STATEMENT OF DR. MICHAEL HORODNICEANU, PRESIDENT, MTA CAPITAL CONSTRUCTION, BEFORE THE NEW YORK CITY COUNCIL COMMITTEES ON TRANSPORTATION AND SMALL BUSINESSES MONDAY, JUNE 14, 2010 SECOND AVENUE SUBWAY

Good afternoon. I am Dr. Michael Horodniceanu, president of MTA Capital

Construction. As you are aware, MTA Capital Construction is responsible for building
the MTA's mega projects, including the Second Avenue Line. Thank you for inviting me
here today to discuss our progress with the Second Avenue Subway project.

As many of you know, the Second Avenue Subway is a planned 8 and a half mile line running from 125th Street in Harlem to Hanover Square in the Financial District. This line will bring much needed additional service to residents of the Far East Side of Manhattan and relieve overcrowding on the Lexington Avenue Line.

Currently we are building Phase 1 of the new line. When completed, Phase 1 subway service, which is projected to carry over 200,000 weekday riders on the day it opens, will be an extension of the existing Q service in Manhattan. Q service will operate along Second Avenue from 96th Street to 63rd Street, where it will divert west along the existing 63rd Street line, stopping at the Lexington Avenue/63rd Street Station. Q service will then continue west under Central Park - on existing tracks that are currently not being used for passenger service - and then head south to the existing 57th Street/7th Avenue Station, and onto 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, 86th and 72nd Streets, and reconstructing the existing Lexington Avenue/63rd Street station with the addition of new entrances at Third 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 Streets
- the 96th Street Station heavy civil and structural work contract, and
- the 86th Street excavation, utility relocation and road decking contract.

Work on these three contracts has resulted in three main active construction sites:

- from 91st to 100th Streets,
- from 82nd to 87th Streets, and
- from 69th to 73rd Streets

By the end of 2010, we expect to award two additional contracts – the 72nd Street station cavern excavation and the Lexington Avenue/63rd Street station reconstruction.

To date, we have achieved a number of project milestones, including the relocation of utilities, soil and rock excavation, creation of access shafts for the 72nd Street station, and completion of the launch box, where the tunnel boring machine was assembled. In fact, just last month we celebrated an important milestone, sending the tunnel boring machine on its way, mining the tunnels through which the Second Avenue Subway will travel.

Phase 1 of the Second Avenue Subway project is currently forecast to be within budget and completed on schedule by the end of 2016. Through May 31st, 2010, we have committed \$751 million in construction contracts and construction is 10% complete. To say that building a subway in a fully built, dense urban environment is a challenge would be an understatement. Construction of this magnitude is impossible to undertake unnoticed, especially considering the types of activities associated with building a new subway line - utility relocation, building protection, property acquisition, and maintenance of pedestrian and vehicular traffic are but a few of the issues we encounter on a daily basis. However, how we plan for and mitigate the impacts of construction is what counts here, and it is because we anticipated the complexities of working in such an environment, and have prepared for it, that construction is successfully underway.

Throughout the project's history we have sought to inform and engage the public in the planning, design and construction of this project. During the Manhattan East Side Alternatives Study (MESA), which began in 1995 and was the precursor to the Second Avenue Subway project, meetings were held to discuss all aspects of the project. This approach continued throughout the course of the Environmental Impact Statement (EIS) study process and the subsequent supplemental and final EIS for the full-length subway.

Since 1995, our SAS project team has continued to meet with elected officials, special panels, task forces, community and neighborhood-based organizations, various institutions along the proposed route, residential and business groups, as well as unaffiliated groups of individuals. In addition, official MTA public hearings are held at

various stages through out the process at which the public has been able to express their views and opinions.

Because community boards are charged with representing defined geographic areas, they offer an ideal forum for disseminating information and getting public feedback about the project. Thus, our main outreach efforts are usually directed at community boards. With respect to the Second Avenue Subway project, our primary outreach has been directed to Community Boards 8 and 11, as the Phase 1 work falls within their jurisdictions.

Community Board meetings have provided an ongoing forum for the SAS project team to update the public on the project and for the public to provide their feedback.

I'd also like to note our ongoing work with the local elected officials to assist the community. Councilmembers Garodnick, Lappin, and Mark-Viverito are strong advocates for their constituents. To address specific issues, we have had many site tours of the work zones with them and their staffs. I look forward to continuing to work with them on this project.

In addition, the project team has been doing active, ground-level outreach in the specific neighborhoods affected by Second Avenue Subway construction, both to keep area residents and businesses informed of the work schedule and progress, and to address any concerns they may have. Given the duration of this project and the intensity of its impact, we knew that a special effort was warranted in communicating with the business community. In the winter of 2006 and again in the spring of 2007 - prior to the start of

any Second Avenue Subway construction – project outreach personnel canvassed every business establishment within the Second Avenue Subway right-of-way to introduce themselves and to provide information concerning the impending construction and its impact. And as the construction contracts have been awarded, project staff and the construction managers continue to walk the entire work site on a regular basis to discuss with each business upcoming construction activities and to identify individual needs and concerns, and wherever possible, address them. For example, when one business lost its only access to the basement because construction activities required that its cellar doors be sealed, our contractor actually built an additional entrance to the basement for them.

