

Testimony of Gerald Antonacci
re: proposed Willets West mall / Willets Point development
September 3, 2013

[THIS WRITING AND EACH OF THE ATTACHED WRITTEN MATERIALS AND EXHIBITS – INCLUDING THOSE IDENTIFIED AS A THROUGH R – SUPPLEMENT MY ORAL TESTIMONY AND ARE HEREBY SUBMITTED TO BE INCORPORATED IN THE RECORD PERTAINING TO THIS MATTER.]

Hello. I'm Gerald Antonacci, the owner of Crown Container Company and a member of Willets Point United.

The ONLY reason there's an application to put a parking lot at Willets Point, is to accommodate building a 1.4 million square foot shopping mall on parkland located next to Citi Field. The effect of this application – if approved – is to allow that mall to be built.

At the City Planning Commission review session on July 8, a commissioner mentioned that perhaps Sterling and Related need the profits from the mall, to pay the cost of remediation at Willets Point. That is totally incorrect, because there is a \$99 million dollar grant of taxpayer funds to Sterling and Related that they will use to pay for remediation. Make no mistake: Any profits from the mall go straight to Sterling and Related, and remediation does NOT depend on the mall because WE are paying for it.

The entire proposal of Sterling and Related is a bad idea for the following reasons:

UNNECESSARY MALL IS PRIORITIZED

We don't need any shopping mall at that location. If one is built, it will destroy existing shopping districts in Corona and Jackson Heights.

PARKLAND SACRIFICE: 30+ ACRES

Building a shopping mall on public parkland is not appropriate.

TRAFFIC NIGHTMARE

Even with the hypothetical mitigation measures in place, there will be very severe traffic impacts – including gridlock conditions at local intersections. From the developer's own mitigation report (DSEIS chapter 21): Delays of 821 seconds, 273 seconds and 226 seconds – even WITH the most optimistic mitigation measures in place.

Meanwhile, the report does not even guarantee the "feasibility" or "effectiveness" of the recommended mitigation measures – but proceeds to rely on them.

Back in 2008, the City Planning Commission's report noted that the city would "monitor" traffic impacts of this development. But when people are frozen at intersections during

the project's 821 second delays, what difference will it make if the city is "monitoring" those delays? At what point do you wake up and say, "This will not work?"

For more detailed information, see the report of engineer Brian Ketcham that is submitted to separately to the record.

NO VAN WYCK EXPRESSWAY RAMPS

Despite all the talk about new access ramps to and from the Van Wyck Expressway, the project contract specifies that, "for the avoidance of doubt, in no event shall EDC or the City be required to construct the Ramps as part of the development". And without those ramps, ONLY Phase 1A (essentially, the mall) can be built.

NO HOUSING

Housing and affordable housing were touted as the linchpins of this project during 2008. But their construction is being delayed until the year 2025, while the mall is prioritized instead. There's also a contractual "escape" clause, allowing Sterling/Related to pay a "cost-of-doing-business" penalty and then build NO housing. In addition, NO housing can be built unless the Van Wyck ramps are built first – but no one is obligated to build the ramps. The developers and the city have deliberately structured their contract to prioritize the mall, while delaying the housing and not ensuring that the ramps – which are prerequisites for the housing – will ever be built. That is tantamount to eliminating the housing.

COSTS SHIFTED TO TAXPAYERS

Contrary to what the City Council was told during 2008, the city will not recoup the value of the Willets Point Phase One property – in excess of \$200 million – but instead, will gift it to Sterling/Related for the price of \$1 (one dollar). Also contrary to what the City Council was told, remediation and other costs will not be paid by the developers, but by the taxpayers – as Sterling/Related will receive a \$99 million grant of taxpayer funds, to cover their development costs.

REMEDATION CHARADE

Several weeks ago at community board 7, Sterling/Related and the city were challenged to produce any scientific reports proving the existence of alleged hazardous contamination at Willets Point. Given that the city claims to own over 90 percent of Phase One property, the city is certainly able to conduct tests on that land. Not only did Sterling/Related and the city not produce any such report, but for several years the city has rented Phase One properties to scores of tenant businesses – which the city could not do, if the area was actually hazardous to anyone. Significantly, Dr. James Cervino – a geochemist who is affiliated with the Woods Hole Oceanographic Institution and is also Chair of the CB7 environmental committee – voted to DENY this Willets West mall / Willets Point development application. If there really was an urgent need to remediate any hazardous contamination at Willets Point, a scientist such as Dr. Cervino would be expected to have approved this application instead of rejecting it.

EMINENT DOMAIN ABUSED FOR PRIVATE ENRICHMENT

43 states other than New York have enacted laws to prohibit or curtail the use of eminent domain for economic development. Last year, the U.S. House of Representatives passed a bill that would cancel federal economic development funds to any state where eminent domain is used for economic development. The rest of the country and Congress have sided with property owners on this, and it is Mayor Bloomberg and the city administration that are out on a limb and using inappropriate, un-American tactics for this project.

Is it any wonder that there is strong public opposition to this application?

The Queens Civic Congress, an umbrella group representing more than 100 Queens civic organizations, has issued a letter opposing this application.

Queens Community Board 7 initially DENIED this application in its committee by a vote of 7-2, then the full board later approved it by a narrow margin of 22-18 only after arm-twisting by the city.

Community Board 3 also held a public hearing and voted pursuant to ULURP, with a near-unanimous vote of 31-1 to DENY this application. They do not want the mall on parkland, and they reject the developers' claim that a mall will not impact existing shopping districts.

Please reject this application. Let the city issue a new RFP, and let the respondents conform to the parameters and goals of the project that was approved during 2008.

APPROVE THIS PROJECT ???

- ✓ **Queens' Willets Point Advisory Committee
Excluded From Developer Selection,
Violating Written Promises**
- ✓ **Project Expanded to 108.9 Acres,
Versus 62 Acres As Originally Approved**
- ✓ **Unnecessary Mall Prioritized**
- ✓ **Parkland Sacrifice: 30+ Acres**
- ✓ **Traffic Nightmare**
- ✓ **No Van Wyck Expressway Ramps**
- ✓ **No Housing (though formerly the 'linchpin' of the project)**
- ✓ **Clever Contractual "Out" Clauses**
 - ✓ **IF CITY DOES NOT BUILD RAMPS, STERLING/RELATED
DO NOT BUILD HOUSING AND DO NOT PAY ANY PENALTY**
 - ✓ **STERLING/RELATED MAY PAY A \$35 MILLION COST-OF-
DOING-BUSINESS PENALTY AND OPT OUT OF BUILDING
ANY HOUSING**
- ✓ **Costs Shifted to Taxpayers**
 - ✓ **PROPERTY GIVE-AWAY: 23 ACRES FOR \$1**
 - ✓ **\$99 MILLION GRANT TO STERLING/RELATED**
- ✓ **Remediation Charade**
- ✓ **Businesses Evicted With No Group Relocation**
- ✓ **Living Wage Provision Omitted From RFP**
- ✓ **Eminent Domain Abused for Private Enrichment**

DEVELOP WILLETS POINT,
WITHOUT ADDING A HUGE MALL ON 30+ ACRES OF PARKLAND,
AND WITHOUT EXPANDING THE DEVELOPMENT FROM 62 TO 108.9 ACRES?

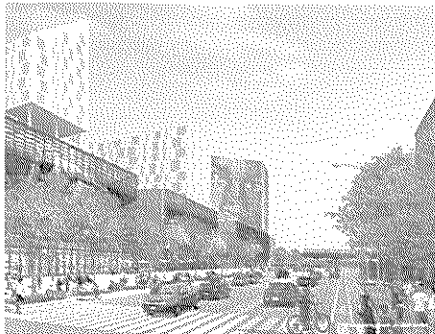
THAT'S EXACTLY WHAT THREE OTHER DEVELOPER FIRMS PROPOSED TO DO!

THE CITY REJECTED THOSE PROPOSALS –
IN A SELECTION PROCESS THAT SHUT OUT CB7,
DESPITE PROMISING CB7 IN WRITING THAT IT WOULD PARTICIPATE.

Sterling/Related, and their expanded plan which adds the 1.4 million square foot
"Willets West" mall on parkland, were designated by the City administration.

Here are the three proposals that required no parkland mall and no expansion of the project –
and which CB7 was denied the opportunity to participate in evaluating:

Macerich



Features:

- "A True Retail Destination"
- Food & Beverage
- Entertainment
- Housing
- Hotel
- Public Open Space
- Parking
- "A Model Green Community"

Silverstein Properties, Inc. and Taubman Centers, Inc.



Features:

- "Entertainment Corridor & Urban Room"
- 126th Street Retail
- Restaurant Row
- Neighborhood Retail Street
- Eco-Promenade
- 100 percent affordable housing (400 units)
- "A Model Sustainable Community"

TDC Development and Construction Corp.



Features:

- "World Trade Center Queens"
- Hotel
- Restaurant
- Trade Mart
- Convention Center
- Retail Complex
- Entertainment District
- Office Building
- Neighborhood Park

Among the reasons given for rejecting those proposals:

- *"Would have required public subsidies."* – And yet, Sterling/Related are set to receive public subsidies worth nearly half a billion dollars: 23 acres of Willets Point Phase One property, worth more than \$200 million, for the price of just \$1; a capital grant in the amount of \$99 million to cover numerous project costs, including remediation; and \$20 million in sales tax exemption.
- *"Would have required rezoning."* – Really? Perhaps rezoning the Willets Point Phase One property would have been preferable to expanding the project to 108.9 acres and adding a 1.4 million square foot mall to be constructed on parkland, with increased traffic impacts. Had CB7 been allowed to participate in developer selection as was promised, it could have expressed a preference to proceed with rezoning instead of expanding the project and sacrificing parkland to include a huge mall, with its untenable traffic impacts.

Development of Willets Point need not depend on constructing a mall on 30+ acres of public parkland, and need not expand beyond the boundaries of the 62-acre Special District established in 2008.

Deny the present application of Sterling/Related. Make the City publish a new Request for Proposals, and insist that the City fulfill its written commitments to include CB7 in the developer selection process. In that way, CB7 can do its part to ensure that proposals of all developers – not just those who have special access to property beyond the boundaries specified within an RFP – are fairly considered.

“For the avoidance of doubt, in no event shall EDC or the City be required to construct the Ramps as part of the Development.”

– Contract Section 3.3

A

Letter from Willets Point United Inc.
and NYC Park Advocates
to City Council General Council Elizabeth Fine
and Legislative Counsel Gary Altman,
concerning dubious legality of constructing a
1.4 million square foot mall on parkland, and
requesting that the Office of General Counsel
furnish an advisory opinion to all members of
the City Council prior to their consideration of
the associated ULURP application.

Willets Point United Inc.
P.O. Box 560191 • College Point, New York 11356

August 30, 2013

Elizabeth Fine, Esq.
General Counsel
New York City Council
250 Broadway, 15th Floor
New York, New York 10007-2516

Re: Proposed Willets West mall / Willets Point development CEQR No. 07DME014Q

Dear Ms. Fine:

At the urging of City Council members, we write to formally request that your office prepare and furnish to all members of the City Council a legal opinion on constructing a shopping mall on mapped parkland, as proposed in the above-mentioned ULURP application for Willets Point, Queens in the neighboring Flushing Meadows-Corona Park just west of Citi Field stadium. The disposition of 48 acres for what are clearly non-park purposes raises very serious land use and policy issues. In addition to addressing the troubles raised by the project's use of public parkland, the opinion should answer whether the Mayor can dispose of this public property without the involvement of the City Council. By considering only a rezoning amendment, the City Council is abdicating its powers over land use.

We find numerous legal problems with the administration's plans, and these problems are sure to invite a court challenge. First, the proposed mall would violate the public trust doctrine, which prevents the use of parkland for non-park purposes unless the land has been alienated by state legislation (which itself requires a prior home-rule message from the City Council). As New York's highest court ruled in *Friends of Van Cortlandt Park v. City of New York*, 95 N.Y.2d 623, 631-32 (N.Y. 2001):

[D]edicated park areas in New York are impressed with a public trust for the benefit of the people of the State. Their use for other than park purposes, either for a period of years or permanent, requires the direct or specific approval of the State Legislature, plainly conferred.

Supporters of the proposed project cite Administrative Code § 18-118 to justify the mall being built on parkland, but the courts have consistently held that parkland cannot be taken without an explicit act of alienation passed by the state Legislature and approved by the Governor. According to state guidelines, alienation bills should specify the number of acres and require that the land be sold at fair market value, with the proceeds of the sale spent on purchasing replacement parkland of equal or greater fair market value or for capital improvement of existing parkland. *Friends of Van Cortlandt Park* forced the city to come up with an additional \$240 million to fund park improvements in the Bronx. The proposed Queens

mall would take much more of Flushing Meadows-Corona Park than the water filtration plant needed in Van Cortlandt Park.

The law cited by the administration allowed for the financing and construction of Shea Stadium in 1961. It is now ripe for a challenge. But even if this law were sufficient to permit the permanent commercial use of this parkland (which we don't believe it is), it would not permit the private developers' shopping mall. The law did not alienate the parkland – in fact, it states the land remains “part of Flushing Meadow park,” and it grants the Parks Commissioner authority to lease the land for periods not to exceed one year. For longer terms, the “approval of the board of estimate” would be required. All agreements would be temporary, occurring, as the law states, “from time to time.”

The administration has ignored this language and instead notes the law's laundry list of permitted uses. The law stresses that all of the listed uses are “declared to be public purposes.” But the courts have since ruled time and again that a public purpose is not good enough for the use of parkland – it needs to have a park purpose. The water treatment plant in Van Cortlandt Park certainly had a public purpose, for example, but the park still had to be alienated. It would be a costly mistake to disregard the long-standing case law in this matter.

The administration is abusing the law and its own powers. It claims the authority of the Board of Estimate now rests solely with the Mayor, so it is not allowing the City Council to consider a \$3 billion project under ULURP. Instead, it is merely updating the previous environmental impact statement for the redevelopment of Willets Point, not the neighboring parkland, and sending to the City Council a new zoning amendment to permit previously unanticipated uses on Willets Point property. The administration's actions undermine the legitimate role of all those involved in the ULURP process, and violate the fundamental objectives of City Charter land-use review.

In recent testimony before the City Planning Commission, the private developers said the mall's revenues will be used to clean up the Willets Point site, though the city is already providing \$100 million for land remediation there and it will have to come up with another \$50 million to build new highway ramps before the developers are committed to providing just half of the affordable housing promised in 2008. Who's to say how this arrangement will work out in the future, long after our elected officials have moved on? In the administration's rush to win approval, the City Council is supposed to accept much on faith.

Many details have yet to be worked out. The City Charter dictates that all park concession revenue must go into the general fund, yet the 1961 law seeks out one exception: “[A] business or commercial purpose which aids in the financing of the construction and operation of such stadium, grounds, parking areas and facilities, and any additions, alterations or improvements thereto.”

None of the mall's revenues will go toward improving the municipal stadium or its grounds. The law certainly does not say revenue can be diverted to clean up an off-site parcel of land.

The Urban Justice Center, a nonprofit legal advocacy group, agrees with our conclusions. They sent a similar letter to lawyers from the Related Companies and Sterling Equities explaining the illegality of putting the proposed mall on parkland. We have attached it for your convenience. At a minimum, to permit the mall and its facilities, the city would need to first alienate 48 acres of Flushing Meadows-Corona Park.

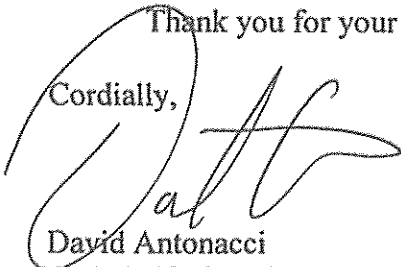
The City Council's legal counsel has disagreed with the Law Department in the past. For example, the Law Department believes that NYCEDC does not need to register its lobbying activities with the Lobbying Bureau of the Office of the City Clerk – an opinion with which legal counsel to the New York City Council disagrees, as noted during a public hearing on December 12, 2012. New York State Attorney General Eric Schneiderman also found that the NYCEDC and an administration-funded local development corporation had illegally lobbied City Council members on behalf of the proposed Willets Point development. It is imperative however that the City Council exert its powers and follow through on these important issues.

In our meetings with several Council Members thus far, many have suggested that we request a legal opinion from the Office of General Counsel to the City Council, which leads us to this letter and our urgent request that your office prepare and furnish to all members of the New York City Council a legal opinion on the proposed Willets West mall that is proposed to be built on public parkland. We also request that you please share such legal opinion with us.

If the land in Flushing Meadows-Corona Park is no longer needed for Citi Field parking then it should be returned for public recreational uses.

Thank you for your time and consideration.

Cordially,

A handwritten signature in black ink, appearing to read "D. Antonacci", written over a large, loopy "D" that also serves as a flourish.

David Antonacci

On behalf of Willets Point United Inc.
NYC Park Advocates

1 enclosure

cc: Gary Altman, Esq.
Legislative Counsel
New York City Council
250 Broadway, 15th Floor
New York, NY 10007



Urban Justice Center

123 William Street, 16th Floor, New York, NY 10038
Tel: (646) 602-5600 • Fax: (212) 533-4598
www.urbanjustice.org

May 14, 2013

Jesse Masyr
Wachtel, Masyr, and Missry LLP
One Dag Hammarskjold Plaza
885 Second Avenue
New York, NY 10017

Ross Moskowitz
Stroock, Stroock, and Lavan LLP
180 Maiden Lane
New York, NY 10038

Re: Willets Point Development ULURP

Jesse and Ross:

We write to you regarding your client's pending ULURP application, which we believe to be fatally flawed. As the site of the potential redevelopment is part of Flushing Meadows Corona Park, it is covered by New York State's public trust doctrine. That doctrine prevents the use of parkland for non-park purposes unless it has been alienated pursuant to an appropriate state statute:

[D]edicated park areas in New York are impressed with a public trust for the benefit of the people of the State. Their use for other than park purposes, either for a period of years or permanent, requires the direct or specific approval of the State Legislature, plainly conferred.

Friends of Van Cortlandt Park v. City of New York, 95 N.Y.2d 623, 631-32 (N.Y. 2001).

The 1961 law which authorized the construction and financing of Shea Stadium on the lot that your client currently is seeking to redevelop, and which supporters of the redevelopment have cited as providing sufficient authority for the plan, does not explicitly allow the alienation of the parkland upon which the stadium was built. NYC Administrative Code 18-118. The statute also does not specifically refer to the alienation of the parkland in question; nor does it provide for replacement parkland or restitution, as do alienation statutes generally. See New York State Office of Parks, Recreation and Historic Preservation, *Handbook on the Alienation and Conversion of Municipal Parkland in New York*, at 27 (revised March 2012). For this reason alone, Administrative Code 18-118 is insufficient to support the proposed project and the state must pass additional legislation before any redevelopment of this land moves forward.

Even if Administrative Code 18-1118 were sufficient legislative action to alienate the Flushing Meadows Corona parkland in question, the statute does not provide specific authorization for the city's contemplated use today: a shopping mall. New York courts have long held that legislative action permitting alienation of parkland and setting forth the permitted uses must be plain and explicit. As the New York Supreme Court Queens County made clear over a half-century ago in *Aldrich v. City of New York*:

It has been held that legislative authority permitting encroachment upon park purposes must be "plainly conferred." (*Williams v. Gallatin*, 229 N.Y. 248, 253.) When speaking of the legislative authority to alienate public parks, language varying only slightly has been used. Some have said that the legislative authority must be "special" others, that such authority must be "specific" ... or "direct" or "express" Add to the foregoing the well-settled rule that "When there is a fair, reasonable and substantial doubt concerning the existence of an alleged power in a municipality, the power should be denied" (*Matter of City of New York [Piers Old Nos. 8-11]*, 228 N.Y. 140, 152), and it seems clear that the legislative authority required to enable a municipality to sell its public parks must be plain.

208 Misc. 930, 939 (N.Y. Sup. Ct., Queens Cty. 1955).

Administrative Code 18-118 *does not* permit the city to sell or lease the parkland at issue to construct a mall, let alone authorize such activity plainly or expressly. Rather, its very title indicates its express intent: "Renting of stadium in Flushing Meadow". In furtherance thereof Subsection 118(b) sets forth two groups of permitted uses for the land. The first states as follows:

(1) for any purpose or purposes which is of such a nature as to furnish to, or foster or promote among, or provide for the benefit of, the people of the city, recreation, entertainment, amusement, education, enlightenment, cultural development or betterment, and improvement of trade and commerce, including professional, amateur and scholastic sports and athletic events, theatrical, musical or other entertainment presentations, and meetings, assemblages, conventions, and exhibitions for any purpose, including meetings assemblages, conventions and exhibitions held for business or trade purposes, and other events of civic, community and general public interest . . .

Subsection (2) states that the land may also be used "for any business or commercial purpose which aids in the financing of the construction and operation of such stadium, grounds, parking" and other permitted uses set forth in subsection (1).

Although a shopping mall is a "business or commercial purpose" contemplated by subsection (2), it has not been proposed that any of the proceeds from the venture would aid in the financing of the other endeavors currently located on the applicable parkland. Indeed, all of the provisions of the 1961 Act addressing financing for Shea Stadium (a stadium, we might add, that no longer exists) are obsolete today. Likewise, the contemplated commercial use does not fall under the more narrow range of uses outlined in subsection (1) of the provision. That subsection requires that any proposed use of the land provide *all* of the following benefits to the "people of the city": "recreation, entertainment, amusement, education, enlightenment, cultural development or betterment, and improvement of trade and commerce." (emphasis added). The legislators undoubtedly could have used the term "or" rather than "and" when walking through the scope of permitted uses, but they choose not to do so.

The mall that has been proposed to fill the Citi Field parking lot does not provide any of the benefits contemplated by the statute, let alone all of them. The only language in subsection (1) that even remotely suggests your client's contemplated use is that which allows uses that "promote" "improvement of trade and commerce." However, that language plainly assumes that the contemplated use would *not* be trade or commerce itself. This assumption is further supported by the long list of explicitly contemplated uses in the subsection, a list which includes "professional, amateur and scholastic sports and athletic events, theatrical, musical or other entertainment presentations, and meetings, assemblages, conventions, and exhibitions for any purpose, including meetings assemblages, conventions and exhibitions held for business or trade purposes." Wholly commercial uses—such as a shopping mall—are absent from the provision.

Further, if the state had intended subsection (1) to cover all forms of trade and commerce, such as a shopping mall, it easily could have included the phrase "any business or commercial purpose" in that subsection, as it did in subsection (2). To read the two differently-worded phrases as permitting the same range of activities, however, would essentially be to make subsection (2) entirely superfluous. Norms of statutory construction prevent such a result. *See, e.g., Cohen v. Lord, Day & Lord*, 75 N.Y.2d 95, 100 (N.Y. 1989) ("Words are not to be rejected as superfluous where it is practicable to give each a distinct and separate meaning."). Therefore, there is simply no basis to read the phrase "improvement of trade and commerce" to cover the contemplated shopping mall.

In light of the above arguments, we are confident that the ULURP, as presented jointly by your client and the EDC, would not withstand judicial scrutiny. Accordingly, we urge you not to attempt to move forward as currently contemplated.

Sincerely yours,



Harvey Epstein
Associate Director

May 14, 2013
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Cc: Seth Pinsky, President NYC Economic Development Corporation
Council Member Julissa Ferreras

B

Letter from Gerald Antonacci on behalf of Willets Point United Inc.
to New York City Planning Commissioners and
Robert R. Kulikowski, Ph.D., conveying comments
on the pending ULURP application and the
Draft Supplemental Environmental Impact Statement
pertaining to the proposed Willets West mall
/ Willets Point Phase One development.

The comments within this letter are now submitted directly
to the City Council, and are deemed to pertain to the proposed
Willets West mall / Willets Point Phase One development
presently being evaluated.

Willets Point United Inc.
P.O. Box 560191 • College Point, New York 11356

July 19, 2013

New York City Planning Commissioners
c/o Calendar Information Office – Room 2E
22 Reade Street
New York, New York 10007

Robert R. Kulikowski, Ph. D.
Mayor's Office of Environmental Coordination
100 Gold Street, 2nd Floor
New York, New York 10038

Re: **Proposed Willets Point / Willets West development**
CEQR No. 07DME014Q
Comments pertaining to pending ULURP application and DSEIS

Dear City Planning Commissioners and Dr. Kulikowski:

I am writing on behalf of Willets Point United Inc. to supplement my oral and written testimony delivered on July 10, 2013 at the public hearing associated with the Uniform Land Use Review Procedure ("ULURP") and the Draft Supplemental Environmental Impact Statement ("DSEIS") pertaining to the proposed Willets Point / Willets West development, CEQR No. 07DME014Q. The following information addresses certain questions and issues raised by the City Planning Commission ("Commission") during the public hearing on July 10, 2013.

(1.) What is Willets Point United Inc.?

Willets Point United Inc. ("WPU") is a coalition of Willets Point property and business owners, formed in 2008, that wants the City to stop its decades-long deliberate withholding of municipal services from Willets Point which hinders the operation of the existing industrial businesses here; that opposes the redevelopment of Willets Point in the manner being promulgated by the Bloomberg administration, which includes the forcible acquisition of our properties via eminent domain to transfer to other private parties to facilitate a non-essential, speculative, alleged economic development project; and that holds project proponents accountable for disseminating false information to decision-makers and the public, abrogating their written guarantees, and engaging in plainly illegal activity to push this project; among other WPU initiatives. For example:

- WPU discovered that the draft Access Modification Report ("AMR") pertaining to proposed new highway access ramps to and from the Van Wyck Expressway (ramps that are essential to the entire proposed Willets Point development), submitted by the New York City Economic Development Corporation ("NYCEDC") with the intent that it be approved by the New York State Department of Transportation ("NYSDOT") and the Federal Highway Administration ("FHWA"), relied upon traffic presumptions that

differed dramatically from those contained within the Final Generic Environmental Impact Statement ("FGEIS") previously prepared for the proposed Willets Point development. As the *New York Times* reported: "State officials have repeatedly expressed frustration with the city's inability to provide reliable information and the pressure it was placing on them to expedite their analysis, according to a review of hundreds of e-mails involving the Willets Point project that were provided to *The New York Times*" by WPU. (Santos, Fernanda. 2010. E-Mails Show State Officials' Skepticism About Willets Point Project. *New York Times*, August 13; p. A17.) WPU's traffic engineer, Brian Ketcham, formally interceded with both NYSDOT and FHWA, challenging the AMR during two all-agency meetings convened for that purpose and by submitting hundreds of pages of independent expert analysis. Thereafter, NYSDOT and FHWA did not approve the draft AMR, but rejected it; restructured the ramp approval process to require an Environmental Assessment prior to approval of any AMR; and sent NYCEDC back to the drawing board to draft a new AMR, which took two years.

- WPU discovered that former Queens Borough President Claire Shulman and her local development corporation ("LDC") conducted a lengthy, unlawful, unregistered lobbying campaign advocating approval of the proposed Willets Point development. The Office of the City Clerk agreed with WPU, resulting in a then-record penalty of \$59,090.00 imposed upon Shulman's LDC.
- WPU discovered that not only Shulman's LDC, but also the New York City Economic Development Corporation ("NYCEDC"), violated state law by attempting to influence legislation authorizing the proposed Willets Point development – activity that is absolutely prohibited to all local development corporations. Moreover, NYCEDC disbursed City funds totaling \$450,000.00 to Shulman's LDC, then directed unlawful lobbying by Shulman's LDC. The New York Mets, owned by the owners of Sterling Equities (which has since been designated by the City as a developer of Willets Point phase one), also financed Shulman's LDC. The New York State Office of the Attorney General conducted a three-year investigation and ultimately agreed with WPU, declaring in 2012: "These local development corporations flouted the law by lobbying elected officials, both directly and through third parties, to win approval of their favored projects." (<http://www.ag.ny.gov/press-release/ag-schneiderman-ends-illegal-lobbying-nyc-officials-three-local-development>) New York City Comptroller John Liu wrote to Mayor Bloomberg: "Last week your Administration admitted in a settlement with the New York State Attorney General that the New York City Economic Development Corporation (EDC) knowingly and illegally lobbied City Council members about your development agenda. ... I urge you to move swiftly to identify those senior officials from City Hall and the EDC responsible for the flagrant and repeated law-breaking activities, and hold them accountable." (http://www.comptroller.nyc.gov/press/2012_releases/pr12-07-083.shtm) As a consequence of its illegal lobbying for the Willets Point development, NYCEDC has had to cease operating as a local development corporation and has been compelled to restructure as a different type of not-for-profit entity. The 2008 approvals of the proposed Willets Point development – procured in the context of lobbying so illegal that it required the restructuring of NYCEDC to ensure it will never happen again – still

are the bases of the proposed Willets Point phase one / Willets West development being considered now.

- WPU sued the City because of the inadequacy of the environmental review conducted for the proposed Willets Point development. Among other things, WPU alleged that the City could not pursue a phased development pursuant to its *Technical Memorandum for the Willets Point Development Plan FGEIS*, TM004, dated February 11, 2011 ("Technical Memorandum 4"), and that the City instead must prepare a Supplemental Environmental Impact Statement ("SEIS"). In that court proceeding, on July 24, 2012, the City finally stipulated that "the City will not proceed with development in Willets Point under Technical Memorandum 4"; and the City is now taking steps to finalize a Supplemental Environmental Impact Statement, just as WPU had said was necessary.
- WPU again sued the City to challenge its attempted use of eminent domain to forcibly acquire Willets Point phase one properties. In that court proceeding, on May 2, 2012, the City finally stipulated that it "would not proceed under its [eminent domain] Determination and Findings, adopted by the City on May 2, 2011", and abandoned the particular attempt to use eminent domain that was the subject of that court proceeding. The City may still attempt to use eminent domain again in the future to acquire Willets Point properties.

In each of the above instances, when WPU took a position and the relevant facts were properly taken into account, WPU's position was vindicated.

Presently, it is the position of WPU that the proposed Willets Point phase one / Willets West plan of Sterling Equities and Related Companies ("Sterling/Related") is inappropriate and cannot be implemented.

(2.) The Commission must consider that the purpose of the special permit to which the ULURP application pertains is to facilitate the shopping mall, and none other.

At the outset of the public hearing held on July 10, 2013, Commission Chair Amanda Burden stated: "... an important element of the project analyzed in the Draft Supplemental Environmental Impact Statement – the retail development at Willets West on the Citi Field site – is not subject to the land use jurisdiction of the Commission since it is located on parkland. ... Just to make it clear, our purview as City Planning Commission really is on the Willets East part of the project and the temporary interim uses there."

We emphasize that the ULURP application now being considered, which pertains to the prospective use of Willets Point phase one property as a parking lot, has but one purpose: to facilitate the construction of a 1.4 million square foot shopping mall / entertainment center on parkland property. Except for the intent to construct that shopping mall and to relocate the existing parking lot, there would be no pending ULURP application for any special permit to modify the use of Willets Point phase one property. It would be both inappropriate and an abdication of the Commission's responsibilities, for the Commission to narrowly consider just

the parking lot application, while disregarding the specific intended larger effect of that application – the construction of a huge shopping mall on parkland – that will "change the character of the surrounding neighborhoods and impact the livelihoods of 250,000 residents and many small mom-and-pop businesses", as Queens Community Board 3 wrote when it disapproved this application by its vote of 30-1.

The Commission cannot allow the proposed site of the mall – which just happens to be parkland – to circumvent the Commission's responsible analysis of an application that will obviously "change the character of the surrounding neighborhoods and impact the livelihoods of 250,000 residents and many small mom-and-pop businesses". In any other circumstance where an application will "change the character of the surrounding neighborhoods" the Commission certainly would be involved in assessing the potential changes in character, and would necessarily factor them into any decision for or against the application. The Commission's responsibility to the public is to do so here, as well.

WPU and the public-at-large are not the only ones who recognize that this parking lot ULURP application is inseparable from the intent to construct a 1.4 million square foot mall, and that the application must be evaluated in that context. The notice of the public hearing published by Queens Community Board 7 describes this application as: "ULURP APPLICATION #C 130223 ZSQ – To allow for a 1.4 million square foot retail and entertainment development known as 'Willets West'." (See Attachment A.) As the local community board has formally characterized this ULURP application as allowing for the mall (while not even mentioning the modified parking use at Willets Point), the Commission is able to do the same.

Do not permit an end-run around the Commission's planning oversight – which is what this ULURP application aims to do.

(3.) The 1961 amendment to the City's administrative code provides no basis to construct a shopping mall on the parkland at issue.

Since the purpose of the pending ULURP application to allow a parking lot on Willets Point phase one property is to facilitate the construction of a mall on other parkland property, if the construction of that mall is unlawful then there is no legitimate basis for the pending parking lot ULURP application.

Please review the attached letter from attorney Harvey Epstein, Associate Director of the Urban Justice Center, addressed to land use counsel for Sterling/Related (see Attachment B), which sets forth legal reasoning why the 1961 provision of the City's administrative code provides no basis to construct a shopping mall on the parkland at issue, and why the proposed project of Sterling/Related is therefore "fatally flawed".

If the analysis within the Urban Justice Center letter is correct (and we believe it is), then the Commission is being asked to approve a ULURP application to facilitate construction of a mall that is unlawful and cannot occur. The Commission must not approve a ULURP application that is intended to facilitate an unlawful land use that cannot occur.

(4.) Three other developers submitted proposals that kept within the bounds of the Willets Point Special District and did not add any mall on parkland.

In response to the Request for Proposals ("RFP") seeking developers for Willets Point phase one, three respondents other than Sterling/Related submitted proposals to implement development consistent with the provisions of the RFP, within the bounds of the 23-acre phase one site inside the Willets Point Special District. One of those proposals – submitted by Silverstein Properties, Inc. and Taubman Centers, Inc. – even committed "100% of the residential units in Phase 1 to the affordable housing program".

But the City administration rejected all of those proposals, and instead selected the proposal of Sterling/Related – initially a proposal to construct a casino and gaming facility on the parkland property located west of Citi Field beyond the boundaries of the Willets Point Special District, and which included no housing component whatsoever. The Sterling/Related proposal is said to have been modified such that the parkland property where the casino would have been constructed is now designated as the site of a retail mall and entertainment center, and housing is to be constructed within the Special District in the year 2028 (but only if new highway access ramps to and from the Van Wyck Expressway are constructed first – ramps that no one is obligated to construct, and that the project contract specifies the City is not responsible to build). The plan of Sterling/Related also expands the total size of the Willets Point development from 62 acres as approved during 2008, to 108.9 acres as intended now. The Draft SEIS ("DSEIS") explicitly admits this.

The decision to select the plan of Sterling/Related to the exclusion of all others was made by the City administration via a process that violated written guarantees within the Willets Point FGEIS and elsewhere, that the Willets Point Advisory Committee, led by Queens Borough President Helen Marshall, as well as Queens Community Board 7, would participate in and help to guide developer selection. Instead, those Queens entities were completely excluded from the developer selection process. As we now know, the developer selection process was also an opportunity to choose a plan that would not expand the size of the development from 62 acres to 108.9 acres (with associated increased impacts), and that would not sacrifice 30+ acres of Queens' public parkland for use as a retail mall. It is no wonder that the City administration circumvented the promised involvement of Queens entities, and instead dictated the choice of developers.

In the event that the pending ULURP application of Sterling/Related is disapproved, the City can issue a new RFP for development within the Willets Point Special District that does not sacrifice parkland for use as a mall, and that otherwise respects the goals of the Willets Point development as approved in 2008. If the prior RFP responses are any indication, there will be proposals that respect the property boundaries while realizing the goals established in 2008.

Attached is an informative flyer prepared by WPU (see Attachment C) that summarizes the three rejected development proposals. Also attached is a CD-R disc containing the three rejected RFP responses (see Attachment D), so that the Commission may appreciate that Sterling/Related was not the only available choice, and would not be in the future.

(5.) The City and Sterling/Related are deliberately avoiding conducting any environmental tests at this time on Willets Point phase one property.

During the public hearing held on July 10, 2013, Sterling Equities' representative Richard Brown testified: "As soon as we close, we will be in there doing investigative work of all 23 acres, both above grade and below grade. There's been very limited work done at this time – rightly so, because the city has not had possession. We are to be delivered vacant possessions. So whenever that happens, day one, day two, we go in and we start all of our testing."

But the City claims to already own 95 percent of the Willets Point phase one property. Contrary to the misleading testimony of Richard Brown, nothing prevents the City from performing borings, obtaining soil samples, and conducting environmental tests **right now** throughout the 23-acre phase one site. That the City has not done so is very telling.

The City administration spent upwards of \$200 million of taxpayer funds to acquire the Willets Point phase one property, but intends to gift that phase one property to Sterling/Related for the price of \$1 (one dollar). It is bad enough that such a deal is contrary to what City officials told the City Council during 2008: that the City would recoup the cost of acquiring the property, through the sale of the property to the developer. As we understand it, the new rationale for the steeply discounted \$1 price is that the property has "negative value", because it is allegedly contaminated. But with no scientific tests performed, how can the taxpayers be certain that a discount of \$200+ million is actually warranted?

The City and Sterling/Related are deliberately delaying any environmental testing of Willets Point phase one property until after Sterling/Related have closed the property transaction and taken possession of the property. WPU alleges that they are doing so, because (a) if testing was performed now and it determined that the property is not severely contaminated and required little or no remediation, then there would be no justification to transfer the property to Sterling/Related at the sweetheart deal price of \$1, when they should instead pay the going market rate (as the City Council was promised would be the case during 2008); and (b) if testing was performed now and it determined that the property is very severely contaminated, Sterling/Related might conclude that implementing the proposed development is not financially viable – precluding transferring the property to them at all. For those two reasons, the City and Sterling/Related cleverly prefer not to perform any environmental tests at this time, but to delay any tests until after Sterling/Related have taken possession of the property for the price of \$1. That way, no matter what the test results ultimately show, Sterling/Related will possess the property that they covet – even if it can only be paved over for use as a parking lot. But to delay important environmental tests that could be performed now is not in the taxpayers' interest, and constitutes reckless non-planning.

Is the \$1 price justified? Is the proposed remediation and development feasible? Without scientific environmental testing throughout the Willets Point phase one property, it is impossible to answer those key questions. Therefore, the first order of business – before establishing the price of the property, and before transferring ownership of it – must be to perform the environmental tests that are being purposefully delayed until later.

(6.) **Unknown "feasibility" and "effectiveness" of traffic mitigation measures – despite relying completely on them.**

DSEIS chapter 21 describes traffic mitigation measures. It acknowledges that not every traffic impact can be mitigated. In our opinion, the remaining unmitigated impacts are collectively so severe as to make this proposed development inappropriate and unworthy of approval. Even with the most optimistic mitigation measures in place, a number of intersections at major entry points to the proposed development will operate at Level of Service "F" (fail), with delays of between 100 seconds and more than 800 seconds (13 minutes!).

DSEIS chapter 21 also describes circumstances in which very severe traffic impacts caused by the proposed development (described within DSEIS chapter 14) are completely reversed by the recommended hypothetical mitigation. We think it is dangerous to trust this self-serving mitigation report.

First, DSEIS chapter 21 (the mitigation report) quietly states: "The effectiveness and feasibility of proposed mitigation measures will be further assessed between the draft and final SEIS" (page 21-2).

In other words, no one is committing to the "effectiveness" and "feasibility" of the specific mitigation measures that are being touted now to decision-makers, and which so miraculously improve traffic conditions. Rather, a future, final version of the mitigation report may conclude that all or some of the recommended mitigation measures are simply not effective, or even "feasible" – in which case improvements in traffic flow shown in the present mitigation report will **not** occur, and those impacts may instead be unmitigated.

How can anyone rely upon a report that cannot vouch for even the "feasibility" of the alleged solutions that it presents?

How can the report represent that certain mitigations are essential – without knowing if they are even feasible?

Second, per the mitigation report, some of the recommended mitigations are "measures that may call for detailed review by both NYCDOT and NYSDOT and which represent preferred improvements that would benefit the overall traffic network. As discussed above, if these mitigation measures are modified or rejected by the review agencies, significant adverse impacts identified above would be **unmitigated**" (emphasis added; page 21-29).

In other words, achieving the vastly improved traffic flows described in the mitigation report requires measures that NYCDOT and NYSDOT have not yet reviewed or approved, and which they may eventually reject. At the present time, no one can guarantee that any such mitigation measure will actually be implemented.

Please refer to the analysis of WPU's traffic engineer, Brian Ketcham, submitted together with my written testimony at the public hearing held on July 10, 2013, to understand the severity

of the actual traffic impacts of the proposed project. DSEIS chapter 14 also sets forth what the traffic impacts of the proposed project will be, in the event that mitigation measures cannot be implemented or turn out to be ineffective.

- (7.) **The Commission has bent its rules to accommodate immediate proxy testimony in favor of the proposed development, while enforcing its rules and delaying proxy testimony opposed to the proposed development.**

At the public hearing pertaining to the proposed Willets Point development held on August 13, 2008 – during a section of that hearing dedicated to testimony in opposition to the proposed project – the name "Kevin Loyst" was called to testify. In place of Kevin Loyst, a person named Kevin Phillips came to the podium, identified himself, and stated that he was "here to speak on behalf of Kevin Loyst, who's a colleague" who had to depart the hearing after several hours.

Commission Chair Amanda Burden prohibited Kevin Phillips from testifying at that time as a proxy for Kevin Loyst, telling Phillips unambiguously: "You have to sign up on your own. It's a rule, we have to do – You can't substitute for somebody else. Sorry. So if you just sign up on your own. ... Just sign up on a new card. **You have to sign up for yourself. You can't substitute for somebody else.** ... We will definitely call you, later."

Kevin Phillips then left the podium, and the Commission called a different speaker.

We would have expected consistent enforcement of the Commission's rules at the public hearing recently held on July 10, 2013, when – during a section of the hearing dedicated to testimony in favor of the application – the name "Dan Hendrick" was called to testify, and an unidentified person who was not Dan Hendrick came to the podium. The unidentified person stated that he was "actually here on behalf of Dan Hendrick, who is the V.P. for the New York League of Conservation Voters".

Neither Commission Chair Amanda Burden nor any other Commission member stopped this unidentified person from testifying "on behalf of Dan Hendrick", or enforced the Commission's strict rules that "you have to sign up for yourself" and "you can't substitute for somebody else". The unidentified person proceeded to deliver testimony as a proxy for the absent Dan Hendrick, in favor of the application.

The Commission has treated unequally those who would provide proxy testimony opposed to the Willets Point development, versus those who would provide proxy testimony in favor of the Willets Point development. Kevin Phillips, who was opposed, was relegated to filling out a new speaker's card and beginning the long wait to testify, again; whereas the unidentified person who appeared on July 10, 2013, who was in favor of the application, was welcomed and testified immediately.

WPU intends to post video recordings showing the Commission's unequal treatment of the two above-described speakers on our YouTube channel

(<http://www.youtube.com/user/WilletsPoint>) by Monday, July 22, 2013.

The ULURP process must be neutral and devoid of any such bias. It is no less appropriate that a proxy speaker in favor of the Willets Point development be given a special privilege, than it is that the City should fund an unlawful lobbying scheme to influence decision-makers to approve the project. Both of those tactics, and many others, large and small, have been leveraged by powers-that-be against Willets Point property and business owners – and the WPU membership will not tolerate it.

(8.) The application has significant opposition and virtually no public support.

Significantly, during the public hearing held on July 10, 2013, **no one** from the public ever requested that the Commission approve the pending ULURP application so that they may shop at a Willets West mall built on parkland, park their vehicle on Willets Point phase one property, use a golf driving range at Willets Point during the Mets off-season (i.e., during wintertime), or do anything else that is associated with the ill-conceived, unwanted Sterling/Related project. Indeed, there was a very obvious lack of public enthusiasm for this proposed project during the Commission's public hearing.

Testifiers opposed to the Sterling/Related application outnumbered those in favor. And it must be noted that those in favor merely consisted of NYCEDC employees, AKRF employees, developers' attorneys, and one union member. Simply put, there is virtually no public support for the project which the ULURP application would enable.

(9.) The DSEIS relies upon plainly inaccurate "No Action" baseline conditions.

The DSEIS states: "For the purposes of a conservative impact disclosure, this SEIS assumes that the **existing uses on the project site would be maintained** in each of the three No Action scenarios" (emphasis added; page 1-12).

However, that assumption is inaccurate, for at least two reasons:

First, the City intends, and is already taking steps, to evict tenant businesses that operate throughout the Willets Point phase one property. Tenant businesses are receiving telephone calls from representatives of the New York City Department of Housing Preservation and Development, informing the businesses that they will receive written vacate notices after July 22, 2013. That the City is issuing vacate notices even before obtaining any approval from the Commission or from the City Council that would enable the Sterling/Related proposal to proceed, indicates that the City intends that the tenant businesses vacate the phase one site, regardless of whether the pending ULURP application is approved or any development ever occurs.

The City cannot inform tenant businesses that it will evict them, and proceed to do so, while falsely assuming in the DSEIS exactly the opposite – that "existing uses on the project site would be maintained". Rather, the text of the SEIS must reflect the reality of the circumstances

in the Special District, and the intention of the City. If it does not, then the SEIS is inaccurate.

Moreover, the City has not disclosed what will become of the City-owned Willets Point property in the event that the City's proposed Willets Point development does not occur, but it must do so now in order to ensure an accurate SEIS analysis.

Second, the SEIS must account for the likely future effects of the newly-installed sanitary and storm water sewer lines along 126th Street directly adjacent to Willets Point property, which will be complete by the time the SEIS is finalized, or shortly thereafter.

Whereas during 2008 when the FGEIS was prepared no new sewer main lines actually existed at Willets Point, that is not the case now at the time that the SEIS is being prepared. The existence of the long-sought sewer lines is a significant change in background conditions affecting the entire Willets Point site. All "no action" scenarios described in the SEIS must take into account the likelihood that some existing Willets Point property owners will seek to connect to the new sewer main lines, especially as doing so would facilitate the development of their properties which they have consistently said time and again they would do, if sewer lines existed. It is inconceivable that the sewer lines, having been installed, will not be used.

