

Comments of  
Good Jobs New York  
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Before the New York City Industrial Development Agency  
Regarding Proposed Subsidies for the Yankee Stadium Parking Garages

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

Today's hearing is for an ill-conceived component of an already egregious plan to subsidize a new Yankee Stadium. In addition to the hundreds of millions of dollars in benefits approved by this agency last year, New Yorkers are now being asked to subsidize new parking facilities. This is grossly unfair.

Last year, Good Jobs New York released a report entitled *Loot, Loot, Loot for the Home Team*, that demonstrated, contrary to misleading comments from the Bloomberg administration and the Yankee organization that this project is privately financed:

- 1) New York State has already committed a \$70 million grant for these garages.
- 2) Direct and indirect subsidies for the Yankee Stadium project will exceed \$400 million.
- 3) The stadium will not generate enough new revenue to cover its cost to taxpayers.
- 4) Subsidizing the stadium is a costly and inefficient strategy for creating jobs. Most of the permanent jobs will be seasonal and low-wage positions that will not effectively address the high rates of poverty and unemployment in the area.
- 5) The community was kept in the dark when the city council and state legislature seized Macombs Dam and parts of Mullaly parks.

What are taxpayers getting in return? New Yorkers are unsure since this agency has yet to reveal the full terms of the new lease with the parking garage operator. Clearly, \$190 million in tax-exempt bonds is a heavy price to pay for the creation of 20 full-time jobs, especially considering that the new garages will not generate as much revenue for the city as the current arrangement. Now the city receives 80% of the revenues over \$150,000 from the existing parking facilities. This agreement brought in \$4 million to New York City last year, which is more than the city can expect in lease payments from the new garage operator.

More importantly, it is deplorable that the city would sponsor a project that generates additional traffic congestion and pollution in the South Bronx. The community suffers from among the highest asthma rates in the country. The planned Metro North station eliminates the need for additional garages, especially since it would serve the fans most likely to drive to the games.

The Yankee project should compliment the transit-oriented development outlined in the Mayor's 2030 plan for a sustainable and livable city. Instead, these garages will result in a net increase of nearly 2,700 parking spaces. Including the 1,200 spaces at Gateway Mall that will be available for game day parking, there will be a 55% increase in stadium parking spaces.

Significant resources – both financial and political – have been invested by this agency on behalf of the Yankee organization. This is a distraction from the IDA and other city agencies' mission to address the significant issues facing the South Bronx community: poverty, high unemployment and public health concerns such as asthma.

It is an axiom of urban planning that the availability of parking is the key determinant in how fans choose their mode of travel. That is why the city's environmental law says construction of parking garages is likely to cause significant environmental impacts. Limited parking with access to public transportation is an incentive for fans to leave their cars at home. For this reason the completion of the Metro North station is so vital. It is perplexing that the city and state are offering lavish subsidies for the garages while there have been reports of funding problems for the new station.

IDA staff is likely to respond by citing the dubious assertions of the consultants hired to write the Environmental Impact Statement, who argued that an increase in stadium parking will be a relief to the neighborhood because fans currently park on streets. However, fans park on neighborhood streets to avoid paying the expensive parking fees, which are projected to rise to \$25 a game when the new stadium is completed. It is also likely that board members will be told that the parking facilities will be open to local residents year-round. Even if this is true it is little consolation to a community which has the lowest car-ownership rate in the city and has regularly expressed legitimate concerns about the environmental implications of additional car traffic.

Isn't it ironic that the IDA had to resort to naming this a "Civic Facility Project" in order to issue tax-exempt bonds? It is because the free market decided the garages were not worth building. A real "civic facility project" for the South Bronx would be a school, a health care facility or recreational center. Not parking garages where a public park once was.

The applicant before the IDA today calls itself Bronx Community Initiatives Development Corporation (BIDC), but it is not a Bronx organization nor is it a community initiative. Instead it is a national entity with outlets in six states that exists to secure tax exempt financing for parking garage companies.

Despite the fact that these garages went through an official Request For Proposal the financing structure and selection process has the appearance of yet another backroom

subsidy deal. BCIDC president William Loewenstein is a strategic partner of lobbying powerhouse Stadtmauer Bailkin, LLP which specializes in securing public subsidies for its clients. The firm's promotional materials identified him as such until last fall. Stadtmauer Bailkin is listed on the IDA's core application as the attorney of CIDC.

This is a very tidy loop. Stadtmauer lobbies City Hall on behalf of Central Parking Systems, the business claiming it will operate the parking lots. Stadtmauer needs no introduction here. One of its managing directors has promoted herself as having written incentive guidelines as an employee of the New York City Economic Development Corporation. And the firm's incentive procurement practice, was recently renamed Biggins Lacy Shapiro & Co. Jay Biggins is a former executive director of NYCEDC. CIDC's senior vice president Joseph Seymour is the former executive director of the Port Authority of New York and New Jersey.

Eliminating new parking garages and building a Metro North station would be a logical step toward compromising with the community. The neighborhood is under the grip of massive construction in a densely populated area and still awaiting the interim parks as promised by local elected officials. From the secretive alienation of the parks to the city's blatant disregard of the community board's rejection of the stadium plan, the city has squarely held the priorities of the Yankees over democratic planning principles.

If private parking garages that will exacerbate neighborhood health problems can't be developed without the aid of resources intended for true civic initiatives, maybe they shouldn't be built. Good Jobs New York requests the IDA board reject this proposal as it would prioritize the Yankees wish list at the expense of the South Bronx community.

Thank you for considering our comments.

Loot, Loot, Loot for the Home Team. Good Jobs New York, February 2006. Available at [http://www.goodjobsny.org/yankeestadium\\_garages\\_news.htm](http://www.goodjobsny.org/yankeestadium_garages_news.htm)

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