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PRESS RELEASE

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INDOOR RECREATION CENTER TO NOW PROCEED

Mayor Johnson announces resolution with Department of Labor

Today Mayor Scott Johnson announced the construction of the Indoor Recreation Center has cleared all legal obstacles and will proceed immediately. This project has been in the planning stages for over 10 years and has recently faced, and overcome, separate legal challenges from a neighborhood group and the New York State Department of Labor.

"I'm pleased to announce that we can finally begin construction and now deliver a long awaited recreation center that we, as taxpayers, have already been paying for without any meaningful results until now", said Johnson. "We prevailed over frivolous legal challenges from a neighborhood group and now announce an amicable resolution has been reached on the most recent stop bid order from the State's Department of Labor. Despite these obstacles, we are now ready to proceed with construction and expect to come in well under budget. It's about time that we, as a City, show and produce something for all the tax dollars spent for years on this project. This remains a prime example of the danger and improvidence of the prior administration fully bonding projects before knowing what and where to build the project. To make the best of it, we must now move forward and get something for our tax dollars already paid", added Johnson.

Last December, a group of neighbors, commonly known as the Friends of the Southside Park, filed a lawsuit against the City seeking to stop the construction of the Recreation Center at the Southside Field located at Vanderbilt Avenue. The suit alleged violations of the City Charter, City Zoning Ordinance and the State Environmental Quality Review Act. By decision dated March 25, 2009, the Supreme Court found in favor of the City and dismissed each and every alleged violation.

On February 26, 2009 the New York State Department of Labor had issued a stop bid order to enjoin the City from proceeding beyond the prior award of bid to contractor Bast Hatfield. The State alleged violations by the City of the Wicks Law in the competitive bidding process. Negotiations followed and now the City announces an agreement has been reached to allow the project to proceed. Without waiver of rights or claims of exemptions to the Wicks Law, the City and the Labor Department have agreed to proceed with the contract of Bast Hatfield, provided the contractor competitively bid out the subcontractors per the Wicks Law. Johnson stated, "The bottom line is we're able to now continue with the project, under the original contract, on time and under budget, despite the legal challenges. Thanks to the collective efforts of the City Attorney, Joseph Scala, the Labor Department and me, we're able to do what's best for the City and protect us from the potential bond consequences and penalties if we couldn't otherwise proceed."

Construction will begin now and is expected to be complete by about year's end.