



## Roosevelt Island Operating Corporation

**KATHY HOCHUL**  
Governor

**SHELTON J. HAYNES**  
President & CEO

### BOARD OF DIRECTORS

RuthAnne Visnauskas, Chair, Commissioner of NYSHCR  
Blake Washington, Director of BUDGET  
Fay Christian  
Ben Fhala  
David Kraut  
Michal L. Melamed  
Howard Polivy  
Lydia W. Tang

Agenda Item V. 1. September 14, 2023

### PROPOSED RESOLUTION

#### RATIFICATION OF THE MEMORANDUM OF UNDERSTANDING WITH THE MTA FOR OMNY INSTALLATION

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**RESOLVED** by the Board of Directors of the Roosevelt Island Operating Corporation of the State of New York (“RIOC”), as follows:

- Section 1. that the Memorandum of Understanding with the MTA for OMNY installation, upon such terms and conditions substantially similar to those outlined in the Memorandum from Gretchen Robinson to Board of Directors/Shelton J. Haynes, dated August 30, 2023, attached hereto, is hereby ratified;
- Section 2. that the President/Chief Executive Officer or President’s designee is hereby authorized to take such actions and execute such instruments as deemed necessary to effectuate the foregoing; and
- Section 3. that this resolution shall take effect immediately.



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**MEMORANDUM**

To: Board of Directors/Shelton J. Haynes, President/CEO

From: Gretchen Robinson, Vice President & General Counsel

Date: August 30, 2023

RE: Approval to Ratify a Memorandum of Understanding entered into with the MTA for OMNY installation

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Corporation staff seeks ratification of that certain Memorandum of Understanding (“**MOU**”) entered into between RIOC and the Metropolitan Transportation Authority (the “**MTA**”) in order to roll out the new OMNY fare collection system at the Roosevelt Island Tram ahead of the MTA’s planned track work on the F line, which began on August 28<sup>th</sup>.

**Background**

RIOC staff have been engaged with the MTA for several months in ongoing negotiations regarding the addition of the OMNY fare collection system at the Roosevelt Island Tram. As you are likely familiar, OMNY is the MTA’s new fare collection system, that allows riders to pay at turnstiles with a chip card or with a phone activated to make contactless payments. The MTA having indicated that it intends to phase out MetroCard, the current fare collection system, within the next couple of years, adding OMNY to the Tram now will improve the overall ridership experience while also allowing RIOC to collect the increased fares which are currently \$2.90 per ride.

Amidst these ongoing negotiations, we learned that the MTA planned significant track work on the F line tunnel which services Roosevelt Island, and that said work was slated to begin on August 28<sup>th</sup>. Given the significant disruption to island residents that the F train work was obviously going to create and considering the numerous calls from the community to get OMNY operational at the Tram; and considering the MTA’s desire to onboard OMNY ahead of said F line work, both RIOC and the MTA expedited negotiations and are very close to reaching a more permanent agreement. That said, we are still negotiating potential future fee-split arrangements, so we have only thus far signed the MOU, and not the larger, longer OMNY Subscription Agreement which has been the subject of our ongoing discussions.

As stated above, the switch to OMNY, will provide significantly increased revenue from the Tram. Under our current MetroCard arrangement with the MTA, RIOC only receives \$2.00 per swipe out of the newly increased \$2.90 fare. With OMNY, RIOC will receive \$2.90, less ten cents per tap collected by the MTA, that riders pay using the new system. Other associated fees with the new system will include a monthly fee of roughly \$3,800, a one-time onboarding fee of \$285,000, and costs associated with the new OMNY hardware (hard costs and labor for installation to be amortized over a 12-year period, or the expected useful life of the equipment).

The MOU has a one-year term and will terminate next August if we remain at an impasse with the MTA on the terms of the OMNY Subscription Agreement. RIOC and the MTA agreed that an MOU was needed for the MTA to move forward with installation work which the MTA wished to complete and get OMNY up and running ahead of the F train work, while the terms of the OMNY Subscription Agreement are still being negotiated.

### **Recommendation**

Based on the above and the urgent necessity of adding OMNY to the Tram considering the MTA's F line work, I recommend that the board authorize ratification of the MOU with the understanding that RIOC will continue to negotiate the terms of the OMNY Subscription Agreement.