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THE COUNCIL
OF
THE CITY OF NEW YORK
VINCENT J. GENTILE
COUNCIL MEMBER, 43RD DISTRICT

CHAIR - SUB COMMITTEE ON
LIBRARIES

COMMITTEES
AGING
CULTURAL AFFAIRS
FINANCE
FIRE & CRIMINAL JUSTICE SERVICES
PUBLIC SAFETY
WATERFRONTS

June 4, 2009

Dear Colleagues,

Should anyone suggest that this new school site was not needed because there is no overcrowding in the neighboring schools, they would be plain wrong and misstating the facts. Statistics show that my school district (District 20)is the most overcrowded in Brooklyn and among the most overcrowded in the City.

In regard to this school site before you today, it became available after the unfortunate demolition of an historic Methodist Church that I and many in the community spent two years trying to save. Now that the lot is vacant, and the private developer has abandoned plans to build, the next best option is to try to resolve some of the school overcrowding conditions by approving this site for a new school. In speaking yesterday to the assistant principal of Public School 170, a school just several blocks from the site in question, she reconfirmed to me the "sardine-like conditions at her school. Currently because of the population explosion, there is no gymnasium, art room, library, or cafeteria at the school. Capacity at the school is 700 students; yet staff and students constitute more than 800 students in the original building and nearly 100 students in the two modular classrooms that are placed in the schoolyard. This is an untenable situation that can be relieved somewhat by approving this new site and building a new school that will draw some of the students otherwise stuffed into PS 170.

It is for these reasons that I once again state my support for this SCA project and ask my colleagues to vote in favor of this site selection. Thank you.

Sincerely,

Vincent J. Gentile

Vincent Gentile

FOR THE RECORD

Testimony of Roland Lewis, President and CEO
On Modernizing New York's Waterfront Infrastructure

THE METROPOLITAN WATERFRONT ALLIANCE
Before the Committee on Waterfronts and the Taskforce on Infrastructure

City Hall, Tuesday, June 2, 2009 at 11:00 AM

Good afternoon. My name is Roland Lewis and I am President of the Metropolitan Waterfront Alliance, a coalition of nearly 400 groups working to transform the New York Harbor and its waterways into a world class resource for work, recreation, transit and education. I'd like to thank the Committees and particularly Chairman Nelson, Chairman Garodnick and Chairwoman James for bringing us all here to discuss plans for providing necessary waterfront infrastructure to support New York City's vibrant and growing maritime business community.

Taken together, the City's waterfront and waterways are perhaps our finest natural resource and greatest economic asset. New York is a City surrounded by water—lined with nearly 600 miles of waterfront property. And like many global cities, the growth of New York City as a hub of commercial activity is directly tied to the water. The New York Harbor boasts a strategic location and deep navigable waterways well-suited for commercial and industrial operations.

For more than a century the Port facilities of New York and New Jersey have thrived both domestically and globally. In fact, the New York Harbor is the busiest port on the East Coast. Yet despite the continued demand for local, regional and international shipping, New York's waterfront has been a victim of a national and local focus on roads, highways, and land-based industry. Additionally, the advent of containerization in the 1950s transferred a portion of shipping operations from the City's piers to New Jersey, and the City was slow to seize the resulting redevelopment opportunities as they arose. The shifting of the City's industrial base, and decades of disinvestment in our waterfront infrastructure led to woefully underutilized tracts of waterfront land.

Nevertheless, our existing waterfront infrastructure remains just as critical to the City's success, health and vibrancy as it did at New York's inception. There are 250,000 jobs related to shipping in the New York-New Jersey Metropolitan area. And while, the majority of the shipping jobs have moved to New Jersey, the support industries that make shipping possible, like boat repair tugs barges, etc., are based almost entirely in New York City. At a time where New York is experiencing one of the most significant and prolonged economic downturns in its history, the maritime industry has remained relatively unscathed. This fact underscores the importance of maritime businesses to New York City's economic base; these industrial firms help to insulate our local and regional economy from the cyclical nature of the markets.

We also must consider our waterfront infrastructure in relation to our City's population growth. We are a fast growing City—the findings presented through PlaNYC project one million more New Yorkers by 2030. A core belief of the Metropolitan Waterfront Alliance (MWA) is that we can simultaneously prepare for growth, relieve traffic congestion reduce air pollution, lower greenhouse gas emissions by unlocking the full potential of our waterways, and developing the waterfront in ecologically sound ways.

While train platforms in Penn Station and the subway tunnels along Manhattan's East Side are completely full at rush hour and most of our river crossings and highways are chronically congested, our waterways remain a largely untapped opportunity. And what is more, the waterfront is the most efficient means of transportation—a single barge can transport the cargo carried by 58 tractor-trailers. We must look to the New York Harbor as we strive to keep pace with the growing demand for transportation to move people, goods, recyclables and waste material in a sustainable fashion.

Based on pointed policy recommendations from six task forces meeting over the course of 18 months, MWA developed a policy platform for the waterfront, the *Waterfront Action Agenda.* Released just six months ago, this roadmap provides measurable, and most important, achievable steps to plan for a thriving 21^{st} Century waterfront for the region. The importance of our "blue highways" and the need for continued investment in our waterfront infrastructure and maritime support industries is woven prominently throughout this policy document.

As stressed in our *Waterfront Action Agenda*, the MWA believes that we can only create a world-class waterfront and harbor if we invest in infrastructure that will protect and grow maritime industry, provide for water-based transportation, and make basic waterfront infrastructure common place on our waterways. The MWA calls for a six-step approach for modernizing New York's waterfront infrastructure. First, a coordinated investment strategy for waterfront infrastructure is sorely needed to support the maritime business community. Second, we must create an institutional framework conducive to coordination between government agencies, as a first measure toward creating a single waterfront lead agency. Third, we must aggressively promote underutilized waterfront assets. Fourth, we must streamline the regulatory process for waterfront permitting. Fifth, we must establish a land use framework that effectively strengthens the existing industrial and maritime uses throughout the City. And lastly, we recommend zoning text amendments to facilitate the basic flexible infrastructure needed to ensure public safety on the water.

1. Coordinated Waterfront Infrastructure Investment Strategy

To provide some context on the pressing need for capital investment in our waterfront and waterways, I will refer to the Maritime Support Service Location Study, released by the Economic Development Corporation and the Brooklyn Navy Yard Development Corporation in 2007. The study, carried out by SUNY Maritime College, examines the secondary support services that are foundational to the success of water transportation in the region—these include the tug and barge industry, ship repair and government services related to transit, safety and waste management. The study provides the most comprehensive overview to date of the growth patterns of maritime support services and offers recommendations on how the City can address the vital infrastructure needs of this business cluster through 2016.

The 2007 study found that the maritime support industry contributes greatly to New York City's economy. The industry represents roughly $2.5 billion in economic activity, over $1 billion in wages, and over 7,000 waterborne positions for New Yorkers. Yet, job retention and future economic growth hinges on the upgrade and maintenance of specialized infrastructure for our waterfront. Without modern waterfront facilities, the New York Harbor will be unable to remain at the heart of our region's supply chain.

The firms surveyed in the 2007 study identified the future availability of shipyards as a general concern. Specific needs include an increase in the number of berths, graving docks, floating cranes, and the list continues. There is clear quantitative support to substantiate these growing infrastructure needs. Fueled by global trade, both ports of call and vessel carrying capacity have been steadily increasing since the mid-nineties.

A look at the dry dock facilities in the New York Harbor portrays the unmistakable pressure on the City's waterfront infrastructure. The current demand for dry docks is almost double what the current capacity can accommodate. To ameliorate this backlog from the growing maritime business community, the City needs eight more ship repair facilities. Presently, there are too few small-sized dry docks, leading to an inefficient use of waterfront facilities as vessel-owners seek service in larger facilities. The situation is particularly troubling to MWA given the loss of the Todd Shipyard to an Ikea Parking lot just prior to the release of EDC's Maritime Location Study. MWA recommends that the government agencies work in tandem with private industry to rehabilitate and bolster our existing waterfront infrastructure, especially in areas like Red Hook, the South Bronx, Newtown Creek, the Brooklyn Navy Yard, and Sunset Park, which feature deep waters and existing concentrations of maritime businesses.

2. Inter-agency Coordination on Waterfront Issues

Thankfully, there has been a marked shift toward public investment in waterfront infrastructure. New development spearheaded by agencies like the City's Economic Development Corporation and the Port Authority of New York and New Jersey are reminiscent of the days where a coordinated investment strategy was led by a single lead agency—the Department of Ports and Terminals. A generation ago, the Department of Ports and Terminals was equipped with the funding and staff to execute the remediation of docks and bulkheads over much of our shoreline. As no such lead agency exists today, and nearly a dozen agencies have some purview over waterfront development, inter-agency coordination must be a critical component of any investment strategy for the waterfront.

As a next phase to this recommendation, MWA proposes a single government agency at the local level to assist private industry with navigating the public approvals process, elevate the focus on water-dependent uses on our shoreline, and undertake a coordinated investment strategy. A lead waterfront agency would provide a one-stop-shop for all policies related to water-dependent uses and provide staff to the City's Waterfront Management Advisory Board, an administrative body recently reinstated by the City Council.

3. Promotion of Underutilized Waterfront Assets by Public Agencies

The MWA is pleased to see that the Port Authority of New York and New Jersey has allocated $1.7 billion to a myriad of investment projects to improve our port, from projects to deepen channels and berths, to reconfiguration of existing terminals to relieve port congestion, to environmentally sensitive cranes that quickly and efficiently move containers.

At the same time, the Economic Development Corporation has numerous active projects targeted at the busiest sites along the waterfront of the port. Take for instance, at the 88-acre South Brooklyn Marine Terminal in Sunset Park. EDC has invested approximately $20 million to stabilize three of the bulkheads and remove deteriorated piers at the site. The capital improvements will help to advance future private investment on the site, including a new recycling facility to be developed by Sims Hugo Neu Company, and an automobile import terminal to be operated by Axis Group, Inc.

But more could be done to attract private investment to waterfront development sites and develop new barge routes across the New York Harbor. As an example, an opportunity exists for new waterfront infrastructure at the Hunts Point Distribution Center for the New Fulton Fish Market. Investment in a modern landing at the fish market would allow wholesale distributors to receive their deliveries by boat as opposed to by truck. And at the Harlem River Rail Yard, there is a chance to redevelop the rails, and establish the site as a transportation center for the industrial facilities. These are just two of the many opportunities that exist along our waterfront to support water-dependent industries. We must continuously promote any and all opportunities to develop new modern piers, upgrade bulkhead and better connect rail to our shorelines; these are the types of projects that help us to realize our waterfront's true potential.

4. Addressing Inefficiencies Associated with Waterfront Permitting

Another way that public agencies can help to promote the revitalization of waterfront sites is through streamlining and simplifying the waterfront permitting process. The Metropolitan Waterfront Alliance has created a comprehensive Users Guide that explains the permits and processes for a waterfront development project. The guide is the first of its kind for New York City and State, as it provides permit applicants with an overall view of the permitting process at the Municipal, State and Federal level. However, as adjustments to the regulatory landscape are made over time to streamline the permitting process, there must be a commitment among the many agencies that have jurisdiction over permitting to updating this guide. The MWA will be releasing a white paper in conjunction with the Users Guide with specific recommendations to improve the transparency, efficiency and effectiveness of waterfront permitting, including steps that the City Council can take to advance the goals.

5. Establishment of a Land Use Framework to Support Maritime Businesses

In addition to tangible investments in our waterfront infrastructure, we recommend that the City establish stronger maritime zoning districts to reinforce Manufacturing-zoned land in strategic waterfront locations. The maritime support services industry cannot operate in isolation; support services must be strategically located at existing waterfront transportation hubs. For this reason, underutilized waterfront properties along the North Shore of Staten Island—the busiest site along the waterfront of the Port—must be reserved for maritime support services. The same is true of other Significant Maritime Industrial Areas including the South Bronx, Newtown Creek, Brooklyn Navy Yard, Red Hook, and Sunset Park. The City proceed cautiously in areas like the Gowanus Canal, an industrial stronghold, where the Department of City Planning is contemplating the rezoning of portions of the Canal away from manufacturing use.

MWA also recommends that the City establish specific maritime industry safe havens developed through an analysis of how upland uses interact with our industrial waterfront. Specifically it is important to establish buffer zones for those areas in close proximity to residential areas in order to limit conflicting land uses, and provide safe havens for the maritime industry.