Since construction began in August 2007, project staff have worked closely with the affected businesses to address their concerns. We regularly attend Second Avenue Business Association, or SABA, meetings, with business owners, representatives of the Mayor's Office and the NYC Department of Small Business Services, and local elected officials to address the concerns of specific businesses.

During regular SABA meetings and in discussions with individual businesses, project staff attempt to assist businesses as best we can, given our limitations as a public agency. Although we are unable to offer any financial assistance, we have and will continue to consider any reasonable suggestion to mitigate the impact of the project on their businesses.

Over the past three years, we have put in place a number of strategies to mitigate construction impacts to nearby businesses. These include -

- Employing a full-time public outreach person, who works in one of the
 SAS field offices in close proximity to the construction sites and deals
 directly with individual businesses, as well as area residents;
- Providing high-visibility signage around construction sites that incorporates the individual logo of each business and directs the public to individual establishments;
- Posting project look-ahead schedules and construction notices on bulletin boards at the project sites.
- Posting project information, including environmental documents and any formal community presentations, on MTA's website; and,
 - Working directly with SABA, and developing the "Shop Second Avenue" campaign, which is comprised of a specially-designed logo, posters and brochures listing all businesses in the affected work zones, along with their addresses, phone numbers, and web sites. Additionally, these posters have been installed in the fare control areas of subway stations adjacent to SAS construction, as well as distributed as a brochure to individual businesses, Community Boards and the offices of local elected officials. I would just like to note that in a first of a kind effort for the MTA, we created a dedicated web page listing Second Avenue businesses near the construction zones with their contact information and logos.

We have been open and honest with the community and the area businesses about the anticipated impacts of construction. During the planning phase, the anticipated construction impacts were outlined in presentations at Community Board forums, individual discussions with businesses, and in the Environmental Impact Statement. As I said earlier, this is a massive undertaking within the confines of a dense urban environment. And even as construction proceeds, we continue to anticipate and respond to the community's concerns, and I want to assure you that we take these concerns very seriously.

Our contractor is required to comply with the New York City Noise Control Code and its regulations. Our New York City Department of Transportation stipulations allow work above-ground on Monday to Friday, from 7 AM to 10 PM, and Saturday from 10 AM to 7 PM. Work underground is allowed 24 hours a day, 7 days a week. It should be noted that the MTA and the City of New York, in agreeing to allow the contractors to work these long hours made a conscious trade-off: longer, and perhaps, more disruptive hours of work were chosen in order to shorten the duration that the work will be in any one area. In addition to work hour restrictions, our contractors are required to monitor and measure sound levels for public exposure to noise due to construction, and to take necessary noise mitigation measures. One such method you may have seen around the site are noise blankets hanging from construction fencing.

In order to minimize dust at our construction sites, our contractors implement a number of dust mitigation measures. These include wetting down construction areas, removing mud and dirt from vehicles leaving the sites, using closed chutes to handle debris, and covering stockpiles with plastic tarps.

In addition to concerns about noise and dust, when heavy construction begins, people are concerned about movement of pests such as rats. We have heard and responded to this issue as well. In addition to the rodent control plan that our contractor is required to implement, we have implemented additional recommendations from the New York City Department of Health, which include additional bait stations, weekly monitoring and rebaiting, and relocating bait stations based on observed activity. In addition, we participate in a weekly Mayoral interagency task force to deal with rodent activity throughout the city.

Because we recognize that nothing can take the place of seeing for ourselves what is going on at our construction sites, we have personnel walk the sites on a daily basis to check for site cleanliness and identify issues so they can be addressed immediately. Our safety engineers and inspectors are on-site to make sure proper protections are set up for the workers and the public. We have a traffic coordinator on staff who reviews all maintenance and protection of traffic plans for pedestrian and vehicular safety and ensures sufficient signage. Our entire team, both staff and contractors, work together to ensure safe work sites for both the workers and the public.

We have evaluated every mitigation strategy suggested and have complied with all reasonable requests. For example, in response to a community request, we installed additional lighting at 86th Street. Another request led us on a walk -through of the area near Metropolitan Hospital with hospital staff to identify locations where additional signage would improve pedestrian safety. Those signs have now been installed. These examples are only a very small sample of the numerous requests and suggestions that we respond to.

To conclude, the Second Avenue Subway project will improve the lives of New Yorkers by enhancing the transportation network, bringing new business 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 entities to support the Second Avenue business community.

I am now happy to answer any questions you might have.

FOR THE RECORD

Dear Dan.

I am unable to attend the hearing today, but wanted to share my thoughts with you for inclusion in the record. I am writing as a resident of the neighborhood, not as an attorney representing any interest.

1. I live at 1760 Second Avenue. The big hole in the ground is right in front of our door. I have first-hand knowledge of the status of the street.

2. Construction:

- a. Skanska, the construction company, is doing a fabulous job of keeping the street clean and the construction site tidy and safe. (It's cleaner than before the construction started!) The construction workers are polite and respectful. I applaud them for making a difficult job as unobtrusive to the community as they can.
- b. Signs could be improved so people know where to cross, etc.

