Eric Alterman and Reed Richardson: Why Won't Congress Follow?

How the 1 Percent Rules

An elite nonprofit no one's ever heard of has turned New York into a city of tall towers and tony boulevards.

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Anyone walking around New York City, visitor or resident, might think the place had been laid out by the chaotic mind of the market. In fact, the place has been planned over the last century by monied interests, first among them the real estate developers who build and own the results of the plans, in tight alliance with local government.

If you're not clued in to those plans, you'd have little idea of the forces behind the transformation of downtown Brooklyn over the last several years. You might be surprised by the recent arrival of an Armani Exchange on the Fulton Mall, a very busy retail strip hitherto known for selling basics to the borough's working class. Look behind the A|X and you'll see a rising forest of "luxury" high-rises in a neighborhood hitherto known for low-rise buildings of modest economic aspiration. Anyone wondering how these came to be would probably answer with the all-purpose response for our time: "market forces."

Yes, markets are forceful, but they often get a lot of assistance from the state and elite nonprofit groups. I'd lived in the city for ten years before I got a good sense of how all this works. That's when I first read "Planning New York," an essay by Robert Fitch, part of a collection on the 1970s urban crisis most intensely symbolized by New York's brush with bankruptcy in 1975. Fitch's piece is a close reading of the 1929 plan devised by the Regional Plan Association for the city and its surrounding suburbs. While barely known to the general public, the RPA is one of those elite bodies—boards heavy with financiers, developers, lawyers, upscale philanthropists and politicians—that shape the world we live in. They have a reputation for public-spiritedness, which they cultivate. But there's no question about whose interests they primarily serve.

About the Author

Doug Henwood
Doug Henwood, who edits the Left Business Observer, is working on a study of the current American ruling class, whoever...

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As Fitch put it, the essence of the 1929 plan was the division of the region into Slab City—the high-rises of Manhattan—and Spread City, the suburbs that surround the city center. This was enabled by the building of a set of highways that made it possible to travel to and from the city, or comfortably around it if you were traveling elsewhere. The guiding idea was to concentrate high-end activities in the city center—finance and other fancy service businesses that could afford high rents—and move the noxious stuff out to Jersey.

The city would be reconfigured in line with this rough hierarchy: (1) financial business, (2) fancy retail, (3) fancy residential, (4) inferior retail, (5) wholesalers and, at the bottom of the list, (6) industry and working-class housing. The ultimate goal was to turn the city into one of the peaks at the commanding heights of global economic activity: finance, senior management and media.

As Fitch would later argue in *The Assassination of New York* , the deindustrialization of the city—more than 700,000 manufacturing jobs, two-thirds of the total, disappeared between 1950 and 1990, a period when national factory employment rose by more than a third—wasn't merely the product of "outside forces" like globalization and technological change. It was planned, via the influence of the RPA and other entities like the Real Estate Board of New York on the city planning apparatus. Instead of protecting manufacturing as a valuable resource using zoning and tax breaks, exactly the opposite tack was taken: zoning changes and tax breaks designed to squeeze the little factories out and replace them in accordance with the six-part hierarchy listed above.

The strategy was so successful in Manhattan that by the 1980s, planners started looking across the water for fresh opportunities. Then-Mayor Ed Koch appointed a Commission on the Year 2000—consisting of the usual cast of lawyers, bankers, developers, philanthropists and the like—to plan the transition to a new millennium. The commission published its report, grandly titled *New York Ascendant* , in 1987, the year of a great stock market crash (though not as great as 1929, the year of the RPA's plan). Among other things, it envisioned pushing the central business district out from Manhattan and across the East River into Queens (particularly Long Island City) and Brooklyn (particularly downtown). The development in these frontier zones would be more back-office than executive suite, but it would require the displacement of existing industrial properties (Long Island City) and low-end retail. Of course, planners are too discreet to use the word "displacement"; instead, *New York Ascendant* describes the agenda as one of improving the "ambiance."

* * *

Motherless Brooklyn?

The redevelopment of Long Island City is still in its early stages, but the transformation of Downtown Brooklyn (DTB) is well under way, so let's take a closer look at that. The 1987 plan wasn't the first to target the neighborhood for upscaling. The proximate origin of the idea is probably a 1983 blueprint by, yes, the Regional Plan Association, which, among other things, set the goal of turning DTB into the city's third central business district (after midtown and lower Manhattan). Though that idea had first surfaced in a 1969 master plan for the city promulgated by the administration of Mayor John Lindsay, it died in the gloom of the 1970s. Revived with the bullish turn of the early 1980s, the RPA's scheme caught the interest of Mayor Koch, who showered the neighborhood with tax breaks and other inducements for businesses to locate there. Passions for this agenda ebbed during the Giuliani era, which focused on Manhattan, but the RPA followed through with a 1996 plan that encouraged an intensified approach to the area: improving the appearance and social environment of the neighborhood, expanding the cultural district around the Brooklyn Academy of Music, upscaling retail on the Fulton Mall. With the transition from Rudy Giuliani to Michael Bloomberg, official interest in the transformation of DTB revived.

