

CITY COUNCIL  
CITY OF NEW YORK

----- X

TRANSCRIPT OF THE MINUTES

Of the

SUBCOMMITTEE ON ZONING AND  
FRANCHISES

----- X

November 30, 2023  
Start: 11:12 a.m.  
Recess: 11:48 a.m.

HELD AT: 250 BROADWAY - COMMITTEE ROOM, 16TH  
FLOOR

B E F O R E: Kevin C. Riley, Chairperson

COUNCIL MEMBERS:

Shaun Abreu  
Erik D. Bottcher  
David M. Carr  
Kamillah Hanks  
Farrah N. Louis  
Francisco P. Moya  
Lynn C. Schulman

A P P E A R A N C E S

Erik Palatnik, Eric Palatnik, P.C.

Alvin Schein, Seiden and Schein, P.C.

2 SERGEANT-AT-ARMS: This is a microphone  
3 check for the Subcommittee on Zoning and Franchises.  
4 Today's date is November 30, 2023. Located on the  
5 16th Floor. Recorded by Steve Sadowsky.

6 SERGEANT-AT-ARMS: Good morning and  
7 welcome to the Subcommittee on Zoning and Franchises.

8 At this time, we ask if you could please  
9 place phones on vibrate or silent mode. Thank you.

10 Chair, we are ready to begin.

11 CHAIRPERSON RILEY: Good morning,  
12 everyone, and welcome to a meeting of the  
13 Subcommittee on Zoning and Franchises. I am Council  
14 Member Kevin Riley, Chair of the Subcommittee.

15 This morning I am joined by Council  
16 Members Abreu, Hanks, Carr, Schulman, Bottcher, Chair  
17 Louis, and remotely by Council Member Moya.

18 Today, we will hold a public hearing on  
19 the rezoning proposal extending the Special Bay  
20 Street Corridor District in Staten Island.

21 Before we begin, I recognize the  
22 Subcommittee Counsel to review the hearing  
23 procedures.

24 COMMITTEE COUNSEL HUH: Thank you, Chair.  
25 I am Arthur Huh, Counsel to this Subcommittee.

2 This meeting is being held in hybrid  
3 format.

4 Members of the public who wish to testify  
5 may do so in person or via Zoom. Members of the  
6 public wishing to testify remotely may register by  
7 visiting the New York City Council website at  
8 [www.council.nyc.gov/landuse](http://www.council.nyc.gov/landuse).

9 For those of you here with us in the room  
10 today, please see one of the Sergeants-at-Arms to  
11 prepare and submit a speaker card if you wish to  
12 testify.

13 Members of the public may also view a  
14 livestream broadcast of this meeting at the Council's  
15 website.

16 When called to testify, if joining  
17 remotely you will remain muted until recognized by  
18 the Chair or myself to speak.

19 Public testimony will be limited to two  
20 minutes per witness. If you have additional testimony  
21 you would like the Subcommittee to consider or if you  
22 have written testimony you would like to submit  
23 instead of appearing before the Subcommittee, please  
24 email it to [landusetestimony@council.nyc.gov](mailto:landusetestimony@council.nyc.gov). Please  
25

2 indicate the LU number and/or project name in the  
3 subject line of your email.

4 Chair Riley will now continue with  
5 today's agenda.

6 CHAIRPERSON RILEY: Thank you, Counsel. I  
7 will now open the public hearing on Preconsidered LU  
8 items relating to the 541-545 Bay Street Rezoning  
9 Proposal in Council Member Hanks' District in Staten  
10 Island. This is a private application to extend the  
11 Special Bay Street Corridor District as well as map a  
12 Mandatory Inclusionary Housing area over the proposed  
13 new Special District area.

14 For anyone wishing to testify on these  
15 items remotely, if you have not already done so, you  
16 must register online, and you may do that now by  
17 visiting the Council's website at  
18 [council.nyc.gov/landuse](http://council.nyc.gov/landuse).

19 Once again, for anyone with us in person,  
20 please see one of the Sergeants to prepare and submit  
21 a speaker's card.

22 If you would prefer to submit written  
23 testimony, you can always do so by emailing it to us  
24 at [landusetestimony@council.nyc.gov](mailto:landusetestimony@council.nyc.gov).

2 At this time, I would like to allow  
3 Council Member Hanks to give remarks regarding this  
4 project.

5 COUNCIL MEMBER HANKS: Thank you, Chair  
6 Riley. Good morning, everyone. I'm Kamillah Hanks,  
7 Council Member of the 49th District, and I'm here to  
8 discuss the 541-545 Bay Street Rezoning.

