

A. PROJECT IDENTIFICATION

The Gateway Center at Bronx Terminal Market is a proposal to redevelop an 18-acre portion of the current Bronx Terminal Market site along with an adjacent parcel currently housing the Bronx House of Detention (BHOD), with approximately 957,700 gross square feet (gsf) of retail establishments, 2,835 parking spaces in a multi-level parking garage and at-grade parking, and a 250-room hotel (the Proposed Project).

The Proposed Project would be located in the West Haven neighborhood of the Bronx on Block 2356, Lot 20; Block 2357, Lots 1 and 86; and Block 2539, Lots 32 and 60 (part). The site is bordered by the Metro North Railroad tracks to the north, River Avenue to the east, 149th Street to the south, and Exterior Street (the street under the Major Deegan Expressway) to the west (see Figure 1-1). The parcels would be merged with portions of 150th and 151st Streets and Cromwell Avenue to form the project site. The project site is owned by the City of New York.

As shown in Table 1-1 and Figure 1-2, the Proposed Project would include the renovation and reuse of existing Building D for retail (the first and second floors of the building would be combined, for a total of approximately 20,304 gsf), to be renamed Retail Building E.1; a 1-story, approximately 7,576 gsf retail building (Retail Building E.2) with an adjacent surface parking lot of approximately 12 spaces; a 4-story, approximately 542,218-gsf building with 434,272 gsf of retail and 256 parking spaces at the ground floor (Retail Building B/F); a six-level, approximately 915,065-gsf parking garage with a capacity of approximately 2,342 spaces and 20,739 gsf of retail on Exterior Street (Retail Building C) and 8,238 gsf of retail on River Avenue (Retail Building D); a 3-story, approximately 474,409-gsf retail building (Retail Building A); and a hotel approximately 247,500 gsf in size, with 250 rooms, a 30,000-gsf banquet facility, and approximately 225 parking spaces. At each level of the parking garage would be galleria spaces, totaling 45,706 gsf, leading to either Retail Building A or Retail Building B/F. A fee would be charged for parking in the proposed parking garage. In total, the project would comprise approximately 2,252,778 gsf of new development on the site. The Proposed Project is expected to be complete and operational in 2009, except for the hotel, which would not be completed until 2014. Figure 1-3 presents an illustrative rendering of the Proposed Project.

**Table 1-1
Program Summary**

Building	No. of Stories	Gross Square Footage	Retail GSF	Parking Spaces	Other Description
Retail Building A	3	±474,409 gsf	±466,582 gsf		
Retail Building B/F	3	±542,218 gsf	±434,272 gsf	256	Parking at ground floor of building
Parking Garage and Retail Buildings C/D	6	±915,065 gsf	±28,977 gsf	2,342	
<u>Retail Building E.1 (renovated Building D)</u>	<u>1</u>	<u>±20,304 gsf</u>	<u>±20,304 gsf</u>	<u>12</u>	
<u>Retail Building E.2</u>	<u>1</u>	<u>±7,576 gsf</u>	<u>±7,576 gsf</u>		
Gallerias	N/A	±45,706 gsf			
Hotel	TBD	±247,500 gsf		225	250 rooms and 30,000 sf banquet facility
TOTAL		±2,252,778 gsf	±957,711 gsf	2,835	