3. Business Vitality

- a. The businesses are suffering. They really could use some assistance, either by way of tax relieve or business development.
- b. To promote business development and to include the rest of the city in this fantastic public works project, I have two suggestions to draw people to Second Avenue:
 - i. Sophisticated Informational display explaining the construction stages and process, the different machines and vehicles, the different jobs of the workers, where we are now. Maybe even a screen with a web-cam showing the construction in progress in the tunnel. It could be mounted on the fence along the construction site at different locations and could be the focus for tours or school trips to see the subway being constructed. That may bring more people to the neighborhood and the businesses. Some of the material already has been in an exhibition at the NY Public Library at 34th Street, some is on the MTA's website. It could be a really interesting educational and "industrial tourism" venture.
 - ii. Gallery/Museum on the fence showing
 - 1. Photos taken by the construction workers of the site this would give them recognition, too;

- 2. Photos or other art work from members of the community, schools, etc. There could be sections for professional artists, videographers, amateurs, kids, whatever. One show could be about the subway construction (for example, SABA's Photo Contest entries and winners), but it could become a venue for other artists' and photographers displays—it could be curated by City Lore or by the different museums or schools in the neighborhood and sponsored by Sony or Kodak (for the technology and installations.) I'd be happy to flesh this out with you and assist in creating it.
- 3. Encourage people to visit the outdoor gallery, eat in the local restaurants, and buy products at the local stores.

4. Improvements:

- a. There is one corner (northeast corner of 92nd Street and 2nd Avenue) that is not the construction company's responsibility (where the building was vacated due to an unsafe condition) that is a problem. It is unkempt-- full of rubbish, poorly lit, very uneven pavement-- and a hang-out for homeless people. It's a little scary to walk by there at night and, even during the day, its narrow and uneven pavement may hurt the businesses further north. It would be greatly appreciated if the city would add lighting and clean it up.
- b. The cross walk at the northeast side of Second Avenue and 92nd Street is awkward. You cannot check for oncoming traffic coming down Second Avenue without risking being clipped by a car or truck making a left hand turn to 92nd Street. There is a storage box (I believe) inside the construction site that blocks a view of Second Avenue if you are standing further back, more to the east. If the storage box could be moved, it might be a bit safer.

Thank you for holding the hearings.

Carrie

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Best wishes,

charris a goldmanharris.com www.goldmanharris.com



FOR THE RECORD

June 14, 2010

2nd Avenue Subway Testimony

My name is Michele Birnbaum, a Vice President of the East 86th Street Association.

The construction of the Second Avenue Subway, while an important and needed transportation project, has caused much disruption to businesses and residents in the immediate area, despite the best efforts to mitigate the excess noise, dust, and reduced access.

Earnings are substantially impacted when eliminating outdoor cafes, having disruptions in telephone service and power, and eliminating parking spots for residents and customers. The number of bus stops were reduced within the construction zone causing a hardship for all riders.

The large, illuminated sidewalk traffic signs, installed to alert traffic to avoid the 2nd Avenue corridor while construction is underway, are oversized for placement on city streets. The oversized mounting significantly restricts pedestrian traffic flow. While we understand that these signs are part of a Federal requirement, in consideration of the number of years that this project will be on-going and the significant impact these signs have on our streets, we believe that more appropriate signage should be installed which would be designed taking city pedestrian and vehicular traffic patterns and congestion in to consideration, and that such a proposal be made to the appropriate city, state and federal government agencies.

We were disappointed that a Bill proposing that the city grant tax abatements to buildings along Second Avenue which reduced rate would be passed from Landlords to their commercial tenants in order to reduce rents in a time of reduced revenues, did not become law.

We encourage the architects to be mindful of the intrusion of oversized and over-designed subway entrances into the landscape and their effect on residential buildings and ask them to keep these entrances and canopies at a minimum size.

We remain seriously concerned about the displacement of residents and the possible undermining of the structural integrity of the buildings in the immediate blasting area.

Just as disturbing as the disruptions occurring during construction are the disruptions that will follow completion of the project if entrances and air shafts were put in undesirable locations and were inconsiderate of the overall esthetic of the community.

We were told that the air shafts would blend in with surrounding buildings, and hope that will be the case.

We remain opposed to the decision that the 86th Street Subway entrance be placed near the driveway access to 305 East 86th Street. The reasons for this objection have been well documented in other testimony; we still hold out hope that this entrance will be relocated a little west of the northwest corner location. We were advised that this could be accomplished from an engineering standpoint with an acceptable increase in budget and completion time.

The neighborhood is suffering greatly from the impact of this construction, but we are trying to keep our eye on the goal in the hope that our quality of life will be greatly improved at completion. For this reason, we don't want decisions to be made solely because of cost or expediency, but because they will result in the best outcome.

We will live with the results of this project for the next hundred years, and we want to leave the Avenue and the transportation hub better than it was.

In the meantime, we encourage our neighbors to shop and dine on Second Avenue, and we encourage our public servants to everything they can to help mitigate the financial burden to businesses that construction has caused. We must do this and yet respect and maintain the demeanor of a wonderful residential and business community.

