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Coalition Vows Wage Fight Over Kingsbridge Armory Mall Proposal

By SAM DOLNICK

Bronx Borough President [Rubén Díaz Jr.](#) stood before a raucous crowd and vowed to continue fighting a “new revolution.”

“You cannot mess with us anymore,” he yelled. “You want to do business, we can do business, but business has to be good for everybody.”

Mr. Díaz wound up his [speech](#), at the annual meeting of the [Northwest Bronx Community and Clergy Coalition](#), to cheering that drowned out his words. He spoke just days after the [City Planning Commission](#) voted last month to approve the very development plan he hoped to change.

Mr. Díaz has become the loudest voice in a high-profile fight against the plan, a \$310 million proposal to build a new shopping mall at the [Kingsbridge Armory](#), a soaring red-brick castle in the northwestern Bronx that has sat vacant for over a decade.

The dispute has escalated as the plan has moved forward, with the commission’s 8-to-4 vote leading to a public hearing before the City Council’s Land Use Committee set for Tuesday. But if the armory battle has become a high-stakes stare-down over wages at the mall, neither side is showing any sign of blinking.

A coalition of political, religious, labor and local leaders has demanded that every new job at the Armory offer a “living wage” — \$11.50 an hour, or \$10 with benefits, compared with the minimum wage of \$7.25 an hour. They argue that since the developer, [Related Companies](#), will receive millions in tax breaks and incentives for the project, some of those benefits should be passed on to the community.

However, a pledge to pay more than the market rate would be a death sentence for the project, said [Jesse Masyr](#), a lawyer for Related, because prospective tenants “can move 60 feet across the

street and not have any of these restrictions.” Related would abandon the project if it faced such a requirement, he said.

The coalition, known as the [Kingsbridge Armory Redevelopment Alliance](#), acknowledges that the Bronx desperately needs jobs: The borough’s unemployment rate is 13.3 percent, the highest in the state. But members of the alliance say they would rather sink the mall, losing 1,000 construction jobs and 1,200 permanent jobs, and wait for another plan than see local residents accept minimum wage without benefits.

“We don’t want them to bring in employers who are going to pay wages that keep people in poverty,” said Stuart Appelbaum, president of the national [Retail, Wholesale and Department Store Union](#), and a member of the coalition. “When the government invests the city’s funds into the project, we have the right to expect something in return.”

Nearly 200 cities already require developers using public money to pay more than the minimum wage, though the salaries vary from project to project, said Peter Dreier, a professor at Occidental College in Los Angeles who has studied wage issues. He said businesses generally do not suffer as a result.

“In every city in the country with living-wage laws, developers claim that this will kill their project, but they’re just crying wolf,” Professor Dreier said. “There’s no evidence at all that living-wage laws have a negative impact on specific businesses or the larger business climate.”

The [International Council of Shopping Centers](#), however, sent a letter to local officials arguing against the living-wage requirement, saying it would make the Armory “uncompetitive and unfeasible to national retailers.”

The wage issue is the most prominent piece of the community benefits agreement that the coalition is pushing Related to sign. Other measures in the agreement call for recreation space, space for nonprofits, a traffic mitigation plan and a pledge to keep out a grocery store, which could compete with nearby businesses. Mr. Masyr said that while Related was negotiating the terms of the agreement, it would not budge on the living-wage issue. Meanwhile, both sides in the dispute are working hard to recruit the eight Bronx council members to their side before the Council vote.

The struggle is colored by residual anger over community benefits agreements signed in connection with the new [Yankee Stadium](#) and the nearby Gateway Mall, also built by Related,

that critics called weak and overly accommodating to the developers. Those deals were negotiated during the tenure of Mr. Díaz's predecessor, [Adolfo Carrión Jr.](#)

Related argues that redeveloping the Kingsbridge Armory — a federal, state and city landmark — will bring new vitality to the working-class neighborhood. They point to a city-sponsored analysis showing that the armory would earn the city about \$86 million over 30 years in taxes.

Related would receive \$17.8 million in sales and real [estate tax](#) exemptions, as well as nearly \$50 million in federal and state historic tax credits available for the restoration of any structure designated as a landmark.

Jonathan Bowles, director of the [Center for an Urban Future](#), says that because Related will receive public money, it should be required to offer some public benefits. But, he said: "I still don't think the city should be setting wage levels for retailers. I think there is a possibility that this could put the retailers there at a competitive disadvantage."

Neighborhood advocates for the higher wages say they are not giving up.

"This is a fight where a community wants to decide for itself what we should have in the armory, and not have a developer coming in and telling us what they're going to do for us and how we should be grateful," said Desiree Pilgrim-Hunter, a 25-year Kingsbridge resident who has spent more than a decade pushing to develop the nine-story armory building.

The strong local opposition comes as something of a surprise. Before the city selected Related to develop the armory, a task force of local residents and activists compared proposals without knowing who the developers were, and also chose Related. The other two proposals offered fewer retail options and more parking problems, among other issues.

Related also offered to pay \$5 million for the armory, a higher offer than any competing bids, according to the city's [Economic Development Corporation](#).

Ms. Pilgrim-Hunter, a member of the local group that selected Related, said she felt its plan was the least bad option on the table, but she now thinks it might have been better to withhold endorsement altogether.

"For me it's very upsetting," Ms. Pilgrim-Hunter said. "I'm still pushing for the redevelopment of the Kingsbridge Armory — just not their way."