Urban Revitalization in the United States: Private, Public & Community-led Projects

United States Urban Revitalization Research Project (USURRP)

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Urban neighborhood revitalization remains a central focus of planners, policymakers and practitioners in the United States. For more than four decades, researchers, state actors, philanthropic investors and community advocates have allocated considerable resources to understanding the complex factors underlying urban problems in America, and developing strategies for improving the physical, social and economic conditions of disadvantaged neighborhoods. The urban planning and development literature is replete with evaluations of people- and place-based revitalization policy dating back to the large-scale federally-sponsored Model Cities program from the 1960s to more contemporary spatially oriented Empowerment Zones and individual-level social welfare initiatives such as Moving to Opportunity.[1] Similarly, national foundations in the United States, such as Ford, Annie E. Casey, Rockefeller, McArthur, Surdna among others, have become crucial repositories of knowledge and investment capital underlying numerous large multi-site demonstration projects designed to improve conditions for people and places, in addition to a diverse array of much smaller locally led revitalization efforts launched in cities and neighborhoods across the United States.[2]

The voluminous revitalization literature not only documents the decades of investment in policy reform and programmatic initiatives, it also reinforces the notion of revitalization as a *process* of change rather than characterizing it purely as a set of outcomes. Additionally, the literature shows how revitalization outcomes depend on a confluence of organizational *relationships* and bureaucratic structures that are often contentious or ideologically incongruent. After decades of trial and error, success and miscalculation, it is clear that multiple revitalization stakeholders, and relationships among them, shape urban renewal processes and effects. In other words, urban reform requires the inclusion of public, private and community sectors or stakeholders. Nevertheless, "systemic" power asymmetries (Stone, 1980) prevail such that the underlying socio-economic and political system, explicitly and inadvertently, confers advantages and disadvantages on stakeholder groups, thus influencing how each group typically engages urban reform in any city. While the goals of inner-city revitalization are most effectively achieved and sustained through multi-sectoral collaboration, stakeholder relationships, and the resources each brings to bear, these relationships are not fixed, they vary from place to place or across projects, and they are continuously renegotiated.

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[1] See: Sampson (2008); Rubin (2006)

[2] Examples include: Aspen Institute Roundtable on Community Change *Voices from the Field: Learning from the Early Work of Comprehensive Community Initiatives*, in 1997, and *Voices from the Field II: Reflections on Comprehensive Community Change*, in 2002. Robert J. Chaskin (2001) "Building Community Capacity: A Definitional Framework and Case Studies from Comprehensive Community Initiative"

Full exploration into the features underlying stakeholder relationships - also characterized as governing coalitions, governance structures, and regimes - is beyond the scope of this report. What is essential to this research is twofold: first, we expand the conventional notion of urban development stakeholders beyond public and private interests to also include community and philanthropic interests; and second, we argue that questions of efficacy and efficiency that often arise when studying urban revitalization must begin with an analysis of the "quality" of stakeholder relationships. Therefore, stakeholder *internal* organizational dynamics, values and capacities (i.e., staff skills, organizational and management structures and financial resources) must be examined alongside various external alliances among community groups, city agencies and private investors.

For example, when city governments overly advance the demands of corporate capital and obfuscate other interests, often through various rhetorical frames shaping spatial perceptions, the regulatory environment, administrative priorities and official documents like PlaNYC 2030, it is important to ask how segments of society are included or excluded from the Mayor's vision for the city. It is of little surprise that city-building projects led by private real estate developers with strong ties to city government and familiarity with a city's regulatory environment are more adept at conceptualizing and completing projects, vis-à-vis projects proposed by relatively new developers to a city. In this typical private capital-led development scenario the interests of community is frequently ignored or under-valued.

The same type of critical stakeholder evaluation is necessary when examining "bottom-up" community planning that purports a level of community self-sufficiency. While this community ownership model is conceptually appealing in many regards, it is easily dissuaded as impractical and incongruent with regional economic factors. Similarly, there is a growing literature examining ties between communities and private foundations. Over the years, foundations have been criticized for dictating the terms of redevelopment to communities. More recently, many foundations have developed new methodologies and discourses for "entering" inner-city communities and participating in revitalization in ways that are not perceived as domineering but rather facilitate local agency and "bottom-up" formative planning. While real estate developers and foundations have distinct approaches to revitalization, both call into question formal development policy and protocols, and suggest that we carefully examine the socio-political underpinnings that open the door to some approaches to urban development at the same time that they close the door to others, and they require that we examine the costs and benefits of adopting particular institutional configurations.

In this report, we emphasize the importance of public, private and community stakeholder relationships not to supplant crucial exogenous factors, like the political, economic and cultural contexts in which urban development occurs, but rather, all else equal, to show how stakeholders' approach to revitalization influences the scale, scope and sustainability of projects on the ground.

We do not mean to suggest that revitalization solely rests on the strength of "relationships," as such an account fails to account for perennial project constraints resulting from incongruent stakeholder values that strong organizational ties may help mitigate but rarely overcome. This report focuses on the ways that private, public and community stakeholder groups, working independently and collaboratively, affect urban planning and development with regard to three New York City projects – Brooklyn Atlantic Yards, Mayor's Office of Comprehensive Community Economic Development, and the Meatpacking District - that vary in scale, scope and geography. The governance structure, institutional practices, financing schemes, social geographies, organizational values and objectives of these three projects are a sample of the most popular contemporary revitalization strategies employed in cities across the United States. While all three projects require multi-sectoral collaboration, each project was spearheaded by either private, public or community sector stakeholders. Our research shows that these sectoral leadership distinctions influence the processes and outcomes of place-based and people-based revitalization.

Within the United States' highly decentralized system, fueled by localized initiatives and coalitions rather than central government, revitalization is best understood as a multi-scalar endeavor determined, explicitly or inadvertently, by a triumvirate of stakeholders with public, private and community sectors. Across projects, the weight or influence of each interest group will undoubtedly vary due to unique spatio-historical relationships, diverse programmatic aims, and different allocations of resources; each interest brings resources and expertise to bear on neighborhood revitalization. It is important to note that the term "private" is used here to refer to both corporate capital investment in residential and commercial structures, for instance, and foundation or philanthropic resource investment in community development projects as described above. Later in the paper we describe important distinctions between corporate capital and foundation resources.

The unique political, economic and social contexts within which urban development initiatives are pursued undoubtedly differ across regions and cities within the U.S. Therefore, it is critically important to carefully examine the socio-political underpinnings that open the door to some approaches to urban development at the same time that they close the door to others, as the basis for developing a more complete understanding of the institutional prerequisites for specific approaches as well as the costs and benefits of adopting particular institutional configurations. For example, while governmental and non-governmental urban reformers typically endorse the promise of inter-agency collaboration, multi-sectoral participation, and community engagement, in practice community interests are frequently the least powerful within the planning and development triumvirate. The urban development landscape in the United States is shaped by the interplay of public, private and civic actors engaged in planning, investment and community-building activities. The strategic alignment of public, private and civic resources reduces longstanding bottlenecks that arise across sectors, disperse urban development risks and responsibilities, foster collective problem solving, and facilitate the marshalling of significant resources to areas of need. Though each sector (including philanthropy) figures centrally in urban development, from city to city and across projects there is significant variation in institutional roles, responsibilities, decision-making authority and resources.

Although the term "public-private partnership" is used widely to characterize varied urban development alliances, it only represents a small portion of formal stakeholder relationships. It does not necessarily refer to the more commonly utilized collaborative arrangements, coalitions, and alliances and the diverse urban development outcomes they engender. This report explores the form, function and effects of urban development collaborative structures spearheaded by different stakeholder groups.

In the United States, urban development requires input from multi-sectoral interests, despite portrayals of the dominance of capital and top-down planning and decision-making. Public, private and community stakeholders contribute distinct resources, skills and expertise to projects. Under-valuing, inflating or obscuring stakeholder contributions underlies many recurring project bottlenecks, conflict and wasted resources. We argue that many of the complex challenges associated with urban development can be mitigated through *inclusive resource dependent strategies*, or efforts that legitimately represent the values of public, private and community stakeholders.

Analytic Framework

This report begins from the premise that patterns of metropolitan growth, decline and reinvestment are shaped and directed by primary stakeholder groups operating within interlocking spheres of influence. Our "Urban Development Typology" (see Diagram 1) attempts to show "ideal-type" stakeholder groups characterized by a set of unique resources and motivations that must be situated along a spectrum of strategies and inclusivity. How resources are animated determines the content of institutional collaboration, degree of inclusion, and ultimately affects urban revival outcomes.

Private sector interests – such as real estate developers and corporate capital – represent non-inclusivity. In general, private sector stakeholders tend to be driven by real estate and property value logic. Their primary aim is to maximize return on investment, thus land development deals has become an efficient mechanism. Their financial brawn, coupled with systemic power institutionalized through the fiscal structures of the city (Davies, 2003), fosters a perception that private sector dominance of urban development is inevitable. However, Stone (1993) reminds us that capital dominance should not be considered inevitable, especially in cities and localities where federal resources help cushion the dependence on local capital. The *Public* sector invests in places as a mechanism for improving public welfare. The regulatory and legal system is the primary means for achieving pubic objectives.

The *Community* sector builds capacity to get what they want and/or not get what they do not want. In other words, community organizations support revitalization by cultivating "civic capacity," or the ability of local community development actors to leverage resources, influence decision-making, and shape policy, practice, and resources in ways that allow them to increase the scale, scope, and effectiveness of their activities (Auspice, et al, 2007). Community development organizations often play a crucial role in planning and development by strengthening their legitimacy among neighborhood constituents and organizations and by expanding their network of relationships outside the neighborhood, including those with bankers, real estate developers, foundations, and city officials. Some mature community development organizations successfully employ civic capacity cultivated over years by directly engaging and negotiating with private sector developers and investors, as well as with public sector officials about a variety of community development issues ranging from zoning and development tax credits to code enforcement and environmental concerns.

Private philanthropies are an important sector in US. They stepped in to counterbalance federal retrenchment from urban reform. They have made significant direct investments developing and enhancing the capacity of community institutions, helped community development institutions broker relationships with important stakeholders including capital interests, lending institutions, elected officials, and the media, and to promote organizational/community interests regionally and nationally.

Two assumptions underlie this interest in inclusivity. One is the belief that community residents should be involved in designing and planning activities because they know better than anyone else about the strengths and problems of their neighborhoods; their involvement will help create a better designed project or a more effective solution to a problem. If they are engaged in the work, then they will also have more "ownership" of the results and be more likely to participate in planned activities over time. Neighborhood engagement will therefore help sustain projects. Many experts in the field agree that, given the complexity and longevity of neighborhood transformation efforts, neighborhood revitalization cannot be accomplished without the vision and sustained involvement of local residents.

A second assumption is that forging stronger connections among stakeholders bolsters the legitimacy of projects, thus assists with implementation. This, in turn, strengthens their ability to acquire funding and resources, and to develop partnerships with citywide decision-makers. Being able to make a compelling case to outsiders that collective will is behind a particular project increases the potential that it will move ahead without opposition. As several respondents pointed out, where housing developers lack neighborhood ties, they are likely to confront challenges establishing trust and winning community support for their projects. Trusted CDCs can serve as brokers and gatekeepers for neighborhoods.

TYPOLOGY OF URBAN DEVELOPMENT

Non-inclusive ⟵ Resource Dependent Strategies / Institutional Collaboration ⟶ Inclusive

Stakeholder Groups:	Private	Public	Foundations / Intermediaries	Community
Primary motivation	Capital driven -> max ROI, Real estate –led redevelopment	Economic growth; Spatially targeted investment in social welfare; Citywide development	Invest in CD programs & demonstration projects; Support for community planning, grassroots action and local empowerment	Community vision; Local attachment; Local knowledge
Resources	Private-led projects use investment capital and promise of public returns to broker deals and streamline processes	Public-led development uses the legal and regulatory system to induce investment and direct development	Foundation-led development invests financial resources, leverages relationships and contributes broad-based knowledge	Community-led development offers legitimacy and builds capacity by leveraging other institutional resources
Means / Ends	Place - Place	Place - People	People - Place	People - People
Examples	**Mixed-use & Large-format retail:** Atlantic Yards; IKEA (Red Hook); Bronx Terminal Market; East River Plaza	**Federal, State, City:** Model Cities; EZ/EC; Main Street programs; tax credits; business improvement districts; Comprehensive Neighborhood Economic Development (CNED)	**Foundation initiatives:** New Communities Program (Chicago); Comprehensive Community Revitalization Program (Bronx, NY); Neighborhood Franchise Program	**Community:** Meat Packing District; Kingsbridge Armory Redevelopment; Dudley Street (Boston)

Diagram 1: Analytic Framework - Key Stakeholders Involved in Revitalization

Rationale for Case Selection

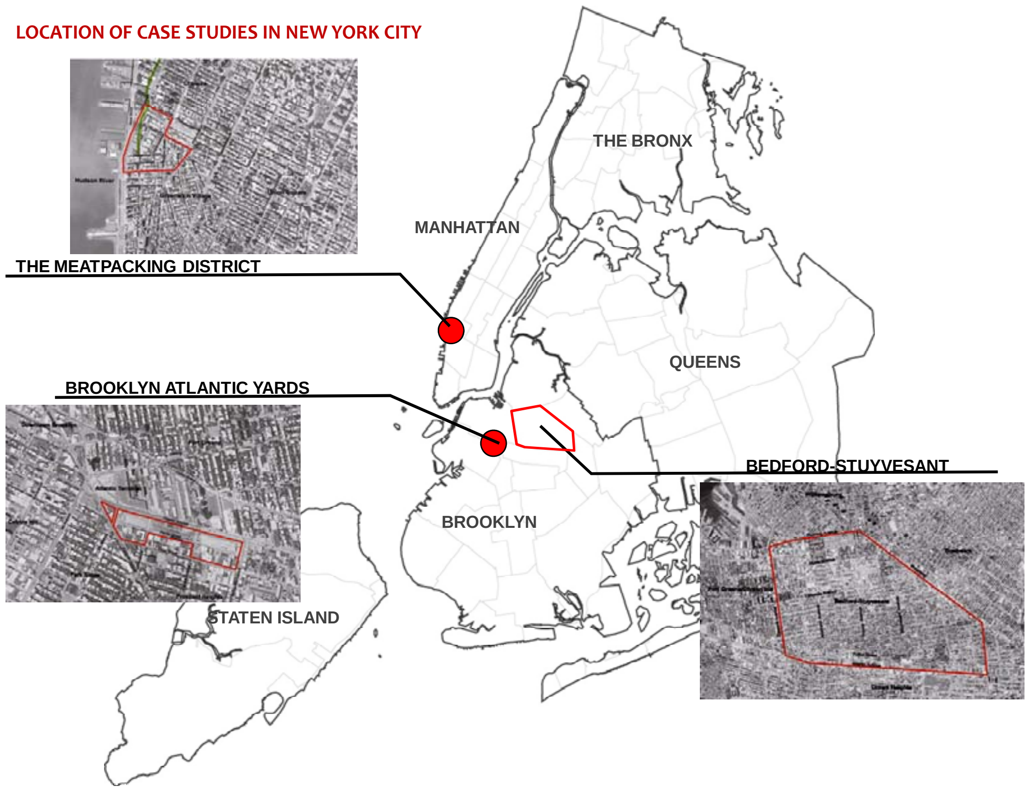
The voluminous urban revitalization literature describes both successful and fruitless development programs and policies, and analyzes the efficacy underlying municipal protocols and norms. Few studies compare urban development conceptualization, implementation and outcomes across institutional forms, while attempting to control for geo-political and temporal variation by selecting contemporary cases from one city. This study attempts just that. Our research focuses on three urban development projects in New York City as a way of describing and analyzing how public, private and community-led projects, similarly and distinctly, affect urban development and neighborhood improvement.

In other words, it is feasible to compare and contrast de-industrialized U.S. cites with regard to the utilization of historic preservation as a mechanism for restoring commercial corridors. However, important considerations, such as the ways that specific municipalities exercise land-use, zoning and building code regulations for instance, limit the robustness of such comparisons. In this study we attempt to account for some of the decisive factors underpinning urban revival outcomes by focusing on three projects co-existing in New York City, rather than comparing and contrasting projects across cities. This three-cases-one-city approach provides a deeper contextual understanding of urban development. With a smaller number of cases in a single locality, it is possible to develop what Clifford Geertz would call a "thick description" of the socio-economic and political forces at play that would allow for a much more comprehensive understanding of the context underlying each of the cases. Many of the most advanced urban revitalization techniques are developed in New York City, adapted in other cities, and used to inform federal policy. For each case study we posed a similar set of questions regarding baseline environmental factors; the intended scale and scope of the project; the division of responsibility across (and within) key public, private and civic actors; institutional alliances and strategic relationships advancing the project; and the tools and resources brought to bear by distinct interests to achieve intended objectives.

Background to the Study

In our previous report, we examined the correlation between the scale and scope of urban revival projects and the types of people- or place-based strategies employed. In other words, larger scale, top-down approaches to redevelopment tend to emphasize physical and spatial improvements and are generally characterized as "place-based strategies," while human scale, bottom-up approaches tend to draw upon people- *and* place-based revitalization strategies. And we argued that positive urban neighborhood change occurs through dynamic, incremental and often contentious processes. What was most important was the various ways that structural boundaries—laws, policies, political practices—are frequently reinterpreted to advance redevelopment strategies.

This report builds on the historical, legal, and policy framework for urban development described in our previous study but focuses on three contrasting cases of urban development as a way to further explore how public, private and community institutions function, independently and in concert, to achieve revitalization outcomes. Two case studies are outside of Manhattan and represent the scale and scope of new developments in the outer boroughs. For instance, both the Brooklyn Atlantic Yards (BAY) project and the Mayor's Office of Comprehensive Neighborhood Economic Development (CNED) are located in Brooklyn; while the Meatpacking District case examines planning and development in a popular Westside Manhattan neighborhood.


LOCATION OF CASE STUDIES IN NEW YORK CITY
THE BRONX
MANHATTAN
THE MEATPACKING DISTRICT
QUEENS
BROOKLYN ATLANTIC YARDS
BEDFORD-STUYVESANT
BROOKLYN
STATEN ISLAND

Case One: Brooklyn Atlantic Yards

I. Project Description

The Brooklyn Atlantic Yards (BAY) project is a large-scale, mixed-use development this currently a stalled work-in-progress in the Downtown Brooklyn area. This case describes the scale and scope of the proposed project, stages of the planning process, and some of the project specific and environmental factors that have contributed to the tenuous status of the BAY project, arguably the largest urban development project in the history of the borough.

The Brooklyn Atlantic Yards is intended to include: an 18,000-seat basketball arena and 16 buildings containing 336,000 gross square feet (gsf) of commercial office space; 247,000 gsf of retail space; an upscale hotel; and 6.4 million gsf of residential use (approximately 6,430 housing units). The heights of the 16 buildings would range from approximately 184 feet to 511 feet, and the tallest building, originally dubbed "Miss Brooklyn" by its designer Frank Gehry, would match the nearby Williamsburg Saving Bank tower as the tallest building in Brooklyn. Beyond its impact on the borough's skyline, the project would create the most dense census tract in the country while potentially altering the economic and human character of the surrounding area.[3]

The project is representative of contemporary U.S. redevelopment practices in several respects and is especially useful for analyzing the new pattern of arrangements between the private and public sectors. In the face of diminished support from the federal government and increased intercity competition for private investment, municipal governments have become entrepreneurial by providing an extensive web of subsidies to real estate developers and often becoming co-developers of risky projects (Sagalyn, 2007). Atlantic Yards displays many of the salient features of these agreements, including a cooperative relationship between the private and public sectors; formal contracts under which they share risk and responsibility; the use of a strategically located parcel of publicly owned land; and the use of a quasi-public development corporation to condemn property, bypass processes for public participation, and facilitate implementation of the project. This general approach, and the Atlantic Yards project in particular, has been criticized for favoring business interests, promoting secrecy, and failing to provide a vehicle for popular participation (Fainstein, 2005).

