

This article appeared in *Harvard Design Magazine*, Spring/Summer 2005, Number 22. To order this issue or a subscription, visit the HDM homepage at <<http://www.gsd.harvard.edu/hdm>>.

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The Return of Urban Renewal

Dan Doctoroff's Grand Plans for New York City

by Susan S. Fainstein

For many years, New York City refrained from any semblance of comprehensive planning. Even the four megaprojects of the 1980s and 1990s—Battery Park City, the Javits Convention Center, and Times Square redevelopment, all in Manhattan, and MetroTech in central Brooklyn—represented isolated endeavors rather than parts of an overriding vision. Suddenly, however, the current mayor, Michael R. Bloomberg, and his deputy mayor for economic development, Daniel L. Doctoroff, have ambitions for remaking much of the city on a scale comparable to the remaking overseen by Robert Moses in the 1940s and '50s. Indeed, the map showing “selected planning and economic development initiatives” within a recent city publication¹ reminds one of the similar map displaying Robert Moses's undertakings shown on the inside cover of Robert Caro's biography of the city's last powerful development czar.² Deputy Mayor Doctoroff, who currently masterminds the city's energetic program, consciously evokes the grandeur of Daniel Burnham's famous injunction to make no small plans.³ He presents the “62 major economic development initiatives launched since Mayor Bloomberg took office” as based on a “supreme confidence in the future of New York . . . that demands big, long-term visions. That's why we sometimes speak in billions, not millions . . . and why our horizon stretches for decades, not months.”⁴

This expansive view of the planning function and the role of government in directing it harkens back to the early years of urban renewal in the United States. It constitutes a rejection of the timidity that followed the downfall of the federal urban renewal program.⁵ The question for planners and designers is whether to applaud this new vigor or to see in it all the pitfalls that ultimately led to the demise of the old urban renewal program, ultimately excoriated by neighborhood residents, progressive critics, business interests, and the U.S. Congress, albeit for different reasons.

URBAN RENEWAL IN NEW YORK

New York City was a pioneer in the creation of megaprojects for urban transformation. Even before the passage of the 1949

Housing Act setting up the federal Title I program for urban renewal, New York implemented two large redevelopment schemes resulting in large-scale displacement of residents and businesses: Stuyvesant Town and the United Nations complex. Between 1945 and 1960, under Robert Moses's leadership, urban renewal and highway building programs displaced at least half a million New Yorkers from their homes, built a roughly similar number of new housing units, created Lincoln Center for the Performing Arts, and produced the arterial system that crisscrosses the city and connects it to its hinterland.⁶

After 1960, public opinion, reacting to the destruction of urban fabric and community life caused by Moses's programs, turned against massive redevelopment schemes involving demolition. The city then entered a second phase in which, for the most part, urban renewal no longer involved extensive clearance but did still aim at widespread change. Zoning incentives and public money stimulated continued large-scale commercial construction in Manhattan, and under the state's Mitchell-Lama program for moderate-income housing, thousands of new housing units went up. With the exception of the World Trade Center development, built on land formerly occupied by a thriving group of small businesses, these later activities involved conscious efforts at neighborhood preservation. Two projects, Roosevelt Island and Co-Op City—huge moderate- and middle-income housing developments—were built on vacant land. At the same time, under the aegis of the War on Poverty and the Model Cities program, increasing sums of money were spent in efforts to revive neighborhoods that had been devastated by middle-class suburbanization and the withdrawal of investment.⁷ Construction projects in these areas mostly involved rehab or building on empty lots. In line with reforms mandated in the amended federal urban renewal law, citizens of affected areas participated in the planning of redevelopment efforts and were entitled to adequate relocation assistance.

