

Comments of Good Jobs New York

Bettina Damiani, Project Director



Before the New York City Industrial Development Agency

September 6, 2007

Re: Proposed financing for Bronx Parking Development Company, LLC

My name is Bettina Damiani, Director of Good Jobs New York, a joint project of the Fiscal Policy Institute (www.fiscalpolicy.org) with offices in Albany and New York City and Good Jobs First (www.goodjobsfirst.org), based in Washington, DC. Good Jobs New York promotes accountability to taxpayers in the use of economic development subsidies.

Last April, GJNY presented testimony against the use of public dollars for the creation of parking garages associated with the Yankee Stadium project. A copy of that testimony is attached and our opposition still stands. In addition to the concerns presented then, we would like to share additional ones and reinforce others regarding the proposal to allocate \$225 million in civic facility bonds to the Bronx Parking Development Company (BPDC) for the development and rehabilitation of parking garages for Yankee Stadium.

Reinforcing the demand not to subsidize this project:

- **Unnecessary Subsidies:** Despite claims from Mayor Bloomberg and the Yankee organization that the new Yankee stadium would be privately financed **direct and indirect subsidies for the project stand at over \$737 million.** Should the IDA board approve this project the total will **grow to approximately \$795 million.**

- Inefficient and costly strategy for job creation: In its application, BPDC states that that in its first year of operation 12 full-time and 50 part-time employees will share \$314,328 worth of wages. (The April documentation failed to include wage figures). Even without a more concise break down of wages per employee, it is clear that wages are insufficient. It is insulting for this agency to propose millions of dollars of financing for a project in the South Bronx that won't pay a living wage. Public dollars should not be used to subsidize low-wage jobs.
- Lack of community benefit:
 - It is nonsensical to believe subsidizing a project that encourages additional traffic on game days (remember there are 5,000 fewer seats in the new stadium but approximately 2,500 *more* parking spaces) will benefit residents of the South Bronx. This is particularly true considering the area's high rates of asthma and low car ownership.
 - Some could construe the garages as a benefit because residents currently aren't permitted to park in the garages. But it is simply preposterous to state this project is a benefit to South Bronx residents because now they can park in these facilities – at market rate, no less. Additionally, this information has not been documented in writing by the IDA or as far as we know, to anyone on the community level.

New concerns since April's IDA hearing:

- BPDC and the community: While various representatives are expected to sit on the board of the Bronx Parking Development Company, none have been named. It would have been more than appropriate, considering the closed door nature of the Yankee Stadium development, for community members to have been consulted and board members made public *prior* to the IDA proposing these benefits. The processes by which the new Yankee Stadium project has come to be minimized public concerns and limited

opportunities for input. Any new entity, particularly one that is asking for a significant public subsidy, should be expected to include community residents on its board.

- Benefits to New Yorkers: Massive projects like the new Yankee Stadium and the proposed garages should be a boom to taxpayer coffers. Yet both projects failed to answer questions about where machinery and equipment would be purchased, (page 6 of the core application). The IDA should at the very least require application answer this question and common sense would be to encourage firms to purchase products locally.

Because there are so many unanswered questions about the benefits of this project for taxpayers, employees and residents, we ask the IDA board to vote no on the Bronx Parking Development Corporation proposal.

Thank you for considering our comments.