Bloomberg unveiled a plan for the neighborhood in 2003 that is pretty much coming to pass: the construction of multiple office towers and residential high-rises and snazzier retail. (With the plan came the founding of a typical real estate group in civic guise, the Downtown Brooklyn Partnership, to abet the process.) Many of these new structures are already built, but a centerpiece of the scheme, City Point, is just getting started. It will feature retail chains familiar from malls on the US mainland. It will also take the Fulton Mall, a long strip of mostly mid- and low-end retailers, up several notches in the economic hierarchy. (A city planner in Kelly Anderson and Allison Lirish Dean's marvelous documentary *My Brooklyn* describes the retail upscaling as an introduction of "diversity." But the upscaling will price out the mall's existing customers—mainly working-class African-Americans—and the planners seem to have no idea where they will shop once their familiar stores are gone.) All this is done through a powerful combination of inducements: money, tax breaks, zoning changes and, if all else fails, eminent domain. In Downtown Brooklyn, scores of retailers have already been driven out and rent-stabilized apartment buildings razed.

But the planners aren't reckless philistines just randomly piling up buildings one after the other. (They sometimes do that, too, of course.) They don't want the empty-after-dark downtowns of Sun Belt cities; they want retailing and cultural amenities that will populate the area and its surroundings at night and on weekends, and "corridors" to connect commercial and chic residential districts. They want more pedestrian-friendly streets, along with parks and other open spaces. Before we get lured into admiring their humane urban vision, the DTB plan is very clear on the reasoning behind their preferences: they're meant to "enhance the corporate addresses for new development." Even Bloomberg's creation of 260 miles of bike lanes over the last several years, as rightly popular as it is with a certain countercultural demographic, has a cynical real estate angle: bike lanes have been shown to raise property values, which is, of course, the ultimate goal of what Fitch used to call the "higher real estate consciousness."

* * *

Another Path Is Possible

Most people have no idea how these things happen, the configurations of state and private power that dominate land-use planning in New York. There are community groups and assorted activists who fight the schemes—and the broad plans are thoroughly public, even if the details of the deals are worked out in private—but little unity among them to counter the massive unity of the FIRE (Finance, Insurance and Real Estate) sector. Hearings are held—there's a classic example of one in *My Brooklyn* —but officials can barely fake the appearance of listening, because the decisions have already been made.

This physical infrastructure is meant to be populated by a specific configuration of economic sectors: at the highest end, finance and lawyering, then descending through advertising, consulting and publishing down to the arts—which, though always tenuously financed, are essential to providing the edge that makes choice urban real estate so valuable. Taking care of those elite workers requires a large number of low-end service workers in retail, restaurants and personal services like nannying. The result is an overall job-growth pattern in the city skewed dramatically toward low-wage industries [see graphic on page 18] and an extraordinarily polarized income distribution; while it's hard to compare them exactly, New York City looks to have a more unequal distribution of income than Brazil, long one of the world's inequality champions.

It would be nice if the whole process were opened up and made subject to democratic planning. Plenty of community-based plans have been done for the city, as Tom Angotti shows in his book *New York for Sale* , but they're almost always ignored in favor of the elite kind.

It's also possible to think of different macrodevelopment priorities. Not far from DTB is the Brooklyn Navy Yard. The yard, which launched its first ship in 1820, was shut in 1966. After limping through the 1970s and '80s, it began reviving in the '90s with small-scale manufacturing. Progress was slow, but over the last decade, the operation has grown dramatically. It's now home to several hundred businesses employing more than 8,600 at not-bad-if-not-great wages: manufacturers, food processors, a film studio and green businesses. Environmental sustainability is one of its central aims. Some of it is rather niche-y and mockable as Brooklyn hipster twee ("sustainable bike racks"!), but there are far worse things in life—and the Navy Yard has real economic force. Manufacturing generates far more secondary activity from suppliers than just about any other industrial sector. A recent report by the Pratt Center for Community Development puts numbers on it, estimating that the Navy Yard indirectly creates close to 1,500 jobs for every 1,000 it creates directly. The A|X couldn't say that.

