? But
13 on the Internet website you only show 175.

14 ALEXANDER HAN: Our website has a—a
15 directory of—of concessions by type. Um, and perhaps
16 the section that you're looking at is—is—are the
17 concessions that are operating out of specific
18 facilities, and not inclusive of the mobile food
19 units and—and mobile food trucks, which are in a
20 separate category, but also listed on our website.

21 CHAIRPERSON KOO: We have few more
22 questions, but we will send them to you later. So in
23 terms of later.

24 DAVID CERRON: Okay, thank you, Chair.

2 CHAIRPERSON KOO: Thank you very much for
3 your testimony.

4 DAVID CERRON: Thank you, thank you.
5 Thank you, Chair Koo.

6 CHAIRPERSON KOO: As a reminder, everyone
7 who wants to testify, and who hasn't filled out a
8 slip, please do so now. Alright. So, we have Ebony
9 Walker and Frank Rafael. Please proceed to the--
10 the table. Thank you, Commissioners, and you can--

11 EMILY WALKER: Good afternoon

12 CHAIRPERSON KOO: Yeah, you guys can
13 start after identify yourself.

14 EMILY WALKER: Yes. Thank you. My name
15 is Emily Walker and I am the Director of Outreach and
16 Programs at New Yorkers for Parks. I want to thank
17 the Committee on Parks and Recreation for inviting us
18 to testify at today's hearing. By an large,
19 concessions located in our public spaces provide
20 opportunities for park goers to have a well rounded
21 experience in our city's parks. One of NY for P's
22 paramount concerns around parks and opens space is
23 that they be accessible to the largest and broadest
24 cross-section of New Yorkers possible. For many New
25 Yorkers and their families having access to the

2 services and amenities offered by the various
3 concessions in our parks network can mean a full and
4 comfortable day spent at a city park. We also think
5 it's worth noting that for many residents of New York
6 City our parks provide their only logistically viable
7 experiences with nature and the outdoors, and having
8 the ability to purchase food or engage in unique
9 programming offered via parks of parks concessions
10 can help ensure that our parks are welcoming and
11 accessible to a wide variety of New Yorkers.

12 Additionally, the fact that concessionaires with NYC
13 Parks often provide added value to the park system by
14 executing facility upgrades or improvement, which
15 would likely be out of reach for the agency to
16 complete itself. The ability of an outside vendor to
17 provide this level of targeted improvement within our
18 parks is a benefit and such outside parties are
19 generally able to complete improvement projects more
20 quickly and cheaply than if the project came through
21 city dollars and process. NY for P believes that the
22 city should consider some improvements or changes to
23 the parks concession structure. In the Mayor's
24 message for the FY20 Executive Budget the
25 Administration showed an annual revenue forecast of

2 \$74.5 million from all revenue generate-generated by
3 recreational permits, marina rental fees and
4 concessions operated on Parks' property, and as Parks
5 noted earlier today that number for FY19 in terms of
6 revenues was \$50 million for concessions alone. This
7 is—we also want to note that the projections of
8 revenues for these sources in the Preliminary FY21
9 Budget is comparable to these amounts. So year after
10 year we believe this is not an insignificant amount
11 of funding. As currently laid out by the City
12 Charter all of those revenues are directed into the
13 city's General Fund. In light or consistently
14 insufficient funding for NYC Parks in both the city's
15 capital and expense budget, we believe that even a
16 partial restricting of the revenue stream from
17 concessions for parks' operating and maintenance
18 costs could provide a consistent source of funding to
19 help improve conditions in parks citywide. In 2015,
20 we advocated in a position paper done in partnership
21 with the New York League of Conservation Voters
22 Education Fund that 20% of the revenues generated by
23 concessions on park properties be directed to a park
24 equity fund available for use citywide. We continue
25 to believe that the city should contemplate some

