

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

SUBCOMMITTEE ON ZONING AND FRANCHISES

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September 25, 2017
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HELD AT: 250 Broadway- Committee Rm, 16th Fl.

B E F O R E: DONOVAN J. RICHARDS
Chairperson

COUNCIL MEMBERS:

DANIEL R. GARODNICK
JUMAANE D. WILLIAMS
ANTONIO REYNOSO
DAVID G. GREENFIELD
RITCHIE J. TORRES
VINCENT J. GENTILE
BARRY S. GRODENCHIK

A P P E A R A N C E S (CONTINUED)

Patrick Walsh
New York City President and Member of SEIU 32BJ

Barak Wrobel
Land Use Attorney from the Firm at Holland and
Knights

Marcos Morillo
Bronx Resident, Member of SEIU 32BJ

Fernando Alvarez
Architect from SLCE Architects

Steve Delasalle
Representative of Developer

David Almonte
Director of Development at Acacia Network

Michael Wadman
Vice President of Phipps Houses

Jose Panero
Bronx Resident, Building Service Worker and
Member of SEIU 32BJ

David Cohen
Representing Kyle Bragg, Secretary-Treasurer for
SEIU 32BJ

Eric Palatnik
Land Use Lawyer

Tim Henzy
Principal/Owner of Smith and Henzy Advisory Group

Raymond Chan
Flushing Architect

[gavel]

CHAIRPERSON RICHARDS: Alright, good

morning, good morning. I'm Donovan Richards, Chair of the Subcommittee on Zoning and Franchises and this morning we'll be joined by other Council Members as they make their way down and, and make their way in. Today we have three items on our calendar, we're going to start with a public hearing on Land Use Item Number 751, an application for a special permit pursuant to Section 13-45 the zoning resolution to permit an automated parking facility with a maximum of 42 spaces on portions of the ground floor through, through fourth floor of a 25-story mixed use building. This permit would apply to property located at 100 Varick Street in Council Member Johnson's district. I will now open the public hearing for Land Use Item Number 751 and ask the applicants to state their name and who they represent on the record and then they may begin. Hit your mic it'll light up.

BARAK WROBEL: Thank you. Good morning

Council Members. Barak Wrobel from the firm of Hollands and Knight, Land Use Attorney for the applicant.

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2 FERNANDO ALVEREZ: Fernando Alvarez,
3 Architect from SLCE Architects.

4 STEVE DELASALLE: Steve Delasalle, I
5 represent the developer.

6 BARAK WROBEL: Good morning Council
7 Members, ladies and gentlemen. We're here to present
8 the application... [cross-talk]

9 CHAIRPERSON RICHARDS: Pull your mic a
10 little closer.

11 BARAK WROBEL: Thank you, can you get
12 this up there... Fernando's going to handle the
13 technical aspects of the presentation...

14 FERNANDO ALVEREZ: Try, I'll try.

15 BARAK WROBEL: So, we're here to present
16 an application this morning for a special permit to
17 increase the capacity of an as of right parking
18 facility, an automated parking facility from 29
19 spaces to 42 spaces. The facility is located in the
20 building under construction at 100 Varick Street,
21 Varick and Broome, it's about a 260,000-square foot
22 mixed-use building with 115 condo units and about
23 17,000 square feet of retail at the ground level. The
24 parking is accessed from Broome Street which is the
25 Northern frontage of the site, it has frontage on

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2 Broome, Varick, and Watts and Fernando's going to
3 show us a picture right now of the access to the
4 garage or the facility, yeah can you get that? As you
5 can see here is a rendering from Broome Street...

6 CHAIRPERSON RICHARDS: How many units
7 again?

8 BARAK WROBEL: 115 units... [cross-talk]

9 CHAIRPERSON RICHARDS: 115... [cross-talk]

10 BARAK WROBEL: ...29 accessory as of right
11 spaces in connection with the building, there's a
12 two-way curb cut access on the South side of Broome
13 Street through portae co-share, vehicles will enter
14 into an inner courtyard that's open to the sky, the
15 inner courtyard has some circulation lanes and some
16 reservoir areas that allow for vehicles to access
17 what is a transfer cabin and as vehicles come in to
18 the two-way curb cut, you can leave the... leave that
19 image up, they will circulate here, there's some
20 reservoir spaces here, enter into an transfer cabin
21 that has a vehicle lift that brings vehicles up to
22 the third and fourth floor volume space of storage,
23 other vehicles can circle around the space without
24 obstruction and at present as we mentioned there are
25 about... there are 29 as of rights spaces the, the

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2 request is for 13 additional spaces, it's an
3 automated facility, during the construction of the
4 building it was found that there was some
5 efficiencies in the space that could accommodate
6 other pallets...

7 CHAIRPERSON RICHARDS: And the 42 is for
8 residents only or... [cross-talk]

9 BARAK WROBEL: ...all spaces... [cross-talk]

10 CHAIRPERSON RICHARDS: ...or... [cross-talk]

11 BARAK WROBEL: ...will be allocated
12 exclusively to the occupants of the building. The
13 reason that the parking is on the third and fourth
14 level as opposed to the ground level or the basement
15 is because there was a desire to have retail
16 continuity at the ground level and there's a unique
17 situation here where there's a full-size gymnasium in
18 the basement or subgrade here that is actually
19 utilized by the next door non-profit building which
20 forced the parking to be up, up... above grade but its
21 screened adequately, it matches the rest of the
22 façade of the residential building.

23 CHAIRPERSON RICHARDS: And you're
24 anticipating the majority of the, the retail to be
25 walkable, people walking... [cross-talk]

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BARAK WROBEL: Local retail... [cross-talk]

CHAIRPERSON RICHARDS: ...and local retail...

BARAK WROBEL: Yeah.

CHAIRPERSON RICHARDS: Go through the type of retail you're looking at?

BARAK WROBEL: Have you... [cross-talk]

CHAIRPERSON RICHARDS: So, not destination retail just something?

STEVE DELASALLE: We haven't decided yet.

CHAIRPERSON RICHARDS: Yeah, okay.

BARAK WROBEL: There's a, a maximum of 17,000 square feet there so it's not going to attract a large big box tenant... [cross-talk]

CHAIRPERSON RICHARDS: And you mentioned community facility, non-profits space, can you go through...

BARAK WROBEL: Yes, there's a community facility space in the, the cellar that's a full-size gymnasium...

CHAIRPERSON RICHARDS: Okay... [cross-talk]

STEVE DELASALLE: To the school, the door next door... [cross-talk]

CHAIRPERSON RICHARDS: Okay, okay...

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2 BARAK WROBEL: There'll be an... a
3 connection between the existing building next door
4 and the new building below grade that would give them
5 exclusive access to the gymnasium will not be used
6 actually by the occupants of the building, it's not
7 an amenity to the building.

8 CHAIRPERSON RICHARDS: So, you said 115
9 units and 42 so your request for 42 would go
10 specifically for... [cross-talk]

11 BARAK WROBEL: All the... all the 115...
12 well... [cross-talk]

13 CHAIRPERSON RICHARDS: All... [cross-talk]

14 BARAK WROBEL: ...not, not every unit will
15 get one.

16 CHAIRPERSON RICHARDS: Right, yeah, okay
17 got it. Okay, any other questions from my colleagues
18 on this? Alright, seeing none I will now close the
19 public hearing for... unless there is any member of the
20 public who wishes to testify on this issue? Alright,
21 we will now close the public hearing on Land Use Item
22 Number... oh and I would like to acknowledge we've been
23 joined by Council Members Garodnick Grodenchik, and
24 Reynoso. Alright, so I will now close the public
25 hearing on Land Use Item Number 751, thank you so

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much for coming in. We will go to a vote now. We're now going to hold a vote on Land Use Item Number 751, the Soho Tower Zoning Text Amendment to allow for 42 parking spaces in a new mixed-use development in Council Member Corey Johnson's district. Do any of the Subcommittee Members have any statements or comments on this application? Alright, seeing none I will now call a vote to approve Land Use Item Number 751. Council please call the roll?

COMMITTEE CLERK DISTEFANO: Council

Member Richards?

COUNCIL MEMBER RICHARDS: I vote aye.

COMMITTEE CLERK DISTEFANO: Garodnick?

COUNCIL MEMBER GARODNICK: Aye.

COMMITTEE CLERK DISTEFANO: Reynoso?

COUNCIL MEMBER REYNOSO: I vote aye.

