

**Testimony of Bettina Damiani, Good Jobs New York
before the New York City Council subcommittee on Zoning and Franchises**

**Regarding Applications by the Economic Development Corporation for
Redevelopment of the Kingsbridge Armory in the Bronx**

November 17, 2009

Thank you chairman Avella and council members for the opportunity to testify before you today. My name is Bettina Damiani, director of Good Jobs New York, a joint project of the Fiscal Policy Institute with offices in Albany and New York City and Good Jobs First, based in Washington, DC. Good Jobs New York promotes accountability to taxpayers in the use of economic development subsidies. Our website (www.goodjobsny.org) contains the only publicly available database of the city's large corporate retention deals and we have released numerous reports on the city's use of economic development incentives to create and/or retain jobs, including our extensive efforts around the rebuilding of Lower Manhattan after 9/11 and the new Yankee Stadium project.

The proposal for "Shops at the Armory" had been the diamond in the rough for proposed developments during the Bloomberg Administration because for the first time the Economic Development Corporation engaged community members in the planning of the development of the Kingsbridge Armory.

Unfortunately, today the proposal to provide the Related Companies with subsidies and tax breaks and a sweetheart deal on purchasing a historic public landmark reverts back to a process that is unaccountable and relies on undemocratic planning principles by ignoring residents' most basic employment concerns and desire to help develop the Armory.

The New York City Industrial Development Agency (IDA) has given preliminary approval for tax breaks estimated at nearly \$18 million² to develop the armory. The project is eligible for a variety of other benefits including federal historical tax credits and the Industrial Commercial Abatement Program (formerly the Industrial Commercial Incentive Program and is the most expensive economic development subsidy in New York costing taxpayers \$500 million FY 2009.)

Related's application for benefits from the IDA claim the development will create 1,200 FTE's or Full Time Equivalent jobs. To be clear, FTE does not mean 1,200 full-time jobs are coming to the area. Considering the nature of retail, these will be majority part-time jobs paying poverty wages that offer little security to employees, economic benefit to the community. In fact, part-time employees often must rely on a variety of public services like child care vouchers, housing subsidies, etc. meaning taxpayers are paying twice.

We ask the city council to take a different stance than it has supported previously. Past taxpayer subsidized mega-projects in the borough like Croton Water Filtration Plan, Gateway Mall and the new Yankee Stadium (which was covertly pushed through the city and state legislatures), excluded residents during the initial development of the projects and failed to include accountability or clawback measures requiring the creation of good, new, permanent jobs.

Despite this, both projects sailed through this council and land use processes after agreements were signed without broad community buy-in: The Yankee Stadium "mitigation agreement" had no community signatories and the Gateway Mall agreement had only three community signatories after several groups stepped away when it was clear their input was not being taken seriously.

Now, you have before a community that's engaged and demanding a different approach to community development and this should be respected. This is a unique chance to set a new standard of development The Bronx can be proud of. Members of the Kingsbridge Armory Redevelopment Alliance have spent years learning about the labyrinth of land

use and subsidy policy associated with the Armory, and have crafted reasonable demands that must be codified and supported by this council:

- 1) **Leverage public subsidies for good jobs for local residents.** This is an incredibly reasonable request consideration the subsidies involved and the low wages associated with the retail industry. It is expected that half of the retail workers at the proposed “Shops at the Armory” will earn less than \$22,000 a year; and that’s for the luck ones working full time. Put the community’s request in perspective, Costco pays approximately \$11.00 per hour while the Kingsbridge Armory Redevelopment Alliance wants \$10.00 an hour and benefits or \$11.50 without benefits.
- 2) The community deserves **quality community space** including for its youth.
- 3) Mitigate the **environmental impacts** of the project especially the traffic implications. The suburban model of a mall is simply inappropriate for this location.

Thank you for the opportunity to present our comments to you.

¹ More details on our efforts and a break down of subsidies at

<http://www.goodjobsny.org/StadiumSubsidies.htm>

² In March of this year, the New York City Industrial Development Agency (IDA) preliminarily approved about \$17.8 million in city and state tax breaks for the Related Companies for the Armory redevelopment. While two of the IDA’s Board members requested that the vote be postponed until community concerns regarding job standards at the Armory’s shops and appropriate community space were addressed, they were overruled by the rest of the Board. The IDA tax breaks are in addition to tens of millions more in historic tax credits and a steeply discounted sale of the Armory from the city to the Related Companies for only \$5 million.