THE BLOOMBERG WAY:

DEVELOPMENT POLITICS, URBAN IDEOLOGY, AND CLASS TRANSFORMATION IN CONTEMPORARY NEW YORK CITY

by

JULIAN BRASH

A dissertation submitted to the Graduate Faculty in Anthropology in partial fulfillment of the requirements for the degree of Doctor of Philosophy, The City University of New York

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Date	Neil Smith, PhD. Chair of Examining Committee
Date	Louise, Lennihan, PhD. Executive Officer

Michael Blim, PhD

David Harvey, PhD

Ida Susser, PhD
Supervision Committee

Gary McDonogh, PhD
Outside Reader

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Abstract

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by

Julian Brash

Advisor: Professor Neil Smith

This dissertation explores the links between a development project, a particular urban ideology, and processes of class transformation in contemporary New York City. The city's postindustrial transformation, especially since the 1970s fiscal crisis, has created a newly dominant corporate elite consisting of executives and high-level professionals. This ruling class alliance has begun to supersede the city's older, real estate-centered traditional growth coalition, as emblematized by the political rise of billionaire ex-CEO Michael Bloomberg. Mayor Bloomberg, along with other ex-corporate executives in his administration, implemented a private-sector inspired corporate, technocratic, and antipolitical approach to governance in general and urban and economic development policy in particular. The Bloomberg Way, as I call this approach, entailed an embrace of competitiveness and conceptualized the city government as a corporation, businesses as clients, and the city itself as a product to be branded. The centerpiece of the development strategy inspired by the Boomberg Way was the Hudson Yards plan, a comprehensive plan for the far west side of Manhattan originally developed as part of the city's bid for the 2012 Summer Olympics. I explore the effectiveness of the Bloomberg Way in generating political support and governmental approval for various elements of the Hudson Yards plan. While portions of the Hudson Yards plan were approved, others,

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most notably a far west side Olympic stadium, were not. To the degree that the plan did gain support and approval it was in spite of the antipolitical Bloomberg Way, which proved ill-suited to the contentious realities of New York City development politics; more important were pre-existing reservoirs of political support among the members of the city's traditional growth coalition and efforts at constituency-building by administration allies. I conclude that while this plan was largely a political failure, the Bloomberg administration learned important lessons from this failure, which actually allowed Mayor Bloomberg to expand his political support and consolidate his position of leadership. This dissertation has implications for broader understandings of urban neoliberalism and governance, especially in cities in which corporate elites are assuming positions of political leadership and are drawing on their corporate experience in governing.

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It is only after producing a work such as this that one full realizes how fundamentally misconceived the notion of sole authorship is. While the ultimate responsible for the arguments and data, along with any errors or misconceptions, herein lies with me, this work would have been literally impossible and inconceivable without the support of various kinds provided by literally dozens of people.

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Chapter 1: Introduction

I. Introduction

The morning of July 6, 2005 – the day on which the International Olympic Committee (IOC), meeting in Singapore, would select the city that would host the 2012 Summer Olympic Games – dawned gray and rainy in New York City. A crowd of a few hundred people gathered in Rockefeller Center in midtown Manhattan, their attention focused on a giant video screen depicting the IOC's meeting. A few hearty souls, mostly volunteers and employees of NYC2012, the private organization that had developed the city's bid, had been there all night, drawn by food, music, and the prospect of watching Deputy Mayor Daniel Doctoroff and Mayor Michael Bloomberg make their final presentation of the city's bid by video link at approximately one in the morning. As the sun rose behind the clouds, they were joined by a few hundred onlookers: most were members of the press, although a handful of tourists and Olympics devotees also had straggled in.

The IOC voting began at 6:24 A.M., New York time.[1] Moscow was eliminated first, as had been expected. A few minutes passed as the IOC members cast their second round of votes. Most expected that Madrid would be eliminated next; the atmosphere in Rockefeller remained festive. So when the IOC President Jacque Rogge stepped to the podium and announced that New York City had been eliminated from the competition for the 2012 Summer Games, the shock in Rockefeller Center was palpable. Tears and hanging heads quickly followed. While Paris and London were favored to receive the

[1] The IOC is the international body that runs the Olympic movement and selects the host cities for the Olympic Games. The IOC's voting proceeds in rounds, which the lowest vote getter in each round eliminated. IOC members who had cast their ballots for the eliminated city can then switch votes in the subsequent round.

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Games, most expected New York to at least finish third in the balloting. Having Madrid finish closer in the rankings to New York's sister global cities added insult to the month-earlier injury of an obscure New York State board's ignominious rejection of the funding for the New York Sports and Convention Center (NYSCC), the Olympic stadium proposed by the Bloomberg administration and NYC2012 for the far west side of Manhattan.

Much of the Rockefeller Center crowd quickly dispersed, leaving behind forlorn NYC2012 employees and volunteers and television camera crews providing reports for the morning news until the announcement that London had received the 2012 Games was made at 7:50 A.M. By 9:00 A.M., only the video screen, chairs, and NYC2012 workers cleaning up the area remained. Outside Rockefeller Center, the work day started and went on as would any other summer Tuesday: workers flowed into midtown, taxis filled the streets, city life went on. More than a decade after Daniel Doctoroff was struck with the vision of a 2012 New York Olympic Games while sitting in the packed stands of a New Jersey World Cup soccer game, the city's bid went out without even much of a fizzle, let alone a bang.

Meanwhile, in London, Paris, Madrid, and Moscow, thousands of people gathered in these cities' great public spaces in anticipation of the IOC's announcement. Large crowds packed London's Trafalgar Square; Paris' city hall, *L'Hotel de Ville*; Madrid's *Plaza Mayor*; and Moscow's Red Square, where cheering Muscovites continued entering the Square even well after the first round of voting, unaware their city had already been eliminated. It was afternoon in these cities, and crowds had been assembling all morning – indeed, since before dawn in Madrid and Paris, where small groups unable to get close

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enough to see the video screens gathered around radios at the margin of the crowd. Hours of public celebration in Trafalgar Square followed London's victory. Conversely, Paris' defeat at the hands of its cross-Channel rival (a defeat made all the more bitter due to these countries having taken opposed positions on the Iraq War, whose international unpopularity had played a major role in predictions that anti-war France would received the Games over the United States and Britain) led to shock and dismay: stunned Parisians wandered the city center, tears streaking the *tricolores* many had painted on their cheeks.

To put it simply, it seemed that Parisians, Londoners, Muscovites, and Madrileños actually cared about their cities' Olympic bids, at least enough to generate large crowds on July 6, 2005.[2] On the other hand, New Yorkers – as demonstrated both by the sparse crowd at Rockefeller Center and by poll results that consistently showed the city's support for the Games lagging behind those of its rivals – were at best faintly supportive, if not indifferent, to the fate of their city's bid.[3] And, really, who could blame them? The Olympic bid and plan had been conceived, designed, funded, and operated in private by a small group of New Yorkers consisting mostly of corporate executives, elite planners, real estate developers, and political insiders. While this privatism was touted as a boon for the city, it in fact had proven the bid's fatal flaw. Neither the NYC2012 marketing

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[2] At the Time, Adam Gopnik wrote in the *New Yorker*:

> To a degree that was almost touching in its excess, people in Paris seemed convinced that France had a lock on the games, and, even stranger, they actually seemed to *care* — as though the fate of the most beautiful of cities were balanced on the question of whether or not a group of international bureaucrats would give it permission to host a two-week track meet seven years from now… …When the name "London" was announced, a punch-in-the-stomach silence struck Paris (Gopnik 2005, 36-37).

[3] See Saul 2005a.

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campaign that blanketed the city with images of the group's logo and posters containing inspirational slogans touting the city's competitive spirit, diversity, and cosmopolitanism nor the efforts of the Bloomberg administration and NYC2012 to mobilize a kind of urban patriotism in support of the bid and its elements could overcome the fact that bid's stewards had never sought widespread public participation in its design or the development priorities that informed it; in fact, they had actively worked to minimize legislative review of key elements of the bid, most notably the NYSCC. NYC2012 did not solicit the opinion of most New Yorkers interested or engaged in development issues, let alone the broader citizenry, until *after* the shape of the bid was already determined in private by NYC2012's planners. Even then, when objections were raised – again, most notably to the NYSCC – these objections were dismissed, ignored, or belittled. Those who made them tarred as anti-Olympics, anti-development, anti-jobs, or worse, anti-New York City: as ignorant of or blind to the imperatives of the city's economic growth and prosperity. Given all this, it was hardly a surprise that New Yorkers, many of whom, as we shall see, regarded themselves as savvy, sophisticated, and knowledgeable of urban issues, would find celebrity-filled television ads and inspirational rhetoric a poor substitute for participation in the process of developing an Olympic plan, especially when the plan that was eventually produced clearly reflected the economic interests and urban visions of an elite and unrepresentative group of New Yorkers. It should not have been a surprise to anyone that only a handful of New Yorkers without a direct stake in the bid showed up at Rockefeller Center on the morning of July 6, 2005.

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II. The Transitional Olympic Bid

New York City's Olympic bid represented many things to many people. To some it was an expression of the city's greatest qualities: internationalism, fair competition, and ambition. To others it was viewed as irrelevant, or worse, an effort to bring an event to the city that could only result in two weeks of gridlock and inconvenience. To still others it served as a "forcing mechanism" for a series of development projects that had been on hold for years. However, in this work I will demonstrate that the bid represented something else, something potentially more significant than any of these things. The Olympic bid – the substance of the bid itself, NYC2012 as an organization, and the period of time (1994 to 2005) during which the bid was extant – represented a bridge between a well-established local "ruling-class alliance" centered on the political and economic power of the local real estate industry, and an emergent ruling-class alliance centered on the political and economic power of the city's "new corporate elite" – consisting of both capitalists and professionals – that led and staffed the upper reaches of the financial, media, and information technology industries which came to dominate the city's political economy in the years since the city's fiscal crisis of the mid-1970s (Harvey 1989b, 125-164). Drawing on the work of John Logan and Harvey Molotch (1987), I call this older political formation the city's "traditional growth coalition."

Daniel Doctoroff, the high-flying financier who founded the city's Olympic bid and later went on the serve as a powerful Deputy Mayor in the administration of Mayor Michael Bloomberg, served as a crucial transitional figure, a man who despite his membership in this new corporate elite had important links to powerful members of the city's traditional growth coalition. However, it was Michael Bloomberg, the billionaire

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ex-CEO of Bloomberg LP, whose business lay at the intersection of finance, media, and information technology and who ushered into City Hall a corporate, technocratic, and ultimately antipolitical approach to urban governance derived form his own experience as a corporate executive, who emerged as the true political leader of this emergent ruling-class alliance. Bloomberg, along with Doctoroff and other key members of his administration, developed and attempted to implement an urban and economic development agenda based that was informed in fundamental ways by the economic interests of the city's high-value added corporate sector, by certain corporate branding and managerial practices imported into the public sector, and by a particular vision of the city that was shaped by the particularities of their experience and class background.

As I will demonstrate, this agenda, which I call "the Bloomberg Way," differed in fundamental ways from the one embraced by the city's traditional growth coalition, most notably in its proposition that the value garnered from a New York City business location trumped the high cost of doing business there, a proposition which turned almost three decades of received development wisdom on its head. When Bloomberg came into office in early 2002, he would embrace the Olympic bid, which in its early stages was conceived as a means to implement the development agenda of the city's traditional growth coalition. However, in doing so, the new mayor placed the bid – and its most important element, the Hudson Yards plan for the redevelopment of Manhattan's far west side – in the context of his own novel approach to economic and urban development. While these two approaches to the Olympic bid – and to development more widely and the Hudson Yards plan more narrowly – were united in their embrace of privatism and rejection of public participation, they differed in an important way: while the approach of

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the city's traditional growth coalition sought to *evade* or *co-opt* political opposition, the antipolitical Bloomberg Way *denied* the legitimacy of political opposition altogether.

The Hudson Yards plan would become the most important element of the Bloomberg Way – both its keystone and a microcosm of the entire approach – and the Bloomberg administration's efforts to develop a financing plan for the project, generate support for the plan, and achieve the necessary approvals of its elements from 2002 to 2005 would serve as the first great test of the political efficacy of the Bloomberg Way. These efforts would largely fail, though the result represented an odd kind of failure: shortly after important elements of the plan and the Olympic bid all met their demise, Bloomberg would be overwhelmingly reelected to a second term as Mayor. Moreover, certain parts of the plan would be successfully approved – though largely despite of rather than because of the Bloomberg Way. This mix of success and failure provides insights into the strengths and vulnerabilities of this approach to urban governance. In particular, it brings to light its fundamental contradiction: the Bloomberg Way was both deeply *political*, rooted in processes of class succession in the city and privileging the interests, experience, and values of certain class fractions at the expense of others even as it espoused an *antipolitical* stance that delegitimized the expression of, and at times denied the existence of, deep political divisions among the citizens of New York City. This mix of success and failure also provides a way to gauge the degree to which the new corporate elite had in fact superseded the city's traditional growth coalition as the dominant class alliance in the city.

This work then explores the relationships between three phenomena: a *particular development project* – the Hudson Yards plan – in terms of both the historical and

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technical details of its formulation and the conflict it generated; broader *development strategies* considered as both citywide policy approaches and as expressions of particular "urban ideologies," by which I mean visions and claims that are both normative and empirical in nature, visions and claims that both make assertions about both how the city does work and how it should work; and finally, particular *ruling class alliances*, dominant cross-class coalitions of elites whose commitments and interests in the city are mediated in important ways by their economic interests and biographical experience. The period from 1994 to 2001 saw the Hudson Yards plan developed in accordance with one development strategy – postindustrialism – that expressed the interests, visions, and experiences of a particular ruling class alliance – the city's traditional growth coalition; as of 2002, when Mayor Bloomberg took office, the plan was subsumed by a very different development strategy – the Bloomberg Way – that expressed the visions, interests, and experiences of an emergent ruling class alliance, the city's new corporate elite. While the exact class composition of the new corporate elite and the degree and permanence of its dominance remain somewhat unclear, it *is* clear that the development strategy that Mayor Bloomberg and his key administration officials brought into City Hall did represent something radical and new, and that it did draw in crucial ways upon the ideology and experiences of both high-level corporate executives and well-paid, well-educated professionals.

III. The Post-Fiscal Crisis Consensus, Urban Neoliberalism, and the Bloomberg Way

This in a nutshell is the story this work seeks to tell. In doing so, it primarily builds on – and hopefully contributes to – two sets of literature: scholarship on the political economy of post-fiscal crisis New York City, and literature on the mode of

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urban governance that has become to be called "urban neoliberalism." These two literatures lie in a somewhat uneasy relationship with each other. While not ignoring broader structural factors, the post-fiscal crisis scholarship tends to focus on local context – New York City's history, politics, and economy; the literature on urban neoliberalism, while not ignoring the importance of local context and variation, tends to privilege the commonalities of this mode of urban governance, and to paint urban neoliberalism as an overarching restructuring process.

A. The Scholarship of the Post-Fiscal Crisis Consensus

New York City's fall into technical bankruptcy in 1975 and the subsequent bailout of the city government by an elite group of real estate developers, government officials, bankers and other corporate executives provided city elites with an opportunity to remake a social democratic post-World War II political economy underwritten by an uneasy accommodation between the city's financial and real estate industries on one hand, and welfare rights organizations, social advocates, and above all unions on the other. Using their control over capital and the local and state governments, these elites imposed a regime of fiscal austerity and local welfare state retrenchment, and made the case for "a series of self-evident necessities – a balanced city budget, a more attractive climate for business, [and] a paring down of social benefits," as Joshua Freeman writes in his indispensable history of post-World War II New York (2000, 291).[4] But it was not just a generic "good business climate" that was the goal here, but rather a good climate for the postindustrial, office-based, "global" sectors – and perhaps more importantly, for

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[4] See Alcaly and Mermelstein 1977; Brash 2003, 2004; Lichten 1986; Newfield and DuBrul 1981; Tabb 1982.

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the construction of the office towers that would house those sectors and the luxury residences that would house their well-paid professional employees. As Roger Sanjek has noted, in the difficult fiscal and economic climate of the early 1970s, the postindustrial agenda of what he terms the "permanent government," and which I dub the city's traditional growth coalition, "require[d] more than just market forces. It…require[d] tax forgiveness and new subsidies from the city budget, which would mean austerity for neighborhood New York" (1998, 89). The fiscal crisis – and the "self-evident necessities" it established – represented a victory for the city's traditional growth coalition over those who had blocked its political dominance and the reorientation of city government policy towards its interests.

It is important to emphasize, as do Sanjek (1998, 88) and Robert Fitch (1993) that the post-fiscal crisis consensus actually has a longer pedigree, one that be traced back to the 1960s, as Sanjek does, or as far back as the 1920s, as Fitch does. But what the work of Freeman, Fitch, and Sanjek all shares – along with that of many others – is the notion that the fiscal crisis of the 1970s served as crucial turning point, during which a *local* coalition of real estate developers, conservative ideologues, and corporate executives "saw an opportunity to restructure New York along lines more [to] their liking than those drawn by decades of liberalism and labor action" (Freeman 2000, 258).

The policies ostensibly necessitated by the fiscal crisis quickly hardened into what Freeman calls New York City's "post-fiscal crisis consensus:" the idea that "city government best served the populace by creating a pro-business climate through tax breaks, zoning and spending priorities" – which generally have as their aim the lowering of the cost of doing business in New York City – as well as through "a paring down of

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social benefits" (Freeman 2000, 324,291). To this mix one might add punitive welfare reform and criminal justice policies aimed at rendering the New York's poor and working classes docile, marginal, and invisible, policies that Neil Smith has dubbed "revanchism" (1996, 210-232).[5]

From the time of the fiscal crisis itself, a number of New York-based scholars have documented the construction, maintenance, and effects of post-fiscal crisis policies of social policy retrenchment, fiscal austerity, and business-friendliness. What unites this work – what we might call the literature of New York's post-fiscal crisis consensus – is an emphasis on local politics and power relations. Ida Susser (1982) and Jagna Sharff (1998) produced two early ethnographies that dealt with the impacts of, and in Susser's case, the conflict over, these policies during the fiscal crisis and its immediate aftermath, specifically as they played out in poor and working class neighborhoods in Manhattan and Brooklyn. This focus on the deleterious effects of the post-fiscal crisis policy on New York's poor and working classes continued in Susser's work (1999), along with that of Leith Mullings (Mullings 2001; Mullings and Wali 2001) and others (Bourgois 1995; Sanjek 1998). Mullings, along with Steven Gregory (1998) has recorded the racialized nature of post-fiscal crisis austerity; others have recorded the contradictory effects of the massive post-fiscal crisis influx of immigrants into the city, which has resulted in both neighborhood revitalization and increasing inequality (Foner 2001; Kasinitz 1992; Sanjek 1998; Stoller 2002). More to the point, the implications of the post-fiscal crisis for urban development policy has been explored in great depth,

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[5] As I have argued elsewhere (Brash 2004, 98), this was primarily an elite consensus rather than one spanning the breadth of the city's population. Nevertheless, Freeman's phrase nevertheless captures well the self-evident and largely unchallenged quality of this heavily ideological set of policy prescriptions.

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particularly in studies of the gentrification process. Such work has demonstrated the complicity of real estate capital and the local government in "upscaling" many of the city's residential districts (Abu-Lughod 1994; Hackworth 2002; Mele 200; Smith 1996; Smith and Williams 1986; Zukin 1989). Others have studied post-fiscal crisis commercial development, including office, cultural, and retail development (Fainstein 2001a; Sorkin 1992; Zukin 1995).

Taken in their totality, these works provide a rich, multi-dimensional, and compelling portrait of post-fiscal crisis New York, illustrating how the policies of the post-fiscal crisis consensus have been constructed, contested, and experienced in the neighborhoods and streets of the city. However, while these studies do not neglect the city's elite – whether real estate developers, city government officials, or whatever – their focus has primarily been on particular communities or groups of people; when elites do appear, they tend to do so in the contexts of particular projects, conflicts, or policy interventions. With the exception of Fainstein's (2001a) and Schachtman's (2000) portraits of the real estate industry and Fitch's (1993) study of the relationship between urban planners and real estate developers, New York City's post-fiscal crisis elite has not been the subject of the kind of intensive study and social analysis that, for example, Rutheiser (1996) provided of Atlanta or McDonogh (1986) provided of Barcelona. One of the tasks this work sets out to accomplish is to provide such a "social history of power," (McDonogh 1986): a history of the traditional growth coalition that was the bearer and immediate beneficiary of the post fiscal crisis consensus, but also of the political emergence and of a new New York-based elite group that has found a home – economic, cultural, social, and political – in the urban environment the post-fiscal crisis

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consensus has created. Whereas many of the works I have described attend to elites when they come into contact with the non-elites who are their primary focus, in this case this formula is reversed: this work is primarily, though not solely, focused on the machinations, ideologies, and practices of city elites, and non-elites will be primarily considered in terms of the ways in which their actions impacted elite projects. This is not to discount the important role non-elites played in the events I describe in the chapters that follow; nor is it to neglect the fact that many of these people enunciated their own normative visions of New York City and their own ideas about urban and economic development policy. To the contrary, the leadership and membership of the far west side community in particular played a crucial role in the debate over the Hudson Yards plan. Nevertheless, while I do share with scholars of post-fiscal crisis New York a commitment to outlining the contemporary political economy of New York in detail and in relation to the city's particular historical, political, and economic context, I part ways with many of them in that I am "studying up" (Nader 1972).

B. From the Post-Fiscal Crisis Consensus to Urban Neoliberalism

While scholars of the post-fiscal crisis consensus have done much to illuminate local politics and power relations in New York City, scholars of neoliberalism have documented and analyzed the spread of the kind of business-friendly and welfare-state-unfriendly policies seen in the past three decades in New York City across time and space. As Jamie Peck notes, neoliberalism is "a perplexingly amorphous political economic phenomenon" that operates at a number of scales and made up of "a series of institutionally mediated and geopolitically specific hybrids" that are characterized more by family resemblance than by hewing to a single, exemplary model (2004, 394-395).

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Nevertheless, we can say that various neoliberalisms do share certain commonalities, which encompass economic discourse (the depoliticization and "renaturalization" of market relations and their globalization); a recasting of market-state relations, with a generalized and often contradictory move towards both privatization and competitiveness, the latter of which often entails more "interventionist" approaches on the part of the state,; a shift from government to governance, as traditional state functions are moved into the private or non-profit sectors; the "financialization" of economies and everyday life; and new modes of subject formation, as individuals are encouraged to become self-actualizing free agents able to exercise their own market freedoms.[6] However, as David Harvey notes, the "evidence strongly suggests that the neoliberal turn is in some way and to some degree associated with the restoration or reconstruction of the power of economic elites" (2005, 19); Peck echoes this appraisal of neoliberalism as an explicitly *political* project when he writes that "the neoliberal script suggestively encompasses a wide range of proactive state strategies designed to refashion state-economy relations around a new constellation of elite, managerial, and financial interests" (2004, 396).

Turning to the workings of neoliberalism on the specifically urban scale, we can see many of the characteristics of neoliberalism in general at work in cities. As Harvey notes in a seminal 1989 essay, since the 1970s the same larger macro-economic, technological, and political shifts that constitute the neoliberal turn writ large have

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[6] For general discussions of neoliberalism, see Brenner and Theodore 2002; Comaroff and Comaroff 2001; Dumenil and Levy 2004; George 2000; Harvey 2005; Larner 2000, 2003; Peck and Tickell 2002. On the growth of "governance," see Jessop 1998; Trouillot 2001. On neoliberal statecraft, see Ferguson and Gupta 2002; Isin 1998; Osborne and Rose 1998. On the financialization of everyday life, see Martin 2002; Williams 2001. On neoliberal subject formation, see Goldstein 2001; Hyatt 2001; Rose 1999. On neoliberal ideology and discourse, see Blyth 2002; Bourdieu and Wacquant 2001.

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resulted in cities becoming increasingly "embedded in a framework of zero-sum inter-urban competition for resources, jobs, and capital" (2001, 349). To cope with this situation, Harvey writes, cities have turned towards more proactive and "entrepreneurial" approaches to economic development, moving away from earlier "managerial" approaches that emphasized redistribution and support for mass consumption in order to paper over potential class conflicts (1989b, 34-43). More recently, Peck and Adam Tickell have described entrepreneurialism, which they along with others have dubbed "urban neoliberalism," as a "'growth-first' approach to urban development, reconstituting social-welfarist arrangements as anticompetitive costs and rendering issues of redistribution and social investment as antagonistic to the overriding objectives of *economic* development" (2002, 394). This focus on economic development in cities has often been paired with punitive approaches to crime, poverty and urban disorder, as well as with a growing tendency for non-state or quasi-state organizations to assume functions formerly performed by government.[7] However, even these aspects of urban neoliberalism tend to be justified in terms of interurban competition: by the need for the orderly and safe environment that economic activity requires and by the creation of a more efficient, "streamlined," and thus more competitive local government.

However, Peck and Tickell refine this picture somewhat by focusing on processes of change, on the "mutations of neoliberalism" (2002, 387). They argue that the 1970s and 1980s saw the emergence of what they call "roll-back" neoliberalism, a process of deregulation, "marketization," and the uprooting of social programs and the welfare state

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[7] On the punitive aspects of urban neoliberalism, see Goldstein 2001; Goode and Maskovsky 2001; Hyatt 2001; Smith 1996. On urban governance, see Jessop 2002.

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that targeted unions, social policy advocates, left-of-center political parties, the "undeserving" poor and other institutions and social groupings who were ostensibly standing in the way of economic progress (2002, 387-388). The 1990s, on the other hand, saw the emergence of what they call "roll-out" neoliberalism, as the "neoliberal project itself gradually metamorphosed into more socially interventionist and ameliorative forms" and became characterized by "new forms of institution-building and governmental intervention," at least in part in response to the manifest failures of earlier neoliberal policy to increase urban competitiveness or political quietude (2002, 388, 389). Peck and Tickell highlight welfare reform, penal policy, and new processes of technocratic economic management as defining features of this new mutation of neoliberalism, which is notable for its creative or positive aspects: it emphasizes the construction of new state and institutional and new forms of sociality, most notably the re-embedding of a new active, neoliberal individual into society and the market and an emphasis on "community" (Rose 1999). This sociality that contrasts sharply with the radical individuation and disembedding of the individual from social obligations summarized by Margaret Thatcher's claim that "there is no such thing as society."

