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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

23

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2   A P P E A R A N C E S

3

Marty Markowitz  
4 Brooklyn Borough President

5 Jim Stuckey  
Executive Vice President  
6 Forest City Ratner

7 Page Travelstead  
Forest City Ratner

8

Bertha Lewis  
9 Executive Director  
New York ACORN

10

Deborah Howard  
11 Pratt Area Community Council

12 Brian Ketchum  
Executive Director  
13 Community Consulting Services

14 George Sweeting  
Deputy Director  
15 New York City Independent Budget Office

16 Michael Kalt  
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

1  
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  
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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

1 COMMITTEE ON ECONOMIC DEVELOPMENT

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

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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

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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

16

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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

17

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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 certain 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.



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.



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

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2 completed, I want all these people here who pose it,  
3 will bring their little children to the six-acre  
4 park with flowing fountains and flowers and enjoy in  
5 fact what we have brought to pass, which is a making  
6 of history.

7                   So, I'm glad that God has allowed me,  
8 God has allowed this old gray-haired decrepit senile  
9 old man --

10                   CHAIRPERSON SANDERS: Sir, on those  
11 points you're out of order.

12                   REVEREND DAUGHTRY: Thank you, Mr.  
13 Chairman.

14                   CHAIRPERSON SANDERS: Here's what  
15 we're trying to do: I have announced that we're  
16 getting out of here at 5:00. I'm going to put one  
17 more -- there's two, I've always had three folk on  
18 this, I want the MBLC to come to this panel, and  
19 then we will end this with the Minority Business  
20 Leadership Council.

21                   We will end this with the, we have

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



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

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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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1 COMMITTEE ON ECONOMIC DEVELOPMENT

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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STATE OF NEW YORK )

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COUNTY OF NEW YORK )

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I, CINDY MILLELOT, a Certified

10 Shorthand Reporter and Notary Public in and for the

11 State of New York, do hereby certify that the

12 foregoing is a true and accurate transcript of the

13 within proceeding.

14

I further certify that I am not

15 related to any of the parties to this action by

16 blood or marriage, and that I am in no way

17 interested in the outcome of this matter.

18

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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