A series of events in the 1970s marked the end of the far-reaching programs that had characterized the postwar period. Although the City Planning Commission had proposed a master plan in 1969, enthusiasm for planning and funding for its implementation died during the ensuing decade. New York State financing of affordable housing ended; President Nixon imposed a moratorium on federal housing subsidies; the 1974 Housing and Community Development Act terminated the Urban Renewal, Public Housing, and Model Cities programs, substituting the Community Development Block Grant (CDBG) and Section 8. The former did not provide sufficient funds to replicate the large projects funded by Title I, and the latter mainly involved subsidies to consumers of housing rather than for its construction. New York's 1975 fiscal crisis resulted in the freezing of the city's own capital budget. In the following twenty-five years, after plans for Westway, a gigantic highway and real-estate development on Manhattan's West Side, were scuttled in 1989, many saw in that defeat a precedent indicating that nobody could ever build anything of major proportions in New York again.

WHY A REVIVAL NOW?

The efforts underway now are being carried out in the name of economic development rather than of the elimination of blight and slum clearance. In their physical manifestations, which in many cases incorporate mixed-use developments and retention of the street grid, they represent an absorption of Jane Jacobs's invective against the dullness created by city planning under urban renewal. But even though they are not Modernist in their physical forms, they are in their functional aims.⁸ As in the first stage of urban renewal, they represent the imprint of a master builder rather than community-based planning. Participation by citizens is restricted to their testimony at public hearings, listening to presentations by the plans' progenitors, and the provision of advice by the Community Board for the affected area.⁹ Beyond these minimal requirements under the Uniform Land Use Review Procedure (ULURP),¹⁰ no legislation imposes community input. One reason for the waning popularity of the federal urban renewal program among business leaders was that, as citizen participation requirements got more stringent, it became increasingly difficult to mold plans to business desires. Now, use of New York State's Empire State Development Corporation as the implementing body for projects exempts them from the ULURP process, as would not be the case if a city agency were the sponsor. Financing that does not draw from the city's capital budget frees them from city council oversight.

In the aggregate, the various projects represent a comprehensive effort to make use of the waterfront for new property development and recreation, to revive decayed commercial districts, to build and renovate housing throughout the city, to develop infrastructure, and to connect physical changes with economic opportunity. These projects consist of new and rehab construction, zoning changes, business and tourism promotion, and workforce development. Some of them—especially better access to the waterfront, improvements for parks and recreation, and additions to the housing stock—enjoy wide support. But projects aimed at major changes of use have attracted considerable opposition and appear to replicate many of the qualities that turned people against urban renewal. These include insensitivity to community desires, overly optimistic predictions concerning ultimate use, and the favoring of large over small business interests. Further, without the backing provided by federal funds, they incorporate highly risky financial commitments. Closer examination of some of the proposals points to, on the one hand, their ambitiousness and alleged benefits, and, on the other, their pitfalls.

CURRENTLY PROPOSED PROJECTS

Manhattan's West Side. By far the largest in scope and most controversial of the Mayor's sixty-two initiatives is the plan for the Far West Side of Manhattan, also discussed in this *Harvard Design Magazine* by Robert Yaro. The focal point of conflict is the proposed 75,000-seat football stadium, to be built on a deck over the Penn Central railroad yards at a cost estimated at \$1.4

billion.¹¹ While the stadium has attracted the most attention, the plan calls for major changes in a sixty-block area west of Eighth Avenue between 28th and 42nd Streets. Currently a mix of old and new businesses in small-scale structures, the area would be transformed into an extension of the midtown central business district. The city's draft environmental review estimates that at least 225 businesses, 4,269 employees, and 139 residents in ten buildings would be directly displaced as a result of demolitions. In their place would be a new boulevard extending from 34th to 42nd Streets between Tenth and Eleventh Avenues and a series of high-rise office buildings, hotels, and residential structures. Attracting commercial developers to the area would require an extension of the Number 7 subway line.

The plan raises a host of issues, many of them arising out of differing forecasts of its impact. The city assumes that the sports and convention facility will generate economic development in its surrounding environment, even though experience in other cities has shown otherwise.¹² The West Side scheme calls for construction of millions of square feet of new office space, even while other plans call for ten million square feet to be built in downtown Manhattan and the construction of large office centers in Brooklyn and Queens. Given the present level of vacancies, it seems very unlikely that, even with optimistic estimates of growth in office jobs, any additional space would be needed before 2009, and more conservative forecasts indicate it would take until 2015 before any new office construction beyond that already on the drawing board would be needed.¹³ Moreover, office take-up projections are based on extrapolations from past experience, but the past may no longer be a useful guide. New technology that allows office workers to conduct their business almost anywhere makes predictions regarding the office needs of the future hazardous.