COMMITTEE CLERK DISTEFANO: Grodenchik?

COUNCIL MEMBER GRODENCHIK: Aye.

COMMITTEE CLERK DISTEFANO: By a vote of

four in the affirmative, zero in the negative and zero abstentions the application is recommended for approval for the... a referral to the full Land Use Committee.

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CHAIRPERSON RICHARDS: Alright, I'll hold the vote open in case other individuals get here who would like to vote. We're now going to move on to Land Use Item Numbers 752 and 753 to 670... 1675 Westchester Avenue rezoning application for a zoning text amendment in zoning map amendment. The zoning map amendment would change the existing R6 zoning district to an R8A/C24 district. The zoning text amendment would apply to mandatory in... inclusionary housing program. These two approvals would facilitate the development of a 220-unit 13 story mixed-use building located at 1675 Westchester Avenue in Council Member Palma's district in the Bronx. The residential units would all be affordable to families making 80 percent less... 80 percent less of the area median income and 50 percent of the units would be affordable as 60 percent or less of the AMI. I will now open the public hearing on Land Use Item Number 752 and 753 and I will ask the applicants to state their names for the record and who they're representing today.

DAVID ALMONTE: Hi, my name is David Almonte, I represent the Acacia Network, I'm the Director of Development for Acacia.

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MICHAEL WADMAN: Hi, Michael Wadman from Phipps Houses, Vice President of Real Estate.

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CHAIRPERSON RICHARDS: Where's Adam Weinstein, I'm missing him this morning?

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MICHAEL WADMAN: He's on a trip celebrating his anniversary.

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CHAIRPERSON RICHARDS: Oh that's right, he did.

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DAVID ALMONTE: I will start the presentation with the first part and then Michael will finish it off.

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MICHAEL WADMAN: Sorry, could you give us a second to try to get the presentation up.

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CHAIRPERSON RICHARDS: Sure. We're also joined by Chair Greenfield this morning.

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[off-mic dialogue]

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CHAIRPERSON RICHARDS: Did you fill out a slip as well?

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MICHAEL WADMAN: Yes, I did.

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CHAIRPERSON RICHARDS: You did, okay.

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DAVID ALMONTE: I didn't.

23

[off-mic dialogue]

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DAVID ALMONTE: We ready?

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2 CHAIRPERSON RICHARDS: Alright, you may
3 begin.

4 DAVID ALMONTE: Okay, the, the proposed
5 development sponsor is a joint venture between the
6 Acacia Network and Phipps Housing, two well-regarded
7 non-for profit with strong presence in the Bronx. The
8 architect is Dattner, another well-regarded, very
9 experienced affordable housing developer... I'm sorry,
10 architectural firm.

11 MICHAEL WADMAN: Alright, sorry about
12 that...

13 DAVID ALMONTE: Yep. The property manager
14 is a Phipps affiliate that manages approximately
15 8,000 units throughout New York City. The proposed
16 site is highlighted in yellow here. The ULURP action
17 is a zoning map change from R6 to R8A with a C2-4
18 commercial overlay. The text amendment will apply
19 mandatory inclusionary housing requirements and the
20 proposed map and text change would apply to the
21 adjacent property and we are currently in contract to
22 purchase that adjacent property and will include any
23 FAR obtained from that purchase in, into the existing
24 property project. The current and proposed map, the
25 post project will be over 200 units of mid-rise

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2 building providing affordable housing to extremely
3 low, very low, low and moderate-income families. The
4 ground level will have over 7,600 square feet of
5 commercial space and approximately 6,800 square feet
6 of community facility. The proposed project will be a
7 passive house project if costs permit. The property
8 is adjacent or across from the Fine Fare that's near
9 and then you have the Westchester elevation right
10 across from, from the site, the post site.

11 MICHAEL WADMAN: So, these are just to
12 give you a quick architectural overview, we won't
13 spend too much time on this but this shows the retail
14 space along Westchester and the community facility as
15 well. There'll be a landscaped rear yard for use by
16 the residents which also provides a buffer to the
17 adjacent neighbors, we've added that 25 feet or so of
18 space between the neighbors to try not to encroach
19 upon them too much. This is very easy to read I know,
20 difficult floor plan but the main point being that...
21 not that you can see it here but there'll be about 50
22 percent two and three-bedroom family sized units as
23 is typical for both of our organization's projects in
24 the Bronx. There'll also be an extensive amenities
25 suite that you see in the lower right there; exercise

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2 room, children's play area, outdoor terrace, computer
3 room that kind of thing. These are sample apartment
4 units, pictures from other projects that are similar
5 to what we're going to do here and then talk a little
6 bit about the program that we intend to pursue here.
7 So, we're looking at both the HPD, HTC, ELA Program
8 as well as the mix and match program and either of
9 those scenarios we'll be providing units in the
10 extremely low to low income range meaning 30, 40, 50,
11 and 60 percent of median and the 80 percent of New
12 York City median. All those affordable bans will be
13 distributed evenly among building types and
14 throughout the buildings. As I mentioned there's
15 significant amenities; rear yard space, community
16 room, fitness center, etcetera and most of the
17 apartments are large family sized units. So, under
18 those two programs we would have a minimum of 30
19 percent of the units at the 80 percent of median.
20 We've had conversations with the council member about
21 having as many as 40 percent, this slide actually
22 says 50 but at her recommendation we would limit it
23 to 40 at 80 and... [cross-talk]

24 CHAIRPERSON RICHARDS: 40 percent units
25 at 80... [cross-talk]

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MICHAEL WADMAN: Yes... [cross-talk]

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CHAIRPERSON RICHARDS: ...okay... [cross-

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talk]

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MICHAEL WADMAN: Correct. And you see the

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income ranges there which I'm sure you're familiar

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with. We'll also have a band of 30 percent of median

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extremely low income and a band of formerly homeless

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as per current city agency guidelines. The cost of

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the project is about 85 million, hard costs are about

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58 million, we have not finalized the selection of a

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contractor yet but have interviewed several

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candidates, they'll be doing minority and women owned

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business hiring as well as local hiring and Phipps's

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Property Management Company will provide union scale

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wages and an affordable health care plan to its

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workers, we will also seek to hire locally for those

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positions as well. And that is basically the run

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through, that's the picture of the project from

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across the street where the Fine Fare is and we'd be

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happy to answer any questions or...

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CHAIRPERSON RICHARDS: Thank you... thank

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you, thank you for your testimony. So, let's get

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into... so, you're going from an R6 which has no height

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2 limits to an R8A so what are you capping the heights
3 at?

4 MICHAEL WADMAN: So, the building should
5 be 12 stories tall.

6 CHAIRPERSON RICHARDS: It's going to be
7 12 stories and just go through the amount of units
8 again and, and the unit breakdown of ones, twos, and
9 threes and studios?

10 MICHAEL WADMAN: Yeah, so the, the
11 building is estimated at 205 units, this is all not
12 assuming the adjacent site that David mentioned, we
13 are hoping to purchase that site.. [cross-talk]

14 CHAIRPERSON RICHARDS: And what would you
15 do on that site, more.. [cross-talk]

16 MICHAEL WADMAN: So, the building would,
17 would just be extended along Westchester, it would..
18 [cross-talk]

19 CHAIRPERSON RICHARDS: Oh would be
20 extended.. [cross-talk]

21 MICHAEL WADMAN: ...it would look the same,
22 it would add something like 40 to 45 apartments.

23 CHAIRPERSON RICHARDS: So, 45 more units
24 and is that counted.. and, and, and MIH option are you
25 using?

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MICHAEL WADMAN: Option one which was...

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[cross-talk]

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CHAIRPERSON RICHARDS: So, you're going to use option one...

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MICHAEL WADMAN: As a result of talking to Council Staff.

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CHAIRPERSON RICHARDS: And then I also recognize... so, you said you're going to do ELA and

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mix and match so which... [cross-talk]

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DAVID ALMONTE: One or the other, yeah.

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MICHAEL WADMAN: Yeah, we're still in final discussions with HPD and the Council Member on that point, it's a pretty small difference, it's either 30 percent at 80 or 40 percent at 80 but the 40 percent at 80 as you know would require Article 11 so... [cross-talk]

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CHAIRPERSON RICHARDS: Uh-huh... [cross-

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talk]

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MICHAEL WADMAN: So, if we pursue that route we would hope that HPD would present that to you by the time of the vote otherwise it would be the 420C.

