

POLITICO

BUDGET DAY for de Blasio — ETHICS PLAN in Albany — NYT calls Trump remarks ‘LIE’ on front page

*By Jimmy Vielkind in Albany and Azi Paybarah in
Manhattan, with Addy Baird and Daniel Lippman
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WILL DE BLASIO GET TRUMPED BUDGET DAY? — Mayor’s \$84.67B financial plan to be released today — POLITICO New York’s Laura Nahmias: Mayor Bill de Blasio will unveil an \$84.67 billion spending plan Tuesday, as he settles into the final year of his first term as mayor, prepares for his re-election effort, and anticipates the still unknown fiscal impact of Donald Trump’s presidency on largest city in the country. The preliminary fiscal year 2018 spending plan marks an overall increase of \$2.57 billion from the \$82.1 billion spending plan de Blasio proposed last year. The Council ultimately voted to approve an \$82.2 billion final budget plan last summer, and approved a November modified budget of \$83.5 billion late last year, with increased spending bolstered largely by additional federal aid, unexpected costs catalyzed by significant under-performance in the city’s pension system, and more than \$100 million in new agency costs, driven in large part by new spending for the city’s Department of Homeless Services.

— **The biggest question for budget watchers Tuesday will be how the mayor’s budget anticipates (or does not anticipate) the potential impact of Donald Trump’s presidency on the city’s budget,** given the president’s threat to withdraw federal aid from sanctuary cities. New York City’s budget actually relies on \$8.5 billion in federal aid in the current fiscal year,

more than 10 percent of the city’s budget. <http://politi.co/2klJBV7>

CITY HALL’S AWKWARD SILENCE — After public trial, City will not release verdict — Daily News’ Rocco Parascandola: “The cop who shot unarmed 18-year-old Ramarley Graham was portrayed in closing statements Monday much the way he was when his department trial began — his lawyer calling him a good cop who should not be fired and the NYPD saying his poor tactics cost a young man his life. The question now is will Officer Richard Haste’s fate — to be decided by Police Commissioner James O’Neill weeks from now — ever be revealed. The NYPD says such dispositions are covered by a Section 50-a of the state’s civil rights code that it unwittingly violated for 40 years until its Legal Bureau changed course last year. The NYPD was mum Monday when asked if it would reveal O’Neill’s decision either publicly or to Constance Malcolm, Graham’s grieving mother. ... City Hall, meanwhile, wouldn’t directly answer the question, a spokesman saying that while it hopes 50-a is amended it’ll ‘provide the maximum transparency authorized under the law.’” <http://nydn.us/2j9aNWl>

IT’S TUESDAY — Got a tip? Feedback? News to share? Let us know. By email: JVielkind@politico.com, APaybarah@politico.com, ABaird@politico.com, and daniel@politico.com, or on Twitter: [@JimmyVielkind](https://twitter.com/JimmyVielkind), [@Azi](https://twitter.com/Azi), [@addysue](https://twitter.com/addysue), and [@dlippman](https://twitter.com/dlippman).

TABS — Daily News, banner: “Cop summons quotas cost city \$75M” — main: “POOR BABY! Trump White House: Media fact-check-

ing is 'demoralizing' us" – **Post**: "PASS FAIL: At a Bronx HS, 76% of kids graduated – but just 4% had basic college readiness" – **SEE THEM**: <http://bit.ly/2jXezXc>

FREEBIES – **amNY**: "SUBPAR: MTA board members demand answers for worsening rail service as fare hike looms" – **Metro**, with a picture of an exploding mushroom cloud of fire: "WORRIED?" – **SEE THEM**: <http://bit.ly/2jXcn1H>

BROADSHEETS – **WSJ**, 4-col., above the fold: "Trump Pulls Out of Trade Pact" – **NYT**, 2-col., above the fold: "Upending Trade Policies, Trump Scraps Asia Pact" – and 2.col., above the fold: "Police Missteps lead New York To Pay Millions" – **SEE THEM**: <http://bit.ly/2jXosE1>

HOME PAGES – **Empire Report**, with pic of Cuomo eating a hotdog: "MY PORK; MY ZITI" – **Gothamist**: "City Agrees to Pay \$56.5 Million To People Written Bogus Tickets By the NYPD" – **Gotham Gazette**: "Cuomo Embraces Voting Reform Agenda, But Implementation Poses Challenges" – **City and State NY**: "ALL TIED DOWN: Bill de Blasio's Rivals Weigh In On His Record – And How to Improve New York City" – **SEE THEM**: <http://bit.ly/2jXeFwW>

