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\$1 beyond the greater New York metropolitan area

## Why Should New York Put Pathmark on the Dole?

By Antonio Pagán

Any day now, Mayor Rudolph Giuliani will announce his long-delayed decision on whether to permit a city-subsidized Pathmark supermarket to be built in East Harlem.

The superficial issue is whether that Hispanic neighborhood will get a 53,000-square-foot megastore at 125th Street and Third Avenue — a discount business that its proponents wrongly argue will offer residents better prices than smaller stores. But the more fundamental issue is whether City Hall should benefit big corporations and special interests at the expense of small- and medium-sized community entrepreneurs.

Although the Manhattan Borough Board has approved the new store, Mayor Giuliani should reject the subsidy package, which awards the central Harlem developers generous tax breaks and a minuscule 1 percent mortgage on the city-owned property.

Proponents say the new store would create 200 new jobs. But more than 200 are likely to be lost in the neighborhood as some smaller businesses vanish. As part of the deal, lenders say that they would set aside \$150,000 in loans for 600 East Harlem

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businesses over five years, but this is a meaningless pittance.

When the supermarket chains fled East Harlem, local businessmen and businesswomen filled the void, taking big financial risks and never getting a dime from the city. Now everything they have built is in possible jeopardy. Should they be victimized by an incentive package that is pure corporate welfare? This is a good deal only for the political establishment of central Harlem, which is sponsoring the Pathmark store, and a bad deal for East Harlem.

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Other grocers  
don't get breaks  
for being here.

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The proponents of the Pathmark store are feeding a common misperception that East Harlem is the captive of small, dirty, run-down, high-priced bodegas. The reality is far different. The area has 15 well-run, locally owned supermarkets. Many are larger than 10,000 square feet and offer a variety of products. Survey after survey has proved that East Harlem supermarkets generally offer prices equal to or better than those at Pathmark, Waldbaum's, Grand Union and A. & P. elsewhere in the city. In a survey conducted by

the city's Economic Development Corporation one and a half years ago, 89 percent of East Harlem residents queried said they were happy with their local supermarkets.

If Mayor Giuliani gives the store his approval, he will undermine the idea that through hard work anyone can get ahead in New York City. Local businesses form the bedrock of safe, stable and prosperous communities. Pathmark is a Wall Street-driven, multibillion-dollar corporation concerned not with East Harlem but with return on investment. What would keep Pathmark in East Harlem if times get tough and the corporate chiefs clamored for more profits?

Even if one believes that the Pathmark is needed, New York City's budget deficit makes it absolutely clear that this is not the time to lavish tax breaks on big corporations, particularly ones like Pathmark. Besides, Pathmark has been able to build superstores in Newark, Coney Island and the South Bronx without help from the taxpayers. As for the projected Pathmark megastore in Springfield Gardens, Queens, I'll support it if City Councilwoman Juanita Watkins assures me that it won't hurt the small merchants in her district.

Mayor Giuliani says the East Harlem store presents a problem. He favors superstores in general, yet he also strongly supports local ownership and a level playing field. In this case, the best solution is to take the incentive package off the table and ask the developers to use their own resources to bid for the property. This would be true free-market competition. □