

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

JOINT COMMITTEES ON SMALL BUSINESS
AND TRANSPORTATION

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June 14, 2010
Start: 12:11 pm
Recess: 2:41 pm

HELD AT: Council Chambers
City Hall

B E F O R E:
Diana Reyna
Chairperson, Small Business

James Vacca
Chairperson, Transportation

COUNCIL MEMBERS:

- Council Member Gale A. Brewer
- Council Member Margaret S. Chin
- Council Member Daniel R. Garodnick
- Council Member Vincent M. Ignizio
- Council Member Letitia James
- Council Member Peter A. Koo
- Council Member G. Oliver Koppell
- Council Member Jessica S. Lappin
- Council Member Darlene Mealy
- Council Member Michael C. Nelson
- Council Member Ydanis Rodriguez
- Council Member Deborah L. Rose
- Council Member Eric A. Ulrich
- Council Member James G. Van Bramer

A P P E A R A N C E S [CONTINUED]

James Vacca
Opening Statement
Chairperson
Committee on Transportation

Diana Reyna
Opening Statement
Chairperson
Committee on Small Business

Daniel R. Garodnick
Opening Statement
New York City Council Member

Michael Horodniceanu
President
Metropolitan Transit Authority Capital Construction

Lois Tendler
Vice President
Government and Community Relations
New York City Transit

William Goodrich
Program Executive
2nd Avenue Subway Project
Metropolitan Transit Authority Capital Construction

Claudia Wilson
Public Liaison
Metropolitan Transit Authority Capital Construction

Ronnie Hakim
General Counsel
Metropolitan Transit Authority Capital Construction

Giuseppe Pecora
President
2nd Avenue Business Association

A P P E A R A N C E S [CONTINUED]

Robin Pocker
J. Pocker and Son
Small Business Owner
63rd and Lexington

Eldad Gothelf
Urban Planner
Herrick Feinstein

Theresa Bomeo
Staff Member
Office of Daniel R. Garodnick
New York City Council Member

Barry Schneider
Community Board 8

Representative
Senator Kruger

Keith Powers
Representative
Assemblyman Jonathan Bing

David Cohn
President
Building Association
300 East 85th Street

Hunter Armstrong
Executive Director
CIVITAS

Portis Hicks
Resident
East 72nd Street

Jared Stone
Resident
Upper East Side

COMMITTEES ON SMALL BUSINESS
AND TRANSPORTATION

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1
2 CHAIRPERSON VACCA: Okay. Thank
3 you, ladies and gentlemen. I'll now call this
4 meeting to order. My name is James Vacca and I
5 chair the Committee on Transportation. I'd like
6 to welcome everyone to this Joint Hearing of the
7 Committee on Transportation and the Committee on
8 Small Business, chaired by my colleague Council
9 Person Diana Reyna.

10 Today's hearing will focus on the
11 progress of the 2nd Avenue Subway Project which is
12 absolutely essential to alleviating severe
13 overcrowding on the Upper East Side. A proposal
14 to build the 2nd Avenue Subway has been discussed
15 as early as 1929. Work actually started in the
16 1960s but was stopped during the City's major
17 fiscal crisis of the 1970s.

18 One of the reasons we're here today
19 is to make sure that we don't have déjà vu all
20 over again, that the current fiscal crisis does
21 not derail this project once more.

22 I remember hearing about this
23 project when I was a young child. And I have to
24 tell you that where I may have heard about it when
25 I was much younger, I now hope that it's finished

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2 before my demise. It's been that long. And those
3 of us who would like better public transportation
4 are hoping that further delays do not derail this
5 project any more.

6 The groundbreaking took place on
7 April 12th 2007 and construction is planned in four
8 phases. We're now in Phase 1. Phase 1 will
9 extend the Q-Train to run from 103rd to 67th Street
10 with stations along 2nd Avenue at 2nd, 86th and 96th
11 and a stop at 63rd and Lexington to allow riders to
12 travel to the West Side into Queens.

13 Currently Phase 1, I understand, is
14 going to be finished now by 2016. Phase 2 would
15 extend the 2nd Avenue tunnel from 96th to 125th.
16 Phase 3 would extend the line to Houston Street.
17 Phase 4 would extend service from Houston Street
18 to Hanover Square and Lower Manhattan.

19 One concern we have is that this
20 project is already starting to resemble a soap
21 opera. Unfortunately the impact on residents and
22 businesses is no laughing matter. In 2005, MTA
23 Chairman Peter Calico insisted that Phase 1 of the
24 2nd Avenue Subway would be completed by 2012. Two
25 years later at the groundbreaking, residents were

1 told the project would be finished in 2013. Then
2 the MTA ran a subway ad stating the 2nd Avenue line
3 would be completed by 2014, calling this overdue
4 but excellent news. Then the ad was changed to
5 say 2015. Then the MTA stopped running the ads.
6 Now we're told the project will be completed by
7 December of 2016.
8

9 As with many MTA projects of this
10 size, we have seen cost overruns as well, with
11 projections rising from \$3.8 billion to \$4.5
12 billion. We need to know are these numbers still
13 accurate or did we get off track again and see
14 costs balloon.

15 We are also here to talk about
16 impact. Although this project promises to greatly
17 benefit East Side residents and businesses in the
18 end, right now we have businesses impacted by
19 horrendous traffic, loss of sidewalk space, and a
20 loss of visibility. Some businesses have already
21 closed down because of this disruption and it's
22 estimated 1/3 of the businesses in the area may be
23 forced to close before construction is completed.

24 Residents have also been affected.
25 The MTA has plans to evict and relocate hundreds

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2 of residents to make way for subway entrances and
3 to reinforce buildings that would otherwise be
4 damaged by blasting. There was also legitimate
5 concern about the future. Although Phase 1 of
6 this project appears to be fully funded, the
7 Federal, State and City governments will be coping
8 with the impact of this recession for many years
9 to come. How realistic is it that the rest of the
10 2nd Avenue line will be completed when there are no
11 guarantees that the other phases will be fully
12 funded?

13 We're looking at projects going on
14 and on for many, many years to come. My
15 understanding is that Phase 4 estimates now
16 indicate will take us through 2030. We have to
17 question. Is the money there? Number one.
18 Number two, will 2030 slip to 2040 or beyond?
19 What is the commitment to this project? Cost and
20 timetable.

21 All right. I'd now like to
22 introduce those members of the Council that are
23 here. To my extreme right is Mr. Dan Garodnick;
24 Council Member Peter Koo; Council Member Vincent
25 Ignizio to my left; down below is Council Person

1
2 Jessica Lappin; and Letitia James. Okay.

3 [Pause]

4 CHAIRPERSON VACCA: Yes. There
5 will be members coming in and out today because of
6 budget meetings. Okay? Let me introduce to you
7 now my Co-Chair, Council Member Diana Reyna.

8 CHAIRPERSON REYNA: Thank you so
9 much Mr. Chair. I just wanted to say good
10 afternoon. My name is Diana Reyna, Chair of the
11 Committee on Small Businesses. I'd like to thank
12 my fellow Co-Chair, Chair Vacca for agreeing to
13 hold this Joint Hearing to examine the impact that
14 the construction of the 2nd Avenue Subway has had
15 on the local community and more specifically for
16 my purposes on small businesses in the area.

17 There are 220,000 small businesses
18 that reside in the City. These businesses account
19 for 98% of all businesses and employ a little over
20 1.5 million people which makes up more than half
21 of the City's entire private sector workforce. So
22 while we might think of these individual
23 businesses as small, their impact on the lives of
24 New Yorkers and on our economy is anything but.

25 2nd Avenue, for example, is an area

1 known for being lined with countless businesses.
2
3 As everyone here knows the construction of a 2nd
4 Avenue Subway has been in plan for decades until
5 its implementation finally began with Phase 1 in
6 2007 as our Chair had indicated, since he was a
7 child.

8 While a whole host of issues has
9 resulted due to its construction, such as cost
10 overruns, delays and displacement of residents,
11 I'd like to specifically focus on the negative
12 effects on small businesses in the area. Business
13 owners have complained about typically expected
14 issues like blocked traffic, concentrated noise
15 and dust and the heavy presence of construction.

16 However more serious issues like
17 experiencing construction related structural
18 damages as well as the substantial loss of revenue
19 beyond what was expected during the current
20 economic downturn has also been reported by many
21 businesses.

22 As Chair Vacca had already
23 mentioned, visibility is a huge component of
24 operating your business. And when you're blocked,
25 visibility is highly a factor in revenue loss.

1
2 And so the compound between this particular
3 construction taking place and the effects of a
4 down turned economy has significantly affected
5 these businesses.

6 A recent survey cited 90% of
7 businesses in the corridor of construction having
8 been negatively impacted. And that a third of the
9 businesses in that area reported that they may be
10 forced to close before construction is completed.
11 It is crucial that the MTA act to support these
12 businesses and keep them from suffering any
13 damages that are no fault of their own, whether it
14 be structural or financial.

15 While it is encouraging that the
16 agency has talked about compensating those who
17 have experienced construction related damages and
18 taken steps to provide advance notice of
19 construction projects to members of that
20 community, I want to make sure that such efforts
21 have the potential to significantly lessen the
22 burdens businesses have faced due to this project.
23 Small businesses have suffered enough during the
24 last couple of years. And anything we can do to
25 lessen that suffering will help to strengthen this

1 important sector of our economy.

2
3 More specifically if the MTA can
4 share with this Committee concerning any
5 relocation funds that have been set up for
6 businesses to have as an option. We've explored
7 this in the past with unrelated rezonings where
8 industrial and manufacturing spaces and businesses
9 impacted by rezonings have had the opportunity to
10 receive aid in relocating.

11 And obviously businesses such as
12 the corridor where these businesses exist today
13 with very little to no visibility would need to
14 begin to establish their businesses in a new
15 location, hence having to deal with what would be
16 the unexpected of providing what would be the
17 future of sustainability.

18 And so I want to thank all who have
19 come to participate today. I would like to have a
20 productive hearing and the further exploration of
21 anything that you are currently doing and the
22 exploration of anything that you may be suggested
23 today for further discussion. Thank you.

24 CHAIRPERSON VACCA: Thank you
25 Chairperson Reyna. I'd like to introduce members

1
2 that have arrived. To my left Council Person
3 Debbie Rose; down below, Council Member Ydanis
4 Rodriguez.

5 I'd like to call on Councilman Dan
6 Garodnick.

7 COUNCIL MEMBER GARODNICK: Thank
8 you very much Mr. Chairman, Chair Vacca, Chair
9 Reyna. My name is Dan Garodnick and I represent
10 the 4th Council District which includes some of the
11 2nd Avenue Subway construction, including the
12 launch box as it is known. And while I have
13 consistently supported the 2nd Avenue Subway and
14 still support the 2nd Avenue Subway because of its
15 enormous potential to alleviate burdens of
16 overcrowding for East Side passengers on both our
17 subway and bus lines. There are serious concerns
18 with businesses and residents along the
19 construction corridor about the impact that the
20 construction has imposed on their daily lives.

21 Business is down considerably and
22 the pathways are narrow and it's difficult for
23 these local entities to get noticed. Residents
24 have appropriately expressed concerns about
25 blasting and other noise from the site. And some

1
2 have even needed to be relocated because their
3 buildings have become less habitable, others, of
4 course, will be permanently relocated.

5 To their credit the MTA has worked
6 with my office and the other offices to take some
7 steps to address these issues. Let me note that
8 we have worked on partnership. We've got
9 representative here from Senator Kruger,
10 Assemblyman Bing, Senator Serrano, Assemblyman
11 Kellner, of course, Council Member Lappin who is
12 here and Borough President Stringer. We have all
13 worked together and with the MTA's participation
14 we launched a Shop 2nd Avenue campaign to promote
15 local businesses.

16 The MTA was responsive to our
17 request to post Shop 2nd Avenue information on
18 their website including a map of businesses in the
19 construction zone as well as adding signage on the
20 fencing. The Shop 2nd Avenue initiative also
21 brought a heightened awareness of the plight of 2nd
22 Avenue businesses to the public as the news media
23 increased their coverage of 2nd Avenue business
24 concerns.

25 I have also worked with attorneys

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2 at Hughes, Hubbard and Reed to ensure that 2nd
3 Avenue businesses could become a 501(c)(3)(6)
4 organization which allows them to advocate for
5 themselves and also to receive grant funds. I
6 want to note that the president of the 2nd Avenue
7 Business Association, Joe Pecora is here. We look
8 forward to hearing from him today and we thank you
9 for all of his advocacy. Unfortunately a bill at
10 the State level to award direct grants to these
11 businesses was not signed by the Governor.

12 I have also worked with my
13 colleagues in government to address needs of
14 residents in the area whose lives will be
15 interrupted as repairs are being done to their
16 buildings. Again to be fair, not all of the
17 problems here were caused by the 2nd Avenue
18 construction. There are a lot of old and
19 deteriorated buildings in the corridor and the
20 work may have simply exacerbated a pre-existing
21 condition in some situations.

22 There are also additional concerns
23 about noise, the timing of the work being
24 conducted, as well as the general safety of
25 everyone in the area. And we hope to address some

1 of those issues at this hearing today.

2
3 In short the work, while extremely
4 important, has caused disruptions at all levels.
5 And we thank the residents and the businesses who
6 are in the area for bearing the burden of this
7 construction for all the rest of us. I hope that
8 we can conceive of additional ways to help reduce
9 the pain for them. And of course I encourage my
10 colleagues and all New Yorkers to go up to the
11 site and support all of the local businesses that
12 are struggling there today. Thank you again Chair
13 Vacca and Chair Reyna for the opportunity to say a
14 few words.

15 CHAIRPERSON VACCA: Thank you and
16 I'd like to mention we've been joined by Council
17 Member Ulrich. Okay. Ms. Tendler, we're joined
18 by--okay, we're joined by Lois Tendler from the
19 MTA. Michael Horodniceanu from the Capital
20 Construction Division of the MTA, William Goodrich
21 is here, okay, and also from the MTA. Mr.
22 Horodniceanu do you want to open up?

23 MR. MICHAEL HORODNICEANU: Indeed.
24 Good afternoon. My name is Michael Horodniceanu
25 and I am the President of MTA Capital

1 Construction. As you are aware MTA Capital
2 Construction is responsible for building the MTA's
3 mega-projects including the 2nd Avenue line.
4

5 I would like to take this
6 opportunity to thank you for inviting me here
7 today to discuss our progress with the 2nd Avenue
8 Subway Project. As many of you know the 2nd
9 Avenue Subway is a planned 8.5 mile run from 125th
10 Street in Harlem to Hanover Square in the
11 Financial District. The line will bring much
12 needed additional service to residents of the East
13 Side of Manhattan and relieve overcrowding on the
14 Lexington Avenue line.

15 Currently we are building Phase 1
16 of the new line. When completed Phase 1 subway
17 service which is projected to carry over 200,000
18 weekday riders on the day it opens, will be an
19 extension of the existing Q service in Manhattan.
20 Q service will operate along 2nd Avenue from 96th
21 Street to 63rd where it will divert west along the
22 existing 63rd Street line, stopping at Lexington
23 Avenue, 63rd Street Station. Q service will then
24 continue west under Central Park on existing
25 tracks that are currently not being used for

passenger service and then head south to the existing 57th Street/7th Avenue Station and on to Lower Manhattan and Brooklyn.

The line is scheduled to be in service by the end of 2016. Phase 1 work includes construction of new stations at 96th Street, 86th Street and 72nd Street and reconstruction of the existing Lexington Avenue/63rd Street Station, with addition of new entrances at 3rd Avenue.

The budget for Phase 1 is \$4.451 billion which is funded through a combination of 30% Federal and 70% State funding. As of May 31st, \$1.529 billion has been awarded for engineering and construction including a tunnel boring contract from 92nd to 63rd Street, the 96th Street heavy civil instruction work as well as the 86th Street excavation, utility relocation and road decking contract.

Work on these contracts has resulted in 3 main active construction sites that can be seen from 91st to 100th Street, from 82nd to 87th Street, and from 69th to 73rd Street. By the end of 2010 we expect to award 2 additional contracts. The 72nd Street Station cavern

1 excavation for which we actually have already--I
2 have an apparent low bidder, and the Lexington
3 Avenue/63rd Street Station reconstruction.
4

5 Today we have achieved a number of
6 project milestones including the relocation of
7 utilities, soil and rock excavation, creation of
8 access shafts for the 72nd Street Station and
9 completion of the launch box where the tunnel
10 boring machine was assembled. In fact just last
11 month we celebrated an important milestone sending
12 the tunnel boring machine on its way, mining the
13 tunnels through which the 2nd Avenue Subway will
14 travel.