Sincerely,

Michele Birnbaum, A Vice President

FOR THE RECORD

Manhattan Chamber of Commerce Testimony

2nd Ave. Subway Hearing

Monday June 14, 2010

As the MCC has been involved with the 2nd Ave. Subway challenges for the small businesses along the construction corridor since the inception, working with SABA and other merchants further down the avenue, our chamber has heard from merchants and residents as the project has moved forward.

The challenges for the merchants are evident from initial construction issues ranging from <u>dust</u>, <u>noise</u>, <u>fencing</u> <u>and narrowed or no sidewalks to delivery</u>, <u>waste</u> <u>removal and city agency issues</u>.

Residents, shoppers and pedestrians have avoided the avenue where there is narrow passage on the sidewalks and unpleasant strolling conditions. In addition, diners have also chosen to go to other avenues to enjoy a meal and walk unobstructed after their meals. In addition, restaurants on 2nd Ave. with sidewalk cafes have been cut back in their ability to offer dining and those who like to dine in outdoor cafes do not enjoy sitting in front of a fence. However, there has been no café license financial relief for those restaurants. It has been business as usual.

The city agencies have been in close communication with the merchants through the Mayor's Office of Community Affairs and have been reactive to those experiencing problems. And Claudia Wilson, from Sam Schwartz has tried to keep everyone informed with bi-weekly updates on the construction progress. The legislators have been addressing these issues upstate and continue to work on potential tax credits and other city/state savings for the merchants but thus far, with budget challenges at both the city and state levels, there has been no movement on this front.

MCC has formed a 2nd Ave. Resource Coalition comprised of legislators, city agency representatives, local organizations and Community Board 8. We have been meeting regularly in the past several months and have produced a 2nd Ave. Resource Guide for all the merchants with phone numbers and emails for all those who can help. We held two meetings for merchants last month. We have focused on access to capital, technical assistance and marketing and are in the process of setting up a meeting with a large and respected PR/marketing agency to create a long term sustainable branding and marketing plan for the entire 2nd Ave corridor. The majority of the merchants along

2nd Ave. need more shoppers and diners and business in order to sustain themselves during this process.

As a local resident, I have witnessed the challenges and obstacles for both residents and merchants. Street access, parking, entrance/exit egress and general fears of the drilling and what impact it will have as the boring machine advances down 2nd Ave. are the highest concerns on the minds of residents.

For example, on E. 88th St. just off 2nd Ave., there is signage (very poor) that there is no parking anytime on the north side of the street from the corner inwards towards 1st Ave. Everyone parks there at night assuming there is no work going on and they come in the morning to get their vehicles and find parking tickets. In addition, along 2nd Ave., in many places, the signage is poor and meter signs nonexistent. Shoppers and diners and residents alike are suffering from these poor conditions. If there is no parking, there should be better signage and there should be parking allowed overnight if there is no work going on. In the aforementioned area on 88th St., I have never once seen any construction related activity in that section of the block and this is tough on everyone to eliminate 7 parking spaces.

We would be delighted if any of you or your associates would wish to join our 2nd Ave. Subway Resource Coalition and participate in our efforts to help the small business and residential community. It is not "business as usual" for this corridor and we welcome any assistance the Council can offer.

Thank you,

Nancy Ploeger President Manhattan Chamber of Commerce

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www.jpocker.com

New York	135 East 63rd Street, NY, NY 10065	212-838-5488
GREENWICH	175 West Putnam Ave, Greenwich, CT 06830	203-629-0811
Westport	222 Post Road West, Westport, CT 06880	203-222-7800
BRONXVILLE	65 Pondfield Road, Bronxville, NY 10708	914-337-7100
TO THE TRADE	D&D Building, 979 Third Ave, Ste 214, NY, NY 10022	212-588-0043

Having endured more than a decade of horrendous conditions during the original construction of the 63rd St Subway construction, I received the notification of the continuation of the Second Avenue subway to the front door of my business with great distress.

My family picture framing business, J. Pocker & Son will be 85 years old in 2011. Three generations, no small task in New York City's Upper East Side. My family has lived the Great American Dream in our Neighborhood on Lexington Ave. I am in business now, two blocks away from where my Grandparents began.

In the 1980's because of the 63rd St Subway my business lost half of its retail space to eminent domain, three-quarters of is display windows, its entrance on Lexington Ave, the necessity to relocate my manufacturing to another location, not to mention loss of business, the noise and filth, and the invasion of rats due to the blasting that went on for several years.

We were forced to move the entrance to the store around the corner. The loss of foot traffic and the display windows which are the life blood of New York retailers is incalculable..

Now the MTA wants to substantially block our remaining sidewalk with the new project.

I don't have to wonder what it will look like, I can see it already on Second Avenue and its not workable. The MTA has already told me at a previous meeting in April that there will be no access for delivery trucks to my store. How many blocks can delicate merchandise be walked in years of inclement weather? I am not talking about crates of fruit but artwork and clients merchandise which must be handled with the utmost care. East 63rd Street will be a single lane street allowing, we were told, no room for any deliveries. Impossible for any small business to survive without truck access several times a day. We were told by the MTA at their April meeting, there will simply be no room for local deliveries.

