

In addition to the survey, SoBRO under the BOA Program retained AKRF, Inc., an environmental planning and consulting firm, to study potential environmental issues and related development barriers that may affect potential development throughout the proposed Port Morris Harlem Riverfront BOA. As a result of the survey and BOA-funded study that was well received by DCP, SoBRO helped DCP in its rezoning effort to strike a balance between providing new opportunities for residential and commercial development while retaining viable industry and its associated jobs. The survey's findings and the data collected by AKRF were compiled together in a powerpoint presentation that can be found in Appendix F.

The resulting "Lower Concourse Rezoning" was a modification of the original scope that reflects a better balance between these important interests. Adopted by the City Council on June 30, 2009, the rezoning affects a 30-block area surrounding the lower end of the Grand Concourse. DCP's stated goals in enacting the Lower Concourse Rezoning are to³:

- Provide opportunities for new residential development;
- Encourage the reuse of underutilized industrial land and lofts;
- Retain viable light industry;
- Create attractive new gateways into the Bronx;
- Better connect surrounding neighborhoods of Mott Haven and Port Morris;
- Provide new waterfront open space to an underserved community;
- Encourage the development of new affordable housing;
- Encourage grocery store access; and
- Identify best practices for limiting conflicts between residential and industrial uses within Mixed-use districts.

As part of the Lower Concourse plan, DCP established a Waterfront Access Plan (WAP), made the provisions of Inclusionary Zoning applicable in the area (to incentivize development of affordable housing), and approved other related actions to create community development and new investment opportunities in the underutilized but transit-rich Lower Concourse area. Please refer to Appendix G for the Lower Concourse Rezoning text amendments. **Table 3-2** below and **Figure 3-4** highlight each of the new zoning districts introduced, along with permitted uses and allowed maximum Floor Area Ratio (FAR).

Within the new MX context, it is important to highlight the Waterfront Access Plan (WAP). Officially named the "Special Harlem River Waterfront District," DCP has targeted nine underutilized waterfront parcels for development. These lots are located just south of the intersection of East 149th Street and Exterior Street along the Harlem River waterfront; eight of these parcels bear new MX designations, and are intended for mid- and high-rise housing development, with retail and community space components. One parcel, approximately 400 feet south of said intersection on a property currently used to park buses, has been earmarked to become a 2.26-acre public park. New zoning requires all development lots in the special district to include a 40-foot public walkway fronting the river, to be raised two feet above the railway that currently wraps around the shoreline. **Image 2** below depicts the waterfront plan.

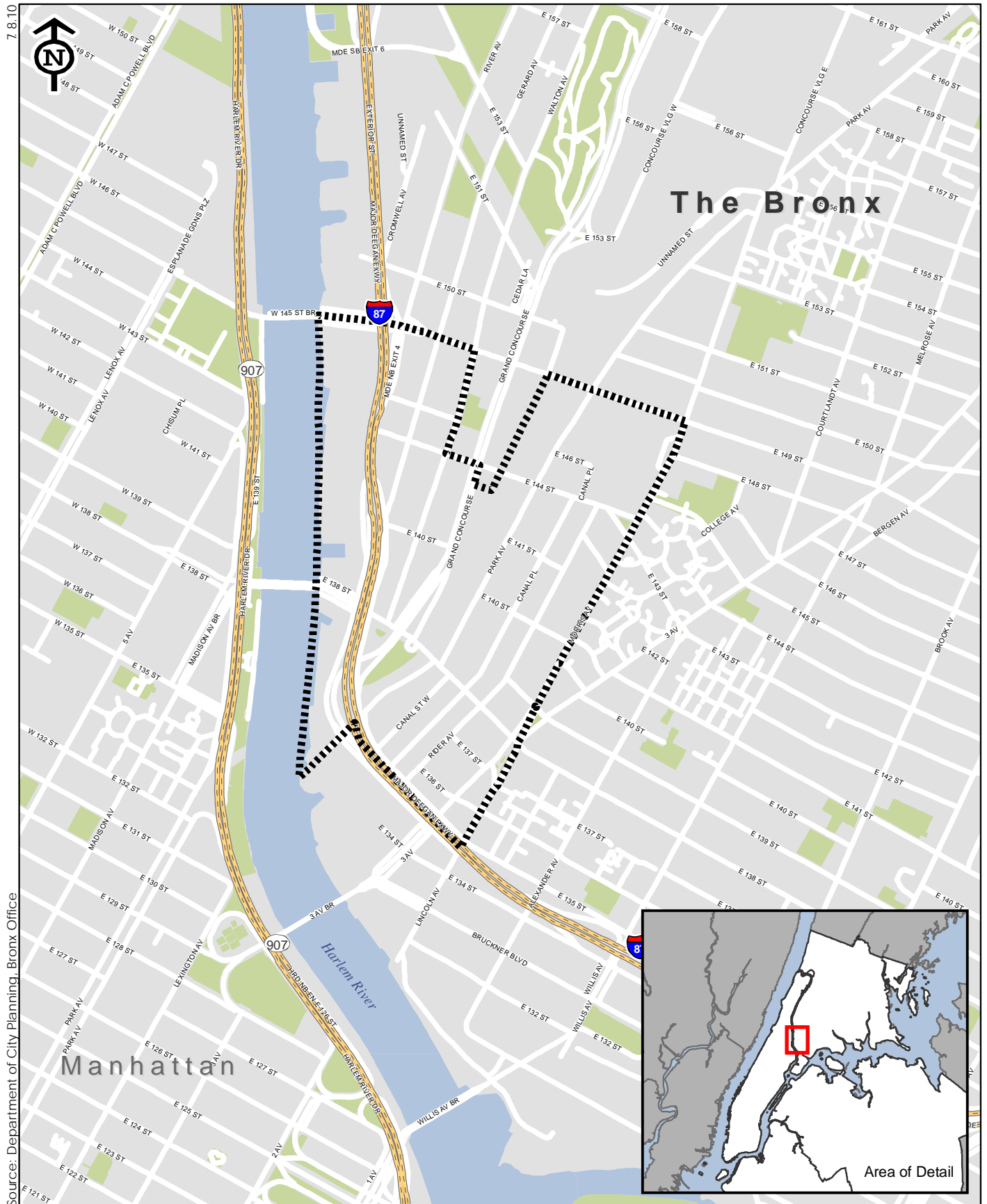
³ Department of City Planning, Bronx Borough Office, March 2008.

This waterfront special district will also help advance the City-wide Waterfront Comprehensive Plan, called “Vision 2020,” which is currently being updated by the DCP from the original 1992 version (discussed further in Part II of this chapter).

Overall, it is anticipated that the Lower Concourse Rezoning will help preserve a significant portion of the area’s manufacturing base and the jobs associated with these businesses, while simultaneously creating new residential, commercial and open space development opportunities within the rezoning area and along the Harlem River that will serve to enhance the surrounding manufacturing and residential community. These actions aim to transform the former heavy-industrial waterfront area into a vibrant, mixed-use, mixed-income community.

**Table 3-2:
New Zoning Districts in Lower Concourse Rezoning Area**

Zoning District	Allowed Maximum FAR			
	Residential	Commercial	Manufacturing	Community Facility
M1-2	X	2.00	2.00	4.80
M1-4	X	2.00	2.00	6.50
MX (R6A/ M1-4)	2.7 (3.6 with I.H.)	2.00	2.00	3.00
MX (R7A/ M1-4)	3.45 (4.6 with I.H.)	2.00	2.00	4.00
MX (R7X/ M1-4)	3.75 (5.0 with I.H.)	2.00	2.00	5.00
MX (R8A/ M1-4)	5.4 (7.2 with I.H.)	2.00	2.00	6.50
C6-2A	5.4 (7.2 with I.H.)	6.00	X	6.50
SPECIAL HARLEM RIVER WATERFRONT DISTRICT				
North: C4-4	3.0 (4.0 with I.H.)	3.40	X	6.50
South: R7-2/ C2-4	3.0 (4.0 with I.H.)	2.00	X	4.80
Sources: Department of City Planning, Bronx Borough Office, March 2008.				
* I.H. = Inclusionary Housing				



Source: Department of City Planning, Bronx Office

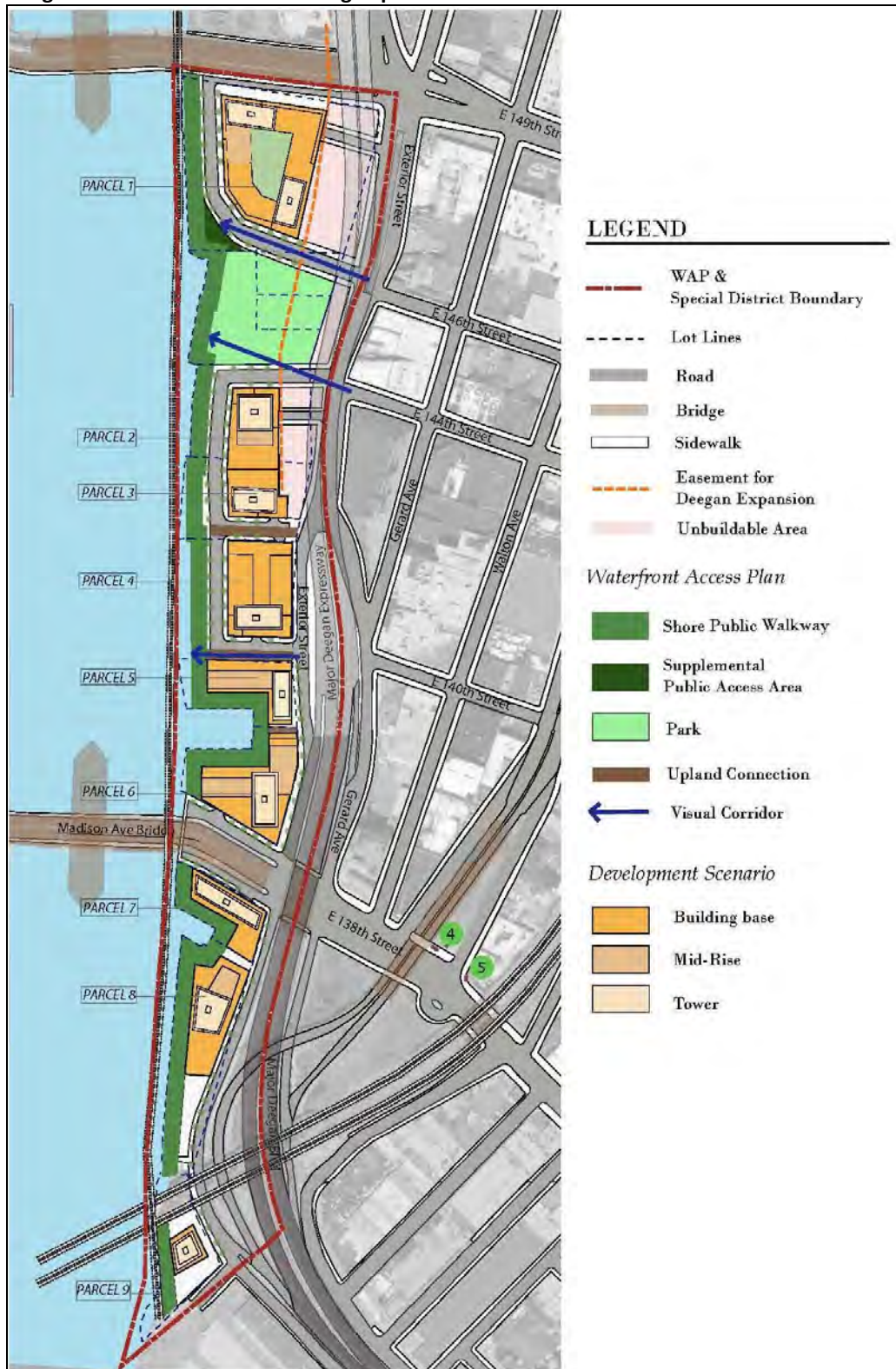


Rezoning Boundary

0 1,500 Feet

Lower Concourse Rezoning Boundary
Figure 3-4

Image 2. Lower Concourse Rezoning - Special Harlem River Waterfront District.



BROWNFIELD, ABANDONED, AND VACANT SITES

Parcels with historic and/or current industrial uses are often associated with a high potential for environmental contamination— these are brownfield sites. For example, waste transfer stations, heavy manufacturing businesses, gas stations, and auto related businesses are often associated with underground storage tanks and spills. Because of the high concentration of such industrial uses, as well as the prevalence of historic urban fill sites, the potential for subsurface contamination exists throughout the entire Harlem Riverfront BOA study area.

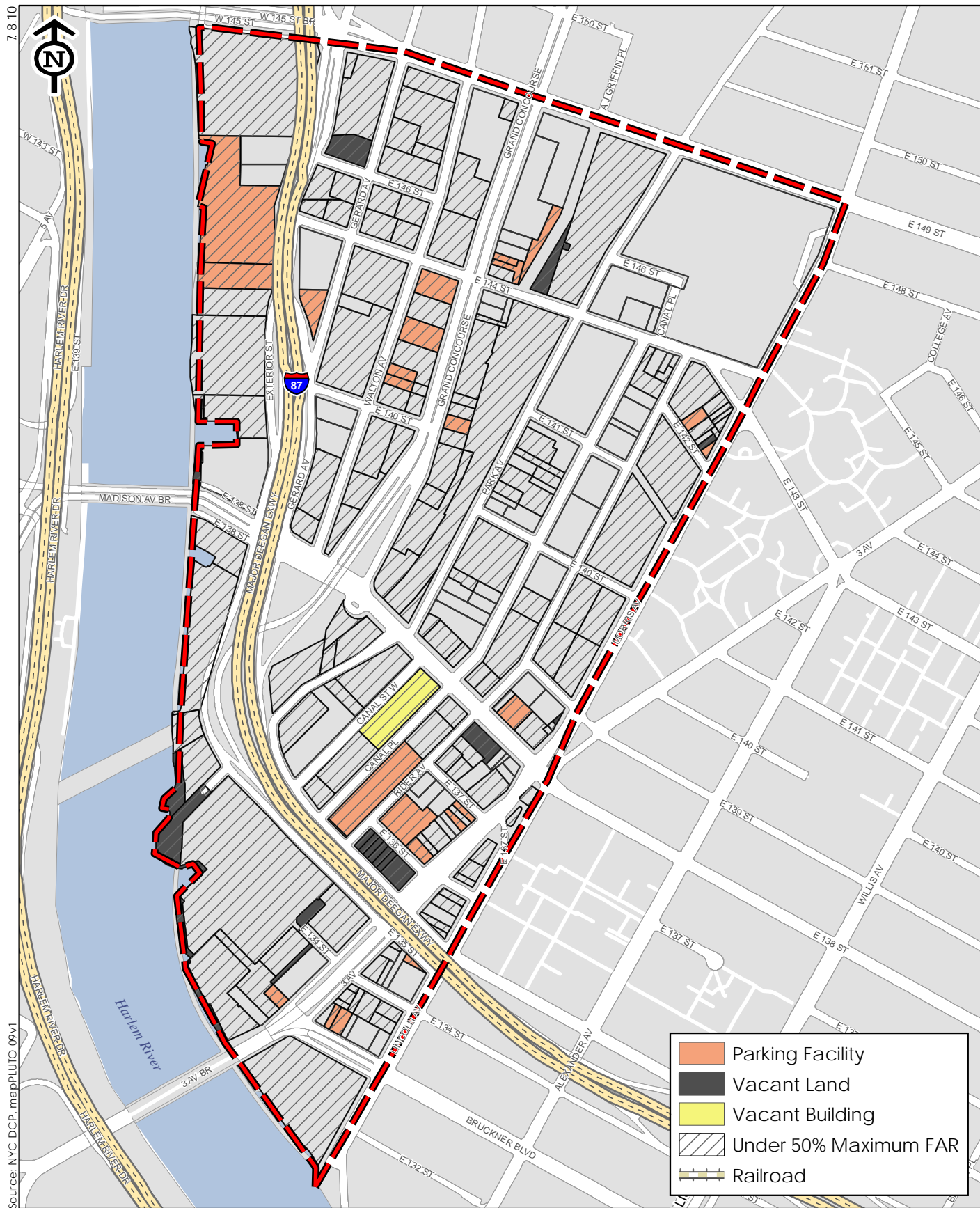
To identify brownfield sites within the BOA suitable for redevelopment, SoBRO conducted an inventory of vacant or underutilized lots, which were anticipated to have contamination issues resulting from on-site or nearby industrial, manufacturing, or auto-related uses. Using data from the New York State Department of Environmental Conservation (DEC) in conjunction with land use and other property information from Map Pluto, Dun & Bradstreet, ConEdison, DCP, and the New York City Department of Buildings, SoBRO mapped petroleum spill sites and discovered that spills potentially cover the entire borough of the Bronx. From this research and inventorying activity within the Harlem Riverfront BOA, SoBRO discovered that many sites within the study area could be characterized as potential brownfields, and could be suitable for further consideration under the BOA Program.