15 Phase 1 of the 2nd Avenue project is
16 currently forecast to be within budget and
17 completed on schedule by the end of 2016. Through
18 May 31st, 2010, we have committed about \$750
19 million for construction contracts. To say that
20 building a subway in a fully built, dense, urban
21 environment is a challenge would be an
22 understatement. And we are acknowledging that.

23 Construction of this magnitude is
24 impossible to undertake unnoticed, especially
25 considering the types of activities associated

1
2 with building a new subway line. The utility
3 relocation, building protection, property
4 acquisition and maintenance of pedestrian and
5 vehicular traffic are but a few of the issues
6 encountered on a daily basis.

7 However we plan for and mitigate
8 the impacts of construction is what counts here.
9 And it is because we anticipated the complexity of
10 working in such an environment and have prepared
11 for it that construction is successfully underway.

12 Throughout the project's history we
13 have sought to inform and engage the public in the
14 planning, design and construction of this project.
15 During the Manhattan East Side Alternative Study
16 which began in 1995, and was the precursor to the
17 2nd Avenue Subway Project, meetings were held to
18 discuss all aspects of the project.

19 This approach continued throughout
20 the course of the Environmental Impact Statement
21 Study and the subsequent Supplemental and finally
22 for the full length of the line. Since 1995 our
23 2nd Avenue Subway Project team has continued to
24 meet with elected officials, special panels, task
25 forces, community and neighborhood based

2 organizations, various institutions along the
3 proposed route, residential and business groups as
4 well as unaffiliated groups of individuals.

5 In addition official MTA public
6 hearings are held at various stages throughout the
7 process at which the public has been able to
8 express their views and opinions. Because
9 Community Boards are charged with representing
10 defined geographic areas, they offer an ideal
11 forum for disseminating information and getting
12 public feedback about the project. Thus our main
13 outreach efforts are usually directed at Community
14 Boards.

15 With respect to the 2nd Avenue
16 Subway Project our primary outreach has been
17 directed at Community Board 8 and 11 as the Phase
18 1 work falls within their jurisdiction. Community
19 Board meetings have provided an ongoing forum for
20 the 2nd Avenue Subway Project team to update the
21 public on the project and for the public to
22 provide their feedback.

23 I would also like to note our
24 ongoing work with the local elected officials to
25 assist the community, Council Member Garodnick,

1
2 Lappin and Mark-Viverito, are strong advocates for
3 their constituents. To address specific issues we
4 have had many site tours of the work zone with
5 them and their staff. And I look forward to
6 continuing to work with them on this project.

7 In addition the project team has
8 been doing active ground level outreach in
9 specific neighborhoods affected by the 2nd Avenue
10 Subway, both to keep residents and business
11 informed of the work schedule and progress, and to
12 address any concerns they may have.

13 Given the duration of this project
14 and the intensity of its impact, we knew that a
15 special effort was warranted in communicating with
16 the business community. In the winter of 2006 and
17 again in the spring of 2007, prior to the start of
18 any 2nd Avenue construction, project outreach
19 personnel canvassed every business established
20 within the 2nd Avenue Subway right of way to
21 introduce themselves and to provide information
22 concerning the impending construction and its
23 impacts.

24 And as the construction contracts
25 have been awarded, project staff and the

1
2 construction managers continue to walk the entire
3 worksite on a regular basis to discuss with each
4 business upcoming construction activities and to
5 identify individual needs and concerns and
6 wherever possible, address them. For example,
7 when one business lost its only access to the
8 basement because construction activities required
9 that its cellar door be sealed, our contractor
10 actually built an additional entrance to the
11 basement for them.

12 Since construction began in August
13 of 2007, project staff have worked closely with
14 the affected businesses to address s their
15 concerns. We regularly attend 2nd Avenue business
16 association meetings with business owners,
17 representatives of the Mayor's Office and the New
18 York City Department of Small Business Services as
19 well as local elected officials to address
20 concerns of specific businesses.

21 During the regular 2nd Avenue
22 Business Association meetings and in discussion
23 with gingival businesses, project staff attempt to
24 assist businesses as best we can given our
25 limitation as a public agency. Although we are

1
2 unable to offer any financial assistance, we have
3 and continue to consider any reasonable
4 suggestions to mitigate the impact of the project
5 on their businesses.

6 Over the past three years we have
7 put in place a number of strategies to mitigate
8 construction impacts on nearby businesses. And
9 they include: employing a full time public
10 outreach person who works in one of the 2nd Avenue
11 Subway field offices in close proximity to the
12 construction site and deals directly with
13 individual businesses as well as area residents;
14 providing high visibility signage around
15 construction sites that incorporate the individual
16 logo of each business and directs the public to
17 individual establishments; posting project look-
18 ahead schedule and construction notices on
19 bulletin boards at the project sites; posting
20 project information including environmental
21 documents and any formal community presentation on
22 MTA's website; and working directly with the 2nd
23 Avenue Business Association in developing the Shop
24 2nd Avenue campaign which is comprised with
25 specifically designed logo posters and brochures

1 listing all businesses in the affected work zone
2 along with their address, phone numbers and
3 websites.
4

5 Additionally these posters have
6 been installed in the fare control areas of subway
7 stations adjacent to the 2nd Avenue Subway
8 construction as well as distributed as a brochure
9 to individual businesses, Community Boards and the
10 offices of local elected officials.

11 I would just like to note that in
12 the first of a kind effort for the MTA, we created
13 a dedicated webpage listing 2nd Avenue businesses
14 near the construction zone with their contact
15 information and logos. We have been open and
16 honest with the community and the area businesses
17 about anticipated impacts of construction. During
18 the planning phases, the anticipated construction
19 impacts were outlines in presentations at
20 Community Board forums, individual discussion with
21 businesses and the EIS.

22 As I said earlier this is a massive
23 undertaking within the confines of a dense, urban
24 environment. And even as construction proceeds,
25 we continue to anticipate and respond to community

1
2 concerns and I want to assure that we take these
3 concerns extremely serious.

4 Our contractor is required to
5 comply with the New York City Noise Control Code
6 and its regulation. Our New York City DOT
7 stipulation allows work above ground on Monday to
8 Friday, 7:00 AM to 10:00 PM and Saturdays from
9 10:00 AM to 7:00 PM. Work under ground is allowed
10 24 hours a day, 7 days a week.

11 It should be noted that the MTA and
12 the City of New York in agreeing to allow the
13 contractor to work these long hours made a
14 conscious tradeoff, longer and perhaps more
15 disruptive hours of work were chosen in order to
16 shorten the duration that the work will be in any
17 one area. In addition to work hour restrictions,
18 our contractors are required to monitor and
19 measure sound levels for public exposure to noise
20 due to construction and to take necessary noise
21 mitigation measures. One such method you may have
22 seen around the site are noise blankets hanging
23 from construction fencing.

24 In order to minimize dust from our
25 construction sites, our contractor implemented a

1
2 number of dust mitigation measures. This includes
3 wetting down construction areas, removing mud and
4 dirt from vehicles leaving the site, using closed
5 chutes to handle debris, and covering stockpiles
6 with plastic tarps.

7 In addition to concerns about noise
8 and dust, when heavy construction begins, people
9 are concerned about movement of pests such as
10 rats. We have heard and responded to this issue
11 as well. In addition to the rodent control plan
12 that our contractor is required to implement, we
13 have implemented additional recommendations from
14 the New York City Department of Health which
15 include additional bait stations, weekly
16 monitoring and rebaiting and relocating bait
17 stations based on observed activity. In addition
18 we participate in a weekly Mayoral Interagency
19 Task Force to deal with rodent activity throughout
20 the City.

21 Because we recognize that nothing
22 can take the place of seeing for ourselves what is
23 going on at our construction site, we have
24 personnel walk the sites on a daily basis to check
25 for site cleanliness and identify issues so they

1
2 can be addressed immediately. Our safety
3 engineers and inspectors are on site to make sure
4 proper protections are set up for the workers and
5 the public. We have a traffic coordinator on
6 staff who reviews all maintenance and protection
7 of traffic plans for pedestrians and vehicular
8 safety and ensures sufficient signage. Our entire
9 team, both staff and contractors, work together to
10 ensure safe worksites for both the workers and the
11 public.

12 We appreciate the community's
13 perspective and the issues they bring to our
14 attention. We have evaluated every mitigation
15 strategy suggested and have complied with all
16 reasonable requests. For example in response to
17 community requests, we installed additional
18 lighting at 86th Street. Another request led us on
19 a walkthrough of the near Metropolitan Hospital
20 with hospital staff to identify locations where
21 additional signage would improve pedestrian
22 safety. Those signs have now been installed.
23 These examples are only a very small sample of the
24 numbers of requests and suggestions that we
25 respond to.

To conclude, the 2nd Avenue Subway Project will improve the lives of New Yorkers by enhancing the transportation network, bringing new businesses to the East Side and accommodating the needs of an ever increasing population. The goal is to complete this project on schedule and with the minimum possible disruption to the residents and businesses of New York City. Rest assured that our proactive community outreach will continue and that we will fully cooperate with any efforts undertaken by other governmental agencies to support the 2nd Avenue business community. I am now happy to answer any questions you might have.

CHAIRPERSON VACCA: Thank you. I'd like to welcome Council Member Oliver Koppell; Council Member Mike Nelson; and Council Member Darlene Mealy who have joined us, and Margaret Chin.

Your testimony, let me go into your testimony a little bit because your testimony does not make reference to future phases. Do we have Phase 2, 3 and 4? Is there an anticipation? 'Cause my understanding was that in 2004, we had preliminary designs. And I don't know if your

1
2 intention is still to proceed with that, with
3 those subsequent phases.

4 MR. HORODNICEANU: At this point my
5 focus is on completing Phase 1. Phase 2, 3 and 4
6 are subject to future budgets and future
7 allocations and they are not part of what I am
8 currently doing. The preliminary engineering does
9 exist as you mentioned. But we are at this point
10 not dealing with that. We are trying to complete
11 this part of the project, that is Phase 1.

12 CHAIRPERSON VACCA: Let me clarify.
13 First of all, do you have all the money in place
14 for Phase 1 that you need? Do you have all the
15 commitments for Phase 1?

16 MR. HORODNICEANU: The Phase 1, if
17 you know our capital program 2010-2014 fully funds
18 Phase 1.

19 CHAIRPERSON VACCA: Okay. Is there
20 any money for Phase 2?

21 MR. HORODNICEANU: Not that I know
22 at this particular point.

23 CHAIRPERSON VACCA: If we're
24 talking 2014, there would be a 5-year plan and a
25 10-year plan, am I correct? Isn't there a capital

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plan that gives you--

MR. HORODNICEANU: [Interposing]

The capital plan that was approved in Albany was a 2010-2014, it's a 5-year capital plan.

CHAIRPERSON VACCA: All right. How much money is Phase 2 going to cost?

MR. HORODNICEANU: Quite frankly I do not know at this point but I would be glad to get back to you.

CHAIRPERSON VACCA: If there.. are you committed? Is the MTA going to seek Phase 2, 3 and 4 or just accept Phase 1 and end the project there?

MR. HORODNICEANU: I think that this is at this point, MTA is committed to complete Phase 1. And I'm sure that in future capital programs, there will be consideration given for the subsequent phases. But at this point we are in Phase 1.

CHAIRPERSON VACCA: All right. But... Phase 2 is something that you would like but you have no money and you're not committed to it at this point.

MR. HORODNICEANU: At this point we

2 have no, no commitments on that.

3 CHAIRPERSON VACCA: But you have no
4 plans for a Phase 2, 3, 4?

5 MR. HORODNICEANU: When you say we
6 do not--we have preliminary designs, when you say
7 we do not have plans, this is really looking far
8 into the future. At this point we're working with
9 our governmental partners as I said to fully fund
10 the Phase 1 and we have done that.

11 CHAIRPERSON VACCA: Phase 2 would
12 not be able to begin unless you finish Phase 1?
13 Couldn't Phase 2 start if you had the money
14 simultaneously or tell me what your thinking is on
15 that?

16 MR. HORODNICEANU: I would say to
17 you that it will be quite frankly prudent to
18 complete Phase 1 and then at that point move into
19 Phase 2 given that the funding is in place. And
20 that is something that is going to be allowed to
21 be, I assume, considered in the future for funding
22 but not at this point.

23 CHAIRPERSON VACCA: Weren't some
24 tunnels already done some years ago--

25 MR. HORODNICEANU: [Interposing]

1
2 Yes. In fact there are tunnels under 2nd Avenue
3 going from 99th Street going up to 125th Street with
4 pieces missing. And the major pieces missing
5 there are primarily the stations.

6 CHAIRPERSON VACCA: So we basically
7 started Phase 2.

8 MR. HORODNICEANU: If you consider
9 that we started Phase 2 in the 70s, the answer is
10 yes.

11 CHAIRPERSON VACCA: The tunnels.

12 MR. HORODNICEANU: The tunnels,
13 yes. But the tunnels were done in the 70s, yes.

14 CHAIRPERSON VACCA: Right. Are
15 they still usable today if the remainder of the
16 money was allotted for the stations?

17 MR. HORODNICEANU: We are actually
18 utilizing the tunnels between 99th and 105th Street
19 for the tail tracks for the 2nd Avenue, so yes they
20 are usable.

21 CHAIRPERSON VACCA: They are
22 usable.

23 MR. HORODNICEANU: Yes.

24 CHAIRPERSON VACCA: So what we need
25 is a commitment from the State to fund Phase 2

1 which you do not have right now.

2 MR. HORODNICEANU: That's correct.

3 CHAIRPERSON VACCA: Okay. When you
4 spoke about the capital plan today, when--

5 MR. HORODNICEANU: Oh and by the
6 way--

7 CHAIRPERSON VACCA: --I'm sorry.

8 MR. HORODNICEANU: --the question
9 is also to have some Federal money in there. So
10 that's clearly for the future to roll out.

11 CHAIRPERSON VACCA: When you look
12 at the 2nd Avenue Subway, what do you estimate?
13 Should we have Phase 2, 3 and 4, what would be the
14 total cost?

15 MR. HORODNICEANU: Oh just I
16 really, it's so speculative that we'll get it to
17 you but I don't have it--

18 CHAIRPERSON VACCA: [Interposing]
19 What would be the cost of Phase 2?

20 MR. HORODNICEANU: I truly do not
21 know but we will get it to you. I do not know the
22 number so rather than guessing, we'll get it to
23 you.

24 CHAIRPERSON VACCA: Phase 1, when it
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1
2 went from \$3.8 billion to \$4.4 billion, you
3 mentioned that there were geo-technical risks,
4 there were design issues, construction management
5 issues, procurement delays. Describe the nature
6 of those factors which increased the cost of the
7 project.

8 MR. HORODNICEANU: What I can say
9 is that I joined MTA Capital Construction in
10 August of 2008. And at that time I've undertaken
11 a thorough review of all of the capital
12 construction projects. This is being one of them.
13 And I evaluated both budget and schedule. And
14 after a pretty exhaustive and thorough review, we
15 have, in effect, determined a range. And this was
16 presented in, I think, June or July, I don't
17 remember exactly of 2009 to the--July, to the
18 Board.

19 And at that time we have
20 established a range that was really due to the
21 potential risks in the project. These are
22 projects that entail great risks. And we have
23 then within that range, we have pinpointed a
24 number that we felt comfortable that we can
25 deliver. And that's how the \$4.451 billion was

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arrived at.

Now. If you ask the reasons that that happened, there are many. And some of them have to do with unexpected conditions such as the geo-technical and others, as well as schedule delays, the fact that we had to repackage. I don't know to what extent you remember that there was a Blue Ribbon Panel Committee that was formed in order to advise MTA how to repackage their contracts, that we lowered the costs. We started to build at a time where there was an overheated construction market and everything was coming up higher than what was estimated to be. That quite frankly is the opposite now, we are kind of getting better pricing.

