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# Deal Dumped

## Council rejects mayor's plan for more megastores

By Liz Willen and Paul Moses

STAFF WRITERS

The City Council last night dealt a major blow to Mayor Rudolph Giuliani, rejecting his plan to allow more megastores in parts of the city after a potential compromise fell apart at the last minute.

The surprise vote came after months of wrangling and two days of intense negotiations, and it left council members and mayoral staffers bitter and unsure of what comes next. Nevertheless, both sides expressed hope that a new deal can be reached before the end of the year.

"We do this with no joy," said Councilman Walter McCaffrey (D-Woodside), chairman of the council subcommittee on zoning and franchises. "We believed this would end in compromise, but at the last minute, we were told by the administration that a compromise could not be done."

The plan, rejected 14-0 by the council's Land Use Committee, called for building as many as 57 new stores in manufacturing zones and would have paved the way for more large-scale bargain stores such as the Home Depot and Price Club.

But the sheer size of the stores — some would be almost 200,000 square feet — had concerned council

members, who had proposed limiting the size of some stores to between 100,000 and 125,000 square feet.

A compromise proposal had also called for reducing the number of sites where the stores could be built and keeping them close to highways. But McCaffrey said council members were told at the last minute that the reductions weren't possible and that any changes in the number of sites could not be made until after the measure passed.

"Mama didn't raise any fools on this side of the table," McCaffrey said.

Deputy Mayor Fran Reiter, however, rejected the notion that any compromise deal had been reached, and both she and City Planning Commission Chairman Joseph Rose accused the council of catering to special interests.

"This was simply an excuse by the council to try and take care of the special interests who have used the current rules to try and block stores, supermarkets and clothing stores from coming into the city," Rose said. "They are trying to come up with a fig leaf to cover a blatant attempt to keep New Yorkers from having convenient, cheap prices."

For months, Giuliani has pushed the plan as a way of revitalizing the city's economy, maintaining it

would create more than 13,000 jobs and keep an estimated \$3.5 billion in retail sales in the city.

Both Reiter and Rose tried to paint the council's vote as a major loss for the city's consumers and for poor and minority communities that don't have easy access to larger supermarkets and bargain stores.

And Reiter insisted the compromise changes the council had proposed could not be made because the entire plan had already been approved last month by the City Planning Commission. She added that the council's demands would have eliminated more than 70 percent of the sites.

Small business owners and civic groups have lobbied heavily against the plan, and some were elated by yesterday's vote.

"The council preserved their own right to craft informed and rational policy and preserved community input," said Claudia Valentino, president of the Neighborhood Preservation Alliance in Forest Hills. "They did the right thing."

City Council Speaker Peter Vallone (D-Astoria), is expected to meet with Giuliani today to discuss the future of the plan, officials said. The last date the council can vote on any revised plan this year is Dec. 19.