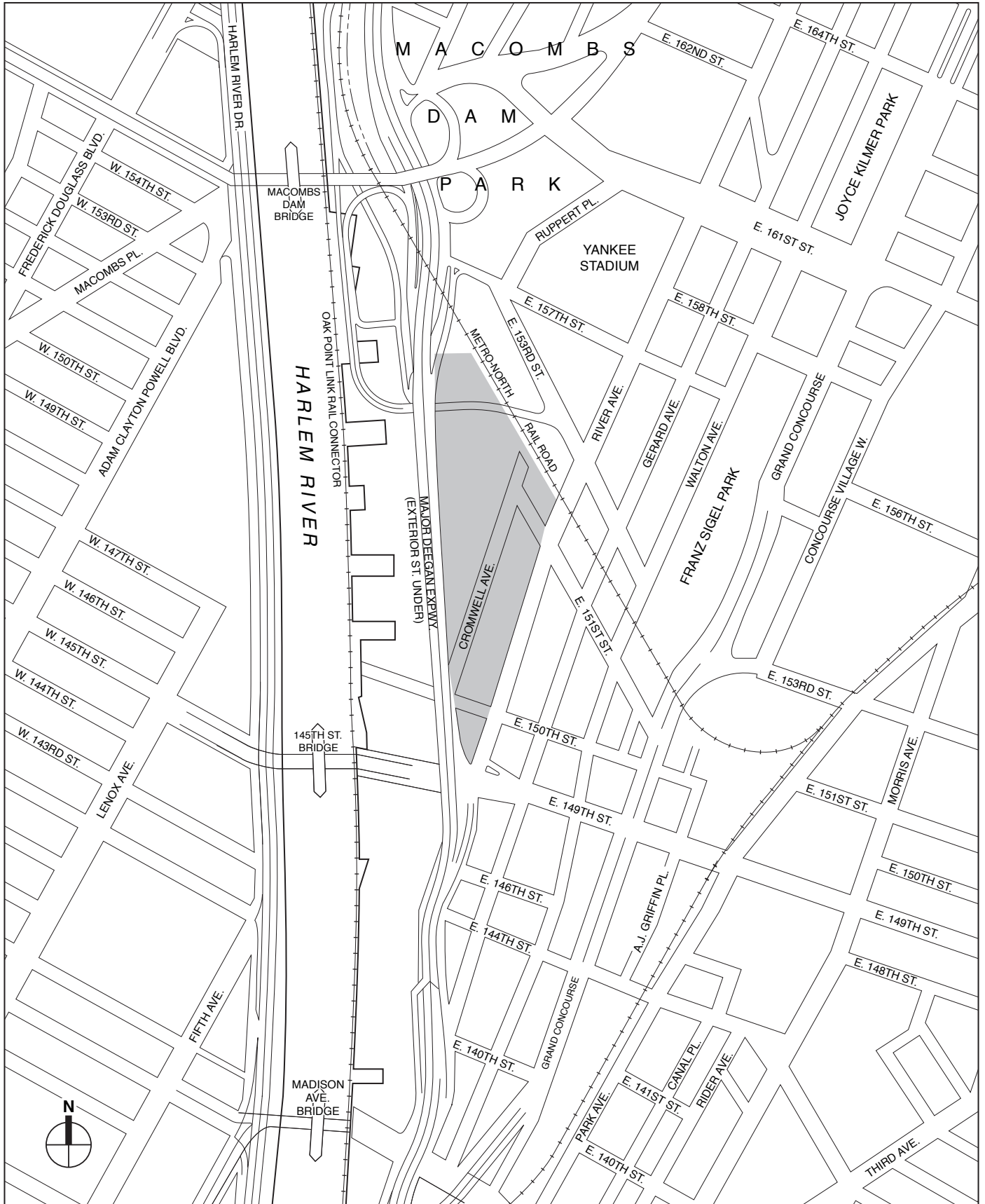
B. SITE CONDITIONS

The project site is currently used for wholesale food markets, a farmer’s market (on weekdays), and parking.¹ A portion of the project site is also used seasonally as parking for games at Yankee Stadium. The project site is currently occupied by four buildings: two 2-story buildings (Buildings B and D), one 1-story building (Building C), and the 8- and 10-story BHOD. The buildings within the project site range in size from approximately 51,200 sf to 300,000 sf (see Table 1-2 and Figure 1-4). Another building on the site, the former Building A, was recently demolished. Because of its poor condition, demolition of the former Building A was required by the New York City Economic Development Corporation (NYCEDC), acting on the behalf of the Office of the Deputy Mayor for Economic Development and Rebuilding (ODMEDR) through prior arrangement with the applicant. Buildings B and C and the Bronx House of Detention would be demolished as part of the Proposed Project.