6. Encouraging Flexible Infrastructure for Public Safety Concerns

But we must remember that modernizing New York's waterfront infrastructure holds the key to more than just economic development concerns. With the increasing utilization of our waterfront and waterways for recreations, and the recognition that our waterways are crucial to addressing emergencies facing our City, it is essential that we require flexible infrastructure at landings, like bollards, cleats and get-downs to improve overall public safety. Last April, an amendment to New York City's Zoning Text was approved, which created a set of flexible design requirements to encourage well-designed publicly accessible spaces on waterfront properties. However, the new public access requirements failed to require flexible infrastructure at new waterfront development sites. The City needs to be more proactive in encouraging these simple infrastructure investments. We witnessed how pivotal our waterways were to disaster response on three separate occasions: September 11th, the 2003 Blackout, and the US Airways crash just five months ago. The MWA recommends a zoning text amendment that would allow for more landings at waterfront development sites, with get-downs and bollards and cleats needed to secure boats and barges.

When recession hit in the 1970s, we chose to walk away from the redevelopment of our waterfront. The net result was that maintenance of waterfront infrastructure slipped and critical parts of our shoreline infrastructure – especially piers and bulkheads – ended up in a state of disrepair. We must not let the weakened economic backdrop hinder imperative waterfront development opportunities. Rather, we must capitalize on the fact that our port facilities are growing faster than any other in the nation. And we must encourage maritime businesses, which are responsible for eliminating more than 3.1 million trucks from NYC's roads.

Unlike any other transportation-based capital project, the most fundamental piece of infrastructure for waterborne transport—the harbor itself—already exists and sits ready to be utilized. The waterways that define the New York - New Jersey metro area are largely untapped transportation resources, and the time is now to build on our existing waterfront infrastructure. Whether it is investment in new or existing dry docks or including bollards and cleats at new development sites, MWA is a strong advocate for a coordinated investment strategy and the necessary land use protections to ensure the long term competitiveness of the maritime industry and associated support services.

Thank you for the opportunity to testify today and I'd be happy to answer any questions you might have.

JANETTE SADIK-KHAN, COMMISSIONER
HEARING BEFORE THE CITY COUNCIL
SUBCOMMITTEE ON LANDMARKS, PUBLIC SITING
& MARITIME USES
JUNE 2, 2009

Good morning Chairperson Lappin and Members of the Subcommittee. I am Janette Sadik-Khan, Commissioner for the Department of Transportation (DOT). With me here today is David Woloch, DOT's Deputy Commissioner for External Affairs and Galileo Orlando, Acting Deputy Commissioner for DOT's Division of Roadway Repair and Maintenance. Thank you for inviting us to discuss DOT's interest in acquiring the Grace asphalt plant in Queens.

Despite the current economic climate, DOT remains committed to achieving a state of good repair for the City's streets and to do so in a sustainable, cost effective and reliable manner. As we described at a previous hearing, acquiring the Grace plant is an integral part of our efforts in Queens. With this second municipally owned plant, we will be able to:

- Increase our use of recycled asphalt;
- Achieve a substantial cost savings;
- Protect the City from future cost increases and supply disruptions;
- Maintain the infrastructure jobs so crucial to our economy;
- All with minimal impact on the asphalt and construction industries.

Unfortunately, there are those that have questioned our ability to achieve these objectives, so we thank you for the opportunity to present our case as clearly as possible. We have before us a unique opportunity – a chance we cannot afford to pass us by. I will shortly turn to Deputy Commissioner Orlando to run through some of the details but will first provide an overview of why the purchase of this plant is so essential.

Over the last twenty years, DOT has been the national leader in the exploration of asphalt recycling. Today, the asphalt produced at our Hamilton Avenue plant in Brooklyn, is made of high quality materials and contains 40% reclaimed asphalt pavement (RAP). This results in the re-use of nearly 200,000 tons of milled pavement that would otherwise be refuse -- decreasing dependence on imported oil, reducing greenhouse gas emissions and achieving a significant cost savings to the City. Our in-house operations are less expensive than our vendor procured asphalt, largely due to these aggressive recycling efforts – and has allowed us to save the City $10 million a year.

While we have made great strides in asphalt recycling, we continue to explore new technology to further increase the RAP content we produce. We have been recently testing "warm mix", which only requires heating asphalt to 200° as opposed to the 325° that conventional asphalt requires. This will permit application at cooler temperatures; allow us to incorporate an additional 10% or more RAP content into our production, and importantly to extend our paving season into the colder months.

Given the success of our greening efforts at the City's Hamilton Avenue Plant, we will use the same model to enhance the environmental and cost saving benefits by opening another plant in Queens which Deputy Commissioner Orlando will describe shortly. Yet our experience with private vendors shows that while some can achieve similar recycling levels and cost efficiencies, others do not. In fiscal year 2008, our private vendors only averaged 15% RAP in the asphalt they sold to the City at a cost of nearly $14 more per ton than City-produced asphalt. And while some vendors will *say* they can do more, will they? Will they likely increase their use of RAP even more in the future as we expect to? Will they pass on the cost savings to the City? Are these chances we should be taking for the roads of Queens – and for the taxpayers of the City?

These questions become particularly important when we consider the volatility of the energy and material markets that we have seen – and that we can expect going forward. With less control ourselves we would be more likely impacted by price increases in the market -- and our ability to meet our resurfacing lane miles targets would be jeopardized as a result.

Historically, DOT has employed two or more private vendor plants to meet asphalt needs in Queens. No single privately-owned plant has the capability to provide sufficient quantities of asphalt given their time-capacity constraints and because they serve both the public and private sectors. Most recently, only two Queens-based plants submitted bids for our contracts – Grace and Tully. Ultimately, as Grace went bankrupt, their plant was sold to the present owner, which has indicated it does not intend on staying in the asphalt business for the long-term, which is of great concern to DOT as we anticipate future needs. Should only one vendor be available, a shortage of asphalt in the borough is inevitable, as additional private companies will depend on that one facility as well. In this case DOT would have to depend on Bronx based vendors for Queens work, which would increase traffic and emissions and decrease productivity, requiring our resurfacing allocation to be reduced.

Beyond ensuring stable, adequate supplies of asphalt, the acquisition of the Grace plant will result in additional efficiencies due to its proximity to our Harper Street fleet facility. Accordingly, we will be able to stockpile sufficient RAP supplies to maximize recycling, reduce truck trips from our Kew Loop yard, and begin daily operations with little mobilization time and expense.

The acquisition of the Grace plant is beneficial to the City in many ways, beyond those enumerated, it will increase jobs at that location from 10 to 12 and allow for addition resurfacing -- but we are also sensitive to the impacts on the private asphalt industry as a whole. By purchasing an existing plant rather than introducing a new one into the market, we are minimizing the impact on private industry. The Grace plant's annual production of asphalt has been essentially split between the City and non-City asphalt purchasers – and the amount of Grace asphalt sold to other purchasers virtually matches the amount of asphalt DOT currently purchases through Queens vendors. In other words, this one-for-one swap of public and private business should result in a net-zero impact on the asphalt industry as the overall production capacity and demand for asphalt would remain unchanged. Also, this acquisition will not eliminate the need for DOT to purchase some asphalt privately. Over one quarter of DOT's Citywide need will continue to be contracted out to privately-owned plants.

Given the many environmental and cost-savings benefits, the long term stability afforded the City and the minimal disruption to the industry, we strongly urge you to support the ULURP action before you today. As you know, this action has received approvals from the Community Board and City Planning Commission, is strongly backed by the Queens Borough President, and is supported by the Natural Resources Defense Council and other environmental advocacy groups. The Grace plant is the key to our ability to efficiently supply Queens with a stable supply of asphalt to meet its needs for years to come. Your favorable consideration of this application is crucial to ensure the City yields the many benefits of this acquisition.

Thank you for inviting us here today and, after Deputy Commissioner Orlando's brief presentation, we would be happy to answer any questions.

Second Municipal Asphalt Plant

Acquisition of Grace Asphalt Plant

Presentation to the NYC City Council Sub Committee on Landmarks, Public Siting & Maritime Uses

June 2, 2009

NEW YORK CITY DOT

Considerations for Second Municipal Asphalt Plant

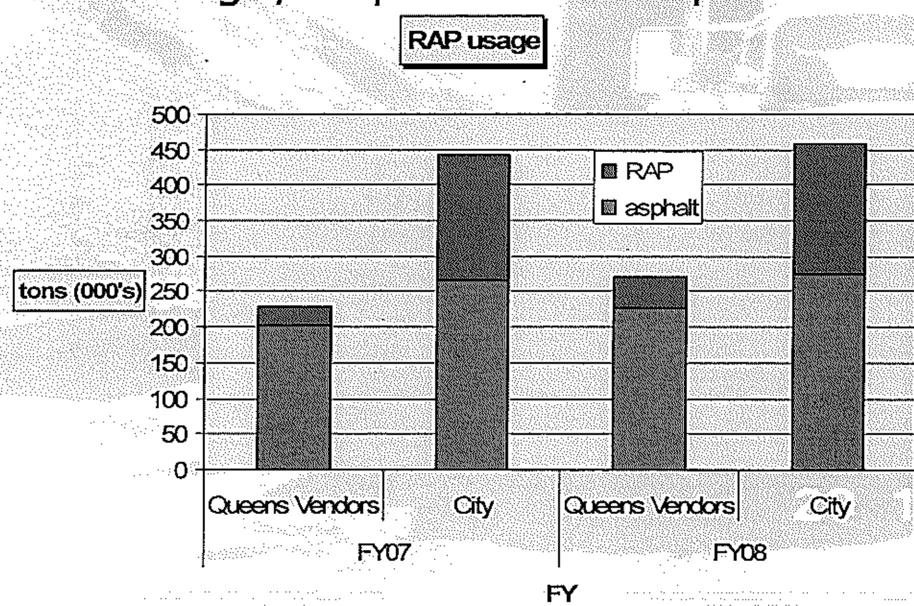
- Secure stability of supply and pricing
- Make resurfacing operations more sustainable through increased recycling
- Economically viable
- Vital location
- Minimal impact upon asphalt & construction industries

Secure Stability of Supply and Pricing

- Two private vendor asphalt plants, or one municipal plant, required to serve Queens.
- Responsibility issues
  - Asphalt vendor Vendex/Responsibility issues for city contracts. Some plants are unable to meet City's Vendex/Responsibility requirements.
- Bankruptcy
  - Grace has emerged under new owner from bankruptcy.

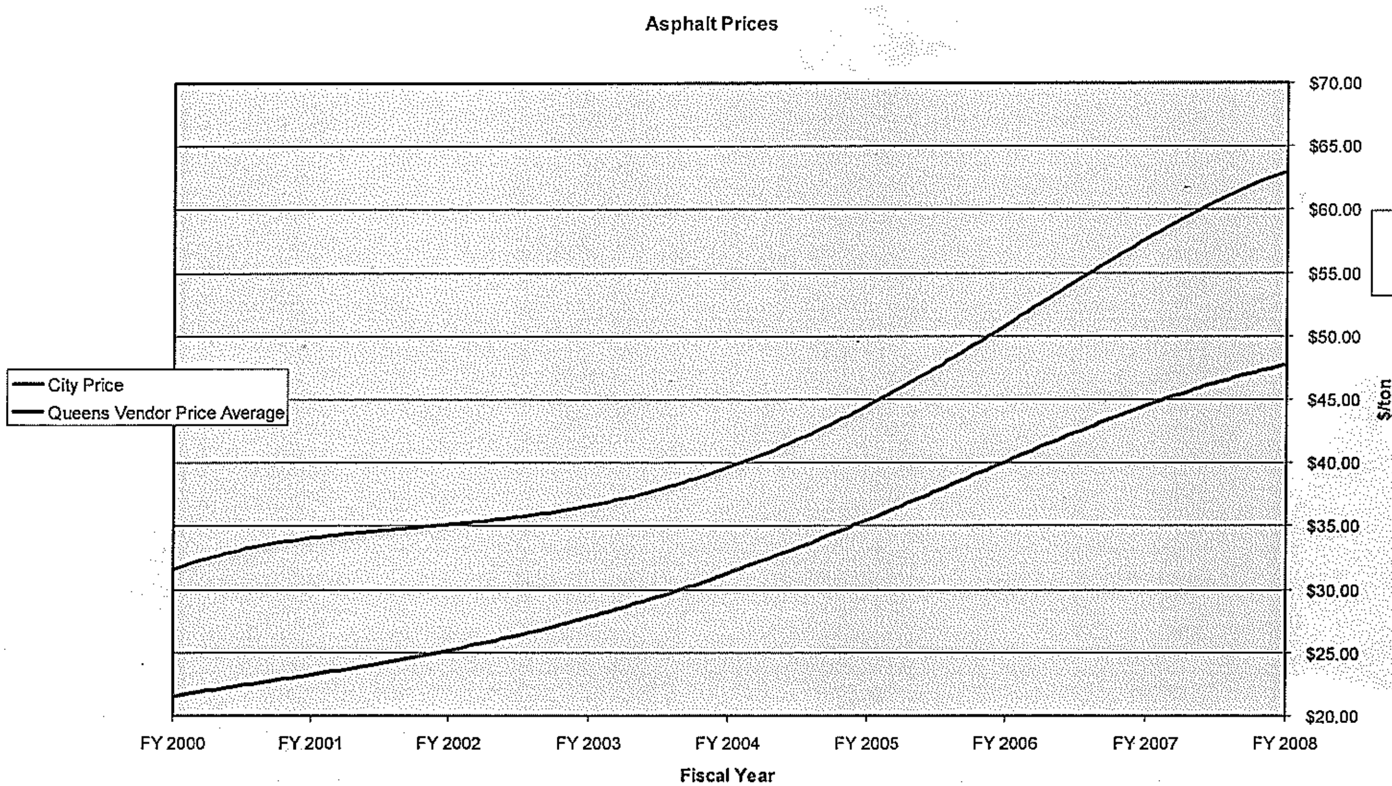
Make resurfacing operations more sustainable

- Increase Recycling of Asphalt Pavement (RAP)
- Resurfacing program generates roughly 1,000 tons of RAP per Lane Mile.
- 40% Recycled Content by City plant.
- Only 15%, on average, of purchased asphalt recycled.