Underutilized or vacant lots are scattered throughout the Harlem Riverfront BOA, and are often located along major thoroughfares or important intersections (sites that SoBRO considers high-impact locations—where redevelopment would be particularly attractive to developers and the local community). Developing targeted sites within the Harlem Riverfront BOA would have a major positive impact on the surrounding neighborhoods, with the potential to transform the entire Harlem Riverfront BOA community.

Figure 3-5 depicts the location of potential brownfield sites and otherwise underutilized, abandoned, or vacant properties in the study area, that were identified by SoBRO through the various means described. Properties mapped include parking facilities, vacant land and buildings, and properties with a Floor Area Ratio (FAR) of 0-1.0 (generally properties that are less than 50 percent built-out in accordance with current zoning). As shown in the figure, properties that fall within one of the above categories cover the vast majority of the proposed Port Morris Harlem Riverfront BOA and are generally concentrated along the Grand Concourse central corridor, in the Harlem River waterfront area, and south of East 138th Street.

STRATEGIC SITES

SoBRO views the BOA Program as a resource intended to target some of the above-mentioned troubled, often underutilized, potential brownfield sites within the study area, and develops strategies to develop them into viable, tax paying real estate that will spur overall community revitalization. Six underutilized sites within the BOA study area were targeted by SoBRO for investigation as potential high-impact “Strategic Sites” under the BOA program; these particular sites were selected because their redevelopment is expected to bring needed economic growth to the Harlem Riverfront BOA area and surrounding communities. The BOA Program defines Strategic Sites as brownfield or suspected brownfield properties located within the proposed BOA boundaries, which if cleaned up and redeveloped, could act as



 Proposed Port Morris Harlem Riverfront BOA Boundary

0 1,000 Feet

Locations of Brownfield, Underutilized, and Vacant Sites

catalysts for further area investment and realization of the community's vision for revitalization.

Since SoBRO's initial application covering the Greater Port Morris BOA, a total of six Strategic Sites specifically within the Harlem Riverfront BOA study area have been identified and assessed for potential environmental issues and potential redevelopment. In selecting these sites, SoBRO has utilized the BOA Program as a tool to facilitate brownfield community planning and site-specific development. Through resources provided under the BOA Program SoBRO engaged the Steering Committee, the Community Coalition, and the public in dialogue about potential reuse of these neglected lots, which would be mutually beneficial to property owners and the community. The MX rezoning of the area makes development opportunities more attractive and feasible and has increased interest from property owners and potential developers.

[It should be noted that SoBRO's first brownfield site considered under the BOA Program, a vacant gasoline service station, is located outside of the Harlem Riverfront BOA study area at the intersection of East 138th Street and Bruckner Boulevard. This site was considered *before* the study area was sub-divided into three separate zones; it is now within the East River subzone, for which SoBRO has a pending Step 2 BOA application currently being reviewed by NYS DOS. A case study detailing SoBRO's early work associated with this property can be found in Appendix E.]

A number of factors are considered in the identification of a Strategic Site, which can include some or all of the following characteristics: location, size, capacity for redevelopment, appropriateness to house a needed new public amenity, owner willingness, adequacy of infrastructure, transportation systems, and utilities, potential to spur additional economic development, and general potential to improve quality of life.

The parcels selected for examination as Strategic Sites within the Port Morris Harlem Riverfront BOA have long been eyesores that paint an image of neglect and abandonment and do not reflect the revitalization that the South Bronx has experienced in recent years.

Methodology

The selection of SoBRO's six Strategic Sites from the universe of underutilized, potential brownfield properties is a direct result of SoBRO's strong relationship with the local community. For instance, SoBRO is actively involved in administering or advising local businesses about the various support and incentive programs available in the South Bronx, i.e. through the Empire Zone, Empowerment Zone, and Industrial Business Zone programs (descriptions for these programs can be found in Appendix A). Also, because of SoBRO's reputation as a prominent local developer of affordable housing, retail, and community space in the South Bronx, property owners and other development groups often seek its advice. Being in this position provides SoBRO with a unique understanding of community and business needs. SoBRO can connect the community's area-wide vision with suitable development sites, and provide concrete assistance to property owners and potential developers when structuring financially viable projects. In this regard, SoBRO was easily able to identify sites appropriate for BOA assessment – sites with perceived environmental contamination issues, whose

redevelopment would have significant visual and economic impact on the surrounding area – in essence, high-impact Strategic Sites.

Two central BOA activities undertaken by SoBRO at Strategic Sites were: 1) Conducting Phase I Environmental Site Assessments; and 2) Creating Strategic Site Profiles for evaluating challenges and opportunities, as well as suitability of different redevelopment scenarios at these sites. Each of these essential tools and their application in SoBRO's BOA program are described below.

Phase I Environmental Site Assessments

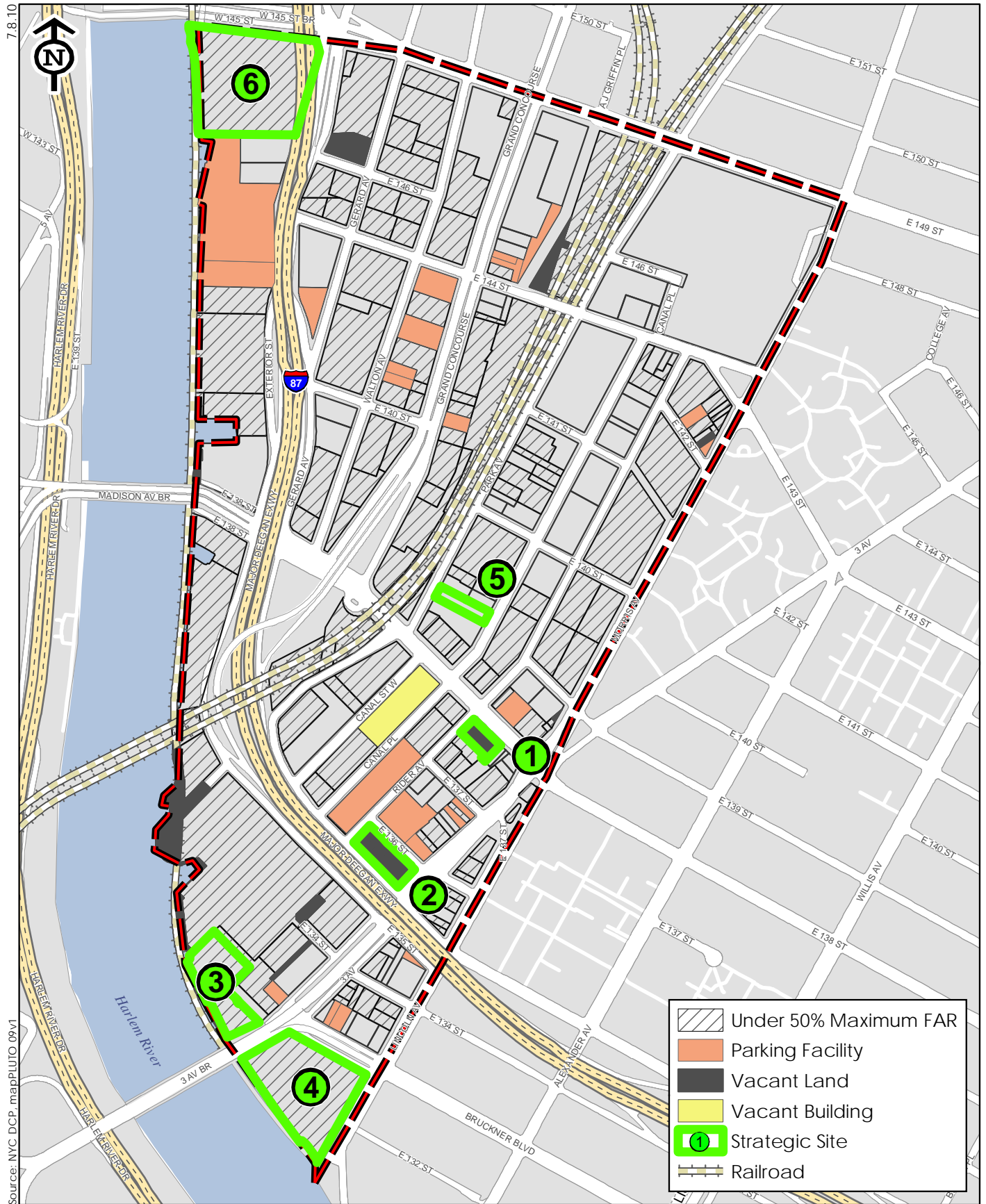
A Phase I Environmental Site Assessment (ESA) assesses the historical use of a site and gauges the likelihood that subsurface contamination is present. A Phase I ESA is used to determine if further site investigation and analysis, such as sampling and lab testing of soil and groundwater, is needed. SoBRO undertook Phase I ESA's at three Strategic Sites. A brief summary of findings can be found in the specific Strategic Site narratives below. The narratives also explain why Phase I's were not conducted for the other three sites.

Strategic Site Profile Tool

SoBRO collaborated with AKRF to develop a Strategic Site Profile tool, which was used to first assist SoBRO in identifying and investigating key high-impact sites and then to help determine their suitability for residential, commercial, or industrial redevelopment. This innovative tool has application for other BOA and under-utilized sites throughout the City. The profile tool considers a broad range of factors that may affect a site's development potential, including environmental history and concerns, zoning restrictions, mass transit availability, and vehicular access. The instrument ranks the potential development site for suitability as either a manufacturing, commercial, or residential reuse. Used also as a marketing device, SoBRO hopes that, within the context of the newly adopted rezoning, this instrument will help property owners, the city, and the community to define new development opportunities within the Port Morris Harlem Riverfront BOA area and foster partnerships with outside private sources that can bring needed capital to the area.

Appendix D contains five Site Profiles that were prepared using the Site Profile Tool for the Strategic Sites identified in the Harlem Riverfront BOA. (Note: Strategic Site #2 was not profiled; see narrative explanation below.) Among other characteristics, the Strategic Site profiles include pertinent information about potential environmental issues on each site, including current groundwater conditions and potential contamination issues. Information on potential contamination is based on field observations, historical land use, aerial photographs, or other available data sources. These site profiles include a comprehensive analysis of the Strategic Site's existing conditions that incorporate much of the same information contained in a full Phase I ESA. This tool also includes a variable rating matrix that generates a numeric indicator of the highest and best reuse for the site. The tool will help shape future remediation and development work at each of the Strategic Sites.

The six Strategic Sites identified in this Step 2 study of the Harlem Riverfront BOA are depicted in **Figure 3-6**. Key findings from the Phase I ESA's and Site Profiles are summarized in the Strategic Site narratives below, and the full Site Profile and Phase I report summaries can be found in Appendices D and I, respectively. Full Phase I reports can be found electronically on



Strategic Site Locations
Figure 3-6

the compact discs submitted along with the hard copy of this report. Additionally, other preliminary development materials for selected Strategic Sites - projected development budgets, financial feasibility analyses, and design schemes - can be found in Appendix H.

STRATEGIC SITE 1: GAS STATION @ RIDER AVENUE / EAST 138TH STREET

**230 East 138th Street, Bronx, NY 10451
Block 2330, Lot 66**

The Rider Avenue gasoline station has been vacant for over 15 years. The property is 11,250 square feet in size and has a regular, rectangular shape, which permits a greater range of development opportunities than an irregularly shaped parcel would allow. Formerly zoned M1-1, the site was rezoned to MX-1 under the Lower Concourse Rezoning plan. This new designation allows the site to be redeveloped as either a manufacturing, commercial, residential, or mixed-use property. SoBRO has contacted and offered to assist the current property owner with the remediation and redevelopment of the site, however the owner has no desire to undertake any redevelopment. He is willing to sell the property, which is subject to hefty State environmental and City tax liens, totaling approximately \$3.5 million combined. As a result of conducting due diligence and preliminary feasibility analysis, it is now SoBRO's intention to undertake development of a mixed-use building that will include 56 units of affordable housing together with ground floor retail space. Through the BOA Program, SoBRO has begun to explore necessary remedial investigation and scope of cleanup, as well as finance alternatives.

The Rider Avenue Strategic Site serves as an important example of how the redevelopment of a brownfield-impacted site in New York City and New York State can be complicated by various layers of liability and regulatory process. First, a state environmental lien of approximately \$1.5 million burdens the site because of a petroleum spill reported in the early 1990's. The NYS DEC Spills Program conducted emergency remediation to reduce the amount of free product in soil and groundwater and prevent off-site migration that could have threatened surrounding properties. The base cost of DEC's remedial work plus many years of accrued interest has today resulted in this tremendous liability for the property owner, who is considered to be the "responsible party." Second, this long-vacant property is burdened by almost \$2 million in back-taxes owed to the City of New York. SoBRO, along with its private partner Exact Capital, intend to acquire the property for a nominal fee plus the responsibility of settling these State and City liens. Unfortunately though, at this juncture, the exorbitant price tags of the two items render the development project financially infeasible. SoBRO has committed BOA resources to undertaking the due diligence necessary to negotiate with the property owner, the State Attorney General's office, and the City to reduce some of these liabilities for the greater purpose of pursuing an important community-economic development opportunity.

Work SoBRO has done thus far at this Strategic Site under the BOA program with the goal of developing the site is:

- Developed a working relationship with the property owner;
- Formed a joint venture partnership with private development group Exact Capital LLC;

- Retained legal counsel to address the State and City liens;
- Reached out to the New York State Comptroller, Attorney General and Governor's offices to explain SoBRO's proposed project, its importance to the community, and the financial hurdles it faces;
- Gathered existing records and data on the remedial work conducted by DEC in order to assess what type of remediation is still needed, and how much it will cost, in order to safely build housing on the site;
- Reached out to the NYC Mayor's Office of Environmental Remediation for guidance on obtaining funding assistance for additional investigation needed at the site, and to act as a liaison between SoBRO and relevant City agencies (such as the NYC Department of Finance) that might consider forgiving all or part of the tax lien liability;
- Met with NYS DEC to evaluate the site and project for eligibility in the NYS Brownfield Cleanup Program (BCP) which offers regulatory oversight for cleanups as well as lucrative tax credits on the costs of remediation and development; and
- Generated a preliminary development budget and cash flow projection for the proposed project in order to work with potential funding sources and determine overall feasibility.

The Rider Avenue gas station has been categorized as a high-impact Strategic Site, because its redevelopment has the potential to a) jump start additional development along the highly visible East 138th Street corridor, and b) serve as a model for using Brownfield gasoline stations as mixed-use economic development anchors. SoBRO with Exact Capital plans to purchase the property from the owner this year.