**Table 1-2
Existing Structures on Project Site**

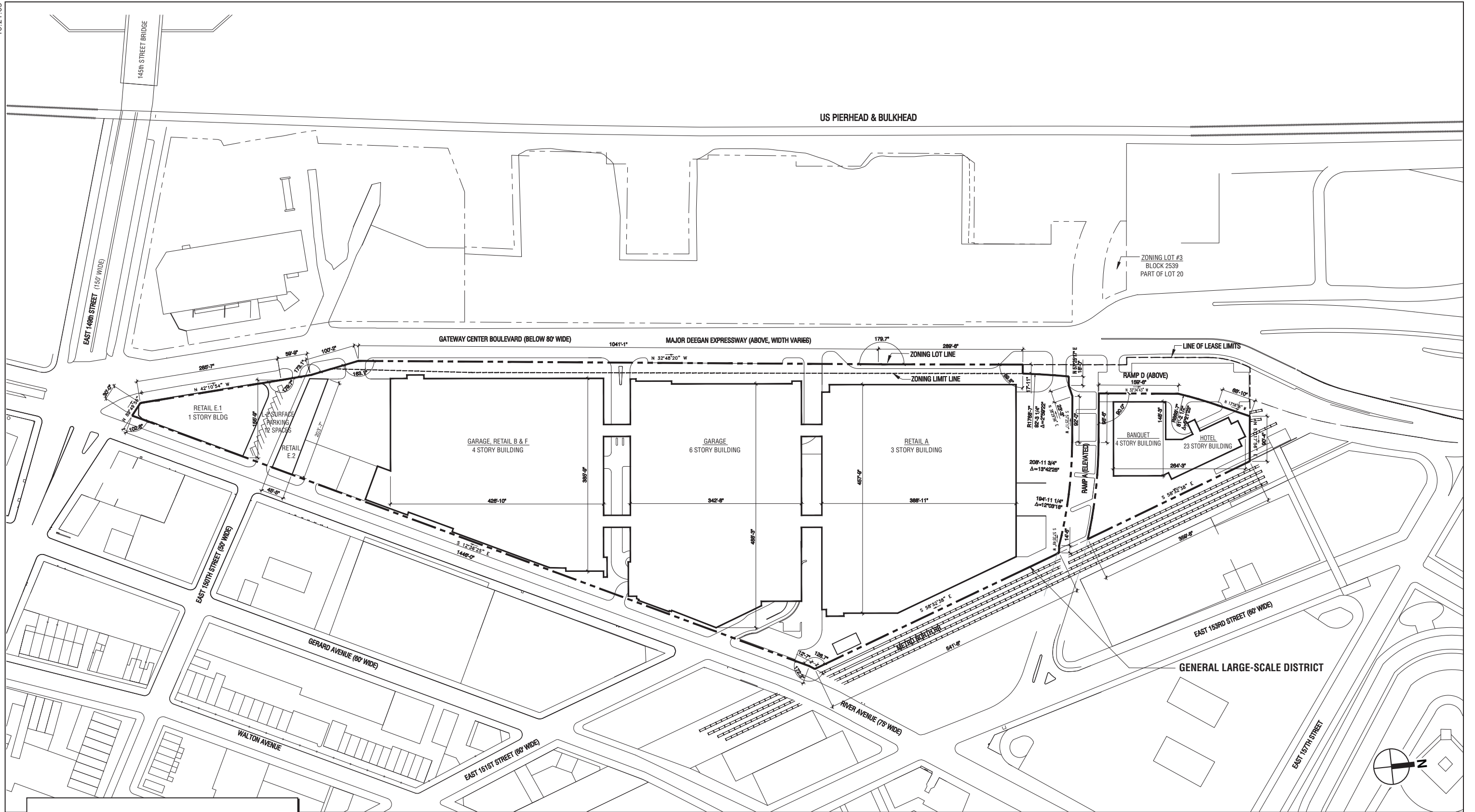
Building Letter	Date of Construction	Number of Stories	Approx. Size (in sf)	Current Use
Building B	1925	2	±111,800	Partially occupied/ wholesale food
Building C	1961	1	±132,300	Warehouse/ rooftop parking
Building D	1935	2	±51,200	Partially occupied/ wholesale food
Bronx House of Detention	1938/1963	8 and 10	±300,000	In reserve status, currently closed

¹ The farmers’ market relocated in March 2005 to a nearby off-site location managed by the New York City Department of Parks and Recreation (NYCDPR) (i.e., Yankee Stadium parking lots 13A and 13B located along the Harlem River) and is now operating under a license agreement with NYCDPR.