So all of these things together led us to reevaluate both the schedule and the budget. I would say to you that sometimes one tends to be very aggressive on schedule and optimistic as to what the price will be. And I believe that that happened. And we established more realistic dollar figures as well as schedule that we believe we can deliver. And I have said it and was very clear that you can, you know, I said that I can be

1
2 held accountable for delivering that at that
3 particular level.

4 So I still say the same thing. And
5 I look forward to delivering the project and be
6 one of the people that can cut the ribbon on that.

7 CHAIRPERSON VACCA: Is December
8 2016 the drop dead date for completion of this
9 job? Is that--

10 MR. HORODNICEANU: [Interposing]
11 You're telling me if I'm going to drop dead by
12 then.

13 CHAIRPERSON VACCA: No. I--never.
14 Is that set in stone?

15 MR. HORODNICEANU: That's set as
16 far as I'm concerned in stone. But as much as, so
17 you should understand one thing, we have a variety
18 of factors that many times are unanticipated. And
19 at this time, yes, the date is holding and we are
20 doing our best to make sure that that's there.
21 Can I tell you that absolutely there will be no
22 delays and I will put my life on the line on that?
23 The answer is no because sometimes you do not know
24 what you find.

25 And I'll give you an example of

1
2 what we found lately is that around 91st Street, we
3 found that the quality of the rock was poor and we
4 needed to, we now are going to freeze the ground
5 in order to allow the TBM to go through. That
6 necessitated for us to restructure the whole
7 schedule to move the TBM that was supposed to
8 first go through the eastern tunnel to the western
9 tunnel. So these are things that we cannot
10 anticipate quite frankly. I don't have x-ray
11 vision to know what we're going to find in the
12 ground when it's there. So that was unfortunate
13 and we hope that this will not happen.

14 But at the same time I will give
15 you good news that we just opened the bids for the
16 72nd Street and they are very competitive, well
17 within our original estimates, engineer's
18 estimates. So that's extremely good news.

19 So, you know, in terms of cost it
20 seems like it's going to be holding, in terms of
21 schedule, we are committed to the 2016 and we
22 believe that we'll finish it then. It's a very
23 high probability for us to finish that.

24 CHAIRPERSON VACCA: Okay. Council
25 Member Diana Reyna.

CHAIRPERSON REYNA: Thank you Mr. Chair. I just wanted some clarification. As you were explaining to our Chair concerning the cost of construction and, you know, during an elevated cost of doing construction, the economy at a boom, there were certain price ranges that came in that you have since then revisited.

MR. HORODNICEANU: Yes. We are, in actuality we are revisioning it because we are getting bids that are better--

CHAIRPERSON REYNA: [Interposing] Right.

MR. HORODNICEANU: --and this is not only here. This is throughout the City on all our projects.

CHAIRPERSON REYNA: No, and it's to be commended. I'm just trying to understand what was the cost savings or what is the cost savings?

MR. HORODNICEANU: These are primarily future cost savings that we expect to have. And what we have done here was also when you get a better price you're actually better able to have an assurance that you will finish within the budgeted amount of dollars. It is not that we

1
2 are creating savings that we can now use to do
3 other things. It's not happening that way. It is
4 the fact that we have a higher probability and
5 more assurances that we'll finish within the
6 budget and in this particular case the answer is
7 yes we are.

8 CHAIRPERSON REYNA: So the better
9 pricing is not necessarily a cost in operation
10 construction dollars that you're essentially
11 saving on but rather...

12 MR. HORODNICEANU: No, let me just...
13 'cause I think that there is potentially--we have
14 a lot of projects still to bid.

15 CHAIRPERSON REYNA: Um-hum.

16 MR. HORODNICEANU: Okay. And we
17 also, every project that we have, has not just the
18 hard dollars for construction but--

19 CHAIRPERSON REYNA: [Interposing]
20 Um-hum.

21 MR. HORODNICEANU: --since we do
22 encounter lots of issues, we have contingency
23 dollars on every contract. We have escalation
24 costs. We have soft costs. We have management.
25 We have many, many...

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CHAIRPERSON REYNA: Related?

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MR. HORODNICEANU: Components.

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CHAIRPERSON REYNA: Um-hum.

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MR. HORODNICEANU: That make our

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budget. So when we do get a good bid.

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CHAIRPERSON REYNA: Um-hum.

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MR. HORODNICEANU: Okay. That is

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within the engineering estimate or just below, it

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reinforces for us the belief that we will stay

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within the budget. This is not money--

12

CHAIRPERSON REYNA: [Interposing]

13

You're not renegotiating past contracts--

14

MR. HORODNICEANU: [Interposing]

15

That is impossible to renegotiate past contracts.

16

That's why--

17

CHAIRPERSON REYNA: [Interposing] I

18

just needed that clarification--

19

MR. HORODNICEANU: [Interposing]

20

Yes.

21

CHAIRPERSON REYNA: --I was--

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MR. HORODNICEANU: [Interposing]

23

Absolutely.

24

CHAIRPERSON REYNA: Understanding

25

the opposite--

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MR. HORODNICEANU: [Interposing]

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No, no.

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CHAIRPERSON REYNA: --and so--

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MR. HORODNICEANU: [Interposing]

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We're not.

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CHAIRPERSON REYNA: --I was up for

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joy. But, you know, as far as the cost of an

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additional billion dollars being poured into the

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projects it was contradictory so that I wasn't

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clear. I wanted to just understand the initial

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date of completion communicated to the small

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business, what was that?

14

MR. HORODNICEANU: I think there

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were a number but the last time I think it was

16

2015 before I actually announced the end of 2016.

17

That's my recollection. I think it was in

18

February of 2008, I believe, or something like

19

that.

20

CHAIRPERSON REYNA: Well I know

21

that there was a press release in April of 2007

22

announcing the groundbreaking of Phase 1. And

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then, you know, where a completion date on that

24

press release announced a 2013--

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MR. HORODNICEANU: [Interposing]

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Right--

CHAIRPERSON REYNA: --completion
date.

MR. HORODNICEANU: --and then there
are subsequent changes to that.

CHAIRPERSON REYNA: And, you know,
for the value of operating a business on what is
considered to be the corridor of 2nd Avenue,
businesses obviously investing in the 2nd Avenue
corridor or operating their small business on 2nd
Avenue--

MR. HORODNICEANU: [Interposing]
Um-hum.

CHAIRPERSON REYNA: --are working
around this particular time line. So I'm just
trying to understand, you know, correct me if I'm
wrong, the date has changed 4 times since then.

MR. HORODNICEANU: And we're
expecting that to change again.

CHAIRPERSON REYNA: And in the
meantime how many small businesses do you believe
have closed their doors since the press release
announcement in 2007?

MR. HORODNICEANU: I'm sorry.

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Could you repeat that please?

CHAIRPERSON REYNA: How many small businesses?

MR. HORODNICEANU: Yeah?

CHAIRPERSON REYNA: On 2nd Avenue have closed their doors since the press release announcement of April of 2007?

MR. HORODNICEANU: I do not know the exact number. So I...

CHAIRPERSON REYNA: Does anybody know?

MS. LOIS TENDLER: There's also-- there definitely has been turnover in stores. I know one business that recently turned over. I mean that stores have closed--

CHAIRPERSON REYNA: [Interposing] If you can identify yourself Lois. Thank you.

MS. TENDLER: --oh, I'm Lois Tandler, I'm Vice President of Government and Community Relations at New York City transit.

CHAIRPERSON REYNA: Thank you.

MS. TENDLER: There has been turnover in stores. I would remind the Committee as you well know this happens to coincide with the

1
2 recession that's been going on. There's been
3 turnover in stores. Some new people have come in
4 thankfully, aware of the construction outside
5 their front door because they can't avoid seeing
6 it.

7 I would also, to your other point,
8 Councilwoman, say that as soon as--every time the
9 date for completion is changed as soon as we knew
10 it was changing we communicated that as widely as
11 we could.

12 CHAIRPERSON REYNA: And I can
13 appreciate that. And I know that the enthusiasm
14 from the public answered a question that perhaps
15 they're monitoring. But I would like to know as
16 far as the MTA is concerned who is monitoring
17 every business that is closing down due to..

18 MR. HORODNICEANU: [Interposing]
19 Number one--

20 CHAIRPERSON REYNA: --related or
21 unrelated, nevertheless, compounded by the
22 construction of the 2nd Avenue Subway line.

23 MR. HORODNICEANU: I do not believe
24 that we are doing that. And this is something
25 that it happens throughout the City and we do have

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construction going on in many locations. Yes
indeed here is a very--

CHAIRPERSON REYNA: [Interposing]

You, you've mentioned in your testimony that
you've employed a full time public outreach
person.

MR. HORODNICEANU: That's correct.

We are.

CHAIRPERSON REYNA: Is this

person's role including communicating to small
businesses?

MS. TENDLER: Yes.

MR. HORODNICEANU: Continuously.

CHAIRPERSON REYNA: And therefore

would have the ability to monitor what business is
no longer there.

MR. HORODNICEANU: Potentially we

can do that. I'm not at this point--

CHAIRPERSON REYNA: [Interposing]

And that is not asked of today?

MR. HORODNICEANU: No because quite

frankly business close and open for a variety of
reasons. In the midst of the construction, when
we look at a building that is actually flanked to

1
2 the right and left of buildings that have had
3 problems, structural problems going back to 2006,
4 someone decided to actually, right now, open a new
5 business, I think it's a restaurant, in the 90s on
6 the east side of--so quite frankly these are
7 business-related things. And that we are
8 monitoring to see what we can do to help.

9 CHAIRPERSON REYNA: But how do you
10 monitor how you're going to help them if you don't
11 know what are the businesses that perhaps are
12 struggling and on the verge of shutting down and
13 the monitoring aspect of what businesses exist in
14 relation to how to assist them is necessary?

15 MS. TENDLER: We, as Dr.
16 Horodniceanu said in his testimony, we are very,
17 very actively involved with the 2nd Avenue Business
18 Association. We meet regularly with them. We
19 also walk the site on a daily basis. So we see
20 what stores are actually there or not. We know
21 all the landlords and we know all the business
22 operators. They know how to reach us. We know
23 how to reach them. We hear about issues as they
24 come up, whether as we cited in the testimony--

25 CHAIRPERSON REYNA: [Interposing]

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I'm very happy to hear that--

MS. TENDLER: --you know, if a store goes out and a new store comes in, for instance, we will be out there asking for the logo to replace the signage. So--

CHAIRPERSON REYNA: [Interposing]
And so if I can just get an answer to my question as far as the MTA monitoring, what you have already stated are ongoing discussions, very closely with the organization, the association of small businesses on the 2nd Avenue, as to how many businesses have closed, displaced or forced to relocate as a result of the construction.

MR. HORODNICEANU: Well we would have really no knowledge that they close as a result of the construction, with all due respect. We are, there is a combination of factors here. And there are businesses that have closed around 1st and 3rd Avenues that potentially they have nothing to do with construction. So my point here is that while we are very sympathetic and we are going to be working and continue to work with the business along 2nd Avenue to make sure that they prosper and we mitigate any impacts, we have no

1 way to determine which business closes and why.
2
3 Sometimes there are issues that the rents are
4 being renegotiated, there are many reasons why a
5 business sometimes just businesses run out of
6 their, you know, natural cycle. And we have no
7 way of determining why a business closes.

8 CHAIRPERSON REYNA: Well for the
9 sake of just expressing to the Committee what type
10 of assistance has been granted to these
11 businesses. Can you express to us how are you
12 assisting, you know, through the association or
13 otherwise, small businesses. And in relation to
14 the option of relocating.

15 MS. TENDLER: As we said in the
16 testimony, we're a public agency and we cannot
17 provide direct financial assistance to these
18 businesses. These businesses can remain open for
19 business. It's not like a rezoning where
20 somebody's zoned out and therefore forced to
21 relocate. Albeit they're opened with much--

22 CHAIRPERSON REYNA: [Interposing]
23 That's a correction. You don't need to move your
24 business when you're rezoned--

25 MS. TENDLER: [Interposing] Sorry.

1
2 CHAIRPERSON REYNA: --you can
3 remain but for the purposes of understanding what
4 a rezoning can do to a business, further
5 exacerbating the cost of doing business in that
6 area, there is an acknowledge that displacement
7 will soon be a factor. And so this particular
8 issue concerning displacement of businesses due to
9 related construction where their frontage,
10 visibility, and other elements are affecting doing
11 business.

12 MR. HORODNICEANU: We are
13 acknowledging the fact that construction impacts
14 not only businesses but residents and the quality
15 of life. This is a fact. And unfortunately no
16 construction can be done without an impact.
17 That's an unfortunate thing. Yet at the end of
18 the day this area is going to be much better for
19 actually suffering through it than others because
20 we're providing the type of transportation that
21 many people would like to have at their front
22 door.

23 Coming back to that I'm going to
24 just try to summarize what we're doing. We are
25 building the 2nd Avenue. And in the process what

1
2 we're doing is communicating with businesses,
3 trying to make sure that to the extent possible we
4 are allowing their visibility, to maximize their
5 visibility by putting signs, by putting their
6 names, by the way, some businesses do not want
7 that, I want you to know that.

8 CHAIRPERSON REYNA: Um-hum.

9 MR. HORODNICEANU: So refused to do
10 that. But we are doing everything possible to
11 make sure that these businesses are being
12 actually, we are providing the necessary
13 visibility for them to continue to stay in
14 business. We are actually, we are doing the
15 Campaign of Shop 2nd Avenue, we are helping with
16 that. We are using our website to provide
17 information. Again, we are not in a position to
18 provide any financial help. But what we can do is
19 provide information, and help in actually making
20 sure that we keep the site clean. But there are
21 things that we cannot do and there are things that
22 we can do.

23 So I'm trying to just to make sure
24 because we are limited by the fact that we are a
25 governmental entity of basically helping but we

1 cannot provide financial support.

2 CHAIRPERSON REYNA: So obviously
3 the discussion of exploring the possibilities of a
4 relocation fund would not be of an option for the
5 MTA to assist these businesses--
6

7 MR. HORODNICEANU: [Interposing]
8 That's correct. It is not.

9 CHAIRPERSON REYNA: And as far as
10 claims are concerned for compensation, how are--

11 MR. HORODNICEANU: [Interposing] As
12 far as who?

13 CHAIRPERSON REYNA: Claims.

14 MR. HORODNICEANU: Claims, yes.

15 CHAIRPERSON REYNA: In reference to
16 compensation, how is a claims process verified and
17 is a claims--does a claims process--

18 MR. HORODNICEANU: [Interposing]
19 What do you mean by a claims process? I'm not
20 sure I understand.

21 CHAIRPERSON REYNA: A business
22 argues that fact that the MTA is responsible of
23 the shutting down of its business.

24 MR. HORODNICEANU: It's, you know,
25 this is a supposition that MTA is responsible for

1 that. And there are, I'm sure, ways of people
2 doing that, but this is not a, you know, there are
3 people that are litigating against us and these
4 are things in litigation and I'm not at liberty to
5 discuss litigation. But the point is that we are
6 not going to look at claims unless there is a
7 claim related to something that we have done. And
8 whenever something like this did happen, we have
9 actually stepped forward and fixed it. If it was
10 a connection that was severed because of
11 construction or water or gas or electric, we fix
12 it--
13

14 CHAIRPERSON REYNA: [Interposing]

15 How many of those incidents have occurred?

16 MR. HORODNICEANU: I don't know
17 exactly.

18 MS. TENDLER: We can certainly
19 provide you with that number. I think it should
20 be interesting to note that the MTA does not pay
21 out claims anywhere for any of our construction
22 for lost revenue. So I understand the great
23 impact faced by 2nd Avenue during the construction
24 of this project. It's not dissimilar to an impact
25 on Lafayette Street where we're rebuilding the

1
2 Broadway/Lafayette station. Just as a general
3 rule we do not pay for lost business.

4 CHAIRPERSON REYNA: And so there is
5 no alternate avenue for the business to
6 participate in a claims process.

7 MR. HORODNICEANU: Not that I know.
8 I mean, you know, there are always the legal route
9 but that's about it.

10 CHAIRPERSON REYNA: Thank you very
11 much. For the sake of just having members such as
12 the representative of this District, I will defer
13 my questions for a second round. Thank you so
14 much Mr. Chair.

15 CHAIRPERSON VACCA: Thank you.
16 There was a ruling in 2009 that the MTA received
17 regarding adequate housing for displaced tenants.
18 Did you come up with a plan as a result of that
19 ruling in 2009?

