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

BEFORE:

JAMES SANDERS, JR.
Chairperson,

COUNCIL MEMBERS:
Diana Reyna
Yvette Clarke
Erik Dilan
Eric Gioia
Domenic Recchia
Letitia James
Lewis Fidler
Charles Barron
David Yassky
A P P E A R A N C E S

Marty Markowitz
Brooklyn Borough President

Jim Stuckey
Executive Vice President
Forest City Ratner

Page Travelstead
Forest City Ratner

Bertha Lewis
Executive Director
New York ACORN

Deborah Howard
Pratt Area Community Council

Brian Ketchum
Executive Director
Community Consulting Services

George Sweeting
Deputy Director
New York City Independent Budget Office

Michael Kalt
Senior Policy Director
Office of the Deputy Mayor for Economic Development and Rebuilding

Rachel Grossman
Senior Vice President of Development Housing Development Corporation

Daniel Goldstein
Develop Don't Destroy

Candice Carpenter
Develop Don't Destroy

APPARENCES (CONTINUED)

Gustav Peebles
Department of Anthropology Columbia University

Reverend Herbert Daughtry
Founder/President Downtown Brooklyn Neighborhood Alliance

Kyle Braggs
Vice President SEIU Local 32 BJ

Sandy Balboza
President Atlantic Avenue Betterment Association
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CHAIRPERSON SANDERS: The meeting will now come to order. With me are Council Members Letitia James, from Brooklyn; and Council Member Felder of Brooklyn. Fidler, I'm sorry. There you go.
As soon as I said it, I knew I was wrong, but that's all right.

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

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

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

Although the Council is in the middle of its budget hearings, and we could not, we would not ordinarily hold a hearing that does not concern the Council budget during this period, the importance and timeliness of this issue demands that
we are holding the hearing now. As a matter of fact, let me say that it does concern our budget.

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

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

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

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

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

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

Please note that although witnesses
other than invited witnesses are typically called to

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

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

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

With that I want to call the
representative, I want to call our Brooklyn representative. There you go. Our Brooklyn representative. The Borough President itself. And since the timing is impeccable, as always.

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

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

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

As Brooklyn Borough President, my goals have been clear since the project was first
conceived. And I'm proud to say that we are now a year closer to achieving those goals.

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

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

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

This is a cause for celebration, which is why we're all so very, very excited when we
were able to announce this last week at Borough Hall.

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

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

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

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

Working to develop the City, incoming businesses and local community organizations, I 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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measures to improve traffic flow and parking should
and will be thoroughly investigated. And I have full
confidence that it will be done.

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

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

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

Equally important is planning to
ensure that any potential adverse environmental affects, such as noise, are minimized and that air quality is not diminished.

I am hopeful that with title auto emissions, regulations proposed by the State last week, and related actions on the part of the City Council, air quality in Downtown Brooklyn will actually improve.

I will also work with Forest City Ratner to make this development one of the most advanced in the City in terms of energy efficiency. This will result in savings for the tenants, and will decrease our needs to build unwanted electrical generating facilities.

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

During my campaign I promised that I
would work hard to bring a national team sports team
to Brooklyn. And I'm absolutely thrilled, I must
tell you, Brooklyn will once again have a national
sports team competing nationally.

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

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

The new jobs and affordable homes it

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will create will help give many Brooklynnites a
chance they deserve to break out of poverty.

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

I'm proud that my faith in Forest City Ratner has been confirmed, through its efforts
to minimize the use of eminent domain and to
accommodate with dignity, respect and fair financial
compensation, residents who would be displaced by
this project.

Brooklyn and New York City have a
tradition of setting the standards for social
progress in America. On this, on the issue that is
most critical to Brooklynnites right now and to all
New Yorkers is the issue of affordable housing.
This project sets the standard once
again. Because as you all know, families don't leave
Brooklyn these days seeking a better life. They
leave because they can't afford the good life we
have in Brooklyn.

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

Under the outstanding leadership of

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Speaker Miller, the City Council recently crafted a
rezoning plan that will promote the development of
affordable housing in Greenpoint and Williamsburg.
Thank you, each Council member. While reclaiming a derelict waterfront.

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

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

Thank you very, very much.

CHAIRPERSON SANDERS: Thank you, sir.

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

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

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

The opposite of suburban Brooklyn is urban Brooklyn. Urban Brooklyn, based upon the omission includes, Bedford Stuyvesant, Brownsville, East New York, Prospect Heights, Clinton Hill, Fort Green. The Urban Brooklyn that I represent and that I know. Why is not the same standard that's applied to quote/unquote suburban Brooklyn, not applied to urban Brooklyn?
BOROUGH PRESIDENT MARKOWITZ: That's your definition, Councilwoman. It's not mine. The neighborhoods that I was referring to have to do in the southern part of Brooklyn, a single family detached or semi-detached communities. The Atlantic Yards Project represents an area, the great majority of which will be an area zoned warehousing and industrial.

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

Councilwoman, I respect you enormously, if you cannot compare Atlantic Avenue and Flatbush Avenue to West Third Street and Avenue P in Bensonhurst, I am so sorry. I take it neighborhood-by-neighborhood, and the neighborhoods
that you referred to just now, which by the way also includes those Bedford Stuyvesant areas like that that are primarily, even exclusively, single family, detached or semi-detached homes. That's the difference between that and Atlantic Avenue.

COUNCIL MEMBER JAMES: And you know, Mr. Borough President, that this project goes beyond Atlantic Avenue, and we all agree that there should...
Here's the issue. The issue is that we have a significant challenge here, in terms of heights of buildings, we all agree on this; and that is, we're in great need for additional housing in Brooklyn. We all agree on this. Land is at a premium, as you know, and building affordable housing these days, with the lack of the federal and state governments really involved, requires creative financing abilities with private developers and government working as partners. And that's why I'm confident that when this is totally resolved, that we will maximize the amount of affordable housing. Architects tell me, and I'm not an architect, I don't pretend to be, but I would never want the Williamsburg building anything other than be our building that we're proud of. And it is a building that will never be replaced in its beauty ever again. It is classic Brooklyn. It's the most
beautiful building, and there are ways that architects tell me that you can build tall buildings and still enhance the Williamsburg Building rather than detract.

See, Councilwoman, it's just another argument of those that want to stop this project no matter what. I respect them, and I respectfully disagree.

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

BOROUGH PRESIDENT MARKOWITZ: Well,
the suburban Brooklyn really represents neighborhoods to the south of Brooklyn that are single family, or semi-detached, where there is no industrial or warehoused facilities or anything like that at all.

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

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

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CHAIRPERSON SANDERS: Thank you,

Borough President. I'm sure that we will hear more

of these things.

Thank you very much for your

testimony, sir.

BOROUGH PRESIDENT MARKOWITZ: Thank

you.

CHAIRPERSON SANDERS: Oh, I stand

corrected, we do have a questioner.

Council Member Barron.

BOROUGH PRESIDENT MARKOWITZ: It would

be uncharacteristic for him not to ask.

CHAIRPERSON SANDERS: Well, then let

me just throw in one thing I have encouraged. In

case some of my colleagues have missed it, I have

encouraged all of my colleagues to be as brief as

they can because we have a lot of folk that we're

trying to hear testify, and let us try to respect
THE AUDIENCE also. And no slur to you, sir, Council Member Barron.

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

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

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cheerleading presentation and not be drilled.

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

My concern is process. Eminent domain was used in an abusive way, and you supported that.
BOROUGH PRESIDENT MARKOWITZ: It hasn't been done yet, Councilman.

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

Number two. The housing. Fifty percent is luxury, correct?

BOROUGH PRESIDENT MARKOWITZ: Market rate.

COUNCIL MEMBER BARRON: Market rate.

That we can't afford.

BOROUGH PRESIDENT MARKOWITZ: Right.

That's correct.
COUNCIL MEMBER BARRON: That we can't afford.

BOROUGH PRESIDENT MARKOWITZ: Yours truly as well.


Thirty percent moderate, right?

BOROUGH PRESIDENT MARKOWITZ: Moderate middle.

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

BOROUGH PRESIDENT MARKOWITZ: That's not true.

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

BOROUGH PRESIDENT MARKOWITZ: I know

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you can afford it.
COUNCIL MEMBER BARRON: That's 80 percent. Eighty percent. Eighty percent.

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

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

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

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

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

COUNCIL MEMBER BARRON: Yes. So those
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concerns I have, the housing arrangements. I believe that if we had a way to force Ratner, and I'm glad that we stood strong, now there is a competitive bidding process coming, there wasn't before that and you were fine with that. You were fine with giving this to him for a little sweetheart bill with no competitive bidding process, the same thing they tried to do with the Jets, the same thing they're trying with NASCAR and everything else, Bloomberg has turned this City into New York City, Inc., Nets, Jets, NASCAR, all of this stuff, and what do they come to us, because we're struggling? Jobs and affordable housing. You know we will, once you say jobs and affordable housing to us, the process goes out the window, and that's my concern here, that I think we could have gotten, even though you got a sweetheart deal you might think from Ratner, we could have done better if he had proper oversight, if we had the power over remapping, rezoning, upzoning, if he had to come through a body with
power, that we would do better than what is happening now.

Now, I'm concerned about process. A whole new community is coming in there, and before COMMITTEE ON ECONOMIC DEVELOPMENT

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

So, I just want you to address those serious issues, which I don't think you seriously addressed, it was more of a cheerleading thing for Ratner. Those are serious issues. The process. Who is going to do the oversight on this project? Is it the best project for us? Are there other bids out there? Will people have, well they will have a chance, thanks to the struggle to make sure that
it's a competitive bidding process, we want to make sure it doesn't favor the developer more than the people.

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

It's been there for over a hundred years. And, yes, I am absolutely an enthusiastic supporter of this.

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

COUNCIL MEMBER BARRON: Let me ask you --

BOROUGH PRESIDENT MARKOWITZ: Please.
You asked me the question.

COUNCIL MEMBER BARRON: Yes.

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

By the way, Council member, as much as those that need housing that make $20,000 a year and $30,000 a year, let me tell you also there are people that have worked for the City of New York that are teachers, firefighters, cops, regular civil service workers, that may earn 45, 50,000 dollars a year that are in dire need of housing too. So, this was crafted in a way that really I think provides a fair allocation, fair allocation because the figures
should be pointed to the federal and State
government's failure to realize that housing is a
right and not a privilege.

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

CHAIRPERSON SANDERS: If I can
encourage --
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BOROUGH PRESIDENT MARKOWITZ: You may even become a seasoned ticket holder.

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

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

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

And the kinds of jobs and who is getting the jobs. If it's in the office buildings, you're not bringing no 10,000 jobs in the office buildings because you're not in control of the jobs. It will be only the maintenance jobs in the office buildings. A lot of this fluff that we're going through now, when we get down the road a bit, we will see that much of it is going to have to change,
and I expect you as a leader of this borough, to be stronger on developers, to make sure that in this

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

BOROUGH PRESIDENT MARKOWITZ: Council member --

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

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

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

I just hope you provide that strong leadership to make sure that this is oversighted, that we make sure that things are delivered that are promised, because we've been down the promising road
before, and the whole community is going to change, and it might even be in violation of some of the voting rights act that's going to change the politics of that community and take some of our people out of office, because the complexion of the community is going to change radically.

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

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

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

Which brings me to that, you wanted to make a very, very -- you made your point, I suspect, sir?
BOROUGH PRESIDENT MARKOWITZ: I hear, and as far as oversight, I know the Councilman will be a strong voice to make sure that the job is being done. But I have to tell you this. Opening the doors to opportunity is what I'm about and what Brooklyn is about. You give someone a job with benefits, a union job, you know what? You give that opportunity, they can grow and flourish and that's what we need, the opportunity, and this will make those opportunities available.

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

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

My friends, my Council members, if we can be as disciplined as possible, because we have a lot of good people in this audience who have
questions also, and they deserve their moment. This
is more their moment than ours, if we can respect
that.

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

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

    COUNCIL MEMBER YASSKY: Yes, a
question. I understand, the time constraints, so I
will not go in detail to all the issues. I want to
say two things: First of all, I want to say I know
that there are folks here who do not like this arena
proposal. I hope that we are able to get an arena
that would bring professional basketball to Brooklyn
and would bring affordable housing and economic
opportunity to residents, and Mr. Borough President,
I want to say thank you for your pushing this
proposal and trying to get something good done.
I have concerns that I want to see,
not just that I want to see, that need to be
addressed for the Borough, and Chair, I will defer
having detailed discussion her, but I just want to
ask for the Borough President. First of all, on
traffic, for your assistance in getting from the
City a genuine traffic plan before any approval is
made so we know how the cars are getting in and out.
Two, again, from I guess from the
City and from the developer, working with the
proposal so that the scale of it does fit within the
neighborhood, because I do have concerns about the
scale of it.
And then, third, on the commitments
on how jobs and economic opportunity will genuinely
benefit Brooklyn, which is yet to be spelled out.
I'm not saying it can't be, but I do believe that
needs to be spelled out.
So, to me those are the issues that I
want to see addressed before the final approval
stage.
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Mr. Borough President, I hope we can work on that.

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

COUNCIL MEMBER YASSKY: Thank you.

CHAIRPERSON SANDERS: Thank you, sir. We, of course, have gotten very much, Borough President. We have gotten everyone up here. We have of course been joined by our Speaker, the Speaker of the City Council, Speaker Gifford Miller, and Speaker Miller, would you care to say something at this point?

SPEAKER MILLER: Well, thank you, Mr. Chairman. First of all, let me thank you for your leadership of this committee and this oversight hearing. I want to thank Council Member James who has worked extraordinarily hard to help bring us to this point that we're doing oversight as well here,
as we have in the past. This is the second of our
hearings on this particular subject and I know we're
committed to having as many hearings and going
forward in order to make sure that there is public
discussion, oversight and openness about his
process.

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

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

The MTA failed to do that with the
West Side Rail Yards, and in the end caved to
political pressure, and in doing so gave away what
is in the end about a billion and a half taxpayer
dollars.

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

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

However, we have to make sure that if

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

And in addition, we need to make sure
that the MTA really does follow through with getting
value for its property.

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

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

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

I'm glad that this hearing has occurred. I'm glad the housing agreement has finally been put in writing so we'll have a chance to review it, so we can really examine what the community
benefit is here.

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

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

But I am pleased that this Council is able to provide this particular public opportunity for this hearing. I look forward to working with my colleagues to make sure that there are further opportunities down the road for the public to know that if they're getting housing, how much and for whom? If they're getting jobs, how many and for whom? If we're spending money, how much and for what? And if we are having an open process, who is bidding and what is the situation? That's how we ought to be doing it. We're moving in that direction
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in this area and I think that's a healthy thing. I'm proud of the fact that this Council is playing a positive role in that direction, and I look forward to working with my colleagues in order to make sure that we carry that all the way through.

CHAIRPERSON SANDERS: Thank you, Mr. Speaker.

