

Coney Island for All: A Platform for Equitable Development March 2009

For decades, Coney Island has been a haven for working class New Yorkers. A century ago, it was the first place that working people could reach, and afford, for a break from their daily grind in sweatshops. It has remained for decades a place that people of every walk of life can get to by subway, and yet feel they have gone to another world. It has also provided tens of thousands of families with a decent and affordable place to live, through both Mitchell-Lama and public housing development. As the City of New York proposes to redevelop Coney Island, it must ensure that Coney remains a place that creates opportunity for working New Yorkers. We have therefore come together to ensure that any redevelopment plan guarantees:

- **GOOD JOBS** The redevelopment plan must guarantee good jobs – with responsible contractors and employers, and with a commitment that local residents can get these jobs – in every part of the project.
- **AFFORDABLE HOUSING** A majority of the housing created or preserved must be affordable to low, moderate, and middle income New Yorkers – with at least half of the affordable units reserved for families at or below the median income for households in Coney Island.
- **A STRONGER AMUSEMENTS AREA** The plan must preserve and strengthens the “people’s playground” through an open, affordable, and vibrant amusement area, with spaces for vendors and small businesses, and investment in historic resources.
- **COMMUNITY NEEDS ARE MET** This is a critical opportunity to create much-needed public amenities for local residents of the area, including a school and a supermarket to meet local demand, and significantly improved public transportation.

All of these goals can be met. The City has the power to require that developers and employers achieve these standards – when it issues requests for proposals to developers, through zoning, when it acquires land, and when it provides subsidies or tax incentives.

Unfortunately, the City’s current plan does not meet these goals. While the plan would create jobs, there are no guarantees that the jobs would pay decent wages. While it would create housing, there are no guarantees that a sufficient amount would be affordable. Nor is it clear that the amusements area will be strengthened or that community residents will see the critical services they need. If the plan is changed to meet these goals, we will support it. If not, then the City should start over with a plan that does.

Signatories: ACORN, Coney Island CLEAR, Laborers' International Union of North America, Mason Tenders' District Council of Greater New York, New York City District Council of Carpenters, New York Jobs with Justice, New York Hotel and Motel Trades Council New York and Vicinity, Carpenters Labor-Management Corporation, Pratt Center for Community Development, Retail, Wholesale, and Department Store Union, Service Employees International Union, Local 32B-J, UNITE-HERE, United Food and Commercial Workers Union Local 1500

GOOD JOBS The redevelopment plan must guarantee good jobs – with responsible contractors and employers, and with a commitment that local residents can get these jobs – in every part of the project. Coney Island’s redevelopment will create as many as 25,000 (annual) construction jobs, and as many as 6,000 permanent jobs once the amusements, hotels, retail, and residential buildings are open. This presents a huge opportunity to get unemployed and underemployed Coney Island residents and other New Yorkers into living wage jobs. Thirteen percent of the neighborhood’s labor force is unemployed, as compared to 9.5% in Brooklyn and 10.7% in the City overall.

However, without guarantees, these jobs will not be quality jobs. Too often, we have seen contractors and employers that violate the health, safety, and workplace laws and standards of our City. These contractors violate wage and hour laws of the Fair Labor Standards Act, fail to pay taxes or health care or Workers Compensation, and jeopardize the health, safety, and even the lives of their workers and neighbors. Irresponsible contractors jeopardize the efficient delivery of projects, leaving them vulnerable to job stoppages and other labor disputes, sometimes leaving sites half-demolished or half-developed for years.

We want to see responsible contractors and employers who treat workers fairly while delivering and operating quality developments. We believe that hiring union is the surest way to ensure that these high standards are realized. At a minimum, the City should require developers, contractors, subcontractors, and employers – in every phase of the project – to meet the following standards:

Responsible contractor standards

- All contractors, subcontractors & employers must have a track record of successfully performing the services at issue, paying area-standard wages & benefits, and complying with applicable city, state, and federal laws, including health and safety laws, environmental laws, wage and hour laws, and antidiscrimination laws, for at least the past five years.

Wage and labor standards

- All contractors, subcontractors, tenants, subtenants, and other employers must pay prevailing or area-standard wages, for every trade and position, in every phase of the project (site prep & infrastructure, construction, long-term operations). This includes compliance with New York State Labor Law §220 and §230 and City Administrative Code §6-109.
 - All building service workers must be paid the higher of the prevailing wage and supplement rates, or the median hourly wage for all occupations in the MSA.
 - All retail workers must be paid the median hourly wage for all occupations in the MSA.
 - For jobs where area-standard wages are not defined, the City Comptroller should be empowered to research and establish wage and benefits standards.
 - Higher standards under collective bargaining agreements, or provisions under a comprehensive project labor agreement, would supersede these standards.