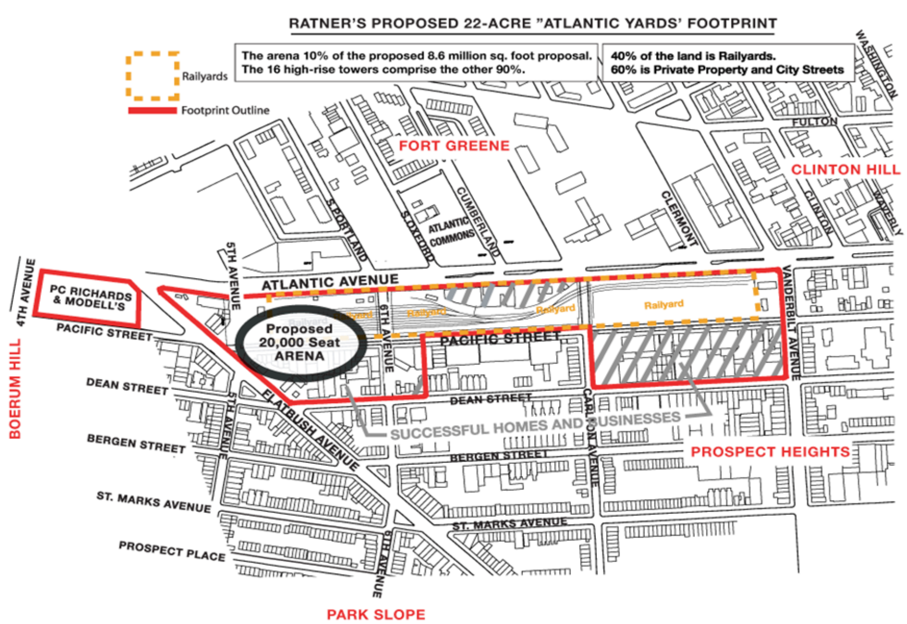
Atlantic Yards has also been criticized for being emblematic of private-capital led development, also described as "developer-driven planning," in which a project is initiated solely by a private developer and the policy debate revolves exclusively around the developer's proposal (rather than around a plan based on the needs of the neighborhood and city that includes alternative visions). While the project is not part of a formal comprehensive plan, it is being pursued in the context of dozens of economic development initiatives proposed by the current mayoral administration,

[3] Ron Schiffman, Atlantic Yards: Starving Off a Scar for Decades, June 3, 2006.

which holds an expansive view of the planning function and the role of government in connecting physical changes with economic growth.

The Scope and Location of the Project

The project would occupy a 22-acre area bounded by Atlantic Avenue to the north, Vanderbilt Avenue to the east, Dean and Pacific Streets to the south, and Flatbush and 4th Avenue to the west. This site is located at the nexus of several low-scale, residential neighborhoods--Fort Greene, Prospect Heights, Park Slope, and Boerum Hill--and is close to Downtown Brooklyn, the borough's commercial and civic center. It is also situated adjacent to Atlantic Terminal, the third-largest transportation hub in New York City, where ten different subway lines converge with Long Island Railroad.[4] The project requires the demolition of low-rise buildings containing 171 housing units (410 residents), 27 businesses, and a homeless shelter, and the permanent closure of 5th Avenue between Atlantic and Flatbush Avenues, Pacific Street from Flatbush to 6th Avenues, and Pacific Street from Carlton to Vanderbilt Avenues. In addition, a deck must be built over the below-grade 367,000 sf Vanderbilt Yard, which is used by the Metropolitan Transit Authority as a commuter rail car storage yard with support facilities.



[4] This transit access is frequently cited by project supporters to justify the scale of the development.

Commercial and Entertainment Space

Along with the adjoining arena, the centerpiece of the project is a 34-story (511 foot) glass-and-steel-framed building containing all of the office and retail space included in the project. This includes 336,000 gsf of Class A commercial office space and 247,000 gsf of retail space on the ground floors of the building. The developer has pledged that the retail spaces would not house "big box" stores, but would primarily consist of retail and eating establishments intended to serve the surrounding community. The project is designed to concentrate its density, height, and commercial uses at the western end of the site to capitalize on the location of the mass transit hub. It is estimated that the overall density of the project west of 6th Avenue would approach a floor-area ratio of 10. This building would also contain a 180-room, 165,000-sf hotel.

The focal point of the project is an 18,000-seat arena for the New Jersey Nets professional basketball franchise, which would be sited at the intersection of Atlantic and Flatbush Avenues.[5] The 150-foot tall, 850,000-sf arena would also be used for concerts, family shows, collegiate competitions, and other events. Its roof would feature approximately one acre of private open space and an additional three acres of inaccessible green space, a sustainable design feature.

The arena's main entrance, dubbed the Urban Room, would be a glass-enclosed, publicly accessible atrium that would also function as the entrance to the office building. The Urban Room would feature 10,000-sf of space open to the public, which the developer expects to use for small concerts, cultural events, and art shows. It would also feature a café and a new access point to the underground subways.

Residential Buildings

Each building included in the project would contain housing, totaling an estimated 4,500 rental units and 1,930 condominium units. The developer has committed that half of the rental units (2,250 units) would be "affordable" and reserved for households making between 30 percent and 160 percent of citywide Area Median Income (AMI), which in 2006 was $70,900 for a family of four. Rent for these units would be targeted at 30 percent of household income, and half the units would be two- and three-bedroom apartments. Due to the planned distribution of affordable units for each income group, less than half of the rental housing, or 14 percent of all units, would be reserved for low-income tenants. The residential buildings are clustered on the eastern end of the site to reflect the residential character of the adjoining neighborhoods to the north and south.

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[5] The Nets would relocate from its current facility in northern New Jersey.

Open Space

The project would feature about eight acres of publicly accessible open space, which includes both active and passive uses. The developer anticipates that this open space would be available for public use from 7:00 AM to 10:30 PM from May through September, and from 7:00 AM to 8:00 PM during the rest of the year. This open space would be concentrated on the eastern end of the project site, and would be designed to facilitate pedestrian and bicycle movement between Atlantic Avenue to the north and Pacific and Dean Streets to the south. In addition to a walking path and bicycle lane, the project would include a 4,000-sf bicycle station that would provide storage for approximately 400 bicycles. The developer would built 3,670 below-grade parking spaces across the entire development.

Design Guidelines

The project followed a set of Design Guidelines developed in consultation with ESDC and New York City Department of City Planning (DCP) staff, which were created in order to create "a cohesive development with a distinct architectural language that modulates scale and materials while providing a variety of programmatic uses."

In terms of building organization, the guidelines focus on:

- Concentrating density near the subway hub;
- Creating an undulating skyline along Atlantic Avenue that steps down in scale as the project meets Dean Street;
- Creating a visual relationship between the flagship tower and the adjacent Williamsburgh Savings Bank Building.

In terms of building articulation, the design guidelines focus on:

- Creating development envelopes that establish a street wall presence and physical separation between the buildings;
- Breaking down the building scale through the introduction of required setbacks and horizontal and vertical architectural breaks;
- Achieving additional articulation through variation in materials and window detailing; and
- Giving identified buildings within the master plan particular prominence through requirements for distinctive design.

In terms of the streetscape, the guidelines seek to incorporate design elements along the project's street frontages including:

- Creating an active, transparent streetscape through the introduction of local retail and significant glazing requirements, with a focus on the Atlantic Avenue corridor; and

- Enlivening the Atlantic Avenues and Flatbush Avenue intersection with public amenities and a comprehensive graphic and signage scheme.

The project would feature sustainable building design in order to reduce the building's impact on the environment. The developer has set the goal of achieving Leadership in Energy and Environmental Design (LEED) Silver certification for its buildings.[6] These measures include a number of energy consumption reduction features (high-efficiency HVAC systems, efficient building envelopes, and the possibility of solar powered lighting); storm water retention systems and high-efficiency water fixtures such as sensing flow restrictors; green roofs to minimize the urban heat island effect and absorb rainwater runoff; and the use of recycled content in construction materials.

Bulk of Brooklyn Atlantic Yards

[6] The LEED rating system, developed by the non-profit U.S. Green Building Council, is a standard ensuring a high degree of environmental stewardship, considering energy efficiency, minimization of waste sent to landfills, and other sustainability best practices in building design and operation.

Cost of project

Upon its approval, it was estimated that the project would cost approximately $4 billion. The project's General Project Plan includes the following cost breakdown, which does not include financing costs:

BAY Table 1: Estimated Project Costs

Use	Amount
Site Acquisition	$386,100,000
Arena	$637,200,000
Residential	$2,200,200,000
Office/Hotel	$169,000,000
Infrastructure	$554,400,000
Miscellaneous	$19,500,000
Total	$3,966,400,000

Source: Empire State Development Corporation, General Project Plan

It has been reported that the cost of the project has increased to $4.3 billion, with the arena component alone now estimated at $950 million.

The cost of the project would be substantially offset by public subsidies in the form of direct infrastructure investments from the city and state, while other subsidies such as tax exemptions and public financing would also provide significant savings to the developer. For instance, New York City has pledged $205 million, and New York State an addition $100 million, for the cost of land acquisition and new infrastructure, including streets and sewers, garages, and transit connections. The arena and residential buildings will be financed with tax-exempt bonds, and the city and state will not collect sales taxes related to their construction; mortgage recording taxes on the residential buildings; and property taxes on the arena. When including the discounted price of the Vanderbilt Rail Yards purchased by the developer from the Metropolitan Transit Authority, it has been estimated that these various subsidies will provide approximately $2 billion in savings for the developer (see Table 2). In addition, independent experts have pegged the cost of increased municipal services to the area, such as education, sanitation, police, and fire, at approximately $530 million (present value over 30 years).[7]

[7] New York City Independent Budget Office, *Atlantic Yards: A Net Fiscal Benefit for the City?*, September 2005.

BAY Table 2: Estimated Cost of Project

SUBSIDY	AMOUNT (M)
CITY	
Property tax exemption through PILOT arrangement	$1.033 b
Cash for infrastructure/land acquisition	$205 m
Tax breaks through 421-a law	$150 m
Value of city property being transferred for arena	$.15 m
Sales tax exemption on construction materials	$20 m
Mortgage Recording Tax exemption	$181.4 m
Extra funds for "extraordinary infrastructure costs"	???????
STATE	
Sales tax exemption on construction materials	$21.9 m
Mortgage Recording Tax exemption	$17.8 m
Cash for infrastructure/land acquisition	$100 m
Savings from purchase of Vanderbilt Yards at less than MTA appraisal	$114.5 m
FEDERAL	
Income tax savings through tax-exempt financing of housing	261.25 m
Income tax savings through tax-exempt financing of arena	$91 m
Total	

Source: Empire State Development Corporation, NYC Independent Budget Office

II. Project Stakeholders

THE DEVELOPER

Forest City Ratner (FCR)

Forest City Ratner is a major development firm owned by Bruce Ratner, a former New York City commissioner of consumer affairs. In the early 1980s Ratner entered into a joint venture arrangement with Forest City Enterprises (FCE), a Cleveland, Ohio development firm run by members of his family. This created FCR, an affiliate of FCE, which was established in 1921 and is one of the largest publicly traded development corporations in the United States. In 2000, the company was worth more than $3.6 billion and owned, developed, and managed property through the country (Fainstein 2001). For its part, FCR has developed many high-profile projects in

Manhattan, including the New York Times Tower and the Times Square Hilton Hotel, and in Brooklyn, including MetroTech, Atlantic Center, and Atlantic Terminal.

According to Susan Fainstein, "Bruce Ratner's experience in city government taught him how to use the public sector to this great benefit, through both personal connections and program understanding."[8] Many of Forest City Ratner's staff members have worked in city and state government also, giving them intimate knowledge of how to obtain public subsidies and political support, and how to navigate a project through the public approval process. For instance, James P. Stuckey, who served as president of FCR's Atlantic Yards Development Group for several years, is the former president of New York's Economic Development Corporation, where he worked with Forest City Ratner on private-public partnerships such as the Atlantic Terminal project. Stuckey was recently replaced by Maryanne Gilmartin, a former Assistant Vice President at the New York City Economic Development Corporation. Randall Toure, the former Director of Community Affairs for Brooklyn Assembly Member Roger Green, serves as FCR's Vice President for Community Affairs. Prominent real estate lawyer David Paget, who officially advised the Empire State Development Corporation in its environmental review of the Atlantic Yards project, had previously worked for FCR until October, 2005. This prompted a New York State Supreme Court Justice to dismiss Paget as the ESDC counsel, calling it a "severe, crippling appearance of impropriety.[9] Indeed, the operations of FCR provide a prototypical case study of the revolving door phenomenon, in which development companies benefit from the movement of individuals between the private and public sectors.

PUBLIC AGENCIES:

Empire State Development Corporation

Doing business as the Empire State Development Corporation (ESDC), the Urban Development Corporation (UDC) is a New York State public benefit corporation primarily charged with state economic and real estate development initiatives. ESDC is governed by a nine-member Board of Directors comprised of two ex-officio members and seven members appointed by the Governor with the consent of the State Senate. For all intensive purposes, its activities are controlled by the Governor, although many of its large-scale projects, such as Atlantic Yards, must also be approved by the state's Public Authority Control Board, which consists of representatives from each house of the state legislature.

[8] Susan Fainstein, *The City Builders*, 2001, 156.

[9] Transcript of February 14, 2006 proceedings before Honorable Carol Edmead, Supreme Court of the State of New York, County of New York, Index Number 10686/2006.

ESDC has served as the lead agency for the project for the purposes of compliance with the New York State Environmental Quality Review Act (SEQR). This required that ESDC adopt a general project plan (GPP), conduct public hearings, and coordinate the financing and implementation of the project with other city and state agencies. More importantly, ESDC contains several powers which have been used to facilitate the planning, site assembly, and implementation of the project:

- Eminent domain—ESDC has the power to condemn private and city-owned properties that are located in the project site. FCR acquired most of the private properties on the site by offering lucrative buyouts to homeowners, so long as they agreed not to speak out against the project or give money to groups that did. However, the state has initiated condemnation proceedings against several property owners who refused to sell, resulting in ongoing legal action in state and federal courts.

- The involvement of ESDC also overrides New York City's Uniform Land Use Review Procedure (ULURP)—the city's standardized procedure for publicly reviewing land use actions. This precluded the three affected community boards, the borough president, the City Planning Commission, and the City Council from having an official role in the project.

- In addition, the involvement of ESDC overrides the city's Zoning Resolution and other regulations, which in the case of Atlantic Yards include use and bulk regulations such as height, setback, and floor area; signage requirements; and the City Map as it related to the closure of portions of City streets.

While the cost of acquiring the entire project site will be paid for by the developer, ESDC will hold fee title to the properties and the tax lots will be subdivided to create the individual development parcels laid out in the project plan. The parcels will then be leased back to FCR for a nominal cost of $1.00. This type of "lease-back" arrangement is typical of large-scale projects administered by ESDC, and is used to facilitate site acquisition and the provision of public financing and tax benefits.

Metropolitan Transit Authority

Approximately 40 percent of the land area included in the project site belongs to the Metropolitan Transit Authority (MTA), a public benefit corporation responsible for the planning and operation of public transportation in 12 counties of New York State. In the spring of 2005, the MTA issued a Request for Proposal (RFP) to purchase the air rights above Vanderbilt Yards. Forest City Ratner responded to the RFP and was eventually selected as the prospective purchaser/developer of the Yard. Despite the fact that the MTA's own appraisal put the value of the yards at $214.5 million, the MTA accepted Ratner's offer of $100 million.

Other City Agencies

As part of the environmental review and the preparation of the environmental impact study, a number of city agencies were consulted, including: New York City Department of City Planning, Department of Transportation (DOT), Department of Environmental Protection (DEP), Department of Parks and Recreation, the Fire Department, the Police Department, and the Department of Education. However, the Atlantic Yards project only requires approvals from the Empire State Development Corporation, DOT, DEP, the city Department of Buildings, and the city Art Commission.

Community Partners

Faith in Action, Association of Community Organizations for Reform Now (ACORN), Brooklyn United for Innovative Local Development (BUILD), Brooklyn Voices for Children, the New York State Association of Minority Contractors (NYSAMC), the Downtown Brooklyn Neighborhood Alliance

In anticipation of neighborhood opposition and before the project was officially announced, FCR enlisted the support of several local organizations by signing a "Community Benefit Agreement" (CBA)—a compact that guaranteed specific benefits for the surrounding area in exchange for the support of community groups. CBAs are a relatively new and increasingly popular urban redevelopment tool. The CBA movement originated in California, where organizations in Los Angeles, San Diego, San Jose and the East Bay worked individually and collectively to negotiate binding contracts with developers intended to ensure that publicly subsidized redevelopment projects addressed a broad range of community needs, especially in low-income areas. The original model in Los Angeles also involved a sports and entertainment complex located in close proximity to a residential area. The arena developers sought permission to build housing, entertainment outlets, a hotel, and the expansion of a convention center (with $150 million of public subsidies). A large coalition of 5 labor unions and 25 community groups called the Figueroa Corridor Coalition for Economic Justice negotiated a contract in which the developer committed to supplying funds for parks, a recreation center, and affordable housing, and a guarantee that 70 percent of the jobs created would pay a living wage.

In the case of the Atlantic Yards CBA, FCR pledged that 50% of the of the housing units would be affordable (offered at below-market rents) and potentially targeted to toward local residents; 35% of the construction jobs would be targeted toward minorities; 30% of the construction contracts would be awarded to minority- and women-owned businesses; and the project would contain several community amenities such as a health care center. However, unlike other CBAs, the Atlantic Yards agreement was developer-initiated and did not include government signatories, implying that that the only groups with standing to enforce the commitments are the organizations that negotiated each provision. Also troubling was the fact that the CBA was developed in exclusive negotiations with a relatively small group of organizations selected by the developer. The most prominent signatory was the Association of Community Organizations for Reform Now (ACORN), a nationwide grassroots organization group founded in the 1970s to advocate on behalf of low-income people. However, several of the other groups had not existed until shortly before the agreement was signed, and media investigations revealed that they were funded by Forest City Ratner. For instance, this was the case for one of the most vocal supporters of the project, Brooklyn United for Innovative Local Development, which was even receiving free office space courtesy of FCR. The Downtown Brooklyn Neighborhood Alliance, another signatory, also received funds from FCR.

Critics of the CBA charged that it was a transparent attempt to "divide and conquer" neighborhood groups, largely along racial lines, by addressing particular issues rather than discussing the overall scope of the project in a holistic fashion. Tom Angotti, a Hunter College professor and director of the school's Center for Community Planning and Development, writes that the Atlantic Yards experience "raises a question about whether [CBAs] are legitimate instruments for community involvement or developer tactics that undermine the legitimacy of the public land use review process."[10]

[10] Tom Angotti, *New York for Sale*, MIT Press, 2008.