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

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

Understanding that we are going to balance this. You are going to hear both pros and
cons, we will bounce this forward. I suspect that all of the -- if there are any needed chairs, and if there's testimony from Forest City, let us make sure that we get it, and we have been joined, of course,

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2 by Council Member Kendall Stewart of Brooklyn, and Council Member Diana Reyna of Brooklyn.
3
4 Mr. Stuckey, would you be kind enough, even after your panel makes its presentation, if you could stay around for the Administration to answer any questions that comes up there, we'd appreciate it.
5
6 MR. STUCKEY: Okay, that's fine, Council Member. We're just trying to get this linked up with this system.
7
8 CHAIRPERSON SANDERS: Understandable.
9
10 MR. STUCKEY: I'm sorry.
11
12 CHAIRPERSON SANDERS: If there is a question, perhaps we can get some technical support.
13
14 MR. STUCKEY: It may take a couple of
moments, I'm sorry.

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

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

CHAIRPERSON SANDERS: I trust that we'll be starting soon because there is a request that our Speaker sing during this period. Some Brooklyn song, no doubt.

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

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

MS. LEWIS: I'm Bertha Lewis,
Executive --

CHAIRPERSON SANDERS: Your mic is not on.

MS. LEWIS: Can you hear me now? How you all doing? I'm Bertha Lewis, and I'm Executive Director for New York ACORN.

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

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

But at that time we also made a number of representations and we talked about a number of things we wanted to do, based on the
extensive things we had already had with the community, with the community boards, with the public, and since then we've had probably 40 other meetings with the same groups, and there have been some changes and we've made some progress. So I thought what we ought to do is to spend some time updating you on where we've gone and what we've done.

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

So, what I want to do today is to report to you on the progress that we've made. So, as you can see from this table, since we saw you last, we have purchased 66, purchased or have under contract 66 of 73 of the condos, co-ops and owner-occupied units, 91 percent. We basically have
under contract or own ten of the 16 rental, 63 percent. We have 60 of 96 rental apartments. Of those only 66 are actually occupied, 63 percent, and of the commercial properties which we obviously wanted to focus on residential first, we now have 54 percent of property under control.

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

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

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

So, as you can see, we made a
commitment. We said it here at the Council, that we
were going to do every conceivable thing that we
This was the reason why we had looked at siting an arena and a project with residential and commercial buildings here. It has over ten subway lines, virtually all the subway lines on the east and west side of Manhattan come through this area at Atlantic Terminal, and all but one of the rail lines and the LIRR come through this area as well.

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

This is the existing site, and what I want to talk about is what's on the site, because you will hear, and you probably have heard about how this is a residential area, and what people really don't understand is what is on the site today.
So, there's a 21-acre site as I mentioned. As I mentioned before, this area here which is roughly eight and a half acres, it's controlled by the Long Island Railroad and Metropolitan Transportation Authority.

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

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

So, just again, to look at the site, this is not a residential site. This is a site that is made up of scrap bus yards, Long Island Railroad storage facility for their trains, it's made up of
empty lots, gas stations and repair shops,
underutilized and vacant manufacturing buildings,
low density commercial uses and residential, the
majority of which we now own.

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

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

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

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

In addition to that, we're also
looking at alternatives, because as you know, when you go through a process, when you do environmental impact studies, you are asked to look at alternatives, and in fact we are looking at another alternative, which in fact may have additional residential space, as shown on this drawing here, which could have as many as 7,300 residential units in this area, and a slight reduction in the office space.

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

It would produce for the City and the
State over 30 years $6.1 billion in new tax revenues that otherwise would not come but for the development of this site.

When you take out -- this is done by Professor Zimbalist -- when you take out the cost of this project, meaning whatever the public contribution is, the capital money that's subject to the Memorandum of Understanding, the additional funds that were referred to earlier in the discussion about education and all the other services that the City might have to provide, that's roughly $1.1 billion. So, the net number to the City and to the state over 30 years is $5 billion.

Basically in today's dollars, if you were to take all of that money and roll it back to what it equals today, that means that the City and State would be getting a check from this project if 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
will be used for basketball. There would be roughly 45 games, 44 games of basketball. It will be used for concerts, the circus, children's productions and other kinds of sports, extreme sports and otherwise.

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

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

As I mentioned, the arena will have
all total about 235 events per year. That plus the
new housing creates a tremendous opportunity, not
just for the retail here at our site, but for the
retail all around this area.

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

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

I want to just tell you that this was
Atlantic Terminal and Atlantic Center before. There
was no retail program in New York City. In fact, the
real truth about what happened with retail in this
City is that most people were forced to shop outside
of New York City. They were forced to go to areas
like New Jersey, to Long Island, to Westchester and other areas, because they couldn't get the value here. They were forced to go buy at bodegas and other places and overpay for prices and be limited in what they could buy. And we put together a retail program, and we convinced retailers to come to the borough, we convinced lenders to lend money to them so they could come to the borough. This is Atlantic Center and Atlantic Terminal today. And as you could see, many of the major retail companies is here, as well as smaller retail companies as well.

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

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

Of the employees at Atlantic Terminal and Atlantic Center, and by the way, these are union jobs with benefits, in many cases, most cases with
benefits, these are not part-time jobs where people are underpaid, despite I know that people say that, just not the case.

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

These are Brooklyn jobs for Brooklyn people.

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

Open space, as I said a few moments ago, is being designed by Laurie Olin, on Battery Park City and Bryant Park. There will be a combination of both active and passive uses for
children and adults for all age groups, and as I've said, we've now, as part of our design process have been able to figure out a way of getting as much as almost seven and a half acres of open space.

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

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

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

In addition, and this is something I think we need to say really clearly, in the MOU it
talks about the fact that we can do tax exempt
financing of the arena. But what we're doing is
paying taxes that as of right, the law, would not
otherwise have to be paid.

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

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

We have agreed that we would pay
taxes as if there were no tax exemption, provided
that the tax money would be allocated and dedicated
to the tax exempt financing of the arena.

So, I want to make that very clear.

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

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

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

I want to mention that we have been working on a community benefits agreement. I remember at the last hearing I was asked would
Forest City consider entering into a legally binding community benefits agreement, and I told you I would, and we are very close to doing that. We'll be finished very shortly.

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

The community benefits agreement is four major areas that we're working on, as we said, commitment to affordable and middle-income housing; workforce development, both pre construction, during construction and after construction, job training,
construction jobs for minority and women employees,

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

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

I am going to talk a little bit about the housing component of this project, as it is part of the CBA, but also the housing component as it stands alone, because we believe that one of the
most compelling things about this project is the
housing component.

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

As some of you know, New York ACORN

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

Now that so many of these resources
have been drained away from New York's needy,
through a lot of process, I might add, we see the
crisis of affordable housing growing. It is not declining. And the process for building housing for higher-income residents in low-income communities has increased, the values of properties and the cost of renting in those communities to low, moderate and middle-income families are now much worse than ever before.

Ladies and gentlemen, gentrification is rampant throughout the five boroughs of New York City, but it is raging in Central Brooklyn. We believe the most critical need for

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By allocating 50 percent of the rental housing to truly affordable programs, because
we created a different way of defining affordable,
we've supported this project because it in some
small way will alleviate that crisis in a very
positive way.

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

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

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concerns addressed. We were not willing to wait to
have someone else address them for us and have
Forest City try to think of what it was that
cconcerned us and not give solutions. We decided to
weigh it in and we think it was the right thing to
do because in this project, rather than having a
full market rate, 4,500 unit project, there will be
black and brown, Asian, white, low-income,
middle-income and moderate income reserved for
housing there.

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

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

We finally urge the Council to
applaud this project. We urge the Council to become
affirmatively active in this project in helping to
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shape it, and also in helping to support the
community organizations, such as ACORN, that our
credibility, our expertise and our resources on the
line in order to make this 50/50 program happen.
We will be glad to answer any
questions that you may have about the housing. Some
of them we may not be able to answer fully, because
quite, frankly, we don't know what the MTA is liable
to do. But we do know that for the 4,500 units of
housing, the 50/50 program, working with Forest City
Ratner, and with HPD, will be a reality.
Thank you.
CHAIRPERSON SANDERS: Thank you very
much.
If we can avoid applauding, my
friends? It kills time. I'm trying to deal with the
issue.
I do want to recognize that we have a
host of important people in the audience. Of course
we have members of the Minority Business Leadership Council, we have Richard Anderson from the Building Congress, we have an assortment of community groups and civic associations, we have, and of course, we have Council Member Recchia who has joined us, and

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

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

MR. STUCKEY: Thank you.

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

I trust that the community benefits agreement starts -- well, it takes off and soars
above anything that we have seen so far.

MS. LEWIS: You will be pleasantly surprised.

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

I do have one or two questions of transportation, but I believe they will come up on conversation, and I'm stopping here. I may get back in here later if my colleagues don't, which I suspect won't be the case. But I suspect that Council Member James may have a question or two.

COUNCIL MEMBER JAMES: Good afternoon.

And first let me congratulate you on your MOU. This is really historic, the 50 percent affordable housing for the City of New York.

My question is, is this MOU going to
be recorded anywhere so that this MOU will cover all successors, and/or assigns to this project? It will be recorded? It will be recorded where?

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

COUNCIL MEMBER JAMES: Right.

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

So, that will be recorded within the CBA, which, again, is a legal -- will be, and you will see, a legally binding document, unlike most CBAs who have been, you know, well intentioned but
within this MOU and the 50/50 housing program,
therefore, are under HPD.

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

MS. LEWIS: HDC.

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

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

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

COUNCIL MEMBER JAMES: Right.

MS. LEWIS: Right.

COUNCIL MEMBER JAMES: It doesn't
matter.

MS. LEWIS: HDC and HPD had to be a
part of shaping and crafting this in order for the
funding to come down the way that it is.

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

COUNCIL MEMBER JAMES: Right.

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

MR. STUCKEY: Let me just add a point also if I can, Council member, that the program in the MOU expresses the intent that we have to do with ACORN on doing the 50/50 program, and as Bertha mentioned, it will be in our legally binding community benefits agreement, but obviously it would be difficult for HPD, HDC or any other agency to record a legal document for a project that hasn't
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noticed that in the MOU there is no preference for local residents. Where would that be reflected?

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

COUNCIL MEMBER JAMES: All I have is the MOU.

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

COUNCIL MEMBER JAMES: Okay.

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

COUNCIL MEMBER JAMES: Yes.

MS. LEWIS: Again, in working with HPD and HDC, HPD usually has in their housing program a community preference 50 percent, 50 percent for the community board that it sits in.
This program has a preference for Community Boards 2, 6 and 8 and also because of the way the housing works, public housing residents within those areas, and then it starts to go out from Brooklyn, a two-mile to three-mile radius, that is the preference that will be cited in the qualifications once the applications go through.

We have tried to make this Brooklyn center -- now, this is a fight.

COUNCIL MEMBER JAMES: Right.

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

COUNCIL MEMBER JAMES: No, I agree. Just to reiterate, so 50 percent of the units will be for community residents --
MS. LEWIS: Two, six and eight.

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

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

COUNCIL MEMBER JAMES: The whole program, okay.

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

COUNCIL MEMBER JAMES: Okay.

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

MR. STUCKEY: The program basically, the length of the program generally runs for the length of the bonds at least, and typically the length of the bonds are 30 years.

COUNCIL MEMBER JAMES: So, 30 years.

So this only lasts for --

MR. STUCKEY: Typically.
COUNCIL MEMBER JAMES: Typically.

Thirty years. So, it's not permanent.

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

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

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

Typically HPD will cap rents, and will not cap income. In fact, income, for an affordable program, can go up to 250 percent of area median. Under this program, we want to cap the income. Therefore you had the tiering program, where
you just don't have it going to the maximum. So that when people pay, everyone pay 30 percent of their rent, of their income in rent, tier is only going up to $116,000.

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

This goes all the way through to 30 years. I'm going to take it a little bit at a time. We have already calculated in, and every year I think it's like five to ten percent each year.

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

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

MS. LEWIS: Five to ten percent.

COUNCIL MEMBER JAMES: Operating.

MS. LEWIS: Escalating costs.
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will include in the event that energy cost, things like that, are more than ten percent, then what happens?

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

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

MR. STUCKEY: Yes.

COUNCIL MEMBER JAMES: So, why the inconsistency?

MR. STUCKEY: Well, as I said to you before, I also pointed out that there was 1,500, up to 1,500 condos that would be part of this project.
The MOU also talks about the fact that they could be up to 1,000 units of affordable co-ops that would be built on-site or off-site. So, you've got to look at the MOU in its entirety.

And I would say to you, Council member, that we are more than happy to spend as much time with you, here or any other time, to go through the specifics of the program with you.

MS. LEWIS: We're trying to anticipate, the first project was always 4,500, and all this office space, and, you know, commercial space, and I think my partner here will tell you that we've been relentless on trying to figure out how to be greedy and to increase potential as much as we possibly can in changing this. And also part of trying to get more units is because of the vagaries of where we are. You know, we are involved right now in this City Council process. Folks are
trying to kill this project. The MTA may try to
determine, God knows, what is supposedly one man's
ture market value over another.

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

COUNCIL MEMBER JAMES: Now, getting

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back to the MOU --

CHAIRPERSON SANDERS: A final question

or two?

COUNCIL MEMBER JAMES: Sure. Or two.
The first grid, up to 140 percent

AMI, how many units is that actual number?

MR. STUCKEY: We have a slide. If you
can just take a look at the slide and this gives you
a breakdown of the 4,500.

COUNCIL MEMBER JAMES: Thank you.

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

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

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

MR. STUCKEY: If you go back to the
slides, lot number -- just give me a second, we'll
pull that slide up.
MR. STUCKEY: Lot number six was a vacant lot that's adjacent to the Untenberg Building, which in fact we control, as I showed you earlier, and in fact, that building is an unsafe, unstable building that we may be taking down soon. And lot number six, I believe --

COUNCIL MEMBER JAMES: Lot number 33.

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

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

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

COUNCIL MEMBER JAMES: Thank you.

CHAIRPERSON SANDERS: Thank you, Council member.

Council Member Barron.

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

I noticed that last year President Alper was saying that this would create 7,000 jobs,
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7,400 jobs, as a matter of fact. This year I'm noticing that it's saying 6,000 jobs, what process did we use to figure out the numbers?

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

CHAIRPERSON SANDERS: Is that a standard measurement, sir?

MR. STUCKEY: The measurements range, for example, in retail jobs. Often times you'll see statistics as one job per thousand, in industrial jobs you'll often see one job per thousand. In some other economists, for example in the Zimbalist Report, Zimbalist I believe uses one job for every 250
square feet, as opposed to one for every 200. We use one for every 200 because we feel that we have a very good understanding of office development in Brooklyn, as we have developed and own about 95 percent of the offices built in Brooklyn.

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percent of the offices built in Brooklyn.

CHAIRPERSON SANDERS: Thank you, sir.

Council Member Barron.

Thank you.

COUNCIL MEMBER BARRON: Thank you, Mr. Chair.

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

MR. STUCKEY: We have not necessarily broken down anything ethnically or demographically. We have a sense of the -- and I think, Council member, today that Mr. Caldwell from BUILD and
others who have been part of the CBA will talk more
about the community benefits agreement. But what I
will tell you is that in the past, and we can just,
if you don't object I will go to a slide --

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

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

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

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

COUNCIL MEMBER BARRON: Six-thousand
permanent jobs?

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

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

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

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

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

COUNCIL MEMBER BARRON: That's right.

So, those, they could hire whoever they want basically.

MR. STUCKEY: Typically that's what happens with businesses in our country.
COUNCIL MEMBER BARRON: Six-thousand jobs that you claim is being created, this is not really jobs that will be created that you have control over to really offer to our community?