Another prolonged period of construction can put me out of business. I hear you speak about loss of business, J. Pocker & Son directly employs twenty-five New Yorkers. Our suppliers would be forced to layoff dozens more.

We already have in the work, press events planned to celebrate our 85 years in business. Everything will have to be taken down a notch, the location will be hidden behind fencing and construction cones. Not at all what a business owner has in mind.

We are the last remaining old family business in our neighborhood, and we would like to retain the title of Surviving Family Business

Thank you

Robyn Pack fore 14,2010

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Eldad Gothelf Senior Planning & Development Analyst 212-592-6144 rbass@herrick.com

Second Avenue Subway Construction Impact

Good morning, Councilmember Dan Garodnick, Jessica Lappin and members of the City Council Transportation Committee. Thank you for holding this very important public hearing.

My name is Eldad Gothelf, Herrick, Feinstein LLP. I work with Richard Bass, who was unable to attend today's hearing. Our firm has been retained by over 14 properties along the Second Avenue corridor in order to assist property owners affected by the Subway Construction Project (the "Project"). These properties include older rental apartment buildings, residential coops and condos, a commercial garage, and construction of new mixed-use residential buildings, both affordable and market rate developments.

This 8-10 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/restaurant and service establishments, vacant rental apartments, and lost coop and condo sales. The subsequent loss of income has damaged and will continue to damage the economic viability of property owners, landlords, coops and condos. This loss of income and economic impact will not 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 Second Avenue Subway Project and its impacts on the host community. What has happened and will happen in Community Board 8 is an indication of what Community Boards 3, 6 and 11 can expect over the next 15-20 years.



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Testimony at the New York City Council Public Hearing Re: Impact of Second Avenue Subway Construction on

By Assembly Member Jonathan L. Bing June 14, 2010

I am Assemblymember Jonathan Bing and I represent the 73rd
Assembly District in Manhattan, which includes East Midtown and portions of the Upper East Side, including several blocks of Second Avenue currently affected by the subway construction. Additionally, as the construction moves South along Second Avenue, more residents and businesses in my district will begin to feel the effects of the ongoing work.

For the past several years, my office has addressed quality of life issues with residents along Second Avenue, and been heavily involved in assisting businesses affected by the construction. These businesses are long-standing and integral members of our community, and I have worked to ensure that they will be here to enjoy the benefit of additional foot traffic once the subway is completed. However, several businesses along Second Avenue in the 90's have been forced to close because of difficulties related to the construction. We must work to see that other businesses along the corridor do not suffer the same way.

In the Fall of 2007, I worked with local business owners in the "launch box" section of the construction to help form the Second Avenue Business Association (SABA). What began as a meeting of merchants anxious to discuss the issues afflicting their businesses is now a monthly meeting which brings together business owners, elected officials, and representatives from various city agencies to address problems faced by businesses.

I am also the author of legislation (A. 6137-A) which would establish a matching grants program for businesses located within the Second Avenue construction zone. The grants program would provide funding to qualified businesses for marketing, to purchase business-related equipment, or make preapproved physical and capital improvements to their stores. For the most distressed businesses, funds could be used for payroll assistance, rental payment assistance, utilities and insurance.

In 2008, this bill passed both houses of the Legislature but was vetoed by the Governor. This year, the bill has passed the Assembly, and is currently pending in the State Senate Finance Committee. I am hopeful that this legislation will soon pass the Senate, be signed by the Governor, and provide some much-needed assistance to businesses. These businesses have suffered some of the worst effects of a project which will ultimately increase foot traffic and public

JONATHAN L. BING Member of Assembly 73RD District

transportation on the East Side of Manhattan. The legislation presents an opportunity to help business owners survive the worst of the construction, so they can be around to enjoy the best of the benefits once it is completed. As the City Council evaluates the quality of life and impact of businesses surrounding the Second Avenue Subway, I hope you will support these legislative efforts and consider measures that allow these businesses to remain in business through the completion of the subway and to enjoy the benefits it will bring to the East Side of Manhattan.

Thank you for the opportunity to speak here today.



Tel: 212.996.0745 Fax: 212.289.4291 info@civitasnyc.org

1457 Lexington Avenue New York, NY 10128 www.civitasnyc.org

Statement before the New York City Council Small Business Committee and Transportation Committee Oversight Hearing on the Second Avenue Subway June 14, 2010

CIVITAS is a not-for-profit community based planning organization concerned with the quality of life on the Upper East Side and in East Harlem. Since 1981, CIVITAS has worked to improve the urban environment, advocating for better land use, zoning and urban planning, affordable housing, public transportation, clean air and water, and public access to the waterfront. We seek a balance between appropriate development, the need to grow and accommodate an increasing population and neighborhood quality of life.

We would like to thank the Transportation Committee and the Small Business Committee for scheduling this oversight hearing and for the opportunity to speak about our concerns regarding the construction of the Second Avenue subway. CIVITAS joins a host of community-based organizations and neighborhood residents in full support of this major capital investment and infrastructural improvement in our city. Completion of the subway will result in major environmental benefits and reduced traffic congestion for the east side of Manhattan. That being said, this massive, long-term undertaking is having and will have negative impacts on the affected communities that need to be effectively addressed.