Secure Stability of Supply and Pricing

- Queens vendor prices vs. City



Nearly 30% saving in price

Economically Viable

- For FY08
  - Queens vendor prices averaged $61.37/ton
  - City price $47.72/ton
  - Savings of $13.62 ton average
  - Nearly 30% saving

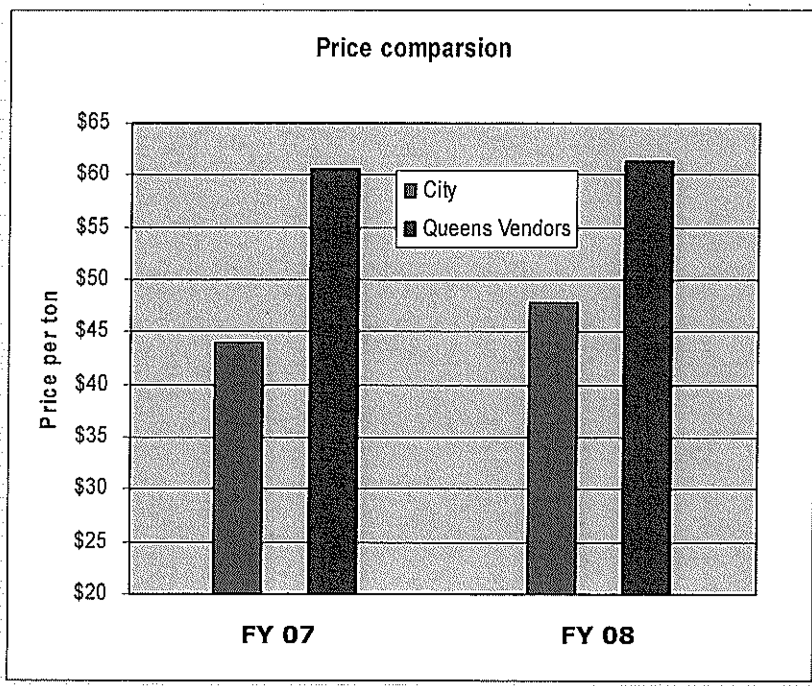
Economically Viable

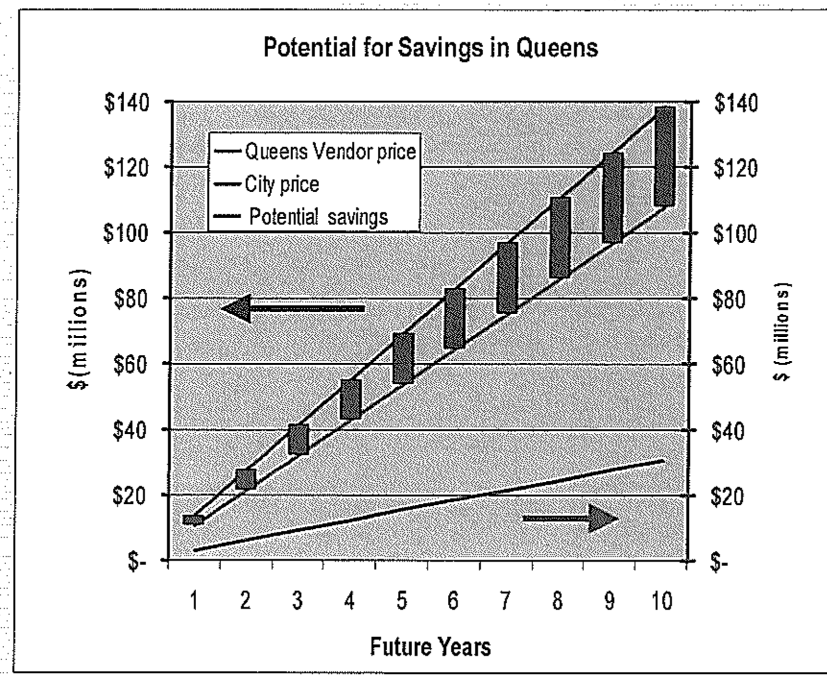
- City Price Breakdown

	Cost ($)	Cost Components
PS Expenses	$ 3,646,670	16%
OTPS Expenses	$ 14,530,910	65%
Energy	$ 2,972,080	13%
Amortization	$ 317,390	1%
Overheads	$ 994,450	(27% of PS) 4%
FY 08 Cost	$ 22,461,500	
Production (tons)	470,645	
Total per ton	$ 47.72	100%

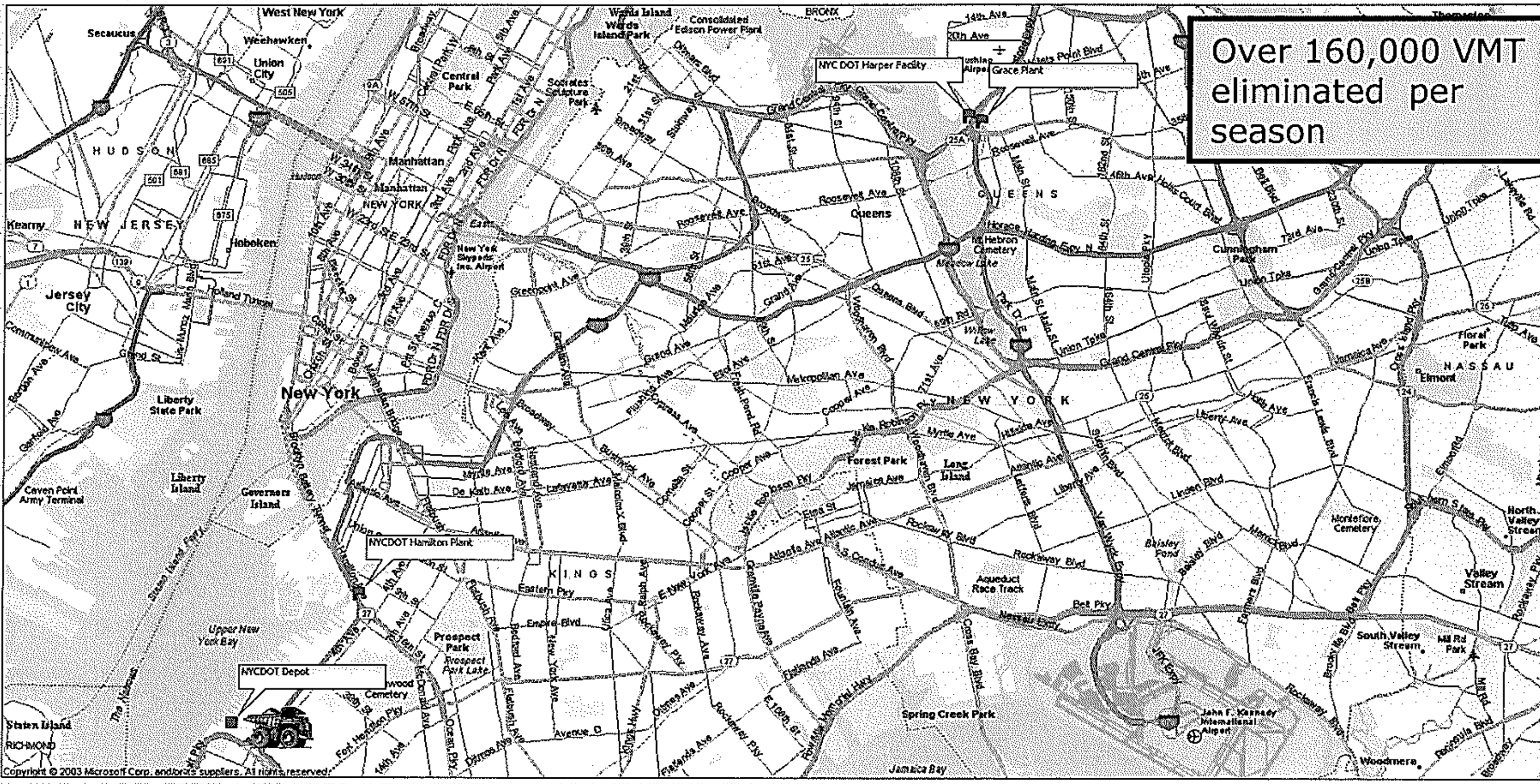
Economically Viable

- Asphalt costs in Queens



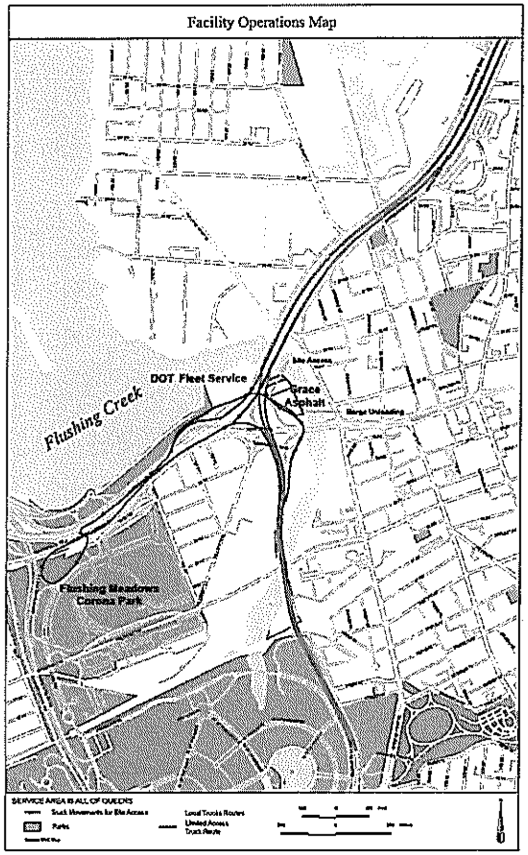


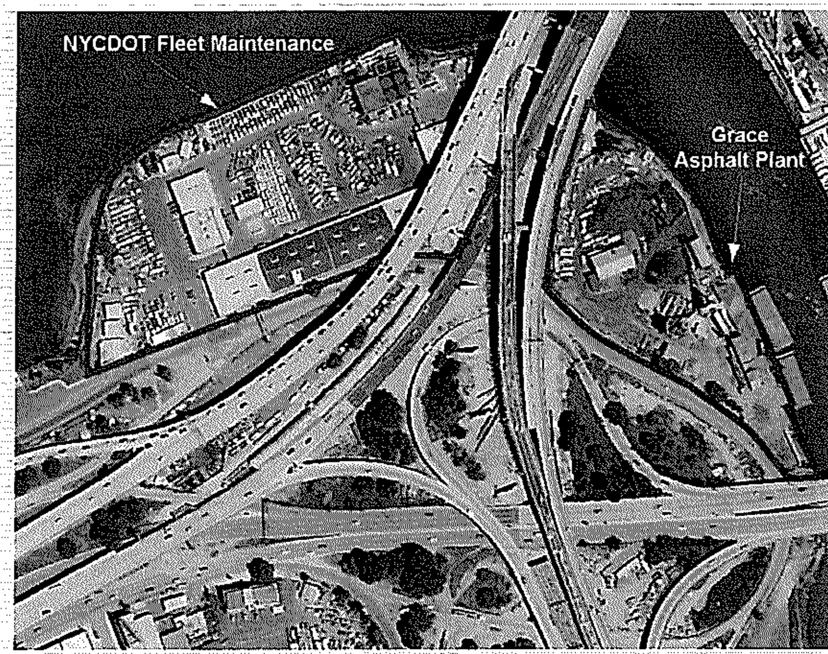
Vital Location



Over 160,000 VMT eliminated per season

Vital Location





Vital Location

- Grace location provides logistical balance to existing Hamilton Avenue plant
- Proximity of location to Harper Street creates significant efficiencies for staging
- Waterfront access provides for economic delivery of materials
- Zoning "as of right"