9 This application proposes to extend the  
10 Special Bay Street Corridor District zoning one block  
11 on the south in order to facilitate development of an  
12 eight-story, 81-unit apartment building with ground  
13 floor commercial space. As we are all aware, our city  
14 is in the midst of a housing crisis, and this  
15 certainly extends to Staten Island. The development  
16 of housing and affordable housing units for all  
17 incomes level is crucial to begin to address this  
18 problem. As a local to this area, I am deeply  
19 passionate about supporting the much needed inclusive  
20 development that could bring housing and jobs to  
21 benefit this community. The need for economic  
22 development and housing in District 49, especially in  
23 this neighborhood, is clearly evident and includes  
24 both market rate and affordable housing including  
25 through MIH. I would like to thank the Staten Island

2 Community Board 1, the Borough President, the City  
3 Planning Commission, my Colleagues in the Zoning  
4 Subcommittee and in the Council for their thoughtful  
5 evaluation of this proposal, and I look forward to  
6 hearing from the development team and from my  
7 constituents at the public hearing at today's  
8 meeting. Thank you.

9 Thank you, Chair Riley.

10 CHAIRPERSON RILEY: Thank you, Council  
11 Member Hanks.

12 Counsel, please call the first panel for  
13 this item.

14 COMMITTEE COUNSEL HUH: The applicant  
15 panel consists of Eric Palatnik and Alvin Schein who  
16 will be participating remotely.

17 CHAIRPERSON RILEY: Counsel, please  
18 administer the affirmation.

19 COMMITTEE COUNSEL HUH: Applicants, please  
20 raise your right hand and state your name for the  
21 record. I'll ask you each in turn to answer the  
22 following.

23 Do you affirm to tell the truth, the  
24 whole truth, and nothing but the truth in your  
25 testimony before this Subcommittee and in your

2 answers to all Council Member questions? Mr.  
3 Palatnik.

4 ERIC PALATNIK: I do.

5 COMMITTEE COUNSEL HUH: Mr. Schein.

6 ALVIN SCHEIN: I do.

7 COMMITTEE COUNSEL HUH: Thank you.

8 CHAIRPERSON RILEY: Thank you. For the  
9 viewing public, if you need an accessible version of  
10 this presentation, please send an email request to  
11 [landusetestimony@council.nyc.gov](mailto:landusetestimony@council.nyc.gov).

12 Now, the applicant team may begin.  
13 Panelists, as you begin, I'd just ask that you please  
14 restate your name and organization for the record.  
15 You may begin.

16 ERIC PALATNIK: Hello. Good morning,  
17 again. My name is Eric Palatnik. I'm an attorney, and  
18 I'm representing Bay Street Development, the  
19 applicant.

20 I'd like to start off first by saying  
21 thank you to all of you. You're some of the most  
22 reasonable people in City government, and I'd like to  
23 thank you very much for the leadership you've shown  
24 over the city, particularly during the last three  
25 years when we've been confronted with a series of



2 events that I don't think anybody could've  
3 anticipated so thank you. That's more important I  
4 think than anything that's going on in this hearing.

5           Going to the housing crisis and going to  
6 a Land Use application, we're here today for a  
7 rezoning as was just explained by the Chair to  
8 basically extend what's called the Bay Street  
9 Corridor, and you can see there's really only two  
10 people here that are from the island that probably  
11 even know what the Bay Street Corridor is.

12           For those of you who don't, oh, there's  
13 three, good, okay, and that's with all due respect to  
14 everybody in the city. The island is its own place.

15           Bay Street is a very unique place. It's  
16 got tons of potential. It went through the last  
17 uptick in real estate economic activity and was  
18 missed out. If you look out at Williamsburg, you look  
19 out at Jersey City, you look out all along the  
20 waterfront surrounding New York City, Manhattan I  
21 should say, and all those communities have developed,  
22 Hoboken, all of them. Bay Street and Staten Island  
23 have lagged behind. Part of the reason is primarily  
24 because there's not been an incentive for developers  
25 to build on Bay Street which is the main drag. The

1 Councilwoman has been a leader in that discussion  
2 along with Community Planning Board 1 who nearly  
3 unanimously supported this application. The unique  
4 part about this rezoning that I'm going to get into  
5 in a moment is not the rezoning itself. Everybody is  
6 for the rezoning I think. The Borough President  
7 issued a negative recommendation, we don't know why.  
8 He didn't state any reasons on it, but it was  
9 unanimous at the Community Board and the  
10 Councilperson knows we've been in contact for years  
11 so we're not quite sure what happened at the Borough  
12 President, and we've tried to reach out. Nonetheless,  
13 it is a well-supported community application. Bay  
14 Street needs an uptick. It's had plenty of affordable  
15 housing at lower income bands being created, but the  
16 demographic that I believe everybody wants to see  
17 live in that lot and live on that street that has  
18 discretionary income that could support future  
19 businesses so that the gates that are rolled down  
20 right now and the people that are on the streets,  
21 some of which are a little strung out on drugs, could  
22 be overcome by people that are working, coming into  
23 jobs every single day, raising families and spending  
24 money in shops and boutiques and all the things and  
25