As part of the SEIS analysis, the City must assess what owner-development would likely occur, even "without action" on the part of the City, now that the sewer main lines exist. The conclusion cannot be that "no change" would be made to any portion of the project site, and that "the existing uses on the project site would be maintained". The sewer lines are bound to inspire changes, and the City is responsible for assessing what those changes might be, as part of the SEIS analysis. That analysis should include outreach to all Willets Point private property owners, to discuss whatever intentions they may have to connect to the sewer systems and enhance the uses of their properties beyond those existing today, in the event that the City's proposed Willets Point development does not occur. To presume that nothing about the area will change despite the presence of the long-sought sewer lines, is to severely underestimate the ambition of the private property owners; and guarantees an inaccurate SEIS analysis.

(10.) More tenant businesses are impacted than the Commission has been led to believe.

The public hearing on July 10, 2013 included testimony from representatives of the Sunrise Cooperative, an association of approximately 60 tenant businesses that are seeking to relocate together (co-locate) in a group or groups. It is our understanding that some of those 60 businesses are located within Willets Point but beyond the 23-acre phase one area that would be affected if the present Sterling/Related plan proceeds.

In the recent eminent domain court case pertaining to a first phase of Willets Point property that was substantially similar to the phase one that is presently contemplated, the City's "Response to EDPL Comments" dated May, 2011 acknowledged that **139** auto related businesses in the first phase would be displaced.

Accordingly, it is important to recognize that the majority of tenant businesses to be

displaced by the present plan are **not** members of the Sunrise Cooperative, and that even if all 60 businesses that are Sunrise Cooperative members would be successfully relocated (and there is no indication that they will be), there are still 79 or more other business within the phase one area – in fact, the majority of affected businesses – that would still need to be relocated, and that would **not** be helped by any Sunrise Cooperative plan.

The 79+ businesses that are not members of the Sunrise Cooperative for whatever reason (for example, because they decline to pay the membership dues charged by Sunrise Cooperative) are just as dependent upon co-location for their future survival as are the members of the Sunrise Cooperative. A City administration that is truly interested in preserving businesses, jobs and livelihoods would implement a co-location plan that treats all affected businesses equally, instead of favoring a subset of businesses that have joined a particular group; and would not pretend that other businesses do not also need co-location.

Even as City representatives have told the Commission that the tenant businesses will be relocated, the tenant businesses are receiving telephone calls from representatives of the New York City Department of Housing Preservation and Development, informing the businesses that they will receive written vacate notices after July 22, 2013. At the public hearing held on July 10, 2013, a Commissioner remarked that "we don't understand" why the City would send any such letters now, especially considering that the project for which the property would be needed has not yet been approved. The City presumptively sending vacate notices to tenant businesses indicates a disrespect for the decision-making authority of the Commission and the City Council, and confirms that the City's priority is to see the approximately 139 businesses gone from the phase one site, regardless of whether this application is approved or any development ever occurs.

That is a far cry from the Commission's suggestions, during the 2008 public hearing for the proposed Willets Point development, that the Willets Point businesses should be relocated elsewhere together, as the City did for the Fulton Fish Market businesses and in other cases.

For all of the foregoing reasons, the ULURP application of Sterling/Related is inappropriate and should be denied.

Respectfully Submitted,



Gerald Antonacci
On behalf of Willets Point United Inc.

4 enclosures



Comparison of 2008 promises
and the present intent

Proposed Willets West mall / Willets Point development
of Sterling Equities and Related Companies

COMPARISON OF 2008 PROMISES AND THE PRESENT INTENT

Prepared by Willets Point United Inc. • September 3, 2013

2008:

Willets Point will be New York City's "next great neighborhood".

2012:

No "next great neighborhood" without a huge mall prioritized on parkland, first.

2008:

Project to encompass 62 acres of Willets Point property.

2012:

Project expanded to 108.9 acres (nearly double in size), with the addition of "Willets West" mall on parkland.

2008:

No mention of parkland property beyond the bounds of Willets Point.

2012:

Sterling/Related prioritize development of an unnecessary 1.4 million square foot mall on 30+ acres of mapped parkland not connected to Willets Point.

2008:

Entire 62 acre Willets Point site needed to be remediated all at once. "You cannot say 'We'll do this acre and we won't do that acre.'" [Robert Lieber]

2011:

Phased development now suddenly possible and preferred.

2008:

The Willets Point Advisory Committee – chaired by the Queens Borough President and composed of Queens officials – will "participate in" and "help to guide" the selection of a developer for this project. Significant, because the City Council had ceded its authority to vet prospective developers' specific proposals.

2012:

Contrary to the written promises, the Queens-based Willets Point Advisory Committee was excluded from the developer selection process. The Advisory Committee was never consulted to review the four responses to the RFP, and the present plan to expand the project from 62 to 108.9 acres – including a 1.4 million square foot mall on Queens parkland – has been dictated by NYCEDC and the Mayor's office while shutting out the Advisory Committee.

2008:

Willets Point land alleged to be contaminated, hazardous and toxic, requiring comprehensive, contiguous remediation that can only be accomplished if everyone and everything vacates the entire area.

2013:

Review of the lab results of the City's 2008 tests of a Willets Point automotive site concluded that "no major pollution was found" and that "pollution levels in Willets Point had been grossly exaggerated". [Dr. Chaim Yosef Mariategui-Levi, Environmental Chemist]

Dr. Jams Cervino, Queens Community Board 7 Environmental Chair and geochemist affiliated with Woods Hole Oceanographic Institution, voted "No" – to deny this ULURP application. He considered the sacrifice of 30+ acres of parkland for a shopping mall more significant than any potential remediation.

2008:

5,500 housing units; 1,925 affordable. Housing was the linchpin of the entire Willets Point development when it was evaluated and approved in 2008.

2013:

Housing delayed and susceptible to escape clauses in contract.

Housing not until the year 2025, if ever.

Any housing contingent upon new Van Wyck ramps – which no one is obligated to build.

Sterling/Related may choose to pay a cost-of-doing-business \$35 million "penalty", and build NO housing.

The original Sterling/Related proposal had NO housing whatsoever; that may still be their intent.

2008:

Relocation of all 250+ Willets Point businesses.

2013:

Businesses evicted with no group relocation.

Eviction letters already sent to 100+ Phase One businesses; paltry payout equal

to 12 months' present rent for those who leave by November 30, 2013; no group relocation – despite the businesses forming a co-operative in collaboration with Council member Ferreras' office and submitting a business plan for group relocation, as NYCEDC told them to do.

2008:

Living wage provision to be included in RFP; agreement between Central Labor Council and Mayor's Office aggressively promoted by unions to Council.

2011:

RFP issued by NYCEDC, missing the living wage provision.

2008:

Eminent domain is a "last resort".

2011:

Eminent domain has already been attempted, without finishing negotiations with affected property owners.

2008:

New Van Wyck ramps necessary to alleviate traffic generated by development.

2012:

1.4 million square foot mall, ancillary retail and hotel all to be built without new Van Wyck ramps; ramps are only necessary for the housing component to be built. Moreover, the project contract specifies, "for the avoidance of doubt, in no event shall EDC or the City be required to construct the Ramps as part of the Development".

2008:

City will recoup the cost of acquiring Willets Point property, via sale of the property to the developer.

2013:

City not recouping cost; instead Sterling/Related to be gifted the Phase One property, worth \$200+ million, for the price of \$1 (one dollar).

2008:

Costs of remediation to be paid by the developer / private sector; an alleged huge benefit of this project.

2012:

Costs of remediation to be paid by taxpayers, via grant of \$99 million to Sterling/Related, \$40 million of which is to pay their remediation costs.

2008:

Would members of the LDC – lobbying illegally for approval of there project – be prohibited from bidding?

"The developers that are on the board of the LDC – Would they be *prohibited from bidding* on this project?" [Then-Council member Hiram Monserrate; October 17, 2008]

2012:

Sterling not only was not prohibited from bidding, but won the bid and was awarded the contract.

ADDITIONAL KEY INFORMATION, not comparison-based:

RFP RESPONSES:

There were 3 other responses to the RFP, which conformed to the goals and property boundaries of the approved development – and did NOT require building any mall on parkland. Those were all rejected by the Mayor's Office and NYCEDC in a closed-door process that shut out the Queens-based Willets Point Advisory Committee, contrary to multipole written promises.

The RFP response of Sterling/Related encompasses parkland property that was nowhere mentioned in the RFP and that was never discussed in 2008 – and to which no developer other then Sterling could have access, because of its existing lease.

METS'/WILPONS' 20 YEAR QUEST

1993 smuggled plan shows Mets' owners' intention to develop the entire area – remarkably similar to how they now propose to proceed.

MALL ON PARKLAND

Legality of mall on parkland is dubious. Letter from Urban Justice Center sets forth reasons why the mall is not authorized by the 1961 amendment to the City's administrative code, or by the state legislation pertaining to Shea Stadium. Moreover, construction of the mall implicates the Board of Estimate – a defunct body.

RAMPS AND TRAFFIC

The City says it is "committed" to build the new Van Wyck access ramps that are prerequisites for later phases of the development, including housing – but contractually, the City is NOT. Do not be fooled by any promissory letter the City may provide to the City Council, stating that the City is "committed" to construct Van Wyck ramps. It is the contract, NOT any promissory letter, that obligates the parties.

Traffic nightmare: 108,000 additional vehicle trips per day will gridlock intersections, expressway and access ramps, creating far-reaching, severe congestion at the nexus of popular Queens roadways – even without a Mets game or U.S. Open.

Many of the developers' proposed traffic mitigation measures require NYSDOT approval, but have not even been reviewed by NYSDOT. Per the FSEIS: "If these mitigation measure are modified or rejected by NYSDOT, significant adverse impacts ... may be unmitigated."

If they are ever built, the new Van Wyck ramps will connect only to and from the south. They provide no relief to travelers approaching from the north, who will have to contend with the project's full traffic impacts.

The ramp approval was based upon the 62-acre development that was analyzed – not the different, expanded 108.9-acre project that is now intended. There is a six-year statute of limitations to challenge the ramp approval in court.

NO COMMUNITY SUPPORT

Community is opposed to this project. Queens Community Board 7, whose committee voted initially to disapprove, ultimately approved by a narrow margin of 22-18. Board 3, whose district is directly adjacent to the proposed site of the mall on parkland, disapproved by an overwhelming margin of 30-1. In total, just 23 community board members voted to approve, while 48 voted to deny the application. "That's not support, that's a rejection of this development." [Ed Westley, Board 3 member]

The Queens Civic Congress, which represents 100+ Queens civic associations, has called this application "... an unjustified, unnecessary and inexcusable abuse of the City's land use powers", and is opposed to the mall plan.

ILLEGAL LOBBYING BY NYCEDC AND CLAIRE SHULMAN'S LDC:

3-year investigation by the New York State Attorney General concluded that NYCEDC and Claire Shulman's local development corporation (LDC) illegally lobbied for Willets Point development approval. "These local development corporations flouted the law by lobbying elected officials, both directly and

through third parties, to win approval of their favored projects." [Attorney General Eric Schneiderman]

As a result, NYCEDC was compelled to restructure.
But \$450,000 taxpayer funds given to Shulman's LDC have not been recovered.

Sterling Equities is owned by the owners of the New York Mets – premier financier of Shulman's LDC as it illegally lobbied.

RECOMMENDED OUTCOME:

Deny this ULURP application. Development of Willets Point need not depend on constructing a "Willets West" mall on 30+ acres of public parkland, and need not expand beyond the boundaries of the 62-acre Special District.

The City can issue a new RFP, and developers will be interested.

The Willets Point Advisory Committee must help to guide selection of a developer, as the City promised.

IN THE EVENT OF APPROVAL, REQUIRE CHANGES:

No development should proceed unless the following changes are made and memorialized in the contract:

Parkland/public trust doctrine must be adjudicated first, and no action taken on any site unless and until there is a final court decision permitting development.

Building of Van Wyck ramps must be a precondition to any development at all.

Housing must be built contemporaneously with any other first step.

Comprehensive environmental testing must be performed, and the property sale price established accordingly – Not the arbitrary price of \$1 for 23 acres.

[End.]

D

Questions pertaining to the proposed
Willets West mall / Willets Point Phase One development
of Sterling/Related

Questions pertaining to the proposed
Willets West mall / Willets Point Phase One development
of Sterling Equities and Related Companies

Prepared by Willets Point United Inc. • August 29, 2013

PROPERTY SALE PRICE OF \$1

In 2008, City officials told the Council that the City would recoup the cost of acquiring Willets Point property via the eventual sale of the property to the developer. Now, however, the City intends to gift 23 acres of Willets Point "Phase One" property – which cost \$200+ million to acquire – to Sterling/Related for the price of \$1 (one dollar). Why is the City reneging on its 2008 commitment to recoup the cost of property acquisition, and how is it in the taxpayers' interest to provide \$200+ million worth of property to Sterling/Related at virtually no cost?

LACK OF ENVIRONMENTAL TESTING

Although the City intends to gift \$200+ million worth of Phase One property to Sterling/Related for \$1 (one dollar), the City has refrained from conducting environmental tests throughout the Phase One property, as should be done in order to properly value the land. The City has claimed that it cannot perform such tests because it does not have possession of the property – a false claim, since the City says that it already owns 95 percent of the Phase One land and certainly has access to it. The City also claims that tests performed now would be unreliable – and yet, the City had no problem declaring the results of a single test that it did perform in 2008 reliable. How is it in the taxpayers' interest to refrain from performing comprehensive tests throughout the Phase One property that would allow a proper valuation of the land, rather than setting a purely arbitrary sale price of \$1?

REMEDATION COST SHIFTED TO TAXPAYERS

In 2008, the Council was told that the costs of remediating Willets Point property (which were expected to be significant) would be paid by the developer – an alleged huge benefit of implementing this project. Now, however, the costs of remediation are to be paid by the taxpayers, via a grant of \$99 million to Sterling/Related, \$40 million of which is to pay their remediation costs. How is it that the City is so drastically changing the terms of the bargain, versus what the Council was told during 2008? If the developers were to pay these costs, why aren't they?

HOUSING

Housing – especially affordable housing – was the linchpin of the Willets Point development when it was proposed and approved during 2008. But the present plan delays all housing until the year 2025; makes any housing contingent upon construction of new access ramps to and from the Van Wyck Expressway (with the project contract specifying that the City is not obligated to build any such ramps); and the project contract allows Sterling/Related to pay a cost-of-doing-business "penalty" and never build any housing. Moreover, the original RFP response of Sterling/Related proposed NO housing whatsoever. How did we go from the 2008 plan which had housing as its linchpin, to the present plan in which housing is not a priority and is subject to escape clauses? If housing is supposed to be the linchpin, then why are there escape clauses instead of contractual guarantees?

EXCLUSION OF WILLETS POINT ADVISORY COMMITTEE

In its 2008 FGEIS and testimony, the City promised that the Queens-based Willets Point Advisory Committee – chaired by the Queens Borough President and composed of Queens officials – would "participate in" and "help to guide" the selection of a developer for this project. That promise was significant, because the City Council ceded its authority to vet prospective developers' specific proposals. However, contrary to those promises, the Advisory Committee was never consulted to review the four responses to the RFP, and the present plan to expand the project from 62 to 108.9 acres – including a 1.4 million square foot mall on Queens parkland – has been dictated by NYCEDC and the Mayor's office while shutting out the Advisory Committee. Why was the Queens-based Advisory Committee excluded from the developer selection process, contrary to the 2008 commitments?

UNNECESSARY MALL

There were 3 other responses to the Willets Point "Phase One" RFP – each of which conformed to the goals and property boundaries of the approved development, and did NOT require building any extra mall on parkland. One of them even included 100 percent affordable housing units. Since the Queens-based Willets Point Advisory Committee was excluded from evaluating the RFP responses and selecting the developer, how do we know that none of the other rejected proposals were not, in fact, preferable – especially as they did not require any controversial and unnecessary mall on parkland?

NO EVIDENCE THAT MALL WILL SUCCEED AS ECONOMIC ENGINE

Sterling/Related claim that the proposed "Willets West" 1.4 million square foot mall on parkland is necessary as an economic engine to make possible the rest of the proposed Phase One development at Willets Point. However, there are

many indicators that a huge shopping mall at that particular site may not be successful – including the presence of numerous other nearby shopping malls and traffic congestion that will limit and discourage customers from shopping there. Beyond vague speculation, what evidence do Sterling/Related have that the Willets West mall will be successful to the extent that it needs to be, to perform its function as an economic engine that makes possible the rest of the proposed Phase One development? If the mall is not successful, and there is no economic engine, what will become of Sterling/Related's plan for the rest of the proposed Phase One development (including the housing, school, etc.)? Will it not get built?

NO GROUP RELOCATION OF TENANT BUSINESSES

In 2008 and thereafter, NYCEDC repeatedly said that it would listen to the needs of the tenant businesses concerning their relocation, and collaborate with them. The automotive businesses prefer to relocate in a group as necessary to preserve their service network which attracts customers, and so best ensure their survival. To that end, and with the assistance of Council member Ferreras' office, the tenant businesses formed a co-operative and drafted a formal, comprehensive business plan aimed at group relocation. However, NYCEDC has not progressed that plan. Instead, the City has issued eviction notices to businesses located within Phase One, while offering a paltry payout equivalent to 12 months' rent to each business that leaves Willets Point by November 30, 2013. The City has had 5 years to figure out how and where to relocate the tenant businesses as a group, but has not done so. Why not, and is it too late to do so now?

LIVING WAGE PROVISION MISSING FROM RFP

In 2008, labor unions testified to the Council concerning an historic agreement pertaining to the Willes Point project that requires, among other things, that certain living wage language be included in the RFP pertaining to the Willets Point development. At the City Council's 2008 public hearing, there were very specific questions and answers about the nature of the living wage agreement between the Central Labor Council and the Mayor's Office – including an assurance that the agreement would be binding on any future administration and that a copy of the agreement would be provided to the Council. But contrary to everything that was discussed, in 2011 NYCEDC issued an RFP that is completely missing the required living wage language. How did this happen?

ILLEGAL LOBBYING

During 2008, when the illegal lobbying by Claire Shulman's local development corporation first came to light (eventually formally found by the New York State Attorney General to be completely unlawful, and stipulated as such by Shulman's LDC), the Council asked then-Deputy Mayor Robert Lieber: Would

the developers that are on the board of the LDC "be prohibited from bidding on this project?" Lieber responded that he would have to "ask the lawyers". In 2012, when choosing Sterling Equities as one of the winning bidders, was any consideration given to the fact that Sterling's owners participated in Shulman's LDC via the New York Mets, and were premier contributors to the LDC during its illegal lobbying for approval of the proposed Willets Point development? Is Sterling not reaping the benefits of the LDC's illegal lobbying which it aided and abetted?

[End.]

E

Information pertaining to the overwhelming vote
of Queens Community Board 3 in opposition to the proposed
Willeys West mall / Willeys Point Phase One development
of Sterling/Related

Queens Community Board 3
on the Willets West mall / Willets Point development

Public hearing and vote held May 23, 2013

Blog post of Willets Point United Inc., including transcription of resolution adopted by CB3:

Queens Community Board 3 nixes Mets mall

By a wide margin of 30-1 (plus 1 abstention), CB3 voted on Thursday night to disapprove the proposed "Willets West" mall / Willets Point development. The landslide vote endorsed the earlier recommendation, on Tuesday night, of several CB3 committees, and took place after a public hearing on the matter. Reasons for CB3's disapproval include the project's huge and unaddressed traffic congestion and related negative impacts, failure to prioritize housing and a school, overcrowding of subway and bus lines as a consequence of the project, and disregarding the Advisory Committee and Queens officials when selecting the plan and the developers. CB3 concluded: "The proposed project would change the character of the surrounding neighborhoods and impact the livelihoods of 250,000 residents and many small mom-and-pop businesses."

Likely aware of the committees' Tuesday recommendation to disapprove the project, no representative of developers Sterling Equities and Related Companies, or the city, bothered to attend the Thursday night public hearing.

Although CB7 voted last week to approve the same development project by a very slim margin of 22-18 (notoriously, after the CB7 committee had rejected it the week before by a vote of 7-2), the city's Uniform Land Use Review Procedure ("ULURP") entitles other affected community boards to also evaluate a land use application that "may significantly affect the welfare of the district or borough served by such board". CB3 has exercised that right, and decided to disapprove the application. So at the moment, the Willets West mall / Willets Point development has been approved by CB7 by a very slim margin, and rejected by CB3 almost unanimously. ULURP does not give any greater weight to any particular community board's recommendation – so both boards' recommendations must be equally considered by the next decision-makers.

Donovan Finn, a former CB3 member and university professor who teaches urban planning, urban policy and environmental design, stated during the public hearing: "There are too many holes in this contract. It is completely designed to make Related and the Wilpons be able to build their mall, build their new parking lot, do a few nice things along the edges of the development, and if they choose – to pay what for them will be a piddly amount of money and walk away. The affordable housing will never get built. ... I'm not a psychic, but that's the future I

see. This is not just a vote against a really bad plan, which it is, I think. Something will happen on that site – It just should be something better; it should be something that whoever builds it should come and ask us what we need, and what we think should be there, instead of just deciding and telling us that it's in our best interest."

The CB3 Chairperson, Marta Lebreton, read the following statement prior to the board's vote on Thursday night:

"I'm going to read the recommendation that was made on Tuesday night. ... ULURP section 203, item (g.), allows for the review and vote on actions not in a community district. Willets Point may be geographically located within Community Board 7, but the proposed action will directly impact more than 250,000 residents in Community Board 3. Our board is merely a couple of blocks from the site, and therefore any and all actions that take place at Willets Point will directly impact the residents of our board.

On Tuesday, May 21, 2013, Community Board 3 convened a joint committee meeting of the business, economic development, parks, land use and traffic/transportation [committees] to review the Willets Point redevelopment project, which includes 'Willets West' [mall] and the Willets Point Special District. After careful review of the proposal, the committee concluded that the plan in its present form be disapproved.

Community Board 3 Queens is opposed to constructing a mall on mapped public parkland; the demolition of the Empire Millwork Corporation building – a historic site listed in the state and national registries; and the proposed development schedule. The plan calls for soil remediation of 23 out of 62 acres of the proposed site, which will be in Phase One of the project. The anticipated completion date would be 2018, when retail and hotel space would be constructed. Affordable housing and the construction of a school would not come until 2028 – ten years later, in Phase 1B. The aforementioned school and housing should be included in the first phase.

The impacts that are not addressed in the current proposal are:

Traffic: Although a commitment was made to provide \$1.87 million to establish an infrastructure and traffic mitigation fund for traffic improvements, there was no mention of how traffic congestion would be mitigated in Community Board 3 Queens, particularly at 114th Street, Astoria Boulevard, 34th Avenue, Roosevelt Avenue and Northern Boulevard.

Transit and pedestrians: Community Board 3 Queens will be impacted by the increase of ridership on the subway line number 7 and the bus lines of Q48, Q66 and Q19.

Public health concerns: Community Board 3 Queens has been identified as one of the districts that has the highest incidence of asthma and other respiratory ailments. The applicants report that the increase in traffic would have no impact on Community Board 3 Queens. The increase in traffic volumes will surely adversely affect our fragile constituents. The committee strongly recommends that a complete environmental cleanup on all the acres in Willets Point be conducted, not just in the Special District. Further, cleanup of Flushing Bay and installation of a new sewer system so that Flushing Bay will no longer remain a dumping ground.

Environmental and social justice: The current plans do not consider our community needs, nor acknowledge the impact the proposed plan will have on the commercial and residential displacement of our most vulnerable residents in Community Board 3 Queens.

In conclusion, the Willets Point proposal – the city's largest development project in this section of Queens: The impacts of this major undertaking will affect not only the residents of Community Board 7, but all of the surrounding board areas. In July, 2008, the Borough President's recommendation approved the application with the condition that the Willets Point Advisory Committee be comprised of the Queens Borough President, local elected officials, representatives from Community Boards 3, 4 and 7, and other community leaders, should be continued for the duration of the project, including during developer selection, construction, implementation and all other phases of the Willets Point development. We strongly suggest that the Borough President's recommendation be complied with. Community Board 3 Queens recommends that the application be disapproved as presented. The proposed project would change the character of the surrounding neighborhoods and impact the livelihoods of 250,000 residents and many small mom-and-pop businesses. That is the recommendation of the committee. Do I have a motion – a motion is on the floor. Do I have a second? Okay. Any discussion? Okay; we're going to call the question. The motion on the floor, seconded by Ed Westley, is to disapprove the application as presented. And we are going to include everything that I read."

A "Yes" vote is for denial.

Vote tally: 30 "Yes" [for denial of the application]; 1 "No"; 1 abstention.

[End.]

F

Letter from Michael B. Gerrard, Esq., legal counsel to
Willets Point United Inc, to Robert R. Kulikowski, Ph.D.
conveying comments on the Draft Supplemental Environmental
Impact Statement pertaining to the proposed Willets West mall
/ Willets Point Phase One development.

The comments within this letter are now submitted directly
to the City Council, and are deemed to pertain to the proposed
Willets West mall / Willets Point Phase One development
presently being evaluated.

July 17, 2013

Robert R. Kulikowski, Ph.D.
Mayor's Office of Environmental Coordination
100 Gold Street, 2nd Floor
New York, New York 10038

Re: Willets Point Development Project

Dear Dr. Kulikowski:

I am writing on behalf of Willets Point United and individual members thereof to provide these comments on the Draft Supplemental Environmental Impact Statement (DSEIS) for the Willets Point Development Project, CEQR No. 07DME014Q.

Traffic Impacts

Neither the Executive Summary nor the text makes clear (as they should) the magnitude of the traffic disruption that would be caused by the project at full build-out. However, a close examination of the tables in the DSEIS uncovers a disturbing picture. For example, in the year 2032, under the "no action" condition the average speeds on the westbound Grand Central Parkway between Roosevelt Avenue and the Long Island Expressway on non-game days would be 48.1 mph during the weekday morning run, 43.0 mph during the weekday midday, and 37.7 mph during the evening rush. (DSEIS Table 14-69, page 14-106.) If the project is built (including the Van Wyck ramps), the average speeds during those same periods on non-game days would be **6.7 mph, 0.0 mph, and 0.4 mph**, respectively. (DSEIS Table 14-75, page 14-119.)

In order for the reader to comprehend the implications of these sorts of speeds, the FSEIS (as previously requested) should calculate the travel *time* from one end of the studied segment to the other (i.e., between Roosevelt Avenue and the Long Island Expressway on the Grand Central Parkway). The CEQR Technical Manual neither mandates nor prohibits this kind of analysis; SEQRA and CEQR demand that decision-makers be provided with information sufficient to make informed decisions. The meaning of a 0.0 mph speed on a highway should also be explained. The FSEIS should also explain the impacts of these speeds (or, during the 0.0 mph condition, this stationary condition) on emergency response times and on airport access.

Robert R. Kulikowski, Ph.D.

July 17, 2013

Page 2

The DSEIS mentions a variety of mitigation measures but does not commit to them. If these mitigation measures are undertaken, the DSEIS projects speeds in 2032 under the “build” condition of up to 48.8 mph during the morning rush and 48.1 mph during the evening rush, but they would still be at 6.7 mph during midday. (DSEIS Table 21-21, p. 21-50.) The same pages show terrible traffic conditions for many other mainline intervals and intersections in 2032.

The mitigation to accomplish this would involve, among other things, adding lanes to various access roads. Pp. 21-27 - 21-29. It is highly speculative whether this could be done. Adding lanes would require acquisition of additional real estate and a variety of state and city approvals, in addition to additional environmental review and, presumably, condemnation. Even with this, the DSEIS concedes that many of the projected conditions cannot be mitigated. Pp. 21-4, 21-20, 21-31.

In 2032 on non-game days, if the project is not built, the number of signalized intersections with Level of Service F would be 1 during the weekday morning peak; 4 during weekday midday; 2 during the weekday evening peak; and 3 on Saturday midday. If the project is built, those numbers become 9, 12, 15, and 13. (Table 14-55, p. 14-84.) Numerous intersections cannot be mitigated at all. Pages 21-4 - 21-5, 21-19 - 21-21.

If the City approves the project, the SEQRA Findings Statement will have to explain why it is acceptable to undertake a lengthy and expensive action that will result in traffic speeds of 6.7 mph, 0.0 mph, and 0.4 mph on one of the City’s major arteries. If reliance is placed on the lane-widening and other mitigation measures, then 1) those measures should be explained in detail, 2) their collateral consequences (e.g. condemnation of real property and consequent loss of housing and jobs) should be enumerated, and 3) they should be committed to.

The traffic impacts may actually be more severe than revealed in the DSEIS. The reasons for this are set forth in the comments of Brian Ketcham, which are incorporated herein by reference. To pick one notable example, it appears that the DSEIS uses trip generation factors that are considerably lower than real world experience with comparable uses would show are appropriate.

Ramps

The City still refuses to disclose anything about the cost of the Van Wyck ramps, though they say the City has agreed to pay for them (Response to Comments p. 32).

It appears that the traffic methodology used for the DSEIS was similar to that employed by the City in the original FEIS. That FEIS also projected terrible traffic

Robert R. Kulikowski, Ph.D.

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Page 3

consequences, though not nearly as bad as those in the DSEIS (at least in part because of the considerable enlargement of the project). The City then abandoned that methodology when it prepared an Access Modification Report (AMR) in its successful effort to persuade the State Department of Transportation and the Federal Highway Administration to approve the Van Wyck ramps. Now the City is going back to its original methodology. In view of this new information, the prior approvals by the State DOT and the FHWA are invalid, and those agencies need to undertake a fresh review under the National Environmental Policy Act.

My comments of September 27 on the draft scope for this DSEIS stated, "The City has a history of releasing wildly contradictory reports about the traffic impacts of this project, without ever clearly explaining the reasons for these discrepancies. The supplemental EIS should include a table comparing the assumptions, methodologies and other inputs of the traffic study used there and all the prior traffic studies for this project, so that readers can understand the differences and draw their own conclusions as to which, if any, is valid." The DSEIS failed to include this table. The FSEIS should include it.

Mass Transit Impacts

The tables in the DSEIS (though not the text, except euphemistically) reveal that conditions within the Mets-Willets Point No. 7 subway station would also become horrible; especially the stairs from the Roosevelt Avenue entrances down to the mezzanine. Conditions in 2032 on non-game days without the project show a Level of Service A for these stairs (Table 14-111, p. 14-156); in 2032 with the project, the Level of Service is E+ for one staircase and D+ for two. (Table 14-141, p. 14-187.) The DSEIS says that wider staircases could help alleviate this condition, but that it is not clear whether this would be feasible, there is no indication of how much they would cost or who would pay for them, and they are not committed to (p. 14-189, 21-57).

The DSEIS says that in 2032 with the project built, on the Manhattan-bound express #7 train, the volume/capacity ratio would be 1.20, and the available capacity would be -3,673 (minus 3,673). In other words, the subway would be able to carry 3,673 *fewer* people per hour than want to take it, even with the subways running at the maximum capacity that the signal system will allow. (Table 14-143, p. 14-190.) In order to alleviate some of the subway crowding, the DSEIS suggests providing more LIRR service there (p. 14-156). Again, there is no discussion of whether this is feasible, what it would entail, or how much it would cost, and there is no commitment to do it.

ARNOLD & PORTER LLP

Robert R. Kulikowski, Ph.D.
July 17, 2013
Page 4

Relocation

The DSEIS still does not identify relocation sites for the remaining businesses that have not agreed to sell. The Response to Comments on the Draft Scope (p. 20) says the City is still working on this, but there is no indication that any progress has been made for the last several years.

The original EIS assumed that all the businesses could be readily relocated. Five years later, relocation sites have not yet been found for my clients and others. The supplemental EIS must acknowledge this reality.

The City rejected my request to study an alternative that looks at the project without any eminent domain (pp. 51-52). This alternative should have been studied, for only that way can the reader understand whether or not this condemnation is truly necessary. The possibility of leaving untouched any properties whose owners will not sell voluntarily becomes more feasible in view of the City's new plan to use much of Willets Point as a parking lot.

Other Comments

The DSEIS does not satisfactorily address the comments raised by a number of commentators that the land that the City acquired for park purposes cannot lawfully be utilized for a shopping mall and associated parking, in particular that there is no, or insufficient, legislative authorization to abrogate the public trust doctrine in this instance, and that the Administrative Code does not permit the City to sell or lease the parkland at issue to construct a mall.

A major rationale for the City's insistence that the entire project be done at once, without phases, was that soil contamination all needed to be remediated at once. The City has now decided to adopt a phased approach. The FSEIS should explain this change in position, and how it envisions that contamination will be addressed on a phased basis. If phasing is now possible, the FSEIS should consider an alternative in which certain properties (especially those being acquired from private parties) are excluded from the early phases.

Sincerely,



Michael B. Gerrard

G

PowerPoint presentation of Willets Point United Inc.
in opposition to the proposed
Willets West mall / Willets Point Phase One development
of Sterling Equities and Related Companies

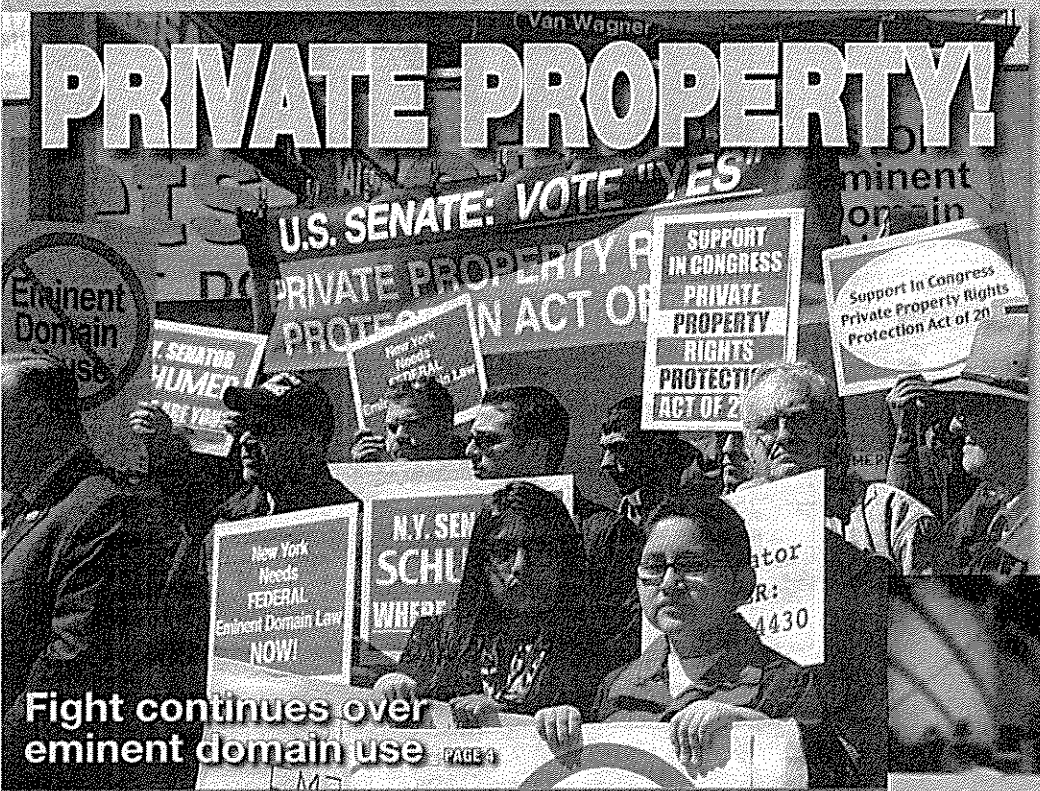
Note: This hard copy cannot convey the audio/video elements
that are embedded in the presentation.

*The City Council Subcommittee on Zoning and Franchises
denied the request of Willets Point United Inc. to show this
presentation during the hearing held on September 3, 2013 –
despite multiple testifiers willing to cede their time to this
presentation, such that the equivalent amount of hearing time
would be consumed by the PowerPoint presentation as by
individual testifiers.*

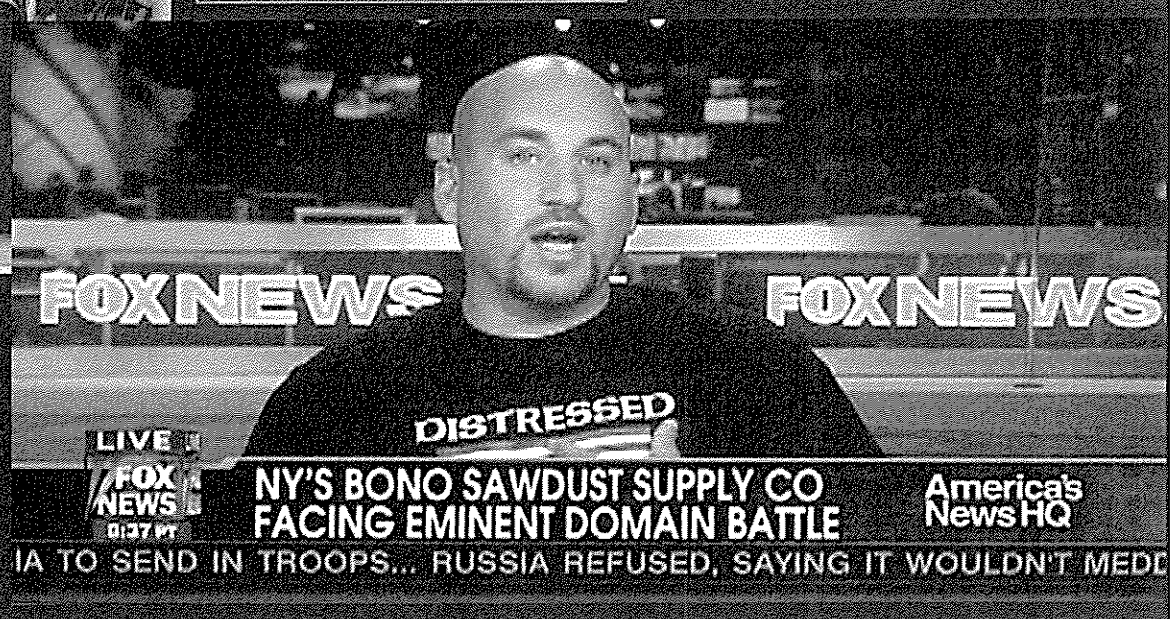
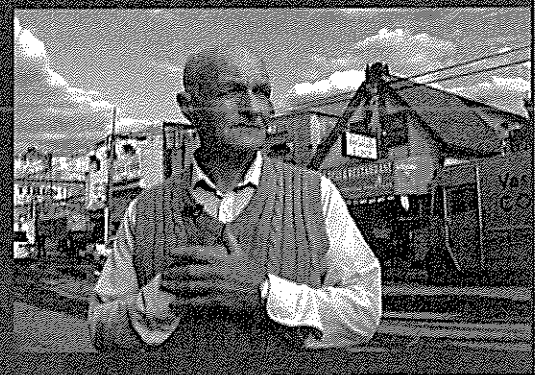
Presentation by
Willets Point United Inc.
in opposition to the proposed
Willets West mall / Willets Point
phase one development of
Sterling Equities and Related Companies

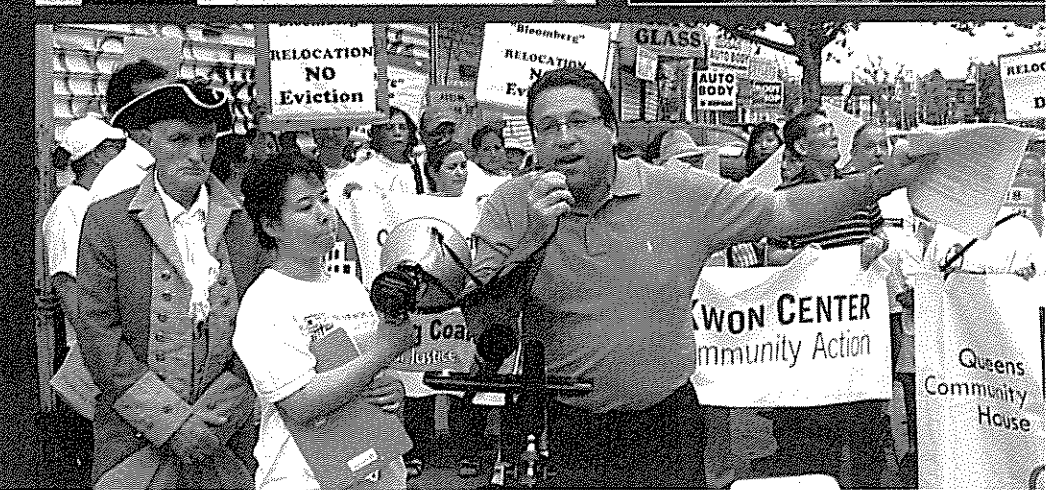
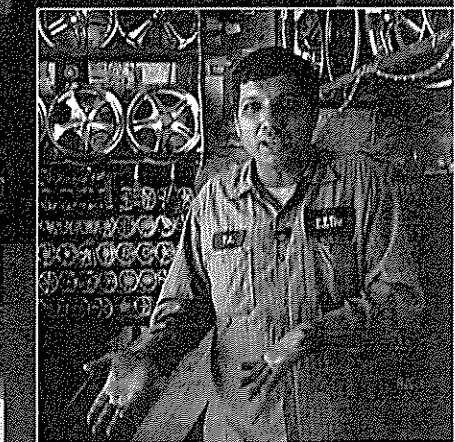
September 2013

Wilets Point United Inc.



Workers, business owners and elected officials rallied at Wilets Point last Thursday for passage of a federal bill on condemnation.





2008: The Approved Development



- Encompassed the entire 62-acre Willets Point site
- Comprehensive, contiguous remediation
- 5,500 units of housing; 1,925 units “affordable”
- Relocation of all 250+ Willets Point businesses
- Living wage provision to be included in RFP
- Developer selection to be guided by Queens officials and community boards via Willets Point Advisory Committee
- No mention of parkland property beyond Willets Point

2011: The Request for Proposals

- Pertained to “Phase One”
- 23 acres located within the Willets Point Special District, directly across from Citi Field stadium
- Build on Willets Point land only



- RFP for “Phase One” yielded 4 responses.
- 3 of them conformed to the goals and property boundaries of the approved development.

Macerich

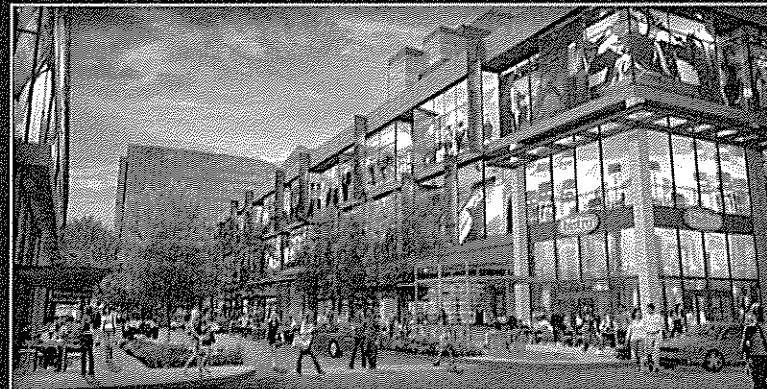


“A True Retail Destination”

Food & Beverage
Entertainment
Housing
Hotel
Public Open Space
Parking

“A Model Green Community”

Silverstein Properties, Inc. and Taubman Centers, Inc.



- “Entertainment Corridor & Urban Room”
- 126th Street Retail
- Restaurant Row
- Neighborhood Retail Street
- Eco-Promenade
- 100 percent affordable housing (400 units)
- “A Model Sustainable Community”

TDC Development and Construction Corp.



- “World Trade Center Queens”
- Hotel
- Restaurant
- Trade Mart
- Convention Center
- Retail Complex
- Entertainment District
- Office Building
- Neighborhood Park

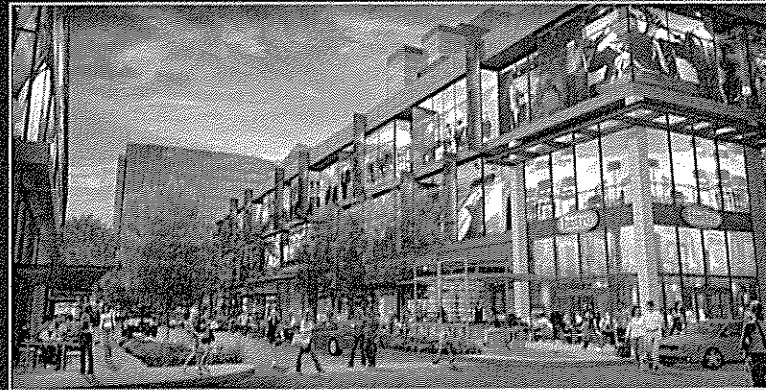
All of these proposals were rejected, in favor of ...

Macerich



- “A True Retail Destination”
- Food & Beverage
- Entertainment
- Housing
- Hotel
- Public Open Space
- Parking
- “A Model Green Community”

Silverstein Properties, Inc. and Taubman Centers, Inc.



- “Entertainment Corridor & Urban Room”
- 126th Street Retail
- Restaurant Row
- Neighborhood Retail Street
- Eco-Promenade
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TDC Development and Construction Corp.



- “World Trade Center Queens”
- Hotel
- Restaurant
- Trade Mart
- Convention Center
- Retail Complex
- Entertainment District
- Office Building
- Neighborhood Park

... this plan of Sterling/Related, awarded by the City administration while excluding the Willets Point Advisory Committee from developer selection.

