Achieving Community Economic Development in New York City: LESSONS FROM THE KINGSBRIDGE ARMORY

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New York City spends over two billion dollars each year in the name of economic development. Much of this money goes to subsidize private developers in order to create jobs. However, these projects often fail to produce economic or social benefits for local residents, and sometimes impact residents negatively instead. Though community groups and advocacy organizations have made several attempts to hold the City and developers accountable to community needs, these have been mostly unsuccessful in New York. This thesis examines one case—the redevelopment of the Kingsbridge Armory in the Northwest Bronx—in which community groups and labor unions were able to secure significant community benefits and achieve meaningful participation in the development process. Drawing on key lessons from this case, this thesis proposes a framework to achieve more equitable and democratic economic development in New York City in the future.

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CHAPTER 1

Introduction

AN EXTRAORDINARY CASE

On December 10, 2013, the New York City Council voted 48-1 to approve zoning and other changes in order to convert the vacant Kingsbridge Armory into the largest indoor ice arena in the world. Located in the Northwest Bronx, the Kingsbridge National Ice Center will include nine year-round, indoor ice rinks and a 5,800-seat arena. The project also includes a community benefits agreement (CBA) in which the developer promises to pay living wages to all employees at the site, target training and hiring for local individuals, procure goods and services locally, ensure community access to the facilities, provide community space within the building, and contribute monetarily to several local projects, including new schools.¹

In the ten-year history of CBAs, this agreement is among the most comprehensive and has some of the strongest enforcement language.² Considering the recent history of economic and real estate development in New York City, the agreement was even more momentous. Both inequality and real estate values have increased markedly over the past twenty years, and many high-profile, City-backed real estate and economic development projects have exacerbated gentrification and displacement. Five previous CBAs, including two in the Bronx, failed to secure much real benefit for the community.

Because of the agreement’s significance, the media closely followed the yearlong negotiations and approvals process leading up to the City Council’s final decision. However, these negotiations were just the culmination of almost twenty years of planning and campaigning. The building, originally used by the National Guard for military drills, had been vacant since 1994. For many years, the community sought to attract the attention of City officials, holding charrettes and presenting a detailed community-based vision for the site. Mayor Giuliani, for his part, briefly sought to convert the building into an entertainment complex, but when he could not secure financing, the building faded from the City’s agenda for nearly a decade. When Mayor Bloomberg announced a plan to develop a shopping mall on the site in 2008 and the developers refused to agree to pay living wages to employees, several community groups and unions united to oppose the project. Due to the efforts of this coalition as well as the particular political moment in New York City, the City Council voted down the project in 2009.

Almost exactly four years later and by precisely the same margin, City Council voted yes to the

¹ Hu, “City Council Approves an Ice Center for the Bronx.”
² Goldstein, interview.
Kingsbridge National Ice Center plan. This plan offered significantly fewer jobs but promised better quality positions as well as opportunities for local business creation. It also met community needs beyond economics, such as sustainability, recreation, and education. Lastly, community leaders had helped decide exactly how and what benefits would be shared with local residents.

RESEARCH QUESTION AND METHODOLOGY

The Kingsbridge case offers a positive example of how New York City might achieve greater equity and participation in economic development planning in the future. The efforts of Northwest Bronx residents and labor leaders drove this success, and we can learn quite a bit about successful community organizing by studying the strategies they employed. However, the need for organizing in the first place and the ability of community groups to win developers’ cooperation during the negotiation process reflect the broader institutional context that guides development in New York City.

Therefore, in this thesis I ask, what specific strategies and tactics enabled the community to defeat the mall proposal in 2009 and achieve the historic agreement with KNIC Partners in 2013? But also, what institutional factors made development unaccountable to community needs to begin with? What procedures within the City’s planning and land use review processes enabled—or hindered—the defeat of the mall proposal and the negotiation of final agreement? What other contextual factors might have been at play, and how might New York City institutionalize opportunities for democratic decision-making and community benefits going forward? The answers to these questions are crucial, both for the city’s recently elected mayor, who has repeatedly vowed to narrow the gap between high- and low-income New Yorkers, and for communities across the city that find themselves confronting large-scale, public-private development projects, today and in the future.

I have chosen this case because of the extraordinary process it demonstrates and thus the possibilities it may illuminate for the future. While this thesis focuses on a single case, my analysis is informed by existing research on other past and planned future economic development projects in New York City. To analyze the Kingsbridge Armory case, I reviewed legal documents and news articles related to the project. I also interviewed twelve participants in the redevelopment process, including community leaders and organizers, legal advocates, union representatives, members of the final development team, and public officials.

Communities elsewhere have also successfully negotiated community benefits agreements, notably Los Angeles and Oakland, California. However, I have focused on City-level pathways that enable or

1 This methodology is known as “n of one plus some.” See Mukhi, “N of One Plus Some.”
2 For an overview of these and other community benefits agreements, visit http://www.forworkingfamilies.org/page/policy-tools-community-benefits-agreements-and-policies-effect.
inhibit greater equity and democracy in economic development decision-making, and different cities have sufficiently different institutional contexts to make comparisons difficult. Thus, I have chosen to target my analysis within the New York City context, and my recommendations are not necessarily generalizable to other cities.

STRUCTURE OF THIS THESIS

This thesis begins by contextualizing the case and clarifying key concepts related to economic development. The following chapter discusses the definition and goals of economic development, as well as how and by whom it is usually executed. It also presents some ways in which cities have achieved more community-centered economic development. Chapter 3 provides a brief history of economic development in New York City, highlighting key institutional reforms that influence the practice today. Chapter 4 is a narrative of the Kingsbridge Armory redevelopment process, which identifies key actors, events, and underlying circumstances that drove the process and final outcomes. Based on these findings, Chapter 5 proposes an agenda for community groups and City officials to advance more equitable and democratic economic development in the future. This chapter also covers key limitations and challenges and proposes initial steps toward implementation. Chapter 6 concludes by reviewing key findings, recommendations, and implications.
CHAPTER 2
A Brief Discussion of Local Economic Development

This chapter clarifies some of the key concepts related to local economic development (LED). This first section answers the question, "What is local economic development?" and highlights two of the major dilemmas within the field: (1) how benefits from LED interventions should be distributed, and (2) who should participate in making decisions about LED. The next section reviews some of the specific strategies that practitioners have adopted in order to promote economic development, and how these might influence the distribution of benefits among various constituencies. The third section describes some of the more common institutional arrangements that manage local economic development, and how the public sector, business interests, and community actors interact within that framework. Finally, I review two ways that communities have asserted their power in the decision-making process—community benefits agreements and transparent budgeting—in order to make development more accountable to community needs.

WHAT IS LOCAL ECONOMIC DEVELOPMENT?

The term local economic development (LED) refers to the set of government policies that seek to affect the quantity and quality of the local demand or supply of labor. Local governments often target these interventions to "economically distressed areas" in order to combat geographic inequality within a city. In contrast to local government's other main roles—representation, services, and regulation—economic development involves forward-looking actions that stimulate and manage economic growth and social wellbeing in the future. In addition, they are often primarily "market facing"—that is, interacting with labor and property markets, investors, and visitors—rather than "citizen facing." As such, LED requires its own set of tools and strategies, distinct from other government functions. One of the major questions

1 Bartik, "The Future of State and Local Economic Development Policy."
2 This language comes from the US Economic Development Administration. See "About EDA."
3 Clark, Huxley, and Mountford, Local Economic and Employment Development (LEED) Organising Local Economic Development The Role of Development Agencies and Companies.
4 Kivleniece and Quelin, "Creating and Capturing Value in Public-Private Ties."
within the field is thus how practitioners wishing to affect the local labor market should accomplish LED. In choosing particular strategies, practitioners must also inevitably make value judgments about how to distribute the benefits from LED projects among developers and community members. Another question is who should be involved in determining where and how to invest public resources in order to shape the local economy.

HOW IS L.E.D. ACCOMPLISHED?

LED practitioners have two primary ways to intervene in local labor markets: either by increasing the supply of qualified jobseekers, or by stimulating demand for workers through the creation of new jobs. On the supply side, LED activities are termed workforce development, and they typically involve job training and placement. Such activities are necessary but not sufficient to establish a thriving local economy, given that across the US the number of middle-skill, middle-income jobs is shrinking while poor-quality and low-paying jobs have proliferated. Instead, some practitioners have turned to a dual-customer approach to workforce development, which both trains individual jobseekers and works with employers to expand job opportunities and build career pathways.

On the demand side, the literature divides economic development activities into two overarching categories, which Levy calls the rational model and sales activities. The rational model involves defining a local economic problem, gathering and analyzing facts, choosing goals, selecting courses of actions, implementing programs, and analyzing outcomes. Specific strategies include developing economic clusters, promoting innovation, developing entrepreneurship and supporting small business, and strengthening and revitalizing commercial districts.

Sales activities, on the other hand, aim to market a city or community as a place of business for outside firms and investors. Specific strategies include attracting and retaining business through concerted marketing, loosening business regulations, awarding public subsidies, and attracting and retaining talented individuals who might start new firms. Despite their supposed rationale, these strategies often do not alter the economic reality of the target community, do not translate into fiscal payoffs for the municipality, are used to explain development that might have occurred even without government

1 Holzer and Lerman, America's Forgotten Middle-Skill Jobs: Education and Training Requirements in the Next Decade and Beyond.
2 Giloth, Workforce Intermediaries for the Twenty-First Century.
3 The New York State Commission on Local Government Efficiency and Competitiveness adds a third activity, which is assessing or inventorying of existing and potential resources. This should theoretically precede both of the other two categories of activities.
4 Levy, "What Local Economic Developers Actually Do:"
6 Ibid.
7 Levy, "What Local Economic Developers Actually Do:"
8 Schneider, "Undermining the Growth Machine."
Types of Economic Development Activities


**Supply side**
- Rational model
  - Traded sector cluster development
  - Innovation promotion
  - Entrepreneurial development and small business support
  - Commercial district strengthening and revitalization
  - Targeting benefits and ensuring accountability

**Demand side**

**LOCAL ECONOMIC DEVELOPMENT**
- Sales activities
  - Business attraction and retention
  - Business climate and marketing
  - Talent attraction and retention
  - Workforce development

assistance, and provide few benefits to low- and moderate-income residents. Nonetheless, powerful business interests often drive practitioners to engage in sales activities.

Unfortunately, scholarly literature on economic development has been primarily empirical and pragmatic, focusing on the discrete activities that economic development practitioners undertake and neglecting the larger conceptual and ethical framework in which they operate. This is important because, besides choosing exactly how to intervene in local markets, practitioners must also grapple with value-laden decisions about how to distribute the benefits of intervention.

Policies that seek to redistribute the value generated by public expenditure (known as “Type II” policies) target benefits to local residents and ensure accountability to community needs. They often do so by imposing regulations on private-sector recipients of public subsidies, or by requiring performance guarantees. In the context of large-scale, public-private developments, these tools might include profit-sharing agreement or payments in lieu of taxes (PILOTs), public ownership or land leasing, and linkage fees. Valler and Wood suggest that using context-specific evaluation tools that measure the extent

1 Seidman and Siegel, *The Economic Development and Workforce Development Systems*.
2 Ibid.
3 Valler and Wood, "Conceptualizing Local and Regional Economic Development in the USA."
4 Ghera, "Aligning the Ethics of Public Private Partnership: The Issue of Local Economic Development."
5 Fetick, "A Quasi-Market Framework for Development Competition."
to which economic development activities reinforce, reshape, or destabilize capitalist reproduction in particular times and places—rather than crude measure of overall job creation and growth in the tax base—may also yield more equitable distributions of value across the population.¹

There is a limit to how much development projects can reshape the income and wealth distribution in a given locality; however, there is a strong moral argument that local residents should benefit from projects that receive public subsidies,² and that low-income and/or minority residents, who disproportionately populate “economically distressed areas,”³ should benefit most.

WHO PARTICIPATES IN L.E.D.?

In addition to altering economic and social relations on the ground, economic development is also an "institution-building process," which requires the establishment of systems and organizations that can manage the local development process over an extended period of time.⁴ In the US, several federal entities including the Economic Development Administration, the Department of Housing and Urban Development, the Department of Labor, and the Small Business Administration, are all responsible for certain aspects of local economic development. They work closely with state and local governments to execute projects and programs.