As the planning process moves forward to future phases of construction in East Harlem, Midtown and lower Manhattan, we would like to see much better documentation of the "lessons learned" from Phase I of construction on the Upper East Side and legislation by the New York City Council to address the numerous quality of life concerns associated with a major capital construction project.

Construction Impacts on Small Businesses and Residents

As has been well documented in the press and public discourse since the subway groundbreaking in 2007, the design and construction process has led to numerous concerns in the Second Avenue corridor. One of the biggest concerns has been the





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severe impact on small businesses in the 30-block corridor affected by the construction.

The problem has been particularly acute between 96th and 90th Streets, the location of the construction staging area, where at least seven businesses have closed since spring 2007. Similar adverse conditions are expected as construction proceeds at each of the proposed stations: 86th Street, 72nd Street and 63rd Street. Small retailers on Second Avenue are experiencing what could be considered a "perfect storm" of adverse conditions, including: rising rents, competition from national chain stores and an economic recession. This means that costs are increasing while income is on the decline. This citywide problem is coupled with the unwelcoming environment in the construction zones, including:

- sidewalks that have been significantly narrowed in some locations
- lost parking spaces for shoppers and deliveries
- periodic and unannounced utility cutoffs
- · increased dust
- · excruciating noise
- vermin
- shoppers' inability to locate businesses blocked by construction equipment
- fines and penalties for parking and commercial waste pickup

With the difficult business climate on Second Avenue, the small businesses will struggle to survive until the subway is completed in 2016.

As a product of the oversight hearing, we urge New York City Council to draft and approve legislation to provide greater support and funding to meet the challenges the small businesses and residents are facing in the Second Avenue construction corridor.

Long Term Impacts on the Design of Station Entrances and Ancillary Structures

Also of concern has been the design of entrances to the Second Avenue subway stations and the six ancillary structures that provide ventilation and other mechanical systems for the subway. In 2009, CIVITAS worked with BFJ Planning, a transportation and urban planning consulting firm, to address community concerns about the station entrance locations and the design of the ancillary structures. Addressed in the evaluation was the design of the 86th and 96th Street stations. At



Tel: 212.996.0745 Fax: 212.289.4291 info@civitasnyc.org

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86th Street, recommendations included incorporating the station entrances into the line of existing buildings and eliminating the two massive mid-block escalator banks that will disrupt pedestrian circulation and represent other safety concerns at the northwest corner of 86th Street and Second Avenue. Our recommendations for the 96th Street entrance included incorporation of an additional subway entrance at the northeast corner of 96th Street and Second Avenue. In the current proposal, there is no station entrance north of 96th Street and, to reach the subway, East Harlem residents will be required to cross a dangerous intersection congested with traffic from the nearby Franklin Delano Roosevelt Drive. Construction an additional entrance at this corner would allow safe access to the subway to the residents of East Harlem.

As part of the study, CIVITAS also recommended improved design for the six ancillary structures. Concerns have been raised in the community about the height (in some cases more than 70 feet), bulk and façade design of the buildings. Further concerns include the deadening effect the structures will have on the lively streetscape of Second Avenue. As part of this review, CIVITAS recommended incorporating small footprint retail into the first floor of the structures. The MTA has stated that it is considering this proposal for four of the six ancillary structures.

A fully copy of the study is available at www.civitasnyc.org.

In closing, NYC Council should factor the findings of this oversight hearing into future legislation and support for the Second Avenue business and property owners. Completion of the Second Avenue subway is a critical investment in New York's future yet additional evaluation and action must take place to reduce the negative impact on the surrounding neighborhoods.

In a meeting at Hunter College around 2005 with Community board 8 and the MTA, I asked Jim Dobbs of the NYC Transit how were businesses going to be compensated for their loss of revenue due to the subway construction. He said "You will not be affected" I believe that this lie was believed and set as a theme by the community board, city council, state and federal officials. The neighbor hood has not been properly represented during the set up and construction of the 2nd avenue subway. The residents and merchants are neglected victims of this project.

Cut/cove as most destructive "mtx"

Overall Effects of Construction

-15%-25% Decline in revenue

- over a 140 lost

- Cancellation of outdoor seating: (loss in revenue, cost to remove)

Foot two is before construction

Decline in fort to 65%. " Cut/cour as most destructive " moto

Overall Effects of Construction

- Decline in foot traffic

- Increase in Noise, Dust, Vermin

- Loss of awning (cost to remove)

- Hard to get supplies delivered to the business

- No space to place delivery bikes

- Unsightly construction area

- Restricted use of basement

- Loss of phone/water due to negligence

- Problems with garbage pick up

- Businesses starting to close

FOR THE RECORD

A list of the some of the effects on the businesses in the area and how long it took to rent them.

