

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

SUBCOMMITTEE ON LANDMARKS,
PUBLIC SITING AND MARITIME USES

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October 8, 2015
Start: 11:40 a.m.
Recess: 12:28 p.m.

HELD AT: 250 Broadway - Committee Rm, 16th Fl

B E F O R E: Peter A. Koo
Chairperson

COUNCIL MEMBERS:

Annabel Palma
Maria Del Carmen Arroyo
Rosie Mendez
Steven T. Levin
Inez D. Barron
Ben Kallos

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

Christopher Nesterczuk
DCAS

Jim Lawler
HRA

Erin Drinkwater
HRA

2 COUNCIL MEMBER LEVIN: Good morning
3 everybody. I am Council Member Stephen Levin. I am
4 pinch-hitting for our Chair, Peter Koo, who is out of
5 town today. We are joined by Council Members Annabel
6 Palma of the Bronx--welcome back Council Member
7 Palma--Council Member Ben Kallos of Manhattan,
8 Council Member Inez Barron of Brooklyn. We will
9 holding a public hearing and voting on one item
10 today, Land Use Number 283, a site selection and
11 acquisition for a warehouse facility to be used by
12 the New York City Human Resources Administration as a
13 print shop and for record storage. The facility
14 would be located at 10300 Foster Avenue in Brooklyn
15 in the district represented by Council Member Inez
16 Barron. I will now open the public hearing for Land
17 Use 283. Council Member Barron, do you want to make
18 an opening statement? Okay. So, I will call to
19 testify from DCAS, Christopher Nesterchuk, and from
20 HRA, Jim Lawler. Erin, are you testifying?

21 ERIN DRINKWATER: [off mic] I'm not
22 testifying.

23 COUNCIL MEMBER LEVIN: Okay. But we want
24 to introduce Erin Drinkwater from HRA. So, if I can
25 ask you both to raise your right hand? Do you affirm

2 to tell the whole truth--the truth, the whole truth
3 and to respond to Council Member's questions
4 honestly?

5 CHRISTOPHER NESTERCZUK: I do.

6 JIM LAWLER: I do.

7 COUNCIL MEMBER LEVIN: Thank you. If you
8 can identify yourself before you testify, we would
9 appreciate that for the record.

10 CHRISTOPHER NESTERCZUK: Sure, good
11 morning Council Members. My name is Christopher
12 Nesterczuk. I'm the Executive Director of Leasing at
13 the Department of Citywide Administrative Services.

14 JIM LAWLER: Good morning. Jim Lawler,
15 First Assistant Deputy Commissioner with Human
16 Resource Administration in charge of all facilities.

17 COUNCIL MEMBER LEVIN: Whoever wants to go
18 first, go ahead.

19 CHRISTOPHER NESTERCZUK: Well, I could
20 open it up. So, well, thank you very much for having
21 us. It's always a great opportunity for us to kind
22 of tell a little bit about how we do real estate and
23 so I thought this would be a great opportunity to
24 kind of give a little color in terms of how we went
25 about identifying this site and the importance of the

2 site and a little bit in terms of insight in terms of
3 how we do things over in the Asset Management group
4 at DCAS. So, HRA came to us probably several years
5 ago. They currently occupy storage space at Bush
6 Terminal, and given the conditions at that facility,
7 they came to us and said, you know, we'd like to move
8 and perhaps find efficiencies within our operations
9 and ask DCAS to perform a search into the market to
10 see if there were alternative sites where they could
11 kind of consolidate and put some of their additional
12 facilities and storage facilities. So, we did that,
13 and to tell you a little bit what we do internally
14 here is when agencies come to us we work on their
15 program and we look at what their needs are from a
16 personnel perspective and from an equipment
17 perspective, and synthesize that, and we come up with
18 a program, and with that on occasion will engage
19 third parties like tenant reps, like Cushman and
20 Wakefield or CBRE, and in this case it was Cushman
21 and Wakefield, to go into the markets and see if
22 there are sites that could perhaps create
23 efficiencies and meet the programmatic needs of our
24 client agencies, and in this case we did that. We
25 went into the market. We identified the Foster

2 Avenue site. It was available, and from there DCAS
3 and its team of architects and engineers along with
4 professionals, architects and engineers, over in HRA.
5 we worked together on preparing kind of a deal or
6 term sheet with scopes of work to ensure that the
7 perspective site meets all the programmatic needs.
8 And we did that, and we came to a successful
9 conclusion with negotiating a deal, and because this
10 is a warehouse use it falls under 197 of the City
11 Charter requiring ULURP, and so HRA then began that
12 process and so that's why we're before you today.
13 So, that's a little bit of the high level kind of
14 insight in terms of how we came to where we are now,
15 so.

16 COUNCIL MEMBER LEVIN: Mr. Lawler, do you
17 want to talk a little bit about HRA's needs and how
18 this will address those needs?

19 JIM FLAWLER: Yes. Okay, our present
20 print shop and archive facility at the Bush terminal,
21 the building itself is in deplorable condition.
22 There's a lot of code violations. I was there one day
23 and a piece of concrete actually fell off the
24 building. We are on three floors, none of which are
25 the first floor. we share loading dock space with

2 other tenants. Very often our trucks have to wait
3 until elevators are available. We pay for elevator
4 time and elevator usage, and it's not an ideal
5 situation. If you look at the handout that I handed
6 out here, the lighter of the two orange colors is our
7 existing facility at Foster Avenue where we have our
8 commodities warehouse. We store paper and custodial
9 supplies and each type of thing. We'll be taking an
10 adjacent space in the darker yellow, or darker
11 orange, and the--it's all one-story facility. It's
12 in very, very good shape. It's in a good location.
13 We share loading docks with nobody. There's no
14 elevators to pay time for anything like that, and
15 we're actually getting less square footage than we
16 currently have, but the efficiency is we're going a
17 little bit higher. Our ceilings at Bush Terminal are
18 about 12 foot high, and here we're in excess of 20
19 feet. So, we can go a lot higher. You pay by the
20 square foot, so we're paying actually for less square
21 footage here. It'll also afford us to have our two
22 operations under one roof. We'll be able to share
23 things like fork trucks and manpower and those type
24 of things to give us quite a lot of efficiencies.