C. From Urban Neoliberalism in Post-Fiscal Crisis New York to the Bloomberg Way

There are strong parallels between both of the "mutations" of urban neoliberalism that Peck and Tickell describe and the evolution New York's post-fiscal crisis consensus. "Roll-back" neoliberalism's emphasis on achieving competitiveness through deregulation, business-friendliness, and fiscal austerity corresponds with the centrality of tax-cutting, local welfare state cutbacks, zoning incentives, and various forms of business

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subsidization that have characterized post-fiscal crisis economic and urban development policy in New York City. The centrality of penal and social policy "reform" to "roll-out" neoliberalism is echoed in particular in the high priority the 1994-2002 Mayoral administration of Rudolph Giuliani placed on fighting crime – or, more accurately, on producing a sense of urban order – and reengineering the local welfare state.

In his study of post-fiscal crisis New York, which straddles the post-fiscal crisis literature and the urban neoliberalism literature, William Sites notes these parallels. Sites focuses primarily on the *destructive* nature of neoliberal state interventions in post-fiscal crisis New York, writing that they have resulted "less [in]…creating new forms of political and social regulation to sustain economic development than [in] breaking down social obligations that might stand in the way of short-term economic activity" (2003, 3). Whether or not the reengineering of the city's welfare system and reducing urban disorder should be considered solely destructive is questionable, since welfare reform, as a number of anthropologists studying welfare have noted, is as much concerned with producing new forms of subjectivity among the poor and new forms of relations between the individual, the labor market, and the state, as it is with dismantling older social guarantees.[8] Nevertheless, Sites' argument that neoliberal policy in post-fiscal crisis New York has primarily been destructive is basically correct, especially in terms of economic development policy: until 2002, the city had seen none of the kind of institutional or policy innovation that Peck and Tickell describe as endemic to economic

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[8] See Brash 2006, along with Goldstein 2001; Hyatt 2001; Kingfisher 2001.

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development and efforts to enhance local competitiveness under "roll-out" neoliberalism.[9]

However, the administration of Michael Bloomberg would change that. Drawing on the corporate experience of the Mayor and his key aides, between 2002 and 2005 the Bloomberg administration would develop and attempt to implement an economic and urban development agenda that departed in important ways from the post-fiscal crisis consensus: in its proactive nature, in its coherence and comprehensiveness, and perhaps most crucially in its assertion that the *value* New York City offered as a place to do business was far more important than its high *cost*. Moreover, this agenda – the Bloomberg Way – represented an organizational and ideological innovation as well, insofar as the administration explicitly conceived of the city government as a corporation, businesses as clients, and the city itself as a product to be branded and marketed.

However, the Bloomberg Way was premised on the idea that only certain businesses and sectors were truly able to benefit from the formula of value and cost inherent in a New York City location. And it was no coincidence that these businesses

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[9] A number of other scholars and economic development experts have noted or advocated for the construction of more proactive approaches to economic development policy as well as the creation of new institutions to develop and implement such policy. Often, this is characterized as a shift from a "low road" strategy of competing by lowering the cost of doing business through tax subsidies, reduced taxes, public service cutbacks, and/or punitive labor practices to a "high road" approach: a "model of state-capital partnership [in which] the state actively invests in physical and human capital while targeting the emergence of strategic growth sectors" (Barrow 1993, 177). Richard Florida, for example, advocates a shift in the focus of economic development strategy "from low cost to high quality" in order to construct an urban environment attractive to the talented members of the "creative class" (Florida 2001; Florida 2002). Likewise, Peter Eisinger advocates an "entrepreneurial" approach in which the state works in partnership with local firms in targeted growth sectors by providing not only subsidies but also by providing a whole range of support, from venture capital to the financing basic research. While these "high-road" strategies tend to have a more progressive flavor, they still are deeply neoliberal in that they are premised on the idea that interurban competition is the central structuring fact of urban development policy as well as largely ignoring issues of redistribution or social justice – and even when they do not ignore these factors, they are often validated only in that they may bolster competitiveness. See Economic and Social Research Council n.d.; Fainstein 2001b; Harloe 2001; Pahl 2001; Regional Plan Association 1996.

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and sectors were largely identical with the ones from which Bloomberg and his key aides were drawn, as well as the ones that the extra-governmental organizations that aided in the development of the Bloomberg Way represented: the high-value added financial, media, and information technology firms that had experienced such growth and prosperity in post-fiscal crisis New York. The leadership and upper-level staff of these globalized firms and sectors constituted a well-educated, professionalized, cosmopolitan, and ambitious elite – the new corporate elite – which had been drawn to and thrived in post-fiscal crisis New York, as the efforts of the city's traditional growth coalition to reshape both the city's economy and built environment, no longer encumbered by the demands of purportedly greedy unions, welfare advocates, and liberal politicians, were unleashed in the decades following the fiscal crisis of the 1970s.

Thus, the post-fiscal crisis success of the city's traditional growth coalition in creating a postindustrial New York City had, ironically enough, led to the development of a new, wealthy and confident corporate elite composed of both executives and professionals, who by the turn of the twentieth-first century, were ready to convert the fruits of their economic success into political leadership. Michael Bloomberg's 2001 campaign for mayor represented a seminal moment in New York City's recent history: the political emergence of the city's new corporate elite. Less certainly, it also represented the possible supersession of the city's real estate-centered traditional growth coalition by a new corporate elite nurtured in the very economy and built environment that that traditional growth coalition had worked for so long to cultivate.

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D. Neoliberalism and the Restoration of Class Power – But to Whom?

As noted above, both Harvey and Peck link neoliberalism with a restoration of the class power of economic elites. However, as Harvey notes, "while neoliberalization may have been about the restoration of class power, it has not necessarily meant the restoration of power *to the same people*" (2005, 31, emphasis added). He goes on to identify several examples of "rising class power under neoliberalism:" CEOs; corporate board members; "the leaders in the financial, legal, and technical apparatuses that surround [the] inner sanctum of capitalist activity;" and successful entrepreneurs in biotechnology, information technology, media, and retailing (2005, 34-35).

It is the argument of this work that something similar is happening on the urban scale in New York City. The neoliberalism of the post-fiscal crisis consensus has resulted in the restoration of class power to an economic elite, just as the members of the city's traditional growth coalition who engineered it intended it to – yet it is a *different* economic elite that has been the greatest beneficiary of the policies of the post-fiscal crisis consensus. While the members of the city's traditional growth coalition profited greatly from these policies, it was the city's new corporate elite – the salaried professionals, but more dramatically the city's' CEOs and other high-level executives – who appropriated the lion's share of the wealth generated in New York's booming financial, media, and information technology sectors during the decades following the fiscal crisis. It was one of them, Michael Bloomberg, who in 2001 was able to convert this wealth directly into political power. And it was Bloomberg whose approach to economic and urban development represented the possible demise of the post-fiscal crisis consensus – of austerity, of the dominance of urban development policy by the needs of

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real estate, and of the notion that the high cost of a New York City location was a fundamental obstacle to the city's prosperity.

Moreover, the restorations of class power resulting from neoliberalism in general and in New York were not just two parallel processes taking place on different scales; in fact, as William Tabb (1982, 122-123) noted long ago, and Harvey (2005, 44-63) has noted more recently, the implementation of neoliberalism on a national scale in the U.S. and on a global scale was drew important lessons from the imposition of austerity during the New York City fiscal crisis and in fact was perpetrated by many of the same players. As I will argue, the local and global restorations of class power represented by neoliberalisms at different scales were mutually related in a very particular way. For as we shall see, Michael Bloomberg and a number of his key aides were not just New York CEOs, professionals, and financiers, but global ones as well. That is, they were New York-based members of a larger, global corporate elite, an elite whose commitments to and reliance on the city as an economic, cultural, and social space led to their engagement in local politics, as they attempted to refashion the city in a manner, echoing Freeman, more to their liking. The constitution of this "global" elite occurs not just at the global or transnational scale, but at the local and urban scale as well – which suggests that the political rise of Michael Bloomberg and the construction of the Bloomberg Way may well have implications for other cities, in other places. The globalization of urban neoliberalism may be the harbinger of a phenomenon implicating cities across the globe: the entrée of members of the new corporate elite – and in particular the urbanized CEOs and executives who are its most powerful members – into urban politics. Whether or not

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they will draw on their corporate and managerial experience to the degree to which Bloomberg did remains to be seen.

If they do, the consequences could be profound. As I will discuss in the conclusion of this work, it is a unclear whether the Bloomberg Way represents "roll-out" neoliberalism, a new mode of neoliberalism, or an altogether novel approach to urban governance that escapes the strictures of urban neoliberalism altogether. The mode of urban governance typified by the Bloomberg Way may represent the end of not just the post-fiscal crisis consensus in New York City, but the first thread in the unraveling of urban neoliberalism in cities across the globe.

IV. Methodologies, Data Sources, and the Plan of this Work

Having roughly laid out the story that will be told in the chapters that follow, let me turn to the structure of this work and the research methodologies and data upon which it is based. The ethnographic research that forms the core of this dissertation took place in New York City from roughly November 2003 to July 2005. During this period of time, I attended conferences, City Council hearings and voting sessions, community board meetings, speeches, community forums, community group meetings, strategy sessions conducted by activists, planning commission meetings, and government agency board meetings. I also conducted several dozen interviews with governmental officials and staff, researchers, advocates, activists, urban planners, journalists, businesspeople, pundits, and regular citizens involved in debates over economic development and urban redevelopment. My primary focus was on the public forums in which debates about the city's economy, its physical form, the proper role of the municipal government and of public spending and subsidy, the distribution and redistribution of its tax burden and its

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wealth, the nature and importance of a good business climate and of interurban competition, and a whole host of other issues took place. Interviews were primarily used to explicate what had taken place in those public meetings, to draw out the understandings various actors held about economic and urban development policy, or to obtain information concerning events and processes occurring out of public view: internal reorganizations of government agencies, changes in the makeup and focus of advocacy groups, bureaucratic infighting and politics, shifting relationships between various political groupings within the city, and so on.

This ethnographic research – and especially the participant observation component – coincided with public debate over the Hudson Yards plan. As a result, the latter chapters of this dissertation, which address this debate, are more ethnographic in nature than earlier ones. Since this ethnographic research was limited to the period of time between late 2003 and mid 2005, I used a variety of other methods and sources to flesh out the relevant events of the first year and three-quarters Mayor Bloomberg's first term (which began in January 2002), as well as to construct a longer-term history of development politics in New York City. Newspaper articles, transcripts of legislative hearings and conferences, published reports, government records and press releases, web logs, and other secondary sources, as well as interviews, were used in this effort. All of these sources also provided invaluable access to a broader range of events and processes than could my ethnographic research alone.

The story that this work tells is that of an encounter between, on the one hand, corporate, technocratic, and antipolitical Bloomberg Way and the contentious arena of New York City development politics, which had long been dominated by the city's

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traditional growth coalition despite a series of challenges to particular projects from the grassroots. Thus, it is divided into three sections, one section describing each side of this encounter, and the third – and longest – section describing this encounter as it played out in the conflict over the Hudson Yards plan for the far west side of Manhattan.

The first section consists of Chapters Two and Three and established the contours of development politics in New York, the short and long term contexts which the Bloomberg administration encountered upon entering City Hall in January 2002. Chapter Two uses the history of development proposals for the far west side of Manhattan as a way to lay out the broader history of post-War development politics in New York City, politics which reached their zenith in the post-fiscal crisis era. This chapter is largely based on secondary sources such as books and scholarly articles, supplemented by press reports, older urban plans and information gleaned from interviews. Chapter Three narrows the temporal focus to the second half of the 1990s, and focuses on three revived elite campaigns to redevelop the far west side, the most important of which was that of NYC2012, the organization in charge of the city's Olympic bid. It also lays out the details of the Hudson Yards plan as they existed in late 2001; the plan would change little from this point onward. This chapter is primarily based on press reports, government documents, NYC2012 reports and documents, and interview data.

The second section of the work, consisting of Chapters Four and Five, shifts the focus to Michael Bloomberg and his administration. Chapter Four describes Bloomberg's rise to political power. Based primarily on press reports, scholarly books and articles, it outlines both the structural processes and the contingent events that made this rise possible. Chapter Five addresses the Bloomberg Way itself, which explicitly

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conceived of as the mayor as a CEO, the city as a corporation, businesses as clients, and the city itself as a product. The focus of this chapter is on the words and actions of administration officials, and thus is largely drawn from interviews, City Council hearing transcripts, speeches and other public remarks of administration officials, press reports, city government documents, and secondary sources.

The third section and longest section of this dissertation addresses the efforts of the Bloomberg administration to gain support for and the approval of the Hudson Yards plan. Chapters Six through Nine discuss the various ways in which the administration attempted to sell the plan, and their success and/or failure. Chapter Six details the administration's claims that the Hudson Yards plan represented as an exercise in cutting edge urban planning shaped by the profession's best practices, and the (largely negative) response to these claims. Chapter Seven describes the administration's efforts to develop a financing plan for the segment of the plan that would lead to the commercial development of the far west side, efforts animated by a "logic of investment" rooted in key administration officials' private sector experience, specifically by proposing the use of complex and risky financing mechanisms that many considered inappropriate for a public project. The administration proposed that these financing mechanisms would enable the project to generate an enormous amount of tax revenues – or "profit" – and attempted to sell the plan on this basis. But, as we shall see, this proved ultimately unnecessary, as there were pre-existing reservoirs of support for the commercial development of the far west side in the city's traditional growth coalition. Chapter Eight details how this "logic of investment" animated the administration's ultimately unsuccessful efforts to generate support for most controversial element of the Hudson

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Yards Plan, the NYSCC – and the near-success of a very different, more traditional approach to generating political support that some of the administration's allies took. Finally, Chapter Nine discusses the final tactic the administration used to gain support for the NYSCC in the months leading up to the IOCs' July 6, 2005 selection of the host city for the 2012 Summer Games: an attempt to appeal to New Yorkers' sense of identity through the mobilization of a kind of "urban patriotism." All of these chapters draw heavily on my ethnographic research, though press reports, government documents, and a variety of other secondary sources were also used.

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Chapter 2: Far West Side Stories: A Political, Ideological, and Economic History

This is clearly our birthright. This is our future, our growth potential.

> -Joseph Rose, NYC City Planning Commission Chairman, on the development of the Far West Side of Manhattan, December 8, 2000, Baruch College, New York.

I. Introduction

If Lower Manhattan is haunted by office towers that once were, the far west side of Manhattan is haunted by office towers that are yet to be. The area west of Eighth Avenue between roughly 30th and 59th Streets has long been targeted by New York City elites as a site for the expansion of the midtown Manhattan Central Business District (CBD). From the 1920s onwards, the city's most powerful real estate developers and most brilliant planners have churned out proposals for the commercial development of the far west side. Yet as of 2002, when Michael Bloomberg became the city's 108th Mayor, these visions remained unfulfilled.

Indeed, the two greatest legacies of eight decades of planning for the ostensibly inevitable and always just-around-the-corner emergence of the far west side as the city's next great office district together were themselves indications of this failure: the Jacobs Javits Convention Center, a hulking collection of black glass cubes occupying the prime riverfront blocks from 34th to 39th Streets that was architecturally and functionally obsolete almost from the day it opened in 1986; and anti-gentrification and tenant protection provisions for the area. These provisions, written into the city's zoning code as "the Clinton Special District," were the price the city government had paid to defuse community opposition to a large-scale 1969 development plan for the northern portion of the far west side. The only success those who dreamed of a midtown Manhattan CBD

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running from river to river had achieved – the Javits Center – had come at the cost of removing almost two-thirds of the far west side from the development slate.

After all this, the only realistic location for commercial development on the far west side was its southern portion, a neighborhood made up of scruffy tenements, low-slung industrial buildings, parking lots, and, most of all, transportation infrastructure – a dismal collection of rail cuts, ramps, tunnel entrances and exits, and a 26-acre rail yard, all of which sliced the urban fabric both horizontally and vertically, creating a jumble of odd elevations, irregular blocks, and impassable barriers. But as we shall see, even as the area of the far west side in which commercial development was possible shrank, the size of the office towers envisioned for the area and the ambitions of their planners grew.

The administration of Mayor Bloomberg would become the steward of these ambitions, the newest avatar of the long-held dream of a postindustrial far west side. Before we discuss the Bloomberg administration's corporate, technocratic, and antipolitical approach to urban governance and how this approach fared in the conflict over the Hudson Yards plan, we need to understand the political, ideological, historical, and economic context which the administration encountered both in the city as a whole and in the far west side of Manhattan. This chapter discusses this long term historical context; the following chapter discusses the more immediate context of the late-1990s. Section II of this Chapter outlines the actors committed to the project of postindustrial development in New York City and the ideological framework that binds them together. Section III consists of a brief history of the development of and the redevelopment plans for the west side of Manhattan. Section IV focuses on one prime parcel of land that would be crucial to the formulation of and conflict over the Hudson Yards plan.

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II. Postindustrialism and the Politics of Development in New York City

A. New York City's Traditional Growth Coalition

Until recently, development politics in New York City have been dominated by a classic growth coalition. John Logan and Harvey Molotch describe a growth coalition as consisting of a diverse alliance of "place-based entrepreneurs," political and economic, dedicated to the creation of conditions for the profitable intensification of land-use and local economic growth (1987, 32). David Harvey, building upon and expanding this notion in a discussion of the relationship of urban politics and capitalist urbanization, puts forward the notion of a "ruling-class alliance" defending the "social reproduction (of both accumulation and the reproduction of labor power) within the urban region" (1989b, 150). Harvey, Logan and Molotch all root the crucial role that growth coalitions have played in cities like New York in certain characteristics of capitalist urbanization: the nature of real estate, the unique dynamics of markets in land, the relative mobility of different types of capital, the agglomeration of economic activity, the qualitative and quantitative variance in the labor force over space, the need for investment in the built environment, the role of class and other sorts of political conflict, and the crucial role that local government plays in local development. In the context of this discussion, I will use Logan and Molotch's "growth coalition" concept as a *subset* of Harvey's "ruling-class alliance," primarily because the former concept places emphasis on the dynamics of real estate, while the latter has a more expansive purview, and is more applicable to cities and elite formations less dominated by the singular economic logic of real estate development than New York City development politics has been, at least until recently. As Sharon

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Zukin has put it, "in contrast to other cities, New York's main business is and always has been real estate development" (2002, 16).

In the decades after World War II, this growth coalition has been constituted by four identifiable groups, each with particular interests in the profitable development of its built environment, and particularly in the continued expansion of the city's CBD. Two of these groups are in the private sector: the city's real estate industry, and the so-called "New York banks," a handful of investment and commercial banks that dominated national and global financial markets even as their roots in the city resulted in the deep involvement of these banks and their executives in local politics, philanthropy, and land use. The two other groups mostly lie in the public sector: local politicians and the city's "development elite," consisting of the professionals and managers staffing the upper levels of the governmental, quasi-governmental, and private organizations that create the legal, political, ideological and physical conditions allowing for the profitable development of the city's built environment.[1]

Though New York's organized labor and manufacturing and industrial sectors have held considerable economic and political power, especially in the immediate post-war period, these interests have been as likely to conflict as align with those of the city's traditional growth coalition (Freeman 2000). Though economic growth does benefit unions and manufacturing and industrial employers, they have been as likely to stand in

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[1] In this dissertation I will use the term "elite" to a denote a powerful group whose membership is unified around some common interest or project, even as it is made up of individuals who occupy different class positions. Thus, a prominent urban planner, who is a member of the professional-managerial class (see Chapter Four), and a real estate capitalist acting as the president of a public authority both would be considered part of the development elite.

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the way of the profitable intensification of land use as to embrace it.[2] Unions, more concerned with lowering the cost of living for their members than with real estate profits, have developed much affordable, rather than luxury, housing. Furthermore, the space occupied by manufacturing and industrial concerns has not generated rents, profits, and tax revenues on par with commercial or upscale residential uses. The relationship of unions and non-white collar employers to the members of the city's traditional growth coalition has been a mix of uneasy cooperation and muted conflict.

As discussed in Chapter One, the traditional growth coalition's power reached its peak during and immediately following the city's fiscal crisis of the mid-1970s, when a group of bankers, real estate developers, and corporate executives used the city's technical bankruptcy to discipline local unions, as well as the welfare activists and civil rights leaders who had demanded access to power during the 1960s, by imposing a neoliberal program of fiscal austerity, revanchist social policy, and corporate and real estate subsidy. This program has animated city policy since, with a brief (and uneven) respite during the mayoralty of David Dinkins.

Nevertheless, the years since the fiscal crisis have seen important changes in the city's political economy. Of particular relevance is the transformation of the "New York banks" into global financial institutions, a result of mergers, buyouts, and the globalization of financial activity, of which the banks were in the forefront. While these global financial institution still have a high political profile in New York City, the nature of their commitment to the city has undergone an important shift: once largely owned and

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[2] Construction unions are an exception to this, given their interest in real estate development, as discussed below.

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run by families with historical roots in New York City, in the decades since the fiscal crisis these institutions became increasingly come to be led by a new professionalized corporate elite drawn to New York for reasons of career and lifestyle rather than familial obligation. In addition, the once strong financial links between these financial institutions and local real estate developers have eroded, especially since the late 1980s (Fainstein 2001a, xi). Finally, the city's corporate profile has become more diverse, as the traditional financial and insurance industries have been joined by international media companies and, to a lesser extent, by the corporate offices of information technology and pharmaceutical and firms. As in the financial sectors, these newcomers are led by a highly mobile (both geographically and socially) and professionalized managerial elite. This shift in the composition of the city's corporate elite has had important implications for both development politics in the city and the larger story this dissertation aims to tell, implications that will be explored in Chapters Four and Five. Most importantly, it has led to a transformation of the relations between the corporate elite and other groups in the city's traditional growth coalition, leaving the city's real estate, political, and development elite as its core constituents.

1) The Real Estate Elite

The city's real estate elite consists of the its major real estate developers, construction executives, and the leadership of the its powerful construction unions, as well as ancillary businesses and individuals – real estate lawyers, consulting firms, architects, and so on – owing their livelihoods to the direct investment of capital in the city's built environment. The most powerful element of this group are the real estate capitalists themselves, particularly the city's great real estate dynasties, families like the

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Dursts, Tisches, Rudins, Rockefellers, Helmsleys, Zeckendorfs, and Roses, who own and have developed countless residential and – more importantly, and more profitably – commercial buildings throughout the city (though Manhattan is, and has always been, the most valuable borough both in terms of profit and status).[3] The dominance of these families has eroded somewhat in recent years as the result of familial conflict leading to the liquidation of real estate holdings and the increasing investment in city real estate by individuals and corporations with no particular commitment to New York, notably foreign real estate investors and wide-ranging corporate real estate investment trusts. Nevertheless, the scions of these families are still prominent figures, heading civic organizations, engaging in philanthropy, and sitting on the boards of major cultural, medical, and educational institutions.

For the members of the city's real estate elite in general, and especially for the members of these dynastic real estate families, the development of the city's multi-centered CBD is far more than an economic venture, though it is of course that: it also has intense familial, social, and cultural connotations that are shaped by a somewhat paradoxical mix consisting of both a deep sense of commitment to the city and its future and a deep sense of insularity that at times borders on paranoia.

There are a number of reasons explaining the real estate elite's commitment to the city's long term economic future. First, the city's great real estate fortunes have been built on buying and holding, not on short-term speculation. The liquidation of real estate fortunes is usually a result of generational turnover or interfamily dispute rather than of

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[3] For a rich social, cultural, economic, and political history of these families, see Schachtman 2000. The following description of the city's dynastic real estate is largely based on that work, though it is also informed by ethnographic research as well as other secondary sources.

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temporarily high real estate values. Second, real estate development, especially in New York's complex political, regulatory, and economic environment, is heavily dependent on local knowledge. Particular real estate projects often take decades to develop and implement, and require constant supervision and ongoing decision-making (Fainstein 2001a, 69-73). Finally, the familial and dynastic aspect of the city's real estate elite imbues projects with a level of meaning that transcends the economic alone. As one prominent real estate lawyer said in an interview, gesturing out the window of his midtown office at the surrounding skyscrapers: "Look around…I've had a hand in almost everything; most of them are my babies" (Real Deal 2004). Tom Schachtman relays the words uttered by real estate patriarch Harry Helmsley while enjoying the skyline view of the famed Rainbow Room of Rockefeller Center: "'Just taking inventory,' he [said], with a twinkle in his eye" (Schachtman 2000, 14).

This sense of personal commitment leads to the intense involvement of real estate elites in efforts to safeguard the city's future prosperity, like the campaign to bring the 2012 summer Olympics to the city, and in plans for the redevelopment of particular areas, Times Square being a paradigmatic recent example. Some even run for office or serve as government officials. This sense of commitment to the city is also demonstrated by the personal participation of real estate elites in the city's cultural and civic life. Most of all, it is demonstrated by the quantity of real estate money poured into philanthropic causes: most of the city's major cultural, educational, and medical institutions are dependent on the largesse of the real estate elite.[4] Much of this money is given away without public

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[4] By one estimation, NYC real estate millionaires gave away more money during the 1980s than any other similarly wealthy group in the country's history (Schachtman 2000, 9).

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acknowledgment, in stark contrast to much corporate philanthropy, which has long been seen as a form of public relations.

However, these economic and philanthropic commitments, and even philanthropic anonymity, are not selfless. First, they are economically sensible, even as they benefit the city at large. As a long line of scholars from Marx to Polanyi to Harvey have noted, land is fundamentally unlike other commodities. Logan and Molotch quote M.A Quadeer, who writes that land is unique in the sense that the value of a particular parcel of land "arise[s] from situational and contextual factors, and…is not the product of an entrepreneur's inventiveness" (Logan and Molotch 1987, 24). The value of real estate in New York City is highly dependent on the overall strength of the city's economy, as well as on its social, educational, medical, and cultural infrastructure. Second, these commitments also play an important function in binding the city's real estate elite into a self-conscious and coherent social group. Indeed, real estate elites display a deep insularity, a suspicion of outsiders and of competing interests that is a product of both historical and structural factors. In other words, these commitments have a flip-side. Helmsley's "inventory-taking" demonstrates not just commitment, but also a sense of privilege and ownership of the city itself that borders on the feudal. In this context, we can see that the insistence on philanthropic anonymity plays an important role: it provides in-group status. Real estate elites are often aware of each other's philanthropic activities, and often urge their compatriots to give to their favorite causes. While the public may be the ultimate beneficiary of their generosity, real estate elites' philanthropy gives them status in the eyes of those whose opinion counts most: their fellow real estate elites.