Labor harmony requirements

- Any business or developer which is receiving funding, operating under a concession or lease, or providing goods or services to the City or a related agency (e.g. EDC or CIDC) should be required to enter into a “labor peace agreement” with a labor organization to represent the entity’s employees and that contains provisions under which the labor

organization and its members agree to refrain from engaging in any picketing, work stoppages, boycotts, or other economic interference.

- For any efforts in designated parkland that is leased or licensed under legislation by the State of New York, the legislation should stipulate that the building and construction work is public work for the purposes of Article eight of the labor law.
- Owners of commercial space must agree to provide prior written notice of any effort to solicit grocery stores, drug stores, or other large retail stores to lease, license, purchase, or otherwise acquire space at the project to designated unions who represent these types of employees in New York City, and offer a right of first refusal to employers who have entered into collective bargaining agreements with those unions.

Hiring, training, and apprenticeships

- A comprehensive hiring and training plan must be established, operated by the City and qualified job training and placement organizations for the various positions that will be created, in which employers are required to participate. This plan will include pre-apprenticeship, apprenticeship, and job training for all relevant trades, as well as pre-employment training for low- and moderate-income individuals in Coney Island.
- At least 30% of the permanent jobs created at Coney Island should go to local residents. First priority on all programs will be given to low- and moderate-income individuals residing in Coney Island.
- Of all construction workers on the project, at least 35% must be minority, 10% women, with an affirmative plan for residents Coney Island and neighboring communities.
- All construction firms must be previously-registered participants in a New York State-certified apprenticeship program for each craft or classification of workers they employ, with a successful track record of participation in the apprenticeship program for at least three years (as per Mayoral Policy Directive of July 20, 2006).
- Employers who employ or contract for security guard services must meet the requirements of the State Office of Homeland Security Enhanced Training program.

Disclosure, reporting, and enforcement

- Specific information on anticipated wages, pensions, and benefits must be provided in the final Environmental Impact Statement, and as part of any RFP response or application to the City for public land or subsidies.
- The City must ensure that developers are bound to these responsibility standards in binding contractual agreements that require developers to publicly disclose the necessary information to ensure that these standards are met, and to take the necessary action to ensure that all operators, contractors, and subcontractors participating in the project are likewise contractually bound to comply with these standards.
- Appropriate review and oversight procedures must be in place, including “clawback” procedures, penalties, and procedures for permitting public access to public records.

AFFORDABLE HOUSING

A majority of the housing created or preserved must be affordable to low, moderate, and middle income New Yorkers – with at least half of the affordable units reserved for families at or below the median income for households in Coney Island.

Affordable housing is one of the biggest issues cited by local residents and community groups in Coney Island. Their concern is twofold: the loss of the existing affordable housing stock (due to expiring subsidy programs such as Mitchell-Lama and the phenomenon of “predatory equity”) as well as the potential for new development to create gentrification pressure that will increase the cost of housing. The Bloomberg Administration’s rezoning proposal falls far short of agreements it has reached in previous developments, such as Willets Point, 125th Street, and Greenpoint-Williamsburg. At a minimum, the plan must be changed to:

- **Utilize City-owned land for affordable housing.** Both Coney West and Coney North contain substantial areas of City-owned land. However, unlike in other rezonings where 80 to 100% of the City-owned land has been committed for affordable housing, in the Coney Island plan the City is only committing to its voluntary 20% Inclusionary Zoning plan. At least 80% of the units on City-owned land must be set aside as affordable.
- **Preserve existing affordable housing.** Given the prevalence of at-risk Mitchell-Lama, Section 8, and rent-regulated housing in the area, the City must ensure that the affordable housing plan for the area includes preservation of some of these units (through the IZ preservation program, or direct public action).
- **Increase the level of affordable housing on privately-owned land.** Because of the significant holdings and poor affordable housing track record of Taconic Investment Partners (by far the largest private landowner in the residential areas), it is critical that they make advance commitments to go beyond the City’s voluntary Inclusionary Zoning program and include more affordable units.
- **Guarantee truly affordable housing for a diverse range of families.** At least half of the affordable units should be reserved for families at or below the median income of households in Coney Island. The Willets Point and 125th Street rezonings should be used as a starting point for negotiations in establishing income and price ranges.
- **Reserve half of the affordable units for local residents** (of Community Board 13), as is standard for New York City affordable housing developments.

STRENGTHEN THE AMUSEMENTS AREA The Coney Island redevelopment plan must preserve and strengthen the “people’s playground” through an open, affordable, and vibrant amusement area, with spaces for vendors and small businesses, and investment in historic resources. Coney Island has a long history of being a working class playground, where families of all economic backgrounds can afford to recreate, and where eclectic diversity is welcomed. The “new” Coney Island must remain open and accessible to low- and moderate-income families, many of whom cannot afford to travel far beyond the city to spend their limited leisure time. And while new developments and attractions should definitely be included, Coney Island must retain the funky, outdoor, open, small business/vendor eclecticism that makes it Coney Island.