Minimal Impact on Asphalt & Construction Industries

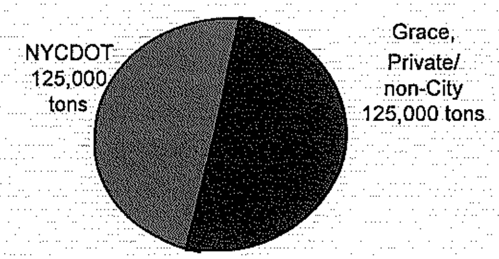
- Essentially a one-for-one swap of public and private business will result in a minimal impact on asphalt industry
- Acquisition of an existing plant has less impact than building new plant
  - Overall production capacity and demand for asphalt remains unchanged
- Positive impact on plant jobs (12-City owned vs. 10-private)
- Lower City asphalt costs would translate into more resurfacing

Minimal Impact on Asphalt & Construction Industries

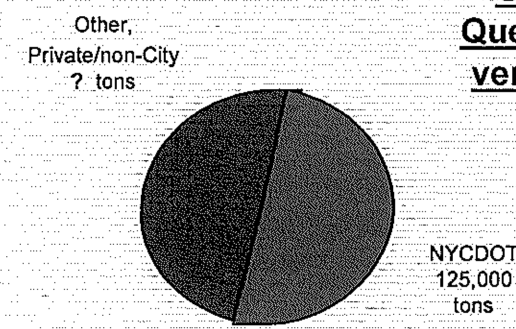
- NYC DOT Queens asphalt supply before and after acquisition of Grace

Before

Grace

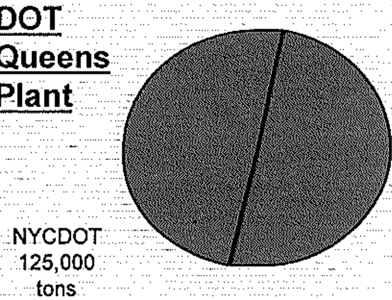


Other Queens vendor

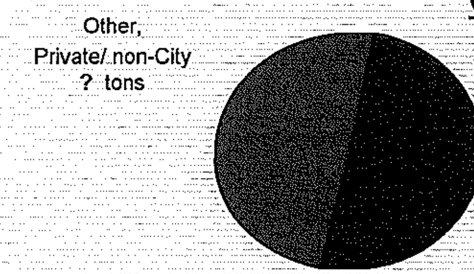


After

DOT Queens Plant



Other Queens vendor



Recap: Benefits of a Queens Based Second Municipal Asphalt Plant

- Secures Stability of Supply and Pricing
- Makes Resurfacing operations significantly more sustainable
- Increases Recycled content and City's overall solid waste diversion rate
- Is economically viable
- Vital location provides logistical balance for City asphalt production
- Has minimal impact on the asphalt & construction industries

Demonstration of Cost Benefit of Grace Acquisition.

Year	Initial cost[1]	Plant equipment replacement cost[2]	savings on vendor asphalt[3]	savings from RAP disposal[4]	Tax base lost[5]	Totals
	$ 25,000,000.00	$ 5,000,000.00				
1	$ 1,610,464.87	$ -	$ (1,395,000.00)	$ (338,250.00)	$ 370,389.76	$ 247,604.63
2	$ 1,610,464.87	$ -	$ (1,395,000.00)	$ (338,250.00)	$ 370,389.76	$ 247,604.63
3	$ 1,610,464.87	$ -	$ (1,395,000.00)	$ (338,250.00)	$ 370,389.76	$ 247,604.63
4	$ 1,610,464.87	$ 636,393.09	$ (3,213,375.00)	$ (903,000.00)	$ 370,389.76	$ (1,499,127.28)
5	$ 1,610,464.87	$ 636,393.09	$ (3,213,375.00)	$ (903,000.00)	$ 370,389.76	$ (1,499,127.28)
6	$ 1,610,464.87	$ 636,393.09	$ (3,213,375.00)	$ (903,000.00)	$ 370,389.76	$ (1,499,127.28)
7	$ 1,610,464.87	$ 636,393.09	$ (3,213,375.00)	$ (903,000.00)	$ 370,389.76	$ (1,499,127.28)
8	$ 1,610,464.87	$ 636,393.09	$ (3,213,375.00)	$ (903,000.00)	$ 370,389.76	$ (1,499,127.28)
9	$ 1,610,464.87	$ 636,393.09	$ (3,213,375.00)	$ (903,000.00)	$ 370,389.76	$ (1,499,127.28)
10	$ 1,610,464.87	$ 636,393.09	$ (3,213,375.00)	$ (903,000.00)	$ 370,389.76	$ (1,499,127.28)
totals	$ 16,104,648.69	$ 4,454,751.64	$ (26,678,625.00)	$ (7,335,750.00)	$ 3,703,897.60	$ (9,751,077.07)

1. the initial cost for the Grace acquisition purchase price is assumed to be $25,000,000 amortized over 30 years for demonstration purposes only and not be construed as an offer or based upon any appraisal of the property.
2. assumes the current plant will need replacement after three years. The $5,000,000 is based upon the current estimate for replacement at Hamilton, utilizing existing footprints where possible.
3. the savings on vendor asphalt are calculated on the basis of operating the grace plant as is, without profit (10%) at the average Queens vendor price ($62/ton). This represents a savings of $6.20/ton times 225,500 tons. This savings is realized until plant replacement, when the savings on asphalt vendor is calculated as the difference between the average Queens vendor price ($62/ton) and the 40% RAP price at Hamilton ($47.75/ton), as the plant would be a mirror image of Hamilton, over a production of 225,500 tons annually.
4. savings of RAP disposal costs is based on 225,500 tons annually of 10% RAP for first three years and 40% onward, at a cost of $15/ton minus 30,000 tons annually at a cost of $15/ton
5. the tax base lost reflects lost real estate taxes and is assumed as the plant no longer being operated as a private enterprise. Taxes are based on last quarterly statement in 2007 for block 1791, lots 52, 68, from DOF

Actual In-house Asphalt Production Costs for FY	2008							
PS Expenses								
Total expenses charged to 2101 in FMS (includes personnel actually working at Harper St.)								
		24%						
Description	OBJECT CODE	Fringe Added?	Expenses	Per Ton	Pct Fixed	Pct Variable	Fixed Cost	Variable Cost
PYASSIGN DIFF	X41	Yes	$ 1,504.96	$ 0.00	100%	0%	$ 1,504.96	$ -
PYLONG.DIFF.	X42	Yes	$ -	$ -	100%	0%	$ -	$ -
PYSHIFT DIFF	X43	Yes	$ 23,116.34	$ 0.05	100%	0%	$ 23,116.34	$ -
PYHOLDY PAY	X45	Yes	$ (11,111.52)	$ (0.02)	100%	0%	$ (11,111.52)	$ -
PY OVERTIME	X47	Yes	$ 78,678.73	$ 0.17	100%	0%	$ 78,678.73	$ -
EARLY RETIRMENT	X56	No	$ -	$ -	100%	0%	$ -	$ -
FULL YR POS	1	Yes	$ 1,730,126.09	$ 3.68	85%	15%	$ 1,470,607.18	$ 259,518.91
SEASONAL POS	22	Yes	$ 41,382.97	$ 0.09	100%	0%	$ 41,382.97	$ -
UNSALARIED	31	Yes	$ 40,120.73	$ 0.09	100%	0%	$ 40,120.73	$ -
ASSIGN DIFFN	41	Yes	$ 61,829.18	$ 0.13	100%	0%	$ 61,829.18	$ -
LONG DIFFERN	42	Yes	$ 3,183.57	$ 0.01	100%	0%	$ 3,183.57	$ -
SHIFT DIFFER	43	Yes	$ 135,823.42	$ 0.29	50%	50%	$ 67,911.71	$ 67,911.71
HOLIDAY PAY	45	Yes	$ 2,404.48	$ 0.01	100%	0%	$ 2,404.48	$ -
TERMINAL LEAVE	46	No	$ 4,490.88	$ 0.01	100%	0%	$ 4,490.88	$ -
OVERTIME	47	Yes	$ 699,842.93	$ 1.49	50%	50%	$ 349,921.47	$ 349,921.47
BKPY PRIOR	49	Yes	$ 78,870.38	$ 0.17	100%	0%	$ 78,870.38	$ -
SALARY ADJUSTMENT- LABOR RESERVE	55	Yes	$ 50,814.39	$ 0.11	100%	0%	$ 50,814.39	$ -
EARLY RETIRMENT	56	No	-	$ -	100%	0%	$ -	$ -
UNIF ALLOW	64	No	$ 812.00	$ 0.00	100%	0%	$ 812.00	$ -
PAYROLL RFND	95	Yes	$ -	$ -	100%	0%	$ -	$ -
Sub-Total			$ 2,941,889.53	$ 6.25			$ 2,264,537.44	$ 677,352.09
FRINGE BENEFITS			$ 704,781	$ 1.50			$ 542,216	$ 162,565
Total PS Expenses charged to 2101			$ 3,646,670.33	$ 7.75			$ 2,806,753.74	$ 839,916.59
Expenses actually incurred by Harper St.								
-- Direct			$ -					
-- Fringe			$ -				$ -	
-- Total			$ -					
Net PS associated with producing asphalt at Hamilton Ave								
-- Direct			$ 2,941,889.53					
-- Fringe			$ 704,780.80					
-- Total			$ 3,646,670.33	$ 7.75				
OTPS -- Hamilton Ave								
Aggregates			$ 6,982,710.14	$ 14.84				
AC			$ 6,881,693.96	$ 14.62				
Other expenses			$ 666,506.70	$ 1.42				
				$ -				
Total			$ 14,530,910.80	$ 30.87				
Energy (estimated)								
FY 07 actual/ton	$ 4.59							
Estimated Annual Inflation	38%							
Estimated delta	$ 1.72							
New Estimated energy/ton	$ 6.31		$ 2,972,082.42	$ 6.31				
Amortization			$ 317,388.87	$ 0.67				
Total expenses			$21,467,052.42	$21,149,664				
Production (tons)			470,645					
Total cost per ton			$ 45.61					
IFA'able cost per ton			$ 44.94					
Overheads			$ 994,456.64					
Total including overheads			$22,461,509.06					
Total per ton			$ 47.73					

Hamilton Plant
Fixed & Variable Costs

	Cost($000) Total	Fixed	Variable
PS Expenses	3,646.67	2,806.75	839.92
OTPS Expenses*	14,530.91	666.51	13,864.40
Energy	2,972.08		2,972.08
Amortization	317.39	317.39	
Overheads	994.45	994.45	
FY 08 Cost	22,461.50	4,785.10	17,676.40

* AC & Aggregate variable all other OTPS assumed fixed.

		FY 07 Total	FY 08 Total	Delta	FY 07 $/Ton	FY 08 $/Ton	Delta
PYASSIGN DIFF	X41	$ 20,917.00	$ 1,504.96	$ (19,412.04)	0.05	0.00	-0.04
PYLONG.DIFF.	X42	$ -	$ -	$ -	0.00	0.00	0.00
PYSHIFT DIFF	X43	$ 37,628.00	$ 23,116.34	$ (14,511.66)	0.09	0.05	-0.04
PYHOLDY PAY	X45	$ 4,128.00	$ (11,111.52)	$ (15,239.52)	0.01	-0.02	-0.03
PY OVERTIME	X47	$ 241,434.00	$ 78,678.73	$ (162,755.27)	0.55	0.17	-0.38
EARLY RETIRMENT	X56	$ -	$ -	$ -	0.00	0.00	0.00
FULL YR POS	1	$ 1,671,006.13	$ 1,730,126.09	$ 59,119.96	3.79	3.68	-0.11
SEASONAL POS	22	$ 38,701.00	$ 41,382.97	$ 2,681.97	0.09	0.09	0.00
UNSALARIED	31	$ 41,085.00	$ 40,120.73	$ (964.27)	0.09	0.09	-0.01
ASSIGN DIFFN	41	$ 64,785.00	$ 61,829.18	$ (2,955.82)	0.15	0.13	-0.02
LONG DIFFERN	42	$ 5,737.00	$ 3,183.57	$ (2,553.43)	0.01	0.01	-0.01
SHIFT DIFFER	43	$ 141,067.00	$ 135,823.42	$ (5,243.58)	0.32	0.29	-0.03
HOLIDAY PAY	45	$ 11,441.00	$ 2,404.48	$ (9,036.52)	0.03	0.01	-0.02
TERMINAL LEAVE	46	$ 15,577.00	$ 4,490.88	$ (11,086.12)	0.04	0.01	-0.03
OVERTIME	47	$ 797,286.00	$ 699,842.93	$ (97,443.07)	1.81	1.49	-0.32
BKPY PRIOR	49	$ 678,212.00	$ 78,870.38	$ (599,341.62)	1.54	0.17	-1.37
SALARY ADJUSTMENT- LABOR	55	$ -	$ 50,814.39	$ 50,814.39	0.00	0.11	0.11
EARLY RETIRMENT	56	$ 750.00		$ (750.00)	0.00	0.00	0.00
UNIF ALLOW	64	$ 300.00	$ 812.00	$ 512.00	0.00	0.00	0.00
PAYROLL RFND	95	$ -	$ -	$ -	0.00	0.00	0.00
SUBTOTAL		$ 3,770,054.13	$ 2,941,889.53	$ (828,164.60)	8.55	6.25	-2.30
FRINGE BENEFITS		$ 900,823	$ 704,781	$ (196,041.72)	2.04	1.50	-0.55
Total PS Expenses charged to 2101		$ 4,670,877	$ 3,646,670.33	$ (1,024,206.32)	10.59	7.75	-2.84
OTPS							
Aggregate		$ 5,163,456	$ 6,982,710	$ 1,819,254	$ 11.71	$ 14.84	$ 3.13
AC		$ 4,686,901	$ 6,881,694	$ 2,194,793	$ 10.63	$ 14.62	$ 3.99
Other		$ 527,616	$ 666,507	$ 138,891	$ 1.20	$ 1.42	$ 0.22
OTPS Subtotal		$ 10,377,973	$ 14,530,911	$ 4,152,938	$ 23.53	$ 30.87	$ 7.34
Energy costs (estimated)		$ 2,025,072	$ 2,972,082	$ 947,010	$ 4.59	$ 6.31	$ 1.72
Amortization		$ 278,000	$ 317,389	$ 39,389	$ 0.63	$ 0.67	$ 0.04
Total		$ 17,351,922	$ 21,467,052	$ 4,115,131	$ 39.35	$ 45.61	$ 6.27
less Amortization		$ 17,073,922	$ 21,149,664	$ 4,075,742	$ 38.72	$ 44.94	$ 6.22
TONS Produced		441,000	470,645	29,645			
IFA Cost per Ton		38.72	44.94	6.22			