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But it is not just philanthropy that binds together New York City's real estate elites. Social interaction and intermarriage are also common, and ethnicity and religion also play a role. Many of the city's dynastic real estate families emerged at the end of the 19th century from what was known as Russia's "Pale of Settlement," an area encompassing much of Poland, Estonia, Lithuania and the Ukrainian portion of Russia, and at the time, home to roughly half of the world's Jews.[5] Driven by a series of pogroms starting in 1881, tens of thousands of Jews came to the US, and most settled in New York City. For a variety of historical, political and economic reasons, many entered the real estate and building trades industries, and "to a degree far exceeding any other small group of people, [began] to shape the city's skyline" (Schachtman 2000, 56).

This history, along with the structural position of real estate property and capital, has much to do with the insularity of the city's real estate elite. The members of these families, as one former official in the Real Estate Board of New York (REBNY) told me "live in great terror – of tenants, of zoning, of politicians." Real estate development in New York City is heavily dependent upon and regulated by the local government, with which it lies in an often uncomfortable symbiotic relationship, as is discussed below. Perhaps more importantly, real estate – land and the buildings upon it – is immobile. "When things get tough, they sock it to the real estate owners," says one major developer, "We're an easy target. After all, we can't pick up our property and take it elsewhere" (quoted in Schachtman 2000, 20).

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[5] This account is drawn from Schachtman 2000, 54-76. Prior to World War II, the city's real estate industry and the foundations that funded major planning efforts were dominated by Anglo-Saxon Protestants like the Morgans, the Vanderbilts and the DeForests, and largely excluded the newly arrived Jews (Fitch 1993, 60-73).

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While the members of the city's great real estate dynasties, ensconced in the city's highest cultural, economic, social and political circles, are the most visible and powerful element of the city's real estate elite, it also encompasses the managers of organizations like the REBNY and the New York City Building Congress, which engage in the prosaic business of facilitating real estate development: lobbying elected officials, conducting policy research, and acting as clearinghouses for information and expertise.

2) The Development Elite

The city's development elite comprises the leaders and high-level managers of the mostly governmental or quasi-governmental organizations that create the legal, political, ideological and physical conditions allowing for the profitable development of the city's built environment. This includes the public authorities that build and maintain the infrastructure that permits the free flow of people and goods into and out of the city and the region like the Metropolitan Transportation Authority (MTA) and the Port Authority of New York and New Jersey;[6] prominent development corporations and public-private partnerships aimed at revitalizing and developing specific areas in the city like the Lower Manhattan Development Corporation and the Upper Manhattan Empowerment Zone; city and state governmental organizations like the New York City Economic Development Corporation (EDC), Department of City Planning (DCP), and City Planning Commission (CPC), as well as New York State Empire State Development Corporation; and important civic groups like the Regional Plan Association (RPA), the Municipal Arts Society, and

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[6] The MTA is a public authority created by the State that administers the region's public transportation network, including commuter rails and the city's subway system. It is run by a board with members appointed by the Mayor, the Governor, the chief executive of certain suburban counties in the region. The Port Authority of New York and New Jersey is a bi-State agency that runs local ports, airports, bridges, and tunnels.

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the Citizen's Budget Commission, as well as temporary organizations such as the Group of 35 or host committees for specific events like the 2004 Republican National Convention.[7] Finally, the city's development elite also includes prominent city planners and economic development experts. Some of these credentialed professionals work in the organizations listed above. Others are housed in universities or think-tanks, though they often consult or collaborate with real estate and political elites and public sector development elites.

The development elite is a cross-class group, including both professionals (many development elites have been trained as urban planners or lawyers or hold other high-level education credentials), as well as real estate capitalists in their roles as leaders of these organizations (for example, Peter Kalikow, a second-generation member of a prominent real estate family, was the Chairman of the MTA for the period of time addressed in this dissertation). Nevertheless, it is a coherent group, bound together in three important ways. The first is through the exchange of information and opinion that occurs via the circulation of written reports and through participation in conferences, panel discussions, and the like. The second is through career paths, which often result in the circulation of one individual through many of the institutions mentioned above. The career of Carl Weisbrod is one paradigmatic example. From the 1970s onward, Weisbrod, trained as a lawyer, moved between city and state government, the nonprofit advocacy sector, educational institutions, and the private real estate sector, while playing

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[7] The RPA is a nonprofit regional planning group founded in 1922. Over a century old, the Municipal Arts Society is a non-profit organization dedicated to urban design and beautification with roots in the City Beautiful movement of the late 19th century. The Citizen's Budget Commission is a nonpartisan, non-profit budget watchdog and research group founded in 1932. See Chapter Three for further discussions of NYC2012 and the Group of 35.

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important roles in two major redevelopment projects, first in Times Square and later at the former site of the World Trade Center after the terrorist attacks of September 11, 2001. During the late 1970s and 1980s, he worked as Director of the Mayor's Office of Midtown Enforcement, then as Executive Director of DCP, and then as the President of the 42nd Street Development Project. He then became the President of the EDC from 1990 to 1994, before shifting his focus downtown as President of the Alliance for Downtown New York, a private organization representing Lower Manhattan business interests. In early 2005, Weisbrod left the Alliance to become head of real estate operations for Trinity Church, a major downtown landholder. He also served as an adjunct professor at Columbia University's planning and architecture school.

The final force binding together the development elite is ideological. Its members, especially those who are professionals, tend towards a technocratic and consensual understanding of politics. They view themselves as deploying their professional expertise in the city's best interests by rationalizing and improving urban development, transportation, infrastructure, and economic development policy towards the end of enhancing the city's economic competitiveness and insuring sustained economic growth.[8] In practice, this usually results in a commitment to CBD development and the intensification of land use.

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[8] See Marcuse 2002, 159-161, for a discussion of professional planners' embrace of expertise and technical solutions in the context of the redevelopment of the World Trade Center site; for the role played by technocratic and expertise-centered conceptions of governance played in the construction of public authorities in the New York region and elsewhere, see Caro 1975; Doig 1993, 2002; Tobin 1953.

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3) The Political Elite

The city's political elite includes the citywide officials (the mayor, the comptroller, and the public advocate), the presidents of the city's five boroughs, city council members, and state legislators whose districts lie in the city. As candidates and as elected officials responsible for the city's budget and governance, these politicians are locked in a symbiotic relationship with the city's real estate elite. The real estate elite is one of the two main sources for contributions to the campaigns of candidates for citywide office and the city council (the other is the city's unions, especially the public sectors unions). Indeed, real estate interests, ever pragmatic, usually favor incumbents; in races for open seats they tend to cover their bets by giving to multiple candidates in the same race.[9] In addition, the property and real estate taxes generated by real estate development, especially by high value office buildings, form a major component of the city's public revenues, as do the income taxes generated by the well-paid workers in office-based employment.[10] Politicians also gain politically by encouraging real estate development, which allows them to point to new jobs, residents, and economic growth in the areas they represent.[11]

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[9] In election after election real estate developers and political actions committees associated with the real estate industry are one of the largest source of campaign contributions to Council (as well as Mayoral) candidates. See Arbetman, et al. 2005; Associated Press 1996; Bradley 1997; Hicks 1995; Toy 1996. For example in the 2001 race for the open Mayoral seat, the Real Estate Board of New York alone channeled large sums to all four major candidates, including amounts well in excess of $100,000 to both Fernando Ferrer and Peter Vallone (Lehrer 2005b; Lipton 2001; Lobbia 2001).

[10] The financial industry is the most important source of *income* tax revenue. For discussions of the city's economic dependence on the financial industries, see Bram and Orr 1999; Brash 2004; Parrott and Cooke 2002.

[11] Though at certain times and in certain areas, the reverse is true. For example, during the housing boom of 2000-2005, new housing development, perceived to be out of step with neighborhood scale and character, in a number of low-scale residential neighborhoods throughout the city generated significant political opposition and pressure for limits on development.

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The financial dependence of political candidates and the city's budget on real estate money finds its counterpart in the reliance of the real estate elite on the city government (and at times the state government) to smooth the ground, so to speak, for development: through the provision of tax incentives and other subsidies, regulatory relief, the implementation of rezoning plans to facilitate development, the use of eminent domain, the provision of publicly funded infrastructure, and the approval of the zoning variances and various permits that some projects may require. These policies serve to both reduce the cost and, importantly, the risk of real estate development, especially of office development. Tax subsidies of various sorts, by lowering the costs of building and owning real estate, have essentially lessened the financial risk to developers posed by overbuilding. In addition, the federal, state and city governments, along with public authorities, have often been willing to rent space in office buildings otherwise struggling to find tenants (government tenants rented much of the space in the World Trade Center, and currently rent much of the space in downtown Brooklyn's MetroTech complex, for example). Finally, the city government has acted to freeze or shrink the supply of office space in certain part if the city – through downzoning certain areas or encouraging the conversion of purportedly obsolete office space to other uses (as the city did in the 1990s, when many square feet of office space in older buildings in Lower Manhattan were converted to residential usage).

Politicians can also serve as political brokers, managing conflict between developers and opponents of certain development projects. Yet the local government is often pressured by tenants to keep a lid on rents and by neighborhood residents to limit the scale of real estate development, making politicians unreliable partners.

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4) Growth Coalition Cohesion and Tension

The three groups (along with the city's corporate elite) that make up the city's traditional growth coalition are locked in a mutually dependent relationship that has long been at the heart of the political economy of New York City, a relationship centered on real estate development and the economic activity that it facilitates. To put it schematically, the development elite has planned for and provided an administrative, political, ideological, and intellectual basis for real estate development; the political elite passes the laws and implements the policies that make it possible; and the real estate elite provides the capital, skilled labor, and management that actually creates the built environment. In turn, the political elite draws tax revenues that support the provision of public services and the satisfaction of the needs of various political constituencies from that built environment and from the economic activity it houses.

This is not to say that there are not tensions within the city's traditional growth coalition. Local political opposition to development projects may force politicians to take positions counter to real estate interests. Development elites, particularly planners, may (and, in fact, often do) make economically unfeasible proposals that may be resisted by more cautious real estate elites. Real estate elites may attempt to circumvent zoning regulations or pursue projects that cut against planners' vision for a particular area, or may make politically controversial proposals that put politicians in a tight spot with their constituents. However, these inter-elite conflicts are not entirely disputes among equals. Nor are their resolutions based solely on the contingencies of particular situations. Instead, there are deeper factors that systematically structure the outcomes of these

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conflicts, factors that relate to the central place that real estate development has in the political economy of all cities, and especially of New York City.

B. The Systemic Power of Real Estate in New York City

Of these three groups, the real estate elite and the political elite are the most powerful: the real estate elite through their control of one of the city's most important industries, and the political elite through their control of local government. While the development elite's control over public authorities, development corporations and the like gives it no small amount of power, it is limited by a number of factors. First, the most powerful development elites, those heading the MTA or the Port Authority for example, generally serve at the pleasure of politicians, particularly the mayor or the governor. Second, the organizations controlled by the development elite generally do not have independent sources of funding, and are thus doubly dependent on political elites. Finally, despite the cohesion provided by information exchange, career mobility, and ideology, the development elite is fragmented, serving in a number of institutions and constituted by individuals from a variety of class backgrounds.

It is the relationship between the political and real estate elite that is the crucial element of New York City's traditional growth coalition. There is a degree of mutuality in this relationship, as political elites do have the ability to counter the interests of real estate elites in certain cases. In the end, though, it is an unbalanced relationship. Electable political candidates must be solicitous of real estate development if they are to receive real estate funding for their campaigns.[12] This insures that real estate interests have privileged access to politicians and policymakers, political access that is made all

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[12] Of course, this is not applicable to candidates who fund their own campaigns.

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the more efficacious by the fact that New York's real estate elite is highly coherent and well-organized. Politicians are well aware that when REBNY's president speaks, it is with the voice of the unified real estate industry.

However, the power of the real estate industry goes beyond these forms of direct political action. The dependence of the local government on property taxes for revenue and on real estate development for job creation, the prestige politicians garner from sponsoring real estate projects, and the interpenetration of the real estate industry and the local institutions of governance, both financially and in terms of personnel, all insure that interests of real estate are protected. The enhancement and maintenance of real estate values becomes a naturalized imperative of development policy.

In short, the real state industry in New York City creates, maintains and benefits from what regime theorist Clarence Stone has termed "systemic power" (Stone 1980, 1989).[13] As Susan Fainstein has pointed out, Stone (along with other regime theorists like Joe Painter and Mickey Lauria) straddles the boundary between pluralist, liberal explanations of development politics that focus the decisions of individuals and reject economic determinism and structuralist (usually neo-Marxist) explanations that root development politics in processes of capitalist development (Fainstein 2001a, 10-14).[14]

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[13] Eric Wolf points at something similar when uses the term "structural power," which he defines as "the power manifest in relationships that not only operates within settings and domains, but also orchestrates the settings themselves, and that specifies the direction and distribution of energy flows" (1999, 5); in an earlier piece, Wolf writes that such power "flow[s] from positions in a set of relationships, positions that are strategically endowed with the power to control behavior by governing access to natural and social resources" (2001, 375). As Wolf himself (1999, 5) points out, this "modality" of power is similar to that of Michel Foucault, who spoke of power as "an action upon an action" (Foucault 1984, 427-428). See also Dreyfus and Rabinow 1983.

[14] For Fainstein's examples of the liberal approach, see Dahl 1961; Peterson 1981; Savitch 1988; for her examples of the structuralist approach, see Castells 1979; Harvey 1985a, 1985b. For a more recent collection of writings on regime theory, see Lauria 1997.

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Like the structuralists, Stone insists that systemic power "has to do with the impact of the larger socioeconomic system" on political outcomes; it is non-intentional and impersonal, rather than entailing a situation of direct conflict involving conscious or overt action on the part of specific groups (1980, 981). However, Stone parts ways with the structuralists by claiming that "economic, associational, and social" elements of the socioeconomic system are all equally productive of systemic power and by positing systemic power as being "not absolutely controlling or always overriding" and "only a facet of the total community power structure," albeit one of "wide-ranging importance" (1980, 988). Thus, as Fainstein points out, "while regime theory recognizes the importance of economic structure, it does not incorporate the forces creating that structure into its argument" (2001a, 14).

This, of course, is what Logan and Molotch, and to a greater degree, Harvey, offer: an interpretation of development politics that is deeply rooted in logic of capitalist development. While much criticized for supposedly being mechanistic and neglectful of agency, this line of thought, while arguing that the basic logic of capitalist development does place significant restrictions on the forms local development politics can take, still provides significant room for variation over time and space.[15] As Harvey succinctly puts it, "there are many ways to be procapitalist" (1989b, 155); for their part, Logan and Molotch enumerate a typology of several different forms that growth coalitions and their politics might take given the pressures of economic globalization and the vagaries of local history, politics and geography (1987, 248-277). Because of this diversity in pro-capitalist strategies, I have chosen to use Stone's concept of systemic power, with the

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[15] For examples of this line of critique, see Smith 2001; Tajbakhsh 2001.

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important caveat that the logic of capitalist development is the fundamental property of the socioeconomic system in which he roots this concept. While growth coalitions are obligated to pursue pro-capitalist strategies, these strategies will differ from city to city in accordance with the specificities of political-economic arrangements, forms of systemic power, and growth coalition composition.[16] Thus, in order to fully understand the political context Mayor Bloomberg encountered upon entering office in 2002, we must identify the particular strategy that New York City's traditional growth coalition has pursued, a strategy pursued with remarkable consistency over time, despite the city's post-World War II history of change and conflict.

C. Postindustrialism

As mentioned at this chapter's outset, over the 20th century city elites have made a series of proposals for the commercial development of the far west side. Before discussing these specific proposals, it is important to understand that they are manifestations of a larger, and over time, largely successful, strategy of the city's traditional growth coalition to transform both the city's *built environment* and its *economy.* At the risk of overburdening an already over-used term, I call this two-pronged strategy *postindustrialism*.[17] In the most basic of terms, the aim of this strategy has been

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[16] In post-World War II New York, the systemic power of real estate development has been predominant. However, there is reason to believe that recent restructurings of capitalist development at the local, national, and global scale have led to fundamental shifts in power relations in New York City, and thus have led to the production of new forms of systemic power that privilege other interests besides that of real estate, as well as more the development of new forms of more direct power relations. This will be discussed further in Chapter Four.

[17] My use of this term should be construed as an assertion that New York City's economy has been somehow de-materialized or that industrial production of various sorts in the city has disappeared. There is still a good amount of manufacturing in the city, for example. Moreover, real estate development itself is a highly industrial process – buildings may be unique industrial products but they are industrial products nonetheless.

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the transformation of New York City's economy into one dominated by white-collar, office-based industries and the transformation of New York City's built environment into one dominated by the office buildings in which these workers work and the luxury residences in which they live. Land use changes and development projects have been the primary means through which this strategy has been pursued – in other words, this has been a "supply-side" strategy, premised upon the notion that the creation of a postindustrial built environment will inexorably lead to the development of a postindustrial economy.

In the words of Robert Fitch, "over the last three generations, the city has had a real estate strategy – expand the CBD/shrink manufacturing – which has been presented as a jobs strategy" (1993, 49). The "jobs strategy" side of the postindustrial equation has been more than just an ideological justification, as Fitch would have it, though it has undeniably served this purpose. The centrality of office-based industries like finance, insurance, business services, and more recently the media and information technology industries to New York City's economy cannot be denied and there are compelling reasons to believe that the growing presence of these industries in New York over the last three decades of the twentieth century can be attributed in part to broader spatial and functional shifts in the global economy.[18] Nevertheless, Fitch's claim, exaggerated though it might be, captures an important truth: the production of New York City as a "global city," a hub of finance, business services, and media has been in critical ways a product of *local* forces, in particular of the systemic power of real estate.

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[18] Sassen 1991 is the keystone work on the growth of ostensibly "postindustrial" sectors in New York City.

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As a jobs strategy, postindustrialism has been a striking failure. Notwithstanding postindustrial apologists' periodic, and unfulfilled, predictions of an imminent and transformative job boom, as even the boom years of the late 1990s could not bring the number of jobs in the city to its 1969 peak (Bowles and Kotkin 2003, 5). And this is to say nothing of the deep inequalities that have emerged since the fiscal crisis of the 1970s, inequalities driven by the fact that industries like finance and business services tend to have a good number of high-income earners, few middle-income earners, and very many low-income earners.[19] But as James Ferguson, following Foucault, notes of a failed development strategy in a very different context, "it may be that what is most important about a 'development' project is not so much what it fails to do but what it does do; it may be that its real importance in the end lies in [its] 'side effects'" (1990, 254). In the case of postindustrialism, the "failure" to produce job growth comes with a far more important "side effect:" the facilitation of the profitable development of real estate and the intensification of land use.

1) New York's Postindustrial Landscape and Economy

While postindustrialism has failed to deliver job growth or broad-based benefits, its overall success is etched in the city's landscape and embodied in the composition of its economy. Until the mid-1960s New York's economy was characterized by diversity and balance, encompassing not just financial and other office-based sectors, but a variety of industries like transportation and a highly diverse manufacturing sector producing

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[19] See Fainstein, et al. 1992; Fiscal Policy Institute 2002a; Henwood 2003, 103-104; Mollenkopf and Castells 1991; Renwick 2002; Sassen 1991, 217-244

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everything from pencils to naval ships.[20] Indeed, the city's manufacturing sector employed many of the "flexible" production practices – short production runs, intricate subcontracting arrangements, and the use of versatile equipment and labor – that came into vogue worldwide in the 1970s (Harvey 1989a, 119-197). New York was "a non-Fordist city in the age of Ford," which challenges postindustrial apologists' claims that the destruction of its manufacturing sector was wholly a result of its inability to adapt to global competition (Freeman 2000, 3).[21]

By the turn of the 21st century, the postindustrial transformation of the city's economy was for all intents and purposes complete, leaving behind an "office building monoculture" (Fitch 1993, 30). Between 1960 and 2000, the percentage of the city's jobs in the manufacturing sector fell from 30.2 to 7.7, while the portion of jobs in the FIRE and service sectors rose from 31.9 percent to 61.7 percent (Bowles and Kotkin 2003, 6).[22] The primary internal mechanism of the city's deindustrialization was the rezoning of industrial land to commercial and residential use, though large government aided or sponsored development projects also played an important role.[23] In particular, both were central to the overall expansion of the city's CBD, as well as to the shift of its center of

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[20] See Fitch 1993, 25-28, Freeman 2000, 6-22, and Wallace 2002. In a 1961 article that seems gloriously ironic today, the economist Benjamin Chiglitz, analyzing the economic performance of cities with varying levels of economic diversification, compared Pittsburgh and New York – with New York having the more diverse economy (Chiglitz 1961).

[21] One factory owner whose company had been forced to move from the garment district in Manhattan to Long Island City by rising rents and zoning changes, and was faced with the likelihood of having to move again, told me that "my enemy is the city government, not global competition."

[22] "FIRE" is an acronym for finance, insurance, and real estate, the industries most closely associated with postindustrialism in New York, and elsewhere.

[23] As Fitch notes, the conversion of industrial land to office, luxury residential, or high grade commercial uses can result can increase its value by as much as 1,000 percent (1993, 13)

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gravity from Lower Manhattan, the historic center of finance and business in the city, to midtown Manhattan. Though east midtown had only become a major CBD in the 1920s, the construction of Rockefeller Center a decade later "dealt the fatal blow to Lower Manhattan in Midtown's competitive war" (Boyer 2002, 113).[24] For John D. Rockefeller and those that followed his lead, midtown's superior transit links and its relatively underdeveloped state presented tantalizing prospects for redevelopment: Rockefeller Center represented only the first step in the commercial colonization of the west side, where industrial loft buildings, gritty tenement buildings, and the increasingly shabby, crime-ridden, and prurient entertainment district surrounding Time Square drew the attention of profit-hungry real estate developers, ambitious planners, and crusading politicians. Thus, the west side of midtown Manhattan has long been the most important geographic arena for the transformative project of postindustrialism.

2) Postindustrial Ideology

So far, I have focused the material interests and the economic processes that produce growth coalitions in general and that have structured New York's traditional growth coalition in particular, as well as on the centrality of the systemic power of real estate to this growth coalition and the postindustrial strategy it has pursued. However, as Eric Wolf has noted:

> "Structural power" [his term for systemic power]…has a double nature. On one hand, it can and it must produce measurable effects in the real world. On the other hand, it must engage in symbolic work to construct a world in which power and its effects come to be seen as in "the nature of things" (2001, 375).

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[24] As Boyer and Fitch point out, downtown interests did not give up the ghost so easily: from the 1950s to the 1970s, there were a number of successful efforts, usually led by the Downtown-Lower Manhattan Association, to expand the downtown CBD into neighboring areas, culminating in the construction of the World Trade Center. See also Darton 2001; Gillespie 1999.

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It is ideology – which Wolf defines "unified schemes or configurations [of ideas] developed to underwrite or manifest power" – that does this symbolic work (1999, 4).[25] In post-World War II New York, *postindustrial ideology* has "underwritten" the power and unity of the city's traditional growth coalition by naturalizing, justifying, and "moralizing" its postindustrial development strategy.

Before exploring the functions of postindustrial ideology, we need to grasp its fundamental tenets.[26] First, it is claimed that the national and global economy have undergone structural transformations that have rendered manufacturing and industrial production essentially obsolete. This broad transformation has been called by many names – "regional decentralization" in the late 1920s, the "suburbanization of industry" in the 1940s and 1950s, "postindustrialism" in 1960s and 1970s, the "information economy" and "globalization" in the 1980s and 1990s, and "the ideas economy" in the early 2000s – but the upshot is always the same: the economic future lies in the office, not in the factory. Second, it is claimed that the transformation of New York City's economy from one based on industrial production to one based on office employment, and thus of its built environment, is an inevitable and integral part of this broader transformation. Finally, it is claimed that the only conceivable response to these changes is to continue to support and develop the office-based economy that represents the city's

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[25] As Wolf himself notes this controversial term has a complex history. Nevertheless, Wolf's admittedly broad definition seems to me useful in the context of this discussion, and I will use it in the same spirit that he offered it – with an acknowledgement that ideology may operate differently and have different effects in different cultural, political, economic, and historical contexts (Wolf 1999, 280). See also Terry Eagleton's indispensable introduction to this concept (1991).

[26] For more on postindustrial ideology, see Fitch 1993; Freeman 2000; Sanjek 1998. See Lander and Wolf-Powers 2004 for a more recent example of a report that both accepts the post-industrial thesis even as it criticizes the Bloomberg administration's response to it.

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greatest opportunity for future economic growth, and that the best way to accomplish this is through the continual expansion of the city's CBD, particularly the western expansion of midtown Manhattan.

Interestingly, one unifying thread Wolf found in his studies of the relationship between power and ideology was that in all his cases the exercise of power "was formulated [in ideology] as cosmological imperatives, which at once required the exercise of power and supported its execution. Power was thus made to depend…on relationships with imaginary elements and beings projected beyond tangible experience into metaphysical worlds" (1999, 280-281). Clearly de-industrialization, suburbanization, globalization, and so on are not "imaginary." However, the broader economy all these concepts reference lies beyond tangible experience; as Nigel Harris has written, "the world economy, despite a plethora of facts, is almost as obscure a subject as was the human body in ancient times. We interpret obscure shadows on the wall" (quoted in Todd 1996, 48)."[27]

In the context of postindustrial ideology in New York City, this "imaginary" economy is seen as creating a cosmological imperative of a specific kind, an imperative that justifies a certain pattern of development and a certain set of power relations beneficial to certain interests. It is claimed that the fundamental causes of the historical and ongoing transformation of the city's economy are national and global-scale economic changes completely beyond the control of any particular actor within the city, and that it is the role of the city's elite to cope with these changes as best they can. As Fitch argues,

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[27] For a variety of critical analyses of how the "obscure shadows on the wall" cast by the global economy have been interpreted, see Bourdieu and Wacquant 1999, 2001; Gibson-Graham 1996; Marcuse 2000; Mitchell 2002b.