At the state and local level, development agencies have become the primary organizational entity through which government carries out economic development activities. Development agencies (DAs) have organized themselves in various ways; however, the majority are state-chartered public authorities or quasi-governmental organizations. Municipalities often delegate land use, project management, and marketing authorities to DAs, which also have the special ability to raise capital from private sources.⁵

Many development agencies pursue economic development primarily through sales activities, or supply-side interventions to attract outside capital. In such cases, investors provide development in a particular jurisdiction in exchange for services or financial assistance from the public sector. So-called public-private partnerships (PPPs or P3s) often involve tax abatements, tax-exempt financing, or the conveyance of publicly owned land to private developers.⁶

¹ Valier and Wood, "Conceptualizing Local and Regional Economic Development in the USA."
² According to John Stuart Mills' conception of justice, to the extent that public investment relies on taxpayer money and development may produce negative environmental, social, or economic impacts for immediate neighbors, community members are entitled to some form of restitution from private developers or the City.
⁴ Kivlenic and Quelin, "Creating and Capturing Value in Public-Private Ties."
⁵ Clark, Huxley, and Mountford, Local Economic and Employment Development (LEED) Organising Local Economic Development The Role of Development Agencies and Companies.
⁶ Kivlenic and Quelin, "Creating and Capturing Value in Public-Private Ties."
To the extent that scholars have studied why cities adopt particular economic development strategies or seek to distribute benefits as they do, they have tended to focus on the internal dynamics of development agencies. Leland and Read found that practitioners' identities may play a role, as age, race, and other personal characteristics correlate to attitudes about public-private partnerships. Reese and Rosenfeld have found that civic culture, or the norms that mediate between formal and informal pathways for policy formation and implementation, may also influence the adoption of more or less equitable policies. For instance, when development agency staff feel strongly empowered to plan, evaluate, and implement projects, they are less likely to adopt progressive policies.

In determining how to distribute the benefits of public-private economic development projects, practitioners must sometimes balance tradeoffs between (perceived) economic efficiency and social equity. When they engage private actors in order to create value but then attempt to distribute gains in ways that achieve social objectives, they may threaten the private actor's share of value, thus jeopardizing the partnership and value creation itself. However, we might question whether such tradeoffs are really inevitable, and whether pursuing economic efficiency while sacrificing social equality is moral, or even practical. Unfortunately, the relationship between efficiency and equity and the moral judgments tradeoffs might imply often become lost or muddled in practice.

While certainly the culture and structure of development agencies play a large role in determining economic development priorities and outcomes, economic development agencies are just one actor situated within a constellation of involved entities and individuals. The final distribution of economic and social benefits from PPPs is thus the result of a complex, multiparty negotiation between private actors, the public sector, and local stakeholders. Recognizing the community's role in shaping—indeed, its right to shape—economic development decisions is crucial to achieving more equitable results from such projects.

HOW IS COMMUNITY ECONOMIC DEVELOPMENT DIFFERENT?

In contrast to traditional economic development, community economic development (CED) seeks not only to improve the economic viability of target neighborhoods, but to improve community social life and ensure local participation in the design and implementation of projects as well. Communities

1 Leland and Read, "Stimulating Real Estate Development Through Public-Private Partnerships: Assessing the Perceived Opportunities and Challenges."
2 Reese and Rosenfeld, The Civic Culture of Local Economic Development.
3 Kivleniece and Quelin, "Creating and Capturing Value in Public-Private Ties."
4 Okun, Equality and Efficiency: The Big Tradeoff.
5 Fairstein, "Land Value Capture and Justice."
6 Kivleniece and Quelin, "Creating and Capturing Value in Public-Private Ties."
across the US have organized to challenge the private accumulation of the value generated by LED, access greater social benefits from such projects, and increase the levels of oversight and participation in decision-making. Two relatively new tools are community benefits agreements and measures to ensure budget transparency. A community benefits agreement (or CBA) is “a set of programmatic and material commitments that a private developer has made to win public support from the residents of a development area and others claiming a stake in its future.” Successful community benefits agreements across the country have often included hiring programs that reserve jobs for or give preference to local residents, set wage standards for employers, provide affordable housing, require local contracting and purchasing, minimize or mitigate environmental impacts, and/or establish community-based oversight committees. 2

While community benefits agreements target private developers to share the benefits of public subsidies, measures to ensure budget transparency seek to make public actors more accountable to community goals. Washington, DC, and several state governments have experimented with Unified Economic Development Budgets, which consolidate information about economic development-related tax expenditures and appropriated spending. They often also report on job creation and other economic impacts as a result of those activities. 3

Participatory budgeting takes citizen oversight a step further by allowing individuals to participate directly in budgetary deliberations and decision-making. Governments at all levels and in many countries around the world have employed the strategy, often with very positive results. 4 While this approach has typically not been used for economic development activities or for tax expenditures (as opposed to direct spending), it could be in the future.

Devolving decision-making to local communities and increasing participation does not necessarily solve local resource problems. 5 However, the structure and extent of participation can influence overall economic outcomes 6 as well as the distribution of benefits from public interventions. By inserting affected stakeholders directly into decision-making processes, participation also has the ability to reorder power relations and challenge the structural inequality that makes economic development necessary in the first place.

The redevelopment of the Kingsbridge Armory is a unique illustration of community economic

2. Ibid.
4. Wampler and Hartz-Karp, “Participatory Budgeting.”
5. Thompson, Double Trouble: Black Mayors, Black Communities, and the Call for a Deep Democracy.
6. Even at the national level, there is evidence that differences in the form of democracy shape economic outcomes. See Persson, “Forms of Democracy, Policy and Economic Development.”
development in a city that has few such examples. A thorough analysis of the case shows how the Northwest Bronx community was able to exploit particular openings in the development process to win both greater participation and benefits. It also reveals weaknesses within the existing institutional framework that guides development. Lastly, it suggests opportunities for achieving more community-centered economic development in the future.
CHAPTER 3

Local Economic Development in the Context of New York City

This chapter provides a brief history of economic development planning in New York City, highlighting key institutional reforms that influence the practice today. I identify three major periods: urban disinvestment and the democratization of planning in the 1970s and '80s; growing inequality, privatization, and centralization in the 1990s and early 2000s; and finally challenges to the status quo mounted by community, labor unions, and the courts since 2006. The final section describes how the Kingsbridge case, the current political moment, and this thesis fit into the overall arc of economic development planning in New York City.


The history of economic development in New York City reveals recurring tension between top-down efforts to remake the city's economic and physical landscape and community-based efforts to shape development decisions from below. This tension dates back to the postwar era when "master builder" Robert Moses induced substantial city investment in housing, parks, roads, and other infrastructure, often with devastating impacts for nearby communities. By the 1960s, a more democratic strain of urban planning was taking root across the country, and in New York, community planners like Walter Thabit and Frances Golden were finding ways for urban renewal to benefit existing residents.

In the 1970s, severe population loss, the recession of capital from the inner city, and the threat of bankruptcy diminished possibilities for large-scale urban renewal projects across the US and provided new opportunities to democratize the planning process in New York. A 1975 City Charter amendment introduced ULURP, the seven-month Universal Land Use Review Process that still governs land use decisions today. The process encouraged greater transparency and public participation in development decisions by mandating public meetings and allowing neighborhood- and borough-level officials to weigh

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1 For a full account see Caro, The Power Broker.
2 Thabit, An Alternate Plan for Cooper Square.
3 Angotti, "Land Use and the New York City Charter."
ULURP
Universal Land Use Review Process

DCP certifies application is complete

Community Board reviews application
- Optional public meeting
- Submits recommendation to CPC

Borough President review application
- Optional public meeting
- Submits recommendation to CPC

CPC reviews application
- Mandatory public meeting
- Votes to approve, approve with modification, or disapprove

City Council reviews application
- Mandatory public meeting
- Votes to approve, approve with modification, or disapprove

in on land use decisions.

ULURP also established new entities, called community boards, to channel participation. These neighborhood-based bodies are comprised of eleven individuals, appointed by the borough president in consultation with City Council members. There are currently 59 such bodies throughout the city, and they regularly weigh in on land use decisions. Because of the strong connection between real estate development and economic development strategies, this role also allows them to influence how economic development proceeds in the city.

The 1970s also saw an uptick in community activism across the city. Among many other groups, the Northwest Bronx Community and Clergy Coalition formed in 1974 with the slogan, “Don’t move, improve!” Thanks to these groups’ efforts, federal reforms that increased immigration to the city, and federal initiatives like the Community Revitalization Act of 1977, New York City’s economy began to recover by the mid-1980s.

In 1989, revisions to the City Charter further democratized the planning process. One revision established the Section 197-a process, which empowered the mayor, city planning commission, the department of city planning, the borough president, borough boards, and community boards to introduce development plans. Despite its broad application, in practice, the term Section 197-a has become more or less synonymous with community-generated development plans. However, even among community groups, few have employed the tool. In the 25 years since the Charter revision, only fifteen plans have been submitted, thirteen of which have been approved and almost none of which have been implemented. Many blame this failure on the lengthy review process (which, unlike ULURP,

1 “Our History,” Northwest Bronx Community and Clergy Coalition.
2 The Immigration Reform Act of 1965 removed limiting quotas for non-European countries.
3 “Community-Based Planning - Department of City Planning.”
has no time restriction) and the lack of implementation mechanisms.¹

1989-2006: CENTRALIZATION, PRIVATIZATION, AND GROWING INEQUALITY

Despite some democratizing reforms in 1989, others that same year served to centralize decision-making authority. One major revision dissolved the Board of Estimate, which had overseen budget, land use, and land disposition decisions.² This decision removed much of the formal authority of the officials who had sat on the board, including the five borough presidents, the comptroller, and the public advocate (then president of the City Council), and it created a strong mayor system instead.³

In 1991, New York City consolidated the six agencies that previously oversaw various aspects of economic development to create the Department of Business Services (now Small Business Services) and the New York City Economic Development Corporation (NYCEDC or the EDC).⁴ Following a national trend towards the use of quasi-governmental agencies and increased reliance on public-private partnerships, NYCEDC was formed as an independent nonprofit organization, which shares staff with the State Industrial Development Agency (IDA). Though not explicitly mentioned in the City Charter, the EDC has assumed many of the planning and executive functions of the City. The organization's primary responsibilities include supervising transit and infrastructure projects, marketing the city's central business district to companies looking to relocate, assisting private development projects through the public approvals process, and offering financial incentives through low-cost, tax-exempt bonds or subsidized publicly owned land.⁵ Within City government, EDC has the ability to lobby City Council, which must approve the zoning changes and public subsidies often required to realize development, and the organization often interfaces with community boards to gauge public opinion.⁶

Throughout the 1990s, New York City's overall economy was recovering, with large growth in the FIRE (finance, insurance, and real estate) industries in particular. This, coupled with the emergence of real estate investment trusts (REITs) and international property investors, intensified real estate pressure and prices in downtown Manhattan, with ripple effects throughout the city. At the same time, foreign direct investment and economic restructuring diminished the viability of traditional livelihoods in the Global South. Thus, people from the Global South arrived in “global cities” like New York just as agglomerations

¹ Byron, interview.
² This was in response to a US Supreme Court ruling, which said that the BOE violated the 14th Amendment by providing equal representation to each borough despite their (very) unequal populations.
³ Berg, Governing Gotham: New York City Politics.
⁴ Clark, Huxley, and Moutford, Local Economic and Employment Development (LEED) Organising Local Economic Development: The Role of Development Agencies and Companies.
⁵ Ibid.
⁶ Informant #2, interview.
of FIRE industries created the need for a new class of low-wage secretaries, janitors, and other workers. Unlike the manufacturing industries that provided opportunities for immigrants earlier in the century, the services sector (including FIRE) offers polarized job opportunities—at the very high and the very low ends of the pay spectrum—and few if any vertically integrated career pathways in between. The growing income gap and rising housing prices combined to exacerbate inequality in New York City during this period.

These dynamics figured prominently in the City’s calculus for economic and real estate development decisions. The need to attract increasingly mobile global investment and simultaneously supply corporations with low-wage workers pushed city government to offer locational subsidies to corporations while marginalizing (im)migrant and other low-wage workers within their borders.

With the increase in mayoral authority and the creation of the largely autonomous Economic Development Corporation in the early ’90s, large-scale real estate development reemerged as a viable economic development. From 1994 to 2001, Mayor Rudolph Giuliani oversaw large investments in real estate development (most visibly in Times Square), while simultaneously gutting community participation in the planning process. He closed the Community Affairs Offices that had been expanded under the previous mayor and cut community board budgets by 18 percent.

At least initially, Mayor Bloomberg seemed to see the danger of New York’s increasing reliance on finance and real estate. When he took office in 2002, his “Five Borough Economic Development Plan” identified a need to diversify the local economy away from FIRE. His plan to create “jobs for tomorrow” vowed to incentivize film, tech, biosciences, and other industries. He also expressed dismay at the growing income gap. In 2007, he said, “This society cannot go forward, the way we have been going forward, where the gap between the rich and the poor keeps growing. It’s not politically viable; it’s not morally right; it’s just not going to happen.”