QUOTE OF THE DAY: "I do think there is a problem within the Democratic Party, for the mayor, for the governor, for anybody, between what progressive white Democrats view as the future of the party, and what the base is, within the African-American and Latino voters. There is a disconnect. And not enough white Democrats see it. Not the mayor. Not the governor." – **Charlie King**, former executive director of the NYS Democratic Party, via NY1's "Road to City Hall": <http://bit.ly/2jXqHHQ>

BONUS QUOTE: "The two top Democrats for DNC chair weren't out with the people at the protests. They were down in Florida, wooing big donors, for David Brock's money, and that's a real problem for the Democrats. We don't know where the people are. We're still playing the inside game." – **Rebecca Katz**, a Democratic strategist and former de Blasio aide, via NY1's "Road to City Hall": <http://bit.ly/2jXqHHQ>

ON THIS DAY in 2014: **POLITICO** New York (nee Capital New York) published audio of a speech Mayor Bill de Blasio gave at unpublicized, closed-door meeting in midtown organized by AIPAC, where the newly elected mayor said, "part of my job description is to be a defender of Israel." **READ THE STORY**: <http://politi.co/2ghnKRE> **HEAR THE AUDIO**: <http://bit.ly/2j970IC>

2017 CHATTER: "In my personal opinion, it's 50-50." – **John Catsimatidis**, on his impression of Hillary Clinton running for New York City mayor, via Post's Daniel Halper and Todd Venezia [h/t Empire Report]: <http://nyp.st/2j9niAX>

DON'T BE PODESTA – **WSJ's Mara Gay**: "Signal, a smartphone app that allows users to send encrypted messages, is gaining popularity in the political world amid rising fears about hacking and surveillance in the wake of a tumultuous election year. Political aides close to President Donald Trump, former President Barack Obama, and former Secretary of State Hillary Clinton are users. So are some close to New York Gov. Andrew Cuomo and Mayor Bill de Blasio. Some say the legion of political types has a singular goal to avoid a repeat of the WikiLeaks scandal, in which the emails of Mrs. Clinton and her closest allies were dumped onto the internet. 'Everybody learned the lessons of the Clinton campaign when it came to communicating about sensitive issues over email,' one former senior aide to President Barack Obama said in a phone interview. 'No one wants to see that happen again."

– **Who Uses Signal**: "Council members Daniel Garodnick, David Greenfield and Corey Johnson are on the app. So are Howard Wolfson and Marc La Vorgna, close aides to former Mayor Michael Bloomberg. Nearly a dozen officials or campaign aides within Mr. de Blasio's orbit are on the app. That list includes press secretary Eric Phillips, Nisha Agarwal, who serves as commissioner for the mayor's Office of Immigrant Affairs, and Dan Levitan, a political adviser." <http://on.wsj.com/2iZ0RTV>

– **Worth Reading, from March 2016**: "The Encryption Tightrope: Balancing Americans'

Security and Privacy” – Manhattan D.A. Cy Vance: <http://bit.ly/2j8XgOt>

WHITHER MALATRAS: Jim Malatras, the governor’s director of state operations, is now scheduled to return to the State University system as president of the Rockefeller Institute of Government, SUNY Chancellor Nancy Zimpher was expected to announce Monday morning. Sources [told POLITICO New York](#) in October that Malatras would leave the Cuomo administration to take a position with the Health Association of New York State, a trade group that represents hospitals. We’ve been hearing for a few weeks that the HANYS gig was falling apart, and rumors bubbled up last week that Malatras would go back to SUNY. But there was no official word from Cuomo’s office about the change, and Zimpher never actually announced the appointment in her speech. So, maybe the final chapter is written? It should be soon: a source said Malatras leaves the Second Floor on Friday.

NYT CALLS TRUMP REMARKS “LIE” ON FRONT PAGE – “Meeting With Top Lawmakers, Trump Repeats an Election Lie” h/t @MikieBarb. SEE IT: <http://bit.ly/2j9vIIw>

ADVICE TO REPORTERS ON THE TRUMP BEAT – From former Cuomo and de Blasio spokesman Matt Wing, in the Daily News: “1. No off-the-record ... [a] reporter trusts [a] spokesperson not to life. Since Spicer has violated that trust, every conversation he has with journalists should henceforth be publicized so that he is accountable for his words. ... 2. Don’t hesitate to print that the Trump White House lied. ... 3. If the Trump White House won’t respond to press questions or hold press briefings, the media shouldn’t broadcast or report their live remarks or events.” ... 4. Stick together. If the President or press secretary refuses to answer a reporter’s question ... then the next reporter should ask the same question. If they kick a reporter or outlet out of the pressroom, all members of the press should walk out.” <http://nydn.us/2j95iqo>