The West Side plan resembles early urban renewal planning in its specification of changed uses, its scope, its reliance on eminent domain of occupied property for land acquisition, and its optimism that private developers will come along to fulfill the plan's goals. It puts the city itself at much greater financial risk than did the earlier model, however. Whereas urban renewal authorities could rely on federal funds to insulate themselves from the speculative aspects of their projects, current city proposals rely on locally supplied funding. The city's plans propose that a corporation be established that would issue bonds to pay for infrastructure including the subway extension and the platform and deck of the stadium. Theoretically these bonds would be paid off with tax revenues generated by the new development. A letter from the city's controller, however, warns that it is "a project that could yield little return to City taxpayers and may in fact cost them billions of dollars . . . if revenues from the project do not materialize."¹⁴

In a further resemblance to the first period of urban renewal, the stadium project avoids legislative oversight. Doctoroff, on the one hand, frankly admits that no approval by a democratically elected body will occur.¹⁵ On the other, when asked by an interviewer whether he should be compared to Robert Moses,

he disclaims the resemblance, contending that "There's clearly an opportunity to transform the physical landscape now, but . . . it has to be the result of substantial community input, if not consensus."¹⁶ Of course, Doctoroff does serve at the pleasure of the mayor, who is an elected official and must face the voters in 2005. Moses, in contrast, headed an independent authority and could be unseated only with great difficulty.

The Bronx Terminal Market. The Bronx Terminal Market houses twenty-three wholesale food merchants in deteriorated buildings just south of Yankee Stadium.¹⁷ The city, which already owns the market site, has agreed with the Related Companies, a development firm that recently took over the lease for the site, to move the merchants to another, as yet undisclosed location. The existing buildings would be demolished to make way for a retail shopping mall, a big-box store, and a hotel. The development plan will be subject to the normal ULURP process and already has the endorsement of the Bronx borough president.¹⁸

Constructed in the 1920s, the market was originally located to take advantage of access to waterborne transportation on the Harlem River. Subsequently it benefited from the construction of I-95 and the Major Deegan Expressway, which provided convenient access for large trucks. Although the market structures are not fully occupied and are in a serious state of disrepair, the market continues to serve a large number of both wholesale and retail customers and to employ approximately 750 people, about half of whom live in the Bronx. It provides stable employment for people with relatively low levels of education, many of them immigrants lacking language skills. Its competitive advantage rests on the clustering of similar businesses selling primarily to ethnic food stores; although competitors, the businesses assist each other and cooperate in management of the facility. The market allows patrons the convenience of one-stop shopping and offers proximity to the bridges to Manhattan and to public transit.

As in the demolition of downtown's Radio Row to allow for construction of the World Trade Center, the razing of the Bronx Terminal Market to accommodate a "higher and better use" would enhance city revenues at the cost of destroying a viable business cluster. The change in use would result in a transformation of the employment structure of the area: whereas almost all the present workers are male and many are unionized, the clerks in the new retail stores would be predominantly low-paid women. If the relocation of the merchants does not cause them to lose their customer base, this would constitute a net gain for Bronx residents. The merchants fear, however, that they will be moved to a less convenient location and, as a result, be forced out of business, as has happened to other New York food wholesalers. Hence evaluation of the likely outcomes of the project depends on the relocation plan. But while the intention of evicting the merchants has been made public, their ultimate location remains unknown.

Downtown Brooklyn. In central Brooklyn, another proposal for building a sports facility over railroad yards has emerged.