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CHAIRPERSON RICHARDS: And what were some of... so, I'm assuming you... obviously you went to the

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2 community board, were there any concerns that we
3 should be aware of raised by the community board or
4 the borough president?

5 MICHAEL WADMAN: Yeah, there were a
6 couple of concerns at the community board level the,
7 the union scale wages and health care was an
8 important issue. They also asked us to support a few
9 local organizations, which is probably in your
10 materials which we have agreed to do.. [cross-talk]

11 CHAIRPERSON RICHARDS: Can you say that
12 again, the last... [cross-talk]

13 MICHAEL WADMAN: Sorry, they, they asked
14 us to support some local organizations like school
15 and police youth group and that kind of thing and
16 park... [cross-talk]

17 CHAIRPERSON RICHARDS: Okay... [cross-talk]

18 MICHAEL WADMAN: ...restoration which we're
19 willing to do. They also asked us to, to have a
20 discussion with another local group about potentially
21 occupying some of the community facility space and
22 we'll have that conversation as we proceed.

23 CHAIRPERSON RICHARDS: Okay...

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2 MICHAEL WADMAN: At the borough president
3 level the main concern was about apartment sizes...
4 [cross-talk]

5 CHAIRPERSON RICHARDS: Okay... [cross-talk]

6 MICHAEL WADMAN: ...which I think you've
7 heard before... [cross-talk]

8 CHAIRPERSON RICHARDS: Uh-huh... [cross-
9 talk]

10 MICHAEL WADMAN: ...and in the revising of
11 the plans that we're doing now we are intending to
12 increase the sizes from where they are now to
13 accommodate that concern...

14 CHAIRPERSON RICHARDS: So, can you speak
15 to that a little bit more?

16 MICHAEL WADMAN: To the apartment sizes?

17 CHAIRPERSON RICHARDS: Yes.

18 MICHAEL WADMAN: Yeah, so... [cross-talk]

19 CHAIRPERSON RICHARDS: So, I think I saw...
20 [cross-talk]

21 MICHAEL WADMAN: So, the, the issue here
22 is HPD's guidelines on sizes were, were made smaller
23 not too long ago and in the original set of materials
24 that we talked about we were at the lower end of that
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2 size range which the borough president felt was too
3 tight...

4 CHAIRPERSON RICHARDS: The studios?

5 MICHAEL WADMAN: Yeah, so the studio at
6 360 square feet...

7 CHAIRPERSON RICHARDS: Uh-huh...

8 MICHAEL WADMAN: ...that would... that's the,
9 the lower end of the range, these are all from the
10 original... [cross-talk]

11 CHAIRPERSON RICHARDS: Uh-huh... [cross-
12 talk]

13 MICHAEL WADMAN: ...proposal, one bedrooms
14 at 500, two bedrooms at 670, and threes at 910 so
15 we're planning on increasing these... those all by
16 about five or ten percent in the revised design to
17 move more towards the middle of the range that, that
18 HPD allows.

19 CHAIRPERSON RICHARDS: And let's stay on
20 jobs for a second, so you mentioned you're looking to
21 do union scale wages and health care... [cross-talk]

22 MICHAEL WADMAN: Yes, for the... [cross-
23 talk]

24 CHAIRPERSON RICHARDS: So, can you just
25 speak to that a little bit more, what does that mean?

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2 MICHAEL WADMAN: Yeah, so Phipps has a, a
3 mix of union and non-union maintenance workers at his
4 properties, quite a few are union but some are not
5 with a couple of exceptions which have been raised by
6 32BJ primarily... [cross-talk]

7 CHAIRPERSON RICHARDS: And can you go
8 through those exceptions?

9 MICHAEL WADMAN: Yeah, so we... [cross-
10 talk]

11 CHAIRPERSON RICHARDS: Because it seems
12 to be that there... we're moving into a history that is
13 a little fuzzy when it comes to, to some of this
14 information so can you speak what are you going to do
15 differently opposed to... [cross-talk]

16 MICHAEL WADMAN: Sure... [cross-talk]

17 CHAIRPERSON RICHARDS: ...the other...
18 [cross-talk]

19 MICHAEL WADMAN: Yes... [cross-talk]

20 CHAIRPERSON RICHARDS: ...projects?

21 MICHAEL WADMAN: I'd, I'd be happy to.
22 So, there were three or four properties where we
23 chose to use an outside maintenance company, this
24 was... those properties came online in sort of 2010 to
25 2012 and those, those companies did not end up paying

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2 sufficient wages or, or providing an affordable
3 health care benefit so we're actually in negotiations
4 with 32BJ at... I think it's three of the properties,
5 the other property we're in negotiations with
6 Teamsters 88 and in those cases, we'll... you know
7 we'll come to an agreement and moving forward we're
8 not going to use the third-party company and we're
9 going to pay at that scale and our non-union
10 properties cover... [cross-talk]

11 CHAIRPERSON RICHARDS: And what is your
12 pay scale, can you just go through the... what does
13 that package look like?

14 MICHAEL WADMAN: I actually don't have
15 that with me, I'm... I would have to follow up with
16 you, I'm sorry.

17 CHAIRPERSON RICHARDS: Okay.

18 MICHAEL WADMAN: So, basically the idea
19 being that the workers will choose whatever union or
20 if they don't want to be represented by a union and
21 that we will pay at, at an appropriate scale
22 regardless of whether they choose a union.

23 CHAIRPERSON RICHARDS: So, I just want to
24 put on the record we look forward to... and are you in

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2 conversations with anyone on this particular project
3 now or...

4 MICHAEL WADMAN: Not on this project, no.

5 CHAIRPERSON RICHARDS: Okay...

6 MICHAEL WADMAN: ..this, this far in
7 advance, no other than making the commitment to pay
8 at that scale.

9 CHAIRPERSON RICHARDS: Oh yeah, so, so
10 I'm going to come back to that or I'm sure some of my
11 other colleagues will raise more questions as well.
12 Can you speak to what does the open space in the
13 project look like?

14 MICHAEL WADMAN: Yeah, so the, the
15 primary... or the two areas, one is this community...
16 terrace that you see in the upper right of this floor
17 plan so that's a... basically a roof deck patio area
18 that residents would use and then down at the ground
19 floor... [cross-talk]

20 CHAIRPERSON RICHARDS: So, say that again
21 so patio space... [cross-talk]

22 DAVID ALMONTE: Roof terrace...

23 CHAIRPERSON RICHARDS: So, roof terrace...

24 DAVID ALMONTE: Right...
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CHAIRPERSON RICHARDS: But no specific open space dedicated... [cross-talk]

DAVID ALMONTE: Right... [cross-talk]

CHAIRPERSON RICHARDS: ...playground?

DAVID ALMONTE: And then the ground level.

CHAIRPERSON RICHARDS: Okay.

MICHAEL WADMAN: Yeah, so this is the, the landscaping plan for the... [cross-talk]

CHAIRPERSON RICHARDS: Okay... [cross-talk]

MICHAEL WADMAN: ...rear yard area, there would be some children's play equipment as well as hopefully some adult fitness equipment and sitting areas in planning and that kind of thing.

CHAIRPERSON RICHARDS: And just go back, back through so how many units do you anticipate will serve 30 percent AMI in this project?

MICHAEL WADMAN: Well it's a total of 20, 10 percent of the formally homeless units and ten percent are through the HPD lottery.

CHAIRPERSON RICHARDS: So, 20 percent?

MICHAEL WADMAN: Correct.

CHAIRPERSON RICHARDS: Okay. Alright, I'm going to go to Council Member Reynoso for questions.

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2 We'll open the... reopen the vote back up for Council
3 Member Williams to vote on Land Use Item Number 751.

4 COMMITTEE CLERK DISTEFANO: Council
5 Member Williams how do you vote?

6 COUNCIL MEMBER WILLIAMS: I vote aye.

7 CHAIRPERSON RICHARDS: Alright, thank
8 you.

9 COUNCIL MEMBER REYNOSO: Hello and
10 welcome this morning. So, I know of a... of Acacia, I
11 know the work that they do, they work in my district,
12 it's an amazing organization and I thank you for the
13 work that you do... [cross-talk]

14 DAVID ALMONTE: Thank you... [cross-talk]

15 COUNCIL MEMBER REYNOSO: ...there, I hear...
16 I... Phipps reputation proceeds itself as a upstanding
17 organization so, so I guess my questions would, would
18 lean to given your history and, and understanding the
19 great work that you've done all this time why now
20 come to a place where, where you have a situation
21 with the workers and the potential pay for the
22 workers and not just iron that out long before you
23 get here so that we continue our great relationship
24 and your... and, and not put yourself in a position
25 where you'll get several questions from Council

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2 Members related to, to basic things like pay and
3 union work in, in these developments I just want to
4 know why, why risk that over, over something that we
5 think is, is, is practical and makes a lot of sense
6 for your mission and the work that you do, why, why,
7 why put yourself in this position?