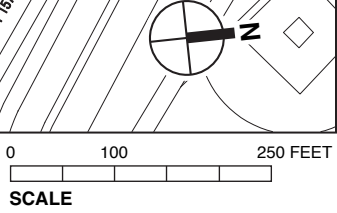


Project Site





--- General Large-Scale District Boundary

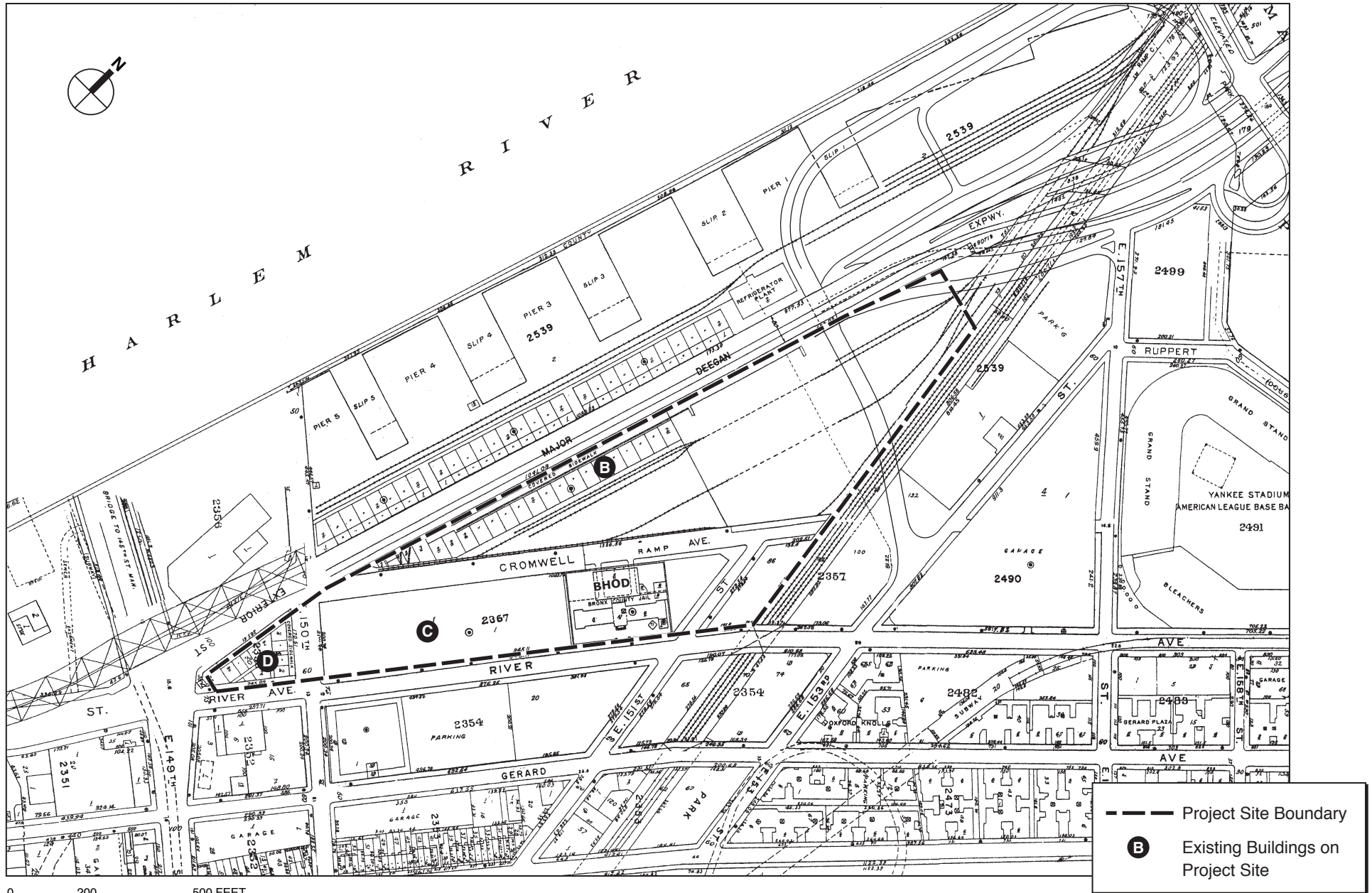


10.19.05



GATEWAY CENTER AT BRONX TERMINAL MARKET

Rendering of Proposed Project from Harlem River
Figure 1-3



0 200 500 FEET
SCALE

--- Project Site Boundary
 (B) Existing Buildings on Project Site

C. BACKGROUND HISTORY

STUDY AREA

The area surrounding the project site—alternatively known as West Haven or Morrisania—was part of the Morrisania estate owned by Lewis Morris during the late 1600s. The area’s prominence was established with the extension of the New York and Harlem Railroad from Manhattan to the area in 1842. The railroad linkage to Manhattan brought laborers as well as an influx of established residents to the village. Annexed to New York in 1874, the area filled with tenements after the Third Avenue elevated railroad, which entered the Bronx in 1888, made it cheap and easy for workers to commute to jobs downtown. By 1905, Morrisania’s population had grown to approximately 60,000 residents. The construction of the Grand Concourse between 1902 and 1909 created a main thoroughfare that became the borough’s parade route, the site of its government, and the axis of an important shopping and entertainment district. Yankee Stadium was built in 1923, north of the project site, bringing the Yankees across the Harlem River from their former home at the Polo Grounds. The construction of Yankee Stadium as well as the development of department stores, boutiques, and restaurants soon made Morrisania the civic and social center of the borough. Later additions to the area included the main Post Office in the 1930s, Eugenio Maria de Hostos Community College in the 1960s, and Lincoln Hospital in the 1970s.

PROJECT SITE

The creation of the Bronx Terminal Market began under Mayor John F. Hylan in the late 1910s and early 1920s. The first buildings to be constructed for the market consisted of a 6-story cold storage warehouse building and a 2-story power house to support the warehouse, both built ca. 1925. For many years the market was known as “Hylan’s Folly,” as the annual cost of maintenance was far in excess of the annual income from rentals. During the 1930s, the market was expanded under Mayor Fiorello H. LaGuardia as part of his program to eliminate pushcarts in the City. Under LaGuardia, five additional 2-story buildings were constructed ca. 1934-35 south of the original warehouse and power house. With this expansion, the market finally became successful, becoming a receiving point for the City’s produce.