BAY Table 3: Project Stakeholders

Private	Public	Community
Core Team: ▪ Forest City Ratner Developer ▪ Frank Gehry (Architect)	**Primary:** ▪ New York Empire State Development Corp (ESDC) ▪ Metropolitan Transit Authority (MTA) ▪ NYC Economic Development (EDC) **Additional Members:** ▪ New York City Department of City Planning (DCP) ▪ NYC Department of Transportation (DOT) ▪ Department of Environmental Protection (DEP) ▪ Department of Parks and Recreation ▪ NYC Department of Buildings ▪ NYC Art Commission NOTE: the Atlantic Yards project only requires approvals from DOT, DEP, the city Department of Buildings, and the city Art Commission.	**Primary AYP supporters:** ▪ Faith in Action ▪ Association of Community Organizations for Reform Now (ACORN) ▪ Brooklyn United for Innovative Local Development (BUILD) ▪ Brooklyn Voices for Children ▪ The New York State Association of Minority Contractors (NYSAMC) ▪ The Downtown Brooklyn Neighborhood Alliance

III. Project Context

Current Conditions of Site

The project would occupy a 22-acre area bounded by Atlantic Avenue to the north, Vanderbilt Avenue to the east, Dean and Pacific Streets to the south, and Flatbush and 4th Avenue to the west. The site is currently occupied by low-rise buildings, between one and six stories, along with vacant land and the rail yards, which functions as a commuter rail car storage yard with support facilities for the MTA. All in all, the 73 parcels of land contain 23 residential buildings, 18 industrial buildings, 5 commercial buildings, 10 parking or vacant lots, and other miscellaneous uses. According to the developer and ESDC, 51 of the 73 parcels "exhibit one or more blight characteristics," including buildings that are at least 50 percent vacant or are built to 60 percent or less of their allowable density. It also charged that because 76 parties controlled the land composing the site prior to FCR's acquisition activities, this fragmented ownership impeded large-scale development and required government intervention.

The characterization of the site is a highly controversial issue, since the ESDC was legally obligated to demonstrate that the site was "blighted" (unsanitary and unsafe) in order to exercise its power of condemnation. In fact, local residents filed a lawsuit contesting the determination that the buildings on the site are underutilized and unsanitary. As evidence, they point to the fact that another developer (Extell) was prepared to redevelop the Vanderbilt Rail Yards, which occupies almost 40% of the project, without the use of eminent domain. Furthermore, they contend there is clearly a market for several of the existing building and lots described as "underutilized or vacant," since one was slated to be the site of a new hotel and several others were in the process of being converted into loft housing before being acquired by Ratner. These residents believe that the small amount of blight that does exist would be eliminated by redeveloping the Rail Yard blocks—a project that could be potentially be undertaken without the use of eminent domain.

Surrounding Neighborhoods

The project site is located at the nexus of the booming neighborhoods of Fort Greene, Prospect Heights, Park Slope, and Boerum Hill. These primarily residential neighborhoods feature blocks of 19th and early 20th century brick and brownstone row houses and several high-rise apartment complexes, such as the New York City Housing Authority developments in Fort Greene (RV Ingersoll Houses and Walt Whitman Houses). Prospect Heights also includes renovated loft spaces and some large-scale commercial uses such as storage buildings and office spaces adjacent to the Vanderbilt Yards. Overall, however, even the developers Final Environmental Impact Statement concedes that the "project would introduce land uses at a density substantially greater than nearly all of the surrounding area."[11]

Since 1990, these neighborhoods have experienced a demographic shift, with an influx of higher income, younger, and predominantly white residents. According to the Pratt Institute, approximately 65 percent of the households in the surrounding area earned more than the median income for Brooklyn in 2000, compared to 45 percent in 1990. During this span, the percentage of neighborhood residents reporting themselves to be Black or African American declined from 51 percent to 42 percent, while the white population increased. Despite these gentrification trends, about 15% of the population in the surrounding area lives below the poverty line, with many residents living in public and subsidized housing. The Pratt study also notes that Atlantic Yards should be viewed as a regional project within a borough that continues to feature poverty and unemployment rates far above the national average.[12]

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[11] FEIA, S-16

[12] Pratt Institute Center for Community and Environmental Development (now Pratt Center for Community Development), *Slam Dunk or Airball? A Preliminary Planning Analysis of the Brooklyn Atlantic Yards Project*, March, 2005.

Downtown Brooklyn and FCR

Despite the fact that the project is situated more directly in Prospect Heights, its proximity to Downtown Brooklyn is emphasized by supporters to justify its immense scale.[13] The downtown area has functioned as the business and civic center of Brooklyn since well-before the consolidation of New York City in 1898. Depopulation and disinvestment during the postwar period undermined the district's vitality and left it with mostly government offices and a struggling group of small retailers. According to Susan Fainstein, several factors converged by the end of the 1980s to stimulate the various initiatives aimed at reconstructing the area—principally the urgency felt by local government officials to compete with New Jersey in attracting the back offices of major companies.[14] During the 1970s, some of the city's prominent financial firms began to move back-office space to cheaper locations such as Northern New Jersey and Long Island. Fainstein explains that "Shifting development interest to Brooklyn would both create a less expensive business core that could vie with out-of-state locations and deflect criticism that the mayor's office cared only about Manhattan."[15]

It was during this period that FCR emerged as the dominant player in Downtown Brooklyn redevelopment, partnering with the public sector to develop two large-scale projects in the area: Metrotech and Atlantic Terminal. The Metrotech site was situated adjacent to Polytechnic University, a private engineering school that envisioned a project which would provide synergy between the university's technical capacity and the needs of high-tech industry. The site, which has once been designated as an urban renewal area, housed about 100 families and 60 small businesses. The city's Economic Development Corporation agreed to condemn the land, demolish the existing structures, and relocate the residents and businesses. FCR agreed to build a 4.2 million sf corporate office complex and pay the city a ground rent. Beyond the use of city eminent-domain powers, Ratner benefited from a $6 million federal UDAG, a $10 million equity investment from the city's Municipal Assistance Corporation, a $5.5 million construction grant from the city's capital budget, and over $300 million in city rent subsidies to lure Chase Manhattan and Bear Stearns to rent space in the towers. The complex, which was constructed according to a master plan created by the New York firm of Haines Lundberg Waehler, has received mixed reviews in terms of its overall success. According to the magazine *City Limits*, one-third of MetroTech is rented by government agencies, suggesting "that the original plan may have overestimated demand for back-office space or the willingness of companies to move across the

[13] Downtown Brooklyn has historically not crossed Atlantic Avenue, and is described by the Department of City Planning as "bounded by Tillary Street to the north, Ashland Place to the east, Atlantic Center and Schermerhorn Street to the south, and Court Street to the west."
[14] Susan Fainstein, *The City Builders*, 2003, p. 148.
[15] Ibid., p. 149.

East River."[16] Furthermore, community-based organizations charge that the heavily subsidized office complex did not create employment for Brooklyn's black population. This is disputed by FCR, although hard data are not currently available. Finally, many planners and architects have taken issue with the design of the complex, with Angotti calling it a "suburban-style office enclave that absorbed generous public subsidies, turned its back on the adjacent African-American neighborhood, and did little to boost local business."[17]

Atlantic Terminal, essentially located in between MetroTech and Atlantic Yards, represents another large-scale redevelopment project developed by FCR with the help of generous contributions from government. It is located within the Atlantic Terminal Urban Renewal Area, a 20-block portion of Fort Greene that had awaited redevelopment since its designation by the state as a renewal area in 1968. Despite protests by local organizations concerned with traffic impacts and the possibility of secondary displacement, FCR received almost $20 million from the city to develop a large shopping center on the site in the early 1990s. More recently, FCR received $114 million in tax-exempt Liberty Bonds (earmarked for rebuilding efforts following the September 11th attacks) to finance the construction of an additional building. This project also draws the ire of Angotti, who describes it as "another forbidding mall that earned unanimous opprobrium for a fortresslike design that seemed to keep the neighbors away."[18]

Downtown Brooklyn Rezoning

The current city administration recently enacted an ambitious rezoning of the downtown area, and Mayor Michael Bloomberg has declared that the Atlantic Yards project "compliments our administration's vision for dramatically redeveloping Downtown Brooklyn." The zoning changes increased area densities in order to encourage new office development in the commercial area bounded by Flatbush Avenue, the Fulton Street Mall, and Willoughby Avenue, while encouraging new residential high rises to be built in the area surrounding this commercial core. However, a recent report assessing the rezoning by the Pratt Center for Community Development concludes that "the unanticipated impacts of development have not been good for low- and moderate-income people" since 100 businesses have been displaced and the vast majority of new projects have been residential and not commercial, meaning that the promised growth in jobs for local residents have not materialized.

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[16] Public Space: One-third of MetroTech is rented by government, *City Limits Magazine*, January/February 2005.
[17] Angotti, 216
[18] Ibid., 216

IV. The Planning Process

On July 23, 2003, the Newark Star-Ledger (a New Jersey Newspaper) reported that developer Bruce Ratner was planning to build an arena in Brooklyn for the New Jersey Nets basketball franchise, which he would purchase and move to the new arena. This was the first word of the project, and for about two years, subsequent news would mostly come in the form of media reports as Forest City Ratner negotiated with public officials behind closed doors. These negotiations culminated with a Memorandum of Understanding (MOU) being signed on February 18, 2005 by the New York State Empire State Development Corporation (ESDC), the New York City Economic Development Corporation (EDC) and the developer, in which the city and state committed to offering tax-exempt financing and numerous other subsidies for the project. On September 14, 2005, the Metropolitan Transit Authority awarded the rights to develop over the Vanderbilt Railyards to Forest City Ratner, and on September 16, 2005, ESDC established itself as lead agency for the project.

The use of ESDC as the lead agency exempted the project from the city's Uniform Land Use Review Procedure (ULURP), the standard process by which significant projects are publicly reviewed by community boards, the borough president, the city council, and the New York City Planning Commission. Therefore, Atlantic Yards was only subject to the environmental review pursuant to the New York State Environmental Quality Review Act (SEQRA), which the state's own Department of Environment Conservation describes as "self-enforcing" since the lead agency is responsible to see that it meets its own obligations to comply.[19] The full SEQRA process was triggered by ESDC's issuance of a "positive declaration," meaning that the proposed action would have a significant adverse impact on the environment and would require an Environmental Impact Statement (EIS) that identified all impacts and proposed mitigation measures.

On September 16, 2005, ESDC initiated the "scoping process," by which the agency holds a public hearing and then determines the scope of analysis for the EIS. The hearing, held on October 18, 2005, was scheduled for three hours but lasted approximately six hours due to the large number of people who testified. On March 31, 2006, ESDC released the Final Scope of Analysis, and on July 18, 2006, ESDC completed the draft EIS, a several thousand page document which formally triggered the public review process. People were given until September 29, 2006, to submit comments in writing, and in August and September 2006, ESDC hosted two boisterous and heavily attended public hearings. On November 15, 2006, the ESDC Board of Directors certified the Final EIS (FEIS), which included a list of substantive comments on the DEIS and responses from the developer and state. On December 8, 2006, the ESDC Board of Directors approved the

[19] http://www.dec.ny.gov/public/357.html

FEIS and the General Project Plan, and on December 20, 2006, the State's Public Authority Control Board (which provides oversight of ESDC) approved the Atlantic Yards development.

V. Opposition to Atlantic Yards

Proponents of the project claim that it will bring jobs, housing, a world-class sports team and facility, and development to the area and borough. At the same time, the controversial project has garnered a tremendous amount of opposition from community organizations, civic groups, environmental and housing advocates, planning associations, and fiscal watchdogs. The following section will review the principal objections to the project, with the particular issues broadly categorized as impacts on the surrounding community; planning- and process-related concerns; and objections to claims that the project will be a fiscal and economic success for the city.

Impact on Community

Traffic

Numerous organizations and residents voiced concern that the project would be located at the intersection of two of Brooklyn's most congested corridors and that the resulting traffic would be unbearable for drivers and pedestrians alike. Some fervent supporters of the project, such as Borough President Marty Markowitz, have shared deep concerns about the traffic impacts.[20] Traffic engineer Brian Ketcham of Community Consulting Services, which consults with community groups and public agencies, warned that "The main entry points to Brooklyn are all at overcapacity without Atlantic Yards," a finding that would be corroborated by the project's Environmental Impact Statement.[21] The mitigation measures proposed in the EIS have been criticized for being insufficient, and mostly place responsibility on the public sector through recommendations such as improved bus and subway service, the deployment of traffic enforcement agents, and other generic measures.

Density, scale, and the creation of superblocks

The Atlantic Yards project has also been criticized for being starkly out of sync with the surrounding neighborhoods, since the majority of new buildings are adjacent to streets that are low-rise and architecturally different in character, activity and use. The New York Metro Chapter of the American Planning Association charged that "the scale of the 16 buildings taken together will have an overwhelming, permanent visual and physical impact on these vital and distinguished neighborhoods…Even in a dense city, the enormity of this project and its scale requires more

[20] Arena Will Snarl Traffic: B'Klyn Beep, *New York Daily News*, December 6, 2005.

[21] Page 13 of the DEIS states that "Under 2006 existing conditions, there are a number of intersections with congested movements, operating at capacity wih a v/c ration of 1.00 or greater."

intensive and extensive analysis of alternatives and of the value of downscaling." The Pratt Area Community Council contends that "today's Brooklyn is the product of a slow, organic evolution," and that the Atlantic Yards project combined with the Downtown Brooklyn rezoning "will fundamentally alter the dynamics of future change."[22] Planners such of Ron Schiffman, a former member of the New York City Planning Commission, argue that the density of the project far exceeds the carrying capacity of the area's physical, social, cultural, and educational infrastructure.[23]

Planners also voiced concern over the demapping of public streets and the creation of superblocks, which New York Metro Chapter of the APA contends could "further privatize the area, reduce its integration with adjacent areas, and reduce the likelihood of safe, active, lively public spaces within the development." They charge that the superblocks and internal pedestrian walkways close the project off from the rest of the city, and that the open spaces and pathways will be perceived and treated as exclusive, private areas for the new residents.

Gentrification

Neighborhood organizations and affordable housing groups also voiced concern over the potential secondary displacement of local residents and businesses caused by market pressures from the sudden infusion of concentrated economic activity and upscale housing. According to South Brooklyn Legal Services and the Council of Brooklyn Neighborhoods, it is estimated that the Atlantic Yards project would increase by 53 percent the proportion of households earning more than $113,440, which currently represent only 11 percent of the surrounding area but would compose 64 percent of the affordable housing alone in the Atlantic Yards project. It is also estimated that the project would result in substantial decreases in the proportion of households earning between $21,270 and $70,900 in the area. Finally, households earning less than $21,270 would not be eligible for housing in the Atlantic Yards development, despite the fact that 24 percent of households in the study area earn incomes below this figure.

These critics charge that the environmental review did not adequately consider the project's impact on the racial, cultural, and economic diversity of the surrounding neighborhoods, and the burden on current residents who will be priced out.

[22] PACC's Concerns about the Brooklyn Atlantic Yards Development Plan, the Downtown Brooklyn Development Plan, and the City's Planning Process.
[23] Ron Schiffman, Atlantic Yards: Starving Off a Scar for Decades, June 3, 2006.

Planning and Process Related Concerns

Developer-driven Model and the Override of ULURP

As previously mentioned, the project has come under fire for epitomizing "developer-driven planning," in which the entire policy debate revolves around the developer's proposals at the expense of a truly democratic and comprehensive planning process. Several citywide civic groups have noted the lack of an extensive, inclusive, and mandatory public review process. The New York Metro Chapter of the APA lambasted the override of the city's land use review procedure, arguing that the SEQRA process alone "is not as rigorous, or as inclusive, or as extensive as a full mandated public review process and the absence of the full process, together with the very short DEIS comment period, is a serious planning and procedural omission."

This sentiment has been reaffirmed by prominent planning scholars, such as Susan Fainstein, who wrote about Atlantic Yards, "The city has excluded affected residents and businesses from participating in planning, limiting their participation to reacting to already formulated plans and gaining at best minor concessions."[24] Also writing about Atlantic Yards, Professor Tom Angotti believes that in the context of a secretive and developer-led process in which the public must respond to a seemingly done deal, the "ideology of the fait accompli becomes a key instrument for moving through all stages of the public approval process. Environmental review becomes a way to rationalize it instead of a critical analysis of a plan and its alternatives." For these reasons, the Pratt Area Community Council called for a "much more comprehensive prediction of the changes in the character of contiguous neighborhoods that these unleashed economic forces will produce, a much more balanced evaluation of these changes in relation to the public interest, and a much more inclusive process by which the public interest is defined."

Use of Eminent Domain

Voices from across the political spectrum have objected to the use of Eminent Domain in assembling the site for Forest City Ratner. For instance, a commentator from the conservative Manhattan Institute wrote that the project resembled the early days of urban renewal except that "the private market has already brought this area back…there's not even a pretense of blight to justify condemnation subsidies."[25] Ron Schiffman alleged that the flawed Atlantic Yards process was compounded by the misuse of the powers of condemnation, and that "to use 'blight' as the basis for eminent domain is ironic when every indicator is that this area of Brooklyn would have seen a regeneration along the lines of Soho and TriBeCa had the Forest City Ratner plan not stemmed the revitalization process already under way." The use of eminent domain has been legally challenged by property owners and tenants living on the footprint of the site, and the issue

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[24] Susan Fainstein, The Return of Urban Renewal, *Harvard Design Magazine*, Spring/Summer 2005, Number 22.

[25] Julia Vitullo-Martin, Thinking about Ranter's Urban Renewal, *Monthly Newsletter of the Manhattan Institute's Center for Rethinking Development*, May 2004.

is currently before the Appellate Division of the New York State Supreme Court. However, because the conditions for a "blight" finding are notoriously vague, as is the definition of a "public purpose," most experts expect the courts to rule in favor of the developer and State.

Fiscal and Economic Issues

Fiscal watchdogs have charged that official analyses of the project overestimated its benefits and underestimated its costs. This is an important issue since city officials have justified taxpayer expenditures by repeatedly claiming that any public funds or tax breaks required for the project would be more than repaid by an influx of resulting new tax revenues. Ratner hired Andrew Zimbalist, the renowned sports economist who published several works debunking the alleged benefits of publicly financed sports facilities, to conduct an economic-impact analysis of Atlantic Yards. Zimbalist estimated that the project would generate around $1.5 billion in new revenues while costing just under $700 million, and would therefore be boon to the New York City and New York State treasuries. It is important to note that in Zimbalist's analysis, the housing component accounted for most of the project's fiscal benefits, and that the arena alone appears to lose money.

Economist Jung Kim and economic historian Gustav Peebles issues a report criticizing Zimablist's findings for overestimating the incomes of both new tenants and workers in the project, underestimating the extent to which Brooklyn office space vacancies were largely filled by government agencies, low-balling the value of the Vanderbilt train yards, and failing to account for the cost of increased infrastructure and education services. King and Peebles ultimately concluded that Zimbalist's $800 million profit for the city would turn into a loss of between $100 million and $500 million. James Parrott, former chief economist for the City of New York and currently the director of the Fiscal Policy Institute, charged that both studies inflated the benefits of the project by giving it credit for the income of new residents, and for the local and state tax revenues that such incomes would generate. According to Parrott, this is "tantamount to assuming that residents bring their own jobs to the city when they move in to a new housing unit…It is even possible that, if the new housing were entirely occupied by existing city residents, the BAY residential project would generate zero new city and state income taxes."