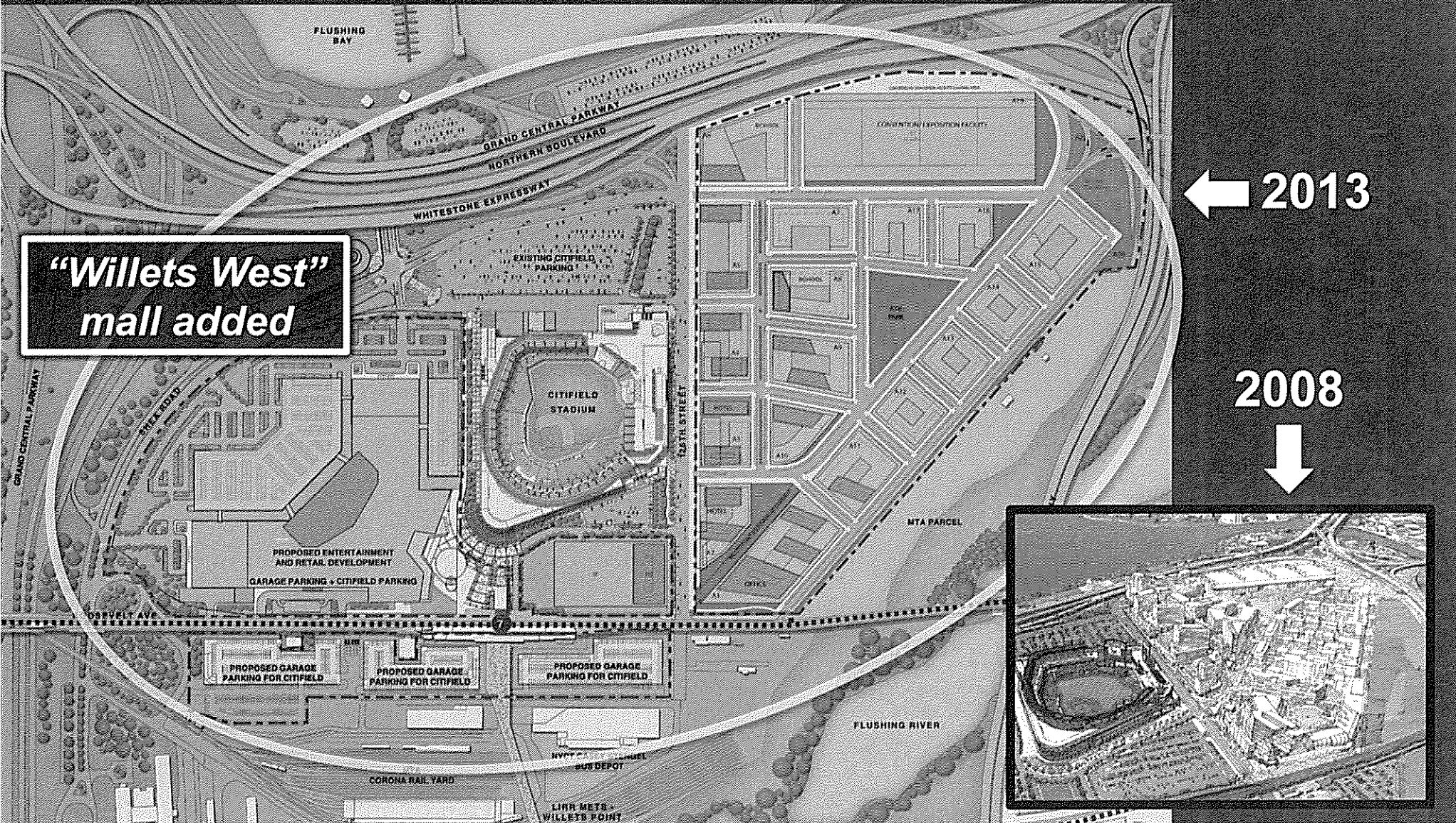
**Parkland site added
by Sterling/Related
(30+ acres)**

**Phase One site
specified in RFP**

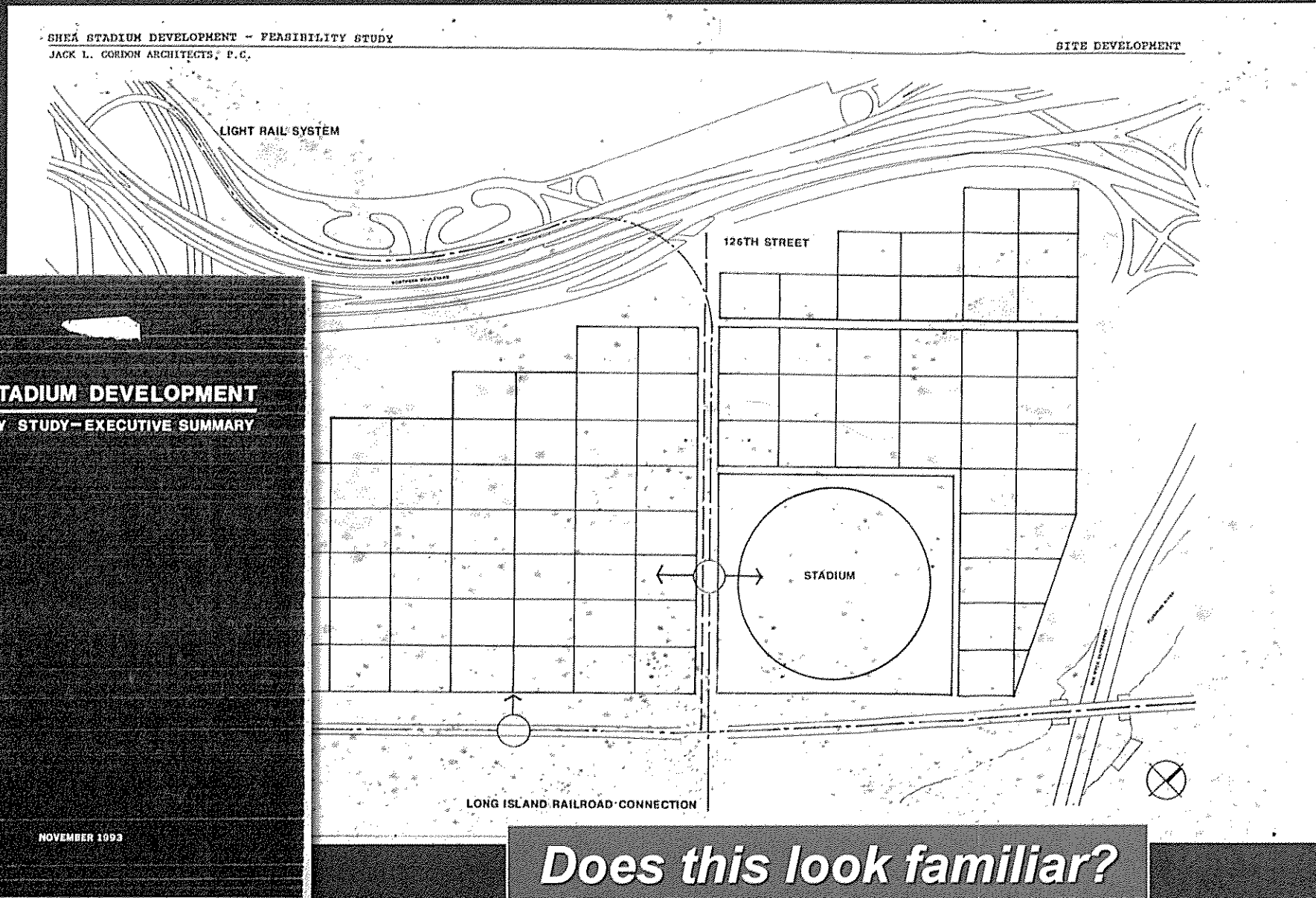
***Mall
on parkland***



City has expanded the total size of the proposed development, from 62 acres as approved in 2008, to 108.9 acres as intended now.



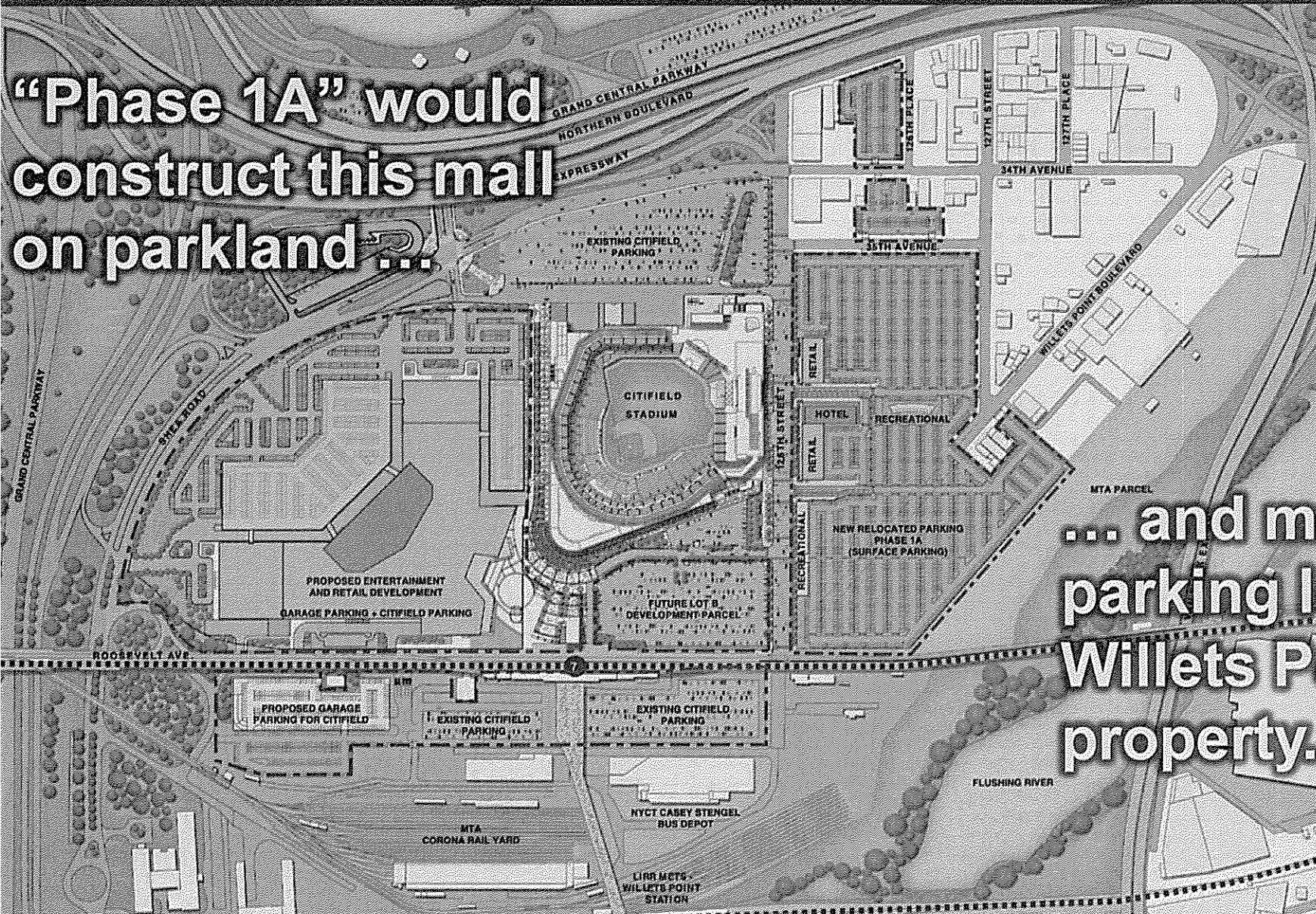
1993: Smuggled plan shows Mets' intention to develop entire area



Sterling/Related prioritize
constructing an unnecessary mall.

**“Phase 1A” would
construct this mall
on parkland ...**

**... and move the
parking lot onto
Willeys Point
property.**



Legality of mall on parkland is questionable.

Urban Justice Center attorney
letter explains why mall use
is not allowed.

**Parkland sacrifice:
30+ acres**



Urban Justice Center
123 William Street, 16th Floor, New York, NY 10038
Tel: (646) 602-5600 • Fax: (212) 533-4598
www.urbanjustice.org

May 14, 2013

Jesse Masyr
Wachtel, Masyr, and Missry LLP
One Dag Hammarskjöld Plaza
885 Second Avenue
New York, NY 10017

Ross Moskowitz
Stroock, Stoock, and Lavan LLP
180 Maiden Lane
New York, NY 10038

Re: Willets Point Development ULURP

Jesse and Ross:

We write to you regarding your client's pending ULURP application, which we believe to be fatally flawed. As the site of the potential redevelopment is part of Flushing Meadows Corona Park, it is covered by New York State's public trust doctrine. That doctrine prevents the use of parkland for non-park purposes unless it has been alienated pursuant to an appropriate state statute:

[D]edicated park areas in New York are impressed with a public trust for the benefit of the people of the State. Their use for other than park purposes, either for a period of years or permanent, requires the direct or specific approval of the State Legislature, plainly conferred.

Friends of Van Cortlandt Park v. City of New York, 95 N.Y.2d 623, 631-32 (N.Y. 2001).

The 1961 law which authorized the construction and financing of Shea Stadium on the lot that your client currently is seeking to redevelop, and which supporters of the redevelopment have cited as providing sufficient authority for the plan, does not explicitly allow the alienation of the parkland upon which the stadium was built. NYC Administrative Code 18-118. The statute also does not specifically refer to the alienation of the parkland in question; nor does it provide for replacement parkland or restitution, as do alienation statutes generally. See New York State Office of Parks, Recreation and Historic Preservation, *Handbook on the Alienation and Conversion of Municipal Parkland in New York*, at 27 (revised March 2012). For this reason alone, Administrative Code 18-118 is insufficient to support the proposed project and the state must pass additional legislation before any redevelopment of this land moves forward.

The New Access Ramps

Van Wyck Expressway

Significance of the ramps:

- Claimed to alleviate traffic
- Prerequisite for any housing component

***Cannot build the housing
without the ramps.***



The New Access Ramps

Contract provisions (Section 3.3):

that the Joint Venture shall not be responsible for re-timing traffic signals or constructing or designing the Ramps in connection with the Development. For the avoidance of doubt, in no event shall EDC or the City be required to construct the Ramps as part of the Development. When the Joint Venture develops the Willats Point Site IP Development and/or if the Joint

“For the avoidance of doubt, in no event shall EDC or the City be required to construct the Ramps as part of the Development.”

constructing the Ramps is required in order to construct such development, (ii) re-timing traffic signals in connection with such development, or (iii) Accessory Infrastructure. Notwithstanding the foregoing, the Joint Venture may elect to construct the Ramps at any time after the Closing at its option (to be exercised in its sole and absolute discretion) and, in such event, at its sole cost and expense. Furthermore, if the Project results in additional analysis to support the environmental analysis contained in the “Environmental Assessment for D.I.N. V770-11 Willats

“... the Joint Venture may elect to construct the Ramps at any time after the Closing at its option (to be exercised in its sole and absolute discretion) and, in such event, at its sole cost and expense.”

The New Access Ramps

The City says that it is “committed” to build the ramps – but contractually, the City is NOT.

Do not be fooled by any promissory letter the City may provide to you, stating that the City is “committed”.

It is the contract, NOT any promissory letter, that obligates the parties.

Housing

- Dependent on new Van Wyck ramps
- No one is obligated to build ramps
- Housing construction is delayed until 2025
- Opt-out clause in contract:

Sterling/Related may choose to pay a \$35 million cost-of-doing-business “penalty”, and build NO housing

- Original Sterling/Related proposal had NO housing; that may still be their intent

Housing was the linchpin of the entire Willets Point development when it was evaluated and approved in 2008.

Traffic: The Horrors to Come

108,000 additional vehicle trips per day will gridlock intersections, expressways and access ramps, creating far-reaching, severe congestion at the nexus of popular Queens roadways.

IMPACTED ROADWAYS:

- Grand Central Parkway
- Van Wyck Expressway
- Whitestone Expressway
- Astoria Boulevard
- Cross Island Parkway
- Northern Boulevard
- Roosevelt Avenue
- College Point Boulevard

Even with mitigation measures in place, the FSEIS admits:

- Speed on highway, mid-day = 13.5 mph
WHITESTONE EXPRESSWAY SB MAINLINE
- Speed on ramp = 4.1 mph
WHITESTONE EXPRESSWAY SB – NORTHERN BOULEVARD WB
- Wait at intersection = 633.1 seconds (>10 minutes!)
ROOSEVELT AVENUE AT 126TH STREET; was 821.6 seconds in DSEIS

And that's without a Mets game or U.S. Open.

Traffic Conditions Surrounding Willets Point Prior to Mets Game



Many proposed mitigation measures require NYSDOT approval, but have not even been reviewed by NYSDOT. Per the FSEIS: "If these mitigation measures are modified or rejected by NYSDOT, significant adverse impacts ... may be unmitigated."

What about the proposed new Van Wyck Expressway ramps? Won't they help?

- The Phase "1A" development – including a 1.4 million square foot mall, ancillary retail and hotel – is to be constructed without any new Van Wyck ramps.
- And if they are ever built, the ramps will connect only to and from the south. They provide no relief to travelers approaching from the north, who will have to contend with the project's full traffic impacts.
- The ramp approval was based upon the 62-acre development that was analyzed – not the different, expanded 108.9-acre project that is now intended.

Remediation Charade

Sterling/Related claim the lack of environmental testing is because “the city has not had possession” of Willets Point property.

However, the City claims to already own 95 percent of Phase One property. The City can perform tests right now, but is refraining from doing so. Tests will only be performed after Sterling/Related acquire title to the land. Why?

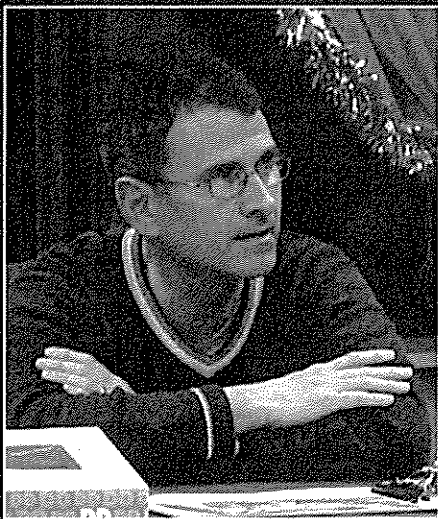
- If testing shows the property is not significantly contaminated, then it is worth far more than \$1 – and the sweetheart deal would be scuttled.
- If testing shows the property is severely contaminated, then the planned development may not be feasible.

Remediation Charade

In 2008, the City admitted that its environmental tests under Willets Point streets found “no significant plumes”. – KEVIN MCCARTY, HDR ENGINEERING

A recent review of the lab results of the City’s 2008 tests of a Willets Point automotive site concluded that “no major pollution was found” and that “pollution levels in Willets Point had been grossly exaggerated”.

– DR. CHAIM YOSEF MARIATEGUI-LEVI, ENVIRONMENTAL CHEMIST



Dr. James Cervino, CB7 Environmental Chair and geochemist affiliated with Woods Hole Oceanographic Institution, voted “No” – to deny this ULURP application. He considered the sacrifice of 30+ acres of parkland more significant than any potential remediation.

Costs Have Shifted to the Taxpayers

- In 2008, the City Council was told that the cost of remediation would be paid by the developer.

Now, to the contrary, Sterling/Related are to receive a \$99 million grant of taxpayer funds, \$40 million of which is to cover their remediation costs.

- In 2008, the City Council was told that the City would recoup the cost of acquiring Willets Point property, through the sale to the developer.

Instead, Sterling/Related are to be gifted the Phase One property, worth \$200+ million, for the price of \$1 (one dollar).



Promises Broken & Bad Faith

- Living wage provision omitted from RFP
- Willets Point Advisory Committee excluded from developer selection process
- No “next great neighborhood” at Willets Point without a huge mall prioritized on parkland, first
- Housing delayed and susceptible to “out” clauses
- City not recouping \$200+ million property acquisition costs – instead gifting property for \$1
- Developers not paying for remediation – taxpayers are
- No comprehensive remediation
- Businesses evicted with no group relocation
- Eminent domain wasn’t a “last resort” – It’s already been attempted



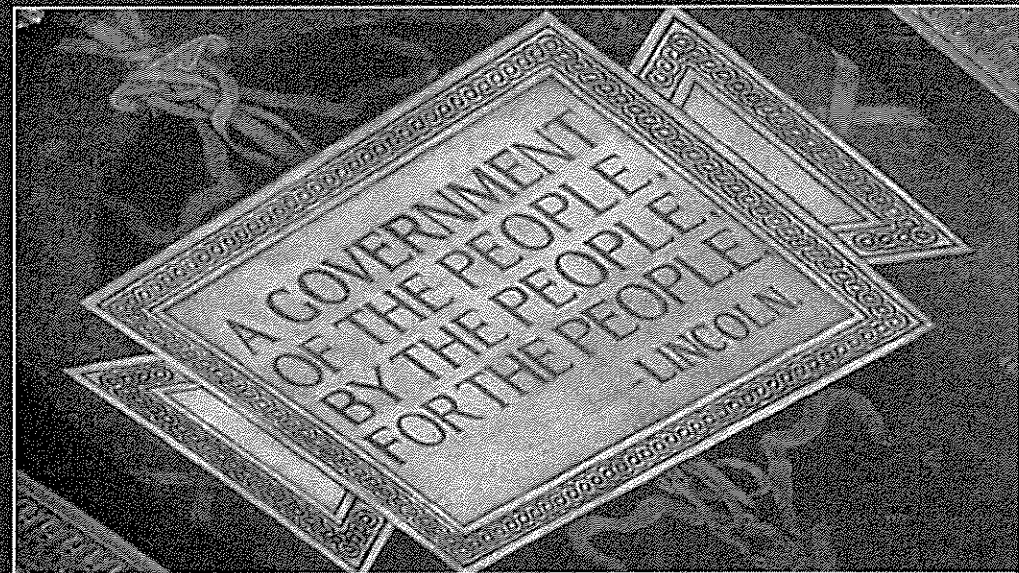
Community Is Opposed

| | <u>Yes</u> | <u>No</u> |
|--|------------|-----------|
| Queens Community Board 7: COMMITTEE INITIALLY VOTED TO DISAPPROVE | 22 | 18 |
| Queens Community Board 3: | 1 | 30 |
| TOTAL: | 23 | 48 |

“That’s not support, that’s a rejection of this development.”
– ED WESTLEY, CB3 MEMBER

**“... an unjustified,
unnecessary and
inexcusable abuse
of the City’s land
use powers.”**

– QUEENS CIVIC CONGRESS,
REPRESENTING 100+ QUEENS
CIVIC ASSOCIATIONS



Investigation by NYS Attorney General concluded:

NYCEDC and Claire Shulman's LDC illegally lobbied for Willets Point development approval.

EDC and Shulman's Queens LDC admit illegal lobbying

BY VERACHINESE
NEW YORK DAILY NEWS

TWO city economic development agencies have admitted to illegally lobbying the City Council to support a plan to overhaul gritty Willets Point.

A three-year probe by the state Attorney General's office confirmed what many property owners in the so-called Iron Triangle had long complained about — that these agencies were exerting undue influence on the Council.

The findings, unveiled Tuesday, found both the city Economic Development Corp. and the Flushing-Willets Point-Corona Local Development Corp. unlawfully lobbied the Council in 2008 to approve the redevelopment.

The investigation extended to the Coney Island Development Corp., which also admitted to soliciting support for a project there.

The agreement between the city EDC, the two other LDCs and the AG validates years of complaints from Willets Point business owners who charged the Flushing-Willets Point-Corona LDC and specifically, its president, Claire Shulman, carried favor for a plan to take properties through eminent domain.

Mayor Bloomberg announced a different plan last month, when he said the city had reached a deal with Sterling Equities and Related Cos. to build a 1 million-square-foot mall on land already owned by the city.

Under state law, "no such corporation shall attempt to influ-



Flushing-Willets Point-Corona Local Development Corp., headed by Claire Shulman, found to have illegally lobbied City Council. Christie M. Farriella

ence legislation by propaganda or otherwise." The law does not list monetary penalties for violations, so the LDCs will not pay fines.

The agreement stipulates that each LDC will not employ out-

side lobbyists, draft testimony for third parties to submit to the Council and directors will have to undergo compliance training.

Members of Willets Point United said sanctions should have

been harsher.

"There was a crime committed here," said Willets Point United President Gerald Antonacci. "People ran for the hills when they were threatened with eminent domain. A lot of people who sold their properties would have never have sold it."

Shulman, the former Queens Borough President, could not be reached for comment. Flushing-Willets Point-Corona LDC officials said they were "glad the matter was behind them."

The EDC will also have to restructure, losing its status as an LDC.

LDCs are quasi-city agencies that have the power to buy or lease city land without undergoing the public bidding process.

An EDC spokesman downplayed the ruling, stating the law did not clearly define what constituted lobbying.

"The restructuring should be seamless from the perspective of third parties and should have little to no impact on the day-to-day operations of the company," the spokesman said in a statement.

Some of the transgressions included ghost-writing op-ed pieces, preparing testimony for third parties and providing transportation for supporters at hearings.

"These local development corporations flouted the law by lobbying elected officials, both directly and through third parties, to win approval of their favored projects," Attorney General Eric Schneiderman said.

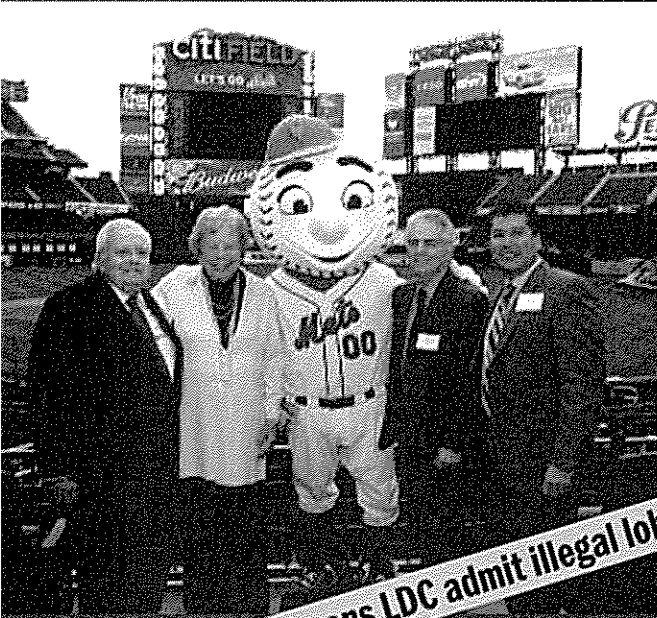
vchinese@nydailynews.com

"These local development corporations flouted the law by lobbying elected officials, both directly and through third parties, to win approval of their favored projects."

— ATTORNEY GENERAL ERIC SCHNEIDERMAN

- NYCEDC compelled to restructure.
- \$450,000 taxpayer funds to Shulman's LDC not recovered.

Sterling Equities is owned by owners of the New York Mets – premiere financier of Shulman's LDC as it illegally lobbied.



EDC and Shulman's Queens LDC admit illegal lobbying

“With respect to the local development corporation, there’s been questions raised ... The developers that are on the board of the LDC – Would they be *prohibited from bidding* on this project?”

– THEN-COUNCIL MEMBER
HIRAM MONSERRATE;
OCTOBER 17, 2008

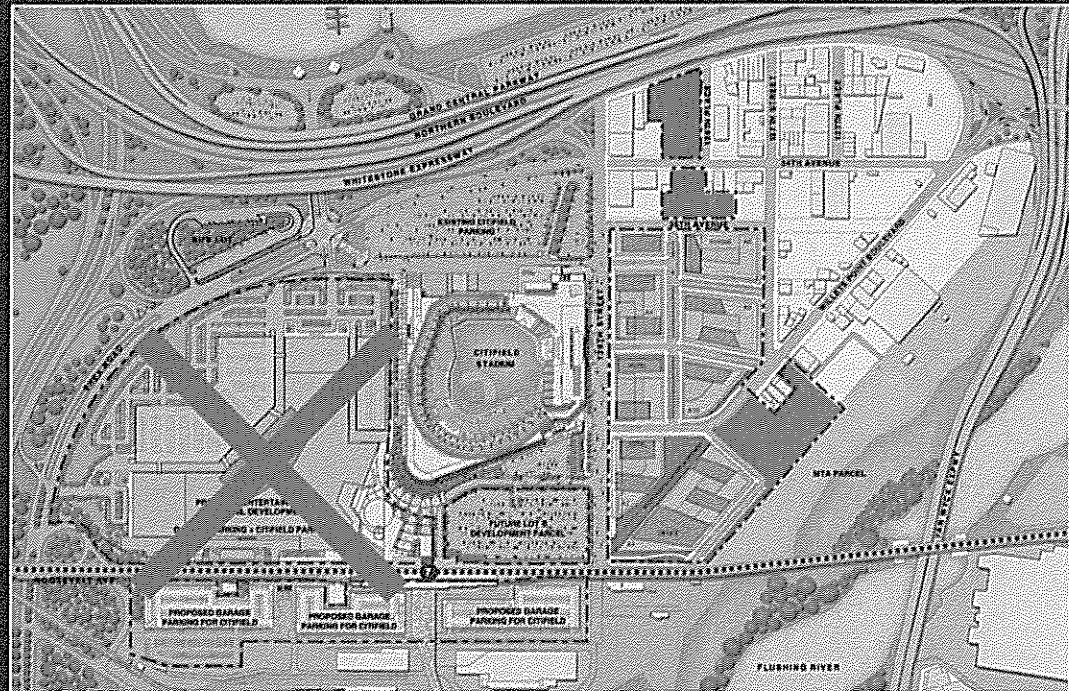


Sterling not only was not prohibited from bidding, but won the bid and was awarded the contract.

Deny This ULURP Application

Development of Willets Point need not depend on constructing a “Willets West” mall on 30+ acres of public parkland, and need not expand beyond the boundaries of the 62-acre Special District established in 2008.

- **The City can issue a new RFP, and developers will be interested.**
- **The Willets Point Advisory Committee must help to guide selection of a developer, as the City promised.**



Deny This ULURP Application

No development should proceed unless the following changes are made and memorialized in the contract:

- **Parkland / public trust doctrine must be adjudicated first, and no action taken on any site unless and until there is a final court decision permitting development.**
- **Building of Van Wyck ramps must be a precondition to any development at all.**
- **Housing must be built contemporaneously with any other first step.**
- **Comprehensive environmental testing must be performed, and the property sale price established accordingly – Not the arbitrary price of \$1 for 23 acres.**

H

1993 report memorializing Mets' owners' interest in developing a "110 acre Sports, Entertainment and Business Complex" encompassing Willets Point property and the parkland property now proposed as the site of "Willets West."

The scope and intent of the development described by this report is remarkably similar to what the Mets' owners (i.e., the owners of Sterling Equities) now propose to implement.

SHEA STADIUM DEVELOPMENT

FEASIBILITY STUDY—EXECUTIVE SUMMARY

NOVEMBER 1993

SHEA STADIUM DEVELOPMENT - FEASIBILITY STUDY
EXECUTIVE SUMMARY

The objective of this report is to analyze the feasibility of developing the existing Shea Stadium site, the adjacent Willets Point Business District (junk yards), and the LIRR and New York City properties into a unique 110 acre Sports, Entertainment and Business Complex. This complex would create a dynamic vision for the region providing a prestige effect that would reinforce the international attraction of New York.

To support a facility of this magnitude, the New York City area has unique population statistics and a flow of tourists and travelers within the metropolitan area.

- 8½ million people live within the metropolitan area, which includes New York, Long Island, Putnam County and Westchester.
- 12 million people live within a 25 mile radius encompassing the Tri-state area.
- 25 million tourists visit New York each year.
- 45 million people pass through Kennedy and LaGuardia Airports annually; this figure increases to 70 million if Newark Airport is included.

The Shea Stadium site, due to its accessibility and its location relative to the airports and its close proximity to New York City, provides the ideal location for the development of this unique complex.

Metropolitan New York Area Enhancements

The economic impact to the New York economy generated by this project is anticipated to be substantial. Economic benefits will include:

- Jobs created during the construction phase consisting of direct construction jobs and related new employment in business establishments providing goods and services to contractors.
- Creation of new permanent jobs necessary to operate the various components of the completed project.
- Tax revenues generated to both New York City and New York State.
- Increased consumer spending generated by the new complex.

SHEA STADIUM DEVELOPMENT - FEASIBILITY STUDY
EXECUTIVE SUMMARY

SITE

The ability to site this project in this location allows for local, regional, national and international access on an unprecedented level through the following means:

- Light-Rail Link

The Port Authority of NY and NJ is in the process of developing a rail link which will tie the Willets Point (Shea Stadium) site to LaGuardia and Kennedy Airports. This link will also tie into a station in Manhattan making it possible to reach the site in approximately ten minutes.

- Subway

The IRT No.7 subway line will continue to provide an essential means of access to the site.

- Existing Road System

A fundamental part of the project will be to increase car access to the site by means of improvements to the existing roadways including direct ramp access to the site's parking facilities.

- Long Island Railroad

The LIRR currently has a station adjacent to the site. Improvements in the circulation between the LIRR, subway, and rail link will be enhanced through the expansion of the site.

PROGRAM

The Shea Stadium Development Feasibility Study represents a thorough examination of the full potential of an expanded Shea Stadium site. The study is structured as a series of options which are to be utilized as an aid in the further refinement of a financially viable program for the site. This represents a first step in creating a multi-purpose sports, entertainment and business environment that would be international in scope and image.

Jack L. Gordon Architects has coordinated a team of consultants to focus on each component of the project based on an initial conceptual program and usage. The preliminary program at this stage includes the following components:

SHEA STADIUM DEVELOPMENT - FEASIBILITY STUDY
EXECUTIVE SUMMARY

• **MULTI-PURPOSE STADIUM**

The multi-purpose Stadium will be state-of-the-art in terms of incorporating the latest in technology and spectator amenities.

The proposed Stadium will incorporate the following characteristics:

- Operable dome
- Natural turf baseball field
- Operable secondary floor system to accommodate other events
- 50,000 Baseball seating capacity
- 110 Private suites
- 10,000 Club level seats
- Stadium expandability for football and other events (75,000 seating capacity)

The Feasibility Study incorporates a scenario of 224 event days.

• **MULTI-PURPOSE BUILDING**

This low-rise structure is composed of two program elements.

- A 40,000 car parking garage which will serve Stadium events and the Interactive Entertainment Complex, in addition to airport passenger and employee parking.
- Designated areas which would be available for office functions as a multi-use business center.

The multi-purpose building will create a roof platform of approximately 3,000,000 square feet and will support the following program components:

SHEA STADIUM DEVELOPMENT - FEASIBILITY STUDY
EXECUTIVE SUMMARY

° INTERACTIVE ENTERTAINMENT COMPLEX

This component represents the core program element of the development. The Interactive Entertainment Complex will cover approximately 70 acres, most of which will be enclosed space. The use of advanced systems in interactive technologies allow for the possibility of creating a unique "Virtual Reality" entertainment environment.

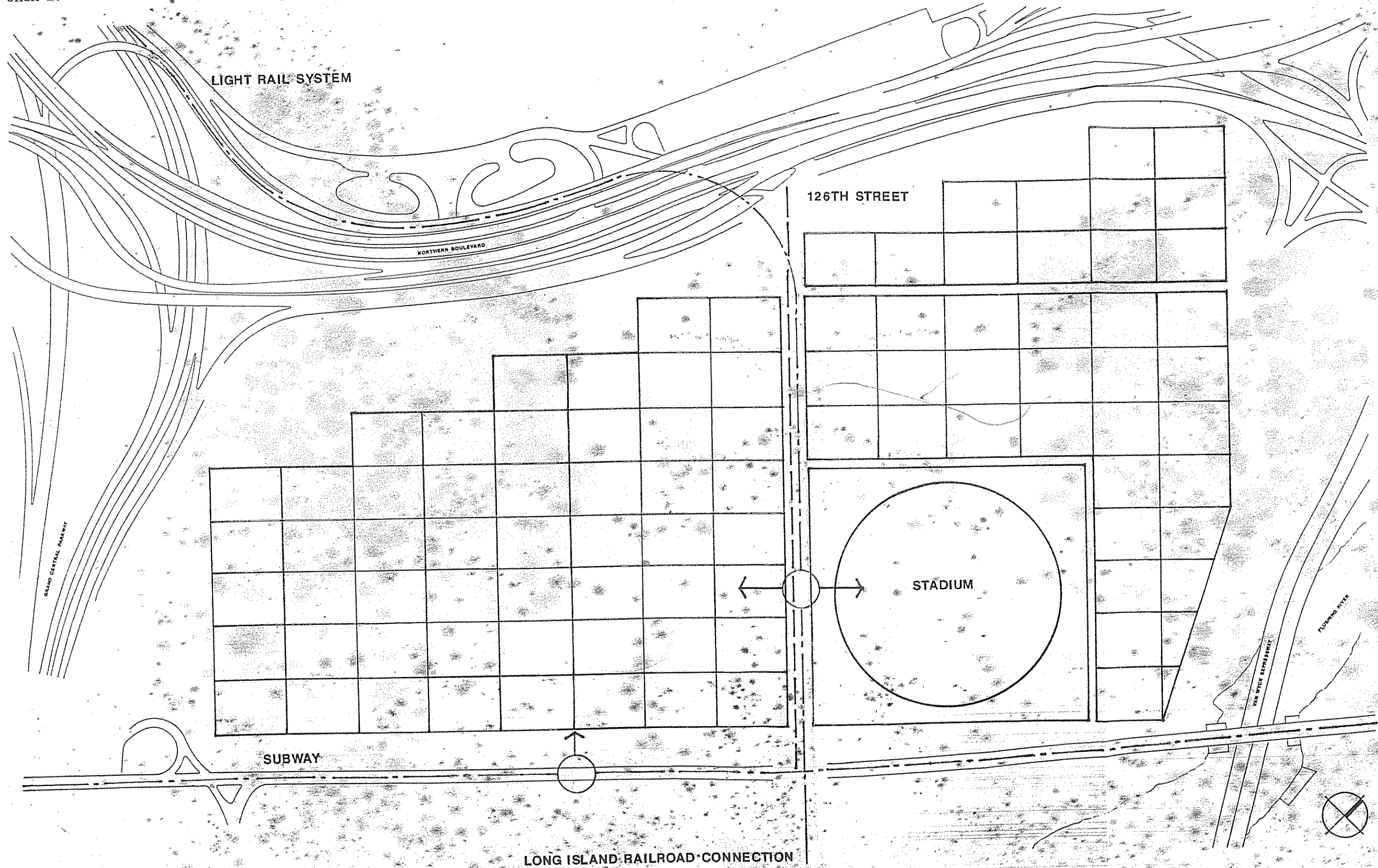
° LIGHT-RAIL STATION / AIRLINE TICKETING CENTER

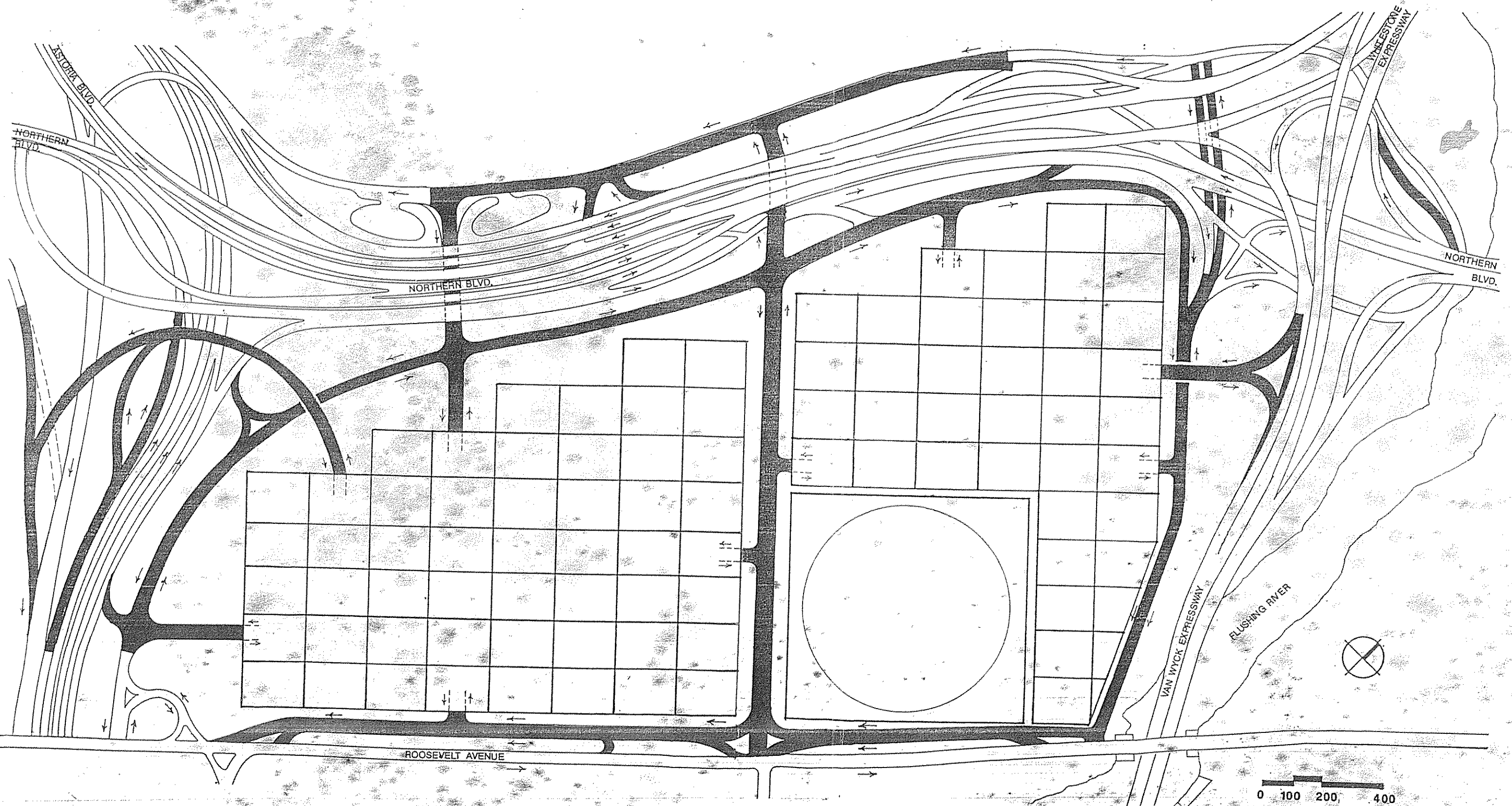
These two components will be combined into a single facility. The light-rail system provides a valuable link to LaGuardia and Kennedy Airports as well as Manhattan, and will be enhanced by the potential of an Airline Ticketing Center. The light-rail connection will allow for ease of transportation between Willets Point, the airports and Manhattan making the site extremely attractive for future hotel development. The Feasibility Study does not include hotel facilities.

REVENUE ANALYSIS

The following revenue charts, site diagram and access analysis summarize the overall project which is outlined in detail in the complete Feasibility Report. The intent is to create a Stadium Authority which will be comprised of both public and private representation. The public portion of the Authority will provide funding for land acquisition, surrounding roadway improvements as well as the multi-purpose Stadium and related parking facility. The private financing will provide funding for the Interactive Entertainment Complex and its parking facility. The New York Mets will be the main tenants for the facility and will, via a wholly owned subsidiary, operate the stadium facilities. The entertainment facility will be operated by a Mets subsidiary along with a major entertainment company. The Stadium and parking garage revenues would produce a positive cash flow based upon 186 event days of which 81 would be Mets games.

The construction of the multi-purpose building roof allows for the development of the Interactive Entertainment Complex which is the primary revenue source of the development. Based upon an annual attendance of 11 million visitors (exclusive of Stadium attendance), it is projected that gross revenues of \$467 million will be generated. These estimates have been derived from information and data of other entertainment complexes throughout the United States.