20 MR. HORODNICEANU: What I do know
21 that we're talking about the people that we
22 displaced because of the acquisition, real estate
23 acquisition, we have in effect 48 residential
24 units that we needed to relocate. 46 have been
25 successful relocated. The 2 remaining tenants, 1

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2 has agreed to relocation and we are working with
3 the other to resolve any outstanding issues.

4 So at this point most of the
5 tenants that have been relocated from the 6
6 buildings that we have acquired, which is the
7 great majority, 2 out of 48 are still left, 1 is
8 done already and they area completing the
9 paperwork and 1 is still actually, we're resolving
10 issues that may be resolved potentially in a court
11 action for 1 tenant.

12 CHAIRPERSON VACCA: And small
13 businesses, you've not relocated anyone basically.

14 MR. HORODNICEANU: I'm sorry, yes
15 we did. And I can tell you what we have done. On
16 96th Street we had 2 businesses that we relocated
17 and it was completed. The Century Lumber and the
18 Rainbow Hardware. At 86th Street we have ongoing
19 commercial relocation for 3 businesses. That as
20 not yet been completed. At, I'm looking here, and
21 then at 72nd Street we have completed relocations
22 of 3 businesses. And we have ongoing relocation
23 for 1, 2, 3, 4, for another 5 businesses. [Off
24 mic] Right. Right. Just so you understand.
25 There are 2 types of takings that we have.

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2 One we have a building, a fee
3 taking, that means we condemn the building and
4 some others that we actually get a permanent
5 easement. And these are different. So the one
6 that we go into a permanent easement, it's a
7 different type of relocation that goes on.

8 CHAIRPERSON VACCA: These are
9 businesses that were in residential buildings, am
10 I correct? So therefore when you located, when
11 you relocated the residents in the building there
12 may have been a business down below?

13 MR. HORODNICEANU: No. There are
14 businesses.

15 CHAIRPERSON VACCA: Separate from
16 that?

17 MR. HORODNICEANU: Yes. Because in
18 many instances what we do is in order to
19 accommodate an entry point, we may actually get an
20 easement. The easement may go through a store as
21 an example. And that was the case with the
22 Rainbow Hardware when we actually did not need to
23 take the building, we needed just the ability to
24 enter through the store so that's when we
25 relocated that.

2 CHAIRPERSON VACCA: Also how many
3 buildings have been torn down or are slated to be
4 torn down.

5 MR. HORODNICEANU: Torn down?
6 There are 6 that--not all of them are torn down
7 but there are 6 buildings altogether.

8 CHAIRPERSON VACCA: That are slated
9 to be at a certain point?

10 MR. HORODNICEANU: Yes.

11 CHAIRPERSON VACCA: In the next
12 year or 2 are we talking or what's the timetable
13 you're talking--

14 MR. HORODNICEANU: [Interposing]
15 Probably. In a couple years, yeah.

16 CHAIRPERSON VACCA: And those
17 tenants will be relocated--

18 MR. HORODNICEANU: [Interposing]
19 They are. They have been relocated.

20 CHAIRPERSON VACCA: They have been
21 relocated but you have not gotten to demolishing
22 the building.

23 MR. HORODNICEANU: That's correct.

24 CHAIRPERSON VACCA: Okay.
25 Councilman Garodnick.

2 COUNCIL MEMBER GARODNICK: Thank
3 you very much Mr. Chairman. Most of my questions
4 focus on the impact on businesses and residents.
5 But I just wanted to follow up on a question which
6 Chair Vacca asked you before which was on the
7 subsequent phases of the project.

8 We know that we're in Phase 1 and
9 ordinarily a 2nd phase does not start until the 1st
10 phase is either fully funded or completed. I
11 guess my 1st question for you is which is it? A 2nd
12 phase cannot start until the 1st one is fully
13 funded or until it is completed?

14 MR. HORODNICEANU: I think that a
15 2nd phase could start before something is completed
16 but for sure will not start if 1 is not fully
17 funded. Because you want to finish what you
18 start. In this particular case we are fully
19 funded for Phase 1 but at this point the next
20 capital program is not going to start before 2015.
21 And at that time one would make judgment as to
22 what are the most pressing needs for capital
23 construction for MTA, at which point a decision
24 will be made to go forward with additional phases
25 or not. I can't predict that.

2 COUNCIL MEMBER GARODNICK: Okay.

3 In your testimony you describe the 2nd Avenue
4 Subway as a planned 8.5 mile line from 125th Street
5 down--

6 MR. HORODNICEANU: [Interposing]

7 That's--

8 COUNCIL MEMBER GARODNICK: --from
9 Hanover, from Harlem down to Hanover Square.

10 MR. HORODNICEANU: That's correct.

11 COUNCIL MEMBER GARODNICK: So let's
12 just think about the best case scenario for a
13 moment so that New Yorkers can understand what to
14 expect. Because we know that this is a long, slow
15 process. We've been talking about it since--well
16 they've probably been talking something of this
17 type, right from the point when--

18 MR. HORODNICEANU: [Interposing] 81

19 years.

20 COUNCIL MEMBER GARODNICK: 81

21 years. I guess you have the 1st moment it was
22 uttered out of anybody's lips. So we understand
23 that this is long and complicated--

24 MR. HORODNICEANU: [Interposing]

25 Right.

2 COUNCIL MEMBER GARODNICK: --and
3 you talked about the built environment and we get
4 that. So if Phase 2 is not in the capital plan
5 that ends in the year 2014.

6 MR. HORODNICEANU: Um-hum.

7 COUNCIL MEMBER GARODNICK: And the
8 earliest that Phase 2 could potentially be funded
9 in any capital plan would be in one starting 2015
10 to 2019, is that the earliest, best case scenario.

11 MR. HORODNICEANU: The best case
12 scenario, yes.

13 COUNCIL MEMBER GARODNICK: And if
14 it was, let's say, fully funded in that capital
15 plan between a combination of Federal and State
16 sources, at what point could Phase 2 physically
17 commence?

18 MR. HORODNICEANU: The first thing
19 that you need to do is to complete the final
20 design and that's not there yet. So that is a
21 process that will take, I would say to you, two to
22 three years by the time this is done.

23 COUNCIL MEMBER GARODNICK: Do you
24 need to have Phase 2 fully funded before final
25 design is done? Or can you finalize design for

1
2 Phase 2 now before all of the funding is in place
3 for Phase 2--

4 MR. HORODNICEANU: [Interposing]
5 Here's what happens when you start sometime and
6 then you pause. It's hard to believe but designs
7 get stale. Various things change. Physical and
8 as well as the specifications change. Science
9 moves forward and we change the way we do
10 business. It used to be that you ventilated the
11 subways by having grates on the sidewalk. No
12 longer acceptable. Now we have to have buildings
13 that hold ventilation equipment that will actually
14 comply to standards that are very different.

15 So if you design it too early and
16 you stop, you're going to have to start from
17 scratch. You don't want to do that.

18 COUNCIL MEMBER GARODNICK: So it
19 would be the view of the MTA that you should not
20 finalize designs until it is fully funded, is that
21 right?

22 MR. HORODNICEANU: Until that phase
23 is funded, that's correct.

24 COUNCIL MEMBER GARODNICK: Okay so
25 let's say that in 2015 it's funded and then it

1
2 takes 2 to 3 years to be able to complete final
3 designs. Let's call it 2018, you're able to start
4 work on Phase 2? Again I'm asking you best, best,
5 best case scenario.

6 MR. HORODNICEANU: Oh I will not
7 give you best, best, best because this is what--

8 COUNCIL MEMBER GARODNICK:
9 [Interposing] How about just best?

10 MR. HORODNICEANU: --the pitfall.
11 You know, and I would excuse myself that I'm not
12 going to kind of play along here. One of the
13 issues that happens is that we are extremely
14 optimistic as to how we plan it. And then a date
15 comes out of my mouth and then Ms. DiMarco
16 [phonetic] that sits there in the audience will
17 write about it in the newspaper and that now
18 becomes the thing to measure against.

19 And that's very dangerous. Because
20 when I say it will take two to three years to
21 design, that's fine. But now you have to take the
22 design, you now have to go out and get bids. You
23 have to break it up. You have to have the
24 funding. You have to decide and you have to
25 discuss things with the community. There are many

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things that go along that.

So we are talking amount in the Phase 2 to build in effect 3 new stations. Remember 1 thing that is very important, everything that has been built north of 100th Street is cut and cover. This is the most disruptive way of building in today's day and age in a very dense, urban area. So you're not, this is not TBM. You're going to go in there and open the road. Move utilities to the left and right. If you look to see how long it took us to build the launching box at 90th Street and put the utilities to the left and right, that alone, before we were even able to start doing something was about 2.5 years, just to move the utilities around.

And that was actually pretty good given the fact that we're able to get DEP's cooperation and we're able to find the proper windows of opportunity because you have to think about when you cut the water supply and what do we do then. And so what I would say to you that if you were going to look--it's really, in my view, it would be irresponsible for me to give you a

1
2 date off the cuff. I think that if you really
3 want to know a date I will go back and we will be
4 able to look at it and come back to you with an
5 answer but giving you just my best guess, it will
6 be just not appropriate on my part.

7 COUNCIL MEMBER GARODNICK: Okay.

8 Well I would like you to do that if--

9 MR. HORODNICEANU: [Interposing]

10 Okay.

11 COUNCIL MEMBER GARODNICK: --you're
12 willing. We appreciate it. And the reason I ask
13 is not to--

14 MR. HORODNICEANU: [Interposing]

15 No, no.

16 COUNCIL MEMBER GARODNICK: --for
17 you to play along but really because obviously
18 people realize that projects get delayed and
19 designs--

20 MR. HORODNICEANU: [Interposing]

21 Absolutely.

22 COUNCIL MEMBER GARODNICK: --get
23 stale and it's a built environment. And then that
24 Phase 2 is done in a very different way than Phase
25 1 would be. So I think it's reasonable for New

1
2 Yorkers to have a sense about what is in store and
3 what comes next.

4 MR. HORODNICEANU: Yes.

5 COUNCIL MEMBER GARODNICK: I think
6 I now understand the answer to this question that
7 I'm about to ask but you'll just correct--

8 MR. HORODNICEANU: [Interposing]
9 Okay.

10 COUNCIL MEMBER GARODNICK: --me if
11 I'm wrong. There are a few pieces, as you noted,
12 between 99th Street and 125th Street which are
13 already built.

14 MR. HORODNICEANU: That's right.

15 COUNCIL MEMBER GARODNICK: Now they
16 were done by just going into the ground directly
17 and then covering it up, is that right?

18 MR. HORODNICEANU: That's correct.
19 Cut and cover.

20 COUNCIL MEMBER GARODNICK: So there
21 was no scenario in which a tunnel boring machine
22 was ever involved because if it were you would not
23 have 5 blocks here, 5 blocks there.

24 MR. HORODNICEANU: That's correct.

25 COUNCIL MEMBER GARODNICK: Okay.

1
2 And Phase 2 is planned to go 96th to 125, is that
3 because of the existence of those portions that
4 are there or was there another rationale for that?

5 MR. HORODNICEANU: Well I would say
6 to you that that's one rationale is because we
7 have pieces that were built. But the second one
8 that's a logical connection to something that
9 already operates, so if you do it, you're
10 expanding an existing service that will have
11 between 96th going all the way downtown and going
12 to 63rd and then going onto the West Side to 125th
13 Street.

14 While if you start going with the
15 TBM further down, that will not connect up to
16 anything at this point. So that's a longer, more
17 expensive endeavor. And I think that, you know,
18 in this case what you want to do is to have an
19 early success. So once you do Phase 1, that
20 connects this particular stretch, then you can
21 latch onto the second one that is to the north of
22 it that in effect will give you a starting point
23 that we all want it to be at 125th Street. So it
24 makes more sense in terms of service.

25 COUNCIL MEMBER GARODNICK: And the

1
2 tunnel boring machine goes down to 63rd, comes back
3 out, when you're done with that, goes into
4 storage, and then comes back around for Phase 3?

5 MR. HORODNICEANU: No, not really.
6 Huh, the way it will work is that it will go down
7 and then we'll pull it back and we'll take it out
8 and by the way the TBM does belong to the
9 contractor. And just for the record, this is the
10 same machine although totally rebuilt that dug the
11 63rd Street tunnel in the late 70s.

12 So they do have a utilitarian role.
13 They come back and they reincarnate themselves.
14 Yet it's just the skeleton, the rest is all new.
15 Because after every job they get refurbished
16 totally so.

17 COUNCIL MEMBER GARODNICK: But the
18 point is after Phase 1, tunnel boring machine is
19 out.

20 MR. HORODNICEANU: Right.

21 COUNCIL MEMBER GARODNICK: At some
22 point MTA proceeds northbound.

23 MR. HORODNICEANU: Right.

24 COUNCIL MEMBER GARODNICK: And then
25 to the extent that Phase 3 ever come to be, tunnel

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boring machine is reintroduced.

MR. HORODNICEANU: That's correct.

COUNCIL MEMBER GARODNICK: Does it
get reintroduced back in 92nd Street or somewhere
south--

MR. HORODNICEANU: [Interposing]

No, no, no.

COUNCIL MEMBER GARODNICK: --or 63rd
Street or somewhere like that.

MR. HORODNICEANU: We definitely do
not want it. We want the service. Once the
service is in place we're having a subway. And
once we are moving the machine out hopefully in
the 2012, the machine, no actually, when is the
machine out actually? 2011? [off mic] The 2011,
the machine is going to be out of the tunnel.

Then at that point we're finishing
the tunnels. We're putting systems in place. So
at that point we are actually building and
finishing the stations in the tunnel for future
service. Most probably when we're going to go
south of 63rd, we are actually preparing right now
the connection. It was the direction. We are
providing the Y to continue south to 63rd Street,

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part of this contract. And that will continue when we have the funds to do Phase 3.

COUNCIL MEMBER GARODNICK: I see.

So what you're saying is you just go a little further than 63rd Street to start the process. It is far enough to be able to introduce a new tunnel boring machine--

MR. HORODNICEANU: [Interposing]

Eventually.

COUNCIL MEMBER GARODNICK: --at

some point in the future?

MR. HORODNICEANU: At some point in

the future yes.

COUNCIL MEMBER GARODNICK: Okay.

But it is enough space to be able to--

MR. HORODNICEANU: [Interposing]

Well, yeah, yeah, well some of it can be done, shoot and blast. Some of it. It's a combination of things and the decision as to how to go normally is made based on what's more economical at the time depending on the geo-technical, a lot of issues that come into play. But the bottom line is that at that time we're going to be somewhat submerged. It means we're going to be

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underground still so.

COUNCIL MEMBER GARODNICK: I noted from your testimony as well as Vice President Tendler's testimony that the MTA does not do compensation for lost business.

MR. HORODNICEANU: That's correct.

COUNCIL MEMBER GARODNICK: Does the MTA have any position on whether the State should either direct grants or tax breaks or other accommodations for businesses in these construction zones?

MR. HORODNICEANU: I, in this particular case, I'm sorry, I do not think that we're going to take any position on that. That's really solely the discretionary--at the discretion of the legislators in the State to decide if they want to fund it or not.

COUNCIL MEMBER GARODNICK: So it's not something that you would be opposed to, it's just not something that you do.

MR. HORODNICEANU: Um-hum.

COUNCIL MEMBER GARODNICK: Is that right?

MR. HORODNICEANU: No just to

1
2 mention that we did oppose it when the last time
3 this came around. And while the intention of the
4 bill we believe that was introduced was valuable,
5 it sets a very dangerous precedent in regard of
6 how New York State will maintain its aging
7 infrastructure. I can tell you there are many
8 roads, not only--forget about subways. Roads that
9 impact neighborhoods when they're built. Bridges
10 that need to be rehabilitated.

11 And if every time that that happens
12 we'll have to provide a, I guess, I don't know the
13 word, a subsidy, but provide money to the
14 businesses that are being affected, we'll never be
15 able to improve our infrastructure. This is not
16 how things are done. And in the City it's the
17 same thing. And I've done the capital work for
18 the City in the 80s so I know.