On December 8, 2006, ESDC released a General Project Plan (GPP) that estimated the project would generate $944.2 million in net tax revenues in excess of the public contribution. However, ESDC did not reveal many of the underlying assumptions behind its analysis. According to journalist Neal DeMause, there was no indication whether the figures were adjusted for the substitution effect (money spent at Atlantic Yards might otherwise be spent elsewhere in the city) and leakage effect (money going to the Nets is not likely to recirculate in the local economy). In addition, there was no way to tell how much of the "new" economic activity associated with the development would be cannibalized from elsewhere in tax jurisdiction, such as companies simply relocating from other parts of the city. These unresolved methodological issues raise serious questions about the integrity of the official analysis, especially since the public agencies refused to release a rigorous accounting of the subsidies, in which their value was explicitly delineated.

Alternative Plans

Another common criticism of the project was that alternative actions were never seriously considered. This was especially troublesome to the diverse group of community residents and technical experts who worked to create a viable development alternative dubbed the "Unity Plan." The Unity Plan was the product of several participatory community workshops and was based on a set of community planning principles. This plan, which does not include an arena, concentrates new development on the 8 acre Vanderbilt Rail Yards and consequently does not require the displacement of existing housing units or businesses. The 2.5 million square feet would result in an average floor area ration of 7 over the entire site, and would include 600,000 square feet of ground floor retail and commercial space and 2,300 units of new mixed-income housing. The Unity Plan calls for 60 percent of all units to be permanently affordable to Brooklyn residents, and for the construction of new schools, senior services, child care facilities, and recreational space. Instead of creating superblocks, the community plan proposes that new streets be extended from Fort Greene into the Yards in order to improve traffic and pedestrian connections with Prospect Heights.

VI. Status of Project

There has been widespread media speculation that the future of the Atlantic Yards project is in jeopardy. The share price of Forest City Enterprises (the parent company to Forest City Ratner) has dropped 92 percent in the past 18 months, and analysts at Morningstar recently listed the company as being in dire trouble due to severe financial distress, slowing operating cash flow, and the fact that it may need to refinance debt at high rates.[26] FCR also reported losses of more than $30 million on the New Jersey Nets basketball franchise in the first nine months of 2008. During this period, construction costs have risen along with the costs of financing, while demand for new office space has fallen along with housing prices. In December, 2008, FCR abruptly shut down preliminary construction related to Atlantic Yards, although state officials reaffirmed their commitment to the project. It has also been reported that FCR is attempting to expedite tens of millions of dollars it is owed by public entities while delaying tens of millions in payments it owes to both the public and private sectors, while appealing for new subsidies from the state.[27]

[26] Steven Levingston, Market Buzz: Not Worth the Paper Their Printed On, *Washington Post*, December 21, 2008.
[27] Eliot Brown, Atlantic Yards Becomes a Question Mark, *New York Observer*, December 16, 2008.

At the very least, the project has fallen dramatically behind its original schedule. Officials initially claimed that the project could be done by 2012, but Ratner announced in March, 2007 that the full project would not be done until at least 2022. At the time the Final EIS was released, Phase I of the project, which includes the arena and five buildings, was slated to be complete by 2010, with Phase II scheduled to be finished by 2016. However, in March, 2008, state officials quietly amended the agreement with FCR to allow the developer at least 6 more years to build the arena, 12 years to build the other five towers in Phase I, and an unspecified amount of time to build the 11 towers in Phase II. The City also modified its agreement with FCR to include modest penalties for delay and allowance for a much smaller Phase I than outlined in the General Project Plan.[28] To be sure, there is a great deal of uncertainty surrounding the future of the project, and it remains to be seen whether city and state lawyers negotiated strong recourse clauses in the event that the project is not fully developed.

[28] Norman Oder, City agreement allows FCR to build 44% smaller Phase 1; what about NYC's extra $105m, *Atlantic Yards Report*, April 30, 2008.

Case Two: The Meat Packing District

I. Project Description

The Meatpacking District is on the west side of Manhattan, bound by Gansevoort Street in the south, Hudson Street in the east, and West Street in the west and West 16th Street in the north. This area was once a warehouse district that primarily consisted of low to medium scale buildings that housed more than 200 meatpacking, dairy, and produce wholesale businesses. Escalation in real estate values since 1990 forced most of the warehouse businesses to relocate. They were replaced by an array of high-end restaurants, bars, hotels, galleries and retailers. While this transformation was primarily market-driven and financed through private investment, several policy decisions, such as the designation of the area as a historic district, which ensured the preservation of many of the historic, low scale market and warehouse buildings (but did not protect their uses), fostered the transformation.

THE MEATPACKING DISTRICT

Another factor was the conscious decision by city lawmakers to keep the manufacturing zoning designation, which favored commercial development and did not allow for residential uses, an aspect especially attractive to nightlife establishments, who are typically not welcome in residential neighborhoods.

In addition, the government-supported community initiative to retain the historic elevated railway that traverses the area furthered the increase in real estate value and the transformation of the Gansevoort Market District into one of New York's liveliest nightlife and entertainment districts.

The combination of policy decisions and market forces was shepherded by two dominant community and philanthropic organizations, the *Friends of the Highline* and the *Greenwich Village Society for Historic Preservation.*

Both groups, which are described in more detail below, are representative of a new emergence of highly professional and sophisticated community development actors who are able to leverage resources and influence decision-making to shape projects and participate in their implementation at a new level, taking over tasks typically performed by the public sector. While each group pursues individual interests, in this case the preservation of different structures, they act as coordinators between the different community groups, and between the community and public agencies. Both organizations decided to take an inclusive approach to their vision, allowing ownership of the project to be shared with a variety of stakeholders. This emphasis on inclusion and coordination of various different efforts, their timeline, political and financial support achieves a comprehensiveness that was not planned, but emerges out of the coordinated efforts.

Figure: Sidewalk on Tenth Avenue before and after new retail uses occupied the Meatpacking District

History of the Area

The neighborhood developed in the mid 19th century with both residences and heavy industry. While in other parts of Manhattan elite residential neighborhoods –spatially segregated from other uses- began to develop in the second half of the 19th century, here the proximity to the waterfront fostered a pattern of a mixture of uses and activities. This development was spurred in the 1880s by the opening of two municipal markets, the Gansevoort Market (1879) for regional produce at Gansevoort and Washington Street and the West Washington Market (1889) for poultry, meat and dairy products at West Street. By the 1870s conditions of existing downtown markets had deteriorated to such an extent that reformers and politicians demanded new market sites further north.

A large majority of the market, warehouse and residential buildings in the area were owned by the Astor family (estimated to be the wealthiest family in the world in the late 19th century), who had a policy of investing profits into real estate and holding onto these assets. This explains the richness in historic architecture in many of the buildings albeit dedicated to mundane uses such as storage or market use. The layout of the streets in the Gansevoort Market area is shaped by the transition between the irregular pattern of New York's early development and the 1811 Commissioner's grid. Due to this unusual juncture of streets, large triangular intersections characterize the area where Ninth Avenue meets Gansevoort Street and West 14th Street.

Figure: Gansevoort Market around 1906

In the 1930s the market and storage uses were supplemented by transportation infrastructure such as the completion of the Holland Tunnel (1927), the elevated Miller Highway (1931) and the New York Central Railroad's elevated freight railway (1934) now referred to as the 'High Line'. Easier access between the area and the metropolitan region spurred the further development of low-rise market buildings.

The Manhattan Refrigerating Company, located on the block between Gansevoort, Horatio, Washington and West Streets provided underground pipes to supply refrigeration to large warehouses, market buildings, ships, and railroad freight cars in the entire district thus spurring and sustaining the food distribution-related businesses in the neighborhood as well as the growth of business related to the trans-Atlantic shipping of produce, meat, etc.

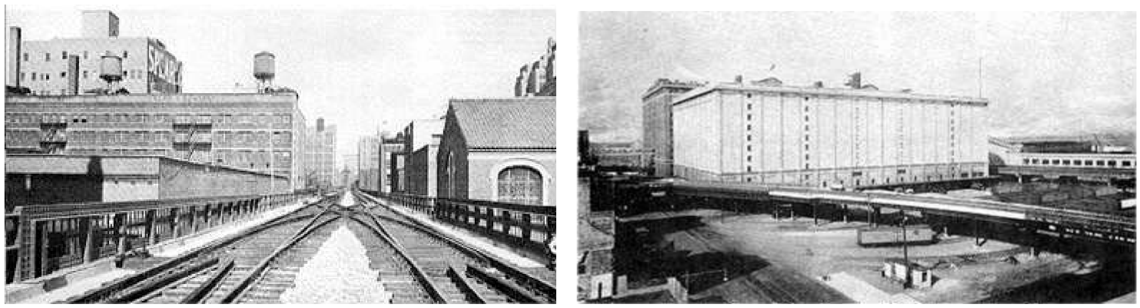


Figure: The new elevated freight rail and the Manhattan Refrigeration Company in the 1930s

Maritime commerce along the Hudson River waterfront declined during the 1960s with the end of the ocean liner era. In the 1970s, several night clubs, especially those catering to the gay community, located in the area taking advantage of its remoteness and small number of legal residences. The elevated freight rail ceased to operate in 1980 and a five-block section of the Line was torn down in 1991, bringing the Line's southern terminus to Gansevoort Street.

In 1985, restaurateur Florent Morellet opened his restaurant *Florent* on Gansevoort Street, followed by Pastis at the corner of Ninth Avenue and Little West 12th Street. Both restaurateurs were interested in catering to a diverse crowd of meatpacking workers and young hipsters visiting the nightclubs. As initiatives for preservation of the district as well as the elevated rail track gained momentum, real estate value for the predominantly low scale buildings increased and food distributors were slowly moving out of the district as their leases expired.

Figure: Little West 12th Street, 2002

Figure: Pastis on Ninth Avenue and Little West 12th Street, 2008

Figure: Night Club on Little West 12th Street, 2008

Figure: Hotel Gansevoort on Ninth Avenue

II. Project Stakeholders

This chapter describes the various government agencies, institutions and organizations that were involved in the transformation of the meatpacking district and their role in the process. It is worth noting that the coordination and communication among the described actors was of significant importance to the success of the project. Two relevant factors in the management of this project were:

a) The establishment of regular interagency meetings:
For the preservation of the High Line and the further development of the structure into a park, all involved city agencies would meet on a biweekly basis to update one another on tasks, issues, conflicts or progress. The personal and direct interaction of project managers from different agencies (as opposed to the often typical form of written memos traveling back and forth) streamlined the decision-making process and eliminated conflicts between different interests 'on the spot'.

b) Community organizations embedded within these interagency meetings:
Friends of the High Line were an active participant in these interagency meetings, ensuring coordination of government decisions with community representatives and providing direct feedback into the process from the community. Both groups, the *Friends of the High Line* as well as the *Greenwich Village Society for Historic Preservation* were well equipped to provide services to the interagency team such as community outreach, planning studies, and fundraising.

This process of regular direct communication with representatives from all involved agencies as well as community stakeholders is not unique to this case study.
The approach has been well tested in other projects within New York City as well as other communities throughout the United States and has demonstrated that controversies can often be eliminated before they grow into major conflicts and legal battles.

Community Groups

Core Team:
- Friends of the Highline
- The Greenwich Village Society for Historic Preservation

Other Local Players:
- Meatpacking District Initiative
- The Preservation League of New York State
- Manhattan Community Board 2 and 4

Public Agencies

Primary:
- The Mayor's Office for Economic Development and Rebuilding
- NYC Landmarks Preservation Commission
- NYC Department of City Planning (DCP)
- NYC Economic Development Corporation (NYCEDC)
- NYC Department of Parks and Recreation
- NYC Department of Transportation (DOT)
- Federal Surface Transportation Board (STB)

Private Funding

Primary:
- Private donors
- Private local businesses (e.g., Google, 300,000 sf office space, paid for plaza)

Other
- Public funds for streetscape and Highline

Government Agencies

The Mayor's Office for Economic Development and Rebuilding

Under the leadership of Deputy Mayor Dan Doctoroff, the Mayor's office for economic development and rebuilding directed and coordinated a concerted effort of several city agencies to revitalize much of the west side of Manhattan, an area dominated by manufacturing, warehouses and industrial buildings and piers. The Meatpacking District constitutes the southernmost part in this plan, which consists of several projects combining historic preservation, the creation of open space and rezoning for mixed-use development.

In a press release for the designation of the Gansevoort Market Historic District, Mayor Bloomberg describes this context of coordinated projects: "We are very excited by the critical role that the Gansevoort Market Historic District, with its unique sense of place and historic importance, will play in the development of the Far West Side. This is just the first of several key projects, including the restoration of the High Line, the construction of Hudson River Park, and the development of the Hudson Yards, that form the core of the Administration's plans for the Far West Side. When completed, these projects will revitalize the West Side of Manhattan, forming a necklace of dynamic waterfront communities, each with their own unique assets."[29]

[29] Press release for the designation of the Gansevoort Market Historic District, September 9, 2003

The variety of issues between rezoning, historic preservation, and economic development made coordination between the different projects critical to the success of each piece and a key component of most of the Bloomberg administration's efforts for development. Among the agencies most critically involved in the transformation of the Meatpacking District are the Landmarks Preservation Commission, the Department of City Planning, the Economic Development Corporation, and the Department of Parks and Recreation.

Responsibilities: - Overall coordination of City agencies involved in decisions for this area.
- Communication and coordination with the Friends of the High Line

New York City Landmarks Preservation Commission

The Landmarks Preservation Commission was established in 1965 in response to New Yorkers' growing concern that important physical elements of the City's history were being lost despite the fact that these buildings could be reused. Events like the demolition of the architecturally distinguished Pennsylvania Station in 1963, increased public awareness of the need to protect the city's architectural, historical, and cultural heritage.

Since its creation it has designated over 1,150 individual buildings and over 80 historic districts in the 5 boroughs. In 2003 the Landmarks Preservation Commission designated the 104 buildings within the Gansevoort Market Areas as a historic district in order to preserve its unique architectural character. This decision came in response to the initiative of the Greenwich Village Society for Historic Preservation and their three-year effort to research material and garner support. In its designation report, the Landmarks Preservation Commission mentions specifically "that the buildings, most dating from the 1840s through the 1940s, represent four major phases of development, and include both purpose-built structures, designed in then-fashionable styles, and those later adapted for market use" and "that visual cohesion is provided to the streetscapes by the predominance of brick as a facade material, the one- to six-story scale, the presence of buildings designed by the same architects, a number of them prominent, including specialists in market-related structures, the existence of metal canopies originally installed for market purposes, and the Belgian block paving still visible on most streets."[30]

Responsibilities: - Designation of historic district and public outreach for Landmark designation
- Coordination with Department of City Planning

[30] Gansevoort Market Historic District Designation Report

New York City Department of City Planning

The Department of City Planning is responsible for the city's physical and socioeconomic planning, including land use and environmental review; preparation of plans and policies; and provision of technical assistance and planning information to government agencies, public officials, and communities. During the most recent administration, the Department has taken on numerous initiatives to proactively review and revise the city's zoning resolution with respect to outdated land use regulations in an attempt to maintain existing communities while identifying areas for growth to accommodate the expected increase in population to 9 million by 2030.

In the west side of Manhattan specifically, the rezonings of West Chelsea and the Hudson Yards – formerly industrial areas- allow for 24 million sf of office space, more than 13,000 units of housing and 20 acres of open space to be build including provisions for affordable housing.

The Department of City Planning's proposal for the area of West Chelsea, and special regulations for properties along the High Line played a critical role in helping this preservation effort succeed as is described in more detail below. While the department actively promoted increased development in these areas just north of the Meatpacking District, it excluded the M1-5 zoning from any consideration for mixed use in support of the landmark designation. As a result, residential development is not permissible. The City Planning Commission and the Landmarks Preservation Commission are obligated by the City Charter to coordinate and weigh in on each other's decisions to not promote contradicting policies.

Responsibilities:
- Rezoning and design guidelines for buildings adjacent to the High Line
- Public review process for rezoning and land use decisions
- Coordination with Landmarks on preservation efforts

The New York City Economic Development Corporation (NYCEDC)

NYCEDC is a quasi-public agency responsible for promoting economic growth throughout New York City through real estate development programs, business incentives and more.

NYCEDC's real estate development initiatives include the creation of new and enhanced retail opportunities, parks and open areas and cultural spaces that improve the quality of life in a given area. EDC's status as a private entity working for the City administration submits it to a less rigorous review process for any kind of fiscal transaction, both in terms of receiving and spending public funds. It is therefore often used as the lead agency, when hiring contractors or consultants.

In 2004 NYCEDC in conjunction with the non-profit group *Friends of the Highline (FHL)* selected the design team of Field Operations (landscape architecture) and Diller Scofidio + Renfro (architecture) to begin design work on the High Line. The design team selection process ran for six months, starting in March 2004. 52 teams responded to the original Request for Qualifications.

Seven teams were short-listed, and the list of seven was then narrowed to the four finalist teams. NYCEDC acts as the project manager for this $170 million construction project.

Responsibilities: - Project Management for Construction of the High Line Park
- Fiscal Management of public and private funds for the High Line Park

The Department of Parks and Recreation

Parks & Recreation is the steward of more than 29,000 acres of land — 14 percent of New York City — including more than 4,000 individual properties ranging from Yankee Stadium and Central Park to community gardens and Greenstreets. The department is the city's principal provider of public athletic facilities and provides maintenance for approximately 600,000 street trees and two million more in city parks.

Since November 2005, when the City of New York took ownership, the High Line has been under the jurisdiction of the Department of Parks & Recreation. The department is working closely with NYCEDC on overseeing the design and construction of the Highline and will be responsible for its maintenance and operation after completion. The High Line will be a public park and therefore has to meet the safety and maintenance standards of the Parks Department. However, a number of parks in New York City under the Department's ownership and jurisdiction, such as Central Park or Hudson River Park are maintained and managed through a non-profit partner (Central Park Conservancy, Hudson River Park Trust). The High Line will follow this model when completed.

Responsibilities: - Oversees the design and construction of the High Line together with EDC and the Friends of the High Line
- Maintenance and operation of the High Line Park

New York City Department of Transportation

The Department of Transportation DOT) has a staff of over 4,000 that oversees, constructs and maintains approximately 5,800 miles of streets, sidewalks, and highways and 789 bridge structures, including six tunnels street signs, traffic signals, streetlights, and parking meters.
The NYC DOT's mission is to provide for the safe, efficient, and environmentally responsible movement of people and goods in the City of New York and to maintain and enhance the transportation infrastructure crucial to the economic vitality and quality of life of its residents. In 2008, the department publicized its strategic plan: "Sustainable Streets, the Strategic Plan for the New York City Department of Transportation 2008 and Beyond."

Under its newly formed plaza program, DOT is determined to work with communities to transform underused streets into vibrant, social public spaces. The program is a key part of the City's effort to ensure that all New Yorkers live within a 10-minute walk of quality open space.
In 2007, DOT reclaimed 4,500 sf of space at the intersection of Ninth Avenue and 14th Street, deploying seating, tables and planters at the heart of the intersection to facilitate pedestrian crossing and provide public space within the area. In 2008, a similar project at the intersection of Ninth Avenue and Gansevoort Street reclaimed the underutilized cobblestone paving for pedestrian use, seating and plantings. Working with local businesses and the *Meatpacking District Initiative* In both of these cases, DOT concentrated on implementing quick short-term solutions with a small budget, taking advantage of the triangular configurations of the intersections.