Developer Bruce Ratner, who has been the main sponsor of projects in downtown Brooklyn, purchased the New Jersey Nets basketball team with the intention of bringing them to Brooklyn. The \$2.5 billion, 7.7 million square foot mixed-use project, with the Nets arena as its centerpiece, would be built on eleven acres of MTA-owned land and about eleven acres of privately owned property. Using the instrument of the state's Empire State Development Corporation, which has the power to override local zoning in the city, the government would condemn property in the case of the owner's refusal to sell. The size of the project, the use of eminent domain, and the top-down nature of its formulation all harken back to the early days of urban renewal. The difference, as stated by one commentator, is that "the private market has already brought this area back. There's one thing different from the old urban renewal: there's not even a pretense of blight to justify condemnation subsidies."¹⁹

The area of Brooklyn slated for renewal is undergoing substantial gentrification. Interestingly, unlike the proponents of the West Side stadium, the developer is not justifying his proposal in terms of benefits that would flow directly from the basketball arena. Rather, the stadium is viewed as a kind of loss leader—it is the associated housing, office, and retail developments that are anticipated to be the source of developer profit and city revenues.²⁰ Supporters of the development point to its substantial component of new housing for low- and moderate-income occupants. As in the case of the Bronx Terminal Market and to a lesser extent of the Far West Side, this Brooklyn project is a move by government to invest public funds and utilize condemnation powers to make property yield a higher rate of return.

THE NEW URBAN RENEWAL

The justification in all three cases primarily stems from their economic contribution rather than their physical improvements. Taxpayers' money would be put at risk in the expectation of projected revenues and employment. The three sites have been selected on the basis of proximity to either central Manhattan (for the West Side Yards and downtown Brooklyn) or highway access (for the Bronx Terminal Market). 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. The Bronx and Brooklyn schemes have the endorsements of the respective borough presidents, although the Manhattan borough president opposes the West Side stadium. The plans are subject to the political process in that their financing is from the city and state, and their progenitors are locally elected public officials. No alternative plans have been presented for comparison, however, and each has been presented as the only possibility. In the Brooklyn and Bronx projects, a developer has been preselected for the sites without solicitation of competitive bids or the opportunity for anyone to suggest other development strategies.

Advocates for the projects cite NIMBYism as the basis for objections. Opponents generally argue that changes in zoning would be sufficient to attract private development without the use of eminent domain and would result in construction that responded to market forces. Many feel that the demand for office space will not in the foreseeable future take up the amount of space being projected by the numerous office-based proposals outlined in the city's economic development initiatives.

For planners who do not believe that the market always produces choices best for the city, seeing the city once again engaged in planning that makes explicit the changes to come is welcome. Thus, in one respect, the current thrust toward comprehensiveness and public investment is a step forward in making visible and contested a process that otherwise remains hidden. But the methods by which the plans are developed, the emphasis on sports complexes, the encumbrances on the city and state's fiscal integrity, and the sheer magnitude and density of the proposed projects can only cause serious misgivings.

In the first phase of the federal urban renewal program, opponents of projects that would destroy communities and small business were similarly excoriated for being unconcerned with the public interest.²¹ It was only later, when it became evident that benefits did not always trickle down, communities were destroyed, cleared land lay vacant for decades awaiting a developer, and "marginal" businesses that frequently laid the groundwork for the next wave of innovation were uprooted that the dangers of "great plans" became fully appreciated. By now many of these lessons have been forgotten as a new generation of architects and planners has come along seeking to imprint their visions on New York's landscape. The pendulum has swung to the other side rather than resting at a point where comprehensive planning can occur within a context of humility, flexibility, and democratic participation. □