Site Profile Key Findings

On this site, there are known petroleum contamination impacts to soil and groundwater from past on-site service station operations as well as potential contamination from surrounding off-site industrial facilities and/or uncontrolled urban fill at the site. The site profile and feasibility study (found in Appendices D and H, respectively) show that highest and best re-use for the Rider site is residential. A Phase I ESA was not undertaken at this site because a plethora of environmental conditions data exists on record due to its involvement in the New York State Spills Program.

STRATEGIC SITE 2: GAS STATION AT THIRD AVENUE/MAJOR DEEGAN EXPRESSWAY

2472 – 2477 Third Avenue, Bronx, NY 10451

Block 2320, Lots 5 – 11

This Strategic Site, located at the foot of the Third Avenue Bridge connecting the Bronx with Manhattan, is comprised of an abandoned gasoline station and the 5 adjoining lots, which together occupy a full city block. In late 2007, SoBRO undertook a Phase I ESA to assess the environmental issues affecting the site. The report indicated that the former Gaseteria service station had a petroleum spill in January 2002, which was recorded for the property on NYS

DEC's Spill Database. Although some remediation was conducted by the State to contain the contamination, the spill case remained "open" and further remediation is still needed today. In late 2008 and early 2009, SoBRO worked closely with the new property owner Jiten, LLC, to assess the feasibility of constructing a hotel at this prime location. On SoBRO's recommendation, the property owner applied for and received Empire Zone certification to assist with the site's redevelopment into a hotel. Through the BOA Program, SoBRO helped guide Jiten toward remediation of the five-parcel site under the New York State Brownfield Cleanup Program to which a portion of the site was admitted. SoBRO provided guidance and expertise in exchange for Jiten's commitment to close on this long abandoned property and undertake its redevelopment. As part of this process, SoBRO accompanied Jiten at meetings with the Bronx Borough President's office, DEC Region 2 Division of Environmental Remediation, and the local community board to help gather the support they needed for the hotel project. It should be noted that this site entered into the State's Brownfield Cleanup Program in October 2009. At the time of writing, the project's Remedial Investigation Work Plan (RIWP) was available for Public Comment through May 21, 2010.

Through the BOA Program, SoBRO also funded a Phase I ESA update in early 2009, as most development funding sources require that environmental reports be current within six months. The Phase I ESA completed for the Major Deegan gas station site, along with the data available from the State, helped the new property owner determine the scope of the testing and remediation work needed, and advanced this Strategic Site along its redevelopment trajectory. It should be noted that this site was not profiled with SoBRO's planning tool because of timing; when SoBRO set out to profile Strategic Sites with this tool, the property owner had already determined an end-use and begun the development process. Creating a profile would not have been useful at that point.

Strategic Site #2 stands out as an example of how a BOA site can move on the trajectory from preliminary planning into implementation. Although SoBRO includes it on the list of Strategic Sites within this Step 2 study, in fact it has become an "actualized site" over the course of SoBRO's BOA work in the Port Morris area. When SoBRO first took interest in the site circa 2006, it was still owned by Gaseteria, who was unsure whether to undertake development or to sell the property. Today, under new ownership, the site is in the process of being a) safely remediated under State regulatory oversight; b) transformed from a blighting eyesore to an active, attractive use; and c) developed into a viable, revenue-producing enterprise serving business travelers and visitors stopping in the South Bronx.

Phase I ESA Key Findings (Conducted in February, 2009)

Data revealed that the filling station that operated circa 1951 to 2002 had affected subsurface conditions of soil and groundwater; an active gasoline spill was reported for Lot 11 in January, 2002; testing and monitoring was conducted between 2002 and 2008 that indicated elevated levels of volatile organic compounds (VOCs) and other petroleum-related contaminants, some of which had migrated off-site in a southerly direction; State regulatory records indicated the presence of seven underground storage tanks beneath Lot 11 that were not removed or properly closed; title documents indicated that Lots 5-10 were owned by a cleaning contractor that stored industrial solvents on-site that could have leached into soil and groundwater; possible historic fill issues; possible lead paint issues from vacant structures on-site;

surrounding uses, current and past, may have caused subsurface contamination that could have migrated onto the site.

STRATEGIC SITES 3 & 4: VISTA 1 WAREHOUSE AND VISTA 2 VERIZON PARKING LOT

Vista 1:

**2401 Third Avenue, Bronx, NY 10451
Block 2316, Lot 2**

Vista 2:

**101 Lincoln Avenue, Bronx, NY 10451
Block 2316, Lot 1**

These two sizeable and underutilized waterfront sites are strategically located on the Harlem River waterfront straddling both sides of the Third Avenue Bridge to Manhattan. SoBRO, together with property owners and the Port Morris BOA Community Coalition are beginning a development visioning process, and it is anticipated that these two large waterfront sites, which are zoned MX-1 (but sit outside the boundaries of the Lower Concourse Rezoning area), will include new waterfront access and could accommodate a combination of residential, manufacturing, and retail uses. Redevelopment in this manner, with the provision of new public waterfront access, would complement the waterfront-related goals of the Lower Concourse Rezoning that occurred in the adjacent area just north of these sites, as well as the general trend of removing non-water dependent industrial uses from waterfront areas to allow for more active and enlivened uses.

Using funding provided through the BOA Program, SoBRO has already undertaken Phase I ESA's and created Strategic Site Profiles for each of these parcels. These activities have allowed for a better understanding of the environmental conditions on each site helping SoBRO and community stakeholders determine how best to create a mixed-use complex that could include market-rate condominiums or apartments, affordable housing, retail, community space that includes waterfront access, and on-site parking. The redevelopment of the Vista 1 and 2 Strategic Sites could bring much needed services and amenities to the local community, as well as support new residents moving to the area in response to the MX zoning designations recently adopted in the adjacent Lower Concourse area. As they are formulated, redevelopment concepts for these sites will be presented at public meetings to ensure that the needs and vision of local residents and businesses are incorporated into the redevelopment plans for these two prime waterfront sites.

The first lot at 2401 Third Avenue, named "Vista 1," is 67,000 square feet and is currently occupied by a privately owned Shoring company called Richard C. Mugler Co., Inc., a family-owned business established in 1953. The President, Richard Mugler III, recognizes the potential opportunity in redeveloping or selling his property and relocating the business. In May 2009, Mugler Co. agreed to work with SoBRO in considering alternative redevelopment schemes. SoBRO has also advised the property owner that the Empire Zone and Industrial Business Zone programs may be able to assist in the relocation of his shoring company.

The second lot at 101 Lincoln Avenue, called "Vista 2," is currently leased by Verizon and used as a parking facility for service trucks. It is envisioned that this 137,000 square foot site could

ultimately house major retail, public space, and parking components of the 2-parcel development. SoBRO has begun discussions with Triangle Equities, a prominent retail developer located in Whitestone, New York, who has expressed interest in co-developing the project.

Next steps for this large-scale potential project will be to look at market and financial feasibility, and to engage the property owners and the local community in developing comprehensive site plans. In this regard, SoBRO recently underwent the BOA consultant procurement process and engaged an architectural planning firm to provide preliminary design services, which will include a zoning and bulk analysis of the Vista 1 site, a site accessibility study, and a contextual planning study for mixed-use development of the adjoining lots. It is anticipated that this work will be completed in August, 2010.

Site Profile Key Findings – Vista 1

Potential contamination exists from past on- and off-site industrial and automotive/petroleum-related operations, and/or from an on-site gasoline tank, and/or from uncontrolled fill on-site. An “E” Designation on the property will require additional site investigation, and potentially remediation, that satisfies the city’s Office of Environmental Remediation (OER) prior to any redevelopment of the site. The suitability study shows that highest and best re-use for the site is residential.

Phase I ESA Key Findings - Vista 1 (conducted in August, 2009)

Evidence revealed Recognized Environmental Conditions (REC’s): the Vista 1 property was part of the J.L. Mott Iron Works facility prior to 1891; Sanborn maps showed a 550-gallon gasoline tank and oil storage sheds in 1935, a private garage and repair shop in 1946, uses that could have adversely affected subsurface conditions. The property bears a Hazardous Material “E” Designation, meaning that environmental issues must be addressed to the City’s satisfaction before redevelopment can occur; Multiple 55-gallon drums of hydraulic fluid, lubricant oil, antifreeze and cleaning fluids were stored in the existing building; drums were in fair to poor condition; also, since the existing warehouse was built before 1978, asbestos, lead-based paint, and mercury/PCB-containing materials or systems components might be of concern at the site.

Site Profile Key Findings – Vista 2

Contamination may exist from past on- and off-site industrial and manufacturing operations, on-site underground petroleum tanks and/or potential uncontrolled fill on-site. Like Vista 1, the “E” Designation will require additional site investigation, and potentially remediation, conducted to the satisfaction of OER, prior to the site’s redevelopment. The suitability study shows that highest and best re-use for the site is mixed-use.

Phase I ESA Key Findings - Vista 2 (conducted in October, 2009)

Evidence revealed Recognized Environmental Conditions (REC’s): State records identified 14 registered 550-gallon underground storage tanks (USTs) installed in 1968 and removed in 1991; the property may have operated as a service fleet facility for Verizon auto repair activities; Sanborn maps show the following past uses: coal yard, livery stable, steamboat company, building materials facility, railroad facility, garage and repair facility, blacksmith shop, paint shop, crane paint and repair shop, and storage yard; these past operations may have used

petroleum, solvents or other chemicals adversely affecting subsurface environmental conditions. The property was also listed as a small Resource Conservation and Recovery Act (RCRA) hazardous waste generator site, although no waste activity was recorded. An application to the NYC Department of Buildings was made in 1997 to install an oil-water separator, which, if installed, could have leaked oil into the subsurface; also, since the existing structures were built in 1966, asbestos, lead-based paint, and mercury/PCB-containing materials or systems components might be of concern at the site.

STRATEGIC SITE 5: 2568 PARK AVENUE BETWEEN EAST 138TH AND EAST 140TH STREETS

2568 Park Avenue, Bronx, NY 10451

Block 2340, Lot 14

Property owner Al Simmons runs the Bronx-based heating oil company Big “A” Fuel & Oil, a successful family business started in 1978. In 1981, the family purchased the property at 2568 Park Avenue to store small trucks, an operation that has since been discontinued. SoBRO contacted Mr. Simmons several years ago to offer business assistance services and has maintained an ongoing relationship with him. Mr. Simmons approached SoBRO in 2009 for guidance on how best to develop the property. SoBRO informed him about the BOA Program, and explained the importance of developing the site in concert with the BOA vision and plan set forth by the local community. SoBRO explained that, with BOA funds, SoBRO could facilitate environmental review of the site and an analysis of highest and best use, which would be beneficial for himself and his family, as well as the local community.

Park Avenue is a street lined with warehouse buildings that house distribution and other light industrial facilities, and 2568 Park sits between two such lots. SoBRO believes a new warehouse leased out to a viable manufacturing tenant would be the most appropriate development for the vacant property; it would be as-of-right within the M1-2 zoning district, and fit within the context of the immediate neighborhood. Additionally, a sizable, reputable tenant company would bring a number of jobs to the area, a need expressly indicated by the Port Morris community. As soon as a consensus is reached between property owner and the community, SoBRO will work with Mr. Simmons to undertake further environmental assessment such as Phase I & II investigation, design analysis, and ultimately redevelopment into productive use.

In addition to creating a site profile for 2568 Park Avenue, SoBRO has also begun to reach out to Bronx-based manufacturing businesses to gauge potential interest in the site should it be developed. One particularly interested business owner would like to relocate his hardware store and lumber yard to the site. SoBRO’s next step will be to present the site and the development vision to CB1 and the Community Coalition.

A Phase I ESA was not undertaken by SoBRO for this site because environmental records have already been reviewed as part of the owner’s removal of an underground storage tank in 2007. An updated ASTM-compliant Phase I will be conducted when the site is closer to development.

Site Profile Key Findings

Possible contamination may be present as a result of an on-site history of manufacturing, and a 3,000 gallon fuel oil tank (which has been removed). Surrounding historical industrial, manufacturing, and petroleum use/storage sites may have also affected in-site conditions.

Overall, the property lacks a number of characteristics that would make it a strong candidate for residential development. It is surrounded by active industrial and commercial uses, has limited potential for views, and is poorly-served by publicly-accessible open space. Furthermore, residential development on the site is not allowable under the current zoning. The suitability study shows that the highest and best reuse for the site would be industrial.

STRATEGIC SITE 6: BRONX COUNTY RECYCLING

**475 Exterior Street/60 East 149th Street, Bronx, NY 10451
Block 2349, Lot 112**

Bronx County Recycling is a strategically located parcel of land fronting the Harlem River at East 149th Street, diagonally across the street from the \$500 million Gateway retail complex, recently completed by the Related Companies. The Department of City Planning has earmarked the site under the recently adopted Lower Concourse Rezoning initiative as one of the eight mixed-use waterfront redevelopment sites (specifically, Strategic Site #6 is Parcel 1 identified in **Image 2** above of the Special Harlem River Waterfront District). The site's large size and regular shape make it an attractive opportunity for future development. In addition to its exceptional physical characteristics, the site is well connected to New York City's vehicular and public transportation network. The site's waterfront location will provide a potential future development with in-demand views of Manhattan, the Harlem River, and Yankee Stadium. The public greenway and waterfront park mapped as part of the Special Harlem River Waterfront District will add more attractive features that increase the value of the property.

Using funding provided through the BOA Program, SoBRO created a site profile for this parcel in 2008. This activity has allowed for a better understanding of the environmental conditions on the site. In the course of preparing the site profile, the site was identified as a former freight yard, auto junk yard, and construction storage yard. Additionally, the site was also listed on several regulatory databases, including for petroleum spills and for the use and storage of hazardous materials, potentially in large quantities. The site's long industrial history and known use of hazardous materials suggest a high potential for contamination at the site.

Given the nature of the existing business (i.e. recycling of concrete, stone, and related construction debris), their operations produce considerable dust emissions that have long upset local residents and community advocates. SoBRO discussed the redevelopment of this critical site with the owner, and offered to assist with the identification of an alternative site for the relocation of this business. The owner is agreeable to moving, provided an appropriate relocation site can be secured in a suitable area. Since the beginning of SoBRO's BOA assessment work at this site and the enactment of the Lower Concourse Rezoning, the property owner has independently begun redevelopment planning with DCP. For this reason, SoBRO did not conduct a Phase I ESA for Strategic Site #6, as this would be part of the owner's pre-development process in which SoBRO was not directly involved at the time of writing.

Site Profile Key Findings

Potential sub-surface contamination may exist on-site in the form of petroleum, solvents, and/or metals. The reuse suitability assessment of the site, based on its physical attributes,

strategic location, and environmental characteristics, indicates that the site would be best used for residential development.

SPECIAL DISTRICT WATERFRONT DEVELOPMENT PARCELS

In the discussion of BOA Strategic Sites in the Harlem Riverfront BOA area, it is important to mention again the eight development parcels identified by City Planning in the Lower Concourse Rezoning area's Special Harlem River Waterfront District. Due to the divergent timing of SoBRO's BOA Strategic Site selection and the City's singling out of these nine parcels, they were not directly included as BOA Strategic Sites in this Step 2 study, and were therefore not studied using the Strategic Site Profile tool or Phase I assessment. At such time that the rezoning initiative was finalized, BOA funds were already committed to the above-described six Strategic Sites and other BOA activities described in this report. However, due to their prominence in the rezoning vision for the Lower Concourse area (largely coincident with the Harlem Riverfront BOA area), SoBRO sees tremendous opportunity to utilize the Strategic Site Profile tool developed in this BOA Step 2 study to undertake preliminary investigation and marketing of these sites to potential developers. SoBRO intends to assist the DCP in undertaking these activities for the eight waterfront development parcels under a BOA Step 3 program in the Harlem River Waterfront area. This topic is discussed further in the Recommendations section of this chapter.