2 mechanism to allow for some of the tremendous value
3 generated by park concessions to go back into park
4 improvements that are much needed and that currently
5 lack consistent and predictable funding. We also want
6 to underscore that in the event we could divert some
7 funding, some portion of the revenues generated by
8 our parks' concessions, we strongly believe this
9 funding should be additive to the current funding
10 picture for parks and not act as a substitute for
11 current city funding. Further, we believe that the
12 NYC Parks website could be improved to better share
13 the locations of parks concessions, and Council
14 Member we have the same issues as you in terms of
15 seeing the-the concessions available citywide. So
16 having that be more clear to the public we think
17 would be a benefit. We also believe that an
18 equitable distribution of concessions should be a
19 continuing consideration as the city creates some
20 opportunities in RFPs for the concessionaires. There
21 are many parts of the city's park system that lacks
22 the kinds of concessions enjoyed by park goers in
23 Manhattan, and we believe the distribution of these
24 kinds of resources and services should be better
25 spread throughout the five boroughs, and should also

2 strive for affordability of goods or services to the
3 extent possible. Thank you for inviting me to speak
4 today, and I'm happy to answer any questions the
5 Council may have.

6 CHAIRPERSON KOO: Thank you.

7 FRANK RAFAEL: Hello, thank you. Thank
8 you Chairman Koo, Council Members and Commissioner
9 Cerron and other Park officials. I greatly
10 appreciate you holding this extremely important
11 hearing, and any potential legislative action that
12 comes as a result of it. My name is Frank Rafael.
13 I'm a lifelong New Yorker from Queens. I recently was
14 a concessionaire for New York City for many years. I
15 started my career partly in this building as an
16 assistant to legendary Parks Commissioner Henry
17 Stern. During that time in the 1990s these public-
18 private partnership concessions were taking hold and
19 an were quickly encompassing all aspects of
20 government life, and were a big part of Commissioner
21 Stern's agenda and namely my agenda as well. My
22 concession by managed in New York City have generated
23 tens of millions pf revenue for the City—for in
24 concession and commensurate millions in license fees
25 to New York City. I can say that I believe that

2 these concessions of mine and all concessions in New
3 York City parks have the potential to be really great
4 things. I think they are really great for New York
5 City and for the community. As Commissioner Cerron
6 mentioned yes the parks provide amenities to the
7 public and the concessionaires like myself do more
8 than just provide in my case food and beverage. We
9 provide ancillary work for park users including
10 horticulture, much needed maintenance and
11 particularly clean up comfort stations and bathrooms.
12 Very important things for park goers. There are,
13 however, very serious problems, and some of these
14 problems touch on I think a common theme here, which
15 is a lack of funding to parks in general. I think
16 that trickles down to all levels of the city agency,
17 Parks where I used to work. Very troubling to believe
18 team, you know, even including the revenue team that
19 leadership which is here and, you know, obviously
20 very nice dedicated and committed government
21 officials that handle these concessions, and I
22 believe it is, you know, under-staffed, woefully
23 under-staffed, under-funded and potentially under-
24 trained as a result of that. As Commissioner Cerron
25 mentioned, there are 400 concessions with many more

2 opportunities out there, and there seems to be a
3 ground swell for—of the Council Members at least to
4 find new locations for concessions. I think the
5 staff that is currently there is unable—unable to do
6 that at current levels. Just this year, this is a
7 quick window into this lack of funding and lack of
8 staffing. I think there's a lot of press on the now
9 notorious La Marina concession in Upper Manhattan.
10 It took a multi-agency effort to close down that
11 concession including state agencies to shut it down
12 whereas I believe the license agreement that New York
13 City gives to us concessions is, you know, it's
14 pretty generous towards the city, and provides out
15 for New York City to terminate. I think it took a
16 while to go there once again because of a lack of
17 funding. On a personal matter, and allow me to me a
18 personal example to illustrate this. I learned this
19 first hand. I think, you know, lack of funding and a
20 lack of oversight in the concessions I used to manage
21 contributed to a loss of revenue, and a loss of
22 concessions themselves. In particular, inability of
23 New York City Parks to handle very basic enforcement
24 issues and administrative issues like monitoring of
25 DOH licenses, state liquor licenses and ensuring very