SHEA STADIUM DEVELOPMENT - FEASIBILITY STUDY
EXECUTIVE SUMMARY

STADIUM A
REVENUE

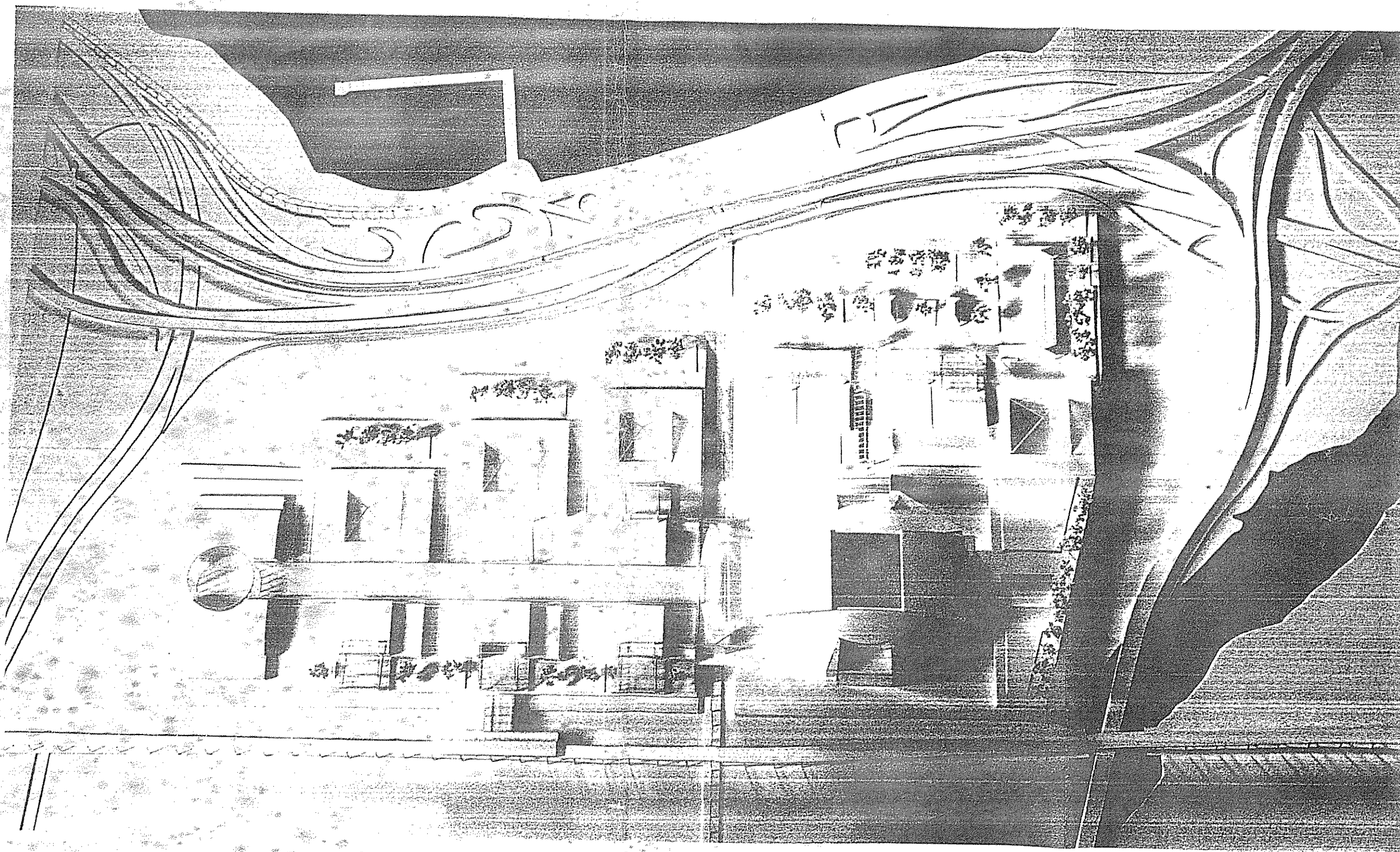
| Financing Source | Program Element | Construction Cost | Total Revenue | Gross Operating Costs | Free & Clear Gross Operating Income |
|-------------------|---------------------------------|-------------------|---------------|-----------------------|-------------------------------------|
| Stadium Authority | Stadium | \$362,238,000 | \$73,017,950 | <\$22,000,000> | \$51,017,950 |
| | Parking Garage (15,000 Cars) | \$210,656,000 | \$19,285,000 | <\$4,500,000> | \$14,785,000 |
| | Parking Garage* (11,000 Cars) | \$155,981,000 | \$33,565,000 | <\$3,300,000> | \$30,265,000 |
| | Infrastructure | \$37,762,675 | | | |
| | Variable Message Signage System | \$3,000,000 | | | |
| | Toxic Removals Allowance | \$10,000,000 | | | |
| | Total | \$779,638,000** | \$125,867,950 | <\$29,800,000> | \$96,067,950 |

* Parking for non-Stadium events:

3000 Cars - Airport Employee
3000 Cars - Park and Ride
5000 Cars - Airport Passenger

** This cost does not include external roadway improvements

| Financing Source | Program Element | Construction Cost | Total Revenue | Gross Operating Costs | Free & Clear Gross Operating Income |
|------------------|-----------------------------------|-------------------|---------------|-----------------------|-------------------------------------|
| Private | Interactive Entertainment Complex | \$882,889,000 | \$438,000,000 | <\$190,791,000> | \$247,209,000 |
| | Parking Garage (14,000 Cars) | \$196,612,000 | \$29,522,500 | <\$4,200,000> | \$25,322,500 |
| | Infrastructure | \$17,628,000 | | | |
| | Total | \$1,097,129,000 | \$467,522,500 | <\$194,991,000> | \$272,531,000 |



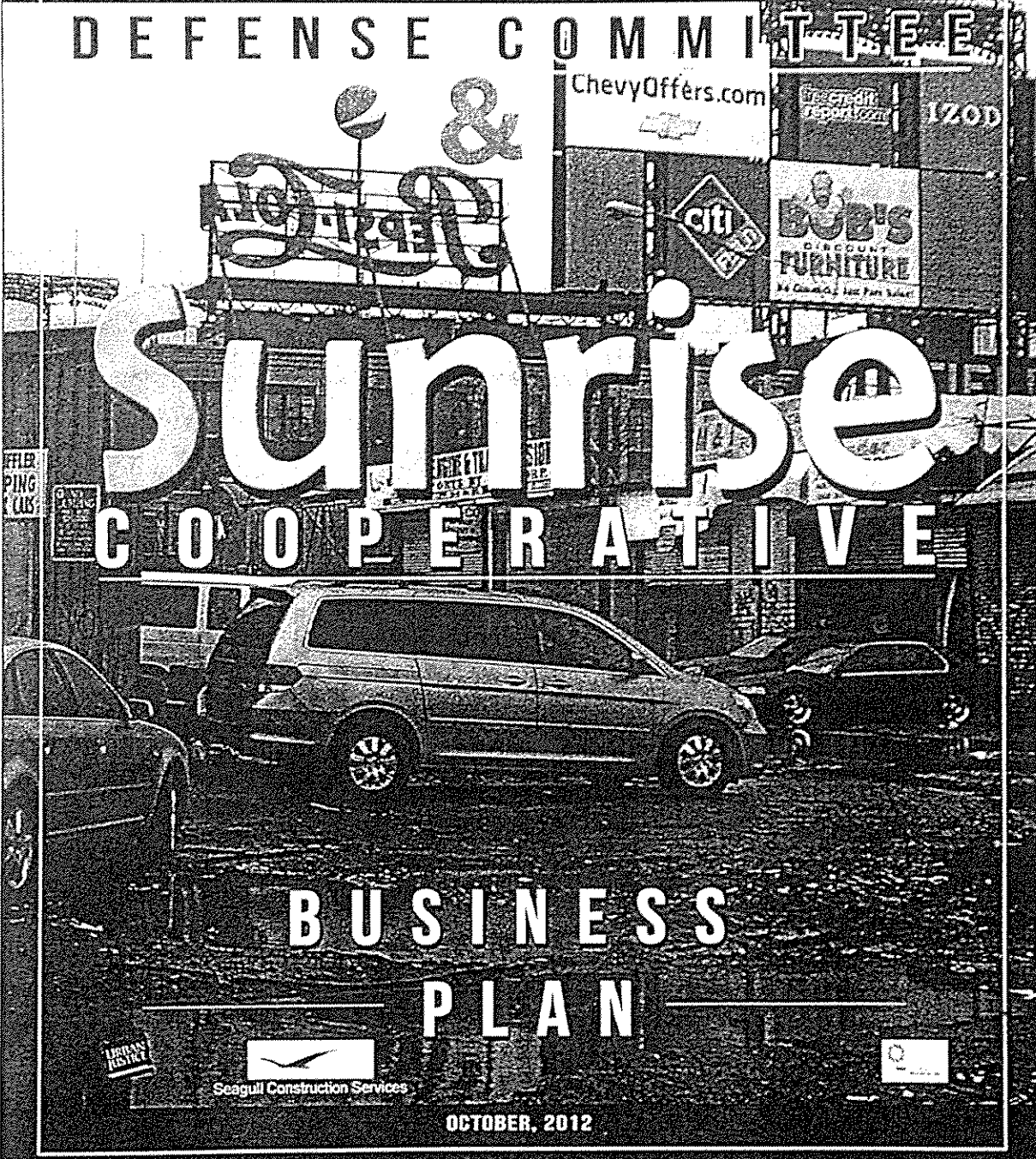
I

Business plan of the Sunrise Cooperative,
an association of Willets Point tenant businesses
that have consistently sought relocation as a
group to preserve their service network which
attracts customers, as necessary to best ensure
their survival.

Although the businesses have done everything asked
of them to pursue group relocation, including preparing
this detailed business plan, NYCEDC and the Mayor's
Office refuse to implement any such group relocation
plan.

Willets Point

DEFENSE COMMITTEE


Sunrise
COOPERATIVE

BUSINESS
PLAN

URBAN
DISTRICT

Seagull Construction Services



OCTOBER, 2012

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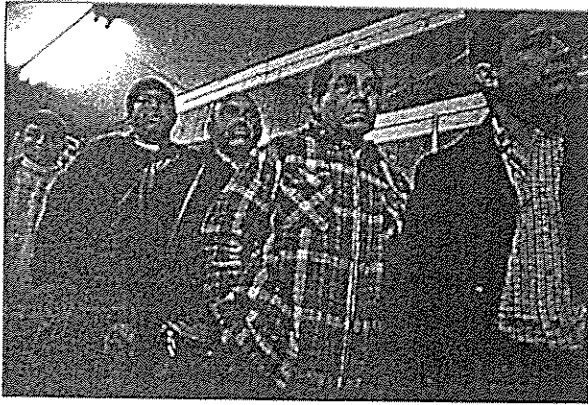
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I. Executive Summary

As members of the Sunrise Cooperative, a for-profit entity jointly owned and democratically controlled by 52



auto repair shops and other small businesses, we propose our collective relocation from Willets Point to a 139,160 square foot parcel of vacant land in Maspeth. For purposes of redevelopment, the City of New York has acquired a substantial amount of property in the Willets Point Urban Renewal Area, which will result in the direct displacement of about 260 predominately Latino and immigrant-owned businesses and an estimated 1,711 workers. We

seek to purchase and develop the vacant land in Maspeth and relocate as a group, an historic effort that will save existing businesses and jobs while generating future economic development and growth.

Cooperatively owned businesses, such as the Hunts Point Terminal Market in the Bronx, are common group ownership models in New York City and their development has the potential to generate wealth and help mitigate the negative effects of growing income inequality. The City has contracted Cornerstone Group to individually relocate businesses in Willets Point. However, unless we relocate as a group, we will lose the collaborative and cross-referral relationships that have taken us decades to build. These types of relationships are typical in the auto repair industry and are critical to our survival. The job retraining program offered through La Guardia Community College retrains workers for jobs that do not exist and ignores that businesses and workers already have skills and can do business to support their families. Therefore, to ensure our future growth and success, we have decided to form a cooperative and to relocate together.

The Sunrise Cooperative has partnered with Seagull Services Inc., an 8(a) and MBE certified construction company in the Bronx with 20 years of experience in pre-construction planning, general construction and construction management and expertise in multiple areas including industrial and government work, charter school build-outs, and fast-track commercial and retail projects. We are seeking to purchase the vacant land in Maspeth for \$7M and contract Seagull Services to develop and build a pre-engineered metal building for \$10.8M to house 52 shops. To build equity, the cooperative has opened an escrow account and will begin to deposit on average \$2,000 per month per business for a total of \$62,400 after 6 months. To finance the cost of the project, we will take out: (1) a \$5M SBA 504 loan and (2) a SBA participating bank loan for \$9.7M. Four Officers of the Cooperative with U.S. citizenship and good credit will apply for the financing. To complete the

financial package, we are requesting a loan or grant of \$3.1M from the City of New York.

In other cases the City has provided vast public subsidies to relocate successful businesses and retain existing jobs. For example, in February 2012 Fresh Direct was induced and incented to retain and expand their operations in New York City with over \$100M in City and State incentives, including \$34M in State grants, tax credits, and loans, \$16.4M in City grants and loans, and \$3.5M in loans and grants from the Bronx Overall Economic Development Corporation. \$100M in public funds were allocated to retain 2,000 Fresh Direct jobs and increase an additional 1,000 jobs at a cost of over \$33K per job. If members of the Sunrise Cooperative were to receive grants and loans to retain 52 individual businesses with a total of 156 jobs at the same cost per job, the total would equal \$5.2M.

Small businesses are a vital aspect of economic recovery and growth. Indeed, research indicates that small business ownership is at the crux of economic development efforts that build wealth and raise the overall standard of living. At our new location in Maspeth, we expect to initially generate annual sales of \$18.4M and as we become more established, we have the potential to earn our full market share of \$39.1M. In addition to the economic activity that the Sunrise Cooperative is expected to generate as it increases its growth and profitability, we will fulfill a growing demand by cost-conscious residents and businesses for excellent customer service and reasonable prices at a convenient, one-stop location. We will also be the first cooperatively-owned auto repair establishment in New York City and a success story and model for future urban renewal and relocation efforts.

II. General Company Description

A. MISSION STATEMENT

Sunrise Cooperative is a for-profit entity jointly owned and democratically controlled by 52 sole proprietor auto repair shops currently located in Willets Point, Queens. Their hallmark is providing customers with a cross-section of auto repair services (including, mechanical repairs, collision repairs and car washes and oil and lube changes) in one location. The members are dedicated to maintaining this synergistic alliance, along with their superior prices and commitment to customer service at their new location in Maspeth, Queens.

B. COMPANY GOALS AND OBJECTIVES

Sunrise Cooperative will create a new "one-stop-shop" auto repair enterprise that is entirely comprised of sole proprietor owners. These sole proprietors, who are currently based in Willets Point Queens, have decided to build their new auto repair cooperative in Maspeth, Queens. Though they already have a loyal customer base that is willing to relocate with them, the goal is to increase growth opportunities and profitability via expansion into the Maspeth community and the surrounding Trade Area. As such, the Cooperative is committed to becoming the main auto repair provider to many of the industrial businesses that are within a 5 minutes driving distance from the site. The members of Sunrise Cooperative also intend to expand their customer base through a renewed focus on providing niche services. To do all of this, they hope to achieve the following objectives within 5 years:

1. Maintain their competitive advantage by continuing to provide quality services at a reasonable price in a timely manner.
2. Maintain and improve upon their reputation for speedy service by adding a second 12-hour shift so that the repair shops will be in operation for 24 hours.
3. Improve the education and training for their auto repair technicians by requiring training at an Automotive Service Association (ASA) certified auto repair school.
4. Expand into green technology
 - a. New focus on servicing hybrid and electric cars
 - b. Minimize the cost of energy for the building via the use of green technology
5. Utilize economies of scale to minimize costs.
 - a. Members will pool together to (i) buy large equipment and (ii) deal with suppliers.
6. Increase revenue by renting space to non-member auto repair shop owners.

C. INDUSTRY DESCRIPTION

The members of Sunrise Cooperative are part of the automotive repair and maintenance industry (NAICS 8111). This industry specializes in the repair and maintenance of vehicles including passenger cars, trucks,

vans and trailers. The services provided in this industry can be categorized as: (i) mechanical repairs; (ii) collision repairs; (iii) car washes; and (iv) oil and lube changes. In 2011, the automotive repair industry had revenues of \$82.64B. This 2011 revenue was a 0.2% increase over the \$82.48B from 2010 and a 3.7% increase over the \$79.68B from 2009.¹ In 2010, the automotive mechanical & electrical repairs and maintenance sub-sector (NAICS 81111) accounted for \$41.83B of this amount (a 3.95% increase over the \$40.24B in revenues generated in 2009). Also in 2010, the automotive body, paint, interior & glass repair sub-sector (NAICS 81112) had revenues of \$28.53B (which was a 3.1% increase over the \$27.66B generated in 2009). For that same year, the other automotive repair & maintenance sub-sector (NAICS 81119 – which includes car washes and oil & lubrication shops) had revenues of \$5.8B (this was a 2.4% increase over the \$5.66B generated in 2009).²

The U.S. Census Bureau reports that there were 156,737 automotive repair and maintenance locations nationwide in 2010.³ The automotive industry is highly fragmented. Because of this high level of fragmentation, the top 50 largest companies generate less than 10% of the revenues.⁴

Most of the services offered in the automotive industry fall under the umbrella of mechanical repairs (NAICS 81111) and collision repairs (NAICS 81112).⁵ The former represents 60% of the industry while the latter only 25%. In 2010, there were 90,128 automotive mechanical & electrical repairs locations and 40,442 automotive body, paint, interior & glass locations.⁶ Though the entire automotive repair and maintenance industry experienced a 5.2%⁷ decline in revenue between 2008 and 2009 as a result of the economic collapse, there was a quick recovery in 2010 when the industry grew by 3.5%.⁸ As discussed above, the growth continued in 2011.⁹

D. STRENGTHS AND CORE COMPETENCIES

The auto mechanics of the Sunrise Cooperative provide a unique regional destination for auto repairs that few other trade areas can provide. Like many large chain shops like Meineke and Midas, Sunrise Cooperative will be a “one-stop-shop” for all types of automotive repair services. However, because this enterprise is comprised of individual sole proprietors, customers can not only expect high quality and personalized service but they will also have more opportunities to negotiate superior prices. In addition to this, the members of

¹ U.S. Bureau of the Census: Annual Benchmark Report for Services through 2011 [4th Quarter 2003 - 4th Quarter 2011 (Not Adjusted)]

² U.S. Bureau of the Census: 2010 Annual Services Report

³ U.S. Bureau of the Census: 2010 County Business Patterns: Geography Area Series: County Business Patterns 2010 Business Patterns

⁴ Hoovers: Automotive Repair & Maintenance Services Report for 2011 (Industry Description)

⁵ Hoovers: Automotive Repair & Maintenance Services Report for 2011 (Products, Operations & Technology)

⁶ U.S. Bureau of the Census: 2010 County Business Patterns: Geography Area Series: County Business Patterns 2010 Business Patterns

⁷ Revenues between 2008 and 2009 were \$84.06b and \$79.68b, respectively. U.S. Bureau of the Census: 2010 Annual Services Report

⁸ Revenues between 2009 and 2010 were \$79.68b and \$82.46b, respectively. U.S. Bureau of the Census: 2010 Annual Services Report

⁹ Revenue in 2011 was \$82.64b. U.S. Bureau of the Census: Annual Benchmark Report for Services through 2011 [4th Quarter 2003 - 4th Quarter 2011 (Not Adjusted)]

Sunrise Cooperative place a high value on quick turnaround times for the services they offer. Similar to other smaller auto repair shops, some of the members of Sunrise Cooperative will continue to provide specialized or niche auto repair services to their customers.

Currently the members of Sunrise Cooperative are in Willets Point, an industrial district in northern Queens that is being subjected to eminent domain. Upon relocation to Maspeth, members will have a more convenient location that is specifically designed to their specifications.

E. LEGAL FORM OF OWNERSHIP

Sunrise Cooperative, Inc. is a New York membership cooperative formed under the Cooperative Corporations Law. The cooperative form was adopted because it provides the members limited liability protection of their personal assets beyond their individual contributions to the business. This form, however, protects the members from double taxation by allowing members the benefit of "pass through" taxation that they enjoy by remaining sole proprietors of their individual businesses while also being cooperative members. The

III. Products and Services

A. DESCRIPTION OF PRODUCTS AND SERVICES

Most of the services offered in the automotive industry fall under the umbrella of mechanical repairs (60%) and collision repairs (25%).²⁰ Mechanical repair services deal mainly with deterioration of the automobile due to normal wear and tear. As such, common repairs involve: air conditioning, brake, transmission and electrical systems, gasoline engine repairs, front end repairs, and wheel alignment. For collision repairs, the services offered fall into two distinct categories: (i) body work and (ii) painting (or refinishing). In collision repairs, the type of repair needed is depends on the damage the vehicle incurred from the accident. Generally, for body work, technicians correct damaged car frames and panels. With respect to painting (or refinishing) there are several steps that include: (i) paint preparation, and (ii) paint application and (iii) finishing. In addition to mechanical and collision repairs, the auto repair industry also provides: car washes, oil and lube changes, and other niche services.

Services Provided By the Members of Sunrise Cooperative

| | |
|--|---|
| Vehicle Air Conditioning Repair | Vehicle Body Work and Painting |
| Vehicle Brake Work | Vehicle Clutch/Transmission Repair |
| Vehicle Cooling System Repair | Vehicle Drive Shaft and Rear-end Repair |
| Vehicle Electrical System Repair | Vehicle Exhaust System Repair |
| Vehicle Front End Alignment/ Wheel Balance & Rotation | Lube/Oil Change and Oil Filters |
| Vehicle Motor Tune-up | Vehicle Motor Repair/Replacement |
| Vehicle Steering/Front End Repair | Vehicle Shock Absorber Replacement |
| | Tire Repair and Other Repair Work |

B. COMPETITIVE ADVANTAGE

Members of Sunrise Cooperative place a high premium on providing the best quality services at the most affordable prices. They are also committed to the speedy completion of all repairs. In addition to this, Sunrise Cooperative has a competitive advantage because it combines the positive features of both large and small auto repair shops. Like many large chain shops, Sunrise Cooperative will be a "one-stop-shop" for all types of automotive repair services. As such, the members will work together to do things like: (i) pooling their

²⁰ Hoovers, Automotive Repair & Maintenance Services Report for 2011 (Production, Operations & Technology)

resources to take advantage of economies of scale when dealing with suppliers; (ii) putting together a marketing strategy that benefits the group; and (iii) providing training for their auto repair technicians. However, they will still offer some of the advantages found in smaller auto repair shops. Thus, customers of Sunrise Co-op will also receive personalized service and access to more specialized or niche service options.

Finally, the members of Sunrise Cooperative rely on having a convenient location. Sunrise Cooperative will be in Maspeth, Queens, a location that is served by two major highways. Thus, the ease of access for customers will be retained.

C. COMPETITIVE DISADVANTAGE

The members of the Sunrise Cooperative already have an established client base. However, though their new location in Maspeth is still in the Borough of Queens, there is no guarantee that all of their customers will follow them. In addition, the members of Sunrise Cooperative are all established sole proprietors in their own right. Working collectively as part of a co-op is a new concept and the members will require a period of adjustment.

D. PRICING STRUCTURE OF PRODUCTS

Though Sunrise Cooperative will be a "one-stop-shop" for all types of automotive repair services, unlike those entities, pricing for services will not be set by a central authority. Instead, each individual sole proprietor will continue to set prices for his own auto repair shop. This is in line with their current approach. This policy gives customers the confidence that they will be able to find the most competitive prices at Sunrise Cooperative because they can negotiate with the various auto repair shops on the site. However, it also highlights the fact that the members of Sunrise Cooperative compete with other auto repair shops (externally) and against each other (internally). This is not expected to have a negative impact on the Co-op because the members are accustomed to successfully competing against each other at Willets Point without any loss in profitability.

IV. Marketing Plan

A. ECONOMICS

Nationally, in 2010, the automotive industry showed combined revenue of \$82.78B.¹¹ The two major sub-sectors accounted for a combined \$70.35B: (i) mechanical & electrical repairs accounted for \$41.83B and (ii) automotive body, paint, interior & glass repairs accounted for \$28.53B.¹² Generally, in this industry, customers tend to seek out auto mechanics that are within a 20-mile radius from where they live.¹³ As such, the co-op Trade Area includes all households with access to a vehicle that are within a 15-minute drive from its location.¹⁴

Throughout this plan, we will we assume our Trade Area, which is depicted on the Site Map below (Figure 1), is broken down into three segments based on driving distance from the proposed site: (1) the portion of the Trade Area within a 5-minute drive time from the proposed site (colored red). We assume this area will initially generate 4% of total sales for the cooperative. (2) Next, there is the portion of the Trade Area that is within a 10-minute drive time from the site. We assume this portion of the Trade Area, which is between a 5 and 10-minute drive from the site (colored green), will generate 3% of total sales. (3) Finally, there is the portion of the Trade Area that is between a 10 and 15-minute drive (colored purple) which will generate 1% of total sales.

Local Market Segment

In 2010, our Trade Area had a population of 2,892,978 or 35.5% of the total population of New York City.¹⁵ Between 2000 and 2010, our Trade Area experienced a 5.9% increase in population. It is projected the population will continue to grow an additional 8.5% between 2010 and 2015. Similarly, the Trade Area had 1,137,582 households in 2010 with a 4.3% increase since 2000. Household growth between 2010 and 2015 is projected to be 2.1%.¹⁶ (See Tables 1 and 2)

¹¹ U.S. Bureau of the Census. Annual Benchmark Report for Services through 2011 [4th Quarter 2003 - 4th Quarter 2011 (Not Adjusted)]

¹² U.S. Bureau of the Census. Annual Benchmark Report for Services through 2011 [4th Quarter 2003 - 4th Quarter 2011 (Not Adjusted)]

¹³ Hoovers. Automotive Repair & Maintenance Services Report for 2011 (Sales and Marketing)

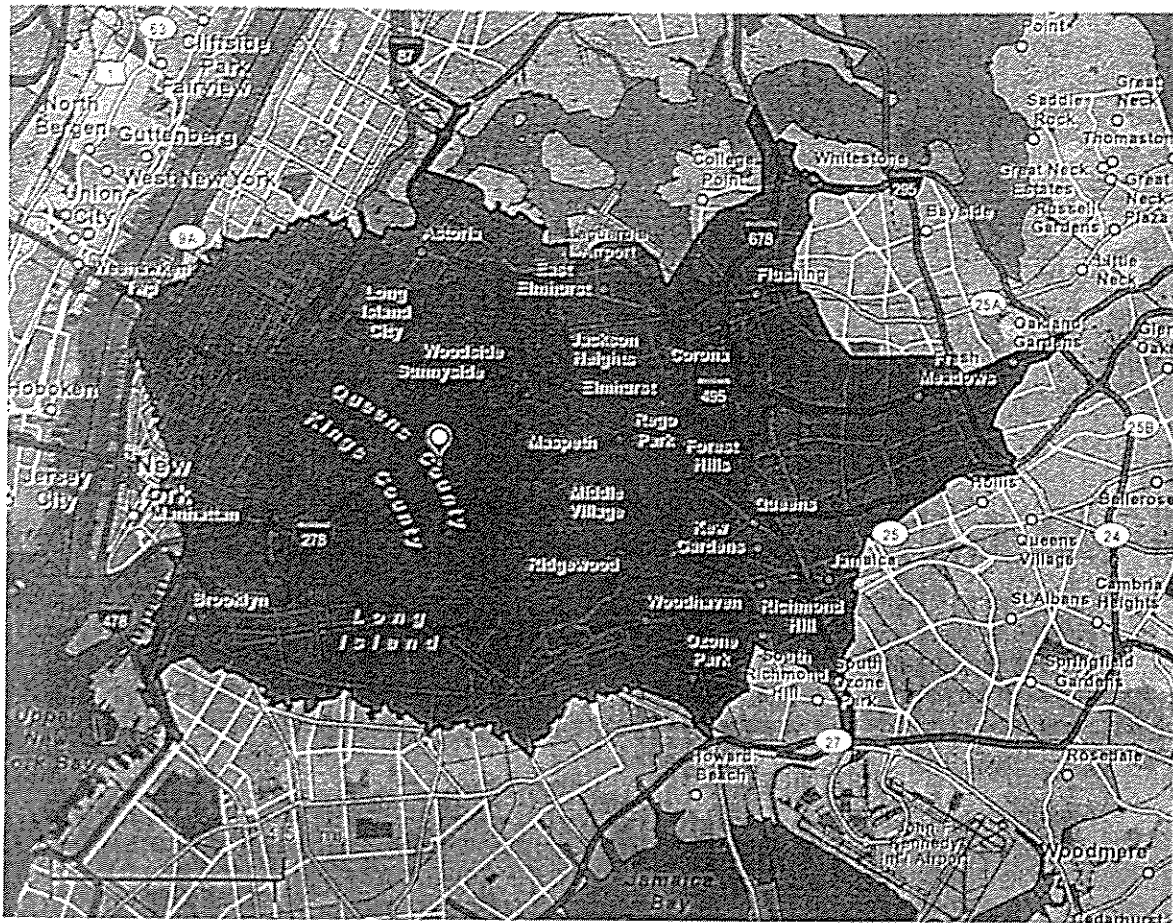
¹⁴ See below sub-section titled 'Economics' in the 'Marketing Plan' section of this document.

¹⁵ U.S. Bureau of the Census. 2000 Census of Population and Housing, ESRI Forecasts for 2010 and 2015, Market Profile Report and

U.S. Bureau of the Census. 2010 Census of Population and Housing

¹⁶ U.S. Bureau of the Census. 2000 Census of Population and Housing, ESRI Forecasts for 2010 and 2015, Market Profile Report

FIGURE 1: MAP OF TRADE AREA



In August 2012, the unemployment rate in New York City was 9.9%, which is 1.8% higher than the national unemployment rate of 8.1% for the same period.¹⁷ However, this economic drawback is offset by the Trade Area's 2010 median household income of \$57,488, which is 16.4% higher than the median household income in New York City and 13.8% higher than the U.S. as a whole. Since 2000, the median household income in the Trade Area has grown by 38% and is projected to grow by an additional 20.6% by 2015.¹⁸ (See Table 3, Chart 1 and 2)

¹⁷ New York State Labor Department Area Unemployment Rates for July, 2012, U.S. Bureau of Labor Statistics

¹⁸ U.S. Bureau of the Census, 2000 Census of Population and Housing, ESRI Forecasts for 2010 and 2015, Market Profile Report. Income is expressed in current dollars.

Consumers tend to increase spending on auto repair services when they have more disposable income.¹⁹ In 2000, 436,372 households, representing 40% of all households in the Trade Area, had a vehicle available and the average amount spent per household on vehicle maintenance and repairs was \$1,071.20 for a total of \$467,441,686. Compared to the national average of 100, the Spending Potential Index for vehicle maintenance and repair was 114.²⁰

In 2012, the occupational distribution of the employed population in the Trade Area is:

- 65.6% in white collar jobs (compared to 61.6% of the U.S. employment)
- 19.9% in service jobs (compared to 17.3%)
- 14.5% in blue collar jobs (compared to 21.1%).²¹

Also in 2012, educational attainment of the population aged 25 years or older in the Trade Area was distributed as follows:

- 19.7% had not earned a high school diploma (14.8% in the U.S.)
- 24.0% were high school graduates only (29.6% in the U.S.)
- 5.5% had completed an Associate degree (7.7% in the U.S.)
- 23.2 % had a Bachelor's degree (17.7% in the U.S.)
- 15.8 percent had earned a Master's/Professional/Doctorate Degree (10.4% in the U.S.)²²

Compared to the City as a whole, our Trade Area has a large White population (49.1%) followed by Hispanic (28.5%) and Black (14.7%) populations.²³ Given that almost all of our members of the Sunrise Cooperative are of Hispanic origin, we will be able to capitalize on this significant Hispanic population in the target area.

Given this sustained growth in the Trade Area in population, households and income, Sunrise Cooperative will have a large target market of automobile owners that have enough disposable income to spend on auto repair services for the foreseeable future.

¹⁹ iBISWorld: Auto Mechanics in the US: Market Research Report (Industry Analysis & Industry Trends)

²⁰ ESRI Forecasts, Market Profile Report (Vehicle Maintenance & Repairs)

²¹ ESRI Forecasts, Executive Summary Report (Population by Employment)

²² ESRI Forecasts, Executive Summary Report (Population by Education)

²³ ESRI Forecasts, Demographic and Income Profile (Race and Ethnicity)

TABLE 1: TRADE AREA POPULATION, 0-15 MINUTES DRIVE

| Population | 0-5 minutes | 0-10 minutes | 0-15 minutes |
|---------------------------|-------------|--------------|--------------|
| 2000 Population | 64,198 | 951,869 | 2,731,167 |
| 2010 Projected Population | 66,576 | 1,010,071 | 2,892,978 |
| % Change | 3.7% | 6.1% | 5.9% |
| 2015 Projected Population | 67,776 | 1,035,698 | 2,962,634 |
| % Change | 5.6% | 8.8% | 8.5% |

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing, ESRI Forecasts for 2010 and 2015, Market Profile Report.

TABLE 2: TRADE AREA HOUSEHOLDS, 0-15 MINUTES DRIVE

| Households | 0-5 minutes | 0-10 minutes | 0-15 minutes |
|---------------------------|-------------|--------------|--------------|
| 2000 Households | 24,250 | 348,189 | 1,090,929 |
| 2010 Projected Households | 24,705 | 1,362,512 | 1,137,582 |
| % Change | 1.9% | 4.1% | 4.3% |
| 2015 Projected Households | 25,037 | 370,122 | 1,161,501 |
| % Change | 1.3% | 2.1% | 2.1% |

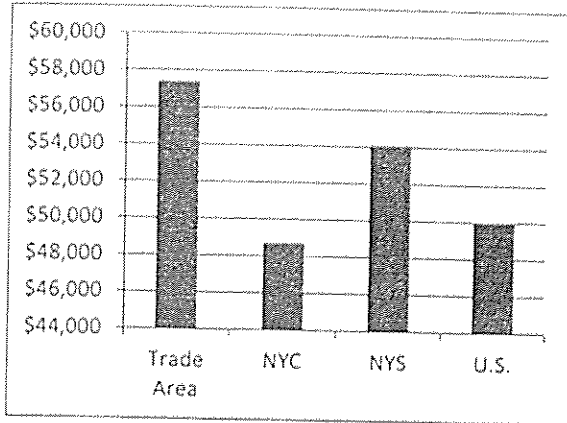
Source: U.S. Bureau of the Census, 2000 Census of Population and Housing, ESRI Forecasts for 2010 and 2015, Market Profile Report.

TABLE 3: TRADE AREA MEDIAN HOUSEHOLD INCOME, 0-15 MINUTES DRIVE

| Median Household Income | 0-5 minutes | 0-10 minutes | 0-15 minutes |
|---------------------------------|-------------|--------------|--------------|
| 2000 Median Hh Income | \$39,519 | \$36,521 | \$41,574 |
| 2010 Median Hh Income | \$53,200 | \$49,747 | \$57,448 |
| % Change | 35% | 36% | 38% |
| 2015 Projected Median Hh Income | \$63,773 | \$59,806 | \$69,300 |
| % Change | 19.9% | 20.2% | 20.6% |

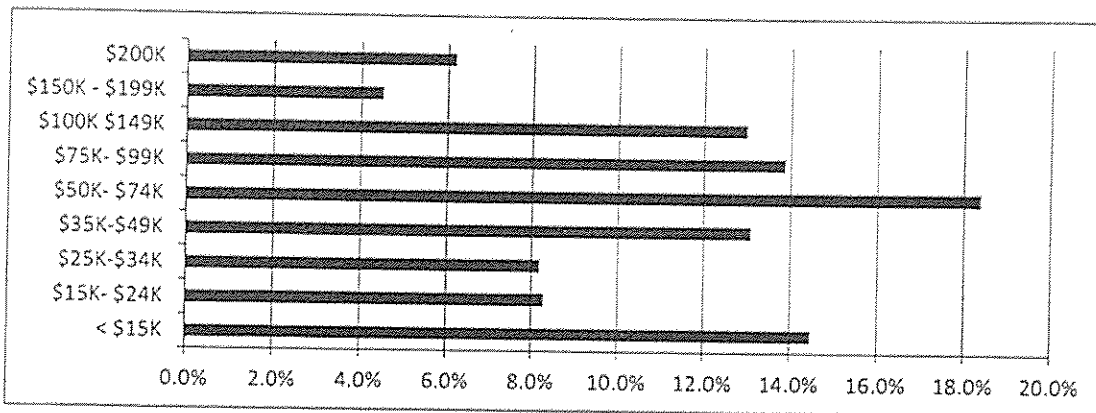
Source: U.S. Bureau of the Census, 2000 Census of Income, ESRI Forecasts for 2010, Market Profile Report; U.S. Bureau of the Census, 2010 American Community Survey 5-year Estimate of Income. 2010 Census of Income is expressed in current dollars.

CHART 1: 2010 MEDIAN HOUSEHOLD INCOME



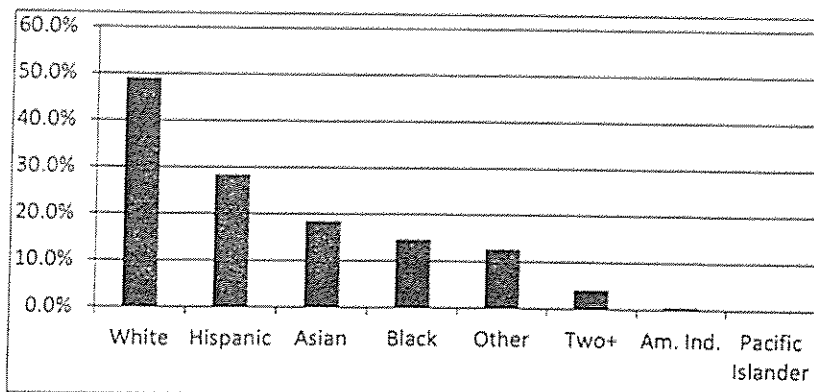
Source: U.S. Bureau of the Census, 2000 Census of Income, ESRI Forecasts for 2010, Market Profile Report; U.S. Bureau of the Census, 2010 American Community Survey 5-year Estimate of Income. 2010 Census of Income is expressed in current dollars.

CHART 2: 2010 TRADE AREA HOUSEHOLDS BY INCOME



Source: U.S. Bureau of the Census, 2000 Census of Income, ESRI Forecasts for 2010, Market Profile Report. 2010 Census of Income is expressed in current dollars.

CHART 3: 2010 TRADE AREA RACE AND ETHNICITY



Source: U.S. Bureau of the Census, 2000 Census of Population and Housing, ESRI Forecasts for 2010, Market Profile Report.

Non-Local Market Segment

The area immediately surrounding Newtown Creek is a highly industrial and commercial neighborhood. Manufacturing-related functions account for nearly one-third of industrial space and approximately half the area contains warehouse / distribution activities, reflecting the history of Newtown Creek as a heavy manufacturing center. The remaining area contains automobile and truck servicing/garage businesses, private-sector industries including logistics firms, utilities, building service contractors, waste management and recycling firms, transportation companies, printers, food manufacturers, furniture makers and repair firms. Given its central location, proximity to Manhattan and large ethnic population centers in Queens and Brooklyn, and good regional access, the area provides businesses with opportunities for retention and growth.²⁴

As of 2000 (the most recent year for which detailed journey-to-work data are available at the Census tract level), most workers in Newtown Creek Business Context companies commuted to work from outside the Business Context with the largest portion (about 68 percent) living elsewhere in Brooklyn or Queens. Another 12 percent commuted from the Bronx, Manhattan, or Staten Island. Roughly the same share commuted from Nassau or Suffolk counties on Long Island. Less than 2 percent of workers in all Business Context businesses also lived in the Business Context in 2000.²⁵ (See Table 4)

TABLE 4: RESIDENCE OF BUSINESS CONTEXT WORKERS, 2000

| Place of Residence | # | % |
|-------------------------|--------|-------|
| Newtown Creek Area* | 826 | 1.8% |
| Elsewhere in Brooklyn | 10,201 | 22.0% |
| Elsewhere in Queens | 21,408 | 46.1% |
| Manhattan | 2,132 | 4.6% |
| Bronx | 2,211 | 4.8% |
| Staten Island | 1,002 | 2.2% |
| New Jersey | 1,473 | 3.2% |
| Westchester County | 656 | 1.4% |
| Connecticut | 112 | 0.2% |
| Nassau/Suffolk Counties | 5,303 | 11.4% |
| Other | 1,072 | 2.3% |

Source: 2000 U.S. Census.

*The Newtown Creek area includes census tracts 455, 579, 589, and 593 in Brooklyn, and tracts 179, 189, 191, 205.01, 219, 535, and 539 in Queens.

²⁴ Newtown Creek Brownfield Opportunity Area, Step 2 Nomination Report Appendix, May 2012.

²⁵ U.S. Census, 2000

Market Share

The automotive maintenance and repair industry is highly fragmented. The US Bureau of the Census reports that there were 156,737 locations nationwide in 2010²⁶. For those establishments that specialized in mechanical repair, 98.5% of the work is done by independent owners with only 1.5% done by franchise/network/consolidator/dealerships.²⁷ For establishments that specialized in collision repairs, 86% of the work is done by independent owners and 14% by franchise/network/consolidator/dealerships.²⁸ Because of this high level of fragmentation, the top 50 largest companies generate less than 10% of the revenues.²⁹ In our trade area, there are 1,632 auto repair establishments.³⁰ Seeing that Willets Point is currently within our Trade Area, the 52 sole proprietor owners of Sunrise Cooperative already represent 3.2% of this total. Given the high level of fragmentation and competition in the auto industry, it will be difficult for the members of Sunrise Cooperative to maintain a market share that is proportional with their presence at first. However, Sunrise Cooperative plans to attain a market share of at least 1.5% (See Table 5) of the entire Trade Area with the first year of relocation. This amounts to each sole proprietor in the Co-op having annual revenues of about \$353,053. After the Cooperative becomes more established in their new location, each sole proprietor has the potential to earn up to \$751,457, representing 3.2% of the total market.³¹

TABLE 5: SUNRISE CO-OP MARKET SHARE, VEHICLE MAINTENANCE AND REPAIRS

| Trade Area | Total Dollars Spent | % of Sales | Sales Generated in Target Area |
|---------------|------------------------|------------|--------------------------------|
| 0-5 minutes | \$20,187,594 | 4% | \$807,504 |
| 5-10 minutes | \$278,366,632 | 3% | \$8,350,999 |
| 10-15 minutes | \$920,026,225 | 1% | \$9,200,262 |
| TOTAL | \$1,218,580,451 | | \$18,358,765 |

| | |
|-------------------------------------|-----------|
| Sunrise Cooperative Market Share | 1.5% |
| Sales Generated per Shop (52 Shops) | \$353,053 |

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing, ESRI Forecasts for 2010 and 2015, Market Profile Report. Consumer Spending data are derived from the 2006 and 2007 Consumer Expenditure Surveys, Bureau of Labor Statistics. 2010 Census of Income is expressed in current dollars.

²⁶ U.S. Bureau of the Census: 2010 County Business Patterns: Geography Area Series: County Business Patterns 2010 Business Patterns

²⁷ AutoInc.org, How's Your Business? 2011, (Mechanical – Demographic/Business Profile)

²⁸ AutoInc.org, How's Your Business? 2011, (Collision – Demographic/Business Profile)

²⁹ Hoovers: Automotive Repair & Maintenance Services Report for 2011 (Industry Description)

³⁰ ESRI Forecasts, Business Locator Report

³¹ U.S. Bureau of the Census, 2000 Census of Population and Housing, ESRI Forecasts for 2010 and 2015, Market Profile Report. Consumer Spending data are derived from the 2006 and 2007 Consumer Expenditure Surveys, Bureau of Labor Statistics.

Current Demand in Market

Overall demand for automotive repair services is dependent on the number of cars on the road. As such, there tends to be more demand for mechanical shops in summer because consumers tend to drive more.

Alternatively, there is more demand for collision repair services in winter when there are more crashes.³²

Economic factors can also have a significant effect on consumer demand for automotive repair services. The 2008 – 2009 recession caused consumers minimized expenditures for auto repair services by fixing their cars themselves.³³ However, though the recession caused a dramatic 5.2% fall in total revenues between 2008 and 2009, the industry has recovered to the point where the shortfall between 2008 and 2011 was only 1.2%.³⁴

As the economy continues to improve, there will be even more cars on the road (a direct result of potential customers having more disposable income). This increase in the use of automobiles, not to mention the financial security of the drivers, will result in more need for repairs at automotive repair establishments.

Target Market Trends

The table below shows that there is expected to be growth in (i) population; (ii) households; and (iii) median income in the trade area. These three factors have a great impact on revenues in the automotive repair industry.

TABLE 6: PROJECTED RATE OF GROWTH IN TRADE AREA, 2010 - 2015

| | 0-5 minutes | 0-10 minutes | 0-15 minutes |
|---------------|-------------|--------------|--------------|
| Population | 1.80% | 2.54% | 2.41% |
| Households | 1.34% | 2.10% | 2.10% |
| Median Income | 19.87% | 15.48% | 20.63% |

Source: Source: U.S. Bureau of the Census, 2000 Census of Population and Housing, ESRI Forecasts for 2010 and 2015, Market Profile Report.

Customers

In the automotive industry, customers see the service as undifferentiated and a "commodity" with little value separation between competitors (if they offer a suitable level of quality). As such, buyer power is very high.

³² Hoovers: Automotive Repair & Maintenance Services Report for 2011 (Finance and Regulation)

³³ IBIS World: Auto Mechanics in the US: Market Research Report (Industry Analysis & Industry Trends)

³⁴ Sub-section titled 'Describe Your Industry' in section titled 'General Company Description' of this document.

With an understanding that switching costs are virtually non-existent, the members of Sunrise Cooperative prioritize offering the highest quality of service at the most competitive prices. They also put a high priority on speed in repair turnaround times. Sunrise Cooperative will focus on highlighting these features to their customers.

Regardless of this, the members of Sunrise Cooperative know that, though while price is a primary motivator, many customers are also seeking to build a relationship of trust between themselves and their service provider. A large number of people within the country have experienced or heard of bad service encounters within this market. As a person's car is usually connected in one way or another with that individual's livelihood, a dependable automobile is crucial. Therefore, having a mechanic who (i) they believe does a quality job and (ii) is understanding and responsive to their needs is an asset to the customer. It will also add to the bottom line for the auto repair shop because 80% and 50% of the customers at mechanic repair shops and body shops, respectively, are repeat customers³⁵. It will also lead to new customers because people usually rely on referrals when choosing their mechanic.

Traffic Volume

Given that many area workers commute from locations that don't have efficient rail or subway access to the Newtown Creek area, they rely on means of vehicular transportation such as buses and cars (this conclusion was also supported by interviews and surveys of businesses). Many of the area's businesses also rely heavily on trucks to transport goods.³⁶

In 2002, the BQE segment at the Kosciuszko Bridge, which is adjacent to the proposed site, had an Annual Average Daily Traffic (AADT) volume of 161,880 vehicles, which is not only the highest volume segment on the entire BQE but it is also one of the most traveled six-lane roadways in the entire New York City Metropolitan area. The Long Island Expressway between 48th and 58th Streets had an ADDT volume of 101,080 vehicles.³⁷

In 2008, within 0.56 miles of the proposed site, the Brooklyn Queens Expressway had 120,820 vehicles within 0.02 miles SW of 54th Road. In addition to the BQE and LIE, some of the highest traffic counts within the Trade Area were within 0.08 miles of the proposed location, reflecting an active industrial area. In 2004, the

³⁵ Hoovers: Automotive Repair & Maintenance Services Report for 2011 (Sales and Marketing)

³⁶ Newtown Creek Brownfield Opportunity Area, Step 2 Nomination Report Appendix, May 2012.

³⁷ Kosciuszko Bridge Project Final Environmental Impact Statement, September 2008

traffic counts for 56th Road .03 miles west of 49th Street were 16,053 vehicles per day. 56th Road .03 miles to the east of 49th Street had 17,291 vehicles per day.³⁸ (See Figure 2)

FIGURE 2: TRADE AREA TRAFFIC COUNT MAP



Growth Potential and Opportunity

Though the recession caused a dramatic 5.2% fall in total revenues between 2008 and 2009, the industry has recovered to the point where the shortfall between 2008 and 2011 was only 1.2%.³⁹ As the economy

³⁸ ESRI Traffic Count Profile Report, 2012 Market Planning Solutions, Inc.

continues to strengthen in the upcoming years, it is anticipated that there will be even more cars on the road (a direct result of potential customers having more disposable income). This increase in the use of automobiles, not to mention the financial security of the drivers, will result in more need for repairs at automotive repair establishments.