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

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

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

MR. STUCKEY: I can't dispute that.

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

There's a chance of that.

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

COUNCIL MEMBER BARRON: Wait a minute,
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Bertha.

Mr. Chair, I'm trying --

MS. LEWIS: No, when you talk about minority --

CHAIRPERSON SANDERS: My friends. My friends. Wait. Wait. Wait. I'm talking to everyone, and I have the loudest mic. And it's beautiful. When you've got this, you've got power.

MS. LEWIS: He won't give you the numbers, but BUILD will give you the numbers.

CHAIRPERSON SANDERS: Which brings me back, you're going to make a two-second question.

Two seconds --

COUNCIL MEMBER BARRON: I'm trying to be nice.

CHAIRPERSON SANDERS: You're on your time, sir.

COUNCIL MEMBER BARRON: I was talking to him.

CHAIRPERSON SANDERS: Do you have a question?

COUNCIL MEMBER BARRON: I was.
CHAIRPERSON SANDERS: Does that mean you're finished?

COUNCIL MEMBER BARRON: No, I'm not.

CHAIRPERSON SANDERS: Please go to your question.

COUNCIL MEMBER BARRON: So you don't know the answer to that. And you can't assure us that -- and no one can really because these companies coming in will decide who they hire?

MR. STUCKEY: Here's what I can assure you, Council member, is that after MetroTech was built, there are 22,000 people working there that weren't there before, and while I can't specifically give you the demographic or ethnic make-up of those, they are readily and publicly available to the state in a form called an IA 5 form.

So, we can all do the research.

COUNCIL MEMBER BARRON: I wasn't
talking about Metrotech.

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

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

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

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COUNCIL MEMBER BARRON: But let's move on.

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

MS. LEWIS: Well, I did hope that the Council member will be patient, because the CBA, and I've been part of negotiating, even though our concentration is on housing, there has been a concentration on jobs. And the numbers, and the community hiring hall, the way in which these folks that will be doing these jobs get their employees,
and whole independent oversight that will have to meet certain numbers. In this CBA, okay, which the 6,000 jobs, the permanent ones, those are specific numbers that this group will have to reach. So, once they give their testimony, you'll be able to know who to hold accountable and you'll be more specific on those jobs.

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

COUNCIL MEMBER BARRON: But Bertha, the bottom line is that no matter what you come up with, the companies that come in determine who they hire, not you, not your CBA agreement, but companies that come in will determine that.

But let me just get back to some other questions.

The traffic congestion, now you said
you built it in an area where you have a lot of train stations, have you been there at about 5:00, 6:00, with all those train stations already there?

MR. STUCKEY: Yes, I am.

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

MR. STUCKEY: Yes.

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

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

MR. STUCKEY: I don't think that I was proposing it as a solution. I think I was talking about the way projects and plans and what major
planning organizations support, not just in New York but around the world, in terms of doing density around public transportation.

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

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

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

COUNCIL MEMBER BARRON: I'm familiar with the EIS, but usually before an EIS process, the companies usually have some idea of what they're going to do.
I've been through many EIS processes, and no one is ever blank before they go into the EIS process. They usually have some idea on how they're going to approach dealing with traffic congestion, air pollution, but we'll wait for the process. And I'm leaving do have some very pressing meetings, not out of no disrespect for this hearing. I would love to hear from everybody but I do have some very pressing meetings I have to attend. Thank you, Mr. Chair.

MR. STUCKEY: Thank you, Council Member.

CHAIRPERSON SANDERS: Thank you very much.

Council Member Yassky.

COUNCIL MEMBER YASSKY: Thank you. I just want to follow up on a couple of things that both Council Member James and Council
Member Barron just raised, and then I just have two
of my own.

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

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

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

MR. STUCKEY: Yes, and I guess what I
would say, Council member, is that I'm not really
familiar enough legally with now that would work with ESDC, but I do believe that it, I know that it is our intention and we are willing to commit legally in the community benefits agreement that this is our program. So, if we proceed with this project, we will find with ACORN the appropriate mechanisms.

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

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

The one thing that I would like to see is an affirmative approach to this project. I think people do have concerns, and, so, I would like to see the Council Members roll up your sleeves to help us to make sure that this happens. I really
CHAIRPERSON SANDERS: You can stop there, sir. Just stop at the sleeves.

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

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

CHAIRPERSON SANDERS: The State, no.

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

So, I think, again, maybe there's
some other way to do it, but the only way I could
know how would be to build into the ESDC approval.
But I'm ready to work on how to make it real.

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

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

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

CHAIRPERSON SANDERS: Point of information?
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I have been made aware that Madam Clarke is here for the State. Now I've been told I can leave this building safely.

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

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

Obviously the potential traffic impacts that come from the arena versus the office, versus the residential are very different. And I am very much aware of the traffic situation that particularly just on Flatbush and Atlantic Avenues, in fact what I find to be very interesting about it is that in large measure, if you were stand with me...
in the morning outside of Metrotech on Flatbush Avenue, if we could stand together from 6:00 a.m. in the morning until 10:00 a.m. in the morning, what you would find is about 95 percent of those cars are going right over the Manhattan Bridge into the City. It's not because there are cars that are coming to Metrotech or any of the downtown Brooklyn projects. In fact, when I was in the City when Metrotech was begun many years ago, Metrotech in the EIS required us to do a modal split that assumed that you were going to have roughly ten percent of the cars, 14 percent, I forget the exact number, of the people who were going to come by car. What we've learned is that less than five percent of the people come by car, because most of the office workers that come to Metrotech come on mass transportation. The residential residents obviously is done as a separate analysis.
The arena. The arena, if we look at
the events, as I mentioned before, there's roughly
230 or so events that will be held during the year,
44 basketball games. And I hope and pray that
they're all sold out. I hope every seat is taken in
that arena. That's obviously why we're trying to
bring the Nets to Brooklyn.

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

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

The arena and most of the games open,
the games start generally 7:30, 8:00, and if you
look at the specific peak hours, what you find is
that is the end of the peak hour, and that the
congestion in those intersections aren't quite as bad.

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

So, those are the things that we have suggested. But without going through very specific traffic analysis now on those suggestions, it would be I think misleading for me to say that we have the answer.

That's the point I'm trying to get
to, Council member.

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

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

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

Now, I know the Pathmark does a huge business, and that's great. But it was not well
executed. And I'll be honest with you, that's something I hear again and again and again from my constituents, if the folks are doing this, you know, they're the same ones that did Atlantic Center.

MR. STUCKEY: Yes.

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

MR. STUCKEY: Council Member, I'm going to tell you that I believe that you're correct. And I think that we -- and I'm going to tell you that I think that we, if you looked at our portfolio in New York City generally from the designs that we've done at Metrotech to designs that we've done in Battery Park City to the buildings that we're looking to do at Renzal Piano in the New York Times, to the fact that we're bringing Frank Gehry into this project as a world class architect. But I will tell you that when we did the Atlantic Center Project, and by the way, we have been taking steps to change that. We have done a number of
things to change that project, because we recognized that when we did it, we believed, like most people

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

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

CHAIRPERSON SANDERS: Thank you, Council Member.

Council Member Fidler.

COUNCIL MEMBER FIDLER: Thank you, Mr. Chairman.
I will be brief. I am not privileged
to be a member of this Committee, so I apologize to
the witnesses that are going to testify after I pick
my large behind up and go, but I did want to make
this comment. I feel this is one of the most
important things that's happening in Brooklyn, this
project that most of you know I support, and I

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

We passed the West Side Rezoning Plan
and we set 28 percent as affordable housing and said
it was historic, and then Council Members Yassky and
Reyna championed the Greenpoint Williamsburg
re zoning plan and we thought 33 percent was
historic, and then shortly thereafter you broke that
glass ceiling as well to the 50 percent mark, and I
want to commend you for that.

And I want to say about the jobs, you
know, nobody short of Kreskin the Magnificent can
come to this Council and tell us what the
demographics of 6,000 jobs some time in the future
is going to be, but I am as familiar as other
members of this panel are with the unemployment
rates in the public housing projects surrounding
this project, and if five percent, if ten percent of
those 6,000 jobs, and I'm saying that's an adequate
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
6 MR. STUCKEY: Thank you, Council
7 member.
8
9 CHAIRPERSON SANDERS: Thank you.
Council Member Clarke.

COUNCIL MEMBER CLARKE: Thank you, Mr. Chair.

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

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

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

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

The set asides for seniors, first of all, people like to put seniors in a segregated place, seniors will, their apartments will be throughout the development. Also, they will have a mix of studios, ones, twos and threes, because seniors have lived their lives, and they should not be deprived of having bigger apartments.
It's a lot of so-called affordable units for seniors, kind of make them throw out their furniture and have their extended family to live with them.

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

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

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

As part of our community benefits
agreement, we are looking at community facilities
and within that there is a very strong focus on
senior programs. I'm not going to steel Reverend's
thunder.

CHAIRPERSON SANDERS: Thank you. Thank

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you.

Council Member Stewart.

COUNCIL MEMBER STEWART: Thank you,
Mr. Chair.

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

Thank you, again.

CHAIRPERSON SANDERS: Thank you.

Council Member James with a quick
concern.

COUNCIL MEMBER JAMES: Yes.

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

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

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

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

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The question is, if the employment is real and the employment is real for the high rates
of unemployment of black people, where are we with that agreement?

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

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

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

COUNCIL MEMBER JAMES: I would --

CHAIRPERSON SANDERS: If you can wrap
it up, Council member.

COUNCIL MEMBER JAMES: I would hope in

that project labor agreement we incorporate that

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four to one.

I can tell you about a project going

on in my district now, they're doing demolition on a

housing development and some gentleman from Ingersol

Whitman who I associate myself with went down to

look for employment. They tried to, they almost

tried to get them arrested, and I had to go and

intercede.

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

COUNCIL MEMBER JAMES: I can't, again,

unless there's a four to one match with residents

from my community, we've got a problem.

MS. LEWIS: Council member, one last

statement? Can I just say to that point --

CHAIRPERSON SANDERS: One more point.
that this Council stop signing off on non-union developers. That's what I would ask.

COUNCIL MEMBER JAMES: Right.

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

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

CHAIRPERSON SANDERS: Well point. I've
got to get in here. We've got six panels yet to go.

COUNCIL MEMBER JAMES: Okay.

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

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

MR. STUCKEY: Thank you very much.

CHAIRPERSON SANDERS: Call the next panel.

MS. REID: Okay.

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

MS. REID: Deborah Howard of Pratt

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Whoever would like to go first,
please state your name and your affiliation for the
record.

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

What I'd like to say today really has
to -- the issues that our community, and we're a
membership organization of 350 members, we also work
closely with the merchants on Fulton Street, in the
Fulton area business association which represents
272 merchants, mostly minority and woman-owned businesses along Fulton Street between Flatbush and Bedford, and there are a number of concerns that have been raised by members of the community regarding this project.

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

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

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

One question that I didn't hear answered in the presentation with Forest City Ratner was what is the zoning that will be required in
order to build 17 35-story apartment buildings,

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

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

We are not opposed to that. We want to see affordable housing and jobs on that location,

but the process involving the MT and the ESDC in this with a state review process and no City Council review or ULURP process is to us a slap in the face.

Yes, obviously, Forest City Ratner is doing a lot in terms of their discussion with community, but it does not in any way really in the end give us something that's legally binding with
oversight, that is not where the oversight is representative of the community in this Brownstone area.

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

Well, this area is full of two- to
Fourth Avenue, the upzoning there did not have inclusionary zoning. It was too bad, you know, really lost an opportunity for affordable housing. Downtown Brooklyn Plan did go through the ULURP process. But in many areas the environmental impacts were not met. They were not mitigated. And we're concerned that with the State review process, which is actually less stringent than a City review process, we're going to have a number of not mitigated occurrences on the -- foundings on the EIS that will not be addressed. It has been said here, traffic. Air quality. Water and sewer. Right now the Gowanus Canal overflows with effluence once a week. Now, you talk about all that development that's happening in Downtown Brooklyn and, yet, where is there a sewerage plant. There are basic issues that are
affecting the residents now that live around Downtown Brooklyn that are not being addressed in this.

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

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

In terms of Fulton Area Business Association, they are very concerned because of the street closings.

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

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

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

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

Is this huge project, which cuts off streets, is it going to create a barrier between the
Brooklyn neighborhoods that are served currently
with that strip.

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

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

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

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

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CHAIRPERSON SANDERS: Mr. Ketchum.

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

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

I am also Executive Director of Community Consulting Services, a not-for-profit that donates similar engineering services for communities throughout the metropolitan area.
We have initiated progressive planning, like traffic calming, particularly in Downtown Brooklyn, where I live and work.

I am here on behalf of Community Consulting Services.

CCS is a strong supporter of the development in the downtown area, and in the rest of Brooklyn. We spent most of 2000, 2001 educating elected and community leaders about the importance of a strategic plan to reverse Brooklyn's low job growth than the lowest in the region.

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

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

We alone appear to have tracked and
mapped the planned development in the maps before you in the package I handed out.

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

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

The Downtown Brooklyn Plan is the City's chief strategy for competing with New Jersey for businesses fleeing Manhattan, Manhattan rents. This makes ensuring the success of Downtown Brooklyn a Citywide economic imperative.

In the near term, that is 2013, the City is expecting about half the 14.7 million square
feet rezoning that's been already accomplished that
you've approved, and I'm not talking about the
Ratner Project here. About half of that to be built.
Now coming ahead of that completion is the nearly 8 million square feet of the Atlantic
Yards that could come to life in 2008 or shortly thereafter.
This is just about when the almost 20
million square feet that is already under
construction or about to get construction will start churning out trips.
The combination of current development in Atlantic Yards will put over 80,000
more cars and trucks on the streets each weekday and add about a quarter million more riders to our
subways. That's just in the downtown area.
Will our streets and subways be able to handle the added load? Or will the congestion and
crowding preempt the capacity of additional vehicles, and now I'm talking about the 14.7 million
square feet that's been approved. The additional
development will generate in and around downtown. We simply don't know the answer to that. An honest, open complete EIS process for Atlantic yards is our only shot right now, but it can't be done by business as usual EIS's.

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

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

The most critical reform is eliminating the archaic simplistic traffic analyses and EIS's that conceal the real-world impacts in a dense traffic network. The time for environmental assessment to adopt the tools that the City and the State routinely use when they really want to know how a roadway network works, and it's the kind of tools we use every day in our work for the State Department of Transportation and the City Department of Transportation.
You have before you a graphic depiction of a simulation model in the package I handed out, showing the traffic flow or lack of it.

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

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

These are missed entirely by the typical EIS's that report only numerical calculations for each intersection examined in isolation. This other critical improvement can be achieved by the Council asserting a major role in the scoping of the draft EIS, the place where the battle for a forthright analysis is lost or won.
Failure to use the best available tools will deprive you and other decision-makers of knowing the extent of and the remedies for traffic and transit impacts that could otherwise paralyze economic growth and impose huge hidden costs on the public and other drivers as detailed in the report that's included in your packet.

The Council can make this happen by

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

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

CHAIRPERSON SANDERS: Thank you.