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this has the effect of erasing the role that city elites have played in planning and executing that transformation (1993, 37-55). While Fitch is wrong to dismiss broader changes as largely irrelevant to this local transformation, he is right to note that postindustrial ideology's focus on these external changes elides the actions of the city's elite in transforming its economy and built environment.[28]

3) Postindustrial Ideology and Traditional Growth Coalition Unity

Fitch also sees postindustrial ideology as rooted fundamentally in the economic interests of the city's real estate developers, writing that "what's really at stake is making certain parcels of land worth more" (1993, 49). This is true in large part, but it does not tell the whole story. This ideology also rests on a vision of the city and a sense of urban identification held by certain groups within the city. It is an ideology not in the sense of a series of false assertions about the world that obscure what is fundamentally true.[29] Rather, it is an ideology in the sense that it presents a more-or-less coherent view of the world, both empirical and normative in nature, which is not necessarily false but *partial*, the product of a particular set of interrelated experiences, commitments, and, last but not least, economic interests.[30] It is as much a way of seeing – in this case, seeing what New

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[28] Indeed, it is ludicrous to deny the reality of the long-term changes in the spatial and scalar arrangement of the global capitalist economy, as well as the political (the rise of political conservatism), demographic (the rise of the Sunbelt), and economic ("deindustrialization") changes within the United States and their profound effects on New York City. I only want to accentuate the ideological uses to which these changes have been put, and to stress the role of local agency in the postindustrial transformation of the city's economy and built environment.

[29] Fitch stresses this when he writes that "the rhetorical strategy of modern planning thus rests on complete self-concealment: the pretense that planning initiatives nothing and is responsible for nothing. That planners merely follow trends and respond to forces" (1993, 43). Indeed, the purpose of Fitch's book is to debunk this and to reveal the responsibility of New York City's elites for the transformation of the city's economy and its built environment.

[30] As Eagleton elaborates, issues of the truth and falsehood of ideologies lie at the heart of much of the academic debate over the concept, as indicated by the centrality of the notion of "false consciousness" to

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York is, how it works, and what kind of city it should be – as it is a way of hiding. In this, postindustrial ideology has served to bind together not just real estate interests, but the entirety of the city's traditional growth coalition. It facilitates political and economic cooperation among elites by providing a sense of mutually shared ends, and a common set of meanings and understandings.[31]

Postindustrial ideology provides the members of New York City's traditional growth coalition with a shared project: in the face of a purportedly global or national economic transformation, their role is to enhance the city's postindustrial economy and thus to provide the jobs and economic growth that are claimed to benefit all the city's citizens. The transformation of New York City's economy and built environment is not only deemed to be inevitable, but given a quasi-moral gloss: this is what those responsible for the city's economy must do for the greater good of the city.

Postindustrial ideology also provides an orientation to the city as a space of contradiction and contention. It provides an explanation and a solution to the contradictory social effects resulting from the transformation of the city's economy from one of diversity to one dominated by office-based employment, the most important of which are heightened inequality and the systematic erosion of the tax base resulting from the steps taken by the city government to cultivate a postindustrial economy, including tax cuts for real estate development and financial activity, subsidies for real estate

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this debate. Eagleton himself seems to sidestep the question of whether ideology is necessarily distorting or falsifying, arguing instead that particular ideologies are complex mixtures of both truth, on one hand, and falsehood, distortions, and elisions on the other (1991, 10-31).

[31] Charles Rutheiser describes a similar phenomenon in a different context when he writes that "differences of professional identity and conflicts of interest are frequently transcended by belief in the same strategic myth of Atlanta as a socially progressive, racially harmonious world class city with a high tech future" (1999, 322).

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development, and the granting of billions of dollars of corporate retention and attraction tax incentives.[32] For adherents of postindustrial ideology, the answer to the dilemmas of inequality and tax base erosion is more of the same: to generate the tax revenues and jobs necessary to support the its population, New York must continue – and intensify – its efforts to support and develop the office-based economy that – given the realities of the globalization, the information economy, the ideas economy, or whatever – represents the greatest opportunity for economic growth.

Postindustrial ideology also provides the city's traditional growth coalition a common enemy, and a common understanding of political contention and opposition. The enemy is what I call antidevelopmentism: the belief, rampant among city elites, that local communities and activists, driven by NIMBYism, elitism, or fear of change, are implacably and constitutionally opposed to all urban development, and moreover, that this opposition has been the downfall of many worthy and necessary development projects.[33] New York's U.S. Senator, Charles Schumer, nicely summarizes the myth:

> At the dawn of the last century, New York built a subway system and grand public works like Grand Central Station. In the 1930s through the 1960s, we built a highway system, Lincoln Center and the World Trade Center. But there hasn't been a major public work built in the city for 50 years. Why? I believe a culture of inertia has set in. Criticism predominates over construction; critics are given more weight than those trying to build (2005).

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[32] For an overview of this policy history, see Brash 2004, 82-87. For a report detailing property tax reductions and exemptions has eroded the city's tax base, see Brower 2005. For a detailed accounting of the often indiscriminate use of tax incentive deals see Bowles 2001.

[33] NIMBY is an acronym for "Not in My Backyard" and denotes a refusal on the part of the members of certain neighborhoods to accept the presence of unpleasant, but necessary land uses or institutions: drug treatment centers, waste transfer stations, bus depots, and so on. There is a large literature on NIMBYism, though it typically focuses more on resistance to these undesirable uses rather than on resistance to development. However, many of the issues raised in this literature are applicable here. See Chapter Six.

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Antidevelopmentism is acknowledged to have its roots in the movement inspired by Jane Jacobs that developed in the 1950s and 1960s as a legitimate response to the excesses of Robert Moses, the powerful development czar who did so much to shape the city's physical landscape in the first half of the twentieth century, as well as the depredations of federal Urban Renewal policy.[34] However, it is claimed by many in the city's elite – and especially in its development and real estate elite – that by the 1990s the pendulum had swung too far in the opposite direction. Now, it was virtually impossible to implement large development or transportation projects without major delays, if at all. Like all myths, the myth of antidevelopmentism is to a degree based in fact – the anti-Moses and anti-urban renewal movements of the 1950s and 1960s *did* leave a legacy of effective, organized, and capable neighborhood groups who achieved some success in stopping or delaying certain projects. Nevertheless it neglects other explanations for these projects' delay or demise. Many had serious flaws that their opponents actually helped identify and rectify; others failed for economic or political reasons such as inadequate demand or a lack of federal funds. In any case, the myth of antidevelopmentism serves the important political function of delegitimizing opposition to particular development projects by ascribing it to knee-jerk, emotional reaction, rather than to rational analysis or thoughtful political judgment.[35]

III. Development Dreams Deferred: Offices on the Far West Side

The west side of Manhattan has been the site of some of the most ambitious plans produced as part of the postindustrial strategy pursued by the city's traditional growth

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[34] See Caro 1975; Schwartz 1993.

[35] See Gibson 2005.

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coalition – and, as the twenty-first century dawned, their frustration. Despite the success of postindustrialism overall, and despite long-held visions of office towers stretching from river to river, the westward expansion of the midtown Manhattan CBD has been a long and halting process, occurring in fits and starts over many decades. The far west side is, to speak figuratively, littered with the corpses of failed commercial development plans. It is to the difficult history of the postindustrial planning and development of that area that I now turn.

A. Midtown Moving West

Midtown, originally centered on the east side of Manhattan along Madison and Park Avenues in the 40s and 50s, has moved westward in three great bursts of office construction, each ending in economic and fiscal crisis, and each leaving the commercial real estate market flooded with unoccupied office space. In the late 1920s, the amount of prime office space in the city more than doubled; one result was the crossing of the real estate Rubicon, Fifth Avenue, as the completion of the first portion of Rockefeller Center pushed the boundary of the midtown CBD to Sixth Avenue. The building boom of 1967 to 1973, ending in fiscal and urban crisis, saw the amount of prime office space in the city increase by a third as builders filled out the middle of the island and midtown pushed into the west side. However, the "blight" of Times Square and its surroundings still presented an obstacle to further westward expansion. This barrier was overcome in the third, and weakest, building boom of the twentieth century, that of the 1980s, which saw an increase of slightly less than 20 percent in the city's prime office space. With the aid of a mid-80s down-zoning of the east side that forced commercial development westward and the richly-subsidized redevelopment of Times Square and its environs, office towers

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for the first time sprang up west of Seventh Avenue.[36] The building boom of the 1980s left an enormous glut of office space and was followed by several years during which no prime office space was constructed in Manhattan.[37] Only in 1999 did construction start again, and development reached what had long been considered the eastern boundary of the far west side, Eighth Avenue.

What was in fact a halting and difficult colonization of speakeasies, porn shops, low-scale residential neighborhoods, industrial lofts, and low-rent entertainment districts had long been considered by the city's development and real estate elite to be imminent. It took decades of plans, foundation studies, relocations, condemnations, developers' machinations, and public subsidization to achieve what had been treated, as far back as the RPA's seminal 1929 plan, as almost a *fait accompli*, a natural evolution: the expansion of the CBD westward to Eighth Avenue.[38]

B. The Great Plans of the 1960s

Two plans of the late 1960s – the RPA's second regional plan and the Lindsay administration's 1969 *Plan for New York City,* the city's last great comprehensive plan – targeted the far west side for commercial development. Of these two, the 1969 plan, a huge undertaking focusing not just on physical development but on a host of urban issues from public health to job development to governance, was the most important, as it drew on and fleshed out proposals made in the RPA's plan. It contained a detailed proposal for

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[36] A "downzoning" is a zoning change that reduces or limits the amount of space that can be built on a particular plot of land' an "upzoning" increases this amount.

[37] Robert Fitch has shown that the amount of vacant prime office space in 1993 was greater than that built during the 1980s, meaning that the net absorption of all this space was actually negative (1993, 6)

[38] See Johnson 1996, 265-266, for the expectations for west side office development in the 1929 plan..

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the commercial development of the far west side, particularly in the area west of Eighth Avenue between 42nd and 59th Street. This plan called for 30 million square feet (msf) of office space centered on 48th Street, along which a new subway line would run, as well as for the development of Hudson River waterfront, where a new convention center and ocean-liner terminal would be built. In addition, this new commercial district would be the site of new hotels, housing, parks, and other civic facilities. Finally the 1969 plan proposed that the costs of all planned public improvements could be paid for with the tax revenue generated by the increase in land values created by this new development.

The 1969 plan strongly foreshadowed the Hudson Yards plan developed by NYC2012 and the Bloomberg administration several decades later. The Hudson Yards plan would, as initially proposed, include about 30 msf of office space, a subway extension, a convention center expansion, a self-financing plan, waterfront development, and new parks, housing, and hotels. This continuity is unsurprising, given the fact that many of the individuals involved in development and marketing of the Hudson Yards plan, most notably Alexander Cooper, Jacquelin Robertson, Alexander Garvin, and Jay Kriegel, served in the Lindsay's administration.[39] The project of postindustrial transformation is sustained not only by continuities of ideology and economic interest, but of personnel as well.

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[39] Garvin would become NYC2012's chief planner, Kriegel would the Executive Director of NYC2012, and Cooper and Robertson's firm would create the first urban design plan of the Hudson Yards plan. Two other Lindsay Administration officials, Beth Probst and Lloyd McCall, were involved in writing the text of the NYC2012 plan and the public relations campaign to push the NYSCC, respectively. The Lindsay administration also shared a technocratic bent with that of Michael Bloomberg: in fact, it was in cooperation with the Lindsay administration that the RAND corporation, the then center of the American technocratic class, established a short-lived outpost in New York City dedicated to addressing urban issues (Dickson 1971).

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C. Commercial Development Rebuffed

The 1969 plan foundered in the face of the 1970s fiscal crisis, the declining political fortunes of the Lindsay administration, and community opposition. Only the convention center was ever built – and it was finished 17 years after the plan was released, and even then, far from the location that was originally proposed.[40] Even that success was disappointing, as the Javits Center never sparked the kind of peripheral development its planners envisioned.

Furthermore, it came at a significant cost to those who envisioned a far west side of skyscrapers and luxury housing. Lindsay administration planners made the injudicious choice of targeting the northern residential portion of the far west side for commercial redevelopment. Long known as Hell's Kitchen, this area had once extended from 34th Street to 59th Street. However by the 1960s the southern portion of Hell's Kitchen was dominated by transportation infrastructure facilitating the travel of people and goods between midtown and points westward, as the period from 1930 to 1950 saw the construction of an elaborate network of roads and ramps serving the Lincoln Tunnel and the Port Authority Bus Terminal; the building of the elevated West Side Highway, which severed the neighborhood from the waterfront; and the sinking of the New York Central Rail Yards below grade. The southern portion of the neighborhood was left crisscrossed by ramps, cuts, and overpasses where tenement buildings once stood. Indeed, hundreds of buildings and thousands of residents were displaced in the name of transportation

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[40] The Javits Center occupies the area from 34th to 39th Street between 11th and 12th Avenues; it was originally proposed for the area along the Hudson River between 44th and 47th Streets.

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efficiency.[41] Only the portion of Hell's Kitchen lying north of 42nd Street remained relatively untouched by the bulldozer and the wrecking ball.

The proposed extension of the midtown CBD into this area generated much rancor among Hell's Kitchen residents. Drawing on deep wellsprings of political savvy and bitterness generated by previous and contemporaneous development fights, as well as the neighborhood's history as a working class and union haven, they successfully opposed most elements of the Lindsay plan.[42] In exchange for accepting the convention center, they won major neighborhood protections in the form of the Clinton Special District, which contained zoning, preservation, and anti-harassment elements that protected the area's low-rise, residential, and affordable character. Though there would be some gentrification over time, the Clinton Special District resulted in the area north of 42nd Street and west of Eighth Avenue being essentially taken off the table as a site for the westward expansion of the midtown Manhattan CBD.

D. Keeping Hope Alive

The fiscal crisis of the 1970s and its aftermath made the predictions of massive postindustrial job growth upon which the plans of the RPA and the Lindsay

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[41] One community planning document from 2002 notes the upshot of all of these projects, and demonstrates the presence of this history of displacement in the consciousness of area residents decades later:

> The neighborhood…made sacrifices to serve regional needs. These projects improved the day-to-day flow of people, goods, and services into the city but they also displaced hundreds of local families, businesses, and neighborhood institutions such as a hospital, a playground, and a Children's Aid Society building. Infrastructure and transportation modernization benefited the region but dramatically impacted Hell's Kitchen South (Conard and Smiley 2002, 31).

[42] The early 1970s also saw the beginning of the famous (or infamous, depending on one's point of view) battle over Westway, the proposed replacement for the West Side Highway, which eventually resulted in the death of the project at the hands of environmental regulations and Federal litigation in the late 1980s. See Gastil 2002.

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administration were premised seem like a cruel joke.[43] Now the question was one of sheer economic survival. However, as the city emerged from the fiscal and economic depths in the 1980s, visions of office towers once again danced in the heads of city planners. The Koch administration's *New York Ascendant* once again trumpeted the necessity of CBD expansion, though its authors saw the area between 14th and 34th Street in the center of Manhattan, downtown Brooklyn and Long Island City in Queens as the most appropriate sites for office development. The Dinkins administration portrayed postindustrial development – and the expansion of the city's CBD to Long Island City, new areas in downtown Manhattan, and the far west side – as key not only to the city's economic competitiveness but to the amelioration of social injustice.[44] Both these plans never went beyond the walls of City Hall or the DCP. Koch's plan was released just months before the Wall Street crash of 1987 effectively ended the boom of the 1980s and flattened the demand for office space. Dinkins' plan was released a few months before his 1993 defeat by Rudolph Giuliani. The new mayor had little interest in anything held over from the Dinkins administration, let alone an exercise in urban planning, which Giuliani rejected as something akin to socialism.[45]

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[43] See City of New York 1969a, 56-61; 1969b; Fitch 1993, 112-114; Regional Plan Association 1969.

[44] The authors of a 1993 plan, *Shaping the City's Future*, wrote that, "the city's best prospects for expanding opportunity and combating poverty is to maintain its position as a global leader in finance and advanced business services, communications, and the arts – the industries that drive the city's economy" (New York City Planning Commission 1993, 3).

[45] In his 1998 State of the City Address, Mayor Giuliani had said:

> One of the extraordinary and unique things about New York is that it is not a planned city. A Commissar of Planning did not devise New York. Nor was it built according to an original general scheme or overall organizing principle like Washington, DC or Paris. Yet it is better known and more successful than either of those cities, great and beautiful though they are. And its beauty and power emerge because it has always allowed scope for human creativity and genius (Giuliani 1998).

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As of 1994, prospects for the long-desired expansion of the midtown CBD to the far west side of Manhattan were low, and had been so since the demise of the 1969 plan. This would soon change. The late 1990s would see the emergence of several planning efforts aimed at the area between 30th and 42nd Streets that would eventually intersect under the auspices of the Bloomberg administration. These efforts, discussed in detail in Chapter Three, focused on one site that *had* been the target of detailed development proposals in the years since 1969, the Cammerer Hudson Rail Yards.[46]

IV. The Hudson Rail Yards: A Brief Introduction and Development History

The two mega-blocks bordered on the east and west by 10th and 12th Avenues, on the south and north by 30th and 33rd Streets, and bisected by 11th Avenue, are closed off from the street by high fences topped with forbidding coils of razor wire (see Figure 1). Lying out of pedestrians' view, well below the grade of the street, are the 26 acres of railroad tracks that form the Hudson rail yards. Owned by the MTA, they serve as storage space for Long Island Railroad commuter trains after they drop off their cargo of suburban commuters at Penn Station, two blocks to the east. Their close proximity to midtown Manhattan, Penn Station, the Hudson River, and the Javits Center make the rail yards a tantalizing, if impractical, development site. Driven by comparisons to the New York Central rail yards lying to the north of Grand Central Station under what is now Park Avenue, which in the early twentieth century were decked and developed with luxurious apartment and office buildings to form the then-core of Manhattan's midtown

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[46] In everyday public discourse, the word "Cammerer" is generally dropped, and the rail yards are generally called the "Hudson Yards." However the term "Hudson Yards" was confusingly used both to refer to these rail yards *and* the entire area west of 8th Avenue between 28th and 42nd Streets. I will use the phrase "Hudson Yards" to refer to this larger area, and the term "Hudson rail yards" to refer to the rail yards themselves. Other phrases, most notably "Midtown West," "West Midtown," and "Hells Kitchen South" were also used to refer to this broader geographic area; at times I will use those phrases as well.

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CBD, real estate developers and planners have long fantasized about transforming this literal hole in the ground into a profitable development project.

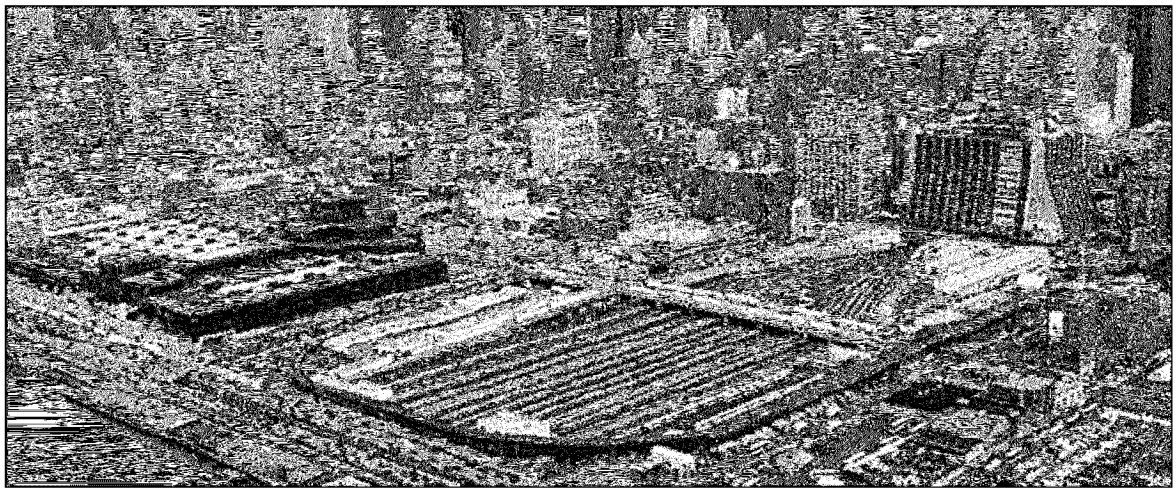


Figure 1: The Hudson Rail Yards and the Far West Side of Manhattan viewed from the southwest. The Javits Center is the black building on the left (Source: DCP).

The condition of the area in direct proximity to the yards has made the prospect of developing the rail yards even more enticing. While the area directly to the east of the rail yards had been developed, albeit not to the level that the city's development and real estate elite might have liked, the area directly to the north has long been viewed as prime for development.[47] Far from mass transit and chopped up by transportation infrastructure of various sorts, this area had historically been characterized by the kind of necessary, if not aesthetically pleasing, uses that typically gather at the margins of denser, more active urban district: light industry and manufacturing, transportation related uses, and a variety of uses supportive of midtown Manhattan's offices and theaters. By the 1990s, much of

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[47] The most inviting target for high density development has been the area lying between 33rd Streets and 42nd Streets along 10th and 11th Avenues. The area to the east of this, especially along Ninth Avenue north of 35th Street or so forms a residential neighborhood with a good number of small, locally-oriented shops – "the Main Street of Hell's Kitchen," as community planners would come to call it. As will be discussed in Chapter Three, the designers of the Hudson Yards plan recognized the political difficulties that would emerge if they proposed significant commercial redevelopment in this existing residential neighborhood, and largely steered clear.

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the manufacturing had disappeared, leaving the area characterized by an unsightly and uneven mix of bus parking lots, scattered tenement buildings, and low-scale industrial buildings housing relatively modest uses such as catering company kitchens, photography studios, storage for theater sets, car dealerships, and auto-repair shops, as well as a growing number of residential loft conversions. The presence of some major businesses, most notable a large FedEx shipping facility serving midtown Manhattan, might give pause to planners and developers seeking to transform the area, but not enough to present a major obstacle. The rail yards and the surrounding area presented an inviting, if not exactly blank, slate for ambitious developers and planners eager to reinvent not just the yards themselves, but a major swathe of the far west side.

The Hudson rail yards had become a feasible development site only in the late 1970s, when Richard Ravitch, the head of the MTA, oversaw the construction of support columns in the yards that would be able to support a deck.[48] Now it was possible to build over the yards without disrupting their transportation functions. A valuable new development site – situated on the riverfront, just a few blocks from midtown Manhattan – was born, and development proposals for the yards quickly emerged. In 1986, the Canadian development company Olympia & York, famous for their development of London's Docklands, announced a plan to raze Madison Square Garden, the arena that

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[48] Ravitch himself was a prominent developer, particularly of affordable housing. He actually built the bulky, sloped-side, black and tan building lying to the immediate east of the rail yards, which is visible in the upper right hand corner of Figure 1. Located between Ninth and Tenth Avenues and 33rd and 34th Streets, this building actually became a bone of contention in the debate over the Bloomberg administration's Hudson Yards plan, as Deputy Mayor Daniel Doctoroff had once been an investor in the building, though he essentially liquidated his investment soon after becoming Deputy Mayor. However, this became controversial when the building received a valuable zoning change, allowing significant additional development there in exchange for a walkway through the building that would connect the proposed Hudson Yards development to the west with the Farley Post office (to be redeveloped as a new Penn Station) to the east.

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lies atop Penn Station at 33rd Street and Seventh Avenue, replace it with twin office towers and a retail complex, and erect office buildings and a new arena over the rail yards. A year later, Olympia & York was on the verge of finalizing a deal with the MTA and the owners of the Garden when the stock market crashed and the real estate market headed south, scuttling the plan. Soon after, the MTA developed its own plan to build a new arena and office buildings over the rail yards, but it was done in by the same forces that doomed Olympia & York's plan.

As the city began to emerge from its half-decade-long economic and real estate swoon in 1993, proposals again emerged for the Hudson rail yards. With the commercial market glutted with the prime office space speculatively built during the go-go 1980s, office development on the yards was not viable. As chance would have it, this soft office market coincided with a period of failure for the New York Yankees, the city's flagship sports franchise. The owner of the Yankees, the infamous George Steinbrenner, tormented by years of losing and declining attendance at Yankee Stadium, located in the none-too-genteel South Bronx, began to agitate for a new stadium, glancing none-too-subtly towards New Jersey. In early 1993, New York Governor Mario Cuomo proposed the rail yards as a site for a new Yankee Stadium to be developed along with an adjoining commercial and entertainment complex.[49] However, Mayor David Dinkins opposed the plan, and later that year Cuomo and Dinkins offered Steinbrenner a $150 million Yankee Stadium renovation plan instead.

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[49] Ironically, the Yankees had coveted the same site in 1922, but the team was denied its use by the U.S. War Department; they ended up in the South Bronx instead.

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But that hardly put the matter to rest. In 1994, with Rudolph Giuliani, a vocal and lifelong Yankee fan, installed in City Hall, the Yankees' attendance continuing to sag, and Steinbrenner's stadium desire sparked by new, publicly-subsidized ballparks being built for his team's competitors in Baltimore, Chicago and elsewhere, the plan to move the Yankees to the Hudson rail yards was revived.[50] For the next five years, Mayor Giuliani led a forceful, but ultimately unsuccessful, campaign to bring his beloved Yankees to the far west side of Manhattan.

By 1999, the plan to move the Yankees to the west side was dead. Giuliani's penchant for authoritarian political tactics had led to the development of a political opposition that rejected almost anything he proposed. His bullheaded push for the stadium in the face of widespread condemnation from planners, economic development professionals, community groups, liberals, government officials, and even real estate developers merely hardened these lines of contention. In addition, the Yankees' remarkable late-1990s run, during which they won a handful of championships and saw attendance, payroll, and profits shoot through the roof, rendered incredible claims that the team could not compete in a Yankee Stadium located in the South Bronx, especially since the area was beginning to emerge from its decades-long descent into urban crisis. But, as we shall see, while plans for a *Yankees* stadium on the rail yards might have been moribund by 1999, plans for another stadium there were very much alive. This time, it was an Olympic stadium, and this time it was surrounded by blocks of 80-story office

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[50] For an analysis of the orgy of publicly-subsidized stadium building that began in the 1980s and reached a peak in the 1990s, See Cagan and Demause 1998; Delaney and Eckstein 2003.