PART II: EXISTING CONDITIONS & AREA RESOURCES

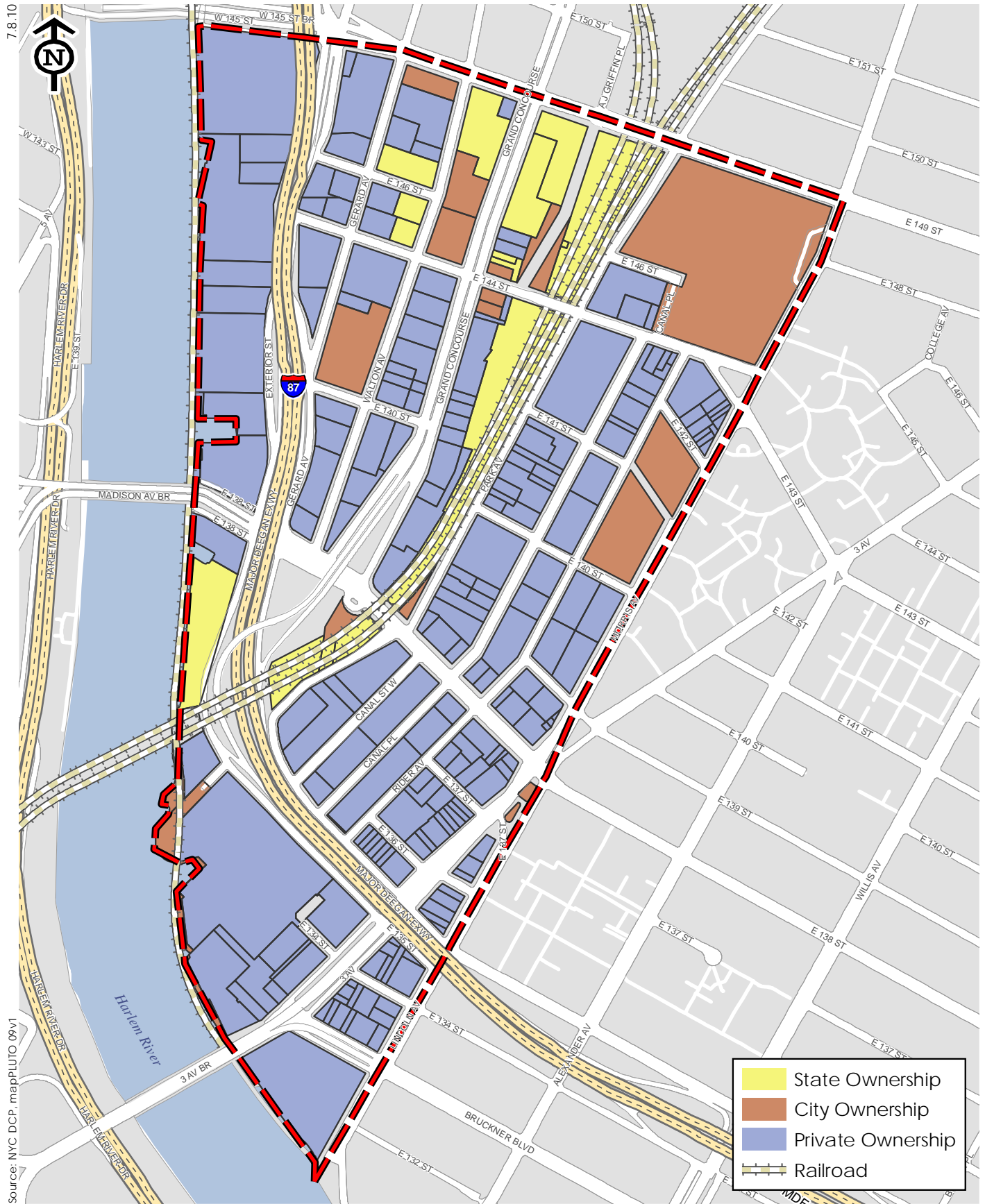
The following section further contextualizes SoBRO's Port Morris Harlem Riverfront BOA work and the area in which the six Strategic Sites are located.

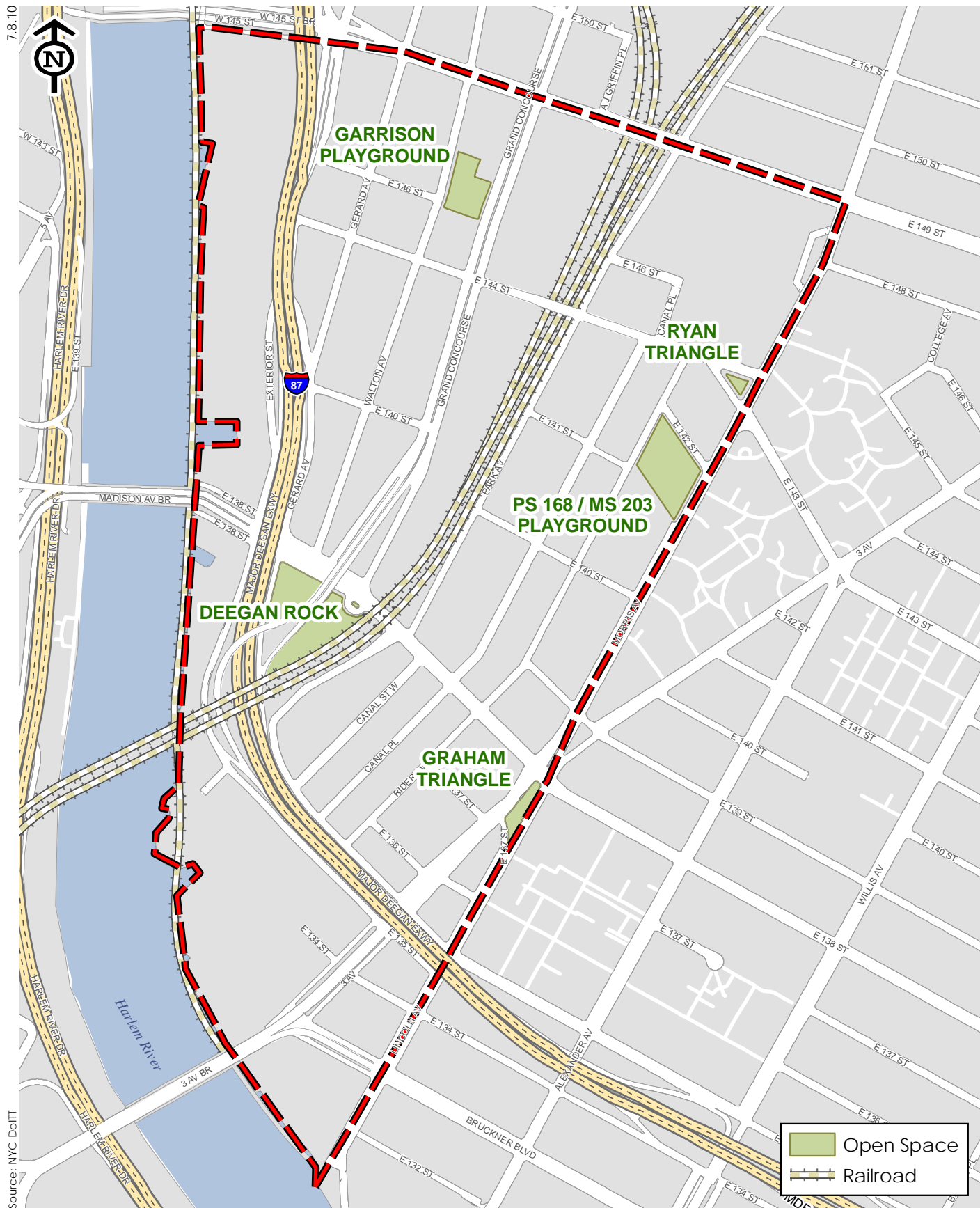
LAND OWNERSHIP

Figure 3-7 depicts land ownership patterns found within the proposed Port Morris Harlem Riverfront BOA; highlighting publicly owned and privately held lands separately. Publicly owned land accounts for approximately 20 percent of the study area. City and State- owned properties belong to: the New York City Departments of Parks and Recreation and Education, the City University of New York (CUNY), and the Health and Hospital Corporation (HHC). The latter two entities share ownership of Lincoln Hospital, located in the northeastern corner of the study area, at East 149th Street and Morris Avenue. The New York State Dormitory Authority owns one parcel at the southwestern corner of East 146th Street and Walton Avenue, as well as the parcels just south of East 149th Street, on either side of the Grand Concourse, that house the Hostos Community College and High School. Additional State-owned properties are located in the north-central portion of the study area, and there is one along the Harlem River waterfront. The majority of lots within the study area are privately owned. Of these, several private property owners control multiple parcels within the study area, including: Borden Realty Corp., 385 Gerard, LLC, and Simone Development Co.

PARKS AND OPEN SPACE

Figure 3-8 depicts lands in the proposed Port Morris Harlem Riverfront BOA that have been dedicated or committed for park or open space use. There are five parks and open spaces in the study area, including: Deegan Rock at the southeastern corner of Grand Concourse and





 Proposed Port Morris Harlem Riverfront BOA Boundary

0 1,000 Feet

East 138th Street; Graham Triangle bounded by East 139th Street and Morris and Third Avenues; Ryan Triangle bounded by East 143rd and East 144th Streets and Morris Avenue; Garrison Playground between Grand Concourse and Walton Avenue and East 144th and East 149th Streets; and P.S. 168/M.S. 203 Playground at the southwest corner of Morris Avenue and East 142nd Street.

In addition, Patterson Playground is located just outside the study area boundaries, fronting on the east side of Morris Avenue and the south side of East 148th Street. In general, the study area is underserved by parks and open spaces. However, a number of parks and open spaces are located outside the boundaries of the Harlem Riverfront BOA, but within the communities of Port Morris, Mott Haven, and Community Districts 1 through 4. One such resource is St. Mary's Park, the largest in the Mott Haven area, generally bounded by East 149th Street to the north, St. Mary's Street to the south, Jackson Avenue to the east, and St. Ann's Avenue to the west. St. Mary's Park was designed by Fredrick Olmstead with lush greenery and winding, paved walk and bikeways. This destination park serves as a dynamic community asset, frequented by residents and families from throughout the Port Morris and Mott Haven neighborhoods. For a wider context, **Image 3** below depicts parks and open space throughout the greater South Bronx area.

It is also noteworthy that a significant amount of public open/recreational space is planned or currently under construction just north of the BOA study area. This new green space is being developed as part of two large scale projects between E 149th Street and E 161st Street: The Gateway Center and the New Yankees Stadium. The Gateway Center project is developing two acres of the Harlem River waterfront for public access, and the new stadium project is building four new parks with high-quality recreational facilities: three championship-quality grass ballfields, an all-weather soccer and football field surrounded by a 400-meter competition-quality track, four basketball courts, eight handball courts, a skate park, a playground, fitness equipment and a waterfront esplanade linking a picnic area, play area, tennis center and sixteen tennis courts along the Harlem River. The new waterfront public spaces of these projects will connect to form one continuous esplanade. When completed, these developments will serve as a valuable new asset for all South Bronx communities, including those within the Port Morris Harlem Riverfront BOA. **Image 4⁴** below shows renderings of the new public and green spaces being developed in the Yankees Stadium area.

⁴ http://www.nycgovparks.org/sub_your_park/nyy_stadium/html/nyy_redevelopment.html

Image 3. Parks and Open Space in the greater South Bronx area.



Image 4. New open space being developed above East 149th Street, in Yankees Stadium Area.



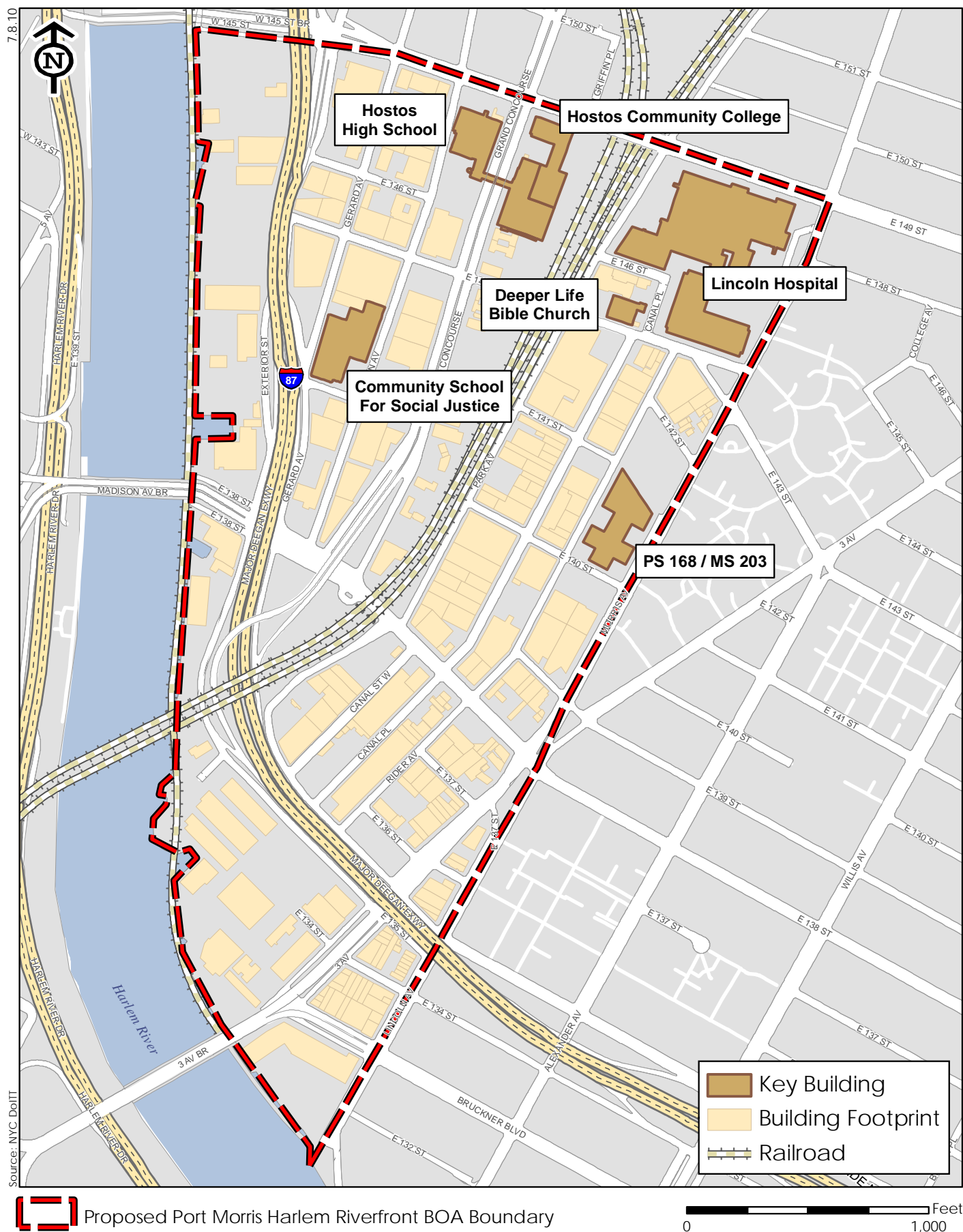
BUILDING INVENTORY

The buildings identified in the study area represent significant public facilities and institutions present in the study area, including: Lincoln Hospital in the northeast corner at East 149th Street and Morris Avenue; Deeper Life Bible Church at East 144th Street and Canal Place; P.S. 168/M.S. 203 at the northwest corner of Morris Avenue and East 140th Street; the Community School for Social Justice at East 140th Street between Gerard and Walton Avenues; and Hostos High School and Community College on either side of Grand Concourse along the northern study area boundary. These “key” buildings are considered assets to the community, serving as neighborhood anchors.

