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CITY COUNCIL

CITY OF NEW YORK

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THE TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON ECONOMIC DEVELOPMENT

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May 26, 2005
Start: 1:15 p.m.
Recess: 5:07 p.m.

City Hall
250 Broadway, 14th Floor
New York, New York

B E F O R E:

JAMES SANDERS, JR.
Chairperson,

COUNCIL MEMBERS: Diana Reyna
Yvette Clarke
Erik Dilan
Eric Gioia
Domenic Recchia
Letitia James
Lewis Fidler
Charles Barron
David Yassky

Speaker Miller

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2 A P P E A R A N C E S

3

4 Marty Markowitz
5 Brooklyn Borough President

6 Jim Stuckey
7 Executive Vice President
8 Forest City Ratner

9 Page Travelstead
10 Forest City Ratner

11

12 Bertha Lewis
13 Executive Director
14 New York ACORN

15

16 Deborah Howard
17 Pratt Area Community Council

18 Brian Ketchum
19 Executive Director
20 Community Consulting Services

21 George Sweeting
22 Deputy Director
23 New York City Independent Budget Office

24 Michael Kalt
25 Senior Policy Director

17 Office of the Deputy Mayor for
Economic Development and Rebuilding
18
Rachel Grossman
19 Senior Vice President of Development
Housing Development Corporation
20
Daniel Goldstein
21 Develop Don't Destroy

22 Candice Carpenter
Develop Don't Destroy
23

24

25

3

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2 A P P E A R A N C E S (CONTINUED)

3
Gustav Peebles
4 Department of Anthropology
Columbia University
5
Reverend Herbert Daughtry
6 Founder/President
Downtown Brooklyn Neighborhood Alliance
7
Kyle Braggs
8 Vice President
SEIU Local 32 BJ
9
Sandy Balboza
10 President
Atlantic Avenue Betterment Association
11

12 James Heyligier
13 James Caldwell
13 BUILD
14 Bettina Damiani
14 Good Jobs New York
15
15 Mafruza Khan
16 Associate Director
16 Pratt Institute Center for Community
17 And Environmental Development
18 Christopher Jones
18 Vice President for Research
19 Regional Plan Association
20
21
22
23
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1 COMMITTEE ON ECONOMIC DEVELOPMENT

2 CHAIRPERSON SANDERS: The meeting will
3 now come to order. With me are Council Members
4 Letitia James, from Brooklyn; and Council Member
5 Felder of Brooklyn. Fidler, I'm sorry. There you go.

6 As soon as I said it, I knew I was wrong, but that's
7 all right.

8 We're here, of course, to get some
9 information for the people and to find out what's
10 going on in one of the projects that we have ongoing
11 in New York City.

12 Good afternoon. My name is James
13 Sanders, Jr., and I am the Chair of the Committee on
14 Economic Development.

15 On May the 4th, 2002, this Committee
16 held a hearing on the proposed development of the
17 Atlantic Yards. There was a vigorous exchange of
18 views last year at that hearing. It served to better
19 educate Council members and the public on this very
20 important topic.

21 Although the Council is in the middle
22 of its budget hearings, and we could not, we would
23 not ordinarily hold a hearing that does not concern
24 the Council budget during this period, the
25 importance and timeliness of this issue demands that

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2 we are holding the hearing now. As a matter of fact,
3 let me say that it does concern our budget.

4 As many of you may know, there have
5 been a couple of very important events surrounding
6 the Atlantic Yards Plan.

7 Just last week, on May 17th, Forest
8 City Ratner and Company, and ACORN announced it had
9 finalized an MOU that provides for 50 percent of the
10 residential units to be made affordable at the
11 proposed site.

12 Additionally, just this week on May
13 24th, the MTA issued an RFP for the sale or lease of
14 all or some of the air space and related property
15 interests at the, quote, Vanderbilt Yards.

16 By the way, the Vanderbilt Yards is
17 actually the proper name of the rail yards at what
18 is popularly referred to as the Atlantic Yards.

19 We expect that there will be a
20 vigorous discussion today, as well as a large number
21 of people that wish to testify.

22 The Committee will make every attempt
23 to hear from as many people as possible.

24 Please note that although witnesses

25 other than invited witnesses are typically called to

6

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2 testify in order in which they submit their request
3 to testify, there will be a departure from this
4 process today in order to provide a balance in the
5 testimony received.

6 Please understand that our attempt to
7 provide the Committee and those in attendance with
8 as many different perspectives as possible. We, of
9 course, expect our Borough President to come in and
10 there are several others that want to come here, but
11 they are not here right now.

12 Wait. I stand corrected. I'm going to
13 encourage all of my Council members to really watch
14 their length of questions because we really need to
15 hear from the public. We need to show a little
16 discipline and show that we can use simplicity of
17 expression and yet depth of thought.

18 With that I want to call the

19 representative, I want to call our Brooklyn
20 representative. There you go. Our Brooklyn
21 representative. The Borough President himself. And
22 since the timing is impeccable, as always.

23 Please get your breath, sir, and as
24 soon as you can, there may be one person in America
25 who does not know who you are.

7

1 COMMITTEE ON ECONOMIC DEVELOPMENT

2 BOROUGH PRESIDENT MARKOWITZ: Good
3 afternoon. I want to thank the City Council and
4 Committee Chair James Sanders for holding this
5 important hearing on this important project.
6 Brooklyn's future under consideration today.

7 In the year since I last came before
8 the Council to testify on the proposed Atlantic
9 Yards Development, the Bedrock principles of what
10 this project means to Brooklyn and New York City
11 have been strengthened and affirmed.

12 As Brooklyn Borough President, my
13 goals have been clear since the project was first

14 conceived. And I'm proud to say that we are now a
15 year closer to achieving those goals.

16 A memorandum of Understanding has
17 been signed by the City, State and the developer,
18 and last week an unprecedented agreement to build
19 thousands of units of affordable housing was entered
20 into between the developer and a very superb group,
21 New York City ACORN.

22 This will be long-term affordable
23 housing for those whose incomes currently range from
24 13,000 to 109,000, with a ten percent set-aside for
25 senior citizens.

8

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2 The affordable units will be fully
3 integrated into the overall developments, with
4 construction matching the quality of market rate
5 houses.

6 This is a cause for celebration,
7 which is why we're all so very, very excited when we

8 were able to announce this last week at Borough
9 Hall.

10 I look forward in the coming weeks to
11 even more good news, in the form of what I'm
12 confident will be a ground-breaking community
13 benefits agreement.

14 I expect part of that agreement to
15 include a workforce development plan that will
16 accommodate the needs of many Brooklynites for
17 workforce training and education, as well as related
18 services, such as the pressing need for day care.

19 Brooklyn residents, especially those
20 in need of jobs, have not significantly benefitted
21 from large scale construction in the past.

22 I believe Atlantic Yards is a
23 development that will break that pattern.

24 Working to develop the City, incoming
25 businesses and local community organizations, I

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2 believe a new model will be created for matching

3 jobs with those in need of new skills and
4 employment.

5 As a result, I fully expect that
6 thousands of jobs generated by Atlantic Yards will
7 be filled by Brooklyn residents, especially those in
8 nearby public housing.

9 Atlantic Yards represents a huge
10 economic and cultural boost that will propel us
11 toward a better future for Brooklyn's families, and
12 our children's families.

13 Nevertheless, all of us recognize,
14 including, believe me, big time, because I hear,
15 Chair, from every single person, especially those
16 that are against this project, that there are
17 legitimate concerns regarding this project.

18 Now that the MOU has been signed, the
19 real work related to planning and oversight begins.

20 The Environmental Impact Statement
21 for Atlantic Yards will address many vital issues
22 first among traffic and parking.

23 Traffic mitigation measures,
24 including traffic calming, trolley loops, residents
25 stricter parking permits, and all other feasible

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2 measures to improve traffic flow and parking should
3 and will be thoroughly investigated. And I have full
4 confidence that it will be done.

5 The likely need for additional City
6 services and facilities to serve the community today
7 and in the future. Such as additional classrooms,
8 social services and public safety services must be
9 thoroughly addressed.

10 We must plan for all of these
11 services carefully, professionally and
12 appropriately, and we are fortunate in that both the
13 time frame for the project and the public spirit of
14 the developer will enhance that planning rather than
15 making it more difficult.

16 We also must plan for needed public
17 transit enhancements, as well as parks and open
18 space to accommodate the influx of new residents and
19 surrounding communities.

20 Equally important is planning to

21 ensure that any potential adverse environmental
22 affects, such as noise, are minimized and that air
23 quality is not diminished.

24 I am hopeful that with title auto
25 emissions, regulations proposed by the State last

11

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2 week, and related actions on the part of the City
3 Council, air quality in Downtown Brooklyn will
4 actually improve.

5 I will also work with Forest City
6 Ratner to make this development one of the most
7 advanced in the City in terms of energy efficiency.

8 This will result in savings for the
9 tenants, and will decrease our needs to build
10 unwanted electrical generating facilities.

11 I look forward to an announcement in
12 the near future of a public hearing regarding the
13 scope of EIS, which will provide the primary
14 blueprint for addressing all of these concerns.

15 During my campaign I promised that I

16 would work hard to bring a national team sports team
17 to Brooklyn. And I'm absolutely thrilled, I must
18 tell you, Brooklyn will once again have a national
19 sports team competing nationally.

20 But at the end of the day, or the
21 next decade, Atlantic Yards must be more than that,
22 and it will be.

23 It has to be a great source of home
24 team pride.

25 The new jobs and affordable homes it

12

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2 will create will help give many Brooklynites a
3 chance they deserve to break out of poverty.

4 I remain eager to review any and all
5 proposals that may improve this project.

6 I'm proud that my faith in Forest
7 City Ratner has been confirmed, through its efforts
8 to minimize the use of eminent domain and to
9 accommodate with dignity, respect and fair financial

10 compensation, residents who would be displaced by
11 this project.

12 Brooklyn and New York City have a
13 tradition of setting the standards for social
14 progress in America. On this, on the issue that is
15 most critical to Brooklynites right now and to all
16 New Yorkers is the issue of affordable housing.

17 This project sets the standard once
18 again. Because as you all know, families don't leave
19 Brooklyn these days seeking a better life. They
20 leave because they can't afford the good life we
21 have in Brooklyn.

22 My support for Atlantic Yards is
23 rooted in my conviction that it will be a giant step
24 reversing that trend.

25 Under the outstanding leadership of

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2 Speaker Miller, the City Council recently crafted a
3 rezoning plan that will promote the development of
4 affordable housing in Greenpoint and Williamsburg.

5 Thank you, each Council member. While reclaiming a
6 derelict waterfront.

7 With that new development and with
8 the fruition of the Atlantic Yards Project of
9 Downtown Brooklyn, we, Brooklyn, and New York, will
10 become a national model for progressive urban
11 development that preserves existing communities.

12 Because in addition to the thousands
13 of new jobs, the economic development, the landmark
14 architecture and the arrival of the Brooklyn Nets,
15 step out of the way, Manhattanites, Atlantic Yards
16 will help Brooklyn and New York City maintain its
17 economic diversity, one of the most pressing
18 challenges facing American cities in the 21st
19 century. And that's the kind of leadership of which
20 we all can be proud.

21 Thank you very, very much.

22 CHAIRPERSON SANDERS: Thank you, sir.

23 Thank you. I believe we have a
24 questioner for you. Council Member.

25 COUNCIL MEMBER JAMES: Mr. Borough

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2 President, as you know, I've been a great fan of
3 you, and you have been a great champion of the
4 Borough of Brooklyn, but I notice in your spring
5 newsletter of 2005, there is an article entitled
6 "Saving Brooklyn Communities: Marty leads
7 downzoning efforts to preserve suburban Brooklyn."

8 Suburban Brooklyn, according to this
9 article, includes Bayridge, Bergen Beach, Canarsie,
10 Starrite City, Flatlands, Marine Park, Mill Basin,
11 Jerison Beach, Sheepshead Bay, Manhattan Beach,
12 Brighton Beach, Midwood, Bayridge, Prospect Park,
13 South Seagate, Manhattan Beach, Mill Basin and
14 Bergen Beach.

15 The opposite of suburban Brooklyn is
16 urban Brooklyn. Urban Brooklyn, based upon the
17 omission includes, Bedford Stuyvesant, Brownsville,
18 East New York, Prospect Heights, Clinton Hill, Fort
19 Green. The Urban Brooklyn that I represent and that
20 I know. Why is not the same standard that's applied
21 to quote/unquote suburban Brooklyn, not applied to
22 urban Brooklyn?

23 BOROUGH PRESIDENT MARKOWITZ: That's
24 your definition, Councilwoman. It's not mine.
25 The neighborhoods that I was

15

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2 referring to have to do in the southern part of
3 Brooklyn, a single family detached or semi-detached
4 communities. The Atlantic Yards Project represents
5 an area, the great majority of which will be an area
6 zoned warehousing and industrial.

7 I invite anyone here to walk on
8 Atlantic Avenue, from Flatbush Avenue to Vanderbilt
9 Avenue, where the great majority of this will be
10 over the abandoned, ugly Long Island Railroad
11 tracks, that's where the majority of this project
12 will be.

13 Councilwoman, I respect you
14 enormously, if you cannot compare Atlantic Avenue
15 and Flatbush Avenue to West Third Street and Avenue
16 P in Bensonhurst, I am so sorry. I take it
17 neighborhood-by-neighborhood, and the neighborhoods

18 that you referred to just now, which by the way also
19 includes those Bedford Stuyvesant areas like that
20 that are primarily, even exclusively, single family,
21 detached or semi-detached homes. That's the
22 difference between that and Atlantic Avenue.

23 COUNCIL MEMBER JAMES: And you know,
24 Mr. Borough President, that this project goes beyond
25 Atlantic Avenue, and we all agree that there should

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2 be development along Atlantic Avenue, but the
3 question is, Borough President, do you believe that
4 there should be 17 buildings, some taller than the
5 Williamsburg Bank Building, 620 feet, blocking the
6 clock of the Williamsburg Bank Building on Atlantic
7 Avenue; is that your position?

8 BOROUGH PRESIDENT MARKOWITZ: Here's
9 my answer. When the Williamsburg building was built,
10 what was the tallest building in Brooklyn before
11 that building?

12 Here's the issue. The issue is that
13 we have a significant challenge here, in terms of
14 heights of buildings, we all agree on this; and that
15 is, we're in great need for additional housing in
16 Brooklyn. We all agree on this. Land is at a
17 premium, as you know, and building affordable
18 housing these days, with the lack of the federal and
19 state governments really involved, requires creative
20 financing abilities with private developers and
21 government working as partners.

22 And that's why I'm confident that
23 when this is totally resolved, that we will maximize
24 the amount of affordable housing.

25 Architects tell me, and I'm not an

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2 architect, I don't pretend to be, but I would never
3 want the Williamburg building anything other than be
4 our building that we're proud of. And it is a
5 building that will never be replaced in its beauty
6 ever again. It is classic Brooklyn. It's the most

7 beautiful building, and there are ways that
8 architects tell me that you can build tall buildings
9 and still enhance the Williamsburg Building rather
10 than detract.

11 See, Councilwoman, it's just another
12 argument of those that want to stop this project no
13 matter what.

14 I respect them, and I respectfully
15 disagree.

16 COUNCIL MEMBER JAMES: And Mr. Borough
17 President, you know that I'm not in a position to
18 stop this project, it's the scale of the project and
19 the fact that it really doesn't reflect the
20 character, and so my position is that we should not
21 block the clock and that we should build a project
22 which again respects the character of the community,
23 the same standard that you have applied to
24 quote/unquote suburban Brooklyn.

25 BOROUGH PRESIDENT MARKOWITZ: Well,

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2 the suburban Brooklyn really represents
3 neighborhoods to the south of Brooklyn that are
4 single family, or semi-detached, where there is no
5 industrial or warehoused facilities or anything like
6 that at all.

7 I can assure you that as we go
8 through the environmental impact statement in the
9 days and months ahead, that there will be many
10 voices, and I know yours will be very, very
11 prominent, as well as other Council members, and all
12 of us residents and businesses and others that love
13 Brooklyn as much as I do, there will be other voices
14 and that's the whole purpose of having this public
15 review. Because at the end of the day, what we all
16 want is the same thing, a project that we'll all be
17 proud of that will celebrate Brooklyn, that
18 generations of Brooklyn families will celebrate,
19 they won't know who made it possible, but they'll be
20 there enjoying it and it will be a meaningful
21 contribution in their lives.

22 I believe that good people, even
23 those that differ, could come up with proposals that
24 work for most of us, and I am confident it's going

25 to happen.

19

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2 CHAIRPERSON SANDERS: Thank you,
3 Borough President. I'm sure that we will hear more
4 of these things.

5 Thank you very much for your
6 testimony, sir.

7 BOROUGH PRESIDENT MARKOWITZ: Thank
8 you.

9 CHAIRPERSON SANDERS: Oh, I stand
10 corrected, we do have a questioner.

11 Council Member Barron.

12 BOROUGH PRESIDENT MARKOWITZ: It would
13 be uncharacteristic for him not to ask.

14 CHAIRPERSON SANDERS: Well, then let
15 me just throw in one thing I have encouraged. In
16 case some of my colleagues have missed it, I have
17 encouraged all of my colleagues to be as brief as
18 they can because we have a lot of folk that we're
19 trying to hear testify, and let us try to respect

20 the audience also. And no slur to you, sir, Council
21 Member Barron.

22 COUNCIL MEMBER BARRON: No, I don't
23 take it as a slur.

24 I just didn't think that the Borough
25 President thought he would get away with a little

20

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2 cheerleading presentation and not be drilled.

3 Number one, I think you minimize
4 eminent domain. You said this minimal impact. When
5 you know that holding eminent domain over the head
6 of people and then call yourself negotiating with
7 them is not minimal. And because large sums of money
8 was given to people to move out of their apartments,
9 their places, plus with eminent domain being held
10 over their head, is not really a fair way to
11 negotiate for property.

12 My concern is process. Eminent domain
13 was used in an abusive way, and you supported that.

14 BOROUGH PRESIDENT MARKOWITZ: It
15 hasn't been done yet, Councilman.

16 COUNCIL MEMBER BARRON: It has been
17 used. Threatened. It's threatened. It's before the
18 Supreme Court right now. If somebody comes up to you
19 and says you've got a \$500,000 home, I will give you
20 a million dollars, you might as well take it,
21 because I'm going to get it anyway, because I've got
22 eminent domain coming my way protected by the State,
23 that's not a fair process, and that's another way of
24 avoiding the ULURP process. That's number one.

25 Number two. The housing. Fifty

21

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2 percent is luxury, correct?

3 BOROUGH PRESIDENT MARKOWITZ: Market
4 rate.

5 COUNCIL MEMBER BARRON: Market rate.
6 That we can't afford.

7 BOROUGH PRESIDENT MARKOWITZ: Right.
8 That's correct.

9 COUNCIL MEMBER BARRON: That we can't
10 afford.

11 BOROUGH PRESIDENT MARKOWITZ: Yours
12 truly as well.

13 COUNCIL MEMBER BARRON: That's right.
14 Truly. Truly.

15 Thirty percent moderate, right?

16 BOROUGH PRESIDENT MARKOWITZ: Moderate
17 middle.

18 COUNCIL MEMBER BARRON: Moderate
19 middle. Most of us can't afford that either.

20 BOROUGH PRESIDENT MARKOWITZ: That's
21 not true.

22 COUNCIL MEMBER BARRON: Most of us
23 can't. You can say not that's true all you want
24 (sic).

25 BOROUGH PRESIDENT MARKOWITZ: I know

22

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2 you can afford it.

3 COUNCIL MEMBER BARRON: That's 80
4 percent. Eighty percent. Eighty percent.

5 It's not about me and it's not about
6 you, it's about the people. Eighty percent of our
7 people who are in low-income brackets cannot afford
8 this housing coming in.

9 Twenty percent will be able to afford
10 it. That's the reality.

11 So, when you all say 50 percent
12 affordable housing, that's not true. It is 20
13 percent low-income, and 80 percent is moderate to
14 high. It's a market rate, cute little term. But 80
15 percent we can't afford. This is going to be instant
16 gentrification. That community has already been
17 gentrified. And with this proposal it will be
18 instant gentrification. But you don't care about
19 that because the Nets are coming. You gotta play
20 ball.

21 And let me tell you something else,
22 and I'll let you --

23 BOROUGH PRESIDENT MARKOWITZ: I'll
24 wait until you ask me a question, Councilman.

25 COUNCIL MEMBER BARRON: Yes. So those

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2 concerns I have, the housing arrangements. I believe
3 that if we had a way to force Ratner, and I'm glad
4 that we stood strong, now there is a competitive
5 bidding process coming, there wasn't before that and
6 you were fine with that. You were fine with giving
7 this to him for a little sweetheart bill with no
8 competitive bidding process, the same thing they
9 tried to do with the Jets, the same thing they're
10 trying with NASCAR and everything else, Bloomberg
11 has turned this City into New York City, Inc., Nets,
12 Jets, NASCAR, all of this stuff, and what do they
13 come to us, because we're struggling? Jobs and
14 affordable housing. You know we will, once you say
15 jobs and affordable housing to us, the process goes
16 out the window, and that's my concern here, that I
17 think we could have gotten, even though you got a
18 sweetheart deal you might think from Ratner, we
19 could have done better if he had proper oversight,
20 if we had the power over remapping, rezoning,
21 upzoning, if he had to come through a body with

22 power, that we would do better than what is
23 happening now.

24 Now, I'm concerned about process. A
25 whole new community is coming in there, and before

24

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2 10,000 new people, what about schools? What about
3 fire stations? What about sanitation for the area?
4 And we have to wait for the EIS process, because
5 that's going to be a problem. No matter what you
6 say, that's going to be a major problem, I'm looking
7 forward to that.

8 So, I just want you to address those
9 serious issues, which I don't think you seriously
10 addressed, it was more of a cheerleading thing for
11 Ratner. Those are serious issues. The process. Who
12 is going to do the oversight on this project? Is it
13 the best project for us? Are there other bids out
14 there? Will people have, well they will have a
15 chance, thanks to the struggle to make sure that

16 it's a competitive bidding process, we want to make
17 sure it doesn't favor the developer more than the
18 people.

19 BOROUGH PRESIDENT MARKOWITZ: All
20 right, Councilman, I certainly respect your
21 presentation. Let's see if I can answer this. The
22 Atlantic Yards area has been available for any
23 developer in America for over 100 years. Let's start
24 off.

25 It's been there for over a hundred

25

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2 years. And, yes, I am absolutely an enthusiastic
3 supporter of this.

4 Yes, it will provide the jobs. It
5 will. There's no question about it. We're working on
6 crafting that with the community benefits agreement,
7 and I --

8 COUNCIL MEMBER BARRON: Let me ask you

9 --

10 BOROUGH PRESIDENT MARKOWITZ: Please.

11 You asked me the question.

12 COUNCIL MEMBER BARRON: Yes.

13 BOROUGH PRESIDENT MARKOWITZ: It
14 represents a whole new possibility of a formerly
15 abandoned area, which is I'm talking about the
16 Atlantic Yards themselves, that will offer us the
17 kind of housing that will maximize probably the
18 largest project in the last generation of
19 Brooklynites affordable housing.

20 By the way, Council member, as much
21 as those that need housing that make \$20,000 a year
22 and \$30,000 a year, let me tell you also there are
23 people that have worked for the City of New York
24 that are teachers, firefighters, cops, regular civil
25 service workers, that may earn 45, 50,000 dollars a

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2 year that are in dire need of housing too. So, this
3 was crafted in a way that really I think provides a
4 fair allocation, fair allocation because the figures

5 should be pointed to the federal and State
6 government's failure to realize that housing is a
7 right and not a privilege.

8 But we have to deal with the best
9 situation we have to maximize the amount -- I don't
10 expect you to agree, it's okay. The jobs and the
11 Housing will go to those that need it the most. The
12 purposes of this hearing and the Environmental
13 Impact Statement, the Empire State Development
14 Corporation, should they be the lead agency? And I
15 believe they probably will, all of that will be for
16 us to join together, to lend our voices and to make
17 our recommendations, to get the best plan possible.
18 And that's our objective. But at the end of this
19 process, you know what? Brooklyn is going to be
20 ahead. We are going to celebrate this in such a
21 positive way and after we get by the naysayers,
22 Council Member, it's going to happen and it's going
23 to be a great project for all of us.

24 CHAIRPERSON SANDERS: If I can
25 encourage --

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2 BOROUGH PRESIDENT MARKOWITZ: You may
3 even become a seasoned ticket holder.

4 CHAIRPERSON SANDERS: If I can
5 encourage both questioner and the answers to be
6 extremely tight, we have a lot of good people that
7 we need to hear from.

8 Council Member, you wanted to put a
9 very quick --

10 COUNCIL MEMBER BARRON: For the jobs
11 piece, you know, the kinds of jobs, you know, the
12 10,000 jobs that are being promised, that's going to
13 be a wait and see, because we've been down this road
14 before with Ratner and other projects, and they just
15 don't really come to fruition.

16 And the kinds of jobs and who is
17 getting the jobs. If it's in the office buildings,
18 you're not bringing no 10,000 jobs in the office
19 buildings because you're not in control of the jobs.
20 It will be only the maintenance jobs in the office
21 buildings. A lot of this fluff that we're going
22 through now, when we get down the road a bit, we
23 will see that much of it is going to have to change,

24 and I expect you as a leader of this borough, to be
25 stronger on developers, to make sure that in this

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2 deal here, that it's not a benefit for the
3 developer, but it's a greater benefit for our
4 community and our people, and I'm not so sure we got
5 that now, even though people will be cheering --

6 BOROUGH PRESIDENT MARKOWITZ: Council
7 member --

8 COUNCIL MEMBER BARRON: Wait. I'm not
9 finished.

10 CHAIRPERSON SANDERS: Please wait
11 because he's about to finish real quick.

12 COUNCIL MEMBER BARRON: I'm about to
13 wrap it up.

14 I just hope you provide that strong
15 leadership to make sure that this is oversights,
16 that we make sure that things are delivered that are
17 promised, because we've been down the promising road

18 before, and the whole community is going to change,
19 and it might even be in violation of some of the
20 voting rights act that's going to change the
21 politics of that community and take some of our
22 people out of office, because the complexion of the
23 community is going to change radically.

24 BOROUGH PRESIDENT MARKOWITZ: I don't
25 know about that, Councilman.

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2 COUNCIL MEMBER BARRON: I know you
3 don't know about it.

4 CHAIRPERSON SANDERS: Excuse me, my
5 friends? My friends, if I can say that here we're
6 going to really, there will be a strong chair and it
7 may be funny that we're not throwing the people from
8 this side of the people out, we may end up throwing
9 the people on this side of the table out.

10 Which brings me to that, you wanted
11 to make a very, very -- you made your point, I
12 suspect, sir?

13 BOROUGH PRESIDENT MARKOWITZ: I hear,
14 and as far as oversight, I know the Councilman will
15 be a strong voice to make sure that the job is being
16 done. But I have to tell you this. Opening the doors
17 to opportunity is what I'm about and what Brooklyn
18 is about. You give someone a job with benefits, a
19 union job, you know what? You give that opportunity,
20 they can grow and flourish and that's what we need,
21 the opportunity, and this will make those
22 opportunities available.