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1 Sassen, Cities in a World Economy.
2 New York’s Forgotten Middle-Skill Jobs: Meeting the Demands of a 21st-Century Economy.
3 Berube, “All Cities Are Not Created Unequal.”
4 Sassen, Cities in a World Economy.
5 Hicks, “Giuliani Planning to Close Community Affairs Offices.”
7 Chart, “New York Mayor Warns Against Growing Inequality in U.S.”
To address this, Bloomberg greatly expanded workforce development programs across a number of City agencies, but his focus on income mobility only addressed labor supply gaps. Despite prolific use of zoning tools and public subsidies to steer economic development, Bloomberg's strategy did not hold developers accountable for labor demand outcomes like job creation goals, living wages, local hiring, or local procurement. Moreover, his plan to create "jobs for today" relied heavily on building commercial and retail centers, despite the fact that these jobs are notoriously low paying, offer little opportunity for advancement, and often displace local businesses. When again confronted in 2012 with evidence about the widening income gap, Bloomberg replied, "That's not a measure of something we should be ashamed of," before reiterating his position on job training and education programs. The other pillars of Bloomberg's economic development strategy were transportation investment (which he undertook at great City expense), recruiting international and national businesses, and the creation and expansion of business improvement districts across the city.

By this time, gentrification had become one of the greatest issues facing communities across the city, as many low-income households were priced out of their neighborhoods. Large-scale projects undertaken by the EDC and the Empire State Development (the state-level economic development entity) brought back the specter of urban renewal. Questions of transparency, accountability, and Bloomberg and the EDC's allegiance to business interests emerged.

2006 ONWARD: CONFRONTING THE STATUS QUO

By the second half of the Bloomberg administration, labor leaders, the courts, and citizens groups were mounting public challenges the status quo. Across the US, labor unions have played an increasingly important role in economic development decisions, both for individual projects and in larger legislative battles. This trend has been especially prominent in New York City, which is the most highly unionized large city in the US and where unions have been deeply involved in the fight to redevelop the Kingsbridge Armory as well as other development projects.

Meanwhile, in 2009, the New York State Attorney began investigating whether EDC had been illegally lobbying City Council to win approval of development projects. EDC stopped lobbying during the investigation and afterward when the courts found that the organization had indeed acted illegally. Though the EDC later merged with the newly formed Economic Growth Corporation in order to resume...
lobbying, the decision did temporarily weaken the organization and raised public questions about how the organization operates.

Lastly, citizens groups have united to exert pressure on the City, primarily through community benefits agreements (CBAs) and transparent budgeting requirements (discussed in Chapter 2). Despite the community’s apparent discontent with the way large-scale development projects have been undertaken, New York City’s experience with CBAs has been primarily negative. Efforts to ensure budget transparency have yielded more results, though the link between increased transparency and actual accountability for social outcomes remains weak.

Community benefits agreements

Besides the Kingsbridge National Ice Center CBA, there are five community benefits agreements in NYC: the Columbia University Expansion and the 125th Street Mixed Media Development in Harlem, Atlantic Yards in downtown Brooklyn, and the Gateway Center and Yankees Stadium in the South Bronx. Gateway Center at the Bronx Terminal Market was a plan put forth in 2006 to build a new shopping mall on the site of a preexisting one. The project would cost $500 million and included $134 million of public subsidies in the form of tax breaks, demolition of the existing building, and relocation payments to current tenants. Recognizing that it threatened to displace 200 current workers, the Bronx Overall Economic Development Corporation (BOEDC, the Borough President’s quasi-public economic development agency) pursued a CBA between community groups and the developers, Related Companies. However, BOEDC carefully chose which community groups to bring to the negotiating table, leading stakeholders on all sides to consider the process a “sham.” Only three of the 18 community-based organizations that had originally been involved signed the eventual agreement. The final product reflected the shoddy negotiations process, identifying only aspirational goals and no real means of enforcement.

If the Gateway Center experience was enough to discredit CBAs as a community development tool in the Bronx, the Yankee Stadium case the same year only reinforced this image. The development of a new, $1.3 billion stadium on public parkland across the street from the Yankees’ existing stadium on 161st Street was first proposed in 2004. The local community board denounced the plan, but when the Yankees threatened to leave the city, the City Planning Commission unanimously endorsed it. The borough president and the Bronx delegation to City Council did manage to get the Yankees to sign a CBA. However, this presented two problems: (1) Community objections pertained to traffic and health concerns, whereas the concessions they were awarded were primarily Yankees tickets and sports

1 Massey, “Economic Development Corp. Will Restructure to Lobby Legally.”
2 Economos, “Rethinking Community Benefits Agreements.”
and (2) the CBA was negotiated between the developer and City officials, whereas a true CBA is negotiated between the developer and community groups.\(^2\)

New York City's other three CBAs raised similar questions about representation, accountability, and the appropriate role of the public sector. The Atlantic Yards case was further complicated by the involvement of Empire State Development and the liberal usage of eminent domain. In the case of the Columbia expansion, the local community board authorized the creation of a local development corporation, but the inclusion of elected officials, a lack of transparency, and Columbia's own disinterest in the proceedings undermined the effort.\(^3\) The lack of true community input or benefits beyond monetary compensation meant that communities essentially got money not to organize against these projects.\(^4\)

Many critics view CBAs as "perversions" of the city land-use process.\(^5\) Despite his initial support of the agreements, Mayor Bloomberg later came out in "violent" opposition to them. "A small group of people, to feather their own nests, extort [sic] money from the developer? That's just not good government," he said.\(^6\) While the accusation of extortion is misleading, given that community groups' only leverage over developers is to express their discontent to elected officials,\(^7\) his comments do reflect a reasonably common sentiment that negotiating such agreements undermines sound governing principles.

In fact, community benefits agreements often expose shortcomings within existing government processes,\(^8\) rather than undermine them. In the absence of a process that explicitly allows for community participation, CBAs insert local stakeholders—often low-income residents—directly into the process of value recovery and redistribution. Moreover, while these are ad hoc private agreements that take place outside established decision-making channels,\(^9\) communities' leverage in the negotiation process often depends on their position within the overall framework that guides development. For that reason, CBAs are not entirely outside the development process but fill gaps and exploit opportunities within the existing framework.

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1 ibid.
2 Epstein, interview.
3 Economos, "Rethinking Community Benefits Agreements."
4 Goldstein, Civic Engagement Campaign Director, The Partnership for Working Families.
5 Townsend, "Community Benefits Agreements Are More Like Extortion."
6 McLaughlin, "Bloomy Still Wants Gehry — Plus Other Tidbits from the Mayor in Our Endorsement Sit-down."
7 Gross, interview.
8 Camacho, "Community Benefits Agreements."
9 Economos, "Rethinking Community Benefits Agreements."
Budget transparency

In contrast to CBAs, New York City has had more success with measures to ensure budget transparency. Local Law 62 (LL-62) of 2010 requires improved reporting for all projects that receive financial assistance in the form of loans, grants, tax benefits, and/or the sale or lease of City-owned land. While this information can only really be understood by advocacy organizations or very savvy community-based groups, and advocates are still pushing for a more comprehensive unified economic development budget, LL-62 is considered one of the most progressive such laws in the country.

THE CHALLENGE AHEAD

New York City currently spends over two billion dollars each year to stimulate economic development through a mix of financial assistance, the disposition or leasing of City-owned land, and capital improvements for private developers. Yet trends over the past twenty years have obscured the decision-making process for awarding these subsidies and have left developers unaccountable for social or economic outcomes. As Public Advocate, Bill de Blasio was among those pushing for greater transparency for public subsidies. When he ran for mayor in 2013, his campaign platform centered on addressing income inequality, and his landslide electoral victory was seen as a direct repudiation of some of Bloomberg’s most prominent policies, including his stance toward private developers.

However, Berg identifies three factors that may limit the extent to which equitable development is possible in New York City. First, the City’s need to promote economic growth in order to meet debt interest payments makes officials reticent to impose community benefits requirements on private developers. Second, the City’s relationship with state and federal agencies—particularly Empire State Development, the State’s chief economic development agency—limit the control that City officials can exert over private development. Third, New York City’s racial and ethnic diversity divide a citizenry that might otherwise be able to exert pressure on the City for greater equity.

The case of Kingsbridge Armory offers one example of what more equitable development in New York City might look like. It is too soon to discern the ultimate impact of redevelopment, and it will likely be small in the context of the overall economy of New York City, or even the Bronx. However, the plan itself embodies many of the principles that we should seek in more equitable development, both in terms of the final benefits promised to local residents and community members’ inclusion in the process. A close examination reveals the relationship and pathways that enabled both the process and the final

2 Damiani, interview.
3 An overview of Job Quality and Discretionary Economic Development Subsidies in New York City.
4 Berg, Governing Gotham: New York City Politics.
agreement, so that we may strengthen and replicate them in future projects.

In the end, economic inequality—in New York City and elsewhere—is not a technical problem that can be fixed with simple solutions. Inequality requires an adaptive solution[^1] that defines new relationships, incentives, and pathways for actors in a complex economic system. City-sponsored economic development projects are a small piece of this larger system; however, they can significantly shape individuals neighborhoods and can set the tone for power relations between developers and communities. Since taking office, de Blasio has begun to hold publicly subsidized developers accountable for social goals.[^2] However, he has yet to tackle the institutional structures that define how economic development decisions are made in New York City. This thesis offers recommendations for how community groups and City officials could achieve a more equitable and democratic process to address inequality.

[^1]: Heilatz, Leadership Without Easy Answers.
[^2]: De Blasio recently stalled zoning changes needed to redevelop Brooklyn’s old Domino Sugar refinery into luxury apartments if the developer did not increase the space allocated for affordable housing. See Bagli, “Plan to Redevelop Domino Sugar Factory in Brooklyn Hits Snag.” He also insisted that Hudson Yards development guarantee living wages for all 1,650 workers to be employed there. See “De Blasio Administration and Related Companies Agree to Provide Living Wage for 1,650 Workers at Hudson Yards.”
CHAPTER 4

The Redevelopment of the Kingsbridge Armory

This chapter presents a detailed account of the redevelopment of the Kingsbridge Armory, from its original construction in 1917 as a military training facility to its decommissioning in 1994 and the tumultuous eighteen-year battle for redevelopment that followed. The first section provides a brief overview of the neighborhood context. The next section identifies the events, actors, and underlying circumstances that defined the redevelopment planning process and explains the contents of the final redevelopment plan and community benefits agreement. The last section revisits the case narrative to define both key successes and failures in the process and highlight what we might learn from each.

BUILDING ON A HISTORY OF ACTIVISM IN THE BRONX

The Bronx captured national attention during the 1977 World Series when, narrating aerial images of the blocks surrounding Yankee Stadium, ABC sportscaster Howard Cosell intoned, “There it is, ladies and gentlemen. The Bronx is burning.” Four years later, the movie Fort Apache, The Bronx solidified the image of the Bronx as an arson- and poverty-ridden borough. While the Bronx did suffer disproportionately the effects of urban disinvestment, to focus only on the borough’s troubles or to view it as a single, struggling neighborhood would miss many nuances of Bronx geography and history.

In reality, the Northwest Bronx—where the Kingsbridge Armory is located—never experienced the same level of disinvestment as the South Bronx. Median income in the community around the Armory remains on par with the city as a whole (around $50,000, compared to just $34,000 for the entire borough). The Northwest Bronx is also home to many anchor institutions including the Bronx Zoo, the New York Botanical Gardens, Montefiore Medical Center, and Fordham University. This suggests that revitalizing the neighborhood may have less to do with recruiting new investment and much more to do with helping residents access the capital that already exists.

\[1\] In fact, there is some debate whether Cosell really said these words. Whether he did or not, the story and the image managed to ingrain themselves in the nation’s collective memory.

\[2\] American Community Survey, 2008-2012.

\[3\] Development Study for the Bronx Cooperative Development Initiative: A Model for Economic Transformation.
Moreover, focusing solely on the borough's struggles neglects the incredible activism that kept Bronx communities together despite widespread disinvestment. Far from the resigned victimhood that the images of a “burning” borough might imply, for decades many residents have been successfully organizing to reinvest in their neighborhoods. The People’s Development Corporation, the Banana Kelly Community Improvement Association, the Southeast Bronx Community Organization, the Mid-Bronx Desperados, and the Northwest Bronx Community and Clergy Coalition were among the first community-based organizations in the city (and the nation). By the 1980s, many of these groups were highly professional and knew how to work the system to get more housing built in their neighborhoods.

These community-based organizations, like others around the country, often had to decide between building badly needed affordable housing, which required highly specialized financial expertise, and political advocacy. Many chose the former; however, the Northwest Bronx Community and Clergy Coalition (NWBCCC) chose the latter. Their model involved five key points: organizing people to identify problems and develop collaborative solutions; full-time paid staff to assist volunteer community leaders; negotiations and actions targeted at specific developers, bankers, or other actors; a focus on specific issues, which united diverse constituents; and participation in National People’s Action, a network of similar community organizations nationwide. Community controlled development was a key part of their model from the very beginning.1

THE FIGHT FOR REDEVELOPMENT

Competing visions for a vacant site

The Kingsbridge Armory is a 750,000-square foot building bounded by Kingsbridge Road, Jerome Avenue, Reservoir Avenue, and 195th Street. Adjacent to the elevated 4 subway line, the building rises like a medieval castle to tower over the row of single-story businesses it faces on Kingsbridge Road. Early in the morning and in the late afternoon, the Armory casts an imposing and awe-inspiring shadow over the surrounding neighborhood.