Sunrise Cooperative in particular places a high premium on providing the best quality services at the most affordable prices. They are also committed to the speedy completion of all repairs. In addition, Sunrise Cooperative is a hybrid automotive entity that provides the benefits of both large and small auto repair shops. Like many large chain shops, Sunrise Cooperative will be a "one-stop-shop" for all types of automotive repair services. It can also reduce expenses by taking advantage of economies of scale when dealing with suppliers. In addition, the co-op members will still offer some of the advantages found in smaller auto repair shops. As such, customers of Sunrise Co-op will also receive personalized service and access to more specialized or niche service options.

Unlike traditional startups, the members of Sunrise Cooperative already have an established and loyal customer base that is willing to relocate with them. The Trade Area that is within a 5-minute driving distance from the new location in Maspeth is highly industrial. This will give the Cooperative an opportunity to expand their customer base by becoming the main auto repair provider for many of these industrial businesses.

In addition, Sunrise Cooperative will be building a brand new state of the art facility that is specifically designed to meet the needs of their customers. This new site will also be in a convenient location in Maspeth Queens that is served by two major highways. Thus, the ease of access for customers will be retained.

Finally, there is sustained growth in the Trade Area with respect to: (i) population, (ii) households and (iii) income. As such, for the foreseeable future, Sunrise Cooperative will have a large target market of automobile owners with enough disposable income to spend on auto repair services.

Barriers To Entry

Though the members of Sunrise Cooperative are already established business owners in the auto repair industry, there are still some barriers to the success of Sunrise Cooperative:

³⁹ Sub-section titled 'Describe Your Industry' in section titled 'General Company Description' of this document.

1. First and foremost is the \$17.8M in capital needed to acquire and develop a building in Maspeth for over 52 small auto-repair shops that are to be relocated from Willets Point. This can be broken down as follows:
 - a. Land Cost: 139,160 square foot vacant parcel for a cost of \$7M.
 - b. Infrastructure: simple structure housing 52 shops built from metal, urbanized and with a working sewage system, water, gas, electricity, telephones, grate of external protection, parking, paved street, etc.
2. In addition to the capital needed to build the structure, there also needs to be funds for continued maintenance i.e. hire property managers to lease space and maintain building.
3. Costs of marketing to get new customers and to ensure that existing customers get information regarding the relocation.
4. There is concern regarding the loss in the existing customer base from those who choose not to follow the auto repair shops from Willets Point to Maspeth.
5. It is also unknown as to whether existing customers will recognize and/or accept the brand change to "Sunrise Cooperative".

How To Overcome These Barriers

1. Sunrise Cooperative will overcome the cost of capital through: (i) a \$5M SBA 504 loan and (ii) a SBA participating bank loan of \$9.7M. The cooperative is also seeking a loan or grant of \$3.1M from the City of New York.
2. The members and renters of Sunrise Cooperative will be responsible for paying ongoing fees to cover the maintenance of the building.
3. In the auto repair industry, companies generally dedicate 1.6% of their budget to advertising & sales⁴⁰. Funded by pro-rata contributions from its members and renters, Sunrise Cooperative will seek to devote a similar percentage of its budget to a marketing strategy geared toward: (i) informing current customers of the relocation and (ii) inducing new customers in the trade area to utilize their services.
4. Currently, the members of Sunrise Cooperative have their auto repair shops in Willets Point, Queens; a location that is in close proximity to 3 major highways.⁴¹ Research shows that the location to an auto repair shop is a major factor that contributes to success. Sunrise Cooperative will be in Maspeth

⁴⁰ Hoovers: Automotive Repair & Maintenance Services Report for 2011 referencing Pratt's Stats™

⁴¹ Van Wyck Expressway, Whitestone Expressway and Grand Central Parkway.

Queens, a location that is served by two major highways. Thus, the ease of access for customers will be retained.

How Changes Will Affect Business

Changes in Technology

Car Repair

Seeing that computer technology is hardwired in most of today's automobiles, many automotive repair shops now require computerized diagnostic equipment to diagnose problems with engines and similar components. This special equipment facilitates communication with the on-board diagnostic systems in modern vehicles. Currently there are various handheld scan tools that read the trouble codes when connected to a vehicle's OBD system. In addition, one can also connect laptops to automobiles in order to record large amounts of data during a test drive.

At present, some (though not all) members of Sunrise Cooperative have ODB communication systems. Given the current trend toward increasing computerization in the industry, members of Sunrise Cooperative are contemplating the possibility of pooling their resources to purchase these ODB communication devices that can be rented to auto repair shops in the cooperative on an "as needed" basis.

Use of the Internet

In today's economy, many businesses have an internet presence. It is anticipated that Sunrise Cooperative will have an internet site that will list general information such as hours of service, location and directions. It will also provide a list of services and the names of the various auto repair shops that are based on the Maspeth site.

Inventory Management

With hundreds of parts needed for thousands of car models and production years, auto repair shops cannot keep a complete inventory of all the parts they will need. Instead they focus on storing only the most basic items in-house. Parts for a particular job are often ordered for same-day delivery from regional suppliers. Each member of Sunrise Co-op will be responsible for the inventory management of his own shop.

Database Programs

Database programs give companies fast access to customer and vehicle information and repair histories. Each member of Sunrise Co-op maintains a database of customer for his own shop. There are tentative plans to create a master database of the customers of all the members of Sunrise Cooperative but cost is a factor.

Changes in Government Regulation

Current State and federal regulations for the auto repair mechanics are as follows:

1. They must adhere to toxic disposal, ground contamination and underground storage tanks regulations.
2. Body paint shops must try to minimize air emissions and worker exposure to hazardous fumes.
3. There will be penalties for overcharging, performing needless repairs and using poor-quality replacement parts.
4. Shops that handle insurance business are subject to regulations relating to insurance fraud.

Seeing that all the members and renters at the Sunrise Cooperative site are already auto repair shop owners, they will have no difficulties with continuing to comply with these regulations. The co-op's Compliance Team will also monitor individual shop owners to ensure continued adherence to these regulations.

Changes in the Economy

Though the recession caused a dramatic 5.2% fall in total revenues between 2008 and 2009, the industry has recovered to the point where the shortfall between 2008 and 2011 was only 1.2%.⁴² As the economy continues to strengthen in the upcoming years, it is anticipated that there will be more cars on the road (a direct result of potential customers having more disposable income). This increase in the use of automobiles, not to mention the financial security of the drivers, will result in more need for repairs at automotive repair establishments.

Changes In the Auto Industry

Seeing that most cars today are highly computerized, repair technicians need to continue ongoing training on new car models. Car manufacturers generally provide repair manuals for new cars and codes for OBD systems. In addition, professional groups like the American Institute for Automotive Service Excellence also provide various grades of certification for auto technicians. However, auto repair shops generally have a limited number of technicians, so they usually have very little time to dedicate to training.

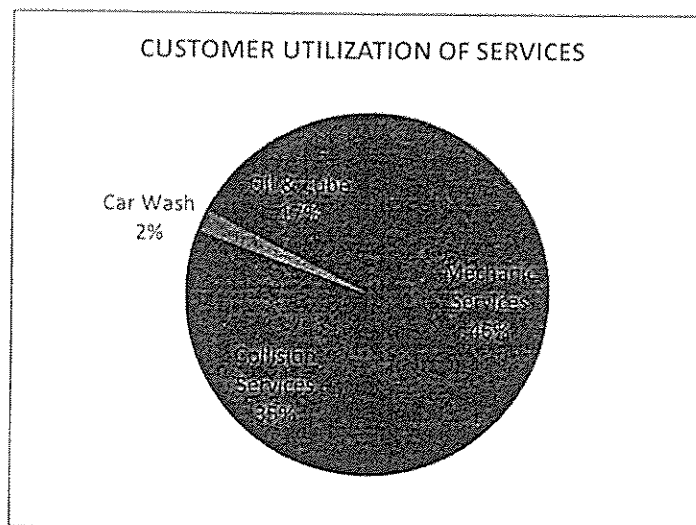
⁴² Sub-section titled "Describe Your Industry" in section titled "General Company Description of this document.

To ensure that their repair technicians will have the skills needed to handle today's more hi-tech automobiles, the members of Sunrise Cooperative have entered into a tentative agreement with an auto mechanic training school, (United Automotive Merchants Association located in Bronx, NY) for continuing education for their mechanics.

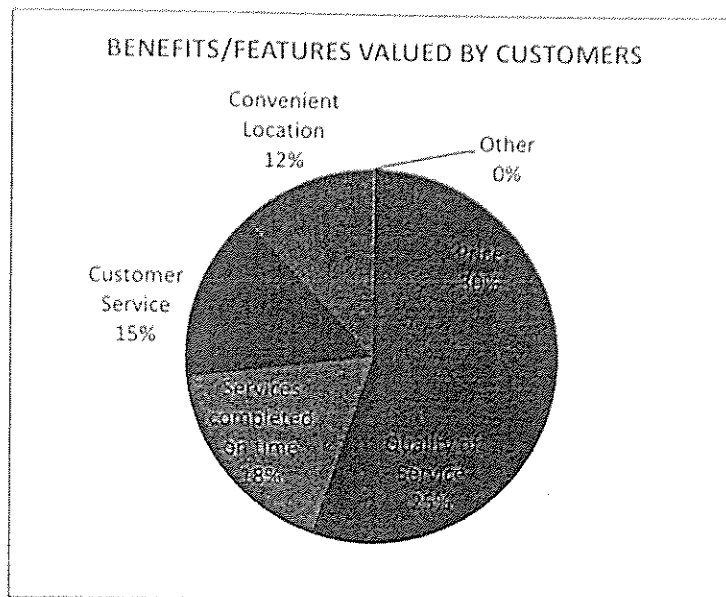
B. PRODUCT FEATURES AND BENEFITS (FROM A CUSTOMER'S PERSPECTIVE)

Currently, the members of Sunrise Cooperative have operational auto repair shops in Willets Points, Queens. In August, 2012, a survey of 331 current customers of the co-op members was conducted. Data from this survey showed:

1. Similar to the auto repair industry nationwide, the majority of the services utilized by Sunrise Cooperative customers are centered on general mechanical repair and collision repair.



2. Though, (i) convenient location, (ii) customer service, and (iii) timeliness of the completion of services are important factors, customers are drawn to the members of Sunrise Cooperative primarily because of price and the quality of the service they offer.

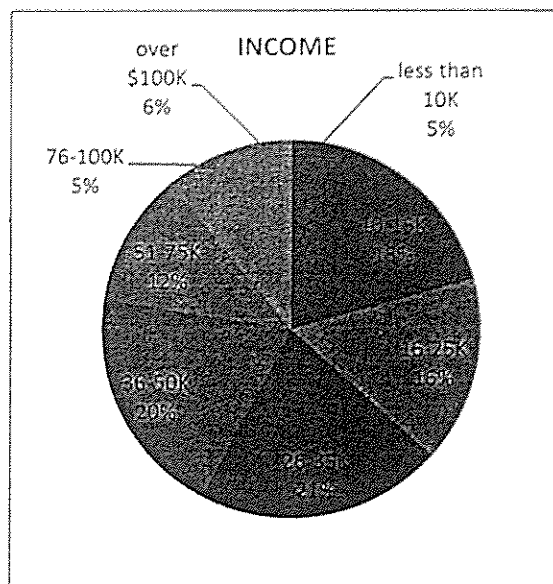
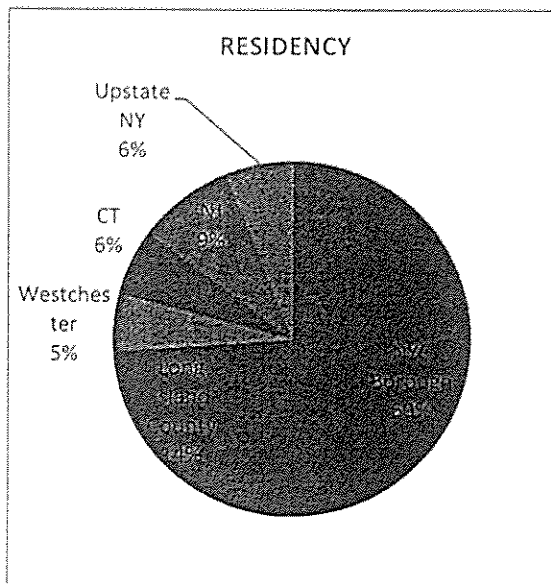
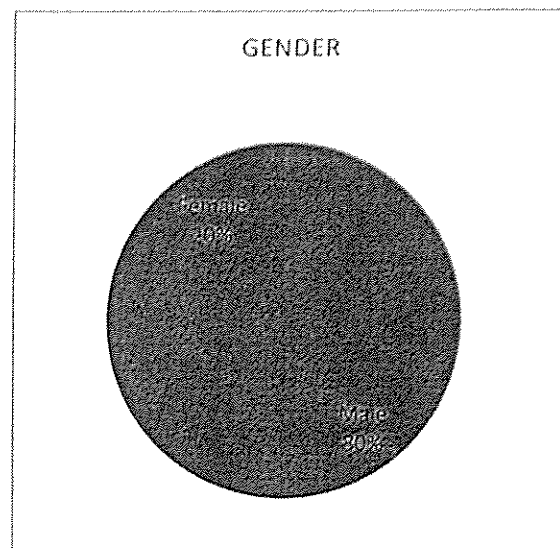
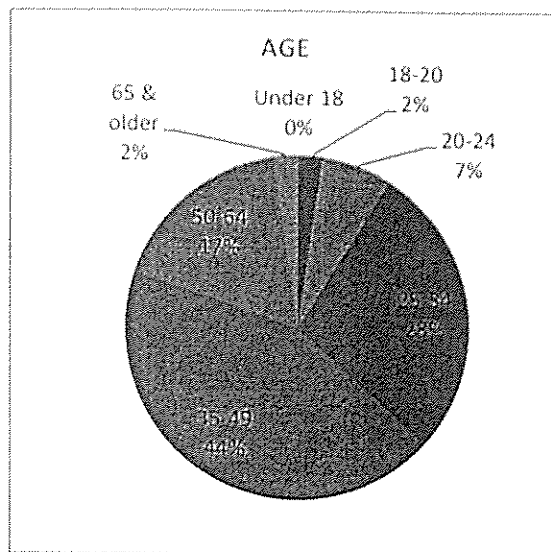


This is an extremely important advantage because, though the “switching cost” in the auto repair industry is almost non-existent, many customers are also seeking to build a relationship of trust between themselves and their service provider. A lot of people have experienced or heard of bad service encounters within this market. As a person's car is usually connected in one way or another with that individual's livelihood, a dependable automobile is crucial. Therefore, having access to auto mechanics who they believe provide quality service at a reasonable price is an asset to the customer. It will also add to the bottom line for the auto repair shop because 80% and 50% of the customers at mechanic repair shops and body shops, respectively, are repeat customers. It will also lead to new customers because people usually rely on referrals when choosing their mechanic.

C. CUSTOMERS

The August 2012 customer survey also gave a clear demographic profile of the current client base of Sunrise Cooperative. These customers tend to be males between the age of 25 and 64. Approximately 77% earn less than \$50,000 per year. More than 60% hail from the boroughs of New York City and almost 90% of them drive cars that are older than 2 years old. Most of the customers surveyed displayed extreme loyalty to their auto repair providers with 97% indicating a willingness to follow them to Maspeth.

Below is the complete breakdown of the customer demographic profile ascertained from the survey:



Given the close proximity to the current Willets Point location, a dramatic shift in the demographic profile of the target customers is not expected. The majority of the current customers hail from the boroughs of New York City and the Maspeth Trade Area is also entirely within the boroughs of Queens, Brooklyn and Manhattan. The changes between the Maspeth trade area and the Willets Point location actually provide areas of new opportunity and growth for the members of the Sunrise Cooperative.

These include:

1. Households with in the trade area have a higher median income (\$57,448) when compared with 77% of current customers (less than \$50,000);
2. A relatively large Hispanic population (28.5%) in the entire trade area; and
3. Access to a new customer base from the industrial sector in the trade area.

D. COMPETITION

An automotive repair company that can anticipate, meet, and even exceed customer's needs can build a defensible position within the market place and acquire market share at the expense of other rivals. Currently, there are a total of 1,632 automotive repair shops (employing 5,450 auto repair technicians) in the trade area. The breakdown of competitors in the trade area is outlined in Table 7.

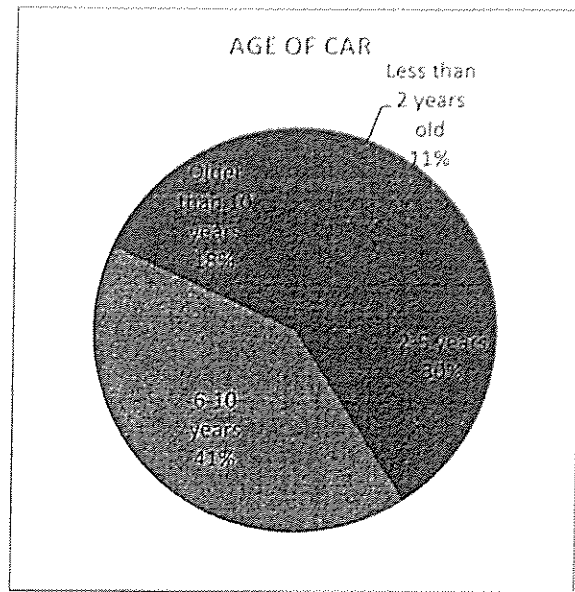


TABLE 7: BREAKDOWN OF CURRENT COMPETITORS IN TRADE AREA

| Trade Area | Auto Repair Shops | Auto Repair Employment |
|--------------|-------------------|------------------------|
| 0-5 minutes | 98 | 393 |
| 0-10 minutes | 682 | 2,167 |
| 0-15 minutes | 1,632 | 5,450 |

Source: Business data provided by Infogroup, Omaha NE Copyright 2012, all rights reserved. Esri forecasts for 2011.

Sunrise Cooperative is a hybrid automotive entity that provides the benefits of both large and small auto repair shops. Like many large chain shops, Sunrise Cooperative will be a "one-stop-shop" for various types of automotive repair services. Because the co-op members will still offer some of the advantages found in smaller auto repair shops, customers can still expect personalized service and access to more specialized or niche service options.

Large Shop Competition

Chief large shop competitors will be the automobile dealerships and large major brand franchises like Meineke, Midas and Pepboys. Currently, there are 4 large franchise shops in the portion of the trade area that is within 5 miles from the site. These competitors presently have advantages such as specially trained personnel, access to lower priced parts and tools, and more access to capital.

The members of Sunrise Co-op will actively try to increase training for their auto repair technicians and will also reduce expenses by utilizing economies of scale when dealing with suppliers. In addition, unlike the other large shops, their prices are not set by a corporate entity. Instead, customers will have the option of negotiating among the various auto repair shops to receive the most affordable price for the service they seek.

TABLE 8: LARGE AUTOMOTIVE REPAIR SHOPS WITHIN 5 MILES OF SITE

| Name | Address | Distance |
|---------|---|------------|
| MIDAS | 60-34 Eliot Avenue, Maspeth, NY 11378 | 0.9 miles |
| PEPBOYS | 61-01 Metropolitan Ave, Ridgewood, NY 11385 | 1 mile |
| PEPBOYS | 38-50 21st St, Long Island City, NY 11101 | 3 miles |
| MEINEKE | 60-17 Eliot Ave, Maspeth, NY 11378-3545 | 0.69 miles |

Small Shop Competition

These mostly "mom & pop" style outfits make up the vast majority of the competition.⁴³ The advantage of these firms is that they can seek a low cost strategy due to lower personnel costs. However, they have a much more fluid customer base and higher customer turnover.

The members of Sunrise Cooperative will continue to compete using the low cost strategy. At the same time, they will seek to provide a higher level of customer satisfaction by: (i) having more rigorous quality control, (ii) increasing technological skills to keep up with today's new automobiles and (iii) seeking ways to enhance the entire service experience. In so doing, the co-op members will expand their already loyal customer base.

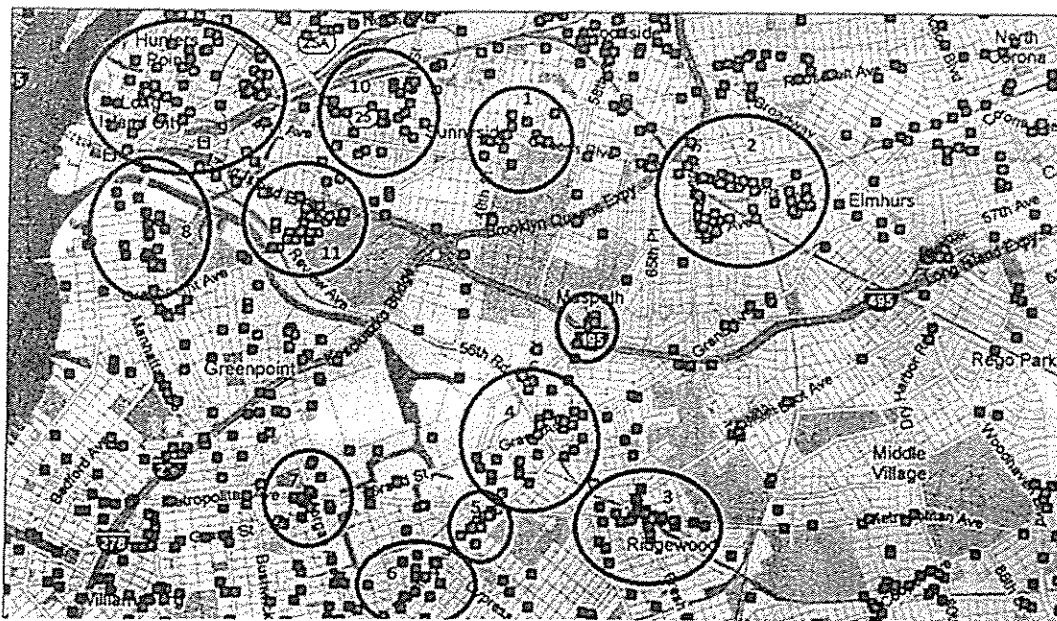
⁴³ 98.5% of mechanical repair shops are independently owned with only 1.5% owned by franchises/network/consolidators or dealers. AutoInc.org, How's Your Business? 2011, (Mechanical – Demographic/Business Profile). 86% of collision repair shops are independently owned with 14% owned by franchises/network/consolidators or dealers. and AutoInc.org, How's Your Business? 2011 (Collision - Demographic/Business Profile).

Cluster Analysis

Within the trade area, there are clusters of auto repair service outlets that are in relatively close proximity to the site. First, there is a small cluster of auto repair shops that is located in the same vicinity in Maspeth as the site (circled red on Figure 3). Additional clusters of auto repair competitors are located in the following locations:

1. Sunnyside neighborhood around the intersection of Queens Blvd. and 48th St.
2. Elmhurst neighborhood in the general vicinity of 51st Ave. and Queens Blvd.
3. Ridgewood neighborhood near Metropolitan Ave.
4. Maspeth neighborhood around Grand Ave.
5. & 6. Ridgewood neighborhood around Flushing Avenue.
7. Greenpoint neighborhood in the general vicinity of Metropolitan Ave. and Grand St.
8. Greenpoint neighborhood in the general vicinity of Greenpoint Ave. and McGuinness Blvd.
9. Long Island City and Hunters Point neighborhoods
10. Sunnyside neighborhood in the general vicinity of Queens Blvd. and 39th St.
11. Greenpoint neighborhood in the general vicinity of Greenpoint Ave. and Review Ave.

FIGURE 3: CLUSTER ANALYSIS OF COMPETITORS



SWOT Analysis

| | | HELPFUL | HARMFUL |
|------------------|----------------------|--|---|
| INTERNAL ORIGINS | <u>Strengths</u> | <ul style="list-style-type: none"> Mechanics are already in compliance with federal and state laws that regulate the auto repair industry. The Co-op also intends to monitor individual shop owners to ensure continued compliance with these regulations. Customers can go to one location and get multiple estimates from the different sole proprietor mechanics. Customers can find auto repair technicians with different specialties in a single location The sole proprietor auto repair technicians will have the flexibility to compete on pricing; unlike other "one-stop-shop" venues pricing for services will not be set by a central authority. The members of Sunrise Co-op will capitalize on economies of scale by pooling their resources when (i) purchasing large equipment and (ii) when dealing with suppliers. | <u>Weaknesses</u> <ul style="list-style-type: none"> Currently, some (though not all) members of Sunrise Cooperative are equipped to deal with the technological advances in the automobile industry. There is no guarantee that all of Sunrise Co-op's established customers will follow them to the new location in Maspeth, NY. The auto mechanics need to become more fluent in English. In so doing, they would be able to attract a larger swath of the target market. Auto repair shops will require a transition period to adjust to working collectively on some issues. |
| | <u>Opportunities</u> | <ul style="list-style-type: none"> The new location will be built to the Sunrise Co-op's specifications. They will be able to include characteristics that customers value. The Sunrise Co-op will also include technological capabilities. The new location will be in a highly industrialized area. The Co-op will be | <u>Threats</u> <ul style="list-style-type: none"> There are 4 one-stop-shop franchise auto repair shops (Meineke, Midas and Pepboys) in Sunrise Co-op's primary competitive area. There is extensive competition from the other auto repair shops in the trade area. There is resistance to the Co-op's relocation to Maspeth from the existing residential and industrial community because of the negative |

able to expand their services to provide auto repair services to this industry.

- The Co-op will work with United Auto Merchants Association, a 501(3)(c) organization that will help the Co-op minimize the cost of training its auto repair technicians.
- The Co-op will also be seeking to expand into the area of green technology i.e. (i) servicing hybrid and electric vehicles and (ii) utilizing green technology to save on the cost of energy.
- The auto repair industry has almost fully recovered from the fallout of the 2008 – 2009 recession and will only continue to grow as the economy completely rebounds.
- Auto repair shops can enhance retention of their newly trained employees by working together with the co-op to underwrite and offer full benefits packages that includes vacation, health insurance, etc. to the technicians.

impact of increased traffic and congestion.

- Generally, turnover among technicians is high because their value is higher than their pay. Also, it is not particularly difficult for experienced technicians to start their own shop.

E. NICHE

Sunrise Cooperative is a hybrid automotive entity that provides the benefits of both large and small auto repair shops. Like many large chain shops, Sunrise Cooperative will be a “one-stop-shop” for all types of automotive repair services. However, like the small auto repair shops, clients can not only expect great customer service, niche mechanic services and superior prices from the sole proprietor members.

F. STRATEGY

Promotion

In the course of relocating from Willets Point to Maspeth, Sunrise Co-op has two concurrent goals: maintain and transfer its existing customer base and (ii) expand its reach into the Maspeth community. In furtherance of this goal, the Co-op intends to do the following within the first 3 months of relocation:

1. Do mass advertisement via (i) flyers, (ii) press releases, (iii) radio and TV announcement, (iv) subway advertisements and (v) billboard.
2. Build relationships with (i) neighborhood cab companies and (ii) car servicing companies to encourage them to provide referrals to the new location.
3. Have a huge "grand opening" promotion where the auto repair technicians will offer discounts to all customers for the first two months of the launch.
 - a. The Co-op will use funds from the Promotional Budget to subsidize the discounts offered to new customers during this period.

Promotional Budget

In the auto repair industry, companies generally dedicate 1.6% of their budget to advertising & sales⁴⁴. Using pro-rata contributions from its members and renters, Sunrise Cooperative will seek to devote a similar percentage of its budget towards implementing its marketing strategy.

Pricing

In the automotive industry, customers see the service as undifferentiated and a "commodity" with little value separation between competitors (if they offer a suitable level of quality). As such, buyer power is very high. With an understanding that switching costs are virtually non-existent, the members of Sunrise Cooperative prioritize offering the highest quality of service at the most competitive prices. They also put a high priority on speed in repair turnaround times. Sunrise Cooperative will focus on highlighting these features to their customers.

⁴⁴ Hoovers: Automotive Repair & Maintenance Services Report for 2011 referencing Pratt's Stats™

Though Sunrise Cooperative will be a "one-stop-shop" for all types of automotive repair services, unlike other large shops where the pricing for services are set by a central authority, each individual sole proprietor will continue to set prices for his own auto repair shop.

This policy gives customers the confidence that they will be able to find the most competitive prices at Sunrise Cooperative because they can negotiate with the various auto repair shops on the site.

Location

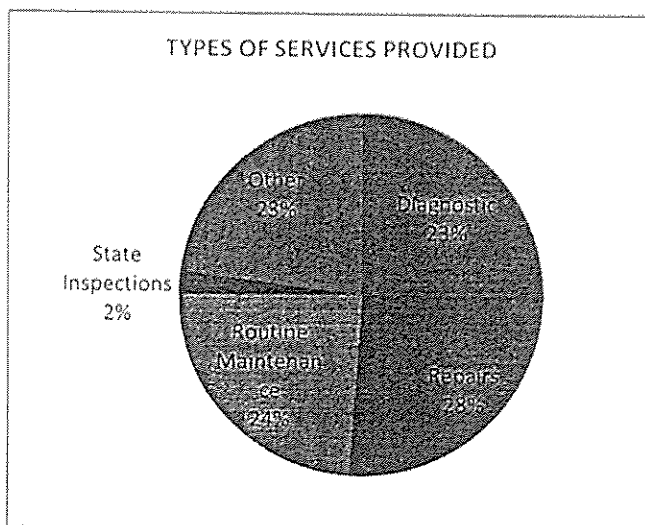
Research shows that having a convenient location is a major factor that contributes to success in the auto repair industry. Currently, the members of Sunrise Cooperative have their auto repair shops in Willets Point, Queens; a location that is in close proximity to 3 different highways: (i) the Van Wyck Expressway, (ii) the Whitestone Expressway and (iii) the Grand Central Parkway.

V. Operational Plan

A. SERVICES PROVIDED

The services offered by the members of sunrise cooperative fall in the categories of (i) mechanical repairs, (ii) collision repairs, (iii) oil and lube change and (iv) car washes. In general, work is done to repair or maintain automobiles.

An August 2012 survey of 51 members of Sunrise Cooperative shows that the types of services they provide can be broken down as follows:



A detailed listing of the services provided by the members of the Cooperative is outlined in the Products and Services Section of this document.

B. EQUIPMENT AND TOOLS USED IN PRODUCTION

In order to produce these services, auto repair shops need to have adequate space and a large selection of specialized tools and equipment. These services provided by Sunrise Co-op members will be produced in a brand new state of the art facility that is specifically designed to meet the needs of the auto repair owners and their customers. A comprehensive list of these tools and equipment used by these auto repair providers (from all subsectors) include:

Computerized Diagnostic Equipment
Plasma Cutter
Hydraulic Floor Jack
Brake Lache
Power/hand tools/equipment

Puller
Routine maintenance tools
Welders
Computers, Printers, etc.
Drill Press

Tire Machine
Car Lifts
Hydraulic Lifts
Torch
Steam Cleaner
Chopsaw

Tire Balancer
Hoist
Jacks
Air Tools
Grinders

The members of Sunrise Cooperative are already established business owners and, based on the August 2012 survey, they have been in business for a median number of 10 years. As such, they already have the tools and equipment they need to keep their shops operational. Seeing that the vast majority of these members intend to take their tools and equipment to the new location in Maspeth, and there will be very little need to make any additional investment in that area.

C. REGULATIONS

In order to operate within the auto repair industry, members need to comply with certain state and federal regulations. The auto repair shop owners have to adhere to the following regulations:

1. They must adhere to toxic disposal, ground contamination and underground storage tanks regulations.
2. Body paint shops must try to minimize air emissions and worker exposure to hazardous fumes.
3. There will be penalties for overcharging, performing needless repairs and using poor-quality replacement parts.
4. Shops that handle insurance business are subject to regulations relating to insurance fraud.

Currently, each member of the Cooperative is responsible for complying with these and other government regulations. However, upon relocation to Maspeth, the Co-op will be establishing a Compliance Department that will be responsible for ensuring adherence to these laws by all members.

D. INVENTORY

Though the members of the cooperative will be pooling their resources to take advantage of economies of scale to reduce the cost of supplies, each auto repair shop will be responsible for their own inventor control, the quality of service they offer and their customer support services.

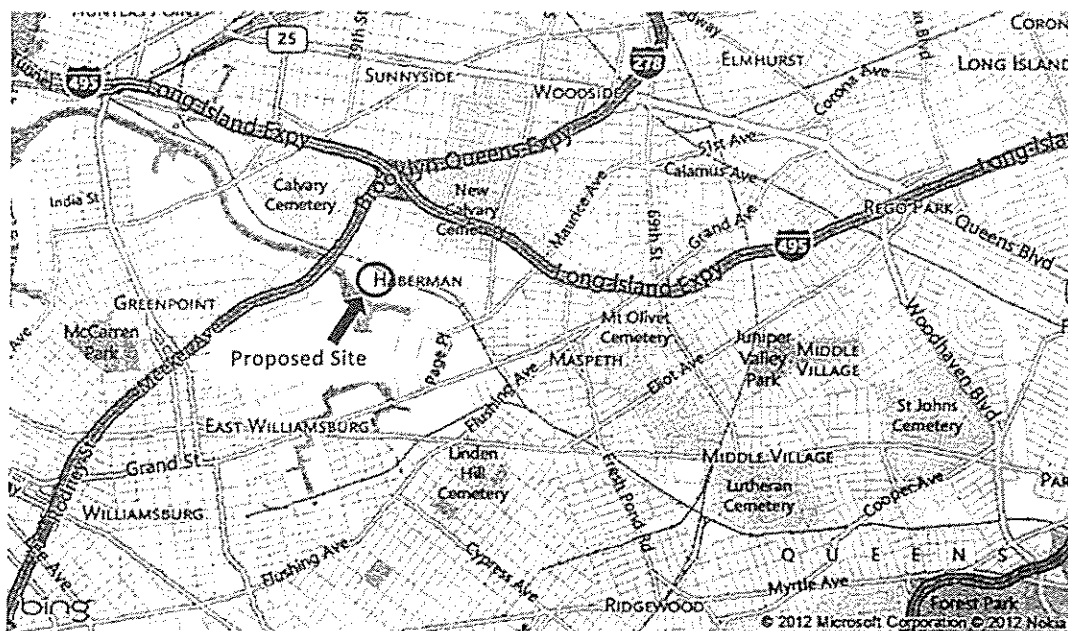
E. LOCATION

Description

The proposed site is a 200,000 SF parcel of vacant land (Tax Block 2529, Parcel 1C-1a). The property is zoned as M3-1 and is located between 57th Avenue and Newtown Creek in the Maspeth Industrial Business Zone (IBZ). To the west is the Brooklyn Queens Expressway (I-278), which provides a fast north-south connection and links the area to the Tri-borough Bridge, northern Queens, the Bronx, southern Brooklyn and the Verrazano Narrows Bridge. To the north, the Brooklyn Queens Expressway intersects with the Long Island Expressway (I-495), the major east-west arterial between New Jersey/Manhattan and Nassau and Suffolk Counties. This access to major highways ensures that the convenience factor will be retained upon relocation to Maspeth.

Next to the proposed site, the Montauk branch of the Long Island Railroad (LIRR) runs along the north side of 57th Avenue. The passenger train operates Monday through Friday, serving Long Island City and Jamaica. New York and Atlantic Railway operates freight trains on the same railway lines. To the north of the Maspeth IBZ are the Calvary, New Calvary and Mt. Zion cemeteries. Further north and to the east are residential neighborhoods consisting primarily of one- and two-family buildings.

FIGURE 4: PROPOSED SITE



In addition, at this new location will be a simple structure built that is specifically built to meet the needs of the members of Sunrise Cooperative and their customers. This new structure shed will be metal, urbanized and with a working sewage system, water, gas, electricity, telephones, grate of external protection, parking, paved street, etc.

Planned Development

Phelps Dodge Site Redevelopment

Following a multi-year cleanup effort led by NYSDEC, the former Phelps Dodge is planned for redevelopment by Sagres Partners. Sagres Partners is currently developing the site for manufacturing, distribution, warehousing and retail uses. The site has been carved into thirteen parcels, which have been subjected to ownership changes and disputes for many years. Portions of the site have been capped and feature new development, including Restaurant Depot, a 75,000 SF wholesale operation, and a parking lot. Larger sites towards Kosciuszko Bridge are also owned by Sagres Partners, and still require remediation work. The remaining undeveloped parcels, if developed to the maximum density allowed under the area's M3-1 zoning, could house up to 1.7 million SF of additional building space.

Cross-Harbor Freight Movement Project – Maspeth Intermodal Yard Site

The New York City Economic Development Corporation proposes to build a new rail-truck intermodal facility along Newtown Creek in Queens, utilizing the former Phelps Dodge site and several adjacent properties immediately to the east of the Kosciuszko Bridge as part of their plan to construct a new rail tunnel under New York Harbor connecting Jersey City and Brooklyn. If a single-track rail tunnel is built, the yard will encompass 108 acres. If a double-track tunnel is built, the yard will occupy 160 acres and also include a 2 million SF container storage building. The DEIS for this project was published in April 2004.⁴⁵

NYC Department of Sanitation Solid Waste Management Plan

As part of the New York City Department of Sanitation's 20-year solid waste management plan, which aims for borough self-sufficiency when it comes to handling waste, as well as reducing the amount of garbage that is shipped out of the city by large trucks, the State Department of Environmental Conservation gave approval in June 2012 for Waste Management to increase the amount of garbage that

⁴⁵ Newtown Creek Brownfield Opportunity Area, Step 2 Nomination Report Appendix, May 2012.

it takes in at its transfer station at 38-22 Review Avenue in Long Island City.⁴⁶ The facility would operate as either a truck-to-truck-to-rail or truck-to-barge transfer station, exporting containerized waste. The truck-to-truck-to-rail transfer station would require the use of the Maspeth intermodal rail yard and one and a half miles away where the containers would be loaded onto railcars. The approval will increase the amount of garbage that the firm ships via CSX Railroad on its way to Waste Management landfills in Virginia. Waste Management states that the changes will result in a "net reduction of 30 truck trips per day in and out of the Review Avenue site."⁴⁷

NYS DOT Kosciuszko Bridge Project

Construction on a new Kosciuszko Bridge is expected to begin in spring 2013, a year ahead of schedule, due to \$460 million made available for the job by Gov. Cuomo's New York Work initiative. The 73-year-old bridge, which carries the Brooklyn-Queens Expressway over Newtown Creek, qualified for the money in part because it is on the state's "deficient bridge" list. The initial phase of construction will build an eastbound lane next to the existing bridge and traffic will be removed from the existing bridge upon completion of the new eastbound structure. The 1.1-mile bridge is expected to be completed in 2017 when two new spans with a total of nine vehicle lanes and paths for pedestrians and bikes will replace the original structure.⁴⁸

Some of the Build Alternatives would require a temporary bridge over Laurel Hill Boulevard in Queens, between 56th Road and 54th Avenue, in order to reconstruct the approach at the ramps to the Long Island Expressway (LIE). Some short-term street closures (limited to off-peak and nighttime periods) would be required along these sections of eastbound Meeker Avenue and Laurel Hill Boulevard during erection and removal of the temporary structures.⁴⁹

Newtown Creek Superfund Clean-Up

EPA listed Newtown Creek and its tributaries as a Superfund site in 2010. Five companies (Phelps Dodge, Texaco, BP, National Grid and ExxonMobil) and New York City were named as potentially responsible parties (PRP's) with the responsibility to conduct and fund the Remedial Investigation and Feasibility Study. The PRPs are currently conducting field work for a multi-year phased remedial investigation. Fieldwork began in November 2011 and continued on through the summer of 2012. Field activities

⁴⁶ Residents: State's garbage ruling stinks, Michael Gannon, *Queens Chronicle*, July 5, 2012.

⁴⁷ Residents alarmed over increase at waste facility, Andrew Pavia, *Queens Ledger*, July 5, 2012.

⁴⁸ NYSDOT website: <https://www.dot.ny.gov/kbridge> and Kosciuszko Bridge Project Final Environmental Impact Statement, September 2008

⁴⁹ Newtown Creek Brownfield Opportunity Area, Step 2 Nomination Report Appendix, May 2012.

included: the shoreline assessment, creek-bed surveys, fish community surveys, sediment sampling and surface water sampling. The data from sampling will be reviewed and used to guide the development of the next phase of sampling.⁵⁰ Designation has raised concerns about how the Superfund study and clean up may affect planned developments. Residents and local businesses also have said that they are worried about increased truck traffic and restrictions on use of the creek.⁵¹

F. LEGAL ENVIRONMENT

Licenses and Permits

1. Certificate of Fitness for Handling Motor Fuel W-14

A Certificate of Fitness (C of F) (W-14) (P15) is required for handling motor fuel.

2. Booting Company License

A Booting Company License is required for any business that will place a mechanical device on a parked motor vehicle in order to prohibit its usual manner of movement.

3. Tow Truck Company License

A Tow Truck Company License is required for a business that tows vehicles for profit within the five boroughs of New York City.

4. Tow Truck Driver License

A Tow Truck Driver License is required for anyone who will drive a tow truck in New York City.

5. Body Damage Estimator License

A Body Damage Estimator assesses body damage to lessen disputes between body shops and insurance companies.

6. Inspection Station License

License is required for inspection stations inspecting motor vehicles for compliance with safety and emissions regulations.

7. Inspector Certification

An Inspector Certification is required for all individuals who will conduct inspections of motor vehicles.

⁵⁰ Newtown Creek Fact Sheet, <http://www.epa.gov/region02/superfund/npl/0206282c.pdf>.

⁵¹ Newtown Creek Is Declared a Superfund Site, New York Times, Mireya Navarro, September 27, 2010.

8. Motor Vehicle Repair Station

A mobile repair shop registration may be issued to a facility that conducts its business from a vehicle at a location provided by the consumer. A repair shop that disposes of major component parts to Scrap Collectors, Scrap Processors or Dismantlers must register as a "Repair Shop Disposing of Vehicle Scrap."

9. Itinerant Vehicle Collector, Official Business Registration:

Individuals involved in acquiring non-operable vehicles and selling vehicles or major component parts to a vehicle dismantler or scrap processor must register with the NYS Department of Motor Vehicles.

Health, Workplace and Environmental Regulations

1. Air Code

Businesses are not allowed to conduct the following activities unless permitted and / or registered with the New York City Department of Environmental Protection (DEP):

- Spraying of any insulating material in or upon any buildings or other structures during their construction, alteration or repair;
- Demolition of any buildings or other structures;
- Installation, alteration, use or operation of any fuel burning equipment with a maximum input rating equal to or greater than 350 Thousand BTU/Hour (regardless of the number of units);
- Installation and / or operation of Industrial Process Equipment, including, but not limited to, dry cleaning equipment, gas stations, spray booths.

2. Facility Inventory Form FIF – Community Right-to-Know Program

All premises which, at any point during a calendar year, hold a hazardous substance at an amount at or above the threshold amount specified by City regulations must file a Facility Inventory Form and pay the applicable fees. Some facilities are also required to prepare and submit a risk management plan to the Department of Environmental Protection on or before March 1 of every year.

3. Air Facility Registration

All facilities that emit pollutants or other emissions controlled by the New York State Department of Environmental Conservation (DEC) or the Federal Clean Air Act must register with the DEC and determine if they will need to apply for permits with the DEC.

4. Smoke Free Air Act

The New York State Clean Indoor Air Act (CIIAA) of 2004 imposed State restrictions on smoking indoors.

5. United States Department of Labor Laws and Regulations

The United States Department of Labor administers statutes and regulations that affect businesses and workers including wages and hours worked, safety and health standards, health benefits, retirement standards, and workers compensation and other workplace standards such as work authorization for Non-U.S. Citizens.

6. New York State Department of Labor

The Division of Labor Standards enforces various New York State statutes protecting the wages and working conditions of workers in private sector employment. The Division of Labor Standards enforces the New York State Labor Laws that govern: Minimum wage, Hours of work, Child Labor, Payment of wages and wage supplements, Industrial homework, Apparel industry registration, Registration of Professional Employer Organizations and Farm labor.

The Division of Safety and Health (DOSH) provides guidance through: Regulations, Training and consulting and Evaluations and enforcement.

Zoning and Building Requirements

1. Certificate of Occupancy

A Certificate of Occupancy (C of O) is required if construction will create a new building or will result in a change of use, egress, or occupancy to an existing building.

2. Sprinklers

All buildings that will have a sprinkler system installed must maintain their sprinkler systems in accordance to New York City Fire Department regulations.

Property owners that have installed fire suppression systems in coordination with an alarm company must make sure that the alarm company is operating an FDNY approved central station. Additionally, all fire suppression systems must be inspected in accordance to NFPA 25/2002 National Fire Alarm Code standards for the specific system in use by a person holding a Certificate of Fitness for City

Wide Sprinkler Systems (S-12). All personnel inspecting or maintaining a buildings fire suppression system must hold a Certificate of Fitness for City Wide Sprinkler Systems (S-12).

3. Portable Fire Extinguisher

FDNY regulations require a certain number, type, and placement of portable fire extinguishers in a place of business, depending on the building, business type, and other factors. These requirements are detailed in Section 15-02 of Title 3 of the Rules of the City of New York.

4. Fire Alarms

An individual holding a Certificate of Fitness (C of F) for Supervision of Fire Alarm Systems and Other Related Systems is required to be physically present at any buildings where a fire alarm system is installed.

All alarm monitoring companies reporting fire alarms to the FDNY must operate from an FDNY approved central station. All new alarm connections and alterations to existing fire alarm systems must be reported to the FDNY.

5. Standpipes

Standpipes provide water access points for fire hoses and other fire suppression devices inside a building. Depending on the type of occupancy of a building or the construction code under which it was built the Department of Buildings may require a building to install a standpipe system.

6. Bureau of Fire Prevention Documents/Forms

FDNY inspects and regulates the installation of equipment such as range hoods, refrigeration systems, fire suppression systems, and other equipment that either poses a fire hazard or is required by the City Administrative code to prevent fires.