8 MICHAEL WADMAN: Well I mean I can speak
9 to the situation with the buildings where we have
10 been negotiating with 32BJ for several months, we... I
11 can't speak directly to the negotiations I'm not part
12 of that group of the company but I know that we've
13 been... we've been trying to get it resolved and it
14 hasn't been resolved yet. In terms of the, the
15 simmering before that, I mean we did many months ago
16 make the decision to not use a third-party company
17 anymore and to... [cross-talk]

18 CHAIRPERSON RICHARDS: Pull your mic a
19 little closer.

20 MICHAEL WADMAN: Yeah, I'm sorry. And on
21 the future projects to avoid that arrangement which
22 as it turns out really was a mistake.

23 COUNCIL MEMBER REYNOSO: Was there a
24 concern with the, the work prior to hiring the third-
25 party company that would make you even go to a sub-

1
2 contractor instead of continuing the tradition and
3 the work that you've done as, as Phipps Houses in the
4 past?

5 MICHAEL WADMAN: No, it was really a, a
6 decision at the time where I guess again not being
7 directly involved with it where we, we didn't expect
8 it to work out like it did obviously and you know
9 it's a decision that we're not going to make again,
10 that's really all... that's... we'll say... [cross-talk]

11 COUNCIL MEMBER REYNOSO: Right, I, I
12 guess I just want to... what initiated you to make that
13 decision is I, I guess where I'm going is was there a
14 problem with the work that was being done before them
15 that made it... [cross-talk]

16 MICHAEL WADMAN: No, definitely not...
17 [cross-talk]

18 COUNCIL MEMBER REYNOSO: ...so, so then...
19 [cross-talk]

20 MICHAEL WADMAN: It, it was not a quality
21 issue of, of existing... [cross-talk]

22 COUNCIL MEMBER REYNOSO: So... [cross-talk]

23 MICHAEL WADMAN: ...staff...

24 COUNCIL MEMBER REYNOSO: So, from the
25 outside looking in it seems like, you know it's, it's

1
2 a bottom line issue, right, it's about money here
3 when it comes to, to, to that, that you guys were
4 getting great work, everything was great, your
5 reputation was still at the top, you guys were
6 accosted, you were aligned with Acacia which is also
7 a positive thing just continuing to move in, in great
8 place and then you do subcontracting work, when, when
9 your motto has worked flawlessly for so long so, so I
10 just.. I just kind of want to get to where.. what
11 happened, are you guys struggling financially, are
12 you in a position where paying good wages was
13 something that you had to overlook to, to complete
14 your mission?

15 MICHAEL WADMAN: No, it.. no, it
16 definitely wasn't that and in.. and in this case the,
17 the lower pay scale meant more people were hired at
18 the property but more people at a lower salary so I,
19 I think the decision.. the decision at the time was
20 trying to have a, a more fully staffed building but
21 without, you know really thinking through the
22 consequences of the pay scale.

23 COUNCIL MEMBER REYNOSO: So, to, to
24 almost to, to finish just in, in, in my, my.. the way
25 I see things a good paying job is better than ten bad

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2 paying jobs. What's going to end up happening is
3 people in homeless shelters, people having to move
4 into a lot of the units that you would be providing
5 at, at below 60 percent AMI instead of being able to
6 have a good middle-class job because... a good middle-
7 class job and wage and eventually be able to
8 contribute to our... to our, our tax system and
9 continue to be able to provide you with subsidies so
10 you can continue to do your work that's what my... our
11 philosophy is or at least my philosophy is here and I
12 just... I hope this is the last time we have to talk
13 about this and, and across the board with it comes to
14 Phipps Houses because I know you to be a great
15 organization and I don't want to be on this side
16 having to ask these questions of you. I know the work
17 that you're going to do on the property and the
18 people that you're going to be taking care of is
19 going to be second to none so let's make sure we do
20 with the workers as well, it's going to be very hard
21 for me to be supportive of a project where I don't
22 see that you're, you're... that you're not fulfilling
23 your mission and I could pull up Phipps Houses
24 mission right here and I... and I... and I'm telling you
25 it's more aligned with the people you see standing

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2 before you than the work that was happening under the
3 subcontractor before.

4 MICHAEL WADMAN: I agree with that
5 statement completely.

6 COUNCIL MEMBER REYNOSO: Okay, thank you
7 very much.

8 CHAIRPERSON RICHARDS: We're going to go
9 to Council Member Greenfield for questions.

10 COUNCIL MEMBER GREENFIELD: Thank you
11 very much. I did actually just want to follow up on
12 something that my colleague, Council Member Reynoso
13 said, so I, I, I guess every project sort of always
14 has a struggle in terms of how you make the numbers
15 work, right so when you talk about the mission
16 whether it's Acacia or Phipps Houses how does that
17 work in terms of your coagulation in, in terms of
18 trying to decide okay, on the one hand we want to
19 create affordable housing on the other hand we'd like
20 to provide good jobs for people who live in the
21 community so do you feel like there's a, a struggle,
22 I mean is that really the challenge over here because
23 this issue keeps on coming up a lot and we don't
24 really have a clear answer and honestly I think it
25 would just be helpful just to sort of know where you

1
2 folks stand on the issue, right, is this sort of a
3 philosophy where you're saying okay we're doing one
4 in favor of the other or one is more important or
5 less important, I, I think folks... you know we, we...
6 this is sort of a... I, I would say this sort of like
7 Groundhog Day, right every time you guys come up here
8 we sort of hear the same issues and then we sort of
9 hear, okay yeah we're working on, we're going to work
10 on it, we're getting back to you so maybe you can
11 enlighten us as to sort of how you figure out that
12 construct and just sort of give us your honest
13 perspective on is squeezing out a few more units of
14 housing more important than good jobs or is good jobs
15 equally important or less important just try to
16 understand the philosophy really that you guys sort
17 of utilize in this process?

18 DAVID ALMONTE: Hi, for... responding from
19 a Acacia standpoint we're... again we're a non for
20 profit, we've been in the community servicing the
21 community for a very long time and we see both as, as
22 equally important, we want to provide well-paying
23 jobs in the community, we also want to provide
24 affordable housing and, and we're fully committed to
25 both and, and I believe we, we continue to, to make

1
2 that happen as, as we continue to put these projects
3 in... you know in, in place, you know I believe our
4 colleagues at Phipps Housing has... have made it clear
5 and... you know that they are committed to, to the... to
6 these two very important points and, and you know are
7 committing to, to provide, you know in our
8 partnership committing to provide well-paying jobs
9 for, for this project and every, every other project
10 we develop.

11 COUNCIL MEMBER GREENFIELD: Okay, nice to
12 hear from you, how about you Mr. Phipps?

13 MICHAEL WADMAN: Yeah, well as I said
14 this was a, a handful of projects where a mistake was
15 made in terms of the approach we took, that's, that's
16 how I feel about it, I wasn't the person that made
17 that decision but it clearly... moving forward it's not
18 how we're going to handle it and in terms of the
19 conversation, you know continuing or you hearing
20 about it again it is the same handful of projects
21 that are still being talked about, it's not that
22 there's a bigger problem than we thought there was or
23 anything like that and we have been in discussions
24 with, with both of the locals that I mentioned, not
25 discussions, formal negotiations the workers there

1
2 have, have chosen how they want to organize and we
3 respect that as we do in our other properties and
4 those negotiations do take some time to finalize, I
5 think that's the only reason that it's not concluded...
6 [cross-talk]

7 COUNCIL MEMBER GREENFIELD: So, I guess...
8 I guess my follow up question to that is so when you
9 say that there were a handful of cases so... and that's
10 no longer the case so has there been a shift in terms
11 of policy or is it... are you saying that for some
12 reason it was different then if so why was it
13 different, once again I'm not... I'm not prejudging
14 over here it's, it's up... it's up to you, we're not in
15 a position to tell you what to do, we certainly can
16 ask what your philosophy is so that folks have an
17 understanding, right so what is your philosophy and
18 has the philosophy changed and as it relates to those
19 hand full of projects are you trying to go back and
20 rectify it or is that situation sort of stuck where
21 it is, I mean can you maybe expound on sort of what
22 happened in the past, what's happening now and is... do
23 you see sort of any ability of going back and trying
24 to rectify in your own words, I think you said
25 something like you weren't happy about that

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2 situation, right so what's happening on that just so
3 that we're all informed?