The BHOD (formerly the Bronx County Jail) was constructed in 1938 as a WPA project and an addition to the rear façade of the building was constructed in 1963. There are also several modern 1-story additions to the building.

In 1972, David Buntzman acquired a 99-year lease for the Bronx Terminal Market. Since that time, the market has been underutilized and has fallen into disrepair. In 1991, the City filed a lawsuit against Buntzman over poor management of the market, unsanitary conditions, and illegal dumping on the site. In 1993, Mayor David Dinkins sought to condemn Buntzman’s lease. Former Bronx Borough President Fernando Ferrer called for the reuse of the site as a retail and entertainment complex. Current Bronx Borough President Adolfo Carrion has also promoted the redevelopment of the site as a destination retail center.¹ BTM Development Partners would redevelop a portion of the current Bronx Terminal Market site along with the Bronx House of

¹ *New York Times*, March 4, 2005; Bronx Borough President’s State of the Borough Address, February 2005.

Detention. If the project is approved, BTM Development Partners' lease on the remainder of the property will be surrendered back to the City.

D. PROJECT PURPOSE AND NEED

The Proposed Project would support the economic revitalization of the West Haven neighborhood of the Bronx by converting a large underused site into a productive retail use. The development would represent a dramatic change to the project site, replacing underutilized and dilapidated buildings with a major retail center and the only hotel in this area of this city. The Proposed Project would create new employment opportunities, convenient shopping and dining opportunities, and create economic and fiscal benefits to the City in the form of economic revitalization and tax revenue.

