

**SPECIAL PUBLIC HEARING**

**FRANCHISE AND CONCESSION REVIEW COMMITTEE**

**TUESDAY, DECEMBER 30, 2008 @ 2:30 P.M.**

**22 READE STREET, MANHATTAN**

NOTE: INDIVIDUALS REQUESTING SIGN LANGUAGE INTERPRETERS SHOULD CONTACT THE MAYOR'S OFFICE OF CONTRACT SERVICES, 253 BROADWAY, 9TH FL., NEW YORK, NEW YORK, N.Y. 10007 (212) 788-7490, NO LATER THAN SEVEN (7) BUSINESS DAYS PRIOR TO THE PUBLIC HEARING. TDD USERS SHOULD CALL VERIZON RELAY SERVICE.

*Franchise and Concession Review Committee Special Public Hearing--  
Tuesday, December 30, 2008 @ 2:30PM*

**NEW YORK CITY DEPARTMENT OF PARKS & RECREATION**

**No. 1:** IN THE MATTER of the intent to award as a concession the renovation, operation and maintenance of an 18-hole golf course, clubhouse, and food service facility located at Marine Park, Brooklyn, New York for a license term of twenty (20) years, to Marine Park Seaside Links, LLC, whose address is 915 Victory Boulevard, Staten Island, New York 10301. Compensation to the City will be as follows: in each operating year of the license, licensee shall pay the City license fees consisting of the higher of the minimum annual fee (Years 1-5: \$325,00; Years 6-10: \$475,000; Years 11-15: \$575,000; Years 16-20: \$675,000) or an annual percentage of gross receipts derived from the operation of the licensed premises (11.125% of Merchandise and Pro Shop Gross Receipts plus 6.125% of food and beverage gross receipts between \$0 and \$1,000,000, 11.125% of Food & Beverage Gross Receipts between \$1,000,000 and \$2,000,000, 16.125% of Food & Beverage Gross Receipts over \$2,000,000, 10% of Driving Range & Golf Practice Center Gross Receipts between \$0 and \$500,000, 12.5% of Driving Range & Golf Practice Center Gross Receipts between \$500,000 and \$750,000, 15% of Driving Range & Golf Practice Center Gross Receipts over \$750,000, 10% of Mini Golf & Batting Cages Gross Receipts between \$0 and \$1,000,000, 12.5% of Mini Golf & Batting Cages Gross Receipts between \$1,000,000 and \$1,500,000, 15% of Mini Golf & Batting Cages Gross Receipts over \$1,500,000, 6.125% of Snack Bar Gross Receipts, 20.125% of "18 Hole Championship Golf Course" Gross Receipts in years 1-5, 21.125% of "18 Hole Championship Golf Course" Gross Receipts in years 6-10, 22.125% of "18 Hole Championship Golf Course" Gross Receipts in years 11-15, 23.125% of "18 Hole Championship Golf Course" Gross Receipts in years 16-20, and 5% of Banquet Facility Gross Receipts in years 1-10, 6% of Banquet Facility Gross Receipts in year 11, 7% of Banquet Facility Gross Receipts in year 12, 8% of Banquet Facility Gross Receipts in year 13, 9% of Banquet Facility Gross Receipts in year 14, and 10% of Banquet Facility Gross Receipts in years 15-20) plus a surcharge of \$4.00 for each round played, other than by Juniors (16 years old and younger). The calculation of percentage fees payable to the City shall be based on gross receipts exclusive of surcharge payments.

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SPECIAL PUBLIC HEARING  
OF THE FRANCHISE AND CONCESSION  
REVIEW COMMITTEE  
held on  
December 30, 2008  
22 Reade Street  
New York, New York

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P R O C E E D I N G S  
(2:07 p.m.)  
THE CHAIR: Good afternoon. The public hearing will now come to order. Will the clerk please call the roll.  
CLERK: Mayor.  
THE CHAIR: Here.  
CLERK: Office of the mayor.  
OFFICE OF THE MAYOR: Here.  
CLERK: Comptroller.  
COMPTROLLER: Here.  
CLERK: Corporation counsel.  
CORPORATION COUNSEL: Here.  
CLERK: Office of management and budget.  
OFFICE OF MANAGEMENT AND BUDGET: Here.  
CLERK: President, borough of the Bronx.  
PRESIDENT, BOROUGH OF THE BRONX: Here.  
CLERK: President, borough of Brooklyn.  
PRESIDENT, BOROUGH OF BROOKLYN: Here.  
CLERK: President, borough of Manhattan.  
PRESIDENT, BOROUGH OF MANHATTAN: Here.  
CLERK: President, borough of Queens.  
PRESIDENT, BOROUGH OF QUEENS: Here.  
CLERK: President, borough of Staten Island.

