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Howard Goldman

September 18, 2017

Hon. Margery Perlmutter
Chair
NYC Board of Standards and Appeals
250 Broadway, 29th Floor
New York, NY 10007

Re: 233-15-BZ
"Paragon Paint"
Block 26, Lots 4 and 8
45 Vernon Boulevard, Queens

Dear Chair Perlmutter:

This submission is made on behalf of the Applicant in response to the Board's Notice of Comments ("NOC") dated July 15, 2016.

Following the issuance of the NOC, the proposed project remains a residential and ground floor commercial development but has been reduced from the original submission in terms of lot area, amount of floor area remaining on the site and number of buildings. Lot 10, one of the three tax lots originally comprising the zoning lot, and the 13-story building proposed for Lot 10, have been eliminated. The project now includes Lots 4 and 8, to be improved with the former Paragon Paint factory converted to residential use and a 26-story residential building with a one-story retail annex. The total floor area has been reduced from approximately 300,000 to 213,000 square feet, with the FAR on the reduced site remaining at approximately 5.518.

The Proposed Development will utilize the recently adopted Affordable New York Housing Program. The Affordable New York Housing Program provides a tax exemption similar to the prior Real Property Tax Law Section 421a exemption program. The Affordable New York Housing Program is referred to as "421a" in the Economic Analysis Report.

Utilizing the Affordable New York Housing Program Option C, of the total 248 apartments, 70% will be at market rate rents, and 30% will be designated as "Affordable Apartments". The rents for the 30% affordable units are established by regulation based on income at 130% of the "Area Median Income" (AMI).

To illustrate these changes, revised sets of Proposed Conditions and As-of-Right Conditions drawings are submitted herewith, together with a set of drawings entitled Neighborhood Character Study.

A few months after the issuance of the NOC, the Applicant completed the environmental remediation of the site under the State's Brownfield Cleanup Program ("BCP"), as evidenced by a Certificate of Completion issued by the Department of Environmental Conservation on December 15, 2016. The Certificate states that the cleanup was completed in accordance with the applicable standards and permits the use of the site for multiple dwellings, as well as commercial and industrial use.

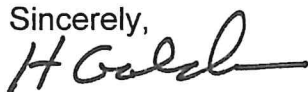
Completion of the cleanup provided the actual premium costs, which have been incorporated into the revised Economic Analysis Report. The Report concludes that the proposed project contains slightly more value than development costs, while the as-of-right hotel development contains significantly less value than development costs. The former is therefore feasible, while the latter is not.

Many of the technical documents underlying the cleanup are submitted herewith as Exhibits to establish a complete record. Of these documents, the Final Engineering Report, dated November 2016 and prepared by Remedial Engineering, P.C., provides a detailed description of the underlying environmental conditions, remedial action objectives, interim remedial measures, and remedial actions under the BCP.

The revised project, hotel alternative, cleanup actions and costs, financial analysis, and other factors are all reflected in revised Statements of Facts and Findings submitted herewith.

In conclusion, Long Island City is perhaps the most dynamic waterfront area of the City at this time. Although perhaps not technically relevant to the findings set forth in the Zoning Resolution, the changes occurring within the immediate area are significant and worth noting. For example, the Economic Development Corporation designated a developer for two nearby City-owned sites. In addition, zoning map and text changes for the properties bordering Anable Basin, including the subject premises, are in pre-certification.

The Applicant is confident that the subject site meets the unique physical conditions, financial hardship, neighborhood character, self-created hardship, and minimum variance findings of ZR 72-21 and respectfully requests that the Board proceed expeditiously with its review of the revised application.

Sincerely,


Attachments:
Complete List of Exhibits