



NEW YORK STATE SENATOR

Tony Avella

## Senator Avella and Assembly Members Rodriguez and Kim Call on City to Offer Fair Deal in East Harlem Eminent Domain Case

TONY AVELLA January 12, 2018

**East Harlem, NY** – This afternoon, State Senator Tony Avella and Assembly Members Robert Rodriguez and Ron Kim stood with Damon Bae, owner of Fancy Cleaners on Third Avenue in East Harlem, to call on the City of New York to offer Mr. Bae market value for his property, which they are squeezing him out of. The elected officials and Mr. Bae were joined by activists from the Korean-American community and the surrounding area.

The City is reported to have offered to pay Mr. Bae \$3.5 million for his properties while nearby sites are valued at \$11 million.

“It is disgraceful that the City of New York is trying its best to help developers at the expense of a small business owner but sadly I’m not surprised. Since this project started during the last administration the City has pulled out all the stops to undermine this small business and his family. I’m proud to say that when I was in the City Council I voted against this robbery and will continue to fight this shameful overreach by the City. Although we’re standing with Mr. Bae today, this problem extends across the five boroughs and across communities and I hope that our efforts today show the City that we will not allow them to continue to attack our small businesses,” **said State Senator Tony Avella.**

Senator Avella and Assembly Member Ron Kim have a history of fighting for the Korean-American community in their districts and have introduced and passed legislation to help small business owners like Mr. Bae thrive.

“It is deplorable the deal the City is making to compensate Bae for his property and his business. Small family owned businesses are what drive our economy here in East Harlem. When the City takes away land and enterprise from private citizens they need to do it fairly and ensure that the business will be able to thrive after the loss of their location. Lowballing small businesses is not in the best interest of East Harlem or the city, we need to make sure that small businesses are fully compensated when big developments come to the community, in this case they are being put out of business,” **said Assembly Member Robert J. Rodriguez**, who has worked on this case and has written letters to the Mayor, NYC Comptroller, and HPD Commissioner Vicki Bean, calling for a fair and equitable solution for Fancy Cleaners.

"In many ways, Damon's case reminds me of my own family's story, of my parents, immigrants who came to this country and started a small business in pursuit of the American Dream. He has been struggling to save his family's dry cleaner from the city for nearly 10 years now, through two administrations, staggering rent increases, alternating development proposals, and exhausting legal challenges. I was disappointed to hear that this began when the previous administration claimed the area was 'blighted' as a justification for its actions, while ignoring the voices of the small businesses whose continuing existence there proved otherwise. We are calling on the city to do right by Damon and his family, to ensure a fair outcome that won't force his family's business to shut down," **said Assembly Member Ron Kim**.

“The city and the state should be using their resources to help lift up Minority and Women-Owned Businesses like Mr. Bae’s, not undercutting them. Local establishments like Fancy

Cleaners help keep people employed in their communities and spending in their communities, and their value cannot be exaggerated. The city should honor decades of hard work that led to this business's success, and offer Mr. Bae market value for his property.” **said Senator Brian Benjamin**, who represents Mr. Bae’s business in the New York State Senate.

“Eminent domain is something that was started in order for the city, state, or federal government to be able to build institutions such as a school or a hospital but not to close down small businesses in order to build developments and move in other businesses. The use of eminent domain, in this case, and in many cases, is being abused and together the electeds in the community must stand together in order to see that that abuse is not continued,” **said Assembly Member Inez Dickens**.

“I’ve known Damon since he first got here; he has a very important business to us. We’ve been fighting this for a long time, a very long time. That’s why I resigned from the task force. I saw things leading a certain way. At the time, the Council Speaker was steering the project to a particular developer so I backed out, it wasn’t a fair process. Then the developer went bankrupt and they’re still fighting for this. There were concessions given to other businesses, they can do this. It’s simple. Leave this right here. I don’t want to see Fancy Cleaners leave, it’s too important to us,” **said Derrick Taitt, President of the Community Association of the East Harlem Triangle**.

The ongoing battle began twelve years ago when the City of New York took his property, located at 126th Street and Third Avenue, in East Harlem via eminent domain. The plans initiated during the Bloomberg administration deemed the area between 125th and 127th Streets between Third and Second avenues as “blighted,” allowing the City to nab all the lots in the zone regardless of private ownership.

Though the City stated that it plans to help Bae find alternative locations, it has only agreed to conditionally compensate Fancy Cleaners \$615,000 for fixtures in his plant. The City has

asserted that it plans to challenge its obligation to pay even this amount because its legal obligation to pay is questionable due to the Bae family's related ownership nature of the business and property.

Additionally, the City is also asserting a rent claim against Fancy Cleaners for approximately \$30,000 per month and has stated that it intends to hold back \$320,000 of the \$615,000 of this conditional payment. Fancy Cleaner's production facility has been a thriving East Harlem employer and business since 2003. Suggested relocation sites have shown to be unaffordable or located in areas that would make it impossible for Fancy Cleaners to continue serving its clientele.

Bae and his family have spent hundreds of thousands on legal fees and have continued to pay exorbitant property taxes even on the family owned vacant lots. From 2003 to 2011, property taxes on the lots had risen nearly 650% from \$2400 to \$18,000, to topping out in 2018 at roughly \$80,000 for each property. The financial burden and loss of livelihood has left the family with little options to continue their business.