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

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

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

At the request of Council Member James and other elected officials, IBO has been in the process of analyzing the economic and the fiscal impacts of the Atlantic Yards Project.

The study is largely complete, but recent changes in the shape of the project have unfortunately forced us to rework some of the numbers. So, as much as we wanted to use this
hearing as a place to present some of those results, the final report will now have to wait a few weeks.

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

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

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

Although these represent subsidy for Forest City, neither results in a new cost for the City's budget, and I'll explain that in a few minutes.
Atlantic Yards will also be using a number of economic development and housing incentives, which are generally available to any qualifying project in the City. These are commonly referred to as as-of-right benefits.

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

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

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

And when we do that, and these are preliminary results, but we're pretty confident that
the final result will show that there is a surplus,
Instead, it just reflects our focus in our office on questions that we think we're best qualified to tackle, and these are the fiscal issues, and we'll leave these issues with other analysts with much greater expertise in those matters.

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

Forest City, I should say, has indicated that the phrase "on and around" could include more of the project, as well. The City's contribution could be used
for site acquisition cost as well. The State's
cannot, according to the MOU.

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

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

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

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

First of all, there is a new Local
Development Corporation that will be created to
finance the arena.

The Local Development Corporation is going to issue $450 million in tax exempt bonds. A separate PILOT agreement will cover just the arena and the parking garage portion of the project. There is another PILOT on the rest of the project. Unlike the PILOT on the rest of the project, the arena PILOT does not reflect what would be an available ICIP benefit. It's the full tax, or the equivalent of the full tax without taking away the ICIP benefit that would be available.

Until the bonds are retired, the arena PILOT is used to pay debt service on the Local Development Corporation bond. Ten percent of any excess goes to arena maintenance, and any remainder after that goes to Empire State Development Corporation.
After the bonds are retired, which would be in about 30 years presumably, ten percent of arena PILOT payments go to the maintenance and the balance still continues to go to Empire State Development Corporation.

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

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

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

So, how does Forest City get savings on this? Because the bonds are tax exempt, the interest rate on the bonds is lower. IBO has estimated that there is a spread of about one and a half percentage point between the likely interest rate that the LDC, the Local Development
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Corporation, will have to pay on the bonds, and the rates on Forest City bonds, if they were doing it privately. And I admit that that is a big assumption, and, you know, that's certainly something that one would have to test before you really nailed down this analysis.

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

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

A second way in which the arena
financing benefits Forest City is that they're not paying property tax while they're paying for the construction.

In a more typical arrangement, a developer’s cost would include both the construction financing and property tax payment, net of tax incentives such as the ICIP.

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

If we assume that a sports arena has a market value, including land of approximately $100 a square foot, then we estimate that the savings over the 30 years have a present value of about $13 million in 2005 dollars.
Much of the land that the arena will be built on is currently owned by the MTA, and therefore it's currently tax exempt. So, the property tax savings for Forest City represent no new cost to the City budget.

You can argue whether the MTA, it should be possible for the MTA have a tax exemption and not make some kind of PILOT payment or the state should not be compensating the City for that, but I think you have to exclude that from this analysis and go from the point that right now there is no property from that land, and under this agreement there would continue to not be property tax from that land.

Fiscal impact. As I said, our preliminary results are changing because of some of the shift from commercial to residential usage, but if we look, if you do it just comparing the arena,
the revenues, the new State and City tax revenues
for the arena, right there they probably exceed the
combined public sector investment.

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

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

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You've got spending by New Yorkers
currently going to New Jersey to go to basketball
games. If they now attend the games in New York,
that is a net gain to New York City.

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

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

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

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

Now, I'm pretty confident that when our final report comes out, we will find that there
Lastly, you know, there's an assumption that the MTA transaction will be done in a way that according to the letter between the MTA and Forest City in February, would be based in one way or another on a fair market price. They now, of course, just issued an RFP that is kicking off that process. We haven't seen the results from that. We have ignored that in our analysis because we just don't know enough about it at this point. So, thank you, and I'd be happy to answer any questions you have.

CHAIRPERSON SANDERS: Thank you. I have taken the liberty of asking my colleagues not to raise questions of this panel, because the Administration is coming and some of them are on a deadline.

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

I want to thank this panel very much. Would you be kind enough to read the next panel.
Thank you very much.
We are very interested in hearing --

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

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

We apologize for the tardiness, sir.

And we understand that you have to leave very
quickly. He's already stated that early in the
beginning of this testimony, as we experiment with
democracy.

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

MR. KALT: Good afternoon, Chairman
Thank you for the opportunity to testify about the proposed Brooklyn Atlantic Yards Development Project.


There are strengths and opportunities in each of our boroughs whether it is in Jamaica, Queens, Hunts Point in the Bronx, the Staten Island Corporate Park, or the far west side of Manhattan.
Last June you and your colleagues
sent a strong message about the strength of Downtown
Brooklyn when you approved the rezoning plan for the
entire Downtown Brooklyn area, by an overwhelming
majority of 47 to 0 with one abstention.

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

New development sites will create 4.5
million square feet of Class A office space. The
addition of new public spaces will create an
attractive environment for workers and residents,
and parking and transit improvements will make
access to and from the region even easier.

Brooklyn Atlantic Yards will build on
the momentum established by the Downtown Brooklyn
Rezoning Plan. Diverse people from around the world
come to New York City seeking the variety of
opportunities the City has to offer.

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

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

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

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

Brooklyn Atlantic Yards is about much more than just building a basketball arena for the Brooklyn Nets. It's about creating thousands of new housing units, hundreds of thousands of square feet
of new commercial office space, 300,000 square feet
of retail space, and more than six acres of publicly
accessible open space.

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

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

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

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

The Brooklyn Atlantic Yards is not
just about new tax revenues, revenues we desperately
need to provide more teachers, more firefighters,
police officers, better schools and hospitals. It's about job creation.

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

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

As you heard earlier today, last week Forest City Ratner signed an MOU with ACORN that will ensure that fully 50 percent of the rental units developed as part of the project to be reserved for low- and moderate-income families.
That's over 2,000 new affordable units added to an area where only about 150 total residential units stand today.

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

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

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

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

We look forward to our continued partnership that balances community concerns while
spurring economic development and bringing much-needed jobs and housing to Brooklyn.

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

CHAIRPERSON SANDERS: Madam, are you speaking?

MS. GROSSMAN: No.

MR. KALT: In support.

CHAIRPERSON SANDERS: In support, I see.

Council Member James, please.

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

MR. KALT: City.

COUNCIL MEMBER JAMES: To the City.

MR. KALT: Just to clarify, the taxes that will come from the surrounding development will
be paid to the City, to the extent on all the non-MTA parcels. On the MTA parcels, depending on how the MTA chooses to dispose of the land, it's debatable whether the MTA has the right to the property tax --

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

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

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

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

MR. KALT: No, this is all non-MTA-owned.
COUNCIL MEMBER JAMES: Okay.

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

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

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

COUNCIL MEMBER JAMES: I'd appreciate that.

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

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

COUNCIL MEMBER JAMES: For example?
MR. KALT: Major, you know, utility or platforming work or things like that. Not platforming in the way we know it's going to happen, but something that comes extraordinary from the MTA parcels.

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

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

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

COUNCIL MEMBER JAMES: Ten-million dollars.

The MOU also talks about an LDC. That LDC is a state public authority?
MR. KALT: It will probably be a City/State-controlled authority.

COUNCIL MEMBER JAMES: City/State?
Okay.

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

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

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

MR. KALT: Presumably yes --

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

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

COUNCIL MEMBER JAMES: And the value
of the City streets, has the City Administration
given a value to the City streets?

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

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

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

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

COUNCIL MEMBER JAMES: Okay.

And who will pay for the platforming
and relocating of the rail yards and the bus depot?
MR. KALT: Well, first of all, the MTA has an RFP out for the site right now, so whoever wins that RFP will presumably pay for the platforming and the relocation.

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

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

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

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

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

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

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

COUNCIL MEMBER JAMES: Okay. And the
total amount of the tax exempt bonds that will be floated for this arena, do you know what the full amount?

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

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

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

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

MR. KALT: If there is any debt -- basically the maximum amount of tax exempt debt will be issued, if possible, under IRS rules and under DOF rules.
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To the extent that that's not enough to cover the construction cost for the arena project itself, the LDC will issue taxable debt, and Forest City will pay the LDC an annual rent equal to the debt service on that taxable debt.

COUNCIL MEMBER JAMES: Got it.

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

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

And you also indicated that the $100 million was previously appropriated to not HPD but HDC had exhausted all of that and they were going to the State Legislature for another $100 million, and the State Legislature as of right now has not appropriated any additional funds for HDC; is that a fair statement?
MR. KALT: This is why I have my assistant.

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

CHAIRPERSON SANDERS: Identify yourself for the record, please.

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

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

COUNCIL MEMBER JAMES: Right.

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

COUNCIL MEMBER JAMES: Okay.

And he also, the Commissioner also, Commissioner O'Donovan also said that with respect to the financing of Atlantic Yards, they have not
worked out, since the Forest City Ratner has not worked out size, zoning, bulk, that they're going to go building by building with respect to financing and that there has not been any final determination with respect to the amount of funds for each building. Is that also a fair statement?

MS. GROSSMAN: Yes.

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

MS. GROSSMAN: Right.

COUNCIL MEMBER JAMES: Got it. Let me see if I have any other questions. Now, there's been several reports, the Mayor issued your analysis, or the Mayor issued a statement that said this project would bring $2
billion to the City. Three days later Forest City Ratner said it would bring -- the Mayor said 2 billion, Forest City Ratner said $3 billion, EDC says how much?

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

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

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

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2 seen, and Forest City has done an analysis, the Zimbalist Report, which was released last year was apparently an updated version of that. I have not seen that yet.
3
4 The numbers the Mayor was citing were
5 roughly off of an EDC analysis.
COUNCIL MEMBER JAMES: And that EDC you will share with us, that analysis you will share with us? And the design, the zoning, and all of that, that has yet to be worked out, correct, with the State?

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

COUNCIL MEMBER JAMES: Right.

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

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

  (No verbal response.)

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

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

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

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

Thank you very much.

Please call your next panel.

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

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

Whoever is ready, let us begin.
MR. GOLDSTEIN: Is Mr. Parrot here?

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

MR. GOLDSTEIN: Okay.

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

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

A rigged MTA bid process; a favored
developer; public subsidies amounting to over a billion dollars; overwhelming traffic and environmental impacts; vast opposition; a State-lead process with all decision-making power in the hands of three men in a room; no City Council oversight;

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

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

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

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

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

Instead, with this 7.6 million square

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foot development proposal, we have maximum subsidies and no local political oversight or community input.

None. And that's a scandalous precedent to embolden. I have two quotes to read. On May 20th, Assembly Speaker Silver was discussing the West Side Stadium on the Gabe Pressman Show, and he said:

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

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

So, beyond the housing subsidies that
may or may not come to this proposed project, the
entire subsidy for the project will be at least $1.5
billion. That subsidy will go towards building an
arenas, and we've heard what Dr. Zimbalist thinks about sports facilities, and building market and luxury rate housing. Why? Why should the public subsidize a money-losing arena, that Forest City will own and collect event rents and TV deals on, and highly profitable market rate housing? Why? I think the clear answer is that we shouldn't. I do not think that the public supports such a sweetheart deal. The only poll taken on the subject, a Quinnipiac poll undertaken last year, says that 65 percent of New Yorkers oppose an arena built with taxpayer money.

Our communities in Brooklyn and around the City are being raped. Successfully raped. That sounds like a strong term, but it's correct. All around this City, this Administration and much of this Council are running roughshot over neighborhood after neighborhood, and supporting billionaire developers as they play out their land grabs with no regard for the aftermath. When is this going to end? When is
this Administration, this Council, going to say

enough is enough and start to advocate for the

people who put you in office? It must end with the

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Atlantic Yards Plan. If it doesn't, if this plan

proceeds as proposed, then more and more communities

are going to suffer the ravages of developer first

community last model, and this City will become

unlivable.

CHAIRPERSON SANDERS: Sir, if I can

ask you to summarize your points?

MR. GOLDSTEIN: I'd like to finish my

statement.

CHAIRPERSON SANDERS: Sir, you have

six other panels waiting to get in there who are not

going to be able to speak. Many of them are your

colleagues.

MR. GOLDSTEIN: Sir, you remember what

happened last year, and there's been plenty of time
given to the other side. I'd like to finish. I'll try to go fast.

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

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

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

MR. GOLDSTEIN: Which points to what I just said about the --

CHAIRPERSON SANDERS: All right.

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

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

Please continue.

MR. GOLDSTEIN: Which leads to another question, why we didn't have a big chamber for this meeting, there was a larger chamber open?
In the case of the Atlantic Yards proposal, as I said earlier, but it warrants repetition, there is no, no, none, none, this is not oversight, no local oversight, this is a hearing. You have no oversight over this project. This development process has been driven entirely by Forest City Ratner, not by our elected representatives, and certainly not by City Planning, who is noticeably absent at this hearing.

For close to two years now, City officials and the Administration have taken a far back seat as developer Forest City Ratner has driven a relentless PR campaign from the back rooms of our City and State offices to promote the corporation's plan, that will most directly impact the community of Prospect Heights, Fort Greene, Boerum Hill, Clinton Hill, Crown Heights and Bed Stuy.

For nearly two years the drum beat of
that PR campaign and the lies fueling it have
terrorized a whole community. And that community has
been left to fend for itself, as our City Council
and our City watchdogs have kept themselves out of
the picture.

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

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

"Look, here you're in an urban area,
you're next to projects, you've got tough kids," the
same Bruce Ratner who has provided construction jobs
to 379 Brooklynites at Metrotech and the company's
two shopping malls over the past ten years. 379.
The same Bruce Ratner who not once in the past ten years has met with the community that live in and directly around his proposed site to listen to them.

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

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

The same Bruce Ratner who wants home owners to give up the right to free speech or keep it and suffer the harrowing wrath of eminent domain condemnation; and lastly, the same Bruce Ratner who says publicly that he will take care of displaced tenants by offering interim housing and the right to move back into a proposed project, while privately kicking them, evicting and clearing away low-income
and moderate-income tenants with no such offer.

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

Bruce Ratner is doing what he does.

I got one more page.

Bruce Ratner is doing what he does.

He worked in public service, as many of his firm's officers have, studied the system and then learned to game it in the private sector over the last 20 years.

He learned how to feed off the public trough, put more risk on the public than himself and then convince his friends in high places that his ideas are the best ideas because he says so. So, Bruce Ratner is doing what Bruce Ratner does. But the people of Brooklyn did not vote for Bruce Ratner to plan our futures. We did not elect him to make decisions about our futures, the landscape of our
community and our money. And we didn't elect Charles
Gargano or Andrew Alper to make these decisions
either. We elected you and the City Council and
Mayor Bloomberg.

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

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this project under City oversight?

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

There is no way in the world that the
ESDC and the obscure PACB know what is best for
Brooklyn. The ESDC representatives we met with were
not even aware that they are paying tenants of Bruce
Ratner's in his Atlantic Center Mall, literally, and
suspiciously, right across the street from the
proposed development site.

