



**TESTIMONY ON THE PROPOSED BROOKLYN ATLANTIC YARDS DEVELOPMENT
PROJECT**

**New York City Council Economic Development Committee
May 4, 2004**

Chairman Sanders and other members of the Economic Development Committee, thank you for holding this hearing and for the opportunity to testify. My name is Michelle de la Uz. I am the Executive Director of the Fifth Avenue Committee – a twenty-five-year-old community-based organization committed to advancing social and economic justice in South Brooklyn, principally through developing and managing affordable housing, creating economic opportunities, and organizing residents and workers around critical issues facing our community including displacement and gentrification.

There are significant development projects totaling more than \$18 billion slated for Downtown Brooklyn as well as parts of South Brooklyn which taken in their entirety have the potential to remake nearly a third of the borough racially and socio-economically, displace significant swaths of current residents and businesses, change the character of many neighborhoods, impact negatively on the quality of life for many residents by increasing traffic and causing other significant environmental impacts while also promising considerable economic development opportunities for the borough, employment opportunities for thousands of people and thousands of units of housing.

Nearly all of these projects are moving forward without meaningful community input or participation and certainly with limited to no accountability to community residents.

Bruce Ratner's \$2.5 billion Brooklyn Atlantic Yards (BAYS) proposal, of which the 19,000 seat Nets Arena represents only 10% of the total square footage of the proposed development, includes 4.4 million square feet of residential development; most luxury apartments in 13 towers, 2.1 million square feet of office space in four office towers, the highest being 620 feet, more than 100 feet higher than the Williamsburg Savings Bank, 310,000 square feet of retail space and 6 acres of public space which represents approximately 3% of the total square footage. The scale of the proposed development dwarfs all surrounding development including Ratner's own Atlantic Mall and Terminal across the street. Although currently about half of the land that Bruce Ratner proposes to develop is over the MTA rail yards and is certainly underutilized space in need of development, the other half of the land is privately owned and threatened with eminent domain to make the proposed development more profitable by increasing the scale. This is clearly an abuse of eminent domain and unacceptable. Certainly, at its current scale and focus on high end residential housing and commercial space, the Brooklyn Atlantic Yards development will have significant ripple effects by further gentrifying and displacing residents in the surrounding neighborhoods.

Despite the significant community impacts of the project as it is currently proposed, the specter of thousands of jobs and more than 4,500 units of housing causes many organizations whose mission

is to advance social justice to think about leveraging that investment on behalf of the low income residents that surround the project. As you probably know, the unemployment rates in the public housing projects that are within a mile radius of the proposed development are over 60% and the thought of 50% of the housing units being set aside for moderate and low income residents would yield 2,250 new units of housing.

But what tools do we currently have to ensure that those jobs go to local Brooklyn residents most in need, to help lift them out of poverty and provide them a living wage, good benefits and a career ladder? It is assumed that new development will create new and better jobs. Yet an examination of Metro-Tech – another Ratner development project – by Jan Rosenberg of Long Island University showed that more than \$1 billion in development and hundreds of millions in subsidies created few new jobs and the folks living in public housing across the street have not directly benefited.

How can we ensure that 50% of the proposed housing that is developed is affordable to low and moderate income people as was recently promised by Bruce Ratner? Whose definition of affordable and low and moderate incomes is going to be used? Bruce Ratner had a chance to build affordable housing as part of the Atlantic Center Mall more than ten years ago and passed on it due, it seems, to there not being enough of a profit margin. This history raises questions about true commitment to this goal.

What tools do we have to ensure that the public subsidies that Bruce Ratner will likely receive, either through tax increment financing (TIF), New York City infrastructure work totaling more \$150 million, tax breaks of \$28 million, the use of eminent domain to benefit private development or selling the air rights over publicly owned rail yards below market rate, will truly result in public benefits that can be shared by all, but most especially those most likely impacted and in need? Finally, what tools do we have to ensure meaningful community input into this proposed development? Skipping ULURP and seizing privately owned property through eminent domain, certainly does not ensure meaningful community input. Ratner's efforts to bypass ULURP demonstrates a lack of respect for the surrounding communities. A formal public input and review process is required and anything less unacceptable.

The answers to these questions are woefully inadequate and point to the need to acquire a new model of accountable development in New York City which addresses the power imbalance between the public and private sectors. A new model of accountable development has emerged in Los Angeles and more recently Milwaukee, where their municipal government is considering a Community Benefits Ordinance, to ensure that the benefits of development are shared by all. Accountable development and community benefits agreements would require that developers who receive public subsidies or build on public land to invest in the human side of development. It would also require an annual report detailing the progress towards meeting goals established at the on-set related to job quality, local hiring and affordable housing.

It is incredibly short sighted that the primary impact study currently required in New York City for a proposed development project is an environmental impact statement (EIS); a community impact study would go a long way to broadening our perspective. As proponents of accountable development have stated, when we use taxpayer money to initiate or support development, we should not be shy about demanding good jobs and livable neighborhoods as tangible results. The Fifth Avenue Committee, as an organization dedicated to social and economic justice in South Brooklyn, certainly will not be shy about making those demands and I hope that the New York City Council will take the lead in developing a new paradigm for accountable development in the City.