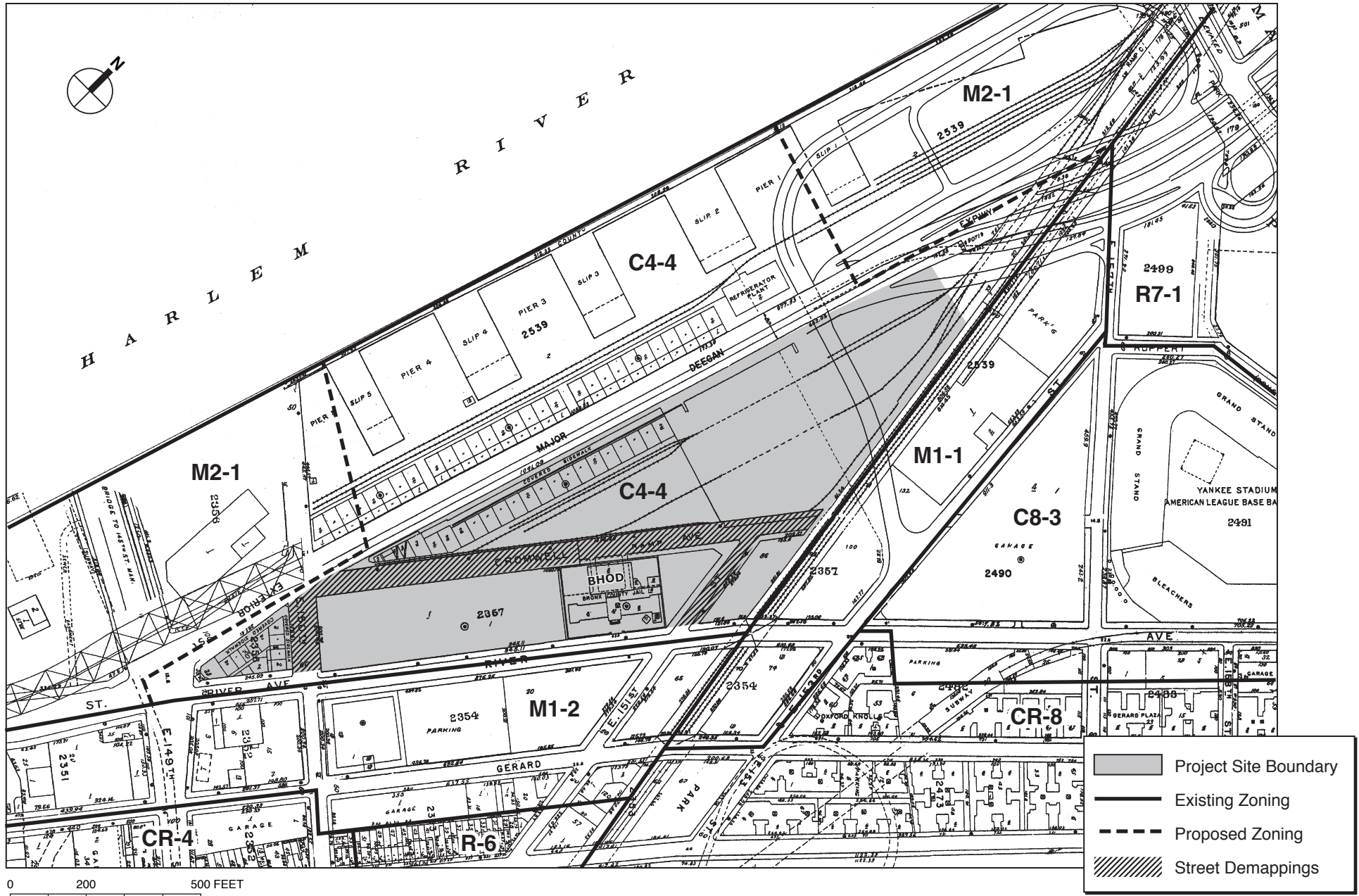
E. DESCRIPTION OF PROPOSED ACTIONS

The Proposed Project involves the disposition of City-owned property (a long-term lease) by the New York City Department of Citywide Administrative Services (NYCDCAS) and the New York City Department of Small Business Services (NYCSBS) to a private developer. The following City-owned properties would be disposed of, first to the New York City Economic Development Corporation (NYCEDC), and then to BTM Development Partners: Block 2356, Lot 20; Block 2357, Lots 1 and 86; Block 2539, Lots 32 and 60 (part); and portions of East 150th Street, East 151st Street and Cromwell Avenue. Once disposition is approved, DCAS and DSBS intend to dispose of these properties to the NYCEDC. NYCEDC intends to dispose of Tax Block 2356, Lot 20; Block 2357, Lots 1 and 86; Block 2539, Lots 32, p/o 50 and p/o 60 to BTM Development Partners. The disposition of Tax Block 2539, p/o Lot 2 is requested in order to convey authority to grant any required subsurface easement(s) to BTM Development Partners. The disposition will require approval by the Borough Board pursuant to Section 384(b) of the City Charter.

In addition, the project site includes Block 2539, part of Lot 60, the area under ramp D of the Major Deegan Expressway. This parcel is owned by the New York State Department of Transportation. The City of New York retains an easement to utilize the property underneath the ramp. The easement under the ramp will be included in the disposition. The current market lease includes portions of the State-owned property under ramp A (portions of Block 2539, Lot 50). The continuation of this lease is included in the disposition.

Disposition will require approval through the Uniform Land Use Review Procedure (ULURP) under City Charter Section 197(c). In addition, a number of other discretionary actions subject to ULURP will be required, as follows:

- A zoning map amendment from M2-1 to C4-4 (see Figure 1-5);
- Elimination of portions of the following City streets:
 - East 150th Street between River Avenue and Exterior Street;
 - East 151st Street between River and Cromwell Avenues; and
 - Cromwell Avenue between Exterior Street and the Metro North Railroad tracks.
- A special permit pursuant to ZR Section 74-512 to permit a public parking garage in excess of 150 spaces;



SCALE
 0 200 500 FEET
 GATEWAY CENTER AT BRONX TERMINAL MARKET

Proposed Changes to Zoning and City Map
 Figure 1-5

- A General Large-Scale District will be declared for the area east of Exterior Street. Several special permits will be required, including:
 - A special permit pursuant to Zoning Resolution (ZR) Section 74-743 for bulk modifications for height and setback waivers along River Avenue and Exterior Street, and distribution of floor area within the general large-scale district; and
 - A special permit pursuant to ZR Section 74-744(c) for signs not otherwise permitted under the Zoning Resolution.

BTM Development Partners will initiate each of the above actions as a co-applicant with NYCEDC.

As described in the Foreword, the project sponsor has returned its leasehold interest in the area west of Exterior Street. Therefore, the Proposed Project does not include the development of a public open space, waterfront esplanade, or retail building in this area. Instead, it is anticipated that the City, with contributions from the project sponsor, would develop a portion of this area with a 2-acre public open space. The City is committed to developing the off-site public open space by the Proposed Project's 2009 Build year. The programming of this open space and the actions required for its development are yet to be determined. The City would be responsible for developing the remainder of the Bronx Terminal Market area west of Exterior Street. The project sponsor retains the option to renew the leasehold interest in the portion of the Bronx Terminal Market area north of the proposed 2-acre open space in the future. Should the City determine that retail development of this area is in its best interest, the project sponsor could renew its leasehold interest and develop the western portion of the site. The scenario in which the area west of Exterior Street is developed by the project sponsor is analyzed in this Environmental Impact Statement (EIS) as the Alternative Including Area West of Exterior Street.