The National Guard’s Eighth Coastal Artillery Regiment originally occupied the building from 1917 until 1994, when they moved to a more modern annex next door. During the almost seventy years in which the National Guard used the building, it also hosted various events including dog shows, boat shows, and boxing matches. In 1986, the City opened a small, 50-person homeless shelter on one side of the building.2

1 Pyle, Passin’ It On: 25 Years Organizing the Northwest Bronx.
2 The Associated Press, “City Opens Shelter in Bronx.”
When the National Guard moved its operations out of the building in 1994, the State awarded $100,000 to the Bronx Overall Economic Development Corporation to develop a plan to reuse the site, and the Armory became vacant but for the small shelter operating on one side of the building.¹ Two years later, in 1996, the State officially conceded control of the site to the City.²

The political struggle over redevelopment began soon after, in 1999, when Mayor Giuliani convened a task force to explore potential uses of the vacant site in 1999. Immediately, Bronx Borough President Adolfo Carrion and community members alleged that the commission was shutting them out of the process. Carrion eventually succeeding in getting himself added to the task force.³

That same year, the Northwest Bronx Community and Clergy Coalition (NWBCCC) had begun organizing to develop their own vision for the site. Parents, whose children faced severe overcrowding in their schools, saw an opportunity to build more schools at the Armory.⁴ NWBCCC presented the City with the plan, estimating the cost at $110 million.⁵

However, concerned that schools and recreation space would not be financially self-sustaining, in his 2000 State of the City address, Mayor Giuliani instead announced a plan "to transform the armory into a 475,000-square-foot entertainment, sports and retail complex." Adding insult to injury, the

¹ Holloway, "Neighborhood Report: Kingsbridge; Armory's Uncertain Future."
² Rahimi, "National Guard Clings to a Bronx Redoubt."
³ Moss, "Coalition Presses Armory Proposal."
⁴ Informant #4, interview
⁵ Lueck, "Retail Plan for Armory Upsets School Advocates."
proposed budget was $110 million, precisely the community's proposed budget for school development. While the plan ultimately failed after bumping up against the City's debt ceiling, which the State refused to raise, State Assemblymen José Rivera did successfully pressure the City to spend $30 million to repair the leaking roof. This move helped prevent future damage to the site and ensured that it would be a viable asset for redevelopment in the future.

NWBCCC then began orchestrating tours of the site for elected officials, in the hopes that they would prioritize its redevelopment. NWBCCC engaged the Pratt Center for Community Development, a citywide research and advocacy nonprofit, and with donated space from Lehman College, hosted community-wide charrettes in 2006. The Northwest Bronx was among the most overcrowded schools districts in New York City at that time, so the vision that emerged from the charrettes included three schools, numerous recreation facilities, and a community center. NWBCCC went on to hold several town hall meetings to get elected officials to sign onto the development principles.

No more business as usual

Despite NWBCCC's organizing efforts, the building and the City's plans lay dormant for several years. During that time, NWBCCC joined efforts with other community groups and unions. Together with the Retail, Wholesale, and Department Store Union (RWDSU), they formed the Kingsbridge Armory Redevelopment Alliance (KARA). In 2006, at KARA's urging, the New York City Economic Development Corporation (NYCEDC) convened a taskforce to develop a request for proposal (RFP) for the site. The Kingsbridge Armory Task Force included designated spots for community members, to be appointed by elected officials.

\* Community-proposed plan (1998)\*


- Two 600-seat elementary schools
- One 600-seat middle school
- Two or more basketball courts
- Soccer field
- 200-meter track
- Underground movie and performing-arts theaters
- Music, dance and martial-arts studios
- Community center with cafes, bookstore, farmers' market and offices for social-service agencies

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1. Giulani, "2000 State of the City Address."
2. Lipton, "Mayor's Capital Plan May Bump into State Debt Ceiling."
4. Informant #4, interview.
When Dan Doctoroff, Deputy Mayor for Economic Development, announced the move after a KARA-led tour of the facility, community members were very surprised. By this time, Mayor Michael Bloomberg was entering his second term as mayor and had earned a reputation for siding with real estate developers. Considering the quality of community involvement in the Gateway Center and Yankee Stadium projects, the move constituted an even bigger departure from the City's typical modus operandi. The resulting RFP, released in October of that year, gave preference to developers who committed to local hiring. Both KARA and the EDC were pleased with the “unprecedented” degree of collaboration.

However, issues soon began to emerge. Members of the EDC leadership who had been sympathetic to KARA's cause left the organization. EDC and the Task Force spent several months negotiating a “gag” order before the Task Force was allowed to review the three proposals that were submitted. The gag order was eventually dropped but EDC let on that community members would not be permitted to see the proposals in their entirety.

In April 2008, the City announced the selection of a plan called the Shops at the Armory. The $310 million shopping center would include a large department store, as many as 35 smaller shops, a movie theater, and several restaurants. The plan also proposed a recreational facility, catering and banquet space, outdoor open space with a seasonal farmers' market and cafe, and parking for 400 cars. The project would receive $13.8 million in tax deferrals and exemptions. The project promised 650 construction jobs and 1,200 permanent jobs. The developer, Related Companies, was the same team that completed the infamous Gateway Center.

NWBCCC opposed the proposal for three reasons. First, the use of the building as a shopping mall did not serve community needs, and it would likely hurt nearby small businesses. The Kingsbridge Armory sits just four blocks from Fordham Road, the largest and most prominent shopping district in the Bronx, and the third busiest in New York City. The district has over 300 stores, many of them locally and independently owned. Surprisingly, however, the impact on local businesses was the least prominent of the three objections. The second issue was the potential adverse traffic impacts in the neighborhood. The third and most important issue for NWBCCC was wages. Many of the permanent jobs created would pay at or near the federal minimum wage of $7.25. NWBCCC was demanding that both the developer...

1 Informant #4, interview.
2 Adler, “From the Archives: Bloomberg, Uninterrupted.”
4 Kratz, “Armory RFP Released at Long Last.”
5 Chan, “Doctoroff Is Leaving Bloomberg Administration.”
6 “Armory ‘Gag Order’ Dropped.”
7 Dolnick, “Council Overrides Veto, Blocking Plan for Armory Mall.”
8 Rose, “NYC Economic Development Corporation Announces Developer and Development Plan for the Kingsbridge Armory in the Bronx.”
9 “NYCIDA Cost/Benefit Analysis.”
10 Ibid.
11 “Fordham Road - The Outdoor Mall Experience.”
and commercial tenants pay employees living wages, defined as $10 an hour plus benefits, or $11.75 without benefits, indexed to inflation. This issue would eventually lead into the citywide living wage campaign that would end with the passage of the Fair Wages for New Yorkers Act in 2012.¹

Underlying all three of the issues at stake was the community and elected officials’ claim that the use of taxpayer subsidies entitled the community to more.² Based on their objections, NWBCCC hoped to negotiate a community benefits agreement (CBA) with the developer. With help from national experts, legal advocates, and good-government groups, they compiled a list of demands, based primarily on the priorities they had identified during the 2006 community-wide charrettes. KARA began holding public meetings to raise their profile, eventually holding a 250-person candlelight vigil in front of the Armory.³

This also coincided with a number of organizational changes within NWBCCC. They switched to an institution-based organizing model, where houses of worship and other community groups, rather than individual residents, became members of the organizing network. They adopted a philosophy of community-leader empowerment, encouraging community residents to speak at public meetings and discouraging staff organizers from doing so. Lastly, National People's Action in Washington, DC, trained the group in solution-based organizing, whereby community leaders were expected to propose interventions to decision makers, rather than simply identify problems.⁴

Moreover, by the time the first proposal to redevelop the Kingsbridge Armory arose, the Northwest Bronx Community and Clergy Coalition already had direct experience campaigning against unwanted development. Starting in 2004, the community opposed a $1.2 billion plan to build the new Croton Water Filtration Plant in Van Cortlandt Park—the second biggest park in the city, on the border between the Bronx and Westchester County. However, the community and unions differed in their position towards the project, and community opposition alone was not strong enough to defeat it.⁵

Despite their persistence, Related Companies refused to meet with NWBCCC or KARA.⁶ In May 2009, Related Retail Armory, LLC (a subsidiary of Related Companies), and the EDC submitted an application to change the parcel’s zoning from medium-density residential to commercial use; dispose of the land from the City to EDC, who would in turn convey it to Related Retail Armory for $5 million; and amend the City Map to discontinue portions of the surrounding streets.⁷ This application triggered the seven-month

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¹ Broxmeyer and Michaels, “Faith, Community, and Labor: Challenges and Opportunities in the New York City Living Wage Campaign.”
² Diaz, Jr., “State of the Borough Address 2010.”
³ Informant #4, interview.
⁴ Ibid.
⁵ The project is currently under construction, though it is now three years behind schedule, promises for new green space elsewhere have not been fulfilled, and the projected budget has ballooned to a staggering $3.5 billion. See Annual Investment Projects Report: Pursuant to Local Law 62 - FY 2012.
⁶ Informant #4, interview.
⁷ “C 090437 2MX,” 09.
Universal Land Use Review Process (ULURP, outlined on page 17).

In June, Community Board 7 voted 24-4 in favor of the proposal with the following provisions:

- The City retain the development rights for any unused rights and not transfer them to the developer
- The developer fund two parks projects as part of public plaza design called the “Gateway to the Armory”
- That the two national guard buildings be acquired by the School Construction Authority for the purpose of building two schools
- “A legally-binding, enforceable Community Benefits Agreement” be established with the developer
- A community needs assessment
- 100 percent union construction contracts
- First-source hiring plan
- 50-60,000 square feet of community space
- The inclusion of a public arts project
- The building achieve a minimum of LEED silver
- On-site youth recreation facilities
- Wi-Fi and public broadband services, including in public spaces surrounding the Armory
- Formation of an advisory group
- The project include a supermarket with a “vast selection” of organic food options

Though they do not have a formal role in ULURP, KARA weighed in on the project. The group compiled a list of “items for consideration” including workforce and business development, funding for affordable housing, green practices, traffic mitigation, and community and green space. However, the developer refused to negotiate with KARA.

Meanwhile, divisions began to emerge within the coalition. The proposed supermarket became a major sticking point. Local grocery chain Morton Williams, whose workers were represented by the Retail, Wholesale and Department Store Union (RWDSU, a KARA partner), feared that food-related businesses would hurt their stores. On the other hand, the community wanted food-related uses in order to increase access to fresh foods. In the end, the supermarket debate pitted the unions against one another: RWDSU opposed the project while the American Federation of Labor and Congress of Industrial Organization (AFL-CIO) praised Kingsbridge as a model for community engagement.

1 Ibid.
2 "Items for Consideration of Kingsbridge Armory CBA."
3 Prislin, “Proposed Supermarket Divides Bronx Community.”
The Kingsbridge Armory CBA

COMMUNITY BENEFITS

1 Monetary contributions for community priorities

- $8 million to build out community space, train local workers in green technologies, and operate a Small Business Incubator, administer capital improvement grants for local businesses, and make other capital improvements that the Community Advisory Council determines.
- $1 million in in-kind services per year to the community.
- 1% of the first $25 million in lease revenue and 2% of all additional revenue in the manner that the Community Advisory Council determines.
- Additional contributions for technical assistance and mentoring for local businesses, free wireless internet access, ADA compliance, and community programs.

2 Local procurement

- Establishes a three-tiered priority system for businesses: (1) local, green businesses; (2) all other local business; (3) non-local, green businesses.
- At least 25% of procurement with a goal of 51% will come from local businesses, and at least 25% of procurement with a goal of 51% will come from MWBE businesses.
- No fast food chains or vendors, no big box stores, no supermarkets.

3 Local hiring, training, and living wages

- WAGES AND JOB STATUS:
  - All employees and employees of subcontractors will be paid a living wage of $10 an hour plus benefits or $11.50 without benefits indexed to inflation.
  - During the first two years, at least 20% of employees will be full-time; thereafter, at least 40% will be full-time.

- TRAINING:
  - Developer will train qualified employees, with priority for local residents.
  - Work with local colleges to develop sports management programs.

- FIRST-SOURCE HIRING:
  - At least 51% of employees and employees of contractors will come from the Target Population.
  - Establishes a three-tiered system of priority within the Target Population for underemployed, unemployment or other "target population" individuals: (1) within a half mile, (2) within one mile, and (3) within the Bronx.

- LOCAL CONTRACTING IN PROJECT CONSTRUCTION:
  - 25% of employees from the Target Population.
  - Local hiring plan and advertisement of specialized positions and training opportunities to be delivered to CAC.

4 Environmental sustainability

- Sets benchmarks for green construction (LEED Silver and Green Building Certificate from the US Green Building Council), green jobs, healthy eating at the project, green space preservation, composting and recycling, education, LEED.

5 Community space and programming

- 99-year, $1 per year lease with CAC.
- CAC will designate community space usage through consensus.

- PRIORITY ACCESS:
  - Developer will seek to ensure gender equity in terms of access.