1 the likes of which we see all around the city in  
2 every neighborhood and Bay Street should have it, and  
3 we encourage you to take a ride down it. I'm saying  
4 this after in-depth talks with Community Planning  
5 Board 1 and the Council Member and others in the  
6 community so this application, what I'm going to  
7 present to you is the building. I think you're going  
8 to like it. It's an 80-unit building. It's got 25  
9 affordable units. The kink in the whole thing is what  
10 Option level the MIH should be at, and we've been  
11 talking with the Council Member about Option level 4,  
12 workforce housing, which I know is not an orthodox  
13 request in this Council. However, this is a unique  
14 situation and a unique block, and the Council Member,  
15 I'm going to go through in a minute, has been very  
16 forthcoming with what bands of income she thinks  
17 people should be at in order to inspire that  
18 demographic to get the income to come into the  
19 street, and I'll explain where we think it should be  
20 at, and we're not done talking. We have a big  
21 conversation that we're in the middle of, but I  
22 wanted to set the tone and the table for my  
23 presentation so that you know nobody here, I don't  
24 think any of us, me or the Council Member or the  
25

2 community are talking about whether a building should  
3 be built here. I think we're all in agreement that a  
4 building should definitely be built here. We're  
5 trying to figure out what income bands should be  
6 within the MIH component within the building. With  
7 that as my overview, I'll start, just go through the  
8 presentation rather quickly because the building is a  
9 very straightforward building. We are on Bay Street.  
10 If you can go to the next slide, please.

11           You can't really read the stats that are  
12 up here, but the right side shows you what we're  
13 asking for which is what I just explained. It's an  
14 eight-story building. What the extension of the Bay  
15 Street Corridor is going to do, the property right  
16 now is in an R6 zoning district, and, because it's in  
17 an R6, when an R6 property is on a wide street,  
18 they're get a benefit within 100 feet of the corner.  
19 The Bay Street Corridor extends that benefit over the  
20 whole property so what we're seeking to do is to get  
21 the benefit of the R6 over our entire property, and  
22 that's facilitating the eight-story building and it's  
23 a slight uptick in our floor area, and that's what  
24 this whole request is about. The building will have  
25 42 parking spaces. It'll have ground floor commercial

2 use which will be the existing  
3 grocery/vegetable/fruit store that's there now that's  
4 desperately needed in the community. It's the only  
5 supermarket in the immediate area, and it's a market.  
6 I won't call it a supermarket. Next slide, please.

7           This shows you the property. The property  
8 is in the middle here. What's important to call out  
9 is Staten Island Railway runs behind the property.  
10 The building that's on the left is a fully affordable  
11 development, the Councilperson could tell you more  
12 details about its MIH level, and the building on the  
13 right is a fully affordable development, and the  
14 Councilperson can tell you more about the MIH level,  
15 but that's the point of the MIH discussion that we're  
16 having is that the new developments that have come up  
17 have been catering to a very low band, and there's  
18 been no affordability created for working class  
19 people, the workforce housing, people that are the  
20 schoolteachers, that are the firefighters, they're  
21 the young people that are looking for housing. It  
22 doesn't exist because they over-qualify for the lower  
23 income band so you're left with a workforce that  
24 doesn't have an affordable housing option to them.  
25 Next slide, please.

2           The next slide shows you the zoning map.  
3 You can see the gray area that I'm talking about. Our  
4 site is in the dots in the middle. The gray area is  
5 the Bay Street Corridor. You can see that on the left  
6 side we're not in the gray area, and on the right  
7 side we are. That's the whole request. We were left  
8 out of the Bay Street Corridor when it was created  
9 some seven or eight years ago, which by the way it  
10 hasn't done what it should've done seven or eight  
11 years ago. It was supposed to inspire Jersey City, it  
12 was supposed to inspire Hoboken. It hasn't inspired  
13 much. I think there's been five or six new buildings  
14 built since it was created, many of which are at that  
15 very, very low-income band. Next slide, please.

16           This just shows you the building, go to  
17 the next slide. This shows you the building again  
18 from a different perspective. I'm not going to waste  
19 your time going through this. If you go to the next  
20 slide and go two ahead if you can, please.

