The Monumental Myths of Michael Bloomberg

Dan Steinberg

Mayor Michael Bloomberg, renowned as a pioneer in business communication, artfully constructed his national image as he contemplated a run for higher office. His projected identity blends the tradition of late 19th century reformers who sought to replace politics with the methods of business, with a post-fiscal crisis urban entrepreneurialism that made growth and physical development paramount to redistributive policy. At the heart of this public relations project are three specious claims: 1) that he is non-ideological and operates above the din of petty politics; 2) his policies represent a data-driven, evidenced-based approach based on "best practices;" and 3) he is an international leader in environmental sustainability.

In reality, the Bloomberg administration repeatedly compromised this composite identity in pursuit of "the Luxury City," a reconfigured New York that caters to the interests and pleasures of the post-industrial elite in order to improve the city's standing in the global competition for jobs, investment and residents abounding in human capital. By subsidizing stadiums, shopping complexes and glitzy office buildings, and rezoning over one-third of the land mass to encourage the proliferation of luxury condominiums and waterfront parks, the city itself was marketed as a high-end product and an urban brand.

Among the losers in this transformation of the urban landscape were small-scale industries and low-income New Yorkers, including the ethnic food distributors in Bronx Terminal Market who were displaced by a city-subsidized mall; the independent retailers in Brooklyn's Albee Square Mall who were evicted to make room for an upscale shopping and housing complex; the small manufacturers in Greenpoint-Williamsburg and other rezoned neighborhoods who could not compete with higher-rent uses; and longtime residents of many neighborhoods where gentrification was facilitated by public policy.

Dan Steinberg is a Ph.D. student in Urban Planning at Columbia University.

This agenda was not imposed without opposition. Contentious fights erupted around the Kingsbridge Armory in the Northwest Bronx, Hudson Yards on the Far West Side of Manhattan, Atlantic Yards in Brooklyn, and other redevelopment proposals. In some cases, the imperiled communities were able to deploy significant resources by partnering with corporate allies, hiring their own lobbyists and planners, featuring celebrity neighbors as spokespeople, and relying on established community organizations with political capital and decades of organizing experience.

Yankee Stadium: Political Manipulation, Public Subsidies, Environmental Impacts

South Bronx residents, who live in the poorest Congressional district in the country, did not have any of these resources at their disposal when city officials announced that the Yankees would construct a new stadium on 25 acres of public parkland. In planning for the new Yankee Stadium, the Bloomberg administration patently violated all three elements of his self-made image by 1) abandoning good government in favor of unsavory political maneuvering, 2) shamelessly fudging the economics of the project and 3) ignoring the dire environmental implications of needlessly facilitating car access to the stadium, destroying 377 mature trees, and replacing grass fields with artificial turf. The case of Yankee Stadium provides an unsettling look at what happens when a deeply disenfranchised community stands in the way of powerful interests.

Political Games and a Land Grab

For well over a decade, the Yankees coveted a new stadium. The historic ballpark where they had played since 1923 was not structurally deficient, but did not contain the luxury boxes, shopping options, and other lucrative amenities featured in the new wave of stadiums around the county. Renovating the current stadium was deemed a financial hardship by the Yankees since they would have to play elsewhere for several years (as they had in the 1970s). Once the West Side of Manhattan was ruled out, they cast a predatory eye on the parkland adjacent to their current location. The Yankees had little leverage in negotiating with city officials. They had just broken the American League single-season attendance record and Mayor Bloomberg publicly declared the Yankees had no intention of leaving New York.

However, New York State's rejection of financing for a Jets/Olympic Stadium on the Far West Side of Manhattan meant new stadiums for the city's baseball teams became crucial for the 2012 Olympic bid, which was the centerpiece of Bloomberg's ultimate marketing campaign. In order to move swiftly, the administration worked with a cohort of ethically dubious politicians to coordinate one of the most blatant land grabs in the history of New York City.

In 2005, city and state officials quietly signed a Memorandum of Understanding (MOU) with the Yankees committing public land and subsidies for the stadium project. The officials agreed to make a "collaborative effort to seek State legislation as quickly as possible" authorizing the construction of the stadium and garages on the large swath of adjacent parkland, with the Yankees assuming "primary responsibility" for gathering the support of local elected officials and the city committing funds for replacement parks. Randy Levine, the President of the Yankees, previously served as Mayor Giuliani's Deputy Mayor for Economic Development. In order to convince the Bronx delegation of the State Assembly to quickly pass a bill that was needed to alienate the public parkland, Levine hired lobbyist Roberto Ramirez, himself a former Bronx Assembly Member and, more importantly, Chair of the Bronx County Democratic organization. Ramirez was paid $301,900 by the Yankees, the single largest lobbying fee registered in the city that year.

The very weekend after the MOU was signed, parkland alienation bills were introduced in both houses of the state legislature. Within nine days, the legislature unanimously approved the bill sealing the fate of the parks. Neighborhood residents had not been informed that their parkland was at risk, and some legislators later admitted they were not fully aware what they had voted on

Photo source: Wikipedia

Yankee Stadium site before and during construction of the new facility.

given the deluge of bills that come down the pipeline in the final hours of session. There had not been any public hearings, nor had the local community board been consulted. Ironically, the state legislature was involved only because under law parkland is deemed too sacred to be disposed of by municipalities without oversight.

Without the parks as a bargaining chip, the community had little leverage when the project eventually triggered the city's Uniform Land Use Review Procedure, in which the local community board would eventually vote against the project through a resolution citing health concerns associated with increased traffic, lack of community input into the plan and the dangerous precedent of turning over public parkland for private use in the heart of a residential community. Board members also contended that not all 25 acres of parkland were slated to be replaced, and objected to 10 acres of replacement parks being located atop new parking garages. However, this vote was only advisory and the City Planning Commission elected to ignore the Board's position. A year later, Bronx Borough President Adolfo Carrión declined to reappoint the community board members who challenged the project.