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PRESIDENT, BOROUGH OF STATEN ISLAND:  
Here.  
THE CHAIR: Welcome to this special public hearing of the franchise and concession

5 review committee.  
6 The hearing being conducted today has  
7 been publicly advertised in the city record at  
8 least 15 days prior to this hearing, in  
9 accordance with the charter of the City of  
10 New York and the concession rules. We want to  
11 be sure that anyone desiring to be heard has  
12 an opportunity to do so.

13 All persons wishing to speak simply need  
14 to identify themselves before they do so.  
15 When you testify, please state your name and  
16 affiliation.

17 Will the clerk please call the calendar.

18 CLERK: This is a joint special public  
19 hearing of the franchise and concession review  
20 committee held on December 30, 2008, New York  
21 City Department of Parks and Recreation,  
22 calendar item number 1, in the matter of the  
23 intent to award as a concession the  
24 renovation, operation and maintenance of an  
25 18-hole golf course, clubhouse and food

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1 service facility located at Marine Park,  
2 Brooklyn, New York, for a license term of 20  
3 years to Marine Park Seaside Links LLC, whose  
4 address is 915 Victory Boulevard, Staten  
5 Island, New York 10301.

6 Compensation to the city will be as  
7 follows: Each operating year of the license,  
8 licensee shall pay to the city license fees  
9 consisting of the higher of the minimum annual  
10 fee, years 1 through 5, \$325,000; years 6  
11 through 10, \$475,000; years 11 through 15,  
12 \$575,000; years 16 through 20, \$675,000, or an  
13 annual percentage of gross receipts derived  
14 from the operation of the licensed premises,  
15 11.125 percent of the merchandise and pro shop  
16 gross receipts plus 6.125 percent of the food  
17 and beverage gross receipts between 0 and 1  
18 million dollars, 11.125 percent of food and  
19 beverage gross receipts between 1 million and  
20 \$2 million, 16.125 percent of gross receipts  
21 of food and beverage gross receipts over \$2  
22 million, 10 percent of driving range and golf  
23 practice center gross receipts between 0 and  
24 \$500,000, 12.5 percent of driving range and  
25 golf practice center gross receipts between

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1 \$500,000 and \$750,000, 15 percent of driving  
2 range and golf practice center gross receipts  
3 over 750,000, 10 percent of mini golf and  
4 batting cages gross receipts between 0 and \$1  
5 million, 12.5 percent of mini golf and batting  
6 cages gross receipts between 1 million and 1.5  
7 million, 15 percent of mini golf and batting  
8 cages gross receipts over 1.5 million, 6.125  
9 percent of snack bar gross receipts. 20.125

10 percent of 18-hole championship golf course  
11 gross receipts in years 1 through 5, 21.125  
12 percent of 18-hole championship golf course  
13 gross receipts in years 6 through 10, 22.125  
14 percent of 18-hole championship golf course  
15 gross receipts in years 11 through 15, 23.125  
16 percent of 18-hole championship golf course  
17 gross receipts in years 16 through 20; and  
18 five percent of banquet facility gross  
19 receipts in years 1 through 10, 6 percent of  
20 banquet facility gross receipts in year 11, 7  
21 percent of banquet facility gross receipts in  
22 year 12, 8 percent of banquet facility gross  
23 receipts in year 13, 9 percent of banquet  
24 facility gross receipts in year 14 and 10  
25 percent of banquet facility gross receipts in

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1 years 15 through 20, plus a surcharge of \$4  
2 dollars each round played other than by  
3 juniors 16 years old and younger.

4 The calculation of percentage fees  
5 payable to the city shall be based on gross  
6 receipts, exclusive of surcharge payments.