21           This slide starts to show you what's  
22 going on in the community around us. Just as far as  
23 from a Land Use perspective, because you are here to  
24 govern Land Use of course, you want to see the  
25 buildings fit within the character. We're proposed to

2 be 80 feet, and you can see the heights of the  
3 buildings that are all around are somewhat analogous  
4 at 63 feet. You see buildings at 60 feet, 75 feet,  
5 123 feet is under construction right now so we're not  
6 out of character size-wise. You can click ahead now.  
7 I think we can go ahead and maybe skip right to slide  
8 22 if you can.

9 I'll show you the wet proofing and then  
10 I'll come back to the affordability. The property is  
11 within a flood zone. It did not take on water during  
12 Sandy crazily enough, but it has the capability to so  
13 it is proposed to be wet floodproofed, and I just  
14 wanted to call that out to your attn. Now, if you can  
15 go back a couple of slides. You can go back to the  
16 MIH, and that's at page 18.

17 This is where we started with when we  
18 started the application, and this is the guts of the  
19 discussions that we've been having with the Council  
20 Member's office. We all started off with the idea  
21 that bigger is better, more money is better than less  
22 money, so 115 AMI, that should be good to help a  
23 developer in this situation be the seed developer in  
24 the community. There are not many other buildings  
25 here that are market rate so the thought would be

1 that this building would inspire others to come and  
2 build, but what the Council Member rightfully pointed  
3 out to us is that at a 115 average AMI, because of  
4 the condition of the neighborhood right now  
5 economically, the MIH units would be exceeding market  
6 rate so what we've been in talks with the Council  
7 Member to do right now is to modify the MIH level to  
8 a level that meets the market and creates MIH units  
9 that lock in affordability at today's rate but, as  
10 we've been talking about, rates are going to raise in  
11 the future, and those rates are going to stay on the  
12 MIH so those will become the affordable units of the  
13 future while attracting people to come there today at  
14 market rate that could spend money in the community  
15 and inspire hopefully somebody to open up a  
16 restaurant, a bar, somebody go get a drugstore or a  
17 dry cleaners, things like that, and that's what we're  
18 hoping to achieve with the Council Member.

19  
20 That is our entire presentation. I'd be  
21 happy to go into more details on the building and the  
22 parking and all that jazz if you would like. Council  
23 Member, I hope I clearly described, accurately  
24 described our discussions until now and, if I didn't,  
25 please correct me. Thank you very much for your time.



2 CHAIRPERSON RILEY: Thank you, Eric. I  
3 just have a few questions, and then I'm going to pass  
4 it to Council Member Hanks and then see if any other  
5 Members upon the Committee have questions.

6 If the Council were to disapprove this  
7 application or make any changes that the applicant  
8 would consider untenable, what would happen to this  
9 site?

10 ERIC PALATNIK: It would probably remain  
11 as it is.

12 CHAIRPERSON RILEY: And that is what?

13 ERIC PALATNIK: Right now, it's a two-  
14 story supermarket, food store type establishment. If  
15 it was to be dramatically changed, but I don't feel  
16 like it's going in that direction by any stretch of  
17 the imagination.

18 CHAIRPERSON RILEY: Thank you. Is the wet  
19 floodproofing the ground floor enough to protect the  
20 entire building from potential future flooding?

21 ERIC PALATNIK: Yes. Obviously, it's meant  
22 so that way the ground floor can be let go in case a  
23 flood comes in so that's how it's designed. There are  
24 things on the first floor that will be lost, but the  
25 upper floors will be safe. All the mechanicals will

2 be above that and any building systems and anything  
3 of the like so the building itself will not be in any  
4 way, shape, or form damaged other than the ground  
5 floor, which, obviously, if we should have an event  
6 like that will take on water.

7 CHAIRPERSON RILEY: Is the building  
8 accessible to transportation?

9 ERIC PALATNIK: The building is very well  
10 accessible. I didn't mention, there's a slide on it,  
11 I didn't want to waste your time, but I did mention  
12 it's up against the Staten Island Railway which is  
13 right behind. There's a stop right behind it. Of  
14 course, the ferry is just down the block a mile or  
15 so, but it's a bus ride away, and there's plenty of  
16 bus transportation so by Staten Island definition of  
17 good transit, it's got the best, but that's not  
18 saying a lot when you're on the island. It's a very  
19 car dependent place.

20 CHAIRPERSON RILEY: I was going to get  
21 into that. Being that it's very car dependent on  
22 Staten Island, I'm pretty sure the Community Board  
23 was pushing for more parking.