Without ULURP, the opportunity to
shape this proposal, or any development of Atlantic Yards, is absolutely lost. So, while it's nice to have this hearing today, and I do appreciate it, I ask that the Council as a whole pressure the Mayor and the EDC to break the non-binding MOU with the ESDC and take back your power or your oversight is done. Anything less than that diminishes the strength of this body negates its commitment to the citizens of the City.

Pro sports in Brooklyn is a fine idea, an arena in Brooklyn is a fine idea. An arena 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 massive office and housing complex, disguised as a housing and jobs program, at the cost of at least 1.5 billion, taxpayer to the City and State, at the expense of five of Brooklyn's most residential communities with no political or community input is
a terrible idea.

If the goal of the proposal is to build affordable housing, then the arena is a side show which would create a minimal number of jobs, according to Mr. Alper of the EDC, and would be a drain on an already overburdened public transportation road, school systems, fire and police.

If the goal is to build affordable housing, then let's build affordable housing, not a sink hole that would diminish quality of life for those living in that new housing.

For this project, the developer, Bruce Ratner, and his friends, try to exploit the community's need of jobs and affordable housing to further his land grab.

The arena is a community killer that is a drain on the treasury. It's a structure that

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will mainly only add to the developer's pocketbook,
while taking up valuable real estate that can be used to build more affordable housing.

Affordable housing and job creation is an imperative. Affordable housing and job creation can be done in many ways. This proposal is the worst, most expensive, and most destructive way to do it.

It's unnecessarily and tragically -- it would unnecessarily and tragically destroy a community to build a monolithic compound that would divide neighborhoods.

It just does not have to be this way. It does not have to be this way, and anyone who says it does is selling snake oil.

I now have a real genuine invitation. I ask you, Committee members, your Council colleagues, to come out to the proposed development site, which is one of the most ethnically diverse neighborhoods in this City, come out and envision this monstrous development plan. Come and look in the eyes of the people who live and work in this part of Brooklyn, and tell them that this project is the best you have to offer them, that this project
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is for their benefit. Come and take a look at what you're allowing Bruce Ratner to destroy. Brooklyn. The home. The community. The essence of New York City that thousands of us love and are fighting to protect.

Come meet the people whose communities you're allowed, are allowing to be destroyed. We can build this housing and create jobs on those rail yards. Anything more than that is a land grab, and tragic if it happens.

Thank you.

CHAIRPERSON SANDERS: Thank you.

Next speaker.

MS. CARPENTER: My name is Candice Carpenter, and I am a real estate litigator with a small firm in Manhattan. But I live in Park Slope and I have a full-time job that is equally important. I am the volunteer head of the legal team, and a member of the steering committee of
I am pleased to appear before you today to present the statement of our attorney Jeff Baker. Mr. Baker is a partner with the firm of Young, Sommer, Ward, Ritzenberg, Baker & Moore, and

as many of you may know, he is the David credited with the recent slaying of an Upstate Goliath. The St. Lawrence Cement Company had planned to build a bohemis cement plant on the shores of the Hudson River in Columbia County. Mr. Baker took the reins as lead counsel for a consortium of grassroots organizations led by Friends of the Hudson who raised $2 million to fight the proposal. Despite their spending six years and $56 million to obtain approval of their project, last month in the face of ever-mounting opposition, the St. Lawrence Cement Company withdrew their proposal.

Mr. Baker, who won that fight, has
graciously agreed to serve as our lead counsel in
our struggle to ensure that Brooklyn Community's
interests are heard and their substantial concerns
addressed. I am honored to present Mr. Baker's first
public statement on our behalf.

Thank you for the opportunity to
present this statement to the Committee, and thank
you for holding this hearing. I submit this
statement on behalf of Develop, Don't Destroy
Brooklyn, the leader of a broad-based coalition of

neighborhood groups comprising the project footprint
and the surrounding neighborhoods.

And I should add that we do not
represent just eight organizations as FCR says that
he has spoken with. We represent 30 to 40
organizations in our neighborhood who are at some
level opposed to this project.

Our members are the ones who will be
misplaced who will live with the years of construction and will have to live with the consequences of a development that will fragment the community and destroy the increasingly vibrant areas that are developing organically without massive public subsidies demanded by Forest City Ratner.

We hope that this is not the last hearing that the Committee will hold on this important issue, and that this Committee and this City Council as a whole will continue to be actively involved in the review and consideration of this proposal, because this project has the potential to do serious harm and to destroy this area of Brooklyn with a project that is completely out of scale with surrounding uses, and which will alter the character of the neighborhoods in a destructive and not a

Equally disturbing is the prospect of massive public subsidies in the City and the State
with little or no economic return and a net drain in
the City's tax revenue.

The importance of this in future
hearings cannot be understated. These may be the
only forums where the public will have an
opportunity to raise their concerns to New York City
officials, and the only hearings where proponents of
the project will be allowed to explain under oath
all of the elements of the project, particularly the
financing involved.

These hearings can provide the
transparency that has been sorely lacking to date.

Our request for future hearings is
required by the apparent acquiescence of the
Bloomberg Administration, to the usurpation of local
Land Use Planning by this State.

As the February 18th, 2005 MOU
provides, the City has agreed to allow the Empire
State Development Corporation to take control of
this project and to utilize State law to override
our local zoning and permitting requirements and to
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avoid the ULURP process and City Council approvals.

There is no need for such usurpation of control and disenfranchisement of the people of Brooklyn.

If this project has merit and the strength to stand on its own, then any zoning amendments could be obtained through the normal process, as should have occurred through the Hudson Yards in the West Side of Manhattan. That project remains highly controversial and there is well warranted criticism of the processes involved there. Just as is the case there, the use of ESDC's power to override local land use approvals, is nothing more than a cynical attempt to push through a project that otherwise could not withstand public scrutiny and would lack the support to garner the proper City approvals.

Make no mistake about it, this project was conceived and continues to develop a back room deal and special interest favors that are shielded from public view. While select groups are
invited into the process, other groups, including ours and our affiliates, and their locally elected Council representative who are critical and have the

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impertinence to ask probing questions have been completely excluded. That is not an open and inclusive process.

What is particularly disturbing is the manner in which elements of the project are revealed in the form of MOU and RFPs before any formal review process begins.

While the MOU was released in early March, no formal designation of a lead agency under SEQRA has yet occurred. No formal scoping process has begun to show that all the impacts of the project are considered, and the recently announced housing proposal with ACORN is also shockingly short of details and commitments and any lack or indication of any support by the appropriate housing agencies, they did not sign the agreement.
That lack of support is actually a good thing because it confirms that no real proposal has been made, reviewed or the funds required for the housing subsidies identified or considered with respect to the other commitment and needs for the housing in this City.

Finally, we are faced with the recent clandestine issuance of the RFP from the MTA for the

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Vanderbilt Yards. It goes without saying that the RFP is crafted in the manner designed for only one bidder and doesn't even hide that intent by providing for an absurdly short response period on a proposal that is so complex that only the developer that has been in discussions with MTA for over a year is in any position to meet.

There is no explanation or justification for the haste of a response, given the lack of progress in the formal review of the
project. Nevertheless, the MTA is continuing its practice from the West Side Hudson Yards and is abandoning its broader fiduciary obligations in favor of one developer with special clout.

Taken together, this pattern is designed to make a mockery of the primary purpose of SEQRA, to consider and choose among alternatives that minimize or avoid the adverse environmental impacts. If an MOU with FCR is already signed, an agreement with ACORN sealed and the acceptance of FCR by the MTA imminent, can anyone really believe that viable alternatives will be given their proper consideration? And there are viable alternatives.

Develop Don't Destroy and their

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Coalition and several other organizations and clergy groups support the unity plan, a plan created with and only after substantial community input was made into its objectives and design and which provides for residential and commercial use of the Atlantic
Yards in a manner that respects the scale and the fabric of the community and does not rely upon eminent domain. That plan has not been given any governmental consideration, and if ESDC, the MTA and the Mayor proceed on their current track, it will not.

Instead, the powers that be are enamored by the FCR proposal and proclaim it to be an economic windfall for Brooklyn and the City. But the financial details do not add up.

There is not enough time today to go over all of the details, but one stands out. FCR will not pay property taxes for the arena to the City of New York. FCR will make PILOT payments but those will only go to retire the debts of the public financing used to pay for construction of the arena, estimated to be between 450 and 700 million dollars. After the debt is retired, presumably 30 years from issuance, the PILOTs will go to the State. How can
that be a good deal for the City?

Full disclosure, involvement of all of the community in the review, fair consideration of alternatives and preservation of local land use planning. Those are the issues that this Committee and the Council should insist on.

We urge this Council to take whatever steps are necessary to assure that those things happen. Thank you.

CHAIRPERSON SANDERS: Thank you.

Professor.

PROFESSOR PEEBLES: Greetings. Thank you for inviting me here today, and thank you for having the hearing.

So, I'm only here to argue about the finances. Actually, believe it or not, I'm not invested in whether these buildings or an arena are in my neighborhood in Brooklyn at all. What I care about is the massive misallocation of precious City resources in the hands of a billionaire.

Now, instead of arguing the fine-tune economic analysis of this point, which I've done in 30 pages and it's available, some of you may have
seen it, I'm going to focus instead on the broader foundational argument about what's wrong with the financing here.

Because I've been struggling to understand it for about a year and a half, why something this irrational could possibly be happening in a democratic system, and here's what I stumbled onto recently.

There is one thing we know about monopolies, after many, many years of economic studies, they keep prices higher than they need to be.

Now, it's a little dirty little secret, did you know that Forest City Ratner, with the exception of a paltry few floors above the Marriot Renaissance, has built and owned every inch of Class A office space in Brooklyn?

Okay, I suggest to you that as the fourth largest City in America, this is thoroughly inefficient.
embarrassing. Crawford Texas probably has more competition.

But I also suggest to you that it provides strong evidence for atrocious and short-sighted City planning. Why do firms keep moving to Jersey City, we endlessly ask ourselves?

Perhaps it's because if they want to move to Brooklyn, there's only one person to talk to, which is about as bad a negotiating position you can imagine, if you're a business owner worried about profit.

Monopolies, classically, also produce grave threats, such as we're the only people who can possibly build this. Council Chairman Gifford Miller has pointed out how absurd this is on the West Side, and it's equally preposterous here.

We all know that if there was a legitimate open bid, many, many, many people would
be trying to buy that property.

Monopolies also scare away other developments, countless jobs. What sort of developer wants to operate in this kind of climate where everything happens behind closed doors and with sweetheart deals to prized friends? You can't compete with that. You're better off going somewhere else. Crawford, Texas, perhaps.

Monopolies, via their threats, also cause a proliferation of ludicrous subsidies, thereby hitting citizens with a double whammy.

Monopolies are by nature not efficient businesses and thus they allocate capital poorly. In giving FCR $100 million, you, too, are misallocating capital improperly, lining the billionaire's pockets, just as governments do across the country when they subsidize arenas and stadiums. Take a look at the cost per job and you'll a grotesque, a grotesque misallocation of capital. And
misallocation of capital that a free market would never produce.

Now, this is today's numbers from FCR. These aren't my numbers. Six-thousand permanent jobs, $1.1 billion in subsidies. Quick calculation, $183,000 per job. Thirty-five thousand dollar federal maximum on the per job cost. So, why does the feds put a max on the per-job cost? Because whenever it gets over about 35 grand, it usually means that it's a massive misallocation and inappropriate use of capital.

You could produce a lot better jobs than spending 183,000.

Now, I also suggest to you that the reason why that number has gone much, much higher, even by Forest City's account is because you're in the process of subsidizing a profitable housing venture, instead of a commercial venture, they've
taken away the commercial real estate and they've added housing, which everyone knows you can make money hand over fist in this. So they don't need the subsidies.

  Okay, think about it for a second. How awful must their business model be? How riddled with inefficiencies, if you can turn a profit on 24 acres on cheapened land, in a neighborhood that has seen market increases of 59 percent in the past year. Other developers would love to get their hands on this land without the subsidies.

  So, ask Mr. Jim Stuckey why does he need the subsidies? Because, again, that's all I care about.

  Can we see the balance sheet? Is it true that their margins are that paper thin, that if we don't give them the money they're not going to turn a profit? Are they really doing it out of the goodness of their hearts, only because we're paying them? I don't think so.

  And don't tell me that we're paying for the platform. Because as soon as you admit that, the obvious smart move would be to parcel the land
off and then the City would make much more money. This is sort of like if you have a right -- if you have, the choice is real estate on the oceanfront in America, but you don't have the right of way. You know, you can either sell the land, and at a low price, or you can negotiate the right of way. And then you could sell it for a lot of money. If the City were to build a platform, which actually I suspect they are doing, which is why there's $200 million in so-called infrastructure costs, but we're pretending like they're not paying for the platform, you know, the smart thing to do with the real estate investment is to get the right of way.

So, this is urban planning 101. If he were paying for this platform without the subsidies, then I wouldn't have one single complaint, okay? Like the as of right subsidies that every developer would get on this land, I mean I have some philosophical problems with that, but it's
the transfer payment of 100 million from the City
and 100 million from the State, but I have serious,
serious concerns with it, because it's just a
housing project. It might make money anyways.

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So, are you subsidizing the arena
only? At least I heard the IBO was saying, or the
entire project? Because you can't have it both ways.
Either you're subsidizing a standard
real estate development which would be manifestly
unfair and unnecessary, because they're making money
hand-over-fist, or you're subsidizing a sports
arena, which Councilman Miller knows better than
anyone is an idiotic way to spend public money.

So, all I'm suggesting is that as a
City Council one of your premiere duties is to
foster a good business climate, not to promote and
provide favors for a monopoly. And if there's one
thing we know about the Brooklyn Atlantic Yards
Project so far, it's not occurring in what any businessman, other than Bruce Ratner would think was a good business climate. Now, think about it again. When somebody gets treated like they're the Messiah, oh, this is the only person who can provide the jobs and the development here, that's usually a good sign of a monopoly. That they're the only solution? I suggest to you that the spirit of American entrepreneurialism would come back to you on that.
Let me thank this panel very much. We may, I think we can at least get through the next panel.

Would you be kind enough to call the next panel.


CHAIRPERSON SANDERS: After you sit down, if you would identify yourself, you can begin.

MR. BRAGGS: Thank you. Good afternoon. I'm Kyle Braggs. I'm a Vice President, SEIU, Local 32BJ.

I want to thank you, Chairman Sanders and the rest of the Committee for having me here today to testify in favor of the support of the

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Atlantic Yards project.

Sometimes developers come before New York City Council and other elected bodies with
projects that will only benefit themselves.

When an enlightened developer, such as Bruce Ratner, and the Atlantic Yards Project, which is going to do more for the communities of Brooklyn and New York City. That's why I'm here. For that reason I'm here to applaud this project today.

New York City definitely needs good jobs and affordable housing. This project will deliver both. This development creates 66,000 new housing units, of which 50 percent, 50 percent will be affordable to working families.

The project will create 15,000 construction jobs with over 6,000 permanent jobs. Of those permanent jobs, hundreds of permanent building service workers will be employed, which will give good wages and health benefits to those workers.

The Atlantic Yards Project will benefit those people in the community. A lot of those jobs will go to those people in the community, which is greatly needed.

Our union represents 55,000 building
and service workers in New York City, 90 percent of those live here in the City. Over 12,000 of them live in the Boroughs of Brooklyn, throughout the different boroughs, throughout the different communities in Brooklyn.