19 COUNCIL MEMBER GARODNICK: I happen
20 to agree with your first answer which is the MTA
21 probably should allow the legislature to make a
22 call like that because obviously there are
23 different types of infrastructure projects. And I
24 agree with you. For the City or State to provide
25 compensation in every situation would probably

1 disallow any infrastructure project to proceed.

2 But this is a different sort of project in my view
3 of the specific issues that you were describing at
4 the outset and the built environment and the fact
5 that all of the businesses and residences are in
6 such close proximity to one another.

7
8 But let me ask you think. I think
9 you may have answered it before but I just want to
10 be clear. The MTA has not endeavored to calculate
11 harm to businesses in this context, is that
12 correct?

13 MR. HORODNICEANU: Actually from
14 the time I'm here I do not believe that I have
15 seen that. Although I am sure that the
16 Environmental Impact addressed economic impacts
17 and benefits--

18 COUNCIL MEMBER GARODNICK:
19 [Interposing] Anticipated economic impacts--

20 MR. HORODNICEANU: [Interposing]
21 Yes.

22 COUNCIL MEMBER GARODNICK: --is
23 that right?

24 MR. HORODNICEANU: I'm sure that
25 they did as a part of the EIS--

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COUNCIL MEMBER GARODNICK:

[Interposing] But you know of no study that the MTA has done to--

MR. HORODNICEANU: [Interposing]

No.

COUNCIL MEMBER GARODNICK: --

evaluate actual--

MR. HORODNICEANU: [Interposing]

No, no.

COUNCIL MEMBER GARODNICK: --

economic impact. Is that something that the MTA has ever done in any of its projects? To take a look and see what is actually going on, on the ground, as a result of the work?

MR. HORODNICEANU: Since I'm kind of new to MTA I'll ask either Lois or Ronnie? Apparently no.

COUNCIL MEMBER GARODNICK: You have not. Let me go back to the question that Council Member Reyna asked. She asked about general compensation for claims for loss of business, etcetera.

Well let's put aside loss of business or loss of economic activity for a second

1
2 and talk about physical harm. You noted in your
3 testimony that there was an example of somebody
4 who couldn't open their cellar door and that the
5 MTA's constructor actually--contractor actually
6 rebuilt the--

7 MR. HORODNICEANU: [Interposing]
8 Right.

9 COUNCIL MEMBER GARODNICK: --door
10 for them. If there were a situation where a
11 business lost its telephone service or its
12 electricity or something which directly impacts
13 their ability to do business on a daily basis, is
14 there an ability for them to submit a claim to you
15 for compensation for that?

16 MR. WILLIAM GOODRICH: Yes. I'm
17 William Goodrich, the Program Executive for 2nd
18 Avenue Subway. That type of claim where there's
19 physical damage to a third party adjacent to the
20 construction, we do have a process where a third
21 party can open a claim with our insurance company.
22 And they will be compensated for the repairs,
23 either to their building or their utilities.

24 COUNCIL MEMBER GARODNICK: Do you
25 know how many claims have been submitted to your

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insurance company?

MR. GOODRICH: I do not know but we do keep a log with our risk management group of all the active and closed claims.

COUNCIL MEMBER GARODNICK: Do businesses--

MR. HORODNICEANU: [Interposing] We can actually provide you with that information on that--

COUNCIL MEMBER GARODNICK: [Interposing] I would appreciate that. I would appreciate that. And also do the businesses know specifically what the process is for submitting a claim and how have you communicated that to them?

MR. HORODNICEANU: Yes. And do you want to address that?

MS. TENDLER: Yeah. As we've said, we have an onsite person in the field who communicates regularly. And I believe that she has helped process these claims for businesses. We're certainly happy to provide the paperwork and provide some expertise in how to fill it out and check on their status as we go forward.

COUNCIL MEMBER GARODNICK: Is there

1
2 a flyer or anything that describes for businesses
3 what they should do in the event that their, you
4 know, their Verizon goes out or their power goes
5 out or something? Does that exist?

6 MR. HORODNICEANU: Apparently it
7 does.

8 COUNCIL MEMBER GARODNICK: Okay.
9 Well if you wouldn't mind, just as a courtesy to
10 the electeds, we probably have it already, at some
11 point but if--

12 MR. HORODNICEANU: [Interposing]
13 We'll get you a copy.

14 COUNCIL MEMBER GARODNICK: --you
15 could just send us an extra copy, we all--

16 MR. HORODNICEANU: [Interposing]
17 Absolutely.

18 COUNCIL MEMBER GARODNICK: --have
19 summer interns coming this summer. We can send
20 them out to the businesses and have them see what
21 exactly--

22 MR. HORODNICEANU: [Interposing] Be
23 glad to do that.

24 COUNCIL MEMBER GARODNICK:
25 Terrific. And I assume, you don't know off hand,

1
2 the amount that's been paid out in claims from
3 your insurance company.

4 MR. HORODNICEANU: No I do not.

5 COUNCIL MEMBER GARODNICK: Okay.

6 While you're getting--

7 MR. HORODNICEANU: [Interposing]

8 We'll get you that information.

9 COUNCIL MEMBER GARODNICK: Great.

10 The website, the MTA website, regarding progress
11 of construction, how often is that updated?

12 MR. HORODNICEANU: Every three
13 weeks we update the construction.

14 COUNCIL MEMBER GARODNICK: You
15 noted the work hours and then the work under the
16 decking, the underground work.

17 MR. HORODNICEANU: Um-hum.

18 COUNCIL MEMBER GARODNICK: And the
19 different timeframes for both of those. Are there
20 circumstances in which the MTA has found itself
21 doing above ground work either before 7:00 AM or
22 after 10:00 o'clock PM?

23 MR. HORODNICEANU: I'm sure that
24 there are times that that happened. This is not
25 because we really condone that and the

1
2 contractors, in the event that that happened, we
3 would pull them back. And like anything else,
4 it's a matter of our construction manager
5 enforcing the rules. [off mic] Well yeah, I'm
6 actually reminded that we had some deliveries
7 including the TBM that was delivered in the middle
8 of the night, yes. I think 11:00 or 12:00 o'clock
9 at night. And this had to do with the fact that
10 we had limitations in the way such big pieces of
11 equipment can be delivered and we needed to close
12 the road and stuff like that. In fact it was
13 quite a spectacular thing to see. So.

14 COUNCIL MEMBER GARODNICK: Do you
15 get extra--do you need extra permission from the
16 City to be able to do that? Or is that within--

17 MR. HORODNICEANU: [Interposing]
18 Yes we do.

19 COUNCIL MEMBER GARODNICK: --your
20 special--okay. You have any sense as to how many
21 times that has happened?

22 MR. HORODNICEANU: Bill? Do you
23 know? [Off mic] Hum? Yeah, you know, just a
24 few, it's a handful I think that would have
25 happened but not more than that.

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COUNCIL MEMBER GARODNICK: So there's been some discussion among elected officials, the 2nd Avenue Business Association about ways to draw the public's attention to the site. Obviously we want people to appreciate the magnitude of the project and the seriousness of it and the complexity of what you all are endeavoring to do and the importance of it as well as to support the local businesses.

There have been some proposals floating around to either put up photographs on the fencing or even to have some of your workers take their own photographs to be displayed so that people can see what's going on underground. Or alternatively to have a live video camera with a screen up there so that people could--school groups and others could come see what's going on.

The question for you is, is the MTA willing to work--

MR. HORODNICEANU: [Interposing]
We're looking into it as we speak.

COUNCIL MEMBER GARODNICK: Which are you looking into?

MR. HORODNICEANU: What you just

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described.

COUNCIL MEMBER GARODNICK: All of
them?

MR. HORODNICEANU: A lot of it.
Not maybe entirely the way you described it but
yes we are looking into it to be able to provide
you with that ability.

COUNCIL MEMBER GARODNICK: Okay
that's good because one of the ideas that I just
suggested was one which came from a constituent
this morning, one that I had not yet raised with
the MTA. So I'm glad that you're looking into it
already but I hope that we can find ways to
collaborate because the businesses and the
residents really want to make sure that the
neighborhood stays alive and vibrant even during
this difficult period. We want to make sure the
businesses are still around when this is all over.

The last thing that I just wanted
to mention was also, it came to me from a
constituent, about the crosswalk on 92nd and 2nd on
the northeast side and I had seen this myself.
It's very difficult to check for traffic coming
down 2nd Avenue without, you know, being clipped by

1 a car or a truck that's trying to turn left onto
2 92nd Street. So--and I think there's also a
3 storage box over there. So I just ask you to take
4 a look, ask the manager to take a look at what's
5 going on, on that particular corner and see if
6 there's ways for you to increase visibility or if
7 there is in fact a storage box to perhaps move it
8 in a direction that--

9
10 MR. HORODNICEANU: [Interposing]

11 One of the things--

12 COUNCIL MEMBER GARODNICK: --

13 corrects that problem.

14 MR. HORODNICEANU: --that I would
15 encourage the residents in the area to do is to do
16 just what you just mentioned. To point to us, and
17 they can do it through a phone call or through an
18 email, if they do have concerns about safety,
19 about the fact that they cannot make a turn, the
20 fact that our site may not always be pristine the
21 way it should be, that they tell us. And we will
22 act on those things.

23 And in fact this is very important
24 to us to get a feedback from you. Because
25 construction sites, and in this particular case,

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2 when we talk about the upper part of the project,
3 they are particularly impacted because that's
4 everything started and all the muck is going to
5 come out from there. So that's an added impact
6 that they will see in terms of trucks that are
7 coming and going to remove the muck. So that's
8 very important that we understand and we know
9 their concerns so we can address them.

10 COUNCIL MEMBER GARODNICK: And just
11 as the final question, where exactly should they
12 call since this is an opportunity to share that
13 information?

14 MR. HORODNICEANU: They should call
15 212-792-9716, the name of the lady that will take
16 their call is Claudia. Claudia Wilson. We know
17 Claudia Wilson well.

18 COUNCIL MEMBER GARODNICK: Okay
19 terrific. Okay well thank you very much for--
20 there she is.

21 MR. HORODNICEANU: You're welcome.

22 COUNCIL MEMBER GARODNICK: Thank
23 you for your testimony.

24 CHAIRPERSON VACCA: Thank you.
25 Thank you Councilman Garodnick. You had indicated

1
2 before about the tunnel construction being
3 finished in 2011, is that correct?

4 MR. HORODNICEANU: The boring,
5 yeah, yeah--

6 CHAIRPERSON VACCA: [Interposing]
7 The boring for the tunnels.

8 MR. HORODNICEANU: --at the end of
9 2011, yeah.

10 CHAIRPERSON VACCA: So why the
11 delay to 2016? Is the issue here the construction
12 of the subway stations? Is that why we've had
13 that delay?

14 MR. HORODNICEANU: No. When one
15 finishes to bore the tunnel, one needs to finish
16 the tunnel. The tunnel has to be finished, you
17 know, you have to put concrete. You need then to
18 build the stations. You have to put the systems
19 in place. It's a very long process. Just because
20 we have the tunnel doesn't mean we have the
21 subway. We had tunnels, pieces of tunnels built
22 in the 70s and we did not have a subway.

23 So we want to make sure that, you
24 know, people understand that just having the--
25 having the tunnel is a very important component of

1
2 it but then you have to be able to actually finish
3 the work. And the finishes are the ones that
4 probably take the most. Think about a house. You
5 can have it done quickly, the guys that are going
6 to put the 2 by 4's fast. The finishing of the
7 house, everything else including the bathrooms and
8 the kitchen take a long time.

9 CHAIRPERSON VACCA: How long will
10 the construction of the subway stations take at
11 63rd, 72nd, 86th, 96th?

12 MR. HORODNICEANU: I think that
13 we'll [off mic]... [pause] The main construction
14 will be finished by last 2015, early 2016, and
15 then the rest of the time will be for
16 integrations, for systems and other stuff that
17 needs to happen for the train to be able to run.

18 CHAIRPERSON VACCA: I wanted to ask
19 one last question that was on sidewalk cafes.
20 What have they done?

21 MR. HORODNICEANU: What they have
22 done?

23 CHAIRPERSON VACCA: While, in light
24 of the construction, how has that impacted
25 sidewalk cafes, if they basically--

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MR. HORODNICEANU: [Interposing]

Well I think that--

CHAIRPERSON VACCA: --is there compensation for people who cannot have that who had it before?

MR. HORODNICEANU: I believe not. The sidewalk cafes, if I recall properly, are the Consumer Affairs issue that and they can revoke it at any time with no real... reason for it I know.

CHAIRPERSON VACCA: Not that, go ahead, Lois, you want to answer that because I was looking to see what happened--

MS. TENDLER: [Interposing] You say that one of the things that rather than asking Consumer Affairs to revoke all permits for sidewalk cafes when they expired, we've now worked with individual owners and the Department of Consumer Affairs to allow businesses to continue their sidewalk café activity until we actually are at their corner. I believe in Phase 1 if you just give me a second to find a piece of paper I had, there were just a handful of enclosed sidewalk cafes which are the more difficult ones to deal with obviously, it's physical structures. Many

1
2 more unenclosed sidewalk cafes, and at each
3 location we're doing what we can to allow them to
4 sustain that business as long as they can.

5 CHAIRPERSON VACCA: Okay. Council
6 Member Koo.

7 COUNCIL MEMBER KOO: Thank you
8 Chairman Vacca. Thank you Doctor and the staff to
9 come here to testify. My question to you is from
10 the business point, businessman's point of view.
11 I, myself, am a small businessman. I know if I
12 have 2nd Avenue construction right in front of my
13 store I would suffer a lot. Right?

14 First there would be a decrease in
15 pedestrian traffic. Most small business people in
16 the City depend on pedestrian traffic. People
17 don't depend on people driving to their business.
18 So can you tell me like pre-construction and
19 after-construction and how does the construction
20 affect pedestrian traffic? I mean before, say we
21 have 10,000 walking by whatever corner, and now
22 you're doing construction. So do you have a study
23 like how does it affect the pedestrian traffic?

24 MR. HORODNICEANU: I would like to-

25 -

COUNCIL MEMBER KOO: [Interposing]

Because that's critical for businesses to--

MR. HORODNICEANU: --actually break it up into two pieces. We are maintaining, first, the ability of pedestrians to be on either side of 2nd Avenue. Although given the fact that the size of the sidewalk is reduced to 7 feet from I think 15. Something like that. And clearly it makes it a little more difficult for pedestrians to navigate. Yet one of the things that particularly when we talk about the northern part of 2nd Avenue, a lot of the businesses are servicing the local community. And while pedestrian traffic is very important for certain type businesses, some businesses are businesses that are very much in support of the local community. If you have a shoemaker or you have a grocery store or you have a pizza shop this displaces, although very important, they are relying on pedestrian traffic, the people that normally do not come from let's say they just don't stroll in front of your store. It's just the nature of the business.

Since you are representing Flushing I'm sure that you are very much aware of the type

1 of commercial businesses there are. What we are
2 doing, we are trying to provide information to
3 people so they can get to the store that they
4 wanted to go to. These are stores that are
5 servicing the community and we want to make sure
6 that people know that they continue to be in
7 business. They have signs that are along the
8 construction barricades and fences. There are
9 signs that sometimes are put on the canopies that
10 are protecting pedestrians from falling debris.
11 So all of these things are there to be able to
12 inform people of the existence and location of the
13 business, to say that they are in business. And
14 that's how we deal with that. We, quite frankly,
15 cannot take a sidewalk that is 7 feet and make it
16 15. It's just not happening. In the future all
17 the sidewalks will come back and potentially under
18 the new guidelines that City DOT has, the
19 sidewalks could be even a little wider, who knows.

20
21 COUNCIL MEMBER KOO: So are you
22 saying the construction doesn't impact the
23 pedestrian traffic at all?

24 MR. HORODNICEANU: I did not say
25 that. I'm saying that when I take a sidewalk and

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2 I take it from 15 feet down to 7, yes there is an
3 impact to pedestrian traffic. And that's nothing
4 that I can do about it because I cannot build it
5 without that. Yet what I'm trying to say is that
6 the level of service for pedestrians while it's
7 not the same as it was before it's still within
8 acceptable parameters.

9 COUNCIL MEMBER KOO: Can you tell
10 us how important is the impact, we have a decrease
11 of traffic of 10%, 20%, 30% or 50%.