7 THE CHAIR: Thank you. Would you please  
8 read that again?

9 Is there anyone who wishes to speak on  
10 this matter?

11 MR. CARRON: I wish to speak. My name  
12 is Michael Carron. I represent a group called  
13 GFL Country Group in Marine Park. I am very  
14 familiar with the golf course, if anybody  
15 needs directions to it.

16 This has been going on probably close to  
17 three years now from the previous RFP, when  
18 the previous lessor decided he was going to  
19 retire and go on his way. And I believe in  
20 the proposal it stated one of the objectives  
21 was community involvement. One of the  
22 objectives was simply golf, and one of the  
23 objectives was to restore the golf, in the  
24 design of Robert Trent Jones, to its original  
25 playability.

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1 Over the years we submitted two  
2 proposals which we got Robert Trent Jones  
3 involved and brought them up from Carolina to  
4 do a review of the golf course and restore it  
5 to its playability. And I think parks is kind  
6 of losing sight of their original proposal  
7 from three years ago, and what are we going to  
8 do with this golf course.

9 And what I see from that little blurb  
10 that was on the website in the record, it  
11 talks about batting cages and, you know, video  
12 games and putt putt. To me you are turning it  
13 into Coney Island, and I think that doesn't  
14 really go in the vein of what the golf course

15 was originally built for.

16 And I played it hundreds and hundreds of  
17 times. I can tell you hole by hole that it's  
18 highly underrated, and it gets bashed by the  
19 municipal golfer saying, it's not well taken  
20 care of. It's not there, not there. I  
21 understand now it's in pretty, reasonable  
22 shape.

23 The clubhouse has a lot to be desired.  
24 Part of our proposal talked about doing things  
25 to the clubhouse to make it a community

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1 center. One of the things that I like about  
2 the place, I am a first generation American.  
3 My father and mother are from Ireland, and the  
4 communities in Ireland, the golf course is the  
5 center of social activity. The kids play, the  
6 women play. They have their birthday parties,  
7 Christmas parties, whatever they have is at  
8 the golf course. And the Marine Park golf  
9 course is certainly underutilized in all of  
10 these aspects.

11 And I guess really why I am here today  
12 is over the course of three years, constantly  
13 calling parks and asking for the ability to  
14 make a presentation, to come in with our team  
15 and say, hi, we are new, but we are from the  
16 community. We know the golf course, we know  
17 the community, we want a chance to come in and  
18 present our proposal to you, only to get no  
19 response, no answer. We will get back to you.  
20 What's the process involved.

21 And my question, which is somewhat of a  
22 simple question, but I don't know if it has a  
23 simple answer, what is the process and what  
24 was the process? And is it all about the  
25 dollars and cents and the numbers, or is it

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1 about somebody who is going to take this  
2 facility over in Brooklyn and make it what  
3 your RFP wanted it to be?

4 If it's going to make it the Robert  
5 Trent Jones course that was designed and built  
6 decades ago, I don't see that happening and  
7 it's a shame. And if the company that's going  
8 to come in has every intention of doing that,  
9 please tell the public that, so we can go back  
10 to the neighborhood and say, they are doing a  
11 great job, they are going to spend four, \$5  
12 million to put in cart paths and do this and  
13 that.

14 And the information from parks is  
15 lacking, and the advertisement from public  
16 hearing is lacking. It's 30 different clicks  
17 away on the website to find out when it does  
18 happen, so anybody that wants to offer an  
19 answer or come up with something that

20 addresses the original RFP and the second RFP  
21 and the three-year process to resolve this  
22 now, I would love to hear it.

23 Thank you.

24 THE CHAIR: Thank you. Actually, we  
25 have Charles Kloth from the parks department

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1 here. And I guess one thing I would ask  
2 Charles, if you could just talk a little bit  
3 about the process that got us to this point,  
4 to this selection --

5 MR. KLOTH: Sure.

6 THE CHAIR: -- that might be helpful.

7 MR. KLOTH: Sure, yes.

8 As you know, we did this, it's a  
9 competitive process. I assume you know that,  
10 since you apparently put in a proposal.