This project will be good for Brooklyn, it will be good for New York City. Over the past two months our union has talked with many of you in regards to Williamsburg, Greenpoint project. We came before you to make that project a better project. You responded and we won a guarantee over three percent of that housing to be affordable housing for working families in this City.

That was a great victory for the Council and we thank you for that.

The Atlantic Yards Project sets an even higher bar than the Greenpoint Williamsburg Project does, for giving back to the community in housing, affordable housing and in jobs.

Good jobs will be created, affordable housing will be built. Just as you support a good plan at Greenpoint Williamsburg, Local 32 BJ asks
you to support a plan to support the Atlantic Yards.

Thank you very much.

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CHAIRPERSON SANDERS: Reverend Daughtry, would you be kind enough to get up there.

No, no, no, you guys stay. I'm trying to even out a panel.

Sir, you will begin.

REVEREND DAUGHTRY: My gracious, you know, I'm speechless.

CHAIRPERSON SANDERS: I've been told that never happens.

REVEREND DAUGHTRY: First of all, my name is Herb Daughtry. I served as the National Minister for the House of the Lord Churches and for the Brooklyn Congregation's Pastor. I am the Founder and President of the recently formed Downtown Brooklyn Neighborhood Alliance, and to you Mr. Chairman, and to all of the members of the Council,
how delighted I am to be here and for the
opportunity to say a few words on behalf of this
project.

I want to applaud Mr. Jim Stuckey and
Ms. Bertha Lewis of ACORN for their presentation
earlier.

Mr. Chairman, I'm now 75 years old,
this is my 46th year in the ministry. Forty of those

years were spent in the church in the downtown area,
happens to be several blocks from where the project
is proposed.

During those 46 years, I have
negotiated and struggled and fought and gone to jail
and struggled from Bancoc to Baton Rouge to Boston
to Ireland. And this package, this package that we
have presently negotiated is the best package that I
have had occasion to participate in.

I am formerly a member of Dr. Martin
Luther King Jr.'s Operation Bread Basket, with
Jessie Jackson and Rainbow Push, and interesting enough, by the way, 1977 we negotiated an agreement with Downtown businesses, which was a ten-point agreement, which formed the basis of the present negotiating document, at least from our perspective.

Mr. Chairman, I've heard things that were amusing, if, in fact, it were not so serious. Sacrosanct holy cows have been raised as those not to be touched.

I heard that the clock, the glorious Brooklyn clock must not be tampered with. I don't know, I heard recently that it had already been sold. And guess what? They're going to make luxury

condominiums. I hope the Lord will allow me to retire long enough to see what happens when this comes to pass.

I don't know if you know how many developments are going on in Brooklyn, oh, man, all
across the landscape. I've always found it interesting that somehow this project consumes everybody's energy and attention. Somebody has said, and I'll testify, because, you know, one thing about being old, Mr. Chairman, you don't have to take it secondhand, you were there, and I remember -- somebody shares my age group -- how this place looked.

Another thing is the sacred cow, this eminent domain. You know, I come out of a people who always viewed all government agencies with suspicion. I heard a speaker use painfully graphic language a moment ago and talk about rape. Our communities are being -- I wonder which communities he's talking about that have suddenly been raped. I have been a member of the community of the rapee, for hundreds of years, and other communities that I dare not mention, have been a part of the rapers. Therefore, we have struggled against government.
There was no sacred cow. There were no sacrosanct, and I find it amusing because we have elected people that we though would carry that kind of struggle inside government, and we find it interesting that sometimes, sometimes that those we elected now seem to be holding government as some sacred untouchable power, you must not touch this.

I happen to represent at least a broad section of community, quite frankly, who wouldn't know anything about ULA (phonetic), and who would probably think ULA was some kind of woman you was going to date. So, ULA is not the total arbitrator in our communities.

Now, let me hasten to add, I've always respected government, always respected ULA and all the other entities, but I heard Councilman Yassky say something about, I think they were talking about the environmental, what do you call that?

COUNCIL MEMBER JAMES: EIS.

REVEREND DAUGTRY: Thank you. Yes, coming in. But he said, talk to anybody in the community, they dismiss that. So, it seem that governmental agencies, including government, is
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built to respond to the pressure, where the pressure is put.

But let me say, after saying all that, I support the project, 150 percent. You heard all the statistics, but I find it interesting that the area to which my organization assumed the lead has not been discussed. Only Councilwoman Clarke raised the question of senior citizens. When we negotiated, and we were in the process of consummating this negotiation, there were areas that we wanted to take the lead on.

When I was going through Seminary, in one and going out the other, we coined the phrase, and that was about 1960 something as metropolis began to expand, and we coined a phrase, and we called it "we are challenged to humanize the metropolis.

And toward that end, we struggled so
that the metropolis would not become just sticks and stones and stealing profit and stuff. Therefore, our organization is the lead organization on day care centers, the concept of senior citizens, that is senior citizens, day care, youth centers and health facilities, in fact that was left off Jim Stuckey's

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board.

Those areas, we have the responsibility of assisting in the design as to where they're going to be put in the 21 acre area. We'll have some say in terms of the construction. We're going through this process now. It so happened that some of us have been in day care for years, and we kind of know how it's supposed to function. These are the areas that we are concerned about, which will humanize the area.

The other thing as it relates to the arena, that's another area that our organization is the lead organization, in the negotiation we have
negotiated a percentage of the profits to the community. We're in the process of negotiating. We have negotiated a certain number of days that will be available to the community. I could tell you where we are in terms of days, but I would violate the principle of negotiation somebody taught me.

We have negotiated a certain number of business. Some other people will speak to that, as to how many minority and women-owned businesses will be in the arena. Okay, and I can even go on to talk about, you know, box seats and places that our children will be able to go which we hope to use as an incentive, particularly in the SURR schools in Brooklyn. I could talk about number of tickets. I could go on and on, but the point is the arena is going to be just a great big hunk of sticks and stones. And in fact, you know what? We even
negotiated, I did call it a Chapel, but Patty Hagan
gave me such a hard time when I called it a Chapel,
so we changed the name, it's a meditation room. And
now Patty Hagan is satisfied with the change of
language. We've even negotiated that as represented.
So, Mr. Chairman, I wind up by
saying, I heard somebody say, I heard somebody say a
long time ago, Italian, Irish, kind of made it up,
in and up, through the public transportation systems
that were being built and other kinds of buildings
that were taking place. And some of us feel very
strongly that this construction that is going up,
that we have a chance, we, people of African
ancestry, Latino, people who are left out,
marginalized people, the rapees, yeah, we have a
chance to buy into this construction.
Always concerned about ED. I wanted
country, some say it's good, some say it helped out, some say it destroyed our community, so it's no absolute, only God is absolute. So, it's a chance for many of us to get up on it.

And in respect to Forest City Ratner, it has been said before, I don't know who said it, I have never been at a table where the opposition were as responsive as the Forest City Ratner's people, that it has been the kind of negotiation where we say, listen, we want the best for the community. This is my reality, you got to deal with this, as I think I represent the people, this is their reality, and so we go at it that way.

I think Forest City Ratner deserve the highest commendation. They have been responsive. They have been caring in all of this process, and when this is completed, you know, as I said, I'm 75 now, 46 years, and I can go out to the church and look down the street. I don't have to take a plane now to go to Berlin or go to Baton Rouge, I don't have to take the subway. All I need to do now is just walk down the street, and when the project is
completed, I want all these people here who pose it, will bring their little children to the six-acre park with flowing fountains and flowers and enjoy in fact what we have brought to pass, which is a making of history.

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

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

REVEREND DAUGHTRY: Thank you, Mr. Chairman.

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

We will end this with the, we have
one final group of cons, that we're going to try to
sneak everybody in.

I would encourage you to speed up
just a little bit, sir. Thank you, kindly.

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Is George Riley in here? Well, if he
was in here, he left his license downstairs, and you
don't do that in New York.

Sir, if you can identify yourself for
the record and begin.

Wait, who is the next panel so that
they can at least be aware? We're trying to squeeze
as much as we can into this time.

MS. REID: Is Bettini Damiani here?

Brad Lander? Sandy Balbozoa?

CHAIRPERSON SANDERS: Okay, stop. I
said three.

Sir, would you go ahead.

MR. HEYLIGIER: Good afternoon. On
behalf of Minority Business Leadership Council. My
name is James Heyligier. I'm the Co-chair. The Council is made up of about 17 of the largest minority, woman-owned business trade associations in this fair City, and we're primarily responsible for the recent law passed by the State called Article 15A, which guarantees the percentage of all of the procurement of the New York State be given to minority and woman-owned businesses.

I'm going to defer from my written

COMMITTEE ON ECONOMIC DEVELOPMENT remarks, based on some things that I've heard, there's been a lot of statistics, you've already got plans.

I want you to understand something, though. I've known Forest City Ratner's organization. I'm not talking about Stuckey or Bruce, I'm talking about the organization itself, since the 1980s.

This organization has always, not
recently, has always considered minorities and women an exclusive part of economic development. I also take exception to some of the last comments that were made which infers that blacks and Hispanics can't plan and design a program to meet our needs, that by some reason we're being misguided here.

This plan, this plan was designed by us, not by y'all or fat or wherever you come from, this was designed by us.

(Video shown.)

CHAIRPERSON SANDERS: I don't know what that was. So you were saying, sir?

MR. HEYLIGIER: I want you to 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 housing is going to our people, it's going to our people.
3 I know she trusts the people and us
in our fight for minority business over the last two
or three decades, when we tell you these jobs are
going to be delivered to our people, they're going
to be delivered to our people or there are going to
be no jobs. That's exactly how we function.

The monitoring is going to be done by
us. And let's talk about the PLL. Because I ain't
always been in love with the union. And it certainly
ain't in love with me. Because I clearly understand
how some of our people have been left out by them.
But when the brothers talk about the painters union
and the carpenters union, those are progressive
unions that understand who and what we are and they
work with us. We're going to turn the other unions
around.

I don't care what kind of PLL they
made with the Mayor, the PLL they going to make on
this Brooklyn project is going to favor our people.
That's exactly what's going to -- so let's
understand that this is a project that puts our
people to work now. Not 20, 30 years ago. It seemed like every time there was a project or a plan that involved giving our people something, people get interested in, nobody wanted the Hudson Yards until the Jets came. Nobody wanted the Atlantic Yards until Ratner came. All of a sudden it's being misused and misguided.

Let me simply say this: historically this organization, and I'm talking from top to bottom, my complaint always with the Dinkins Administration is he had one scenario, his people in middle management had different scenarios so we got locked out. That's why he wasn't reelected.

And Ratner's organization, you go on every dot and t in this project or he going to put you out (sic). And we'll identify those who don't identify.

So, I'd like to say this very simply: this plan originated with the minority community. Rather embraced it, but it's not nothing new to them. We just put a title on it.

And let me tell you what's
unprecedented, because it sets a new standard. We actually are going to own part of this. We people,

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black and brown, will own part of this project. This ain't no hand out. This ain't no chicken dinner, or taking to a dance. We put some of our money in here and we're going to own part of this project. That changes the whole paradox of economic involvement of the City of New York. You use our tax money, then you're going to let us allow to be invested in (sic), and when Bruce Ratner, and other organizations which I won't mention here, allows us to invest our money and our own land for a change instead of us being cropters (phonetic) and renters, we're going to own and dictate what happens here.

No, the dime has changed to a quarter.

CHAIRPERSON SANDERS: Ninety seconds left, sir.

MR. HEYLIGIER: I will say simply in
closing, to some of our brothers and sisters who are concerned about whether or not these jobs are real, whether or not the housing is real. We have worked very earnestly to put checks and balances on how this is going to happen.

I can't say that I have all of the answers to people being removed and relocated.

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Because I understand for our black people, urban renewal has been our death toll. I understand that. But when it comes to the issue of housing and jobs and economic development, we've got this to -- we got a handle on this. I guarantee you we will deliver. I thank you.

CHAIRPERSON SANDERS: Thank you very much, panel. I'm going to try to get my last panel in here.

Sir, I've got to apologize, I've got to put my last panel in. I've got to apologize. I
call certain names. This is your time, my friend.
5:00.

MR. CALDWELL: My name is James Caldwell. I'm the president of BUILD, Brooklyn, Brooklyn United Innovative Local Development. I'm also the president for the 77th Precinct, Community Youth Council, and have been for the past seven years.

As president of BUILD, I've been there for approximately 16 months.

First thing I want to say, I want to give all thanks to my Lord and Savior Jesus Christ, for giving us this opportunity to be here, because truly without him we would not be here.

I also want to thank Forest City Ratner for working with our community. Because too often in our community, people say that we were not good enough to negotiate when others have always been negotiating for us.
I also want to say when I was 19 years old, that my mother had lived in this community of Prospect Heights for over 50 years, and when I was 18 years old, back then you could go to college for free.

I couldn't go to college for free in my community because I had to support my mother and my sisters. I joined the military, which I was proudly (sic) to do, because my father, my brother and everybody in my family have served in the military. We have served our country.

I had to go in the military because I had to support my family. Let me tell you something: nothing has changed. It's the same thing that goes on in our community right now. Fifty-five percent of the blacks in our community, 55 percent, 55 percent are black males in our community, are unemployed. Are unemployed.
CHAIRPERSON SANDERS: You were saying, sir?

MR. CALDWELL: Fifty-five percent of blacks in our community -- I'm not even looking at the housing complex where it's over 70 percent, but in the community where I live, the community of Crown Heights and Prospect Heights, our peoples are unemployed.

Every time you see two black males walking down the street, one of them don't have a job. And that could very well be anybody in this room that's black. And I'm not ashamed to sit here and say that we are happy to be at the table to negotiate for our community for jobs, because we need jobs in our community. But not only are negotiating for jobs, we negotiate for opportunities, we're negotiating for concession stands with the arena, we are also negotiating, more importantly, that we started having the attitude like Harriet Tubman. So we could bring people to the comfort level like she did. If she could do it with having a sleeping disorder, certainly those that don't have a sleeping disorder certainly can do it for our folks, especially our elected official, the
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one that we put in the office, the one that we
worked hard for. And when I hear people say that,
well, they're coming in, Forest City Ratner is
coming in, and he's doing this, he's doing that --
you know, you all bring these experts to the table,
people that are making a hundred thousand dollars a
year that don't live in our community, you know, got
a place to go to, whereas we have people in our
community that are struggling. And Council Member
James, you know they are struggling. You know how
hard I worked on your campaign, with a triple
bypass, a bad corticipet and pneumonia, going
door-to-door, and you know what the people said in
our community.

So to come here and say that Forest
City Ratner is using us is totally ridiculous. You
know, for you all to say that, how tall a building
it's going to be, let me tell you something, people
in our community, they don't care how tall no
building, they need a job. They need to feed their
family. And then you talk about the traffic. Let me
tell you what the running joke is in the community,
because we don't have the daily tabloids, the
Brooklyn paper and this and that floating through

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our community, we do our own little newsletter to
get word out, like they used to do in Africa about
beating the drums and just letting people know what
is going on.

But let me just get one thing

straight. The running joke in our community is this:
Traffic. First of all, I'd like to get me a job so I
can buy me a car so I can sit in the traffic.