Although replicating the Navy Yard wouldn't lead us into a utopia of environmentally sustainable worker-owned co-ops, it might not be a bad second-best. The yard has several unique features that have contributed to its success. One is that it's a dedicated industrial area, with fixed zoning and, since it's city-owned, insulated from attack by real estate speculators. Another is that, while it aims to turn a profit (even though it's formally a nonprofit), it reinvests the profits in upgrading the yard. It also pursues a coherent tenant recruitment strategy, focusing on industries that fit in with existing tenants and show economic promise. It can afford to be picky, because it has a long waiting list—a sign that imitations could be successful.

There are quite a few other sites around the city—in South Brooklyn, the South Bronx and Staten Island, for example—that could be suited to the Navy Yard treatment. But there's not much political push for it. Though the Bloomberg administration has been "extraordinarily supportive," in the words of Navy Yard president Andrew Kimball, its industrial heart is in high tech, which doesn't produce many working-class jobs. City Council Speaker Christine Quinn, the leading candidate to succeed Bloomberg, has championed more Navy Yards, but there aren't many others on the horizon.

Since the city is planned anyway, why not plan it to undo some of the polarization of the past few decades—and in a city surrounded by water, why not do it in an ecologically sustainable fashion?

Read all of the articles in The Nation*'s special issue on New York City.*

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Real-time updating is **paused**. (Resume)

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Marcus Schodorf

What a horrible idea to create a dense area of jobs around existing transit lines! They should have really left downtown Brooklyn to rot. As for Long Island City, the decline of New York's industrial waterfront wasn't completely down to the RPA, there was that thing called containerization. Or should they have plowed down acres of the Brooklyn waterfront (full of light industrial uses to this day, though obviously declining) to allow giant container ships to dock? That pesky Brooklyn bridge might have been in the way as well...

spijim

I left NYC in the late 90s. My family's history in Greenpoint, Park Slope and Midwood goes back 4 generations. The most frustrating thing about going back to those parts of Brooklyn (or anywhere in Manhattan) these days is that hardly anyone is from there and few people have any roots or sense of history of the city at all. Sadly, this piece furthers that trend. Aside from being a really hackneyed piece of "journalism" without a cursory understanding of the role or impact of city planning there is also no sense of American urban history over the last 60 years, let alone the 400 year urban history of NYC.

Deindustrialization was some coup by the RPA? Are you kidding me? The textile industry was abandoning southern New England for the Carolinas and Georgia as early as the 1880s. Other industries followed suit in the following decades. Two things kept industry alive in the NYC until the 1950s. WWI and WWII. That's it. Northern cities went through a period of rapid deindustrialization in the 60s and 70s and the entire country joined in through the Reagan administration while Clinton's NAFTA deal made matters even worse. Does the Nation have an editor or fact checkers . . . or someone who reads the Nation?

Downtown Brooklyn has its own history as the Central Business District of Brooklyn before Brooklyn was a borough of NYC. Neighborhoods around Downtown Brooklyn - Cobble HIll, B'klyn Heights, Park Slope were upper middle class to wealthy neighborhoods going back as far as the 1840s and The gentrification struggles of Ft. Greene were reported in the 1850s. Downtown B'klyn was the premier shopping destination in the borough until the 1950s when rapid suburbanization sucked the life out of most American cities. These neighborhoods took the same hit that all American cities did from the late 1950s to the late 1990s but the 20-30 year interlude of relative decline isn't the defining era of any of those places.

Neighborhoods change. Cities evolve. No one whines that Venice is no longer the center of the weaving industry. In an immigrant country like the US neighborhoods change from generation to generation. With improvements in technology, communication and transportation the changes become more pronounced. It's not a conspiracy - it's history in motion.

I used to subscribe to the Nation but I canceled my subscription in November of 2001 because...

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prospectparkreader

Since you mention of South Bronx, got a flier at my Church group and they are currently fighting Bloomberg, Cuomo, Diaz attempt to give the trucking company FreshDirect $130 million of public cash and tax breaks before they go bankrupt to take over the South Bronx waterfront without an Environmental Impact Statement, without a Living Wage as mandated by law and without any public access at all, sign the petition and learn more at www.boycottfreshdirect.com

Kevin Schmidt

It wasn't just in NYC. Most of the manufacturing base was stolen from the entire US, and shipped off to China and other slave wage countries, so the multinational corporations could make more blood money profits.

theshadowknows

We need more articles on this subject.

bernardo issel

Shadow, replied to you from our earlier back and forth - http://www.thenation.com/blog/...

TarynFivek

This comes across a bit as billiard-ball thinking. To divorce "market forces" from city planners, the state and non-profit organizations may lead one to think that markets are separate, distinct entities from the rest of society. The relations between markets and other actors are what give markets their force, power and meaning. Castells and Harvey have done excellent work on how capitalism has reshaped cities if anyone is interested in pursuing the subject.

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