



NEW YORK CITY LAW DEPARTMENT
OFFICE OF THE CORPORATION COUNSEL

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Press Release

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For Immediate Release

COURT UPHOLDS CITY LAW AUTHORIZING BEAUTIFICATION OF CITY STREETS WITH NEW STATE-OF-THE ART NEWSSTANDS

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New York, August 26, 2005 - The New York City Law Department announces a significant victory in the Courts. In a decision dated August 24, 2005, New York State Supreme Court Justice Michael D. Stallman denied a request by a group of newsstand owners to stop the City from implementing Local Law 64 of 2004. The decision gives the City the green light to go forward with its plan to replace existing newsstands with new newsstands using the franchise system authorized by Local Law 64. These state-of-the-art newsstands will be owned by a single franchisee, chosen by the City as a result of a competitive process. The franchisee ultimately chosen will obtain revenues from advertisements on the newsstands, a portion of which will go to the City. Existing newsstand owners will be permitted to operate their businesses in the newly constructed newsstands at no cost.

On July 8, 2004, a group of newsstand owners brought a lawsuit against the City to challenge Local Law 64 in the courts. They claimed in the suit that the City did not follow proper review procedure when enacting the law and that implementation of the franchise system would violate their First Amendment, Equal Protection, and Due Process Rights. In denying their motion for a "preliminary injunction" to stop the City from implementing its Request for Proposals from entities seeking to obtain the newsstand franchise, the Court rejected all of these claims. In fact, the Court granted summary judgment to the City dismissing all but one of the plaintiffs' claims as totally lacking in merit.

Only one claim was not dismissed, the claim that the City owes compensation to newsstand owners because they will have to remove their old newsstands, which they currently own. Contrary to their assertions, this claim was not resolved in favor of the newsstand owners. Rather, the Court simply ruled that a hearing is required to determine whether the City owes any compensation to the plaintiffs. In other words, the Court simply reserved judgment on this claim until after a trial. Most importantly, however, the Court rejected plaintiffs' claim that Local Law 64 should not be implemented insofar as it allows the City to replace existing newsstand structures with new ones. Rather, the decision allows the City to implement its new plan under which existing newsstands will be replaced by new state-of-the art structures, with designs that will be approved by the Art Commission.

"We are extremely pleased with the decision," said Senior Counsel Virginia Waters, the attorney who handled the case on behalf of the City. "The Court upheld a law which will bring about the replacement of existing shabby newsstands with brand new state-of-the art structures. This will not only beautify the city streets, but will provide the City with revenues from advertising on the newsstands. And existing newsstand owners will be allowed to operate out of the newly constructed newsstands at no cost."

The New York City Law Department is one of the oldest, largest and most dynamic law offices in the world, ranking among the top three largest law offices in New York City and the top three largest public law offices in the country. Tracing its roots back to the 1600's, the Department's 650-plus lawyers handle more than 90,000 cases and transactions each year in 17 separate legal divisions. The Corporation Counsel heads the Law Department and acts as legal counsel for the Mayor, elected officials, the City and all its agencies. The Department's attorneys represent the City on a vast array of civil litigation,

legislative and legal issues and in the criminal prosecution of juveniles. Its web site can be accessed through the City government home page at www.nyc.gov or via direct link at www.nyc.gov/html/law/home.html.

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