So, let's get rid of this thing --

and then when you talking about the nerve of you all
when you did your RFP, for the little $10 million
that you appropriated to deal with the unemployment
in our community, you write the RFP in such a way
that people like us can't even participate because you want to go back to the same old traditional way, that's why unemployment is still high in our community because you all don't want to break the cycle. You want to send it to your friends, your family and the ones that are in the click. Well, I'm telling you, it's time to change that, and the change should come through you. They had term limits, to bring faces in, to make changes in our community. And especially, I'm not ashamed to say it, especially in the black community, and Forest

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City Ratner is doing that, and then you're going to come out here and complain because he's trying to help our people. Yes, he's like an angel sent from God.

Thank you.

CHAIRPERSON SANDERS: Your last panel, Ma'am. Your last panel, Ma'am. Read the names again.

MS. REID: Bettina Damiani, is she
CHAIRPERSON SANDERS: Keep reading til we get three. Okay, I see two. Oh, wait. Wait, wait, we got three. You're the third. Oh, Bettina, yes, come on up here, please.

All right. Now that's all she wrote, my friends. No, my friends, please continue. Go for it. We've got 15 minutes here.

MS. DAMIANI: Okay. I'm not going to read my testimony. My name is Sandy Balboza, I'm President of the Atlantic Avenue Betterment Association. It's a membership organization of merchants and residents on and around Atlantic Avenue, and we're right at this proposed site.

I just want to say that I was involved in a process called the "Hoyt Schermerhorn Committee on Economic Development Urban Development Sites," and it was a community-based process. We had parking lots over
the subway station. I lived on Atlantic Avenue for 35 years, and we're just starting to get the construction going. So, I've lived past, so I've lived and walked past these areas.

But I think the problem that my organization has with this project is that it's not a community-based project. I know people have said it is, but we got our recommendations in the RFP. We work with the Borough President. We actually have a Borough President's Task Force. Unfortunately, the Borough President Marty Markowitz, even though we're still working on it, hasn't, you know, done the same thing for the Atlantic Yard Project, it was started by Howard Golden.

Also, the merchants on Atlantic Avenue lived through a three-year watermain project and lost 30 to 50 percent of their business. Now, these are people that lived locally and had started businesses on Atlantic Avenue and, you know, have aspired to make a living, make the community a better place to live. And the 30 and 50 percent losses that they suffered at the watermain project,
there was no compensation, and this huge, huge, huge
project with 600-story -- no, 600 feet buildings,
skyscrapers are going to impact them and probably
put a lot of them out of business.

Also, one building from a Ratner
Project, 330 Jay Street, the courthouse, impacted
Atlantic Avenue, which I think is about six blocks
away, because they want to take 200 feet of our
sidewalks to make a designated right-hand turn. So
we get to go to the court.

So, this project will impact all of
us, even the people who support the project, and
we're not against development. We do support the
unity plan which was created in a workshop with
community participation led by Councilwoman James.

And I don't want to take up any more
time, but my testimony is there, and it would have
just been repeating what other people have said.

CHAIRPERSON SANDERS: Thank you.

Madam.

MS. KHAN: Good afternoon, Chair
Sanders, Council and Committee members. Thank you for this opportunity to speak today. My name is Mafruza Khan and I am an Associate Director for the

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Pratt Institute Center for Community and Environmental Development.

The Pratt Center is an advocacy planning organization, and we work for a just, equitable and sustainable city for all New Yorkers by empowering communities to plan for and realize their futures.

The Pratt Center supports appropriate development for the Atlantic Yards site, specifically development that will improve the overall quality of life for all by providing housing for a wide range of income, living wage jobs with career ladders, and other public amenities.

We believe that large scale development projects, like the proposed Brooklyn
Yards Project, that involved public subsidies, public land, and discretionary actions should share the benefits of growth with all members of the community, particularly low and moderate income Brooklynites.

In March we issued a report titled "Slamdunk or Airball: A Preliminary Planning Analysis of the Brooklyn Atlantic Yards Project," which aimed to help inform public debate and provide stakeholders with a framework for examining the assumptions about the costs and benefits of this project.

While we think that the proposed project offers some benefits, especially affordable housing, some good jobs, and a facility to host a wider array of events in the area, there are significant omissions that we are concerned about. First, balancing the needs to maximize value for MTA with community goals and
broader public purpose. While we believe that the recent announcement by MTA to solicit bids for Brooklyn Atlantic Yards is better than engaging in private negotiations with a single private party, the highest price for the Yards should not be the sole end goal. Rather the City and the MTA should collaborate on a process that meets both community goals and generates fair value for the MTA.

The July 6 deadline may not give sufficient time for developing viable alternatives that are conducive to thoughtful planning. Second, insufficient information on two key issues, public subsidies and traffic impacts.

I will not go into details about subsidies here, because Bettina from Good Jobs New York is in a better position to give details about that, but given the wide divergence in estimates
from 200 million to 1 billion, we emphasize that it is impossible for the public to know whether this project is a good deal without knowing how much it will cost to taxpayers. It is like being asked to buy something without knowing its price.

So far the developer has also not provided a meaningful information on traffic impacts. A recent study by community consulting services finds that Downtown Brooklyn's infrastructure will be overwhelmed by the more than 40 million square feet of planned and current development in the next 15 years.

The study also estimates that the thousands of jobs and new residents that the Brooklyn Atlantic Yards project will bring, beginning in 2007, will generate 8 million additional vehicle trips per year.

The economic cost of the additional cars and density is expected to cost $76 million a year. Any large scale development project for the
Atlantic Yards site should have a plan for big picture thinking about Brooklyn’s Transit infrastructure. Public cost for mitigating potential traffic impacts from the project should also be factored until the fiscal analysis of the project.

Third, a narrow interpretation of community benefits agreement. For a large scale private real estate development project in New York City, the Brooklyn Atlantic Yards project does better than most in providing housing for low- and moderate-income people. However, the negotiation so far has served little to unite the community, rather it has been a divisive process.

Community concerns such as public schools, public safety and neighborhood services have not been addressed in the discussion over community benefits.

As the developer has so far only welcomed a narrow group of community organizations to the table, a community benefits agreement can only be successful if it truly represents a broad coalition of diverse interests that is 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
In the case of public schools, such a strategy should include investments in improving and expanding facilities, attracting and retaining teachers and supporting innovation and professional development, as well as personal leadership and investment from the developer.

Similarly, any development for the site should ensure quality jobs with opportunities for career advancement. We would like to see a more innovative approach, including an on-site center paid for by the developer and tenants, in collaboration with the City, that addresses not only local recruitment, but also job training, promotions and advancement, financial literacy and asset-building strategies for employees and community residents.

Finally, the lack of a transparent and accountable process. The process through which
this development has been advanced has not been sufficiently fair or accountable. Planning for the project was initiated by the developer, considering the best site for a basketball team he was purchasing and a large-scale mixed use project. No officially sanctioned public planning process took place in advance to consider various alternatives for use of the site so that it emerged from genuine community input.

I would like to conclude by saying that an appropriate development on the proposed site can be a win-win for all stakeholders. It is prime real estate that offers an excellent opportunity for developers to make a profit and for the community to get substantial economic benefits in a neighborhood characterized by rising real estate prices, rapid growth and pockets of poverty.

We urge elected officials to play
their role in ensuring that the site be developed in a way that serves as a model for equitable, accountable, transparent and participatory planning and development for future development in New York City.

Thank you.

CHAIRPERSON SANDERS: With seven minutes and two speaker to go, Bettina.

MS. DAMIANI: Good afternoon. My name is Bettina Damiani, and I Direct Good Jobs New York. I will be brief and just highlight some areas of my testimony.

First of all, thank you for having this hearing today. One of the concerns that we have obviously is the goal of Good Jobs New York to make sure when subsidies are given out in the name of private development that good jobs are created.

One of the concerns that we have had
being developed. The RFP that was released yesterday, seems to come after MOUs and other agreements have been made on the site, and we think the process should have started with an RFP and that kind of makes things move along so we have a better sense of what's expected at the site, and also for the subsidies.

We've heard ranges from $200 million to well over a billion dollars on what the subsidies are. We would love to be able to have a better sense of what those area. They are as of right subsidies that the IBO talked about, but I think we need to keep a very keen sense of what discretionary subsidies that developers are going to ask for on the site.

They could be endless, and they could make up their own programs along the way.

Any subsidies that are given out need to be done in the name of good jobs. Unfortunately, much of what seems to be happening now is we're going to have high-end commercial development and low-end retail. There seems to be a lack of opportunity for jobs in the middle. Low-end retail
are often not enough to lift a family or a single person out of poverty. That's one of our bigger concerns. The area around housing, huge, huge development, very positive. Our only concern really is the labeling of calling these things a community benefit agreement.

Good Jobs First has worked with cities around the country on community benefit agreements, and what CBAs will do is address many of the concerns that we've been hearing today, housing, jobs, the environment, transportation, local planning. And everybody works together at one table and then moves forward in dealing with the developer.

What seems to be happening here, and that's not to say that much of the progress has been made doesn't deserve credit because it does, but it's not a genuine CBA. You cannot compare what's happening in New York City right now with a staples
agreement, which is considered a landmark CBA. To do so would really dilute any future opportunities for real CBAs to happen in this City. So, that's not to say there have not been great agreements happening, but to consider it

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a CBA just really is quite unfair to the process and to people that have worked around the country to develop genuine CBAs.

Finally, the issue of the type of subsidies that are going to be coming forth, just some highlights that are going to keep some concerns up. One is, makes sure that there's full accounting of all the subsidies that should really happen sooner rather than later. Make sure that if there's any zoning that's going to be changed, that it will benefit local residents and local workers.

Make sure that the subsidies that are given out are done closely with the Department of Small Businesses. We have learned in our research
that there seems to be a disconnect between the EDC
when they give out big subsidies to big corporations
and how that impacts people that work in local
communities in New York City. And hopefully, this
would be a great example, in years down the road,
we'll see how well Intro. 373, which this Committee
pushed forth and passed recently, make sure that any
subsidies that are allocated, make sure they go to
New York City residents, and they have good wages
and they have access to health care.

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Thank you.

CHAIRPERSON SANDERS: Thank you. Last

but never least, sir.

MR. JONES: Thank you very much. My
name is Chris Jones and I'm Vice President for
Research at Regional Plan Association. And I
appreciate your perseverance this afternoon, and I
will try to keep this brief.
RPA has long been an advocate for enhancing Downtown Brooklyn status as New York City's third central business district. In concept, the proposal by Forest City Ratner is consistent with that goal. However, there are specific questions and concerns that need to be addressed before the project moves forward.

Clearly the project would bring several important benefits, both to Brooklyn and the New York region.

From a regional perspective, it is important to encourage new office and residential growth in the urban core, where it can be supported by public transit and make jobs and services accessible to those who need the most.

By creating dense mixed-use development around one of the busiest transit hubs in the region, the project would make good use of development potential near the Atlantic Terminal and
strengthen Downtown Brooklyn as a Central Business District.

The proposed sports arena may also make sense in this location. While we strongly oppose the proposed Jets Stadium in Manhattan, the smaller, more active basketball arena functions very differently and is more compatible with urban business, residential and cultural activity.

The recently announced community benefits agreement to reserve 50 percent of the residential units of affordable housing is also a major selling point for the project.

Our concerns center on the process for approving the plan and several unanswered questions about the public cost and impacts.

Unfortunately, we don't know if this is the best project that can be achieved because no alternatives were sought or evaluated prior to the City and State endorsement of the project.

Let me begin with the implications for the MTA.
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Much like the Hudson Yards and Manhattan's Far West Side, the Atlantic Yards are an extremely valuable MTA asset. Given the fiscal crisis crippling the MTA's operating and capital budgets and affecting subway and bus service, it is vital that the agency gets the most out of each of these assets.

We are heartened that there will be a bidding process for the site, but as on the West Side, the process is being tacked onto a deal that has been in the works for two years, and provides several inherent advantages to a single developer, including promises of subsidies and zoning overrides that no other bidder will have.

To level the playing field as much as possible, and encourage other proposals, the MTA should extend the bidding period and the City and State should indicate a willingness to provide the necessary zoning for whatever proposal yields fair market value for the MTA, and the greatest public benefits for the City and the surrounding community.
The project's financing also follows its four policy precedent set on the far west side, public subsidies for professional sports facilities.

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Sports facilities are generally not great economic generators, they cannot produce net fiscal gains for this City. While the arena is likely to be compatible with the area, it does not appear to generate an economic return or other methods that would justify public subsidies.

As for the proposal itself, there are several areas that require more information and evaluation. In particular, the public is not adequately informed about the potential traffic and transit impacts of an additional 6,000 housing units and nearly 2 million square feet of office space, in addition to the basketball arena.

In an area where traffic is already bad, the Atlantic Yards Project in City's Downtown Brooklyn Plan will significantly add to the
congestion.

In addition to understanding the full extent of these impacts, Downtown Brooklyn is in need of a comprehensive transportation plan that both increases transit capacity and manages road congestion.

At a minimum, the Environmental Impact Statement for the project needs to fully address the traffic and transit implication, and funds should be identified to adequately mitigate these impacts before construction.

We have a few other concerns about urban design that I won't go into here, but we look forward to working with you and others as the project moves forward.

CHAIRPERSON SANDERS: Thank you.

Council Member James, any closing comments? Okay.
Democracy, of course, is not a tea party. It's not a gentle place, as sometimes we see. The passion that it brings is an incredible thing. But this Committee upholds the people's right of New York to understand the process, to understand what is going on with them in their lives and the large projects around them.

We uphold the right that people have a right to feel strongly this way or that way, and both positions must be heard, or even a third position for that matter, must be heard.

This is not the last time that we will come to the Atlantic Yards or the Vanderbilt Yard or whatever we want to call this project. But
It is best served when we say to ourselves that we don't have to have the entire truth, that one person doesn't have to answer all questions or conversely, that one person doesn't have all the answers. And, therefore, only one voice must be heard.

This Committee stands with the citizens of New York and demands that all of us not only participate in the building of this City, there will be a fair and even playing field in any part of development in this City. New York will be New York for all of us. But the only way to do that is to have clear information, to have as transparent a process as we can, and that is what we attempted to do this afternoon towards evening now.

I commend everyone in here for participating in this. It could not be done without you. You made the event that it was, and I encourage
you to continue to feel deeply about what you believe in, continue to fight for the vision of New York that most of us share.

I would argue -- there's my time gone up. I said five o'clock, but I didn't mean chair. Yes, 5:00 is 5:00 for all of us, so it seems. Yes, indeed.

So, I encourage everybody, but to remember that we all by and large what you're hearing is just about everybody saying they want the same thing. We can argue over how we can get it, but you're talking about you're wanting the same thing, a decent place where we can raise children, a safe place where we can live together, a place where we can work and have a good environment.

We need not trade these things, but in order to do these things, I end by telling all of us and to remind us that the only way that we're going to do these things is if we learn to turn to each other and not on one another.

Let me thank Ms. Beverly Reid, Ms. Danette Dargan. I'm missing a bunch of people on my staff who really fought hard to make this happen.
Let me thank the Committee people and the other

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people on this Committee and folk who, Council
Member Stewart stayed til the bitter end absorbing
all that he could, and most of all, all of these
panelists who came up and poured their hearts and
their souls out and their minds in incredible
intelligence.

Let me end by in the immortal words
of that great philosopher, Madam James.

