



City of New York Parks & Recreation



Hearing before the City Council Committee on Parks & Recreation

Oversight - Parks Concessions Process

January 27, 2020

Testimony by
David Cerron
Assistant Commissioner

INTRODUCTION

Good afternoon, Chair Koo, and members of the Committee on Parks and Recreation, my name is David Cerron, the Assistant Commissioner overseeing Concessions at NYC Parks. Joining me on this panel are Alexander Han, Director of Concessions, and Matt Drury, Director of Government Relations. Thank you for inviting us to testify today, to discuss concessions within New York City's parks.

Concessions are popular amenities which serve to enhance the park experience by providing opportunities for park patrons to get something to eat or to engage in a recreational activity. Concessions are varied and diverse and include restaurants, snack bars, mobile food units, horse riding stables, ice skating rinks, tennis bubbles, golf courses, farmers markets, carousels, marinas, and much more. In each of these cases, New York City Parks partners with the business and non-profit community to provide these amenities in order to improve the life of our public parks. While concessions help generate revenue for the City's General Fund, they also provide other benefits that outweigh the value of the funds they generate. Indeed, concessions help activate and bring life to our City's parks. They make our parks safer and more vibrant. They provide services to park users. They provide venues where park visitors make memories and celebrate important life milestones. And they employ thousands of New Yorkers, many of whom are either working or managing their own small business for the very first time. In fact, popular concessions are woven into the very fabric of a lively park system.

IMPORTANCE OF CONCESSIONS

Almost from the beginning of the Parks system, concessions have helped deliver important amenities for the public. The idea of providing food and recreation in public spaces is intertwined with the founding of our City, and the first formal concessions were in place as far back as the 1860s with the opening of a restaurant and the introduction of boat rides in Central Park. Today, our parks host nearly 400 concessions. Our intent is to provide a wide diversity of park experiences where visitors to our parks can get something to eat or enjoy a recreational activity while simultaneously enjoying our public green spaces.

Many of our concessionaires spend funds on facility improvements, repairs and maintenance to City owned properties, parks and assets. For example, the new operators of the Bensonhurst Tennis Center in Brooklyn – MatchPoint NYC – restored a facility that had been devastated by SuperStorm Sandy. Another significant restoration in recent years includes a restored driving range and clubhouse with a restaurant at the Alley Pond Golf Center in Douglaston, Queens. Additionally, brand new concessions that opened in recent years which received investments by concessionaires include the Cary Leeds Tennis Center at Crotona Park in the Bronx and Ellington in the Park at Riverside Park at 105th Street. This year, we will open a new restaurant and amusement facility along Arthur Kill Road on Staten Island.

Many of our concessions also provide value-added benefits for New Yorkers, particularly the youth of our city. The New York Junior Tennis League provides free tennis instruction at Crotona Park and the City Parks Foundation provides free tennis instruction at Cunningham Park, Alley Pond Park, Mill Pond Park, Queensboro Oval and McCarren Park, with their advanced junior tennis academy taking place at the USTA Billie Jean King National Tennis Center. CPF also offers free golf instruction at city courses including Dyker Beach, Clearview, Kissena, and the Flushing Meadows Pitch and Putt. Many of our golf courses also participate in the “Met PGA’s Youth on Course” program, which last year provided access to nearly 100 dedicated CPF junior golfers to our courses for only \$1 per round.

In regard to the license fees that our concessions generate, as per the New York City Charter, they are directed towards the General Fund, which pays for essential City services, such as teachers, police, firefighters, social services—as well as parks. Indeed, during Fiscal Year 2019, nearly \$51 million in

concession revenue was generated. But I should also point out that there are circumstances where concession revenue is shared with those non-profit partners who help care for our parks and green spaces through formal agreements with Parks. The Prospect Park Alliance, the Randall's Island Park Alliance, the Greenbelt Conservancy, and others are some of the non-profit organizations that have the contractual ability to invest concession revenue directly back into their care of our public parks.

EMPLOYING THOUSANDS

Moreover, we should always keep in mind that behind each one of our concessions are the women and men who operate them— they are the true success stories of this economic model. The City's concessionaires are as varied as the concessions they offer. From companies to individual entrepreneurs, our concessionaires bring enormous dedication and creativity to parks. And most important, literally thousands of jobs are created from our concessions, which include the people who are directly employed by each concession—ranging from the person standing behind one of our mobile food pushcarts, to the person renting bicycles and kayaks to park visitors, to the person giving horseback riding lessons at one of our stables. Concessions also give budding businessmen and women—many of them first-time business owners—with a way to get a foothold in the local economy and chase a piece of the American dream. Our concessions provide unique, low-cost and low-overhead opportunities you just can't find elsewhere.