23 CHAIRPERSON SANDERS: Well put, sir.
24 Allow me to say this. Allow me to recognize who the
25 Council members who are here.

30

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2 Sir, if you can wait for a moment, I
3 have been told that I have a question.

4 My friends, my Council members, if we
5 can be as disciplined as possible, because we have a
6 lot of good people in this audience who have

7 questions also, and they deserve their moment. This
8 is more their moment than ours, if we can respect
9 that.

10 We, of course, have been joined by
11 Council Members Dilan, Council Member Yassky,
12 Council Member Gioia, and I believe there was
13 someone sitting next to you a moment ago. All right,
14 I knew there was one. Last but never least, Council
15 Member Clarke.

16 Council Member Yassky, you wanted a
17 statement? A question, rather?

18 COUNCIL MEMBER YASSKY: Yes, a
19 question. I understand, the time constraints, so I
20 will not go in detail to all the issues. I want to
21 say two things: First of all, I want to say I know
22 that there are folks here who do not like this arena
23 proposal. I hope that we are able to get an arena
24 that would bring professional basketball to Brooklyn
25 and would bring affordable housing and economic

2 opportunity to residents, and Mr. Borough President,
3 I want to say thank you for your pushing this
4 proposal and trying to get something good done.

5 I have concerns that I want to see,
6 not just that I want to see, that need to be
7 addressed for the Borough, and Chair, I will defer
8 having detailed discussion her, but I just want to
9 ask for the Borough President. First of all, on
10 traffic, for your assistance in getting from the
11 City a genuine traffic plan before any approval is
12 made so we know how the cars are getting in and out.

13 Two, again, from I guess from the
14 City and from the developer, working with the
15 proposal so that the scale of it does fit within the
16 neighborhood, because I do have concerns about the
17 scale of it.

18 And then, third, on the commitments
19 on how jobs and economic opportunity will genuinely
20 benefit Brooklyn, which is yet to be spelled out.
21 I'm not saying it can't be, but I do believe that
22 needs to be spelled out.

23 So, to me those are the issues that I
24 want to see addressed before the final approval
25 stage.

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2 Mr. Borough President, I hope we can
3 work on that.

4 BOROUGH PRESIDENT MARKOWITZ: I'm
5 confident that that will be the case.

6 COUNCIL MEMBER YASSKY: Thank you.

7 CHAIRPERSON SANDERS: Thank you, sir.

8 We, of course, have been -- thank you
9 very much, Borough President. We have gotten
10 everyone up here. We have of course been joined by
11 our Speaker, the Speaker of the City Council,
12 Speaker Gifford Miller, and Speaker Miller, would
13 you care to say something at this point?

14 SPEAKER MILLER: Well, thank you, Mr.
15 Chairman. First of all, let me thank you for your
16 leadership of this committee and this oversight
17 hearing. I want to thank Council Member James who
18 has worked extraordinarily hard to help bring us to
19 this point that we're doing oversight as well here,

20 as we have in the past. This is the second of our
21 hearings on this particular subject and I know we're
22 committed to having as many hearings and going
23 forward in order to make sure that there is public
24 discussion, oversight and openness about his
25 process.

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2 This is just one of a large number of
3 developments that are taking place or on the cusp of
4 taking place. New York City is all across the City
5 experiencing enormous potential change.

6 And one of the important things that
7 we have to make sure is that we're making the right
8 choices for our City's future, and that means truly
9 exploring every opportunity and option that comes
10 our way and what this hearing is about is about
11 truly exploring that.

12 The MTA failed to do that with the
13 West Side Rail Yards, and in the end caved to
14 political pressure, and in doing so gave away what

15 is in the end about a billion and a half taxpayer
16 dollars.

17 In this case there are some promising
18 signals that things are moving in a somewhat
19 different direction. First of all, there is less
20 public money involved.

21 Secondly, there is a significant
22 affordable housing component which is an
23 extraordinary overwhelming need, I think all of us
24 can acknowledge is an overwhelming need.

25 However, we have to make sure that if

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2 there is a community benefit, we need to know
3 exactly what the community benefit is and it needs
4 to be dealt with in a public process for us to be
5 able to understand what that benefit is, and that's
6 what this hearing is part of determining.

7 And in addition, we need to make sure
8 that the MTA really does follow through with getting

9 value for its property.

10 The RFP that they've announced is
11 certainly a significant step in the right direction
12 so there can be an open bidding process.

13 But there shouldn't have been
14 necessary for all of us to have kicked up such a
15 fuss for them to put out an RFP in the first place.

16 What they ought to have is an
17 absolute uniform RFP process, so that every piece of
18 property that, that this is taxpayer-owned,
19 public-owned property ought to be put up for an open
20 competitive bidding process. But that they've done
21 it in this case is a step in the right direction. We
22 look forward to examining what the result of that
23 RFP are, as does the MTA.

24 I'm glad that this hearing has
25 occurred. I'm glad the housing agreement has finally

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2 been put in writing so we'll have a chance to review
3 it, so we can really examine what the community

4 benefit is here.

5 But the other elements of the
6 community benefit agreement also need to come
7 forward so that we can determine whether or not the
8 jobs are going to be going in the right places, and
9 how we deal with the traffic plans.

10 This is certainly a better process
11 than occurred in the West Side Rail Yard, but that
12 shouldn't be the benchmark, since that process was
13 utterly and completely and horrendously
14 unacceptable.

15 But I am pleased that this Council is
16 able to provide this particular public opportunity
17 for this hearing. I look forward to working with my
18 colleagues to make sure that there are further
19 opportunities down the road for the public to know
20 that if they're getting housing, how much and for
21 whom? If they're getting jobs, how many and for
22 whom? If we're spending money, how much and for
23 what? And if we are having an open process, who is
24 bidding and what is the situation? That's how we
25 ought to be doing it. We're moving in that direction

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2 in this area and I think that's a healthy thing.

3 I'm proud of the fact that this
4 Council is playing a positive role in that
5 direction, and I look forward to working with my
6 colleagues in order to make sure that we carry that
7 all the way through.

8 CHAIRPERSON SANDERS: Thank you, Mr.
9 Speaker.

10 Finally, we reach to the point where
11 we are going to hear what this project is. And to do
12 that I'm calling Jim Stuckey from Forest City Ratner
13 and the appropriate guests.

14 As your team takes its place, I trust
15 that you will identify yourselves. As I have stated
16 earlier, I'm calling upon the discipline of all of
17 the good people who are presenting so that they can
18 be as succinct as possible, so we can understand
19 what we are dealing with.

20 Understanding that we are going to
21 balance this. You are going to hear both pros and

22 cons, we will bounce this forward. I suspect that
23 all of the -- if there are any needed chairs, and if
24 there's testimony from Forest City, let us make sure
25 that we get it, and we have been joined, of course,

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2 by Council Member Kendall Stewart of Brooklyn, and
3 Council Member Diana Reyna of Brooklyn.

4 Mr. Stuckey, would you be kind
5 enough, even after your panel makes its
6 presentation, if you could stay around for the
7 Administration to answer any questions that comes up
8 there, we'd appreciate it.

9 MR. STUCKEY: Okay, that's fine,
10 Council Member. We're just trying to get this linked
11 up with this system.

12 CHAIRPERSON SANDERS: Understandable.

13 MR. STUCKEY: I'm sorry.

14 CHAIRPERSON SANDERS: If there is a
15 question, perhaps we can get some technical support.

16 MR. STUCKEY: It may take a couple of

17 moments, I'm sorry.

18 CHAIRPERSON SANDERS: Okay. Is it
19 possible to begin some other way?

20 MR. STUCKEY: Well, I think there are
21 a number of graphics to address some of the issues
22 that were talked about in the last presentation,
23 that it's really much better to show. I apologize.

24 CHAIRPERSON SANDERS: I trust that
25 we'll be starting soon because there is a request

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2 that our Speaker sing during this period. Some
3 Brooklyn song, no doubt.

4 If you will introduce yourself and
5 your team of course, sir?

6 MR. STUCKEY: Yes. I'm Jim Stuckey.
7 I'm Executive Vice President of Forest City Ratner
8 Company. And I have with me Bertha Lewis. Bertha,
9 please.

10 MS. LEWIS: I'm Bertha Lewis,

11 Executive --

12 CHAIRPERSON SANDERS: Your mic is not
13 on.

14 MS. LEWIS: Can you hear me now?

15 How you all doing? I'm Bertha Lewis,
16 and I'm Executive Director for New York ACORN.

17 MR. STUCKEY: And Page Travelstead is
18 our technician here with the powerpoint
19 presentation. So, why don't you start.

20 What I want to say and I want to
21 address, Council members, as we appeared with you
22 just over a year ago, and as part of that
23 presentation we spoke a great deal about what our
24 vision of the Atlantic Yards Process would be, our
25 proposal. And obviously we answered many questions

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2 during that time.

3 But at that time we also made a
4 number of representations and we talked about a
5 number of things we wanted to do, based on the

6 extensive things we had already had with the
7 community, with the community boards, with the
8 public, and since then we've had probably 40 other
9 meetings with the same groups, and there have been
10 some changes and we've made some progress. So I
11 thought what we ought to do is to spend some time
12 updating you on where we've gone and what we've
13 done.

14 So, the first area is that we talked
15 at our last meeting about the fact that we're going
16 to do every single thing that we could do to reduce
17 the need and eliminate the need for eminent domain
18 and condemnation, and in particular residential
19 condemnation.

20 So, what I want to do today is to
21 report to you on the progress that we've made. So,
22 as you can see from this table, since we saw you
23 last, we have purchased 66, purchased or have under
24 contract 66 of 73 of the condos, co-ops and
25 owner-occupied units, 91 percent. We basically have

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2 under contract or own ten of the 16 rental, 63
3 percent. We have 60 of 96 rental apartments. Of
4 those only 66 are actually occupied, 63 percent, and
5 of the commercial properties which we obviously
6 wanted to focus on residential first, we now have 54
7 percent of property under control.

8 Let me show you what that means in
9 terms of the Atlantic Yard Project.

10 This is the site as people know it,
11 the Atlantic Yards site, and the blue area basically
12 shows you the three parcels or the three pieces of
13 land that the MTA owns and controls, that the Long
14 Island Railroad controls. That represents about
15 eight and a half acres of land.

16 Next, if you lay on top that there
17 are City streets that are part of the project, as
18 well as a few City-owned pieces of land, that's
19 roughly another two and a half to three acres of the
20 total 21-acre site, and next, this demonstrates what
21 we now have under control based on what we have
22 purchased.

23 So, as you can see, we made a

24 commitment. We said it here at the Council, that we
25 were going to do every conceivable thing that we

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2 could do, to eliminate or avoid the need for eminent
3 domain. And what this map shows you, is that if we
4 were to proceed with the Atlantic Yard project, we
5 have made substantial progress in that area, even
6 before any single public process of any type has
7 begun.

8 Just to summarize again. Ninety-one
9 percent of the owner-occupied buildings, 63 percent
10 of the rental buildings, 63 percent of the rental
11 units and 43 percent of the commercial properties --
12 I'm sorry, 54 percent of the commercial properties.

13 Just to remind you, this is the
14 Atlantic Yards project. It's located at the
15 intersection of Atlantic Avenue and Flatbush Avenue.
16 It's in close proximity to Metrotech, the Atlantic
17 Terminal Project, the Atlantic Center Project. It's
18 in very close proximity to the mass transportation.

19 This was the reason why we had looked
20 at siting an arena and a project with residential
21 and commercial buildings here. It has over ten
22 subway lines, virtually all the subway lines on the
23 east and west side of Manhattan come through this
24 area at Atlantic Terminal, and all but one of the
25 rail lines and the LIRR come through this area as

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2 well.

3 Virtually every major planning
4 organization in the world argues that if you're
5 going to do a project with density, you want to put
6 that project where you have mass transportation.
7 That is exactly what we are doing here.

8 This is the existing site, and what I
9 want to talk about is what's on the site, because
10 you will hear, and you probably have heard about how
11 this is a residential area, and what people really
12 don't understand is what is on the site today.

13 So, there's a 21-acre site as I
14 mentioned. As I mentioned before, this area here
15 which is roughly eight and a half acres, it's
16 controlled by the Long Island Railroad and
17 Metropolitan Transportation Authority.

18 Next you'll see that there are tons
19 of empty lots, gas station, auto repair shops, chop
20 shops, that are part of this site.

21 Then you'll look at many
22 underutilized and vacant manufacturing buildings
23 that are on this site. There are some low density
24 commercial uses that are on the site. And, yes,
25 there are some residential, the large majority of

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2 which, as I have mentioned, 90 percent of which we
3 now control or own.

4 So, just again, to look at the site,
5 this is not a residential site. This is a site that
6 is made up of scrap bus yards, Long Island Railroad
7 storage facility for their trains, it's made up of

8 empty lots, gas stations and repair shops,
9 underutilized and vacant manufacturing buildings,
10 low density commercial uses and residential, the
11 majority of which we now own.

12 The general project plan. Since we
13 saw you last, as I've mentioned, we have been out,
14 and we have met with the community extensively. And
15 one of the things that we've heard and have been
16 educated about, by Bertha, by ACORN and housing
17 advocates, is in fact there is a dire need for
18 residential development in New York City.

19 So, since we saw you last, and since
20 we've had all of these meetings, we have in fact
21 made some modifications or proposed modifications to
22 what our project plan would be. It's called "The
23 General Project Plan," and the reason it's called
24 the General Project Plan is that if it goes through
25 the ESDC State process, that is what goes through

2 the process equivalent to zoning.

3 Included in the plan also is Site 5,
4 which is the Modell's and the PC Richard site,
5 because that site, like Atlantic Center, which was
6 reviewed under the downtown Brooklyn Plan, was
7 approved, in fact, by the City Council, are sites
8 that we have relationships with, we control, we have
9 the retail down below and we can develop up above.
10 So, for planning purposes what we are doing is we
11 are looking at that as part of a general project
12 plan as well, because in our view we think that this
13 area needs to be looked at of course comprehensively
14 and not piecemeal.

15 So, the plan basically shows the
16 850,000 square foot arena, 1.9 million square feet
17 of office space, between Site 5, buildings 1 and 2,
18 and then 5.5 million square feet of residential,
19 which is approximately 6,000 units, 220,000 square
20 feet of retail, and from the last time we saw you we
21 talked about six acres of open space, in fact based
22 on the way that we have designed and worked on this
23 plan, we now believe we can create as much as almost
24 seven and a half acres of public open space.

25 In addition to that, we're also

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2 looking at alternatives, because as you know, when
3 you go through a process, when you do environmental
4 impact studies, you are asked to look at
5 alternatives, and in fact we are looking at another
6 alternative, which in fact may have additional
7 residential space, as shown on this drawing here,
8 which could have as many as 7,300 residential units
9 in this area, and a slight reduction in the office
10 space.

11 Okay, we've also updated our economic
12 analysis for this project, based upon the changes in
13 the plan that we are proposing to today. And, so,
14 for example, the total project cost for all of this
15 is roughly \$3.5 billion, 15,000 construction jobs
16 would be created, 6,000 office jobs. The General
17 Project Plan, as I said, has more residential, less
18 office, so the office jobs are roughly 6,000 office
19 jobs.

20 It would produce for the City and the

21 State over 30 years \$6.1 billion in new tax revenues
22 that otherwise would not come but for the
23 development of this site.

24 When you take out -- this is done by
25 Professor Zimbalist -- when you take out the cost of

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2 this project, meaning whatever the public
3 contribution is, the capital money that's subject to
4 the Memorandum of Understanding, the additional
5 funds that were referred to earlier in the
6 discussion about education and all the other
7 services that the City might have to provide, that's
8 roughly \$1.1 billion. So, the net number to the City
9 and to the state over 30 years is \$5 billion.

10 Basically in today's dollars, if you
11 were to take all of that money and roll it back to
12 what it equals today, that means that the City and
13 State would be getting a check from this project if
14 we wrote it out today of \$1.6 billion in today's

15 dollars.

16 In terms of the 6,000 -- I'm not
17 going to spend time on the housing because Bertha is
18 going to talk more about the housing. She's far more
19 qualified than me. But as you know, we have agreed
20 to do 4,500 units of affordable, middle income and
21 market rate housing, ten percent that we have
22 allocated for seniors, and 1,500 condo units, which
23 would be part of the project.

24 In addition to the condo units, we
25 have agreed with ACORN that we will try to do

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2 affordable and middle income co-op, you know,
3 on-site or off-site as well, which Bertha again will
4 talk about.

5 The Brooklyn Sports Arena. The sports
6 arena, as we said before, is a 19,000 seat arena for
7 basketball, 125 suites, 2,800 premium or club seats
8 and 3,000 screacher seats (phonetic), or bleacher
9 seats, as you would call them. The arena of course

10 will be used for basketball. There would be roughly
11 45 games, 44 games of basketball. It will be used
12 for concerts, the circus, children's productions and
13 other kinds of sports, extreme sports and otherwise.

14 It will be used as a community
15 facility. I know that Reverend Daughtry is here and
16 he'll be speaking about this later today. It will be
17 used for graduations, for amateur athletes, for job
18 fairs, for sports clinics and all sorts of other
19 things that currently can't occur in the community
20 today.

21 Local retail opportunities. As I
22 mentioned, there will be approximately 230 square
23 feet of new retail space, which is opportunities,
24 obviously, and part of what we're trying to do in
25 our negotiations is to have opportunities for

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2 Brooklyn businesses.

3 As I mentioned, the arena will have

4 all total about 235 events per year. That plus the
5 new housing creates a tremendous opportunity, not
6 just for the retail here at our site, but for the
7 retail all around this area.

8 In addition, the retail is not meant
9 to be the type of retail that's in Atlantic Center
10 or Atlantic Terminal, it's meant to be much more
11 community retail, community-oriented, like
12 restaurants, book stores, galleries, day care
13 centers and the like.

14 The Atlantic Center and Atlantic
15 Terminal before, it pays just to remind people,
16 because I know that there have been questions about
17 what we have and haven't done and what we have
18 promised and what we have not, and I'm perfectly
19 prepared to answer those questions.

20 I want to just tell you that this was
21 Atlantic Terminal and Atlantic Center before. There
22 was no retail program in New York City. In fact, the
23 real truth about what happened with retail in this
24 City is that most people were forced to shop outside
25 of New York City. They were forced to go to areas

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2 like New Jersey, to Long Island, to Westchester and
3 other areas, because they couldn't get the value
4 here. They were forced to go buy at bodegas and
5 other places and overpay for prices and be limited
6 in what they could buy. And we put together a retail
7 program, and we convinced retailers to come to the
8 borough, we convinced lenders to lend money to them
9 so they could come to the borough. This is Atlantic
10 Center and Atlantic Terminal today. And as you could
11 see, many of the major retail companies is here, as
12 well as smaller retail companies as well.

13 In fact, one of the things I want to
14 emphasize is that Atlantic Terminal and Atlantic
15 Center has been good for Brooklyn and it has been
16 good for minority and women-owned businesses.

17 Carver Bank, Flowerworks, McDonalds
18 franchise, cold store creamery, 50 percent of all
19 the kiosks are minority and women-owned.

20 Of the employees at Atlantic Terminal
21 and Atlantic Center, and by the way, these are union
22 jobs with benefits, in many cases, most cases with

23 benefits, these are not part-time jobs where people
24 are underpaid, despite I know that people say that,
25 just not the case.

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2 Forty-eight percent of the residents
3 -- of the workers live within two miles of Atlantic
4 Center and Atlantic Terminal.

5 These are Brooklyn jobs for Brooklyn
6 people.

7 Eighty-two percent of the employees
8 live within five miles of Atlantic Center and
9 Atlantic Terminal, and 50 percent of all of the
10 managers were hired and come from Brooklyn. That is
11 a significant amount of jobs for Brooklyn that came
12 from this particular project.

13 Open space, as I said a few moments
14 ago, is being designed by Laurie Olin, on Battery
15 Park City and Bryant Park. There will be a
16 combination of both active and passive uses for

17 children and adults for all age groups, and as I've
18 said, we've now, as part of our design process have
19 been able to figure out a way of getting as much as
20 almost seven and a half acres of open space.

21 Since we've seen you last, we've also
22 signed the Memorandum of Understanding with the City
23 and the State. I know that the Council has copies of
24 that MOU and will have questions about it, but let
25 me touch on the highlights.

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2 The highlights the City and the State
3 have proposed to contribute, \$100 million to site
4 preparation and public infrastructure for this
5 project.

6 Things like streets or sidewalks,
7 utility relocation, possibly land acquisition,
8 environmental remediation, open space improvements,
9 public parking garages and transit improvements.

10 In addition, and this is something I
11 think we need to say really clearly, in the MOU it

12 talks about the fact that we can do tax exempt
13 financing of the arena. But what we're doing is
14 paying taxes that as of right, the law, would not
15 otherwise have to be paid.

16 This area of Brooklyn qualifies for
17 both the Industrial and Commercial Incentive board
18 ICIP tax abatement, and it qualifies for 421A tax
19 abatements for residential projects.

20 So, if anyone else, anybody, not us,
21 any developer, developed on this site as of right,
22 they would be entitled to 25 year tax abatements to
23 get phased in over time, the commercial incentive
24 gets phased in in the beginning of the 15th year,
25 and the residential gets phased in beginning in the

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2 20th year.

3 We have agreed that we would pay
4 taxes as if there were no tax exemption, provided
5 that the tax money would be allocated and dedicated

6 to the tax exempt financing of the arena.

7 So, I want to make that very clear.

8 Those taxes, there are zero taxes being collected on
9 that MTA property today, it's zero.

10 If another development was built,
11 there would be zero taxes for commercial uses for 15
12 years and for residential for 20. In our case we're
13 agreeing that we'll start paying taxes right away
14 provided it be used for the financing of the arena.

15 Okay, in addition to that, the City
16 property on this site, the City property will be
17 paid -- will be conveyed at fair market value,
18 except for the portion under the arena, and the MOU
19 also talks about the fact that there will be a
20 general project plan where ESDC would act as a lead
21 agency for zoning, site acquisition, if necessary,
22 through condemnation.

23 I want to mention that we have been
24 working on a community benefits agreement. I
25 remember at the last hearing I was asked would

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2 Forest City consider entering into a legally binding
3 community benefits agreement, and I told you I
4 would, and we are very close to doing that. We'll be
5 finished very shortly.

6 We have been meeting with a broad
7 group of people as part of the CBA, and the names of
8 ACORN builds (sic), the DBAOC, which has been active
9 in downtown Brooklyn for 20 years, Downtown Brooklyn
10 Neighborhood Alliance, which is a group that
11 Reverend Daughtry heads, the New York State
12 Association of Minority Contractors, First Atlantic
13 Tenants Housing Committee, NYCHA residents leaders
14 and the Minority Business Leadership Council among
15 the primary groups that we have been meeting with.
16 And obviously the community boards and the Borough
17 President's Office have had people who have given
18 advice and have heard what has been going on in
19 these meetings.

20 The community benefits agreement is
21 four major areas that we're working on, as we said,
22 commitment to affordable and middle-income housing;
23 workforce development, both pre construction, during
24 construction and after construction, job training,

25 construction jobs for minority and women employees,

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2 small business development, as well as small
3 businesses within the project and community
4 facilities.

5 I'm going to turn this over now, if I
6 can, to Bertha, who is going to talk a little bit
7 about the Housing Program in the Memorandum of
8 Understanding, which we signed with her for the
9 affordable and middle-income housing about a week or
10 two ago.

11 MS. LEWIS: I want to thank the
12 Committee for having us back again. Many things have
13 changed since the last time we were here, and we
14 think that they've changed for the better.

15 I am going to talk a little bit about
16 the housing component of this project, as it is part
17 of the CBA, but also the housing component as it
18 stands alone, because we believe that one of the

19 most compelling things about this project is the
20 housing component.

21 Let me just reiterate a little bit
22 from my testimony was the last time I was here, I
23 just want to make sure that everyone knows who we
24 are and why we support this project.

25 As some of you know, New York ACORN

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2 is the largest community organization, grassroots
3 organizing that represents thousands of low income
4 families in New York City in all five boroughs and
5 on Long Island, and for years we've watched the
6 vital resources, such as money and land, go towards
7 creating housing that New York's working poor cannot
8 afford, under the philosophy that too much
9 low-income housing would continue the deterioration
10 of these communities.

11 Now that so many of these resources
12 have been drained away from New York's needy,
13 through a lot of process, I might add, we see the

14 crisis of affordable housing growing. It is not
15 declining.

16 And the process for building housing
17 for higher-income residents in low-income
18 communities has increased, the values of properties
19 and the cost of renting in those communities to low,
20 moderate and middle-income families are now much
21 worse than ever before.

22 Ladies and gentlemen, gentrification
23 is rampant throughout the five boroughs of New York
24 City, but it is raging in Central Brooklyn.

25 We believe the most critical need for

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2 affordable housing is in Brooklyn. The need is
3 increased by the increasing numbers of people who
4 cannot find housing in the Bronx, in Manhattan and
5 in other boroughs.

6 By allocating 50 percent of the
7 rental housing to truly affordable programs, because

8 we created a different way of defining affordable,
9 we've supported this project because it in some
10 small way will alleviate that crisis in a very
11 positive way.

12 And so we signed an MOU just last
13 week laying out the 50/50 program. Now, what I've
14 done is to distribute copies of that MOU and also
15 the attachments that lay out this program. And as
16 you will see, we have tried to be very flexible
17 within that program so that the vagaries of
18 financing, and the whims of the MTA or whomever, can
19 at least accommodate it so we're not caught short if
20 this project is not funded fully. New ground has
21 been broken in this project and in this way.

22 We entered into this negotiation
23 because we actually believed that we could make a
24 difference. If we in fact engaged in this project,
25 we could shape it and that we could have our

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2 concerns addressed. We were not willing to wait to

3 have someone else address them for us and have
4 Forest City try to think of what it was that
5 concerned us and not give solutions. We decided to
6 weigh it in and we think it was the right thing to
7 do because in this project, rather than having a
8 full market rate, 4,500 unit project, there will be
9 black and brown, Asian, white, low-income,
10 middle-income and moderate income reserved for
11 housing there.

12 The folks who are being displaced by
13 the much processed downtown Brooklyn plan in
14 Ingersol and Whitman Housing, and all of the other
15 public housing projects in Central Brooklyn in
16 Community Boards 2, 6 and 8 will have preference to
17 live in this housing.

18 We've seen the changes that this
19 Council helped to bring about on the far West Side
20 with 28 percent affordable housing in a rezoning, 33
21 percent in Greenpoint Williamsburg, ladies and
22 gentlemen, we achieved 50 percent.

23 We finally urge the Council to
24 applaud this project. We urge the Council to become
25 affirmatively active in this project in helping to

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2 shape it, and also in helping to support the
3 community organizations, such as ACORN, that our
4 credibility, our expertise and our resources on the
5 line in order to make this 50/50 program happen.

6 We will be glad to answer any
7 questions that you may have about the housing. Some
8 of them we may not be able to answer fully, because
9 quite, frankly, we don't know what the MTA is liable
10 to do. But we do know that for the 4,500 units of
11 housing, the 50/50 program, working with Forest City
12 Ratner, and with HPD, will be a reality.