24 ERIC PALATNIK: I didn't bore you with the  
25 slides. We worked very closely with the Community

2 Board, Nick is the Chair of the Board, he was very  
3 forthcoming with everything. Their biggest concern  
4 was not the number of spaces. He felt as if we had  
5 enough. Their biggest concern was that we were using  
6 stackers in the development, and there are not that  
7 many developments on the island that have stackers.  
8 The other boroughs tend to have more than the island  
9 so that was their biggest concern was that we were  
10 using stackers but at the end of the day they were  
11 comfortable. They understood that stackers is all we  
12 could because the only alternative would've been to  
13 build a parking structure, which is quite expensive.  
14 Thank you for pulling that up while I was talking. As  
15 you can see there, it's not really, and this I think  
16 was the saving grace is my argument, is we're up  
17 against the Staten Island Railway right between us  
18 and the parking lot so the parking lot with the  
19 stackers, it's not as if it's up against homes next  
20 to us that are going to hear any clanking or anything  
21 like that. We're up against the train.

22 CHAIRPERSON RILEY: Okay. I think that's  
23 all the questions I have.

24 Council Member Hanks.

2 COUNCIL MEMBER HANKS: Thank you, Chair  
3 Riley.

4 Thank you so much, Mr. Palatnik. I  
5 appreciate your testimony. This is a project that I  
6 am very interested in. Just to give my Colleagues a  
7 little background. This is my neighborhood. I live  
8 right down the street from this proposed development.  
9 I have been in this whole economic development  
10 building changing Staten Island's North Shore along  
11 the waterfront for about two decades, and I've seen  
12 it all so where we are on this project, the questions  
13 that I am going to be asking are for you and the  
14 developer, what was the thought process in coming up  
15 with this proposed development, and what would  
16 inspire people in this particular area to want to pay  
17 a higher rent when the surrounding areas as you  
18 testified is all low income. I think that where we  
19 want to get to is that balance and that middle ground  
20 that understands that there needs to be affordability  
21 for the folks like my children who make 50,000  
22 dollars a year who are still living at home and the  
23 balance between folks who want to pay a little bit  
24 higher. Pioneers nowadays, it's a very difficult  
25 sweet spot to reach, and so I need to understand do

2 you understand this neighborhood in the way that  
3 would make you think that a project like this will  
4 work. That's the question.

5           ERIC PALATNIK: Thank you very much,  
6 Council Member. You've met the applicants here and  
7 you know the applicants to be local businesspeople.  
8 You know them to be involved in the local Business  
9 Improvement District and active in all sorts of civic  
10 and business endeavors, and you know them, of course,  
11 to be local real estate property owners as well.  
12 They've analyzed the community, and what you said  
13 about low income, to your defense, it's true about  
14 the housing in the area, that it's low income, but  
15 it's not a low-income community. As a matter of fact,  
16 the demographics and the income levels in the  
17 community are incrementally substantially higher than  
18 other parts of the city so it's not a matter that  
19 it's low income so finding people to purchase a home  
20 or rent, I should say in this case, to rent a home is  
21 not going to be impossible. I know we've spoken about  
22 this. Pete Davidson, we all know Pete Davidson from  
23 Saturday Night Live, he lived in a place called Erby.  
24 I don't know if you all know that. The Bay Street  
25 Landing, excuse me. Thank you for correcting me. He

2 moved out obviously, but he brought a level of  
3 cognizance to the area. What's been happening is Bay  
4 Street Landing and places like Erby have had trouble  
5 leasing up until now as you know, but recently  
6 they've leased up and they are now almost at full  
7 occupancy, and we have some communications from local  
8 brokers, which we can submit to you, that show that  
9 they're getting decent rents there. A two-bedroom in  
10 Erby is ranging at 3,000 dollars a month, it's 3,150  
11 dollars, a one-bedroom in Erby is getting 2,400  
12 dollars a month, and a studio at Erby at the market  
13 rate is getting 2,300 dollars a month, and they have  
14 tenancies within the building. What we feel we can  
15 offer in our building to your point is we are  
16 offering larger units at that price and even slightly  
17 lower so we think we're going to hit a sweet spot in  
18 the community for A) there is no more housing  
19 available because as I said those buildings, Bay  
20 Street Landing and Erby have leased up, there's not  
21 much else out there. This is going to create more of  
22 an opportunity for people such as your children who  
23 are looking for housing as well as people that are  
24 about to retire, that are looking to move out of  
25 their homes, empty nesters, and we feel that they'll

2 be plenty of people that will be looking for housing  
3 at this exact dollar point.