ASPHALT PLANT'S FY 2008 OTPS EXPENSES

BC	OC	Aggregate	AC	Other	Total
2101	10X	6,982,710.14	6,881,693.96	5,121.81	13,869,525.91
2101	100			6,147.05	6,147.05
2101	169			18,752.04	18,752.04
2101	300			270,903.54	270,903.54
2101	302			13,526.96	13,526.96
2101	403			71.18	71.18
2101	412			199,147.98	199,147.98
2101	600			2,085.00	2,085.00
2101	608			148,386.84	148,386.84
2101	615			2,364.30	2,364.30
BC 2101 Total		6,982,710.14	6,881,693.96	666,506.70	14,530,910.80

	Asphalt Cement Cost	Tonnage	Cost per Ton
FY 08	$ 6,881,693.96	470,645	$ 14.62
FY 07	$ 4,686,901.00	441,000	$ 10.63
% increase	46.83%	6.72%	37.58%

COST OF PRODUCING ASPHALT AT THE HAMILTON AVENUE ASPHALT PLANT

1. AMORTIZATION OF CAPITAL COSTS (ASSUMES EQUIVALENT UNIFORM ANNUAL COSTS)

INTEREST RATE	6.50%
PERIODS/YEAR	12

FORMULA FOR EUAC: =PMT(RATE: 6.5%/12, NPER: USEFUL LIFE x 12, FUTURE VALUE: -PURCHASE COST) x 12

DESCRIPTION	PURCHASE COST	USEFUL LIFE (YEARS)	FISCAL YEAR RECEIVED	ANNUAL AMORTIZATION	COST IN FY 1995	COST IN FY 1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
ORIGINAL PLANT EQUIPMENT	$3,700,000	10	1981	$504,153	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0				
REPLACEMENT DRUM	$489,940	7	1990	$87,304	$87,304	$87,304	$87,304	$0	$0	$0	$0	$0	$0	$0				
CRUSHER	$242,158	7	1991	$43,151	$43,151	$43,151	$43,151	$43,151	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
REPLACEMENT CRANE	$785,755	10	1993	$107,065	$107,065	$107,065	$107,065	$107,065	$107,065	$107,065	$107,065	$107,065	$107,065	$0	$0	$0	$0	$0
FORKLIFT	$25,513	10	1993	$3,476	$3,476	$3,476	$3,476	$3,476	$3,476	$3,476	$3,476	$3,476	$3,476	$0	$0	$0	$0	$0
REPLACEMENT DRUM, RECYCLING, AND FEED SYSTEMS	$3,142,700	10	1996	$428,217	$0	$428,217	$428,217	$428,217	$428,217	$428,217	$428,217	$428,217	$428,217	$428,217	$428,217	$0	$0	$0
REPLACEMENT CRUSHER	$514,000	10	1999	$70,036	$0	$0	$0	$0	$70,036	$70,036	$70,036	$70,036	$70,036	$70,036	$70,036	$70,036	$70,036	$70,036
REPLACEMENT SILOS	$723,000	10	2001	$98,514	$0	$0	$0	$0	$0	$0	$98,514	$98,514	$98,514	$98,514	$98,514	$98,514	$98,514	$98,514
REPLACEMENT FRONT END LOADER	$277,578	10	2000	$37,822	$0	$0	$0	$0	$0	$37,822	$37,822	$37,822	$37,822	$37,822	$37,822	$37,822	$37,822	$37,822
REPLACEMENT FRONT END LOADER	$277,578	10	2000	$37,822	$0	$0	$0	$0	$0	$37,822	$37,822	$37,822	$37,822	$37,822	$37,822	$37,822	$37,822	$37,822
REPLACEMENT DRUM	$270,655	8	2003	$43,477	$0	$0	$0	$0	$0	$0	$0	$0	$43,477	$43,477	$43,477	$43,477	$43,477	$43,477
REPLACEMENT COLD FEED BINS	$185,000	8	2003	$29,717	$0	$0	$0	$0	$0	$0	$0	$0	$29,717	$29,717	$29,717	$29,717	$29,717	$29,717
TOTAL AMORTIZATION					$240,996	$669,213	$669,213	$581,909	$608,794	$684,439	$782,953	$782,953	$856,147	$745,606	$745,606	$317,389	$317,389	$317,389

Overheads

FY 08	Salary	% Plant Related	$ Plant Related	Cost/Ton @	
Technical Services/Resource Management				470,645	Tons
Assistant Commisisoner	$ 126,398.00	10%	$ 12,639.80	$ 0.03	
Director - Resource Management	$ 45,525.00	25%	$ 11,381.25	$ 0.02	
Assistant- Resource Management	$ 32,655.00	25%	$ 8,163.75	$ 0.02	
Assistant- Resource Management	$ 41,359.00	25%	$ 10,339.75	$ 0.02	
			$ 42,524.55		
Administration					
Executive Director 0f Administration	$ 111,708.00	2%	$ 2,234.16	$ 0.00	
Budget Coordinator	$ 85,709.00	2%	$ 1,714.18	$ 0.00	
Assistant Budget Coordinator	$ 36,965.00	2%	$ 739.30	$ 0.00	
Personnel Coordinator	$ 89,617.00	2%	$ 1,792.34	$ 0.00	
Assistant Personnel Coordinator	$ 62,526.00	2%	$ 1,250.52	$ 0.00	
Fiscal Coordinator	$ 63,431.00	2%	$ 1,268.62	$ 0.00	
Assistant Fiscal Coordinator	$ 38,113.00	2%	$ 762.26	$ 0.00	
Assistant Fiscal Coordinator	$ 56,130.00	2%	$ 1,122.60	$ 0.00	
			$ 10,883.98		
Executive					
Deputy Commisissoner	$ 126,075.00	2%	$ 2,521.50	$ 0.01	
Executive Assistant	$ 47,563.00	2%	$ 951.26	$ 0.00	
			$ 3,472.76		
Subtotal			$ 56,881.29	$ 0.12	
Fleet					
Labor			$ 158,806.00	$ 0.34	
Parts			$ 99,923.00	$ 0.21	
Sub-total			$ 258,729.00	$ 0.55	
Agency-wide + City-wide overhead		17.19%	$ 505,710.81	$ 1.07	
Fringe		24%	$ 173,135.54	$ 0.37	
			$ 994,456.64	$ 2.11	

DESCRIPTION	Material Type	Include in Costs	
AC10 (FILL BARRELS AT FLATLANDS)	AC	no	
AC20 (FILL BARRELS @ FLATLANDS YARD)	AC	no	
AC20 (FILL BARRELS AT DUGOUT)	AC	no	
6-IN-1 SCREWDRIVER, 2H151	Other	yes	
7/8" 6X25 BRT EIPS RLL IWRC, HEAVY LUBE	Other	yes	
AA BATTERY PK24, 4WT09	Other	yes	
AC10	AC	yes	
AC-10	AC	yes	
AC20	AC	yes	
AC20 FILLED BARRELS @ FLATLANDS YARD	AC	yes	
ACTUATOR BAGHOUSE EXHAUST FAN DAMPER	Other	yes	
AIR CLEANER ULPA, RH-33691-20	Other	yes	
AIR LUBRICATOR 1/2", 9040-005	Other	yes	
AIR LUBRICATOR SILO 1/2", 9040-005	Other	yes	
AIR REGULATOR 1/2", 9040-005	Other	yes	
AIR VALVE 1/2" 1024B, 9046-002	Other	yes	
ANGLE GRINDER 4-1/2" 6.4 AMP 10,000 RPM	Other	yes	
AUGER BAGHOUSE REPLACEMENT, 05-68-7143	Other	yes	
AUGER CLEANOUT SCX5315A, 015-07-7011	Other	yes	
BAGHOUSE DIAPHAGM KIT, 146-06-7009	Other	yes	
BAGHOUSE EXHAUST FAN DAMPER ACTUATOR	Other	yes	
BAGHOUSE GEARBOX FOR AUGER, 015-07-7011	Other	yes	
BATCHER GATE CYLINDER 4" X 16" NOPAK	Other	yes	
BATTERIES "D" CELL, 2V534	Other	yes	
BATTERY AA, 1064-17145	Other	yes	
BATTERY SILVER OXIDE 1.5V, DUR-MS76B	Other	yes	
BEARING BOX DRAG SLAT R.H., 4006-001	Other	yes	
BEARING CLEANOUT AUGER HANGER W/BEARING	Other	yes	
BEARING COLD FEED BIN TRANSFER UNIT	Other	yes	
BEARING FLANGE HEADSHAFT 3 7/16" ON SLAT	Other	yes	
BEARING FLANGE HEADSHAFT 3-7/16", 9002-008	Other	yes	
BEARING PILLOW BLOCK COLD FEED BIN 1-15/16"	Other	yes	
BEARING PILLOW BLOCK SHAKER SCREEN 2-11/16"	Other	yes	
BEARING RAP ACCESS TRANSFER UNIT FRAME	Other	yes	

DESCRIPTION	Material Type	Include in Costs	
BEARING RAP BREAKER 4 BOLT FLANGE 3 15/16"	Other	yes	
BEARING RAP COLD FEED TRANFER UNIT FRAME	Other	yes	
BEARING RAP COLD FEED TRANSFER UNIT FRAME	Other	yes	
BEARING SHAKER SCREEN PILLOW BLOCK 2 11/16"	Other	yes	
BEARING SLAT CONVEYOR RETURN ROLLER	Other	yes	
BEARING TRANSFER FLANGE 3 7/16" (4 BOLT)	Other	yes	
BEARING TRUNNION PILLOW BLOCK 4 7/16"	Other	yes	
BEARINGS RAP BREAKER 4 BOLT FLANGE 3 15/16"	Other	yes	
BEARINGS TRUNNION PILLOW BLOCK 4 7/16"	Other	yes	
BELT CONVEYOR 42" 91'-2-1/2"L, 3310	Other	yes	
BELT CONVEYOR FEEDER 24" X 36'-8",	Other	yes	
BELT FEEDER 18'1", 020-01-7072	Other	yes	
BELT FEEDER 24" X 18' 1", 020-01-7072	Other	yes	
BELT RAP COLD FEED 36" X 28', 020-01-7153	Other	yes	
BELT RAP FEEDER SCALE, 020-01-0830	Other	yes	
BELT V-DRIVE, C-109	Other	yes	
BELT, DRIVE B46	Other	yes	
BIMETAL HOLSAW KIT 9P0C, 4L544	Other	yes	
BLADE RECIP. SAW, 99959	Other	yes	
BLADE, ASC610R	Other	yes	
BLOW BAR UM-25	Other	yes	
BLOW BAR UM-25, 62D164N1	Other	yes	
BLOW BAR, 62D164N1 UM-25	Other	yes	
BLOW BARS UM-25, 62D164N1	Other	yes	
BOX LINER PLATES, 33A5885	Other	yes	
BRUSH, 2 3/4" CUP WIRE	Other	yes	
BUSHING, T.L. 1 5/8" - 2517	Other	yes	
CAP SCREW 1" X 4 1/2" FULL THREAD GRADE 8	Other	yes	
CAR WASH TICKETS	Other	yes	
CART DUAL CYLINDER, AMT2-14	Other	yes	
CF 128MB 12X, SKU 930748	Other	yes	
CF TO PC CARD ADAPTER, 1561596	Other	yes	
CHISEL 2" X 9", 5864 A45	Other	yes	
CHUCK AND ARBOR KIT, 6X249	Other	yes	
CLEANER DUST-OFF 10OZ DISP, FAL-DPSXL	Other	yes	
COMPRESSION SPRING 7" DRAG SLAT	Other	yes	