13 Thank you.

14 CHAIRPERSON SANDERS: Thank you very
15 much.

16 If we can avoid applauding, my
17 friends? It kills time. I'm trying to deal with the
18 issue.

19 I do want to recognize that we have a
20 host of important people in the audience. Of course

21 we have members of the Minority Business Leadership
22 Council, we have Richard Anderson from the Building
23 Congress, we have an assortment of community groups
24 and civic associations, we have, and of course, we
25 have Council Member Recchia who has joined us, and

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2 I'm going to show what I mean by moving quickly and
3 briefly and I'm going to encourage my colleagues to
4 follow my lead. When I have a question, of course,
5 over the community benefits agreement which I will
6 defer, I believe that you've said that it will be
7 forthcoming shortly.

8 I'm very interested in it, and I
9 trust that we're breaking new ground. I applaud you
10 for breaking new ground with the housing.

11 MR. STUCKEY: Thank you.

12 CHAIRPERSON SANDERS: I think that it
13 is fantastic and it should be noted.

14 I trust that the community benefits
15 agreement starts -- well, it takes off and soars

16 above anything that we have seen so far.

17 MS. LEWIS: You will be pleasantly
18 surprised.

19 CHAIRPERSON SANDERS: I look forward.
20 In fact, shock me. Don't just pleasantly surprise
21 me, shock me, floor me and all that other good
22 stuff.

23 I do have one or two questions of
24 transportation, but I believe they will come up on
25 conversation, and I'm stopping here. I may get back

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2 in here later if my colleagues don't, which I
3 suspect won't be the case. But I suspect that
4 Council Member James may have a question or two.

5 COUNCIL MEMBER JAMES: Good afternoon.
6 And first let me congratulate you on your MOU. This
7 is really historic, the 50 percent affordable
8 housing for the City of New York.

9 My question is, is this MOU going to

10 be recorded anywhere so that this MOU will cover all
11 successors, and/or assigns to this project? It will
12 be recorded? It will be recorded where?

13 MS. LEWIS: Well, the first thing that
14 it will be recorded is, part of the enforcement of
15 this has to do with HPD.

16 COUNCIL MEMBER JAMES: Right.

17 MS. LEWIS: And, so, it becomes part
18 of the Mayor's program, as we all noted, which we
19 were very happy, because at first we were
20 negotiating this not thinking that the Mayor would
21 in fact say ACORN 50/50. That's pretty historical.

22 So, that will be recorded within the
23 CBA, which, again, is a legal -- will be, and you
24 will see, a legally binding document, unlike most
25 CBAs who have been, you know, well intentioned but

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2 there is no way to enforce them, either through
3 monetary penalties or through a court of law.

4 And the programs that are articulated

5 within this MOU and the 50/50 housing program,
6 therefore, are under HPD.

7 COUNCIL MEMBER JAMES: So, this MOU is
8 not signed by HPD and/or representative of the
9 Mayor, so I guess the question is, when it is
10 recorded, will it be recorded by the Board of, not
11 HPD, but what's the other agency?

12 MS. LEWIS: HDC.

13 COUNCIL MEMBER JAMES: Thank you. Has
14 the Board adopted the MOU --

15 MS. LEWIS: This entire program had to
16 be negotiated. Because we are developers.

17 We couldn't just go to Forest City
18 Ratner and say, oh, we got a great idea, it's called
19 50/50.

20 COUNCIL MEMBER JAMES: Right.

21 MS. LEWIS: Right.

22 COUNCIL MEMBER JAMES: It doesn't
23 matter.

24 MS. LEWIS: HDC and HPD had to be a
25 part of shaping and crafting this in order for the

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2 funding to come down the way that it is.

3 Now, the financing for this, as we
4 have said is part of this, is under the HFA programs
5 and the HDC programs and HUD. These are programs
6 that anybody can take advantage of but are not
7 crafted in this way. So, we had to negotiate with
8 HPD, HDC and HUD and HFA, and so the 50/50 program,
9 if you're saying, you know, where it's recorded, in
10 the deed of Buildings or recordings --

11 COUNCIL MEMBER JAMES: Right.

12 MS. LEWIS: -- Is within their
13 programs and that's what is the extra assurance of
14 the enforceability.

15 MR. STUCKEY: Let me just add a point
16 also if I can, Council member, that the program in
17 the MOU expresses the intent that we have to do with
18 ACORN on doing the 50/50 program, and as Bertha
19 mentioned, it will be in our legally binding
20 community benefits agreement, but obviously it would
21 be difficult for HPD, HDC or any other agency to
22 record a legal document for a project that hasn't

23 gone through a process yet.

24 COUNCIL MEMBER JAMES: Right.

25 Second issue that I have is, I

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2 noticed that in the MOU there is no preference for
3 local residents. Where would that be reflected?

4 MS. LEWIS: Well, if you look at the
5 attachments, Annex A.

6 COUNCIL MEMBER JAMES: All I have is
7 the MOU.

8 MS. LEWIS: Annex A is attached to the
9 MOUs that I've passed out.

10 COUNCIL MEMBER JAMES: Okay.

11 MS. LEWIS: When you look at community
12 preference --

13 COUNCIL MEMBER JAMES: Yes.

14 MS. LEWIS: Again, in working with HPD
15 and HDC, HPD usually has in their housing program a
16 community preference 50 percent, 50 percent for the
17 community board that it sits in.

18 This program has a preference for
19 Community Boards 2, 6 and 8 and also because of the
20 way the housing works, public housing residents
21 within those areas, and then it starts to go out
22 from Brooklyn, a two-mile to three-mile radius, that
23 is the preference that will be cited in the
24 qualifications once the applications go through.

25 We have tried to make this Brooklyn

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2 center -- now, this is a fight.

3 COUNCIL MEMBER JAMES: Right.

4 MS. LEWIS: It is a fight, which we
5 pretty much 97 percent won with HPD. They have no
6 problem with that because the program changed
7 entirely. This has to be a Brooklyn-centric. So that
8 is why --

9 COUNCIL MEMBER JAMES: No, I agree.

10 Just to reiterate, so 50 percent of
11 the units will be for community residents --

12 MS. LEWIS: Two, six and eight.

13 COUNCIL MEMBER JAMES: Right. And the
14 other 50 will be by lottery?

15 MS. LEWIS: No, no, no. The whole
16 program is lottery.

17 COUNCIL MEMBER JAMES: The whole
18 program, okay.

19 MS. LEWIS: Because we're using public
20 dollars.

21 COUNCIL MEMBER JAMES: Okay.

22 What happens in the case -- and this
23 is permanent, correct? This is a permanent subsidy?

24 MR. STUCKEY: The program basically,
25 the length of the program generally runs for the

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2 length of the bonds at least, and typically the
3 length of the bonds are 30 years.

4 COUNCIL MEMBER JAMES: So, 30 years.

5 So this only lasts for --

6 MR. STUCKEY: Typically.

7 COUNCIL MEMBER JAMES: Typically.

8 Thirty years. So, it's not permanent.

9 MS. LEWIS: Again, Councilwoman, as
10 you know, in developing you must be able to get this
11 through HPD, HDC and HFA. So, we have put it out to
12 renew and extend the period for 40 years, and then
13 with your help, if you're willing to help, you can
14 actually help us make this --

15 COUNCIL MEMBER JAMES: Now, what
16 happens in a case where operating expenses increase?
17 How will that impact on rents?

18 MS. LEWIS: Here's what we've done. In
19 our proforma this is what we've done, and, again,
20 we've changed how the programs work.

21 Typically HPD will cap rents, and
22 will not cap income. In fact, income, for an
23 affordable program, can go up to 250 percent of area
24 median. Under this program, we want to cap the
25 income. Therefore you had the tiering program, where

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2 you just don't have it going to the maximum. So that
3 when people pay, everyone pay 30 percent of their
4 rent, of their income in rent, tier is only going up
5 to \$116,000.

6 The way that we've done the
7 proformas, and how we financed it out, is that
8 usually developers take their money out right up in
9 the beginning, and therefore the unaffordability
10 stays.

11 This goes all the way through to 30
12 years. I'm going to take it a little bit at a time.

13 We have already calculated in, and
14 every year I think it's like five to ten percent
15 each year.

16 The reason again that this is so
17 unique is because this is a model, this model will
18 still make money.

19 COUNCIL MEMBER JAMES: So, again, just
20 to simplify it, you have incorporated in here five
21 to ten percent escalating --

22 MS. LEWIS: Five to ten percent.

23 COUNCIL MEMBER JAMES: Operating.

24 MS. LEWIS: Escalating costs.

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2 will include in the event that energy cost, things
3 like that, are more than ten percent, then what
4 happens?

5 MS. LEWIS: Well, all of the
6 affordable units are rent subsidized, so they will
7 be under the rent stabilization program. And so they
8 would adhere to those regulations just like they do
9 now.

10 COUNCIL MEMBER JAMES: My other
11 question that I have is, I noticed that there is an
12 inconsistency. The MOU says 4,500 units, the screen
13 said 6,000?

14 MR. STUCKEY: Yes.

15 COUNCIL MEMBER JAMES: So, why the
16 inconsistency?

17 MR. STUCKEY: Well, as I said to you
18 before, I also pointed out that there was 1,500, up
19 to 1,500 condos that would be part of this project.

20 The MOU also talks about the fact that they could be
21 up to 1,000 units of affordable co-ops that would be
22 built on-site or off-site. So, you've got to look at
23 the MOU in its entirety.

24 And I would say to you, Council
25 member, that we are more than happy to spend as much

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2 time with you, here or any other time, to go through
3 the specifics of the program with you.

4 MS. LEWIS: We're trying to
5 anticipate, the first project was always 4,500, and
6 all this office space, and, you know, commercial
7 space, and I think my partner here will tell you
8 that we've been relentless on trying to figure out
9 how to be greedy and to increase potential as much
10 as we possibly can in changing this. And also part
11 of trying to get more units is because of the
12 vagaries of where we are. You know, we are involved
13 right now in this City Council process. Folks are

14 trying to kill this project. The MTA may try to
15 determine, God knows, what is supposedly one man's
16 true market value over another.

17 So, in order not to have pie in the
18 sky and not to be impractical, we have tried to not
19 only come up with various scenarios, but to be able
20 to have an agreement that would take us to more
21 residential units, if, in fact, after the
22 environmental studies are done and all of that
23 process goes through. The numbers change. We would
24 still be able to fulfill this.

25 COUNCIL MEMBER JAMES: Now, getting

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2 back to the MOU --

3 CHAIRPERSON SANDERS: A final question
4 or two?

5 COUNCIL MEMBER JAMES: Sure. Or two.

6 The first grid, up to 140 percent

7 AMI, how many units is that actual number?

8 MR. STUCKEY: We have a slide. If you

9 can just take a look at the slide and this gives you
10 a breakdown of the 4,500.

11 COUNCIL MEMBER JAMES: Thank you.

12 MS. STUCKEY: It shows you how they
13 would fall within the various AMI, based on the
14 income-banding program that we've worked out with
15 ACORN.

16 MS. LEWIS: And it usually tries to be
17 50/50 in the income bands and also in the unit
18 sizes.

19 COUNCIL MEMBER JAMES: And Mr.
20 Stuckey, what is lot number 33 and lot number six?
21 They're City-owned buildings or properties, what do
22 they represent?

23 MR. STUCKEY: If you go back to the
24 slides, lot number -- just give me a second, we'll
25 pull that slide up.

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2 COUNCIL MEMBER JAMES: Sure.

3 MR. STUCKEY: Lot number six was a
4 vacant lot that's adjacent to the Untenberg
5 Building, which in fact we control, as I showed you
6 earlier, and in fact, that building is an unsafe,
7 unstable building that we may be taking down soon.

8 And lot number six, I believe --

9 COUNCIL MEMBER JAMES: Lot number 33.

10 MR. STUCKEY: Lot number 33 rather, is
11 used currently by the Fire Department, although
12 there are no fire vehicles, my understanding it's
13 used where they come and clean off materials.

14 COUNCIL MEMBER JAMES: Right. And the
15 others are public streets, correct?

16 MR. STUCKEY: The others that are
17 outlined in yellow are City streets, that's correct.

18 COUNCIL MEMBER JAMES: Thank you.

19 CHAIRPERSON SANDERS: Thank you,
20 Council member.

21 Council Member Barron.

22 Let me do one thing, sir, before you
23 do that.

24 I noticed that last year President
25 Alper was saying that this would create 7,000 jobs,

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2 7,400 jobs, as a matter of fact. This year I'm
3 noticing that it's saying 6,000 jobs, what process
4 did we use to figure out the numbers?

5 MR. STUCKEY: Well, we basically, as I
6 said, Council member, we reduced the number or the
7 amount of square footage for office, and we've
8 increased the number of residential units, and
9 basically what we used in our analysis is that there
10 is one job for every 200 square feet, and we use
11 that based upon what we know to be the case of
12 Metrotech.

13 CHAIRPERSON SANDERS: Is that a
14 standard measurement, sir?

15 MR. STUCKEY: The measurements range,
16 for example, in retail jobs.

17 Often times you'll see statistics as
18 one job per thousand, in industrial jobs you'll
19 often see one job per thousand. In some other
20 economists, for example in the Zimbalist Report,
21 Zimbalist I believe uses one job for every 250

22 square feet, as opposed to one for every 200. We use
23 one for every 200 because we feel that we have a
24 very good understanding of office development in
25 Brooklyn, as we have developed and own about 95

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2 percent of the offices built in Brooklyn.

3 CHAIRPERSON SANDERS: Thank you, sir.

4 Council Member Barron.

5 Thank you.

6 COUNCIL MEMBER BARRON: Thank you, Mr.

7 Chair.

8 The 15,000 construction jobs, 6,000
9 permanent jobs, have you broken that down, any
10 agreement of numbers for people of color for
11 struggling folk, or you're still working on that?

12 MR. STUCKEY: We have not necessarily
13 broken down anything ethnically or demographically.
14 We have a sense of the -- and I think, Council
15 member, today that Mr. Caldwell from BUILD and

16 others who have been part of the CBA will talk more
17 about the community benefits agreement. But what I
18 will tell you is that in the past, and we can just,
19 if you don't object I will go to a slide --

20 COUNCIL MEMBER BARRON: Can I just do
21 this for some interest of time? Not so much the
22 past, but do you have any answer to those numbers,
23 the agreement that's made?

24 MR. STUCKEY: The community benefits
25 agreement is intending that we will have at least 35

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2 to 40 percent of the employees during the
3 construction phase of the project will be minority
4 and women employees.

5 Our past actual record has been at
6 least 35 percent. And in fact, about 25 percent of
7 our contracts, which is the sampling shown on the
8 screen. Roughly \$200 million worth of contracts have
9 gone to minority and women-owned businesses.

10 COUNCIL MEMBER BARRON: Six-thousand

11 permanent jobs?

12 MR. STUCKEY: Six-thousand permanent
13 jobs is impossible for me to predict. What we're
14 working on as part of the CBA --

15 COUNCIL MEMBER BARRON: So, there's no
16 numbers for the 6,000?

17 MR. STUCKEY: Well, we're not even
18 sure who those companies will be yet, Council
19 member. I can't tell you who the employees will be.

20 COUNCIL MEMBER BARRON: Those jobs
21 won't be controlled by you?

22 MR. STUCKEY: Those jobs are
23 controlled by the companies that --

24 COUNCIL MEMBER BARRON: That's right.
25 So, those, they could hire whoever

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2 they want basically.

3 MR. STUCKEY: Typically that's what
4 happens with businesses in our country.

5 COUNCIL MEMBER BARRON: Six-thousand
6 jobs that you claim is being created, this is not
7 really jobs that will be created that you have
8 control over to really offer to our community?

9 MR. STUCKEY: I don't think I ever
10 represented we had control --

11 COUNCIL MEMBER BARRON: No, I'm just
12 saying when you put 6,000 jobs up there, it gives
13 the impression, you never said that, but it gives
14 the impression that 6,000 jobs are coming in for our
15 community, which isn't so.

16 So, let's just, you know, because
17 companies can hire whoever they want when they come
18 in, right, basically?

19 MR. STUCKEY: I can't dispute that.

20 COUNCIL MEMBER BARRON: So, there's a
21 good chance we may not get any of those jobs.
22 There's a chance of that.

23 MS. LEWIS: I don't think so. You've
24 got to have a detailed --

25 COUNCIL MEMBER BARRON: Wait a minute,

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2 Bertha.

3 Mr. Chair, I'm trying --

4 MS. LEWIS: No, when you talk about

5 minority --

6 CHAIRPERSON SANDERS: My friends. My

7 friends. Wait. Wait. Wait. I'm talking to everyone,

8 and I have the loudest mic. And it's beautiful. When

9 you've got this, you've got power.

10 MS. LEWIS: He won't give you the

11 numbers, but BUILD will give you the numbers.

12 CHAIRPERSON SANDERS: Which brings me

13 back, you're going to make a two-second question.

14 Two seconds --

15 COUNCIL MEMBER BARRON: I'm trying to

16 be nice.

17 CHAIRPERSON SANDERS: You're on your

18 time, sir.

19 COUNCIL MEMBER BARRON: I was talking

20 to him.

21 CHAIRPERSON SANDERS: Do you have a

22 question?

23 COUNCIL MEMBER BARRON: I was.

18 talking about Metrotech.

19 MR. STUCKEY: I think it's a good
20 barometer.

21 COUNCIL MEMBER BARRON: When MetroTech
22 was built and it promised us unemployment would go
23 down --

24 MR. STUCKEY: No, it didn't. No, it
25 really didn't.

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2 COUNCIL MEMBER BARRON: But let's move
3 on.

4 CHAIRPERSON SANDERS: I interrupted
5 also, Ms. Lewis, you wanted to get in --

6 MS. LEWIS: Well, I did hope that the
7 Council member will be patient, because the CBA, and
8 I've been part of negotiating, even though our
9 concentration is on housing, there has been a
10 concentration on jobs. And the numbers, and the
11 community hiring hall, the way in which these folks
12 that will be doing these jobs get their employees,

13 and whole independent oversight that will have to
14 meet certain numbers. In this CBA, okay, which the
15 6,000 jobs, the permanent ones, those are specific
16 numbers that this group will have to reach. So, once
17 they give their testimony, you'll be able to know
18 who to hold accountable and you'll be more specific
19 on those jobs.

20 This is not a situation in which we
21 are going to allow folks to come into the
22 neighborhood and just hire them from anywhere.

23 COUNCIL MEMBER BARRON: But Bertha,
24 the bottom line is that no matter what you come up
25 with, the companies that come in determine who they

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2 hire, not you, not your CBA agreement, but companies
3 that come in will determine that.

4 But let me just get back to some
5 other questions.

6 The traffic congestion, now you said

7 you built it in an area where you have a lot of
8 train stations, have you been there at about 5:00,
9 6:00, with all those train stations already there?

10 MR. STUCKEY: Yes, I am.

11 COUNCIL MEMBER BARRON: So, often that
12 as a solution is no solution because we already have
13 a jam there as it is now without an arena.

14 MR. STUCKEY: Yes.

15 COUNCIL MEMBER BARRON: So what is
16 your plan to deal with that when an arena comes, the
17 air pollution if there's extra cars, all of that,
18 children already have high rates of asthma in the
19 area, what is your plan in dealing with that?

20 Because just to say that you built it
21 near a place where there's a lot of train stops is
22 not a solution, because it's already traveled.

23 MR. STUCKEY: I don't think that I was
24 proposing it as a solution. I think I was talking
25 about the way projects and plans and what major

2 planning organizations support, not just in New York
3 but around the world, in terms of doing density
4 around public transportation.

5 I'll just say we are acutely aware of
6 some of the health issues that you referred to,
7 Council member. And in fact, I know that when
8 Reverend Daughtry testifies he is going to talk to
9 that, because again, part of what we discussed in
10 our community benefits agreement is a way of
11 recognizing and trying to deal with some of those
12 health issues.

13 But I think the answer to your
14 question really will be found in the Environmental
15 Impact Statement for this project when this project
16 goes into that public process.

17 So, it really doesn't make sense to
18 me or anyone else at this point to speculate about
19 specific number cars, and how the mitigation would
20 work. The EIS is an appropriate way of handling
21 that.

22 COUNCIL MEMBER BARRON: I'm familiar
23 with the EIS, but usually before an EIS process, the
24 companies usually have some idea of what they're
25 going to do.

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2 I've been through many EIS processes,
3 and no one is ever blank before they go into the EIS
4 process. They usually have some idea on how they're
5 going to approach dealing with traffic congestion,
6 air pollution, but we'll wait for the process. And
7 I'm leaving do have some very pressing meetings, not
8 out of no disrespect for this hearing. I would love
9 to hear from everybody but I do have some very
10 pressing meetings I have to attend.

11 Thank you, Mr. Chair.

12 MR. STUCKEY: Thank you, Council
13 Member.

14 CHAIRPERSON SANDERS: Thank you very
15 much.

16 Council Member Yassky.

17 COUNCIL MEMBER YASSKY: Thank you.

18 I just want to follow up on a couple
19 of things that both Council Member James and Council

20 Member Barron just raised, and then I just have two
21 of my own.

22 I guess I would join in commending
23 you for the really path breaking, I think is the
24 word you used, a very appropriate word, work on this
25 MOU on housing. I think if this housing program

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2 comes to fruition, it will be something truly
3 historic and something that will be a contribution
4 not just here in the City, but a nationwide model.

5 I share Council Member James concern
6 that it be enforceable and be real. In other words
7 that what we're telling the public is what then is
8 going to actually happen. And so my question is
9 whether it will be built into the ESDC approval. I
10 know she was getting at how do you memorialize it.
11 To me the appropriate place for these commitments is
12 to be built into the ESDC approval for the project.

13 MR. STUCKEY: Yes, and I guess what I
14 would say, Council member, is that I'm not really

15 familiar enough legally with now that would work
16 with ESDC, but I do believe that it, I know that it
17 is our intention and we are willing to commit
18 legally in the community benefits agreement that
19 this is our program. So, if we proceed with this
20 project, we will find with ACORN the appropriate
21 mechanisms.

22 COUNCIL MEMBER YASSKY: Right. Well, I
23 guess leave that to the lawyers, as they say, how to
24 do it. But I think that the principle that it be
25 something that's binding is to me critical.

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2 MS. LEWIS: Well, if I may add,
3 Council Member.

4 The one thing that I would like to
5 see is an affirmative approach to this project. I
6 think people do have concerns, and, so, I would like
7 to see the Council Members roll up your sleeves to
8 help us to make sure that this happens. I really

9 would.

10 CHAIRPERSON SANDERS: You can stop
11 there, sir. Just stop at the sleeves.

12 COUNCIL MEMBER YASSKY: I'm going to
13 leave it at the sleeves, but as I'm sure you know,
14 and from our recent work together in Greenpoint
15 Williamsburg, I, for one, am absolutely ready to do
16 that. And I have been working with the Borough
17 Presidents folks and the State folks and saying I
18 want this to be a project that works, but that
19 works.

20 So, you know, the State folks, I
21 don't know if they're not testifying here today?

22 CHAIRPERSON SANDERS: The State, no.

23 COUNCIL MEMBER YASSKY: You know,
24 they've been pretty we'll take your views under
25 advisement, I would say is my summary of their

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2 position.

3 So, I think, again, maybe there's

4 some other way to do it, but the only way I could
5 know how would be to build into the ESDC approval.
6 But I'm ready to work on how to make it real.

7 On traffic, I'm sorry, because this,
8 to me, is really critical. Mr. Stuckey, I'm afraid
9 I'm going to have to disagree with you, I don't
10 think that your answer to Council Member Barron's
11 question really is adequate, that it's left up to
12 the EIS, and that we're just going to have to wait
13 and see.

14 You know, I am going to tell you,
15 whatever the EIS says, people who live in the
16 neighborhood around Atlantic Center know that those
17 arteries just are not sufficient to bear a thousand
18 cabs coming in and out on a game night.

19 Now, that's not a reason to say don't
20 do it. I want to be clear, but it is a reason to
21 say, we've got to figure out how those are, and have
22 concrete things that we, that the City officials are
23 committed to doing, you know, ahead of time.

24 CHAIRPERSON SANDERS: Point of
25 information?

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2 I have been made aware that Madam
3 Clarke is here for the State. Now I've been told I
4 can leave this building safely.

5 MR. STUCKEY: So let me, Council
6 Member Yassky, address in a little bit more detail,
7 and I only hesitate because there is a process, and
8 I'm not trying to suggest that I know what the
9 result of that process will be. But let me just talk
10 about what I do believe in some of I think the ways
11 that we will try and address this.

12 First off, you need to look at the
13 entire project when you do the environmental
14 analysis.

15 Obviously the potential traffic
16 impacts that come from the arena versus the office,
17 versus the residential are very different. And I am
18 very much aware of the traffic situation that
19 particularly just on Flatbush and Atlantic Avenues,
20 in fact what I find to be very interesting about it
21 is that in large measure, if you were stand with me

22 in the morning outside of Metrotech on Flatbush
23 Avenue, if we could stand together from 6:00 a.m. in
24 the morning until 10:00 a.m. in the morning, what
25 you would find is about 95 percent of those cars are

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2 going right over the Manhattan Bridge into the City.

3 It's not because there are cars that
4 are coming to Metrotech or any of the downtown
5 Brooklyn projects. In fact, when I was in the City
6 when Metrotech was begun many years ago, Metrotech
7 in the EIS required us to do a modal split that
8 assumed that you were going to have roughly ten
9 percent of the cars, 14 percent, I forget the exact
10 number, of the people who were going to come by car.

11 What we've learned is that less than
12 five percent of the people come by car, because most
13 of the office workers that come to Metrotech come on
14 mass transportation.

15 The residential residents obviously
16 is done as a separate analysis.

17 The arena. The arena, if we look at
18 the events, as I mentioned before, there's roughly
19 230 or so events that will be held during the year,
20 44 basketball games. And I hope and pray that
21 they're all sold out. I hope every seat is taken in
22 that arena. That's obviously why we're trying to
23 bring the Nets to Brooklyn.

24 But remember, and this analysis will
25 be done, by placing the arena here, it is believed,

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2 I'm told by the traffic consultants, that roughly 60
3 to 65 percent of the people will come on mass
4 transportation, 60 percent or so, maybe five percent
5 walking, and then the balance will come in cars and
6 black cars.

7 The arena and most of the games open,
8 the games start generally 7:30, 8:00, and if you
9 look at the specific peak hours, what you find is
10 that is the end of the peak hour, and that the

11 congestion in those intersections aren't quite as
12 bad.

13 However, what we have suggested,
14 we've done a number of things, including finding
15 areas where those cars can lay up so that they're
16 not taking parking spaces, we've done -- we
17 obviously are supplying ample parking within the
18 project, vehicles that do come to the project and
19 other things that we've suggested, which ultimately
20 it's up to the decision makers to decide at DOT and
21 others that we have looked at ways where we can pull
22 our projects back off the property line so that we
23 can create additional lanes of traffic as well.