7. Waste Removal

All businesses in New York City are required to recycle and to dispose of all types of waste through a licensed carting company, or a registered carting company (for construction and demolition debris only).

All businesses must post and maintain decals listing their carter(s) and collection day(s). Additionally, all businesses must let employees and customers know what and how to recycle by posting signs at their business location(s).

Businesses are required to recycle different materials based upon their business category. Certain businesses, due to their industry category (such as retailers, auto service stations, and hospitals), are required to take back specific products from the public for recycling and disposal.

Businesses must also follow a variety of state and federal disposal guidelines for hazardous and universal wastes, such as florescent bulbs, electronic items, rechargeable batteries, medical waste, motor oil, and items containing CFC, or Freon. Many of these materials are banned from disposal with regular commercial trash.

8. Boiler Requirements

The Boiler Division reviews and issues permits for work related to new boiler installations, boiler replacements, minor alterations/repairs of boilers

9. Application for Approval of Backflow Prevention Devices

A property owner must install an approved backflow prevention device on every water service pipe that has a connection between the drinking water supply and a potential source of contamination, such as a business process or equipment that could potentially contaminate the water supply.

10. Storefront Sign Requirements

Non-illuminated signs that are six (6) square feet in total area or less, or those that are painted on an exterior wall, do not need a permit, but they must comply with the local zoning regulations for signs. Signs greater than six (6) square feet in total area must be approved by the Department of Buildings (DOB), and comply with the local zoning regulations for signs.

11. Zoning Requirements

The NYC Zoning Resolution determines the allowable size and use of buildings, where they are located and the densities of the city's neighborhoods. Zoning for Commercial buildings regulates permitted building uses, building size in relation to zoning lot, distance between buildings and their lot lines, required parking and other requirements.

12. Construction

All construction projects in New York City must comply with the NYC Construction Codes and the City's Zoning Resolution. The NYC Construction Codes consist of the 2008 Building Code, the Plumbing Code, the Mechanical Code, the Fuel and Gas Code, the Electrical Code and the NYC Energy Conservation Code.

Insurance Coverage

In New York State, if businesses have any employees, they are required to carry workers' compensation and disability benefits insurance. Landlords often require a certain level of liability coverage as a condition of the lease.

Financial lenders often require businesses maintain life, business interruption, fire and other types of insurance to protect their investments. Generally, coverage falls under some of the following categories: Property Insurance, Liability Insurance, Auto Insurance, Workers' Compensation and Disability Insurance, Business Interruption Insurance, Crime Insurance, Health Insurance and Business Life Insurance.

1. Employee Disability Coverage

New York State (NYS) requires employers to provide disability benefits coverage to employees for an off-the-job injury or illness.

2. Unemployment Insurance

The NYS Unemployment Insurance Law requires employers to pay taxes to provide unemployment insurance benefits.

3. Worker's Compensation Insurance

Any business operating in New York State must have workers' compensation coverage for all employees including part-time employees and family members employed by the company.

Trademarks, Copyrights or Patents

It is anticipated that Sunrise Cooperative will develop a logo. However, given the substantial cost associated with enforcing trademark infringement, it is unlikely that they will register the trademark. Despite the lack of a budget for enforcing trademark infringement, it is possible that the Co-op will create some intellectual property and utilize the services of pro bono counsel to protect it.

Business Taxes

1. Real Property Income and Expense

The Real Property Income and Expense Statement (RPIE) is used to estimate the market value of property for tax purposes. Owners of income-producing property with an assessed value of more than \$40,000 must file an annual Real Property Income and Expense Statement with the New York City Department of Finance unless the property is specifically excluded from the filing requirements by law.

2. Mortgage Recording Tax

A NYC Mortgage Recording Tax is charged for mortgages recorded on property in the five boroughs. Some exceptions may apply.

3. Property Tax

Commercial building owners can register with the Department of Finance to pay any required property taxes.

4. Application for Registration as a Sales Tax Vendor

This registration authorizes the collection of sales and use tax on the sale of taxable tangible personal property, rentals, specific taxable services and purchases of tangible personal property for resale.

5. IRS Business Taxes

All businesses except partnerships must file an annual income tax return with the IRS.

G. PERSONNEL

In 2009, the U.S. Bureau of Labor Statistics reports reported that there were 312,939 people working in the mechanical repair services industry nationwide. For that same year, 208,644 individuals worked as collision shop employees nationwide. There are currently 1,632 employees in the trade area.⁵²

The automotive industry is highly labor intensive. The difference between the pricing in a repair shop for services and the wages of an employee are a major factor in the profits generated by the employer. Though the typical auto mechanic generates \$100,000 in revenues annually for the auto repair shop, wages in this

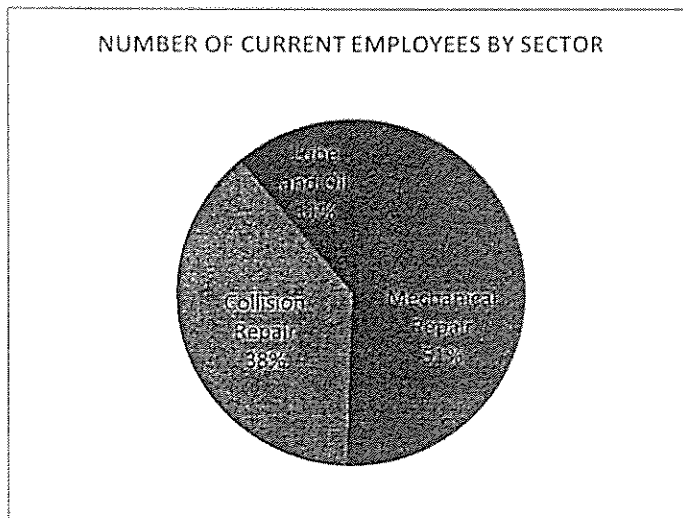
⁵² Business data provided by Infogroup, Omaha NE Copyright 2012, all rights reserved. Esri forecasts for 2011.

industry are slightly lower than the national average⁵³. This explains why much a of a shop's profits come from the difference between the cost for labor and the customer charge for same.

Number of Employees

In August 2012, a survey of 51 members of Sunrise Cooperative showed that these shops had a median of 3 employees. There is not expected to be any significant changes in the number of employees hired by each shop as a result of the relocation to Maspeth.

The survey breakdown of employees working in the (i) mechanical repair (ii) collision repair (iii) lube and oil sectors are as follows:

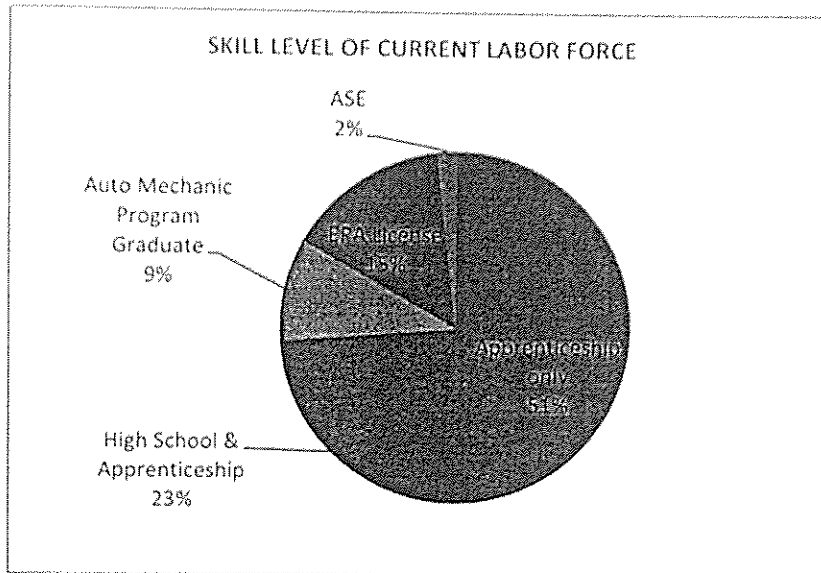


Type of Labor

The auto mechanic industry requires a skilled labor force. Repair technicians can receive certification from organizations like the National Institute for Auto Service Excellence (ASE). However, in many circumstances workers start out as apprentices to experienced technicians. The work in the auto repair field is labor intensive. Usually, the owners and managers are also experienced mechanics. They generally oversee the repair technicians that do the actual work. The injury rate in this field is the same as that of the national average.

⁵³ Hoovers: Automotive Repair & Maintenance Services Report for 2011 (Competitive Landscape)

In line with national trends, the majority of the employees of Sunrise Cooperative are trained via apprenticeship. Presently, less than 10% of the employees are graduates of auto mechanic programs. The survey showed a breakdown in the skill level of the labor force as follows:



Training Methods and Requirements

Seeing that an auto repair shop has a limited number of technicians, they usually have very little time to dedicate to training. However, because most cars today are highly computerized, the members of Sunrise Cooperative recognize that their repair technicians need ongoing training on how to service these new models. Though manufacturers generally provide repair manuals for new cars and codes for OBD systems, Sunrise Cooperative will have a training department dedicated to ensuring that the technicians working for the members of the Co-op have the skills needed to handle today's more hi-tech automobiles.

In so doing, this team will invite dealers to give seminars to the technicians regarding enhancements and changes in their automobiles each model year. In addition, they will work to encourage each auto repair shops to send their technicians to auto mechanic training school, (United Auto Merchants Association located in Bronx, NY) for continuing education and National Institute for Automotive Service Excellence (ASE) certification.

Finding the Right Type of Staff

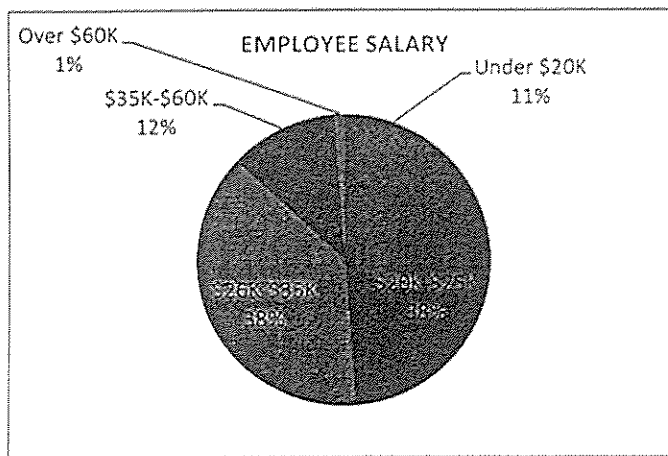
Generally, the typical auto mechanic generates \$100,000 in revenues annually for wages that are, on average, slightly lower than the national average. As such, turnover among technicians is high because their value is higher than their pay. Also, it is not particularly difficult for experienced technicians to start their own shop. Employers, however, can enhance retention by offering full benefits package that includes vacation, health ins., etc.

Based on the survey of Sunrise Cooperative members, almost all of them find their employees via word-of-mouth: either from making request of peers or getting recommendations from others in the Willets Point area. None of the employers surveyed hired contract workers.

Pay Structure

Nationwide, auto mechanics have an annual salary, on average, of \$37,880 (by earning approximately \$18.21 an hour). Mechanics in the bottom 10 percent earn \$19,840 per annum (about \$9.54 per hour). The highest paid mechanics, (those in the 90th percentile) bring home around \$59,920 annually (which is \$28.81 hourly). For auto mechanics that work in auto repair shops, the average salary is \$34,820 (or \$16.74 an hour).

The survey of members of Sunrise Cooperative showed employee salaries that are in line with the national averages.



Assignment of Tasks

Collision Repair

In the collision repair shop, there are two main types of workers: the master specialist and the helper.

1. **The Master Specialist (who is usually the owner)**

This person is responsible for determining the work that needs to be done for each automobile that is brought into the shop for repair. He also provides the estimates regarding the cost for the required service(s). After an agreement is reached with the customer, the master specialist is responsible for each phase of the repair – from start to finish. As such, he must be able to work on realignment and restoring doors, hoods, bumpers and fenders.

2. **The Helper**

This individual assists the master specialist by preparing the car for body work. His tasks include sanding, priming, and any other task the master specialist may require.

Mechanical Repair Shop

In addition to general mechanical repair, there are shops that specialize in certain services, like mufflers, transmission, engines, etc.

1. **Mechanic**

Like the collision repair shop's master specialist, the mechanic (who may or may not be the owner) is responsible for determining the work that needs to be done for each automobile that is brought into the shop for repair. He also provides the estimates as to the cost. After an agreement is reached with the customer, the mechanic usually provides instructions to the junior mechanic who is tasked with doing the actual repairs.

2. **Junior Mechanic**

This individual carries out repairs on the automobiles in accordance with instructions from the mechanic.

Schedules And Written Procedures

Currently, only 15 out of the 51 members of Sunrise Cooperative surveyed have written procedures prepared for their employees. Sunrise Cooperative intends to work with the auto repair shops to ensure that this oversight is rectified upon relocation.

H. INVENTORY

Auto repair shops do not have large inventory on hand. Instead they focus on storing only the most basic items in-house. Parts for a particular job are often ordered for same-day delivery from regional suppliers.

I. SUPPLIERS

Sunrise Cooperative members provide services in all of the sub-sectors in the auto repair industry. In addition, many of the mechanics provide specialized services within each sector. So, with respect to mechanical repairs, there may be auto repair shops that specialize in mufflers or transmissions. For collision repairs, there may be shops that specialize in fixing auto glass. Depending on their area of expertise, the members of Sunrise Cooperative rely on different suppliers.

Below is a non-comprehensive list of the major suppliers.

1. Indy Auto Parts located in Corona, NY
2. R & M Autobody Supplies located in Corona, NY
3. Volcano Auto Parts in Corona, NY
4. Mic Tires in College Point, NY
5. Best Value Auto Supply, Inc. located in Flushing, NY
6. Parts Authority with multiple locations

J. CREDIT POLICIES

Currently, almost all of the services provided by the members of Sunrise Cooperative are being done on a cash basis. This is standard practice in this industry.⁵⁴ There are, however a few auto shops that currently accept credit cards and it is expected that this number will increase upon the relocation to Maspeth.

⁵⁴ Hoovers: Automotive Repair & Maintenance Report for 2011 (Accounts Receivables)

K. MANAGING ACCOUNTS RECEIVABLES

Currently, some members of Sunrise Cooperative (mainly the car wash companies) have accounts with local car service companies. Given that Maspeth is a highly industrialized area, many co-op members will seek to provide auto repair services to many of these types of companies. Given the high volume of automobiles and vans utilized in industrialized services, it is expected that the mechanic shops that provide the repair services for these companies will have to maintain an account with each client. It will be under the purview of the individual auto repair shop to make decisions about the accounts receivable policies they want to implement for the services they provide.

Sunrise Cooperative will rely on rental income and monthly fees from each member to pay for the ongoing maintenance of the building and related services. Sunrise cooperative will develop a policy that clearly outlines: (i) payment due dates; and (ii) the sliding scale of actions that will be taken against slow-paying members that range from making a phone call to eviction from the cooperative. A copy of such policies will be provided to each co-op member and renter.

L. MANAGING ACCOUNTS PAYABLE

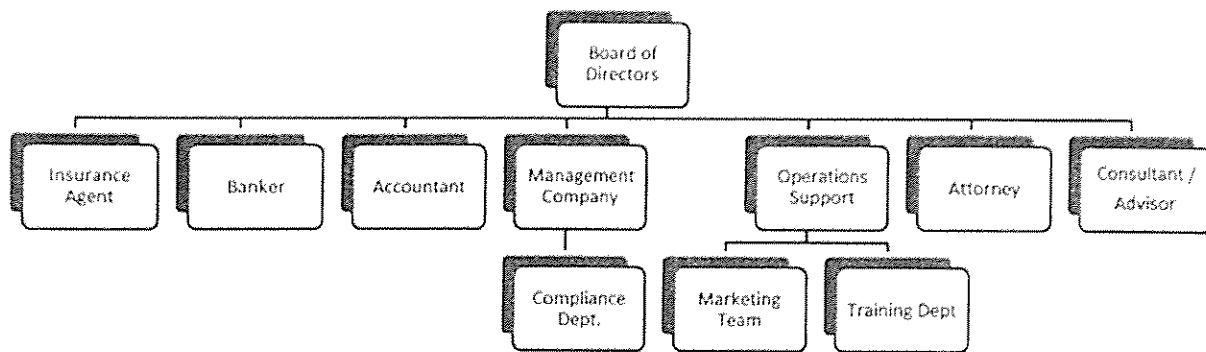
It will be under the purview of the individual auto repair shop of Sunrise Cooperative to make decisions about their accounts payables that are unrelated to the co-op. With respect to paying rental income and monthly fees for the ongoing maintenance to the cooperative, each shop owner is required to comply with the policies outlined and issued by the co-op Management.

The co-op intends to hire a management company to handle its day-to-day operations. It will pay the management company from fees collected from members and renters. The management company and the co-op will develop accounts payable policies that ensure that not only the management company, but all of the co-op's other service providers get paid in a timely manner without undue depletion of the Co-op's cash flow.

VI. Management and Organization

Sunrise Cooperative is a for-profit entity with 52 member businesses. Under the purview of its board of directors, the cooperative will hire a management company to handle the day-to-day operations of the Co-op. The Co-op will pay the management company from fees collected from members and renters. The board will also appoint an operations team to implement decisions made by the board to support the increase in profitability of the members of the co-op as a whole. The complete outline of the organizational structure of Sunrise Cooperative can be seen in the organizational chart below.

A. ORGANIZATIONAL CHART



B. POSITION DESCRIPTION FOR KEY EMPLOYEES

Management Company

A management company will be hired by Sunrise Cooperative to manage the day-to-day operations of the Co-op. The management company will also oversee the compliance department.

Compliance Department

The members of the compliance department will be responsible for ensuring that all the members of the co-op comply with the government regulations that are directly associated with the auto repair industry. In addition, this department will also ensure that the co-op members comply with all the ancillary laws and regulations outlined in the sub-section titled "Legal Environment" of this document.

Operations Support

The operations team to implement decisions made by the board to support the increase in profitability of the members of the co-op as a whole. In so doing, it will work to pool the resources of the members to take advantage of economies of scale when dealing with suppliers and purchasing large equipment. In addition, it will oversee the marketing team and the training department.

Marketing Team

The marketing team will be responsible for supporting the marketing and outreach efforts of the members of Sunrise Cooperative. It will take actions that will advance the reach of the co-op as a whole. Its main objective will be to (i) maintain and transfer the co-op members' existing customer base and (ii) develop and expand the co-op's reach into the Maspeth community. In so doing, it will be responsible for developing and implementing the marketing strategy outlined above.⁵⁵ In the auto repair industry, companies generally dedicate 1.6% of their budget to advertising & sales⁵⁶. Funded by pro-rata contributions from its members and renters, Sunrise Cooperative board will seek to devote a similar percentage of its budget to its marketing strategy.

Training Department

The Training Department will ensure that the technicians working for the members of the co-op have the skills needed to handle today's more hi-tech automobiles. As such, this team will invite dealers to give seminars to the technicians regarding enhancements and changes in their automobiles each model year. The training department will also seek to negotiate a low cost training for members of the co-op from auto mechanic training schools like United Auto Merchants Association in Bronx, NY. They will encourage the auto repair shop owners to underwrite this continuing education for their technicians. The training department will also research and apply for funding from the government, auto makers and charitable organizations to subsidize the expense associated with these training programs.

C. PROFESSIONAL AND ADVISORY SUPPORT

Board of Directors

The members of the board of directors for Sunrise Cooperative are as follows:

⁵⁵ Sub-section titled 'Strategy' in section titled 'Marketing Plan' of this document.

⁵⁶ Hoovers: Automotive Repair & Maintenance Services Report for 2011 referencing Pratt's Stats™

| Name of Director | Address |
|------------------|--|
| Marco Nera | 126-96 Willets Point Boulevard, Corona, NY 11368 |
| Silvia Moran | 127-61 Willets Point Boulevard, Corona, NY 11368 |
| Fresia Ortega | 126-10 34 Avenue, Corona, NY 11368 |
| Sergio Aguirre | 126-37 37 Avenue, Corona, NY 11368 |
| Mario A. Chasi | 126-02 A 36 Avenue, Corona, NY 11368 |
| Rafael Gonzalez | 126-82 Willets Point Boulevard, Corona, NY 11368 |

Management Company

The management company for Sunrise Cooperative is TBD

Attorney

The attorney for Sunrise Cooperative is:

Harvey Epstein
Associate Director
Urban Justice Center
Community Development Project
123 William Street, 16th Floor
New York, NY 10038

Accountant

The accountant for Sunrise Cooperative is TBD

Insurance Agent

The insurance agent for Sunrise Cooperative is TBD

Banker

The banker for Sunrise Cooperative is TD Bank

D. Mentors and Key Advisors

1. Council Member Julissa Ferreras
32-33A Junction Blvd
East Elmhurst, NY 11369
718-651-1917
2. United States Small Business Association
New York District Office

26 Federal Plaza Suite 3100
New York, NY 10278
United States
Phone: (212) 264-4354

3. New York City SCORE

26 Federal Plaza 31st Floor
New York, NY 10278
Phone: (212) 264-4507

4. Urban Justice Center

Community Development Project
123 William Street, 16th Floor
New York, NY 10038

5. Queens Business Outreach Center

96-11 40th Road, Ground Floor
Corona, NY 11368
Phone: 718-205-3773

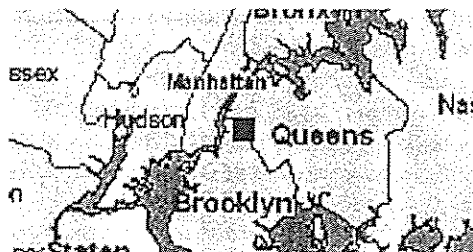
Development Pro Forma

Property: Maspeth Queens
Queens, NY
The Willet Point Sunrise Cooperative's Relocation

Prepared For: Sunrise Cooperative, Inc.
126-96 Willets Point Boulevard
Corona, NY 11368

Prepared By: Seagull Service Corp.
199 Lincoln Avenue, Suite 206
Bronx, NY 10454
718-993-3385

Date: October 17, 2012



Project Summary

Project Location: Maspeth Queens
Queens, NY
The Willet Point Sunrise Cooperative's Relocation

Type of Property: Industrial/Commercial
83,987 sf, Gross Site Area
83,987 sf, Rentable (Structure) Area

Date of this Report: October 17, 2012

Purpose: The following pro forma summarizes the various hard and soft development costs, and the proposed financing for the Sunrise Cooperative, Inc. Relocation Project

It also presents an anticipated first-year stabilized operating statement, as well as a rate-of-return estimate for a new buyer.

For the sake of the analysis, certain assumptions have been made concerning development costs, financing terms, revenue rates and operating expenses.

This pro forma does not include governmental incentives, grants and/or tax credits the project is eligible for.

Those assumptions, and the potential economic benefits of this project are presented in the following pages.

The Bronx Overall Economic Development Corporation (BOEDC) is structuring the financing for this project that combines an SBA 504 of up to \$5,000,00 with a conventional loan with a conventional commercial loan from an SBA participation loan, the combined construction loan /Permanent loan is project for \$14,724,500. The gap is \$3,124,800. The cooperative members/owner's combined equipment value will be considered towards meeting part this gap. Each piece of equipment has to be verifiable and documentable. The End uses are the cooperators, the rental, parking fees and surcharges estimated herein, are based on development cost plus operations and reserves. The present business owners' rent are comparable to the proposed new rent, demonstrates strongly that this project revenues supports debt, operations including real estate taxes.

Project Overview

Project: The Willet Point Sunrise Cooperative's Relocation
Queens, NY

Property type : Industrial/Commercial
Architect : Design/Build - Seagull CS
Lender : Participating SBA Bank
Contractor : TBD
Construction manager : Seagull CS
Leasing agent : TBD
Attorney(s) : Mr. DeBarbieri-Urban Justice Center
Buyer : Sunrise Cooperative, Inc.

Developer : Willets Point Defence Committee
126-96 Willets Point Boulevard
Corona, NY 11368

Zoning : Commercial/Industrial
Construction type : pre-engineered metal building
Number of floors : 1
Number of suites or units : 52
Number of parking spaces : 73

Gross Building Area : 83,987 square feet
Total rentable square feet : 83,987 square feet
Land : 139,160 square feet
3.195 acres
550 feet frontage

Map or block number :
Lot or building number :

Financing

DEVELOPMENT FINANCING

| | |
|------------------------------|--------------|
| Amount: | \$14,724,500 |
| Interest rate: | 6.500% |
| Term: | 1.00 years |
| Points: | 1.500 |
| Average balance outstanding: | 20.000% |

PERMANENT FINANCING

| | |
|-------------------------------|--------------|
| Amount: | \$14,724,500 |
| Interest rate: | 6.000% |
| Term: | 20 years |
| Points: | 0.000 |
| Debt Coverage Ratio (actual): | 1.04 |
| Mortgage Constant: | 8.597% |
| Loan amount per square foot: | \$175.32 |
| Loan to total project cost: | 82.49% |

Leasing

LEASE-UP TIME: 3 months

LEASE-UP PERIOD INCOME AND COSTS

| | |
|----------------------------|-----------|
| INCOME FOR LEASE-UP PERIOD | \$306,799 |
|----------------------------|-----------|

LEASE COMMISSION

| | |
|-------------------------------|---|
| 0.000% commission for 5 years | 0 |
|-------------------------------|---|

| | |
|-------------------------------|---|
| 0.000% commission for 5 years | 0 |
|-------------------------------|---|

| | |
|-------------------------------|---|
| 0.000% commission for 5 years | 0 |
|-------------------------------|---|

| | |
|------------------------------|-----|
| Total Lease Commission Costs | \$0 |
|------------------------------|-----|

OTHER LEASE-UP-PERIOD COSTS

| | |
|---------------------------|--------|
| Taxes for lease-up period | 21,456 |
|---------------------------|--------|

| | |
|-------------------------------|--------|
| Insurance for lease-up period | 36,600 |
|-------------------------------|--------|

| | |
|---------------------------------|--------|
| Maintenance for lease-up period | 44,588 |
|---------------------------------|--------|

| | |
|-----------------------------------|---------|
| Loan Payments for lease-up period | 316,473 |
|-----------------------------------|---------|

| | |
|------------------------------|-------|
| Miscellaneous lease-up costs | 2,500 |
|------------------------------|-------|

| | |
|-------------------|-----------|
| Total Other Costs | \$421,616 |
|-------------------|-----------|

| | |
|-----------------------------------|-----------|
| TOTAL NET LEASE-UP COSTS (INCOME) | \$114,817 |
|-----------------------------------|-----------|

Project Soft Costs

ARCHITECTURAL AND ENGINEERING

| | |
|--------------------------------------|------------------|
| Architectural & engineering, general | 370,626 |
| Blueprints | 7,500 |
| TOTAL A & E | \$378,126 |

FINANCING COSTS

| | | |
|---|------------------|---------|
| Loan processing fee | 2 | |
| Development loan fees (points) | 220,868 | |
| Permanent loan fees (points) | 0 | |
| Land loan fees (points) | 0 | |
| Development loan interest | 191,419 | |
| Land loan interest (during development) | 0 | |
| Prepayment penalty | 0 | |
| Appraisal Fee | 12,500 | |
| Title Recording/insurance | 23,900 | |
| Legal | 113,553 | |
| Course-of-construction insurance | 69,159 | |
| Imputed interest | 0 | |
| Other financing costs | 0 | Bonding |
| TOTAL FINANCING COSTS | \$631,400 | |

LAND COSTS

| | |
|-------------------------------|------------------|
| Environmental survey, Phase 1 | 0 |
| Environmental survey, Phase 2 | 0 |
| Soil tests | 17,395 |
| Engineering offsite costs | 33,250 |
| Zoning costs | 0 |
| Legal/consulting | 55,000 |
| Land taxes | 70,126 |
| Land survey | 22,500 |
| Title work | 14,500 |
| Other land costs | 0 |
| TOTAL LAND COSTS | \$212,771 |

DEVELOPMENT COSTS

| | |
|--------------------------------|------------------|
| Accounting | 7,500 |
| Feasibility studies | 5,000 |
| Permits | 62,258 |
| Marketing | 15,000 |
| Travel | 0 |
| Signage | 7,500 |
| Development fee | 0 |
| Project management | 535,470 |
| Sales commissions | 0 |
| Escrow and legal costs, resale | 5 |
| Title insurance, resale | 1 |
| Other development costs | 300,000 |
| TOTAL DEVELOPMENT COSTS | \$932,734 |

Project Hard cost

CONSTRUCTION COSTS

| | | | | |
|---------------------------------|--------|--------|----------------|------------------------------|
| Building shell | | | | |
| | 83,987 | sf @ | \$18.25 per sf | 1,532,763 |
| Building interior finish | | | | |
| | 83,987 | units | \$45.67 per sf | 3,835,686 |
| | | units | | Interior Work |
| | | units | | Mechanical |
| | | units | | Electrical |
| | | spaces | | Plumbing |
| | | | | Parking |
| Total cost of interior finish : | | | | 3,835,686 |
| Total Structure Costs : | | | | \$5,368,449 \$63.92 per s.f. |

SITE COSTS

| | | | |
|-----------------------------------|-------------|------------------|-------------|
| Land Cost | 6,958,000 | \$50.00 | per sf land |
| Site preparation | 507,937 | | |
| Site improvements | 952,650 | | |
| Site civil / mechanical utilities | 37,573 | | |
| Site electrical utilities | 328,418 | | |
| Other site construction | 642,400 | | |
| Environmental remediation | 0 | by present owner | |
| Total Site Costs | \$9,426,978 | \$67.74 | per sf land |

CONSTRUCTION CONTINGENCY

\$783,743

TOTAL PROJECT COST (rounded)

\$17,849,000 \$212.52 per s.f.

Loans requested

| | | | |
|------------------|--------------|----------|----------|
| Development loan | 14,724,500 | \$175.32 | per s.f. |
| Owner's Equity | 0 | | |
| Total Loans | \$14,724,500 | | |

Development equity, including land
% of Total project costs

\$3,124,500 \$37.20 per s.f.
17.51%

TOTAL COST OVERALL (including land cost or value)

\$17,849,000 \$212.52 per s.f.

Proforma Operating Statement

GROSS ANNUAL INCOME*

| | |
|-----------------------------|--------------------|
| Gross scheduled rent income | 1,807,400 |
| Miscellaneous Income | 80,592 |
| Total Gross Income | \$1,887,992 |

| | |
|------------------------------------|--------------------|
| Less 3.00% Vacancy and Credit Loss | 56,640 |
| Gross Operating Income | \$1,831,352 |

OPERATING EXPENSES

| | |
|---------------------------------|------------------|
| Taxes | 85,824 |
| Insurance | 146,400 |
| Maintenance | 178,350 |
| Management fee at 6.00% of GOI | 109,881 |
| Other expenses | 0 |
| Total Operating Expenses | \$520,455 |

| | |
|---|--------------------|
| NET OPERATING INCOME (before debt service) | \$1,310,897 |
|---|--------------------|

| | |
|----------------------------|--------------------|
| ANNUAL DEBT SERVICE | \$1,265,891 |
|----------------------------|--------------------|

| |
|------------------------------|
| Debt Coverage Ratio: 1.04 |
|------------------------------|

CASH FLOW

| | |
|---|---------|
| Cash flow (after debt service) | 45,007 |
| Cash flow (vacancy & management excluded) | 211,528 |

| |
|--|
| Cash on Cash to New Buyer: 0.00% N/A |
|--|

The information, projections and calculations presented in this document are believed to be accurate and correct but are not guaranteed.

Proposed Site



nyc
oasis



Legend

Alternate address from NYC Dept of City Planning:

57 AVENUE, Queens 11378

Vacant Land

Block: 2529 Lot: 49

Property Characteristics

Lot Area: 244,370 sq ft (168.34' x 706.06')

of Buildings: 0 Year built: 0

Primary zoning: M3-1 Commercial Overlay: None

Floor Area Ratio: 0 Max. FAR: 2

Zoning Map#: 13a (how to read NYC zoning maps)

OASIS shortcut to this property:

<http://www.oasisnyc.net/printmap.aspx?zoomto=lot:4025290049>

Source: The Bytes of the Big Apple (TM) PLUTO (TM) and Tax Block & Tax Lot files are copyrighted by the New York City Department of City Planning, 2010 (ver. 10v1).

Owner will subdivide land

Sumise Cooperative, Inc.
Table 11b Users' Projected Rental Income - 2014 to 2018

| Unit | Tenant | RSF | % Total | Base Rate | 2014 | |
|---------------------|---|--------|---------|------------------|--------------|------------|
| | | | | | Rent | Surcharge |
| A 101 | Suburban Station - Jack Kniff | 14,600 | 14.81% | 2.50 \$/sf/year | 80,567 | 44,067 |
| A 102 | Wanda's French - Wanda's Restaurant | 500 | 0.51% | 18.50 \$/sf/year | 10,758 | 1,509 |
| A 103 | Auto Glass - Time Auto Glass | 600 | 0.61% | 18.50 \$/sf/year | 12,911 | 1,811 |
| A 104 | Anthony's Auto | 650 | 0.70% | 18.50 \$/sf/year | 14,848 | 2,088 |
| A 105 | Auto's Car Center - Leo Auto Repair | 700 | 0.71% | 18.50 \$/sf/year | 15,063 | 2,113 |
| A 106 | Plus Auto Glass - Plus Auto Glass | 700 | 0.71% | 18.50 \$/sf/year | 15,063 | 2,113 |
| A 107 | Christopherson - Christ's Auto Body | 782 | 0.79% | 18.50 \$/sf/year | 16,827 | 2,360 |
| A 108 | Marvin's Auto - Marvin's Auto Corp | 800 | 0.81% | 18.50 \$/sf/year | 17,215 | 2,415 |
| A 109 | Hubert's Auto - Hubert's Auto Body | 850 | 0.86% | 18.50 \$/sf/year | 18,291 | 2,566 |
| A 110 | Gonzalez Muffler Auto Mechanics (1 & 2) | 850 | 0.86% | 18.50 \$/sf/year | 18,291 | 2,566 |
| A 111 | Spencer Motors - J&P Auto Repair | 1,700 | 1.72% | 18.50 \$/sf/year | 36,581 | 5,131 |
| B 112 | Cesar Cardo - Cesar Auto Repair | 850 | 0.86% | 18.50 \$/sf/year | 18,291 | 2,566 |
| B 113 | Silvia Morán - Speed Muffler Inc | 900 | 0.91% | 18.50 \$/sf/year | 19,366 | 2,716 |
| B 114 | Pedro Barona - Barona Transmisiones | 950 | 0.96% | 18.50 \$/sf/year | 19,366 | 2,716 |
| B 115 | Quencia Auto Body Shop | 1,000 | 1.01% | 18.50 \$/sf/year | 20,442 | 2,867 |
| B 116 | Edgar Munoz | 1,000 | 1.01% | 18.50 \$/sf/year | 21,518 | 3,018 |
| B 117 | Luis Sapunsky - Luis American Auto | 1,000 | 1.01% | 18.50 \$/sf/year | 21,518 | 3,018 |
| B 118 | Imeta - NY Auto Repair | 1,000 | 1.01% | 18.50 \$/sf/year | 21,518 | 3,018 |
| B 119 | William Rossi - WI Auto Repair | 1,000 | 1.01% | 18.50 \$/sf/year | 21,518 | 3,018 |
| B 120 | Segundo Rios - 2R Mechanic Heavy Duty | 1,000 | 1.01% | 18.50 \$/sf/year | 21,518 | 3,018 |
| B 121 | William Peniz - Colombia Auto Glass | 1,030 | 1.04% | 18.50 \$/sf/year | 22,164 | 3,109 |
| B 122 | Josue Rivas - Josue Auto Glass | 1,075 | 1.09% | 18.50 \$/sf/year | 23,132 | 3,245 |
| C 123 | Cesar Navas - Cesar Complete | 1,200 | 1.22% | 18.50 \$/sf/year | 25,822 | 3,622 |
| C 124 | Armando Herasudet - Mario Auto Radio | 1,200 | 1.22% | 18.50 \$/sf/year | 25,822 | 3,622 |
| C 125 | Javier Tomala - Tomala Muffler | 1,200 | 1.22% | 18.50 \$/sf/year | 25,822 | 3,622 |
| C 126 | Arus Auto Repair | 1,240 | 1.26% | 18.50 \$/sf/year | 26,683 | 3,743 |
| C 127 | Oscar Cruz - American Racing Auto Glass | 1,500 | 1.52% | 18.50 \$/sf/year | 32,277 | 4,527 |
| C 128 | Kanm Hafiz - AGFA | 1,510 | 1.53% | 18.50 \$/sf/year | 32,493 | 4,558 |
| C 129 | Rafael Sanchez - Rod Auto Body & Glass Repair | 1,520 | 1.54% | 18.50 \$/sf/year | 32,708 | 4,588 |
| C 130 | Aurelio Carma - Chirma The Muffler Corp | 1,600 | 1.62% | 18.50 \$/sf/year | 34,429 | 4,829 |
| C 131 | Marco Neira - Master Express Deli Restaurant | 1,600 | 1.62% | 18.50 \$/sf/year | 34,429 | 4,829 |
| C 132 | Leroy - Express Transmission | 1,650 | 1.67% | 18.50 \$/sf/year | 35,505 | 4,980 |
| C 133 | Ramon Leon - Ramon Auto Body | 1,700 | 1.72% | 18.50 \$/sf/year | 36,581 | 5,131 |
| D 134 | Oraudo Barahona - El Casique | 2,000 | 2.03% | 18.50 \$/sf/year | 43,037 | 6,037 |
| D 135 | Garlos - Jac Complete Auto Mechanic | 2,000 | 2.03% | 18.50 \$/sf/year | 43,037 | 6,037 |
| D 136 | New Ecsus Repair | 2,000 | 2.03% | 18.50 \$/sf/year | 43,037 | 6,037 |
| D 137 | Luis Ch - L & C | 2,280 | 2.31% | 18.50 \$/sf/year | 49,062 | 6,882 |
| D 138 | Universal Auto Repair | 3,000 | 3.04% | 18.50 \$/sf/year | 64,555 | 9,055 |
| D 139 | Tirso Mier - Brothers Jesus Auto Body | 4,000 | 4.06% | 18.50 \$/sf/year | 86,073 | 12,073 |
| D 140 | Fresia Ortega - G&F Detaching Corp | 5,000 | 5.07% | 18.50 \$/sf/year | 107,591 | 15,091 |
| D 141 | Chong Tuk Kum - Rieh Auto | 5,000 | 5.07% | 18.50 \$/sf/year | 107,591 | 15,091 |
| D 142 | New Ecsus Auto Repair | 5,400 | 5.48% | 18.50 \$/sf/year | 116,199 | 16,299 |
| D 143 | Aziz Ahmad - (2) Fast Done Muffler & Glass | 5,700 | 5.78% | 18.50 \$/sf/year | 122,654 | 17,204 |
| D 144 | Sergio Aguirro - Spa Auto Repair | 1,000 | 1.01% | 18.50 \$/sf/year | 21,518 | 3,018 |
| D 145 | Rodrigo - Arias Auto Body | 600 | 0.61% | 18.50 \$/sf/year | 12,911 | 1,811 |
| D 146 | Melanla Ortiz - Chasis Corp | 3,500 | 3.55% | 18.50 \$/sf/year | 75,314 | 10,564 |
| D 147 | Juam Molina - La Casa Del Amountiguor | 1,260 | 1.28% | 18.50 \$/sf/year | 27,113 | 3,803 |
| D 148 | Angie Quishphima - Ecua Auto Body Shop Inc | 900 | 0.91% | 18.50 \$/sf/year | 19,366 | 2,716 |
| D 149 | Ecua-Mex | 850 | 0.86% | 18.50 \$/sf/year | 18,291 | 2,566 |
| D 150 | Gustavo - Alexander Auto Body | 750 | 0.76% | 18.50 \$/sf/year | 16,139 | 2,264 |
| D 151 | Glowr Agupelo - R & M | 750 | 0.76% | 18.50 \$/sf/year | 16,139 | 2,264 |
| D 152 | AUTO MIX (GET INFO) | 2,200 | 2.23% | 18.50 \$/sf/year | 47,340 | 6,640 |
| A. Parking Totals | | | | | \$ 80,567 | \$ 44,067 |
| B. Buss/Shop Totals | | | | | \$ 1,807,257 | \$ 253,498 |
| A + B | | | | | \$ 1,887,825 | \$ 297,565 |
| | | | | | Rent | Surcharge |
| | | | | | 2014 | |

| Unit | Tenant | RSF | % Total | Base Rate | 2015 | |
|---------------------|---|--------|---------|------------------|--------------|------------|
| | | | | | Rent | Surcharge |
| A 100 | Parking | 14,600 | 14.81% | 2.50 \$/sf/year | 83,449 | 46,949 |
| A 101 | Donaldo Salazar - Car Wash | 500 | 0.51% | 18.50 \$/sf/year | 10,858 | 1,608 |
| A 102 | Donato Triller - Donato Restaurant | 600 | 0.61% | 18.50 \$/sf/year | 13,029 | 1,929 |
| A 103 | Luis Riera - L'Fido Auto Glass | 690 | 0.70% | 18.50 \$/sf/year | 14,584 | 2,219 |
| A 104 | Armando Auto | 700 | 0.71% | 18.50 \$/sf/year | 15,201 | 2,251 |
| A 105 | Rita Velazquez - Leo Auto Repair | 700 | 0.71% | 18.50 \$/sf/year | 15,201 | 2,251 |
| A 106 | Bray Chaves - Bray Auto Glass | 782 | 0.79% | 18.50 \$/sf/year | 16,982 | 2,515 |
| A 107 | Ernesto Chaz - Chaz's Auto Body | 800 | 0.81% | 18.50 \$/sf/year | 17,373 | 2,573 |
| A 108 | Marlon Solari - Arnie Toy Auto Corp | 850 | 0.86% | 18.50 \$/sf/year | 18,458 | 2,723 |
| A 109 | Edwin Lazo - Brian's Auto Body | 850 | 0.86% | 18.50 \$/sf/year | 18,458 | 2,723 |
| A 110 | Guillermo Muffler Auto mechanic (1 & 2) | 1,700 | 1.72% | 18.50 \$/sf/year | 36,917 | 5,467 |
| A 111 | Spencer Flores - J&H Auto Repair | 850 | 0.86% | 18.50 \$/sf/year | 18,458 | 2,723 |
| B 112 | Cesar Caido - Cesar Auto Repair | 900 | 0.91% | 18.50 \$/sf/year | 19,544 | 2,854 |
| B 113 | Salva Mosen - Speed Muffler Inc | 900 | 0.91% | 18.50 \$/sf/year | 19,544 | 2,854 |
| B 114 | Pedro Barona - Barona Transmisiones | 950 | 0.96% | 18.50 \$/sf/year | 20,630 | 3,055 |
| B 115 | Cuervo Auto Body Shop | 1,000 | 1.01% | 18.50 \$/sf/year | 21,716 | 3,216 |
| B 116 | Edgar Munoz | 1,000 | 1.01% | 18.50 \$/sf/year | 21,716 | 3,216 |
| B 117 | Luis Sapunsky - Luis American Auto | 1,000 | 1.01% | 18.50 \$/sf/year | 21,716 | 3,216 |
| B 118 | Inessa - Ny Auto Repair | 1,000 | 1.01% | 18.50 \$/sf/year | 21,716 | 3,216 |
| B 119 | William Rossi - WJ Auto Repair | 1,000 | 1.01% | 18.50 \$/sf/year | 21,716 | 3,216 |
| B 120 | Segundo Rws - 2R Mechanic Flery Duty | 1,000 | 1.01% | 18.50 \$/sf/year | 21,716 | 3,216 |
| B 121 | William Peniz - Colombia Auto Glass | 1,030 | 1.04% | 18.50 \$/sf/year | 22,367 | 3,312 |
| B 122 | Josue Rivas - Josue Auto Glass | 1,075 | 1.09% | 18.50 \$/sf/year | 23,344 | 3,457 |
| C 123 | Cesar Navas - Cesar Complete | 1,200 | 1.22% | 18.50 \$/sf/year | 26,059 | 3,859 |
| C 124 | Armando Hermsuder - Mario Auto Radio | 1,200 | 1.22% | 18.50 \$/sf/year | 26,059 | 3,859 |
| C 125 | Javier Tomala - Tomala Muffler | 1,200 | 1.22% | 18.50 \$/sf/year | 26,059 | 3,859 |
| C 126 | Arus Auto Repair | 1,240 | 1.26% | 18.50 \$/sf/year | 26,927 | 3,927 |
| C 127 | Oscar Cruz - American Racing Auto Glass | 1,500 | 1.57% | 18.50 \$/sf/year | 32,574 | 4,824 |
| C 128 | Karim Hafiz - AGFA | 1,510 | 1.58% | 18.50 \$/sf/year | 32,791 | 4,856 |
| C 129 | Rafael Sanchez - Rod Auto Body & Glass Repair | 1,520 | 1.54% | 18.50 \$/sf/year | 33,008 | 4,888 |
| C 130 | Aurelmo Carma - Chrima The Muffler Corp | 1,600 | 1.62% | 18.50 \$/sf/year | 34,745 | 5,145 |
| C 131 | Marco Neira - Master Express Deli Restaurant | 1,600 | 1.62% | 18.50 \$/sf/year | 34,745 | 5,145 |
| C 132 | Leroy - Express Transmission | 1,650 | 1.67% | 18.50 \$/sf/year | 35,831 | 5,306 |
| C 133 | Ramon Loon - Ramon Auto Body | 1,700 | 1.72% | 18.50 \$/sf/year | 36,917 | 5,467 |
| D 134 | Orlando Barahona - El Casique | 2,000 | 2.03% | 18.50 \$/sf/year | 43,431 | 6,431 |
| D 135 | Garlos - Jac Complete Auto Mechanic | 2,000 | 2.03% | 18.50 \$/sf/year | 43,431 | 6,431 |
| D 136 | New Ecsus Repair | 2,000 | 2.03% | 18.50 \$/sf/year | 43,431 | 6,431 |
| D 137 | Luis Ch - L & C | 2,280 | 2.31% | 18.50 \$/sf/year | 49,512 | 7,332 |
| D 138 | Universal Auto Repair | 3,000 | 3.04% | 18.50 \$/sf/year | 65,147 | 9,647 |
| D 139 | Tirso Mier - Brothers Jesus Auto Body | 4,000 | 4.06% | 18.50 \$/sf/year | 86,863 | 12,863 |
| D 140 | Fresia Ortega - G&F Detaching Corp | 5,000 | 5.07% | 18.50 \$/sf/year | 108,578 | 16,078 |
| D 141 | Chong Tuk Kum - Rieh Auto | 5,000 | 5.07% | 18.50 \$/sf/year | 108,578 | 16,078 |
| D 142 | New Ecsus Auto Repair | 5,400 | 5.48% | 18.50 \$/sf/year | 117,265 | 17,365 |
| D 143 | Aziz Ahmad - (2) Fast Done Muffler & Glass | 5,700 | 5.78% | 18.50 \$/sf/year | 123,779 | 18,329 |
| D 144 | Sergio Aguirro - Spa Auto Repair | 1,000 | 1.01% | 18.50 \$/sf/year | 21,716 | 3,216 |
| D 145 | Rodrogo - Arias Auto Body | 600 | 0.61% | 18.50 \$/sf/year | 13,029 | 1,929 |
| D 146 | Melanla Ortiz - Chasis Corp | 3,500 | 3.55% | 18.50 \$/sf/year | 76,005 | 11,255 |
| D 147 | Juerm Molina - La Casa Del Amountiguacor | 1,260 | 1.28% | 18.50 \$/sf/year | 27,362 | 4,052 |
| D 148 | Angle Quishphima - Ecua Auto Body Shop Inc | 900 | 0.91% | 18.50 \$/sf/year | 19,544 | 2,854 |
| D 149 | Ecua-Mex | 850 | 0.86% | 18.50 \$/sf/year | 18,458 | 2,723 |
| D 150 | Gustavo - Alexander Auto Body | 750 | 0.76% | 18.50 \$/sf/year | 16,287 | 2,412 |
| D 151 | Glowr Aguapelo - R & M | 750 | 0.76% | 18.50 \$/sf/year | 16,287 | 2,412 |
| D 152 | AUTO MIX (GET INFO) | 2,200 | 2.23% | 18.50 \$/sf/year | 47,774 | 7,074 |
| A. Parking Totals | | | | | \$ 83,449 | \$ 46,949 |
| B. Buss/Shop Totals | | | | | \$ 1,823,835 | \$ 270,075 |
| A + B | | | | | \$ 1,907,284 | \$ 317,024 |
| | | | | | Rent | Surcharge |
| | | | | | 2015 | |