1752 2nd Avenue: Closed 10/2008, was vacant far for 1 year 2 months Closed 11/2007, vacant so far for 2 year 7 months 1754 2nd Avenue:

1760 2nd Avenue: Closed 10/2008, was vacant for 12 months

1824 2nd Avenue: Closed 1/2008, vacant so far for 2 year 5 months Closed 8/2007, was vacant for 1 year 10 months 1830 2nd Avenue: 1842 2nd Avenue: Closed 4/2008, was vacant for 1 year 6 month Closed 6/2007, was vacant for 1 year 5 months 1819 2nd Avenue:

Closed 5/2009, vacant so far for 1 year, to become station 1815 2nd Avenue:

312 E. 92 St: Closed 8/2007, was vacant for 1 year 10 months

1768 2nd Avenue: Closed 6/2009, due to Vacate order (Big Easy) 1 year ago

1766 2nd Avenue: Closed 6/2009, due to Vacate order (92nd Street Deli) 1 year ago 1766 2nd Avenue: Closed 6/2009, due to Vacate order (Tony C. Laundry) 1 year ago

AKA 301 E. 92 St

 In June 2009 there were 13 buildings between 92 and 95 streets that had construction sheds due to structural issues/violations.

The MTA has given nothing to help small businesses suffering from the negative effects of ongoing construction. MTA has said we would not be affected.

Consequences of 2nd Avenue Subway construction timeline on my business:

July 24, 2006:

-Approved for sidewalk cafe permit.

September 29, 2006:

• -sidewalk cafe permit revoked. Lost revenue I could have gained from 12 more seats.

October 2006:

-Vault space doors soldered shut . No street access to basement.

All deliveries must now come through restaurant and down steep back stairs to basement. March 2007:

-All trees have been cut down between 91 st and 95 st. I had asked for a tree and gotten two.

April 2007:

Street has been cut up. The sidewalk is reduced from 20 feet down to 7 feet of sidewalk. No place for my bench where people would hang out and wait for a table on busy nights. No place to store delivery bikes during work hours. Losing foot traffic.

• -Revenue down 15%

May 2007:

• -Garbage is piled up on corners.

All businesses and residents on block forced to use limited corner space for garbage placement.

-Revenue down 10%

-Dig up the sidewalk to make it into a lane of traffic.

Can't open front doors because of dust and noise.

June 2007:

-Reservation of 4 at 8pm is late. Calls at 8:20 they can not find parking.

I offer to pay parking lot fees. Frustrated by lack of parking go elsewhere.

-Start cutting hours of employees.

• -3 days in a row tractor parked in front of business, totally blocking my small store front. Finally get so frustrated cover it with christmas lights at night. Customers like it.

-Revenue down 18%

July 2007:

- -Unloading goods for the restaurant get a ticket. I'm using the unloading zone created for local businesses but I don't have commercial plates.
 - -All expenses increasing, gas, food and rent.
 - -Hilti store closes(1819 2nd ave).
 - -Revenue down 20%

August 2007:

- -Chef quits due to reduced hours.
- ← -I see dust tornadoes roll through construction area picking up debris.
 - -Area starting to look like a war zone. Unrecognizable.
 - -Kebop G Restaurant closes(1830 2nd ave).
 - -Revenue down 23%

November 2007:

• -Nov 10 2007 Saturday afternoon phones are enexpectedly cut.

Lost hundreds of dollars in delivery business.

Sunday still no phone.

Monday phones finally back on.

• -Close early because DEP shut down water at 11pm.

- -Red Rock Road House Bar Closes(1754 2nd ave)
- -Revenue down 20%

December 2007:

→ -Friday December 14 from 7.30pm onwards for entire evening until around 1am, no water due to accidental breaking of water main between 94 and 95 stree

Find out later that the water main was accidentally burst by contractors.

December 2007 continued:

Two blocks on both sides of the Avenuedon't have water. Many disgruntled patrons.

Could not make pizza dough, cook pasta, serve water or use bathrooms.

Turned away any new patrons at door. Lost hundreds of dollars.

-Revenue down 19%

January 2008:

- -Zeytinia Fine Foods has closed. (1824 2nd Ave)
- -Finally started having weekly meetings with MTA and Skanka Construction to address issues affecting the neighborhood.
- -MTA announces date for move to east side of the street, Febuary 14, Happy Valentines Day! This is just the beginning. The worst is yet to come.

February 2008:

- -25,7pm: during dinner rush jackhammering starts business down 30% that night
 - -27 8am: Skanka knocks out electricity to whole building, 11am Con Ed arrive, 2pm power back on March 2008:
- ← -1 large pile of soil left uncovered for two days, dust everywhere
 - -2 fire truck unable to turn from 2nd ave onto 92 street
 - -7 cutting wood with chainsaw couple of feet away from pedestrians with no protection
- → -13 Delizia loses electricity for 8 hours
- -19 Benzene found in soil in front of 1760 2nd Ave

From:

Marcelo Ronchini owner Nina's Argentinian Pizzeria 1750 2nd Ave NY, NY 10128

Here are some examples of what other cities are offering merchants effected by subway/lightrail construction.

The disparity is overwhelming especially when you consider and compare the scope and budget of the Second Avenue Subway to all these other projects which are much smaller.

FYI: the Second Avenue Subway from 96st to 63 st is at minimum costing

\$500,000.00 a foot. That is correct, half a million dollars a foot.