2 COUNCIL MEMBER LEVIN: So you're current
3 facility at Bush Terminal, that's in a rented--that's
4 rented, that's not a city-owned facility?

5 JIM LAWLER: That's correct.

6 COUNCIL MEMBER LEVIN: And the price is
7 comparable per square foot or?

8 JIM LAWLER: Right now with the lease
9 that will be expiring next year, we're paying seven
10 dollars and 50 cents a square foot plus the expenses.
11 We anticipate that if we were to stay there the lease
12 would probably be somewhere in the range of 15 to 20
13 dollars because that area is slated for
14 redevelopment. Going to Foster Avenue warehouse we
15 will initially be paying for the first year 12
16 dollars a square foot, and after that it goes down to
17 10 dollars a square foot.

18 COUNCIL MEMBER LEVIN: It's decreasing,
19 and the square footage, you're picking up 143,000
20 square feet. What's your current square footage?

21 JIM LAWLER: It's a little less than
22 172,000.

23 COUNCIL MEMBER LEVIN: Okay. Council
24 Member Barron, do you have any questions?
25

2 COUNCIL MEMBER BARRON: Yes. Thank you
3 for coming and providing testimony. What--is there a
4 relationship between this landlord and Forest City
5 Ratner [sic]?

6 CHRISTOPHER NESTERCZUK: This is a
7 question for--so my understanding, this landlord is
8 Dennis Ratner, and I'm not aware of any relationship
9 between the two.

10 COUNCIL MEMBER BARRON: Thank you. And
11 the second question is, it says that there'll be 34
12 employees that will be at this expanded site. Are
13 those new employees or are they transferring over
14 from where they presently are?

15 JIM LAWLER: The employees will be
16 transferring from where they are.

17 COUNCIL MEMBER BARRON: Thank you.

18 COUNCIL MEMBER LEVIN: Council Member
19 Palma? Council Member Kallos? Okay. I have no
20 other questions. I thank you very much for your
21 testimony. By the way, I mentioned this before, we
22 are at the Subcommittee on Landmarks, Public Sitings
23 and Maritime Uses, and this is a public siting. So--
24 this is not General Welfare. I know it's very
25 confusing, very confusing. Well, I thank you very

2 much both of you for your testimony. I will ask if
3 the public has any testimony that they would like to
4 provide, any other speakers that would like to
5 testify on this item? Okay, seeing none, I will now
6 close the public hearing on Land Use Number 283, and
7 we will now move on to a vote to approve Land Use
8 283, the Foster Avenue Warehouse site selection and
9 acquisition. I will ask the Counsel to call the
10 role.

11 COUNSEL: Chair Levin?

12 COUNCIL MEMBER LEVIN: I vote aye.

13 COUNSEL: Council Member Palma?

14 COUNCIL MEMBER PALMA: I vote aye.

15 COUNSEL: Council Member Barron?

16 COUNCIL MEMBER BARRON: Permission to
17 explain my vote? Thank you.

18 COUNCIL MEMBER LEVIN: Yes.

19 COUNCIL MEMBER BARRON: Thank you. I
20 vote aye. I just wanted to say that I was very
21 concerned that this was not in fact the landlord
22 Forest City [sic] Ratner based on the, what I
23 consider to be the abhorrent conditions regarding the
24 Atlantic Yards Project, and also the city has--DOT
25 has indicated that there are several studies that

2 they will undertake in this area. So, with that
3 understanding I vote aye.

4 COUNSEL: Council Member Kallos?

5 COUNCIL MEMBER KALLOS: Aye.

6 COUNSEL: Land Use Number 283 is approved
7 with 4 votes in the affirmative, 0 in the negative
8 and 0 abstentions and referred to the Full Land Use
9 Committee.

10 COUNCIL MEMBER LEVIN: We're going to keep
11 the roll open on this item for a few minutes, and
12 just for the record, I am not Chair of the Committee,
13 just for--just so Peter Koo doesn't get nervous in
14 his absence.

15 COUNCIL MEMBER BARRON: Peter Koo would
16 experience a coup, right?

17 COUNCIL MEMBER LEVIN: No coup on Peter
18 Koo. And yes, temporary speaker, excuse me,
19 temporary--temporary Chair.

20 [laughter]

21 COUNCIL MEMBER LEVIN: Excuse me. Excuse
22 me. No, temporary Chair, yes, right. Temporary
23 Chair for the day. Right, no, no. Temporary Chair
24 for the day, but we'll keep the roll open and we'll
25

2 close out in a little bit after a couple more votes.

3 Thank you.

4 COUNSEL: Council Member Mendez?

5 COUNCIL MEMBER MENDEZ: I vote aye.

6 COUNSEL: Final vote on Land Use Item 283

7 is 5 votes in the affirmative, 0 in the negative and

8 0 abstentions.

9 COUNCIL MEMBER MENDEZ: This concludes the

10 hearing of the Subcommittee on Landmarks, Public

11 Siting and Maritime Uses on October 8th, 2015.

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C E R T I F I C A T E

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



Date October 9, 2015