DESCRIPTION	Material Type	Include in Costs
CONVEYOR BELT COLD FEEDER 30" X 225'-2"	Other	yes
CONVEYOR BELT FEEDER 24" X 36' 8"	Other	yes
CONVEYOR BELT OVERHEAD FEEDER 30" X 163' 2"	Other	yes
COPIER RENTAL AUG '01	Other	yes
COPIER RENTAL FOR APR '02	Other	yes
COPIER RENTAL JUL '01	Other	yes
COPIER RENTAL NOV '01	Other	yes
COPIER RENTAL OCT '01	Other	yes
CORDLESS DRILL, 4PD88	Other	yes
COUPLING DRAG SLAT OMEGA 2 3/8" BORE X	Other	yes
COVERALLS DISPOSABLE TVEK (XXL), 3968004	Other	yes
CUP PLASTIC 5OZ., HSE-CUPS	Other	yes
CURTAIN SHAFT, 62A300	Other	yes
CYLINDER 10TON HYDRAULIC, SIMR102	Other	yes
CYLINDER REPAIR KIT 4", 9039-062	Other	yes
DEMURRAGE	Other	yes
DEMURRAGE FILL BARRELS AT FLATLANDS ONLY	Other	yes
DEMURRAGE FILL BARRELS AT HARPER ST ONLY	Other	yes
DEMURRAGE TANK FULL	Other	yes
DEMURRAGE TO FILL BARRELS AT FLATLANDS	Other	yes
DEMURRAGE, LOAD TO ANOTHER VENDOR TANK FULL	Other	yes
DEMURRAGE, TANK FULL	Other	yes
DEMURRAGE, TO FILL BARRELS AT DUGOUT	Other	yes
DIAPHRAGM REPAIR KIT, 146-06-7009	Other	yes
DISCHARGE BOX LINER, 33B5703	Other	yes
DRAG SLAT BEARING BOX R.H., 4006-001	Other	yes
DRAG SLAT HYDRAULIC CYLINDER 3 1/2" X 16"	Other	yes
DRAG SLAT SPROCKET 11 TOOTH SEGMENTAL W/HUB	Other	yes
DRILL BIT SET 29pc, 31555 A51	Other	yes
DRILL BIT, 1/2"	Other	yes
DRILL BIT, 7/64"	Other	yes
DRIVE BELT "V" C109	Other	yes
DRIVE BELT "V", RVX600	Other	yes
DRIVE BELT 5VX-600	Other	yes
DRIVE BELT, 5VX100	Other	yes
EMULSIFIED ASPHALT HF MS 2S	Other	yes

DESCRIPTION	Material Type	Include in Costs	
EMULSION HMFS25	Other	yes	
FASTENERS, MISC.	Other	yes	
FILLING BARRELS AT FLATLANDS	Other	yes	
FILTER CARBON, RH-33691-54	Other	yes	
FIRST AID STATION REFILLS (3)	Other	yes	
FREE, W/MOLLY AEROSOL LUBRICANT	Other	yes	
GEARBOX BAGHOUSE AUGER, 015-07-7011	Other	yes	
GEARBOX FOR FOR BAGHOUSE AUGER, 015-07-7011	Other	yes	
GLUE GUN, TR550	Other	yes	
GOOBER LUBE, 12012	Other	yes	
GREASE HIGH TEMP, RED DEVIL	Other	yes	
GRINDER RIGHT ANGLE 5", 9565CV	Other	yes	
H.D. SILICONE, 4UH14	Other	yes	
HACKSAW BLADE, 4L561	Other	yes	
HEX BOLT 5/8" X 1", 68094	Other	yes	
HEX NUT 3/4", 82888	Other	yes	
HFMS-25 EMULSION	Other	yes	
IMMERSION CIRCULATOR C-1, 299-401-1002	Other	yes	
IMPACT CURTAIN WELDMENT W/LINERS #62D298	Other	yes	
JUNCTION BOX BAGHOUSE DAMPER CONTROL	Other	yes	
JUNGLE WIPES, 67812C	Other	yes	
LABEL MAKER ELECTRONIC, BRT-PT1200	Other	yes	
LAMP REPLACEMENT, 2V953	Other	yes	
LINER 35 X 39, 5WG08	Other	yes	
LOCK 4" HASP	Other	yes	
LOCK NUT 2" NC, 9049-012	Other	yes	
LOCK WASHER 1/2", #532 100/CTN	Other	yes	
LOCK WASHER 1/2", A532 100/CTN	Other	yes	
LONG REACH SCRAPER, 5864 A61	Other	yes	
MAGNUM LUBRICANT 11OZ, ORS 428-00616	Other	yes	
MAIN CHAIN 9856-ML ATTACHMENT, 9057-077	Other	yes	
MICRODRIVE 1GB W/PC ADAPTER, C40265	Other	yes	
MIDGET COMBO SET 10PC, 5MH48	Other	yes	
MISC MEDICAL & FIRST AID SUPPLIES	Other	yes	
MOTOR 30HP ULTRAFLAME, 076-68-0009	Other	yes	
MOTOR CLEANOUT AUGER 213T, 7.5HP	Other	yes	

DESCRIPTION	Material Type	Include in Costs
MOTOR DISCHARGE AUGER BAGHOUSE, 076-68-0170	Other	yes
MOTOR RAP ACCESS 15HP 245T TEFC 230/460	Other	yes
MOTOR RAP COLD FEED 256UC 5HP, B1372-1	Other	yes
MOTOR TRANSFER CONVEYOR 284T 25HP, B2174-1	Other	yes
MOTOR ULTRA FLAME 60HP 3600RPM, 076-68-0060	Other	yes
MOTOR UNIVERSAL VALVE ZONE	Other	yes
MOTOR VIRGIN COLD FEED SHAKER 215T 10HP	Other	yes
MULTIMETER, 7093K23 "FLUKE"	Other	yes
NIPPLE, BLACK 3/8 X CL	Other	yes
NYSDOT #1	Aggregate	yes
NYSDOT #1A	Aggregate	yes
NYSDOT 1A	Aggregate	yes
NYSDOT SCREENING	Aggregate	yes
OIL SEAL, CR26220	Other	yes
OMEGA COUPLING DRAG SLAT 2 3/8" BORE X	Other	yes
PAINT, KRYLON SPRAY	Other	yes
PENS UNIBALL, SAN-60027	Other	yes
PERMIT/APPROVAL OF OPERATION OF ASPHALT PLT	Other	yes
PIPE PLIER 7", 5MK65	Other	yes
PRINTER, DOT MATRIX EPSON LQ2080,	Other	yes
PROCESSOR PIII 1GHZ, INTBB1000 PGA	Other	yes
PULLEY LAGGED 1 15/16" BORE 10" X 26"	Other	yes
PULLEY LAGGED 2 15/16" BORE 10" X 38"	Other	yes
PULLEY LAGGED 2 15/16" BORE 18" X 26",	Other	yes
PULLEY LAGGED 2 15/16" BORE 18" X 32"	Other	yes
PULLEY PLAIN 2 15/16" BORE 14" X 26"	Other	yes
PULLEY PLAIN 2 15/16" BORE 14" X 28",	Other	yes
PULLEY WINGED 1 15/16" BORE 10" X 26",	Other	yes
PULLEY WINGED 1-15/16" BORE 10" X 32"	Other	yes
RADIO TWO-WAY W/CHARGER 10 CHANNEL UHF,	Other	yes
RENTAL COPIER MACHINE FOR JUL '02	Other	yes
RENTAL COPIER SEP '01	Other	yes
RENTAL COPY MACHINE FOR JUN '02	Other	yes
RENTAL COPY MACHINE FOR MAY '02	Other	yes
RENTAL EQUIP AUG '01	Other	yes
RENTAL EQUIP DEC '01	Other	yes

DESCRIPTION	Material Type	Include in Costs
RENTAL EQUIP JAN '02	Other	yes
RENTAL EQUIP JUL '01	Other	yes
RENTAL EQUIP JUN '01	Other	yes
RENTAL EQUIP SEP '01	Other	yes
RENTAL EQUIPMENT FOR NOV '01	Other	yes
RENTAL EQUIPMENT FOR OCT '01	Other	yes
RENTAL OF COPY MACHINE FOR AUG '02	Other	yes
RENTAL OF EQUIPMENT APR '02	Other	yes
RENTAL OF EQUIPMENT FEB '02	Other	yes
RENTAL OF EQUIPMENT JAN '02	Other	yes
RENTAL OF EQUIPMENT JUN '02	Other	yes
RENTAL OF EQUIPMENT MAR '02	Other	yes
RENTAL OF EQUIPMENT MAY '02	Other	yes
REPAIR ORDER 2120, CHIPPING HAMMER CP4123	Other	yes
REPLENISHED FIRST AID SUPPLIES IN (5) FIVE	Other	yes
RETURN ROLLER BEARING BAX FOR DRAG SLAT,	Other	yes
ROLLER 10" RETURN SLAT CONVEYOR, 9050-024	Other	yes
RUST INHIBTOR, LBS00316	Other	yes
SAW CIRCULAR 8 1/4", 6Z050	Other	yes
SCREENCLOTH	Other	yes
SCREENCLOTH 61 X 48 1.0 OPENING .25 WIRE	Other	yes
SERVICE AIR COMPRESSOR	Other	yes
SERVICE CALL	Other	yes
SERVICE CALL LABOR (1) MECHANIC 2HRS EA	Other	yes
SERVICE CALL LABOR (2) MECHANICS 3HRS EACH	Other	yes
SERVICE CALL LABOR: (2) MECAHNICS 3 HRS EA	Other	yes
SERVICE CALL LABOR: (2) MECHANICS	Other	yes
SERVICE CHAMPION	Other	yes
SERVICE COMPRESSOR (2 MECHANICS)	Other	yes
SERVICE QUINCY	Other	yes
SERVICE, CHAMPION 25HP AIR COMPRESSOR	Other	yes
SERVICE, QUINCY AND CHAMPION COMPRESSORS	Other	yes
SERVICE: QUINCY AIR COMPRESSOR	Other	yes
SERVICE: QUINCY COMPRESSOR	Other	yes
SHAFT CLEAN-OUT AUGER END 2 7/16",	Other	yes
SHAFT DRAG SLAT HEAD 6 7/16" X 56 3/4",	Other	yes

DESCRIPTION	Material Type	Include in Costs	
SHAFT DUST RETURN AUGER SCXT515B 18 1/2"	Other	yes	
SHAFT RAP BREAKER (TAIL) 3-15/16" X 64-1/8"	Other	yes	
SHAFT RAP SCALE (HEAD) 2 15/16" X 47"	Other	yes	
SHAFT SLINGER HEAD 2 15/16" X 36',	Other	yes	
SHAFT TRUNNION 4 7/16" X 40 1/2"	Other	yes	
SHAFT VIRGIN INTERMEDIATE SCALE (TAIL)	Other	yes	
SHEAVE 2 GROOVE 5V 9.0 (2 1/8" BUSHING)	Other	yes	
SHEAVE 2 GROOVE 5V 9.0, 020-01-7345	Other	yes	
SHEAVE 3 GROOVE 3V 6.9", 020-01-3044	Other	yes	
SHEAVE 3 GROOVE B5.4 1-5/8" BUSHING	Other	yes	
SHEAVE 3 GROOVE B5.6(1 5/8" BUSHING)	Other	yes	
SHEAVE 4 GROOVE 5V 10.3 (2 7/16" BUSHING)	Other	yes	
SHEAVE 4 GROOVE 5V 7.1 (1 7/16" BUSHING)	Other	yes	
SHEAVE 4 GROOVE 5V 7.1, 020-01-7369	Other	yes	
SHEAVE 85 5V.125, 020-01-7387	Other	yes	
SPEED REDUCER DUST RETURN AUGER SCXT515B	Other	yes	
SPEED REDUCER FOR DRAG SLAT 20.41-1 RATIO	Other	yes	
SPROCKET 26 TOOTH SILO CONVEYOR W/3 7/16"	Other	yes	
SPROCKET DRAG SLAT 11 TOOTH SEGMENTAL W/HUB	Other	yes	
SWITCH BAGHOUSE PRESSURE, 134-04-0121	Other	yes	
TAIL SPROCKET DRAG SLAT 10 TOOTH SPLIT HUB	Other	yes	
TAPE MAGIC 3/4" X 1296, MMM-8103412	Other	yes	
TARPULIN 10 X 12, HTPT1012	Other	yes	
TELEPHONE SYSTEM LEASE AUG '01	Other	yes	
TELEPHONE SYSTEM LEASE FEB '02	Other	yes	
TELEPHONE SYSTEM LEASE FOR APR '02	Other	yes	
TELEPHONE SYSTEM LEASE FOR MAY '02	Other	yes	
TELEPHONE SYSTEM LEASE JAN '02	Other	yes	
TELEPHONE SYSTEM LEASE JUL '01	Other	yes	
TELEPHONE SYSTEM LEASE JUN '02	Other	yes	
TELEPHONE SYSTEM LEASE NOV '01	Other	yes	
TELEPHONE SYSTEM LEASE OCT '01	Other	yes	
TELEPHONE SYSTEM LEASE SEP '01	Other	yes	
TELEPHONE SYTEM LEASE DEC '01	Other	yes	
TELPHONE SYSTEM LEASE MAR '02	Other	yes	
THERMOMETER 50-500F, RH-08080-06	Other	yes	