Responsibilities: - Street, sidewalk and signage maintenance
- Streetscape improvements in the Meatpacking District such as the new public plazas in coordination with the Meatpacking District Initiative

Federal Surface Transportation Board (STB)

The STB is an economic regulatory agency that Congress charged with the fundamental missions of resolving railroad rate and service disputes and reviewing proposed railroad mergers. The STB is an independent body, although it is administratively affiliated with the Department of Transportation.

The STB serves as both an adjudicatory and a regulatory body. The agency has jurisdiction over railroad rate and service issues and rail restructuring transactions. This includes mergers, line sales, line construction, and line abandonments.

In December 2002, the City of New York filed a petition with the STB seeking a Certificate of Interim Trail Use for the Highline viaduct," a process also known as "rail-banking," which allows out-of-use rail corridors to be reused as recreational trails. The City of New York was following a process promoted and supported by the *Rails-to-Trails Conservancy (RTC)*, a nonprofit organization working with local communities to preserve unused rail corridors by transforming them into trails, enhancing the health of America's environment, economy, neighborhoods and people. RTC has assisted hundreds of communities and rail-trail advocates in building nearly 13,935 miles of rail-trails in both rural and urban environments.

Responsibilities: - Provided the legal base for the transformation of the High Line into a public park

COMMUNITY ORGANIZATIONS

The Greenwich Village Society for Historic Preservation

Established as a non-profit organization in 1980, the Greenwich Village Society for Historic Preservation (GVSHP) works to protect the cultural and architectural heritage of Greenwich Village, NoHo, and the East Village. The Society's programs include public lectures, tours, exhibitions, and publications; a school program that teaches children about Greenwich Village history and architecture; preservation leadership on such issues as the Greenwich Village Preservation Archive and Oral History Project; and consultation services on a wide variety of preservation issues. In the past few years, the Society has focused on advocacy, fought for and won protections for much of its areas of interest including the Gansevoort Market Historic District, designated in 2003 after a successful campaign by the Society. In 2000, *Save Gansevoort Market Task Force (SGM),* a subsidiary of the Society was founded by members of the Society together with residents and business owners in the Gansevoort Market area to research, advocate, and garner support for the historic designation for the Meatpacking District. Architectural historian Thomas Mellins began a report for submission to the Landmarks Preservation Commission, which was completed and submitted in 2001.

GVSHP also frequently advocates for the alteration or prohibition of inappropriate development. In the Gansevoort Market Historic District they considered a plan for a 500-foot residential tower inappropriate, in this case, because residential uses would not mix well with the noisy and smelly existing meatpacking uses.

In 2004 GVSHP began the push to both downzone and landmark much of the Far West Village just south of the Meatpacking District, which resulted in height limits for new construction in the neighborhood. The area was rezoned in 2005 and designated as a historic district in 2006 complimenting the range of historic districts long the west side of Manhattan.

Responsibilities:

- Provided necessary foundation and study of the historic buildings in the Meatpacking District
- Advocacy for historic preservation of the Gansevoort Market District and buildings within it

The Preservation League of New York State

Founded in 1974, the Preservation League of New York State provides a voice and support for historic preservation by public and private organizations, agencies, and individuals in local communities throughout New York State.

In 2002, the entire Gansevoort Market was determined eligible for listing on the State and National Registers of Historic Places and was named one of 2002's "Seven to Save" by the Preservation League of New York State. While the League is not a regulatory agency, its designation has some impact.

"It does say that some other body that is interested in preservation has decided this is an important preservation issue," said Sherida E. Paulsen, chairwoman of the Landmarks Preservation Commission, which was considering a request to declare Gansevoort Market a historic district. Since 1999, the Preservation League has identified 28 threatened historic sites in the state, of which 6 have been saved and 2 lost. Gansevoort Market is only the fourth site in the city to make the list. "When we enlist a site on our Seven to Save," said Scott P. Heyl, president of the league, "we know oftentimes it is a multiyear effort that takes vigilance."[31]

Responsibilities: - Advocacy and support for Historic District designation

Friends of the Highline

Friends of the High Line (FHL) is a non-profit organization founded in 1999 by two Chelsea residents dedicated to the preservation and reuse of the High Line, a 1.5-mile-long historic elevated rail structure on the West Side of Manhattan.

In April 2001, FHL coordinated over 100 civic and community groups to testify before the New York City Council Committee for State & Federal Legislation to preserve, rail-bank, and reuse the High Line. In late 2001, outgoing Mayor Giuliani signed papers committing the City to demolition of the High Line. FHL challenged the action in court, asserting that the City had not undertaken the required public review and succeeded in March 2002.

Early in 2002, Friends of the High Line presented a planning study, *Reclaiming the High Line*, which was produced in partnership with the Design Trust for Public Space, to the then new administration of Mayor Michael Bloomberg. Subsequently supported with economic data, this study advocated for the economic benefit of reusing the Highline as public space.

[31] New York Times, December 08, 2002

Since 1999 FHL has been highly successful in raising awareness and funding for the preservation of the structure enjoying the support of approximately 1,500 members including celebrities and politicians alike. The two founders of the Friends of the High Line, Joshua David and Robert Hammond were able to combine community activism with a business mindset. In addition to securing support from politicians and celebrities, they were able to continue to grow the momentum by keeping a very open and inclusive dialogue with everyone who wanted to be involved.

Figure: Robert Hammond, left and Joshua David, right, Founders of FHL

In 2005, in an article in Metropolis Magazine, their success is described as follows: "FHL built consensus by letting people dream their own dreams—be they of parks, economic development, cutting-edge architecture, or saving New York's disappearing industrial past. One of the steps the group is still proudest of is the call for ideas, which drew 720 entries including a linear swimming pool, a roller coaster, and a prison." Friends of the High Line has currently a fulltime staff of 15.

Responsibilities:
- Provided necessary planning study and advocacy for the preservation of the High Line
- Organized ideas competition
- Provided the legal base for preventing demolition of the High Line in 2001
- Coordination between City agencies on allocation of funds, design decisions
- Fundraising for construction and Maintenance

Manhattan Community Board 2 and 4

New York City was divided into 59 community districts in 1975 and correlating *Community Boards*, local government bodies, which are appointed by the Borough President or City Council members. Each Community Board consists of up to 50 non-paid members. They do not have any administrative rights, but they may present requests, regarding community needs, to City Administration or recommendations with regards to land use and development.

The area of the Meatpacking District borders on two community districts, Manhattan Community District 2 and 4. Both community boards spoke in favor of the landmark designation of the Gansevoort Market Historic District at the public hearing in 2003 supporting the idea of the area as an important representative of New York's past as a mixed-use and market place. While the Community Board's votes are technically seen as recommendations, not actual votes, they do represent a significant impact on the project as their local elected is unlikely to vote counter to his or her community in the City Council vote, which represents the final decision both, land use and historic designation issues.

Responsibilities: - Express recommendations on land use issues, historic preservation issues

Meatpacking District Initiative

Founded in 2003, the MPDI promotes businesses in the neighborhood through a website, map and seasonal events. The approximately 200 business owners pay an annual membership fee. The MPDI also works on initiatives such as the maintenance of public space, street garbage collection and the maintenance of street furniture. The Initiative for instance worked closely with the Department of Transportation in the installation of the new public plazas, maintains the plazas and facilitated the corporate sponsorship for construction. Google Inc., which has 300,000 sf of office space in the Meatpacking District, paid for the installation of the plazas. In providing these services for its members, the MPDI performs the functions of a Business Improvement District (BID), but is not structured like a BID.

Business improvement districts are public-private partnerships in which property owners in a defined area pay an additional tax in order to fund improvements to the district's public realm and trading environment. In turn, the MPDI is not funded by a mandatory tax, but by a voluntary membership fee.

At the time of this study, staff members of the Meatpacking District Initiative could not give any information, whether the organization would transform into a regular BID, but confirmed that the Initiative was essentially performing the exact same function.

Responsibilities: - Coordinates and promotes local businesses in the Meatpacking District
- Works closely with city agencies on streetscape improvements
- Maintenance and security in public spaces within the Meatpacking District

III. Project Context

This chapter describes the physical context of the Meatpacking District as well as the political and economic environment that surrounded the transformation of the area.

Physical Context

Located on the west side of Manhattan, the Meatpacking District is a neighborhood where the streets of the old Greenwich Village grid collide at a 45-degree angle with those of the Manhattan grid. The convergence of these two street layouts creates unique intersections and street and building configurations. Many of the streets are still covered with so-called Belgian block cobblestone.

To the south and east is the predominantly residential Greenwich Village with buildings of low and medium scale mostly built in the 18^{th} and 19^{th} century. To the north is the area of West Chelsea –a previously industrial area. Manufacturing uses, especially in the central and southern portions of the area, have in large part given way to auto-related uses, including auto-repair, parking, and vehicle storage. A significant number of commercial uses, primarily in the form of art galleries and museums, have located on the midblocks and along Eleventh Avenue. Since the area was rezoned to allow residential uses along the avenues, a number of luxury condominium buildings have been developed or are currently under construction. Many of these developments cater to a young clientele and are designed by world-class architects, creating an eclectic mix of slender residential towers with a maximum allowed height of 250 feet.

The rezoning, approved in 2005, allowed for the transfer of development rights from properties beneath or adjacent to the highline, which runs through the entire district, to the new development projects. This regulation was a key feature in preserving the highline and increasing property values within the area. Design guidelines regulate access, light and air to the highline as well as certain required setbacks. While the rezoning and with it the design regulations stop short north of the Meatpacking District, its mechanism to transfer development rights and thus weaken political opposition against the preservation of the High Line had a critical impact on the area. The first phase of park construction on the elevated rail track is currently being performed within the Meatpacking District, its southernmost portion. Hence, although there is no direct connection between the public sector action to save and accommodate the High Line to the north and the Meatpacking District, the High Line is strongly associated with the Meatpacking District in the public eye.

The western boundary of the Meatpacking District is formed by the West Side Highway, also referred to as Route 9A. Originally constructed in the 1930s between Battery Place and 59th Street in Manhattan, Route 9A (also known as the West Side Highway or West Street) is a multi-modal, six- to eight-lane urban arterial highway, a continuous Class I bikeway, and continuous walkway. Pedestrians can cross the highway at various intersections to reach the walkway and bike path along the Hudson River Waterfront. Since the mid-1990s, several segments of the Highway and adjacent recreational areas have been improved. Pier 57, which lies at the end of West 15th Street is managed by the Hudson River Park Trust and is currently subject to three competing developer proposals to create 375,000 sq ft of commercial and entertainment uses.

Political and Economic Context

Under the leadership of Mayor Bloomberg, who took office in 2002, the city's administration took a more proactive role than in previous years, providing for new opportunities for development and accommodating the increase in population that was expected for the coming decades. According to the City's PlaNYC2030[32], an additional 800,000 people will inhabit the city bringing the population of the five boroughs above 9 million. Most of this increase is attributed to expected immigration or migration from suburban to inner-city neighborhoods due to increased quality of life and job opportunities. The city's administration responded to these expectations with an analysis of most of its waterfront areas, currently zoned for manufacturing uses, where many of its buildings and properties had been transformed into loft spaces, light manufacturing, parking or automotive uses. The majority of piers along the west side of Manhattan had been abandoned for shipping uses and the city's plan for the waterfront dating back to 1992 envisioned a continuous bike and pedestrian path as well as recreational uses along the entire waterfront of the island.

This comprehensive change in land use policy with regard to manufacturing use was most dramatically visible in Manhattan, where nearly 50% of its previously industrial areas were rezoned in a period of less than five years. This rezoning and promotion of new residential or mixed-use development is predominantly directed towards areas with adequate access to public transportation and was accompanied by an effort to downzone or contextualize as many acres of the city's built fabric where additional development seemed inappropriate, but real estate pressures increased.

[32] http://www.nyc.gov/html/planyc2030/html/challenge/challenge.shtml

The following table illustrates the increase in real estate values in all five boroughs from 2002 to 2008.

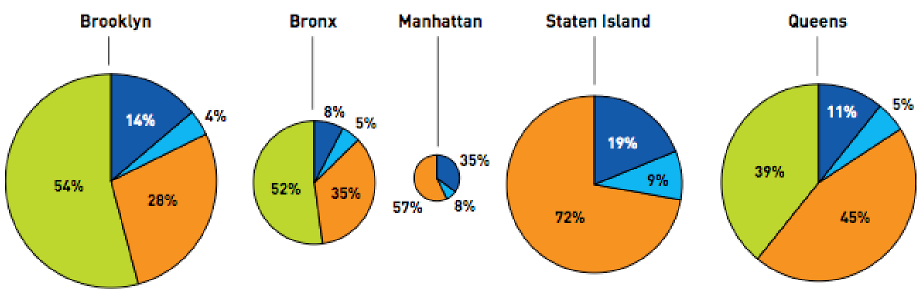
	Manhattan	Bronx	Brooklyn	Queens	Staten Island
FY02-FY03	7.3%	9.3%	10.8%	10.6%	13.9%
FY03-FY04	5.1%	6.5%	10.5%	11.1%	12.8%
FY04-FY05	7.8%	11.1%	23.9%	20.5%	17.7%
FY05-FY06	15.1%	1.5%	12.9%	13.6%	14.5%
FY06-FY07	5.7%	8.2%	10.4%	12.0%	7.0%
FY07-FY08	16.9%	27.6%	27.6%	12.1%	18.0%

NYC Department of Finance tentative assessment of real estate value, as of January 2008

In 2002, there were 12,542 acres zoned for manufacturing uses in all five boroughs. "Including the latest round of proposed zoning changes, the Bloomberg administration will have rezoned 20% of that factory-friendly land", according to a study by the Pratt Center for Community Development.[33]

	Brooklyn	Bronx	Manhattan	Staten I.	Queens	NYC
All Available M-zoned Land (Acres)	3,671	1,535	498	3,506	3,333	12,542
Rezonings 2002–'07	502	116	175	649	355	1,797
Proposed Rezonings	151	81	42	313	162	749
Manufacturing Outside IBZs	1,017	533	281	2,544	1,521	5,896
Manufacturing Within IBZs	2,001	805	0	0	1,295	4,100

Available M-zoned land as of 2002 excludes all M-zoned land occupied by permanent transportation and utility infrastructure, M-zoned land that had been converted to non-conforming uses, and M-zoned areas rezoned as mixed-use prior to 2002 (Tribeca, Dumbo, Port Morris).



Source: Pratt Center for Community Development

Of the 95 New York City rezonings from 2003 to 2008, one-quarter converted manufacturing districts into some other category of land use—residential, commercial, or mixed-use zoning. In its study, the Pratt Center raises a critical voice about the change in land value once industrial land is

[33] *Protecting New York's Threatened Manufacturing Space*, Pratt Center for Community Development, August 2008

rezoned. While existing businesses may legally remain, other uses for the property, such as Condominiums tend to be more lucrative for property owners; hence rezoning pushes businesses out when their leases expire and landlords decide to convert to other uses. These trends have been proven to be true in most of Manhattan's formerly industrial areas along the west side, where the rezonings of West Chelsea and Hudson Yards have spurred residential development in these areas.

But even, if residential development remains prohibited, as is the case in the Meatpacking District, rents increased due to development activity in the vicinity, increasing momentum and support from the community and city agencies for a historic district designation, meatpacking businesses began to relocate to Hunts Point in the Bronx, the nation's largest food distribution center. The Hunts Point Cooperative Market is a wholesale food market primarily involved in the production, processing, distribution, and sale of meat and meat products through- out the tri-state area. This market is one of the major facilities in the world's largest wholesale food distribution center and is located on 60 acres of property in Bronx, New York. The Market now consists of 6 large refrigerated/freezer buildings including a new state-of-the art refrigeration plant. The total refrigerated space in the Market is approximately 700,000 square feet and there are presently plans to expand the facility an additional 100,000 square feet. The Market is home to 47 independent wholesale food businesses, which supply meat and meat products to the entire New York, New Jersey and metropolitan area or approximately 30 million people.

In 2002, a state-of-the art, 100,000-square-foot (10,000 m2) refrigerated warehouse was added to accommodate the expanding needs, some of which were caused by the relocation of businesses formerly housed in the Gansevoort Market District.

The relocation of these businesses out of Manhattan and into other boroughs is in line with a comprehensive industrial policy launched by Mayor Bloomberg in 2005 with the encouragement of businesses and their advocates. The policy included the creation of industrial business zones (IBZs) throughout the city. The IBZs are designed to promote investment in industry in designated areas, where residential development is prohibited. The new Office of Industrial and Manufacturing Businesses (OIMB), administers services and incentives that include a relocation tax credit for businesses relocating into an IBZ and grants for employee training and technical assistance. The city established 16 IBZs, five each in the Bronx and Queens, and six in Brooklyn and Queens. No IBZ was established in Manhattan in acknowledgement of the fact that land values in Manhattan do not support the continuing land use for industrial businesses. While there are still 281 acres of land zoned for manufacturing, there is very little protection for these businesses.

IV. Planning and Implementation Process

The transformation of the Gansevoort Market area was in great part dependent on private investment and individual initiatives to establish high-end retail and entertainment businesses in an area formerly known for meat and produce wholesale. While most of this transformation was market-driven, some crucial agents and policies fostered the development of these new businesses. Especially highly organized and professionally operating community organizations were able to channel interests and coordinate the efforts of all actors involved. This chapter describes several forces and strategies that shepherded the transformation of this area into one of Manhattan's most expensive nightlife, fashion and entertainment districts in less than a decade.

Zoning

When the surrounding neighborhoods of Chelsea (in 1999) and West Chelsea (in 2005) were rezoned to allow for residential uses, the area of the Gansevoort Market, an M1-5 zoning district was consciously excluded from these efforts in support of the historic district designation. . The City Planning Commission and the Landmarks Preservation Commission are obligated by the City Charter to coordinate and weigh in on each other's decisions to not promote contradicting policies.

While several other manufacturing areas along the west side of Manhattan were transformed into mixed-use or residential districts, maintaining the M1-5 zoning designation in the Gansevoort Market area saved many of the existing building in the area from demolition for a more profitable residential development in an era of housing shortage and a booming housing market in New York City. M1-5 zoning districts allow commercial and manufacturing development at a maximum allowable Floor Area Ratio (FAR) of 5. Most of the existing buildings in the area are built at a much lower density and would have been under much higher pressure to demolish and rebuild for more profitable residential uses.

This land use decision was very much supported by the *Greenwich Village Society for Historic Preservation*, which sought residential uses as non-compatible to the existing meatpacking uses and worried that affluent new residents would lobby against the existing business and their noise and smell.