NOTES

1. City of New York, Michael R. Bloomberg, Mayor, "Bloomberg Administration: Major Economic Development Initiatives," n.d. (distributed in 2004).
2. Robert Caro, *The Power Broker* (New York: Knopf, 1974).
3. The combination of Mayor Michael Bloomberg and Doctoroff is reminiscent of the earlier one of Mayor Robert Lee of New Haven and his Development Administrator, Ed Logue, in its mustering of political clout behind a plan to transform a city.
4. Speech at Crain's Breakfast Forum, New York Hilton, September 29, 2004.
5. Altshuler and Luberoff, in their recent study of megaprojects, comment that such schemes have become exceptional and that most new development is modest in scale and does not involve demolition. See Alan A. Altshuler and David Luberoff, *Mega-Projects: The Changing Politics of Urban Public Investment* (Washington, DC: Brookings, 2003).
6. Norman I. Fainstein and Susan S. Fainstein, "Governing Regimes and the Political Economy of Development in New York City, 1946–1984," in John Hull Moltenkopf, ed., *Power, Culture, and Place: Essays on New York City* (New York: Russell Sage Foundation, 1988), 164–171.
7. *Ibid.*, 171–181.
8. See James C. Scott, *Seeing Like a State* (New Haven: Yale University Press, 1998).
9. New York's community boards are appointed by the city council members for their district and by the borough president. They exercise advisory power over land-use and capital budget matters.
10. The Uniform Land Use Review Process requires a series of approvals and includes scrutiny by the district's Community Board.

11. It seems likely that the actual costs would exceed the estimated \$1.4 billion. See Bent Flyvbjerg, Nils Bruzelius, and Werner Rothengatter, *Megaprojects and Risk* (Cambridge, UK: Cambridge University Press, 2003).
12. Ziona Austrian and Mark S. Rosentraub, "Urban Tourism and Financing Professional Sports Facilities," in Sammis B. White, Richard D. Bingham, and Edward W. Hill, eds., *Financing Economic Development* (Armonk, NY: M.E. Sharpe, 2003), 211–232; Charles Euchner, "Tourism and Sports: The Serious Competition for Play," in Dennis R. Judd and Susan S. Fainstein, eds., *The Tourist City* (New Haven: Yale University Press, 1999), 215–232.
13. Regional Plan Association, 13.
14. Letter from William C. Thompson, Jr., to Mayor Michael Bloomberg, October 20, 2004. <http://www.comptroller.nyc.gov/bureaus/opm/pdf_letters/oct-20-04_letter-bloomberg-westside.pdf>.
15. Response to question at Crain's Breakfast Forum. The letter from the controller asserts: "You chose not to include this project in the capital budget, avoiding City Council approval. In doing so, you removed the public's only opportunity for meaningful and serious review of the merits of your plan against other priorities."
16. Quoted in Craig Horowitz, "Stadium of Dreams," *New York*, June 21, 2004, 22.
17. It should be distinguished from the much larger and more modern Hunt's Point Market to the north.
18. New York City Economic Development Corporation, News Release, April 29, 2004.
19. Julia Vitullo-Martin, "Thinking about Ratner's Urban Renewal," *Monthly Newsletter of the Manhattan Institute's Center for Rethinking Development*, May 2004, 1. Opposition to the project by the Manhattan Institute represents a conservative, pro-market viewpoint. But it supports the position of neighborhood opponents, who do not object to government intervention on ideological grounds but rather to the failure of the city to consult neighborhood residents and to its scale.
20. Andrew Zimbalist, "Estimated Fiscal Impact of the Atlantic Yards Project on the New York City and New York State Treasuries," May 1, 2004, <<http://www.fieldof-schemes.com/documents/zimbalist.doc>>. Zimbalist estimates present value of all public sector costs at \$699 million, providing a net positive fiscal impact with a present value of \$812.7 million. See also Johannah Rodger, "The Price of Ratner's Hoopla: Brooklyn Stadium Would Be a Money Loser for NYC," *Brooklyn Rail*, June 2004, <<http://www.brooklynrail.org/local/june04/ratnershoopla.html>>; Jung King and Gustave Peebles, "Estimated Fiscal Impact of Forest City Ratner's Brooklyn Arena and 17 High Rise Development on NYC and NYS Treasuries," June 21, 2004, <<http://www.developdontdestroy.org/public/EconReport.pdf>>.
21. See Langley Keyes, *The Rehabilitation Planning Game* (Cambridge, MA: MIT Press, 1969).