2 simple-simple enforcement issues and important issues
3 of monitoring the PASSPORT system formerly the Vindex
4 System through the MOCS Mayor's Office of Contract
5 Services that vet and allow the concessionaires to
6 operate under investigation of Department of-DOI. I
7 will turn to as simple as I've done, principals of
8 companies including my former company have
9 contributed to the harm of these concessions without
10 proper vetting and without proper oversight of New
11 York City Parks. As Council Member Levine
12 highlighted also, there's a lack of oversight in
13 other concessions as well, and the entities and
14 people that are running these concessions. In the
15 case of one of my former concessions in the historic
16 and landmarked New Leaf Restaurant Fort Tryon Park,
17 this in my opinion has directly contributed to the
18 loss of the concession and loss of many jobs, and
19 with many of those recent immigrants who lost their
20 employment about a month and a half ago one week
21 before Christmas. It also contributed to the loss of
22 many events including weddings that were slated to
23 happen at that concession this year in 2019. Just a
24 few days ago I received a call on my home phone from
25 a bride that I had to let her know that her wedding

2 wasn't happening with her obviously emotional and a
3 wreck and her telling me that she lost her \$10,000
4 deposit that her grandmother a Holocaust survivor
5 saved up for her. It was something which could have
6 easily been rectified if the city of New York would
7 have looked at their own PASSPORT system to see who
8 to deal with in these concessions, but unfortunately
9 due to lack of funding I believe that simply did not
10 happen. More dangerously I'm aware of roughly \$1
11 million in my case alone of illegal alcohol sales
12 that were sold on public parks lands without proper
13 control, without proper licenses and without valid
14 State Liquor Authority licenses. I am not quite sure
15 how this could happen, and I can only assume it has
16 to do with lack of training and lack of funding as a
17 result. Once again, I think the problem is really
18 lack of funding exacerbated by the fact that there
19 was no guarantee. It's also not the case that the
20 money that is generated by these concessions end up b
21 back in the park where they are. Unfortunately as we
22 all know, most of the time if not, you know, the
23 overall majority of the time the money does go to
24 city budget, and it's good that it goes to OMB, and
25 it's commendable that—that Commissioner Cerron

2 thanked OMB for the amount of money that they
3 receive, but clearly, and I have very significant
4 first hand experience the amount of money that New
5 York City Parks is receiving is unfortunately not
6 enough. It's not enough for the Revenue Office the
7 team that's here today to oversee these concessions,
8 and it's not enough for the public users to make up
9 for the loss of the park, public park land by the
10 revenue. I believe if these issues are not addressed
11 there will be more issues like La Marina like what
12 happened in my concession as well, and I think one
13 thing that also happens is that there's a very
14 serious, and I saw this first hand on both sides of
15 the table. One was a City Parks employee, and now is
16 a concessionaire. There is very serious adversarial
17 relationships because of it between the public and
18 people that have monetized parkland. I believe these
19 adversarial relationships between the community and
20 the public would be completely allayed or mostly
21 allayed if a big chunk of the money as New Yorkers
22 for Parks thankfully mentioned if a good chunk of
23 that money stayed right here in the park where that
24 money was generated. I believe that the laws that
25 govern the use of public land and the City Charter

2 provisions that govern the modernization of public
3 land are severely outdated and I greatly appreciate
4 that this Council is addressing it because I believe
5 it's a severe problem and I believe it's a problem
6 that needs to be addressed pretty quickly. Parks are
7 under-funded, and we are generating as we heard, \$80
8 million for the city. Unfortunately a small trickle
9 of that winds up back in the park. One very simple
10 legislative action and I strongly suggest it for the
11 little that it's worth for me. It seems that any
12 revenue that is generated in in public park should
13 stay in that park with an adequate amount for
14 appropriate administration of the concessionaire
15 itself. I think it will be game changing for New
16 York City for the modernization of future park land
17 and will allow a less adversarial relationship
18 between the community, concessionaires and New York
19 City parks. Thank you very much, Chairman for
20 holding this hearing.

21 CHAIRPERSON KOO: Thank you. Yeah, thank
22 you to both of you. I am sure we will work together
23 to make sure the parks are running smoothly and
24 provide all the amenities for the public. Yeah.
25 Thank you. Are there any more public participants-

1 COMMITTEE ON PARKS AND RECREATION

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2 participations? Seeing none, the meeting will be

3 adjourned. [gavel]

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C E R T I F I C A T E

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



Date January 31, 2020