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buildings and luxury apartment towers that would finally achieve the decades-old dream of a midtown Manhattan CBD encompassing the island's far west side.

V. Conclusion: The Eternal Return

Steven Malanga has written that "in New York, bad ideas don't die; they just get reincarnated as even worse ideas" (2005). While the conservative Malanga ascribes this to the currency of anti-free market ideas among the city's political elite, in this chapter I have demonstrated that the seemingly eternal return of redevelopment plans for the far west side is the result of a complex of ideology and economic interests that has bound together New York City's traditional growth coalition for decades. Ideas – whether bad or not – for the redevelopment of the far west side have been reincarnated because of a continuity of personnel, ideology, and economic interest. By the late 1990s, as Giuliani's far west side Yankee Stadium was reaching its final demise, the mission of far west side redevelopment had been taken up by a new player in the city's development politics: NYC2012, the private organization that had taken it upon itself to bring the 2012 Summer Olympic Games to New York City. This elite organization would embrace not only the tenets of postindustrial ideology, but many of the elements of previous proposals for the far west side, and many of the planners and development elites who had been involved in those proposals – especially the 1969 city plan.

But this time proposals for the redevelopment of the far west side would avoid the ignominious fate of the 1969 plan, which had resulted in only the inadequate Javits Center and the anti-gentrification provisions of the Clinton Special District. This was because this time it was not the city government that was doing the planning, but NYC2012. This time, the allure of bringing the world's greatest sporting event to the

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world's greatest city would overcome the political opposition had hamstrung previous efforts to extend the CBD west to the Hudson River. Or so it was hoped.

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Chapter 3: The Battle for the West Side Begins: NYC2012 and the Elite Roots of the Hudson Yards Plan, 1996-2001

I. The Olympic Quest Begins

Like all great quests, New York City's bid for the 2012 Summer Olympic Games has its own origin myth, a myth that doubles as the story of the entrée of Daniel Doctoroff into city politics. Doctoroff, a successful financier, would play a central role in the conception, development, and marketing of the Hudson Yards plan, first as the head of NYC2012, the private organization that developed the Olympic bid, and later as the Deputy Mayor for Economic Development and Reconstruction in the administration of Mayor Michael Bloomberg.[1] Doctoroff has said he was first struck with the idea that the city should host the Games at a 1994 World Cup soccer match in New Jersey:

> I'd been to the Super Bowl, the NBA Finals, the World Series, and only a month before I'd seen the Rangers win the Stanley Cup, but that soccer game turned out to be the most exciting event I'd ever seen. I was thinking the amazing thing about the New York area is, you could play that game with almost any two countries in the world and you'd generate the same amount of excitement. And I started wondering how it was that the world's most international city had never hosted the Olympics, the world's most international event (quoted in Furse 1996).

In April 1996, 18 months after his revelatory afternoon, Doctoroff presented a well-researched proposal to a powerful member of the city's development elite, Robert Kiley, head of the New York City Partnership ("the Partnership"), the city's most influential business group, and a former head of the MTA.[2] Kiley was intrigued, and Doctoroff went on to develop a slick presentation that gained support among prominent politicians,

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[1] NYC2012 was originally called "NYC2008," as its original intent was to bring the 2008 Olympic Games to New York. As discussed below, the name was changed after the city's bid was deferred for four years, to 2012. For the same of clarity, I will refer to the organization only as NYC2012.

[2] As is discussed in Chapter Four, the NYCP changed its name to the Partnership for New York City in 2003 as part of a reorganization of its structure, membership, and focus.

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real estate developers, corporate executives, and members of the city's development elite. By 2001, the roster of NYC2012's board read like a who's who of the city's elite and the organization had raised several million dollars in private donations, including a large sum from Bloomberg himself. The Olympic plan NYC2012 had developed was a wish list of development projects – including the redevelopment of the far west side of Manhattan – long favored by the city's traditional growth coalition.

In fact, by the time Michael Bloomberg was inaugurated as mayor in early 2002, three elite planning efforts targeting the far west side for redevelopment had come to a head. Of these, NYC2012's was the most important: it brought influential real estate developers, urban planners, corporate executives, politicians, and development elites to work out the specifics of an Olympic plan. Its planning staff used its considerable expertise to develop a detailed plan for the development of the Hudson rail yards and the surrounding area that combined a number of long-proposed individual projects into one mega-development plan. Finally, it associated the development agenda of the city's traditional growth coalition with the internationalism, cosmopolitanism, and celebration of competition ostensibly represented by the Olympics movement. NYC2012's leadership had high hopes that "bringing the greatest sporting event in the world to the greatest city in the world," as it was often expressed, would unify not only the city's elite (which it in fact did), but the entirety of the city itself (which it did not), and thus to vitiate the political opposition that had scuttled other efforts to redevelop the far west side.

Section II outlines the intertwined efforts of the city's elite – working in NYC2012, the Group of 35, and the city government – to come up with a viable plan for

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the redevelopment of the far west side. Section III describes and compares the nearly identical plans for the far west side that NYC2012 and the New York City Department of City Planning (DCP) produced in late 2001. Section IV analyzes the political reaction to these elite planning efforts, discussing, first, the community-based and participatory planning process initiated by far west side locals, and second, emergent tensions among the city's elite. Section V will conclude the chapter by arguing that while the period from 1996 to 2001 saw a reemergence of the postindustrial project of the city's traditional growth coalition, this reemergence reflected not just continuity with the past but also a nascent shift in power relations in the city.

II. Elite Planning: NYC2012, the Group of 35, and the Giuliani Administration

A. Daniel Doctoroff: the Man Behind the Plan

Daniel Doctoroff, a tall, youthful man blessed with the preternatural ability to maintain both a set jaw and an ingratiating grin, often came across as a naïve Harold Hill-like figure as he touted the pairing of New York, multicultural city of ambitious dreams and dreamers, and the Olympics, the ultimate expression of internationalism and peaceful competition.[3] Between this public persona and the inspirational (and seemingly apocryphal) story of Doctoroff's "eureka moment" at that 1994 World Cup game, it was natural that the media portrayed the superrich ex-financier as an unlikely entrant into the rough and tumble world of city development politics.

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[3] The irrepressibly cheerful salesman Harold Hill is of course the main character of the Meredith's Wilson's *The Music Man.* Sportswriter Mike Lupica of the *New York Daily New* was the first (2004c) to make this comparison .

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Yet Doctoroff was no naïf, as his rapid rise from a solidly professional upbringing into the heights of international finance should demonstrate.[4] Son of a judge and a psychologist, he was educated in government at Harvard and in law at the University of Chicago and New York University before moving into corporate finance in the early 1980s. He quickly moved from making deals at Lehman Brothers to managing the diverse investments of Oak Hill Capital Partners, a private equity firm controlled by Robert Bass, whose father had struck it rich in the Texas oil and gas industry. Though Doctoroff, born in Michigan, only came to New York because his wife accepted a job in the city after receiving her MBA, he quickly climbed into the rarified circles of Wall Street finance, first as a dealmaker for Bass, and after becoming a managing partner at Oak Hill, as a wealthy investor in a broad array of companies and industries in his own right. Indeed, by the late 1990s Doctoroff's diverse portfolio included city real estate: he was the co-owner of six far west side buildings.

In crucial ways, the values Doctoroff ascribed to New York City and to the Olympic movement – ambition, meritocracy, competition, and internationalism – reflected those often embraced by the city's new corporate elite.[5] But bringing the Olympics to New York City was about more than just lofty values. An avid student of urban planning and the history of the city's development, Doctoroff counted among his favorite books *The Power Broker*, Robert Caro's biography of Robert Moses (1975), and *The American City*, a treatise on urban planning by Alexander Garvin (2002), a

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[4] The details of Doctoroff's biography in this and the following paragraphs are drawn from a number of sources including Bennett 2005; Golson 2004a; Horowitz 2004; Lieber 2004; Robbins and McIntyre 2004; Robbins 2005a.

[5] See Chapters Four, Five, and Nine.

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prominent planner and a member of the New York City Planning Commission (CPC). Doctoroff also had a more personal connection to development politics in the city, as his mentor at Lehman Brothers had been Peter Solomon. Solomon, who became a close friend, was no ordinary investment banker. He had been only the second person to assume the position of Deputy Mayor for Economic Development after Mayor Ed Koch created the position in 1978. During his tenure as Deputy Mayor, which ended just before Doctoroff came to Lehman, Solomon created a long-term plan to consolidate a number of economic development agencies that had been working independently, and at times at cross-purposes, into a single apparatus that for the first time gave the city a coherent organizational infrastructure to support economic development policy.[6] He also led a 1978 re-study of the feasibility of holding the 1984 Olympic Games in the city when the possibility arose that Los Angeles, which had been selected by the US Olympic Committee (USOC) as the host over New York, would forfeit the Games due to cost concerns.[7]

So when Doctoroff made his presentation to the NYCP, he was undoubtedly well aware of the key role that economic and urban development would play in the formulation of an Olympic bid. Indeed, one of the first people Doctoroff recruited to his cause was Alexander Garvin himself, who agreed to be NYC2012's chief planner.

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[6] As we shall see in Chapter Five, Doctoroff also worked to centralize and coordinate the city's economic and urban development apparatus.

[7] New York was the only city to bid for the 1984 Games besides Los Angeles after Montreal ran a billion-dollar deficit in hosting the Games in 1976. Its original bid was led by developer Richard Ravitch. Eventually, of course, Los Angeles did hold the 1984 Games, which marked a turning point after the 1976 Montreal debacle and the US-boycotted 1980 Moscow Games: they were a financial and publics relation success and illustrated how the Games could catalyze various urban renewal and development projects. See Burbank, et al. 2001; Shaikin 1988; Shoval 2002.

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Garvin, whose approach to planning was pro-development and pragmatic, had started his career as a housing official in the Lindsay administration, the last city administration to engage in large-scale urban planning.[8] The Olympics bid presented individuals long active in the city's traditional growth coalition like Garvin a unique opportunity to give a new lease on life to development projects that had foundered for years in the face of political, funding and regulatory difficulties. As Jay Kriegel, another ex-Lindsay official and development elite in NYC2012's leadership has said:

> The Olympics host city is always chosen seven years before the games. There's no other event like it in the world, where we would have a date certain for the entire community to know that the world is going to come here. We know how long things get delayed in this town that have to be done [sic]. Well, let's pick your favorite one: the expansion of the convention center, the train to the plane. *This is a forcing mechanism.* It sort of creates an emergency control board for public projects not financed, that gets everybody galvanized with a quarterly report on how you're doing (2002a, emphasis added).

During the 1970s fiscal crisis, the Emergency Financial Control Board (EFCB) was created to oversee the city's finances.[9] For a period of years, the financial executives who dominated the EFCB had veto power over the city's budget and fiscal policies, operating outside of the normal processes of democratic accountability. Just as the EFCB had been able to impose an elite program of fiscal austerity, so, it was hoped, the "forcing mechanism" of a 2012 Olympic games would allow the imposition of an elite development agenda unable to win approval through normal democratic processes.

B. NYC2012's First Steps

From the very beginning, the Olympic bid provided a patina of legitimacy to both individual development projects and the drive for a citywide campaign of urban

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[8] Tellingly, the subtitle of Garvin's book is *What Works, What Doesn't.*

[9] See Brash 2004, 63-68; Freeman 2000, 256-270; Tabb 1982, 21-37.

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development. By mid-1996, Mayor Giuliani's campaign for a west side Yankee stadium was in full swing. NYC2012, on the other hand, was still finding its feet. With Robert Kiley's endorsement, the idea of a New York City Olympic Games gained momentum. Giuliani formed a task force of city officials, real estate developers, and corporate executives to study the possibility of submitting a bid for the 2008 Games. While the Mayor and members of NYC2008 warned against interpreting this as a marriage of convenience, their words of caution never rang true: NYC2012 needed government support, and Giuliani needed the political cover that an Olympic bid would provide for Giuliani's unpopular campaign for a west side stadium. Plans for a west side Olympic Stadium came into the world baptized by the fire of intra-elite politics.

Garvin's early recruitment gave the both the development agenda behind the bid and the bid itself a stamp of professional approval: coming from him, the idea of using the bid as a vehicle to push urban development projects was more politically palatable than it had come from real estate developers or the Giuliani administration. Other urban planners quickly got on board, lured by the prospect of long-absent investment in large-scale urban development.[10] By early 1997, the Olympics bid had garnered support from the entire range of the city's traditional growth coalition.

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[10] Perhaps most prominent among these was Mitchell Moss, the director of the Taub Urban Research Center at New York University, who took time out from trumpeting the transformative potential of the high tech boom of the late 1990s to throw his weight behind the bid. He cited the role the Olympics could play as a catalyst for massive public investment, saying "we haven't had a major new highway or park in New York since Robert Moses. The Olympics would be the 21st-century equivalent of Robert Moses, the one way you can mobilize support for massive public investment" (quoted in Applebome 1996).

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In May 1997, the USOC told NYC2012 that it was deferring all American bids for the Summer Games until 2012.[11] While planning efforts had begun, NYC2012's late start (it only began full-scale feasibility studies in September 1996), they were sketchy and preliminary. These plans gathered dust for almost two years, when a newly energized NYC2012 reemerged in a very different context.

C. CBD Expansion: It's Back!

When NYC2012 went on hiatus in 1997, the commercial redevelopment of the far west side had not yet resurfaced as a central concern of the city's traditional growth coalition. The late-1990s boom was only beginning, with real estate, financial, media, and high-tech sectors taking off together. The development priorities of the time were Times Square, whose transformation was only beginning to take hold; the reuse of industrial buildings by high-tech firms; and the conversion of obsolete office buildings in downtown Manhattan to high-end housing. Besides Giuliani's stadium obsession, the only far west side development project getting much attention was the long-proposed expansion of the Javits Center, caught in the crossfire of ongoing conflict between Governor George Pataki and Mayor Giuliani.[12]

By 1999, things were different. The stock market seemed headed ever-upwards, with technology apparently transforming the rules of capitalist development. A new high-tech sector was growing along a "Silicon Alley" running along Broadway from Soho to Chelsea. The glittering new theaters and retail stores of a sanitized Times Square

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[11] The IOC tends to cycle through continents in a fairly consistent and predictable way. Given that Atlanta had the summer games in 1996 and Salt Lake City had been awarded the winter games for 2002, it seemed unlikely that IOC would choose a US city for the games in 2008.

[12] This conflict had been sparked by Giuliani's endorsement of Pataki's opponent in the 1994 gubernatorial race, the incumbent Democrat Mario Cuomo. See Barrett 2000, 299-305.

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were packed with well-heeled suburbanites and tourists from all over the world pumping their money into a newly revived tourist economy. All this economic activity generated some office development, particularly in Times Square, where several large firms built new headquarters. But this was not enough. Financial, technology, and media firms were quickly outgrowing existing space; office rents shot upwards and commercial vacancy rates plummeted.

As had been the case in the late 1920s and again in the late 1960s, members of the city's traditional growth coalition began agitating for CBD expansion, especially on Manhattan's west side. In addition, the city's tourism boosters lamented the shoddy state of the Javits Center and pointed to the convention business being lost to cities across the country, where new and refurbished convention centers were coming online at an unprecedented rate.[13] CBD and convention center expansion on the far west side were back on the table. NYC2012's leaders quickly saw an opportunity capitalize on this new environment, and as 1999 wore on, the far west side of Manhattan emerged as one of two key sites of NYC2012's developing citywide plan.[14]

D. Giuliani's Convention and Sports Corridor

The reemergence of calls for CBD expansion was not the only thing that had changed between 1997 and early 1999. Renewed interest in stimulating office development and the political reality that his proposals for a west side Yankee Stadium were essentially dead had led Mayor Giuliani to change his approach to far west side

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[13] See Sanders 2002, 2004 on this convention center building boom.

[14] The other was Queens West, a riverfront area in southwestern Queens near Long Island City, where the Olympic Village would be located. Long Island City, a still-functioning industrial area, had long been targeted by the city's traditional growth coalition as a potential site for office and high-end residential development.

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development. In his January 1999 State of the City Address, Giuliani acknowledged that the Yankees would not be coming to the Hudson rail yards. But rather than letting the matter rest, he now proposed an expanded "convention and sports corridor" running down 11th Avenue and across 33rd Street, which included a renovated Javits Center connected to a new domed stadium on the western Hudson rail yards (see Figure 2). The stadium would serve as a home not to the Yankees, but to the New York Jets, and would also serve as auxiliary space for the Javits Center.[15] It would be complemented by a new Madison Square Garden on the eastern part of the rail yards replacing the old arena above Penn Station, which would be torn down and replaced with office towers. All of this would be served by an extension of the Number 7 subway line.[16]

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[15] The involvement of the Jets, one of the metropolitan region's two football teams is discussed below.

[16] The cross-town Number 7 Subway line terminates at Eighth Avenue and 42nd Street in Times Square.

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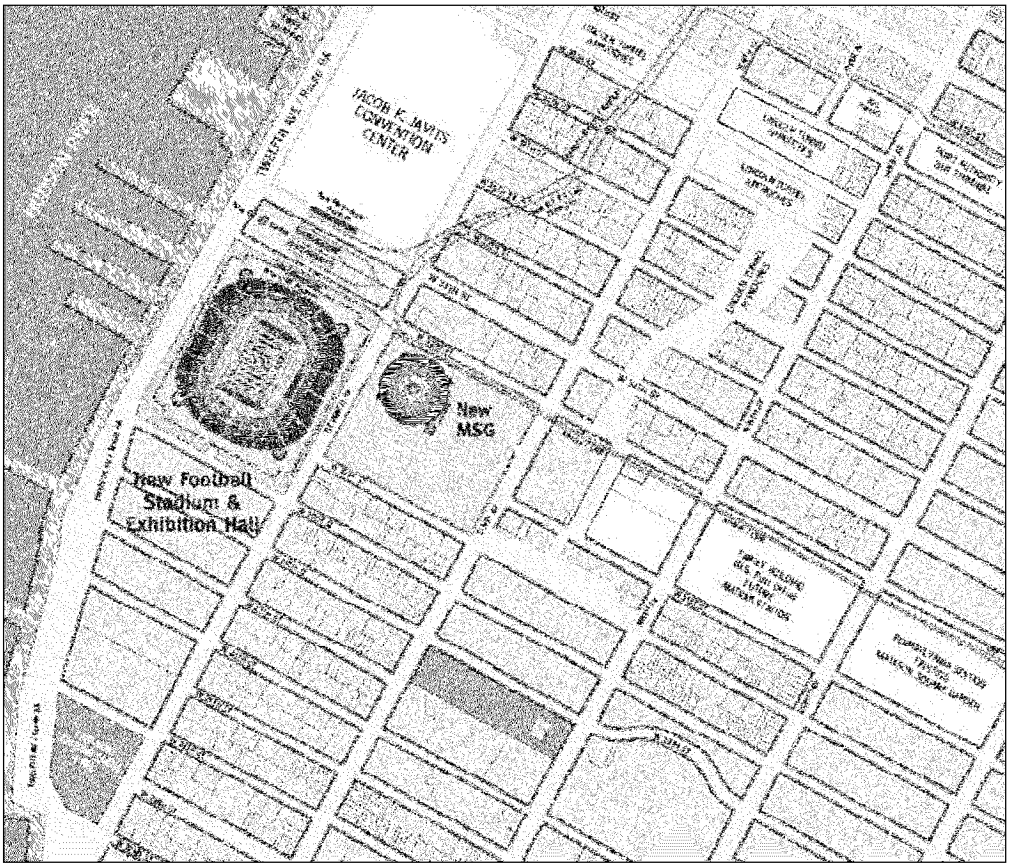


Figure 2: Giuliani's 1999 Proposal for a Far West Side Sports and Convention Corridor (Source: New York City)

Giuliani's proposal was met with skepticism, given his inability to start any other major development project or to coexist peacefully with Governor Pataki, whose support would be necessary. In addition, it did not provide for the large scale expansion of the midtown CBD now in vogue among members of the city's traditional growth coalition. However, the proposal did add to the momentum of the broader movement for far west side redevelopment.

E. NYC2012 Takes the Lead: Garvin's Gambit

Most of this momentum was generated by NYC2012, whose leaders were working closely with City and State officials, prominent real estate developers, and expert development elites to formulate plans for CBD expansion. NYC2012's Facilities

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Advisory Group served as the primary vehicle for this effort, and in its 1999 meetings and reports, Alexander Garvin and his team presented a number of options for the location of Olympics facilities, including the use of existing or temporary facilities.[17] Generating the most enthusiasm, however, was the possibility of locating these facilities on Manhattan's far west side as part of a larger redevelopment plan. Also discussed in these meetings and reports was the possibility that the political dangers faced by a far west side stadium had decreased with the Yankees had been removed from the picture, and commercial development, the Olympics and the Jets added to it.[18]

Faced with the need for Olympic facilities, the need for more office space, Giuliani's proposal for a sports and convention corridor, and potential controversy of proposing a west side stadium, NYC2012's planners made a bold choice, as Paul Goldberger described:

> Garvin thought about all the proposals that had been made for the site, and he wondered if the solution was not to just say yes to everything. There was enough land to build a stadium, construct a few skyscrapers and a new Madison Square Garden, have some open space, and put in a station for subway and commuter trains. All these pieces would have to be somewhat jammed together, and there wouldn't be room for the sea of parked cars that surrounds every other football stadium, but wasn't that the point? To

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[17] See NYC2012 1999a, 1999b, 1999c. These documents are available on the Brian Hatch's indispensable New York Olympics bid website, www.newyorkgames.org.

[18] In one of these meetings, Doctoroff showed both a keen awareness of the politics of the stadium, coupled with a complete misjudgment of the actual political controversy that would follow. In words that now seem loaded with irony, the minutes read as follows:

> Nat Leventhal raised the issue of the politics surrounding the presentation of such as controversial plan. Mr. Doctoroff responded by saying that the public's emotions about locating a stadium on the West side are lower now than they were previously, particularly because it involves bringing the Jets back to New York City rather than moving the Yankees from the Bronx…[Former Lindsay Administration DCP chief] Don Elliott contemplated whether the argument that the Olympic Square plan [i.e., NYC2012's rail yards plan]…proves so compelling that it overrides the issue of opposition to the stadium. Mr. Doctoroff indicated that, in speaking with potential Mayoral candidates among the other City politicians, he realized that the general reaction to a stadium has changed since it became focused on the Jets rather than the Yankees (NYC2012 1999a, 3).

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> figure out how to make the most un-New York thing imaginable – a huge venue for sporting events – in a New York way (2000)?

It was also the point to figure out how to satisfy the interests of all the elites who had joined forces behind NYC2012. Garvin's gambit was not just a planning decision driven by the principles of urbanism, but also a *political* decision: to sell the Olympics to real estate and corporate elites as CBD, transit, and convention center expansion; to sell the Olympics to the mayor as a way to finally get a stadium on the west side; to sell the stadium to the governor as a Javits Center expansion, a pet project of Pataki's for years; to sell CBD expansion and the stadium to planning advocates and potential stadium opponents as an urbanistically sound plan for open space and transit expansion. This was at once an efficient planning solution, an audacious mega-project proposal, and an intricate political balancing act.

As the Olympic plan neared completion in early 2000, its far west side elements became more solid and more expansive, now including proposals not just for the Hudson rail yards but for the 39 square blocks west of Ninth Avenue between 28th and 41st Streets. In fact, commercial redevelopment became more and more central in justifying the entire endeavor; the stadium and Olympics facilities often took a back seat.[19] NYC2012 planners thus enthusiastically hooked the organization's own agenda – the planning of a 2012 Olympic bid – into the broader agenda for CBD expansion emerging

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[19] For example, here are the first words of a January 2000 NYC2012 report on far west side redevelopment:

> Since 1992, New York City's office based industries have added 250,000 jobs but the supply of office space has barely increased…Vacancy rates have plummeted, office rents have risen sharply and the City is losing jobs by the thousands. In order to support the continued growth of its most dynamic industries, New York needs to add 3 to 4 msf of office space each year. The area of west of Ninth Avenue between 28th and 41st Streets, is one of the few areas in Manhattan where a substantial volume of new office space, as well as public facilities needed to support it, could be developed (Appleseed and Taub Urban Research Center 2000, 3).

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among members of the city's traditional growth coalition. Indeed, NYC2012's planning dovetailed with two other important efforts targeting the far west side for commercial development: the Giuliani administration's ongoing planning for "Midtown West," and those of the newly formed Group of 35.

F. Giuliani Puts the Pieces Together: Midtown West

Bearing out the skeptical reaction to the proposals made in Mayor Giuliani's 1999 State of the City address, the administration had done little to advance his "convention and sports corridor" during that year. But when the Mayor took to the dais a year later for his 2000 State of the City Speech, it was apparent that one thing *had* advanced since: the ambition of his proposals for the far west side. Late in this speech, after retreating from an earlier threat to "blow up" the Board of Education building in Brooklyn (now he was just proposing to sell it), the mayor outlined a proposal for what he called "Midtown West" that seemed drawn from the pages of NYC2012's planning studies. Incorporating the elements outlined a year earlier – a subway extension, a stadium, an arena, and a convention center expansion – the plan now included a proposal for large scale commercial development. Giuliani also publicly threw his support behind NYC2012's formative plan – unsurprising given the fact that the Giuliani administration had been actively working with NYC2012 to coordinate the two emerging plans. CPC Chair Joseph Rose and lower level DCP staffers, who had only recently begun work on an preliminary far west side planning study, were talking with NYC2012's planners about Midtown West, particularly about the rezoning portion of the plan that would be crucial for the westward expansion of the midtown CBD. Both the city government and NYC2012 were now focusing intensely on the far west side; they were joined by a third

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group, whose formation was the clearest indication of the revival of the traditional growth coalition's long-term project to expand the city's CBD.

G. The Group of 35 Forms

One week after Mayor Giuliani's 2000 address, US Senator Charles Schumer elucidated the fundamental ideological premise of this project by arguing that real estate development was the key to future job growth in the city in the latest postindustrial age, now termed "the ideas economy:"

> This decade and this century should be New York's Renaissance…There is no economy better suited for the type of skills that New Yorkers have…than an economy based on ideas. But there is a troubling storm cloud on the horizon that could cause New York City to stagnate or even decline. If we don't address it and mitigate it another city…will surely replace us as the world capital of the ideas economy. The troubling storm cloud can be summed up in one word: space (2000).