THE CONCESSION SOLICITATION PROCESS

I would like to spend a few minutes to discuss the current process by which the City grants concessions within parks. The solicitation and award process is an interagency effort where Parks collaborates closely with the Mayor's Office of Contract Services (MOCS), the City's Corporation Counsel, the City Comptroller's Office, and the Franchise and Concession Review Committee (FCRC). Our processes are primarily outlined and defined by the NYC Concession Rules – Title 12 of the Rules of the City of New York.

Parks regularly engages community stakeholders prior to the release of any concession solicitation. Oftentimes, it is the ideas that we receive from the community requesting a concession which leads us to release a solicitation. We encourage members of the public to reach out to us anytime to communicate their input. Information on parks concessions and upcoming opportunities is readily

available on the Parks website. In accordance with the Concession Rules, a notice is then provided to the applicable Borough President and Community Board at least 40 days prior to the issuance of a Request for Proposals (RFPs), a Request for Bids (RFBs), or before we plan on going to the FCRC to seek permission to negotiate a Sole Source Concession Agreement. We follow up by calling the Community Board and offering to meet with them and present our plans. We also reach out to the offices of local elected officials to advise of our intent and to seek feedback.

After incorporating community feedback, we draft the solicitation and work with MOCS to approve the language before releasing it. A majority of our solicitations are RFPs and RFBs but there are exceptions where other processes outlined in the Concession Rules, such as sole source agreements, are utilized.

For RFPs, we host a public site tour to prospective proposers so they may tour the property and ask questions. Often we will issue an addendum to the solicitation that addresses additional questions raised by interested proposers. That addendum is also approved by MOCS.

In the case of RFPs, after receiving proposals, Parks evaluates them based on the specific criteria set forth in the solicitation. Interviews are held with the top rated proposers and there are opportunities for the proposers to amend their proposals by submitting Best and Final Offers. Parks then rates any amended proposals before arriving at a highest rated proposer.

Upon notification, if they have not done so already, the selected proposer must create a vendor account in PASSPort, the online citywide system providing comprehensive contract management information. After they submit principal and vendor questionnaires, Parks works with the Department of Investigation and the Department of Finance on additional background information. These findings help us prepare a Responsibility Determination which is sent to MOCS for review and approval.

Simultaneously, Parks will negotiate a license agreement with the selected proposer, working with the City's Corporation Counsel for their review and approval on the text of the agreement. Once approved, MOCS schedules a public hearing on the agreement. Such hearings are held for any concession defined as "significant" – meaning a term of at least 10 years or a contract value of at least \$100,000 per year. If that is the case, we issue a notice to the applicable Borough President and

Community Board at least 15 days prior to the hearing. At that time, the text of the agreement itself is made available for public review.

At the FCRC public hearing, any member of the public may testify on the agreement. If testimony is received, Parks takes it under consideration to determine if it warrants any modifications to the agreement, prior to signing.

Once an agreement is signed, Parks then compiles a registration packet and sends it to the City Comptroller's Office. The Comptroller's Office then has 30 calendar days to register the agreement. The agreement may be returned to us with additional questions, which Parks will then make every effort to address, oftentimes in consultation with Corporation Counsel and MOCS. Registration of the agreement is required before we can issue our concessionaire with a Notice to Proceed.

Once a Notice to Proceed has been issued and the concessionaire's term has begun, Parks then works to ensure that they comply with the terms of their agreement. Each concession is assigned to a Project Manager to resolve any day-to-day issues. Our Compliance team also meets with the concessionaire upon the commencement of their term to review the requirements of their agreement and to ensure that expectations are clear. Inspections are regularly conducted by our Compliance team and we work to resolve any issues that need to be addressed.

CONCLUSION

The concession process can be lengthy, but it results in the selection of high-quality concessions that provide quintessential New York City experiences. Even long time New Yorkers may not know the extent to which the City's parks and licensed concessions have defined the New York experience. If you ...

- Eat seafood at a snack bar along Rockaway Beach in Queens,
- Take a ride on the Willowbrook Carousel on Staten Island,
- Go horseback riding in Van Cortlandt Park, in the Bronx,
- Go kayaking in Marine Park in Brooklyn,
- Or enjoy a breakfast taco in Madison Square Park, a dosa in Washington Square Park, or a pretzel or ice cream at parks throughout the city,

... then you are taking part in a Parks concession. And people are voting with their feet. Many of our concessions attract hundreds or thousands of users. We continue to work to establish a popular, healthy and diverse array of concessions. We are seeking to transform vacant or little used facilities into vibrant concessions. We are striving to increase access to great amenities in parks in all five boroughs. And many of our concessions involve athletic and healthy activities – such as bike riding and kayaking - and even draw people to the park during the winter months with ice skating and indoor tennis.