24 So, those are the things that we have
25 suggested. But without going through very specific

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2 traffic analysis now on those suggestions, it would
3 be I think misleading for me to say that we have the
4 answer.

5 That's the point I'm trying to get

6 to, Council member.

7 CHAIRPERSON SANDERS: I trust you're
8 finished, sir?

9 COUNCIL MEMBER YASSKY: Okay, Chair, I
10 will take you up on your offer to continue to
11 discuss this.

12 With your indulgence, one more point
13 to raise, which is, and, again, I don't mean to be
14 disrespectful to Forest City Ratner, but I want to
15 raise the issue of the quality of the Atlantic
16 Center Mall, which is something that I, I want to
17 report to you, since I represent a large part of the
18 area around Atlantic Center Mall, that it's raised
19 to me again and again, and I have a valid concern
20 that those, particularly the first one, that's
21 Atlantic Center, are is not very -- was not a well
22 executed building and it doesn't feel respectful to
23 the folks that shop there.

24 Now, I know the Pathmark does a huge
25 business, and that's great. But it was not well

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2 executed. And I'll be honest with you, that's
3 something I hear again and again and again from my
4 constituents, if the folks are doing this, you know,
5 they're the same ones that did Atlantic Center.

6 MR. STUCKEY: Yes.

7 COUNCIL MEMBER YASSKY: And, you know,
8 I guess what I would say is I think that we need to
9 hear, the community does need to see a commitment to
10 doing this.

11 MR. STUCKEY: Council Member, I'm
12 going to tell you that I believe that you're
13 correct. And I think that we -- and I'm going to
14 tell you that I think that we, if you looked at our
15 portfolio in New York City generally from the
16 designs that we've done at Metrotech to designs that
17 we've done in Battery Park City to the buildings
18 that we're looking to do at Renzal Piano in the New
19 York Times, to the fact that we're bringing Frank
20 Gehry into this project as a world class architect.
21 But I will tell you that when we did the Atlantic
22 Center Project, and by the way, we have been taking
23 steps to change that. We have done a number of

24 things to change that project, because we recognized
25 that when we did it, we believed, like most people

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2 did, that retailers wouldn't come to New York City,
3 so we listened to some of the major retailers tell
4 us on how we should design the project. And I will
5 tell you, because I've always said, if we find a
6 mistake we're big enough to admit it, it was a
7 mistake.

8 And I will tell you that every single
9 project we have done since we have tried to improve
10 on it, and in fact, as I know Council Member Clarke
11 knows, we have gone back and we are trying to make
12 changes to make Atlantic Center better so it's
13 consistent with the rest of our portfolio.

14 CHAIRPERSON SANDERS: Thank you,
15 Council Member.

16 Council Member Fidler.

17 COUNCIL MEMBER FIDLER: Thank you, Mr.
18 Chairman.

19 I will be brief. I am not privileged
20 to be a member of this Committee, so I apologize to
21 the witnesses that are going to testify after I pick
22 my large behind up and go, but I did want to make
23 this comment. I feel this is one of the most
24 important things that's happening in Brooklyn, this
25 project that most of you know I support, and I

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2 wanted to say to Mr. Stuckey and Ms. Lewis, that
3 while you have considerable work to do, and I think
4 the transportation issue in particular does beg for
5 additional consideration and long before the EIS, I
6 want to commend you on the work that you've done up
7 to now.

8 We passed the West Side Rezoning Plan
9 and we set 28 percent as affordable housing and said
10 it was historic, and then Council Members Yassky and
11 Reyna championed the Greenpoint Williamsburg
12 rezoning plan and we thought 33 percent was

13 historic, and then shortly thereafter you broke that
14 glass ceiling as well to the 50 percent mark, and I
15 want to commend you for that.

16 And I want to say about the jobs, you
17 know, nobody short of Kreskin the Magnificent can
18 come to this Council and tell us what the
19 demographics of 6,000 jobs some time in the future
20 is going to be, but I am as familiar as other
21 members of this panel are with the unemployment
22 rates in the public housing projects surrounding
23 this project, and if five percent, if ten percent of
24 those 6,000 jobs, and I'm saying that's an adequate
25 number, but just ten percent, that's 600 people who

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2 are going to get a real job whose lives will be
3 changed for the better, and this Committee needs to
4 be mindful of that. That's all.

5 MR. STUCKEY: Thank you, Council
6 member.

7 CHAIRPERSON SANDERS: Thank you.

8 Council Member Clarke.

9 COUNCIL MEMBER CLARKE: Thank you, Mr.
10 Chair.

11 I have to just sort of add my voice.
12 I think that the work is being done to shape this
13 project is unprecedented. I had said, even prior to
14 us getting to this point that, quite frankly, I had
15 never, and I've been in economic development prior
16 to being elected for quite some time, met a
17 developer that actually shaped their project while
18 working with the community. That is totally
19 unprecedented and I think we need to be very, very
20 clear about that. That does not in any way diminish
21 the concerns around the issues that have been
22 raised, very valid issues, but I think we need to
23 acknowledge the reality of the situation that we're
24 in right now. And in New York City in the Year 2005,
25 there has not been a developer with this level of

2 sensitivity to community anywhere in New York City.

3 Having said that, I know that a
4 number of concerns have come up with respect to our
5 senior population, and we want to know that our
6 seniors in particular are going to be a part of this
7 picture and we develop a community in a very
8 wholesome way. So, can you give us any indication of
9 whether the seniors of our community have been taken
10 into account with respect to this project?

11 MS. LEWIS: Well, let me just mention
12 the housing and, you know, with all due respect to
13 our great Borough President, you know, when people
14 just say set aside ten percent for seniors, you
15 know, it's a little bit deeper than that.

16 First of all, seniors come in all
17 colors, shapes and sizes and abilities, as well as
18 class.

19 The set asides for seniors, first of
20 all, people like to put seniors in a segregated
21 place, seniors will, their apartments will be
22 throughout the development. Also, they will have a
23 mix of studios, ones, twos and threes, because
24 seniors have lived their lives, and they should not
25 be deprived of having bigger apartments.

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2 It's a lot of so-called affordable
3 units for seniors, kind of make them throw out their
4 furniture and have their extended family to live
5 with them.

6 So, I just wanted to make it clear
7 that when we were talking about the preferences
8 before and we go back to the senior, and this being
9 a Brooklyn preference, it is Brooklyn seniors that
10 have the preference and also seniors with
11 disabilities.

12 So, we've tried to integrate seniors
13 into at least our housing program so that it's not
14 segregated and it's not pushed aside, and so that
15 it's like, oh, those are the senior units over there
16 and they all have the same amenities as anyone else.

17 MR. STUCKEY: The other thing I'll
18 say, Council member, I know Reverend Daughtry, when
19 he testifies, will talk about this as well.

20 As part of our community benefits

21 agreement, we are looking at community facilities
22 and within that there is a very strong focus on
23 senior programs. I'm not going to steel Reverend's
24 thunder.

25 CHAIRPERSON SANDERS: Thank you. Thank

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2 you.

3 Council Member Stewart.

4 COUNCIL MEMBER STEWART: Thank you,

5 Mr. Chair.

6 Richard and Bertha, I want to thank
7 you for your leadership. I want to let you know I
8 have rolled up my sleeves months ago trying to lobby
9 my friends and colleagues and all of those folks
10 about this project, so it's good to know that you're
11 asking the rest of us to roll up our sleeves.

12 Thank you, again.

13 CHAIRPERSON SANDERS: Thank you.

14 Council Member James with a quick

15 concern.

16 COUNCIL MEMBER JAMES: Yes.

17 I, too, stood in front of Metrotech,
18 I've stood on that corner on many of occasions early
19 in the morning, and I noticed that there is no foot
20 traffic from Ingersol, Whitman and Farragut over to
21 Metrotech to work there.

22 In fact, there was no one. And I've
23 stood on there many occasions to see how many people
24 from Ingersol Whitman are employed at Metrotech, and
25 as you know, that public housing has 70 percent

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2 unemployment.

3 So, my question is, I recognize you
4 have an MOU with ACORN. I understand you have a CBA,
5 you outlined your partners, and I recognize that
6 this is going to be a union contract; where our
7 unions in this?

8 I have been advocating for a four to
9 one match, four journeymen, journeypersons, because

10 there are going to be some women, to every one
11 resident, and that one resident will be from certain
12 zip codes where there are high rates of
13 unemployment; is that agreement in an MOU, a CBA,
14 legally enforceable? And not just with the
15 carpenters who are here who have been absolutely
16 fabulous, they have been working with my office and
17 they are wonderful. Not with the painters, they have
18 been wonderful. I'm talking about the construction
19 traits for the most part, the mechanical traits.
20 It's mechanical traits to include all of them, and
21 those industries, as you know, the vast majority of
22 those employees do not look like me, do not live in
23 the Borough of Brooklyn, live on Long Island,
24 Connecticut, and in sometimes come from outside of
25 the country.

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2 The question is, if the employment is
3 real and the employment is real for the high rates

4 of unemployment of black people, where are we with
5 that agreement?

6 MR. STUCKEY: Okay, I'm just going to
7 conclude I guess in answering that by saying a
8 couple of things, Council member.

9 The first is I just want to be real
10 clear, no one ever represented at Metrotech that it
11 was meant to be a project, other than a project for
12 back office operational office jobs. It was not ever
13 represented in its history. I know that we've had
14 this discussion. In fact, I know that when I met at
15 the Downtown Brooklyn Leadership Coalition, when I
16 came and presented back in September, and I invited
17 yourself and other elected officials to meet with me
18 as regularly as you'd like to talk about these
19 issues, and I said it then and I'll say it again
20 now, I know a lot of people now are saying that we
21 said things ten years ago, but I've challenged and
22 asked people to show me where we've said it, and I
23 have yet to see it. I have yet to see it. So I want
24 to just be real clear about that first.

25 Secondly, I want to say that as part

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2 of the community benefits agreement, we are in fact
3 addressing these issues. In fact, Charlene Nibbons
4 is here from the Housing Complex, who is from NYCHA
5 Housing residents to talk. She'll be speaking a
6 little bit. Mr. Caldwell is here to speak a little
7 bit, and as I mentioned at many of the presentations
8 that you've been at the community boards, the DBLC
9 and other presentations, that we are indeed working
10 with the unions to put together as part of our CBA
11 something else that I think will be historic which
12 is the Project Labor Agreement. Because Forest City
13 also does our housing not on the backs of organized
14 labor. Every single project that we do in this
15 country we do as union projects, and we intend to do
16 that here as well. So, we understand that we have to
17 work with the unions, and the unions understand they
18 have to work with us, in a cooperative fashion. They
19 have made it very clear to us that they're willing
20 to do things here and historic as well.

21 COUNCIL MEMBER JAMES: I would --

22 CHAIRPERSON SANDERS: If you can wrap

23 it up, Council member.

24 COUNCIL MEMBER JAMES: I would hope in
25 that project labor agreement we incorporate that

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2 four to one.

3 I can tell you about a project going
4 on in my district now, they're doing demolition on a
5 housing development and some gentleman from Ingersol
6 Whitman who I associate myself with went down to
7 look for employment. They tried to, they almost
8 tried to get them arrested, and I had to go and
9 intercede.

10 MR. STUCKEY: I can't speak to that.

11 COUNCIL MEMBER JAMES: I can't, again,
12 unless there's a four to one match with residents
13 from my community, we've got a problem.

14 MS. LEWIS: Council member, one last
15 statement? Can I just say to that point --

16 CHAIRPERSON SANDERS: One more point.

17 MS. LEWIS: I would ask, once again,
18 that this Council stop signing off on non-union
19 developers. That's what I would ask.

20 COUNCIL MEMBER JAMES: Right.

21 MS. LEWIS: Because that would help
22 us. That will help us to make sure that not only are
23 jobs union, but that they are preapprenticeship
24 programs, and programs, and also will help us in our
25 negotiation and partnering with unions.

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2 Around the Atlantic Yards proposed
3 project right now there are at least seven projects,
4 non-union, that were signed off, and everything was
5 just hunky dorie. Not a CBA, not a hearing, no
6 nothing. So, all I'm saying is, I not only want the
7 Atlantic Yards Project to be a model for housing,
8 but to be a model for jobs, to be a model for
9 community labor agreement and we need your help in
10 not approving non-union development.

11 CHAIRPERSON SANDERS: Well point. I've

12 got to get in here. We've got six panels yet to go.

13 COUNCIL MEMBER JAMES: Okay.

14 CHAIRPERSON SANDERS: My friends, I
15 want to thank you very much. You have a very
16 passionate and eloquent position.

17 Ms. Reid, would you be kind enough to
18 call -- thank you very much.

19 MR. STUCKEY: Thank you very much.

20 CHAIRPERSON SANDERS: Call the next
21 panel.

22 MS. REID: Okay.

23 CHAIRPERSON SANDERS: In an attempt to
24 balance, we're going to hear --

25 MS. REID: Deborah Howard of Pratt

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2 Area Community Council. Brian Ketchum, Community
3 Consulting Services. George Sweeting of the
4 Independent Budget Office.

5 Whoever would like to go first,

6 please state your name and your affiliation for the
7 record.

8 MS. HOWARD: Good afternoon. My name
9 is Deb Howard, I am Executive Director of Pratt Area
10 Community Council. We are a local community-based
11 organization that does affordable housing
12 development and management. We also do tenant and
13 community organizing, we work on tenant eviction
14 prevention and displacement issues, we work with
15 homeowners on foreclosure prevention and upgrading
16 of homes. And we do economic development and
17 commercial revitalization, along with Fulton Street
18 Corridor, which is from Flatbush to Bedford in Fort
19 Greene, Clinton Hill and Bedford Stuyvesant sections
20 of Brooklyn.

21 What I'd like to say today really has
22 to -- the issues that our community, and we're a
23 membership organization of 350 members, we also work
24 closely with the merchants on Fulton Street, in the
25 Fulton area business association which represents

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2 272 merchants, mostly minority and woman-owned
3 businesses along Fulton Street between Flatbush and
4 Bedford, and there are a number of concerns that
5 have been raised by members of the community
6 regarding this project.

7 The first thing that I would like to
8 discuss is the actual process, this process that
9 this project is going through in terms of its
10 review.

11 And let us be clear, that the City
12 Council has no review process, review or oversight
13 of this project. It has been shut out of the
14 planning process and the review process.

15 What we do have is we will have a,
16 I'm assuming, a lead agency in the Empire State
17 Development Corporation, who will oversee the
18 zoning, the rezoning and the remapping of streets,
19 unlike the Hudson Yards where the City Council did
20 have a say in the zoning process, in the zoning that
21 took place here.

22 One question that I didn't hear
23 answered in the presentation with Forest City Ratner
24 was what is the zoning that will be required in

25 order to build 17 35-story apartment buildings,

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2 which is what we knew as to be the case at least
3 before the presentation today.

4 Ten FAR, that's, you know, the key
5 for us is the really -- it's not the fact that
6 Brooklyn Atlantic Yards will be developed. You know,
7 the Vanderbilt Yards are an obvious area for
8 development and for the production of affordable
9 housing and jobs.

10 We are not opposed to that. We want
11 to see affordable housing and jobs on that location,
12 but the process involving the MT and the ESDC in
13 this with a state review process and no City Council
14 review or ULURP process is to us a slap in the face.

15 Yes, obviously, Forest City Ratner is
16 doing a lot in terms of their discussion with
17 community, but it does not in any way really in the
18 end give us something that's legally binding with

19 oversight, that is not where the oversight is
20 representative of the community in this Brownstone
21 area.

22 Mr. Markowitz mentioned that this
23 area is an urban area, or Tisch did, but this area
24 is not full of homes.

25 Well, this area is full of two- to

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2 four-family mostly historic brownstones, both in
3 Boerum Hill, Prospect Park, Prospect Heights, Fort
4 Greene, Clinton Hill and Bedford Stuyvesant. These
5 are low-rise communities that are now being impacted
6 by not only this Atlantic Yards, but the Downtown
7 Brooklyn plan, the upzoning on Fourth Avenue, and
8 the Atlantic Yards project. And we are concerned
9 that with all of that development that there hasn't
10 been a really, a thorough view of what the impact of
11 all that development together is going to have on
12 the neighborhoods that surround Downtown Brooklyn.

13 We did lose an opportunity with

14 Fourth Avenue, the upzoning there did not have
15 inclusionary zoning. It was too bad, you know,
16 really lost an opportunity for affordable housing.

17 Downtown Brooklyn Plan did go through
18 the ULURP process. But in many areas the
19 environmental impacts were not met. They were not
20 mitigated. And we're concerned that with the State
21 review process, which is actually less stringent
22 than a City review process, we're going to have a
23 number of not mitigated occurrences on the --
24 findings on the EIS that will not be addressed.

25 It has been said here, traffic. Air

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2 quality. Water and sewer. Right now the Gowanus
3 Canal overflows with effluence once a week.

4 Now, you talk about all that
5 development that's happening in Downtown Brooklyn
6 and, yet, where is there a sewerage plant.

7 There are basic issues that are

8 affecting the residents now that live around
9 Downtown Brooklyn that are not being addressed in
10 this.

11 If you add 4,500 units of housing,
12 you've got now maybe 7,500 units of housing, where
13 are the schools, police, fire? What are the
14 underpinnings that can actually bring the services
15 to that area?

16 When the partnership houses were
17 built across the street from Atlantic Yards, there
18 were 340 homes built. All of those homes ended up
19 being districted to PS 11, which is so overcrowded
20 at this time that it, you know, to add to the burden
21 of the school system that exists in this area,
22 without also seeing those dollars, I am very, very
23 concerned.

24 In terms of Fulton Area Business
25 Association, they are very concerned because of the

3 Right now you have the crossing
4 between neighborhoods that allows for shopping in
5 Fort Greene, Clinton Hill, with, again, minority and
6 women-owned businesses being primarily on that
7 strip.

8 Right now they are facing a lot of
9 displacement just in terms of leases, you know,
10 increases in leases, not renewing leases. We've been
11 working very hard to retain those businesses, they
12 are very concerned that having more competition,
13 particularly could end up being big box or like the
14 target that's existing now and the Pathmark that
15 exists now, that that will be a real issue for those
16 struggling businesses.

17 The Clinton Hill section,
18 particularly at Fulton Street, needs great
19 revitalization. It's in very bad condition at this
20 point in time.

21 So there is the concern of the
22 merchants. They want to know how they're going to be
23 protected.

24 Is this huge project, which cuts off
25 streets, is it going to create a barrier between the

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2 Brooklyn neighborhoods that are served currently
3 with that strip.

4 So, lastly, besides the process and
5 the impact, there is a couple of questions I have,
6 too, which did not seem to be answered. The parking
7 issue, if you're going to have a 19,000 attendee
8 seat arena, plus you're going to add then 75,000 --
9 7,500 units of housing? How much parking will be
10 addressed in this project? It's a question.

11 To us, it seems that we have to
12 really address the zoning and the issues at hand.

13 There is another plan that has been
14 vetted by the community, it's called the Unity Plan.
15 It provides 2,800 units of housing. It is at a six
16 FAR, which is more contextural to the neighborhood.
17 The buildings go up to 17 stories, not 35 stories.
18 It also provides public space and we think that the
19 Council and we think the Empire State Development
20 Corporation need to look at that plan that has been

21 vetted by the community residents that surround the
22 site.

23 So, those are just some of my
24 comments. I'm willing to take questions. That's what
25 I have to say. Thank you.

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2 CHAIRPERSON SANDERS: Mr. Ketchum.

3 MR. KETCHUM: Well, my name is Brian
4 Ketchum. I am a licensed professional engineer. I
5 really have to change glasses here. Specializing in
6 transportation and environmental engineering.

7 I wear two very different hats today.
8 I am vice president of an environmental engineering
9 firm that is currently working on half a dozen New
10 York State roadway projects in the metropolitan
11 area.

12 I am also Executive Director of
13 Community Consulting Services, a not-for-profit that
14 donates similar engineering services for communities
15 throughout the metropolitan area.

16 We have initiated progressive
17 planning, like traffic calming, particularly in
18 Downtown Brooklyn, where I live and work.

19 I am here on behalf of Community
20 Consulting Services.

21 CCS is a strong supporter of the
22 development in the downtown area, and in the rest of
23 Brooklyn. We spent most of 2000, 2001 educating
24 elected and community leaders about the importance
25 of a strategic plan to reverse Brooklyn's low job

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2 growth than the lowest in the region.

3 We have always held out Brooklyn's
4 potential as a national model of sustainable and
5 appealing urban life.

6 We were instrumental in getting the
7 official 20-year jobs forecast for Brooklyn upgraded
8 from 41,000 to 123,000 jobs.

9 We alone appear to have tracked and

10 mapped the planned development in the maps before
11 you in the package I handed out.

12 We have responded to the warning of
13 the original author of the Downtown Brooklyn Plan of
14 Senator Schumer when he cautioned the Brooklyn
15 Chamber of Commerce to "if they can't get here, they
16 won't come."

17 We have devoted literally thousands
18 of professional hours to developing and building
19 support for the 20 big and 100 small steps that will
20 ensure that they can get to Downtown Brooklyn, and
21 that's in your package as well.

22 The Downtown Brooklyn Plan is the
23 City's chief strategy for competing with New Jersey
24 for businesses fleeing Manhattan, Manhattan rents.
25 This makes ensuring the success of Downtown Brooklyn

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2 a Citywide economic imperative.

3 In the near term, that is 2013, the
4 City is expecting about half the 14.7 million square

5 feet rezoning that's been already accomplished that
6 you've approved, and I'm not talking about the
7 Ratner Project here. About half of that to be built.

8 Now coming ahead of that completion
9 is the nearly 8 million square feet of the Atlantic
10 Yards that could come to life in 2008 or shortly
11 thereafter.

12 This is just about when the almost 20
13 million square feet that is already under
14 construction or about to get construction will start
15 churning out trips.

16 The combination of current
17 development in Atlantic Yards will put over 80,000
18 more cars and trucks on the streets each weekday and
19 add about a quarter million more riders to our
20 subways. That's just in the downtown area.

21 Will our streets and subways be able
22 to handle the added load? Or will the congestion and
23 crowding preempt the capacity of additional
24 vehicles, and now I'm talking about the 14.7 million
25 square feet that's been approved. The additional

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2 development will generate in and around downtown. We
3 simply don't know the answer to that. An honest,
4 open complete EIS process for Atlantic yards is our
5 only shot right now, but it can't be done by
6 business as usual EIS's.

7 The fact that the EIS will be done
8 under state auspices actually provides some
9 opportunities for reforms that the City reviewers
10 resist.

11 These are described in the materials
12 that I have handed out.

13 The most critical reform is
14 eliminating the archaic simplistic traffic analyses
15 and EIS's that conceal the real-world impacts in a
16 dense traffic network. The time for environmental
17 assessment to adopt the tools that the City and the
18 State routinely use when they really want to know
19 how a roadway network works, and it's the kind of
20 tools we use every day in our work for the State
21 Department of Transportation and the City Department
22 of Transportation.

23 You have before you a graphic
24 depiction of a simulation model in the package I
25 handed out, showing the traffic flow or lack of it

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2 in the infamous Flatbush Atlantic and Fourth Avenue
3 intersection, and this is based on the most basic of
4 simulation models, not the more sophisticated models
5 that are now available.

6 It's animated movements make clear to
7 anyone the domino effect of delay at one
8 intersection on congestion on all other nearby
9 intersections. And some of you have actually seen it
10 demonstrated.

11 These are missed entirely by the
12 typical EIS's that report only numerical
13 calculations for each intersection examined in
14 isolation. This other critical improvement can be
15 achieved by the Council asserting a major role in
16 the scoping of the draft EIS, the place where the
17 battle for a forthright analysis is lost or won.

18 Failure to use the best available
19 tools will deprive you and other decision-makers of
20 knowing the extent of and the remedies for traffic
21 and transit impacts that could otherwise paralyze
22 economic growth and impose huge hidden costs on the
23 public and other drivers as detailed in the report
24 that's included in your packet.

25 The Council can make this happen by

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2 declaring itself an involved agency under the State
3 Environmental Quality Review Act, and by funding
4 independent technical oversight of each step of the
5 way.

6 Now, the rest of this is a list of
7 things that are essential elements of a useful DEIS.
8 I can go into that in detail, but I think I'll end
9 it there and answer any questions you might have.

10 CHAIRPERSON SANDERS: Thank you.

11 Mr. Sweeting.

12 MR. SWEETING: Good afternoon, members
13 of the Committee. I'm George Sweeting, Deputy
14 Director for the New York City Independent Budget
15 Office.

16 Ronnie Lowenstein, IBO's Director,
17 had intended to be here today to offer testimony,
18 but as the hearing grew later, she had another
19 appointment, so you're stuck with me.

20 Instead of reading the testimony, I
21 just want to highlight a few points. You should all
22 have copies of the written testimony.

23 At the request of Council Member
24 James and other elected officials, IBO has been in
25 the process of analyzing the economic and the fiscal

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2 impacts of the Atlantic Yards Project.

3 The study is largely complete, but
4 recent changes in the shape of the project have
5 unfortunately forced us to rework some of the
6 numbers. So, as much as we wanted to use this

7 hearing as a place to present some of those results,
8 the final report will now have to wait a few weeks.

9 But let me just summarize at least
10 our preliminary take on what those numbers are.

11 First of all, IBO's analysis of the
12 terms of the MOU between Forest City Ratner
13 Companies and the City and the State, have
14 identified a number of benefits in addition to the
15 public sector's capital contribution of \$200 million
16 that would result in savings for Forest City.

17 Most significantly, Forest City gets
18 access to low-interest financing for arena
19 construction, and is spared the cost of property tax
20 on the arena while the construction bonds are being
21 paid off.

22 Although these represent subsidy for
23 Forest City, neither results in a new cost for the
24 City's budget, and I'll explain that in a few
25 minutes.

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2 Atlantic Yards will also be using a
3 number of economic development and housing
4 incentives, which are generally available to any
5 qualifying project in the City. These are commonly
6 referred to as as-of-right benefits.

7 For this project they include the
8 Industrial and Commercial Incentive Program, ICIP,
9 and the 421-A property tax exemption, and various
10 components of the mixed income housing program,
11 which you've heard a lot about already today.

12 Because these are available to all
13 qualifying developments, IBO does not include these
14 when analyzing the cost of the special benefits that
15 are being made available for this project.

16 When we looked to talk about the
17 fiscal impact of this project, we're looking really
18 at the City and State new tax revenue that's
19 generated as a result of this project and comparing
20 that against the cost, the extraordinary cost, the
21 unusual cost to the City budget that are laid out in
22 the MOU.

23 And when we do that, and these are
24 preliminary results, but we're pretty confident that

25 the final result will show that there is a surplus,

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2 a fiscal surplus to the City from this project. That
3 the revenues will exceed the cost of the
4 development.

5 Now, I should say that obviously
6 IBO's focus is very fiscal. There are many other
7 aspects of this project and any other economic
8 development project that should be considered,
9 including the impact on traffic and public
10 transportation capacity, the environment, existing
11 neighborhoods, and there are also important issues
12 to consider regarding the Land Use process, and the
13 planning process in the use of State authority to
14 override local zoning and acquire property through
15 eminent domain.