Schumer went on to announce the creation of a high-powered commission – the Group of 35 – to develop a plan to spark and guide future office development. Co-chaired by Schumer and former US Treasury Secretary Robert Rubin, the commission was dominated by real estate elites and corporate executives, though it included a handful of labor leaders, policy professionals and planners.[20] Several of its members were directly involved in NYC2012's planning process, and many others would donate money to the bid or serve on its Board of Directors or one of its committees. The Group of 35 quickly

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[20] The commission was originally called the Group of 30, but its name changed when its numbers expanded. For a listing of the commission's members, see Group of 35 2001. The commission's work was coordinated by rising member of the city's development elite, Eric Deutsch. Deutsch was at the time an EDC official; previously he had worked as a real estate finance expert at the consulting firm KPMG. After the Group of 35 issued its report in 2001, Deutsch would go on to serve as the President of the Brooklyn Navy Yard Development Corporation and as the president of the Downtown Alliance, where he would replace a retiring Carl Weisbrod.

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joined NYC2012 and the DCP in identifying the far west side as an ideal location for office development.[21]

The creation of the Group of 35, along with the prominence of its members sent a clear signal that, in the eyes of the city's elite, New York City was facing a severe crisis – a dearth of office space jeopardizing its capacity for future economic growth – which only underlined the urgency of the development agenda informing NYC2012's planning. The commission itself, along with NYC2012, served as a vehicle for elite solidarity, drawing together a broad array of prominent real estate developers, corporate executives, development elites, and politicians behind that agenda. For the first time in three decades, the city's traditional growth coalition was largely united behind the project of redeveloping the far west side. The political will, it seemed, was there; only the details were missing.

H. Financing and Marketing the Hudson Yards Plan

That would change in short order. Though the physical elements of NYC2012's proposals for the Hudson Yards area had been determined by early 2000, the issues of financing the development and selling the proposal to a public that had clearly rejected a far west side stadium for the Yankees remained. In an April 2000 meeting, the members of NYC2012's Facilities Advisory Group discussed these issues:

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[21] The report eventually issued by the Group of 35 in June 2001 (Group of 35 2001) stressed the importance of commercial development on the far west side, though its also advocated a citywide strategy for commercial development. It added little new to NYC2012's Hudson Yards plan, including many of the same elements, including 20 msf of office space, though not a stadium. It was a paradigmatic expression of postindustrial ideology, pointing to the need for intensive office development to accommodate the office-based employment that would be generated by a transforming global economy, in this case the "Ideas Economy:" the report projected 300,000 more office jobs in the city by 2020, necessitating the development of some 60 msf of office space around the city.

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> Doctoroff [said] that with the appropriate financing and zoning, the Midtown West project could be paid for with revenues generated by the project. Demonstrating that the Midtown West project is feasible, [he] explained, will be the strongest way of convincing people of the merits of the proposal (NYC2012 2000, 4).

This political analysis would prove to be profoundly wrong. The issue of the project's feasibility was only a small part of the objections to the plan that were eventually raised, most of which focused on *what* was proposed, not whether or not it could be implemented.[22] Nevertheless, these minutes demonstrate that from early on the Hudson Yards plan was conceived as being self-financing and independent of the normal funding streams usually used in large capital projects.[23] This was expected to be a political selling point: the project, in theory at least, would not draw funding away from other development projects financed through traditional means. However, it also meant that its funding would not be subject to the politically unpredictable legislative approval process, a fact which would prove to be a political vulnerability as opponents of the plan argued that the avoidance of legislative review violated norms of accountability, public process, and democratic decision-making.

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[22] Though Doctoroff always displayed more political savvy than other key members of the Bloomberg administration, here he displays a faith in the virtues of effectiveness that foreshadows the administration's technocratic approach to urban governance (see Chapter Five for details).

[23] Such projects traditionally have been funded by government bonds issued after the legislative negotiation and the approval of a State and/or City capital budget. The assumption on the part of government officials and lenders is that these projects will enhance the *overall* ability of the government to secure tax revenues, out of which project costs and/or bond repayments are paid. In other words, there is no specific link between the funding of a project and the revenues it generates. However, with the decline of Federal urban aid, often used in the past for such capital improvements, and the overall pressures on local government's budgets, financing schemes that directly tie a project's funding (usually in the form of project-specific bonds) to the revenues it is expected to generate, have become more widespread. This is the model that NYC2012 (and the city government, as discussed below) were proposing to use.

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I. The Jets Get Involved

As 2000 progressed, there was one piece of external financing that NYC2012's planners would be able to count on, as it became clear that the New York Jets were willing to invest a large chunk of private capital in the construction of a west side stadium. After the May 1999 death of Leon Hess, the long-time owner of the Jets, Johnson & Johnson heir Robert Wood "Woody" Johnson IV, bought the team. He shortly announced his interest in moving the Jets out of New Jersey when its lease at the dumpy Giants Stadium, shared with the region's other football team, the New York Giants, and the site of Daniel Doctoroff's 1994 Olympic revelation, expired in 2008. Preferably, the team would move to the west side of Manhattan, where it would no longer have to share a stadium – or revenues from the exorbitant prices that the team could charge for luxury suites, season tickets, and personal seat licenses. According to press reports from late 1999, Daniel Doctoroff hoped that the city government and the Jets would split the cost of a new stadium.[24] An agreement on the City's contribution would not be reached until years later; however, it was always expected that the Jets would pay for much of the stadium's cost. Without this private funding for a far west side stadium, an existing facility – most likely Shea Stadium in Queens – would have to be used for the Olympics. While this would not undermine the city's bid, t would undermine the plans for far west side redevelopment: without an Olympic stadium, these plans would not benefit from the rosy glow of the Games. With the involvement of the Jets, NYC2012's

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[24] See Lewine 1999. At that time, the stadium was estimated as having a cost of $100 to $300 million. This estimate would rise to about $1 billion by early 2001, to $1.6 billion by late 2003, and by mid-2005, to over $2 billion.

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planners could now drop alternative sites for the Olympic stadium from consideration and focus on the west side alone.[25]

Doctoroff's hopes that the City would to its financial part in constructing a far west side Jets/Olympic stadium were bolstered when Mayor Giuliani playfully reached out to Woody Johnson during his 2000 State of the City address:

> We could make a naming rights deal. We'd get a lot of money for that…We could come up with a name like . . . "Johnson and Johnson Stadium"…I just picked one out. We could have the Jets play there (2000).

Within a matter of months Mayor Giuliani, Johnson, and NYC2012 were in intense discussions about moving the Jets to the far west side of Manhattan. In mid-2000, the Jets hired Jay Cross to head their campaign to procure a new far west side stadium. The Canadian-born Cross – handsome, dapper, soft-spoken and mild-mannered – seemed unsuited to the rough-and-tumble arena of urban development politics. Nevertheless, he came with a proven track record, having guided stadium-building campaigns for professional sports teams in Toronto and Miami.[26] In September, Mayor Giuliani officially acknowledged that the City, the Jets, NYC2012 and the National Football League were discussing a new west side stadium. In December, the Jets floated their first design plans, which physically linked the stadium and the Javits Center. However, Javits' officials rejected this initial proposal, and about a year later, after hiring the architectural firm of Kohn Pederson Fox, the Jets released a plan that added a northward

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[25] As discussed in Chapter Nine, the alternative site for the Olympic stadium became a focus of intense political debate in the period before the IOC chose a city to host the 2012 Games in 2005.

[26] Cross was joined by a team of lobbyists and public relations consultants, including Peter Powers, a longtime friend of Mayor Giuliani who had served as Deputy Mayor earlier in Giuliani's administration, Kieran Mahoney, one of Governor' Pataki's key political advisors, and Bill Lynch, a former Dinkins administration official. See Chapter Eight.

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expansion of the Javits Center. In the meantime, the team added a stick to the carrot they had dangled, hinting that they would consider a move to Los Angeles if the stadium was not built. A final stadium design was issued in early 2003.[27]

J. Finalizing Plans

With the Jets providing the investment that made a west side stadium financially viable, NYC2012 was able to finalize both its overall Olympic plan and its Hudson Yards plan. In September 2000, NYC2012 released its "Olympic X" plan, which strung various Olympic venues along two transit axes forming a giant "X" centered on the Olympic Village in Long Island City, Queens.[28] Though the details of particular venues were still sketchy, NYC2012 was clearly making progress on all fronts.

In contrast, the stadium had received the bulk of the Giuliani administration's attention since the Mayor had made his Midtown West proposal in January. Giuliani seemed more interested in meeting with Jets and NFL executives than in pushing the DCP to produce a rezoning plan for the area, a fact which did not go unnoticed in elite circles.[29] By September, planners, corporate executives and real estate developers were publicly expressing concern that the administration was focused too much on the stadium

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[27] See Chapter Six for more on the stadium's design.

[28] For more on the Olympic X Plan, see http://www.usocpressbox.org.

[29] The renewed prospects of a west side stadium even pushed Giuliani to take steps to repair his long-contentious relationship with Governor Pataki, whose control of both the Javits Center, built on state land and run by a state authority, and the MTA, which owned the Hudson rail yards and which would have say over any Number 7 subway line extension, gave him ultimate power over the project. These efforts were largely unsuccessful, as Pataki's advisors, though indicating that he would not publicly oppose a west side stadium, doubted its political feasibility. Shortly after becoming Deputy Mayor under Mayor Bloomberg, Daniel Doctoroff would successfully repair the relationship between City Hall and the Governor. Key to this was an implicit but widely recognized deal that gave Pataki de facto control over the redevelopment of the World Trade Center site and the Bloomberg administration de facto control over the redevelopment of the far west side. Ultimately, Pataki would become an active and public supporter of the Hudson Yard plan.

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and not enough on CBD expansion.[30] A *Crain's New York Business* editorial made this clear:

> The battle for the west side has begun, but in truth it doesn't have much to do with whether to build a sports stadium for the football Jets or the baseball Yankees, or with a dome to accommodate conventions. What's at stake is whether the city can muster the resolve to allow the central business district to expand to an area now occupied by train yards, abandoned warehouses and a few thousand people. It is not an exaggeration to say that the economic future of the city is at stake (Editorial 2000).

In response, CPC chair Rose reiterated the administration's commitment to spurring office development. Soon there was movement on this front as DCP staff –with the aid of NYC2012's planners, who had begun discussing financing mechanisms months before – began work on a plan to create a special tax district focused on the Hudson rail yards that could be used to finance expansion of the Number 7 subway line. As of January 2001, the formulation of a rezoning plan for the area was a top priority at the DCP.

By the end of 2001, both the City's and NYC2012's planning processes had borne fruit. In August, NYC2012 released *Hudson Yards: a Proposal for the West Side Rail Yards*, a detailed plan for the Hudson rail yards and their vicinity. In November, just weeks before Giuliani left City Hall, the DCP took the first official step in the public process of rezoning the far west side by issuing *Far West Midtown: a Framework for Development* (the Framework). Though the subject of nominally separate planning processes, one private and one public, these plans were, for all intents and purposes, identical.

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[30] See Bagli 2000.

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III. Two Plans, One Vision

A. Justifying Development

The Framework and NYC2012's plan were both premised on the idea on that the city was facing a critical office space shortage that jeopardized its economic future, and pointed to the far west side as the best location for much-needed CBD expansion. According to NYC2012's plan:

> Manhattan's central business district is now bursting at the seams…These seams must be opened up. Otherwise, the shortage of first-rate office space and its corollary – high rents – will discourage businesses both large and small…Hudson Yards is the most realistic – indeed the only – part of Manhattan capable of absorbing this essential growth (NYC2012 2001, 46-47).

The Framework echoed this, stating that "to maintain its preeminence as a world city and to ensure the continued growth of the City's economy, suitable locations are…needed proximate to Midtown for large-scale office development…" (New York City Department of City Planning 2001, 24-25). It maintained that about half of the 80 msf of "office and other commercial space" required citywide could be located on the far west side, including about 30 msf of office space. NYC2012's plan did not indicate the exact square footage of office space that the area could accommodate, but it did provide soaring estimates of the economic output, jobs, and revenue growth that development there would generate.

B. Land Use and Urban Design

The Framework and the NYC2012 plan made virtually identical proposals for land use in the Hudson rail yards and its environs.[31] Both called for an expansion of the

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[31] NYC2012's plan covered the area west of Ninth Avenue between 28th to 41st Street; the Framework covered a slightly larger area stretching east to Eighth Avenue and north to 42nd Street; in addition the

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Javits Center, an extension of the Number 7 subway line, a network of open space, and the rezoning of the area to permit increased commercial and residential development. However, there were important differences in emphasis.

NYC2012's plan set forth detailed proposals for both the eastern and western Hudson rail yards, both of which would be decked to permit development. The Javits Center, deemed woefully uncompetitive, would expand southwards into a new 72,000 seat stadium sitting on the western rail yards that would serve as an Olympic stadium and the new home of the New York Jets.[32] The eastern rail yards would hold two large hotels to house conventioneers and, during the Olympic Games, journalists. Also located there would be a new Madison Square Garden and an International Broadcast Center serving as the media's home base during the Games. Afterwards, this 1.2 msf tower would become a "signature office building" anchoring commercial development on the rail yards (NYC2012 2001, 49). These new buildings on the eastern rail yards would be complemented by an eight-and-a-half acre square with a large green space, shopping arcades, pedestrian pathways, and cafes; the square would serve as the main gathering place for the 2012 Olympics. Extending northward from the eastern rail yards, bifurcating the long blocks between 10th and 11th Avenues and terminating at 39th Street would be a new boulevard serving as an inviting conduit to the rail yards from the north. It would also provide more lots with avenue frontage – a valued real estate commodity – and "distinctive new addresses for corporate offices and shops" (NYC2012 2001, 34).

Framework included plans for the blocks between Seventh and Eighth Avenues from 28th Street to 35th Street, blocks containing Madison Square Garden, Penn Station, and a few blocks of the Garment Center.

[32] Both plans also proposed the northward expansion of the convention center, in response to the demands of Javits Center officials who deemed the southward extension an only marginal improvement.

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The Framework, on the other hand, only cursorily considered two development scenarios for the entirety of the Hudson rail yards: an "office use" alternative and a "multi-use facility" alternative "consistent with the plans put forward by NYC2012 for…this location" (New York City Department of City Planning 2001, 34).[33] In fact, the multi-use facility alternative was virtually identical to the NYC2012's plan. On the western yards would be a stadium doubling as an expansion of the Javits Center and on the eastern yards would be hotels, an office building, a relocated Madison Square Garden and a large open space serving as the southern terminus of a "midblock promenade" between 10th and 11th Avenues (New York City Department of City Planning 2001, iv).

If the Framework only briefly considered the programming of the Hudson rail yards, it did contain technical analyses and in-depth proposals for the rezoning and urban design of the entire area. Its authors proposed a physical division of the far west side into several areas characterized by specific land uses (see Figure 3). The most important of these was an axis centered on 33rd Street, where proposed commercial development would stretch east to Seventh Avenue, encompassing the current sites of Penn Station, Madison Square Garden, and the Farley Post Office.[34] This corridor provided "the best opportunities for large scale development due to its central location, the presence of the large sites created by the superblocks and MTA Rail Yards, and the extension of the Number 7 Subway line…[It] would be the commercial spine of Far West Midtown, tying

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[33] The office use alternative was similar to the MTA's 1989 plans for the rail yards, including 16 msf of office space supplemented by a hotel and open space.

[34] Redevelopment plans of various degrees of specificity and advancement had already been proposed for all these sites. The most important of these involved the Farley building, which was proposed to be redeveloped to contain an expanded Penn Station, above which would rise new retail and commercial development.

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the area to Midtown Manhattan and a newly developed commercial center across from the Javits Convention Center" (New York City Department of City Planning 2001, iv). "The second leg of a high-density commercial office core" would be provided in the area between 10th and 11th Avenues, separated from the midtown CBD by several blocks of residential development (New York City Department of City Planning 2001, iv). This contrasted with NYC2012's plan, which, perhaps because it did not include any blocks east of Ninth Avenue, focused office development on this north-south axis.

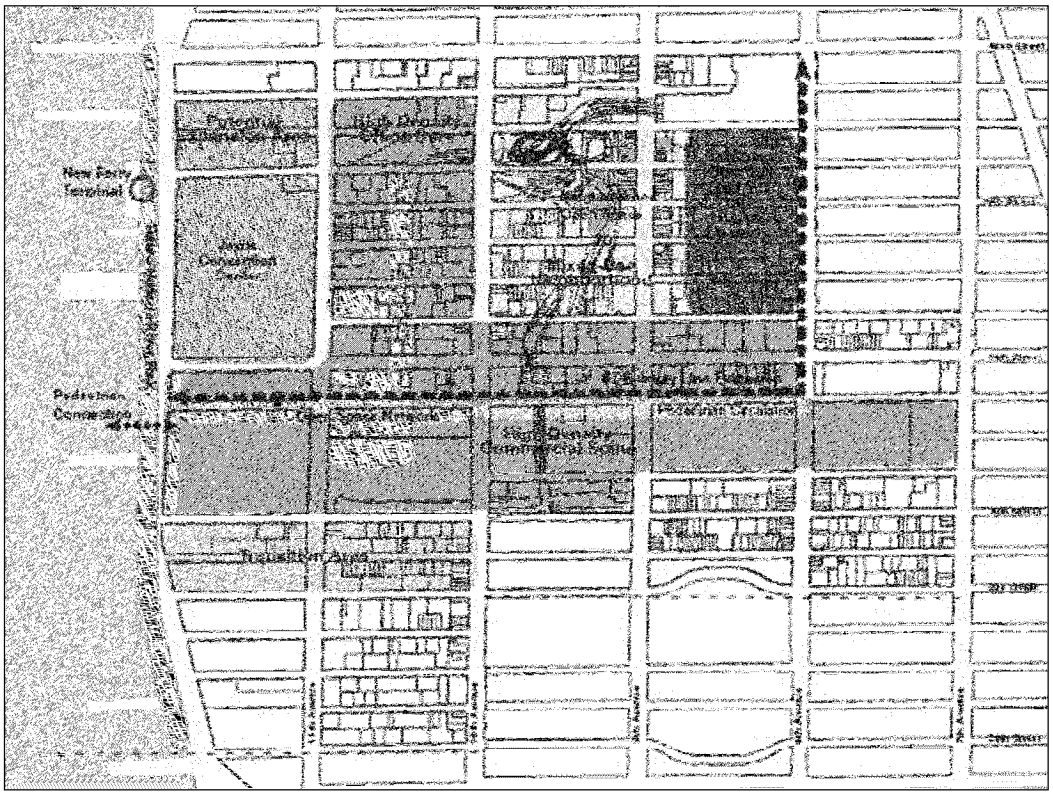


Figure 3: Land Use Map from the Framework (Source: DCP)

Both plans recognized the existence of low-scale residential uses east of 10th Avenue, especially to the north. While not proposing any major land-use changes for this area, both did propose significant increases in residential density. Indeed, the Framework proposed that this area could serve as "an appropriate transition to the proposed high

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density office uses to the west," language that could be interpreted – and was interpreted by community leaders and residents – as casting doubt on the City's commitment to protect the neighborhood's low-scale character (New York City Department of City Planning 2001, 31).

C. Transportation

The Framework analyzed in detail the transportation issues that the area faced, making several proposals to address them. Most important (and costly) was the extension of the Number 7 Line subway southward along Eighth Avenue to Penn Station, where it would turn westward and terminate at 11th Avenue and 33rd Street.[35] Traffic issues and the possibility of enhanced bus and ferry service in the area were also addressed. Departing from current citywide policy, which since 1982 had aimed to alleviate automobile congestion in Manhattan by minimizing the provision of parking in new development south of 110th Street, the Framework proposed that parking be required for development in the area.[36] The NYC2012 plan also contained detailed transportation analyses, important because both the redevelopment of the far west side and the successful staging of the Olympics would be dependent upon the smooth movement of people in and out of the area.

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[35] The Framework also mentioned proposals under study to extend the Metro-North commuter rail line to Penn Station, to build a second trans-Hudson tunnel for the New Jersey Railroad, and to provide the LIRR with access to Grand Central Station on the east side. All these would provide additional access to the area, either directly or by freeing up capacity at Penn Station. However, all were eventually dropped from the plan.

[36] This would result in at least 16,000 new parking spots, ostensibly necessary to meet the demand generated by new development and to replace the spots removed by the development of parking lots in the area. This would become an issue in later debate over the environmental effects of the Hudson Yards plan (see Chapter Six).

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D. Financing

Both plans proposed that new commercial development play a crucial role in financing the multi-billion-dollar cost of extending transportation lines, decking the rail yards, expanding the Javits Center, and building open space. NYC2012's plan read:

> The Hudson Yards Plan presents a unique opportunity to develop new public infrastructure without reducing funds available for other important public projects. By using only new revenues that would not have existed but for the investment in the infrastructure itself the Hudson Yards plan can in effect be "self-financed." In fact, the financing structure proposed for the Hudson Yards district would fund more than two billion dollars worth of new infrastructure without government subsidies. (NYC2012 2001, 79).

According to NYC2012, three new sources of funds would be generated by the plan's implementation. First, new development in the area would provide incremental tax revenue. Second, the entirety of the rail yards would be upzoned to allow for density in excess of what was actually proposed to be built there, creating unused commercial development rights that could be sold to developers building nearby. Finally, the right to develop portions of the newly decked eastern rail yards would be sold to developers, who would build the proposed media center and two hotels.[37] Running counter to claims that the project would be entirely self-financing, however, NYC2012's plan indicated that additional sources of public funds would be necessary, though this was deemphasized. The state and city governments, along with the Jets, would make "contributions," unspecified in amount, to fund the stadium and a portion of the Javits Center expansion.

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[37] The authors of the NYC2012 assumed that the MTA would relinquish its development rights to both the Hudson rail yards in exchange for not having to pay for the Number 7 subway line extension (NYC2012 2001, 83). This would prove to be a point of contention in the future, as the prospect of the cash-starved MTA giving away valuable development rights to the Jets and the city as it raised subway fares and cut service struck many as unjust.

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These "contributions" would eventually be the focus of much criticism of the plan, and eventually would prove to be its Achilles' heel.

The Framework also recommended the use of "financing strategies…that create a financial linkage between the proposed zoning density increases in Far West Midtown and the provision of needed infrastructure…consistent with the plans for the 2012 Olympics" (New York City Department of City Planning 2001, 57). However, its authors – perhaps less politically savvy than NYC2012's planners – came closer to acknowledging that self-financing provided insurance that the plans for the far west side would be shielded from competition with other projects for capital funding. After considering the possibility of using normal capital budget processes to fund the plan and conceding that they would probably be sufficient, the Framework advised against their use, since "the capital improvements for Far West Midtown would be placed in direct competition with all other City and State capital priorities, decreasing the likelihood that these improvements – necessary for the redevelopment of the area – would be implemented in a coordinated and timely manner" (New York City Department of City Planning 2001, 61). It proposed the use of tax increment financing (TIF) and/or the use of a zoning mechanism that would allow developers to build additional space in exchange for direct payments to a fund dedicated to repaying the bonds floated to cover the plan's costs.[38] Though both would permit the project to be self-financing, the Framework's authors seemed to favor the zoning bonus mechanism, which could be written into the City's zoning resolution as part of a special zoning district governing development in the

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[38] TIF is a specific kind of self-financing mechanism that permits the additional tax revenue generated by a development to be dedicated to paying back the bonds floated to make infrastructure improvements that make development possible. See Chapter Seven for a discussion of TIF.

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area. They noted that TIF would preclude the use of tax subsidies (which would reduce tax payments and thus the revenue available to pay back bonds) to encourage development.[39] The zoning bonus mechanism, on the other hand, had several advantages, not least of which was that, unlike TIF, it "would not require state legislation" (New York City Department of City Planning 2001, 62).

E. Governance and Implementation

Since the implementation of the Hudson Yards plan, if it was adopted and if New York was named as the host of the 2012 Summer Games, would be subject to a strict deadline, the authors of NYC2012's plan paid a good amount of attention to governance and implementation. The plan outlined a detailed development timeline and proposed the creation of the Hudson Yards Development Authority, "a single entity that can coordinate and execute all of the aspects of the plan" (NYC2012 2001, 77).[40] Holding extensive powers, "this new entity would be able to acquire necessary land, hold and sell development rights, and sell bonds backed solely by revenues generated by the project itself, thereby eliminating and potential conflict with existing public resources" (NYC2012 2001, 77). This governance structure, it should be noted, would once again reduce public accountability and legislative oversight, as the new authority would usurp the powers of the public agencies normally charged with these activities. The plan did gesture in the direction of public accountability, but only faintly, indicating that the new

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[39] An odd concern considering the claims included in this plan as well as in those of NYC2012 and the Group of 35 that the city's office space crunch had office developers salivating at the chance to build office buildings on the far west side, should only the area be rezoned and supplied with adequate transportation – which would seem to eliminate the need for tax subsidies and incentives to spur development there.

[40] The Bloomberg administration would in fact propose such an entity, the Hudson Yards Infrastructure Corporation, which would prove very controversial. See Chapter Seven.

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authority would include "representatives from both the City and the State," though their identity and method of appointment were unspecified (NYC2012 2001, 77).

The Framework's authors, on the other hand, did not propose such an authority when they addressed the project's implementation. In their view, implementation could rely on existing governmental entities and codifications. The Framework ends by providing a target date for the completion of the Number 7 subway line extension, which would take the most time to construct. By now, the reader can probably guess this date: 2012.

F. The Politics in the Plan(s)

The greatest difference between these plans was one of tone and purpose. The Framework seemed written primarily as a technical document, featuring copious amounts of data, arcane planning terminology, and in-depth technical analyses. NYC2012's plan seemed to have a different purpose: to persuade. It was clearly a political document.

This was expressed in a number of ways. In contrast to the Framework's technical maps and rough hand renderings, the illustrations in NYC2102's plan were bright, colorful, and often rendered digitally (see Figure 4). The language in NYC2012's plan was aimed to inspire, calling for "grand vision[s] for New York City's future" and emphasizing urbanism and aesthetics rather than economics (NYC2012 2001, 7). So, where the Framework began by addressing the city's office space shortage, NYC2012's plan began with a discussion of the city's history of grand planning and place-making: "At critical points in the city's history," its authors wrote, "New Yorkers have acted boldly to transform underdeveloped areas into vibrant new districts that have become indelible parts of the city's landscape" (NYC2012 2001, 4). Lincoln Center, the United

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Nations, Park Avenue and Central Park were all invoked as historical precedents for the redevelopment of the far west side.