Let me conclude by saying again that the principal role of concessions is to augment the life of a park. As with all public amenities, concessions are an evolving business which we can always improve and we look forward to discussing any ideas with you. But, whether a renowned restaurant or a curbside vendor, we believe that parks concessions have added to the richness of New York City's parks and the urban experience.



Concessions

Parks







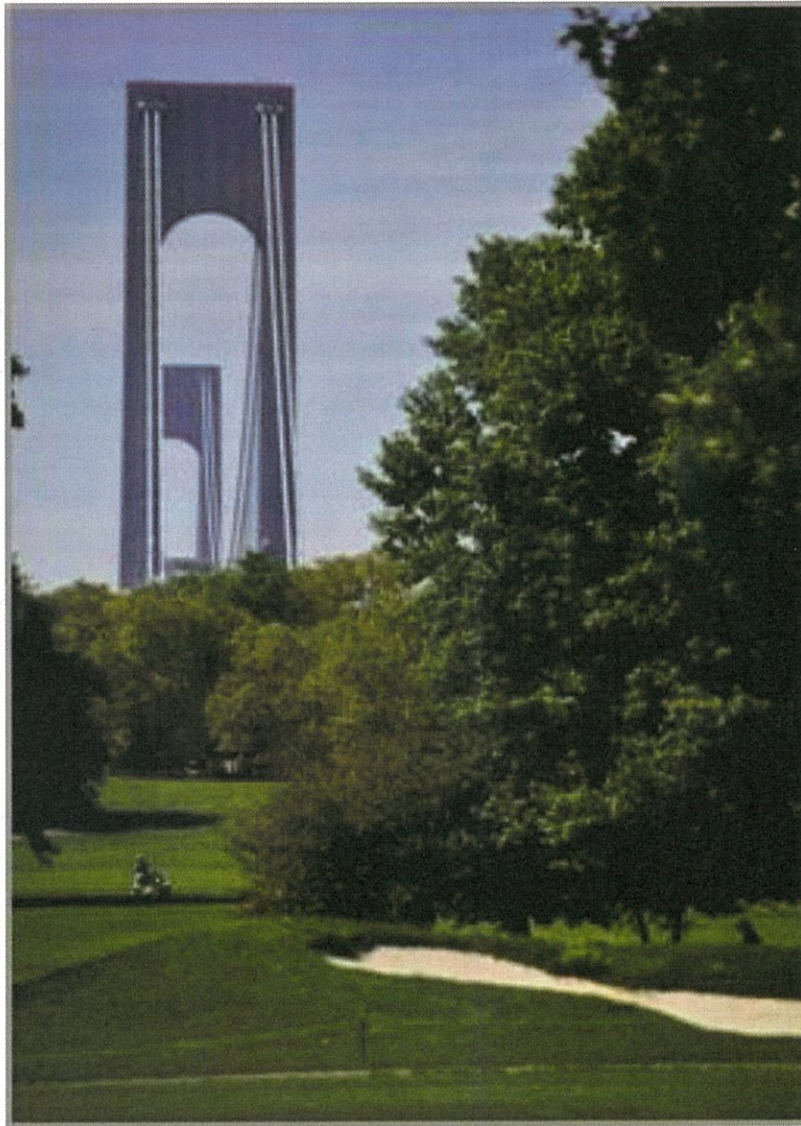






NYC Parks

Cary Leeds Tennis Center
Crotona Park, the Bronx