12 MR. HORODNICEANU: I cannot tell
13 you that.

14 COUNCIL MEMBER KOO: Can you do a
15 study on that because that's really easy to do?

16 MR. HORODNICEANU: The reason I
17 cannot do that is because I do not know how many
18 people were on the sidewalk before we started
19 construction.

20 COUNCIL MEMBER KOO: I mean we can
21 take an average on pedestrian traffic on midtown.

22 MR. HORODNICEANU: This is not
23 midtown, Sir. This is really up town.

24 COUNCIL MEMBER KOO: Because
25 unfortunately we have 100,000 people walk on Main

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Street every day--

MR. HORODNICEANU: [Interposing] In
Flushing, this is--Flushing is a unique place in
many ways. I'm there quite often. I've done a
lot of work in Flushing. I know Flushing. So I
can tell you that, you know, it's not Flushing,
let me put it this way.

COUNCIL MEMBER KOO: My second
question is we all know the 2nd Avenue project is
very good for the City. And we all know that if
we don't have short term pain we don't have long
term benefit, right? But in the meantime, how do
we help all these small business people to take
care of their short term pain? You know, if you
have a headache you have to buy two Aspirin to
relieve the pain. Business people are the same.
They have to pay high rent, high utilities. They
still have to pay high wages for the employees
because we are doing business in the City.

So I would love if you cannot
provide the real financial reimbursement for the
loss of business maybe the City elected officials
in the State and we can work together to work out
a plan to how to relieve small business pain, even

1
2 though it's short term. Because sometimes really
3 long though 'cause you said it would take 6 years
4 to complete Phase 1 alone. I don't want
5 construction in front of my business for 6 years.
6 I will close my store before the 6 years ends.

7 MR. HORODNICEANU: You know, quite
8 frankly, yes, no one wants construction in front
9 of their store. I think that it is up to the
10 people, the elected officials representing the
11 public to make a decision as to how these people
12 ought to be compensated and put the resources
13 behind that decision. It's very easy to make a
14 decision that has no resources. It has to be
15 together with the resources to be able to do that.
16 And we at MTA would actually are in the business
17 of providing transportation and building the
18 systems. And we do not have the ability to in
19 fact do anything about compensation to small
20 store owners.

21 COUNCIL MEMBER KOO: No but with a
22 budget of billions of dollars of construction, I'm
23 sure we can allocate a small percentage--

24 MR. HORODNICEANU: [Interposing]
25 Absolutely not Sir. A budget that is billions of

1
2 dollars is as much of a struggle to maintain as a
3 budget of a few hundred thousand dollars because
4 it's the way things are happening. It just-

5 COUNCIL MEMBER KOO: [Interposing]
6 Because I'm sure we don't--

7 MR. HORODNICEANU: --we don't have
8 billions of dollars just because we want it and
9 someone decided to give us billions. Believe me,
10 it's not easy to get money and we have to justify
11 every penny. And we have done that. And
12 sometimes you have asked why we went from \$3.8 to
13 \$4.451, well, this is one of those things. And
14 it's because that's what the cost of doing
15 business is.

16 COUNCIL MEMBER KOO: Maybe you can
17 ask those contractors who do business with the
18 tunnel to contribute a fraction of the profit for
19 community.

20 MR. HORODNICEANU: I have yet to
21 meet a contractor that will--

22 COUNCIL MEMBER KOO: [Interposing]
23 Because I'm sure they make a lot of money from the
24 contract.

25 MR. HORODNICEANU: You know,

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2 contractors are low bids. You put a low bid, you
3 win it. And sometimes you lose money on the
4 contract. Sometimes you make money on the
5 contract. We are not in the business of judging
6 what contractors make or not make. And we're not
7 in the business of asking them to make financial
8 contributions. It's just not the way it works.

9 COUNCIL MEMBER KOO: I'm sure if we
10 work together with the legislature we can come up
11 with a plan--

12 MR. HORODNICEANU: [Interposing]
13 Just in general, so I would mention, in fact, you
14 have not been familiar with the contractor
15 industry, if you put additional restrictions on a
16 contract, they will then, in their bids, put
17 enough money to cover whatever you're asking for.
18 That means you're going to spend more for the same
19 thing. That's the way things work. And I'm sure
20 you've experienced this in your business.

21 COUNCIL MEMBER KOO: But it is the
22 local business people have money to buy the remedy
23 for their pain, you know? For the short term
24 pain.

25 MR. HORODNICEANU: I wish that I

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can help you there.

COUNCIL MEMBER KOO: All right.

Thank you.

CHAIRPERSON VACCA: Thank you

Council Member. Council Member Reyna.

CHAIRPERSON REYNA: Thank you Mr.

Chair. I just wanted to understand a little

further concerning the sidewalk permits.

Considering that you have made a very conscious

effort in not revoking all sidewalk cafes for the

remaining period of Phase 1 construction but that

you will assess as you move along the construction

to be able to operate in discussions with DCA and

the business whose sidewalk café would be

affected. Do you have a quantifiable number of

cafes?

MS. TENDLER: I'd have to count

them for you right here.

CHAIRPERSON REYNA: Right.

MS. TENDLER: I believe this goes

down to 60--

CHAIRPERSON REYNA: [Interposing]

Speak into the mic.

MS. TENDLER: I'm sorry. There is,

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2 2, 4, 6, 8, 10, 12, 14, 16... I have 25 unenclosed
3 sidewalk café which I believe take me down to 63rd
4 Street. And there's 1 enclosed.

5 CHAIRPERSON REYNA: 1 enclosed.

6 And as far as your ability to assist these
7 businesses with the closure, what, you know, does
8 this rise to the level of compensation?

9 MS. TENDLER: No. What basically
10 it meant, if somebody's permit or franchise,
11 whatever it's called was due to expire in May,
12 we're automatically, Consumer Affairs would not
13 reissue that permit based on our construction
14 coming. We will now say to Consumer Affairs you
15 know what, we're not going to be on that block
16 until November, let the business have the summer
17 season.

18 CHAIRPERSON REYNA: But the 25
19 unenclosed, up to 63rd Street.

20 MR. HORODNICEANU: No this is
21 exactly what has been said. If we have a café,
22 we, the Consumer Affairs can--we notify the
23 Consumer Affairs that we're going to be in
24 construction.

25 CHAIRPERSON REYNA: Right.

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MR. HORODNICEANU: The Consumer Affairs people have the ability and the right not to renew the café license, okay? In order to mitigate the impact that we have on these businesses, what we have said to Consumer Affairs, do not, if we are not going to start construction, if their permit, let's say, expires in May--

CHAIRPERSON REYNA: [Interposing] November, right.

MR. HORODNICEANU: ---in May. I'm saying. Let's say it expires in May but we do not get there until November.

CHAIRPERSON REYNA: Um-hum.

MR. HORODNICEANU: We are saying to them, let them stay there until November.

CHAIRPERSON REYNA: Um-hum.

MR. HORODNICEANU: So you do not actually revoke the permit upon its expiration. We're allowing people as a mitigation to stay as long as possible. So when we're putting the shovel in the ground, that's when they stop being there.

MS. TENDLER: I would note that this very issue of compensation for the loss of a

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café is being litigated. We're being sued.

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That's all I'll say about that.

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CHAIRPERSON REYNA: And as far as

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the 26, I'll include the enclosed structure of a

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café, for a total of 26 sidewalk cafes, I just

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wanted to understand, these are permits that have

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been identified exist but not all have been

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revoked--

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MR. HORODNICEANU: [Interposing]

11

That's correct.

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CHAIRPERSON REYNA: --so that

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you're working.

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MR. HORODNICEANU: That's correct.

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CHAIRPERSON REYNA: So out of the

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26 currently..

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MR. HORODNICEANU: We don't know.

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CHAIRPERSON REYNA: Okay.

19

MS. TENDLER: Somebody knows. We

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don't know here. I'll--

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MR. HORODNICEANU: [Interposing] We

22

don't know how many are right now operating or

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not.

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CHAIRPERSON REYNA: Okay. And I

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just wanted to understand the Shop 2nd Avenue

1
2 program that you have implemented as part of your
3 business friendly mitigation aspect, what was the
4 success or what has been the success of that
5 program up to date? And how do you measure the
6 success?

7 MS. TENDLER: I think that the
8 people you'll be hearing from after us would be a
9 better audience to ask that question to. The
10 program, really the MTA is very happy to partner
11 with the business community but we have been
12 following their lead. We have suggestions as well
13 and we've been trying to act on everything they've
14 suggested to us. You would get a better answer
15 from them Councilwoman.

16 CHAIRPERSON REYNA: But are you
17 measuring? You know, obviously you're investing
18 dollars and personnel into the Shop 2nd Avenue
19 program.

20 MS. TENDLER: Right.

21 CHAIRPERSON REYNA: And so how are
22 you measuring whether or not the program or
23 seeking to improve if necessary, how do you
24 evaluate the program, whether or not it's
25 assisting businesses?

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2 MS. TENDLER: We have tried and
3 continue to try to do everything that's asked of
4 us that we can reasonably do by the business
5 community. So I take it as a success. But I take
6 it as a good step.

7 CHAIRPERSON REYNA: Okay.

8 MS. TENDLER: That we've been asked
9 to continue doing what we're doing. So as our
10 construction zones crept down south on 2nd Avenue,
11 we created new 2nd Avenue shopping maps to cover
12 the different construction zones. I believe that
13 if there was no value in doing that we wouldn't
14 have been asked to continue to do that.

15 CHAIRPERSON REYNA: Right. And I
16 know that Council Member Garodnick has already
17 shared with you some comments concerning a
18 constituent. I just wanted to share the concern
19 of a business that apparently already has opposed
20 the decision of the 86th Street subway entrance.
21 And this could possibly, where it's going to be
22 placed as a proposed site near the entrance
23 driveway of 305 East 86th Street, there is hope
24 that you are considering to re-look at whether or
25 not from an engineering standpoint, this can be

1
2 revisited to accommodate this request. So that
3 it's going to take into consideration the
4 relocation, moving a little west of the northwest
5 corner location.

6 MR. HORODNICEANU: We have looked
7 at it extensively. And you're talking about the
8 entry points on the 86th Street in front of the
9 circular driveway, is that--

10 CHAIRPERSON REYNA: [Interposing]
11 Correct.

12 MR. HORODNICEANU: Okay. Our
13 studies that we have actually looked at it
14 extensively, we do not believe we can move it from
15 there.

16 CHAIRPERSON REYNA: So that
17 decision has been made final.

18 MR. HORODNICEANU: Yes.

19 CHAIRPERSON REYNA: And as far as
20 signage is concerned, apparently on East 88th
21 Street off of 2nd Avenue, there's very poor signage
22 where there's parking issues concerning the no
23 parking regulations despite the fact that at night
24 there's no work. How is the Department of
25 Transportation working in collaboration with the

1
2 MTA to deal with the parking issues in relation
3 to, let's say, 88th Street?

4 MR. HORODNICEANU: I'm sure that
5 there are issues on 88th Street and other streets
6 in which parking regulations have been put in
7 place due to construction. One of the things that
8 happened there is that construction starts early
9 in the morning, much earlier than people move
10 their cars. In that area people park their cars
11 because in the past what was available there were
12 alternate site parking for cleaning purposes. And
13 when you have parking regulations change due to
14 construction, in general, they stay there for the
15 period of the construction that is affecting that
16 specific area.

17 So there is, as far as I know, very
18 little mechanism to do it otherwise. And if you
19 do do it sometimes it's done in which you are
20 mandating that people will not be there starting
21 at 7:00 o'clock in the morning, in order to
22 enforce it, that becomes a real project. People
23 get tickets and they get upset and there are tow
24 trucks involved. So that's really not the way to
25 do it in a case like that is that you designate a

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2 certain piece of the length of the sidewalk for
3 construction purposes and they put the regulation
4 in. That happens throughout the City. It's not
5 unique there. If you can come any place there is
6 construction, they actually remove parking due to
7 construction.

8 CHAIRPERSON REYNA: In its
9 entirety. So parking regulations are not just
10 adjusted, they're eliminated.

11 MR. HORODNICEANU: They're adjusted
12 for the period of construction. It does say,
13 normally, due to construction. It does say, I'm
14 not sure what it says there exactly but--

15 CHAIRPERSON REYNA: [Interposing]
16 But it's total elimination of parking spaces--

17 MR. HORODNICEANU: [Interposing]
18 Yes.

19 CHAIRPERSON REYNA: --as opposed to
20 working within the timeframe of when construction
21 is happening--

22 MR. HORODNICEANU: [Interposing] In
23 general, that's the case, yes. I mean it could be
24 different but I'm not aware of that. We will look
25 at it specifically, just so we'll get you an

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answer to that.

CHAIRPERSON REYNA: I appreciate it. Thank you.

CHAIRPERSON VACCA: Thank you. Okay. I wanted to ask one quick question and then we have public testimony--oh no, Mike Nelson, right, you're next?

COUNCIL MEMBER NELSON: You go ahead Mr. Chairman.

CHAIRPERSON VACCA: Just one quick question. How many lawsuits have emanated from the construction? Is there a price tag or a number of lawsuits that have been filed by businesses, residents, whatever? What's the extent of pending litigation?

MR. HORODNICEANU: Ronnie?

MS. RONNIE HAKIM: There are probably three lawsuits, three or four lawsuits going on at this point.

CHAIRPERSON VACCA: Are they by individuals or groups?

MS. HAKIM: One is a developer who owns a number of different establishments on 2nd Avenue.

CHAIRPERSON VACCA: What is he alleging?

MS. HAKIM: And the others are buildings.

CHAIRPERSON VACCA: Builders?

MS. HAKIM: Buildings.

CHAIRPERSON VACCA: Buildings. And a developer.

MS. HAKIM: Um-hum.

CHAIRPERSON VACCA: And what are they alleging?

MS. HAKIM: As recently discussed here, one is an issue about interference with their business because of sidewalk cafes that have been closed along the 2nd Avenue. And the others are challenging either environmental or real estate issues.

CHAIRPERSON VACCA: And just identify yourself for the record please.

MS. HAKIM; I'm sorry, Ronnie Hakim, General Counsel.

CHAIRPERSON VACCA: Okay, thank you. Council Member Nelson?

COUNCIL MEMBER NELSON: Thank you

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2 Mr. Chair. Just to focus for a moment on the
3 tenant situation if you will. The construction
4 and there has to be construction of course and
5 heavy blasting otherwise there's no tunnel and no
6 subway. But what times is it primarily taking
7 place?

8 MR. HORODNICEANU: When you say
9 construction, what construction are you talking
10 about?

11 COUNCIL MEMBER NELSON: Well the
12 blasting and any other type of operation that
13 makes a lot of noise in the area.

14 MR. HORODNICEANU: 7:00 AM to 10:00
15 PM is the permitted time.

16 COUNCIL MEMBER NELSON: That's it?
17 Okay.

18 MR. HORODNICEANU: That's for
19 blasting.

20 COUNCIL MEMBER NELSON: Oh okay.

21 MR. HORODNICEANU: The TBM work is
22 24/7.

23 COUNCIL MEMBER NELSON: Fine.
24 Okay. As far as vermin, I imagine that there's
25 been complaints about that. Have you received

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complaints about rats especially?

MR. HORODNICEANU: We have received some complaints around 90th, in the 90s, yes. 92nd I think.

COUNCIL MEMBER NELSON: And are you working with DOH or--?

MR. HORODNICEANU: [Interposing] We have worked with DOH extensively. There is a building that is in effect unoccupied at the corner of 92nd and 2nd that apparently they were a food establishment on the lower level that left without removing the food and so forth. That created a source of food for the rat population in the neighborhood so.

COUNCIL MEMBER NELSON: Yeah they have to eat too. We've got to get of them as well. In your professional estimate do you think this could possibly go on until about the year 2020?

MR. HORODNICEANU: The answer is no.

COUNCIL MEMBER NELSON: All right. That's reassuring to hear that. Also just briefly, as far as the 28 apartments and 6

1 buildings between 94th and 96th Street.