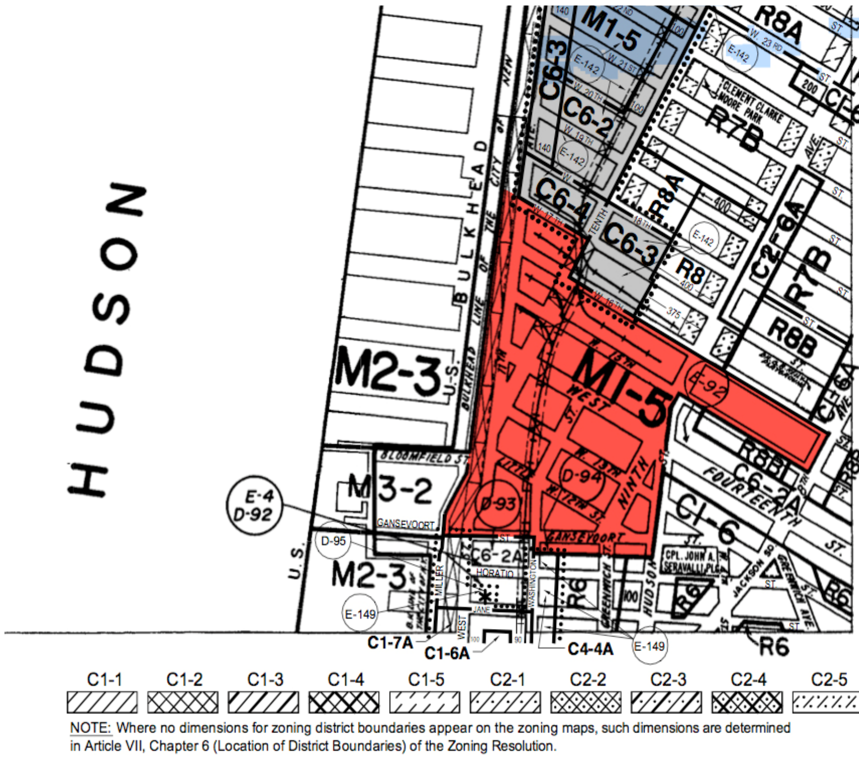


Figure: Zoning Map M1-5 Zoning District highlighted in Red

Gansevoort Market Historic District Designation

Concurrently with the rezoning proposal of West Chelsea, which was released in September of 2003, the Gansevoort Market area was designated a historic district consisting of 104 buildings that represent the area's past as a meat and produce wholesale district, preserving the relatively low density in the district. The designation preserved many historic buildings in the area, and increased real estate values, pushing many of the original meat and wholesale businesses out and making way for new commercial businesses, predominantly restaurants, bars, and high-end retail.

Florent Morellet:"and what we created was not your garden-variety preservation effort[34]. We are a commercial neighborhood, which is unusual for a historic district, and we include business people and restaurants and landlords and unions. We are a new kind of movement."

[34] GVSHP Press Release, September 9, 2003

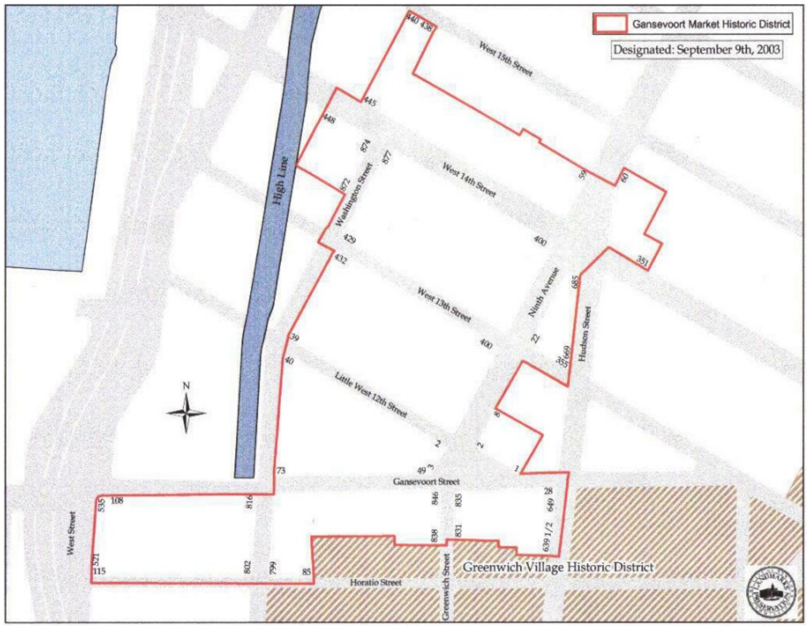


Figure: Historic District Map as approved in 2003

The historic district designation was the result of a three-year advocacy effort, which began with the formation of the *Save Gansevoort Market Task Force*, a group formed by Andrew Berman, Executive Director of the Greenwich Village Society for Historic Preservation. Members included the meatpacking unions and restaurant owners, all of who feared the take over by residential developers. The business owners-cum-preservationists did not want people to live in the area because residents would inevitably complain about the traffic and the noise and the mess that industry produces. The development of the Gansevoort Hotel, a 12-story building, which broke ground in August of 2002 as well as the proposal for a 32-story residential tower at Washington Street and Little West 12th Street created some urgency for preservationists to stop further development. Concern focused predominantly on rejecting residential development that would conflict with the noise and smell of the meatpacking industry and its early morning schedule. While the preservation of the historic built fabric was achieved in September of 2003, efforts to preserve the existing businesses beyond their physical structures were never discussed.

The historic district designation increased property values, which in turn forced many of the existing business to relocate. Other contributing factors to the fast transformation was the fact that developers sought their profit in hotel development instead of residential. Between 2002 and 2009 approximately 700 new hotel rooms will be constructed, adding a significant transient population and customer base for new restaurants, bars and designer boutiques in the area.

Figure: Map of recently opened hotels in the Meatpacking District

Other trends

Since the 1970s, the area's remoteness and small number of legal residence was favored by several nightclub owners, particularly those catering to the gay community. Restaurant owner Florent Morellet, a member of the gay community opened his 24/7 French Bistro in 1985 paving the way for a trend that would gain steam about 10 years later. Celebrity Restaurateur Keith McNally opened Pastis, a Parisian Brasserie in 1999. Other restaurants, bars and retail businesses would follow, who catered to a much broader audience.

Figure: Priced out of the area, pioneer restaurant Florent closed in 2008 after 23 years

The city's zoning resolution permits eating and drinking establishments only in commercial or manufacturing districts to prevent conflicts of noise and smell with local residents. The proximity to the nearby residents of Greenwich Village provided sufficient clientele for the new entertainment businesses and a destination for those traveling to Manhattan from the outer boroughs and New Jersey on weekend nights. While the area provides an intriguing sense of remoteness, it is easily accessible by car via the West Side Highway and 1 block away from major subway lines on West 14th Street.

The Meatpacking District Initiative, founded in 2003 to produce a map and promote businesses in the area, currently lists over 70 bars, restaurants and nightclubs and almost as many retail stores. The highly successful transformation of this area into a high-end entertainment, nightlife and fashion district has even forced one of its original founders to leave. Florent Morellet, a gay-rights advocate and active proponent of the landmark designation of the district had to close his restaurant in 2008 after 23 years being priced out of the neighborhood, he helped create.

The High Line

In concert with the historic district designation of the area, a joint effort by the City of New York and the private non-for-profit-organization, *Friends of the High Line* (FHL) to save the "High Line", an elevated rail structure that traverses the district, from demolition and to convert it into a public park, accelerated the interest in the area and the increase in real estate values. The first section of this park, stretching from Gansevoort Street to West 19th Street is scheduled to open in early 2009.

The High Line, constructed in 1930, ran from 35th Street down to St. John's Park Terminal, which covered four riverfront blocks between Clarkson and Spring Streets. The structure was designed to go through the center of blocks, rather than over the avenue, to avoid creating the negative conditions associated with elevated subways. It connected directly to factories and warehouses, allowing trains to roll right inside the buildings. Milk, meat, produce, and raw and manufactured goods could come and go without causing any street-level traffic.

Figure: Construction of the High Line (Images: Courtesy of the Friends of the High Line)

In the 1950s, the rise of interstate trucking led to a decline of rail traffic on the High Line. Parts of it were torn down in the 1960s for residential development, and trains stopped running on it in 1980. At the southern end, a five-block section of the Line was torn down in 1991, bringing the Line's southern terminus to Gansevoort Street.

Since the mid-1980s, a group of private property owners who purchased land under the High Line at prices that reflected its easement have lobbied for demolition of the entire structure. In 1999, two neighborhood residents formed *Friends of the Highline*, a non-profit organization to promote the preservation of the abandoned rail structure. The abandoned structure had been overgrown by nature for the preceding 20 years and the image it provide as an elevated natural habitat traversing the city, provided the vision to convert it into a public park.

In late 2001, outgoing Mayor Giuliani signed papers committing the City to demolish of the High Line. FHL challenged the action in court, asserting that the City had not undertaken the required public review. In March 2002, FHL won its lawsuit and subsequently submitted a planning study prepared in partnership with the Design Trust for Public Space to the then new administration under Mayor Michael Bloomberg. The planning study called for the transformation of the elevated track in to a public park.

Figure: Highline north of West 16th Street, November 2006

In January 2003, FHL launched "Designing the High Line", an open, international ideas competition, with a goal of attracting visionary design proposals for the High Line's reuse. Because it was an ideas competition, entries did not have to be practical or realistic. Entrants were encouraged to be bold and forward thinking to create visions as unique and unexpected as the High Line itself. 720 teams from 36 countries entered. Over 150 of the entries were viewed by over 100,000 at an exhibition at Grand Central Terminal in July 2003.

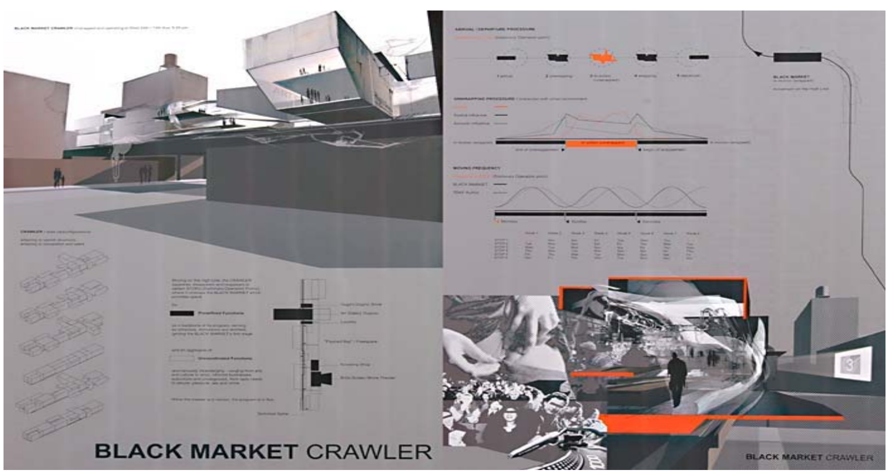


Figure: Winning entry of the 2003 Competition

The city began supporting the idea of an elevated public space in 2002 by filing legal papers with the Surface Transportation Board (STB) petitioning to start "rail-banking", the federal process that would turn the High Line into a public space. This marked a major shift in policy with regard to the High Line, now in favor of preservation and reuse.

In 2003 the Department of City Planning released its rezoning proposal for West Chelsea concurrently with the historic district designation of the Gansevoort Market Historic District. While the Gansevoort Market area was not included in the creation of the Special West Chelsea District, the proposed regulations had significant impact on the preservation efforts of the High Line. The proposed zoning regulations would allow property owners owning land underneath or adjacent to the High Line to transfer their development rights from their mid-block properties to developers along the nearby avenues. This mechanism now would allow property owners to benefit from their property value without having to tear down the structure.

The transfer of development rights from one property to another is common practice in New York City, however up until this new zoning proposal, it was limited to neighboring tax lots. In the proposed Special West Chelsea District, development rights could be transferred across blocks within a designated area allowing more flexibility and hence more profit for the selling party.
The proposal broke the last remaining opposition against the preservation of the structure and in 2003, the city Council began allocating funds for the structural renovation of the High Line, a necessary step to open it to the public.

In March 2004 Friends of the High Line (FHL) and the City of New York jointly began the process of selecting a design team to create a master plan for the High Line's conversion to public open space. 52 teams responded to the original Request for Qualifications. Seven teams were short-listed, and the list of seven was then narrowed to the four finalist teams. After a 6 month process, the joint steering committee selected the team of Field Operations (landscape architecture) and Diller Scofidio + Renfro (architecture) to begin design work on the High Line. Construction began in late 2006 and the first segment from Gansevoort Street to West 19th Street is scheduled to open in the spring of 2009.

Figure: Highline Design by Field Operation and Diller Scofidio+Renfro showing access to the High Line at Gansevoort Street

Figure: Highline Design by Field Operation and Diller Scofidio+Renfro showing access to the High Line at Gansevoort Street

Figure: Highline Design by Field Operation and Diller Scofidio+Renfro with the new Standard Hotel in background

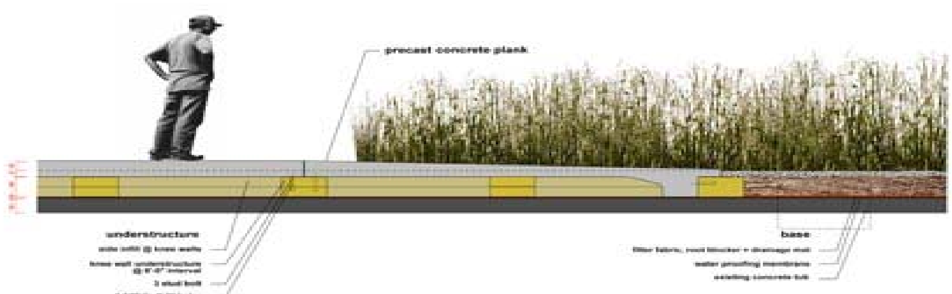
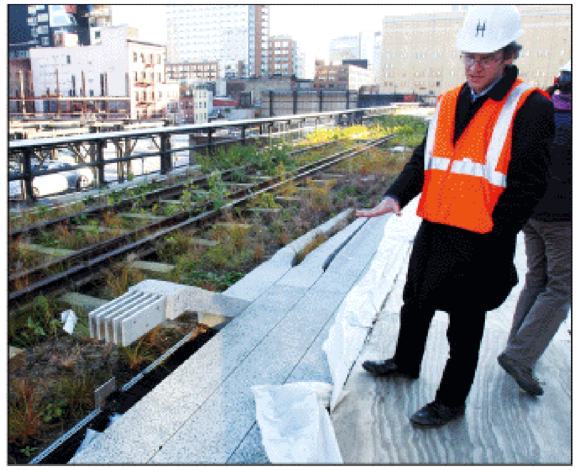


Figure: Highline Design by Field Operation and Diller Scofidio+Renfro, Detail of planking

Chelsea Now photos by Jefferson Siegel

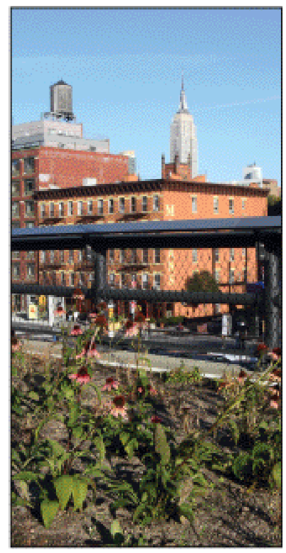
Looking north along the High Line from 18th St.



Peter Mullan, director of planning for the project, stands next to the stone portion of a bench that will have wooden slats added for seating.

New plantings waiting to be installed at the Gansevoort Plaza/Overlook, the southernmost access point to the High Line at Gansevoort St.

At Little W. 12th St., a worker pulls cable for lighting near some of the new plantings.



Echinacea plants sprout near 19th St., with a view of the Empire State Building.

The 10th Avenue Square, at 17th St., will offer park-goers a seating area with views of Midtown and the Statue of Liberty.

The area at 15th St., next to Chelsea Market, is prepared for planting.

Figure: Construction documentation in Chelsea NOW, November 7, 2008

Streetscape Improvements

Under its newly formed plaza program, DOT is determined to work with communities to transform underused streets into vibrant, social public spaces. The program is a key part of the City's effort to ensure that all New Yorkers live within a 10-minute walk of quality open space.

In 2007, DOT reclaimed 4,500 sf of space at the intersection of Ninth Avenue and 14th Street, deploying seating, tables and planters at the heart of the intersection to facilitate pedestrian crossing and provide public space within the area. In 2008, a similar project at the intersection of Ninth Avenue and Gansevoort Street reclaimed the underutilized cobblestone paving for pedestrian use, seating and plantings.

Figure: Public Plaza at West 14th Street and Ninth Avenue

Working with local businesses and the *Meatpacking District Initiative*, DOT concentrated on implementing quick short-term solutions with a small budget, taking advantage of the triangular configurations of the intersections. A long-term plan, which would require more substantial changes to the curb configurations and pavement is in design phase and anticipated to begin construction in 2009. The *Meatpacking District Initiative* is responsible for maintenance and security of these spaces.

While the implementation of these ad-hock plazas was a community-driven process, this funding aspect creates a controversial situation over the design and who controls the design. Some member businesses of the MPDI see the intervention into vehicular traffic as impeding their business and would like to have more control over the design process as a result of their funding.

Fiscal and Economic issues

The transformation of the Meatpacking District was primarily driven by private investments into rising property values in a time of economic growth throughout the late 1990s and until recently. Since private individuals or corporations funded all of development, renovation and restoration, there are no total 'project costs' associated with this case.

Instead, this chapter focuses on two non-profit organizations, which successfully promoted preservation efforts for the Gansevoort Market District and the High Line. Both have been extremely successful in generating political as well as financial support from local politicians, city agencies as well as residents and businesses in the area for their preservation and planning initiatives. Both operate very professional combining community activism with a business approach.

In 2007, the *Greenwich Village Society for Historic Preservation* had an annual operating budget of $502,807. Membership fees generate 43% of this budget. Most of the Society's members are area residents. Household income in the 7 census tracts that comprise the Greenwich Village averaged $75,300 in 2000 compared to $38,300 citywide. Government grants accounted for $126,300 or 25% of the budget. In addition, benefit events and revenue from tours and programs account for another $133,223 and $26,706 respectively. Most of these funds go to their staff of five, who coordinate preservation campaigns and lead educational programs.

While *GVSHP*'s budget is spent predominantly for advocacy and educational work, the *Friends of the High Line*, founded in 1999 with the sole purpose of converting one elevated rail track into a public park, took the role that community organizations can play in planning and preservation efforts even further. Their fundraising efforts went way past the mere campaign and advocacy role. Very early into the process, they recognized the need to hire professional consultants and not rely on pro bono work to be taken serious. "Friends of the High Line (FHL), is perhaps the most vivid example of the new advocacy—a potent force that combines old-fashioned grassroots activism with business savvy, inclusive operations, and a strong sense for the power of good design."[35]

In addition to funding their own operations to promote the High Line and secure its preservation, they have secured a total of $133.55 million in public funds for the design and construction of the new public park and are currently campaigning to raise the remaining $36.45 million in construction costs, as well as additional monies for maintenance and operation endowments from private donors.

35 Metropolis Magazine, November 21, 2005

V. Status of the Project

With only four meatpacking businesses left and the new 337-room Standard Hotel to open early in 2009, the transformation of the Meatpacking District from a formerly remote warehouse district with low-scale buildings and blood-soaked cobblestones into a destination nightlife district is close to complete. While this transformation in less than 10 years is much more a process than a steered and designed ‘project’, it is an example for many industrial neighborhoods within US cities that are being transformed into lifestyle and entertainment centers under the heading of historic preservation.

As the physical shell of the industrial past is preserved, its inhabitants, small production facilities, distribution centers and wholesalers are being displaced from inner-city locations and replaced by higher income retail and food and beverage establishments. As this case demonstrates, several influencing actors, both public and private, play a vital role in this transformation as public and private interests are negotiated. The case of the Meatpacking District illustrates how multiple actors, each pursuing their independent interest develop a process of emergent comprehensiveness through elaborate coordination of their efforts. In particular, community activist groups like the *Friends of the High Line* and *Greenwich Village Society for Historic Preservation* played a vital role in helping to coordinate between city agencies and between different interests. They also assisted in a carefully crafted timeline, where in a short timeframe between Dec of 2002 and March 2004 major decisions where coordinated and political support by elected officials aligned.