DESCRIPTION	Material Type	Include in Costs	
TIRE REPAIR ON 60' MANLIFT	Other	yes	
TOWEL PAPER PERF ROLL KITCHEN 2 PLY	Other	yes	
TOWELS PAPER, HSE-BOUNTY	Other	yes	
TUBING, 1/4" X 50' COPPER	Other	yes	
WATER BATH, AFPW160	Other	yes	
WEAR PLATE, 62A359-1	Other	yes	
WEARPLATE W/HARDWARE, 62A359-1	Other	yes	
WELDING RODS NICROMANG 3/16 X 10LB TUBE,	Other	yes	
WIRE ROPE 1 1/8" 6 X 25 EIPS	Other	yes	
WIRE ROPE 1 1/8" X 6 X 25 BRT EIPS	Other	yes	
WRENCH 18" ADJUSTABLE	Other	yes	
WRENCH SET SHORT COMBO, 6A545	Other	yes	
WRENCH SET, SK STUB COMBO	Other	yes	

Holidays	Date
Independence day	7/4/2002
Labor Day	9/2/2002
Columbus Day	10/14/2002
Election Day	11/5/2002
Veterans' Day	11/11/2002
Thanksgiving	11/28/2002
Christmas	12/25/2002
New Year's day	1/1/2003
Martin Luther King day	1/20/2003
Presidents' Day	2/17/2003
Memorial Day	5/26/2003

June 2^{nd}, 2009

Landmarks Hearing: Grace Asphalt Plant, Queens

Testimony in Opposition from the Queens Asphalt Companies

Dear Honorable Committee Members,

Thank you for to appear before the committee today. We are here today as members of the asphalt producing companies in Queens to express to you our opposition to the NYCDOT's resubmission of a ULURP application to site select and acquire the privately owned and operated Grace Asphalt plant in Corona Queens. We object to this action because we believe the DOT has **not** proven its core arguments: they can produce asphalt cheaper, that they are faced with a shortage of asphalt in Queens, and that the DOT can recycle more material than the private industry already does.

Here is a brief outline for our objections to the City's plan and its unfounded claims.

DOT Claim #1 – It will save the City Money.

Industry Response: The City has made a cost saving claim but has *never* been able to prove it.
The DOT has not produced any documentation justifying its costs. This City claim has been proven false, time after time by private industry in response to previous efforts by the DOT to privatize its asphalt operations. This City's cost accounting never includes all of the costs of operations. Only 4 years ago, the City wanted build an asphalt plant right next to the Grace Plant. That plan was voted down after it was proven the operation would actually cost more than buying material from privates. There are typically 5-6 different plants bidding to supply the City each year. The City claims it will save $4 million annually without any support for this claim. Current pricing to the City from the privates is around $64 per ton. The City would have to produce asphalt for $44 per ton to realize this savings. The cost of raw materials alone is almost $40/ton. Operational costs, acquisition costs and maintenance costs will drive this cost way over $64.

DOT Claim #2: The City will create a "green" product through recycling.
Industry Response: Currently, the private industry is using up to 40% recycled products in its products. This is not a *new* idea.

The City does not have a *new* idea on recycling. The industry has been recycling asphalt for years. Willets Point Asphalt has a state of the art plant that was newly constructed only 2 years ago that is designed to produce a product using recycled asphalt. The Grace Plant uses old technology that is not as capable of using recycled asphalt and will need an upgrade in the near future. The existing plants that contract with the DOT receive a lot of their recycled asphalt from the DOT at no charge. This is a part of the Contract with DOT. The DOT will not be able to use more recycled product with an aging plant that employs old technology.

DOT Claim #3: The City needs to preserve this plant to ensure enough capacity.

Industry Response: There is over 1.5 million tons of capacity in Queens right now without the Grace Plant.

There is currently a surplus of capacity in Queens even if the Grace Plant were to close. Willets Point Asphalt can produce up to 650,000 tons per year. Mt. Hope can produce 500,000 tons per year and Peckham Materials can produce over 700,000 tons per year. The City only uses about 200,000 annually and the entire market including DOT uses about 900,000 tons per year. Without Grace, there is still an over supply of asphalt plant capacity.

We ask the City Council to vote against this proposal unless and until the City DOT can prove that it has the ability to produce asphalt at a cost below the private market when it considers ALL of the costs.

Sincerely,

Willets Point Asphalt Corp.

Kenneth Tully, Jr.

College Point Asphalt LLC

Robert Carballal

Flushing Asphalt LLC

James Horan

Peckham Materials, Inc.

Gary Metcalf

Canal Asphalt Inc.

Richard Davidson, PE

Willets Point Asphalt Corp.
32-02 College Point Blvd., College Point, NY 11354

June 2, 2009

Councilwoman Jessica Lappin
Chair - Land Use Subcommittee on Landmarks,
Public Siting, and Maritime Uses
250 Broadway, 18th Floor
New York, NY 10007

RE: NYCDOT Grace Plant Acquisition

Dear Councilwoman Lappin,

We are writing as members of the asphalt producing companies in Queens. We would like to express our opposition to the NYCDOT's recently announced plans to acquire the Grace Asphalt plant in Corona, Queens. We object to this action because we believe the DOT has not proven its case for lower costs, has not proven that there would be a lack of production and will not recycle any more material than the private industry already does.

We have had two meetings with representatives of the NYCDOT. At these meetings, it became apparent that there is a major discrepancy between the cost savings numbers presented by the DOT and what will actually be saved. Critical to the DOT's scenario is the savings realized on the disposal of RAP. Private industry already recycles 80,000 tons for the DOT at no charge. So the claimed savings is dubious at best.

Even with this unfounded claim, the DOT has changed it savings projections in the past few months from $4 Million per year to $9 Million over *10 YEARS*. It is obvious that the DOT itself is not confident in its numbers. This cost savings is marginal compared to the risk involved in this undertaking.

We ask the City Council to vote against this proposal unless and until the City DOT can prove that it has the ability to produce asphalt at a cost below the private market when it considers ALL of the costs. The Independent Budget Office should review these numbers before any action is taken. The City has no business in business. The plant which is proposes to acquire is located a stone's throw away from active plants that compete each year for the City's business. These plants have supplied millions of tons of asphalt to the City, far more reliably than the City's own plant on Hamilton Avenue in Brooklyn.

Sincerely,

Willets Point Asphalt Corp.

Kenneth Tully, Jr.

THE WALL STREET JOURNAL.
WSJ.com

OPINION | MAY 21, 2009

Why Government Can't Run a Business

Politicians need headlines. Executives need profits.

By JOHN STEELE GORDON

The Obama administration is bent on becoming a major player in -- if not taking over entirely -- America's health-care, automobile and banking industries. Before that happens, it might be a good idea to look at the government's track record in running economic enterprises. It is terrible.

In 1913, for instance, thinking it was being overcharged by the steel companies for armor plate for warships, the federal government decided to build its own plant. It estimated that a plant with a 10,000-ton annual capacity could produce armor plate for only 70% of what the steel companies charged.

When the plant was finally finished, however -- three years after World War I had ended -- it was millions over budget and able to produce armor plate only at twice what the steel companies charged. It produced one batch and then shut down, never to reopen.

Or take Medicare. Other than the source of its premiums, Medicare is no different, economically, than a regular health-insurance company. But unlike, say, UnitedHealthcare, it is a bureaucracy-beclotted nightmare, riven with waste and fraud. Last year the Government Accountability Office estimated that no less than one-third of all Medicare disbursements for durable medical equipment, such as wheelchairs and hospital beds, were improper or fraudulent. Medicare was so lax in its oversight that it was approving orthopedic shoes for amputees.

These examples are not aberrations; they are typical of how governments run enterprises. There are a number of reasons why this is inherently so. Among them are:

1) *Governments are run by politicians, not businessmen.* Politicians can only make political decisions, not economic ones. They are, after all, first and foremost in the re-election business. Because of the need to be re-elected, politicians are always likely to have a short-term bias. What looks good right now is more important to politicians than long-term consequences even when those consequences can be easily foreseen. The gathering disaster of Social Security has been obvious for years, but politics has prevented needed reforms.

And politicians tend to favor parochial interests over sound economic sense. Consider a thought experiment. There is a national widget crisis and Sen. Wiley Snoot is chairman of the Senate Widget Committee. There are two technologies that are possible solutions to the problem, with Technology A widely thought to be the more promising of the two. But the company that has been developing Technology B is headquartered in Sen. Snoot's state and employs 40,000 workers there. Which technology is Sen. Snoot going to use his vast legislative influence to push?

2) *Politicians need headlines.* And this means they have a deep need to do something ("Sen. Snoot Moves on Widget

Crisis!"), even when doing nothing would be the better option. Markets will always deal efficiently with gluts and shortages, but letting the market work doesn't produce favorable headlines and, indeed, often produces the opposite ("Sen. Snoot Fails to Move on Widget Crisis!").

3) *Governments use other people's money.* Corporations play with their own money. They are wealth-creating machines in which various people (investors, managers and labor) come together under a defined set of rules in hopes of creating more wealth collectively than they can create separately.

So a labor negotiation in a corporation is a negotiation over how to divide the wealth that is created between stockholders and workers. Each side knows that if they drive too hard a bargain they risk killing the goose that lays golden eggs for both sides. Just ask General Motors and the United Auto Workers.

But when, say, a school board sits down to negotiate with a teachers union or decide how many administrators are needed, the goose is the taxpayer. That's why public-service employees now often have much more generous benefits than their private-sector counterparts. And that's why the New York City public school system had an administrator-to-student ratio 10 times as high as the city's Catholic school system, at least until Mayor Michael Bloomberg (a more than competent businessman before he entered politics) took charge of the system.

4) *Government does not tolerate competition.* The Obama administration is talking about creating a "public option" that would compete in the health-insurance marketplace with profit-seeking companies. But has a government entity ever competed successfully on a level playing field with private companies? I don't know of one.

5) *Government enterprises are almost always monopolies and thus do not face competition at all.* But competition is exactly what makes capitalism so successful an economic system. The lack of it has always doomed socialist economies.

When the federal government nationalized the phone system in 1917, justifying it as a wartime measure that would lower costs, it turned it over to the Post Office to run. (The process was called "postalization," a word that should send shivers down the back of any believer in free markets.) But despite the promise of lower prices, practically the first thing the Post Office did when it took over was . . . raise prices.

Cost cutting is alien to the culture of all bureaucracies. Indeed, when cost cutting is inescapable, bureaucracies often make cuts that will produce maximum public inconvenience, generating political pressure to reverse the cuts.

6) *Successful corporations are run by benevolent despots.* The CEO of a corporation has the power to manage effectively. He decides company policy, organizes the corporate structure, and allocates resources pretty much as he thinks best. The board of directors ordinarily does nothing more than ratify his moves (or, of course, fire him). This allows a company to act quickly when needed.

But American government was designed by the Founding Fathers to be inefficient, and inefficient it most certainly is. The president is the government's CEO, but except for trivial matters he can't do anything without the permission of two separate, very large committees (the House and Senate) whose members have their own political agendas. Government always has many cooks, which is why the government's broth is so often spoiled.

7) *Government is regulated by government.* When "postalization" of the nation's phone system appeared imminent in 1917, Theodore Vail, the president of AT&T, admitted that his company was, effectively, a monopoly. But he noted that "all monopolies should be regulated. Government ownership would be an unregulated monopoly."

It is government's job to make and enforce the rules that allow a civilized society to flourish. But it has a dismal record of regulating itself. Imagine, for instance, if a corporation, seeking to make its bottom line look better, transferred employee contributions from the company pension fund to its own accounts, replaced the money with general obligation corporate bonds, and called the money it expropriated income. We all know what would happen: The company accountants would refuse to certify the books and management would likely -- and rightly -- end up in jail.