4 MICHAEL WADMAN: Yeah, so the handful of
5 properties that I'm talking about are the aberration
6 to the policy, you know before that point it had not
7 been our policy to use third party people and we had
8 had many, many unionized but also many non-unionized
9 workers at that time we made a choice to have... hire,
10 you know more staff people at a lower cost per staff
11 person as, as I mentioned earlier, we were also in
12 the middle of several properties opening at the same
13 time but in any case as I've said we... we're not doing
14 that again so it's, it's those... it's that handful
15 that's the change of policy and it's one that we now
16 regret and are not going to do again and in our
17 projects moving forward we will negotiate with unions
18 if the workers choose unions or not and we won't have
19 that situation with, with inappropriately low
20 salaries and health care.

21 COUNCIL MEMBER GREENFIELD: Okay, so your
22 focus going forward is to make sure that you have the
23 right salaries and benefits and you're able to
24 balance the two which is the affordability and the...
25 [cross-talk]

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MICHAEL WADMAN: It, it wasn't... [cross-talk]

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COUNCIL MEMBER GREENFIELD: ...jobs and...
[cross-talk]

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MICHAEL WADMAN: ...a balance about being
able to build the building, the balance was, was the
number of staff versus salary per staff, this issue
doesn't affect really the capital structure or the
initial financing of the project, it's really an
ongoing operational issue.

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COUNCIL MEMBER GREENFIELD: Well I mean
you could always hire more staff at a higher cost,
right so it sort of doesn't relate?

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MICHAEL WADMAN: Within, within limits,
yes.

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COUNCIL MEMBER GREENFIELD: Yeah, got it.
Okay, thanks for the update.

18

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CHAIRPERSON RICHARDS: Thank you, thank
you Chair Greenfield. Can you go through just MWBE
procurement as well so I know in your slide you spoke
of MWBE... [cross-talk]

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MICHAEL WADMAN: Yeah... [cross-talk]

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CHAIRPERSON RICHARDS: ...working with
MWBE's... [cross-talk]

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MICHAEL WADMAN: Yeah... [cross-talk]

CHAIRPERSON RICHARDS: ...is there a percentage goal attached to this application?

MICHAEL WADMAN: Yeah, I mean the goal... the goal here is to meet all the guidelines the, the city has... [cross-talk]

DAVID ALMONTE: Yes... [cross-talk]

MICHAEL WADMAN: ...those requirements have been... [cross-talk]

CHAIRPERSON RICHARDS: So, the HPD...

DAVID ALMONTE: Yes... [cross-talk]

CHAIRPERSON RICHARDS: Just 25 percent, correct?

MICHAEL WADMAN: I should mention one of the other community board questions was to talk to a specific group on Latino hiring and we will do that and have our contractor work with them prior to the closing, we haven't moved into that phase of detail yet, we still have, you know quite a bit of... [cross-talk]

CHAIRPERSON RICHARDS: And then on local hiring you'll work... is there a specific organization, will your organization oversee that effort and is

1
2 there any reporting mechanisms around the local
3 hiring piece as well?

4 DAVID ALMONTE: Yeah, the, the general
5 contractors have to report to us and then we provide
6 that, that information to the city.

7 CHAIRPERSON RICHARDS: Alright, so I... so,
8 I would just recommend that information gets passed
9 on to the local Council Member...

10 DAVID ALMONTE: Yeah... [cross-talk]

11 CHAIRPERSON RICHARDS: As well in the
12 Community Board...

13 DAVID ALMONTE: Not a problem.

14 CHAIRPERSON RICHARDS: So, if we can have
15 that in writing as well...

16 DAVID ALMONTE: Sure... [cross-talk]

17 CHAIRPERSON RICHARDS: ...that would be
18 helpful. And last question if there are none others
19 from my... no others from my colleagues, just go
20 through the community facility space and also the
21 green features of the project because I think you... I
22 think I see passive house in here?

23 DAVID ALMONTE: Right, the, the project
24 is, is fully sustainable, green, you know and we're
25

1
2 at the highest level which is, you know as, as you
3 know passive house...

4 CHAIRPERSON RICHARDS: Uh-huh...

5 DAVID ALMONTE: So... [cross-talk]

6 CHAIRPERSON RICHARDS: That's great...

7 DAVID ALMONTE: Yeah, the entire project
8 is going to be at that level.

9 CHAIRPERSON RICHARDS: Awesome and then
10 go through community facility?

11 DAVID ALMONTE: The... I'm sorry you...

12 MICHAEL WADMAN: So, on the Metcalf
13 Avenue side which is not a commercial street, there's
14 about 6,000 or 6,600 square feet... [cross-talk]

15 CHAIRPERSON RICHARDS: Okay, so he's
16 talking about smaller local retail?

17 DAVID ALMONTE: Well for the community
18 facility Acacia... [cross-talk]

19 CHAIRPERSON RICHARDS: Okay... [cross-talk]

20 DAVID ALMONTE: ...is going to program...
21 [cross-talk]

22 CHAIRPERSON RICHARDS: Okay... [cross-talk]

23 DAVID ALMONTE: ...part of it... [cross-talk]

24 CHAIRPERSON RICHARDS: Okay... [cross-talk]

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DAVID ALMONTE: ...and then, you know we'll have... we've, we've committed to, to the community board to provide space to a local group... [cross-talk]

5

CHAIRPERSON RICHARDS: Okay... [cross-talk]

6

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DAVID ALMONTE: ...you know if they can afford it, if... you know we'll, we'll be providing the space at cost but you know we'll, we'll have ongoing discussions to provide part of that space.

9

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CHAIRPERSON RICHARDS: Okay and I hope it's discounted.

11

12

DAVID ALMONTE: Yeah, of course.

13

CHAIRPERSON RICHARDS: Okay, yeah it is...

14

[cross-talk]

15

DAVID ALMONTE: Of course... [cross-talk]

16

CHAIRPERSON RICHARDS: Okay. Alright.

17

Alright, I want to thank you for your testimony...

18

[cross-talk]

19

DAVID ALMONTE: Thank you... [cross-talk]

20

CHAIRPERSON RICHARDS: ...any other...

21

[cross-talk]

22

MICHAEL WADMAN: Thank you very much...

23

[cross-talk]

24

CHAIRPERSON RICHARDS: ...questions from my

25

colleagues? And I'll just add that, you know we're

1
2 going... you know as you've seen many members of this
3 committee are becoming more passionate, we've always
4 been passionate... [cross-talk]

5 DAVID ALMONTE: Sure... [cross-talk]

6 CHAIRPERSON RICHARDS: ...but even more
7 passionate around job standards... [cross-talk]

8 DAVID ALMONTE: Sure... [cross-talk]

9 CHAIRPERSON RICHARDS: ...so, we look
10 forward to hearing a little bit more about that
11 before we come back for a vote on this project so...

12 MICHAEL WADMAN: Okay and we'll follow up
13 on the items... [cross-talk]

14 CHAIRPERSON RICHARDS: Alright, great.
15 Thank you all for your testimony... [cross-talk]

16 DAVID ALMONTE: Thank you.

17 CHAIRPERSON RICHARDS: Alright, I'm going
18 to call the next panel Jose Panero, 32BJ; Marcos
19 Morillo, 32BJ; David Cohen, 32BJ; Patrick Walsh,
20 32BJ. I ask you all to state your name for the record
21 and who you're representing and then you may begin
22 and, and three minutes on the clock each, for each
23 person.