16 The fact that we have not talked
17 about these issues in no way means that we think
18 they're unimportant. I want to reassure everyone of
19 that.

20 Instead, it just reflects our focus
21 in our office on questions that we think we're best
22 qualified to tackle, and these are the fiscal
23 issues, and we'll leave these issues with other
24 analysts with much greater expertise in those
25 matters.

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2 Let me just talk briefly about a
3 couple of the points, the key points, in terms of
4 the capital contribution, the City and the State
5 will each contribute \$100 million to the project for
6 site preparation and infrastructure work on and
7 around the arena site, which consists in the arena
8 and the buildings planned for the land west of Sixth
9 Avenue.

10 Forest City, I should say, has
11 indicated that the phrase "on and around" could
12 include more of the project, as well.

13 The City's contribution could be used

14 for site acquisition cost as well. The State's
15 cannot, according to the MOU.

16 The City's contribution has already
17 been included in the City's capital commitment plan
18 for Fiscal Years 2006 and 2007. There's 50 million
19 in '06 and another 50 million in '07.

20 As part of the regular City capital
21 program it will be financed using general fund
22 revenues to service the debt.

23 Using interest rate assumptions in
24 the 2006 Executive Budget, the annual debt service
25 cost will be about \$7.3 million on that \$100 million

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2 contribution.

3 There is low-cost arena financing
4 available here. And let me just walk you through the
5 details of this because it gets a little
6 complicated.

7 First of all, there is a new Local
8 Development Corporation that will be created to

9 finance the arena.

10 The Local Development Corporation is
11 going to issue \$450 million in tax exempt bonds. A
12 separate PILOT agreement will cover just the arena
13 and the parking garage portion of the project. There
14 is another PILOT on the rest of the project.

15 Unlike the PILOT on the rest of the
16 project, the arena PILOT does not reflect what would
17 be an available ICIP benefit.

18 It's the full tax, or the equivalent
19 of the full tax without taking away the ICIP benefit
20 that would be available.

21 Until the bonds are retired, the
22 arena PILOT is used to pay debt service on the Local
23 Development Corporation bond. Ten percent of any
24 excess goes to arena maintenance, and any remainder
25 after that goes to Empire State Development

3 After the bonds are retired, which
4 would be in about 30 years presumably, ten percent
5 of arena PILOT payments go to the maintenance and
6 the balance still continues to go to Empire State
7 Development Corporation.

8 Under the MOU, the City gets no share
9 of the arena PILOT, even after the bonds are
10 retired. It's less clear what happens on the PILOT
11 on the rest of the project, it doesn't say who gets
12 the proceeds there.

13 Actually, we've talked to some of the
14 people involved and it's our understanding that the
15 intention is it would go to the City, although
16 that's not written down.

17 But on the arena PILOT, none of that
18 money, as currently spelled out, would go to the
19 City.

20 So, how does Forest City get savings
21 on this? Because the bonds are tax exempt, the
22 interest rate on the bonds is lower. IBO has
23 estimated that there is a spread of about one and a
24 half percentage point between the likely interest
25 rate that the LDC, the Local Development

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2 Corporation, will have to pay on the bonds, and the
3 rates on Forest City bonds, if they were doing it
4 privately. And I admit that that is a big
5 assumption, and, you know, that's certainly
6 something that one would have to test before you
7 really nailed down this analysis.

8 If Forest City had to finance the
9 full \$450 million using its own bonds, the present
10 value of the cost difference over the three years we
11 estimate is \$76 million.

12 Although this presents a savings to
13 Forest City, it is paid by all taxpayers of the
14 United States, not the New York City budget. Except
15 for a very small part, and I can explain that if you
16 want, but effectively this is not a subsidy that
17 comes out of the New York City budget. It results
18 from the Internal Revenue Code for the United States
19 and it's all US taxpayers are providing this
20 subsidy, not New York City taxpayers directly.

21 A second way in which the arena

22 financing benefits Forest City is that they're not
23 paying property tax while they're paying for the
24 construction.

25 In a more typical arrangement, a

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2 developer's cost would include both the construction
3 financing and property tax payment, net of tax
4 incentives such as the ICIP.

5 In the case of Atlantic Yards, PILOT
6 payments are used to cover the construction
7 financing costs, retiring the debt of \$450 million
8 in bonds. Saving Forest City, the cost of the
9 property tax payments that would be due after the
10 ICIP exemption period expired.

11 If we assume that a sports arena has
12 a market value, including land of approximately \$100
13 a square foot, then we estimate that the savings
14 over the 30 years have a present value of about \$13
15 million in 2005 dollars.

16 Much of the land that the arena will
17 be built on is currently owned by the MTA, and
18 therefore it's currently tax exempt.

19 So, the property tax savings for
20 Forest City represent no new cost to the City
21 budget.

22 You can argue whether the MTA, it
23 should be possible for the MTA have a tax exemption
24 and not make some kind of PILOT payment or the state
25 should not be compensating the City for that, but I

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2 think you have to exclude that from this analysis
3 and go from the point that right now there is no
4 property from that land, and under this agreement
5 there would continue to not be property tax from
6 that land.

7 Fiscal impact. As I said, our
8 preliminary results are changing because of some of
9 the shift from commercial to residential usage, but
10 if we look, if you do it just comparing the arena,

11 the revenues, the new State and City tax revenues
12 for the arena, right there they probably exceed the
13 combined public sector investment.

14 The State does better than the City,
15 thanks to its ability to tax the income of
16 non-resident basketball players. Because they took
17 away our commuter tax, we can't capture that income.

18 And now, this finding is somewhat
19 counter to the conventional wisdom that arenas are
20 bad investments for the public sector, and I think
21 the explanation here, and we're really dug into this
22 a bit, is the reason there is a small surplus to New
23 York just off of the arena, is that the City and
24 State are able to recapture the economic activity
25 that's been lost in New Jersey.

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2 You've got spending by New Yorkers
3 currently going to New Jersey to go to basketball
4 games. If they now attend the games in New York,

5 that is a net gain to New York City.

6 In addition, you've got some portion
7 of the New Jersey fans, are expected to come to
8 Brooklyn to attend the games. It's actually not
9 implausible, particularly if they live, if they're
10 sort of central Jersey, they'll come across Staten
11 Island and into Brooklyn. It's not implausible at
12 all.

13 Of course this project is more than
14 an arena, setting aside what it does to traffic and
15 transportation issues.

16 If you add the commercial and the
17 residential pieces, this will certainly increase the
18 fiscal surplus.

19 I should note that the finding of a
20 fiscal surplus is hardly the only criteria that one
21 wants to use in considering such a project, but, you
22 know, if you didn't find one, then you would have a
23 very good reason to wonder about it.

24 Now, I'm pretty confident that when
25 our final report comes out, we will find that there

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2 is a surplus.

3 Lastly, you know, there's an
4 assumption that the MTA transaction will be done in
5 a way that according to the letter between the MTA
6 and Forest City in February, would be based in one
7 way or another on a fair market price. They now, of
8 course, just issued an RFP that is kicking off that
9 process. We haven't seen the results from that. We
10 have ignored that in our analysis because we just
11 don't know enough about it at this point.

12 So, thank you, and I'd be happy to
13 answer any questions you have.

14 CHAIRPERSON SANDERS: Thank you.

15 I have taken the liberty of asking my
16 colleagues not to raise questions of this panel,
17 because the Administration is coming and some of
18 them are on a deadline.

19 We really want to hear the
20 Administration's position and go to the next panel.

21 I want to thank this panel very much.

22 Would you be kind enough to read the
23 next panel.

24 Thank you very much.

25 We are very interested in hearing --

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2 MS. REID: We're going to hear from
3 Michael Colt of the New York City Economic
4 Development Corporation. And is someone here from
5 HDC? Okay, Rachel Grossman, of HDC, the Housing
6 Development Corporation.

7 CHAIRPERSON SANDERS: We are very
8 interested in seeing the final report, Mr. Sweeting,
9 Deputy Sweeting. Thank you very much.

10 We apologize for the tardiness, sir.
11 And we understand that you have to leave very
12 quickly. He's already stated that early in the
13 beginning of this testimony, as we experiment with
14 democracy.

15 Whenever you're ready, sir, if you'll
16 identify yourself and begin.

17 MR. KALT: Good afternoon, Chairman

18 Sanders and members of the Economic Development
19 Committee.

20 My name is Michael Kalt, Senior
21 Policy Director in the Office of Deputy Mayor for
22 Economic Development and Rebuilding.

23 I am joined by Rachel Grossman,
24 Senior Vice President for Development with the
25 Housing Development Corporation.

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2 Thank you for the opportunity to
3 testify about the proposed Brooklyn Atlantic Yards
4 Development Project.

5 Our mission in the Office of the
6 Deputy Mayor for Economic Development and Rebuilding
7 is to advance Mayor Bloomberg's Five Borough
8 Economic Development Strategy.

9 There are strengths and opportunities
10 in each of our boroughs whether it is in Jamaica,
11 Queens, Hunts Point in the Bronx, the Staten Island
12 Corporate Park, or the far west side of Manhattan.

13 Last June you and your colleagues
14 sent a strong message about the strength of Downtown
15 Brooklyn when you approved the rezoning plan for the
16 entire Downtown Brooklyn area, by an overwhelming
17 majority of 47 to 0 with one abstention.

18 The success of the Downtown Brooklyn
19 rezoning plan sets the stage for the City to address
20 a number of important issues.

21 New development sites will create 4.5
22 million square feet of Class A office space. The
23 addition of new public spaces will create an
24 attractive environment for workers and residents,
25 and parking and transit improvements will make

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2 access to and from the region even easier.

3 Brooklyn Atlantic Yards will build on
4 the momentum established by the Downtown Brooklyn
5 Rezoning Plan. Diverse people from around the world
6 come to New York City seeking the variety of

7 opportunities the City has to offer.

8 Employers come here looking for the
9 incredible talent offered by the diversity of New
10 York City's residents.

11 Downtown Brooklyn is at the leading
12 edge of the renaissance this entire region has
13 experienced.

14 Brooklyn Atlantic Yards will help
15 ensure that the City remains competitive to
16 residents and employers.

17 In a moment you will hear testimony,
18 or you did earlier, from Forest City Ratner, about
19 the specific details at Brooklyn Atlantic Yards. Let
20 me provide you with an overview of the project and
21 its benefits to New York City.

22 Brooklyn Atlantic Yards is about much
23 more than just building a basketball arena for the
24 Brooklyn Nets. It's about creating thousands of new
25 housing units, hundreds of thousands of square feet

2 of new commercial office space, 300,000 square feet
3 of retail space, and more than six acres of publicly
4 accessible open space.

5 In the simplest terms I believe you
6 heard earlier from the IBO, the City is supporting
7 the project because the benefits far outweigh the
8 costs.

9 The construction and operation of the
10 arena alone can be reasonably expected to generate
11 over \$350 million in new revenues to the City of New
12 York over the next 30 years.

13 While the surrounding development
14 will result in almost a billion dollars in new city
15 revenues over the same period, based on an EDC
16 analysis.

17 In our opinion, this more than
18 justifies the \$100 million contribution of the City
19 committed to the project this February, in the
20 Memorandum of Understanding that we signed with
21 Forest City Ratner and the Empire State Development
22 Corporation.

23 The Brooklyn Atlantic Yards is not
24 just about new tax revenues, revenues we desperately
25 need to provide more teachers, more firefighters,

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2 police officers, better schools and hospitals. It's
3 about job creation.

4 The project will create more than
5 11,000 construction jobs and provide space for
6 thousands more permanent jobs.

7 And it's about housing. Affordable
8 housing. In an environment where low- and
9 moderate-income families are being priced out of
10 communities they've lived in for decades, the
11 Brooklyn Atlantic Yards Project, along with our
12 recent achievements at Greenpoint, Williamsburg and
13 Hudson Yards, provides a powerful example of how to
14 reverse that trend.

15 As you heard earlier today, last week
16 Forest City Ratner signed an MOU with ACORN that
17 will ensure that fully 50 percent of the rental
18 units developed as part of the project to be
19 reserved for low- and moderate-income families.

20 That's over 2,000 new affordable
21 units added to an area where only about 150 total
22 residential units stand today.

23 Finally, Forest City is working with
24 community-based organizations to address the
25 concerns of displaced renters, minority and

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2 women-owned businesses, and to promote the inclusion
3 of neighborhood retailers in the overall Brooklyn
4 Atlantic Yards Project.

5 Just think how far Brooklyn has come
6 over the last decade or so that a major professional
7 sports franchise could in the not-too-distant future
8 play its home games in an arena designed by one of
9 the world's greatest architects, Frank Gehry.

10 We should all be proud that Brooklyn
11 has become a place that can win in the competition
12 for residents, businesses and workers.

13 We look forward to our continued
14 partnership that balances community concerns while

15 spurring economic development and brining
16 much-needed jobs and housing to Brooklyn.

17 Thank you. We'll be happy to take any
18 questions.

19 CHAIRPERSON SANDERS: Madam, are you
20 speaking?

21 MS. GROSSMAN: No.

22 MR. KALT: In support.

23 CHAIRPERSON SANDERS: In support, I
24 see.

25 Council Member James, please.

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2 COUNCIL MEMBER JAMES: Is the
3 non-arena PILOT money to be paid to the State or the
4 City?

5 MR. KALT: City.

6 COUNCIL MEMBER JAMES: To the City.

7 MR. KALT: Just to clarify, the taxes
8 that will come from the surrounding development will

9 be paid to the City, to the extent on all the
10 non-MTA parcels. On the MTA parcels, depending on
11 how the MTA chooses to dispose of the land, it's
12 debatable whether the MTA has the right to the
13 property tax --

14 COUNCIL MEMBER JAMES: They said speak
15 into the mic. They're asking you to speak into the
16 mic.

17 MR. KALT: The property taxes that
18 will come on the project from the non-MTA-owned
19 pieces of land will come back to the City.

20 The property taxes that will come
21 from the MTA parcels will come back to either the
22 City or to the MTA, depending on how the MTA chooses
23 to dispose of the land.

24 COUNCIL MEMBER JAMES: This is not
25 just the two City lots and the City street?

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2 MR. KALT: No, this is all
3 non-MTA-owned.

4 COUNCIL MEMBER JAMES: Okay.

5 And you've mentioned an analysis, and
6 that was referred to in the Mayor's May 19th press
7 release.

8 Is there copies of an analysis which
9 might be available to members of the Committee?

10 MR. KALT: I don't have them on me,
11 but we can make them available.

12 COUNCIL MEMBER JAMES: I'd appreciate
13 that.

14 The MOU mentions that the City would
15 paying more direct subsidies into the project for
16 extraordinary infrastructure cost, what are the
17 infrastructure costs for this project, and is there
18 a cap on those costs?

19 MR. KALT: The infrastructure cost in
20 terms of Forest City would know what their total
21 cost. I haven't seen the latest assessment. The
22 extraordinary infrastructure costs will be
23 associated with things that are just far beyond the
24 balance of the normal development.

25 COUNCIL MEMBER JAMES: For example?

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2 MR. KALT: Major, you know, utility or
3 platforming work or things like that. Not
4 platforming in the way we know it's going to happen,
5 but something that comes extraordinary from the MTA
6 parcels.

7 The number that we talk about about
8 extraordinary infrastructure cost I can tell you is
9 fractional of what that \$100 million number is.
10 We're talking about, you know, something that's in
11 the low, low tens or single digit millions of
12 dollars. It's not going to be 100 turning into 300,
13 I assure you.

14 COUNCIL MEMBER JAMES: So it's less
15 than \$10 million?

16 MR. KALT: I would say it is probably
17 in the neighborhood of \$10 million.

18 COUNCIL MEMBER JAMES: Ten-million
19 dollars.

20 The MOU also talks about an LDC. That
21 LDC is a state public authority?

22 MR. KALT: It will probably be a
23 City/State-controlled authority.

24 COUNCIL MEMBER JAMES: City/State?

25 Okay.

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2 And who will appoint the board
3 members. I guess that would be City/State and that
4 would be a joint decision, I would imagine?

5 MR. KALT: Yes. To be completely
6 honest, we haven't worked out the governance
7 structure of the LDC yet. The project hasn't even
8 entered the public --

9 COUNCIL MEMBER JAMES: And that body
10 will have to be approved by the State Legislature?

11 MR. KALT: Presumably yes --

12 COUNCIL MEMBER JAMES: Because it's
13 the creation of a public authority?

14 MR. KALT: Again, I'm not sure. I
15 couldn't tell you.

16 COUNCIL MEMBER JAMES: And the value

17 of the City streets, has the City Administration
18 given a value to the City streets?

19 MR. KALT: No, when the project begins
20 to go through the public approval process we will,
21 you know, basically go through the appraisal
22 process.

23 COUNCIL MEMBER JAMES: As I walked
24 over Atlantic Yards the other day, I saw that the
25 rail yards were being taken up. They were being

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2 removed. Has there been any work, is there any work
3 going on now with the removal of the rail yards as
4 we speak? The tracks, actually.

5 MR. KALT: You'd need to talk to the
6 MTA. But to my knowledge, any work being done at
7 those Yards has nothing to do with this project.

8 COUNCIL MEMBER JAMES: Okay.

9 And who will pay for the platforming
10 and relocating of the rail yards and the bus depot?

11 MR. KALT: Well, first of all, the MTA
12 has an RFP out for the site right now, so whoever
13 wins that RFP will presumably pay for the
14 platforming and the relocation.

15 COUNCIL MEMBER JAMES: Do you know
16 whether or not there has been an appraisal on the
17 yards as of yet?

18 MR. KALT: I have not seen one. I
19 can't speak to whether the MTA has done one.

20 COUNCIL MEMBER JAMES: Okay, so
21 there's no internal one?

22 MR. KALT: The City has not done the
23 appraisal on the yards.

24 COUNCIL MEMBER JAMES: And the exact
25 footprint of the project, I forgot to ask Mr.

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2 Stuckey, is it 21 acres, or 23 or 24?

3 MR. KALT: I believe it's 21 acres,
4 but again, I'm not positive.

5 COUNCIL MEMBER JAMES: Okay. And the

6 total amount of the tax exempt bonds that will be
7 floated for this arena, do you know what the full
8 amount?

9 MR. KALT: The full amount will depend
10 on what the DOF assessment is on the arena tax, so
11 we can't say at this time.

12 COUNCIL MEMBER JAMES: And how will
13 they be repaid if the PILOTs for the arena does not
14 equal the amount of the debt service?

15 MR. KALT: The MOU is clear that to
16 the extent that there are additional costs that
17 can't be served as a tax exempt debt, the LDC will
18 issue taxable debt which will be paid by a rent
19 equal to the debt service amount to the LDC.

20 COUNCIL MEMBER JAMES: Let's do that
21 one more time.

22 MR. KALT: If there is any debt --
23 basically the maximum amount of tax exempt debt will
24 be issued, if possible, under IRS rules and under
25 DOF rules.

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2 To the extent that that's not enough
3 to cover the construction cost for the arena project
4 itself, the LDC will issue taxable debt, and Forest
5 City will pay the LDC an annual rent equal to the
6 debt service on that taxable debt.

7 COUNCIL MEMBER JAMES: Got it.

8 Earlier at the budget hearings HPD
9 testified and I asked the Commissioner about the
10 housing. He basically said that this project, the
11 housing was under a 50, 30, 20, and it was a
12 combination of tax exempt bonds and a four percent
13 tax credit.

14 He also talked about how the \$45,000
15 would be dedicated to each of the middle-income
16 units, based upon from corporate reserves.

17 And you also indicated that the \$100
18 million was previously appropriated to not HPD but
19 HDC had exhausted all of that and they were going to
20 the State Legislature for another \$100 million, and
21 the State Legislature as of right now has not
22 appropriated any additional funds for HDC; is that a
23 fair statement?

24 MR. KALT: This is why I have my
25 assistant.

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2 MS. GROSSMAN: I just want to clarify
3 that the \$100 million --

4 CHAIRPERSON SANDERS: Identify
5 yourself for the record, please.

6 MS. GROSSMAN: All right. My name is
7 Rachel Grossman. I'm Vice President of Development
8 for New York City Housing Development Corporation.

9 There is \$100 million of private
10 activity volume caps that we received from the
11 State.

12 COUNCIL MEMBER JAMES: Right.

13 MS. GROSSMAN: And we are in the
14 process of asking for more.

15 COUNCIL MEMBER JAMES: Okay.

16 And he also, the Commissioner also,
17 Commissioner O'Donovan also said that with respect
18 to the financing of Atlantic Yards, they have not

19 worked out, since the Forest City Ratner has not
20 worked out size, zoning, bulk, that they're going to
21 go building by building with respect to financing
22 and that there has not been any final determination
23 with respect to the amount of funds for each
24 building. Is that also a fair statement?

25 MS. GROSSMAN: Yes.

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2 COUNCIL MEMBER JAMES: Okay. So,
3 depending upon the size, each of the units, housing
4 units, we don't know how much funds will actually be
5 dedicated to each building?

6 MS. GROSSMAN: Right.

7 COUNCIL MEMBER JAMES: Got it.

8 Let me see if I have any other
9 questions.

10 Now, there's been several reports,
11 the Mayor issued your analysis, or the Mayor issued
12 a statement that said this project would bring \$2

13 billion to the City. Three days later Forest City
14 Ratner said it would bring -- the Mayor said 2
15 billion, Forest City Ratner said \$3 billion, EDC
16 says how much?

17 MR. KALT: If you take the cumulative
18 impact, I need to look at the numbers, but it's
19 close to \$2 billion in cumulative impacts --

20 COUNCIL MEMBER JAMES: Now, are there
21 three different analyses?

22 MR. KALT: I mean, Forest City has
23 done their analysis. We were just talking about City
24 numbers, I don't know what the Forest City numbers
25 were. IBO apparently has done an analysis we haven't

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2 seen, and Forest City has done an analysis, the
3 Zimbalist Report, which was released last year was
4 apparently an updated version of that. I have not
5 seen that yet.

6 The numbers the Mayor was citing were
7 roughly off of an EDC analysis.

8 COUNCIL MEMBER JAMES: And that EDC
9 you will share with us, that analysis you will share
10 with us? And the design, the zoning, and all of
11 that, that has yet to be worked out, correct, with
12 the State?

13 MR. KALT: It has not been worked out
14 with the State. Right now the process is that --
15 well, there's a couple of things: One, the MTA is
16 doing an RFP for the site.

17 COUNCIL MEMBER JAMES: Right.

18 MR. KALT: So, we respect the MTA's
19 right to auction off his land, get the best use they
20 can for it, and at that point we're not going to get
21 in the middle of that.

22 COUNCIL MEMBER JAMES: And my last
23 point is, a couple of weeks, last week, two weeks
24 ago, the Mayor announced an agreement on Battery
25 Park City funds; are any of those dollars going

2 towards Atlantic Yards?

3 (No verbal response.)

4 COUNCIL MEMBER JAMES: Okay, thank
5 you. No further questions.

6 CHAIRPERSON SANDERS: Thank you. Is
7 Forest City Ratner still here?

8 Can I make an official request for
9 your powerpoint presentation that you gave, and your
10 updated, any studies on this issue that any of these
11 organizations or agencies have, please submit to my
12 counsel so we can look at these things further.

13 If there are no further questions, I
14 want to thank this panel, and thank you for your
15 patience, sir.

16 Thank you very much.

17 Please call your next panel.

18 MS. REID: I'd like James Parrot of
19 the Fiscal Policy Institute to come up; Daniel
20 Goldstein and Candice Carpenter of Develop, Don't
21 Destroy; and Gustav Peebles of Department of
22 Anthropology, Columbia University.

23 CHAIRPERSON SANDERS: Whoever sits
24 down first is the one who can begin first.

25 Whoever is ready, let us begin.

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2 MR. GOLDSTEIN: Is Mr. Parrot here?

3 CHAIRPERSON SANDERS: No, but I'll
4 start with you, sir.

5 MR. GOLDSTEIN: Okay.

6 Good afternoon. My name is Daniel
7 Goldstein. I'm a spokesman for Develop, Don't
8 Destroy Brooklyn, which leads a broad-based
9 Coalition fighting for development that will unite
10 our communities, instead of dividing and destroying
11 them.

12 This Coalition is opposed to Forest
13 City Ratner's Atlantic Yards proposal. I'd like to
14 thank the Chairman and this Committee for holding
15 this hearing today. The Councilman and this
16 Committee should be commended for being the only
17 Council Committee to hold such a hearing last year
18 and today. We haven't heard from Land Use Committee
19 or any other Committee.

20 A rigged MTA bid process; a favored

21 developer; public subsidies amounting to over a
22 billion dollars; overwhelming traffic and
23 environmental impacts; vast opposition; a State-lead
24 process with all decision-making power in the hands
25 of three men in a room; no City Council oversight;

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2 PILOT payments diverted from the City Treasury to
3 pay off the developer's construction bond; a
4 proposed sports facility; a closed door, taxpayer
5 subsidized, sweetheart deal.

6 Am I speaking about the Jets West
7 Side Stadium? No. This all applies to Forest City
8 Ratner's proposed 17 high-rises and arena in
9 Prospect Heights, Brooklyn.

10 Except this proposal is even worse
11 than the West Side stadium, if you throw in eminent
12 domain abuse and the physical, economic and psychic
13 devastation 17 skyscrapers and a basketball arena
14 would incur on the surrounding thriving low-rise

15 residential communities.

16 Our calculations result in the
17 finding that the Ratner proposal would be subsidized
18 to the tune of at least \$1.52 billion, and
19 potentially a lot more.

20 And this does not count any of the
21 housing subsidies the project might receive as
22 discussed today. Such maximum subsidies require
23 maximum political oversight and public input and
24 involvement.

25 Instead, with this 7.6 million square

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2 foot development proposal, we have maximum subsidies
3 and no local political oversight or community input.
4 None. And that's a scandalous precedent to embolden.

5 I have two quotes to read. On May
6 20th, Assembly Speaker Silver was discussing the
7 West Side Stadium on the Gabe Pressman Show, and he
8 said:

9 "People advertise it as a \$600

10 million public commitment for a \$2 billion-plus
11 stadium. But there are many questions as to that.
12 Part of the so-called Jet payment is a \$450 million
13 tax-exempt bond issued by the Local Development
14 Corporation that is designed to finance the Jets'
15 payments for the stadium.

16 In order to pay off those bonds, the
17 Jets will receive a virtual real estate tax
18 exemption and will pay taxes to the City in lieu of
19 real estate taxes. And that money will go to pay the
20 \$450 million bond issue."

21 Speaker Silver then continued, "So
22 the way I count it, that's another public commitment
23 to this stadium..."

24 The same bonding scheme would be used
25 for the Ratner plan, except the bond may even be

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2 significantly higher. The Arena PILOTs would go to
3 pay off the bond, whereas the non-arena PILOTs for

4 the bulk of the development, and we don't know that
5 sum, is, according to the MOU, paid. The MOU doesn't
6 say to whom, despite what the EDC does say. The MOU,
7 the document about this project doesn't say where
8 that money goes. We need to know how much they are
9 and who they go to.