Figure 3-9 shows the location of key buildings in the proposed Port Morris Harlem Riverfront BOA. **Table 3-2** details pertinent information about these buildings including name, levels, gross square footage, original and current use, condition, and ownership. These key buildings house health, educational, and religious institutions that serve as important resources for the surrounding community. Their presence within the Harlem Riverfront BOA are crucial for anchoring the existing community and also attracting new residents (families, students, elderly) and workforce. As BOA Strategic Sites move towards redevelopment, these local resources will help draw developers and new people, and contribute to overall project feasibility.

Table 3-2
Key Buildings

Building Name	Lincoln Hospital	Deeper Life Bible Church	Community School for Social Justice	Hostos High School	Hostos Community College	PS 168/ MS 203
Block	2335	2335	2344	2346	2343	2333
Lot	16	58	96	29	14, 32	70
Address	229 East 144th Street	213 East 144th Street	350 Gerard Avenue	492 Walton Avenue	448-500 Grand Concourse	339 Morris Avenue
Owner	CUNY and Health and Hospital Corp.	Deeper Life Bible Church	NYC Department of Education	NYS Dormitory Authority	NYS Dormitory Authority	Board of Education
Bldg. Area (Gross SF)	1,593,305	62,618	99,950	193,414	365,382	161,570
Levels	14	5	3	6	5	4
Year Built	1972	1931	1913	1949	1966 (Bldg 1), 1988 (Bldg 2)	1972
Year Altered 1	-	-	1985	1972	-	-
Year Altered 2	-	-	1995	1988	-	-
Original Use	Hospital	Church	School	School	School	School
Current Use	Hospital	Church	School	School	School	School
Condition	Good	Good	Good	Good	Good	Good
Source: New York City Department of City Planning (DCP), MapPLUTO 09v1.						



HISTORIC AND CULTURALLY SIGNIFICANT AREAS

The proposed Port Morris Harlem Riverfront BOA and the surrounding area have a rich industrial and architectural history that left behind impressive buildings still standing strong today. These buildings contribute to the character of Port Morris and neighboring Mott Haven, and create an architectural and historical context within which the Port Morris area has developed and will continue to develop in the future. The following section highlights the study area's historic and archaeological resources of note, and also provides information related to a vibrant, burgeoning arts and culture scene found in and around the study area.

Historic and Archeological Resources

Most of the area's historic resources are located in Mott Haven's designated Historic District, immediately next to Port Morris. Historic buildings in the area, several of which have NYC Landmark designations, housed Mott Iron Works plants as well as piano manufacturers and the other industries that thrived through the 1800's.

Figure 3-10 shows the locations of historic resources within the Harlem Riverfront BOA. The study area includes one building with New York City Landmark (NYCL) status—Public School 31 at 425 Grand Concourse. PS 31 is also listed on the State and National Registers of Historic Places (S/NR). Also within the study area and listed on the S/NR is the Mott Avenue Control House at East 149th Street and Grand Concourse. As identified in the New York City Department of City Planning's Lower Concourse Rezoning and Related Actions EIS (May 2009), there are two other historic resources potentially eligible for listing on the S/NR within the study area: the North Side Board of Trade Building at 2514 Third Avenue, and the J.L Mott Iron Works at 220 East 134th Street. The study area's historic resources can also be considered key buildings for purposes of redevelopment, in addition to those identified in the "Building Inventory" discussion, presented above. These four buildings of historic significance are described in more detail below, as excerpted from the New York City Department of City Planning's Lower Concourse Rezoning and Related Actions EIS (May 2009):

1. Public School 31, 425 Grand Concourse, (NYCL, S/NR Listed). Public School 31 is an outstanding example of late 19th century Collegiate Gothic public school architecture. The building was constructed between 1897 and 1899 to accommodate the influx of population moving to the Bronx and was designed by C.B.J. Snyder during the early years of his lengthy term as Superintendent of School Buildings for New York City's Board of Education. Public School 31 was one of the first of New York's public schools to display numerous late Gothic details such as Tudor-arched doorways and pointed windows topped with stone tracery.
2. The Mott Avenue Control House, located at the southwest corner of East 149th Street and Grand Concourse, (S/NR Listed). This is one of four surviving structures built as ornamental entrances to underground subway stations by Interborough Rapid Transit (IRT) system. These structures (the others being located in Manhattan and Brooklyn) are the only remaining original entrances from New York's first subway system. The Control House was designed by the noted architectural firm of Heins & LaFarge, consulting architects for the subway system. The façade is faced in Roman Brick with limestone trim. The name of the

station is prominently displayed in terra cotta tile set beneath a richly detailed limestone cornice.

3. The North Side Board of Trade Building, 2514 Third Avenue, (S/NR, Potentially Eligible). The structure's name recalls the period between 1898 and 1912 when the Bronx was known as the North Side of New York. Designed by architect Albert E. Davis in 1912, this Neo-Classical structure served as the headquarters of the borough's board of trade. The irregularly shaped structure is visually prominent as it features three street elevations which are symmetrically arranged, faced in stone and terra cotta, and are highly ornamented with classically inspired detailing.
4. J.L. Mott Iron Works, 220 East 134th Street, (S/NR, Potentially Eligible). The J.L. Mott Iron Works is historically noteworthy as one of the most important 19th century industrial concerns in the Bronx. Jordan L. Mott, inventor of a coal-burning stove, established a factory west of Third Avenue between the Harlem River and East 134th Street in 1828; buildings in the complex range in date from 1828-1906 and, typical of industrial structures, are simply constructed with minimal detailing. Until it ceased operations in 1906, Mott Iron Works was nationally known for its manufacture of coal burning cooking stoves, claw foot bath tubs, porcelain sinks, and a wide variety of cast iron products including manhole covers. Its prominent clients included the White House, for whom it provided bathtubs, and the US Capitol, whose dome contains Mott produced iron. Among his many interests, Mott founded the village of Mott Haven.⁵

Several buildings of historic significance are located right outside the proposed Port Morris Harlem Riverfront BOA boundary, including the Estey Piano Company Factory at 112-128 Lincoln Avenue (also known as 15-19 Bruckner Boulevard and 270-278 East 134th Street) with New York City Landmark status. The old factory building features robust brick facades and a high corner clock tower and serves as a monument to an industry that was once one of the Bronx's most important. Anchoring the northeast corner of Lincoln Avenue and Southern (now Bruckner) Boulevard since 1886, when the original portion of the building was completed, the Estey building is the oldest known piano factory standing in the Bronx today. The Bronx Central Annex, US Post Office at 560 Grand Concourse also has New York City Landmark status and is listed on the S/NR. Lastly, Building D at Bronx Terminal Market at River Avenue and East 149th Street was previously determined to be eligible for listing in the S/NR.⁶

The nearest historic districts are the Mott Haven National Register Historic District and the Mott Haven Landmarks Preservation Commission Historic District located within two blocks of the Harlem Riverfront BOA study area's eastern boundary. In general, the study area is rich in history, with a legacy of industrial development dating back to the 1800s.

As documented in the New York City Department of City Planning's Lower Concourse Rezoning and Related Actions EIS (May 2009), the study area is not archeologically sensitive for prehistoric and historic resources.

⁵ New York City Department of City Planning, *Lower Concourse Rezoning and Related Actions EIS*, May 2009.

⁶ New York City Department of City Planning, *Lower Concourse Rezoning and Related Actions EIS*, May 2009.

Cultural Resources

The proposed Port Morris Harlem Riverfront BOA and surrounding communities boast a diverse and impressive array of arts and cultural opportunities. These features play an important role among the factors that are helping to drive the renaissance of this area. These institutions, galleries, and arts venues are briefly described in this section.

Recently, Mott Haven has become noted for its Antiques District along Bruckner Boulevard and Alexander Avenue. Artists, professionals, and environmentalists, along with a small concentration of new restaurants and cafes, have been moving into lofts and historic brownstones in the southernmost portion of Mott Haven and Port Morris. The area boasts a growing local art and performance scene in the neighborhood centered on the Haven Arts Gallery and other independent events sponsored in part by the Bronx Council on the Arts (BCA).

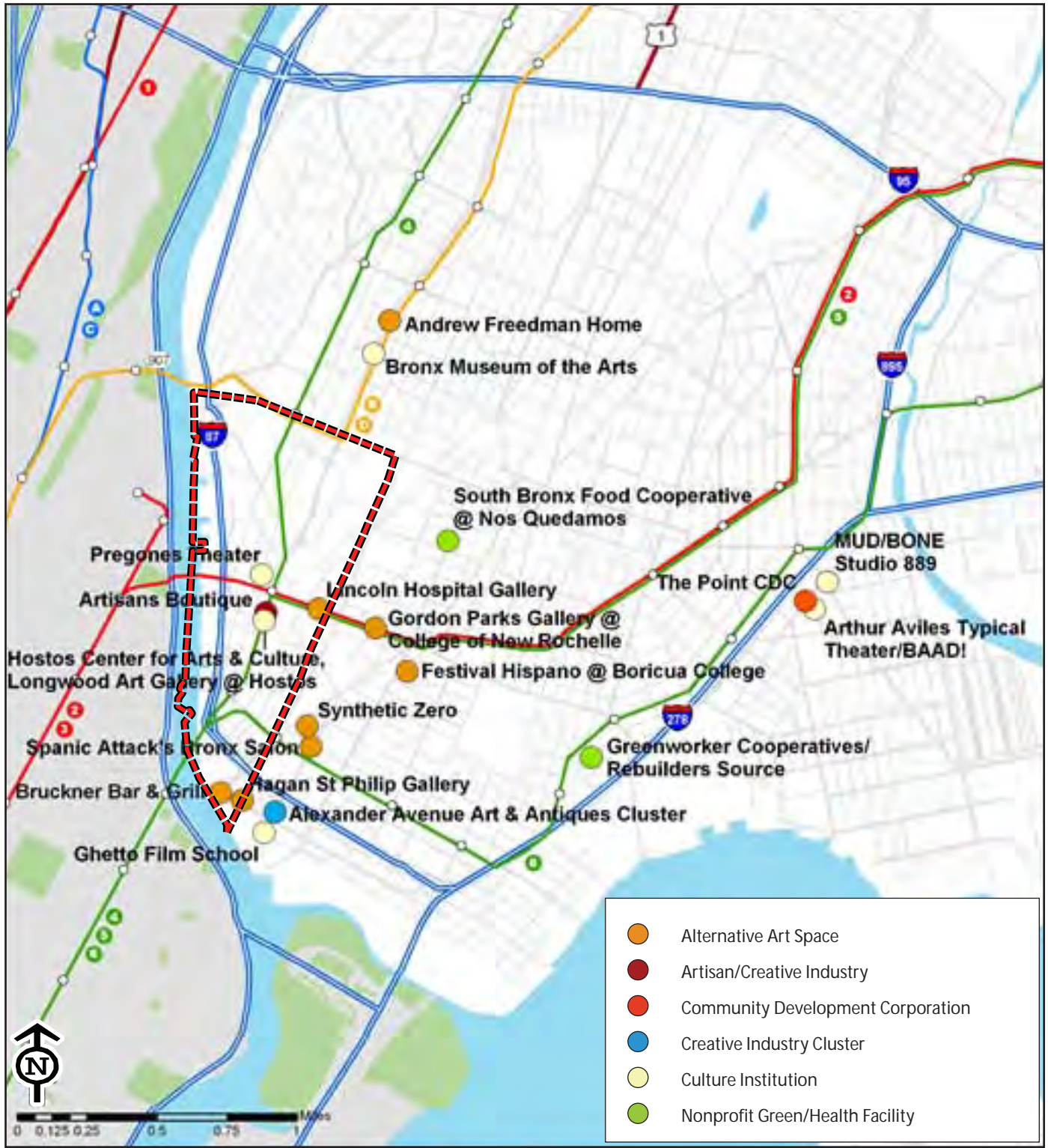
In 2001, the BCA designated a mile-long strip of the Grand Concourse as an area with a high concentration of cultural activity and branded it “The South Bronx Cultural Corridor” (see **Figure 3-11**). Dubbed the “Gateway to the New Bronx,” the Cultural Corridor facilitates arts-based economic development in the South Bronx. BCA’s goals for the corridor are to attract visitors, increase commercial activity, and engage the community in a variety of cultural events in the South Bronx.


The Cultural Corridor includes Lincoln Avenue and the Bruckner Service Road up to 165th Street (north to south) and East River to the Harlem River (east to west), and includes parts of the Lower Concourse, Melrose, Mott Haven, Port Morris and Hunts Point. The corridor houses a mix of uses, including increasing numbers of artists, designers, artisans, arts organizations, and other artistic and cultural activities. The Cultural Corridor supports a critical mass of dozens of major cultural non-profit institutions, galleries, and other arts hosting venues. Notable members of the Cultural Corridor are located within the Harlem Riverfront BOA, including:

- Artisans Initiative, Hostos Community College Lobby, 450 Grand Concourse;
- Bronx Museum Project Space, 11 Bruckner Boulevard;
- Bruckner Bar and Grill, 1 Bruckner Boulevard;
- Hostos Center for Arts and Culture, 450 Grand Concourse;
- Lincoln Hospital, 234 East 149th Street; and
- Longwood Art Gallery@ Hostos, 450 Grand Concourse.

TRANSPORTATION SYSTEMS

The proposed Port Morris Harlem Riverfront BOA is well connected to regional transportation systems, providing convenient vehicular and transit access to the rest of the Bronx, Manhattan, and the greater New York Metropolitan Region. The Third Avenue, Madison Avenue, and 145th Street Bridges provide a direct connection between the Harlem Riverfront BOA study area and Manhattan. The Major Deegan Expressway (I-87), which traverses the southern portion of the study area, connects to the Bruckner Expressway (I-278) south of the study area and to the Cross Bronx Expressway (I-95) north of the study area, providing access to the greater Bronx region. Arterial through routes traversing the proposed Harlem Riverfront BOA include, East



 Proposed Port Morris Harlem Riverfront BOA Boundary

South Bronx Cultural Corridor
Figure 3-11

149th Street along the study area's northern boundary, and the Grand Concourse, which runs north-south bisecting the study area.

Metro-North Railroad tracks traverse the study area just east of Grand Concourse. There are two stations lying outside the study area that would serve area residents and businesses: the Melrose Station at Park Avenue and 162nd Street, and the Yankees/East 153rd Street Station at Gateway Center Boulevard and East 153rd Street. MTA NYC Transit Subway also operates in the study area (subway lines 2, 4, 5, and 6) with stations at East 138th Street and Grand Concourse, East 149th Street and Grand Concourse, and an additional station just outside the study area located at Third Avenue and East 138th Street. In addition, seven MTA-NYC Transit Bus routes serve the study area. **Figure 3-12** illustrates the primary transportation networks and systems in the proposed Harlem Riverfront BOA.

INFRASTRUCTURE

Figure 3-13 shows primary infrastructure in the Harlem Riverfront BOA study area, to the extent that data on this information was available. Detailed infrastructure data is generally not available for the New York City area because of the sensitivity of this information relative to security issues. Information on the location of water and sewer infrastructure in the study area is based on a review of AKRF's in-house New York City Department of Environmental Protection (NYCDEP) water and sewer system drawings. However, the location of water and sewer lines is not shown on the figure because of the differences in scale (water and sewer lines can only be shown clearly on maps of a relatively large scale). Shown on the figure are parking facilities, which are scattered throughout the study area, as well as the location of combined sewer flow regulators or outfalls, which are generally located along the Harlem River waterfront. An overview of infrastructure systems, including water supply, sewage treatment, and stormwater management systems, as they relate to New York City as a whole and more specifically to the Bronx is provided below. Generally, with the exception of parking, SoBRO believes that existing infrastructure can adequately support the residential and mixed-use development of the BOA Strategic Sites proposed in this report.