2 MR. HORODNICEANU: Then which one?

3 COUNCIL MEMBER NELSON: The 6
4 buildings between 94th and 96th Street?

5 MR. HORODNICEANU: Yes, yeah.

6 COUNCIL MEMBER NELSON: They were
7 told that they had 30 to 60 days to move out. How
8 many have been relocated, to your knowledge?
9

10 MR. HORODNICEANU: Okay. We're
11 talking about the buildings on the east side,
12 right?

13 COUNCIL MEMBER NELSON: Yes Sir.

14 MR. HORODNICEANU: 1821 to 1829 or
15 1931 something like that.

16 COUNCIL MEMBER NELSON: Yes Sir.

17 MR. HORODNICEANU: Those buildings,
18 we expect to... the following things to happen. We
19 have finished Phase 1 and we're entering Phase 2
20 as part of Phase 1 and 2 we have 16 apartments
21 that will have to be temporarily relocated. The
22 16 apartments, the first 4 units that are in
23 building 1823 will happen in June 26th. The
24 expectation is that they will be out for
25 approximately 30 days per unit. And the remainder

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2 of the locations will be, let me just look it up
3 in my notes... I have it, yeah. The remainder of
4 the... the tenant relocation, all work on tenant
5 relocation will be actually the goal is to
6 complete everything by the end of September. So
7 we'll start with this first batch and then we'll
8 continue with more but we expect to finish
9 everything by the end of September.

10 COUNCIL MEMBER NELSON: Thank you.
11 Have you found with the housing market being where
12 it is right now, make it any easier for you, the
13 MTA?

14 MR. HORODNICEANU: For relocation
15 purposes?

16 COUNCIL MEMBER NELSON: Yes Sir.

17 MR. HORODNICEANU: It's temporary
18 so what we do is we in effect find locations that
19 have facilities. There are very few, you know
20 residential buildings that will take people
21 temporarily for 30 days that are--we're talking
22 about units that are fully--like a hotel in
23 effect. You want to have everything there. So
24 that doesn't apply to us. So what we do is we
25 relocate people and there are people that opt not

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2 to be relocated but take the money that we'll pay
3 and they find themselves accommodations. That's
4 happening as well.

5 COUNCIL MEMBER NELSON: Well I'm
6 sure we'll hear the stories from other people who
7 are going to testify today. But it seems to me
8 that under very trying conditions that you, the
9 MTA, are doing the best job that you possibly can.
10 Well, okay, thank you.

11 MR. HORODNICEANU: You're welcome.
12 Thank you.

13 CHAIRPERSON VACCA: Thank you. We
14 thank the representatives of the MTA. Our first
15 panel will be Giuseppe Pecora, 2nd Avenue Business
16 Association; Eldad Gothelf, representing Herrick
17 Feinstein; and Robin Pocker, business owner.

18 [Pause]

19 [Witnesses getting settled]

20 CHAIRPERSON VACCA: Put the
21 microphone on.

22 MR. GIUSEPPE PECORA: All right.
23 My name is Giuseppe Pecora and I'm the President
24 of SABA, 2nd Avenue Business Association. And I
25 have some questions for the MTA. First of all you

1
2 mentioned that you relocated some stores, Rainbow,
3 where was Rainbow relocated? They're absent?

4 CHAIRPERSON VACCA: The MTA is not
5 going to be answering your questions.

6 MR. PECORA: Oh okay, all right,
7 sorry about that, okay. So let me just--

8 CHAIRPERSON VACCA: [Interposing]
9 Yeah right. They made their, you know.

10 MR. PECORA: Well anyway, I'd just
11 like to point out that the gentleman here was
12 painting a picture before that everything is
13 sunny, that everything is good, they're doing the
14 best they can. And I'm here to paint a different
15 picture.

16 My name is Giuseppe Pecora. I've
17 been doing business on the Upper East Side for 22
18 years. And since the subway started 3 years ago,
19 business is down significantly on 2nd Avenue,
20 especially from 91st through 96th Street, in some
21 stores as much as 40% down.

22 Millions and millions of dollars
23 are lost in revenue, most businesses work on
24 single digit profit margin. And we are reaching
25 our breaking point. And seven more years of ill-

1 prepared construction will have many more
2 casualties which are resulting in closed stores.
3

4 18 stores have gone out of business
5 already resulting in hundreds of job losses and
6 millions and millions of dollars in lost revenue
7 and taxes, of course. Since this project started
8 there's been major lack of communication and
9 disregard for fragile businesses and community due
10 to the loss of basis services. Phone have been
11 out for days on many occasions resulting in loss
12 of deliveries from the restaurants and I
13 personally didn't know that there were claims that
14 I could make.

15 So basically what I'm saying is I
16 think they're keeping us ignorant because if we're
17 ignorant they're able to walk all over us
18 basically.

19 Power and service interruptions.
20 In my store alone there's been four incidents that
21 Con Edison cut out my power nine hours at a time
22 and sometimes they would connect the power with
23 the wrong polarity. So instead of my dough
24 machine going clockwise, it would go
25 counterclockwise. So I had to call my electrician

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to undo what they did.

Water has been turned off without notice. And the last one was three Saturdays ago on 84th Street and it was turned off for five hours. Some compressors are water-cooled in restaurants and delis and when you turn off the water, you know, first of all your food spoils and then your compressor would go.

So my question is that there's no backup plans for these vital services. And who is responsible that such incidents don't happen and if they do, if they need to, they should be done at proper times, minimizing impact.

Streets have been closed without notices on a daily basis making our deliveries harder to get to us. During snowstorms, because garbage can't be picked up on 2nd Avenue, and it's picked up on designated corners, sometimes it is not picked up for two weeks resulting in garbage on top of garbage and snow on top of snow.

And I have pictures here. So basically we have a, what do you call it, instead of having a preventive mentality we have a reactive mentality--they have a reactive

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mentality.

As someone with a resilient personality and looking out for my fellow merchants and community and family, some days they're really, really hard to do business in the 90s because I am faced with many uncontrollable challenges. Our morale is down but we're not out. We desperately need foot traffic, tax breaks for landlords that are passed on to merchants, renegotiated leases, with upside with construction finishes at fair market values. Most of all we need to appoint a person to make sure that our hard earned tax dollars are stretched and used to its max.

I feel nobody is watching the store and there is a lot of moping around going on resulting in frustrations because the project is not moving forward as it should.

So what we basically need is we need a team mentality and everybody needs to work together because otherwise this project is going to leave a big hold in everybody's pocket and also a big hole in front of my store. All I have to say is we need leadership and we need it fast.

1
2 This is on our time. And if we don't finish it,
3 it's our responsibility. And our future
4 generations should not have to pay for what we
5 started and we can't finish.

6 CHAIRPERSON VACCA: Thank you. I
7 neglected to say that each speaker will be limited
8 to two minutes. I will enforce that starting now.

9 MR. PECORA: I'm sorry.

10 CHAIRPERSON VACCA: I have you a
11 lot of time.

12 MR. PECORA: Oh I'm sorry.

13 CHAIRPERSON VACCA: That's okay, oh
14 no, no, don't be sorry. My fault. Thank you
15 though. Thank you for your testimony. Miss, I'm
16 sorry, you want to go next?

17 MS. ROBIN POCKER: Good afternoon.
18 My name is Robin Pocker I'm a small business owner
19 on 63rd and Lexington where there's going to be
20 some more construction. Having endured more than
21 a decade of horrendous conditions during the
22 original construction of the 63rd Street Subway, I
23 received notification of the continuation of the
24 2nd Avenue Subway to the front door of my business
25 with great distress. I also was informed about

1
2 this, I think I was a freshman in college when we
3 first heard about the subway project.

4 My family picture framing business,
5 J. Pocker and Son will be 85 years old in 2011, 3
6 generations, no small task in New York City's
7 Upper East Side. My family has lived the Great
8 American Dream in our neighborhood on Lexington
9 Avenue. I'm in business now 2 blocks away from
10 where my grandparents began.

11 In the 1980s because of the 63rd
12 Street Subway, my business lost half of its retail
13 space to the right of eminent domain, three-
14 quarters of its display windows, its entrance on
15 Lexington Avenue and the necessity of relocating
16 my manufacturing to another location, not to
17 mention loss of business, noise, filthy and the
18 invasion of rats due to the blasting that went on
19 for several years, having nothing to do with local
20 restaurants that left food around, it was
21 definitely dynamite.

22 We were forced to move the entrance
23 to the store around the corner. The loss of foot
24 traffic and the display windows which are the
25 lifeblood of New York retailers is incalculable.

1
2 And now the MTA wants to substantially block our
3 remaining sidewalk with a new project.

4 I don't have to wonder what it's
5 going to look like. I can see already on 2nd
6 Avenue that it's not going to be workable. The
7 MTA has already told me in a previous meeting in
8 April there will be no access for delivery trucks
9 to my store. How many blocks can delicate
10 merchandise be walked in inclement weather? I'm
11 not talking about a crate of food but artwork and
12 client's merchandise which must be handled with
13 the utmost care.

14 East 63rd Street will become a
15 single lane street, allowing, we were told, no
16 room for any deliveries. Impossible for a small
17 business to survive without a truck. We were told
18 by the MTA at their April meeting there will
19 simply be no room for deliveries. Another
20 prolonged period of construction can put me out of
21 business. I hear you speak about the loss of
22 business but J. Pocker and Son directly employs 25
23 New Yorkers. Our suppliers would be forced to lay
24 off dozens more.

25 We already have in the work press

1
2 events planned to celebrate our 85 years in
3 business. Everything will have to be taken down a
4 notch, the location will be hidden behind fencing
5 and construction cones, not at all what a business
6 owner has in mind. We are the last remaining old
7 family business in our neighborhood on Lexington
8 Avenue and we would like to retain the title of
9 surviving family business. Thank you.

10 CHAIRPERSON VACCA: Thank you.

11 Sir?

12 MR. ELDAD GOTHELF: Good afternoon
13 Chair Vacca, Council Member Garodnick and members
14 of the City Council Transportation and Small
15 Business Committees. Thank you for holding this
16 important public hearing. My name is Eldad
17 Gothelf. I am from Herrick Feinstein. My
18 colleague Richard Bass wanted to be here but was
19 unable to make the hearing so I am here in his
20 stead.

21 Our firm has been retained by over
22 14 properties along 2nd Avenue in order to assist
23 property owners affected by the subway
24 construction project. These properties include
25 older rental apartment buildings, residential co-

ops and condos, a commercial garage, and construction of new mixed-use residential buildings, both affordable and market rate.

This 8 to 10-year project has and will result in significant adverse economic impacts on affected properties including, for example, loss of retail business due to lack of visibility, non-rentable retail and restaurant and service establishments; vacant rental apartments; and loss co-op and condo sales.

The subsequent loss of income has damaged and will continue to damage the economic viability of property owners, landowners, co-ops and condos. Additionally this loss of income and economic impact will not be redressed by condemnation awards. These properties need economic help either in the form of tax relief or some program to permit new revenue generation.

Again thank you for holding today's hearing regarding the 2nd Avenue Subway Project and its impacts on the host community. What has happened in Community Board 8 is an indication of what Community Board 3, 6 and 11 can expect over the next 15 to 20 years.

1
2 I have a slide show of photos that
3 I want to show briefly that will help underscore
4 kind of what's going on along 2nd Avenue. I'm sure
5 some of you have seen that but certainly it will
6 help to see it again if you'll indulge me just for
7 a minute.

8 [Off mic]

9 MR. GOTHELF: Well I don't have too
10 much to say along the lines of these photos. As
11 you can see, just the impact that the construction
12 has on the businesses. Still having difficulty
13 accessing the various businesses. I'm sure many
14 of you have seen this before but I think it's
15 helpful to see pictures of what's going on every
16 day.

17 [Pause during slide show]

18 MR. GOTHELF: That's all. Thank
19 you.

20 CHAIRPERSON VACCA: Council Member
21 Garodnick had a question.

22 COUNCIL MEMBER GARODNICK: Thank
23 you very much. It's just for Mr. Pecora if you
24 can come back just for one second. First of all I
25 want to say thank you for your advocacy and your

1
2 work on behalf of all of the businesses along 2nd
3 Avenue. We know that this is not something you
4 intended to do. It's not something that you
5 particularly want to do but it is something that
6 you are doing because you feel a responsibility.
7 And we all thank you for that and really
8 appreciate it.

9 But I did want to ask you about
10 that one point that you made of the notice of the
11 absence of notice that businesses have about how
12 to file a claim for harm that's caused as a result
13 of the construction. So are you saying that
14 neither you nor any of the businesses in your
15 association has ever gotten any notice from the
16 MTA about how to fill out a complaint form? I'm
17 sorry, a compensation form from the MTA?

18 MR. PECORA: I've gotten from the
19 Con Edison claim because I was complaining,
20 complaining about it but as far as phone service
21 claim I never knew that I could make such claim.

22 COUNCIL MEMBER GARODNICK: Have you
23 ever seen a claim--

24 MR. PECORA: [Interposing]
25 Marcello's here, can I ask him, he's one of the

1
2 business owners too.

3 COUNCIL MEMBER GARODNICK: Okay,
4 well maybe he'll come up and he's shaking his head
5 no.

6 MR. PECORA: You haven't gotten any
7 claim, right?

8 COUNCIL MEMBER GARODNICK: Okay.
9 So I appreciate your making that point because
10 obviously--

11 MR. PECORA: [Interposing] There
12 is, I have been instructed, I'm sorry, that I
13 could make a claim regarding the Con Edison issues
14 that I had but I had four issues result in
15 thousands and thousands of dollars in lost
16 business and..

17 COUNCIL MEMBER GARODNICK: Is that
18 a claim on Con Ed--

19 MR. PECORA: [Interposing] So
20 basically--and I feel like that claim was almost,
21 you know, sort of, I don't know, just in a way to
22 keep me quiet in a way, I don't know, if that
23 makes sense but..

24 COUNCIL MEMBER GARODNICK: Was that
25 a Con Edison claim form?

2 MR. PECORA: Yes.

3 COUNCIL MEMBER GARODNICK: Okay.

4 So we all together have never really seen anything
5 from MTA about how to submit a claim to them for--
6 which would go to their insurance company for loss
7 of service of any type, is that right?

8 MR. PECORA: Yeah. And then when
9 I--yes. And then when I made a claim I didn't do
10 it right because, you know, I don't know how to
11 make claims and... and one of the persons
12 volunteered to help me make the claim. So there's
13 been, it's not all, you know, there's--it's just
14 that we're ignorant on a lot of issues that, you
15 know, how to make claims, how to, you know, what
16 numbers to call and...

17 COUNCIL MEMBER GARODNICK: Okay.

18 MR. PECORA: You know, we're
19 learning. It's almost like a learning process and
20 I think that if there was communication from the
21 beginning, it will be easy on all of us and we can
22 work together rather than against each other.

23 COUNCIL MEMBER GARODNICK: Okay.

24 Thank you Joe for that. And just a comment, it's
25 Ms. Pocker? Okay. I just want to make sure you,

1
2 since... I'm surprised that the MTA has said that
3 there would be no access for delivery or no room
4 for local deliveries. So I'm just going to
5 introduce you to a few people by sight across the
6 room.

7 Theresa Bomeo [phonetic] from my
8 office is over there. Barry Schneider of the
9 Community Board is right there. Right behind you,
10 you've got a representative from Senator Kruger
11 and Assemblyman Bing. Why don't you talk to any
12 or all of them and let us see whether--'cause this
13 is--they may know this already but this is new to
14 me. So let's see if there's anything we can do to
15 address that issue. So thank you very much and
16 thank you Mr. Pecora also.

17 MR. PECORA: My pleasure. Thank
18 you.

19 CHAIRPERSON VACCA: Council Member
20 Reyna has a question.

21 CHAIRPERSON REYNA: I just had a
22 question concerning the, I apologize, it was for
23 the lawyer, Mr. Gothelf. I wanted to understand
24 where are the 14 properties that you came to
25 represent? And the pictures correlating...?