24 JOSE PANERO: Good morning, my name is
25 Jose Panero and I'm a Bronx resident building service

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2 worker and a member of 32BJ SEIU. My job offers me a
3 living wage and meaningful benefits a necessity for
4 anyone trying to get by in the city. 32BJ members
5 work tirelessly in residential building all across
6 the five boroughs. Residential workers here in the
7 Bronx deserve the security that comes with being paid
8 a decent wage with benefits that is why I am here
9 today to present this Subcommittee with over 1,100
10 signatures from all residents of Council Member
11 Palma's district opposing Phipps and rezoning of 1675
12 Westchester. The petition reads as follows; in the
13 last decade Phipps House has built new developments
14 across the Bronx with every building it has promises
15 to build strong communities but in recent years
16 Phipps has failed to live up to that promise instead
17 Phipps has created bad jobs in the Bronx going so far
18 as to work with a contractor that paid employees at
19 Phipps Affiliated Complexes poverty wages and no
20 meaningful benefits meanwhile the salary, salary of
21 Phipps top executive have ballooned, CEO Adam
22 Weinstein received 760,000 in total compensation in
23 2014, a compensation increase at over 50 percent over
24 the last decade while workers who are paid under his
25 leadership struggle to make ends meet many of them

1
2 resorting to Medicaid to care for their family's
3 health. One worker even has to live in a housing
4 shelter with his family for years while working at
5 Phipps Affiliated Building. This is unacceptable,
6 unacceptable behavior. On the part of the developer
7 that receives significant subsidies from New York
8 City. We urge... we urge Council Member Palma and the
9 city council to approve... to oppose Phipps plan to
10 build in the Bronx. The Bronx needs affordable
11 housing and good jobs, the city should only work with
12 those developers who are committed to creating both,
13 both could be done. Residents of Council Member
14 Palma's district urge the council... the council to
15 vote no on the proposal 1675 Westchester rezoning.
16 Phipps should not be allowed to build in our
17 community that... where they have been doing for many,
18 many years. As they testify earlier they mentioned
19 that in the past... we hear that in the past it's our
20 common law conversation and it's important for us to
21 remember that a stop has to... a message has to be sent
22 that our communities be getting hurt and it's
23 something that we need to take care of. Thank you,
24 thank you very much.
25

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2 CHAIRPERSON RICHARDS: Thank you for your
3 testimony.

4 JOSE PANERO: Thank you.

5 CHAIRPERSON RICHARDS: Yes, sir. Good
6 morning 32BJ, you know the drill.

7 MARCOS MORILLO: Testimony of Marcos
8 Morillo in opposition to the proposed rezoning of
9 1675 Westchester Avenue. Phipps House hearing
10 September 25th, 2017. Good morning, my name is Marcos
11 Morillo, I live and work in the Bronx and I am a
12 member of SEIU 32BJ. 32BJ members maintain clean and
13 provide security service in residential buildings all
14 across the five boroughs including one like the
15 proposed development at 1675 Westchester. I am here
16 today opposing the rezoning on 1675 Westchester
17 Avenue. Phipps House is one of the oldest and largest
18 developer in the city as such Phipps House is
19 significant impact on the standards in our industry
20 and our community. For years Phipps seemed to
21 recognize this and we considered Phipps a partner in
22 ensuring that working conditions and affordable
23 housing complexes met the industry standard. However,
24 under their current leadership this no longer seemed
25 to be the case. Workers at Phipps' two most prominent

1
2 recent developments have struggled to get by with
3 poverty wages and no meaningful benefits. Some have
4 to rely on Medicaid for health care and one live in a
5 shelter for years while working at the building, this
6 isn't right, Phipps projects get millions of dollars
7 in subsidy from the government, Their CEO received
8 over 800,000 in 2015 in total compensation. If the
9 government subsidies, taxpayer dollars that Phipps
10 get are enough to cover this kind of compensation for
11 the CEO they should be enough for Phipps to ensure
12 that workers at their buildings are treated right.
13 Furthermore, Phipps continues to employ American
14 maintenance and irresponsible contractor at their Via
15 Verde complex. Here, workers report poverty wages and
16 prohibitively expensive health insurance offerings.
17 With the offered plan residential workers would have
18 to pay 916 a month, half of their income..

19 JOSE PANERO: Continue..

20 CHAIRPERSON RICHARDS: You may continue.

21 MARCOS MORILLO: ...for, for family.. for
22 family coverage. The workers are not aware of any
23 retirement pension offering. The fact that Phipps
24 allows such conditions in such high profile recent
25 buildings in indicative of what we can expect in

1
2 future buildings. 32BJ members know how important it
3 is that we build affordable housing in our city but
4 it's not helpful if the jobs at these buildings stand
5 to add to the homeless crisis instead of helping to
6 solve it. the zoning and franchise subcommittee has
7 the power to curtail Phipps impact on our city. We
8 ask you to vote no on the upcoming ULURP. Thank you.

9 CHAIRPERSON RICHARDS: Thank you.

10 PATRICK WALSH: Good morning ladies and
11 gentleman. My name is Patrick Walsh, I am a New York
12 City resident and a proud member of SEIU 32BJ. I just
13 want to echo the earlier testimonies. I've been able
14 to stay in this city with my family because the owner
15 of the building I work in is responsible enough to
16 ensure that the staff is paid decent wages and
17 benefits. Phipps Houses is a well-known name in the
18 city serving as one of the city's oldest and largest
19 development creates city subsidized affordable
20 housing but recently they've been building a lot of
21 housing and creating poverty jobs alongside of it.
22 We're here to say that this isn't okay, if you want
23 to build here you need to commit to creating good
24 jobs, it's not okay for workers in affordable housing
25 complexes to struggle to find their own shelter. It's

1
2 not okay for workers in a development that, that was
3 built with tax paper... tax payer subsidies to rely on
4 Medicaid to get health insurance. It's especially not
5 okay when Phipps own CEO is getting rich earning over
6 800,000 dollars a year in 2015 in total compensation.
7 Phipps can't afford to make sure workers in these
8 developments earn a decent wage, Phipps can and
9 should do better for the Bronx, we don't want to be
10 calling for their projects not to move forward, we
11 believe in more affordable housing needs to get built
12 but we don't have to do it this way. Phipps can't be
13 allowed to undermine the good job standards that
14 building workers have spent years fighting for. It's
15 not okay to promote poverty wages when workers
16 deserve the area standard wage and meaningful
17 benefits. We ask the council to vote no on Phipps
18 proposal to rezone 1675 Westchester. Thank you.

19 CHAIRPERSON RICHARDS: Thank you for your
20 testimony.

21 DAVID COHEN: Thank you, thank you Chair,
22 thank you Council Members. I'm be brief, I'm reading
23 testimony on behalf of Kyle Bragg Secretary
24 Treasurer. So, I'm going to read in the first person
25 now. Good morning, my name is Kyle Bragg , Secretary

1
2 Treasurer for SCIU 32BJ and you've heard from our
3 members about the standards in the industry we fought
4 for, you've heard about our over 1,000 signatures
5 from Council Member Palma's district that this isn't
6 the way... the way development should be done in the
7 Bronx without a commitment to good jobs and I also
8 want to read briefly from a letter we have from a
9 community organization, the Banana Kelly Community
10 Improvement Association and in this letter the Banana
11 Kelly President, Harold DeRienzo explains the
12 underlying principles of their organization, he says
13 with regard to living wages of all our employees
14 we're paid a, a minimum of 15 dollars an hour and the
15 ratio of highest to lowest paid for full time
16 employment is roughly three to one. Our service
17 employees are members of 32BJ, we are proud to be
18 affiliated with your union which does so much to
19 ensure that all of its members have access to quality
20 training which includes safety training, earn
21 salaries and benefits that allow their families to
22 grow and prosper within our communities, the
23 principles underlying our practices as outlined here
24 are basic to the mission as we believe they should be
25 for all who work within our sector. So, again we

1
2 support and admire developers like Banana Kelly and
3 affordable housing developers specifically who are
4 committed to good jobs and until Phipps makes that
5 same commitment we ask the council to vote no on this
6 rezoning. Thank you for your time.

7 CHAIRPERSON RICHARDS: Thank you. Thank
8 you, David, for your testimony and... our... can you
9 speak to our... [cross-talk]

10 DAVID COHEN: Sure... [cross-talk]

11 CHAIRPERSON RICHARDS: ...any current
12 conversations going on between Phipps and BJ?

13 DAVID COHEN: So, the conversations which
14 were mentioned and they're around a previous site,
15 around the Coraline Corner site there's bargaining
16 that is happening there but progress has not been
17 made around the worker standard issues that we're
18 fighting for including some key... you know key
19 benefits which we'd really encourage Phipps and I...
20 to, to make those commitments as soon as possible.