11 We got a number of proposals. The  
12 proposals are rated by a selection committee,  
13 and ultimately we come up with what we  
14 consider the best overall proposal of these  
15 proposals. So it's not just about the fee,  
16 which is what we read off here that's  
17 contained in the public ad, but obviously it  
18 goes beyond the fee. It goes into the capital  
19 improvements, the operating experience, the  
20 planned operations and the financial  
21 capability of the proposers. So on hold when  
22 we -- when our selection committee at parks  
23 reviewed all the proposals, they ultimately  
24 came up with the best overall proposal to  
25 Marine Park. What's their name?

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1 MR. CARRON: That's really disturbing.

2 MR. KLOTH: Let me finish.

3 And your other question about the  
4 capital improvements to the golf course, The  
5 Golf Center of Staten Island, now known as  
6 Marine Park Seaside Links, the affiliate is,  
7 they are putting a 5 million, they are  
8 committed to minimally \$5 million into capital  
9 improvements, into the golf course.

10 MS. GLYNN: My name is Mary Glynn. I am  
11 also with Golf For Life. I actually did speak  
12 with you on the phone, and you said we  
13 couldn't present in person, for whatever  
14 reasons.

15 I know you are affiliated with the  
16 Staten Island course, and there are some  
17 things like resident permit carts, they are  
18 not issued at Silver Lake or other golf  
19 courses. These are things that the city is  
20 not enforcing, but the city does mandate.

21 Something is being lost here, and the  
22 vision of the original RFPs and the second one  
23 I think that's being lost also, because it  
24 doesn't seem like you are going to bring the

25 course back to the Robert Trent Jones vision

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1 or a vision for the modern golfer.

2 MR. KLOTH: Well, again, all I can say  
3 is that upon review of all the proposals,  
4 including yours, we came up with what the  
5 parks department enforcement felt was the best  
6 overall proposal in every category and it was  
7 this company. And your proposal was, you  
8 know, considered very carefully.

9 MS. GLYNN: What type of experts?

10 THE CHAIR: This is not a question and  
11 answer.

12 MR. CARRON: I would just like to ask,  
13 like I said, I know where Marine Park golf  
14 course is, and if anybody wants directions to  
15 look at it. Does anybody at parks even know  
16 who Robert Trent Jones is?

17 THE CHAIR: I don't want to turn this  
18 again into an a question and answer session,  
19 in terms of the process, though I want to  
20 thank the parks department for explaining it.  
21 And if you have any more comments.

22 MR. CARRON: Well, I guess the comments  
23 are that park seems to be operating in a  
24 vacuum. They don't seem to have anybody who  
25 is capable of reviewing a proposal that has to

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1 do with a golf course. Maybe they have  
2 someone who is capable of reviewing some  
3 numbers and reviewing a proposal for a hot dog  
4 concession. Maybe they have people capable of  
5 that. But the state of the parks and the golf  
6 course in New York, especially in the golf  
7 courses, and I have played them all, it's  
8 especially embarrassing for the parks  
9 department.

10 And hopefully those who win this award  
11 come in and pay attention to it, because it's  
12 a fabulous golf course. And Marine Park is a  
13 wonderful neighborhood, and because it's the  
14 far end of Brooklyn, people forget about it  
15 and don't know where it is. And I think  
16 that's what compelled us to come here today is  
17 to make sure that what happened in the last  
18 lease doesn't happen again, and that parks is  
19 dotting the Is and crossing the Ts, making  
20 sure that the community gets what they  
21 deserve. So who is going to make sure that  
22 that happens?

23 THE CHAIR: Well, the city and the parks  
24 department has responsibility for oversight of  
25 concession. So thank you for your comments.

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1 Is there anyone else who wishes to  
2 testify? Sir?

3 MR. GIORDANO: My name is Mike Giordano.

4 I am one of the principals for Marine Park  
5 Seaside Links.  
6 And just to address your point, we are  
7 very, very respectful of the fact that it is a  
8 Trent Jones golf course, and Doug Johnstone  
9 can speak to that. That was one the key  
10 elements that attracted us to the course,  
11 because of its historical component. And it's  
12 a fabulous course, there is no doubt about it.  
13 It has fallen from grace, but we are very  
14 confident that we can bring it back to its  
15 said prominence, and we are committed to that.