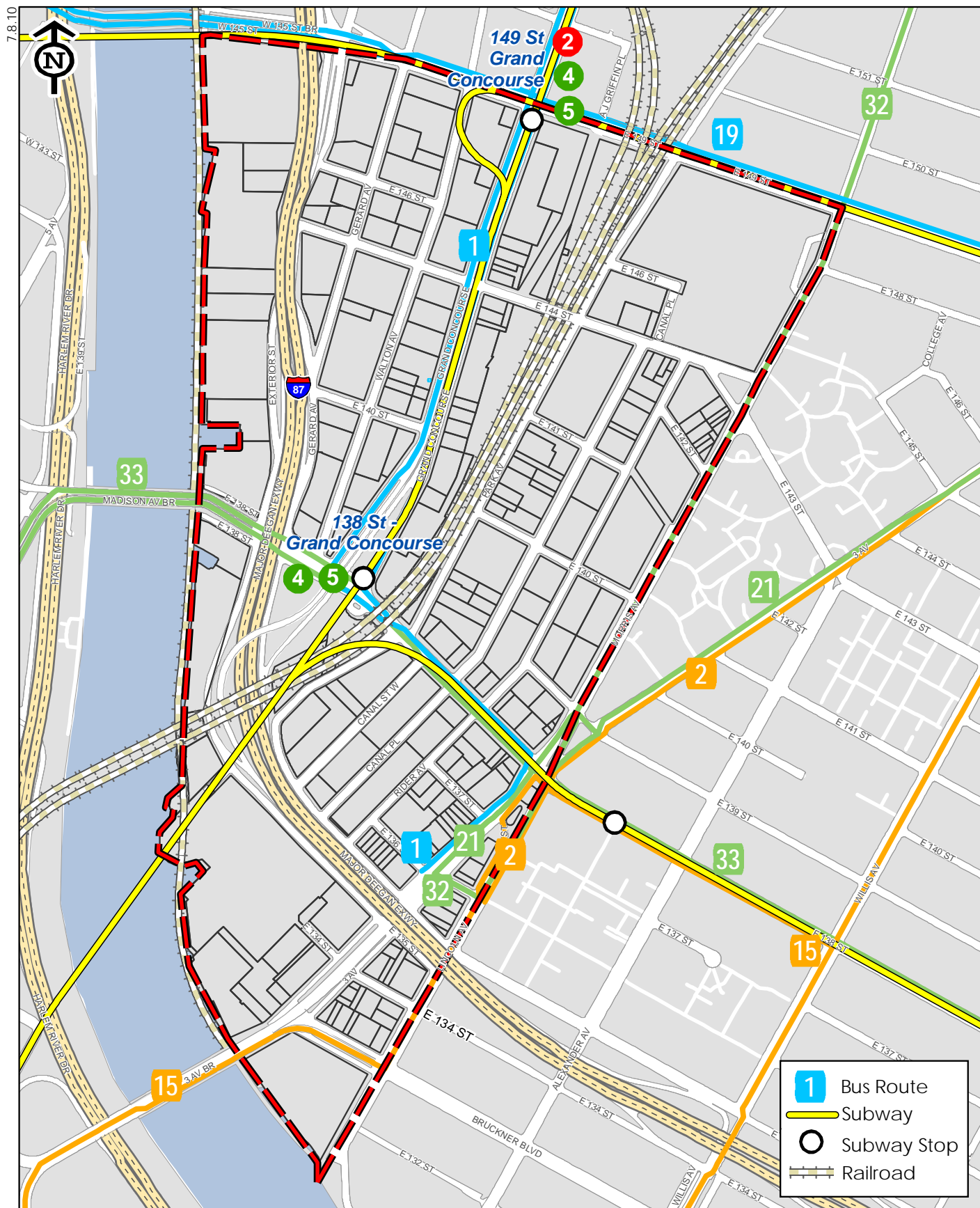
Water Supply

New York City's water supply consists of surface water from 19 reservoirs and three controlled lakes in a 1,972-square-mile watershed, including the Catskill-Delaware watershed and the Croton watershed in upstate New York. An extensive network of reservoirs and aqueducts transports water from these watershed systems to New York City, where a grid of distribution pipes conveys the water to the users. New York City consumes some 1.2 billion gallons of water per day through this water supply system.

The study area is well served by public water supply infrastructure. Based on a review of available NYCDEP water system drawings, the study area is generally served by 12-inch lines running under the streets and a 20-inch trunk main nearby all of the Strategic Sites.

Sewage Treatment

New York City's sewer system consists of a grid of sewers beneath the streets that send wastewater flows to 14 different plants, known as "water pollution control plants," or "WPCPs." The areas served by each of these plants are called "drainage basins." Most of this



 Proposed Port Morris Harlem Riverfront BOA Boundary

0 1,000 Feet

system is a “combined” sewer system, meaning that it carries both sanitary sewage from buildings and stormwater collected in catch basins and storm drains.

New York City’s WPCPs treat some 1.7 billion gallons of sewage per day. The study area is served by the Wards Island WPCP, with a permitted capacity of 250 million gallons per day.

The study area is well served by public sewer infrastructure. Based on a review of available NYCDEP sewer system drawings, the study area is served by 18- and 24-inch collector mains, which flow to interceptors and finally to the Wards Island WPCP.

Stormwater

On undeveloped sites, rainfall is normally absorbed into the ground through permeable surfaces. In urban settings, however, where permeable surfaces are less common, it typically flows across land toward low points—most often, water bodies or storm sewers. The storm sewers direct this stormwater through underground pipes to an outfall that discharges into a waterway. These can be either combined or separate sewer systems. Generally, in either system, stormwater flows to the waterway without treatment. Stormwater from the Harlem Riverfront BOA study area generally flows into the Harlem River. **Figure 3-13** shows the location of combined sewer flow regulators or outfalls in the study area, which are generally located along the Harlem River waterfront.

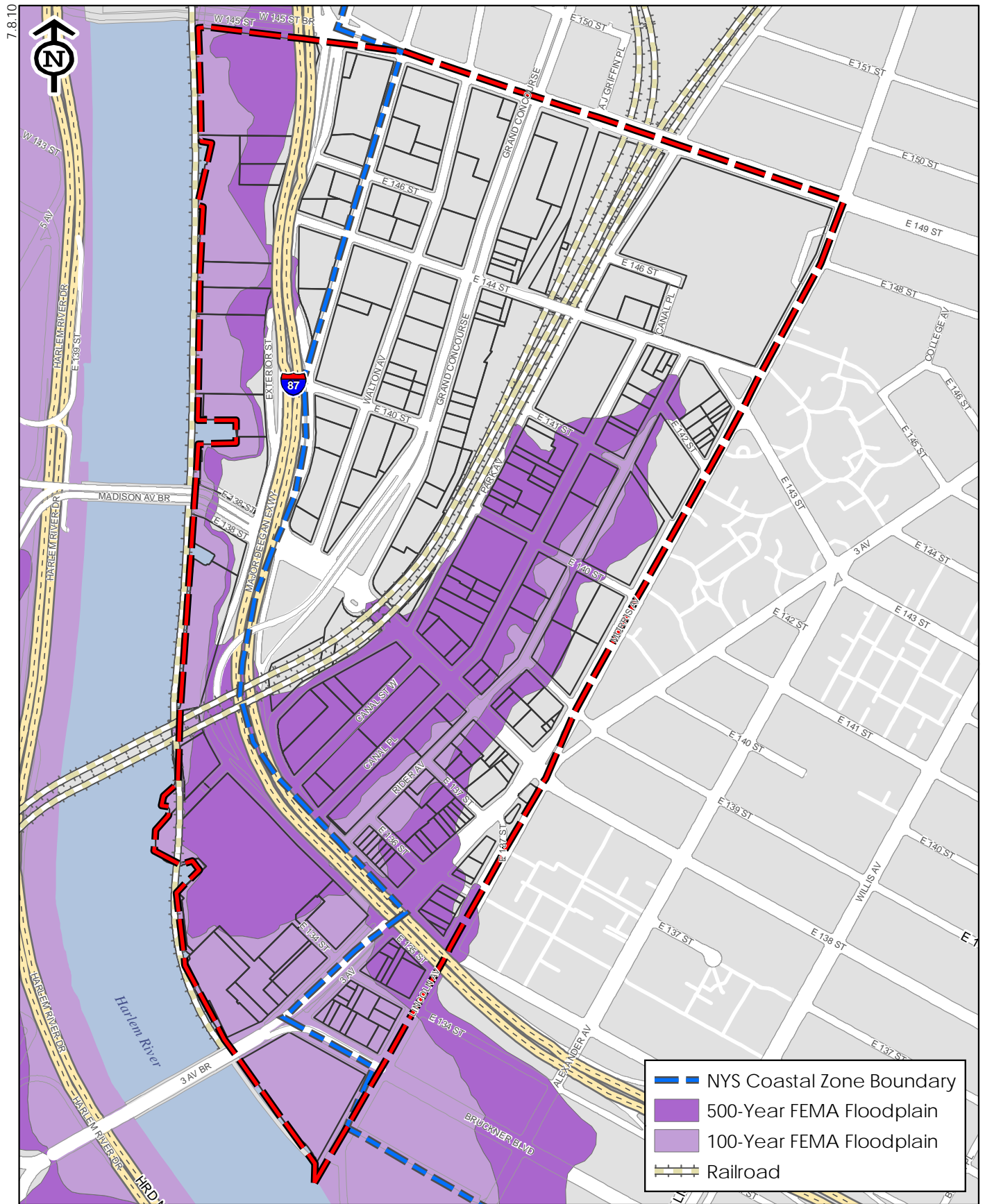
NATURAL RESOURCES AND ENVIRONMENTAL FEATURES


Figure 3-14 shows the location of important natural resources and environmental features within the proposed Port Morris Harlem Riverfront BOA. The southern and western borders of the study area front directly on the Harlem River. Because one boundary of the study area is formed by the Harlem River, a large portion of the study area lies within the NYS Coastal Zone Boundary. Even larger portions of the study area are within the federally mapped 100- and 500-year floodplains. Because nearly the entire study area has been developed (with the exception of parks), and the entire original shoreline is bulkheaded, there are virtually no remaining undisturbed native natural resources in the area, other than bird species.

The recently adopted Lower Concourse Rezoning and Special Harlem River Waterfront District will serve to attract new investment to the BOA waterfront area and greatly enhance the area’s waterfront features. It encourages the redevelopment of the Harlem River waterfront parcels in a manner more appropriate to this highly visible entrance to the borough. Unfortunately, as stated above, many of the waterfront lots—in this area that acts as a gateway to the Bronx from Manhattan—are currently underutilized and decaying, contrary to the goals of the New York State Coastal Management Program, the New York City Waterfront Revitalization Plan (WRP) policies, and New York City’s Comprehensive Waterfront Plan (currently in the process of being updated for completion by December 2010). These initiatives are further described below.

Coastal Zone and Waterfront

As shown on the figure, the waterfront portion of the study area is located within the New York State Coastal Zone Boundary. The federal Coastal Zone Management (CZM) Act of 1972 was established to support and protect the distinctive character of the waterfront, and to assist



 Proposed Port Morris Harlem Riverfront BOA Boundary

0 1,000 Feet

coastal states in establishing policies for managing their coastal zone areas. In 1982, New York adopted a State Coastal Management Program (CMP), designed to balance economic development and preservation in the coastal zone by promoting waterfront revitalization and water-dependent uses while protecting fish and wildlife, open space and scenic areas, public access to the shoreline and farmland, and minimizing adverse changes to ecological systems and erosion and flood hazards. The State program is consistent with the federal CZM Act and contains 44 coastal policies. It also provides for local implementation when a municipality adopts a local waterfront revitalization program that is consistent with the federal CZM Act.

In accordance with the State program, New York City adopted a local waterfront revitalization program, the New York City Waterfront Revitalization Program (WRP), in 1982. The WRP, as amended, incorporates the State's 44 coastal policies, and contains an additional 10 policies. The program is administered by DCP, who published a Comprehensive Waterfront Plan in 1992. The Comprehensive Waterfront Plan establishes the City's policies for development and use of the waterfront and provides a framework for evaluating activities proposed in the Coastal Zone. Currently the DCP is in the process of updating the 1992 plan under "Vision 2020," which will identify key opportunities for further improving the City's 500 miles of waterfront land defined as New York Harbor and its tributaries, creeks and bays, and outline strategies to realize this new vision.

The coastal zone management program consistency review process is described in federal regulations at 15 Code of Federal Regulations (CFR) 930: Federal Consistency with Approved Coastal Management Programs, as amended, as well as in the WRP. Consistency review is required for any project that:

- Is in, or is expected to affect the resources or land or water uses of, the New York coastal zone; and
- Requires a state- or federal-listed permit, is federally, state, or locally funded, or is a direct activity of a federal, state, or local agency.

The City's policy is to review a project's consistency with the WRP policies, if it is within a coastal zone area. Once specific development strategies are proposed for sites within the Port Morris Harlem Riverfront BOA, those projects will be reviewed for consistency with the New York City Coastal Zone policies, which would occur during the implementation phase—Step 3 of the BOA Program. These WRP policies are consistent with the State's CMP; both promote a balance of economic development and preservation and revitalization of the coastal zone, protecting fish and wildlife, open space and scenic areas, public access to the shoreline, and minimizing adverse changes to ecological systems and erosion and flood hazards. All waterfront development sites within the BOA area would also be reviewed for consistency with New York City's updated Comprehensive Waterfront Plan, also known as "Vision 2020."

Floodplains

Portions of the proposed Port Morris Harlem Riverfront BOA study area contain the federally-mapped 100- and 500-year floodplains, as shown in the figure. A floodplain is defined by regulation and includes the areas that flood during storms of a statistical frequency occurrence of once in 100 years (the 100-year storm) and once in 500 years (the 500-year storm). These are referred to as zones A and B, respectively, in federal legislation.

The Federal Emergency Management Agency (FEMA) has prepared Flood Insurance Rate Maps (FIRM) that delineate the special hazard areas (i.e., 100- and 500-year floodplains) and the risk premium zones applicable to New York City. The City has implemented regulations (27-316 of the administrative code) that govern activities within the 100-year floodplain. Thus, the City's Building Code contains required flood protection for all construction in flood hazard areas. Any new development in the coastal zone is subject to zoning and other applicable controls on building construction, height, and bulk in order to minimize the potential for damage caused by flooding and erosion. This includes, as applicable, development procedures that meet FEMA's floodplain regulations (44 CFR 60.3).

New York City is affected by local street flooding (e.g., flooding of upland streets due to short-term, high-intensity rain events in areas with poor drainage), fluvial flooding (e.g., rivers and streams overflowing their banks), and coastal flooding (e.g., long and short tidal rises and wave surges that affect the shores of the Atlantic Ocean, bays such as Upper New York Bay and Gowanus Bay, and tidally influenced rivers, streams and inlets [FEMA 2007]). The Flood Hazard Area as mapped by FEMA within the proposed Port Morris Harlem Riverfront BOA is the result of fluvial flooding.

Any proposed construction within the study area's mapped floodplains would be subject to the rules and regulations governing activities in these flood hazard areas in order to minimize the potential for damage caused by flooding and erosion.