| Unit | Tenant | RSF | % Total | Base Rate | 2016 | |
|---------------------|--|--------|---------|------------------|--------------|------------|
| | | | | | Rent | Surcharge |
| A 100 | Parking | 14,600 | 14.81% | 2.50 \$/sf/year | 86,651 | 50,151 |
| A 101 | Edmundo Sobier - Trucksmith | 500 | 0.51% | 18.50 \$/sf/year | 10,968 | 1,718 |
| A 102 | Wendy Pineda - Juana's Restaurant | 600 | 0.61% | 18.50 \$/sf/year | 13,161 | 2,061 |
| A 103 | Luis Avila - Little Auto Glass | 690 | 0.70% | 18.50 \$/sf/year | 15,155 | 2,370 |
| A 104 | Amorim Auto | 700 | 0.71% | 18.50 \$/sf/year | 15,355 | 2,405 |
| A 105 | Aria yca Gutierrez - Leo Auto Repair | 700 | 0.71% | 18.50 \$/sf/year | 15,355 | 2,405 |
| A 106 | Rita Chivandy - Blas Auto Glass | 782 | 0.79% | 18.50 \$/sf/year | 17,153 | 2,686 |
| A 107 | Victorino Diaz - Charris Auto Body | 800 | 0.81% | 18.50 \$/sf/year | 17,548 | 2,748 |
| A 108 | Marcelo Sordis - Acme 100 Auto Corp | 850 | 0.86% | 18.50 \$/sf/year | 18,645 | 2,920 |
| A 109 | Edwin Lazo - Brian's Auto Body | 850 | 0.86% | 18.50 \$/sf/year | 18,645 | 2,920 |
| A 110 | Gonzalez Muffler Auto mechanic (1 & 2) | 1,700 | 1.72% | 18.50 \$/sf/year | 37,290 | 5,840 |
| A 111 | Spencer Flores - J&P Auto Repair | 850 | 0.86% | 18.50 \$/sf/year | 18,645 | 2,920 |
| B 112 | Cesar Caro - Cesar Auto Repair | 900 | 0.91% | 18.50 \$/sf/year | 19,742 | 3,092 |
| B 113 | Silvia Moran - Speed Muffler Inc | 900 | 0.91% | 18.50 \$/sf/year | 19,742 | 3,092 |
| B 114 | Pedro Barona - Barona Transmisiones | 950 | 0.96% | 18.50 \$/sf/year | 20,838 | 3,263 |
| B 115 | Ciencia Auto Body Shop | 1,000 | 1.01% | 18.50 \$/sf/year | 21,935 | 3,435 |
| B 116 | Edgar Munoz | 1,000 | 1.01% | 18.50 \$/sf/year | 21,935 | 3,435 |
| B 117 | Luis Sapurisy - Luis American Auto | 1,000 | 1.01% | 18.50 \$/sf/year | 21,935 | 3,435 |
| B 118 | Inetys - Ny Auto Repair | 1,000 | 1.01% | 18.50 \$/sf/year | 21,935 | 3,435 |
| B 119 | William Rossi - WJ Auto Repair | 1,000 | 1.01% | 18.50 \$/sf/year | 21,935 | 3,435 |
| B 120 | Segundo Rys - 2R Mechanic Flery Duty | 1,000 | 1.01% | 18.50 \$/sf/year | 21,935 | 3,435 |
| B 121 | William Peniz - Colombia Auto Glass | 1,030 | 1.04% | 18.50 \$/sf/year | 22,593 | 3,538 |
| B 122 | Josue Rivas - Josue Auto Glass | 1,075 | 1.09% | 18.50 \$/sf/year | 23,580 | 3,693 |
| C 123 | Cesar Navas - Cesar Complete | 1,200 | 1.22% | 18.50 \$/sf/year | 26,322 | 4,122 |
| C 124 | Armando Hervandez - Mario Auto Radio | 1,200 | 1.22% | 18.50 \$/sf/year | 26,322 | 4,122 |
| C 125 | Javier Tomala - Tomala Muffler | 1,200 | 1.22% | 18.50 \$/sf/year | 26,322 | 4,122 |
| C 126 | Arus Auto Repair | 1,240 | 1.26% | 18.50 \$/sf/year | 27,199 | 4,259 |
| C 127 | Oscar Cruz - American Racing Auto Glass | 1,500 | 1.52% | 18.50 \$/sf/year | 32,903 | 5,153 |
| C 128 | Karim Hafiz - AGFA | 1,510 | 1.53% | 18.50 \$/sf/year | 33,122 | 5,187 |
| C 129 | Rafael Suhez - Rod Auto Body & Glass Repair | 1,520 | 1.54% | 18.50 \$/sf/year | 33,341 | 5,221 |
| C 130 | Aurelmo Carma - Chirma The Muffler Corp | 1,600 | 1.62% | 18.50 \$/sf/year | 35,096 | 5,496 |
| C 131 | Marco Neira - Master Express Deli Restaurant | 1,600 | 1.62% | 18.50 \$/sf/year | 35,096 | 5,496 |
| C 132 | Leroy - Express Transmission | 1,650 | 1.67% | 18.50 \$/sf/year | 36,193 | 5,668 |
| C 133 | Ramon Loon - Ramon Auto Body | 1,700 | 1.72% | 18.50 \$/sf/year | 37,290 | 5,840 |
| D 134 | Oraudo Barahona - El Casique | 2,000 | 2.03% | 18.50 \$/sf/year | 43,870 | 6,870 |
| D 135 | Garlos - Jac Complete Auto Mechanic | 2,000 | 2.03% | 18.50 \$/sf/year | 43,870 | 6,870 |
| D 136 | New Ecsus Repair | 2,280 | 2.31% | 18.50 \$/sf/year | 50,012 | 7,832 |
| D 137 | Luis Ch - L & C | 3,000 | 3.04% | 18.50 \$/sf/year | 65,805 | 10,305 |
| D 138 | Universal Auto Repair | 4,000 | 4.06% | 18.50 \$/sf/year | 87,740 | 13,740 |
| D 139 | Tirso Mier - Brothers Jesus Auto Body | 5,000 | 5.07% | 18.50 \$/sf/year | 109,675 | 17,175 |
| D 140 | Fresia Ortega - G&F Detaching Corp | 5,000 | 5.07% | 18.50 \$/sf/year | 109,675 | 17,175 |
| D 141 | Chong Tuk Kum - Rieh Auto | 5,400 | 5.48% | 18.50 \$/sf/year | 118,449 | 18,549 |
| D 142 | New Ecsus Auto Repair | 5,700 | 5.78% | 18.50 \$/sf/year | 125,030 | 19,580 |
| D 143 | Aziz Ahmad - (2) Fast Done Muffler & Glass | 1,000 | 1.01% | 18.50 \$/sf/year | 21,935 | 3,435 |
| D 144 | Sergio Aguirre - Spa Auto Repair | 600 | 0.61% | 18.50 \$/sf/year | 13,161 | 2,061 |
| D 145 | Rodrigo - Arias Auto Body | 3,500 | 3.55% | 18.50 \$/sf/year | 76,773 | 12,023 |
| D 146 | Melania Ortiz - Chasis Corp | 1,260 | 1.28% | 18.50 \$/sf/year | 27,638 | 4,328 |
| D 147 | Juam Molina - La Casa Del Amountiguao | 900 | 0.91% | 18.50 \$/sf/year | 19,742 | 3,092 |
| D 148 | Angle Quishpihima - Ecua Auto Body Shop Inc | 850 | 0.86% | 18.50 \$/sf/year | 18,645 | 2,920 |
| D 149 | Ecua-Mex | 750 | 0.76% | 18.50 \$/sf/year | 16,451 | 2,576 |
| D 150 | Gustavo - Alexander Auto Body | 750 | 0.76% | 18.50 \$/sf/year | 16,451 | 2,576 |
| D 151 | Glowr Agupelo - R & M | 2,700 | 2.23% | 18.50 \$/sf/year | 48,257 | 7,557 |
| D 152 | AUTO MIX (GET INFO) | | | | | |
| A. Parking Totals | | | | | \$ 86,651 | \$ 50,151 |
| B. Buss/Shop Totals | | | | | \$ 1,842,256 | \$ 288,496 |
| A + B | | | | | \$ 1,928,907 | \$ 338,647 |
| | | | | | Rent | Surcharge |
| | | | | | 2016 | |

| Unit | Tenant | RSF | % Total | Base Rate | 2017 | |
|---------------------|---|--------|---------|------------------|--------------|------------|
| | | | | | Rent | Surcharge |
| A 100 | Parking | 14,600 | 14.81% | 2.50 \$/sf/year | 90,718 | 53,718 |
| A 101 | Edmundo Salazar - Truck Wash | 500 | 0.51% | 18.50 \$/sf/year | 11,050 | 1,840 |
| A 102 | Quinto Regimen - Quinto Restaurant | 600 | 0.61% | 18.50 \$/sf/year | 13,308 | 2,208 |
| A 103 | Luis Avila - King Auto Glass | 690 | 0.70% | 18.50 \$/sf/year | 15,304 | 2,539 |
| A 104 | Rodriguez Auto | 700 | 0.71% | 18.50 \$/sf/year | 15,526 | 2,526 |
| A 105 | Alba Vera - Esteban - Leo Auto Repair | 700 | 0.71% | 18.50 \$/sf/year | 15,526 | 2,526 |
| A 106 | Blas Cervantes - Blas Auto Glass | 782 | 0.79% | 18.50 \$/sf/year | 17,344 | 2,877 |
| A 107 | Christoforo - Chris Auto Body | 800 | 0.81% | 18.50 \$/sf/year | 17,742 | 2,943 |
| A 108 | Manolo Saviola - Annie Too Auto Corp | 850 | 0.86% | 18.50 \$/sf/year | 18,852 | 3,127 |
| A 109 | Rafael Lazo - Brian's Auto Body | 850 | 0.86% | 18.50 \$/sf/year | 18,852 | 3,127 |
| A 110 | Montiel Muffler auto mechanic (1 & 2) | 1,700 | 1.72% | 18.50 \$/sf/year | 37,705 | 6,255 |
| A 111 | Spencer Flores - J&P Auto Repair | 850 | 0.86% | 18.50 \$/sf/year | 18,852 | 3,127 |
| B 112 | Cesar Caro - Cesar Auto Repair | 900 | 0.91% | 18.50 \$/sf/year | 19,961 | 3,311 |
| B 113 | Sofia Morán - Speed Muffler Inc | 900 | 0.91% | 18.50 \$/sf/year | 19,961 | 3,311 |
| B 114 | Pedro Barona - Barona Transmisiones | 950 | 0.96% | 18.50 \$/sf/year | 21,070 | 3,495 |
| B 115 | Cuenca Auto Body Shop | 1,000 | 1.01% | 18.50 \$/sf/year | 22,179 | 3,679 |
| B 116 | Edgar Munoz | 1,000 | 1.01% | 18.50 \$/sf/year | 22,179 | 3,679 |
| B 117 | Luis Bapuni - Luis American Auto | 1,000 | 1.01% | 18.50 \$/sf/year | 22,179 | 3,679 |
| B 118 | Inessa - Ny Auto Repair | 1,000 | 1.01% | 18.50 \$/sf/year | 22,179 | 3,679 |
| B 119 | William Rossi - WJ Auto Repair | 1,000 | 1.01% | 18.50 \$/sf/year | 22,179 | 3,679 |
| B 120 | Segundo Rios - ZR Mechanic Flery Duty | 1,000 | 1.01% | 18.50 \$/sf/year | 22,179 | 3,679 |
| B 121 | William Penz - Colombia Auto Glass | 1,030 | 1.04% | 18.50 \$/sf/year | 22,845 | 3,790 |
| B 122 | Josue Rivas - Josue Auto Glass | 1,075 | 1.09% | 18.50 \$/sf/year | 23,843 | 3,955 |
| C 123 | Cesar Navas - Cesar Complete | 1,200 | 1.22% | 18.50 \$/sf/year | 26,615 | 4,415 |
| C 124 | Armando Hernandez - Mario Auto Radio | 1,200 | 1.22% | 18.50 \$/sf/year | 26,615 | 4,415 |
| C 125 | Javier Tomala - Tomala Muffler | 1,200 | 1.22% | 18.50 \$/sf/year | 26,615 | 4,415 |
| C 126 | Arus Auto Repair | 1,240 | 1.26% | 18.50 \$/sf/year | 27,502 | 4,562 |
| C 127 | Oscar Cruz - American Racing Auto Glass | 1,500 | 1.52% | 18.50 \$/sf/year | 33,269 | 5,519 |
| C 128 | Karim Hafiz - AGFA | 1,510 | 1.53% | 18.50 \$/sf/year | 33,491 | 5,556 |
| C 129 | Rafael Sanchez - Rod Auto Body & Glass Repair | 1,520 | 1.54% | 18.50 \$/sf/year | 33,713 | 5,593 |
| C 130 | Aurelio Carma - Chima The Muffler Corp | 1,600 | 1.62% | 18.50 \$/sf/year | 35,487 | 5,887 |
| C 131 | Marco Neira - Master Express Deli Restaurant | 1,600 | 1.62% | 18.50 \$/sf/year | 35,487 | 5,887 |
| C 132 | Leroy - Express Transmission | 1,650 | 1.67% | 18.50 \$/sf/year | 36,596 | 6,071 |
| C 133 | Ramon Leon - Ramon Auto Body | 1,700 | 1.72% | 18.50 \$/sf/year | 37,705 | 6,255 |
| D 134 | Orlando Barahona - El Casique | 2,000 | 2.03% | 18.50 \$/sf/year | 44,359 | 7,359 |
| D 135 | Garlos - Jac Complete Auto Mechanic | 2,000 | 2.03% | 18.50 \$/sf/year | 44,359 | 7,359 |
| D 136 | New Ecsus Repair | 2,000 | 2.03% | 18.50 \$/sf/year | 44,359 | 7,359 |
| D 137 | Luis Ch - L & C | 2,280 | 2.31% | 18.50 \$/sf/year | 50,569 | 8,389 |
| D 138 | Universal Auto Repair | 3,000 | 3.04% | 18.50 \$/sf/year | 66,538 | 11,038 |
| D 139 | Tirso Mier - Brothers Jesus Auto Body | 4,000 | 4.06% | 18.50 \$/sf/year | 88,717 | 14,717 |
| D 140 | Fresia Ortega - G&F Detaching Corp | 5,000 | 5.07% | 18.50 \$/sf/year | 110,897 | 18,397 |
| D 141 | Chong Tuk Kum - Rieh Auto | 5,000 | 5.07% | 18.50 \$/sf/year | 110,897 | 18,397 |
| D 142 | New Ecsus Auto Repair | 5,400 | 5.48% | 18.50 \$/sf/year | 119,768 | 19,868 |
| D 143 | Aziz Ahmad - (2) Fast Done Muffler & Glass | 5,700 | 5.75% | 18.50 \$/sf/year | 126,422 | 20,972 |
| D 144 | Sergio Aguirre - Spa Auto Repair | 1,000 | 1.01% | 18.50 \$/sf/year | 22,179 | 3,679 |
| D 145 | Rodrogo - Arias Auto Body | 600 | 0.61% | 18.50 \$/sf/year | 13,308 | 2,208 |
| D 146 | Melania Ortiz - Chasis Corp | 3,500 | 3.55% | 18.50 \$/sf/year | 77,628 | 12,878 |
| D 147 | Juerm Molina - La Casa Del Amountiguor | 1,260 | 1.28% | 18.50 \$/sf/year | 27,946 | 4,636 |
| D 148 | Angle Quishphima - Ecua Auto Body Shop Inc | 900 | 0.91% | 18.50 \$/sf/year | 19,961 | 3,311 |
| D 149 | Ecua-Mex | 850 | 0.86% | 18.50 \$/sf/year | 18,852 | 3,127 |
| D 150 | Gustavo - Alexander Auto Body | 750 | 0.76% | 18.50 \$/sf/year | 16,635 | 2,760 |
| D 151 | Glowr Agupelo - R & M | 750 | 0.76% | 18.50 \$/sf/year | 16,635 | 2,760 |
| D 152 | AUTO MIX (GET INFO) | 2,200 | 2.23% | 18.50 \$/sf/year | 48,795 | 8,095 |
| A. Parking Totals | | | | | \$ 90,718 | \$ 53,718 |
| B. Buss/Shop Totals | | | | | \$ 1,862,777 | \$ 309,017 |
| A + B | | | | | \$ 1,952,995 | \$ 362,736 |
| | | | | | Rent | Surcharge |
| | | | | | 2017 | |

Summe Cooperative, Inc.
Table 10d Users - Projected Rental Income - 2014 to 2018

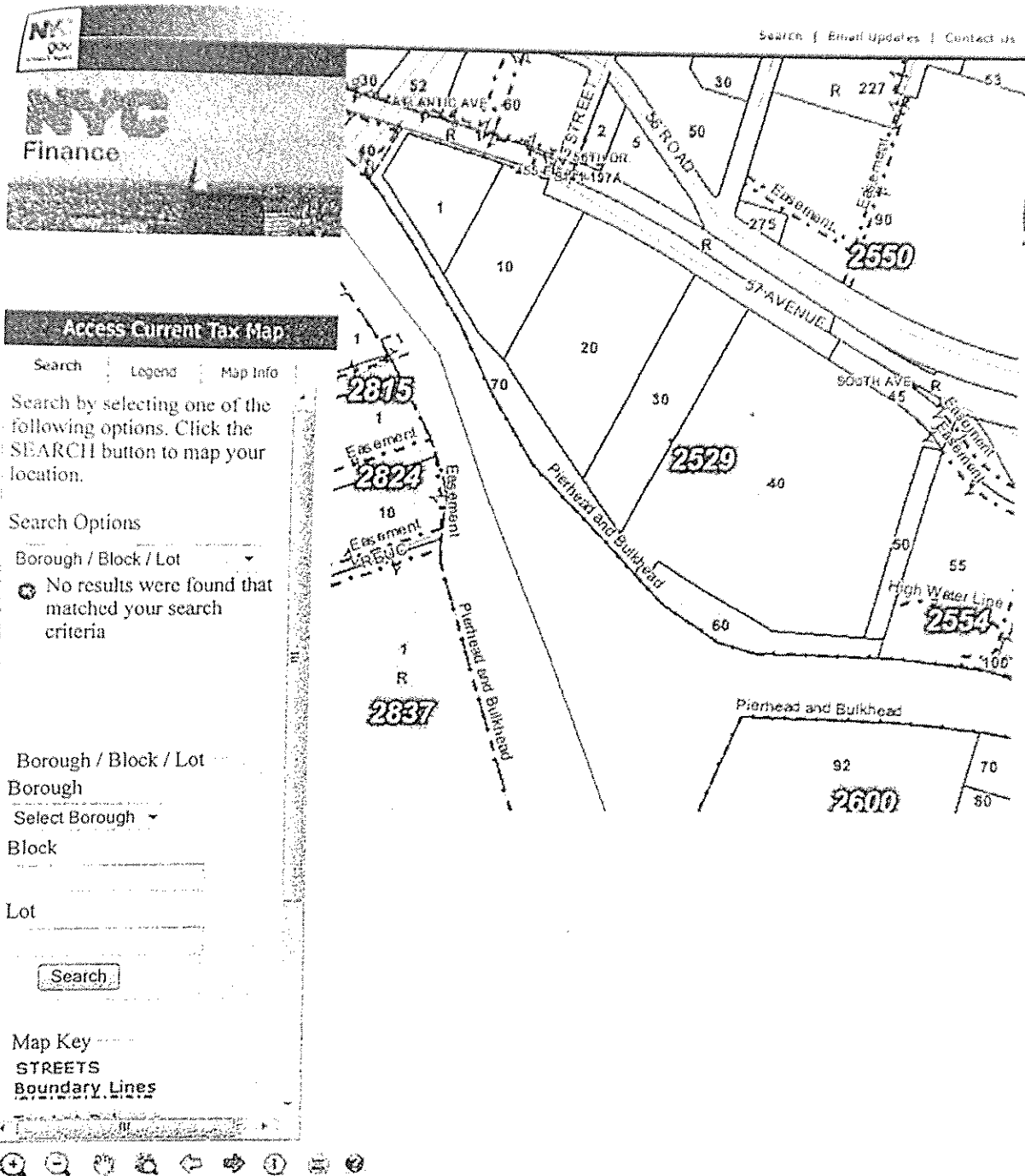
| Unit | Tenant | RSF | % Total | Base Rate | 2018 | |
|---------------------|---|--------|---------|------------------|--------------|------------|
| | | | | | Rent | Surcharge |
| A 100 | Parking | 14,600 | 14.81% | 7.50 \$/sf/year | 94,202 | 57,702 |
| A 101 | Telefonos Balcón - Telekayish | 500 | 0.51% | 18.50 \$/sf/year | 11,726 | 3,976 |
| A 102 | Golden French - Granite Restaurant | 600 | 0.61% | 18.50 \$/sf/year | 13,471 | 2,371 |
| A 103 | Van Arina - Fine Auto Glass | 690 | 0.70% | 18.50 \$/sf/year | 15,497 | 2,727 |
| A 104 | Amoroso Auto | 700 | 0.71% | 18.50 \$/sf/year | 15,717 | 2,767 |
| A 105 | Auto Care Gutierrez - Auto Auto Repair | 700 | 0.71% | 18.50 \$/sf/year | 15,717 | 2,767 |
| A 106 | Max Chevrolet - Bias Auto Glass | 782 | 0.79% | 18.50 \$/sf/year | 17,558 | 3,051 |
| A 107 | Univoltax Inc - Chairs Auto Body | 800 | 0.81% | 18.50 \$/sf/year | 17,962 | 3,162 |
| A 108 | Martín Savioli - Auto 100 Auto Corp | 850 | 0.86% | 18.50 \$/sf/year | 19,084 | 3,359 |
| A 109 | Radwan Sato - Brian's Auto Body | 850 | 0.86% | 18.50 \$/sf/year | 19,084 | 3,359 |
| A 110 | Gonzalez Muffler Auto mechanic (1 & 2) | 1,700 | 1.72% | 18.50 \$/sf/year | 38,169 | 6,719 |
| A 111 | Spencer Flores - Z&P Auto Repair | 850 | 0.86% | 18.50 \$/sf/year | 19,084 | 3,359 |
| B 112 | Cesar Caro - Cesar Auto Repair | 900 | 0.91% | 18.50 \$/sf/year | 20,207 | 3,557 |
| B 113 | Silvia Morán - Speed Muffler Inc | 900 | 0.91% | 18.50 \$/sf/year | 20,207 | 3,557 |
| B 114 | Pedro Barona - Barona Transmisiones | 950 | 0.96% | 18.50 \$/sf/year | 21,330 | 3,755 |
| B 115 | Cuencá Auto Body Shop | 1,000 | 1.01% | 18.50 \$/sf/year | 22,452 | 3,952 |
| B 116 | Logar Munoz | 1,000 | 1.01% | 18.50 \$/sf/year | 22,452 | 3,952 |
| B 117 | Luis Sapunsky - Luis American Auto | 1,000 | 1.01% | 18.50 \$/sf/year | 22,452 | 3,952 |
| B 118 | Imetsa - Ny Auto Repair | 1,000 | 1.01% | 18.50 \$/sf/year | 22,452 | 3,952 |
| B 119 | William Rossi - WJ Auto Repair | 1,000 | 1.01% | 18.50 \$/sf/year | 22,452 | 3,952 |
| B 120 | Segundo Rws - ZR Mechanic Flery Duty | 1,000 | 1.01% | 18.50 \$/sf/year | 22,452 | 3,952 |
| B 121 | William Peniz - Colombia Auto Glass | 1,030 | 1.04% | 18.50 \$/sf/year | 23,126 | 4,071 |
| B 122 | Josue Rivas - Josue Auto Glass | 1,075 | 1.09% | 18.50 \$/sf/year | 24,136 | 4,249 |
| C 123 | Cesar Navas - Cesar Complete | 1,200 | 1.22% | 18.50 \$/sf/year | 26,943 | 4,743 |
| C 124 | Armando Hensudez - Mario Auto Radio | 1,200 | 1.22% | 18.50 \$/sf/year | 26,943 | 4,743 |
| C 125 | Javier Tomala - Tomala Muffler | 1,240 | 1.26% | 18.50 \$/sf/year | 27,841 | 4,901 |
| C 126 | Arus Auto Repair | 1,500 | 1.52% | 18.50 \$/sf/year | 33,678 | 5,928 |
| C 127 | Oscar Cruz - American Racing Auto Glass | 1,510 | 1.53% | 18.50 \$/sf/year | 33,903 | 5,968 |
| C 128 | Karim Hafiz - AGFA | 1,520 | 1.54% | 18.50 \$/sf/year | 34,127 | 6,007 |
| C 129 | Rafael Sanchez - Rod Auto Body & Glass Repair | 1,600 | 1.62% | 18.50 \$/sf/year | 35,924 | 6,324 |
| C 130 | Aurelino Carma - Chrm The Muffler Corp | 1,600 | 1.62% | 18.50 \$/sf/year | 35,924 | 6,324 |
| C 131 | Marco Neira - Master Express Deli Restaurant | 1,650 | 1.67% | 18.50 \$/sf/year | 37,046 | 6,521 |
| C 132 | Leroy - Express Transmission | 1,700 | 1.72% | 18.50 \$/sf/year | 38,169 | 6,719 |
| C 133 | Ramon Loon - Ramon Auto Body | 2,000 | 2.03% | 18.50 \$/sf/year | 44,904 | 7,904 |
| D 134 | Oraudo Barahona - El Casique | 2,000 | 2.03% | 18.50 \$/sf/year | 44,904 | 7,904 |
| D 135 | Garkos - Jac Complete Auto Mechanic | 2,000 | 2.03% | 18.50 \$/sf/year | 44,904 | 7,904 |
| D 136 | New Ecsus Repair | 2,280 | 2.31% | 18.50 \$/sf/year | 51,191 | 9,011 |
| D 137 | Luis Ch - L & C | 3,000 | 3.04% | 18.50 \$/sf/year | 67,357 | 11,857 |
| D 138 | Universal Auto Repair | 4,000 | 4.06% | 18.50 \$/sf/year | 89,809 | 15,809 |
| D 139 | Tirso Mier - Brothers Jesus Auto Body | 5,000 | 5.07% | 18.50 \$/sf/year | 112,261 | 19,761 |
| D 140 | Fresia Ortega - G&F Detaching Corp | 5,000 | 5.07% | 18.50 \$/sf/year | 112,261 | 19,761 |
| D 141 | Chong Tuk Kum - Rich Auto | 5,400 | 5.48% | 18.50 \$/sf/year | 121,242 | 21,342 |
| D 142 | New Ecsus Auto Repair | 5,700 | 5.78% | 18.50 \$/sf/year | 127,978 | 22,528 |
| D 143 | Aziz Ahmad - (2) Fast Done Muffler & Glass | 1,000 | 1.01% | 18.50 \$/sf/year | 22,452 | 3,952 |
| D 144 | Sergio Aguirro - Spa Auto Repair | 600 | 0.61% | 18.50 \$/sf/year | 13,471 | 2,371 |
| D 145 | Rodrigo - Arias Auto Body | 3,500 | 3.55% | 18.50 \$/sf/year | 78,583 | 13,833 |
| D 146 | Melanla Ortiz - Chasis Corp | 1,260 | 1.28% | 18.50 \$/sf/year | 28,290 | 4,980 |
| D 147 | Juem Molina - La Casa Del Amountiguao | 900 | 0.91% | 18.50 \$/sf/year | 20,207 | 3,557 |
| D 148 | Angle Quishphima - Ecua Auto Body Shop Inc | 850 | 0.86% | 18.50 \$/sf/year | 19,084 | 3,359 |
| D 149 | Ecua-Mex | 750 | 0.76% | 18.50 \$/sf/year | 16,839 | 2,964 |
| D 150 | Gustavo - Alexander Auto Body | 750 | 0.76% | 18.50 \$/sf/year | 16,839 | 2,964 |
| D 151 | Glown Agupelo - R & M | 750 | 0.76% | 18.50 \$/sf/year | 16,839 | 2,964 |
| D 152 | AUTO MIX (GET INFO) | 2,200 | 2.23% | 18.50 \$/sf/year | 49,395 | 8,695 |
| A. Parking Totals | | | | | \$ 94,202 | \$ 57,702 |
| B. Buss/Shop Totals | | | | | \$ 1,885,694 | \$ 331,934 |
| A + B | | | | | \$ 1,979,896 | \$ 389,636 |
| | | | | | Rent | Surcharge |
| | | | | | 2018 | |

END USERS COOP MEMBERS SQUARE FOOTAGE & COST PER SF/BASED ON PRESENT BUSINESS SF

| Unit # ID | OWNER | Type of Business | Present Business Square Footage |
|-----------|--|-------------------------|---------------------------------|
| A.001 | Edmundo Sabzar - Locksmith | cerrajeria | 500 |
| A.002 | Gocho Fieno - Juanita Restaurant | restaurant | 600 |
| A.003 | Rodrigo - Arias Auto Body | Body shop Mechanic | 600 |
| A.004 | Luis Avila - Chile Auto Glass | auto glass | 690 |
| A.005 | Anomcu Auto | mechanic fuel | 700 |
| A.006 | Ana Cea Gutenez - Leo Auto Repair | Mechanic | 700 |
| A.007 | Gustavo - Alexander Auto Body | body shop | 750 |
| A.008 | Glowr Agupelo - R & M | Paint supply | 750 |
| A.009 | Blas Olivatos - Blas Auto Glass | Glass | 782 |
| A.010 | Cristolost Lira - Charis Auto Body | body shop | 800 |
| A.011 | Marcos Sovills - Acme Too Auto Corp | muffler | 850 |
| A.012 | Fabwn Lazo - Brian's Auto Body | body shop | 850 |
| A.013 | Gonzalez Muffler auto mechanic (1) | body shop/Muffler | 1,700 |
| A.014 | Spencer Flores - J&P Auto Repair | mechanic fuel | 850 |
| A.015 | Ecu-Mex | auto glass, mechanic | 850 |
| B.016 | Angle Quishpihima - Ecu Auto Body Shop Inc | Mec for body shop | 900 |
| B.017 | Cesar Caro - Cesar Auto Repair | General mechanic | 900 |
| B.018 | Silvia MorsEn - Speed Muffler Inc | muffler | 900 |
| B.019 | Pedro Barona - Barona Transmisiones | transmisiones | 950 |
| B.020 | Cuenca Auto Body Shop | body shop | 1,000 |
| B.021 | Edgar Munoz | body shop | 1,000 |
| B.022 | Luis Sapuisily - Luis American Auto | body shop | 1,000 |
| B.023 | Inetsa - Ny Auto Repair | body shop | 1,000 |
| B.024 | William Rossi - WJ Auto Repair | Mechanic, body, muffler | 1,000 |
| B.025 | Segundo Rws - ZR Mechanic Flery Duty | repair | 1,000 |
| B.026 | Sergio Aguirro - Spa Auto Repair | Glass | 1,032 |
| B.027 | William Peniz - Colombia Auto Glass | auto glass | 1,075 |
| B.028 | Jusue Rivas - Josue Auto Glass | mechanic fuel | 1,200 |
| C.029 | Cesar Navas - Cesar Complete | mechanic/muffler | 1,200 |
| C.030 | Armando Hervsudez - Mario Auto Radio | muffler & tire shop | 1,200 |
| C.031 | Javier Tomala - Tomala Muffler | mechanic | 1,240 |
| C.032 | Arus Auto Repair | mechanic, fuel | 1,260 |
| C.033 | Juem Molina - La Casa Oel Amountiguaor | tyres & auto glass | 1,500 |
| C.034 | Oscar Cruz - American Racing Auto Glass | auto body repair | 1,512 |
| C.035 | Karim Hafiz - AGFA | body glass | 1,520 |
| C.036 | Rafasel Sanchez - Rod Auto Body & Glass Repair | Muffler & tire | 1,600 |
| C.037 | Aurelumo Carma - Chrma The Muffler Corp | restaurant | 1,600 |
| C.038 | Marco Neira - Master Express Deli Restaurant | mechanic | 1,650 |
| C.039 | Leroy - Express Transmission | body shop | 1,700 |
| C.040 | Ramon Loon - Ramon Auto Body | tire shop | 2,000 |
| D.041 | Oraudo Barahona - El Casique | mechanic, auto repair | 2,000 |
| D.042 | Garlos - Jac Complete Auto Mechanic | Mechanic for body | 2,000 |
| D.043 | New Ecsus Repair | muffler | 2,280 |
| D.044 | Luis Ch - L & C | mechanic | 3,000 |
| D.045 | Universal Auto Repair | auto body, muffler | 3,000 |
| D.046 | Melanla Ortiz - Chasis Corp | body shop | 4,000 |
| D.047 | Tirso Mier - Brothers Jesus Auto Body | car wash | 5,000 |
| D.048 | Fresia Ortega - G&F Detacling Corp | Mechanic body | 5,000 |
| D.049 | Chong Tuk Kum - Rich Auto | Mechanic for body | 5,400 |
| D.050 | New Ecsus Auto Repair | muffler & glass | 5,700 |
| D.051 | Aziz Ahmad (1) Fast Done Muffler & Glass/(2) G&A | tire shop/runs | 14,600 |
| A-100 | PARKING (73 spaces +/-) (excl. driveways) | PARKING | |

Satellite Image of Proposed Maspeth Site





LAND NOW OR FORMERLY OF THE LONG ISLAND RAILROAD

57th

Ave.

L=543.99'

428.46'

L=24.40'

137.34'

355.81'

43.00'

166.34'

L=152.31'

TAX BLOCK 2529

PARCEL 1B1b

PARCEL 1C-1a
200,000 SF

PARCEL 1C2
244,370 SF

PARCEL 1C-1b
59,330 SF

NEWTOWN
CREEK

UNITED STATES PIERHEAD AND BULKHEAD LINE

MASPETH CREEK

Hyattstown

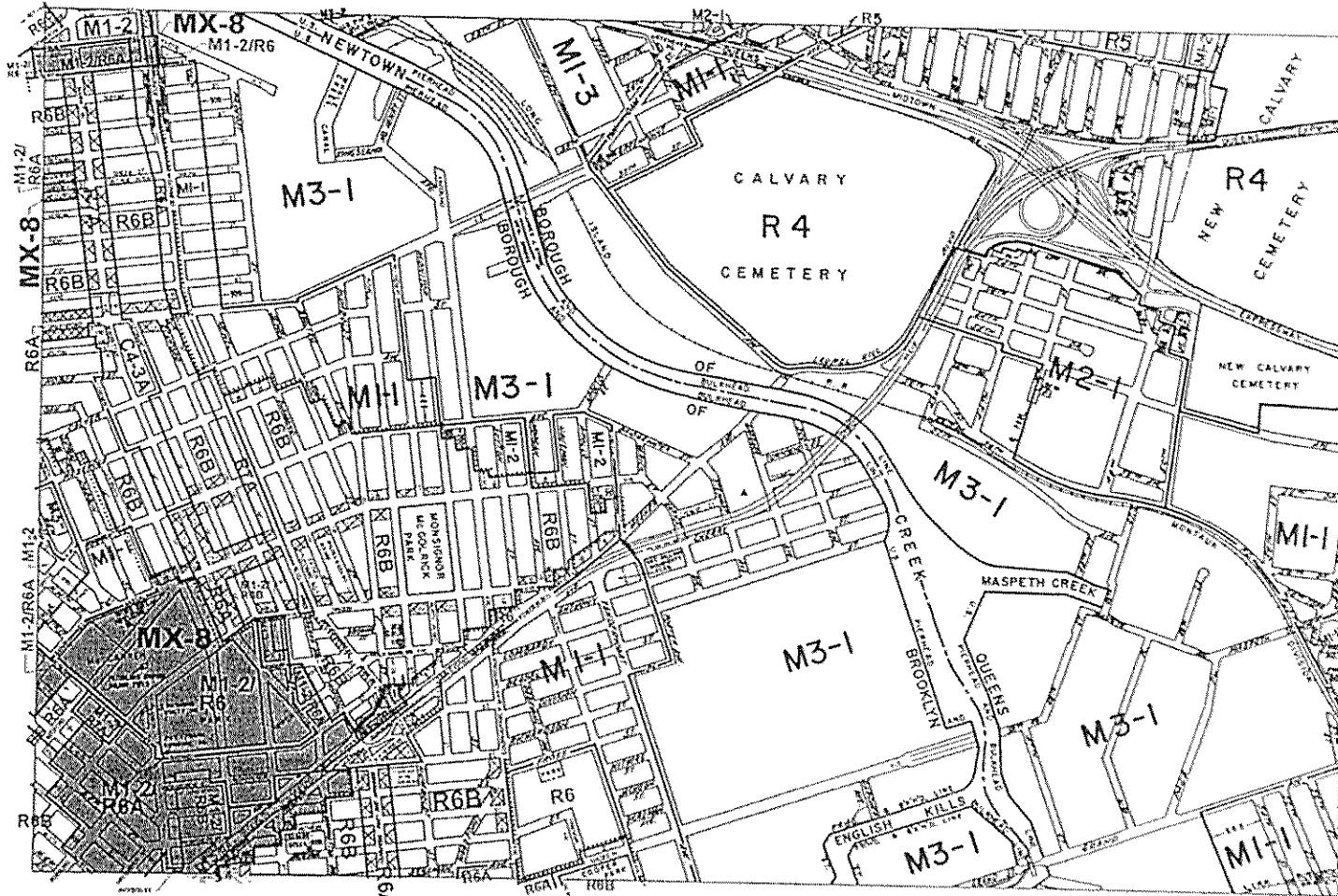
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1009
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MASPETH/QUEENS, NY

SAGRES PARTNERS, LLC
PROJECT # 20020077.0

PARCEL PLAN: PARCEL 1C
SCALE: 1" = 100'

Click blue box on map to view sketch map of proposed map change



ZONING MAP

THE NEW YORK CITY PLANNING COMMISSION

Major Zoning Classifications

The following are the major zoning classifications of the City of New York. For a complete list of zoning districts, see the Zoning Map of the City of New York, published by the City of New York, Department of City Planning, 111 West 42nd Street, New York, NY 10018-3211.

- R - RESIDENTIAL, SINGLE-FAMILY
- C - COMMERCIAL, CENTRAL BUSINESS DISTRICT
- M - MANUFACTURING, INDUSTRIAL

Special Requirements: The following are the special requirements for the various zoning districts. For a complete list of special requirements, see the Zoning Map of the City of New York, published by the City of New York, Department of City Planning, 111 West 42nd Street, New York, NY 10018-3211.

AREA(S) REZONED

Effective Date(s) of Rezoning:

07-29-2009 & 09-09-2011

Special Requirements:

For a list of all subjects to be rezoned, see the Zoning Map of the City of New York, published by the City of New York, Department of City Planning, 111 West 42nd Street, New York, NY 10018-3211.

For a list of all subjects to be rezoned, see the Zoning Map of the City of New York, published by the City of New York, Department of City Planning, 111 West 42nd Street, New York, NY 10018-3211.

For a list of all subjects to be rezoned, see the Zoning Map of the City of New York, published by the City of New York, Department of City Planning, 111 West 42nd Street, New York, NY 10018-3211.

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For a list of all subjects to be rezoned, see the Zoning Map of the City of New York, published by the City of New York, Department of City Planning, 111 West 42nd Street, New York, NY 10018-3211.

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For a list of all subjects to be rezoned, see the Zoning Map of the City of New York, published by the City of New York, Department of City Planning, 111 West 42nd Street, New York, NY 10018-3211.

For a list of all subjects to be rezoned, see the Zoning Map of the City of New York, published by the City of New York, Department of City Planning, 111 West 42nd Street, New York, NY 10018-3211.

For a list of all subjects to be rezoned, see the Zoning Map of the City of New York, published by the City of New York, Department of City Planning, 111 West 42nd Street, New York, NY 10018-3211.

MAP KEY


| | | |
|-----|-----|-----|
| 8d | 9b | 9d |
| 12c | 13a | 13c |
| 12d | 13b | 13d |

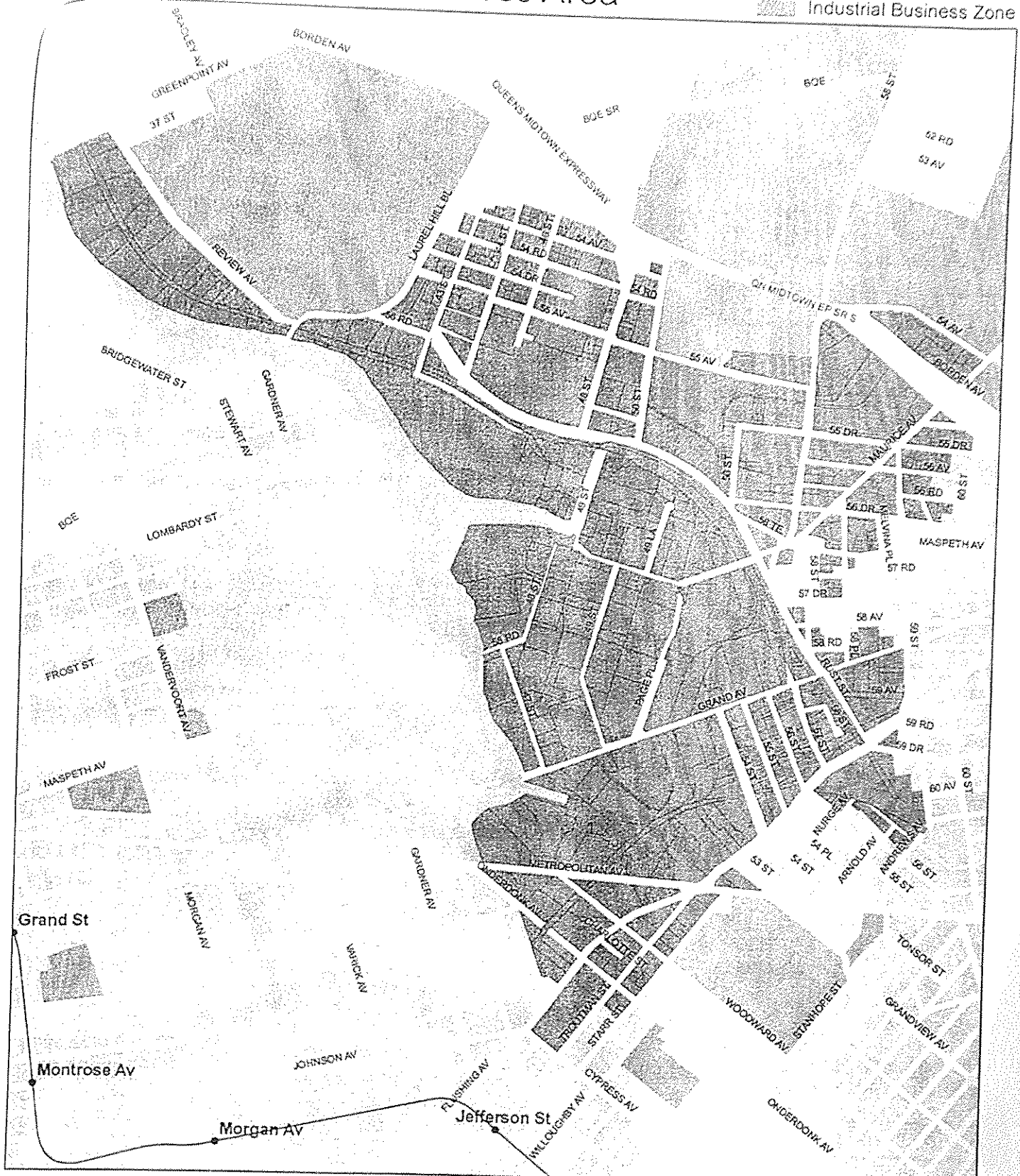
NOTE: Zoning is shown on this map in accordance with the Zoning Map of the City of New York, published by the City of New York, Department of City Planning, 111 West 42nd Street, New York, NY 10018-3211.