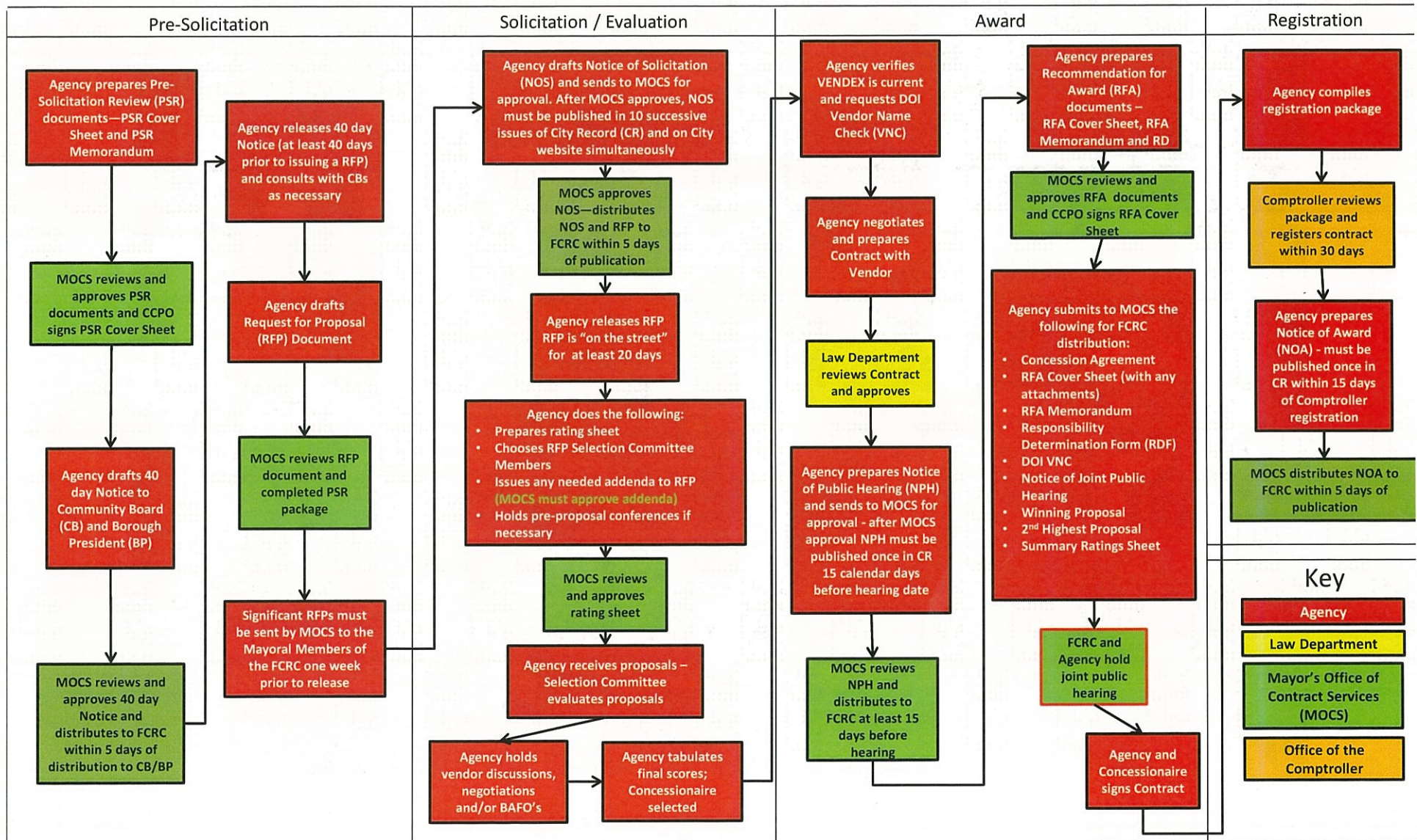


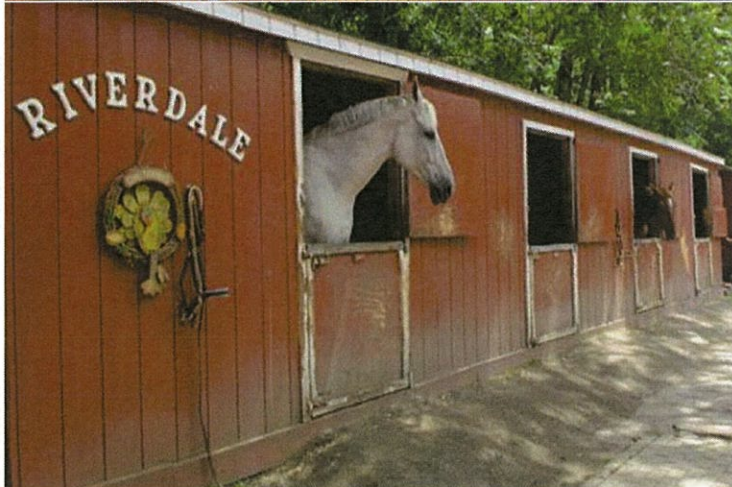






Competitive Sealed Proposal (RFP) Workflow (§1-13) - Significant Concession







Concessions

Parks



New York City Council Committee on Parks & Recreation
Oversight – Overview of the Parks Department Concessions Process
January 27, 2020
Emily Walker, Director of Outreach & Programs

Good afternoon. My name is Emily Walker, and I am the Director of Outreach & Programs at New Yorkers for Parks (NY4P). I want to thank the Committee on Parks and Recreation for inviting us to testify at today's hearing.