10 The other quote appeared in a May
11 17th Newsday OpEd by members of the Tri-state
12 Transportation Campaign. Smith College sports
13 economist, Dr. Andrew Zimbalist, who was
14 commissioned by Forest City Ratner to analyze the
15 economic impact of the proposal, has found that
16 while "few fields of empirical research offer
17 virtual unanimity of findings, independent work on
18 the impact of stadiums and arenas has uniformly
19 found that there is no statistically significant
20 positive correlation between sports facilities
21 construction and economic development.

22 So, beyond the housing subsidies that
23 may or may not come to this proposed project, the
24 entire subsidy for the project will be at least \$1.5
25 billion. That subsidy will go towards building an

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2 arena, and we've heard what Dr. Zimbalist thinks
3 about sports facilities, and building market and
4 luxury rate housing. Why? Why should the public
5 subsidize a money-losing arena, that Forest City
6 will own and collect event rents and TV deals on,
7 and highly profitable market rate housing? Why? I
8 think the clear answer is that we shouldn't. I do
9 not think that the public supports such a sweetheart
10 deal. The only poll taken on the subject, a
11 Quinnipiac poll undertaken last year, says that 65
12 percent of New Yorkers oppose an arena built with
13 taxpayer money.

14 Our communities in Brooklyn and
15 around the City are being raped. Successfully raped.
16 That sounds like a strong term, but it's correct.
17 All around this City, this Administration and much
18 of this Council are running roughshot over
19 neighborhood after neighborhood, and supporting
20 billionaire developers as they play out their land
21 grabs with no regard for the aftermath.

22 When is this going to end? When is

23 this Administration, this Council, going to say
24 enough is enough and start to advocate for the
25 people who put you in office? It must end with the

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2 Atlantic Yards Plan. If it doesn't, if this plan
3 proceeds as proposed, then more and more communities
4 are going to suffer the ravages of developer first
5 community last model, and this City will become
6 unlivable.

7 CHAIRPERSON SANDERS: Sir, if I can
8 ask you to summarize your points?

9 MR. GOLDSTEIN: I'd like to finish my
10 statement.

11 CHAIRPERSON SANDERS: Sir, you have
12 six other panels waiting to get in there who are not
13 going to be able to speak. Many of them are your
14 colleagues.

15 MR. GOLDSTEIN: Sir, you remember what
16 happened last year, and there's been plenty of time

17 given to the other side. I'd like to finish. I'll
18 try to go fast.

19 CHAIRPERSON SANDERS: Okay. As long as
20 the other people know that.

21 MR. GOLDSTEIN: She has a one-page
22 statement.

23 CHAIRPERSON SANDERS: At 5:00 we're
24 leaving. And you have other panels also, my friends.

25 MR. GOLDSTEIN: Which points to what I

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2 just said about the --

3 CHAIRPERSON SANDERS: All right.

4 MR. GOLDSTEIN: In the case of the
5 Atlantic Yards --

6 CHAIRPERSON SANDERS: Just point of
7 information? At 5:00 this panel is over.

8 Please continue.

9 MR. GOLDSTEIN: Which leads to another
10 question, why we didn't have a big chamber for this
11 meeting, there was a larger chamber open?

12 In the case of the Atlantic Yards
13 proposal, as I said earlier, but it warrants
14 repetition, there is no, no, none, none, this is not
15 oversight, no local oversight, this is a hearing.
16 You have no oversight over this project. This
17 development process has been driven entirely by
18 Forest City Ratner, not by our elected
19 representatives, and certainly not by City Planning,
20 who is noticeably absent at this hearing.

21 For close to two years now, City
22 officials and the Administration have taken a far
23 back seat as developer Forest City Ratner has driven
24 a relentless PR campaign from the back rooms of our
25 City and State offices to promote the corporation's

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2 plan, that will most directly impact the community
3 of Prospect Heights, Fort Greene, Boerum Hill,
4 Clinton Hill, Crown Heights and Bed Stuy.

5 For nearly two years the drum beat of

6 that PR campaign and the lies fueling it have
7 terrorized a whole community. And that community has
8 been left to fend for itself, as our City Council
9 and our City watchdogs have kept themselves out of
10 the picture.

11 While job creation claims and a new
12 Garden of Eden rising in Brooklyn have been met with
13 praise from certain quarters, the praise is
14 misplaced.

15 This is the same Bruce Ratner whose
16 Atlantic Center Mall was designed to keep "urban
17 youth" out, to quote Mr. Ratner from the Times "It's
18 a problem of malls in dense urban areas that kids
19 hang out there, and it's not too positive for
20 shopping," Mr. Ratner said.

21 "Look, here you're in an urban area,
22 you're next to projects, you've got tough kids," the
23 same Bruce Ratner who has provided construction jobs
24 to 379 Brooklynites at Metrotech and the company's
25 two shopping malls over the past ten years. 379.

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2 The same Bruce Ratner who not once in
3 the past ten years has met with the community that
4 live in and directly around his proposed site to
5 listen to them.

6 The same Bruce Ratner who says he is
7 going to build four commercial towers, and create
8 8,500 permanent jobs, then says he may build one
9 while still creating 8,500 permanent jobs and seeing
10 today's Times and Mr. Stuckey's presentation, now it
11 may be 6,000 housing units, further reducing the
12 jobs.

13 The same Bruce Ratner who won't use
14 the ample land he already owns to build his project
15 but wants the State to take homes and businesses
16 away from citizens to do so.

17 The same Bruce Ratner who wants home
18 owners to give up the right to free speech or keep
19 it and suffer the harrowing wrath of eminent domain
20 condemnation; and lastly, the same Bruce Ratner who
21 says publicly that he will take care of displaced
22 tenants by offering interim housing and the right to
23 move back into a proposed project, while privately
24 kicking them, evicting and clearing away low-income

25 and moderate-income tenants with no such offer.

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2 Why should we trust this Bruce Ratner
3 and any of his promises? The answer is we shouldn't.

4 Bruce Ratner is doing what he does.

5 I got one more page.

6 Bruce Ratner is doing what he does.
7 He worked in public service, as many of his firm's
8 officers have, studied the system and then learned
9 to game it in the private sector over the last 20
10 years.

11 He learned how to feed off the public
12 trough, put more risk on the public than himself and
13 then convince his friends in high places that his
14 ideas are the best ideas because he says so. So,
15 Bruce Ratner is doing what Bruce Ratner does. But
16 the people of Brooklyn did not vote for Bruce Ratner
17 to plan our futures. We did not elect him to make
18 decisions about our futures, the landscape of our

19 community and our money. And we didn't elect Charles
20 Gargano or Andrew Alper to make these decisions
21 either. We elected you and the City Council and
22 Mayor Bloomberg.

23 So then why has the City signed off
24 their oversight of this project without a whimper?
25 Why did the City not fight with the State to keep

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2 this project under City oversight?

3 Why did the City give up property tax
4 rolls and let the State create millions of square
5 feet of tax-free property?

6 There is no way in the world that the
7 ESDC and the obscure PACB know what is best for
8 Brooklyn. The ESDC representatives we met with were
9 not even aware that they are paying tenants of Bruce
10 Ratner's in his Atlantic Center Mall, literally, and
11 suspiciously, right across the street from the
12 proposed development site.

13 Without ULURP, the opportunity to

14 shape this proposal, or any development of Atlantic
15 Yards, is absolutely lost. So, while it's nice to
16 have this hearing today, and I do appreciate it, I
17 ask that the Council as a whole pressure the Mayor
18 and the EDC to break the non-binding MOU with the
19 ESDC and take back your power or your oversight is
20 done. Anything less than that diminishes the
21 strength of this body negates its commitment to the
22 citizens of the City.

23 Pro sports in Brooklyn is a fine
24 idea, an arena in Brooklyn is a fine idea. An arena
25 in Brooklyn at the proposed location of Flatbush and

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2 Atlantic as a front for a land grab posing as a
3 massive office and housing complex, disguised as a
4 housing and jobs program, at the cost of at least
5 1.5 billion, taxpayer to the City and State, at the
6 expense of five of Brooklyn's most residential
7 communities with no political or community input is

8 a terrible idea.

9 If the goal of the proposal is to
10 build affordable housing, then the arena is a side
11 show which would create a minimal number of jobs,
12 according to Mr. Alper of the EDC, and would be a
13 drain on an already overburdened public
14 transportation road, school systems, fire and
15 police.

16 If the goal is to build affordable
17 housing, then let's build affordable housing, not a
18 sink hole that would diminish quality of life for
19 those living in that new housing.

20 For this project, the developer,
21 Bruce Ratner, and his friends, try to exploit the
22 community's need of jobs and affordable housing to
23 further his land grab.

24 The arena is a community killer that
25 is a drain on the treasury. It's a structure that

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2 will mainly only add to the developer's pocketbook,

3 while taking up valuable real estate that can be
4 used to build more affordable housing.

5 Affordable housing and job creation
6 is an imperative. Affordable housing and job
7 creation can be done in many ways. This proposal is
8 the worst, most expensive, and most destructive way
9 to do it.

10 It's unnecessarily and tragically --
11 it would unnecessarily and tragically destroy a
12 community to build a monolithic compound that would
13 divide neighborhoods.

14 It just does not have to be this way.
15 It does not have to be this way, and anyone who says
16 it does is selling snake oil.

17 I now have a real genuine invitation.
18 I ask you, Committee members, your Council
19 colleagues, to come out to the proposed development
20 site, which is one of the most ethnically diverse
21 neighborhoods in this City, come out and envision
22 this monstrous development plan. Come and look in
23 the eyes of the people who live and work in this
24 part of Brooklyn, and tell them that this project is
25 the best you have to offer them, that this project

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2 is for their benefit. Come and take a look at what
3 you're allowing Bruce Ratner to destroy. Brooklyn.
4 The home. The community. The essence of New York
5 City that thousands of us love and are fighting to
6 protect.

7 Come meet the people whose
8 communities you're allowed, are allowing to be
9 destroyed. We can build this housing and create jobs
10 on those rail yards. Anything more than that is a
11 land grab, and tragic if it happens.

12 Thank you.

13 CHAIRPERSON SANDERS: Thank you.

14 Next speaker.

15 MS. CARPENTER: My name is Candice
16 Carpenter, and I am a real estate litigator with a
17 small firm in Manhattan. But I live in Park Slope
18 and I have a full-time job that is equally
19 important. I am the volunteer head of the legal
20 team, and a member of the steering committee of

21 Develop, Don't Destroy Brooklyn.

22 I am pleased to appear before you
23 today to present the statement of our attorney Jeff
24 Baker. Mr. Baker is a partner with the firm of
25 Young, Sommer, Ward, Ritzenberg, Baker & Moore, and

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2 as many of you may know, he is the David credited
3 with the recent slaying of an Upstate Goliath.

4 The St. Lawrence Cement Company had
5 planned to build a bohemis cement plant on the
6 shores of the Hudson River in Columbia County. Mr.
7 Baker took the reins as lead counsel for a
8 consortium of grassroots organizations led by
9 Friends of the Hudson who raised \$2 million to fight
10 the proposal. Despite their spending six years and
11 \$56 million to obtain approval of their project,
12 last month in the face of ever-mounting opposition,
13 the St. Lawrence Cement Company withdrew their
14 proposal.

15 Mr. Baker, who won that fight, has

10 misplaced who will live with the years of
11 construction and will have to live with the
12 consequences of a development that will fragment the
13 community and destroy the increasingly vibrant areas
14 that are developing organically without massive
15 public subsidies demanded by Forest City Ratner.

16 We hope that this is not the last
17 hearing that the Committee will hold on this
18 important issue, and that this Committee and this
19 City Council as a whole will continue to be actively
20 involved in the review and consideration of this
21 proposal, because this project has the potential to
22 do serious harm and to destroy this area of Brooklyn
23 with a project that is completely out of scale with
24 surrounding uses, and which will alter the character
25 of the neighborhoods in a destructive and not a

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2 constructive fashion.

3 Equally disturbing is the prospect of
4 massive public subsidies in the City and the State

5 with little or no economic return and a net drain in
6 the City's tax revenue.

7 The importance of this in future
8 hearings cannot be understated. These may be the
9 only forums where the public will have an
10 opportunity to raise their concerns to New York City
11 officials, and the only hearings where proponents of
12 the project will be allowed to explain under oath
13 all of the elements of the project, particularly the
14 financing involved.

15 These hearings can provide the
16 transparency that has been sorely lacking to date.

17 Our request for future hearings is
18 required by the apparent acquiescence of the
19 Bloomberg Administration, to the usurpation of local
20 Land Use Planning by this State.

21 As the February 18th, 2005 MOU
22 provides, the City has agreed to allow the Empire
23 State Development Corporation to take control of
24 this project and to utilize State law to override
25 our local zoning and permitting requirements and to

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2 avoid the ULURP process and City Council approvals.

3 There is no need for such usurpation
4 of control and disenfranchisement of the people of
5 Brooklyn.

6 If this project has merit and the
7 strength to stand on its own, then any zoning
8 amendments could be obtained through the normal
9 process, as should have occurred through the Hudson
10 Yards in the West Side of Manhattan. That project
11 remains highly controversial and there is well
12 warranted criticism of the processes involved there.
13 Just as is the case there, the use of ESDC's power
14 to override local land use approvals, is nothing
15 more than a cynical attempt to push through a
16 project that otherwise could not withstand public
17 scrutiny and would lack the support to garner the
18 proper City approvals.

19 Make no mistake about it, this
20 project was conceived and continues to develop a
21 back room deal and special interest favors that are
22 shielded from public view. While select groups are

23 invited into the process, other groups, including
24 ours and our affiliates, and their locally elected
25 Council representative who are critical and have the

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2 impertinence to ask probing questions have been
3 completely excluded. That is not an open and
4 inclusive process.

5 What is particularly disturbing is
6 the manner in which elements of the project are
7 revealed in the form of MOU and RFPs before any
8 formal review process begins.

9 While the MOU was released in early
10 March, no formal designation of a lead agency under
11 SEQRA has yet occurred. No formal scoping process
12 has begun to show that all the impacts of the
13 project are considered, and the recently announced
14 housing proposal with ACORN is also shockingly short
15 of details and commitments and any lack or
16 indication of any support by the appropriate housing
17 agencies, they did not sign the agreement.

18 That lack of support is actually a
19 good thing because it confirms that no real proposal
20 has been made, reviewed or the funds required for
21 the housing subsidies identified or considered with
22 respect to the other commitment and needs for the
23 housing in this City.

24 Finally, we are faced with the recent
25 clandestine issuance of the RFP from the MTA for the

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2 Vanderbilt Yards. It goes without saying that the
3 RFP is crafted in the manner designed for only one
4 bidder and doesn't even hide that intent by
5 providing for an absurdly short response period on a
6 proposal that is so complex that only the developer
7 that has been in discussions with MTA for over a
8 year is in any position to meet.

9 There is no explanation or
10 justification for the haste of a response, given the
11 lack of progress in the formal review of the

12 project. Nevertheless, the MTA is continuing its
13 practice from the West Side Hudson Yards and is
14 abandoning its broader fiduciary obligations in
15 favor of one developer with special clout.

16 Taken together, this pattern is
17 designed to make a mockery of the primary purpose of
18 SEQRA, to consider and choose among alternatives
19 that minimize or avoid the adverse environmental
20 impacts. If an MOU with FCR is already signed, an
21 agreement with ACORN sealed and the acceptance of
22 FCR by the MTA imminent, can anyone really believe
23 that viable alternatives will be given their proper
24 consideration? And there are viable alternatives.

25 Develop Don't Destroy and their

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2 Coalition and several other organizations and clergy
3 groups support the unity plan, a plan created with
4 and only after substantial community input was made
5 into its objectives and design and which provides
6 for residential and commercial use of the Atlantic

7 Yards in a manner that respects the scale and the
8 fabric of the community and does not rely upon
9 eminent domain. That plan has not been given any
10 governmental consideration, and if ESDC, the MTA and
11 the Mayor proceed on their current track, it will
12 not.

13 Instead, the powers that be are
14 enamored by the FCR proposal and proclaim it to be
15 an economic windfall for Brooklyn and the City. But
16 the financial details do not add up.

17 There is not enough time today to go
18 over all of the details, but one stands out. FCR
19 will not pay property taxes for the arena to the
20 City of New York. FCR will make PILOT payments but
21 those will only go to retire the debts of the public
22 financing used to pay for construction of the arena,
23 estimated to be between 450 and 700 million dollars.
24 After the debt is retired, presumably 30 years from
25 issuance, the PILOTs will go to the State. How can

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2 that be a good deal for the City?

3 Full disclosure, involvement of all
4 of the community in the review, fair consideration
5 of alternatives and preservation of local land use
6 planning. Those are the issues that this Committee
7 and the Council should insist on.

8 We urge this Council to take whatever
9 steps are necessary to assure that those things
10 happen. Thank you.

11 CHAIRPERSON SANDERS: Thank you.

12 Professor.

13 PROFESSOR PEEBLES: Greetings. Thank
14 you for inviting me here today, and thank you for
15 having the hearing.

16 So, I'm only here to argue about the
17 finances. Actually, believe it or not, I'm not
18 invested in whether these buildings or an arena are
19 in my neighborhood in Brooklyn at all. What I care
20 about is the massive misallocation of precious City
21 resources in the hands of a billionaire.

22 Now, instead of arguing the fine-tune
23 economic analysis of this point, which I've done in
24 30 pages and it's available, some of you may have

25 seen it, I'm going to focus instead on the broader

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2 foundational argument about what's wrong with the
3 financing here.

4 Because I've been struggling to
5 understand it for about a year and a half, why
6 something this irrational could possibly be
7 happening in a democratic system, and here's what I
8 stumbled onto recently.

9 There is one thing we know about
10 monopolies, after many, many years of economic
11 studies, they keep prices higher than they need to
12 be.

13 Now, it's a little dirty little
14 secret, did you know that Forest City Ratner, with
15 the exception of a paltry few floors above the
16 Marriot Renaissance, has built and owned every inch
17 of Class A office space in Brooklyn?

18 Okay, I suggest to you that as the
19 fourth largest City in America, this is thoroughly

20 embarrassing. Crawford Texas probably has more
21 competition.

22 But I also suggest to you that it
23 provides strong evidence for atrocious and
24 short-sighted City planning. Why do firms keep
25 moving to Jersey City, we endlessly ask ourselves?

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2 Perhaps it's because if they want to move to
3 Brooklyn, there's only one person to talk to, which
4 is about as bad a negotiating position you can
5 imagine, if you're a business owner worried about
6 profit.

7 Monopolies, classically, also produce
8 grave threats, such as we're the only people who can
9 possibly build this. Council Chairman Gifford Miller
10 has pointed out how absurd this is on the West Side,
11 and it's equally preposterous here.

12 We all know that if there was a
13 legitimate open bid, many, many, many people would

14 be trying to buy that property.

15 Monopolies also scare away other
16 developments, countless jobs. What sort of developer
17 wants to operate in this kind of climate where
18 everything happens behind closed doors and with
19 sweetheart deals to prized friends? You can't
20 compete with that. You're better off going somewhere
21 else. Crawford, Texas, perhaps.

22 Monopolies, via their threats, also
23 cause a proliferation of ludicrous subsidies,
24 thereby hitting citizens with a double whammy.

25 Monopolies are by nature not

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2 efficient businesses and thus they allocate capital
3 poorly. In giving FCR \$100 million, you, too, are
4 misallocating capital improperly, lining the
5 billionaire's pockets, just as governments do across
6 the country when they subsidize arenas and stadiums.
7 Take a look at the cost per job and you'll a
8 grotesque, a grotesque misallocation of capital. And

9 misallocation of capital that a free market would
10 never produce.

11 Now, this is today's numbers from
12 FCR. These aren't my numbers. Six-thousand permanent
13 jobs, \$1.1 billion in subsidies. Quick calculation,
14 \$183,000 per job. Thirty-five thousand dollar
15 federal maximum on the per job cost. So, why does
16 the feds put a max on the per-job cost? Because
17 whenever it gets over about 35 grand, it usually
18 means that it's a massive misallocation and
19 inappropriate use of capital.

20 You could produce a lot better jobs
21 than spending 183,000.

22 Now, I also suggest to you that the
23 reason why that number has gone much, much higher,
24 even by Forest City's account is because you're in
25 the process of subsidizing a profitable housing

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2 venture, instead of a commercial venture, they've

3 taken away the commercial real estate and they've
4 added housing, which everyone knows you can make
5 money hand over fist in this. So they don't need the
6 subsidies.

7 Okay, think about it for a second.
8 How awful must their business model be? How riddled
9 with inefficiencies, if you can turn a profit on 24
10 acres on cheapened land, in a neighborhood that has
11 seen market increases of 59 percent in the past
12 year. Other developers would love to get their hands
13 on this land without the subsidies.

14 So, ask Mr. Jim Stuckey why does he
15 need the subsidies? Because, again, that's all I
16 care about.

17 Can we see the balance sheet? Is it
18 true that their margins are that paper thin, that if
19 we don't give them the money they're not going to
20 turn a profit? Are they really doing it out of the
21 goodness of their hearts, only because we're paying
22 them? I don't think so.

23 And don't tell me that we're paying
24 for the platform. Because as soon as you admit that,
25 the obvious smart move would be to parcel the land

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2 off and then the City would make much more money.

3 This is sort of like if you have a
4 right -- if you have, the choice is real estate on
5 the oceanfront in America, but you don't have the
6 right of way. You know, you can either sell the
7 land, and at a low price, or you can negotiate the
8 right of way. And then you could sell it for a lot
9 of money. If the City were to build a platform,
10 which actually I suspect they are doing, which is
11 why there's \$200 million in so-called infrastructure
12 costs, but we're pretending like they're not paying
13 for the platform, you know, the smart thing to do
14 with the real estate investment is to get the right
15 of way.

16 So, this is urban planning 101. If he
17 were paying for this platform without the subsidies,
18 then I wouldn't have one single complaint, okay?

19 Like the as of right subsidies that
20 every developer would get on this land, I mean I
21 have some philosophical problems with that, but it's

22 the transfer payment of 100 million from the City
23 and 100 million from the State, but I have serious,
24 serious concerns with it, because it's just a
25 housing project. It might make money anyways.

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2 So, are you subsidizing the arena
3 only? At least I heard the IBO was saying, or the
4 entire project? Because you can't have it both ways.

5 Either you're subsidizing a standard
6 real estate development which would be manifestly
7 unfair and unnecessary, because they're making money
8 hand-over-fist, or you're subsidizing a sports
9 arena, which Councilman Miller knows better than
10 anyone is an idiotic way to spend public money.

11 So, all I'm suggesting is that as a
12 City Council one of your premiere duties is to
13 foster a good business climate, not to promote and
14 provide favors for a monopoly. And if there's one
15 thing we know about the Brooklyn Atlantic Yards

16 Project so far, it's not occurring in what any
17 businessman, other than Bruce Ratner would think was
18 a good business climate.

19 Now, think about it again. When
20 somebody gets treated like they're the Messiah, oh,
21 this is the only person who can provide the jobs and
22 the development here, that's usually a good sign of
23 a monopoly. That they're the only solution? I
24 suggest to you that the spirit of American
25 entrepreneurialism would come back to you on that

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2 argument, and would come up with brilliant ideas
3 that would cost us much less money.

4 So, in other words, does it sound
5 like a standard monopoly to you? I suggest that it
6 is.

7 Thank you very much.

8 CHAIRPERSON SANDERS: Thank you.

9 Do we have any questions for this
10 panel?

11 Let me thank this panel very much. We
12 may, I think we can at least get through the next
13 panel.

14 Would you be kind enough to call the
15 next panel.

16 MS. REID: Is Kyle Braggs here? And
17 Anthony Puglisee.

18 CHAIRPERSON SANDERS: After you sit
19 down, if you would identify yourself, you can begin.

20 MR. BRAGGS: Thank you. Good
21 afternoon. I'm Kyle Braggs. I'm a Vice President,
22 SEIU, Local 32BJ.

23 I want to thank you, Chairman Sanders
24 and the rest of the Committee for having me here
25 today to testify in favor of the support of the

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2 Atlantic Yards project.

3 Sometimes developers come before New
4 York City Council and other elected bodies with

5 projects that will only benefit themselves.

6 When an enlightened developer, such
7 as Bruce Ratner, and the Atlantic Yards Project,
8 which is going to do more for the communities of
9 Brooklyn and New York City. That's why I'm here. For
10 that reason I'm here to applaud this project today.

11 New York City definitely needs good
12 jobs and affordable housing. This project will
13 deliver both. This development creates 66,000 new
14 housing units, of which 50 percent, 50 percent will
15 be affordable to working families.

16 The project will create 15,000
17 construction jobs with over 6,000 permanent jobs. Of
18 those permanent jobs, hundreds of permanent building
19 service workers will be employed, which will give
20 good wages and health benefits to those workers.

21 The Atlantic Yards Project will
22 benefit those people in the community. A lot of
23 those jobs will go to those people in the community,
24 which is greatly needed.

25 Our union represents 55,000 building

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2 and service workers in New York City, 90 percent of
3 those live here in the City. Over 12,000 of them
4 live in the Boroughs of Brooklyn, throughout the
5 different boroughs, throughout the different
6 communities in Brooklyn.

7 This project will be good for
8 Brooklyn, it will be good for New York City. Over
9 the past two months our union has talked with many
10 of you in regards to Williamsburg, Greenpoint
11 project. We came before you to make that project a
12 better project. You responded and we won a guarantee
13 over three percent of that housing to be affordable
14 housing for working families in this City.

15 That was a great victory for the
16 Council and we thank you for that.

17 The Atlantic Yards Project sets an
18 even higher bar than the Greenpoint Williamsburg
19 Project does, for giving back to the community in
20 housing, affordable housing and in jobs.

21 Good jobs will be created, affordable
22 housing will be built. Just as you support a good
23 plan at Greenpoint Williamsburg, Local 32 BJ asks

24 you to support a plan to support the Atlantic Yards.

25 Thank you very much.

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2 CHAIRPERSON SANDERS: Reverend

3 Daughtry, would you be kind enough to get up there.

4 No, no, no, you guys stay. I'm trying
5 to even out a panel.

6 Sir, you will begin.

7 REVEREND DAUGHTRY: My gracious, you
8 know, I'm speechless.

9 CHAIRPERSON SANDERS: I've been told
10 that never happens.

11 REVEREND DAUGHTRY: First of all, my
12 name is Herb Daughtry. I served as the National
13 Minister for the House of the Lord Churches and for
14 the Brooklyn Congregation's Pastor. I am the Founder
15 and President of the recently formed Downtown
16 Brooklyn Neighborhood Alliance, and to you Mr.
17 Chairman, and to all of the members of the Council,

18 how delighted I am to be here and for the
19 opportunity to say a few words on behalf of this
20 project.

21 I want to applaud Mr. Jim Stuckey and
22 Ms. Bertha Lewis of ACORN for their presentation
23 earlier.

24 Mr. Chairman, I'm now 75 years old,
25 this is my 46th year in the ministry. Forty of those

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2 years were spent in the church in the downtown area,
3 happens to be several blocks from where the project
4 is proposed.

5 During those 46 years, I have
6 negotiated and struggled and fought and gone to jail
7 and struggled from Bancok to Baton Rouge to Boston
8 to Ireland. And this package, this package that we
9 have presently negotiated is the best package that I
10 have had occasion to participate in.