This new emergence of highly organized and professional grassroots organizations that take on responsibilities typically expected from the public sector is a form of civic capacity emblematic of 21st century trends across the US. To understand this capacity, it is important to note that both organizations draw its members from a demographic group with above average education and income levels. Especially the FHL have been successful in engaging Hollywood celebrities as well as local public figures, who contribute financial resources as much as publicity to their endeavors.

Case Three: The Mayor's Office of Comprehensive Neighborhood Economic Development

The Neighborhood

The Bedford-Stuyvesant neighborhood in Brooklyn, New York is best known for its historic brownstones and front yard stoops, storefront churches, and community development institutions. On public transportation, Bedford-Stuyvesant is a short commute to Downtown Brooklyn and Manhattan. By the 1930s, the neighborhood was best-known for its large and stable middle-class Black community arriving from the Caribbean and other parts of New York City. However, after World War II, Bedford-Stuyvesant, like so many other inner-city neighborhoods in New York City and throughout the Northeast and Midwest, suffered a period of decline, largely resulting from deep public and private sector disinvestment, "white flight," and suburbanization. By the mid-1950s, Bedford Stuyvesant had become overrun by vacant lots, underutilized sites, and a sizable amount of city-owned dormant property.

Local community organizations were established to spur rebuilding and community transformation. The Bedford-Stuyvesant Restoration Corporation (BSRC), the first community development corporation in the United States, was at the helm of community rebuilding. The BSRC was formed in 1967 with the help of Senators Robert F. Kennedy and Jacob K. Javits. Since then, this community development organization has been a model of comprehensive approaches to community-driven improvement for neighborhoods and community throughout the United States and beyond.

Despite being home to the country's oldest community development corporation, other high-capacity civic and religious community development entities, and the recipient of millions of dollars in public, private and philanthropic investments, in 2004 Bedford-Stuyvesant was still grappling with confounding socioeconomic conditions including more than 30 percent of residents below the poverty threshold, persistent unemployment… As it will be described later in the case, the neighborhood's combination of poor socioeconomic conditions and strong civic capacity made it a competitive advantage in the selection of a pilot site for the Mayor's Office of Comprehensive Neighborhood Economic Development (CNED) project in 2005. The CNED project was a new city initiative designed to promote economic opportunity in low-income neighborhoods through comprehensive, neighborhood-based planning and service delivery. For local residents, CNED represented a hopeful new phase in the complicated history of community development in Bedford-Stuyvesant. Over the years, Bedford-Stuyvesant, one of the city's poorest communities, has been the subject of countless government and private anti-poverty strategies.

Rendering for Fulton Street

Current commercial typology

I. Project Description

The Comprehensive Neighborhood Economic Development (CNED), a new city initiative designed to promote economic opportunity in low-income neighborhoods through comprehensive, neighborhood-based planning and service delivery. The Deputy Mayor for Economic Development and Rebuilding described the City's early vision for the CNED as a strategy to catalyze more efficient and effective use of public and private resources by aligning the work of various city agencies with the priorities and goals of neighborhood residents and local service providers. The Deputy Mayor encouraged the administration to think about ways the City might use its capital investments to help spur economic development in low-income communities, especially those well beyond waterfronts and established commercial corridors—areas that had been the principal beneficiaries of the administration's capital spending. Both public sector actors and many community leaders believed that by involving community-based organizations in economic planning local residents could develop a comprehensive economic development strategy from the bottom up and local nonprofit organizations and business owners would benefit from partnerships with city agencies.

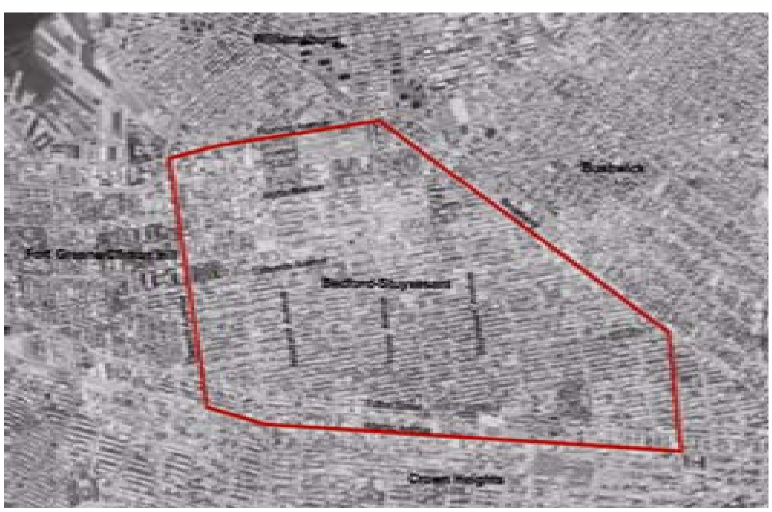
People familiar with the early conceptualization of CNED claim that the Deputy Mayor for Economic Development envisioned the project as a strategy for aligning public resources and private capital with the priorities and goals of neighborhood residents and local service providers. According to CNED documents, the Deputy Major stated: "We are about to launch an unprecedented public-private partnership," and "We see an opportunity for [CNED] to be a model for the city, indeed for the entire nation."

CNED had two principal goals: *First,* to enable residents to gain financial independence and access to economic opportunity; and *second*, to enhance the capacity of local businesses, nonprofits, and city agencies. By involving Bedford-Stuyvesant's community-based organizations in economic planning and facilitating local residents in developing a comprehensive economic development strategy, CNED was modeled a progressive approach to community planning and development. Community residents and civic leaders that participated in CNED early on saw it as an opportunity for local nonprofit organizations and business owners to strengthen their positions locally and establish stronger and more successful as a result of their partnerships with city agencies.

Site Selection

In 2006, CNED officially began as a pilot program in Bedford-Stuyvesant Brooklyn. The City provided strong empirical justification and policy rationale for selecting Bedford-Stuyvesant as the pilot site. Two other NYC communities—Melrose in the Bronx, and Brooklyn's Bushwick—were also slated for future CNED projects, it seemed appropriate that Bedford-Stuyvesant, given its history, should serve as the laboratory for the city's new approach. In laying the foundation for subsequent work, the significance of the Bedford-Stuyvesant pilot reached well beyond the community's borders.

CNED PILOT SITE



By all accounts, City officials did an excellent job of assessing community needs and in selecting the three CNED neighborhoods. Using census data, CNED staff members developed a solid set of empirical indicators for assessing economic need and project feasibility. In assessing need, the primary screen was over 30 percent of residents below the poverty line. Secondary indicators included unemployment and crime rates, the percentage of vacant land, the ratio of residents lacking a high school diploma, and low birth weights. In assessing feasibility, officials looked for community districts that were already the targets of city agency initiatives—which could offer a foundation for CNED programs—and those that had city-owned land that could anchor physical development. Officials also wanted to eschew neighborhoods that were already part of state or federal development programs. The City also sought out communities with strong networks of community-based social service and economic development organizations, which could serve as program partners.

The City team identified eleven potential neighborhoods in Manhattan, Brooklyn, and the Bronx. Next, the team mapped the activities of four key city agencies—the Department of Health and Mental Hygiene, the Administration for Children's Services, the Department of Youth and Community Development, and the Department of Homeless Services—seeking areas that enabled CNED to piggyback on existing services. The site selection team also developed a mechanism for selecting sites that were potentially viable yet met the baseline need requirements outlined below. Based on these criteria, CNED staff selected Bedford-Stuyvesant, Brooklyn, Melrose in the Bronx, and Bushwick, Brooklyn and potential sites. In the final round of site selection, Bedford-Stuyvesant was chosen as the pilot site.

Indicators of Need	Feasibility Indicators
Primary Screen >30% of community residents living below poverty	**City** Target site for special City initiative Urban Renewal Site Absence of State/Federal incentive programs Available City-owned land
Secondary Screen % Unemployment % Completed high school % Vacant land Incidence of crime per 1000 residents/year Child heath indicators	**Community** Capacity of community organizations Receptiveness of local non-profit organizations Receptiveness of foundations

Over the next two years, the Strategic Planning Group brought together representatives from a dozen city agencies to help develop the CNED strategy. Based on this mix of community need and inter-agency potential, the CNED team outlined four program areas— workforce development;

savings and asset-building; business diversity and vitality; and nonprofit capacity building—and reached out to CIBS, which had been identified as the key local network.

II. Project Stakeholders

What does it take to transform an ambitious idea like CNED into an actual breakthrough? Over the next eight months, the CNED staff would undertake a remarkably ambitious planning process, coordinating the work of five different planning committees while juggling the priorities of city agencies, local nonprofit organizations, and funders. On the community side, the Coalition for the Improvement of Bedford-Stuyvesant (CIBS), a network of over 20 local nonprofit economic development organizations and social service agencies, served as the main conduit for community mobilization, reaching out to the local community board, homeowners associations, and the resident councils of public housing developments. On the city side, CNED staff members conducted the preliminary demographic and economic research that gave birth to CNED, bringing together representatives from a dozen city agencies to help develop the CNED strategy and later coordinating agencies' involvement throughout the planning process. Early funding was provided by several private sector partners. The New York City Investment Fund, which invested AMOUNT in the commercial redevelopment of Fulton Street. The MacArthur Foundation provided seed money for program development. And a grant from the New York Community Trust underwrote Pratt Center for Community Development's work with CIBS in the areas of program development, community outreach, and documentation.

City Agencies | **Community Groups** | **Philanthropy**

Core Team:

- Mayor's Office
- NYC Economic Development Corporation (EDC)
- NYC Department of Small Business Services (SBS)
- NYC Department of Youth and Community Development (DYCD)
- NYC Department of City Planning (DCP)
- NYC Housing Preservation and Development (HPD)

Additional Members:

- New York City Housing Authority (NYCHA)
- Department of Consumer Affairs (DCA)
- Administration for Children's Services (ACS)
- Human Resource Administration (HRA)
- Parks & Recreation

Primary:
Coalition for improvement of Bedford Stuyvesant (CIBS) made up of City Council representative, community based organizations, merchant associations, other community leaders
Neighborhood advisory board;
Religious organizations
NYCHA resident council

Philanthropy :

- Private foundations

Non-foundation resources:

- Agency contributions
- City capital funds
- Federal grants (CDBG)
- State grants (Main Street programs, education funds, etc)
- Non-profit organizations (in-kind support, technical assistance

City Agencies

Coordinated by the New York City Economic Development Corporation, CNED was an ambitious attempt by the city to bring together over a dozen city agencies, local nonprofit organizations, and private funders to create comprehensive economic development strategies for individual neighborhoods throughout the city. Under the leadership and direction of Deputy Mayor of Economic Development, City agencies participating in CNED include: New York City Economic Development Corporation, Department of Small Business Services, Department of Youth and Community Development, Department of Correction, Department of City Planning, Department of Housing Preservation and Development, New York City Housing Authority, Department of Consumer Affairs, Administration for Children's Services, Human Resources Administration, Parks Department, and Department of Health and Mental Hygiene, in addition to the New York State Banking Department.

Community planning and participation is integral to CNED. The Administration's has worked for the past 18 months to develop CNED's eleven (11) project initiatives in partnership with the Coalition for the Improvement of Bedford Stuyvesant (CIBS) – a group of community developers, social and youth service organizations, elected officials, and community board members in Brooklyn's Community District 3. In an effort to build local capacity to address human capital and business needs, three community-led capacity building networks have been formed: workforce development, asset and savings, and business vitality.

Community Partners

The Coalition for the Improvement of Bedford-Stuyvesant (CIBS) served as the main conduit for community mobilization, reaching out to the local community board, homeowners associations, and the resident councils of public housing developments. CIBS was founded in 2002 by a Councilmember, president of the Bedford-Stuyvesant Restoration Corporation, and a longtime neighborhood resident and economic development specialist. The CIBS works closely with the local community board to vet potential development projects, develop policy, and coordinate services. Its 25 member agencies comprise the neighborhood's nonprofit service and economic development industries, and, for all practical purposes, constitute the voice of the neighborhood's nonprofit community. From the City's perspective, CIBS constituted both a convenient assemblage of potential program partners and a conduit for building support among neighborhood residents. Of the three communities targeted for CNED, the City selected Bedford-Stuyvesant as the pilot neighborhood largely because of CIBS.

Philanthropic Resources

In addition to the public funding, the CNED program should, in theory, rely heavily on the support of the private sector. To this effect, City and community CNED planners are currently making efforts to engage private philanthropic entities with varying degrees of success. Foundations that have been approached regarding CNED include: the MacArthur Foundation, the New York Community Trust, the New York City Investment Fund, Independence Community Bank, the Robinhood Foundation and the Clark Foundation.

The MacArthur Foundation provided a planning grant of $300,000 to the City that is used to support early phases of the CNED pilot. These funds augment the salaries of the current CNED administrators. Funding was provided directly to the City to serve as a planning grant. These funds support current CNED staffing. The Pratt Center for Community Development (Pratt) also received a grant of $100,000 from New York Community Trust (NYCT) to support CIBS role in CNED. These funds were used to provide pass through grants to CIBS for start-up and outreach; to promote and encourage community participation in CNED; provide City CNED administrators with program development support; and to produce a report documenting the lessons learned from the planning process. This forth-coming community planning report is will be particularly important since one of the core goals of CNED is to build the capacity of local community organizations to most effectively meet the human and economic needs within the community.

"Conceptually, CNED is a good idea," one participant said. Yet it has received none of the high-level support garnered by the Mayor's Commission on Economic Opportunity, a parallel effort to address the persistent poverty throughout the city. Co-Chaired by Time Warner Chairman Richard Parsons and Geoffrey Canada, the President and CEO of Harlem Children's Zone, the Commission was a blue ribbon panel whose members were drawn from the city's business, labor, government, and academic elite, and it benefited mightily from the patronage of Linda Gibbs, deputy mayor for health and human services

THREE PRIMARY FOCI AND SAMPLE PROGRAMS

In an effort to address the programming needs articulated by the CNED planning committees, CNED identified both new and existing City-led programs to be targeted for implementation in Bedford-Stuyvesant. These project initiatives are designed to complement the three local program foci of workforce development, business development and asset development. For each programmatic area was implemented through a combination of public sector and community stakeholders (See CNED Table 1 for an example of collaboration).

1. *Workforce Development*

CNED was funded by the City to pilot a new workforce model solely focused on the residents of Bedford-Stuyvesant. Recruited through an on-the-ground outreach campaign, residents will receive basic work readiness training, culminating in an attachment to employment opportunities developed through the City's Workforce1 Career Center System. In addition, participants will also be connected to the full range of government led work support programs – a unique and relevant addition to the workforce programming suite. Through an innovative collaboration with the ACCESS NYC team, the initiative will leverage the City's ACCESS NYC online screening tool to assess participants for multiple City, state, and federal benefits programs as part of the enrollment process. This combination of training, placement, and connection to benefits will result in a tangible impact on resident wealth – increasing the ability of Bedford-Stuyvesant jobseekers to find and maintain employment while supporting the needs of their families. The pilot will be managed by the Department of Small Business Services (SBS) and is slated to launch winter, **2008.**

1a) Bedford-Stuyvesant Workforce1 Career Center (WF1): Managed by the Department of Small Businesses Services (SBS), the Bedford-Stuyvesant Workforce1 Center will be a part of the existing City-wide network of Workforce1 Centers. Smaller in scale than a traditional Center, the Bedford-Stuyvesant Workforce1 Center will leverage a neighborhood-based, intensive service approach to provide employment, basic training and supportive services to residents with high levels of unemployment and disconnection from the labor market. We have been informed that funding for this project is awaiting approval from the Mayor's Office of Management and Budget (OMB).

1b) Worker Advancement and Support Center (WASC): Co-located with the Bedford-Stuyvesant Workforce1 Center and managed by SBS, the WASC will provide complementary advancement and support services to underemployed residents. Specifically, the WASC will increase income of low-wage workers through a combination of employment retention, career advancement and financial work support services. To do this, the WASC will employ pro-active case management, soft skill counseling, extended post-employment monitoring and career guidance. Enrollment in all financial work support programs and benefit counseling will be available on-site. Project funding has been secured through the Commission on Economic Opportunity (CEO).

1c) Occupational Training Network (OTN): An essential component of the Bedford-Stuyvesant Workforce1 Career Center, the OTN will engage local workforce service providers as off-site training partners. Local providers will receive occupational training grants to purchase curriculum and design training programs within identified growth industries (i.e. healthcare, customer service, hospitality, etc.). The local providers will then, through a formal partnership structure, refer job-ready candidates to the Center for job placement. This structure is intended to leverage Workforce1 systems' relationships with employers to ensure locally trained clients have access to well-paying jobs. We have been informed that funding for this project is tied to the WF1 funding which is awaiting OMB approval.

CNED Table 1

CITY AGENCY LEVERAGE SUPPORTS CNED

City Agency Partners

CNED Program Objectives

CNED Program Area	Department of Small Business Services (SBS)	Department of Youth and Community Development (DYCD)	Housing Preservation and Development (HPD)	New York City Housing Authority (NYCHA)
Workforce Development	▪ Workforce 1 Career Center in Downtown Brooklyn (BK) ▪ Transfer federal Workforce Investment Act (WIA) funds to local providers	▪ Youth education support ▪ Capital initiative (2006) – corporate outreach	▪ Assistance for preserving assets and community equity	▪ Support vocational training and GED programs for residents ▪ Job counseling services
Resident Asset Building		▪ Provide technical assistance on earned income tax credit (EITC) to community organization partners	▪ Down payment assistance program	
Business Vitality and Diversity	▪ Support Business Solutions Center ▪ Consolidate Fulton First Investments ▪ Avenue NYC resources		▪ Neighborhood entrepreneurship program	▪ Business development assistance

2. *Commercial: Business diversity and vitality*

CNED was awarded funding for the first phase of a large-scale capital improvement program for Bedford-Stuyvesant's key retail corridors. A combined $7.9 million investment from the City and Brooklyn Borough President Marty Markowitz will support the initial design and improvement of the area along Fulton Street commonly known as the Bed-Stuy Gateway Business District – the historic commercial heart of the Bedford-Stuyvesant community. This investment will contribute to the significant momentum around commercial revitalization in the community, embodied by the success of local business development organizations and the strength of the campaign to establish a Bed-Stuy Gateway Business Improvement District in 2008. The capital improvement program will include sidewalk upgrades, street lighting, tree plantings, trash receptacles, and self-serve information kiosks – improvements that have been largely informed by recommendations made under the Fulton Street Retail Redevelopment Plan, produced through the 2002 Fulton FIRST initiative.

The Department of Small Business Services (SBS) announced 15 neighborhood core program contract awardees for the 2007 round of Avenue NYC funding – the City's commercial revitalization program. Two Bedford-Stuyvesant organizations were among the awardees. Bedford-Stuyvesant Restoration Corporation received funds in conjunction with the Fulton-Nostrand United Merchants Association, which covers Fulton Street between Bedford Ave and Marcus Garvey Blvd and the area around the intersection of Fulton Street and Nostrand Ave. Bridge Street Development Corporation was awarded Avenue NYC funding for three corridors; Malcolm X Blvd, Lewis Ave, and Tompkins Ave. In connection with these funds, both organizations have been working on the design and implementation of planning, business attraction, and marketing initiatives for their target corridors.

Additionally, CNED is pleased to announce that Bridge Street's economic development plan was selected as one of the top three development plans from among the fifteen core groups. As part of this honor, Bridge Street was able to send a staff member to the National Main Streets Conference held in Seattle, Washington last March. Run by the Main Streets division of the National Trust for Historic Preservation, the conference is the nation's premiere commercial revitalization symposium.