ECONOMIC AND MARKET TRENDS ANALYSIS

SoBRO did not chose to undertake a micro- or macro- approach to economic trends analysis in this Step 2 Program, but focused rather on land use, zoning, and community needs in it's area-wide study, and specific redevelopment scenarios for BOA Strategic Sites given the area-wide context. SoBRO chose to focus economic and/or market analysis on the specific sites during the Implementation stage when Strategic Sites are further along in the redevelopment planning process. During implementation, market analysis for potential end-use scenarios will be crucial in defining project feasibility which must be based on local demand. SoBRO looks forward to implementing a Step 3 Program for the Harlem Riverfront BOA that will incorporate this type of site-specific, development-driven economic study.

D. SUMMARY ANALYSIS: FINDINGS, RECOMMENDATIONS, AND NEXT STEPS

KEY FINDINGS FOR THE PORT MORRIS HARLEM RIVERFRONT BOA STUDY AREA

ENVIRONMENTAL CONSTRAINTS

For the past century, the Harlem Riverfront BOA study area has been characterized by industrial and manufacturing businesses. Heavy manufacturers, waste transfer stations, and auto-related businesses have left a mark on the area and contamination due to historical uses can be found on the vast majority of properties. Data from DEC and other sources indicated that petroleum spills are widespread in the South Bronx. Based on a review of available data, most of the land in the study area—developed or undeveloped—likely has varying degrees of contamination. As a result of this wide-spread potential for contamination, many of the properties within the study area have been given an E-Designation by DCP, which requires

further investigation to determine the type and extent of contamination at a site, before it can be redeveloped.

More specifically, the assessment of SoBRO's six Strategic Sites has identified some common characteristics. For each of the Strategic Sites, the potential for sub-surface contamination exists from one or more of the following: past on- and off-site industrial and/or automotive/petroleum-related operations; on-site gasoline tank(s); and/or uncontrolled fill on-site. The discussion of the Strategic Sites exemplifies the environmental issues to be found in the Harlem Riverfront BOA study area, which upon further analysis could potentially reveal harmful levels of substances such as petroleum, solvents, and metals.

LAND USE AND ZONING

- The recently adopted Lower Concourse Rezoning (that affected much of the study area) is expected to bring about much needed housing and employment to the area, while simultaneously accommodating existing manufacturing uses in the area. The BOA study area, encompassing the Lower Concourse, is prime for new development, given its strategic, accessible location, the scarcity of developable land in Manhattan, and New York City's projected population growth which will increase demand of these uses.
- The new zoning permits a variety of residential and commercial uses. Densities under the highest allowable FAR could be increased on approximately 150 properties.
- The new zoning is expected to promote a substantial increase in residential use. New residential construction could include a range of both small townhouses and multi-family residential developments, and should provide a range of rental and homeownership options that target a mix of income levels.
- The development of new affordable housing should be encouraged in the study area, especially within both the waterfront and inland mixed-use districts. One such tool could be the Inclusionary Zoning program, whereby developers are able to exceed the maximum allowable as-of-right residential FAR if they provide permanent affordable housing as part of their redevelopment program.
- An increase in commercial uses in the study area would bring in a larger variety of activities and attract more spending to the area. New uses could include neighborhood retail stores (e.g. restaurants, delis, beauty salons, or repair services) or larger commercial users such as warehouses, hotels, or entertainment facilities. Grocery stores should be especially encouraged since the study area is currently underserved by such uses. Grocery stores are now allowed as-of-right within the Lower Concourse MX district, as well as the portion of the BOA outside of the Rezoning area.
- The portions of the study area most prone to new development are the Harlem River waterfront and the area between 138th Street and the Major Deegan Expressway.
- New residential uses in the study area should be located in a manner that limits conflict with industrial uses.

WATERFRONT DEVELOPMENT

Significant new opportunity exists for creating attractive new gateways to the Bronx, especially on the parcels included in DCP's Special Harlem River Waterfront District, mentioned above in Section C, Part I. Waterfront development and implementation of DCP's Waterfront Access Plan would also begin to connect surrounding neighborhoods along the Harlem River. New public waterfront open space, such as the 2.6-acre park included in DCP's waterfront plan, should be provided to a community currently underserved by parks and open space resources, and historically cut off from the waterfront by industry and infrastructure. As described in Section C, the new Lower Concourse Rezoning encourages new waterfront development with required publicly-accessible waterfront open space. As each lot redevelops, the newly developed waterfront open space would create a continuous promenade along the Harlem River and connect existing and planned parks north of the BOA study area with the Port Morris community to the south.

TRANSPORTATION AND INFRASTRUCTURE

The proposed Port Morris Harlem Riverfront BOA is advantageously located, with great access to the region's infrastructure network, which could be beneficial for a larger residential population commuting to employment centers as well as commercial businesses that need to be close to their customer base.

BUSINESS AND EMPLOYMENT

The distribution within the study area of existing commercial businesses and employment indicates an increasing influx of non-industrial uses (i.e. large share of professional service businesses and employment). As mentioned in Part I, the pockets of viable industry (generally clustered in the center of the Harlem Riverfront BOA study area) preserved under the new zoning plan provide over 750 jobs. Additionally, it is hoped that the new mixed-use designations, which greatly expand the range of permitted uses in the area, pave the way for new commercial development and associated employment opportunities. Future development of BOA Strategic Sites or any other sites within the new or existing mixed-use zones will bring construction and other project-specific jobs to the generally under-employed study area. As investment increases, the local community and the market will help define specific opportunities for commercial and retail uses such as a supermarket or other amenities important to a burgeoning area.

RECOMMENDATIONS: ADVANCING TO STEP 3

It is SoBRO's main goal to advance the Port Morris Harlem Riverfront BOA to Step 3 of the BOA Program ("Implementation"), to achieve an official Step 3 BOA designation, and to bring Strategic Sites closer to the point of remediation and redevelopment. SoBRO's next steps will focus on eligible actions under Step 3 that generally include advanced environmental site assessments, development of remediation plans, and concrete site redevelopment planning, activities that hone in on the strategic sites identified in this Step 2 study. As SoBRO advances to BOA Step 3, it looks forward to utilizing BOA resources for site-specific work that will potentially include:

- Three Phase II environmental analyses at Strategic Sites 1, 3, and 5

- Schematic architectural design at Strategic Sites 1, 3, and 5
- Market and feasibility analysis for proposed end uses at Strategic Sites 1, 3, and 4
- Site accessibility study (including traffic and transportation) for Strategic Sites 3 and 4
- Marketing of Strategic Sites and other potential brownfield sites within the BOA study area, namely the eight parcels identified by the DCP in the Special Harlem River Waterfront District that reach the point redevelopment planning.

Since the City's rezoning efforts provided the foundation for area-wide revitalization, developing the Strategic Sites will be crucial in the transformation of the study area. The driving force behind SoBRO's implementation strategy therefore encompasses a four-step Strategic Site Planning Process, which incorporates overlapping activities eligible under both Step 2 and Step 3 of the BOA Program. SoBRO's four-step Strategic Site Planning Process is explained in detail below. As alluded to above, this process will involve SoBRO's continued interaction with property owners, evaluation of potential redevelopment schemes, assessment of environmental clean up and mitigation activities, and design for potential end-users.

Utilizing the Site Profile Tool described in Part I of this chapter will play an important role in the pre-development phase at Strategic Sites and/or other potential brownfield sites in the Harlem Riverfront BOA that emerge during the Step 3 process, and are at the point of implementation. SoBRO will offer assistance in using the profile tool, whether to the NYC Department of City Planning, property owners, or the local community, and work with them to determine the highest and best end-use that would mutually benefit all stakeholders. If warranted, SoBRO would also assist in using the site profile tool as a marketing device to present brownfield development sites to prospective developers. The profile provides a significant amount of data that would help inform economic development opportunities and financial investment decisions associated with potential projects. For example, SoBRO intends to encourage the DCP to utilize the profile tool in planning and marketing the eight development parcels targeted in the Special Harlem River Waterfront District that have been rezoned to mixed-use to allow for medium- to high-density residential use.

In the implementation phase, SoBRO would also assist owners or interested developers in assessing the market and financial feasibility of building on their sites, and help wherever possible with obtaining financial incentives available for community and BOA-supported projects. Incentive programs available include the NYS Brownfield Cleanup Program (administered by the NYS DEC), the NYC Local Brownfield Cleanup Program (administered by the NYC Mayor's Office of Environmental Remediation (OER)), and federal investigation and cleanup programs - both grants and revolving loans - administered by the United States Environmental Protection Agency (US EPA). These programs exist to facilitate revitalization of dormant brownfield properties and to foster economic development, especially in distressed areas. SoBRO along with the BOA Community Coalition will present all projects at ongoing public meetings to gather community input and establish a basis for redevelopment decisions.

THE FOUR- STEP STRATEGIC SITE PLANNING PROCESS

SoBRO's work in the study area has given the organization valuable experience in addressing a wide range of issues that brownfield development projects face, including documenting

environmental history, generating a State-approved Remedial Action Work Plan (RAWP), engaging various governmental agencies, structuring remediation financing, and planning for the reuse of Strategic Sites as community assets.

Through these experiences, SoBRO has conceived a four-step process that is proving to be effective in facilitating the remediation and redevelopment of high-impact BOA Strategic Sites. The process bridges Steps 2 and 3 of the BOA Program, which is appropriate given SoBRO's development approach to Strategic Sites. The process, which involves ongoing community outreach and engagement, consists of the following steps:

Activity 1. Identifying and engaging property owners;

Activity 2. Defining brownfield remediation issues at a site;

Activity 3. Identifying financial and related barriers to redevelopment; and

Activity 4. Creating site-specific redevelopment plans.

When considered within the framework of the overall BOA Program, typically Activities 1 and 2 occur during Step 2, while Activities 3 and 4 are Implementation activities that correspond to Step 3. As SoBRO looks ahead to completing this Step 2 Nomination, entering the Step 3 Implementation stage, and ultimately having the Harlem Riverfront BOA officially designated by DOS, the organization intends to continue to use this development oriented approach moving forward in the Harlem Riverfront study area, as well as for other areas that SoBRO is working to enroll in the BOA Program. For example, at the time of writing, two Step 2 BOA applications were pending and under review by DOS for the other two subzones in Port Morris - the Bronx Kill and East Riverfront study areas.

The following provides a more in-depth description of each of the activities in SoBRO's site-specific planning process, highlighting some of the challenges that are inherent in each stage of the process:

Activity 1: Identification of Property Owners. The Internet has become a valuable tool for researching tax records and related property data quickly and efficiently. In the City of New York for example, the Department of Finance's website allows for the identification of property owners through a property address or a block and lot description search.⁷ While the development process requires face to face contact with owners to discuss site development, the names provided through the Department of Finance website or similar web-based programs like Property Shark and Oasis NYC, often provide the names of shell real estate corporations rather than the individual owners with whom we need to interface. Holding companies are generally unresponsive to letters from third party organizations. To address this situation, SoBRO will often identify property owners by establishing contact with adjacent owners. For example, in attempting to identify the individual owner of one site of interest, only a series of faceless shell real estate companies could be identified through conventional means. Fortunately, through discussions SoBRO staff had with an adjacent owner, a name and phone number of a family member who controlled the site was obtained.

⁷ Department of Finance: http://www.nyc.gov/html/dof/html/property/property_info_bbl.shtml

Title searches also provide relevant information on sites of interest, including property tax and environmental liens, as well as information that can prove to be useful in identifying individual property owners. Through mortgage information obtained from these title searches, SoBRO contacted banks listed in the mortgage documents urging them to have individual site owners contact SoBRO to discuss potential redevelopment of their brownfield properties.

Through all of these means SoBRO is now in touch with and is actively collaborating with the owners of a number of the Strategic Sites that were identified as part of this Nomination process.

Activity 2: Defining Brownfield Remediation Issues and Identifying high-impact sites. Concurrent with the identification of property owners, an effort was launched by SoBRO to assess the extent of the Brownfield contamination facing each of the targeted Strategic Sites. To obtain a better understanding of these environmental issues, an independent consultant (AKRF) was hired to conduct Phase I Environmental Site Assessments (ESAs) of the brownfield redevelopment Strategic Sites, an activity encouraged in Step 2 of the BOA Work Plan. A thorough Phase I, undertaken by a professional consulting firm, provides a full history of the subject site, including past uses which may have contributed to possible contamination of a specific site. Apart from a summary of past historical uses that may have contaminated a site, the Phase I also provides information on adjacent petroleum spills within a one-half mile area which may adversely affect a property through contamination of groundwater. Moreover, Phase I Assessments can be conducted without either contacting the owner or gaining physical access to the property. These assessments provided a general indication as to whether hazardous substances or petroleum have a likelihood of being present on a particular property. A Phase I will also recommended whether a Phase II assessment (a subsurface investigation of soil, groundwater and soil vapor at a property) is warranted.

In addition to conducting Phase I ESA's AKRF also developed for SoBRO the previously described Strategic Sites Profiling tool. The purpose of this tool is to help us identify high-impact sites whose redevelopment would likely spur additional investment in the surrounding area and catalyze the overall revitalization process within the community. The profile tool provides a general physical survey of the property and employs a numerical matrix to determine the highest and best end use for the property. Overall our process of rating the suitability of developing a site takes into account a range of site-specific factors such as environmental history, zoning, surrounding area uses and compatibility, accessibility by foot, automobile, and public transit. Creating detailed profiles for potential Strategic Sites, in some cases with the assistance of an environmental engineer, helps the BOA grantee and the community assess a brownfield property in an informed and directed way. It is hoped that the Strategic Site Profiling tool will be able to assist others in their brownfield redevelopment and Step 2 BOA activities as well.

Activity 3: Identifying the Financial and Related Barriers to Redevelopment. Properties classified as brownfields are frequently burdened by tax and environmental liens. BOA grantee organizations working on BOA sites can assist property owners to address these financial obstacles by connecting them with the appropriate agencies and assisting with negotiations. BOA organizations can also assist property owners with identifying sources of capital to help cover these additional and often unforeseen costs.

Activity 4: Creating Site-Specific Redevelopment Plans. This is one of the most important steps in redeveloping BOA properties, involving identifying the optimal development use of a site, which is both financially viable and will have a positive impact on the surrounding community. This is undertaken in cooperation with the community and owners of each parcel in order to determine the highest and best use of each parcel and analyze the financial feasibility of redevelopment. In analyzing a site's potential for development, the following factors are considered:

- Site size;
- Configuration (for example, a triangular development site is a configuration which severely limits a site's options for redevelopment, rectangular or square sites better lend themselves to a greater variety of redevelopment options);
- Zoning restrictions;
- Surrounding uses;
- Identification of market;
- Community input;
- Estimated costs and cash flow projections for redevelopment projects through creation of a Pro Forma analysis; and
- Ability to finance the project, particularly difficult in today's tight credit market.

Depending on the specific case, SoBRO either reaches out to assist current property owners in developing their brownfield site, attempts to attract developers to brownfield properties where current owners are unidentified or uninterested in remediating, or acquires and directly develops the property itself. The resources provided by the BOA Program assist SoBRO in structuring development plans with owners who might otherwise be hesitant to undertake a brownfield remediation project.

A case study included in Appendix E describes SoBRO's experience early on in the BOA Program that lead to the creation of the four-step Strategic Site planning process described above. The subject of the case study is a former gasoline station located at the intersection of East 138th Street and Bruckner Boulevard. This site, located within the originally selected Greater Port Morris BOA, is now considered to be within the East River subzone area, and thus not considered a Strategic Site in this Nomination Report. However, this site was SoBRO's first brownfield site (before sub-dividing the larger area into three zones) that utilized BOA funding to assist a brownfield property owner. The case study illustrates how SoBRO first utilized the four step planning process to return a once fallow and abandoned brownfield site to active, productive reuse.