11 I am formerly a member of Dr. Martin
12 Luther King Jr.'s Operation Bread Basket, with

13 Jessie Jackson and Rainbow Push, and interesting
14 enough, by the way, 1977 we negotiated an agreement
15 with Downtown businesses, which was a ten-point
16 agreement, which formed the basis of the present
17 negotiating document, at least from our perspective.

18 Mr. Chairman, I've heard things that
19 were amusing, if, in fact, it were not so serious.
20 Sacrosanct holy cows have been raised as those not
21 to be touched.

22 I heard that the clock, the glorious
23 Brooklyn clock must not be tampered with. I don't
24 know, I heard recently that it had already been
25 sold. And guess what? They're going to make luxury

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2 condominiums. I hope the Lord will allow me to
3 retire long enough to see what happens when this
4 comes to pass.

5 I don't know if you know how many
6 developments are going on in Brooklyn, oh, man, all

7 across the landscape. I've always found it
8 interesting that somehow this project consumes
9 everybody's energy and attention. Somebody has said,
10 and I'll testify, because, you know, one thing about
11 being old, Mr. Chairman, you don't have to take it
12 secondhand, you were there, and I remember --
13 somebody shares my age group -- how this place
14 looked.

15 Another thing is the sacred cow, this
16 eminent domain. You know, I come out of a people who
17 always viewed all government agencies with
18 suspicion. I heard a speaker use painfully graphic
19 language a moment ago and talk about rape. Our
20 communities are being -- I wonder which communities
21 he's talking about that have suddenly been raped. I
22 have been a member of the community of the rapee,
23 for hundreds of years, and other communities that I
24 dare not mention, have been a part of the rapers.
25 Therefore, we have struggled against government.

2 There was no sacred cow. There were no sacrosanct,
3 and I find it amusing because we have elected people
4 that we though would carry that kind of struggle
5 inside government, and we find it interesting that
6 sometimes, sometimes that those we elected now seem
7 to be holding government as some sacred untouchable
8 power, you must not touch this.

9 I happen to represent at least a
10 broad section of community, quite frankly, who
11 wouldn't know anything about ULA (phonetic), and who
12 would probably think ULA was some kind of woman you
13 was going to date. So, ULA is not the total
14 arbitrator in our communities.

15 Now, let me hasten to add, I've
16 always respected government, always respected ULA
17 and all the other entities, but I heard Councilman
18 Yassky say something about, I think they were
19 talking about the environmental, what do you call
20 that?

21 COUNCIL MEMBER JAMES: EIS.

22 REVEREND DAUGHTRY: Thank you. Yes,
23 coming in. But he said, talk to anybody in the
24 community, they dismiss that. So, it seem that
25 governmental agencies, including government, is

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2 built to respond to the pressure, where the pressure
3 is put.

4 But let me say, after saying all
5 that, I support the project, 150 percent. You heard
6 all the statistics, but I find it interesting that
7 the area to which my organization assumed the lead
8 has not been discussed. Only Councilwoman Clarke
9 raised the question of senior citizens. When we
10 negotiated, and we were in the process of
11 consummating this negotiation, there were areas that
12 we wanted to take the lead on.

13 When I was going through Seminary, in
14 one and going out the other, we coined the phrase,
15 and that was about 1960 something as metropolis
16 began to expand, and we coined a phrase, and we
17 called it "we are challenged to humanize the
18 metropolis.

19 And toward that end, we struggled so

20 that the metropolis would not become just sticks and
21 stones and stealing profit and stuff. Therefore, our
22 organization is the lead organization on day care
23 centers, the concept of senior citizens, that is
24 senior citizens, day care, youth centers and health
25 facilities, in fact that was left off Jim Stuckey's

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2 board.

3 Those areas, we have the
4 responsibility of assisting in the design as to
5 where they're going to be put in the 21 acre area.
6 We'll have some say in terms of the construction.
7 We're going through this process now. It so happened
8 that some of us have been in day care for years, and
9 we kind of know how it's supposed to function. These
10 are the areas that we are concerned about, which
11 will humanize the area.

12 The other thing as it relates to the
13 arena, that's another area that our organization is
14 the lead organization, in the negotiation we have

15 negotiated a percentage of the profits to the
16 community. We're in the process of negotiating.

17 We have negotiated a certain number
18 of days that will be available to the community. I
19 could tell you where we are in terms of days, but I
20 would violate the principle of negotiation somebody
21 taught me.

22 We have negotiated a certain number
23 of business. Some other people will speak to that,
24 as to how many minority and women-owned businesses
25 will be in the arena. Okay, and I can even go on to

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2 talk about, you know, box seats and places that our
3 children will be able to go which we hope to use as
4 an incentive, particularly in the SURR schools in
5 Brooklyn. I could talk about number of tickets. I
6 could go on and on, but the point is the arena is
7 going to be just a great big hunk of sticks and
8 stones. And in fact, you know what? We even

9 negotiated, I did call it a Chapel, but Patty Hagan
10 gave me such a hard time when I called it a Chapel,
11 so we changed the name, it's a meditation room. And
12 now Patty Hagan is satisfied with the change of
13 language. We've even negotiated that as represented.

14 So, Mr. Chairman, I wind up by
15 saying, I heard somebody say, I heard somebody say a
16 long time ago, Italian, Irish, kind of made it up,
17 in and up, through the public transportation systems
18 that were being built and other kinds of buildings
19 that were taking place. And some of us feel very
20 strongly that this construction that is going up,
21 that we have a chance, we, people of African
22 ancestry, Latino, people who are left out,
23 marginalized people, the rapees, yeah, we have a
24 chance to buy into this construction.

25 Always concerned about ED. I wanted

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2 to say something, always concerned about that. I've
3 heard both sides of the question, across the

4 country, some say it's good, some say it helped out,
5 some say it destroyed our community, so it's no
6 absolute, only God is absolute. So, it's a chance
7 for many of us to get up on it.

8 And in respect to Forest City Ratner,
9 it has been said before, I don't know who said it, I
10 have never been at a table where the opposition were
11 as responsive as the Forest City Ratner's people,
12 that it has been the kind of negotiation where we
13 say, listen, we want the best for the community.
14 This is my reality, you got to deal with this, as I
15 think I represent the people, this is their reality,
16 and so we go at it that way.

17 I think Forest City Ratner deserve
18 the highest commendation. They have been responsive.
19 They have been caring in all of this process, and
20 when this is completed, you know, as I said, I'm 75
21 now, 46 years, and I can go out to the church and
22 look down the street. I don't have to take a plane
23 now to go to Berlin or go to Baton Rouge, I don't
24 have to take the subway. All I need to do now is
25 just walk down the street, and when the project is

22 one final group of cons, that we're going to try to
23 sneak everybody in.

24 I would encourage you to speed up
25 just a little bit, sir. Thank you, kindly.

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2 Is George Riley in here? Well, if he
3 was in here, he left his license downstairs, and you
4 don't do that in New York.

5 Sir, if you can identify yourself for
6 the record and begin.

7 Wait, who is the next panel so that
8 they can at least be aware? We're trying to squeeze
9 as much as we can into this time.

10 MS. REID: Is Bettini Damiani here?
11 Brad Lander? Sandy Balbozoa?

12 CHAIRPERSON SANDERS: Okay, stop. I
13 said three.

14 Sir, would you go ahead.

15 MR. HEYLIGIER: Good afternoon. On
16 behalf of Minority Business Leadership Council. My

17 name is James Heyligier. I'm the Co-chair. The
18 Council is made up of about 17 of the largest
19 minority, woman-owned business trade associations in
20 this fair City, and we're primarily responsible for
21 the recent law passed by the State called Article
22 15A, which guarantees the percentage of all of the
23 procurement of the New York State be given to
24 minority and woman-owned businesses.

25 I'm going to defer from my written

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2 remarks, based on some things that I've heard,
3 there's been a lot of statistics, you've already got
4 plans.

5 I want you to understand something,
6 though. I've known Forest City Ratner's
7 organization. I'm not talking about Stuckey or
8 Bruce, I'm talking about the organization itself,
9 since the 1980s.

10 This organization has always, not

11 recently, has always considered minorities and women
12 an exclusive part of economic development.

13 I also take exception to some of the
14 last comments that were made which infers that
15 blacks and Hispanics can't plan and design a program
16 to meet our needs, that by some reason we're being
17 misguided here.

18 This plan, this plan was designed by
19 us, not by y'all or fat or wherever you come from,
20 this was designed by us.

21 (Video shown.)

22 CHAIRPERSON SANDERS: I don't know
23 what that was. So you were saying, sir?

24 MR. HEYLIGIER: I want you to
25 understand that I had the utmost respect for Bertha

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2 Lewis. I trust her. If she tells me 50 percent of
3 housing is going to our people, it's going to our
4 people.

5 I know she trusts the people and us

6 in our fight for minority business over the last two
7 or three decades, when we tell you these jobs are
8 going to be delivered to our people, they're going
9 to be delivered to our people or there are going to
10 be no jobs. That's exactly how we function.

11 The monitoring is going to be done by
12 us. And let's talk about the PLL. Because I ain't
13 always been in love with the union. And it certainly
14 ain't in love with me. Because I clearly understand
15 how some of our people have been left out by them.
16 But when the brothers talk about the painters union
17 and the carpenters union, those are progressive
18 unions that understand who and what we are and they
19 work with us. We're going to turn the other unions
20 around.

21 I don't care what kind of PLL they
22 made with the Mayor, the PLL they going to make on
23 this Brooklyn project is going to favor our people.
24 That's exactly what's going to -- so let's
25 understand that this is a project that puts our

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2 people to work now. Not 20, 30 years ago. It seemed
3 like every time there was a project or a plan that
4 involved giving our people something, people get
5 interested in, nobody wanted the Hudson Yards until
6 the Jets came. Nobody wanted the Atlantic Yards
7 until Ratner came. All of a sudden it's being
8 misused and misguided.

9 Let me simply say this: historically
10 this organization, and I'm talking from top to
11 bottom, my complaint always with the Dinkins
12 Administration is he had one scenario, his people in
13 middle management had different scenarios so we got
14 locked out. That's why he wasn't reelected.

15 And Ratner's organization, you go on
16 every dot and t in this project or he going to put
17 you out (sic). And we'll identify those who don't
18 identify.

19 So, I'd like to say this very simply:
20 this plan originated with the minority community.
21 Rather embraced it, but it's not nothing new to
22 them. We just put a title on it.

23 And let me tell you what's

19 closing, to some of our brothers and sisters who are
20 concerned about whether or not these jobs are real,
21 whether or not the housing is real. We have worked
22 very earnestly to put checks and balances on how
23 this is going to happen.

24 I can't say that I have all of the
25 answers to people being removed and relocated.

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2 Because I understand for our black people, urban
3 renewal has been our death toll. I understand that.
4 But when it comes to the issue of housing and jobs
5 and economic development, we've got this to -- we
6 got a handle on this. I guarantee you we will
7 deliver. I thank you.

8 CHAIRPERSON SANDERS: Thank you very
9 much, panel. I'm going to try to get my last panel
10 in here.

11 Sir, I've got to apologize, I've got
12 to put my last panel in. I've got to apologize. I

13 call certain names. This is your time, my friend.

14 5:00.

15 MR. CALDWELL: My name is James
16 Caldwell. I'm the president of BUILD, Brooklyn,
17 Brooklyn United Innovative Local Development. I'm
18 also the president for the 77th Precinct, Community
19 Youth Council, and have been for the past seven
20 years.

21 As president of BUILD, I've been
22 there for approximately 16 months.

23 First thing I want to say, I want to
24 give all thanks to my Lord and Savior Jesus Christ,
25 for giving us this opportunity to be here, because

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2 truly without him we would not be here.

3 I also want to thank Forest City
4 Ratner for working with our community. Because too
5 often in our community, people say that we were not
6 good enough to negotiate when others have always
7 been negotiating for us.

8 I also want to say when I was 19
9 years old, that my mother had lived in this
10 community of Prospect Heights for over 50 years, and
11 when I was 18 years old, back then you could go to
12 college for free.

13 I couldn't go to college for free in
14 my community because I had to support my mother and
15 my sisters. I joined the military, which I was
16 proudly (sic) to do, because my father, my brother
17 and everybody in my family have served in the
18 military. We have served our country.

19 I had to go in the military because I
20 had to support my family. Let me tell you something:
21 nothing has changed. It's the same thing that goes
22 on in our community right now. Fifty-five percent of
23 the blacks in our community, 55 percent, 55 percent
24 are black males in our community, are unemployed.
25 Are unemployed.

2 CHAIRPERSON SANDERS: You were saying,
3 sir?

4 MR. CALDWELL: Fifty-five percent of
5 blacks in our community -- I'm not even looking at
6 the housing complex where it's over 70 percent, but
7 in the community where I live, the community of
8 Crown Heights and Prospect Heights, our peoples are
9 unemployed.

10 Every time you see two black males
11 walking down the street, one of them don't have a
12 job. And that could very well be anybody in this
13 room that's black. And I'm not ashamed to sit here
14 and say that we are happy to be at the table to
15 negotiate for our community for jobs, because we
16 need jobs in our community. But not only are
17 negotiating for jobs, we negotiate for
18 opportunities, we're negotiating for concession
19 stands with the arena, we are also negotiating, more
20 importantly, that we started having the attitude
21 like Harriet Tubman. So we could bring people to the
22 comfort level like she did. If she could do it with
23 having a sleeping disorder, certainly those that
24 don't have a sleeping disorder certainly can do it
25 for our folks, especially our elected official, the

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2 one that we put in the office, the one that we
3 worked hard for. And when I hear people say that,
4 well, they're coming in, Forest City Ratner is
5 coming in, and he's doing this, he's doing that --
6 you know, you all bring these experts to the table,
7 people that are making a hundred thousand dollars a
8 year that don't live in our community, you know, got
9 a place to go to, whereas we have people in our
10 community that are struggling. And Council Member
11 James, you know they are struggling. You know how
12 hard I worked on your campaign, with a triple
13 bypass, a bad corticipet and pneumonia, going
14 door-to-door, and you know what the people said in
15 our community.

16 So to come here and say that Forest
17 City Ratner is using us is totally ridiculous. You
18 know, for you all to say that, how tall a building
19 it's going to be, let me tell you something, people
20 in our community, they don't care how tall no

21 building, they need a job. They need to feed their
22 family. And then you talk about the traffic. Let me
23 tell you what the running joke is in the community,
24 because we don't have the daily tabloids, the
25 Brooklyn paper and this and that floating through

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2 our community, we do our own little newsletter to
3 get word out, like they used to do in Africa about
4 beating the drums and just letting people know what
5 is going on.

6 But let me just get one thing
7 straight. The running joke in our community is this:
8 Traffic. First of all, I'd like to get me a job so I
9 can buy me a car so I can sit in the traffic.

10 So, let's get rid of this thing --
11 and then when you talking about the nerve of you all
12 when you did your RFP, for the little \$10 million
13 that you appropriated to deal with the unemployment
14 in our community, you write the RFP in such a way

15 that people like us can't even participate because
16 you want to go back to the same old traditional way,
17 that's why unemployment is still high in our
18 community because you all don't want to break the
19 cycle. You want to send it to your friends, your
20 family and the ones that are in the click. Well, I'm
21 telling you, it's time to change that, and the
22 change should come through you. They had term
23 limits, to bring faces in, to make changes in our
24 community. And especially, I'm not ashamed to say
25 it, especially in the black community, and Forest

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2 City Ratner is doing that, and then you're going to
3 come out here and complain because he's trying to
4 help our people. Yes, he's like an angel sent from
5 God.

6 Thank you.

7 CHAIRPERSON SANDERS: Your last panel,
8 Ma'am. Your last panel, Ma'am. Read the names again.

9 MS. REID: Bettina Damiani, is she

10 here? Brad Lander? Sandy Balboza.

11 CHAIRPERSON SANDERS: Keep reading til
12 we get three. Okay, I see two. Oh, wait. Wait, wait,
13 we got three. You're the third. Oh, Bettina, yes,
14 come on up here, please.

15 All right. Now that's all she wrote,
16 my friends. No, my friends, please continue. Go for
17 it. We've got 15 minutes here.

18 MS. DAMIANI: Okay. I'm not going to
19 read my testimony. My name is Sandy Balboza, I'm
20 President of the Atlantic Avenue Betterment
21 Association. It's a membership organization of
22 merchants and residents on and around Atlantic
23 Avenue, and we're right at this proposed site.

24 I just want to say that I was
25 involved in a process called the "Hoyt Schermerhorn

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2 Urban Development Sites," and it was a

3 community-based process. We had parking lots over

4 the subway station. I lived on Atlantic Avenue for
5 35 years, and we're just starting to get the
6 construction going. So, I've lived past, so I've
7 lived and walked past these areas.

8 But I think the problem that my
9 organization has with this project is that it's not
10 a community-based project. I know people have said
11 it is, but we got our recommendations in the RFP. We
12 work with the Borough President. We actually have a
13 Borough President's Task Force. Unfortunately, the
14 Borough President Marty Markowitz, even though we're
15 still working on it, hasn't, you know, done the same
16 thing for the Atlantic Yard Project, it was started
17 by Howard Golden.

18 Also, the merchants on Atlantic
19 Avenue lived through a three-year watermain project
20 and lost 30 to 50 percent of their business. Now,
21 these are people that lived locally and had started
22 businesses on Atlantic Avenue and, you know, have
23 aspired to make a living, make the community a
24 better place to live. And the 30 and 50 percent
25 losses that they suffered at the watermain project,

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2 there was no compensation, and this huge, huge, huge
3 project with 600-story -- no, 600 feet buildings,
4 skyscrapers are going to impact them and probably
5 put a lot of them out of business.

6 Also, one building from a Ratner
7 Project, 330 Jay Street, the courthouse, impacted
8 Atlantic Avenue, which I think is about six blocks
9 away, because they want to take 200 feet of our
10 sidewalks to make a designated right-hand turn. So
11 we get to go to the court.

12 So, this project will impact all of
13 us, even the people who support the project, and
14 we're not against development. We do support the
15 unity plan which was created in a workshop with
16 community participation led by Councilwoman James.

17 And I don't want to take up any more
18 time, but my testimony is there, and it would have
19 just been repeating what other people have said.

20 CHAIRPERSON SANDERS: Thank you.

21 Madam.

22 MS. KHAN: Good afternoon, Chair

23 Sanders, Council and Committee members. Thank you
24 for this opportunity to speak today. My name is
25 Mafruza Khan and I am an Associate Director for the

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2 Pratt Institute Center for Community and
3 Environmental Development.

4 The Pratt Center is an advocacy
5 planning organization, and we work for a just,
6 equitable and sustainable city for all New Yorkers
7 by empowering communities to plan for and realize
8 their futures.

9 The Pratt Center supports appropriate
10 development for the Atlantic Yards site,
11 specifically development that will improve the
12 overall quality of life for all by providing housing
13 for a wide range of income, living wage jobs with
14 career ladders, and other public amenities.

15 We believe that large scale
16 development projects, like the proposed Brooklyn

17 Yards Project, that involved public subsidies,
18 public land, and discretionary actions should share
19 the benefits of growth with all members of the
20 community, particularly low and moderate income
21 Brooklynites.

22 In March we issued a report titled
23 "Slamdunk or Airball: A Preliminary Planning
24 Analysis of the Brooklyn Atlantic Yards Project,"
25 which aimed to help inform public debate and provide

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2 stakeholders with a framework for examining the
3 assumptions about the costs and benefits of this
4 project.

5 While we think that the proposed
6 project offers some benefits, especially affordable
7 housing, some good jobs, and a facility to host a
8 wider array of events in the area, there are
9 significant omissions that we are concerned about.

10 First, balancing the needs to
11 maximize value for MTA with community goals and

12 broader public purpose. While we believe that the
13 recent announcement by MTA to solicit bids for
14 Brooklyn Atlantic Yards is better than engaging in
15 private negotiations with a single private party,
16 the highest price for the Yards should not be the
17 sole end goal. Rather the City and the MTA should
18 collaborate on a process that meets both community
19 goals and generates fair value for the MTA.

20 The July 6 deadline may not give
21 sufficient time for developing viable alternatives
22 that are conducive to thoughtful planning.

23 Second, insufficient information on
24 two key issues, public subsidies and traffic
25 impacts.

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2 I will not go into details about
3 subsidies here, because Bettina from Good Jobs New
4 York is in a better position to give details about
5 that, but given the wide divergence in estimates

6 from 200 million to 1 billion, we emphasize that it
7 is impossible for the public to know whether this
8 project is a good deal without knowing how much it
9 will cost to taxpayers. It is like being asked to
10 buy something without knowing its price.

11 So far the developer has also not
12 provided a meaningful information on traffic
13 impacts. A recent study by community consulting
14 services finds that Downtown Brooklyn's
15 infrastructure will be overwhelmed by the more than
16 40 million square feet of planned and current
17 development in the next 15 years.

18 The study also estimates that the
19 thousands of jobs and new residents that the
20 Brooklyn Atlantic Yards project will bring,
21 beginning in 2007, will generate 8 million
22 additional vehicle trips per year.

23 The economic cost of the additional
24 cars and density is expected to cost \$76 million a
25 year. Any large scale development project for the

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2 Atlantic Yards site should have a plan for big
3 picture thinking about Brooklyn's Transit
4 infrastructure. Public cost for mitigating potential
5 traffic impacts from the project should also be
6 factored until the fiscal analysis of the project.

7 Third, a narrow interpretation of
8 community benefits agreement. For a large scale
9 private real estate development project in New York
10 City, the Brooklyn Atlantic Yards project does
11 better than most in providing housing for low- and
12 moderate-income people. However, the negotiation so
13 far has served little to unite the community, rather
14 it has been a divisive process.

15 Community concerns such as public
16 schools, public safety and neighborhood services
17 have not been addressed in the discussion over
18 community benefits.

19 As the developer has so far only
20 welcomed a narrow group of community organizations
21 to the table, a community benefits agreement can
22 only be successful if it truly represents a broad
23 coalition of diverse interests that is
24 representative of the larger community and that is

25 legally enforceable.

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2 So far neither is true for the
3 proposed project.

4 Community concerns and needs can be
5 addressed vis-a-vis large scale development projects
6 in a number of ways. Numerous examples around the
7 country where people have made strategic and
8 deliberate choices.

9 Several recent joint use projects
10 around the country are for models for better
11 integrating transit-oriented housing and retail
12 development, which child care and other community
13 facilities, in ways that make them true community
14 centers rather than corporate malls.

15 Innovative strategies have also been
16 employed to ensure that large-scale developments
17 that bring thousands of new residents to a
18 neighborhood benefit not simply new residents, but a

19 wide range of existing households as well.

20 In the case of public schools, such a
21 strategy should include investments in improving and
22 expanding facilities, attracting and retaining
23 teachers and supporting innovation and professional
24 development, as well as personal leadership and
25 investment from the developer.

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2 Similarly, any development for the
3 site should ensure quality jobs with opportunities
4 for career advancement. We would like to see a more
5 innovative approach, including an on-site center
6 paid for by the developer and tenants, in
7 collaboration with the City, that addresses not only
8 local recruitment, but also job training, promotions
9 and advancement, financial literacy and
10 asset-building strategies for employees and
11 community residents.

12 Finally, the lack of a transparent
13 and accountable process. The process through which

14 this development has been advanced has not been
15 sufficiently fair or accountable. Planning for the
16 project was initiated by the developer, considering
17 the best site for a basketball team he was
18 purchasing and a large-scale mixed use project. No
19 officially sanctioned public planning process took
20 place in advance to consider various alternatives
21 for use of the site so that it emerged from genuine
22 community input.

23 I would like to conclude by saying
24 that an appropriate development on the proposed site
25 can be a win-win for all stakeholders. It is prime

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2 real estate that offers an excellent opportunity for
3 developers to make a profit and for the community to
4 get substantial economic benefits in a neighborhood
5 characterized by rising real estate prices, rapid
6 growth and pockets of poverty.

7 We urge elected officials to play

8 their role in ensuring that the site be developed in
9 a way that serves as a model for equitable,
10 accountable, transparent and participatory planning
11 and development for future development in New York
12 City.

13 Thank you.

14 CHAIRPERSON SANDERS: With seven
15 minutes and two speaker to go, Bettina.

16 MS. DAMIANI: Good afternoon. My name
17 is Bettina Damiani, and I Direct Good Jobs New York.
18 I will be brief and just highlight some areas of my
19 testimony.

20 First of all, thank you for having
21 this hearing today. One of the concerns that we have
22 obviously is the goal of Good Jobs New York to make
23 sure when subsidies are given out in the name of
24 private development that good jobs are created.

25 One of the concerns that we have had

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2 longstanding, is the process in how this site is

3 being developed. The RFP that was released
4 yesterday, seems to come after MOUs and other
5 agreements have been made on the site, and we think
6 the process should have started with an RFP and that
7 kind of makes things move along so we have a better
8 sense of what's expected at the site, and also for
9 the subsidies.

10 We've heard ranges from \$200 million
11 to well over a billion dollars on what the subsidies
12 are. We would love to be able to have a better sense
13 of what those area. They are as of right subsidies
14 that the IBO talked about, but I think we need to
15 keep a very keen sense of what discretionary
16 subsidies that developers are going to ask for on
17 the site.

18 They could be endless, and they could
19 make up their own programs along the way.

20 Any subsidies that are given out need
21 to be done in the name of good jobs. Unfortunately,
22 much of what seems to be happening now is we're
23 going to have high-end commercial development and
24 low-end retail. There seems to be a lack of
25 opportunity for jobs in the middle. Low-end retail

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2 are often not enough to lift a family or a single
3 person out of poverty. That's one of our bigger
4 concerns. The area around housing, huge, huge
5 development, very positive. Our only concern really
6 is the labeling of calling these things a community
7 benefit agreement.

8 Good Jobs First has worked with
9 cities around the country on community benefit
10 agreements, and what CBAs will do is address many of
11 the concerns that we've been hearing today, housing,
12 jobs, the environment, transportation, local
13 planning. And everybody works together at one table
14 and then moves forward in dealing with the
15 developer.

16 What seems to be happening here, and
17 that's not to say that much of the progress has been
18 made doesn't deserve credit because it does, but
19 it's not a genuine CBA. You cannot compare what's
20 happening in New York City right now with a staples

21 agreement, which is considered a landmark CBA. To do
22 so would really dilute any future opportunities for
23 real CBAs to happen in this City.

24 So, that's not to say there have not
25 been great agreements happening, but to consider it

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2 a CBA just really is quite unfair to the process and
3 to people that have worked around the country to
4 develop genuine CBAs.

5 Finally, the issue of the type of
6 subsidies that are going to be coming forth, just
7 some highlights that are going to keep some concerns
8 up. One is, makes sure that there's full accounting
9 of all the subsidies that should really happen
10 sooner rather than later. Make sure that if there's
11 any zoning that's going to be changed, that it will
12 benefit local residents and local workers.

13 Make sure that the subsidies that are
14 given out are done closely with the Department of
15 Small Businesses. We have learned in our research

16 that there seems to be a disconnect between the EDC
17 when they give out big subsidies to big corporations
18 and how that impacts people that work in local
19 communities in New York City. And hopefully, this
20 would be a great example, in years down the road,
21 we'll see how well Intro. 373, which this Committee
22 pushed forth and passed recently, make sure that any
23 subsidies that are allocated, make sure they go to
24 New York City residents, and they have good wages
25 and they have access to health care.