4 COUNCIL MEMBER HANKS: Thank you so much.

5 To your point, you mentioned when you testified  
6 Hoboken and why folks are moving to Hoboken, and that  
7 brings me to something that's really important to me.  
8 What are the amenities in this building offering to  
9 attract the tenants that you think would be paying  
10 these rents? Just to give my Colleagues an  
11 understanding that Bay Street Landing are  
12 condominiums and it has always been a bifurcated  
13 neighborhood that the railroad tracks have separated  
14 the haves from the have nots. When Erby was built, it  
15 was a then-market-rate building that had 20 percent  
16 affordable units, but the tenants didn't renew their  
17 leases because they didn't feel that what they were  
18 paying, they were getting anything out of it. They  
19 didn't have amenities. We have transportation issues.  
20 We have this space in between being something and  
21 existing as we are, and so why would anyone pay the  
22 rents that you're proposing and what would you avenue  
23 in this building to attract the tenants who are  
24 leaving for Hoboken who have incredible amenities in

2 these buildings so how is that in line with what  
3 you're proposing with these workforce options?

4 ERIC PALATNIK: Of course, obviously,  
5 we're not competing with the TF Cornerstones and the  
6 (INAUDIBLE) of the world and we don't claim to be so  
7 there's not going to be any infinity pools, there's  
8 not going to be any steam saunas in the building and  
9 things like that. People will have to go to a higher  
10 grade of lifestyle to achieve that. We are proposing  
11 to include many of the things that people have come  
12 to rely upon though in everyday life. They'll be  
13 things such as a weightroom for people to work out,  
14 they'll be a place for Amazon deliveries, they'll be  
15 parking onsite, they'll be bicycle storage onsite,  
16 they'll be a rooftop terrace, they'll be ability to  
17 have a barbecue up on the roof and sit under a  
18 veranda and look out at the sunset and watch the  
19 Harbor. That's about the extent of it, but I should  
20 say up until the time we all got very fancy in the  
21 last couple of years, when I bought my first  
22 apartment in New York City in 2006, that was the  
23 amenity list and I thought I was living large. That  
24 was big. We had a package, I had a community room,  
25 and I had a place to work out. I didn't work out



2 once, I never used the community room, and my wife  
3 got all the packages, but it was there. That's what  
4 we're offering to people. We're hoping that with this  
5 building that it will plant the seed like I said and  
6 the next developer will be able to come in and, just  
7 like we're building off of Erby, and see that there's  
8 people renting that and then they'll build that next  
9 building that has more of those sexy stylistic  
10 attributes that we're starting to see all around us  
11 in Williamsburg and Long Island City, Jersey City,  
12 Hoboken, all those places.

13 COUNCIL MEMBER HANKS: Thank you. We're  
14 marketing to millennials, and they definitely want  
15 all those fabulous by the way.

16 ERIC PALATNIK: I know they do.

17 COUNCIL MEMBER HANKS: Not like us. How  
18 would this project benefit the community and has the  
19 developer or property owner figured out what kind of  
20 community benefits that I feel that development, if  
21 they're going to invest in a neighborhood then you  
22 literally have to invest in the neighborhood and  
23 Tappen Park is there, there is the waterfront, and  
24 how is this proposal going to add to the community to  
25 make it the community that you're speaking of that

2 would command this because that's what my goal is  
3 with the entire masterplan of the North Shore. How  
4 does this fit in the grander scheme?

5 ERIC PALATNIK: That actually was  
6 discussed at the Community Board, and a couple of  
7 different things are going to help here. The first  
8 thing, of course, is the provision of the affordable  
9 housing that is going to lock in that housing at that  
10 rate for an eternity, meaning that what we're locking  
11 in today as being a 2,000- or 3,000-dollar apartment,  
12 four or five years from now may be a 4,000-dollar  
13 apartment, and that's the first thing. You're going  
14 to create a solid stock of housing that will remain  
15 affordable and this will be one of the first ones at  
16 this income level to attract that level of  
17 demographic.

18 The next thing that we're going to be  
19 doing is including a supermarket downstairs. We're  
20 working very hard to maintain that use. That was  
21 discussed at length at the Community Board. I was  
22 representing Lidl that was coming in to the site not  
23 too far away from you that pulled out of the  
24 community, and when I was working on that job I  
25 learned from everybody in the area that there are no

2 supermarkets that are actively engaged in trying to  
3 come into the neighborhood so to see that he's  
4 maintaining the supermarket was felt to be a very  
5 positive endorsement by the community.