21 CHAIRPERSON RICHARDS: Thank you. Thank
22 you all for your testimony.

23 DAVID COHEN: Thank you.

24 PATRICK WALSH: Thank you.
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CHAIRPERSON RICHARDS: Alright, are there any other members of the public who wish to testify on this issue? Alright, seeing none I will now close the public hearing on Land Use Item Numbers 752 and 753. Our last hearing will be on the 135-01 35th Avenue rezoning which includes a pre-considered text amendment application and a pre-considered zoning map amendment. The zoning map amendment would change the existing M1-1 zoning district to an R7A district and the zoning text amendment would apply to mandatory inclusionary housing program. These two approvals would facilitate the development of a nine-story residential building located at 135-01 35th Avenue in Queens in Council Member Koo's district under the MIH option at least 30 percent of the floor area of the building will be affordable to families making an average of 80 percent of the AMI. I will now open the public hearing on these two pre-considered applications and go to Council Member Koo if he wishes to give any remarks before we begin the hearing, do you want to give any?

COUNCIL MEMBER KOO: Thank you Chair Richards and thank you my colleagues and this committee. I am in general supporting of this

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2 rezoning and MIH application so I'm welcome to other
3 inputs from the... from Flushing Town Hall and other
4 like community board members but in general I'm
5 supporting this.

6 CHAIRPERSON RICHARDS: Thank you.

7 COUNCIL MEMBER KOO: Thank you.

8 CHAIRPERSON RICHARDS: Great, thank you.

9 You may begin.

10 ERIC PALATNIK: Thank you, thank you
11 Councilman and thank you Councilman Koo. Good morning
12 everybody, Happy New Year to those that are
13 celebrating and hope those that aren't had a couple
14 of days of a little bit more quiet while those that
15 were, were out. We're here today for a great
16 rezoning, to my left is Raymond Chan, he's the
17 project architect and to my right is Timothy Henzy
18 with Henzy Affordability Consultants, he did the MIH
19 related analysis on the project and we're all here
20 today to present to you a rezoning for a... the block
21 frontage on 35th Avenue in Flushing, Queens between
22 Farrington and Linden in Councilman Koo's district.
23 We'd like to thank Councilman Koo, he's been involved
24 in this rezoning since the idea was conceived about
25 three years ago and he's worked with everybody very

1
2 diligently the entire way through and has as usual
3 been a very good communicator bringing people to the
4 table and we thank you for that. This is an overview
5 for the Council People that are... Council Persons that
6 are here today. I gave you a package just now which
7 has support from the property next door to us which
8 is operated by Flushing Town Hall, it's a vacant lot,
9 it's owned by Dekas through the city New York and
10 Flushing Town Hall owns that, they are one of the
11 properties within the rezoning and they support it.
12 I've also given you the community Board
13 recommendation for the application as well as
14 Councilman Koo's letter of support for the
15 application so that way you have a good feeling for
16 what's going on with our neighbors as well as the
17 Community Board as well as the Council Person. The
18 one thing you should be aware of with this rezoning
19 the, the, the twist in it is... it's on a block front,
20 if you're not familiar and you haven't been down 35th
21 Avenue recently in Flushing, Queens if I could point
22 here... well Tim might, I don't know why he's holding
23 the boards... and I didn't get the memo on the
24 technology but I'm kind of glad I didn't get the memo
25 because technology really doesn't work so well and

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2 that's everywhere, that's not just here. The
3 property... [cross-talk]

4 CHAIRPERSON RICHARDS: Yeah, don't
5 offend... don't offend the city council... [cross-talk]

6 ERIC PALATNIK: Yeah, don't offend... no,
7 they did a great job. No, no it's everywhere...

8 CHAIRPERSON RICHARDS: Yeah, they're the
9 best IT team in the world... [cross-talk]

10 ERIC PALATNIK: The best IT division I've
11 ever seen, it's just technology sometimes gets in the
12 way, paper sometimes works best. The rezoning areas
13 here what I'm pointing to you could see it's an M11
14 zoning district right now. The M11 zoning district is
15 really a vestige from years and years ago where this
16 portion behind Northern Boulevard was more of a
17 commercial and manufacturing zone as the years have
18 gone by in the past 20 years in particular 35th
19 Avenue has taken on an intense residential feel to
20 it, there's been a flurry of development activity
21 that I'm going to point to in a second in pictures
22 and Councilman Koo is familiar with the Xu Brothers
23 who are very known developers in the city of doing a
24 260 foot tall mixed use development on this lot right
25 here. We're asking for an R7A on this property that

1
2 would facilitate the development of a nine-story
3 residential development, development that'd have
4 approximately 93,000 square feet of floor area...
5 72,000 square feet of floor area, excuse me, 93
6 units, of those units 27 of them will be affordable,
7 66 will be market rate, we're proposing under option
8 three the 80 percent of AMI option in the
9 affordability matrix. If I could just go back to the
10 character for a second... just to give you a flavor for
11 what you are being asked to act on, this is the
12 property right here, there's an existing one-story
13 building on it, the one-story building is carved up
14 into a series of smaller businesses; paint shop,
15 café, there's a nail supply shop around the corner.
16 They're basically used group six retail and some used
17 group 16 contractor's establishments. They employ
18 about ten people, everybody here has been informed of
19 what's happening and they're being given plenty of
20 time, they're not... to, to vacate, they're not being
21 given the chance to relocate because of what I'm
22 about to talk about with Councilman Koo. If you can
23 come back to the zoning map one... go back one more
24 time if you can... the twist in this rezoning was that
25 as we were going through the community board, you see

1
2 here we're asking for a pure R7A rezoning with no
3 commercial overlay yet this commercial overlay that
4 are around us on this side, none over here but
5 there's some nonconforming commercial uses over here
6 as well. Community Board seven had asked us to remove
7 the commercial overlay during the Community Board
8 process, we didn't necessarily agree with them at
9 first, we resisted but Chuck Apelian who's the Land
10 Use Chair has very strong convincing natures and he
11 convinced us to remove it, Councilman Koo agreed to
12 it and we've agreed as well. So, the proposal that
13 you see before you if you're wondering why it doesn't
14 have a commercial overlay on it that's the back story
15 as to that and that's also laid out in the
16 communications you have from Community Board seven as
17 well as from Councilman Koo's office. That's... [cross-
18 talk]

19 CHAIRPERSON RICHARDS: But did you... out
20 of that you said you won't be able to relocate...
21 [cross-talk]

22 ERIC PALATNIK: Because of that, yeah,
23 the earned commercial uses are not going to be on the
24 property, it's going to be a fully residential
25 building when it's developed and then I'll stop

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2 talking so no one... I talk a little bit... I'll go to
3 one more picture that could help you... just keep going
4 down Tim to the... there's an aerial somewhere, there
5 it is. Picture's worth a thousand words so just so
6 you can have some comfort that what, what we're
7 asking you to do is within context of the area. I
8 mentioned a few moments ago this is... that's 35th
9 Avenue right there, 35th Avenue as I mentioned a few
10 moments ago has undergone a complete transformation
11 within the past ten years. These two sites are the Xu
12 Brother sites we're talking about, they're in an R6
13 zoning district,
14 it's a historically old defunct gas stations that
15 have sat around since the 50's now they're going to
16 be 200 and... 147-foot-tall and 160-foot-tall mixed use
17 residential hotel, commercial. What we're asking for
18 on our property is going to be 95 feet tall so the
19 R7A that we're asking for will produce a, a 95-foot-
20 tall building yet we are surrounded as you can see
21 from existing developments up top that are well
22 within the range of what we're asking for but
23 particularly the two Xu sites are going to be
24 gigantic buildings so we feel... [cross-talk]

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CHAIRPERSON RICHARDS: How far is
Flushing Bay?

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ERIC PALATNIK: How far is Flushing Bay...
[cross-talk]

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CHAIRPERSON RICHARDS: From... [cross-talk]

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ERIC PALATNIK: I'd say going this
direction you're about... a little under a mile maybe a
little... [cross-talk]

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CHAIRPERSON RICHARDS: Okay... [cross-talk]

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ERIC PALATNIK: ...over a mile, you're,
you're a pretty good distance from Flushing Bay but
the creek is over there, Flushing Creek is about five
blocks this way. So, that's a... I'd be happy to go
into more, I already talked a lot if anybody wants
any more information... [cross-talk]

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CHAIRPERSON RICHARDS: Right and MIH and
why did you go with option three?

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ERIC PALATNIK: Tim Hendry's here he can
talk about it as well. Option three was chosen after
much debate and discussion with Community Board seven
that was their desired MIH option so we agreed
obviously with what they agreed and the Councilman
has been presented with that and... [cross-talk]

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CHAIRPERSON RICHARDS: Okay... [cross-talk]

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ERIC PALATNIK: I assume... I haven't spoken to him specifically about their choice with the MIH but I presume... I haven't heard anything to the contrary, I assume he's on board with that as well.