- 12 days a year of use with the links converted to alternative uses (e.g. basketball courts).

- FOUNDATION SPORTS PROJECT:
  - Sports outreach program with Bronx Title 1 public schools.

6 Other benefits

- If awarded the contract to develop State-owned properties on 1539, the developer will develop a new school.
- Provide advertising space for CAC at the project and on its website.
- Display local artists.

SIGNATORIES

KNIC Partners, LLC
+ 25 community groups

raised important questions about whether the coalition should focus singularly on jobs, as some
unions wanted, or address quality of life issues and other aspects of development, as many community
members felt it should.

When the project reached the office of Bronx Borough President Ruben Diaz, Jr., in September 2009, he
recommended disapproving the project because it had:

- no CBA
- a supermarket, which would negatively impact unionized supermarkets nearby
- no market study or socioeconomic analysis
- no assurance from the DOE about the siting of schools
- no plan for the $5 million acquisition price and taxes that the City would collect
- inadequate design
- unmitigated or unaddressed traffic impacts, including on public transit

Opposing the project was a risky move. Bloomberg and the EDC held power over Diaz's other pet
projects, including the disposition of a federal property at 555 Nereid Avenue, which mysteriously stalled
after Diaz make his negative recommendation.

Because neither the community board's nor the borough president's recommendation is binding, the
proposal continued to make its way through ULURP, arriving next at the City Planning Commission (CPC).
The Final Environmental Impact Statement (FEIS), completed in October 2009, found that the project
would result in significant traffic impacts, most of which could not be mitigated. Nonetheless, the CPC
voted to approve the changes necessary for the plan to go forward. In its statement, the CPC stated,

The Commission believes the proposed project would bring needed goods and services to the area, provide employment
opportunities, include community facility and public space that would enhance the surrounding neighborhood, and preserve
a highly visible landmark.

Stating that ensuring community demands were met was beyond its scope, it encouraged "continued
discussion" between the developer, community board, borough president, and community groups. Only
one commissioner, Karen A. Phillips, submitted a formal dissent, writing:

After a careful review of the neighborhood and this project, my concern is the economic sustainability of the improvements
in light of the public benefits that will be utilized to create the Shops at Kingsbridge. The short term outlook is positive, but
the long term impact is questionable, especially considering the country's financial crisis that has resulted in changes in retail
estABLishments and consumer spending patterns.

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1 "C 090437 ZMN,109."
I have been informed that this project competes with regional shopping centers located just north of the Bronx, though the surrounding area is not underserved by local retail or supermarkets. My experiences in supermarket development encourage my support of providing more outlets for quality food while creating good jobs. However, the impact of a major supermarket and a regional shopping center at this location, I feel, will undermine the stability of existing businesses and overwhelm the area. Therefore I vote NO!

When the proposal finally reached City Council at the end of the seven-month process, the Northwest Bronx, the media, and communities across the city (and even the country) awaited the final decision. If the Council approved the development, more than ten years of highly visible community organizing would have failed. On the other hand, if the Council rejected it, it would be the first true community benefits agreement in New York City and a definitive sign of shifting tides in the city's development.

The Council cast their votes on December 19, 2009. The decision left little ambiguity about where the Council stood: 45 Council Members voted down the project; just one—Helen Sears from Queens—voted in support. Mayor Bloomberg immediately vetoed the decision, but the Council overrode the veto, this time 48-1.

Kingsbridge on ice

In his 2010 State of the Borough address, three months after the defeat of the Shops at the Armory plan, Bronx Borough President Diaz reiterated his position with respect to redevelopment:

Do not misunderstand me. I welcome development, and I am ready, willing and able to work with everyone that wants to do business within our borough. But we must raise the standard of that development. We must stand up and demand that major projects that receive heavy taxpayer benefits offer more than poverty-level jobs. It is time to do better.

He also announced the convening of a ten-person task force, chaired by himself and Council Member Fernando Cabrera, which would help craft a new RFP for the "majestic" building. The group partnered with NYU Wagner School of Public Service to develop three proposals for the site: (1) a sports, wellness, and entertainment center; (2) a hub for the sustainable food industry; and (3) a film studio. However, without a developer, or even another RFP from the City, none of the proposals could move forward.

Meanwhile, RWDSU, in partnership with community-based organizations, used the momentum of

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1 Ibid.
2 Katz, LU 1259 - Veto - Zoning, 29 West Kingsbridge Road, Bronx (C0043BPKX).
3 Ibid.
4 State Senator Gustavo Rivera was later added as an eleventh member in October 2010.
5 Diaz, Jr. "State of the Borough Address 2010."
6 Kingsbridge Armory Task Force Report.
the Kingsbridge case to launch a citywide living wage campaign. They built significant public support for the issue by reaching out through the faith community and by framing it as a moral as well as economic issue. The Fair Wage for New Yorkers Act, which was eventually passed in August 2012, reflects significant compromise between RWDSU and then-City Council Speaker Christine Quinn, and many community groups felt disappointed and betrayed with RWDSU’s pragmatism in the final deal. Nonetheless, the two groups did manage to smooth over relations by creating a Policy Team that would increase accountability and share decision-making between the two groups. The victory was a “successful failure” in the sense that it strengthened the relationship between unions and community-based organizations, which had been fractured during the fight around the Croton Filtration Plant. Having grown out of the Kingsbridge campaign, it also kept a public focus on the redevelopment of the Armory.

As the Fair Wages for New Yorkers Act was being debated, a prospective developer for the Armory had quietly stepped forward. Kevin Parker of Deutsche Bank, whose son played ice hockey, had noticed a shortage of ice sheets (individual ice rinks) in New York City: The city had only one ice sheet per 1.2 million residents, compared to the national average of one per 100,000 residents. He asked Stephan Butler (his employee at the time and now co-partner at KNIC Partners, LLC) to research the feasibility of developing an ice rink in the city. Butler determined that the shortage was due to supply constraints, rather than a lack of demand. He hypothesized that there was significant pent up demand for ice sports in the city, as evidenced by professional sports teams, sports viewership, and the lengthy waitlists for free figure skating and ice hockey programs in Harlem and other parts of the city.

Butler and Parker had spent many months searching fruitlessly for a viable location when the EDC directed him to the Kingsbridge Armory. The pair liked the Armory because of its proximity to Van Cortlandt Park, colleges, vibrant streets, transit, schools, and the well-populated residential community of the Northwest Bronx.

After the negative experience with the first attempted redevelopment of the Armory, Bloomberg and EDC charged KNIC Partners, LLC, with getting local elected officials and community groups on board. The team met with Borough President Diaz, Community Board 7, and several local universities, and they received strong support for the proposal. After nearly three years of public silence, in his 2012 State of the City address, Bloomberg announced the release of a new RFP for the building.

One other proposal came in to EDC. Called Mercado Mirabo, it would include basketball courts, a

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1. Informant #3, interview.
2. Broxmeyer and Michaels, “Faith, Community, and Labor: Challenges and Opportunities in the New York City Living Wage Campaign.”
3. Informant #1, interview.
4. Ibid.
5. Ibid.
movie theater, food court, an artisan markets and other shops, and a hip-hop museum. Parker and Butler's proposal, on the other hand, would convert the Armory to the largest indoor ice-skating arena in the world, including nine year-round, indoor ice rinks and a 5,000-seat arena. It would be called the Kingsbridge National Ice Center (KNIC).

A private ice rink in a neighborhood where few residents played ice sports was not a natural sell. The plan did not meet their need for schools, and it was a different kind of recreation facility than they had originally envisioned. But the project did represent $320 million in investment, including $275 million of private investment. The developers had no doubts that the community would embrace it as a recreation facility and community center.

A study commissioned by the developers estimated that the building would attract 7,000 visitors a day—or 2.5 million annually—and it would contribute $370 million in construction-related activity and $88 million in annual business contracts to the local economy. It also promised to create 890 construction jobs and 267 permanent jobs. Though this represented significantly fewer jobs than the Shops at the Armory proposal promised to create, the developer, KNIC Partners, LLC, agreed to meet with the community to negotiate a community benefits agreement (CBA).

1 Beekman, “Kingsbridge Armory Ice Center Bidders Release Memo That Touts $1.3 Billion in Economic Impact for City.”
2 Informant #1, interview.
3 Beekman, “Kingsbridge Armory Ice Center Bidders Release Memo That Touts $1.3 Billion in Economic Impact for City.”
4 “Kingsbridge Armory,” NYCEDC.
KARA and KNIC Partners built a strong working relationship out of necessity. KNIC Partners realized that they could not implement the project without community support, for several reasons. First, they had seen the power of community opposition when the earlier Shops at the Armory proposal had been rejected. Second, they realized that they were selling a service that customers would have to choose, and that many of their patrons would be local. Because of this, seeding goodwill in the community was simply a good business decision. Third, the Bloomberg administration, looking to absolve the one blemish on their record and add Kingsbridge to their legacy of development in the city, was pushing the team to sit down with community groups.

KARA and KNIC Partners negotiated from January until April 18, 2013 when they signed the final agreement. KARA was represented by Desiree Pilgrim-Hunter, Alice McIntosh, Reverend Que English, Elizabeth Ortega and Taleigh Smith—all members of NWBCCC. In the final agreement, KNIC Partners committed to pay all employees living wages and to ensure that all tenants in the building did the same. The CBA also identifies a "target population" for training and hiring programs. That group includes individuals who are recipients of public assistance, previously incarcerated, disabled, veterans, younger than 17 or older than 60, and/or belong to minority groups and live within a half-mile of the Armory. The agreement outlines a tiered priority structure that benefited these residents in the immediate vicinity first, followed by those living in other parts of the Bronx.

The CBA also includes provisions to support local businesses. KNIC Partners agreed to procure at least one-quarter of their goods locally. As with individual employees, the agreement outlines a tiered structure that gives priority to businesses in the immediate vicinity as well as environmentally sustainable businesses, and KNIC Partners promised not to sign leases with "big box" retailers. They also agreed to donate to community groups, contribute to a fund for construction of a new school in the neighborhood, donate free ice time to the community, and provide 52,000 square feet of community space on site.

Lastly, the CBA contained strong enforcement and accountability measures. An eleven-person Community Advisory Council (CAC)—including representatives appointed by the District 14 Council Member, Community Board 7, NWBCCC, and KNIC Partners, LLC, as well as one at-large community member—will oversee the implementation of all provisions in the CBA. The developer is expected to furnish detailed reporting and recordkeeping for the CAC review at regular intervals and upon request. If KNIC Partners fail to meet the established benchmarks, the CAC will determine the acceptability of the reasons for failure, and the developer or the CAC will create a corrective action plan. If that fails, the CAC has access to legal recourse. The final agreement had 26 signatories: the developer and 25 community-
### Timeline

**The Redevelopment of the Kingsbridge Armory**

The following timeline identifies key turning points in the nearly twenty-year effort to redevelop the Kingsbridge Armory. The chart to the right highlights the actors that were driving each of these events to illustrate when various actors participated in the process and how they interacted with one another.

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994</td>
<td>National Guard vacates building</td>
</tr>
<tr>
<td>1995</td>
<td></td>
</tr>
<tr>
<td>1996</td>
<td>State passes control to the City of New York</td>
</tr>
<tr>
<td>1997</td>
<td>Giuliani convenes task force</td>
</tr>
<tr>
<td>1998</td>
<td>NWBCCC presents City with $110M plan for schools</td>
</tr>
<tr>
<td>1999</td>
<td>NWBCCC leads tours of the Armory</td>
</tr>
<tr>
<td>2000</td>
<td>Giuliani announces $110M entertainment and retail plan</td>
</tr>
<tr>
<td>2001</td>
<td></td>
</tr>
<tr>
<td>2002</td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>KARA is formed</td>
</tr>
<tr>
<td>2006</td>
<td>KARA holds charrettes</td>
</tr>
<tr>
<td>2007</td>
<td>NYCEDC convenes task force and releases RFP</td>
</tr>
<tr>
<td>2008</td>
<td>Related Companies submits Shops at the Armory proposal</td>
</tr>
<tr>
<td>2009</td>
<td>City announces Shops at the Armory</td>
</tr>
<tr>
<td>2010</td>
<td>Diaz and City Council rejects Shops at the Armory</td>
</tr>
<tr>
<td>2011</td>
<td>Diaz and Cabrera convene task force</td>
</tr>
<tr>
<td>2012</td>
<td>KNIC Partners begin due diligence</td>
</tr>
<tr>
<td>2013</td>
<td>NYCEDC releases new RFP</td>
</tr>
<tr>
<td>2014</td>
<td>KARA and KNIC Partners negotiate CBA</td>
</tr>
<tr>
<td>2015</td>
<td>City Council approves KNIC</td>
</tr>
</tbody>
</table>
and faith-based organizations—compared to just three community groups in the Gateway Center case.