By and large, concessions located in our public spaces provide opportunities for park-goers to have a well-rounded experience in our City's open spaces. One of NY4P's paramount concerns around parks and open space is that they be accessible to the largest number and broadest cross-section of New Yorkers possible. For many New Yorkers and their families, having access to the services and amenities offered by the various concessions in our parks network can mean a full and comfortable day spent at a City park. We think it's also worth noting that for many residents of NYC, our parks provide their only logistically viable experiences with nature and the outdoors, and having the ability to purchase food or engage in unique programming offered via a Parks concession can help ensure that our parks are welcoming and accessible to a wide variety of New Yorkers.

Additionally, concessionaires with NYC Parks often provide added value to the parks system by executing facility upgrades or improvement, which would likely be out of reach for the agency to complete itself. The ability of an outside vendor to provide this level of targeted improvement within our parks is a benefit in that such outside parties are generally able to complete improvement projects more quickly and cheaply than if the project came through City dollars and process.

NY4P believes that the City should consider some improvements or changes to the Parks concession structure. In the Mayor's Message for the FY 2020 Executive Budget, the Administration shared an annual revenue forecast of \$74.5M from all revenue generated by recreational permits, marina rental fees, and concessions operated on Parks property. Notably, the projections for revenues from these sources in the Preliminary FY21 budget is comparable to this amount – year after year, this is not an insignificant amount of funding. As currently laid out by the City Charter, all of these revenues are directed into the City's general fund. In light of consistently insufficient funding for NYC Parks in both the City's Capital and Expense budget, we believe that even a partial restricting of the revenue stream from concessions for Parks operating and maintenance costs could provide a consistent source of funding to help improve conditions in parks citywide. In 2015, we advocated in a position paper done in partnership with the New York League of Conservation Voters Education Fund that 20% of the revenues generated by concessions on park properties be directed to a Park Equity Fund available for use citywide. We continue to believe that the City should contemplate some mechanism to allow some of the tremendous value generated by park concessions to go

back into the park improvements that are much-needed, and that currently lack consistent and predictable funding. We also want to underscore that in the event we could divert some portion of the revenues generated by our parks concessions, we strongly believe this funding should be additive to the current funding picture for parks, and not act as a substitute for current City funding.

Further, we believe the NYC Parks website could be improved to better share the locations of Parks concessions. The current list on the NYC Parks website does not seem to accurately reflect the location of many concessions that are currently in operation in parks citywide – this list and interactive map should be updated to better show the various concessions that exist in our parks. We also believe that an equitable distribution of concessions should be a continuing consideration as the City creates new opportunities and RFPs for concessionaires. There are many parts of the City's parks system that lack the kinds of concessions enjoyed by park-goers in Manhattan, and we believe the distribution of these kinds of services should be better spread throughout the five boroughs, and should also strive for affordability of goods or services to the extent possible.

Thank you for inviting me to speak today. I'm happy to answer any questions the Council might have.

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For over 100 years, New Yorkers for Parks (NY4P) has built, protected, and promoted parks and open spaces in New York City. Today, NY4P is the citywide independent organization championing quality parks and open spaces for all New Yorkers in all neighborhoods.
www.ny4p.org

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THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: January 27, 2020

(PLEASE PRINT)

Name: Alexander Han

Address: 830 5th Avenue, Room 407, New York, NY 10065

I represent: NYC Parks

Address: 830 5th Avenue, Room 407, New York, NY 10065

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Date: 1/27/20

(PLEASE PRINT)

Name: DAVID CERRON

Address: 830 5th Ave, The Arsenal, Central Park

I represent: NYC Park

Address: 830 5th Ave, The Arsenal, Central Park

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Date: 1/27/20

(PLEASE PRINT)

Name: Matthew Drury

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I represent: NYC Parks

Address: 830 5th Ave, NY, NY

Please complete this card and return to the Sergeant-at-Arms

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Date: _____

(PLEASE PRINT)

Name: FRANK RAFFAELE

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I represent: Myself (frank raffaele)

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Appearance Card

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☐ in favor ☐ in opposition

Date: 1.27.20

(PLEASE PRINT)

Name: Emily Walker

Address: 55 Broad St, 23rd Fl.

I represent: New Yorkers for Parks

Address: _____

Please complete this card and return to the Sergeant-at-Arms