6           The other thing is, as I mentioned  
7 before, the ownership of the building is incredibly  
8 involved in the community. By encouraging them to  
9 stay here, they sit on the BID, they go to Community  
10 Board meetings, they get involved with everybody with  
11 revitalization of Bay Street so to keep a personality  
12 like that engaged in your community that's actively  
13 involved in and has a stake in how it turns out in  
14 the future and the success of this building is  
15 directly dependent upon whether or not they eat  
16 tomorrow, I would think would be the best community  
17 benefit you could ever have as opposed to having, and  
18 with no disrespect to, a related or a gigantic  
19 corporation come in that really this is just one of,  
20 I came in downstairs on this building, there's a logo  
21 for AM Realty on the building, and it's actually got  
22 a logo. I could only imagine the corporation that  
23 owns the building we're sitting in right now how  
24 large it is. The building that we're asking to build  
25 is being built by a local, somebody that's going to

1 stay in your neighborhood just like you that grew up  
2 in the area like you said and is planning on staying  
3 here. I think you're going to see more community  
4 benefits out of this than any other project because  
5 of that. They're going to want to see it succeed. The  
6 better it succeeds, the better they're going to do so  
7 I think it's a win/win for everybody.

9 COUNCIL MEMBER HANKS: Thank you so much.  
10 There's a Western Beef down the street so you're  
11 saying, do you have any indication that that will not  
12 be there, they're leaving?

13 ERIC PALATNIK: I've heard rumors that  
14 Western Beef won't be there much longer, but I'd be  
15 hard pressed, with all due respect to Western Beef,  
16 Western Beef is an entirely different animal when it  
17 comes to serving food and selling food product.  
18 They're selling it to a very specific clientele at  
19 Western Beef. I would dare say Western Beef is not  
20 everybody's cup of tea for a supermarket. I think  
21 it's one option, but it's a very outlier option. I  
22 wouldn't say it's the normal establishment for people  
23 to go shopping in.

2 COUNCIL MEMBER HANKS: Thank you so much.  
3 Thank you, Chair Riley. Any of my Colleagues have  
4 questions?

5 CHAIRPERSON RILEY: Thank you, Council  
6 Member Hanks.

7 Council Member Bottcher and then Council  
8 Member Carr.

9 COUNCIL MEMBER BOTTCHEER: I just want to  
10 support my Colleague from Staten Island's efforts and  
11 also back up the need for middle income bands.  
12 There's always a push for very low income which we  
13 absolutely need, but we also need a range of incomes,  
14 and the truth is that people who are schoolteachers,  
15 nurses, administrative assistants, firefighters, they  
16 are also locked out of the housing market now. In our  
17 District, particularly in Community Board 4, they're  
18 really pushing for the inclusion of middle income  
19 bands, people making 50,000 dollars a year, 65,000  
20 dollars a year, 70,000 dollars a year, which  
21 unfortunately is not a lot of money in New York  
22 anymore so I'm really hoping that as a Body we start  
23 orienting our thinking that way and that we build  
24 housing for formerly homeless, supportive housing,  
25 very low income, low income, middle income, and

2 market rate. We have to build everything, all of the  
3 above in New York.

4 ERIC PALATNIK: If I could just add a  
5 comment to what he just said if it's okay, Council  
6 Member?

7 CHAIRPERSON RILEY: Sure.

8 ERIC PALATNIK: First of all, I'm in every  
9 single Community Board every month, every day. What  
10 you're saying, I'm hearing reverberate in quite a few  
11 Community Boards and actually, if you could believe  
12 it or not, I'm hearing it in the Community Boards you  
13 wouldn't think I would be hearing it in. I will say  
14 this, the reason you're seeing that and why that tide  
15 is shifting that way is because it's infinitely  
16 easier to build the lower income housing because the  
17 subsidies and the financial pipeline is there to  
18 support it from the government. The demographic and  
19 the financial bands that we're talking about right  
20 now, there's zero government input to so for a  
21 developer to meet that gray area, the developer  
22 that's building the fully affordable, believe it or  
23 not, they're doing okay because those developments  
24 are being built with federal subsidies, low-income  
25 tax credits, and a host of other laundry list of

2 various entitlements that are being summoned together  
3 to provide low-interest rates, also every banking  
4 institution has very low interest rates for those  
5 types of developments, but once you start getting  
6 into the discussion that we're starting to have right  
7 now which has really been an off-topic discussion for  
8 years, the banks shy away so right off, all of a  
9 sudden you're like walking into a car dealer, you're  
10 paying full price, you're paying full (INAUDIBLE) on  
11 the mortgage, and, as a result, the developer is left  
12 in the middle trying to find a way to squeeze it, and  
13 that's why you're not seeing as much built as should  
14 be because it's not as easy. The lower income is  
15 actually economically easier to build. Thank you all  
16 for the spirited conversation. I love this.

17 CHAIRPERSON RILEY: Thank you. Council  
18 Member Carr.

19 COUNCIL MEMBER CARR: Thank you, Chair.  
20 It's good to see you, Eric, as always.

21 ERIC PALATNIK: Nice to see you too.

22 COUNCIL MEMBER CARR: I just wanted to  
23 clarify what you had said earlier in your testimony.  
24 You mentioned you've received no feedback or  
25 explanation for the disapproval from the Borough

2 President. Have there been any conversations at all,  
3 even at the staff level, about this application in  
4 the leadup to this hearing?