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CHAIRPERSON RICHARDS: And you're not using any subsidy?

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ERIC PALATNIK: No subsidies... [cross-talk]

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CHAIRPERSON RICHARDS: ...no subsidies... [cross-talk]

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ERIC PALATNIK: ...at all hopefully... [cross-talk]

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CHAIRPERSON RICHARDS: Okay... [cross-talk]

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ERIC PALATNIK: ...we will be hopefully applying for a 421 or the former 421, nobody knows what to call it.

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CHAIRPERSON RICHARDS: Alright.

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ERIC PALATNIK: You want to speak Tim, would you like to say anything?

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TIM HENZY: Not unless there's question.

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CHAIRPERSON RICHARDS: Okay and what role is Flushing Town Hall playing here?

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2 ERIC PALATNIK: Flushing Town Hall is
3 simply a neighbor, they own the property... if, if you
4 look up here you'll see this property I'm pointing to
5 that has all the... [cross-talk]

6 CHAIRPERSON RICHARDS: Okay... [cross-talk]

7 ERIC PALATNIK: ...trucks on it that's...
8 actually looks much better now, that's an old areal,
9 the city has rebuilt that site and made a beautiful
10 parking lot as far as parking lots could be
11 beautiful. So, they... Flushing Town Hall operates that
12 parking lot for the accessory use for their facility
13 which is on Northern Boulevard...

14 CHAIRPERSON RICHARDS: And they will
15 continue to or...

16 ERIC PALATNIK: Yes, they will continue...
17 [cross-talk]

18 CHAIRPERSON RICHARDS: Okay, they will
19 continue to... [cross-talk]

20 ERIC PALATNIK: Yes... [cross-talk]

21 CHAIRPERSON RICHARDS: And then just go
22 down through the breakdown of the units... [cross-talk]

23 ERIC PALATNIK: Sure... [cross-talk]

24 CHAIRPERSON RICHARDS: Unit... so, the ones
25 to... [cross-talk]

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ERIC PALATNIK: The sizes and things like that... sure, I'll start with the affordable units and also the... by the way in the handouts I gave you there's also a little... [cross-talk]

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CHAIRPERSON RICHARDS: Yes... [cross-talk]

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ERIC PALATNIK: ...summary, fact sheet of things too that gives you some more information if you want to pick through that. The affordable units as I spoke of a moment ago, there's a total of 27 of those five are studios, nine are one bedrooms, 12 are two bedrooms and there's one three bedroom... [cross-talk]

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CHAIRPERSON RICHARDS: This is the affordable count you're giving... [cross-talk]

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ERIC PALATNIK: which is the affordable... [cross-talk]

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CHAIRPERSON RICHARDS: ...me, right... [cross-talk]

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ERIC PALATNIK: ...components... [cross-talk]

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CHAIRPERSON RICHARDS: Okay, got it... [cross-talk]

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ERIC PALATNIK: so, the majority of the affordable component... really one bedrooms and two bedrooms, we've got 21 units of those. The market

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rate has 66 units within it, the majority of those again are one and two bedrooms, 23 one bedrooms, 28 two bedrooms, 12 studios and three, three bedrooms. The rents, going back to the affordability range anywhere I believe... I don't have it right in front of me right now but it's... I'll let Tim speak to that actually...

TIM HENZY: So, we... [cross-talk]

CHAIRPERSON RICHARDS: And, and the units will be spread... [cross-talk]

ERIC PALATNIK: Spread throughout... [cross-talk]

CHAIRPERSON RICHARDS: ...throughout the building so if you're in an affordable unit you can get a nice view at the top as well... [cross-talk]

ERIC PALATNIK: Yes... [cross-talk]

CHAIRPERSON RICHARDS: Okay.

ERIC PALATNIK: Correct.

CHAIRPERSON RICHARDS: Alright.

TIM HENZY: The, the affordable units are in proportion to the, the... all the unit sizes and spread out evenly as you... as you mentioned, we're averaged at 80 percent so we have units that's from 60 to 100 percent AMI to get to the 80 percent

1
2 average six... nine units at 60 percent, nine units at
3 80 and nine units at 100 percent AMI.

4 CHAIRPERSON RICHARDS: Uh-huh and I'm
5 assuming parking is an issue in Flushing, what do
6 you... what are we doing... [cross-talk]

7 ERIC PALATNIK: Oh yes... [cross-talk]

8 CHAIRPERSON RICHARDS: ...about parking...
9 [cross-talk]

10 ERIC PALATNIK: I even just discussed
11 parking because we're so well... we're so well parked..

12 CHAIRPERSON RICHARDS: I'm going to go to
13 Council Member Koo who I'm sure has a lot more to say
14 on this, I just remember I think we might have done a
15 walking tour over here I think when I first became
16 the zoning... [cross-talk]

17 ERIC PALATNIK: Yeah... no, Flushing is...
18 [cross-talk]

19 CHAIRPERSON RICHARDS: ...Chair... [cross-
20 talk]

21 ERIC PALATNIK: ...notorious you can't get
22 through... [cross-talk]

23 CHAIRPERSON RICHARDS: So... yeah... [cross-
24 talk]

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ERIC PALATNIK: ...a community board without Chuck appealing about more parking... [cross-talk]

CHAIRPERSON RICHARDS: Every time I go to Peter Koo's office I have to park in a garage..

ERIC PALATNIK: Yes, oh yeah... [cross-talk]

CHAIRPERSON RICHARDS: ...spend baby money...

ERIC PALATNIK: Yes, yes, you've spending baby.. well you can go to municipal lot too, you could deal with the municipal lot..

CHAIRPERSON RICHARDS: If you could.. good luck in parking in that municipal lot..

ERIC PALATNIK: You got to.. you got to circle around..

CHAIRPERSON RICHARDS: Yeah... [cross-talk]

ERIC PALATNIK: A few times but to answer your questions we're, we're overparked, we're proposing 52 parking spaces... [cross-talk]

CHAIRPERSON RICHARDS: Okay... [cross-talk]

ERIC PALATNIK: 37 spaces are required and the 52 are on... if you... when you... if you had free time and you want to review the plans but it's well

1
2 spaced, they're not crammed in there, there's two...

3 [cross-talk]

4 CHAIRPERSON RICHARDS: Okay... [cross-talk]

5 ERIC PALATNIK: ...levels, it's self-park,
6 it's not... [cross-talk]

7 CHAIRPERSON RICHARDS: Uh-huh... [cross-
8 talk]

9 ERIC PALATNIK: ...valet which means enough
10 space over amount of space has been given.

11 CHAIRPERSON RICHARDS: Okay...

12 ERIC PALATNIK: So, we're very well
13 parked, there's a lot of parking. Raymond Chan who
14 has not spoken obviously he's a... is a Flushing
15 Architect, very well versed in the parking needs of
16 Flushing.

17 CHAIRPERSON RICHARDS: Alright, so he
18 knows the needs, smart man. Alright, I'm going to go
19 to Council Member Koo.

20 COUNCIL MEMBER KOO: Actually I have no
21 more questions, yeah. Thanks.

22 CHAIRPERSON RICHARDS: Hey Peter I took
23 all your questions, I forgot you were here for a
24 second. I apologize, don't hold it against me.

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Alright, are there any... thank you, thank you all...

[cross-talk]

ERIC PALATNIK: Thank you very much...

[cross-talk]

CHAIRPERSON RICHARDS: Chair Greenfield

no questions, did I take all your questions too?

Okay, we all are happy, okay. Alright, are there any

other members of the public who wish to testify on

this issue as I find my testimony somewhere... okay,

seeing none, we will now close out public hearing

Land Use Item Number 751, the Soho Tower zoning text

amendment... Soho... no, I'm wrong, wrong, wrong, give me

one second... alright, let's go back. Alright, here we

go. Alright, are there any other members of the

public who wish to testify, seeing none I will now

close the public hearing on the 135-01 35th Avenue

rezoning and we will now... okay, this concludes our

hearing today. Look at that, we are going to layover

all the other items for the next meeting, thanks to

the Land Use staff for all of their work on these

applications, they are so awesome here, the most

outstanding Land Use staff in the city of New York

here and with that being said this meeting is now

adjourned.

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[gavel]

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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

October 6, 2017