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City Council bags megastore plan

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The City Council yesterday soundly rejected Mayor Giuliani's plan to speed the opening of superstores, vowing to propose a scaled-down alternative that would soften the impact on city neighborhoods.

Defying the Republican mayor by a 47-to-1 vote, the Democrat-controlled Council said the alternate plan would limit the size and location of megastores.

Giuliani branded the action a vote against lower prices for needy New Yorkers.

"They will enshrine higher prices all through the holiday season this year, next year and into the future," Giuliani said.

Council Speaker Peter Vallone (D-Queens) said the city's legislative branch could not accept Giuliani's proposal largely because it would have allowed superstores to be built without now-mandatory community reviews and Council approvals.

"Any argument or any claim that somehow this City Council is stopping megastore development is absurd on its face," said Vallone. "And any argument that somehow we're holding back the poor people of this city is totally nuts."

The vote means there will be no change in the city's zoning review process for superstores until next year at the earliest.

Giuliani's plan would have enabled about 57 megastores — each as large as 200,000 square feet, or about four football fields — to be built in industrial areas.

Superstores like Home Depot and Toys "R" Us have opened in parts of the city, and others are planned. Giuliani argued that his proposal would speed such openings, spurring the city economy, creating new jobs and providing lower prices for New Yorkers.

The city's review process is too time-consuming and blocks or badly delays megastore openings, Giuliani argued.

But Council and community leaders contended the mayor's plan would threaten existing neighborhood supermarkets and mom-and-pop stores by pitting them against far larger and better-funded competitors.

Council members said their alternative would allow construction of about 25 nonfood superstores up to 125,000 square feet without city reviews.

The debate echoed a split among New Yorkers.

"The City Council is wrong. They screwed up terribly," said Judy Brand, a Giuliani backer, as she emerged from a shopping trip yesterday at Costco, a home supplies and food superstore in Brooklyn.

"I will come here, but it doesn't mean I won't go to my mom-and-pop in my neighborhood," she said.

But Janet Howard, a Brooklyn secretary shopping yesterday at a Rite-Aid pharmacy, said the city should maintain strict reviews of proposed superstores.

"They just can't come and throw it in without talking to community leaders," she said. "If they did that, it would be like saying, 'We can do anything we want without asking the community.'"

Government watchdogs called yesterday's vote a watershed in the nearly three-year relationship between the Council and Giuliani.

Political strategists said the emotional issue was likely to become part of the 1997 mayoral election, though there was disagreement whether it would help or hinder Giuliani.

With Michael O. Allen