But that is exactly what the federal government (which, unlike corporations, decides how to keep its own books) does with Social Security. In the late 1990s, the government was running what it -- and a largely unquestioning Washington press corps -- called budget "surpluses." But the national debt still increased in every single one of those years because the government was borrowing money to create the "surpluses."

Capitalism isn't perfect. Indeed, to paraphrase Winston Churchill's famous description of democracy, it's the worst economic system except for all the others. But the inescapable fact is that only the profit motive and competition keep enterprises lean, efficient, innovative and customer-oriented.

Mr. Gordon is the author of "An Empire of Wealth: The Epic History of American Economic Power" (HarperCollins, 2004).

Please add your comments to the Opinion Journal forum.

Printed in The Wall Street Journal, page A13

NRDC
THE EARTH'S BEST DEFENSE

NATURAL RESOURCES DEFENSE COUNCIL

Statement of the
Natural Resources Defense Council
By
Richard Kassel

In Support Of
L.U. No. 1085

June 2, 2009

My name is Richard Kassel, and I am a senior attorney for the Natural Resources Defense Council (NRDC). NRDC is a national, non-partisan environmental organization based here in New York. We represent more than 1.2 million members and advocates, including almost 100,000 New York City and State residents.

Today, I am pleased to testify in support of L.U. No. 1085, the proposed acquisition of the Grace Asphalt Plant by the New York City Department of Transportation. This acquisition will significantly increase the use of locally-recycled asphalt in DOT repaving projects, and will provide other important environmental and economic benefits to the City.

NRDC was a strong supporter of PlaNYC 2030 when it was released, and we remain so today. Among its many benefits was a reliance on strategies that could provide multiple benefits on numerous issues simultaneously. The proposed recycled asphalt project at the Grace Asphalt Plant will roughly double the City's use of recycled asphalt, and fits this approach. Thus, it deserves our support, and yours.

As a solid waste strategy, we expect that the Grace plant will eventually produce pavement with 50% or more recycled asphalt content. This will help the City reduce its need for virgin asphalt. It should roughly double the 174,000 tons of used asphalt that is currently saved from landfills each year.

As an energy strategy, the Grace plant will help reduce the City's dependence on petroleum, since virgin asphalt is a petroleum product. Today's DOT recycled asphalt program at DOT's Hamilton Avenue plant saves 840,000 barrels of oil every year by reducing the need for virgin asphalt. The Grace plant should roughly double this number.

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As a transportation strategy, the Grace plant will help by reduce truck travel to distant landfills, which will reduce congestion, noise and road wear and tear throughout the City. This would cut roughly 600,000 miles in local truck traffic annually, and help the City meet its air pollution and congestion goals. In addition, by increasing the recycled asphalt content of its paving materials, the City will avoid additional truck traffic from the delivery of crushed rock and virgin asphalt from the Hudson Valley and beyond – trucks that won't have to deliver to the City from far away because the City will be making more of ts own asphalt locally.

Recycled asphalt can be an important contributor to the City's long-term sustainability programs. Indeed, the Department of Transportation's choices of materials and technologies for its paving projects will help determine whether the Department meets its PlaNYC goals. By doubling the City's use of recycled asphalt and reducing the need to import virgin asphalt by truck, NRDC believes that the Grace Asphalt Plant will help the City meet its long-term solid waste, transportation, and environmental objectives.

The DOT acquisition of the Grace Asphalt Plant has our support, and we encourage you to support it as well.

Thank you for the opportunity to testify today.

NRDC
New York Council

E2
ENVIRONMENTAL
ENTREPRENEURS

June 2, 2009

Hon. Christine C. Quinn
Speaker
New York City Council
City Hall
New York, New York 10007

Re: NYC DOT Acquisition of Grace Asphalt Plant

Dear Speaker Quinn:

We are writing on behalf of the NY metro chapter of Environmental Entrepreneurs (E2 -- www.e2.org), a national community of business professionals who support sound environmental policy based on its economic merits, and the New York Council of the Natural Resource Defense Council, a group of New Yorkers from a wide variety of backgrounds and professions who share a strong commitment to the environment, to strongly urge you to support the acquisition of the Grace asphalt plant by the New York City Department of Transportation.

NYC DOT has been a national leader in the use of recycled asphalt pavement (RAP). Now, NYC DOT seeks to acquire and operate the Grace asphalt plant in Queens to significantly increase the use of locally-recycled asphalt in its paving projects.

As you know, NYC DOT is currently seeking to upgrade its existing Hamilton Avenue plant to produce 50% RAP-content pavement, from its current 40% RAP-content. The Grace asphalt plant would be similarly modernized, and could eventually produce pavement with 50% or more RAP content. Additionally, DOT has recently been testing a new, "warm mix" asphalt technology that promises higher RAP content and greater benefits, including a longer paving season that is necessary for quicker responses to street paving needs.

NYC DOT's use of RAP provides a wide range of benefits, including:

o Cost-savings on materials and transportation that increases the available resources for resurfacing projects at a time of severe budgetary constraints.
o Avoided consumption of 840,000 barrels of oil per year required to produce new asphalt cement.
o 174,000 tons of used asphalt saved from landfills each year.
o Reductions of nearly 321,000 miles annually in local truck miles traveled.

In other words, DOT's increased use of RAP will be fiscally prudent, will help keep the City's road resurfacing crews working, will reduce the City's reliance on oil, will be consistent with the City's long-term solid waste goals, and will reduce diesel emissions, congestion, other truck impacts such as noise and street and highway wear-and-tear.

We believe that this project deserves your support, and would like to meet with you to discuss it further.

In the meantime, thank you for considering our views.

Sincerely,

The following E2 and NRDC NY Council members have electronically signed this letter:

Clifford Adams
Managing Director
Coady Diemar Partners

Mario Aieta
Satterlee, Stephens, Burke & Burke LLP

Christopher Arndt
Partner, Select Equity Group, Inc.

Patty Arndt
Principal, ONG Designs

Jasanna Briton

Helen Chang
Attorney

Ann Colley
Executive Director
The Moore Charitable Foundation

Gideon Etra

Chris Fowle
Sustainable Finance Consultant
Rainforest Alliance

Nell Freudenberger

Greg Hale
Private Investor

Gregory Josephs
Structured Credit Broker

Anne Libby
Anne Libby Management Consulting

Paul Logan
President, Yorke Construction Corporation

Anna Lonergan

Wendy Neu
Senior Vice President
Hugo Neu Corporation

Ed Nammour

Francesca Olivieri
Founder, SageBaby

Nina Orville

Siv Paumgarten
Environmental Consultant

Julia Pershan

Diana Rose
Garrison Institute

Jonathan Rose
President, Jonathan Rose Companies

Laurie Rothenberg

David Shimoni

Tracy Toon Spencer
Founder, Fertile Life Inc.

L. S. Thorne

Mike Thorne

Sara Thorson
Teacher, New York Film Academy

Alex Wall
Attorney, Fried Frank, LLP

Liz Weinstein

Steven Weinstein

Alexa Willson
Principal, Bessemer Trust

David Willson

Pratt Center
for Community Development

Testimony to the New York City Council Committee on Landmarks, Public Siting & Maritime Uses

Re: Support for the acquisition of property located at 130-31 Northern Boulevard (Block 1791, Lots 52 and 68) , for use as an asphalt plant. (C090366PCQ)

Joan Byron
Director, Sustainability and Environmental Justice Initiative
June 2, 2009

The Pratt Center for Community Development supports New York City DOT's development of a second asphalt plant through the City's acquisition of the Grace site on Flushing Creek in Queens.

This project advances the City's sustainability goals in several important ways, and will also allow DOT to resurface more of the city's streets, at a lower cost, than would be possible if asphalt has to be sourced from private suppliers.

Utilizing asphalt millings recovered from resurfacing projects is a sustainable and smart "closed-loop" strategy that enables the city to avoid consuming significant amounts of oil that would otherwise be required to produce new asphalt; avoid landfilling hundreds of thousands of tons of pavement millings; and avoid millions of truck-miles that would otherwise be needed to transport new asphalt into and across the city.

The resurfacing program itself is key to keeping the City's streets in a state of good repair. Resurfacing is a cost-effective way of addressing wear from traffic and weather, and avoiding the much more costly full reconstruction that has too often been necessitated when resurfacing has not been done. The City's has raised its targets for resurfacing from 700 lane miles in 2006, to 900 lane miles today; acquiring the Grace site will enable us to set and reach a goal of resurfacing 1000 lanes miles per year - the level we need to achieve if we are to get our entire street network to a state of good repair, and keep it there.

Achieving this goal matters to everybody; not only to drivers, but to businesses, to bus riders, to cyclists, and to pedestrians. Having streets in good condition is essential for shopping areas to thrive, for people, especially children and seniors, to walk safely and comfortably, and for cyclists to ride safely. The resurfacing program isn't just an investment in transportation infrastructure – though it is that, and a very prudent one – it's an investment in quality of life, because streets are functioning – more and more – as essential public space.

Acquiring the existing Grace plant serves not only the City's sustainability goals, but also the goals of environmental justice. Without this plant, Queens resurfacing projects will rely more heavily on private vendors in the Bronx, adding to truck traffic through already-burdened neighborhoods. Utilizing the Grace site will reduce truck mileage and reduce diesel emissions along highway corridors which are disproportionately the homes and workplaces of low-income communities of color. Keeping asphalt production on this site (and increasing its utilization of recycled material) will enable the city to produce asphalt for resurfacing as close as possible to the locations where it will be used, without creating any new environmental burdens on any neighborhood.

In sum, acquiring the Grace site and ensuring that its capacity will continue to be available to meet New York City's ambitious targets for street resurfacing makes economic and environmental sense; the Pratt Center applauds NYC DOT for taking this opportunity to advance the goals of sustainability and environmental justice in a way that is cost-effective and smart.

NOTE: This testimony was prepared by the Pratt Center for Community Development. It does not necessarily reflect the official position of Pratt Institute.

Testimony delivered on behalf of Lillian Roberts
Executive Director, District Council 37
Before the
Landmarks, Public Siting & Maritime Uses Committee
of the New York City Council
June 2, 2009

Good morning. My name is Henry A. Garrido. I am the Assistant Associate Director of District Council 37. I am with David Moog, a Senior Analyst from our Research and Negotiations Department. I am here on behalf of Lillian Roberts, Executive Director of District Council 37 who couldn't be here due to a conflict in her schedule. DC 37 represents 125,000 employees and 50,000 retirees. We represent over 1,000 titles in all city agencies, including the Millers, Highway Repairers and Motor Vehicle Operators in the Department of Transportation.

The proposal by the New York City Department of Transportation to develop a second asphalt plant in Queens and eliminate the contracting out to private companies makes sense on every level. It makes economic sense; it makes environmental sense; and it provides the transparency and accountability for the taxpayers of the City.

District Council 37 stands is always happy to support an initiative that recognizes the value of having public employees provide for the long term needs of the City. It was a mistake for the City, back in the 1970s, to sell off the responsibility of producing its own asphalt; a responsibility that started in 1911 after the City discovered corruption in the bidding process of asphalt suppliers. After the City sold those plants, private contractors slowly started to gouge the city on asphalt shipments. With little control over how the plants were operated and allegations of bid rigging and corruption, the City, under Ed Koch, decided to produce its own asphalt. In 1981 the City started to recognize savings with their first own asphalt plant in Brooklyn to be put into operation after the selling off of the municipal plants in the 1970s. In 1988, after a study by the City Comptroller revealed that the municipal asphalt plant in Brooklyn was saving the City over a $1,000,000 a year, the Board of Estimate approved the purchase of a second asphalt plant in Queens. It took four years of wrangling and overcoming intense lobbying by the construction industry before all of the approvals could work out and that plant was put into operation.

Now we are looking to add a third plant that will yield over $10 million in savings. Not only will the City save money, but this plant will use recycled asphalt, reduce oil consumption, and reduce the number of miles driven by trucks involved in the paving process. It will also allow for the City to better monitor and account for shipments and quality control and recycle old road material saving both oil and landfill space. This action by the City will also allow for a more honest, transparent and efficient production of asphalt while employing a professional unionized workforce that is accountable to the taxpayer.

Our union believes that this action by DOT only further proves our point that when it comes to providing long term services, the City always benefits from having the work done by public servants. We have seen in the past the jettisoning off public responsibility to private, corporate interest usually leads to corruption, price gouging, and lack of accountability. We have seen time and time again how the private sector fails to save money and ends up costing the City more. It is better for the public to have a workforce that is proven through the merit and fitness process of the civil service system, has all the proper background checks and is responsible to the taxpayers. In the end analysis, almost without fail, contracting out fails to deliver on its promise of savings, efficiency, and improving quality.

District Council 37 stands in full support of DOTs proposal to develop the Queens Asphalt plant.

I hope that the analysis and process used by DOT is applied to other agencies to evaluate the cost saving and benefit that can be realized by contracting in on these long term services and needs of the City.