COUNCIL MEMBER JAMES: A prudent
person foresees the dangers ahead and takes
precautions. That's why this hearing was held,
because there are some concerns and dangers ahead of
us and we have to take precautions to elect the
district. I was elected to protect the concerns of
Prospect Heights, Fort Greene, Clinton Hill, Crown
Heights and Bedford Stuyvesant. There is a silent
majority out there that was not represented in this
room that does have some concerns with regards to
this project, and that is why it is my duty to put forth some questions, and it is the duty of government and democracy basically demands fairness and openness and transparency in every project, and that should be the standard as we go forward. Some people would like to blindly go

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2 and suffer the consequences without asking any probing any questions. You know, I cannot do that. I recognize we've been bombarded with a surplus of simple slogans. For me today, this Committee was really about some hard questions, and some good answers.

So, I would thank the Chairperson and I would thank Beverly Reid. Thank you, Beverly Reid. Thank you for all that you've done, and I look forward to further discussions with regards to Vanderbilt Yards. Thank you.

CHAIRPERSON SANDERS: My last point
is, I really think that Ms. James, Council Member James, you have a special place here and we really deserve to give you a hand. You have fought long and hard to make sure that we are here.

Thank you very much. You're out of order, my friends. But then, again, you're in order because this Committee is now closed. This hearing is now over.

(The following written testimony was read into the record.)
distinguished Committee members. My name is Michael McGuire and I am the Director of Governmental and Legislative Affairs for the Mason Tenders' District Council of Greater New York and Long Island. The Mason Tenders' District Council is comprised of more than 15,000 members in six local unions of the Laborers' International Union of North America. These locals represent men and women working throughout the five boroughs as building construction laborers, mason tenders, plasterers' helpers, office and professional personnel, demolition workers, recycling plant employees, high school teachers and asbestos and hazardous material abatement laborers.

I'm glad that this hearing is being held before the Committee on Economic Development, because that is what this project is about. Economic
for New York's unemployed and underemployed, and
keeping New York from slipping to second-class city
status.

A report released in February by the
Community Service Society reveals some disturbing
numbers. The citywide unemployment rate stood at 8.5
percent in 2003. But for many groups of New Yorkers
it was considerably higher: African-Americans, 12.9
percent; Latinos, 9.6 percent; people with less than
a high school degree, 11.2 percent; and blue collar
workers, 10.1 percent. In 2003, the proportion of
people who had been unemployed for more than 26
weeks and thus exhausted their unemployment benefits
was 39.7 percent.

In another study, this one released
by the House Government Reform Committee Special
Investigations Division tells us that in February of
this year the national unemployment rate was 5.6
percent. The New York State unemployment rate was
7.2 percent. The New York metropolitan area
unemployment rate was 8.2 percent, and the New York
City unemployment rate was 8.9 percent. More than
50,000 New Yorkers exhausted their unemployment
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benefits during just the first three months of 2004.

The proposed Brooklyn Atlantic Yards development will create more than 15,000 temporary construction jobs and create or retain more than 10,000 permanent jobs in the proposed office space, plus an additional 400 jobs at the arena. A report released in May by Smith College economist Andrew Zimbalist says the City and State will see a $1.51 billion increase in tax revenues, with a net gain of $812 million over 30 years because of the development.

The opponents of Brooklyn Atlantic Yards are floating much misinformation in an effort to derail the project. One article published in the Village Voice speaks of 5,500 units of "upscale housing." In fact, the plan calls for 1,000 fewer units than that. As for the housing being upscale, originally we heard that the developer was going to build the housing using the 80-20 formula: Eighty percent of the units at market rate and 20 percent
affordable. The members of the City Council who have
heard me testify on housing issues in the past know
I am not a fan of the 80-20 formula. I don't think
it goes far enough. At the very least, the program

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should be 70-30. There is a crisis in New York City
caused by the lack of affordable and middle-income
housing.

Apparently, Mr. Ratner agrees,
because this project is actually slated to be 50-50,
with the 50 percent affordable split between 7
levels of income, creating truly affordable housing
available to the poor, the working poor and the
middle class.

This kind of thinking is visionary.
New York City cannot survive without a solid middle
class. The members of my largest local, Construction
and General Building Laborers' Local 79, are among
the best paid blue-collar workers in the city, with
Yet they cannot afford to live in the 80 portion of 80–20 housing, and of course, they earn too much to qualify for the 20 portion.

The middle class, working families are the backbone, the very foundation on which New York City is built. Being the City's foundation is a burden we must take on, because the poor can't and the rich won't. Yet it is a burden that middle income, working families take on gladly, for the love of this great city. But that foundation is eroding, piece by piece, block by block as working families are forced to move to the suburbs, or even further, to find quality, affordable housing to raise their families. Ultimately, of course, once enough of any foundation is removed, a structure will collapse in on itself. To prevent this collapse the City Council must promote the construction of affordable housing. By my factoring, the Brooklyn
Atlantic Yards project would create more than 2,000 sorely needed units of affordable and middle-income housing.

On another front, I have a friend that lives about eight blocks from the proposed development. She is extremely intelligent, very well read and completely plugged into the community. Her big complaint to me was that this was a done deal, that it was all going to happen with no input from the neighborhood or general public.

That's the word on the street, and nothing could be further from the truth. This hearing, the second on the topic by this Committee, proves that to be an untruth.

Above and beyond this hearing,
allowing the arena to be built over the railyards; if the Empire State Development Corporation chooses to use condemnation to acquire the site, public hearings and environmental impact statements will be required; and the city and state must give zoning approval for this world class project, again a public process. Despite all this, the misinformation that this is a done deal is still being perpetuated, apparently in an effort to inflame the opponents.

Do I feel for the 300 or so people who will be relocated by this project? Absolutely. But the greater good is what must be considered here. This project is not a parochial issue, as much as it seems to be. It is not even a borough issue. It is, in fact, a citywide issue. It is about increased employment, increased tax revenues and overall improvement to New York. If past obstructionist arguments like those of the opponents of this plan were allowed to rule the day, we would still have tenements where Lincoln Center now stands and we'd still have slaughterhouses where the United
As a resident of Brooklyn for 18 years and member of the Boerum Association Task Force on the Atlantic Rail Yards, I am alarmed by the Forest City Ratner Corporation's (FCRC) proposed development and by the process by which New York City and State governments appear to be expediting its approval.

The proposed site for development at the intersection of Atlantic and Flatbush Avenues has been identified by the EPA as a "hot spot" for
decades. The recent reconstruction of the
intersection at a price of some $150 million has not
promotional materials cannot be delivered.

The small number of truly affordable housing units - that is excluding those allegedly "affordable" units for families with incomes of $100,000 - demonstrates that this project will do little to provide the kind of housing essential to maintaining a diverse workforce in New York City.

Government funding should not be used to further private investment in the current real estate boom.

Many of us believe that the agreements made with BUILD and ACORN have been bought with promises of jobs that will not be kept. The history of similar proposals in major cities is littered with disappointment and failure. The majority of jobs in the development are not new jobs but relocated jobs. Jobs in the new development will tend to be with large scale employers which are often less beneficial to employees than the old jobs with displaced small businesses.
Any official who is moved to support the project based on the importance of a local basketball team for the borough should think again. Sports team owners make the most profit by selling their teams.

Other American cities that have made investments in sports facilities in order to keep teams in place have often found team owners returning to demand additional subsidies. The history of subsidies for sports teams in US cities has not demonstrated economic growth to local economies. To the contrary there are many examples of such projects failing to deliver improvements either to the community or the economy and even generating decline.

The promotion of the development as a solution to inner-city blight, to the removal of an eyesore is badly mistaken. Brooklyn is – and has
been for years - enjoying a renaissance. It has the kind of organic growth in community and economy that is truly ideal. The insertion of a development on the scale currently proposed for this key site could seriously derail this vital, organic growth.

The project is too big, its conception creates barriers between neighborhoods, its design establishes blank walls sealing off community blocks from street life, the proposed open spaces are apparently not public spaces but controlled by development security staff. It is an alien, unfriendly design in stark opposition to the spirit of the neighborhood.

Residents - and voters - of Brooklyn value its quality of life for its vitality and accommodation of human interaction. Air pollution, immovable traffic, gigantic structures impeding access are what is being proposed. The use of government subsidies and tax breaks for such a
development would be a betrayal of public trust. The
community is demanding a truly open process of
engagement and we hold our officials accountable for
their actions regarding this proposal.

Written Testimony Of:
Jo Anne Simon
NYS Democratic Committeewoman & District Leader
52nd Assembly District

Like the City in general, the 52nd AD has recently seen an unprecedented pace of
development - some good, some not so good. The
Atlantic Rail Yards are immediately adjacent to the
52nd AD which ends on the western side of Flatbush
and Atlantic Avenues. I am also a resident of Boerum
Hill, the neighborhood immediately west of the site,
and chair its Task Force on the Rail Yards site.

I believe in smart growth. I don't
believe the current proposal is smart growth. It
could be made smart and I personally commit to
engaging in any and all processes to achieve a
better result for our communities. I don't like this
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massive proposal at this location because of the
existing congestion and failure thus far of any
agency or authority to properly plan for or oversee
development consistent with either the general
welfare or urban economic realities. In addition,
the redirection by the executive branch of public
revenues that are properly within the purview of the
legislature is an increasingly pervasive problem and
one which I know the Council is attempting to
address. I support those efforts wholeheartedly.

A number of things about the Atlantic
Yards proposal trouble me:

1. There is overwhelming evidence
that arenas do not add to economic vitality or urban
vibrancy. They subtract. Centering development
around an arena has not worked anywhere else. It
will not here either. Even the developer's economist
concedes that the arena is a loss leader. From what
I can tell, the loss is led by the taxpayers, not the developer. We need to think this through differently. The MTA must level the playing field by extending the time for submission of bids to its RFP.

2. Without the emotional hook of an

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arena in the mix, this project would not have gotten much traction. When you probe the so-called support for this proposal, it becomes clear that the support is not for this proposal - it's for the quid pro quo of jobs, housing and Brooklyn pride.

I fully support jobs, housing and Brooklyn pride. I love Brooklyn. But the devil is in the details - and there are precious few supporting the benefits being promised. Strip away the emotional hook of the arena, and what do you have? A housing project - the epitome of what we have learned NOT to do in building housing. This proposal violates every principle of good urban design, is
wildly out of context and over-built for the site.
Let's remember that the insularity of housing projects created barriers to economic development.
We can do better.

3. The support based on promises of jobs and housing reminds me of the 7 blind men and the elephant. Supporters have a firm grip on one part of that elephant; but they only think they know what the rest of the elephant looks like. This is about more than an arena. It is about more than overstated promises of jobs and housing. It is about

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more than the romance of team spirit. Few supporters have adequately considered the likely (not pie in the sky) impacts. Construction jobs are not a benefit of development - they are an expense of development. After the white elephant is built, the construction jobs move on to the next building site. Brooklyn will be left with the white elephant, not
newly created permanent jobs. The construction jobs will be there anyway. Smart growth would build something other than a massive congestion producing use at the center of an environmental hot spot in the asthma capital of the world.

4. For real economic vitality, any development at this site must:
   - be respectful of the host and adjacent communities.
   - provide for meaningful public participation and interaction.
   - provide for maximum transparency.
   - use public funds wisely for long-term viability.
   - be based on sufficient, accurate and valid economic, traffic and environmental data.
   - improve transit/transportation access through adequate funding, good urban design and transportation improvements that mitigate
congestion and improve air quality.

- increase the connections among existing communities.

- keep streets open to increase 24/7 uses, access and security.

- provide for housing on human scale.

- provide for housing on human scale.

- provide public space that is truly public.

- be environmentally sustainable.

Written Testimony Of:
Boerum Hill Association

I am President of the Boerum Hill Association. Boerum Hill is the neighborhood immediately to the west of the Atlantic Yards. The community members, as many of the stakeholders for this project, were - 'urban pioneers' for over 30 years. Now we have a beautiful, safe and vibrant community which we want to protect.
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This community is for responsible development. Boerum Hill, in fact, has been held up as a model of a way for a community and developers to work together - as in the current Hoyt/Schermerhorn Project. We believe it is best for all concerned, to work together in an open transparent process - not the closed process we have witnessed for the past year.

Boerum Hill issued February a year ago - a list of issues we want to see addressed. They are attached to my testimony. We have been asking, since that time, even through the Borough President's office, for some meaningful dialogue with FCR.

Also in February of 2004 the BHA sent an open letter to the Atlantic Yards Stakeholders, local politicians and to the developer - also attached.

This stated that people should come 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.

1 COMMITTEE ON ECONOMIC DEVELOPMENT
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
midst?

Why do we only have to look at one developer for this site?

So many questions - so little answers.

The Boerum Hill Association supports sensible and sensitive development for the Atlantic Avenue rail yards site. Therefore, we must oppose the Atlantic Yards development proposal (the

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"Proposal)" as presented for the following reasons:

1. The scale and magnitude of the Proposal as presented - a number of skyscrapers over 400 feet tall, including one which would dwarf the historic Williamsburg Bank building by 100 feet, square footage equal to 3 1/2 times the size of the Empire State Building and an added population estimated to equal that of Battery Park City - is overwhelming and highly unsuited for the proposed
location, even without the proposed arena.

2. The Proposal has not been reviewed as part of a transparent and meaningful process with broad participation. Such a process of review must include all stakeholders, particularly representatives of the neighboring communities who would be affected most by the development.

3. We oppose any use of eminent domain or public financing incentives for private purposes. The Proposal remains unclear regarding the extent to which it would rely on the use of eminent domain or public financing.

4. The Proposal would require a massive investment in public infrastructure..., running into the hundreds of millions of dollars.

This would include expenditures for mass transit, traffic, schools, police, fire, water and sewers to absorb the tens of thousands of people the Proposal would bring to an already extremely congested area.
Any development proposal must include the details of such costs and identify who would pay for them. None of these issues has been addressed to date.

5. The Proposal fails to provide any relevant facts to support its claims regarding the benefits that the arena and accompanying development would bring, particularly with respect to job and revenue growth.

With respect to the proposed arena, a review of comparable sports facilities has shown that such benefits are negligible, while the negative economic, social and environmental impacts for surrounding neighborhoods are significant.

6. We believe that all impacts, including environmental and economic impacts, of the Downtown Rezoning Plan and the Proposal should be studied together before either is approved.

7. The local track record of the primary developer of the project (Forest City Ratner Companies), particularly with respect to its
development of the Atlantic Center, indicates a lack of sensitivity and respect for the context of the surrounding communities.

The Boerum Hill Association is committed to cooperating with the neighboring communities to further educate our neighborhood about the Proposal and to be a voice for development that makes sense – not only for Downtown Brooklyn, but for Brooklyn as a whole.

(Hearing concluded at 5:07 p.m.)
CERTIFICATION

STATE OF NEW YORK  )
COUNTY OF NEW YORK  )

I, CINDY MILLELOT, a Certified Shorthand Reporter and Notary Public in and for the State of New York, do hereby certify that the foregoing is a true and accurate transcript of the within proceeding.

I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto
set my hand this 26th day of May 2005.

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CINDY MILLELOT, CSR.

CERTIFICATION

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
audio tapes of this hearing.

CINDY MILLELOT, CSR.