1
2 MR. GOTHELF: I just want to be
3 clear. I'm not a lawyer. I'm an urban planner.
4 But we represent 14 different types of properties.
5 I don't have the specific addresses. And the
6 photos themselves don't necessarily correlate to
7 the exact properties. They were just photos
8 throughout. I mean this certainly included some
9 of our properties but they were just throughout
10 the 2nd Avenue, the areas that are--

11 CHAIRPERSON REYNA: [Interposing] I
12 see.

13 MR. GOTHELF: --impacted by the
14 disruption.

15 CHAIRPERSON REYNA: I see. And so
16 of the 14 properties, are there small businesses
17 being represented?

18 MR. GOTHELF: I believe so, yes.

19 CHAIRPERSON REYNA: But you don't
20 know, right now in front of you, how many of the
21 14.

22 MR. GOTHELF: I don't.

23 CHAIRPERSON REYNA: Okay. Thank
24 you very much.

25 CHAIRPERSON VACCA: Thank you.

1 Thank you gentlemen. Our next panel will be David
2 Cohn, I'm sorry, Portis Hicks; Hunter Armstrong.
3 Portis? No, Portis I know. Keith Powers,
4 representing Assemblyman Bing.
5

6 [Pause]

7 [Witnesses getting settled]

8 MR. DAVID COHN: Yes. Good
9 afternoon, David Cohn. I am a resident of 300
10 East 85th Street. In fact it's a co-op residential
11 building and I'm the President of the Board of
12 that building. I am speaking on an impromptu
13 basis. I came to this hearing. I saw a little
14 blurb in the local newspaper. We've been subject
15 to the construction of the 2nd Avenue Subway. I've
16 come to some Community Board meetings where I've
17 heard a rather lengthy criticism of the
18 Metropolitan Transit Authority by various
19 residents. I come here with a slightly different
20 take on it. From our perspective, they've been
21 extremely helpful to us as residents.

22 We have a lot of underground
23 infrastructure bordering on the vaults and the
24 sidewalk. We were concerned that we would have to
25 relocate those. The MTA's engineering team came

1
2 into our premises and they worked out something
3 with their construction contractor so that we
4 don't have to move them and in fact the
5 construction contractor changed some of the plans
6 for work along the street to prevent that. But I
7 guess why I'm very interested in speaking to you
8 is in relation to what I'm hearing about the small
9 businesses.

10 And I want to talk just very
11 briefly about one very, very small business which
12 is a vegetable stand on the corner of 85th and 2nd
13 Avenue. And that vegetable stand has been
14 operated for the past 3 or 4 years by a not-so-
15 young woman, an immigrant from South Asia whose
16 trying to support her family through this
17 vegetable stand.

18 And when she heard about the
19 pending construction she was very, very distraught
20 because she had made friends among so many
21 residents of my building, we have about 600
22 residents in that building, and they rely upon her
23 for their fresh vegetable and she relies upon them
24 for her livelihood. And, you know, I didn't
25 frankly know what was going to happen to her

1
2 little spot there.

3 And the MTA came and worked with
4 the contractor and there's a big, what they call
5 an MPT zone where they have all this heavy
6 equipment and it's all blocked off. You could see
7 from those photographs what that's about. And
8 they actually changed the configuration of the MPT
9 zone to open up a little area for this fruit stand
10 so that this woman could continue to sell fruit
11 for our building.

12 And I just wanted you to know that
13 if the MTA is concerned about that small a
14 business, and that one individual, I can't believe
15 that they are so insensitive that they're not
16 going to be trying to help the somewhat larger
17 small businesses to their best ability. And
18 that's all I wanted to say.

19 CHAIRPERSON VACCA: Thank you Sir.
20 Thank you. Next. Would you want to speak? Are
21 you from the Assemblyman's Office?

22 [Off mic]

23 CHAIRPERSON VACCA: Oh you're from
24 the Assemblyman, would you please go next?

25 MR. KEITH POWERS: Sure. Right.

1 Thank you for having me. My name is Keith Powers.
2 I'm representing Assembly Member Jonathan Bing who
3 represents the 73rd Assembly District in Manhattan
4 which includes a portion of the 2nd Avenue Subway
5 construction area. And additionally as
6 construction moves south along 2nd Avenue, more
7 residents and businesses in his District will
8 begin to feel the effects of the ongoing work.
9

10 And for the past several years our
11 office has addressed quality of life issues as
12 residents along 2nd Avenue, have been heavily
13 involved in assisting businesses affected by the
14 construction. And these businesses are long-
15 standing integral members of our community. And
16 we have worked to ensure they will be here to
17 enjoy the benefit of additional foot traffic once
18 the subway is completed.

19 However several businesses who were
20 presented here today, along 2nd Avenue in the 90s
21 have been forced to close because of difficulties
22 relating to construction. We are here today with
23 the belief that we must work together to see that
24 other businesses along the corridor do not suffer
25 the same way.

1
2 In the fall of 2000 our office
3 along with Council Member Garodnick's office began
4 working with local businesses and owners in the
5 launch box section of the construction to help
6 form the 2nd Avenue Business Association. And what
7 began as a meeting of merchants anxious to discuss
8 the issues afflicting their businesses is now a
9 monthly meeting which brings together business
10 owners, elected officials and representative from
11 various City agencies to address these problems
12 faced by the businesses.

13 In response to those concerns we've
14 authored legislation, Assembly Bill 6137 which
15 would establish a matching grants programs for
16 businesses located within the 2nd Avenue
17 construction zone. The grants program would
18 provide funding to qualified businesses for
19 marketing, to purchase business related equipment
20 or make approved physical and capital improvements
21 to their stores. For the most distressed
22 businesses funds could also be used for payroll
23 assistance, rental payment assistance, utilities
24 and insurance.

25 In 2008 this bill passed both

1 houses of the legislature but was vetoed by the
2 Governor. This year the bill has passed the
3 Assembly and is currently pending in the State
4 Senate Finance Committee. I'll be quick. We're
5 hopeful that this legislation will hopefully pass
6 the Senate this year and be signed by the Governor
7 and provide much needed assistance to these
8 businesses.
9

10 We're here today asking that the
11 City Council, as you guys evaluate the quality of
12 life and impact to businesses surrounding the 2nd
13 Avenue Subway will join us and support the
14 legislative efforts at the State level to provide
15 a grants program for the businesses. And also to
16 hopefully consider measures that will also allow
17 these businesses, similar measures at the City
18 level, to allow these businesses to remain through
19 the completion of the subway and to enjoy the
20 benefits that it will bring to the East Side of
21 Manhattan upon its completion.

22 Thank you for letting us speak here
23 today.

24 CHAIRPERSON VACCA: Thank you.

25 Sir?

1
2 MR. HUNTER ARMSTRONG: My name is
3 Hunter Armstrong. I'm here with CIVITAS. I think
4 all of you have received a copy of our statement.
5 There's certainly a lot of information to cover in
6 this hearing. So I will summarize my statement
7 and try to keep within the 2-minute timeframe.

8 As an introduction, CIVITAS is a
9 not-for-profit community based planning
10 organization concerned with quality of life on the
11 Upper East Side and East Harlem. And we'd like to
12 thank you for the opportunity to speak today, for
13 scheduling this Oversight Hearing. And we're
14 certainly looking forward to productive
15 legislation coming out of this discussion.

16 We join a host of community based
17 organizations that fully support this major
18 capital investment and infrastructural improvement
19 in our City. This will certainly result in major
20 environmental benefits and reduce traffic
21 congestion for the East Side of Manhattan.

22 That being said, this massive long
23 term undertaking is having and will have negative
24 impacts on the affected communities that need to
25 be addressed. As one element of this, as was

1 discussed earlier in this hearing, there are
2 future phases of construction. We would like to
3 see much better documentation of the lessons
4 learned from Phase 1 of construction on the Upper
5 East Side. And as mentioned, legislation to
6 address this through City Council.
7

8 There's been quite a bit of
9 discussion of the impact on small businesses. As
10 Joe Pecora stated 18 have closed in the corridor
11 since the construction began in 2007. These small
12 retailers are really experiencing a perfect storm
13 of adverse conditions: rising rents, competition
14 from national chain stores and an economic
15 recession.

16 I've listed in my statement that I
17 handed out. Many of the environmental
18 considerations that the small businesses are
19 facing: narrowed sidewalks, loss of parking for
20 shoppers and deliveries, utility cutoffs, dust,
21 noise, vermin, penalties for parking and
22 commercial waste pickup. And apparently I've hit
23 two minutes so I will proceed with my statement.

24 Other considerations that need to
25 be considered in the design and implementation of

1
2 the subway are the design of station entrances at
3 86th Street and 96th Street. There has been
4 discussion of the proposed entrance mid-block,
5 large mid-sidewalk entrances at the northeast
6 corner of 86th Street. We would like to have City
7 Council for MTA to look at that decision again.

8 Another aspect of the design is the
9 station for 96th street and incorporating a subway
10 entrance at the northeast corner of 96th Street
11 which would serve the East Harlem community.

12 Currently there is no station north of 96th Street.
13 And I think anyone who knows the intersection of
14 2nd Avenue and 96th Street really, and the entrance
15 to FDR Drive, knows this is an adverse condition
16 for pedestrians.

17 A third element of this is the
18 ancillary structures that have been proposed for
19 the 2nd Avenue corridor. They have major
20 implications in terms of their height, in some
21 cases more than 70 feet. The bulk and façade
22 design of the buildings. We have called for MTA
23 to incorporate small footprint retail into these
24 buildings that we feel will have some impact,
25 minor impacts on reducing the deadening effect

1 that the structures will have on the lively
2 streetscape of 2nd Avenue.
3

4 A full copy of materials that we've
5 prepared are available on our website,
6 CIVITAS.NYC.ORG, it's referenced in the testimony
7 that you have. And as mentioned, we hope that
8 City Council will factor the findings of this
9 Oversight Hearing into future legislation and
10 support of the 2nd Avenue businesses and property
11 owners. Thank you.

12 CHAIRPERSON VACCA: Thank you.

13 Sir?

14 MR. PORTIS HICKS: My name is
15 Portis Hicks. I live on East 72nd Street close to
16 2nd Avenue. I am not sure whether any specific
17 proposal was made by the Herrick Feinstein law
18 firm for alleviating the situation of store owners
19 on 2nd Avenue or building owners who feel that
20 they've been affected by the subway. I do want
21 the Committee to be aware that the Community Board
22 8 meeting which considered proposals from that law
23 firm a few weeks ago, to have public advertising
24 placed on private residential buildings within 125
25 feet of 2nd Avenue was overwhelmingly opposed by

1
2 the community in the task force meeting.

3 And I do believe that the task
4 force subcommittee has passed a resolution stating
5 that that idea should not be pursued. That being
6 advertising on the sides of residential buildings,
7 on the side streets off of 2nd Avenue. Thank you
8 very much.

9 CHAIRPERSON VACCA: Thank you. Our
10 next panel will be John Nelson, Jared Stone and
11 Marcello Roncini.

12 [Pause]

13 CHAIRPERSON VACCA: Oh Marcello's
14 not here, okay.

15 [Pause]

16 CHAIRPERSON VACCA: Would you
17 please identify yourself sir?

18 MR. JARED STONE: My name is Jared
19 Stone. I am a resident of the Upper East Side for
20 4 years. I've been living in New York City for
21 10. And I'm currently a student at Columbia
22 Business School. I got involved with this project
23 partly because my family, I come from a family of
24 entrepreneurs, my grandfather started a business
25 in Queens. My father has a business in Manhattan.

1
2 And so for me I identify with what these
3 entrepreneurs are going through. You know, the
4 uncertainty of not being able to know what you're
5 doing tomorrow.

6 And so what I've been involved
7 with, with Hunter Armstrong, as well as Joe Pecora
8 from SABA is basically extending what the MTA has
9 done with regard to its website. I built a blog
10 called the 2nd Avenue Shopper, and you'll see it on
11 the 2nd page. And basically what it is, it's a
12 blog devoted to informing the community about
13 events of interest taking place along 2nd Avenue,
14 particularly as it relates to the merchants, so
15 specials, promotions, anything that the 2nd Avenue
16 businesses want the public to know.

17 Now this blog will also have a
18 connection to Facebook and Twitter. So this way
19 people, if they're interested, can sign up for the
20 2nd Avenue friend and then see updates every day,
21 once a day about a different 2nd Avenue business.
22 The idea being to help promote, you know, they've
23 lost some of their advertising space, they've lost
24 some of the foot traffic but that doesn't preclude
25 them from advertising online in terms of a very

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hybrid local type of way.

Now that's sort of the short term plan. Longer term, my thought would be to hook up something called Four Square. Now Four Square is a technology that allows people with their mobile device to be able to basically check in somewhere. It's basically the next big thing. And for 2nd Avenue businesses, this would be very helpful because I mean for example in Joe's store, there are at least 45 people coming into his store or already within the last month who have checked in. And so if we could somehow convince the owners in Four Square to sort of incentivize people who checked in to 2nd Avenue business, perhaps there's some sort of 2nd Avenue badge. You get badges for checking into places. It can create a powerful incentive.

So I think in terms of working with these individuals, I think it's important to come up with a good online strategy and that's what I've been trying to do. And with your help, I think, from the political perspective, you all have Facebook pages, I hope, advertising the blog when it actually goes live would be really helpful

1
2 as well as any other advice or resources you might
3 think would be appropriate.

4 Longer term when I return to school
5 I'd like to continue working on this project. I
6 know that Columbia has a lot of resources for
7 small businesses consulting. Particularly one
8 idea that I had was to do a consulting project for
9 the contractors who actually work at 2nd Avenue.
10 We know nothing about them. We don't know how
11 many there are, what their preferences are in
12 terms of, you know, what they like to eat, what
13 they like to drink. And I think being able to
14 share that information with the 2nd Avenue
15 businesses through some sort of survey would also
16 be beneficial.

17 These are just simple ideas. I
18 mean from my own perspective when I see crisis, I
19 also see opportunity. And that's sort of the
20 mantra of entrepreneurs, the people who are
21 affected.

22 CHAIRPERSON VACCA: Council Member
23 Reyna has a question.

24 CHAIRPERSON REYNA: I appreciate
25 your testimony and word of advice. I wish and

1
2 hope that the MTA could consider some of your
3 ideas. I also wanted to just ask you, because I
4 didn't hear any business referred to, what is your
5 take as far as your opinion is concerned regarding
6 the Shop 2nd Avenue program.

7 MR. STONE: Sure. Shop 2nd Avenue
8 is a good start but I think it can be improved
9 upon. People understand the brand but they don't
10 have any way to connect with it. If, for example,
11 you had Shop 2nd Avenue and below it, website, then
12 all of a sudden people have an opportunity to
13 really understand what that's all about, sort of a
14 connection.

15 If you can tell people on the
16 poster that they can click, you know, that they
17 can check in through Four Square or something like
18 that, that also adds. If you can add bags that
19 all the merchants carry, right, when they do their
20 delivery, that adds to it. So all these things
21 put together create the impression that this is 2nd
22 Avenue and there is an incentive. And then all of
23 a sudden when they're starting to make decisions
24 about oh where do I need to get my shoes shined or
25 where do I need to do, well let me do a 2nd Avenue,

1
2 I remember they're having these great promotions
3 and these discounts and I think that will be a
4 much stronger brand in the proposition than just
5 kind of having a couple of signs up and saying,
6 you know, there's a lot of construction here.
7 Shop here.

8 CHAIRPERSON REYNA: Well I
9 appreciate the time you've taken to participate in
10 this process. And I know that we have
11 participation of the MTA representatives here that
12 will take back some of these suggestions and see
13 to it that there is more direction concerning
14 where to do shopping as far as the Shop 2nd
15 program. It's not very catchy--

16 MR. STONE: [Interposing] Yeah the
17 way it's--

18 CHAIRPERSON REYNA: --Shop 2nd
19 Avenue.

20 MR. STONE: Yeah.

21 CHAIRPERSON REYNA: Program.

22 MR. STONE: Yeah. The website that
23 I camp up with. I try--because it's a blog, I did
24 it from the perspective of an individual shopper
25 called the 2nd Avenue Shopper. And there's a

1 couple of blogs already out there about 2nd Avenue,
2 the 2nd Avenue Saga, the Launch Box, so I wanted to
3 focus more specifically on the merchants. So it's
4 a little bit different than Shop 2nd Avenue--
5

6 CHAIRPERSON REYNA: [Interposing]
7 Right.

8 MR. STONE: --but it's like that's
9 where I was going with it so.

10 CHAIRPERSON REYNA: Right. Well
11 thank you very much for coming.

12 CHAIRPERSON VACCA: Thank you.
13 With no further speakers this Committee hearing is
14 hereby adjourned.

15 [Gavel banging]

16 CHAIRPERSON VACCA: Thank you for
17 coming.

C E R T I F I C A T E

I, Laura L. Springate certify that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.

A handwritten signature in cursive script that reads "Laura L. Springate". The signature is written in black ink on a light-colored background.

Signature _____Laura L. Springate_____

Date _____June 23, 2010_____