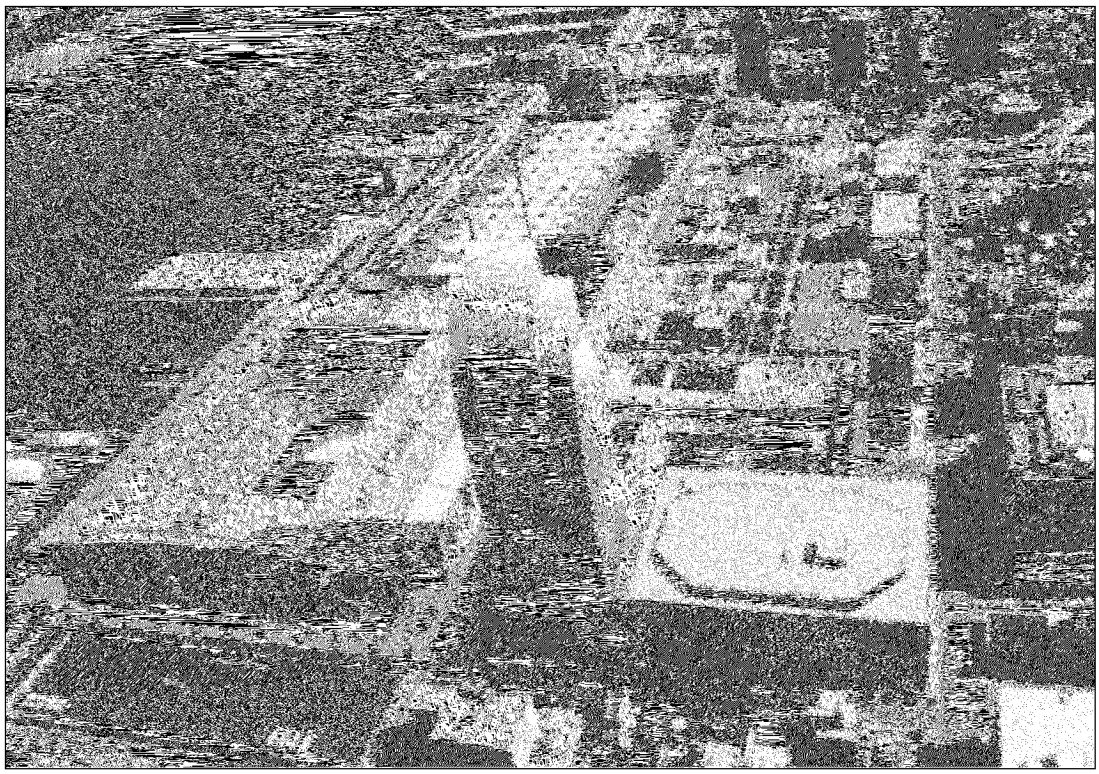


Figure 4: Digital Rendering of NYC2012's Plan for the Hudson Rail Yards (Source: NYC2012)

Throughout the document, its authors took pains to present elements of the plan in the most advantageous light. Given the lingering hostility towards the notion of a west side stadium, NYC2012's planners foregrounded the economic impact that the "multi-use facility" on the western Hudson yards would have in its role as a "Great Hall" for the Javits Center and highlighted its planning function as a "catalyst necessary to transform the Hudson Yards into a 24-hour neighborhood," and deemphasized its role as a sports stadium (NYC2012 2001, 52-53).[41] While the Framework concluded by listing the

[41] This tact would continue, as demonstrated by the battles over semantics in later debate about the plan: Bloomberg administration officials would insist on calling the facility in question the "New York Sports and Convention Center" and accuse anyone who called it a stadium of distortion. See Chapter Six.

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governmental approvals necessary to carry out the redevelopment of the far west side, NYC2012's plan ended with an uplifting discussion of the role the Olympic bid would play in unifying the city, and with the assertion that the plan itself already represented a step in that direction: "Here at last," read the final sentence of the plan's text, "a plan where everybody wins" (NYC2012 2001, 94).

In this final section of the plan, the political efficacy of the Olympic bid itself was put to political use, as it was argued that this project, self-financing (almost) and self-governing, would be well-positioned to avoid the political dangers that had scuttled previous efforts to develop the far west side. This section is worth quoting at some length, as it displays a paradoxical combination of historical awareness and ignorance, as well as a combination of Machiavellian political shrewdness and political naivety bordering on self-delusion:

> Proposals for building over the Hudson Yards and improving the surrounding area date back to at least the 1920s. None of these proposals succeeded, despite considerable support, because they failed to fully address all the competing goals for the district's development. Today, the Javits Center desperately needs to expand… The Department of City Planning, Senator's Schumer's Group of 35, and other civic leaders believe that action is needed to spur development of the area to ease the shortage of office and residential space. The community is calling for more parks, better transit, and relief from traffic congestion. And the New York Jets are seeking to return to New York City.
>
> How then can the 2012 Olympic bid possibly contribute to this crowded field of players? The answer lies in the unique ability of the Olympic Games to act as a catalyst for change on a broad scale, and to satisfy often competing objectives. Nearly every host city, from Tokyo in 1964 to Sydney in 2000, has capitalized on the enormous public enthusiasm for the Olympic Games, the world-wide scrutiny, and the fact the event occurs on a deadline, to undertake major infrastructure projects that would otherwise never have been possible. (NYC2012 2001, 94).

Note, first, the odd version of history here. In fact, plans for the area had failed to materialize not merely because "they failed to fully address all the competing goals for the district's development" (which seems to be a euphemism for "political conflict"),

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though politics undoubtedly had played a role. In fact, they had often failed due to a combination of ideology and economics, as planners and other development elites had consistently envisioned uses for the area that, while in line with postindustrial ideology, were not economically feasible given the state of the city's real estate market. This was true of plans for both the Hudson rail yards in particular and the far west side in general. While the most recent proposal for the rail yards, Giuliani's Yankee Stadium scheme, *did* fail for political reason, politics played little role in, for example, the demise of Olympic & York's 1980s proposal, which was done in by the bursting of that decade's real estate and stock-market bubbles. And the redevelopment of the far west side as a whole had remained an unfulfilled dream largely because the city's economy had simply never required the level of commercial development proposed in the plans for the area's development put forward over the years.

This was especially true of the western edge of the area, where NYC2012 proposed the most intensive commercial development. The large real estate developers who would actually build the office building that would populate this district had, as of yet, never displayed a keen desire to make the leap from the contiguous midtown CBD over Ninth and Tenth Avenues to the waterfront – residential developers perhaps, but not commercial developers. Commercial office development tends to creep, not leap, and to heat up only after increased office employment has generated sufficient demand.[42] Thus, rising office employment in the 1990s only generated additional demand for office space

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[42] Historically, this had not prevented overbuilding, as discussed above. However, pressures leading to overbuilding had been reduced somewhat as commercial developers, under pressure from regulators and banks, had retreated from the speculative building that resulted in so much office space being built in the 1980s: lenders now required that developers demonstrate commitments on the parts of prospective tenants to occupy a certain proportion of a building before it would be financed. See Fainstein 2001a, 46.

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after the glut of office space built during the 1980s was absorbed; even then, new commercial development took place primarily in the areas to the immediate west and south of the existing midtown CBD.

NYC2012's planners described a quite different real estate dynamic, one often articulated by past advocates of postindustrialism. They seemed to believe that the supply of office space generated demand, that building office space would somehow generate the workers that would fill that space, or, alternatively, that the "ideas economy," the "information economy," or "globalization" generated a never-ending supply of office jobs that could be "captured" merely by supplying an adequate supply of office space. Moreover, they seemed to believe that this office space could be plunked down in any underdeveloped district located anywhere near the existing CBD. The economic placelessness implicit in the various theories of postindustrialism espoused in the past had its local corollary in the idea that office development *within* the city was only loosely governed by the old-fashioned logic of spatial contiguity.

Second, despite the responsibility that political conflict has to bear in this version of the far west side's history, the authors of this plan demonstrated a pronounced underestimation of its depth and intractability. They argued that the same political conflict that, despite "considerable support," had doomed 80 years of development proposals for the far west side would be neatly defused by a bid for two-week event more than a decade in the future. NYC2012 was not above hedging its bets, however. Despite the assertion that "public enthusiasm" for the Olympic Games would make a new age of far west side development possible, NYC2012 actually showed little faith that the people of New York and their elected representatives would cooperate, proposing doing

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everything possible to insure that the financing and governance of the Hudson Yards project would be exempt from normal public review and participation, or, to put it in the euphemistic language of NYC2012, to insure that it "would not compete with other critical public priorities." In fact, the avoidance of public review belies a worry on the part of NYC2012's leadership that the project *could* not successfully compete with these other public priorities.

NYC2012's leadership and planners probably saw the self-contained quality of the Hudson Yards plan as insurance against the short-sightedness of the public and its elected representatives, who might not understand the benefits of the Olympics and the development it would catalyze. But underlying this was also a sense of entitlement and a contempt for democratic decision-making, as NYC2012's plans for the remaking the far west side, as well as many other neighborhoods, were constructed with no public participation to speak of. The public's enthusiasm for the Olympic Games was welcome; their ideas about how it might constructively impact their city were not.

G. Embracing Privatized Planning

The DCP's Framework and NYC2012's Hudson Yards plan proposed virtually identical land uses, physical plans, and financing strategies. NYC2012's planning process, underway well before DCP's, clearly guided DCP's approach. While some of the similarities between the Framework and the NYC2012 plan resulted from the physical constraints of the far west side, many others were the result of cooperation between the planners at the private NYC2012 and their counterparts at the public DCP. DCP staff at all levels worked to insure that the Framework, while remaining workable if the Olympic bid was not successful, accommodated as many of the elements of NYC2012's plan as

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possible. City officials and NYC2012's leaders and planners generally saw nothing wrong with this, since the Olympic bid was a large undertaking that would necessarily involve many aspects of city government.[43]

But there is an issue of propriety here. NYC2012, unlike most Olympic bid organizations, was *entirely* privately funded and run, even if it had received a public imprimatur in a 1998 resolution of the Mayor and the City Council that authorized the organization to bid for the Games on the city's behalf.[44] While the bid's private status was touted as a great boon for New York, making the expenditure of scare public funds on the bid unnecessary, it also allowed NYC2012 to hold its meetings and develop its plan behind closed doors, without the participation of elected officials, community members, or the public at large. Though NYC2012 did conduct a public outreach campaign, speaking with community, business, and civic groups, there was no institutionalized forum for public participation in its planning process. NYC2012

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[43] Indeed, some saw the NYC2012's relation to city government as going beyond consultation. NYC2012's Executive Director Jay Kriegel, testifying before the City Council in late 2002, said:

> Let me just say that NYC 2012 is an independent corporation, it's a 501(C)(3), which was authorized by the Mayor and the City Council by a 1998 resolution to bid on behalf of New York City before the United States Olympic Committee and then the IOC to get the games. *So our structure is independent of government but we act in some sense on behalf of the government* (Kriegel 2002b, emphasis added).

[44] As Shoval (2002) notes, prior to 1984 most Olympic bids were guided by national governments, though US bids have always been guided more by local public-private coalitions rather than the national government. Since 1984, bidding for the Olympics has become more city-guided (and more competitive), and has typically involved public-private partnerships even in cities outside the US (Paris' 1992, 2008, and 2012 bids as well as Beijing's 2000 and 2008 bids were exceptions, due to the centralized character of the French and Chinese nation-states). Nevertheless, even bids in US cities have often involved some sort of direct public control over the bid. While Los Angeles' bid for the 1984 games was an entirely private, important aspects of Atlanta's bid's for the 1996 games were governed by a State entity created by the Georgia legislature, which had eminent domain and bonding powers, as well, crucially, as oversight responsibilities (Andranovich, et al. 2001, 122). Likewise, the Board of the organizing committee for Salt Lake City's bid for the 2002 Winter Games was jointly appointed by the mayor of the city and the governor of Utah (Andranovich, et al. 2001, 123). While these public controls did not always prevent the evasion of public accountability, they nevertheless served to insure some degree of public control.

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planners were free to accept or reject the suggestions or complaints of those they consulted. While certain pieces of the Olympic plan would eventually be subject to public review, the overall plan submitted to the USOC and later to the IOC, was not. Major decisions fundamental to the bid's physical plan – locating the Olympic stadium on the far west side rather than in Queens, for example – were made privately, and then publicly presented as *fait accompli*. So, while the propriety of the mere fact of cooperation between the DCP and NYC2012 might be subject to debate, the fact that a *public* agency was essentially endorsing and duplicating a *privately* developed plan that would result in the transformation of a significant area of Manhattan is far more difficult to defend.

It is made even more so by the fact that the residents of the far west side had developed their own plan for the area, as discussed in detail below. Like the plans of NYC2012 and DCP, this plan was professional, detailed, and responsive to the purported need for commercial development on the far west side. Unlike those plans, it was the product of a participatory planning process that had engaged a broad array of community residents, businesses, and landowners, as well as civic organization, in a lengthy and intensive discussion of the principles that should govern the area's redevelopment, how these principles could be reflected in proposals for the area's physical transformation, and how citywide and local needs and interests might be balanced. This was participation; what NYC2012 asked for was only "input." Given the eventual fate of the Olympic bid, NYC2012's leadership might have come to regret this, as greater participation might have prevented the sense of apathy or, at best, tepid approval, with which most New Yorkers viewed the Olympic bid; as discussed in Chapter One, this lack of public

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enthusiasm for the Games was always considered (not least by the IOC) one of the bid's weak points. In any case, it likely would have made the job of selling the plans associated with the bid less difficult and might have even resulted in their improvement.[45]

IV. "The Battle for the West Side is Underway"

By the turn of the new century, the commercial development of the far west side was, for the first time since the City's 1969 plan, high on the agenda of the city's traditional growth coalition. The interest of the Jets in a new stadium; NYC2012's focus on the west side as a key site for Olympic venues; the city administration's evolving plans for a west side stadium and an expansion of the Javits Center; and most of all, the concern of the city's elite that the city was rapidly running out of office space: all these agendas had converged on the Hudson rail yards and the surrounding area. It was apparent that these 60 or so square blocks would be the focus of sustained attention in the next few years. It was also apparent that the emergent plans for the far west side would also be the subject of intense political conflict In September 2000, *Crain's New York Business* wrote that "the battle for the west side is underway" (Editorial 2000). And indeed it was.

A. A Politicized and Active Community

The far west side community had its own ideas about the area's development, ideas that received little attention from NYC2012 or City Hall. Years of opposing a west

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[45] There is significant evidence that public participation in planning processes of various types results in better public policy and in lessening the contentiousness of debates over development projects (see McAvoy 1999 for an enlightening case study and Burby 2003 for a presentation of more systematic evidence as well as a helpful review of the literature). As we shall see, opponents to the Hudson Yards plan identified a number of technical weak points in the plan, and in addition, pushed the Bloomberg administration to make changes that significantly improved the plan both technically and by spreading the benefits of the plan more widely.

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side Yankee stadium had kept locals engaged and angry, and despite Daniel Doctoroff's hopes to the contrary, most of them saw the Jets/Olympics stadium as no more acceptable than a Yankees stadium. In addition, a protracted battle over the Giuliani's administration's ultimately successful attempt to allow the transfer of development rights over theatres in and around Times Square to Eighth Avenue, which formed the border of the Clinton Special District, had only recently ended, leaving in place a local organizational infrastructure and a host of politicized neighborhood activists. Many had been associated with the Clinton Special District Coalition, an umbrella group of affordable housing advocates, block associations, and other community groups. These neighborhood activists and residents eyed the activities of NYC2012, City Hall, the Jets, and DCP with great suspicion. As John Fisher, a leader of the Clinton Special District Coalition at the time, put it "they want to pave over the neighborhood and make an office park… when you get the Olympics and the NFL and the mayor and the entire real estate industry up against you, you've got problems" (quoted in Demause 2000).

One group associated with the Clinton Special District Coalition was the Hell's Kitchen Neighborhood Association (HKNA), a prominent neighborhood group. In 1998, HKNA had approached the Design Trust for Public Space, a nonprofit organization dedicated to improving public space in the city, proposing that the organizations collaborate in a community planning process for "Hell's Kitchen South," as many local residents, emphasizing continuity with the area's residential and low-scaled past and rejecting new monikers like "Hudson Yards" and "Midtown West," called the area in question. This led to a year-long series of meetings that included residents, local business people, and landowners, culminating in a June 1999 conference held, appropriately

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enough, at the Javits Center. The aim was to preempt plans for development coming from City Hall and NYC2012 by presenting a concrete alternative that reflected the interests and desires of neighborhood residents, landowners, and business even as it acknowledged the inevitability of development in the area. As Meta Brunzema, a local architect who was one of the leaders of this planning process told me several years later, "we all realized there would be development, and we didn't want to have to lay down in front of bulldozers" (2004).

Out of these meetings came a series of planning principles used over to formulate a November 2001 report elaborating proposals for the commercial and residential development of Hell's Kitchen South that fit its existing character and precluded wholesale displacement or gentrification. The report strenuously attempted to balance citywide and local needs, by, for instance, including the expansion of the Javits Center and some office tower development on the neighborhood's margins while strongly rejecting a stadium. For the heart of the area, it envisioned a contemporary version of its historical mix of residential and industrial uses: a good number of moderate-scale new residences as well as low-scale buildings for light industry, design, and small-scale and craft production. The report also called for a wide range of affordable housing; new public amenities like open space, waterfront access, and community services; high environmental and design standards; and the mitigation of the impacts of local traffic congestion produced by the Lincoln Tunnel and the Port Authority Bus Station. Though the proposals in this report would evolve over time, the planning principles that were set forth therein – respect for the existing scale of the neighborhood, affordability, mixed-

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use, improved public amenities, and traffic mitigation – would serve as an important counterpoint to elite plans as time went on.[46]

The DCP, NYC2012, and the Jets were targeting a neighborhood that was politicized, organized, focused on planning issues, and long opposed to mega-development schemes. It was also a neighborhood with a tradition of affordable housing production and activism rooted in the city's progressive mid-century labor movement, which had provided not only good wages and workplace protections but a whole range of benefits, from health care to public and cultural amenities (Freeman 2000). The area's union-built housing was home to many older union members who had been active in that movement, and who would bring its values and tactics to the conflict over the Hudson Yards plan. The neighborhood was also home to a number of politically progressive and professionally independent architects, lawyers, and urban planners, who would bring their own expertise and status to bear in that conflict.

B. Inter-Elite Conflict

Intimations of future conflict were not coming only from far west side locals; there were also rumblings of discord among city elites. As discussed, in late 2000 several executives, real estate developers, and planners had signaled their displeasure with a mayor who seemed more concerned with building stadiums than office buildings. However, for other elites, the concern was not with the administration's priorities but with the notion of a west side stadium itself.

In December 2000, a number of business executives, real estate developers, union leaders, and other elites formed the Hudson Yards Coalition to advocate for the

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[46] The development of HKNA's plan is discussed in Chapter Six.

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redevelopment of the far west side.[47] The organization's inaugural meeting was far from peaceful.[48] While the 50 members of the new organization who attended were unanimous in their support for rezoning the far west side for commercial development and for expanding the Javits Center, the stadium drew a more negative response. Real estate elites in particular expressed concern that the benefits of a stadium were not worth the political controversy that came with it: Douglas Durst, scion of a major real estate family owning many midtown office buildings, remarked that "there is a need to develop that area [but] throwing in a stadium makes it that much more difficult" (quoted in Bagli 2001). Six months later, Mayor Giuliani and Daniel Doctoroff pitched their far west side redevelopment plans to the Hudson Yards Coalition. They received a warm reception, as the organization's members were pleased that CBD expansion was once again high on the development agenda. However, many continued to express fears that the stadium would place the entire plan at risk, while others wondered if a stadium was the best use of such a prime development site.

At an early point in the development of the Hudson Yards plan, then, there was an emergent split among elites. On one side were those – most real estate developers – primarily concerned with expanding the CBD westward; on the other were the advocates of a stadium – Mayor Giuliani, but more importantly for what would follow, Doctoroff

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[47] The Hudson Yards Coalition was led by three co-chairmen: Lewis Rudin, patriarch of the one of the most powerful and wealthy real estate families in the city; Jonathan Tisch, CEO of Loews Hotels and a member of another prominent real estate family; and Peter Ward, head of the Hotel Trades Council, a group of unions representing employees in the tourist and hospitality economy. Also included were prominent real estate elites like Sandy Lindenbaum, a real estate lawyer who also sat on NYC2012's Facilities Advisory Group; developers Douglas Durst, Jerry Speyer, and Daniel Rose; and the heads of both the REBNY and the NYC Building Congress. Individuals connected to NYC2012 and the Jets like Jay Cross, and Jay Kriegel were also included, as were other elites from institutions like the NYC Central Labor Council, the Partnership for New York City, the City University of New York, and Columbia University.

[48] Details of the Hudson Yards Coalition's meetings are drawn from Bagli 2001.

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and the other leaders of NYC2012. At this point, real estate elites were still willing to publicly argue that a far west side stadium was acceptable *only* if it did not jeopardize the area's commercial development. As we shall see, this would not always be the case.[49]

V. Conclusion: Convergence, Continuity and Change

The various development proposals for the Hudson Yards rail yards in particular and the far west side in general represented the convergence of three potent elite agendas: NYC2012's plans for a 2012 Olympic Games; the long-term postindustrial strategy of the city's traditional growth coalition, which viewed the far west side as an ideal site for the expansion of midtown Manhattan's CBD and for the growth of the city's office-based economy; and finally, the drive for stadium development on the rail yards that had been shared at various times by Governor Mario Cuomo, Mayor Giuliani, the New York Yankees, and now NYC2012 and the New York Jets. Though there were potential conflicts among the development plans for the area and among these agendas, the emerging partnership between the private NYC2012 and the public DCP would provide a means to resolve them.

Well-funded, staffed by capable and savvy planners who unlike their City counterparts were not accountable to elected officials, led by the hard-driving and well-connected Daniel Doctoroff, and armed with an ideologically powerful Olympic creed stressing internationalism, peaceful competition, and global, national, and urban unity, NYC2012 had united a broad array of elites behind its quest for the 2012 Summer Games. Indeed, its redevelopment plans for the far west side recognized the interests and desires of many of these elites: the Javits Center was the pet of the tourism, hospitality,

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[49] See Chapter Nine.

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entertainment, and retail industries; the proposed office and residential development, along with the extension of the subway thrilled the city's real estate and development elites; the opportunity to plan and design an entirely new district, encompassing a wide mix of uses, waterfront development, and the development of an open space network, awoke the Robert Moses or Baron Haussman lying in the hearts of elite urban planners. The idea of the "world's greatest sporting event" being held in "the world's greatest city" thrilled elite city boosters of all stripes: now New York City, as well as being the Business, Financial, Media, Entertainment, Tourism, Skyscraper, and Cultural Capital of the World, would also be the Sporting Capital of the World. For its part, the city government provided the legal and state power that could actually implement this plan. Even with the largely autonomous governance and financing structures proposed by NYC2012, public action would be necessary to float the bonds, change the zoning, construct the subway, condemn the land, and build the parks that the reinvention of the far west side required.

Along with the convergence of these development agendas and the continuity of the newest proposals for far west side development with those that had preceded them, there was something else, something new. This is symbolized in the contrasts between two men who had made such efforts to shape the far west side. Who had led the city's only previous Olympic bid? Who had decked – and thus made possible the development of – the Hudson rail yards? Who had invested his money and energy into sparking far west side development in the 1970s and 1980s? Richard Ravitch, whose grandfather had emigrated from Russia to New York City in 1888 and founded one of city's oldest real estate dynasties, a major developer of both commercial space and affordable housing, and

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a former head of the MTA. Now, who was leading the city's Olympic bid? Who was leading the drive for far west side development? And who was investing his own money in the area, indeed in one of the very buildings – the pyramid office building at 450 W. 33rd Street, just to the east of the Hudson rail yards – which Ravitch himself had developed? Daniel Doctoroff, an upwardly and geographically mobile finance capitalist with a thin history of public involvement but a thick rolodex and an even thicker wallet.[50]

This time, the drive for west side development was being led by someone from outside the groups that had traditionally formed the core of the city's traditional growth coalition. While Daniel Doctoroff was politically savvy, he was no politician. While he had strong connections with the city's development elite, he was not one of them. And while he had dabbled in New York real estate, he was not a real estate developer. Instead, he was firmly ensconced in the city's new corporate elite. His founding and leadership of the city's Olympic bid was driven more by a class-bound ideology of cosmopolitanism, internationalism, and fair competition than by the postindustrialism of the city's real estate dominated traditional growth coalition – though the bid was obviously not inconsistent with postindustrialism or the economic interests of real estate. Looking back, we can see that Doctoroff's rise to a position of elite leadership was an early signal of the fact that New York's new corporate elite, previously generally absent from city politics, was beginning to take a more assertive role. As we will see in the next chapter, Doctoroff's leadership of NYC2012 served as an important bridge from a

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[50] Interestingly, Ravitch would be the only major real estate developer in the city to take a strong and public stance against, if not the entire Hudson Yards plan, many of its key elements including the self-financing plan, the stadium, and the inadequate (in Ravitch's eyes) price to be paid to the MTA by the Jets for the right to develop the western Hudson Yards. See Chapters Seven and Nine.

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development politics structured by the power of real estate to a development politics increasingly structured by the power of a corporate elite whose presence in the city had grown with the postindustrial transformation of the its landscape and economy and its emergence as a "global city."

Relinquishing the power of hindsight, let us return to late 2001. The upcoming mayoral election loomed large; not only would it result in a new mayor, as term limits precluded Giuliani from running again, but the new mayor would assume the reins of the renewed effort to expand the midtown CBD westward across Eighth Avenue and all the way to the Hudson River. Of the three major candidates in the running before the primaries, Public Advocate Mark Green, Bronx Borough President Fernando Ferrer, and CEO billionaire Michael Bloomberg, none had demonstrated particular interest in or aptitude for major urban development. Ferrer's talk of "the other New York" seemed divisive and vaguely radical; Bloomberg's corporate background as a CEO was promising, but his independent streak and his unwillingness to accept campaign contributions made him a wild card in the eyes of many real estate elites. Green was favored by real estate interests, but this did not mean he would be capable of filling the shoes of Fiorella LaGuardia, Robert Moses, or any other of the city's great builders.