Despite the CBA being signed, the project was not entirely out of the woods—or ULURP—yet. KARA began meeting with City Council members to educate them about CBAs and lobby them to vote in favor of the development. Council Member Fernando Cabrera, who had supported the CBA negotiations process, now withdrew his support from the project. He began demanding that the developer contribute $470,000 to mitigate traffic issues¹ and pay $100,000 a year to a little-known nonprofit that he managed called Community Action Unlimited.²

But all parties needed the deal to close soon if it was going to move forward. Otherwise, the majority of the City Council members were leaving office and the community would have to start meeting with lawmakers anew; KNIC Partners’ investors might get cold feet; and the outgoing Bloomberg administration would not get credit for the deal.³ At the last minute, Cabrera came around, bringing several other Council members on board. The deal finally came to a vote on December 10, 2013, and passed 48-to-1. Only Charles Barron of Brooklyn voted against it.⁴

Looking to the future

The estimated net new economic impact as a result of the redevelopment of the Kingsbridge Armory in the Bronx is over $1 billion. Including a multiplier effect as a result of visitor spending, it is expected to generate 890 construction-related jobs and 280 permanent full-time equivalent jobs within the Bronx. The development of the adjacent North Parcel (also on the site) would generate additional economic activity, job creation, and tax revenue.

The developer has agreed to many provisions that will allow these benefits to accrue to local residents—by hiring residents and purchasing from local businesses, and by investing in community facilities and schools. However, only the community’s continued organizing and careful oversight will ensure that the developer meets the benchmarks outlined in the community benefits agreement (CBA). Moreover, the figures offered above are estimates. Ultimately, achieving community benefits rests on the financial viability of the project once the facility is open. Despite this uncertainty, if the Kingsbridge National Ice Center is successful and KNIC Partners does comply with the stipulations of the CBA, Bronx residents stand to benefit greatly from the development—both economically and socially.

¹ Hu, “City Council Approves an Ice Center for the Bronx.”
² Hu, “Scutiny Over Bronx Councilman’s Demands for Ice Center Plan.”
³ Informant #4, interview.
⁴ Comrie, Jr. and Weprin, LU 964 - Zoning, Kingsbridge Armory.
Estimated economic impact of KNIC within the Bronx

Source: HR&A Advisors, Inc., "KNIC Economic and Fiscal Impact Analysis Findings."

<table>
<thead>
<tr>
<th>Spending*</th>
<th>Direct spending</th>
<th>Multiplier spending</th>
<th>Total spending</th>
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<td>Construction activity</td>
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<td>$168,000</td>
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<td>Annual operating activity</td>
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<td>$14,200</td>
<td>$42,300</td>
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<tr>
<td>ice facility operations</td>
<td>$1,200</td>
<td>$800</td>
<td>$2,000</td>
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<tr>
<td>community center</td>
<td>$900</td>
<td>$500</td>
<td>$1,400</td>
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<tr>
<td>nonprofit skating program</td>
<td>$2,600</td>
<td>$1,600</td>
<td>$4,200</td>
</tr>
<tr>
<td>concessions</td>
<td>$2,700</td>
<td>$1,400</td>
<td>$4,100</td>
</tr>
<tr>
<td>wellness center/health club</td>
<td>$300</td>
<td>$200</td>
<td>$500</td>
</tr>
<tr>
<td>parking</td>
<td>$2,200</td>
<td>$1,400</td>
<td>$3,600</td>
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<tr>
<td>net new visitor spending</td>
<td>$18,200</td>
<td>$8,300</td>
<td>$26,500</td>
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<tr>
<td>Additional impacts from North Parcel</td>
<td>$64,200</td>
<td>$30,300</td>
<td>$94,500</td>
</tr>
<tr>
<td><strong>Total impacts</strong></td>
<td><strong>$207,900</strong></td>
<td><strong>$96,900</strong></td>
<td><strong>$304,800</strong></td>
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*Figures are represented in thousands of dollars.

<table>
<thead>
<tr>
<th>Jobs (full-time equivalent)</th>
<th>Direct</th>
<th>Multiplier</th>
<th>Total</th>
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<tr>
<td>Construction activity</td>
<td>568</td>
<td>317</td>
<td>885</td>
</tr>
<tr>
<td>Annual operating activity</td>
<td>301</td>
<td>84</td>
<td>384</td>
</tr>
<tr>
<td>ice facility operations</td>
<td>46</td>
<td>5</td>
<td>51</td>
</tr>
<tr>
<td>community center</td>
<td>12</td>
<td>3</td>
<td>15</td>
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<tr>
<td>nonprofit skating program</td>
<td>37</td>
<td>10</td>
<td>47</td>
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<tr>
<td>concessions</td>
<td>46</td>
<td>8</td>
<td>54</td>
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<tr>
<td>wellness center/health club</td>
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<td>1</td>
<td>14</td>
</tr>
<tr>
<td>parking</td>
<td>13</td>
<td>9</td>
<td>22</td>
</tr>
<tr>
<td>net new visitor spending</td>
<td>134</td>
<td>48</td>
<td>182</td>
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<tr>
<td>Additional impacts from North Parcel</td>
<td>341</td>
<td>183</td>
<td>524</td>
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<tr>
<td><strong>Total impacts</strong></td>
<td>1,210</td>
<td>583</td>
<td>1,793</td>
</tr>
</tbody>
</table>
LESSONS LEARNED

Learning from success

There were many exceptional factors that contributed to the final approval of the Kingsbridge National Ice Center development plan and the achievement of significant community benefits. For one, the defeat of the initial Shops at the Armory proposal created the opportunity for the ice center proposal to emerge. It also demonstrated the community's power in the City approvals process, which later magnified their leverage in negotiations with KNIC Partners. However, how the community achieved this first milestone was itself the culmination of many events leading up. Below are some of the key factors that drove the defeat of the Shops at the Armory proposal and the subsequent success of CBA negotiations between KNIC Partners and KARA.

- Because the Kingsbridge Armory was vacant for many years, the community had a head start on organizing. The fact that the physical structure of the Kingsbridge Armory existed for many years without a redevelopment plan gave the community a chance to imagine the uses they wanted to occupy the building before the Economic Development Corporation (EDC) and private developers began planning for redevelopment. As a result of this planning process, the community had identified clear priorities and a shared vision for redevelopment. Though the plan they originally conceived with the Pratt Center was not implemented or even meaningfully considered by the EDC or the City, it did prepare the community for later negotiations with KNIC Partners.¹ When the Shops at the Armory proposal did not address the priorities they had identified, the community was ready to mobilize and had a clear message for both developers and City officials.

Currently, there are few sites within New York City that present similar situations: there are only a handful of vacant armories left, and vacancy rates in the city as a whole are exceedingly low. However, areas affected by Hurricane Sandy can expect new development as the City and private developers look to invest in those communities. Identifying assets that could be redeveloped in the future and establishing criteria for redevelopment ahead of a request for proposal can ensure that communities are well positioned to capture the economic and social benefits generated.

- The Kingsbridge Armory Redevelopment Alliance (KARA) was exceptionally organized and well resourced. NWBCCC had been organizing for almost 40 years and was able to reach a large number of people through their institution-based community-organizing model. They also had a staff organizer working full-time on the Kingsbridge campaign for several years, and RWDSU provided staff support for a number of years. This level of capacity is rarely seen with

¹ Altman, interview.
communities in similar circumstances. They also had access to their own legal counsel, unlike other communities in NYC that had attempted CBAs in the past. What is more, the surrounding neighborhood was not under immediate threat of gentrification, unlike other communities facing redevelopment in the city, particularly in Brooklyn.

- Timing was also crucial, in several respects:

  - The Shops at the Armory proposal was going through the Universal Land Use Review Process (ULURP) during Ruben Diaz’s campaign for borough president. Under pressure from KARA, Diaz made the Armory a focal point of his political platform. Recommending that the project not go forward was one of his first acts in office, which set the tone for subsequent negotiations.

  - The Economic Development Corporation (EDC) had temporarily stopped lobbying City Council during the time that the initial project was defeated. An investigation by then-Attorney General Andrew Cuomo found that the EDC had been illegally lobbying City Council to win approval of development projects. The City thus formed two separate entities: the Economic Growth Corporation (EGC), which would manage lobbying activities, and the Land Development Corporation (LDC), which would assume EDC’s development functions. The EDC later merged with the EGC, keeping the EDC’s name but assuming the EGC’s ability to legally lobby City Council. However, during the investigation, the EDC temporarily suspended its lobbying activities. This included the time during which City Council denied the first Kingsbridge Armory redevelopment proposal.

  - The Shops at the Armory proposal was being considered as the Atlantic Yards development in Brooklyn was breaking ground. The concern over community representation in that case was enough to convince many City Council members who were not immediately affected by the Kingsbridge Armory redevelopment to oppose the proposal.

- Having defeated the Shops at the Armory proposal strengthened the community’s bargaining position when it came time to negotiate with KNIC Partners. The defeat of the Shops at the Armory proposal was the biggest turning point in the case and was crucial to the successful CBA negotiations for the Kingsbridge National Ice Center later on. Once the City Council had shown that it was willing to side with community groups over the EDC and Mayor Bloomberg’s objections, the community could realistically claim leverage in the City approvals process. KNIC Partners was thus

1 Goldstein, interview.
2 Gross, interview.
3 Massey, “Economic Development Corp. Will Restructure to Lobby Legally.”
4 Informant #4, interview.
under significant pressure to negotiate with community groups.

- In addition to the accessing economic benefits, the community was able to leverage a seemingly unrelated use to meet their social needs. An ice rink was not residents' first choice for the reuse of the Armory, and it did not meet the community's expressed preference for schools. However, the community was able to leverage the KNIC Partners' investment to meet their social needs by having them commit to provide community access, dedicated community space, and funding for new community schools. Impressively, they were able to do so even though there was no public subsidy in the deal, which could have undermined a key rhetorical strategy for community groups.

- The alliance between unions and community groups strengthened organizing efforts. Together, these groups were able to frame living wages as a moral issue, and they were able to translate an individual "site fight" into a (somewhat) successful citywide legislative campaigns. Though communities and unions had split in previous cases—and in fact did at several points during the Kingsbridge case—their unity through most of the process contributed greatly to the success of both the CBA and the Fair Wages for New Yorkers Act. For instance, neighborhood- and faith-based groups were able to frame living wages as a moral issue in order to mobilize other groups and congregations across the city. Even though unions did not sign the final CBA, their broad geographic base allowed KARA to convert a neighborhood-based issue into a citywide campaign about living wages. While the final Fair Wages for New Yorkers Act falls short of original community demands, the publicity that accompanied the campaign brought the Kingsbridge case under increased public scrutiny and proved that a campaign around a specific project could lead to successful citywide mobilization.

- Bronx Borough President Diaz used informal authority effectively to support community benefits. The actions of the Bronx Borough President Ruben Diaz, Jr., were key to the defeat of the original Shops at the Armory proposal. During his election campaign, Ruben Diaz, Jr., made the Kingsbridge Armory a centerpiece of his political platform. Once in office, Diaz supported KARA by meeting with them and issuing public statements in support of them. Though his negative recommendation during ULURP was not binding, in practice, borough presidents rarely exercise this option. His actions sent a clear message in support of KARA and set the tone for subsequent dealings. After the proposal had been defeated, Diaz again used his informal authority to convene a task force and solicit new proposals for the buildings. Once negotiations were underway, he sent

..............................

1 In fact, the cost of land was subsidized, but this is not captured in typical accounting of subsidies.
2 Informant #3, interview.
3 Ronda, interview.
representatives to meetings between the two parties.¹

- KNIC Partners, LLC, was a socially minded developer. The founders of KNIC Partners had worked in social impact investing and disaster recovery previously. Thus, they set themselves apart from Related Companies and other New York City developers. KNIC Partners was prepared to provide basic community benefits (including living wages and local hiring) regardless of a community agreement, but community input further raised their level of commitment, introduced benefits they had not previously considered, and made the project even stronger.²

- The Kingsbridge National Ice Center (KNIC) proposal was a use looking for a site, whereas the Shops at the Armory proposal emerged because the site was searching for a use. KNIC Partners had developed the idea for an ice rink independent of the Armory. While they sought to make a profitable investment, achieving the proposed use (i.e. creating additional ice sheets in New York City) was an equally important goal. The Kingsbridge Armory met KNIC Partners' specific space requirements for this use. The slim possibility of finding a comparable space in New York City or of realizing their vision without it predisposed the developers to work with community groups and amplified the community's leverage in the CBA negotiations process.

Conversely, the Shops at the Armory proposal emerged in response to the EDC's initial request for proposal (RFP), which they released at the community's urging. In that case, the community's need for the developer to repurpose the vacant asset exceeded the developers' (perceived) need for community support. In the end, the community proved that this was not the case: Related Companies could not make the investment without community support. However, Related Companies' refusal to meet with community groups reflected their perception that the site needed them much more than they, as the developers, needed that particular site.