COUNTERING CUOMO’S ETHICS PLAN – POLITICO New York’s Bill Mahoney: A week after Gov. Andrew Cuomo

criticized the Legislature’s use of the Legislative Ethics Commission for obtaining opinions on outside employment, the Legislature has responded by moving to increase the commission’s role. At his budget presentation last Tuesday, the governor said he would propose a required “independent advisory opinion before earning outside income to make sure there’s no conflict of interest.” On Friday, Assembly Speaker Carl Heastie released [a competing proposal](#), which was [introduced by](#) Senate leaders John Flanagan and Jeff Klein on Monday. Amending the chambers’ joint rules would similarly require lawmakers to obtain an advisory opinion before taking an outside job. But it would leave the makeup of the commission unchanged, meaning the legislative appointees would be the sole authors of these opinions. <http://politi.co/2iYmRhY>

NYC TO PAY \$75M FOR FAULTY POLICE SUMMONS – NYT’s Benjamin Weiser: “New York City has agreed to pay up to \$75 million to settle a federal class-action lawsuit that accused its Police Department of issuing hundreds of thousands of criminal summonses that were later found to be without legal justification, according to a signed copy of the proposed deal filed on Monday. The summonses had been issued for typically minor offenses, like disorderly conduct, trespassing and drinking in public – quality-of-life concerns that had been a major theme of policing in New York for two decades or so. Lawyers for the plaintiffs had asserted that the summonses were part of a policy that was ‘selectively and disproportionately enforced in minority communities.’ ... The proposed settlement filed on Monday was seen by lawyers for the plaintiffs as another repudiation of a city policing policy. It covers at least 900,000 summonses, issued from 2007 to 2015, that were dismissed on grounds of legal insufficiency, which a federal judge later found was ‘tantamount to a decision that probable cause was presumptively lacking.’ ...

“[U]nder the settlement, the city agreed to send out departmentwide notifications to reiterate its policy that quotas and numerical per-

formance goals were banned..." <http://nyti.ms/2j93oGA>

EAT BEAT – “Mission Chinese Launching Catering Just in Time to Throw a Very Hip Super Bowl Party,” by Eater’s Serena Dai: “All the coolest kids watching the Super Bowl this year can now serve thrice-cooked bacon at their parties from Mission Chinese Food, which will soon offer catering. Chef Danny Bowien’s uber-hip Shanghai/Sichuan house on the Lower East Side is launching the program just in time for the big game on Sunday, February 5th. The restaurant posted the announcement on its website with a variety of sports graphics. The menu offers Mission Chinese favorites like the super hot Chongqing chicken wings with tripe, mapo tofu, and salt cod fried rice. A catered order of wings feeds eight to ten people and costs \$60, while an order of spicy peanut noodles costs \$40. Catering also features a few variety menus at a fixed cost, serving eight to ten people. A \$380 ‘feast’ option includes papaya salad, Shanghai lumpia egg rolls, the chicken wings, mapo tofu, salt cod fried rice, thrice-cooked bacon, and steamed Chinese broccoli. A vegetarian menu and a “classics” menu are also available with fewer items at a lower cost. Delivery fee costs \$45 for Lower East Side deliveries and may be more for people in other neighborhoods.” <http://bit.ly/2jqOH2e>

ON STAGE – “Review: An ‘Orange Julius’ Bond Is Complicated,” by NYT’s Laura Collins-Hughes: “Every year on Veterans Day, a man named Julius and his younger daughter, Nut, would gather around the television to watch war movies together: ‘Platoon,’ ‘Full Metal Jacket,’ ‘Apocalypse Now.’ The viewing marathons were his idea, but Julius wasn’t much for talking about his time in combat in the Vietnam War. He wasn’t much for talking, period. Now he’s dead, sickened by Agent Orange, and the grown-up Nut yearns to know him – to embrace him and feel his embrace. In Basil Kreimendahl’s ‘Orange Julius,’ at Rattlestick Playwrights Theater, memory twines with fantasy as Nut (Jess Barbagallo) scavenges through the past, searching for Julius (Stephen Payne). Directed with ambition and uncertainty by Dustin Wills, it’s a muddled play

that tries to tell too much, yet Nut isn’t just any adult child. Always a daughter in Julius’s eyes, Nut is – like the playwright, and like the terrific Mr. Barbagallo – transgender. That is not the play’s central topic, but it is inextricable nonetheless as the action shifts between past and present, reality and imagination, America and Vietnam.” More on the show at NYT: <http://nyti.ms/2j7sUvH>