16 We are also committed to being part of  
17 the fabric of the neighborhood. We are very  
18 sensitive. I was born not far from Marine  
19 Park, and it's almost like a coming home for  
20 us. So it really -- we are very anxious, and  
21 we have got a wonderful plan to -- it's a  
22 detailed plan to get the golf course back into  
23 a place of grace.

24 It's not going to happen overnight,  
25 because it is, you know, it is a project, but

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1 Doug has done this, Doug Johnstone has worked  
2 his craft on other golf courses in other  
3 facilities, and you want to speak to it for a  
4 second?

5 MR. JOHNSTONE: My name is Douglas  
6 Johnstone. I am part of the management team  
7 at Marine Park Seaside Links, and I have been  
8 a class A golf course superintendent since  
9 1988. And with regards to Mr. Robert Trent  
10 Jones' design, we have absolutely no desire or  
11 plans to change it. We are going to enhance  
12 it.

13 We are excited about the prospect of  
14 being a part of revitalizing this facility. I  
15 have turned around Silver Lake golf course in  
16 Staten Island in two years, from one of the  
17 worst to one of the best. And that's not me  
18 saying that, that's the public saying that.  
19 So.

20 I can hear your passion in your  
21 statements, and I look forward to speaking  
22 with you more about what it is that we are  
23 doing, okay, so that you do see that we are  
24 the right concession as for this facility, and  
25 we are going to do things far, far over and

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1 above what other proposals had in mind.

2 MS. GLYNN: Just one little thing. I  
3 can appreciate that. Why do you need batting  
4 cages and a mini golf? It's just about money,  
5 then. It's not going being to be a world  
6 class golf course with batting cages, and they  
7 are on Flatbush Avenue.

8 MR. JOHNSTONE: There is a component.

9 THE CHAIR: If you want to address that  
10 point, that's fine. I just want to point out  
11 that the process that the parks department  
12 described, in terms of evaluating all the  
13 elements for the proposal in terms of a back  
14 and forth about particular elements, you know,  
15 the selection at this point has been made /so  
16 if you want to address that point, then feel  
17 free to do so.

18 MR. JOHNSTONE: I will, seeing as I  
19 began to summarize.

20 We have a component in our proposal for  
21 mini golf and/or batting cages. No video  
22 machines, by the way. And if we choose to  
23 proceed with that sometime in the future, we  
24 have that option. It's not -- it's not  
25 something that is definitely going to occur.

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1 MR. CARRON: That option is preapproved  
2 by the parks department?

3 MR. KLOTH: It's subject to the parks  
4 department approval.

5 MR. CARRON: Congratulations guys, for  
6 getting in. I hope you do do whatever you say  
7 you are going to do.

8 And I guess my whole issue is with parks  
9 and the process they went through. I proposed  
10 a lot of jobs. I have a consulting firm, and  
11 I do work for a little firm named Goldman  
12 Sachs and Morgan Stanley, and when we present  
13 to them jobs that are worth hundreds of  
14 millions of dollars, they look at it evaluate  
15 it, call you in and sit you down and say, how  
16 are you going to do that?

17 Parks doesn't do that. Every other  
18 agency does it. For some reason, they operate  
19 in a vacuum. The information is weak. You  
20 send a letter, make a phone call, it doesn't  
21 get responded to. So you guys are a lot  
22 brighter than I am, but thank you.

23 Going forward, I think the process needs  
24 to be looked at, and it needs to be socialized  
25 with the citizens in New York City, with the

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1 public.

2 THE CHAIR: Thank you for your comments.

3 Is there anyone else who wishes to  
4 testify on this matter? If not, that's the  
5 only calendar item, and that concludes the  
6 calendar for the day. The hearing is now  
7 closed.

8 (Time noted: 3:00 p.m.)

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STATE OF NEW YORK    )  
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COUNTY OF QUEENS    )

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I, YAFFA KAPLAN, a notary public within and for the State of New York, do hereby certify that the within is a true and accurate transcript of the proceedings taken on December 30, 2008.

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I further certify that I am not related to any of the parties to this proceeding by blood or marriage and that I am in no way interested in the outcome of this matter.

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IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

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YAFFA KAPLAN