Phoenix, Arizona Light Rail Project

- Project Budget 1.4 Billion
 - 2 dedicated Outreach Coordinators to help with signs, advertising and outreach
 - 6 community outreach coordinators 1 per neighborhood
 - free signage A-frame or vinyl banner and free access sign w driving directions to your business.
 - monthly community advisory board
 - preprinted postcards for promotional mailing customized by merchant: merchants pays for postage
 - Metro Discount Card METRO markets the MAX card—at no cost to you—through promotions, media relations, and by distributing it to people who live, work and play along the light rail alignment.
 - The city has hired a Business Advocate dedicated solely to helping owners impacted by construction.
 - Management Technical Assistance Consultants: This consultation has a market value of at least

\$3,000 but comes at no cost to you because the city

ASU Market Needs Assessment
 What you get is a \$1,500 marketing assessment at no cost:

Chicago Transit Brown Line:

Small businesses within two blocks of affected Brown Line stations are eligible to benefit from the CTA's Small Business Outreach Plan

Within One Block of the Station

Advertising on CTA Car Cards on Trains and Buses:

- CTA will design and place car cards in unsold ad space on Brown Line trains to include logo and address information for Brown Line businesses, encouraging customers to continue to support the businesses impacted by construction.
- A series of car cards will be designed with the various business names and logos so all interested businesses are accommodated. Several businesses will be included on each car card.
- The value of this advertising is at least \$10,000 (for trains only), plus the cost of production.

Rainier Valley, Seattle

- Sound Transit has tried to cushion the losses by giving \$6.7 million in relief payments to merchants.
 - Anticipating some distress, Sound Transit, the city and King County Metro created a \$50 million Rainier Valley Community Development Fund to distribute Federal money.
- The grant limits are \$30,000 to replace lost income, or \$50,000 for those who relocate or face unusual hardships.
 - Sound Transit is also offering publicity and marketing advice Baltimore Red Line
 - MTA will minimize the loss of parking in residential and small-business retail areas through strategies such as discounted off-street parking or shuttle bus service.
 - The City will create a mitigation fund to compensate business/property owners for loss of revenue or patronage during construction; provide for low-interest loans, façade improvement grants, etc. to business owners in affected areas.

Norfolk, Virginia:

- Small businesses hurt by major construction projects in the city can seek help through a \$1.3 million assistance program approved Tuesday by the City Council. The program offers low-interest loans, matching grants for business upgrades, customer discount coupons, marketing outreach and finding signs
 Low-interest loans of up to \$125,000 to be paid back over five years.
 - Matching grants to businesses that lose physical assets such as awnings or sidewalk dining to help replace them.
- Matching grants up to \$15,000 for businesses to remodel or expand during the slow period.
 - Grants of 20 cents on the dollar for customer coupons of up to \$5, with a cap of \$500 in assistance.
 - A free valet service at three spots along Granby Street.

Second Avenue Subway NY

NOTHING: that what was offered to us, only access and visibility(which we had plenty of before) with some small directional signs. That was all.

Merchants got organized and had countless meetings with local elected officials and with their help and pressure were able to get:

- · signs with merchants logos on the fence
- a page on the MTA website lsiting all merchants on 2nd ave with links to their own websites, no sidestreet merchants included
- posters/flyers showing all the merchant info and "Shop 2nd Ave" logo

The Second Avenue Shopper Overview

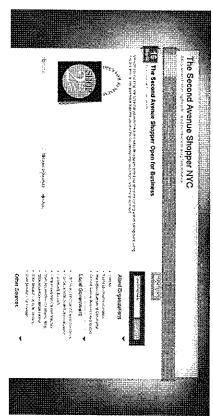


- Promoting 2nd avenue businesses
- Increasing foot traffic
- Facilitating communication with local residents age 18 to 35
- Updating residents on announcements / daily deals and specials

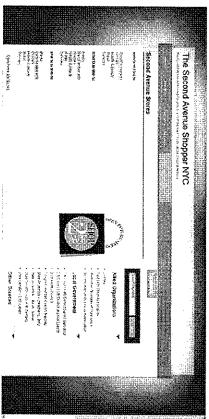
Key Features



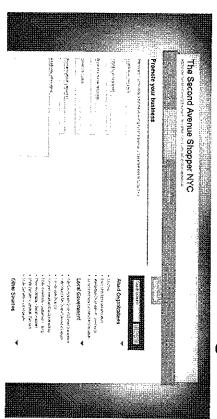
Main Page



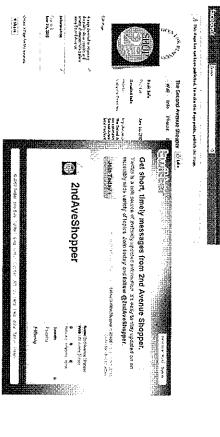
Directory of Businesses



Advertiser Submission Page



Facebook & Twitter Profile



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Address: 300 E 85 St #1201
I represent: SELF
Address:
Address.
THE CITY OF NEW YORK
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I intend to appear and speak on Int. No Res. No Date:
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Address: 1162- 2 40
I represent: S.A.B.A
Address: SAMC
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