AT THE MUSEUM – “Brooklyn Museum Announces Seven New Board Members,” from Artforum: “The Brooklyn Museum has announced the addition of seven new members to its board of trustees: Sarah Arison, Andrew Cogan, Karen Kiehl, Joel Mallin, Victoria M. Rogers, Ellen N. Taubman, and Susan Weber. Sarah Arison is the president of the Arison Arts Foundation, a private grant-making organization that provides support for emerging artists and the institutions that foster them ... Andrew B. Cogan is the CEO of Knoll, Inc., which was founded in 1938 and is recognized internationally for workplace and residential furniture designs ... From 2008 to 2011, Karen Kiehl was a senior vice president of the investment banking division at Barclays Capital ... Joel Mallin is a contemporary art collector whose collection of sculpture can be seen at the Mallin Collection and Buckhorn Sculpture Park in Pound Ridge, New York ... Victoria M. Rogers is the director of arts at Kickstarter and also serves on the board of Creative Time ... Ellen N. Taubman is an independent curator and art consultant who was previously a guest curator at the Museum of Arts and Design in New York City, where she organized a series of exhibitions focused on contemporary Native American art ... Susan Weber is an American historian and founder and director of the Bard Graduate Center (BGC) for studies in the decorative arts, design history, and material culture, which is affiliated with Bard College ... The total number of voting trustees at the Brooklyn Museum is now thirty-eight.” <http://bit.ly/2jjBhHK>

REAL ESTATE, with POLITICO New York’s Sally Goldenberg:

– “Amazon and high rents are killing New York City retailers,” by Crain’s Matthew

Flamm: "In the retail universe, Grand Metro Housewares, a humble hardware store on Broadway near West 95th Street, resides on a different planet from Macy's, the megaretailer that had \$28 billion in sales last year. But they have one thing in common. Both have been buffeted by changing consumer habits, including the shift to online shopping. That's one of the reasons Macy's plans to shutter 100 stores around the country this year. And it's partly why Grand Metro is closing its doors this month after 34 years on the Upper West Side. 'My lease is up, and I have been losing money for the past three years,' said owner Roy Ennacheril, who has been at his 10,000-square-foot location since 2002." <http://bit.ly/2jRBcvz>

— **"Lexin pays \$155M for Barings' 551 Madison,"** by **The Real Deal's Mark Maurer:** "Metin Negrin's Lexin Capital closed last week on the \$155 million purchase of a 17-story Midtown office building at 551 Madison Avenue from Barings, formerly known as Cornerstone Real Estate Advisers, sources told The Real Deal. The price for the 151,000-square-foot property came out to \$1,030 per square foot, sources said. The building, located between East 55th and 56th streets, according to sources is 94 percent occupied and also has a roughly 17,000-square-foot retail component. Office tenants include French clothing company Lacoste and Omni Hotels and Resorts. Lexin, which is developing a 40-story Financial District rental tower at 75 Nassau Street, is planning a long-term hold of the Madison Avenue building, sources said." <http://bit.ly/2jjArLo>

— **"Buyer of \$46M pad at 432 Park sues over 'catastrophic flood,'"** by **The Real Deal's Konrad Putzier:** "An indoor waterfall can be a neat penthouse amenity — less so if it's caused by a burst pipe. The mystery buyer of a \$46.25 million apartment at CIM Group and Macklowe Properties' condominium tower 432 Park Ave-

nue is suing to get her or his \$11.56 million deposit back, alleging that a water leak damaged the unit. According to a complaint filed in New York's Supreme Court Monday, a 'catastrophic water flood' on Nov. 5 affected floors 83 through 86, damaging several rooms in the apartment, 'saturating multiple layers of insulation and sheetrock, penetrating the walls and internal support beams and electrical wires, and infiltrating the marble and wood flooring throughout.'" The buyer, a Florida-based entity called 'Park Avenue Residence, LLC,' alleges that CIM and Macklowe inadequately repaired the damage and did not commit to properly fixing it within 45 days of the incident, canceling the sales contract. The developers allegedly refused to refund the deposit, hence the suit." <http://bit.ly/2jT16PR>

You can find the free version of Sally's real estate newsletter here: <http://politi.co/2a1DgJk>

BIRTHDAYS — Co-Host/Reporter at Thirteen WNET New York **Jenna Flanagan ... Shawn Cohen**, police bureau chief for the New York Post ... actors and former Daily Show correspondents [Kristen Schaal](#) and [Ed Helms](#).

THE HOME TEAMS — POLITICO New York's Howard Megdal: Spurs 112, Nets 86: On a day the Nets learned they'd be without Jeremy Lin for another three-to-five weeks, the Spurs reminded them of how much of a problem that is.

— **Knicks109, Pacers 103:** Thanks to 26 from Carmelo Anthony, including the tie-breaking baseline jumper late, the Knicks finally took home a late, close one.

— **The day ahead:** the Blue Jackets come to Barclays. The Sabres are in Nashville.

#UpstateAmerica: The Washington County sheriff says no laws were broken when some guys blew up a junk car this weekend. <http://bit.ly/2kkuon8>