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How Fears in the Neighborhoods Killed the Mayor's Superstore Plan

By DAVID FIRESTONE

Mayor Rudolph W. Giuliani was visibly thrilled on Wednesday night when a woman stood up at a town meeting that he was holding in the Midwood section of Brooklyn and condemned the City Council for voting down his superstore plan, just as he had been doing all week. After joking that he should hire the woman, he assured skeptics in the audience that his plan to attract large stores had gone through "three years of community input."

"It set a record for community input," he added.

But what Mr. Giuliani did not mention was that such input was mostly negative. Every borough board voted against his plan, as did 60 percent of the community boards.

As shoppers, New Yorkers seem eager for the wide aisles and lower prices of big stores, just like the woman in the town meeting. But as neighborhood residents, they are wary of having the stores down the

block. It was the failure of negotiators to accommodate that ambivalence that led to the plan's defeat.

In the cloud of charges and countercharges from each wing of City Hall, one fact is clear. The Giuliani administration failed to reckon with how important it was for the Council to hold even a semblance of control over the placement of the stores.

Administration officials had hoped that the public's desire for the convenience and prices of the big stores would drive the talks, and even now they are accusing the Council of conspiring with small-store owners to keep prices high. But what was really motivating Council members was an old-fashioned concern about constituents and neighborhood groups who feared an influx of unregulated stores.

By not coming up with a way to defuse that concern and bridge the ambivalence, the administration punted the issue directly into the mayoral campaign next year, where opponents are eager to pick it up to portray the Mayor as insensitive. Where Mr. Giuliani could have used

Giuliani may have given challengers a campaign point.

a compromise to demonstrate that he can work well with others, his opponents will now use the stalemate to charge the opposite.

Witness a remark yesterday from Ruth W. Messinger, the Manhattan Borough President, who hopes to run against Mr. Giuliani next year. "The Mayor and the Council were a half an inch away from a negotiated solution where everybody could claim victory," she said. "And what astounds me is that the Mayor could not find a way to close the distance and instead engaged in attacks on the Council. Once again, it was, 'My way or the highway.'"

The Mayor might have avoided remarks like that — and the attack advertisements to come — had the

Democrats who run the Council approved the plan, making it difficult for Mr. Giuliani's Democratic challengers to use it against him. Now the administration will have to appeal to the shopper in New York voters, while the Democrats will focus on the neighborhood resident.

The Mayor's aides say the two sides were never that close and accuse important Council members of poisoning the talks by spreading malicious information to their colleagues.

"An assertion by the Council that there was only one thing that kept them from reaching a deal is preposterous," said Joseph B. Rose, chairman of the City Planning Commission and a lead negotiator for the administration. "We obviously wanted a deal and took a great deal of political heat in order to advance something in the interests of the city. But there were people on the Council who were only concerned with their turf and their ability to squeeze applicants. They killed the deal."

Mr. Rose was careful to say Speaker Peter F. Vallone, the ultimate

power on the Council, was not one of those people, and both sides say he seemed to seek a deal earnestly. But Mr. Vallone himself said he did not understand why the administration could not find a way to accommodate him.

"It's really a puzzle to me," he said. "We made it clear to them weeks ago that the plan would not fly without something like that. I think in the end that they mishandled the negotiations."

There was certainly skepticism on the part of many rank-and-file members over the stores, even among those who were impressed by the crowded parking lots of the hardware and toy stores that have established themselves under a loophole in the current law. But many skeptics changed their minds when Mr. Vallone told them that the deal gave them something new that they could take back to their constituents, fresh control over the Home Depots and Toys "R" Us stores that had used the loophole.

At the last minute, the administration said a legal problem had arisen

that prevented the new controls on the existing stores. That part of the deal would have to wait until next year, officials said. That, of course, was the one thing that the Council members needed to take home in explaining why they approved the plan. Without it, there could be no deal, and the talks quickly collapsed in recriminations.

The Council and the administration frequently spar, of course. But they have conducted just as many successful negotiations, particularly over the annual budget. Some on the Council side say privately the talks might have succeeded if Peter J. Powers, the former First Deputy Mayor, had not resigned this year, suggesting that the Mayor's current team was not as experienced in the art of the deal.

Administration officials deny that. But now that backs have been stiffened and mayoral politics added, both sides acknowledge that the talks next year will, if anything, traverse far more difficult terrain.