



Gift Ban Could Be Expanded

The Business Council of New York State is lobbying against a reinterpretation of ethics rules that would bar public employees from attending events sponsored by special-interest groups where free food and drinks are served. The Public Integrity Commission sent out a memo this month suggesting that attendance at such events might violate state ethics laws. The commission will soon seek public comment on the issues raised in the memo. Meanwhile, the business council, fearing that the memo would dampen attendance at its annual legislative breakfast next week, tried to reassure its members that the old interpretation of ethics rules is still in place. "The statute is clear: Widely attended events with topics related to official duties are not prohibited," says a council spokesman.

To Give Is Divine

Councilman Eric Gioia's house-party strategy—he attends eight such fundraisers a week—has earned him the broadest donor base of any citywide candidate. Last week's campaign filing shows that the public-advocate hopeful has 3,268 contributors. His competitors in the race are Councilman John Liu (2,740 donors), Councilman Bill de Blasio (1,430) and civil rights attorney Norm Siegel (886). Councilwoman Jessica Lappin, who might seek re-election instead, has 473 donors. In the mayoral race, city Comptroller Bill Thompson (2,727 donors) and Anthony Weiner (2,699) are virtually even. Bronx Borough President Adolfo Carrión leads comptroller contenders with 1,708 donors, followed by council members David Weprin (1,493), Melinda Katz (1,418) and David Yassky (1,201). Carrión would leave the race if he clears his protracted background check and joins the Obama administration.

Jay Street Fix

The MTA is planning to make 370 Jay St. in downtown Brooklyn less of an eyesore. At yesterday's *Crain's* breakfast forum, CEO Lee Sander said he hoped to find \$2 million to dress up the exterior. However, work to renovate it for use as a business services center awaits approval of a new capital budget, which hinges on legislative approval of the Ravitch Commission plan.

Mayoral Control Mystery

Learn NY, the nonprofit backing renewal of mayoral control of public schools, recently named *El Diario* publisher Rossana Rosado to its board. But it won't be announcing its funders—and as a 501(c)(4) organization, it does not have to. But until it does, it risks being tagged as a front organization for Mayor Bloomberg, who shares its agenda.

MTA can't please everyone

The Metropolitan Transportation Authority is going to have a hard time satisfying critics of the Hudson Yards project as it negotiates with its chosen developer. West Side Assemblyman Dick Gottfried wants the MTA to demand more affordable housing and a larger public school from developer The Related Companies, without giving the builder more leeway on the timing of the project or allowing it to string out its \$1 billion payments.

But the MTA is desperate just to keep Related on the project, given the recession and the lack of available financing for projects large and small. At a *Crain's* breakfast forum yesterday, authority CEO Lee Sander tacitly acknowledged that if Related drops out, the chances of another developer stepping up—as Related did when Tishman Speyer pulled out a year ago—would not be good.

"I think there are more public goods that need to be part of the project," Gottfried says. "I would not want the current economy to create circumstances in which the developer successfully demands even more leeway and is given lower obligations to meet. I would imagine that's a real danger."

At the same time, citing the MTA's urgent need for revenue, Gottfried says he does not want the deal to fall apart.

At the breakfast, Sander suggested that he is not blind to market conditions and won't be inflexible in negotiations. He said that is also true for Atlantic Yards, where developer Forest City Ratner is downsizing its project in response to the tight credit market. Forest City has halted all work until legal issues are resolved. Its deal with the MTA calls for a complicated and expensive relocation of the Vanderbilt rail yard.

At a Glance

AXELROD'S FIRM: David Axelrod, formerly the Obama campaign's chief strategist and now a senior adviser to the president, has sold his consulting firm, AKP&D Message and Media, to longtime partners John Del Cecato and John Kupper, as well as Larry Grisolano, who joins as a partner. David Plouffe, who managed the Obama campaign, will remain with the Chicago-based firm as a senior adviser in Washington, D.C. Del Cecato will work out of its New York office.

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