In addition to the above, the disposition of the long term lease and the below-grade disposition will require approval pursuant to Section 384(b)(4) of the City charter, which requires Borough Board and mayoral approval. The proposed actions are limited and restricted by the terms and conditions of these approvals. The project sponsor will seek financing for the Proposed Project from the New York City Industrial Development Agency (NYCIDA). The project has applied for and been accepted into the Brownfield Cleanup Program (BCP) by the New York State Department of Environmental Conservation (NYSDEC). The project would also require a NYSDEC State Pollution Discharge Elimination System (SPDES) permit for stormwater discharges associated with construction activities. An amendment of the City's SPDES permit would be required for a new outfall for stormwater discharge into the Harlem River, as well as Tidal Wetlands and Protection of Waters permits from NYSDEC, a U.S. Army Corps of Engineers (USACOE) permit, and an amendment to the City's drainage plan. This activity is expected to qualify for a Nationwide Permit from USACOE. The Proposed Project is within the boundaries of the coastal zone and may require a New York State Department of State (NYSDOS) determination of consistency with New York City's Local Waterfront Revitalization Program, and a Water Quality Certification from NYSDEC with regard to such Nationwide permit. The new outfall may also require an approval from the New York State Office of General Services (NYSOGS) for the use of land under water. The project may also involve a land transfer from NYSDOT to the City of New York, and a revocable consent for utility lines underneath Exterior Street. The potential widening of the 149th Street exit ramp from the Major Deegan Expressway may require approval from NYSDOT.

Gateway Center at Bronx Terminal Market FEIS

To the extent the new outfall for stormwater discharge to the Harlem River will involve discretionary actions by the USACOE, it may include a review under Section 106 of the National Historic Preservation Act of 1966 (NHPA), as implemented by federal regulations appearing at 36 Code of Federal Regulations (CFR) Part 800.

F. PROJECT SCHEDULE AND STATUS

The parking spaces on the roof of Building C are currently used during games at Yankee Stadium. This use is required by an existing agreement for Yankee parking. To avoid disrupting the availability of parking spaces during games, the Proposed Project would be completed in two phases. Building C would be demolished as part of the first phase of the project and its current parking use would be relocated to the proposed hotel's portion of the project site, which would be constructed as the second phase of the project. The first phase would comprise the development of the retail and parking portions of the project. The construction period for this phase would be approximately 24 months. The second phase would include the development of the hotel. The construction period for the second phase would be approximately 24 months. If the proposed actions are approved, it is anticipated that site preparation and construction for the first phase would begin in 2007, and the development would be complete and operational in 2009. Site preparation and construction for the second phase would begin in 2012, and the building would be complete in 2014.

G. RELOCATION PLAN

NYCEDC has hired a relocation consultant to provide assistance to the current market tenants of the project site. This is being done independently of the Proposed Project and is not subject to any discretionary approvals. NYCEDC, Bronx Empowerment Zone, and the project sponsor will provide various benefits to assist tenants in their relocation efforts. The relocation package includes the following benefits:

- NYCEDC will provide Bronx Terminal Market tenants relocating in New York City cash payments of \$10 per square foot for any relocation expenses;
- Tenants who relocate to a building within or near the Bronx Empowerment Zone will be eligible to borrow up to \$500,000, at 0 percent interest rate for a maximum of 10 years, for the purchase of fixtures, equipment, building improvements, or for working capital;
- The project sponsor will provide incentive payments equal to half of the net rental payments paid by each tenant and received by the project sponsor from the date the tenant accepts the relation offer to the date the tenant vacates;
- NYCEDC's relocation consultant (Cornerstone Group) will provide relocation services at no cost to Bronx Terminal Market tenants. Services include identification of new spaces, accompanying tenants on tours of new spaces, and negotiation of terms.

In addition, tenants were provided with a manual of other government assistance programs that they could potentially qualify for, including:

- Commercial Expansion Program;
- Industrial and Commercial Incentive Program;
- Industrial Development Agency Small Industry Incentive Program (for companies that might acquire buildings);

- Energy Cost Savings Program;
- Energy Business Incentive Rate; and
- Empire Zone benefits, including wage tax credit.

As of November 2005, 6 of the 23 tenants, representing approximately 65,000 square feet of space in the Bronx Terminal Market, have accepted the relocation package and signed stipulations to vacate the Bronx Terminal Market by March 2006. These include: La Ruche Imports, Inc.; Latin 17 Meat & Provisions Corp.; Latin Tropicales, Inc.; Trombetta & Sons, Inc.; K&K African Market; and African Market. Three of these tenants have vacated the Bronx Terminal Market.

H. ENVIRONMENTAL REVIEW

This EIS reviews the potential effects of the proposed discretionary actions described above. The approvals currently sought would change the zoning of the site, allow a large retail use under the proposed zoning, and eliminate portions of several streets. The proposed actions would facilitate the Proposed Project. Thus, as described above, this EIS considers the Proposed Project to be a reasonable worst-case scenario for the purposes of assessing potential impacts.