- The Kingsbridge National Ice Center's business model is more readily compatible with community benefits than that of the Shops at the Armory. Labor is a small portion of the overall operating expenses of ice rinks, in contrast to retail, where labor is a much larger expense proportional to revenue. In addition, KNIC Partners understand higher wages as a strategy for increasing the overall financial viability of the project, since disposable income in the neighborhood can be spent at the ice center and seeding good will within the community will encourage patronage. In contrast, neighbors would likely purchase clothing and other basic goods at the Shops at the Armory even while incomes remained low.³

¹ Byron, interview.
² Informant #1, interview.
³ Ibid.
Moreover, the economic benefit the Armory offers for KNIC (because of locational amenities and economies of scale) meant that the community could impose significant costs (from the developers' perspective) without jeopardizing the overall profitability of the development. The Armory did not propose the same type or degree of benefits for the mall proposal.

- **Timing was again a key factor for expediting the approval of the final community benefits agreement.** The Kingsbridge National Ice Center proposal was making its way through ULURP as Mayor Bloomberg and a majority of City Council members were preparing to leave office, which put pressure on officials to grant the necessary approvals before the end of 2013. The defeat of the Shops at the Armory proposal was among the only blemishes on Bloomberg's record of fostering private development in New York City, and he wanted to both erase that defeat and ensure that Kingsbridge would be part of his legacy. When community-developer negotiations seemed to stall, Bloomberg stepped in to ensure that the project could move forward.¹ City Council members, meanwhile, were eager to hear the case before leaving office, and advocates were thankful they did not have to start lobbying a new Council the following month.²

**Learning from failure**

As the previous points illustrate, we can learn much from what went right in this case. However, we must recognize that the community's savvy and other extraordinary circumstances created a positive outcome *despite many aspects of the development process working against their favor.* In other cases where communities fail to negotiate benefits from major development, we might be tempted to blame the community's inexperience organizing or a lack of real political leadership. In this case, the community was highly organized and the Bronx Borough President, and City Council members were ready to exercise leadership in solidarity with the community; and yet the community was often excluded from key decisions, getting true community-based economic development took almost twenty years, and there were many points where success looked far from certain. In essence, this case removes all the usual failures of community opposition to lay bare the policy and decision-making defects within the New York City development process. Below are some of those key failures within the case.

- **The community plan that KARA developed was not integrated into the City's development plan.** Currently, New York City has no process for implementing community-generated plans. Section 197-a of the City Charter authorizes community boards to develop their own district land use plans, subject to approval by the borough president, City Council, and mayor.³ (More information about Section 197-a can be found on page 17.) However, to date only ten 197-a plans have been adopted.

¹ Informant #4, interview.
² Ibid.
³ New York City Charter.
and even fewer have been implemented. Though it remains the only official way for community groups to proactively communicate their vision for development in their neighborhoods, most community groups view it as ineffective. In the Kingsbridge case, the community did not even seriously consider seeking the designation for its community-based plan, though it would have been eligible.

- The recommendations of the EDC-convened Kingsbridge Armory Task Force were ignored. The EDC initially sought to include community input by convening a Kingsbridge Armory Task Force, which included community members, in advance of the RFP released in 2005. The RFP they released reflected community priorities, including living wages. However, EDC ultimately disregarded this and other criteria when they selected Related Companies as the development team in 2007.

- Community groups and unions divided on key issues. Though their alliance helped defeat the Shops at the Armory proposal and successfully launch a citywide living wage campaign, the two groups’ interests often diverged on key issues. In the Croton Filtration Plant campaign and again for the Shops at the Armory proposal, the interest of some unions in securing good-paying jobs conflicted with residents’ interests in environmental and social benefits, in addition to jobs and wages. In the living wage campaign as well, unions settle for narrower language in the Fair Wages for New Yorkers Act than the community had demanded.

- Community groups and EDC define success differently, which can lead to conflict. The actors involved in the redevelopment of the Kingsbridge Armory view the final result almost unanimously as a success. However, unsurprisingly, different actors highlight different aspects of the final outcome as successful and diverge in their assessment of discrete points in the process.

   — Though the initial project proposal was viewed with confusion and disappointment within the organization, EDC considers the final project a success because of the degree of collaboration with the community, the activation of an underutilized asset with private investment, and the minimization of public subsidies. Additionally, EDC will no longer have to pay to maintain the building, which probably cost about $300,000 annually. At the same time, EDC is still concerned that the project will create fewer jobs than the Shops at the Armory proposal would have.

   — For community groups and unions, economic development means more than just direct job creation. The type and quality of jobs created also matters. In this case, the community
settled for far fewer jobs (about one-sixth the amount proposed for the Shops at the Armory) in order to ensure that employees would earn living wages. KARA also looked beyond direct job creation to spillover job opportunities in the future\(^1\) and institutional procurement as an important source of community wealth. For community groups specifically, recreation space and other aspects of the project related to residents’ quality of life were also important.

EDC’s definition of success and that of unions and community groups are not necessarily incompatible. However, the metrics that EDC currently uses to measure success do not capture many of the priorities KARA identified in the CBA, including indirect employment, the type and quality of jobs created, the relationship to existing economic activity, environmental impacts (beyond the FEIS), access to the facilities, and the fulfillment of identified community needs. This raises serious questions about whether an agency with such a narrow definition of economic development should wield as much power as it does within the decision-making process.

- Unlike traditional public agencies, **NYCEDC is not accountable to citizens**. Top EDC officials are appointed, rather than elected, and because of its status as a separate tax-exempt organization, it is not bound to the same transparency and public input requirements as are traditional public agencies. Responsiveness to community demands—both for receipt of benefits and greater participation in the process—is thus at the organization’s discretion. If community groups are unhappy with the decisions taken, they have little ability to express that discontent directly to decision-makers.

- **Future success will require continued vigilance and coordinated support**; however, the City has not stepped up to offer assistance. While virtually all parties view the final agreement as a success, the future success of the entire project depends on three factors: the financial viability of KNIC once in operation, the enforcement of the CBA, and the ability of the community to meet the hiring and procurement needs of KNIC. The City may have a role to play, both in assisting the community in implementing the CBA and in helping the community prepare to meet the procurement demands of KNIC; however, it has not stepped up to assume this role.

- Lastly, **KARA missed some opportunities for community wealth generation**. Ice rinks consume an enormous amount of energy, and energy costs will almost certainly be one of KNIC’s largest budget items. The community could have demanded money or assistance to create energy-generation facilities in order to sell some of the energy they generate back to KNIC. This would likely have been palatable—even attractive—for KNIC partners. Yet, this and other specific community wealth generation strategies did not enter the discussion with developers.

\(^1\) Informant #3, interview.
CHAPTER 5

A Framework for Community Economic Development

Synthesizing the concepts presented in Chapters 2 and 3 and the major lessons outlined in Chapter 4, this chapter identifies a possible new framework for achieving more equitable and democratic economic development in New York City. I call this approach community economic development to highlight its emphasis on social benefits and local participation, and to differentiate it from the City’s traditional approach to local economic development. It consists of three major interventions: (1) building communities’ capacity for civic participation, (2) strengthening channels for community participation, and (3) creating incentives and pathways for City actors to support economic inclusion. I then consider opportunities and expected challenges for implementing these recommendations and propose initial steps to institute reform.

AN AGENDA FOR REFORM

After nearly two decades of fighting over the redevelopment of the Kingsbridge Armory, it is tempting to ask, was it worth it? For residents of the Northwest Bronx, who prevented unwanted development and now stand to benefit economically, environmentally, and socially from a regional landmark located in their community, almost definitely. But what can we say for other communities in New York City that face similar challenges? Is a twenty-year, resource-intensive campaign an option? Will such a campaign work the second time around, when many of the extraordinary circumstances that facilitated success are no longer in place? Looking carefully at the barriers that KARA overcame to achieve greater participation and equity, we can do more than simply emulate KARA’s strategy. Instead, we can propose and implement systemic—rather than project-level—interventions that create more opportunities for equity and democracy in economic development in New York City going forward.

The most obvious conclusion from the Kingsbridge case is that, contrary to previous experiences in the city, community benefits agreements (CBAs) can be used effectively in New York City as a result of concerted community organizing. For City policymakers or activists looking to promote equitable and inclusive economic development, incorporating a CBA requirement into the City’s development process might be a logical next step. Indeed, this is what Comptroller John Liu briefly attempted in 2010.
However, we should be wary about efforts to institutionalize CBAs. Creating such a requirement runs the risk of tokenizing or depoliticizing community involvement. It also sidesteps the very difficult preparatory work of developing a community platform in the first place. For the Northwest Bronx, this initial planning work was absolutely essential to identifying and prioritizing community demands that they could later negotiate with developers. Lastly, merely institutionalizing CBAs fails to address other systemic barriers to achieving greater equity and inclusion, including capacity constraints at the community level, EDC’s ability to lobby City Council, and metrics that define economic development too narrowly.

Another logical conclusion might be that New York City should adopt new requirements for developers that reflect the preferences expressed in the Kingsbridge CBA. For instance, the CBA requires the developers to procure at least 25 percent of their goods and services locally. The City could, theoretically, adopt this as a standard for all new developments. However, translating other commitments within the CBA into blanket requirements is less straightforward. KNIC Partners’ commitment to fund new schools, for example, addresses a need specific to the Northwest Bronx community. Communities elsewhere in the city undoubtedly have their own unique needs. Moreover, while the City has a crucial role to play in creating rules that encourage economic inclusion, merely imposing requirements does nothing to change the power relationship between communities, the City, and developers.

Instead, we must create a new framework that alters relationships, incentives, and pathways in order to achieve truly equitable, inclusive, and democratic economic development in New York. To accomplish this, I propose a series of interventions that would create new pathways for citizen participation; alter existing relationships by limiting the influence of the EDC; ensuring greater accountability to community groups; fortifying communities’ capacities for civic participation; and enlisting other municipal agencies in the implementation of economic development projects; and lastly, change incentives by reexamining the metrics the City uses to evaluate success. I call this approach community economic development, to highlight its emphasis on social benefits and local participation, and to differentiate it from the City’s traditional approach to local economic development.

(1) Build communities’ capacity for civic participation.

Community groups can take several actions to strengthen their own capacity for participation. Meanwhile, the City must acknowledge its role—indeed, responsibility—in preparing communities for meaningful participation. Below are three strategies that communities can adopt and one measure the City can take to build neighborhood-level civic capacity.

- Adopt an institution-based organizing strategy. In the midst of the Kingsbridge Armory redevelopment campaign, the Northwest Bronx Community and Clergy Coalition changed its
organizing model from an individual-based model to an institution-based model. This increased the number of people they could reach with limited resources. This could be an effective strategy for other community-based organizations facing similar situations.

- **Identify potential assets and plan proactively.** Anticipating new development and arriving at a shared vision ahead of time can prepare community-based organizations to react to development proposals in a definitive, constructive, and timely manner. The process of bringing community members together to arrive at a shared vision can also build capacity for successful mobilization down the line. In their vision, communities should strive for uses that exploit the unique aspects of local assets as much as possible, in order to maximize the community’s leverage in negotiations with developers.

- **Partner with unions in order to build larger campaigns.** The political clout and profile of unions can help translate local fights into broader campaigns that tackle systemic or legislative issues. However, neighborhood-based groups should be wary that their interests might sometimes conflict with those of unions. Ensuring that their future interests continue to align could be just as important as building the initial alliance.

- **Strengthen and support community boards** by hiring community planners. These individuals can help community boards engage in the proactive planning described above. Community boards could also enhance their accountability to local constituents by restructuring to an institution-based representation model (similar to the organizing model adopted by NWBCCC). One option would be for the Borough President to appoint membership *institutions* (e.g. schools, places of worships, clubs) rather than *individuals* to serve on community boards. Another would be training district managers, who are hired to assist community boards, in community organizing to help board members engage their constituents.

**Strengthen and better define channels for community participation.**

Once community groups have the capacity and are prepared to participate in decision-making, we must fortify channels for them to access these processes. Below are three steps the City can take to empower communities in decision-making and limit the influence of other actors who claim to speak on the community’s behalf.

- **Revise the Section 197-a process** to create outlets for implementation of community-based plans and to encourage City agencies and officials to submit plans through the process as well. Community groups view Section 197-a as an ineffective tool because it currently has no enforcement mechanism. Rather, it is an advisory document, which City agencies must consider—
but not heed—in developing future plans. Section 197-a plans already go through a lengthy vetting process and must be approved by at least three parties—borough presidents, city council, and city planning commission—before being formally adopted. Once adopted, the City could actively support proposals by instituting zoning changes that accord with the community’s vision. At the very least, when the City approves development or zoning changes that do not conform to community-generated plans, they could be required to justify why they are deviating from the community’s vision. Strengthening Section 197-a may also incentivize community groups to partake in planning more regularly.

- **Clearly outline the role of EDC in the City Charter.** Despite the large role it plays in policy and real estate decisions, EDC remains an independent nonprofit organization, and neither its specific powers nor standard operating procedures are outlined in the City Charter. Surprisingly, when the City Charter was being revised in 2010, delineating the roles and responsibilities of the EDC did not emerge as a major topic of debate. Below are two key reforms that could ensure greater equity and participation.