NOTE: Zoning is shown on this map in accordance with the Zoning Map of the City of New York, published by the City of New York, Department of City Planning, 111 West 42nd Street, New York, NY 10018-3211.

ZONING MAP 13a

Maspeth Industrial Business Area

 Industrial Business Zone



Data Source: MapPLUTO copyrighted by the New York City Department of City Planning
Prepared by the Mayor's Office of Industrial and Manufacturing Businesses, March 2006

J

Collection of press articles, editorials and op-ed writings
conveying public sentiment against the proposed
Willets West mall / Willets Point Phase One development
of Sterling/Related

EDIT PAGE

IN OUR OPINION

False Promises

The proposed Willets Point redevelopment project just seems to get worse for the people of Queens, and now with the recommendation for approval from the office of the Queens Borough President, the sideshow of slights of hand will likely continue to make any benefit to Queens residents disappear.

While many would likely enjoy a new retail and entertainment complex outside Citi Field, the City should be focusing on getting the more important piece of this development done: affordable housing.

As the population of Queens continues to grow, the lack of affordable housing throughout the Borough is a hindrance and a crime against those that cannot afford rising apartment costs in the City. When the Willets Point proposal was first announced in 2008, 1,900 affordable units were announced. Now, that number is down to 875, none of them being built until at least 2025. By that time, who knows how many more units will be cut out of the plan.

With each change to the project, and each recommendation for approval, City officials are endorsing a large-scale 3-Card Monte scheme at Willets Point. With each bait and switch on this project, we are told that the City cares more about money from developers than it does making a decision to better its citizens.

Why even bother giving a recommendation for a project that will not be completed potentially for decades, long after anyone who approved it has left office? The only way this project should be recommended for approval is if the affordable housing component is guaranteed and moved up to be made the main priority.

Without that, Queens will likely never see those housing units.

The Willets Point plan: a bad deal in every way

by Benjamin M. Haber

Good and responsible government does not exist in the absence of transparency, and in particular when it involves land use matters which have been notorious in favoring real estate interests and those with political connections. Years ago Daniel Doctoroff, then Mayor Bloomberg's economic czar, bragged before a group of real estate moguls that under the Bloomberg administration they received about 90 percent of all zoning requests they wanted.

When it comes to transparency the Bloomberg administration earns a failing grade. A case in point is Willets Point. For decades, and most of Mayor Bloomberg's term in office, the city collected sewer rent from the owners of property in Willets Point, notwithstanding there were no sewers. It collected real estate and other taxes and did not spend any money on the area's infrastructure.

A body and fender shop's operations, which for the most part serve the needs of the poor and the middle class, cannot be as spotless as a Bloomingdale's department store, which makes it all the more important government take care of the infrastructure.

As a coverup for his failure in doing so, Bloomberg declared the site a blight that must go, even though it would mean removing more than 200 small businesses, terminating employment for their 1,000 employees and causing havoc to their thousands of dependents. Cleanup of the so-called blight, which the city will pay for, for the benefit of a developer, could have been done for Willets Point businesses. But it will not be, since they are not real estate moguls with tentacles in the city treasury.

The cost to correct the area and repair the infrastructure, to alienate parkland, free of charge, and to provide subsidies, will be several hundreds of millions of dollars, all to be paid for by taxpayers for the benefit of a private developer. For Bloomberg to allow this taxpayer ripoff ignores his responsibility to be fair and above-board with the public. It's unacceptable.

It was Bloomberg's original plan to develop Willets Point into a huge shopping mall, with yet another convention center; luxury housing with a small portion of affordable housing for the middle class; a small park and a school. Building a school next door to LaGuardia Airport, the Mets' stadium, the United States Tennis Association and a huge mall would be absurd, a feigned icing on the cake to make it appear the proposal was not a private commercial development, but a needed public undertaking.

Willets Point and its surrounding areas

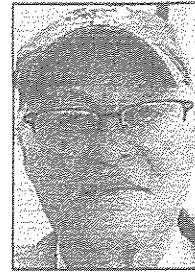
have automobile access only through the Van Wyck Expressway, Grand Central Parkway, Northern Boulevard and Roosevelt Avenue, private streets being out of the question. These arteries have been and are choked to capacity. Queens was ranked as having one of the most congested vehicular arteries in the country and there is no way — I repeat, no way — to increase their capacity to absorb the tens of thousands of additional vehicles the Bloomberg plan would bring.

Faced with a vehicular nightmare and unable to come up with a solution, Mayor Bloomberg has devised what can be described as the mother of all lack of transparencies. The original Willets Point plan has suddenly been split into two phases. His much-heralded original Willets Point plan is now relegated to phase two, which for all practical purposes will be on the back burner and probably not accomplished for decades.

The reason for the so-called split is not just the vehicular problem, but Bloomberg's desire to help out his billionaire friend Fred Wilpon, the owner of the Mets, who have not been doing well financially. Phase one will allow Wilpon to move his parking lots — which are on parkland, as is Citi Field — to Willets Point and to construct a huge mall on the current Mets parking lots. Parking in Willets Point and the mall will not address the vehicular problem, but will destroy the small businesses on Northern Boulevard, Roosevelt Avenue and 108th Street, the malls in Rego Park and on 20th Avenue in Whitestone, and the shops in downtown Flushing. Were I in business in any of those areas, I would hesitate to sign a long-term lease. Unless these merchants and the public make known to the mayor, their City Council members and community boards their opposition, the mayor's plans will be a fait accompli.

Former President Franklin D. Roosevelt once said he wished to be remembered for what he did for the poor and not for the rich. Notwithstanding some laudable philanthropic acts Bloomberg has accomplished as a private individual, as mayor he has viewed his constituents as the wealthy and powerful and not the poor and middle class. I do not believe he will leave a legacy as noteworthy as that of President Roosevelt.

Benjamin M. Haber is a civic activist and retired attorney who lives in Flushing.



Stop park's land grab

Flushing Meadows-Corona Park is Queens' crown jewel. But the busiest park in the borough is threatened on all sides.

Queens' landmark park started out as the "valley of ashes" in *The Great Gatsby*. Robert Moses remade it for the World's Fairs in 1939 and 1964, bringing the observation towers that the movie "Men in Black" used for a launching pad.

But ever since, the city has been chipping away at the only green space many Queens residents can reach. In 1964, the state let the Mets occupy 100 acres of the park, followed by 42 acres for the tennis center. In 2009, the Mets built Citi Field on parkland, but got to keep the acres they already had.

Now there's more. Recently, the tennis center was given another acre of the park. Then the Related Companies announced they wanted to build a 1.4 million-square-foot shopping mall and parking garage on the parkland-turned-parking-lot next to Citi Field.

Next, Major League Soccer set its sights on 13 acres of the park just past the huge silver globe called the Unisphere. Observers expect they'll ask for stadium-size tax breaks, too. The plan would bulldoze the famous Fountain of Planets.

Next to the park, on city-owned land in Willets Point, small business owners are being evicted from their rented spaces to make way for more parking, more retail and a hotel. Local advocates are furious that the affordable housing that is supposed to be part of the Willets Point redevelopment plan will be delayed for 15 years, if it is built at all.

These proposals are classic examples of the most troubling legacy of the Bloomberg administration's approach to economic development. The city has approved dozens of real estate mega-projects on city- or state-owned land, or on property where the city has changed zoning rules to suit developers. They all promised "economic development," but haven't increased employment or reduced poverty.

There are alternatives to

nibbling away at park space and handing out tax breaks. The city can make smart public investments in parks, schools and other needs. Any tax breaks need to be targeted to companies that actually hire new employees.

The next mayor should also focus on industries that build the middle class. Instead of letting hotels and superstores encroach on manufacturing zones while providing low-wage and part-time jobs, the city should study the success of the Brooklyn Navy Yard and develop partnerships in industrial zones like Hunts Point or the Brooklyn Army Terminal to create better jobs.

If the city decides to continue offering subsidies to big-name deals, the next administration should make sure those subsidies include local hiring and wage requirements. Already, dozens of municipalities, from Los Angeles to Minneapolis to Washington, make sure their tax subsidies support projects that create living-wage jobs for city residents.

With the next mayoral election just four months away, the candidates and other elected officials should stand up for good public space and smart economic development. That means opposing the projects in Flushing Meadows-Corona Park. It looks like community action will head off one of them, telling the soccer league to build their stadium somewhere other than a busy park. The City Planning Commission votes on another plan, the shopping mall and parking garage that targets land next to Citi Field, in just a few weeks. Voting "no" and bringing this land back to Flushing Meadows would mean parkland within walking distance for another 25,000 residents. If we can't all spend our summers at garden parties like *Gatsby*, we at least need the green of a great city park.

Tarry Hum is professor of urban studies at Queens College. Greg Smithsimon is professor of sociology at Brooklyn College. Laura Wolf-Powers is assistant professor, City and Regional Planning, at University of Pennsylvania.

BE OUR GUEST

Tarry Hum,
Greg Smithsimon,
Laura Wolf-Powers

YOUR NEIGHBORHOOD

Bait-&-switch at Willets Point

If City Hall put a wrecking ball to 2,000 units of affordable housing to make room for a shopping mall, it would be front-page news and there would be no end to the outrage.

That's essentially what's happening at Willets Point. Unfortunately, it's hardly causing a stir with anyone other than local affordable housing advocates.

The Willets Point development plan agreed to by the City Council in 2008 called for a mix of retail space and housing, including the construction of 820 homes for families making \$38,400 a year or less; 330 homes for families earning between \$38,400 and \$46,080; and 770 units for families earning from \$46,080 to \$99,840.

Construction of these 1,920 units was to begin at the outset of the development. The inclusion of affordable housing in the plan was critical to overcoming long-standing opposition to the development from several quarters, including elected officials like me.

Under a revision to the originally agreed-upon plan, however, only 875 units of affordable housing will be built and construction will not begin until at least 2025. And that's the best-case scenario. It's entirely possible that no affordable housing will ever be built as part of the Willets Point development.

That's because housing construction cannot begin until the city builds additional exit ramps off the Van Wyck Expressway. But the city appears to have no intention of completing the work before 2024 — delaying the building of affordable housing until at least 2025.

If the ramp construction is not completed by Dec. 1, 2025, the developer, the Queens Development Group, is under no obligation to build any affordable housing whatsoever. And the Queens Development Group itself will decide when the ramps are built, if it takes construction over from the city.

But even if the ramps are built in a timely manner, the developer has the option to buy its way out of its affordable housing obligation.

These conditions put the construction of any affordable housing units in serious doubt.

Adding insult to injury for a community in desperate need of more affordable housing is the addition of an enormous mall to the early stages of the develop-

ment. We'll end up with a mall, a hotel, a retail center and a parking lot, but perhaps not so much as a single unit of affordable housing.

We've gone from 1,920 units of affordable housing units being built in Willets Point, to 875 units, to quite possibly no units at all.

The lesson to be gleaned here could be that we should have known better, given how another mega development in the city, the Atlantic Yards project, has played out.

While the Barclays Center opened to great fanfare in the fall as the home of the Brooklyn Nets and the site of marquee concerts and fight cards, the 15 residential towers surrounding the arena that were originally planned by the developer, Forest City Ratner Companies, have yet to be built.

Of the 2,250 affordable housing units, only 181 are planned for a first tower, and ground for the building has yet to be broken.

Construction of the 22-acre development is now seen as taking 25 years, far longer than spelled out in the initial plan.

The bait-and-switch tactics we have seen used to win support for the Willets Point and Atlantic Yards developments cannot be tolerated, especially at a time of record homelessness, rising rents and stagnant wages. New York is in dire, immediate need of affordable housing. There are more than 167,000 families on the New York City Housing Authority's waiting list.

And as the Association for Neighborhood and Housing Development points out, affordable housing that exists today may not continue to be affordable, or even exist, in the future, as expiring agreements allow rents to be raised and older affordable housing stock ages out.

In just the University Heights section of the Bronx alone, for example, ANHD found that, from 2008 to 2011, 5,000 units of housing became unaffordable, with rents requiring incomes of more than 80% of the area's median income.

Mr. Mayor, stop the bureaucratic wrecking ball. Hold developers' to their word and make sure they provide the desperately needed affordable housing that was promised.

Sen. Jose Peralta represents Jackson Heights, Corona, Elmhurst, East Elmhurst and part of Astoria.



Jose Peralta

Land deal shameful steal

ONLY in Michael Bloomberg's New York are we asked to believe that giving away huge swaths of city-owned land to millionaires is a wonderful deal.

The mayor announced Wednesday that the city had selected the Wilpons, of the Mets and Sterling Equities, and Steve Ross of The Related Companies, to develop 23 acres of land in the Willets Point redevelopment area in Queens.

The Wilpon-Ross partnership, Queens Development Group, will be handed this land completely free of charge, so it can build its own new retail, entertainment and hotel complex adjacent to the Mets' Citi Field.

Yes, free land, even though the city is on track to spend nearly \$500 million buying that very land from scores of industries and auto repair firms that operated there for decades, putting in new sewer lines, and erecting new Long Island Expressway ramps.

Free land, even though

Queens Development has committed to developing only one-third of the entire 60-acre Willets Points project City Council approved back in 2008.

Queens Development won't even have to begin construction on a single unit of residential housing — part of the original lure of the project — until 2025.

"How do you give away 23 acres of land for nothing?" Jerry Antonacci wants to know. He has run Crown Container, a waste hauling and recycling

plant in Willets Point for nearly 40 years and has been battling the city's efforts to move him out. "This is like the biggest heist ever," Antonacci said. "We all knew the Wilpons wanted our land for themselves all along, and now they got it."

But when City Hall originally got Council's approval for Willets Point, there was no mention of giveaways or of the Wilpons as a possible developer.

Just the opposite.

Back then, Bloomberg's aides assured the Council that any

taxpayer money spent on Willets Point would be recouped when the city sold the land to a developer that would be chosen later.

Council was understandably skeptical. For one thing, all previous development projects always had a developer's name attached to them when they came up for vote. This one didn't.

Then there was the big city money upfront for acquiring private land.

On Oct. 17, 2008, for instance, then-Deputy Mayor Robert Lieber was grilled by former City Councilman Hiram Monserrate about the land sales.

"Our goal would be to get the city taxpayer money back out of this," Lieber said.

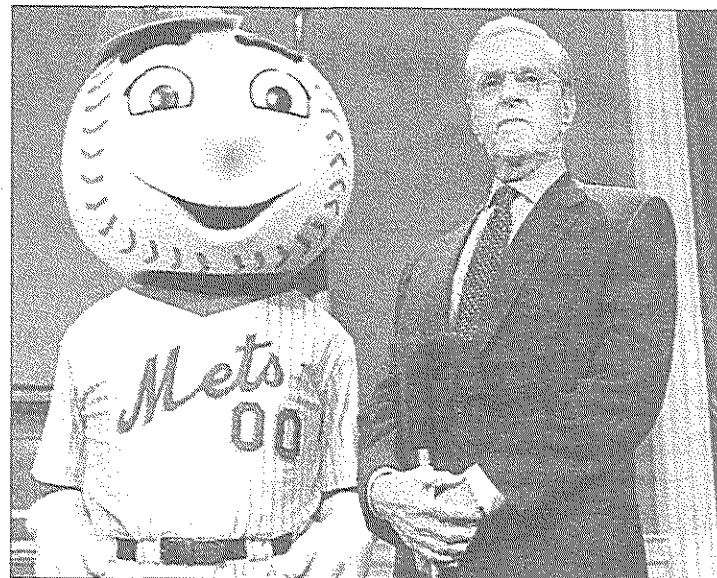
"In the sale of the properties?" Monserrate asked.

"That's correct," Lieber said.

Lieber conceded that if potential developers claimed the cost of cleaning up the polluted land was too high, the city might agree to "get less for land." He never said anything about free land.

Back then, the city's skin in the game was \$400 million. That has now gone up by another \$80 million to build the LIE ramps for the project.

Back then, the project's



Mets chairman and CEO Fred Wilpon will receive 23 acres of land, free of charge, to redevelop in Willets Point, Queens. Photo by Getty Images

timeline was five to 10 years. It included a convention center, a new school, twice as much housing.

Now, you won't see any housing open for maybe 15 years. No convention center. No school. And two-thirds of the Willets Point site will remain undeveloped and polluted possibly for decades.

"We are thrilled to have been selected by the City to . . . rejuvenate Willets Points into a stunning, new, mixed-use neighborhood," Jeff Wilpon said as he stood next to Bloomberg.

Sure, they're thrilled. You'd be, too, if you had just been handed 23 acres of land paid for by taxpayers, right next door to your own new baseball stadium.

jgonzalez@nydailynews.com



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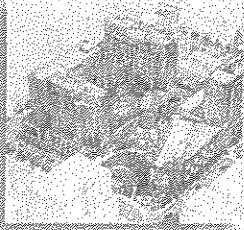
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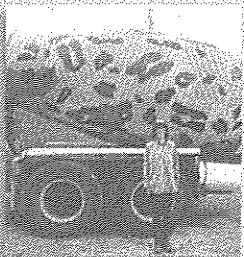
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MIXING IT UP

Artist Andrea Bergart
gears up to paint
her second cement truck

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Willets Point deal a coup for developers

Contract has affordable housing clauses, but \$99M in city grants

by Joseph Orovic

Assistant Managing/Online Editor

A dollar can still go pretty far these days. You can spend it on a small cup of coffee, a can of soda, a hot dog (outside of Citi Field). Or it could buy you 23 acres of Willets Point.

The Department of City Planning on Monday certified Sterling Equities' and the Related Companies' plans for the Phase 1 redevelopment of the Iron Triangle.

The \$3 billion project promises to bring a shopping mall, hotel, remediation and affordable housing to the heart of North Queens. But the land won't cost much for the duo, which has adopted the name The Queens Development Group for the joint venture. And previous promises for community givebacks in the form of affordable housing are not ironclad in the text of a contract dated Aug. 1, 2012 between the developers and the city's Economic Development Corporation.

In reality, several conditions laced into the 151-page contract allow the Mets' development wing and Related to walk away from the project if it amounts to bad business. It also contradicts previously stated reasons for the delayed construction of the affordable housing.

Dollars and Sense

The 23-acre parcel set the two companies back one buck. But the project also came with a reduced price tag of more than \$100 million through tax savings and grants, according to the contract.

When the plan first faced public review in 2008, some members of the community and elected officials were wary of plans allowing a private developer to remake all 62 acres of Willets Point.

Affordable housing was added as the big-ticket selling point, and a plan was approved in November 2008. The community has been waiting for the affordable housing ever since.

The developer's contract with the city, however, is laced with clauses that would allow the QDG to back out of affordable housing promises.

Ramping up

At the heart of the matter rest additional exit ramps off the Van Wyck Expressway, which were necessary to mitigate the impact on the area's infrastructure.

The contract requires the 23 acres be cleaned up first. QDG rolled out the plan on Monday touting the benefits of the remediation of the area.

But after the cleanup, only the ramps' creation blocks the affordable housing.

Those exits off the highway offer a bedeviling conundrum within the contract, just as they do in real life.

For example, should the city not follow through on building the ramps before Dec. 1, 2025, Sterling and Related will not be penalized for ditching the affordable housing component.

If, however, QDG is behind schedule on the affordable housing, it faces a \$35 million fine in 2012 dollars, not matching a rise in inflation.

"It's probably a higher penalty than you'll find anywhere in the country for a project of this scale," said an EDC spokesman.

But the most bizarre part remains the development group's complete control over when the ramps are built, which is explicitly stated in the contract.

continued on page 13

Wilets plan certified, ready for ULURP

continued from page 2

"Notwithstanding anything contained herein to the contrary, EDC agrees that the Joint Venture shall have the right, in the Joint Venture's sole discretion and at the Joint Venture's sole cost and expense, to complete the ramps at any time after closing," it reads. The contract also includes a veritable "How To" manual for the ramps.

The verbiage surrounding the ramps was disconcerting for opponents of the project.

"People can have that housing being built sometime next year," said Jerry Antonacci, owner of Crown Container in the Iron Triangle and member of opposition group Wilets Point United. "They can start building their ramps then building their housing. Why can't they do this? I can't understand. Why are you holding this housing hostage at such a late date?"

The provision stands in direct contradiction to assertions made by the Queens Development Group attorney Jesse Masyr, who said the developer had to wait on the city to complete the ramps.

"If [the city] builds exits off the Van Wyck three years earlier, we will construct housing three years earlier," he told a Queens Housing Coalition meeting in January. QDG could not explain the discrepancy in statements as of writing.

"There's really no guarantee that they're going to build any of the affordable hous-

ing part," said the coalition's coordinator Ivan Contreras upon hearing about the contractual clause.

An EDC spokesman said the city was committed to building the ramps itself.

Both the city and developer have stated that sizeable fines attached to the affordable housing will deter Sterling and Related from flippantly walking away.

QDG said it will have essentially created the land's value; walking away would surrender the value of that work to most likely another developer. Good business dictates it sees the project through, QDG concluded.

Good business indeed

The city's EDC has promised the developer \$99.9 million in city grants and up to \$20 million in inflation-adjusted savings on construction work, according to the contract.

Antonacci took a jab at the city financial aid offered to the developer, in light of the insistence the city build ramps.

"This is city taxpayer money they're giving away to developers who can afford to pay for it themselves," he said.

The minimal cost of the 23 acres has also been justified by the sizable cost and effort of the remediation. Well, up to a point.

The deal also sets a \$40 million cap on cleanup costs, one-tenth the estimated cost bandied about by then-Deputy Mayor Robert Lieber during City Council hearings in 2008.

Should the work cross that threshold, the city and developer have reserved the right to walk away from the rest of the project.

The developer said the \$40 million threshold represents a sort of point of no return, when so much has been invested that to walk away without having built anything would be illogical.

What's next?

The plan's certification sets the project down the usual chain of participants in the Uniform Land Use Review Procedure: Community Board 7, the borough president, possibly the City Council and the City Planning Commission.

The project calls for the creation of a 1.4-million-square-foot mall, a hotel, community facilities, open space and affordable housing, constituting the largest single private investment in the borough's history, according to Masyr.

But since most of the project already navigated ULURP five years ago, only zoning approvals for parking east of Citi Field and interim recreation uses at the site will technically be open to discussion.

Until then, Masyr has pressed hard the benefits of the remediation.

"I have I believe for the first time in 50 years a true plan, more important than anything, to stop the current pollution and clean the land," he said. "It's been a herculean effort."

■

City must reject plan for mall at Willets Point

In 2008, the Bloomberg administration declared 62 acres of property in Flushing to the east of Citi Field called Willets Point, on which there were more than 200 small auto businesses as well as others, a blight.

Auto repair shops in and of themselves cannot be considered a blight, much like a factory that manufactures glue. To the extent there was blight, it was caused by the city, which for decades collected sewer rent from the owners, notwithstanding that there were no sewers, and collected real estate and other taxes without repairing the area's infrastructure.

The Willets Point plan approved in 2008 was clear and unambiguous. The city would acquire 62 acres in Willets Point through the voluntary sale by property owners or if need be through eminent domain. A private developer would construct on the site retail stores, office buildings, a convention center, a school and luxury housing with a portion set aside for affordable housing. The developer would be required to remove whatever contamination existed on a 23-acre portion of the site. There

was no mention of a 1.4-million-square-foot shopping mall at Citi Field or connection to Citi Field.

Bearing in mind that of all the developers interested in the plan, it was only the New York Mets and its Related Cos. that held the lease at Citi Field. Bloomberg saw to it that it would be selected as the developer because what was really on the horizon was a huge shopping mall at Citi Field. That became evident in 2013 when the Mets and Related Cos. sought what they described as a minor change to the 2008 plan.

All they wanted was the right to construct on the 23-acre area a parking lot. A parking lot in and of itself would indeed be minor and probably not subject to much opposition. The claim the amendment sought was minor and, if not an outright lie, a hoax.

The change was major. The reason for a parking lot at Willets Point was to enable the Mets to move its parking lot at Citi Field to Willets Point and on the vacated Citi Field parking lot construct a 1.4-million-square-foot shopping mall. The mall would have nothing to do with Willets Point or the plan approved in

2008, and on that basis the amendment sought should be rejected.

But there exists a variety of other cogent reasons for a rejection:

1. The Willets Point property the city has so far costs tens of millions of taxpayer dollars, will cost much more in the future and will be sold to the Mets and its companies for \$1.

2. The city will subsidize the Mets and its companies to the tune of \$99 million.

3. After construction of the parking area at Willets Point, the highest priority will be the 1.4-million-square-foot shopping mall.

4. The housing, which was a significant part of the 2008 plan, without which it is doubtful it would have been approved, is not only given the least priority but will not be built until 2025, if ever. I say "if ever" because housing will not be built until there is in place traffic ramps to accommodate the huge increase in traffic that will ensue from the development.

The only vehicular arteries that can service the area are the Grand Central Parkway, the Van Wyck Expressway, Roosevelt Avenue and Northern Boulevard —

arteries that are choked to capacity and cannot in any way be increased in size. So-called ramps are akin to the infamous bridge to nowhere. We will have a huge shopping mall and some commercial areas, but no housing.

5. Does Queens need a huge mall that will decimate the many small businesses on Roosevelt Avenue and Northern Boulevard and in downtown Flushing, as well as the malls in Rego Park and on 20th Avenue? No.

6. The fact that Borough President Helen Marshall has approved the amendment is meaningless, given her history of considering the real estate moguls and the wealthy her true constituents, and that Community Boards 3 and 7 considered the amendment. CB 7 approved it 22-18 while CB 3 rejected it 30-1 with one abstention. The result was 48 against and 23 in favor. Marshall refused to consider the CB 3 vote, an example of ineptitude.

7. Since a vote to approve the parking lot on the 23-acre Willets Point site does mean a go-ahead for the 1.4-million-square-foot shopping mall at Citi Field, another reason to reject it

is the fact that in so doing a mockery is being made of the Uniform Land Use Review Procedure principles.

ULURP was enacted to make sure there was transparency in land use changes with community input. It is to be noted that the Mets and Related Cos. have pursued ULURP only with regard to a parking area at Willets Point. There is no ULURP pending with regard to a huge mall. The Mets claim that because of their lease they can do whatever it wishes and the community has no say in the matter.

Furthermore, Citi Field and its parking areas are on Flushing Meadows Corona Park land. Again, the Mets claim that, by virtue of its lease, it can ignore the fact that a change from a parking lot on park property to a mall can be ignored and that it is not required to replace parkland taken for a mall.

These positions are absurd yet consistent with Bloomberg's partnership with big business and the public be damned because he has gone along with the Mets' position. A mayor who cares about transparency in government would reject these claims and, if

need be, litigate the matter. Suffice to say, Bloomberg, a foe of government transparency, will do nothing. Ultimately, the decision will rest with the City Council. It remains to be seen if the majority of the Council will be true to their constituents.

Given the dictatorial manner reminiscent of the banana republics of old, Bloomberg has pursued this matter for the benefit of his friend Fred Wilpon, the multibillionaire owner of the Mets. It comes as no surprise that eviction notices were sent to the small business owners ("Auto shops rail against city plan at Willets Point," July 19).

At eviction proceedings, the court always takes into account whether eviction should be held in abeyance until the evictee can find other suitable space for its business. Given Bloomberg's lack of diligence in finding space for the shop owners, eviction should be postponed for at least two years.

*Benjamin Haber
Flushing*

TimesLinden, Aug. 9-15, 2013

EDC and Shulman's Queens LDC admit illegal lobbying

BY VERA CHINESE
NEW YORK DAILY NEWS

TWO city economic development agencies have admitted to illegally lobbying the City Council to support a plan to overhaul gritty Willets Point.

A three-year probe by the state Attorney General's office confirmed what many property owners in the so-called Iron Triangle had long complained about — that these agencies were exerting undue influence on the Council.

The findings, unveiled Tuesday, found both the city Economic Development Corp. and the Flushing-Willets Point-Corona Local Development Corp. unlawfully lobbied the Council in 2008 to approve the redevelopment.

The investigation extended to the Coney Island Development Corp., which also admitted to soliciting support for a project there.

The agreement between the city EDC, the two other LDCs and the AG validates years of complaints from Willets Point business owners who charged the Flushing-Willets Point-Corona LDC and specifically, its president, Claire Shulman, curried favor for a plan to take properties through eminent domain.

Mayor Bloomberg announced a different plan last month, when he said the city had reached a deal with Sterling Equities and Related Cos. to build a 1 million-square-foot mall on land already owned by the city.

Under state law, "no such corporation shall attempt to influ-



Flushing-Willets Point-Corona Local Development Corp., headed by Claire Shulman, found to have illegally lobbied City Council. Christie M. Farriella

ence legislation by propaganda or otherwise." The law does not list monetary penalties for violations, so the LDCs will not pay fines.

The agreement stipulates that each LDC will not employ out-

side lobbyists, draft testimony for third parties to submit to the Council and directors will have to undergo compliance training.

Members of Willets Point United said sanctions should have

been harsher.

"There was a crime committed here," said Willets Point United President Gerald Antonacci. "People ran for the hills when they were threatened with eminent domain. A lot of people who sold their properties would have never have sold it."

Shulman, the former Queens Borough President, could not be reached for comment. Flushing-Willets Point-Corona LDC officials said they were "glad the matter was behind them."

The EDC will also have to restructure, losing its status as an LDC.

LDCs are quasi-city agencies that have the power to buy or lease city land without undergoing the public bidding process.

An EDC spokesman downplayed the ruling, stating the law did not clearly define what constituted lobbying.

"The restructuring should be seamless from the perspective of third parties and should have little to no impact on the day-to-day operations of the company," the spokesman said in a statement.

Some of the transgressions included ghost-writing op-ed pieces, preparing testimony for third parties and providing transportation for supporters at hearings.

"These local development corporations flouted the law by lobbying elected officials, both directly and through third parties, to win approval of their favored projects," Attorney General Eric Schneiderman said.

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Hold EDC accountable over Willets development

TimesLedger, Aug. 16-22, 2012

Willets Point property and business owners are not surprised that Seth Pinsky, president of the city Economic Development Corp., is attempting to do damage control, now that the state attorney general has determined that EDC and Claire Shulman's local development corporation acted illegally in pursuing the Willets Point development project ("EDC cites '08 global crisis," Aug. 2-8).

But we will not allow Pinsky to misinform the public by downplaying EDC's admitted illegal acts that threaten our property ownership, thus distracting attention from the glaring need for accountability.

Here are the facts you did not hear from Pinsky: During his tenure as EDC president, EDC engaged in activity so contrary to law that the attorney general is now exercising his statutory power to dissolve EDC

and require it to cease its operations and the city to establish a new corporation to handle economic development. Far from safeguarding the corporate existence of EDC, Pinsky saw it driven into the ground on his watch.

Acting on a formal complaint made by Willets Point United Inc., the attorney general has determined that Pinsky's EDC violated the state Not-For Profit Corporation Law as well as EDC's certificate of incorporation. Unlike garden-variety nonprofits that are permitted to lobby, EDC was a specific type of nonprofit, dedicated to development, that is prohibited from attempting to influence legislation.

But EDC did so anyway in its zeal to obtain City Council approval of the proposed Willets Point development, including authorization to forcibly acquire our Willets Point properties and businesses

via eminent domain.

To those ends, Pinsky's EDC disbursed city funds to another local development corporation set up by Shulman, which was likewise prohibited from lobbying for legislation. EDC deliberately assigned specific tasks to Shulman's LDC. For its part, Shulman's LDC lobbied but filed none of the required registrations or disclosure reports for 18 months — until the city clerk finally interceded, holding Shulman's LDC liable to pay a record \$59,090 penalty.

But EDC continued to disburse city funds to Shulman's LDC, even after the LDC registered its staff members/employees as lobbyists while their salaries remained payable using city funds disbursed by EDC. Moreover, EDC disbursed city funds to Shulman's LDC without requiring Shulman to produce evidence of actual eligibility for those funds

or entering into funding agreements that contain all of the provisions required by EDC's master contract with the city.

All of that and more was done to push the proposed Willets Point development, an EDC project that would later be open to bidding by developer firms that are financiers of Shulman's LDC.

Is it any wonder that city Comptroller John Liu has since called this "EDC's culture of lawlessness" or that Pinsky now wants to start a friendly dialogue with a newspaper on other topics? If any other company well-known to the public had shown the same disregard for law and contracts as has EDC, the shareholders would demand the immediate resignations of its president and board of directors.

But in the case of EDC, no one has been held to account. The attorney general's recent action merely

prevents EDC from lobbying illegally in the future.

Lobbying is not even the half of it: Pinsky's EDC has also inexplicably omitted the required "living wage" provision from the Willets Point Phase 1 request for proposals, violating a written promise to labor unions that was relied upon by the Council and eliminating any chance that retail workers at a future Willets Point development will be paid a living wage.

And, although affordable housing was the linchpin of the proposed development when it was evaluated by the Council in 2008, the city is now reportedly entering into a contract with Phase 1 developers that will provide them the option to not construct any housing whatsoever.

Finally, although the Council was told that the city would recoup the taxpayer dollars spent to acquire Willets Point prop-

erty to the greatest extent possible via the sale of the land to the project's developers, the city intends to give the Phase 1 property to the developers at no cost.

New Yorkers must demand much better of EDC and its stewards — no disregard of the law and no abrogation of commitments to elected officials and the public, all of which has been the disturbing hallmark of EDC under Pinsky. For him and others, their charade must end and they must be held accountable.

Gerald Antonacci
President
Willets Point United Inc.
Willets Point

Jake Bono
Member
Willets Point United Inc.
Willets Point

Irene Prestigiacomo
Member
Willets Point United Inc.
Willets Point

Creedmoor 911 calls unacceptable | Make skies safe for birds, airplanes

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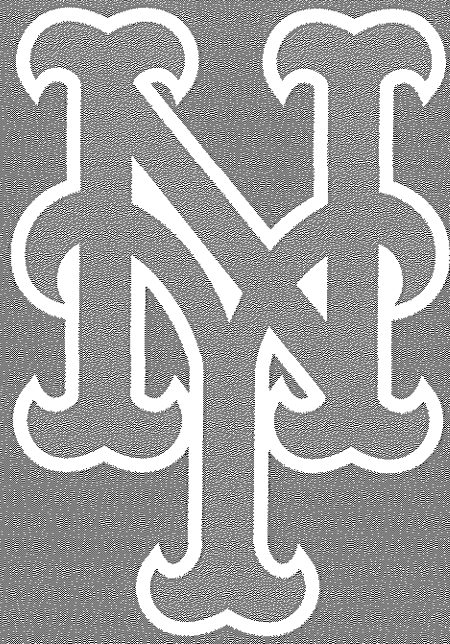
Collection of signs displayed at rallies
conveying public sentiment against the proposed
Willets West mall / Willets Point Phase One development
of Sterling/Related

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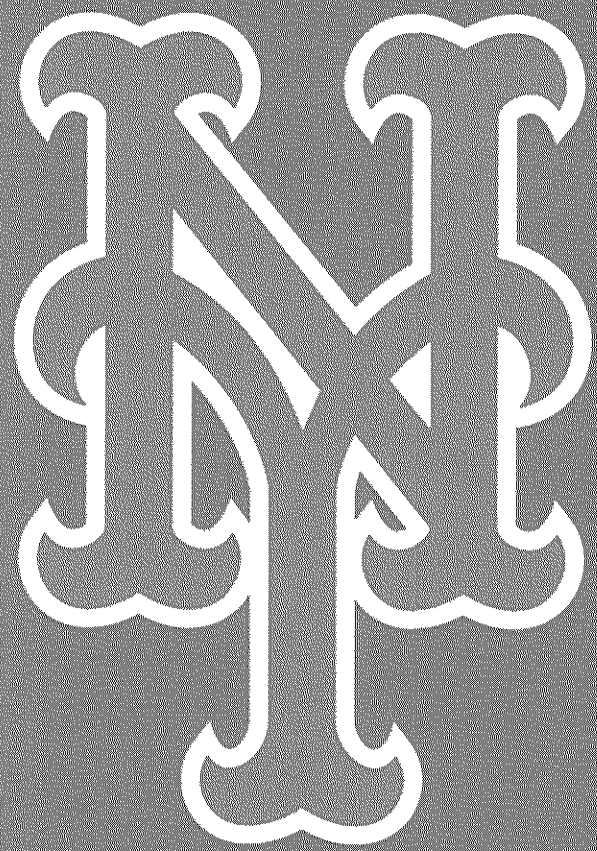
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for

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DISCRIMINATORY DEVELOPMENT PROJECT



KICKING
ME
OUT



DISPLACING
OUR SMALL
BUSINESSES

**Affordable
Housing?**

**A PLAYER
TO BE
NAMED
LATER**

DON'T SELL OUT!



What Are You Afraid Of?

**NO MALL
ON
PARKLAND**

“Willets West”:

BLOOMBERG'S
BILLIONAIRE
BOYS' CLUB

ROBERT MOSES LIVES:

**City Steals
Parkland for
Mets Mall**

**The Mets Got
the Goldmine**

**NYC Taxpayers
Got the Shaft**

Economic Deception Corporation

CAUTION

**EDC
LYING
SOBs**

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Statement of New York State Senator Jose Peralta
concerning the proposed Willets West mall /
Willets Point Phase One development of
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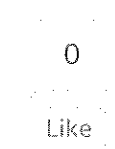
“If they put a wrecking ball to 2,000 units of affordable housing to make room for a shopping mall, it would be front-page news and there would be no end to the outrage. That’s exactly what’s happening here. It’s just as outrageous. It’s just as unacceptable.”

Published on *New York State Senate* (<http://www.nysenate.gov>)

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Peralta to Mayor: Keep Affordable Housing Promise

By *José Peralta*



Posted by [José Peralta](#) ^[1] on Friday, May 31st, 2013

- Related issues: [Community Development](#) ^[2], [Housing](#) ^[3]

State Senator Jose Peralta was joined by the Queens Housing Coalition and Make the Road New York today in calling on Mayor Michael Bloomberg to “stop the bureaucratic wrecking ball” that has laid waste to more than 1,000 units of affordable housing slated to be built in Willets Point and threatens the construction of all of the 1,920 affordable units that were supposed to be built.

The Willets Point development plan agreed to by the City Council in 2008 included the construction of 1,920 units of affordable housing. Construction was to begin at the outset of the development process, or after the initial remediation. Under a revised plan, construction of 875 affordable units will not begin until at least 2025, if at all.

“If they put a wrecking ball to 2,000 units of affordable housing to make room for a shopping mall, it would be front-page news and there would be no end to the outrage,” Sen. Peralta said.

“That’s exactly what’s happening here. It’s just as outrageous. It’s just as unacceptable.

“Mr. Mayor, stop the bureaucratic wrecking ball. Let’s hold everyone to their word and provide the affordable housing this community so desperately needs. That way, in a few years, instead of a New York City mayor coming into this community to complain about a census undercount, the visit will be to tout this area as a model of mixed-use development where everyone has a dignified place to live.”

Former New York City Comptroller William C. Thompson, Jr. said: “Middle-class and working-class families in Queens and around the City need more affordable housing. I’m concerned about plans to scale back the development of affordable units in Willets Point and urge Mayor Bloomberg to recommit to building quality, affordable housing in every borough. As Mayor, I will work to expand middle-income and low-income housing so we can end the middle-class squeeze

and allow more New Yorkers to remain in the City they love."

Assemblyman Francisco Moya said: "Developers have an obligation to address the needs and concerns of the local community. All too often we have seen in working class neighborhoods and communities of color that promises are not kept. The community surrounding Willets Point needs to be guaranteed by the developers and city officials that the one element of this project that will benefit residents the most will be fulfilled: the construction of affordable housing units. The proposed delays and reduced number of units is not acceptable. I look forward to working with the City Council, local community boards, and the Queens Development Group to make sure that our voices are heard, promises are kept, and that we will not have our communities needs pushed to the side."

Council Member Julissa Ferreras said: "Affordable housing is a necessity for Willets Point and has always remained my priority. Since day one, I have worked to negotiate with the Administration to secure a fair plan that will ensure 35 percent of the new apartment units being built are affordable housing units. I am appreciative of the support that I have received from my colleague in local government, Senator Peralta, to bring affordable housing to Willets Point now."

Council Member Daniel Dromm said: "It is unconscionable that the Administration is spending substantial resources on enticing a major league soccer stadium to the area but refuses to reaffirm a commitment to ensuring that affordable housing will be included in any future development at Willet's Point. New Yorkers who work hard and live in the area should be prioritized over special interests who will give little back to the community."

Ivan Contreras, Coordinator of Queens Housing Coalition, said: "According to the official contract between the City and the Joint Venture neither party are legally obligated to build the ramps which are needed to develop the housing part. This means that they can walk away from the project leaving the community with a mall, a hotel, a retail center and a parking lot and not building a unit of housing. I don't think this is what the community wants and needs. New York is in a housing crisis we need affordable housing and we need it now"

Leandra Requena, Queens resident and member of Make the Road New York, said: "Members of the community fought hard for affordable housing to be included in the original Willets Point agreement. Now the developers are backing away from this commitment. After a history of broken promises, the City should not allow this developer to build a mall at Willets Point, especially when this community does not need yet another mall."

As the plan stands now, there may be no affordable housing ever constructed as part of the Willets Point development. That's because housing construction may not begin until the city builds additional exit ramps off the Van Wyck Expressway.

The problem is that the city appears to have no intention of completing such construction before 2024, delaying the building of affordable housing until at least 2025. Moreover, if the ramp construction is not completed by December 1, 2025, the developer, the Queens Development Group, is under no obligation to build any affordable housing whatsoever. And, ultimately, it could be the Queens Development Group deciding when the ramps are built, should the developer undertake the job.

But even if the ramps are built in a timely manner, the developer may buy its way out of its affordable housing obligation.

"These conditions put the construction of any affordable housing units in serious doubt," Sen. Peralta wrote in a letter last week to Mayor Bloomberg, City Council Christine Quinn and Queens Borough President Helen Marshall. "My community and other communities affected by the Willets Redevelopment simply can't afford to wait or rely on conditional promises. We need answers and we need results."

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Related information

Senator:

José Peralta ^[1]

Authored by Senator

Other information

Fri, 05/31/2013

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Links:

[1] <http://www.nysenate.gov/senator/jose-peralta>

[2] http://www.nysenate.gov/senator/jose-peralta/issues/community_development

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Testimony of Queens Civic Congress, representing over
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Queens Civic Congress

Testimony Concerning Proposed Willets Point West Mall at Flushing Meadows Corona Park

June 6, 2013

The Queens Civic Congress is an umbrella organization consisting of over 100 civic associations throughout Queens. The Congress has been active with the Flushing Meadows Corona Park Conservancy, the Fairness Coalition of Queens, and Save Flushing Meadows Corona Park over the past several months. The Congress has in the past and remains adamantly opposed to any further commercial development in the Park. The Queens Civic Congress Platform, entitled Civic 2030, adopted and endorsed by the full Congress in 2008 and ratified by resolution in December 2012, includes the following statements:

15. Support the Flushing Meadows Corona Park Conservancy.
16. Protect Flushing Meadows Corona Park from any further commercial and corporate exploitation.
17. Impose a moratorium on all new construction/development of non-public-benefit projects in Flushing Meadows Corona Park pending completion of a Master Plan by a Commission that has public members.

Flushing Meadows Corona Park is the largest park in Queens and ought to serve as the flagship park in Queens, but instead has become the dumping ground of last resort for placing any project that no other area will accept. While we gladly accept the long standing cultural facilities such as the Queens Museum and Theater and Hall of Science and Zoo, the more recent move of the US Tennis Center and US Tennis Open to the park and its recent expansion has been a serious encroachment on precious parkland that could and should be enjoyed by residents of Queens. CitiField has taken additional acres of public land on a deal that benefits only the Mets owners with very little direct financial benefit to the City and no benefit to Queens or to the Park. The parking lots surrounding the stadium sit on parkland and any change in use should be subject to alienation requirements. As parking lots they could be easily removed and returned to public use.

But the introduction of a massive steel and concrete, brick and mortar mall to these western parking lots would permanently destroy what the community should enjoy as a public park amenity. In addition to removing forever land that could be used by the thousands of nearby residents, the mall would destroy hundreds of nearby "mom-and-pop" businesses, small boutiques and restaurants in surrounding neighborhoods and would introduce significant and possibly devastating competition to existing, struggling malls, such as the beautiful Atlas Park Mall in Glendale and even Queens Center Mall.

Queens Civic Congress and fellow organizations believe that FMCP has been intentionally neglected by the City by providing inadequate maintenance budgets and minimal capital improvements over decades, resulting in a untidy and disorganized park. None-the-less, the Park serves as the backyard to tens of thousands of working class and middle income workers from nearby neighborhoods. The lack of upkeep seems to justify to the city its ability to propose commercial and corporate projects such as a Major League Soccer Stadium, the tennis center and this mall. Despite the terrible condition of the Park, on this Memorial Day there was not a square inch of space available to put down a blanket or park a car.

People with barbeques and badminton, boom boxes and soccer were everywhere enjoying the outdoors space that is not available on their blocks.

If, as the City is proposing, the CitiField parking lots could be repurposed, the space could better be used by the people for additional picnic and recreation space, not for stores and movie theaters that have questionable demand and little or no access. There is no pedestrian traffic nearby to support a mall and residential development plans for Willets Point remain unclear and far in the future.

Queens Civic Congress urges the Borough President to oppose this project unequivocally. Willets Point West is an unjustified, unnecessary and inexcusable abuse of the City's land use powers. We believe that the project is also in violation of parkland alienation regulations and should be reviewed by the State. The justification to avoid these regulations seems to be that a lease agreement provides to a private entity unrestricted use of the land, but we contest that a lease could supersede contradictory parkland alienation legislation.

Borough President Marshall, please continue to make your permanent and lasting mark on Queens by preserving open space at Flushing Meadows Corona Park and just say "No."

Richard C. Hellenbrecht, President

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