REVIEW PROCEDURES

The SEQRA/CEQR process provides a mechanism for decision-makers to understand the environmental consequences, the alternatives, and the need for mitigating significant impacts. SEQRA/CEQR rules guide environmental review through the following steps:

- Establish a Lead Agency. Under SEQRA/CEQR, the “lead agency” is the public entity responsible for conducting environmental review. The lead agency is typically the agency with primary responsibility for the proposed action. The Office of the Deputy Mayor for Economic Development and Rebuilding (ODMEDR) is the lead agency for the Proposed Project.
- Determine Significance. The lead agency’s first decision is to determine whether the proposed action may have a significant impact on the environment. After review of the Environmental Assessment Statement (EAS), it was determined that this proposal could have a significant adverse effect on the environment, requiring that an EIS be prepared. ODMEDR issued a Positive Declaration on August 5, 2004.
- Scoping. The lead agency issued a Positive Declaration on August 5, 2004, and issued a draft scope of analysis for the EIS. “Scoping” is the process of establishing the type and extent of the environmental impact analyses to be studied in the EIS. CEQR requires all scoping meetings to be public. A public scoping meeting was held for the Proposed Project on September 9, 2004, and a final scope of work, reflecting comments made during scoping, was issued on October 8, 2004.
- DEIS. In accordance with the final scope of work, a Draft Environmental Impact Statement (DEIS) has been prepared. The lead agency reviews all aspects of the document, calling on other City agencies to participate. Once the lead agency is satisfied that the DEIS is complete, it issues a Notice of Completion and circulates the DEIS for public review. The DEIS and Notice of Completion were issued on July 7, 2005.

Gateway Center at Bronx Terminal Market FEIS

- Public Review. Publication of the Notice of Completion of the DEIS starts public review. During this period, which must extend for a minimum of 30 days, the public may review and comment on the DEIS either in writing or at a public hearing. Because the CEQR process is coordinated with land use review, the hearings are held jointly. The public hearing was held on November 2, 2005. Comments were accepted at the hearing and throughout the public comment period, which was held open until November 14, 2005. All substantive comments become part of the CEQR record and are summarized and responded to in the FEIS.
- FEIS. The lead agency has prepared a Final Environmental Impact Statement (FEIS). The FEIS includes a summary restatement of each substantive comment made about the DEIS with a response to each comment. The lead agency has determined that the FEIS is complete and has issued a Notice of Completion.
- Findings. The lead agency and each involved agency will adopt a formal set of written findings, reflecting its conclusions about the potential for significant adverse environmental impacts of the proposed action, potential alternatives, and mitigation measures. The findings may not be adopted until 10 days after the Notice of Completion has been issued for the FEIS. Once findings are adopted, the lead and involved agencies may take their actions.

CONTENT OF THE EIS AND METHODOLOGY

The lead agency and involved agencies are required to take a hard look at the environmental effects of a proposed action and, to the maximum extent practicable, avoid or mitigate significant adverse impacts on the environment, consistent with social, economic, and other essential considerations. The EIS identifies and analyzes the significant adverse environmental impacts of a proposed action and how those impacts could be avoided or minimized, providing a means for agencies to consider environmental factors and choose among alternatives in their decision-making processes.

In disclosing impacts, the EIS considers the proposed action's adverse impacts on the environmental setting. Because the Proposed Project would be operational in 2009 and 2014, its environmental setting is not the current environment, but the future environment. Therefore, the technical analyses and consideration of alternatives assess current conditions and forecast these conditions to 2009 and 2014 (the two analysis years that were determined appropriate for this project) for the purposes of determining potential impacts. The reasonable worst-case scenario analyzes both the No Build and Build conditions and also includes other future developments, as identified in Chapter 2, "Land Use, Zoning, and Public Policy." The New York Yankees recently announced plans to build a new stadium on the north side of East 161st Street between River and Jerome Avenues within Macombs Dam Park, directly north of the current Yankee Stadium. While not an approved project, because of its prominence in the neighborhood, the Yankee Stadium proposal is considered separately from the No Build condition presented in the remainder of this EIS. Because the relocation of Yankee Stadium would alter conditions in the study area, Chapter 22, "Future Conditions with a Relocated Yankee Stadium," provides an assessment of how the project could be expected to change background conditions by 2009 and 2014, and discusses any concomitant changes to the impacts identified for the Proposed Project.

Thus, the technical analyses and consideration of alternatives in Chapters 2 through 24 assess conditions today, and forecast these conditions to the future/analysis years 2009 and 2014 without and with the Proposed Project. *