Photo source: Bronx Council for Environmental Quality President's Website

Joyce Hogi, center, president of Bronx Council for Environmental Quality

The Numbers Game

Mayor Bloomberg once famously proclaimed, "In God we trust, everyone else bring data." Upon taking office in 2002, he insisted that the city could not afford stadiums, a position consistent with the overwhelming evidence from economists that new sports facilities, particularly replacement ones, drain city budgets without leading to measurable economic growth. By 2006, with the Olympics at stake, Bloomberg had changed his tune, asserting, "We don't do subsidies. The City is getting paid back at a profit." In order to substantiate this dubious claim, planners and economic development officials bent over backwards to "make the numbers work," relying on highly questionable assumptions and methods.

From the beginning, Bloomberg's math was patently wrong. A city-sponsored analysis not intended for public consumption revealed that the new stadium was expected to generate $86 million in total tax revenue, far less than the cost of the replacement parks alone (putting aside a long list of other subsidies, including infrastructure work, tax-exempt financing and numerous other tax exemptions). Even the $86 million revenue forecast turned out to be inflated, since the new stadium has drawn 1.4 million fewer visitors than the study projected.

When the Industrial Development Agency, which issued bonds for the project, eventually conducted its mandatory cost-benefit analysis, they departed from their own protocol by not accounting for the value of tax exemptions. Even more misleading, the IDA analysis included funds that would no longer be needed to make improvements to the existing Bronx parks as a $25 million "benefit." This was an outrageous conjecture since the city had spent less than $2 million on these parks since 1996 and had no plans to increase funding. In this and other respects, the analysis raises ethical questions pertaining to the manipulation of data. Indeed, an analysis mostly drawing upon data from the city's Independent Budget Office later concluded that the total value of public subsidies exceeded a billion dollars, and the Internal Revenue Service was compelled to close a loophole that city officials exploited in order to deliver tax-exempt financing for the stadium.

Testifying before the City Council, octogenarian and neighborhood resident Albertha Hunter delivered a stinging rebuke to the administration's elaborate attempts to rationalize the project: "So I am here to say to you, that even if we don't have a PhD, or a G.E.D. or what have you, we have sense enough to know when we are being taken, or when we are ignored."

Parking Garage Fiasco, Environmental Blooper

Perhaps more than any other aspect of the project, the debacle around the new Yankee Stadium parking garages vitiates Bloomberg's image as a savvy executive and champion of the environment. City officials inexplicably caved to the team's demand that the project include a new 9,000 space parking system, even though the Yankees were unwilling to bear the risk of building and operating it.

Transportation groups such as the Straphangers Campaign and the Tri-State Transportation Campaign howled in disapproval, as did environmental justice advocates such as Sustainable South Bronx, who contended that the plan would needlessly encourage car trips into a neighborhood known as "asthma alley."

Since the garage system did not appear likely to generate enough revenue to cover its $340 million cost, the city and state agreed to contribute a combined $100 million. Deputy Mayor for Economic Development Dan Doctoroff assured the City Council that the garages were a sound investment and would eventually generate millions of dollars in rent and taxes for the city.

Meanwhile, city officials struggled to find a credible developer to take on the garage system. In order to sweeten the pie, the city's IDA designated it a "Civic Facility Project" in order to allow tax-exempt financing. Eventually, the bid was awarded to the shell creation of a national entity with a spotty track record. Good Jobs New York, advocates for accountability on public subsidies, revealed that the Community Initiatives Development Corporation had previously defaulted on government-issued bonds in Syracuse and Monroe County, and voiced their concern that low neighborhood car-ownership rates and a new train station opening nearby would undermine overall demand for parking.

The new garages predictably resulted in the largest default on city-issued bonds since the 1970s. About 5,000 fans per game have been riding Metro-North, the suburban rail line, while the garages have occupancy rates around 30 percent. The firm owes the city more than $42 million in back rent, taxes, and interest, yet as reported by *Daily News* columnist Juan Gonzalez, this did not prevent them from spending $1.3 million on legal fees to former Governor Mario Cuomo's law firm and $240,000 on security to former Mayor Rudolph Giuliani's consulting firm. In the final days of Bloomberg's tenure, city officials were scampering to close a deal on a new subsidized soccer stadium on the site of one of the bankrupt garages.

The Season's Loser: Social and Environmental Justice

The new Yankee Stadium violated basic notions of social and environmental justice, democratic planning, and the ethical application of expertise. Residents of a neighborhood with a poverty rate approaching 40 percent were systematically excluded from the planning process, all in the name of a project with grim fiscal consequences. With over 400,000 New Yorkers unable to escape poverty even while employed, the administration allocated precious public resources for the creation of more jobs that are notoriously seasonal and low-wage.

The new Yankee Stadium can hardly be justified as enhancing the city's "brand." New York was not awarded the Olympics, attendance continues to drop, and even Yankee legend Mariano Rivera quipped, "The other stadium was better." Perhaps more than any other project, Yankee Stadium stands as a monument to the contradictions between Bloomberg's vaunted principles of governance and his vain obsession with physical development. Let this be a cautionary tale as he prepares to become the "global mayor" through his consulting firm, Bloomberg Associates. Bloomberg promises to export his successful policies to other cities, but he is likely to replicate his failures as well, exacerbating the deepening inequalities that are the dark side of his legacy. P²