HIGHER-LEVEL ASSESSMENTS

Preliminary environmental investigations such as Phase I Environmental Site Assessments look at the historical use of a site and gauge the likelihood that subsurface contamination is present. Oftentimes a Phase I indicates that further site investigation and analysis is needed. The next stage, Phase II Environmental Site Assessment, involves collecting actual soil and groundwater

samples to be tested in a lab for a more thorough understanding of specific contaminants, their location, and their concentration levels on a given parcel.

As an example, as SoBRO and Exact Capital collaborate on the redevelopment of the Rider Avenue site (Strategic Site #1), the team will need to conduct a Phase II analysis to better understand cleanup costs before closing on the property and applying to the New York State Brownfield Cleanup Program. A relatively small-scale project, environmental cleanup costs could be a significant factor in determining overall financial feasibility. As SoBRO tackles the remaining Strategic Sites in the proposed Port Morris Harlem Riverfront BOA, it anticipates that the need to move quickly to prepare Phase II investigations, where warranted, will be critical to the development process.

A Phase II site assessment unlike a Phase I analysis, requires physical access to the property, which can only be obtained through a formal access agreement granted by the owner of the property. SoBRO is now in contact with several site owners and is confident that it will be able to conduct Phase II assessments on various properties, especially those that have reached the point of implementation. Information obtained from a Phase II report is necessary when designing a Remedial Action Work Plan (RAWP), which sets forth the specific remediation program and procedures for a brownfield site.

PARTNERSHIPS

As SoBRO moves towards a Step 3 BOA designation, providing the tools needed to bring Strategic Sites closer to the point of remediation, the organization looks forward to further building its partnerships with New York State Department of Environmental Conservation (DEC) and the Mayor's Office of Environmental Remediation (OER). Both agencies have new and streamlined Brownfield Cleanup Programs (BCPs) that offer important incentives to induce development on these complicated properties.

The State's new BCP tax credit structure provides lucrative incentives for high quality cleanup of hazardous sites, and equitable, sustainable reuse. The City's BCP, which addresses sites with lighter contamination, also promotes sustainable practice and additionally encourages the employment of local labor and remediation entrepreneurs, as well as workforce trainees in the green economy. Overall, these programs provide a bridge between Step 3 of the BOA Program, which advances brownfield assessment and predevelopment work, and the next step that calls for implementation of remediation development projects.

Moving forward, SoBRO will continue partnering with the BOA Steering Committee, especially such active members as the Bronx Office of the Department of City Planning, the Office of the Bronx Borough President, and the BOA Community Coalition, using the innovative Strategic Site Profile tool that was developed through the Step 2 assessment process. SoBRO along with these strategic partners will assess the suitability for residential, commercial, and industrial redevelopment of newly identified, potentially high-impact sites that will likely trigger further investment in the neighboring area in a similar fashion. This intended ripple effect serves the ultimate goal of the BOA Program, which is to mobilize a broader community-based vision around brownfield revitalization.

COMMUNITY PARTICIPATION

Through resources provided by the BOA Program, SoBRO will continue to work with the local community to refine their vision for local brownfield redevelopment. SoBRO is also in close contact with individual property owners to maximize development potential of brownfield properties within the context of the community's vision. SoBRO will continue collaborating with the Port Morris BOA Community Coalition and CB1, as SoBRO works to enter into Step 3 of the BOA Program, to ensure that the organization's redevelopment efforts are compatible with community needs in the proposed Port Morris Harlem Riverfront BOA.

POTENTIAL STEP 3 CHALLENGES

Phase II soil and groundwater samples can only be obtained by drilling, backhoe sampling, gas sampling, and groundwater well monitoring on the site itself. Through the BOA Program process, SoBRO has learned that various barriers exist when trying to obtain an owner's permission to enter the property to conduct a Phase II study. Potential obstacles include:

- Issues of liability arising from third party contractors conducting borings or excavating on a site. While a Phase II contractor will indemnify a BOA community based organization and site owner, an owner may not be satisfied with the amounts of insurance generally provided; he/she could potentially be considered a "Responsible Party" for contamination under State or Federal regulation, and thus be required to take immediate corrective action; this can result in hesitation on the part of a property owner, and/or can become a problem if such liability arises *before* the point of official transfer of ownership or closing on project financing;
- Owners may not want to uncover and document environmental issues. From the owner's vantage point, the Phase II has one purpose—to find problems. Owners may be afraid of the implications of uncovering contamination. Despite the state tax credits and other incentives available, owners expect to be faced with higher costs; and
- Possible damage to the site caused by drilling and related soil-sampling work. Owners seek assurance that the site will be restored to its original condition after a Phase II investigation. In SoBRO's case, the former gas station sites are generally covered with pavement and cement. Restoration of a site following a Phase II excavation to its original condition may be too expensive and must be dealt with on a case-by-case basis. In addition, drilling or excavating on brownfield sites with unknown subsurface conditions such as undocumented gas tanks, could leave sink holes on the site, or worse, rupture a buried tank and release pollutants.

SoBRO reaches out to property owners and the local community to educate them about brownfield-related issues and available solutions and works together with them and relevant government agencies on subsequent environmental analysis and site development. Only when partnerships with property owners and the community are successful, will necessary next steps such as Phase II studies be possible. SoBRO has successfully reached that juncture with several sites today and is therefore prepared to advance to Step 3 of the BOA Program. *

APPENDICES

Appendix A:	Economic Development Zones
Appendix B:	Community Participation and Outreach Materials
Appendix C:	Brownfield Opportunity Area (BOA) Steering Committee Documents
Appendix D:	Strategic Site Profile Tool and Site Profiles (x 5)
Appendix E:	SOBRO Strategic Site Case Study: Gas Station at Bruckner Blvd and East 138 th Street
Appendix F:	Summary Findings of Viable Business / Employment and Land Use Survey for LC Rezoning Area (2008)
Appendix G:	Lower Concourse Rezoning Text Amendments
Appendix H:	Preliminary Development Materials for Projects at Strategic Sites # 1, 3, 4, and 5 ¹
Appendix I:	Phase I ESA Reports - Executive Summaries: Strategic Sites # 2, 3, and 4 ²

¹ Feasibility analyses were not developed for Strategic Sites #2 and #6 because the property owners are independently pursuing development without SoBRO's further involvement.

² Phase I ESA's were not warranted at the other Strategic Sites, as explained in Chapter 3. The full Phase I reports can be found in pdf format on compact discs included in the Nomination Report submission package.

APPENDIX A
ECONOMIC DEVELOPMENT ZONES

Appendix A

FEDERAL EMPOWERMENT ZONES (FEZs)

The federal Empowerment Zone (FEZ) program in New York focuses on the creation of self-sustaining, long-term economic development in designated distressed urban areas. New York State has one Round I FEZ, located in New York City. The initiative is based on a holistic, participatory approach that requires community stakeholders to work together to develop and implement comprehensive strategic plans for revitalization.

The Empowerment Zone Initiative is grounded in the belief that each community knows how best to solve its problems, and that residents, businesses, government, and non-profits must all work as partners to revitalize distressed neighborhoods. The Federal tax credits and grant funds provided to FEZs are designed to help get revitalization efforts in motion, but partners in local communities, along with the assets they bring to the table, must work with the community to achieve sustainable results.

Resident participation in planning and decision-making in the FEZs is another key component of Community-Based Partnerships. Successful and sustained revitalization in these areas starts with residents. Residents of the FEZs must be involved in identifying the Strategic Vision for Change, developing specific goals, and crafting solutions. Residents must also play an active role in implementing and monitoring their plan for revitalization through governance structures that provide them with a real voice in decision-making. Each FEZ is responsible for designing its own governance structure, which typically is a board composed of local decision makers chosen from a cross-section of the stakeholders in each community. Boards should not be so large as to be unwieldy in operation, yet they must permit an opportunity for all key stakeholders to participate. Some communities established a non-profit to implement their Strategic Plans and they used the non-profit's Board of Directors as the governance mechanism for the Zone. Others created stand-alone advisory boards to guide local officials during implementation.

THE NEW YORK CITY FEZ

In New York, the State and City of New York each committed to match the federal \$100 million grant award, providing a total \$300 million in grants for the New York City Empowerment Zone (NYCEZ). Two local development corporations were designated to administer the FEZ: the Bronx Overall Economic Development Corporation (BOEDC) in the South Bronx; and the Upper Manhattan Empowerment Zone Development Corporation (UMEZ) in Upper Manhattan. The NYCEZ designation is effective for 15 years, from January 1, 1995 to December 31, 2009.

The NYCEZ has been re-focused as a job-generating, business-based economic development program in full partnership with the distressed communities it serves, thus leveraging private sector investment. The FEZ funds may be used for loans, loan guarantees, grants, and equity investments. The New York Empowerment Zone Corporation (NYEYC), a subsidiary of the Empire State Development Corporation, provides oversight and final funding approval for all projects.

If a business is located in a FEZ in New York City, it may be eligible to apply for:

Loans, grants, and equity investments;

FEZ wage credits up to \$3,000 per employee per year;

Increased Section 179 deduction, up to \$35,000 in additional expensing;

Tax-exempt Enterprise Zone Facility Bond financing;

Qualified Zone Academy Bonds;

Non recognition of gain on sale of FEZ assets; and

Partial exclusion of gain on sale of FEZ stock held for at least 5 years.

The Federal Empowerment Zone program gives residents improved access to goods and services. This zone offers Federal Tax Credits and local incentives including: Wage credits, Section 179 deductions, Capital gains, DWP Subsidies, City business tax waivers, and the Brownfields tax deduction, as described in more detail below.

EMPLOYER WAGE CREDIT

Federal tax credits of up to \$3,000 can be claimed by an Empowerment Zone Business on each new and existing employee. The employee must live and work within the zone boundaries.

SECTION 179 DEDUCTION

In general, all business taxpayers are allowed to deduct up to 100% of qualifying tangible property. \$100,000 is the maximum amount that can be deducted through 2007. Empowerment Zone businesses can increase this deduction an additional \$35,000 through December 31, 2009.

PARTIAL EXCLUSION OF CAPITAL GAINS

An exclusion of 60% of capital gains is available from the sale of small business stock issued by an Empowerment Zone business that is a C corporation with gross assets of \$50 million or less. Stock must be acquired after December 31, 2000 and before December 31, 2009 and held for at least five years.

DEPARTMENT OF WATER AND POWER FIVE-YEAR ELECTRIC RATE SUBSIDY

The Department of Water and Power offers a five-year electric rate discount to new businesses moving into the zone. They have 18 months to apply for the discount. Existing zone businesses that expand and increase their electric usage by at least 35 % in the six months prior to submitting the application for the discount also qualify.

CITY BUSINESS TAX WAIVER

The City offers a tax waiver of the first \$500 and freezes the taxes at their current rate for five years for existing Empowerment Zone businesses. Start-up businesses or businesses relocating from out of the City to this zone pay only \$25 annually for five years.

BROWNFIELDS TAX DEDUCTION

Businesses can elect to deduct qualified clean-up costs of hazardous substances in certain areas (brownfields) in the tax year the business pays or incurs the costs. The contaminated property is not required to be located in any zone.

NEW YORK STATE EMPIRE ZONES:

New York State's Empire Zone program was created to stimulate economic growth through a variety of State tax incentives designed to attract new businesses to New York State and to enable existing businesses to expand and create more jobs. Today, there are over 8,700 certified businesses employing more than 344,000 people in 85 Empire Zones statewide.

The New York State Empire Zones Program encourages business development in designated areas by offering significant incentives and benefits to new and expanding retail, commercial and industrial firms. Empire Zones are geographically defined areas within New York State. Qualifying businesses located within the zone are eligible for Empire Zone program tax benefits. Eligible companies can take advantage of employment, investment, real property, sales and wage tax credits as well as exemption from New York State sales tax and utility cost discounts. There are 11 Empire Zones in New York City:

Bronx: Hunts Point and Port Morris

Brooklyn: East Brooklyn, North Brooklyn/ Brooklyn Navy Yard, and Southwest Brooklyn

Manhattan: Chinatown and East Harlem

Queens: Far Rockaway and South Jamaica

Staten Island: North Shore and West Shore

ELIGIBILITY & CERTIFICATION

To participate in the Empire Zones Program, a business must first be located in an empire zone, or qualify as a regionally significant project, and become zone certified. To qualify for certification, a business must be able to demonstrate that it will create new jobs and/or make investments in the empire zone and be consistent with the local zone's development plan, including a cost-benefit analysis.

Applications approved by local zone officials are then forwarded to the State for review and approval by the Departments of Economic Development (Empire State Development) and Labor. A local zone coordinator can assist in determining whether a particular business qualifies for zone certification. Once a business is certified it is eligible to claim tax credits, subject to requirements and performance based formulas set in Tax Law.

PROGRAM BENEFITS

QEZE Tax Reduction Credit

Based on number of jobs created, the company's assets in the Zone and income taxes owed by the company, Qualified Empire Zones Enterprises (QEZE) can receive a credit against business corporate taxes, personal income taxes, bank corporate taxes or insurance corporate taxes for a 15 year period: 10 years at 100% decreasing 20% each year thereafter.

QEZE Real Property Tax Credit

Qualified Empire Zones Enterprises that own real property may receive a credit against their business corporate taxes, personal income taxes, banking corporate taxes or insurance corporate taxes. Unused credits are refundable in the year that they were earned. The credit is available for 15 years: 10 years at 100%, decreasing 20% each year thereafter. The Credit is

calculated based on the number of jobs created and the real property taxes paid on property in the Zone. The company's eligibility is determined annually.

QEZE Sales Tax Exemption

Qualified Empire Zones Enterprises may be exempt from the 4% NYS sales and uses tax on tangible personal property and services (including utility services and owned vehicles) exclusive to the operation of a QEZE. The credit is available for 10 years.

ADDITIONAL BENEFITS

Wage Tax Credit: A \$1,500 credit per employee for up to five consecutive years for hiring full-time employees in newly created jobs. For employees in targeted groups, this credit equals \$3,000 per year

Employment Incentive Credit: A credit for creating new employment. This credit equals 3% of the investment cost, and it is taken in each of the 3 years following the initial investment credit

Investment Tax Credit: A credit for the purchase of property and equipment related to production, R&D, and industrial waste treatment. The credit is 10% under the corporate franchise tax and 8% for personal income tax

Sales Tax Refund: Purchases of building materials to be used in connection with commercial or industrial properties located in an EZ is eligible for a refund of the 4% NYS sales and use taxes

Utility Discounts: Potential utilities discounts are available through the City's Energy Cost Savings Program (ECSP), KeySpan and Verizon

Zone Capital Credit: A 25% tax credit, against personal or corporate taxes for contributing or buying shares in a zone Capital Corporation; or for a direct equity investment into a zone-certified business; or for cash donations to approved community development projects within EZs

Statewide Zone Capital Credit Corporation Loan: Low interest rate loan for Zone-certified businesses at 5% APR for the first 3 years and 7% for the remainder of term. Loans range from \$3,000 to 300,000

NEW YORK CITY INDUSTRIAL BUSINESS ZONES (IBZS)

At the core of the New York City's industrial policy is the creation of Industrial Business Zones (IBZs). These geographic areas build upon the existing In-Place Industrial Parks to better reflect industrial land uses within the City. Based upon the recommendations of an interagency task force, 16 IBZs have been proposed and are outlined in the IBZ section of the City's Website.

The IBZs represent areas in which the City will provide expanded assistance services to industrial firms in partnership with local groups. In addition, IBZs reflect a commitment by the City not to support the re-zoning of industrial land within these areas for residential use.

To create an incentive for industrial and manufacturing businesses to locate within IBZs, a one-time relocation tax credit of up to \$1000 per employee is available. In addition, some IBZs include adjacent Industrial Ombudsman Areas which include a greater mix of uses other than industrial. The same business assistance services will be provided in both types of areas. However, Ombudsman areas will not receive the tax credits nor the same commitments on rezoning.

✱