M. Paul Friedberg and Partners / MPFP LLC was awarded the RFP as Lead Design Consultant for the capital improvement project slated for Fulton Street along the Bed-Stuy Business District – the historic commercial heart of the Gateway Bedford-Stuyvesant community. MPFP LLC is comprised of a seasoned engineering team with over 125 years of experience in improving New York City streetscape and park areas. It is with this commitment to the transformation of public spaces, MPFP LLC will develop a comprehensive streetscape design using the combined $7.9 million investment from the City and Brooklyn Borough President Marty Markowitz to support sidewalk upgrades, street and pedestrian lighting, tree plantings, street furniture installation, and self-serve information kiosks. With the design phase formally underway, CNED, the NYC Economic Development Corporation and MPFP LLC are working with the Fulton-Nostrand United Merchants Association and Bedford Stuyvesant Restoration Corporation to capture community level feedback on the design of the proposed streetscape.

"Soft" Design Features

- NYC Clean Streets - 2-year sanitation and technical assistance program for local development organizations administered by SBS
- Capital Streetscaping Initiative - Capital improvements and streetscaping along the Bedford-Stuyvesant Gateway on Fulton St

- Avenue NYC - Support for planning, business attraction, and marketing initiatives through contracts with local organizations (Bridge Street & Restoration)
- Business Improvement District (BID) - Resource support to develop the new Fulton Area BID and the Bedford-Stuyvesant Gateway BID along Fulton Street

2a) Preserve Assets and Community Equity (PACE): Managed by the Department for Housing Preservation and Development (HPD), PACE is an existing program that currently provides prospective homebuyers with intensive financial counseling, making them aware of the home-buying process and of predatory practices. It also serves existing homeowners who are at risk of foreclosure by offering legal remediation and/or loan refinancing. Currently Pratt Area Community Council serves as the sole PACE provider in Bedford-Stuyvesant. CNED will expand this program in Bedford-Stuyvesant by adding the local services of Bedford Stuyvesant Community Legal Services (BSCLS) and increasing the number of local financial counseling organizations to the PACE service provider network – namely Bridge Street Development Corporation (BSDC), Neighborhood Housing Services of Bedford-Stuyvesant and North East Brooklyn Housing Corporation (NEBHCO). We have been informed that project expansion dollars are being developed.

2b) Clean Streets: Managed by SBS, NYC Clean Streets will provide a comprehensive sanitation and maintenance program to selected local partner organization for two years. The cost for these services, determined by a bidding process, will be provided entirely by the City in the first year of the program and on a matching basis in the second year. The City will contribute 75% of the sanitation and maintenance program costs. Selected partner organizations will be required to provide the remaining 25% of the costs and agree to abide by the sanitation service contract entered into by the City. In exchange for receiving these sanitation services, partner organizations will engage in a two-year capacity-building relationship with SBS through which a dedicated City staff member will provide direct technical assistance in the areas of program management, fundraising, and marketing skills. We have been informed that project funding through SBS is in place.

2c) Avenue NYC: Managed by SBS, Avenue NYC is an existing program that contracts with community-based development organizations to foster local businesses revitalization. In 2006, SBS awarded two organizations in Bedford-Stuyvesant (Bedford-Stuyvesant Restoration Corporation and Bridge Street Development Corporation) Avenue NYC contracts to undertake work in four project areas: Neighborhood Economic Development Planning; Business

Attraction; District Marketing; and Commercial Real Estate Development. In 2007, Bridge Street Development Corporation's Avenue NYC application was one of the best in the City. As part of this recognition, the City sponsored a member of Bridge Street's staff to attend the 2007 National Main Streets Conference in Seattle, Washington - one of the nation's foremost economic development conferences. We have been informed that Contract funding from SBS is in place.

2d) Capital Streetscaping Initiative: The capital improvement project will support streetscaping along key commercial corridors in Bedford-Stuyvesant. City capital funds will be used to improve the physical assets of the following main corridors: Bedford-Stuyvesant Gateway (encompassing Fulton St and Nostrand Ave), Tompkins Avenue, and Lewis Avenue. Specific improvements includes: (1) for Bedford-Stuyvesant Gateway: paving, lighting, tree planting, trash receptacles; and self-serve information kiosks (2) for Tompkins Avenue: steel curbs at bus stops, lighting, tree guards, trash receptacles and self-serve information kiosks; (3) for Lewis Avenue: sidewalk repair, curb cuts, lighting; tree planting and self-serve information kiosks. CNED envisions completing the project in a phased approach over fiscal years 2008-2011. We have been informed that funding for this project is awaiting OMB approval.

2e) Site Development: Re-Zoning Proposal for Community Board 3 by the Department of City Planning. The project goal is to identify potential development planning projects on City owned land within the boundaries of Bedford-Stuyvesant. Recommendations will determine desired commercial/retail uses for each potential site and strategies for business attraction activities. A community redevelopment plan for Community District 3 under the 197A section of the New York City Charter has been submitted to the City Planning Commission. However, a specific rezoning proposal, as a companion plan for rezoning parts of Community District 3 has not yet been submitted to City Planning but is expected to be submitted as early as next month.

3. Resident Improvement through Saving and Asset-building

CNED and the Department of Consumer Affairs (DCA) launched a Bedford-Stuyvesant specific Earned Income Tax Credit (EITC) marketing campaign in the neighborhood. To compliment the campaign, CNED also assisted the physical expansion of the Brooklyn Cooperative Federal Credit Union into northern Bedford-Stuyvesant, doubling the number of free tax preparation sites in the community.

Sponsored though a partnership between CNED and CIBS, the campaign distributed over 45,000 postcards in English and Spanish that listed free financial and tax preparation resources in the community. In addition, the new tax preparation site contributed to an increase of 1,871 residents claiming EITC benefits, translating into $2.9M in community income. In the coming year, CNED will work with DCA and the new Office of Financial Empowerment, a CEO funded program focused on increasing financial opportunity in the City, to replicate this successful initiative.

To connect residents to relevant initiatives that address the most pressing needs of the community, CNED is committed to serving as a bridge between Bedford-Stuyvesant and a full range of City led employment, education, and wealth building programs. To this end, CNED has developed an ongoing partnership with the Mayor's Commission on Economic Opportunity (CEO) to link eligible Bedford-Stuyvesant resident with new programs designed to fight poverty. CNED is also actively convening a network of local stakeholders – i.e. local service providers, churches, block associations, and other local groups – to promote awareness and encourage collaboration within the community. As part of this work, CNED, the Bedford-Stuyvesant Restoration Corporation, and the Brooklyn Adult Learning Center recently introduced over 75 residents to the CEO-led CUNY Accelerated Study in Associate Programs (ASAP) initiative, which provides free tuition and job placement support to qualified applicants. Moving forward, CNED will replicate this success by continuing to work closely with community and City partners to identify and promote programs that will directly affect resident quality of life.

3a) EITC Outreach/ Free Tax Preparation: Jointly managed by the Department of Consumer Affairs (DCA) and Coalition for the Improvement of Bedford-Stuyvesant (CIBS), this is an existing project that has a) assisted the physical expansion of the Brooklyn Cooperative Federal Credit Union into Bedford-Stuyvesant, thus increasing the number of free tax preparation sites and financial institutions in the neighborhood, and b) expanded outreach and marketing of EITC to low-income community residents in partnership with the DCA. DCA conducts City-wide EITC outreach annually and has sponsored Bedford-Stuyvesant specific marketing directing residents to local financial and tax resources. For the 2007 tax season, CNED estimated that this program facilitated a 1,250 increase in EITC claims that translated into $2.5M in new resident income.

3b) Youth Adult Internship Program (YAIP): Managed by the Department of Youth and Community Development (DYCD), YAIP will assist disconnected youth ages 16-24 who are not in school or in the workforce to secure employment training and educational opportunities. Young individuals recruited into the program will be provided with intensive case management, educational placement opportunities, short-term subsidized internships, and employment readiness, placement and retention services. The program will operate in three, 12-week cohorts per year, excluding the summer. DYCD will select experienced community based organizations to operate contracts in Bedford-Stuyvesant and two other high-need neighborhoods, Jamaica and Melrose. We have been informed that project funding has been secured through the Commission on Economic Opportunity (CEO).

OTHER CNED FEATURES

Fiscal and Economic Issues

As the four program plans emerged, the price tag for CNED was closer to $50 million instead of the original $20 million. To many participants, these plans called for a larger contribution from the city, specifically from its operating budget. "

In 2005, the John D. and Catherine T. MacArthur Foundation awarded CNED a two year grant to support comprehensive revitalization efforts in Bedford-Stuyvesant. The CNED MacArthur Grant will be leveraged to enable an innovative evaluation program and to reinforce the project development efforts being led by our community partners. A portion of the MacArthur funds were used to develop a neighborhood index to measure community wealth and sustainability. Considering the extent of investment being led by CNED, PlaNYC, the Mayor's Commission on Economic Opportunity (CEO), and a host of other City agencies, the Index will look to capture gains made by residents and the community through the use of several economic, social, and sustainability indicators. Additionally, grant funds will go towards supporting several local projects currently being incubated within three capacity building networks formed in partnership with the CIBS.

Unique features of Project

Although comprehensive community planning had been around for well over a decade before CNED was rolled out, in the communities where it has been most successful—Boston, Chicago, Indianapolis, and Baltimore—the impetus for planning has emerged from private foundations and community-based organizations. In CNED's case, however, City officials chose to jump-start the process by conducting their own needs assessment, defining CNED's broad programmatic outlines, and selecting the three communities that would be targeted. The fact that CNED emerged from and was largely driven by the city government had important implications for the trajectory of the pilot project.

IV. Planning and Implementation Process

Stalled Processes

The city conducted a programmatic needs assessment before reaching out to the community, which limited the community's ownership of the planning process from the outset. In retrospect, local residents should have had a greater role in identifying community needs and shaping the planning process. Since CIBS and the other community members did not directly inform data collecting and analyses early on, subsequent efforts to shape the CNED agenda lacked some legitimacy. Community residents and others familiar with the City's design and implementation practice critiques CNED data for being gathered from "outside" the community. The City could have made more of an effort to integrate local knowledge with empirical evidence and census data. In failing to involve the community as partners from the earliest conceptual stages, City officials missed an opportunity to create a foundation of trust and common understanding borne out of a shared analysis. Moreover, residents complain that the City could have done a better job integrating goals and objectives outline Bedford-Stuyvesant's 1-97a plan, a community planning document developed by community boards and vetted by the Department of City Planning. The City's rebuttal to its omission of the 197a plan was that the document was too comprehensive, priorities were not clearly specified.

Strategy

A planning committee was assigned to each of the four program areas: workforce development; savings and asset-building; business diversity and vitality; and nonprofit capacity building. Chaired by a representative from the relevant city agency, each planning committee included two representatives from the community coalition, staff members from city agencies, and funders. Over the course of eight months, each committee had developed its program priorities and preliminary implementation plans

Opposition and Challenges

As empirically sound as the city's assessment was, it was procedurally flawed. The fact that the city conducted its needs assessment before reaching out to the community limited the community's ownership of the planning process from the outset.

CNED is widely seen as a "good idea" with significant potential; unfortunately it has received none of the high-level support garnered by the Mayor's Commission on Economic Opportunity, a parallel effort to address the persistent poverty throughout the city. Co-Chaired by Time Warner Chairman Richard Parsons and Geoffrey Canada, the President and CEO of Harlem Children's Zone, the Commission was a blue ribbon panel whose members were drawn from the city's business, labor, government, and academic elite, and it benefited mightily from the patronage of Linda Gibbs, deputy mayor for health and human services.

One of the biggest challenges the community faced throughout the planning process was in building community support or neighborhood voice beyond CIBS membership. The concept of "neighborhood voice" is typically grounded in the values and practices of participatory neighborhood visioning and democratic decision-making, recognizing the potential benefits of local knowledge, action, and power. In this report we associate it with the process of engaging residents and other neighborhood constituents (with concerted attention to marginalized community actors) in neighborhood planning and decision making, as well as communicating neighborhood interests in order to shape community development outcomes.

Several assumptions underlie this interest in resident engagement. One is the belief that neighborhood residents should be involved in designing and planning activities because they know better than anyone else about the strengths and problems of their neighborhoods; their involvement will help create a better designed project or a more effective solution to a problem. If they are engaged in the work, then they will also have more "ownership" of the results and be more likely to participate in planned activities over time. Neighborhood engagement will therefore help sustain projects. Many experts in the field agree that, given the complexity and longevity of neighborhood transformation efforts, neighborhood revitalization cannot be accomplished without the vision and sustained involvement of local residents.

A second assumption focuses on the connection between engagement and empowerment. The assumption is that community coalitions, such as CIBS, have an inherent mission to build strong communities. This endeavor requires a deep level of civic engagement and mobilization and accountability. Resident engagement and empowerment are especially important in communities of color where the residents are often marginalized and poor. One of the objectives of CNED is to build local organizational capacity, a good measure of that is the representation of non-member voices.

A third assumption is that forging stronger connections to neighborhood actors gives community organizations more legitimacy within their communities. This, in turn, strengthens their ability to acquire funding and resources, and to develop partnerships with citywide decision-makers. Being able to make a compelling case to outsiders that collective will is behind a particular project increases the potential that it will move ahead without opposition.

Within the past year, the CIBS held a two-day retreat entitled "Building Capacity for Community Change." CIBS member organizations, CNED staff, affiliated community based organizations in Bedford-Stuyvesant, local elected officials Assemblywoman Annette Robinson and Councilman Al Vann and community leaders participated in the conference, held at Bedford Stuyvesant Restoration Corporation. The meeting represented a culminating point in the Results-Based-

Accountability (RBA) process that CIBS member organizations have been engaged in for the past year, along with CNED

V. Status of Project

Project Scale: Presently CNED pilot projects are confined to Bedford Stuyvesant, a community with a population of 145,342 and with nearly half (49%) of the persons 16 and older out of the workforce and 35% of the population living below the federal poverty level Although, as noted above, specific programs that make up the CNED pilot program are intended to be established in other neighborhoods) – the Committee seeks to understand how the Administration plans to expand current CNED projects, if successful, to bring them to scale to in order to significantly impact neighborhood social and economic conditions?

Outcome Measurement: The stated goal of CNED is to "enable low-wage and unemployed residents to gain financial independence and access to economic opportunity; and to enhance the capacity of local business, non-profits and city agencies to serve resident needs". The Committee seeks to understand how the Administration envisions measuring the outcomes of each individual CNED project, while measuring the cumulative impact of CNED's projects on existing neighborhood conditions. What benchmarks and goals are being considered? What criteria for success are being discussed? Does the Administration plan to professionally evaluate this pilot program? How long will the pilot last?

Replication: The Committee seeks to understand how, and under what circumstances, would the CNED pilot be replicated elsewhere in the City. What factors and outcomes will determine the likelihood of replicating CNED. During the kickoff of CNED in April 2006, both Bushwick, Brooklyn and Melrose, Bronx were discussed as future CNED sites for replication.

Urban Revitalization in the U.S. - Private, Pubic and Community-led Projects: Concluding Remarks

This study highlights approaches to urban revitalization commonly used in the United States and it draws a detailed picture of the institutional landscape that undergirds urban planning and development decision-making. In our previous report we document the historical and legal basis of urban development in the United States dating back to early-twentieth century decentralization and Progressive Era reforms. The early shift toward decentralization is important to highlight because municipalities became largely autonomous with regard to land-use and redevelopment decisions. A noteworthy derivative of autonomy is that municipalities, not the central government, bear the fiduciary responsibility for large expenditures, such as urban development, social services, and education. By the mid-twentieth century, the budget for urban infrastructure development and maintenance and other essential public goods grew exponentially larger than possible sources of revenue for most urban localities.

As we state in the introduction to this report, understanding what is ultimately generated through any revitalization project requires careful examination of the local and extra-local economic and political context. To state it slightly differently, understanding urban revival as contingent on particular sources of capital only partially explains development outcomes. The interplay among public, private and community stakeholder interest in also central. Researchers often analyze urban revitalization outcomes, such as the production of housing or improved socioeconomic conditions. However, in this report we take a slightly different approach. We describe and analyze key institutional practices and multi-sectoral relationships underpinning different types of urban planning and development projects. And rather than only presenting completed projects, we focus on projects at different stages of completeness, then compare and contrast project early objectives and accomplishments to date. We then emphasize *planning process*, particularly sectoral inclusivity, as an instrument factor in understanding tension between intended urban development objectives and effects. Moreover, the approach we employ in this report has proven useful for understanding how inclusive development strategies help or hinder intended outcomes.

The three cases yielded important lessons with broad implications for understanding stakeholder roles, responsibilities and relationships, as well as project expectations and effects.

First, *non-inclusive strategies tend to be less efficient.* Real estate developers and other corporate-capital interest most commonly employ non-inclusive tactics that rest on the influence of investment capital coupled with the rhetoric of economic growth, yet frequently ignore the people in the localities planned for development. Despite the common belief that community participation in planning and development unduly prolongs projects, we argue that exclusive practices tend to induce resistance leading to loss of efficient implementation. Community interests are frequently relegated the least powerful because they bear little financial capital or development decision-making authority. But this archetypal power relationship, in which capital dominates and under-resourced community are marginalized, is overly simplistic.

Top-down non-inclusive strategies are less likely to serve community interests as they typically focus on place-based development and ignore people as an important ends. Accordingly, top-down development projects are frequently embroiled by cumbersome and costly delays. By exploring revitalization processes we see that urban development projects that fail to include authentic or legitimate community voices during both conceptualization and implementation are likely to encounter obstruction from residents, community organizations, the Community Board, and the like. The Brooklyn Atlantic Yard (BAY) project is emblematic of a top-down approach to a private developer-led mixed-use redevelopment. Although, BAY received support from NY City and State, buy-in from a world-renowned architect, and assembled new alliance with various nonprofit organizations, the aggressive BAY plan failed to adequately address the needs and interests of legitimate community interests. Consequently, the project has been stalled in the courts and on the ground by community opposition; it is now further hindered by the economic downturn.

Likewise, the Comprehensive Neighborhood Economic Development (CNED) project was essentially designed in the Mayor's Office and brought to the Bedford-Stuyvesant community as a resource for revitalization. However, implementation of CNED was delayed for nearly 6 months because community leaders and local elected officials demanded more input in the design, objectives, and expectations of CNED. The concept of "inclusivity" is grounded in the values and practices of participatory neighborhood visioning and democratic decision-making, recognizing the potential benefits of local knowledge, action, and power. Accordingly, inclusive revitalization strategies require early involvement of community stakeholders.

Second, urban development must *incorporate the needs of both people and places*. As we discussed in our previous report, urban revival in the U.S. is shaped by long-standing yet extant tension between *pure place-oriented strategies* that employ physical changes to the built environment to increase the economic value of that place, on the one hand, and *pure people-oriented strategies*[36] in which people are both the means and ends, and investment is not tethered to a particular place, on the other. Based on the case studies within, urban neighborhood improvement should employ *place-based people strategies*, or focus on improving the lives of residents within a designated area through various types of spatially targeted investment. Both the Meatpacking district and CNED

[36] While these terms and aspects of the broader framework are drawn from Ladd (1994), we have developed a distinct typology.

represent neighborhood-based investments that at once focus on the built environment and community needs. Finally, this research highlights the importance of *flexibility and an openness* to adapt urban development processes and modify outcomes. Even when planning and decision-making is inclusive from the beginning, initial objectives and strategies will likely require modification as projects proceed and respond to unanticipated stakeholder constraints and shifts in the external environment.