5 ERIC PALATNIK: We just realized it the  
6 other day because everybody was talking the other day  
7 and somebody went onto ZAP and all of a sudden they  
8 saw it on ZAP. Nobody knew about the letter. I don't  
9 know if the Council Member as aware of it. I don't  
10 think the Community Board was aware of it. We don't  
11 know what happened. I don't know if it was just a  
12 mistake, there was a staff change in the Borough  
13 President's Land Use Division over the past few  
14 months. There's nothing filled out on the paperwork  
15 at all. There's the box, approve, disapprove. It's  
16 just disapprove so we're trying to find out right now  
17 what caused that.

18 COUNCIL MEMBER CARR: Before this letter  
19 became know, you've had what kind..

20 ERIC PALATNIK: Positive meetings with the  
21 Borough President. We met with the Borough  
22 President's office when Mr. Englert was there two  
23 years ago. It was extremely positive, and I think the  
24 Council Member is aware to that meeting too so we  
25 don't know what happened, and we'll find out. Like I



2 said, there was nothing in writing so I think if they  
3 really meant to oppose they would've written a very  
4 strongly worded letter with a reason.

5 COUNCIL MEMBER CARR: CB1 is rarely near-  
6 unanimous about anything.

7 ERIC PALATNIK: That's a 25-year career  
8 high for me.

9 COUNCIL MEMBER CARR: For sure. I just  
10 wanted to get some clarity on that.

11 I think that the Bay Street Corridor  
12 mapping as previously constituted, I think was a  
13 matter of concern for many of us, even though I don't  
14 represent the area in question, I am on Bay Street a  
15 lot and that's because the economic driver of Bay  
16 Street are people like myself who come from other  
17 parts of the borough to patronize places there.  
18 Council Member Hanks has a lot of great restaurants  
19 in her District, and so obviously I'm there  
20 frequently, but I think it is an interesting notion  
21 to kind of take a new spin on the corridor in the way  
22 that you're looking to do with this different band of  
23 affordability.

24 I just wanted to also clarify, those 25  
25 units that you're proposing to be affordable, is that

2 still a matter of discussion or is that where things  
3 stand...

4 ERIC PALATNIK: That's 30 percent of the  
5 floor area is the 25 units, and we're hoping that the  
6 Council Member is not going to ask us for more  
7 because we are stressed financially to the max, and  
8 the idea would be to play with the affordability  
9 level to lower the bands down.

10 COUNCIL MEMBER CARR: So what of the  
11 different unit types are the ones that you're looking  
12 to be the affordable ones?

13 ERIC PALATNIK: I have a sheet right here  
14 which I could pass up after the hearing. They'll be  
15 two studios in the affordable range, they'll be 18  
16 one-bedrooms, and they'll be five two-bedrooms, and  
17 that we could play around with on the mix, but that  
18 mix was changed after City Planning asked us to  
19 change the mix a little bit.

20 COUNCIL MEMBER CARR: Thank you. I  
21 appreciate that. That's all my questions. I think  
22 this is a really interesting project, and I think  
23 it's certainly very timely so thank you.

24 ERIC PALATNIK: Thank you for your  
25 comments, Council Member.

2 CHAIRPERSON RILEY: Thank you, Council  
3 Member Carr.

4 There being no further questions, this  
5 applicant panel is excused.

6 Counsel, are there any members of the  
7 public who wish to testify on 541-545 Bay Street  
8 Rezoning Proposal remotely or in person?

9 COMMITTEE COUNSEL HUH: Any members of the  
10 public participating remotely who wish to testify  
11 regarding this proposal should use the raise hand  
12 button now.

13 Anyone in the room with us today wishing  
14 to testify should come forward, see one of the  
15 Sergeants up here and submit a speaker card.

16 Chair, it appears that we have no members  
17 of the public to testify.

18 CHAIRPERSON RILEY: Thank you, Counsel.  
19 There being no other members of the public who wish  
20 to testify on these Preconsidered LUs related to the  
21 541-545 Bay Street Rezoning Proposal, the public  
22 hearing is now closed, and the item is laid over.

23 That concludes today's business. I would  
24 like to thank the members of the public, my  
25 Colleagues, Subcommittee Counsel, Land Use and other

2 Council Staff, and the Sergeant-at-Arms for  
3 participating in today's meeting.

4 This meeting is hereby adjourned. Thank  
5 you. [GAVEL]

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date December 7, 2023