- **Prevent EDC from lobbying City Council.** As described on page 42, the Economic Development Corporation was temporarily barred from lobbying City Council during the time that the initial project was defeated. However, the organization has since resumed lobbying under a slightly modified legal structure.¹ The Kingsbridge case suggests that when EDC does not lobby City Council, the community may be better able to sway City Council and, in turn, have more leverage with developers who wish to invest in their neighborhoods. The EDC has already demonstrated that it can adapt its legal structure in order to modify its powers; however, if the City Charter clearly delimits its structure and authority, it will be less able to do so in the future.

- **Standardize community input procedures.** The EDC’s usual community engagement process involves reviewing the proposal, identifying key issues for the affected community, interfacing with the community boards, meeting with elected officials, and finally hearing from other groups.² It does not typically allow community members to help shape requests for proposal (RFPs) for development. In this context, the EDC’s decision to include community members on the task force that shaped the original 2005 RFP was surprising and rare. The decision allowed community members to participate in the process of setting the redevelopment agenda, rather than merely reacting to it, and it encouraged prospective developers to seek a higher standard of development from the very beginning. However, because the EDC did not have firm requirements or standardized mechanisms for community input, they ultimately

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¹ Massey, “Economic Development Corp. Will Restructure to Lobby Legally.”
² Informant #2, interview.
disregarded the task force’s recommendations, at which point the group’s role in the developer selection process became unclear and contentious.

While it may be unfeasible to convene a task force for routine development, for large-scale projects like the Kingsbridge Armory, including local community boards or other community groups may help support development that benefits both communities and private developers. The community process at Seward Park on 96th Street in Manhattan is one example how such community involvement might work effectively.¹

· Clarify the definition of CBAs. What might seem like an academic distinction is actually crucial to developing true, community-driven CBAs, like the Kingsbridge National Ice Center agreement.² The confusion about exactly what constitutes a CBA has been particularly acute in New York City,³ where elected official have negotiated weak, unenforceable agreements, supposedly on behalf of the community. A more appropriate role for the City is to facilitate a process that increases opportunities for community groups and developers to negotiate, increases the leverage that community groups have over development decisions, and empowers local elected officials to support community groups in their demands.

Create incentives and pathways for City actors to support economic inclusion.

Beyond facilitating community participation in decision-making, the City itself can take several actions to promote more equitable development. Below are three such actions.

· Improve coordination between municipal agencies and the Economic Development Corporation (EDC). The provisions in the KNIC CBA highlight the importance of procurement spending and local businesses creation in achieving holistic economic development. The New York City Department of Small Business Services, which provides technical assistance for entrepreneurs and supports business improvement districts and commercial avenues throughout the city, is uniquely positioned to support small businesses around major developments like KNIC. Yet there is little coordination between the activities of this department and those of EDC. Part of the problem are the unidimensional indicators that EDC uses to measure economic performance, which do not incentivize cooperation with other agencies in order to capture the spillover benefits of development.

· Revise the indicators that EDC uses to measure economic development to align the EDC’s and

² Gross, “Community Benefits Agreements: Definitions, Values, and Legal Enforceability.”
³ Gross, interview.
the community's goals more fully. One of the issues at stake in the Shops at the Armory proposal was the impact that development would have on nearby businesses. However, current metrics discount the losses to existing businesses. They also do not capture social benefits or many of the qualitative aspects of jobs creation. The substance of the KNIC CBA reflects three core lessons about economic development that should be reflected in EDC's indicators: the type and quality of jobs created matters more than the number of jobs created, the effects of procurement on small business may be as important as direct employment, and development can meet communities' social needs (e.g. for schools or recreation) in addition to economic needs. EDC must thus reorient its metrics beyond a superficial understanding of economic impact at a single point in time, to include indirect and long-term economic impacts. A comprehensive social impact assessment that accounts for indirect economic impacts as well as social benefits (like school construction and provision of community space) could be warranted for large-scale projects.

- Improve reporting about the use and impact of public subsidies and investments. Local Law 62 of 2010 does require a baseline level of reporting; however, a Unified Economic Development Budget or similar tool could increase transparency and community oversight by combining these figures with information about direct public spending as well as the direct and indirect economic and social impacts generated by public investment.

IMPLEMENTATION

Opportunities for implementation

The changes to the City process outlined above do not provide a roadmap for immediate action but instead present a platform for citywide reform that organizers and activists must push City officials to adopt. Some of these steps the City might be willing to take itself. Increasing accountability to citizens would seem to be in line with the stated priorities of the mayoral administration and many members of City Council. Likewise, improving coordination between Small Business Services (SBS) and the Economic Development Corporation (EDC) would seem to be in the best interest of any administration and could be accomplished fairly easily by the mayor. Others—like providing additional resources for community boards or limiting EDC’s ability to lobby City Council—will likely require citizen mobilization. However, the Kingsbridge case and living wage campaign indicate that citywide legislative changes can grow from site-specific campaigns.

Expected challenges

Clearly, many challenges for implementation persist, which advocates for reform must anticipate and
address. Some observers question whether a city whose economy is dependent on one of the primary
drivers of inequality—the finance industry—can actually implement progressive policies.1 The current
institutional arrangement presents additional problems as well, outlined below.

- One of EDC’s major concerns is that developers would negotiate away too much before entering
ULURP. Given that developers already often make concessions to the community during the last
stage of ULURP, EDC worries that bringing community groups into the process too early would
require developers to make concessions twice. This, in turn, might unduly burden developers and
discourage investment. Negotiating concessions upfront also runs the risk of compromising the
original vision of the project and possibly eroding elected officials’ support of the project.2 However,
this attitude sees community negotiations as a purely detractive process. Instead, integrating
community concerns upfront in the RFP development process could encourage developers to
strive to address community-identified priorities from the very beginning, as was the case with
KNIC. This would not necessarily discourage development but would encourage developers to
think about social impacts and community needs within their business plan.

- Another concern is the irrelevance of the community review process for the vast majority
of proposals that enter ULURP.3 One option would be to adopt a threshold that triggers a
community review process or social impact assessment. This is already done with Environmental
Impact Reviews, which are only required for projects above a designated dollar threshold. Below
that amount, developers are only required to perform an environmental assessment. Another
option would be to increased scrutiny only for projects that receive public subsidies, much like the
Fair Wages for New Yorkers Act imposes requirements only on publicly subsidized projects.

- The discourse of fiscal discipline also presents a major challenge. This was Giuliani’s primary
justification for eliminating the Community Affairs Boards and cutting community board budgets
in 1994.4 And already, many argue that the $800,000 that goes to the five borough presidents’
salaries and staff is an unnecessary drain to the City’s budget.5 Building community-level capacity
may be costly and will undoubtedly bump up against similar resistance. However, the population
of each borough is greater than most mid-sized American cities and thus deserves more localized
representation. Relying on central City government alone to oversee economic and real estate
development risks making the outer boroughs “colonies” of Manhattan.6

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1 Surowiecki, “Coring the Big Apple.”
2 Informant #2, interview.
3 Jordana, interview.
4 Hicks, “Giuliani Planning to Close Community Affairs Offices.”
5 Perrotta, “Powers, and Lessons for the Future.”
6 “Why Staten Island Needs a BP.”
Empowering communities to participate in decision-making could result in NIMBYism (not in my backyard). Many economic development projects, like the Shops at the Armory Proposal, can arouse opposition when they fail to broadly share the benefits of development or include community members in the decision-making process. In other cases, like the siting of affordable housing, communities may oppose development because they feel it threatens their lifestyles or local real estate investments. Differentiating between legitimate community concerns and simple discrimination or NIMBYism can be challenging. Luckily, as the Kingsbridge case shows, when communities are given the opportunity to make tradeoffs across a number of issues and shape development beyond a simple yes or no, they may arrive at solutions that allow development in exchange for meeting other community priorities.

Finally, systemic change is difficult to mobilize people around. Getting people to understand a charter revision—not to mention mobilizing them to act—is difficult work. Getting them to withhold approval until big changes are won can be just as difficult. However, building from individual site fights, as in the Kingsbridge case, can make longer-term, systemic goals seem more tangible and urgent for citizens.

Limitations

While the above reforms would create a more equitable and inclusive local economic development process, they would not address two major, persistent issues affecting community’s economic situation. First, these reforms do not address State-initiate economic development projects. While the City of New York and its citizens may have a role to play in setting State priorities and decision-making processes as well, such reforms entail a separate investigation of issues, possible solutions, opportunities and challenges in that domain.

Second, these reforms primarily help communities respond to and shape development pressure. They do not necessarily help communities that are trying to recruit new investment. This focus makes sense for New York City, where real estate is in high demand and development across much of the city has displaced or failed to benefit many existing residents. However, for communities on the city’s (geographic or social) periphery beyond the reach of gentrification, these recommendations will not help them attract new investment or pool their own capital to spur development. This was the situation that the Northwest Bronx faced in the 1990s and early 2000s when they wanted new schools to open in the Armory. How to attract new investors—rather than how to participate in shaping already impending development—requires a distinct set of recommendations.

1 Informant #3, interview.
Initial steps

The Kingsbridge Armory case offers two important lessons that can guide advocates as they continue to push for community economic development in New York City. First, community-union alliances are a necessary precondition. Community and union partnerships can be fraught, as the two groups sometimes differ in their values and tactics, but the support of both groups is essential to achieving systemic reform. Second, building outward from a “site fight,” where community groups are already mobilizing, may be the most effective way to achieve systemic change.

Advocates should also recognize that the mayor is a good first target. Less than a month after the historic vote to approve subsidies for the Kingsbridge National Ice Center, Democratic Mayor Bill de Blasio took office. De Blasio’s election campaign centered on closing the city’s wealth gap. This discourse has set the tone for the young administration and can play a big role in setting developers’ expectations about how much leeway they will have in responding to (or ignoring) community demands. What is more, while the EDC is not directly accountable to citizens, the mayor and other elected officials are. The mayor directs the municipal bureaucracy, meaning he is well positioned to improve coordination between these agencies and the EDC and to pressure EDC to adopt changes, and as CBA expert Julian Gross put it, “It would be hard for the de Blasio administration to be anything but more open [than the Bloomberg administration] to community involvement.”

Lastly, there are currently several major site-specific projects across the city that could catalyze systemwide change. Two of these are within the Bronx. One is the siting of Fresh Direct in the South Bronx; the other is a new soccer stadium being built by the owners of the Yankees baseball team and billionaire Sheikh Mansour Bin Zayed Al Nahyan with significant public subsidies. In both cases, the use of tax breaks can support an argument for greater community involvement and benefits. Projects in other boroughs—for example, Willets Point in Queens or any of the many rebuilding projects in Brooklyn and Staten Island as a result of Hurricane Sandy—also offer opportunities for mobilization.

1 Brexmeier and Michaels, “Faith, Community, and Labor: Challenges and Opportunities in the New York City Living Wage Campaign.”
2 Informant #3, interview.
3 “Bill de Blasio For New York: Rising Together - Jobs for All New Yorkers, Growth for All Neighborhoods.”
4 Gross, interview.
5 Bagli, “Deal for Bronx Soccer Stadium in Works as Clock Ticks.”
CHAPTER 6

Conclusion

The Kingsbridge Armory redevelopment is considered a success by actors on all sides for a number of different reasons. The Economic Development Corporation (EDC) was able to unlock an underutilized asset using private capital, the community was able to secure economic and social benefits as a result of the investment, the developers were able to build their project with significant community support. Meanwhile, unions were able to use it as a starting point for a citywide legislative campaign, Mayor Bloomberg was able to claim the project part of his administration’s legacy, the Bronx Borough President was able to strengthen the informal authority of his office, and the City Council was able to reassert its power vis-à-vis the mayor.

As a review of the full case reveals, success depended on a number of circumstantial factors: a rare community asset, an exceptionally organized community, and a unique moment in time when certain elected officials were eager to flex their muscle and pro-development voices could not lobby officials as effectively as usual. In many ways, the story reflects the ad hoc nature of participation in the New York City development process.

However, looking beyond immediate causes of success to the many twists and turns in the project’s overall trajectory highlights many areas for improvement in the City’s development process. By studying the interaction of different actors throughout the course of the development process and the shifting prominence of various issues through the entire timeline, we can determine clear points where the process might be altered to ensure more equitable and democratic development in the future. Such changes include building civic capacity for participation, strengthening mechanisms for community input (and limiting the outsized role of other actors in the decision-making process), and creating incentives and pathways for City actors to promote economic inclusion.

In addition to developing a platform for change, the successful organizing efforts in the Kingsbridge case also suggests a path for implementation. While certain changes can be implemented easily without much opposition, challenges abound for others—particularly those that directly challenge centralized decision-making authority. Nonetheless, the experience with the Kingsbridge Armory suggests that targeted campaigns that unite community and labor interests and build off site-specific campaigns can create momentum for citywide legislative change. Building from several projects already underway and directing initial efforts towards the mayor can be viable first steps for advocates and community leaders looking to achieve community economic development in New York City.
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