- **The amusements area should be larger, with a more substantial commitment to outdoor amusements, and guaranteed to be open to all.** The Bloomberg Administration’s initial plan committed 16 acres to the newly designated amusements area, but the revised plan only contains 9 acres. Additional space is available between Surf Avenue and the Boardwalk. In addition, there must be a stronger commitment to outdoor amusements, so that most of the area does not become enclosed. Finally, the amusements area must not be gated, and there should not be an entrance fee to gain access. Instead, “a la carte” options should be available so that people can pay for rides and amusements individually.
- **Preserve and invest in historic resources.** Coney Island has an extraordinary history, which must be recognized and preserved – and not put at risk of demolition or deterioration – in any redevelopment. The City must commit to specific investments to revitalize the Shore Theater and the New York Aquarium, and to strengthen and preserve Nathan’s, the Coney Island History Museum, and Coney Island USA.
- **Space for small businesses, vendors, and entrepreneurs.** One of the things that gives Coney Island its unique character is the wide diversity of vendors, small businesses, and outdoor pavilions. They are put at risk in the City’s plan, which would not require any businesses smaller than 2,500 square feet (many existing businesses are as small as 250 square feet), would universally allow glass storefronts in place of seasonal roll-up storefronts, and provides no dedicated space for vendors. For any commercial developments over 50,000 square feet, owners should be required to include businesses at a range of sizes, going down to 250 square feet, and should be required to have seasonal roll-up storefronts for at least 25% of their retail frontage. There should also be targets for locally-owned small businesses. The City should establish areas where seasonal vendors can operate. Finally, any small businesses that are forced to relocate should be provided with real relocation assistance.
- **Establish "formula retail" restrictions (i.e., limits on national chain stores) in Coney East.** In order to effectively promote the development of small, locally owned retail businesses in the amusements district, the City should ban or place limits on the number of national chain stores that can occupy the district, guaranteeing that a majority of the retail establishments in the amusements area are independent and locally-owned.
- **Develop an interim plan.** The City has indicated that necessary infrastructure work in the amusements area could take more than 5 years, and even longer before a new amusement park is fully open. The City must therefore develop and commit to an interim plan that provides for significant amusements as well as vendors and small businesses to be open and operating.
- **The City should share in the long-term upside.** The lease of any City-owned land should include revenue-sharing that increases the money the City receives if the project has increased revenues. These increases should be invested in strengthening the Coney Island community.

COMMUNITY AMENITIES The redevelopment plan must create much-needed public amenities for local residents of the area, including a school and a supermarket to meet local demand, and must significantly improve public transportation.

- **New school(s) to meet local needs** The plan should include at least one new public school to meet the increased demand created by the new residential development.
- **Supermarket** Coney Island has been designated by City Planning as a “food desert” – an area with little or no access to the food retail needed to maintain a healthy diet, but often served by plenty of fast food restaurants. The City should therefore require a supermarket of at least 50,000 sq ft whose primary business is comprised of the established categories of fresh produce, meats, frozen food, dairy and other perishable items and nonfood grocery products. This supermarket must meet good job standards, defined as providing wages and contributions for benefits that are no lower than those prevailing in the supermarket industry, and participate in a “first source” hiring system that links employers with community residents and low-income New Yorkers.
- **Public transportation** If more people are going to live, work, and play in Coney Island, it is essential to strengthen public transportation so they can get there. The City and the MTA must work together to establish express subway service and a bus rapid transit route connecting Coney Island to Lower Manhattan, downtown and central Brooklyn, and key points in the city’s transit network.
- **Comprehensive community plan** The City, in follow-up actions, must take a broader, more comprehensive look at the needs of the Coney Island population – not just what is in the EIS for the development area, but what the community’s needs are for schools, recreation, transportation, etc. The City should commit to a community-based planning study looking beyond the development area and should create a plan that strengthens the broader community for all residents.

How the City Can Achieve these Goals

The City of New York has the tools it needs to meet these goals:

- **Dispositions approved by the City Council** The Administration should come back to the City Council (through the ULURP process, or the accelerated UDAAP process) for the sale/disposition/lease/license of property, when there are actual developers in place, with real plans. It is appropriate for the Council to be able to sign off on specific plans proposed by real developers, and review on a site-by-site basis allows the community to understand what is moving forward and how.
- **Requests for proposals (RFPs)** for public land, leases, land disposition agreements, and subsidy contracts can and must include specific, written, contractual obligations for labor standards, affordable housing, amusements, and public amenities.
- **Zoning and parkland designation actions** can and must ensure space for small businesses and open air amusements.
- **Investments** And the City can commit, over the long-term, to invest in the infrastructure, preservation, and development projects necessary to create a strong and vibrant future for Coney Island. But it should only make those investments – of our tax dollars – if the results will truly benefit all New Yorkers.

Signatories:

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New York Jobs with Justice

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