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2 Thank you.

3 CHAIRPERSON SANDERS: Thank you. Last
4 but never least, sir.

5 MR. JONES: Thank you very much. My
6 name is Chris Jones and I'm Vice President for
7 Research at Regional Plan Association. And I
8 appreciate your perseverance this afternoon, and I
9 will try to keep this brief.

10 RPA has long been an advocate for
11 enhancing Downtown Brooklyn status as New York
12 City's third central business district. In concept,
13 the proposal by Forest City Ratner is consistent
14 with that goal. However, there are specific
15 questions and concerns that need to be addressed
16 before the project moves forward.

17 Clearly the project would bring
18 several important benefits, both to Brooklyn and the
19 New York region.

20 From a regional perspective, it is
21 important to encourage new office and residential
22 growth in the urban core, where it can be supported
23 by public transit and make jobs and services
24 accessible to those who need the most.

25 By creating dense mixed-use

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2 development around one of the busiest transit hubs
3 in the region, the project would make good use of
4 development potential near the Atlantic Terminal and

5 strengthen Downtown Brooklyn as a Central Business
6 District.

7 The proposed sports arena may also
8 make sense in this location. While we strongly
9 oppose the proposed Jets Stadium in Manhattan, the
10 smaller, more active basketball arena functions very
11 differently and is more compatible with urban
12 business, residential and cultural activity.

13 The recently announced community
14 benefits agreement to reserve 50 percent of the
15 residential units of affordable housing is also a
16 major selling point for the project.

17 Our concerns center on the process
18 for approving the plan and several unanswered
19 questions about the public cost and impacts.

20 Unfortunately, we don't know if this
21 is the best project that can be achieved because no
22 alternatives were sought or evaluated prior to the
23 City and State endorsement of the project.

24 Let me begin with the implications
25 for the MTA.

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2 Much like the Hudson Yards and
3 Manhattan's Far West Side, the Atlantic Yards are an
4 extremely valuable MTA asset. Given the fiscal
5 crisis crippling the MTA's operating and capital
6 budgets and affecting subway and bus service, it is
7 vital that the agency gets the most out of each of
8 these assets.

9 We are heartened that there will be a
10 bidding process for the site, but as on the West
11 Side, the process is being tacked onto a deal that
12 has been in the works for two years, and provides
13 several inherent advantages to a single developer,
14 including promises of subsidies and zoning overrides
15 that no other bidder will have.

16 To level the playing field as much as
17 possible, and encourage other proposals, the MTA
18 should extend the bidding period and the City and
19 State should indicate a willingness to provide the
20 necessary zoning for whatever proposal yields fair
21 market value for the MTA, and the greatest public
22 benefits for the City and the surrounding community.

23 The project's financing also follows
24 its four policy precedent set on the far west side,
25 public subsidies for professional sports facilities.

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2 Sports facilities are generally not
3 great economic generators, they cannot produce net
4 fiscal gains for this City. While the arena is
5 likely to be compatible with the area, it does not
6 appear to generate an economic return or other
7 methods that would justify public subsidies.

8 As for the proposal itself, there are
9 several areas that require more information and
10 evaluation. In particular, the public is not
11 adequately informed about the potential traffic and
12 transit impacts of an additional 6,000 housing units
13 and nearly 2 million square feet of office space, in
14 addition to the basketball arena.

15 In an area where traffic is already
16 bad, the Atlantic Yards Project in City's Downtown
17 Brooklyn Plan will significantly add to the

18 congestion.

19 In addition to understanding the full
20 extent of these impacts, Downtown Brooklyn is in
21 need of a comprehensive transportation plan that
22 both increases transit capacity and manages road
23 congestion.

24 At a minimum, the Environmental
25 Impact Statement for the project needs to fully

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2 address the traffic and transit implication, and
3 funds should be identified to adequately mitigate
4 these impacts before construction.

5 We have a few other concerns about
6 urban design that I won't go into here, but we look
7 forward to working with you and others as the
8 project moves forward.

9 CHAIRPERSON SANDERS: Thank you.

10 Council Member James, any closing
11 comments? Okay.

12 Democracy, of course, is not a tea
13 party. It's not a gentle place, as sometimes we see.
14 The passion that it brings is an incredible thing.
15 But this Committee upholds the people's right of New
16 York to understand the process, to understand what
17 is going on with them in their lives and the large
18 projects around them.

19 We uphold the right that people have
20 a right to feel strongly this way or that way, and
21 both positions must be heard, or even a third
22 position for that matter, must be heard.

23 This is not the last time that we
24 will come to the Atlantic Yards or the Vanderbilt
25 Yard or whatever we want to call this project. But

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2 democracy also requires that it is best served in a
3 civic discourse, with civic discourse. It's best
4 served when we allow a give and take, when we allow
5 a people to feel strongly one way without jumping on
6 them, or feel strongly another way without jumping

7 on them.

8 It is best served when we say to
9 ourselves that we don't have to have the entire
10 truth, that one person doesn't have to answer all
11 questions or conversely, that one person doesn't
12 have all the answers. And, therefore, only one voice
13 must be heard.

14 This Committee stands with the
15 citizens of New York and demands that all of us not
16 only participate in the building of this City, there
17 will be a fair and even playing field in any part of
18 development in this City. New York will be New York
19 for all of us. But the only way to do that is to
20 have clear information, to have as transparent a
21 process as we can, and that is what we attempted to
22 do this afternoon towards evening now.

23 I commend everyone in here for
24 participating in this. It could not be done without
25 you. You made the event that it was, and I encourage

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2 you to continue to feel deeply about what you
3 believe in, continue to fight for the vision of New
4 York that most of us share.

5 I would argue -- there's my time gone
6 up. I said five o'clock, but I didn't mean chair.
7 Yes, 5:00 is 5:00 for all of us, so it seems. Yes,
8 indeed.

9 So, I encourage everybody, but to
10 remember that we all by and large what you're
11 hearing is just about everybody saying they want the
12 same thing. We can argue over how we can get it, but
13 you're talking about you're wanting the same thing,
14 a decent place where we can raise children, a safe
15 place where we can live together, a place where we
16 can work and have a good environment.

17 We need not trade these things, but
18 in order to do these things, I end by telling all of
19 us and to remind us that the only way that we're
20 going to do these things is if we learn to turn to
21 each other and not on one another.

22 Let me thank Ms. Beverly Reid, Ms.
23 Danette Dargan. I'm missing a bunch of people on my
24 staff who really fought hard to make this happen.

25 Let me thank the Committee people and the other

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2 people on this Committee and folk who, Council
3 Member Stewart stayed til the bitter end absorbing
4 all that he could, and most of all, all of these
5 panelists who came up and poured their hearts and
6 their souls out and their minds in incredible
7 intelligence.

8 Let me end by in the immortal words
9 of that great philosopher, Madam James.

10 COUNCIL MEMBER JAMES: A prudent
11 person foresees the dangers ahead and takes
12 precautions. That's why this hearing was held,
13 because there are some concerns and dangers ahead of
14 us and we have to take precautions to elect the
15 district. I was elected to protect the concerns of
16 Prospect Heights, Fort Greene, Clinton Hill, Crown
17 Heights and Bedford Stuyvesant. There is a silent
18 majority out there that was not represented in this
19 room that does have some concerns with regards to

20 this project, and that is why it is my duty to put
21 forth some questions, and it is the duty of
22 government and democracy basically demands fairness
23 and openness and transparency in every project, and
24 that should be the standard as we go forward.

25 Some people would like to blindly go

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2 and suffer the consequences without asking any
3 probing any questions. You know, I cannot do that. I
4 recognize we've been bombarded with a surplus of
5 simple slogans. For me today, this Committee was
6 really about some hard questions, and some good
7 answers.

8 So, I would thank the Chairperson and
9 I would thank Beverly Reid. Thank you, Beverly Reid.
10 Thank you for all that you've done, and I look
11 forward to further discussions with regards to
12 Vanderbilt Yards. Thank you.

13 CHAIRPERSON SANDERS: My last point

14 is, I really think that Ms. James, Council Member
15 James, you have a special place here and we really
16 deserve to give you a hand. You have fought long and
17 hard to make sure that we are here.

18 Thank you very much. You're out of
19 order, my friends. But then, again, you're in order
20 because this Committee is now closed. This hearing
21 is now over.

22 (The following written testimony was
23 read into the record.)

24

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2 Written Testimony Of:

3 Michael McGuire

4 Director of Governmental and Legislative Affairs

5 Mason Tenders' District Council of Greater New York

6 and Long Island

7

8 Good afternoon, Chairman Sanders, and

9 distinguished Committee members. My name is Michael
10 McGuire and I am the Director of Governmental and
11 Legislative Affairs for the Mason Tenders' District
12 Council of Greater New York and Long Island. The
13 Mason Tenders' District Council is comprised of more
14 than 15,000 members in six local unions of the
15 Laborers' International Union of North America.
16 These locals represent men and women working
17 throughout the five boroughs as building
18 construction laborers, mason tenders, plasterers'
19 helpers, office and professional personnel,
20 demolition workers, recycling plant employees, high
21 school teachers and asbestos and hazardous material
22 abatement laborers.

23 I'm glad that this hearing is being
24 held before the Committee on Economic Development,
25 because that is what this project is about. Economic

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2 development, creating tax revenues, creating jobs

3 for New York's unemployed and underemployed, and
4 keeping New York from slipping to second-class city
5 status.

6 A report released in February by the
7 Community Service Society reveals some disturbing
8 numbers. The citywide unemployment rate stood at 8.5
9 percent in 2003. But for many groups of New Yorkers
10 it was considerably higher: African-Americans, 12.9
11 percent; Latinos, 9.6 percent; people with less than
12 a high school degree, 11.2 percent; and blue collar
13 workers, 10.1 percent. In 2003, the proportion of
14 people who had been unemployed for more than 26
15 weeks and thus exhausted their unemployment benefits
16 was 39.7 percent.

17 In another study, this one released
18 by the House Government Reform Committee Special
19 Investigations Division tells us that in February of
20 this year the national unemployment rate was 5.6
21 percent. The New York State unemployment rate was
22 7.2 percent. The New York metropolitan area
23 unemployment rate was 8.2 percent, and the New York
24 City unemployment rate was 8.9 percent. More than
25 50,000 New Yorkers exhausted their unemployment

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2 benefits during just the first three months of 2004.

3 The proposed Brooklyn Atlantic Yards
4 development will create more than 15,000 temporary
5 construction jobs and create or retain more than
6 10,000 permanent jobs in the proposed office space,
7 plus an additional 400 jobs at the arena. A report
8 released in May by Smith College economist Andrew
9 Zimbalist says the City and State will see a \$1.51
10 billion increase in tax revenues, with a net gain of
11 \$812 million over 30 years because of the
12 development.

13 The opponents of Brooklyn Atlantic
14 Yards are floating much misinformation in an effort
15 derail the project. One article published in the
16 Village Voice speaks of 5,500 units of "upscale
17 housing." In fact, the plan calls for 1,000 fewer
18 units than that. As for the housing being upscale,
19 originally we heard that the developer was going to
20 build the housing using the 80-20 formula: Eighty
21 percent of the units at market rate and 20 percent

22 affordable. The members of the City Council who have
23 heard me testify on housing issues in the past know
24 I am not a fan of the 80-20 formula. I don't think
25 it goes far enough. At the very least, the program

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2 should be 70-30. There is a crisis in New York City
3 caused by the lack of affordable and middle-income
4 housing.

5 Apparently, Mr. Ratner agrees,
6 because this project is actually slated to be 50-50,
7 with the 50 percent affordable split between 7
8 levels of income, creating truly affordable housing
9 available to the poor, the working poor and the
10 middle class.

11 This kind of thinking is visionary.
12 New York City cannot survive without a solid middle
13 class. The members of my largest local, Construction
14 and General Building Laborers' Local 79, are among
15 the best paid blue-collar workers in the city, with

16 a wage and benefit package of over \$40.00 per hour.
17 Yet they cannot afford to live in the 80 portion of
18 80-20 housing, and of course, they earn too much to
19 qualify for the 20 portion.

20 The middle class, working families
21 are the backbone, the very foundation on which New
22 York City is built. Being the City's foundation is a
23 burden we must take on, because the poor can't and
24 the rich won't. Yet it is a burden that middle
25 income, working families take on gladly, for the

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2 love of this great city. But that foundation is
3 eroding, piece by piece, block by block as working
4 families are forced to move to the suburbs, or even
5 further, to find quality, affordable housing to
6 raise their families. Ultimately, of course, once
7 enough of any foundation is removed, a structure
8 will collapse in on itself. To prevent this collapse
9 the City Council must promote the construction of
10 affordable housing. By my factoring, the Brooklyn

11 Atlantic Yards project would create more than 2,000
12 sorely needed units of affordable and middle-income
13 housing.

14 On another front, I have a friend
15 that lives about eight blocks from the proposed
16 development. She is extremely intelligent, very well
17 read and completely plugged into the community. Her
18 big complaint to me was that this was a done deal,
19 that it was all going to happen with no input from
20 the neighborhood or general public.

21 That's the word on the street, and
22 nothing could be further from the truth.

23 This hearing, the second on the topic
24 by this Committee, proves that to be an untruth.

25 Above and beyond this hearing,

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2 three-quarters of the owners of NBA teams must
3 approve the Nets moving to Brooklyn; the MTA, a
4 public authority, must go through the process of

5 allowing the arena to be built over the railyards;
6 if the Empire State Development Corporation chooses
7 to use condemnation to acquire the site, public
8 hearings and environmental impact statements will be
9 required; and the city and state must give zoning
10 approval for this world class project, again a
11 public process. Despite all this, the misinformation
12 that this is a done deal is still being perpetuated,
13 apparently in an effort to inflame the opponents.

14 Do I feel for the 300 or so people
15 who will be relocated by this project? Absolutely.
16 But the greater good is what must be considered
17 here. This project is not a parochial issue, as much
18 as it seems to be. It is not even a borough issue.
19 It is, in fact, a citywide issue. It is about
20 increased employment, increased tax revenues and
21 overall improvement to New York. If past
22 obstructionist arguments like those of the opponents
23 of this plan were allowed to rule the day, we would
24 still have tenements where Lincoln Center now stands
25 and we'd still have slaughterhouses where the United

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2 Nations now stands, and New York would be imminently
3 poorer for it. Thank you.

4

5

6 Written Testimony Of:

7 Genevieve Christy

8 Member

9 Task Force on Atlantic Rail Yards

10 Board member of Boerum Hill Association

11 445 Pacific Street

12 Brooklyn, New York 11217

13

14 As a resident of Brooklyn for 18
15 years and member of the Boerum Association Task
16 Force on the Atlantic Rail Yards, I am alarmed by
17 the Forest City Ratner Corporation's (FCRC) proposed
18 development and by the process by which New York
19 City and State governments appear to be expediting
20 its approval.

21 The proposed site for development at
22 the intersection of Atlantic and Flatbush Avenues
23 has been identified by the EPA as a "hot spot" for

24 decades. The recent reconstruction of the
25 intersection at a price of some \$150 million has not

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2 resolved the acute traffic congestion which is the
3 major source of air pollution. One consequence of
4 the pollution is widespread rise in asthma resulting
5 in children missing school and adults missing work.
6 The human cost for many of Brooklyn's residents who
7 lack health insurance is incalculable. This
8 intersection cannot sustain the added development
9 proposed.

10 If the motivation of government
11 officials is to promote affordable housing and job
12 creation, an open process of consulting with urban
13 planners and economists would mandate a very
14 different proposal for the site and for the use of
15 public funds. FCRC has been unwilling to make public
16 the details of their proposal which would allow
17 experts to demonstrate that promises made in their

18 promotional materials cannot be delivered.

19 The small number of truly affordable
20 housing units - that is excluding those allegedly
21 "affordable" units for families with incomes of
22 \$100,000 - demonstrates that this project will do
23 little to provide the kind of housing essential to
24 maintaining a diverse workforce in New York City.
25 Government funding should not be used to further

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2 private investment in the current real estate boom.

3 Many of us believe that the
4 agreements made with BUILD and ACORN have been
5 bought with promises of jobs that will not be kept.
6 The history of similar proposals in major cities is
7 littered with disappointment and failure. The
8 majority of jobs in the development are not new jobs
9 but relocated jobs. Jobs in the new development will
10 tend to be with large scale employers which are
11 often less beneficial to employees than the old jobs
12 with displaced small businesses.

13 Any official who is moved to support
14 the project based on the importance of a local
15 basketball team for the borough should think again.
16 Sports team owners make the most profit by selling
17 their teams.

18 Other American cities that have made
19 investments in sports facilities in order to keep
20 teams in place have often found team owners
21 returning to demand additional subsidies. The
22 history of subsidies for sports teams in US cities
23 has not demonstrated economic growth to local
24 economies. To the contrary there are many examples
25 of such projects failing to deliver improvements

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2 either to the community or the economy and even
3 generating decline.

4 The promotion of the development as a
5 solution to inner-city blight, to the removal of an
6 eyesore is badly mistaken. Brooklyn is - and has

7 been for years - enjoying a renaissance. It has the
8 kind of organic growth in community and economy that
9 is truly ideal. The insertion of a development on
10 the scale currently proposed for this key site could
11 seriously derail this vital, organic growth.

12 The project is too big, its
13 conception creates barriers between neighborhoods,
14 its design establishes blank walls sealing off
15 community blocks from street life, the proposed open
16 spaces are apparently not public spaces but
17 controlled by development security staff. It is an
18 alien, unfriendly design in stark opposition to the
19 spirit of the neighborhood.

20 Residents - and voters - of Brooklyn
21 value its quality of life for its vitality and
22 accommodation of human interaction. Air pollution,
23 immovable traffic, gigantic structures impeding
24 access are what is being proposed. The use of
25 government subsidies and tax breaks for such a

2 development would be a betrayal of public trust. The
3 community is demanding a truly open process of
4 engagement and we hold our officials accountable for
5 their actions regarding this proposal.

6

7

8 Written Testimony Of:

9 Jo Anne Simon

10 NYS Democratic Committeewoman & District Leader

11 52nd Assembly District

12

13 Like the City in general, the 52nd AD
14 has recently seen an unprecedented pace of
15 development - some good, some not so good. The
16 Atlantic Rail Yards are immediately adjacent to the
17 52nd AD which ends on the western side of Flatbush
18 and Atlantic Avenues. I am also a resident of Boerum
19 Hill, the neighborhood immediately west of the site,
20 and chair its Task Force on the Rail Yards site.

21 I believe in smart growth. I don't
22 believe the current proposal is smart growth. It
23 could be made smart and I personally commit to
24 engaging in any and all processes to achieve a
25 better result for our communities. I don't like this

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2 massive proposal at this location because of the
3 existing congestion and failure thus far of any
4 agency or authority to properly plan for or oversee
5 development consistent with either the general
6 welfare or urban economic realities. In addition,
7 the redirection by the executive branch of public
8 revenues that are properly within the purview of the
9 legislature is an increasingly pervasive problem and
10 one which I know the Council is attempting to
11 address. I support those efforts wholeheartedly.

12 A number of things about the Atlantic
13 Yards proposal trouble me:

14 1. There is overwhelming evidence
15 that arenas do not add to economic vitality or urban
16 vibrancy. They subtract. Centering development
17 around an arena has not worked anywhere else. It
18 will not here either. Even the developer's economist
19 concedes that the arena is a loss leader. From what

20 I can tell, the loss is led by the taxpayers, not
21 the developer. We need to think this through
22 differently. The MTA must level the playing field by
23 extending the time for submission of bids to its
24 RFP.

25 2. Without the emotional hook of an

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2 arena in the mix, this project would not have gotten
3 much traction. When you probe the so-called support
4 for this proposal, it becomes clear that the support
5 is not for this proposal - it's for the quid pro quo
6 of jobs, housing and Brooklyn pride.

7 I fully support jobs, housing and
8 Brooklyn pride. I love Brooklyn. But the devil is in
9 the details - and there are precious few supporting
10 the benefits being promised. Strip away the
11 emotional hook of the arena, and what do you have? A
12 housing project - the epitome of what we have
13 learned NOT to do in building housing. This proposal
14 violates every principle of good urban design, is

15 wildly out of context and over-built for the site.
16 Let's remember that the insularity of housing
17 projects created barriers to economic development.
18 We can do better.

19 3. The support based on promises of
20 jobs and housing reminds me of the 7 blind men and
21 the elephant. Supporters have a firm grip on one
22 part of that elephant; but they only think they know
23 what the rest of the elephant looks like. This is
24 about more than an arena. It is about more than
25 overstated promises of jobs and housing. It is about

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2 more than the romance of team spirit. Few supporters
3 have adequately considered the likely (not pie in
4 the sky) impacts. Construction jobs are not a
5 benefit of development - they are an expense of
6 development. After the white elephant is built, the
7 construction jobs move on to the next building site.
8 Brooklyn will be left with the white elephant, not

9 newly created permanent jobs. The construction jobs
10 will be there anyway. Smart growth would build
11 something other than a massive congestion producing
12 use at the center of an environmental hot spot in
13 the asthma capital of the world.

14 4. For real economic vitality, any
15 development at this site must:

16 - be respectful of the host and
17 adjacent communities.

18 - provide for meaningful public
19 participation and interaction.

20 - provide for maximum transparency.

21 - use public funds wisely for
22 long-term viability.

23 - be based on sufficient, accurate
24 and valid economic, traffic and environmental data.

25 - improve transit/transportation

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2 access through adequate funding, good urban design

3 and transportation improvements that mitigate

4 congestion and improve air quality.

5 - increase the connections among
6 existing communities.

7 - keep streets open to increase 24/7
8 uses, access and security.

9 - provide for housing on human scale.

10 - provide for housing on human scale.

11 - provide public space that is truly
12 public.

13 - be environmentally sustainable.

14

15

16 Written Testimony Of:

17 Boerum Hill Association

18

19 I am President of the Boerum Hill
20 Association. Boerum Hill is the neighborhood
21 immediately to the west of the Atlantic Yards. The
22 community members, as many of the stakeholders for
23 this project, were - 'urban pioneers' for over 30
24 years. Now we have a beautiful, safe and vibrant
25 community which we want to protect.

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2 This community is for responsible
3 development. Boerum Hill, in fact, has been held up
4 as a model of a way for a community and developers
5 to work together - as in the current
6 Hoyt/Schermerhorn Project. We believe it is best for
7 all concerned, to work together in an open
8 transparent process - not the closed process we have
9 witnessed for the past year.

10 Boerum Hill issued February a year
11 ago - a list of issues we want to see addressed.
12 They are attached to my testimony. We have been
13 asking, since that time, even through the Borough
14 President's office, for some meaningful dialogue
15 with FCR.

16 Also in February of 2004 the BHA sent
17 an open letter to the Atlantic Yards Stakeholders,
18 local politicians and to the developer - also
19 attached.

20 This stated that people should come
21 to the table to address the impacts that this

22 project will make on our lives. Now, I am delighted
23 to say - there is a large and growing coalition of
24 stakeholders who are working together - and we have
25 yet to hear from FCR.

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2 There is \$1.5 billion plus promised
3 as public subsidies - where do these come from?

4 Where is the oversight for the
5 largest development project ever proposed in
6 Brooklyn?

7 What is the answer to the projected
8 over 20,000 vehicular trips a day and the
9 corresponding adverse economic and dangerous health
10 conditions we will endure?

11 Where is the solely needed open
12 space? Instead we are informed that we'll have
13 street demapping - cutting off neighborhoods instead
14 of bringing them together.

15 Why can't we have some real urban
16 planning instead of 17 skyscrapers tossed into our

17 midst?

18 Why do we only have to look at one
19 developer for this site?

20 So many questions - so little
21 answers.

22 The Boerum Hill Association supports
23 sensible and sensitive development for the Atlantic
24 Avenue rail yards site. Therefore, we must oppose
25 the Atlantic Yards development proposal (the

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2 "Proposal)" as presented for the following reasons:

3 1. The scale and magnitude of the
4 Proposal as presented - a number of skyscrapers over
5 400 feet tall, including one which would dwarf the
6 historic Williamsburg Bank building by 100 feet,
7 square footage equal to 3 1/2 times the size of the
8 Empire State Building and an added population
9 estimated to equal that of Battery Park City - is
10 overwhelming and highly unsuited for the proposed

11 location, even without the proposed arena.

12 2. The Proposal has not been reviewed
13 as part of a transparent and meaningful process with
14 broad participation. Such a process of review must
15 include all stakeholders, particularly
16 representatives of the neighboring communities who
17 would be affected most by the development.

18 3. We oppose any use of eminent
19 domain or public financing incentives for private
20 purposes. The Proposal remains unclear regarding the
21 extent to which it would rely on the use of eminent
22 domain or public financing.

23 4. The Proposal would require a
24 massive investment in public infrastructure...,
25 running into the hundreds of millions of dollars.

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2 This would include expenditures for mass transit,
3 traffic, schools, police, fire, water and sewers to
4 absorb the tens of thousands of people the Proposal
5 would bring to an already extremely congested area.

6 Any development proposal must include the details of
7 such costs and identify who would pay for them. None
8 of these issues has been addressed to date.

9 5. The Proposal fails to provide any
10 relevant facts to support its claims regarding the
11 benefits that the arena and accompanying development
12 would bring, particularly with respect to job and
13 revenue growth.

14 With respect to the proposed arena, a
15 review of comparable sports facilities has shown
16 that such benefits are negligible, while the
17 negative economic, social and environmental impacts
18 for surrounding neighborhoods are significant.

19 6. We believe that all impacts,
20 including environmental and economic impacts, of the
21 Downtown Rezoning Plan and the Proposal should be
22 studied together before either is approved.

23 7. The local track record of the
24 primary developer of the project (Forest City Ratner
25 Companies), particularly with respect to its

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2 development of the Atlantic Center, indicates a lack
3 of sensitivity and respect for the context of the
4 surrounding communities.

5 The Boerum Hill Association is
6 committed to cooperating with the neighboring
7 communities to further educate our neighborhood
8 about the Proposal and to be a voice for development
9 that makes sense - not only for Downtown Brooklyn,
10 but for Brooklyn as a whole.

11 (Hearing concluded at 5:07 p.m.)

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CERTIFICATION

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5 STATE OF NEW YORK)

6 COUNTY OF NEW YORK)

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I, CINDY MILLELOT, a Certified
Shorthand Reporter and Notary Public in and for the
State of New York, do hereby certify that the
foregoing is a true and accurate transcript of the
within proceeding.

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I further certify that I am not
related to any of the parties to this action by
blood or marriage, and that I am in no way
interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto

19 set my hand this 26th day of May 2005.

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CINDY MILLELOT, CSR.

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C E R T I F I C A T I O N

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I, CINDY MILLELOT, a Certified Shorthand
Reporter and a Notary Public in and for the State of
New York, do hereby certify the aforesaid to be a
true and accurate copy of the transcription of the

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13 audio tapes of this hearing.

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CINDY MILLELOT, CSR.

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