After Bloomberg won the election, the proponents of the Olympic bid and far west side development still were holding their collective breath, awaiting an indication of the new mayor's willingness and ability to take on these projects. As it turns out, they would not be disappointed. However, Bloomberg brought into City Hall a new approach to urban and economic development, an approach that was corporate, technocratic, and explicitly and strenuously antipolitical. But, as this chapter and the one preceding it have

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demonstrated, the proposed redevelopment of the far west side was nothing if not political. Moreover, the new mayor's approach to economic and urban development was itself deeply political, rooted in shifting class politics in the city. How would the new CEO Mayor and his avowedly antipolitical approach to urban governance fare in this newest battle for the west side? Before this question can be answered, we need to explore this new approach to urban governance. What, exactly, was the Bloomberg Way? And where did it come from? The following two chapters will answer these questions.

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Chapter 4: Bloomberg's Path to City Hall: Biography, Contingency, and Class

I. Biographical Claim-Making

Michael Bloomberg's 2001 campaign for the New York City mayoralty rested on an intensely biographical premise. Born in 1942, Bloomberg was raised in a lower middle class household in Medford, Massachusetts and went on to attend Johns Hopkins University and Harvard Business School.[1] After receiving his MBA, Bloomberg went to work for Salomon Brothers, an investment bank specializing in bond trading. Thanks to hard work and a knack for self-promotion, Bloomberg was a quick success and became a partner before he turned thirty. In 1981, he was forced out of the firm, though hardly empty-handed: he received a $10 million severance package. What followed – his founding of Bloomberg LP in 1981 as a five-person, $300,000 start-up located in a stuffy room on Madison Avenue, the company's cornering of the market on bond-pricing data, its marketing of the Bloomberg computer terminal that would become ubiquitous fixture in financial firms, and its growth over the next two decades into a global corporation with almost $3 billion in annual sales and a staff of 8,000 spread in 108 offices worldwide – formed the heart of the Bloomberg's campaign appeal. As journalist Michael Wolff trenchantly argued during the 2001 campaign, Bloomberg the politician was as much of a salesman as Bloomberg the businessman. Now what was being sold was "Bloomberg, the man, conceived and packaged as a separate Bloomberg company product…the Bloomberg pitch [being] I'm a good manager; therefore, I should run the city" (Wolff 2001a).

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[1] These biographical details are drawn from Bloomberg and Winkler 2001; City of New York 2005; Kolbert 2001.

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In this, Bloomberg's 2001 mayoral campaign was an extended example of a literary genre that had emerged during the CEO-worshipping 1990s, and to which Bloomberg himself was a contributor: the CEO autobiography. In an incisive analysis of this genre, Erica Schoenberger has noted that such works present the dynamism of the CEO as an almost organic property of individual personalities:

> It seems that [CEOs] have their power because of who they are. This encompasses the whole range of characteristics they have acknowledged or attributed to themselves: intuitive yet commonsensical, creative. Ambitious, born to sell, enthusiastic, energetic, etc. Yet these are not especially rare attributes. They don't seem to account for the dramatic success of these men. Their real secret is that they are natural catalysts. Their being in the world creates change. This is the value they create and for which they are so fabulously rewarded (2001, 295).

The quality attributed to the successful CEO attributed – by himself and by others – of having a preternatural power to effect change in the world recalls what Max Weber called "charisma:"

> …A certain quality of an individual personality, by virtue of which s/he is set apart from ordinary people and treated as endowed with supernatural, superhuman, or at least specifically exceptional powers or qualities. These are such as are not accessible to the ordinary person, but are regarded as of divine origin or as exemplary and on the basis of them the individual concerned is treated as a leader (1947, 358-359).

Even the most exaggerated claims of Bloomberg's managerial acumen did not reference the supernatural or the divine.[2] Nevertheless in the personalization of Bloomberg the company's success in Bloomberg the (exceptional, exemplary) man we see something like Weber's charisma at work. Weber insisted that the form of authority based upon charisma was distinct from forms of authority based on tradition and especially from

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[2] Although in this quote, Arthur Levitt, a member of Bloomberg LP's advisory board and a former chairman of the Securities and Exchange Commission, comes pretty close:

> Bloomberg is the most interesting person I've ever known in my life. He's impulsive, he's intuitive, he's compassionate. He's the most creative person I've ever known. Am I describing some kind of demigod (quoted in Gimein 2002)?

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those based on rational grounds, i.e., on the control of money and expertise. Yet, as Weber pointed out, at the highest positions of large bureaucratic organizations like the modern corporation there are "'offices' for which no technical qualifications are required…[which] only goes to prove that they are 'officials' only in a formal sense, and not substantively…Thus, at the top of the bureaucratic organization, there is necessarily an element that is not purely bureaucratic" (1947, 335). It is no coincidence that in the run up to the 2001 election Michael Wolff labeled Bloomberg as a definitive example of "the charismatic CEO" (2001b).

For Weber, what is unique about charismatic authority is that the person who would wield it can do so legitimately only "through 'proving' himself," rather than by pointing to tradition, laws, rules, or expertise as a source of legitimacy (1958, 246). To put it in a slightly more modern (and corporate) idiom, the claim to charismatic authority relies on *performance*. Despite its appearance as an individualistic phenomenon, charismatic authority is in fact social and relational. As Weber writes, "it is recognition on the part of those subject to authority which is decisive for the validity of charisma" (1947, 359). Nowadays, we have a word for the practice aimed at establishing this kind of recognition: marketing. Recall Wolff's description of what was being sold: "Bloomberg, the man, conceived and packaged as a separate Bloomberg company product" (2001a).

Likewise, Schoenberger argues that claims to charismatic authority being made in corporate autobiographies are not just individual claims. While corporate autobiographies do not raise the issue of class, she argues that nevertheless they

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"must…be seen as a way of making good the claim to class status and class privilege" (Schoenberger 2001, 295). She writes:

> To publish the corporate autobiography is to make the claim that you have the right to the power that it represents you as wielding. Because of the discursive requirements of the genre and the ideology of capitalism this claim must be made on an individual basis: *I* have the right to this power because of who *I* am. But…the legitimacy of the claim to power cannot be established for the individual apart from his social and organizational position. It is in this sense that the individual claim of the autobiography necessarily rests on an implicit class foundation. Whatever the intentions of the people who wrote them, the larger importance of the genre is that it is part of this project of establishing and maintain a ruling class…(Schoenberger 2001, 296).

Taking Mayor Bloomberg's intensely autobiographical 2001 campaign for mayor as an extension of this literary genre into the realm of electoral politics, we see that Bloomberg's claim to power – and in this case governmental power, rather than economic or social power – likewise represented an *individual* claim necessarily resting on an implicit *class* foundation.

Just as Schoenberger places the corporate autobiography into its social, economic and political context, so too I want to contextualize both Mayor Bloomberg's ascension to the mayoralty of New York City and his approach to urban governance. A work that focuses on one individual as much as this one does risks becoming an exercise in a kind of decontextualized "great man" analysis, especially when the narrative propagated by that individual is itself so personalistic and autobiographical. I want to avoid this by making it clear that Bloomberg's path to City Hall, discussed in this chapter, as well as his approach to urban government, discussed in the following chapter, were in fact rooted in processes of class succession underway for many years, processes rooted in the postindustrial transformation of New York described in Chapters Two and Three.

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However, before discussing these long-term processes of class transformation and their creation of the conditions that permitted a Bloomberg mayoralty, I want to point out that Bloomberg's 2001 election was not in any sense inevitable or preordained: contingency also played an important role. Section II of this chapter details these contingencies. Section III turns to a discussion of these processes of class transformation in New York City. I will argue that this transformation has led to the development of a new corporate elite in the city, a corporate elite that, as detailed in that section of the chapter, can be roughly divided into two class groupings. While the *economic* power of this diverse elite developed over many decades, its growth was especially marked in the years since the fiscal crisis of the 1970s. However, it was only around the turn of the 21st century, when Michael Bloomberg made his successful run for mayor, that the economic power of this new corporate elite has been transmuted into *political* power. It is this political emergence of the city's new corporate elite that is novel, and it is this political emergence that underwrites the ideological potency of the Bloomberg Way.

II. (Un)Happy Accidents

From today's vantage point, after Michael Bloomberg's decisive 2005 reelection victory and after years of praise from media outlets like the *New York Times*, whose editorial board made the extraordinary claim that Bloomberg "may be remembered as one of the greatest mayors in New York history" (Editorial 2005a), and *Time Magazine*, who named him one of the country's five best big-city mayors (Gibbs 2005), it is easy to forget just how unlikely Bloomberg's 2001 election was. Indeed, his November 6, 2001 election was almost inconceivable just weeks before it occurred. Specifically, it was inconceivable as of September 10, 2001, the eve of not only the most deadly and

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devastating terrorist attack in United States' history, but also the Democratic primary which, given the robust Democratic majority in the city, was widely expected to be the *de facto* determinant of the next mayor. Even the editorial board of the *New York Times*, which would soon become a Bloomberg cheerleader, had little positive to say about him at this point, focusing on the danger posed to the city's campaign finance system by Bloomberg's astronomical campaign spending.[3] Two intervening events in the months between September 10 and the November 6 general election changed this.

1) No Time for Politics as Usual

The first of these events was, of course, the terrorist attack of September 11th, along with the subsequent emergence of Mayor Giuliani from a pugnacious and petulant immaturity into a political adulthood characterized by strength, leadership, and compassion. Suddenly, claims to decisive leadership and nonpartisanship resonated with a rattled citizenry.[4] Before 9/11, the idea of a CEO Mayor drew more derision than celebration, as many wondered if Bloomberg's managerial skill would translate from his privately-held fiefdom of Bloomberg LP to City Hall. This critique did not disappear after 9/11.[5] Nevertheless, the calls for unity, for an end to "politics as usual," and for

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[3] See Editorial 2001a, 2001c.

[4] Bloomberg, a lifelong Democrat, blithely cast aside his party identification when it became obvious that he would be more likely to be win the Republican primary than the Democratic primary, which was crowded with candidates eager to take advantage of the departure of Rudy Giuliani, who by law had to leave office after two mayoral terms.

[5] Even after 9/11 the *Times* still endorsed Green over Bloomberg, labeling this decision "an easy call" and writing:

> …the fundamental argument behind [Bloomberg's] candidacy is flawed. He claims that as a successful entrepreneur, he is better qualified to be mayor than Mr. Green, a career politician. Voters have historically been suspicious of novice candidates who promise to run government like a company. But even within the annals of businessman-candidates, Mr. Bloomberg is ill matched to the job he covets. His company, a financial information

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steady leadership, along with the necessity to rebuild the World Trade Center site, steady the nerves of jittery corporations, and support the city's sagging economy, gave Bloomberg, who had long made economic development and fiscal management central to his campaign, significantly more appeal. This was reinforced in late October when Mayor Giuliani gave Bloomberg his coveted endorsement.

2) Racial Politics…as Usual

The second pivotal event of the 2001 campaign season was Mark Green's closely contested Democratic primary runoff defeat of Fernando Ferrer, who would have been the city's first Latino mayor.[6] The bitter and divisive campaign left Latino voters disenchanted. They were joined in their disenchantment by African-Americans, who had been angered by racially charged campaign tactics: specifically, the distribution of a leaflet containing a *New York Post* cartoon depicting Ferrer with his lips firmly planted on the backside of the controversial Al Sharpton and automated telephone calls that claimed that a Ferrer victory would enshrine Sharpton in City Hall, tactics targeted at largely white and Jewish neighborhoods. Green was slow in disavowing and condemning the leaflets and calls, which only reinforced existing perceptions among black and Latino leaders that the white, Jewish Green was willing "to play the fear card,"

> service, has no stockholders, and no unions. It is a brand new business, created by Mr. Bloomberg himself, its corporate culture and decision-making structure devised to suit his character. New York City, on the other hand, is a very old business indeed, with multiple layers of interests and precedent weighing down every decision. Many of Mr. Bloomberg's greatest talents would turn out to be utterly beside the point. Others, like his penchant for saying whatever he thinks, would come back to haunt him. Other than his business successes, Mr. Bloomberg has offered little during the campaign (Editorial 2001b).

[6] Ferrer won a plurality of Democratic votes in the first primary (which was originally scheduled for September 11, but rescheduled for two weeks later) but Green managed to scrape together a small majority by targeting conservative white ethnics.

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as Ferrer put it (quoted in Purnick 2001). The already tenuous Democratic Party alliance of mutually suspicious Jews (and other white ethnics) and African-Americans was torn asunder. After tepidly endorsing Green, Ferrer was largely invisible during the general election; Sharpton went as far as calling for a boycott of the election. As a result, Bloomberg received an unprecedented level of Latino and African-American support, essentially throwing the election his way.[7]

Ironically, while Bloomberg – to his credit – resolutely avoided the divisive racial politicking that past Mayors like Giuliani and Ed Koch had engaged in, he nevertheless clearly profited from racial division. This was true in an even deeper sense, as Bloomberg benefited from a long-term reluctance on the part of conservative white Democrats to vote for a mayoral candidate of their own party, which had for decades made the construction of a multiethnic progressive coalition its central (and largely unsuccessful) mayoral campaign strategy.[8] It seems likely that the appeal of Bloomberg's nonpartisanship, his leadership experience as a CEO, and his managerial competence, all of which clearly could be interpreted racially even if not offered as such, was only heightened by intra-Democratic party racial conflict. If not for 9/11 and for an unpredictable episode of racial division, Bloomberg's autobiographical campaign appeal would have found little purchase. These unhappy accidents, for Bloomberg at least, had the happiest of consequences.

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[7] As John Mollenkopf has noted, a shift of 18,000 votes would have meant a Green victory. Bloomberg won 47 percent of the Latino vote, just behind Green's 49 percent. Though Green won 71 percent of the black vote, this was well below the 90 percent level o Democrats had enjoyed in recent elections (Mollenkopf 2002).

[8] See Mollenkopf 2002. As Mollenkopf notes, an extremely high number of white Democrats who voted for Green in the primary actually turned to Bloomberg in the general election.

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III. The New Corporate Elite and the Political Rise of Michael Bloomberg

At the time, these contingent factors received much of the credit for Bloomberg's election. However, if we take a longer term view, and in particular one that takes into account the shifting class structure that has accompanied the city's postindustrial transformation, we can see that the conditions that made possible Bloomberg's political ascendancy went far beyond the attacks of 9/11 or racial campaign trickery in the fall of 2001. To put it simply, a Bloomberg mayoralty was made possible by the consolidation of the power of a new corporate elite in New York City. Importantly, this new corporate elite was composed of two class groupings, each of which exercised political power in different ways. First, the new corporate elite was composed of a New York-based grouping of chief executives of globalizing corporations, particularly in the financial, business services, and media sectors. Second, it was composed of the high-level, well-educated, and highly-paid salaried professionals who staffed the upper levels of these corporations.

In what follows, I will draw on two controversial sets of literature on class – the work of Leslie Sklair and William Robinson discussing the possible emergence of what they call a transnational capitalist class (TCC), and the broad literature on the professional-managerial class (PMC) – to discuss these two class groupings within the broader membership of this new corporate elite. However, before I do so, it is important to note that the use of these two categories – the TCC and the PMC – is provisional and tentative, for two reasons. First, as is discussed below, both these class categories are subject to much challenge and controversy. Second, neither of these class categorizations takes account of the ways in which other forms of identity, knowledge, and

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consciousness can inform, constitute, challenge, and/or shape class identity, matters especially well-discussed in anthropological works on class.[9] While race and gender, for example, clearly play a role in the constitution of the two classes discussed here, a fuller exploration of these complexities of class formation is outside the scope this work. In any case, Michael Bloomberg's rise to power was both a result and a manifestation of the increasing importance of the new corporate elite – constituted by an alliance between these two social classes – in New York City's contemporary political economy, and the approach to urban government that he brought into City Hall drew upon the values, experiences, and ideologies of the members of these classes in important ways.

A. The Rise of New York's Transnational Capitalist Class

Two scholars, William Robinson and Leslie Sklair, have been the most forceful advocates and most thorough explorers of the notion of a specifically *transnational* capitalist class.[10] Though they part ways on a number of issues, both argue that the globalization of economic production that, if William Sites is correct, neoliberalization has "actively facilitated…through the use of state power," has led to development of an increasingly coherent and increasingly self-aware capitalist class defined by its ownership of the globalized means of production.[11] They argue that whereas in the past processes of production generally took place in largely self-contained national economies linked by exchanges of finance and commodities, now *the process of production itself* has been

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[9] For older examples see Smith 1984. For more recent anthropological work on class, see, for example, Brodkin 2000; Freeman 1993; Hartigan 1999; Ong 1987; Patterson 2001; Roseberry 1996.

[10] See Robinson 2004; Sklair 2001.

[11] Robinson and Sklair generally use the terms *global* and *transnational* interchangeably. Other scholars have made a distinction between these two terms. See Hannerz 1996; Smith 2001.

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globalized, a point made especially strenuously by Robinson (2004, 9-29). It is the decentralization and fragmentation of the production process, whereby "individual parts [of commodities] often manufactured in many different countries, assembly may occur in several countries, and management may be coordinated from a central computer terminal unconnected to actual production sites" (Robinson 2004, 10-11), that marks a truly global or transnational capitalism.

A number of other scholars have made similar claims.[12] Nevertheless, Sklair and Robinson go one step further by arguing that the transnationalization of production has necessarily entailed the transnationalization of capital, the state, and most pertinent here, the capitalist class itself.[13] They argue that the TCC is distinguished from local and national capitalist classes in that "it is involved in globalized production and manages globalized circuits of accumulation, which gives it, spatially and politically, an objective class existence and identity in the global system above any local territories and polities" (Robinson 2004, 47).

While the notion of the TCC has been subject to criticism from a number of angles, it nonetheless captures well the sense that recent decades a newly emergent "global elite," whose success in amassing wealth in globalizing industries, especially finance, has imbued its members with self-confidence and cosmopolitan self-regard.[14]

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[12] See, for example, Dicken 1998; Smith 2000a; Castells 1996, 151-195.

[13] Sklair and Robinson here part ways in an important regard: Robinson sees the rise of a TCC as *emerging* from the rise of the globalization of production, while Sklair sees this globalization of capital as a *project* of an emergent TCC. The question is one of causality and agency. Robinson places causality in systemic factors which form the "basis" of TCC class formation (2004, 34), while Sklair insists that "globalization is *driven* by identifiable actors working through institutions they own and/or control" (2001, 1).

[14] Harvey, for instance, while acknowledging the potential usefulness of the concept of a transnational capitalist class argues that the capitalist class has long been transnational (2005, 35). Michael Mann, on the other hand argues that the transnationalist capitalist class and the process of globalization must be

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While Sklair's definition of the TCC is rather fuzzy, including, somewhat tautologically, "globalizing" professionals, bureaucrats, merchants, and members of the media as well as high-level executives of transnational corporations, his discussion of the cultural and ideological makeup of this group is insightful and suggestive. [15] He writes that members of the TCC "seek to project images of themselves as citizens of the world as well as of their places of birth" and notes its embrace of a technocratic "business school culture" that emphasizes best management practice and professional expertise (Sklair 2001, 21).[16] Whatever the weaknesses of the concept of the TCC concept, it does seem clear that the neoliberalization (and the globalization it has facilitated) has indeed, following Harvey, resulted in the restoration of class power in new hands, the hands of a capitalist class that is more transnational, if not exclusively so, than were previous capitalist classes.

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understood as "substantially American" (2002, 467). Others argue that Robinson and Sklair overstate the self-consciousness of the transnationalist capitalist class (Windolf 2003) and ignore the ways in which other "axes of difference" like race, ethnicity, and gender (Binnie 2003, 603)

[15] In contrast to Sklair, Robinson is quite strict in his definition of the TCC. He uses a definition of class rooted in classical Marxist theory: "by *class* I mean a group of people who share a common relationship to the process of social production and reproduction and are constituted relationally on the basis of social power struggles" (Robinson 2004, 37). Thus, for Robinson, the TCC are those who own and control global means of production. Sklair, on the other hand, never makes it clear what he means by class, and draws more heavily on "class dominance" theorists such as Michael Useem (1984), William Domhoff (1996), and John Scott (1997), whose definition of "class" is closer to the definition of "elite" that I put forward in Chapter Two. The result is a notion of the TCC that actually subsumes not just the owners of transnational capital but also "globalizing" members of the professional-managerial classes such as politicians, advertisers, NGO workers, and so on. Sklair thus muddies the analytical waters considerably, especially, as Val Burris notes in a review of Sklair's work, in regards to "thorny issues [such] as the extent and mechanisms of the TCC's influence over the state or the nature of its alliances with non-propertied, professional, or middle classes" (2002, 416); see also Robinson 2004, 36). I agree with this criticism, and find Robinson's definition of the TCC more useful, especially since Burris' "thorny questions" are just the ones be addressed here. However, Sklair's discussion of the "culture-ideology" of the TCC, even if it is based on a faulty class analysis is extremely useful, with the caveat that it is an ideology that works to ally fractions of different classes, rather than a single class.

[16] Others have noted the importance of "being global" to corporate professionals and executives in finance and other globalizing industries. See Ho 2005; Ho 2003; Rofe 2003. For the importance of business school culture, see Sklair 2001, 20, 32.

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1) The Urban/Global Transnational Capitalist Class

Crucially, the notion of the t that Sklair and Robinson put forward is premised upon a notion of space in which different scales – the local, the regional, and the global – are distinct and separate levels arranged in a hierarchical fashion. Robinson's claim that the TCC has an "existence and identity in the global system *above* any local territories and polities" is emblematic of this notion of space, in which the transnationalization of capital, production, and the capitalist class represents the transcendence and increasing dominance of the local by the global (Robinson 2004, 47, emphasis added). What results is a blindness to the actual spaces that constitute transnational capitalism, the interlinked sites in which production, consumption, and class formation actually "take place."

In contrast, the geographer Jason Moore (2002, 480), in a critique of the work of Robinson and his sometime co-author Jerry Harris cites Neil Brenner, who writes: "globalization unfolds simultaneously upon multiple, intertwined geographical scales – not only within global space but through the production, differentiation, reconfiguration, and transformation of sub-global spaces such as territorial states, regions, cities, and localities" (Brenner 1999, 44). Moore argues that "local- and global-scale processes are *mutually* relational" (2002, 481, emphasis added). A number of anthropologists and geographers have argued that our understanding of globalization must be informed by a more sophisticated spatial analysis, one, as Jonathan Xavier Inda and Renato Rosaldo put it, concerned "with the articulation of the local and the global…with the situated and conjunctural nature of globalization" (Inda and Rosaldo 2002, 4-5). Indeed, many of these scholars insist that globalization must not be understood as a transcendence of the global by the local, or even a new articulation between these two scales, but rather "a

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restructuring of the very scales at which different kinds of political, economic, and cultural activities are organized" (Smith 2000a, 5).[17]

In a response to Moore, Robinson invokes the "global city" in defense of the spatial aspects of his work. He characterizes global cities as "a series of urban spaces…linked not to their nation-state hinterlands but precisely to each other and to other spaces in the global economy that come *under the command* of this transnational geographic-political-economic configuration" (Robinson 2002, 305-306, emphasis added). While Robinson's claim that global cities are increasingly interlinked and disembedded from their national hinterlands echoes more spatially sophisticated arguments, he nevertheless advances a notion of scale and space in which particular spaces, even if part of the global economy, are nonetheless subordinate – "under the command of" – and therefore distinct from "transnational geographic-political-economic configuration[s]."[18] Lacking here is any sense that the global and the local are mutually relational or articulated, to say nothing of the idea that scale itself might be restructured by globalization.

In her definitive analysis of the global city, Saskia Sassen describes the global economy as "a spatially dispersed, yet globally integrated organization of economic activity" (1991, 3).[19] While this description is largely in keeping with that of Robinson and Sklair, Sassen, as well as other scholars, describe a very different relationship between the global economy and its constituent locales. For example, Sassen argues that

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[17] For more on this restructuring of spatial scale see Brenner 1997, 1999, 2001; Cox 1997; Herod and Wright 2002; Marston 2000; Sheppard and McMaster 2004; Smith 1992, 2000b; Swyngedouw 1997.

[18] For discussions of this disembedding of the urban from the national, see Smith 2000a; Taylor 1995.

[19] See also Friedmann 1995; Friedmann and Wolff 1982; Knox and Taylor 1995.

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"the territorial dispersal of current economic activity creates a need for expanded central control and management…the more globalized the economy becomes, the higher the agglomeration of central functions in a relatively few sites, that is, the global cities" (1991, 4-5). Likewise, Neil Smith argues that with globalization "metropolitan economies will operate as the new production platforms of a new globalism" (2000a, 11). Both Sassen and Smith, despite their theoretical differences, make the point that the globalization of the capitalist economy and of production in particular, comes an intense *urbanization* of production.[20] Thus the scale of "the urban" can no longer (if it ever could) be adequately equated with the scale of "the local." Nor can the process of globalization and its impact on cities be said to have somehow abstracted "global cities" out of their historical-geographical context, a point made forcefully by Janet Abu-Lughod (1999). At least in those cities that are, in Sassen's case, headquarters of the command and control functions of the global economy, or, in Smith's case, central new sites of global production, "the new concatenation of urban functions and activities not only changes the makeup of the city but the very definition of what constitutes, literally, the urban scale" (Smith 2000a, 9).

2) The Transnational Capitalist Class and the Global City

The implication of this for our discussion of the TCC is this: Robinson's notion of scale as a hierarchy of distinct levels, with the transnational now decisive, a notion implicit in Sklair's work as well, focuses the discussion of the TCC on certain institutions

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[20] Smith (2000a, 9) has criticized Sassen for her inattention to the complexities of scale, though a recent article by Sassen (2005) addressing "the many scales of the global" directly takes up this issue. Another of these "scales of the global" is that if the region, as a number of economic geographers have argued that globalization has also involved the regionalization of economic activity. For a brief overview of this enormous literature, see Amin and Thrift 1992; Scott 1998a; Castells 1996, 99-102, 386-394.

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and sites at the expense of others. Thus, both focus on international institutions like multinational corporations and the World Trade Organization and on "global" gatherings like the World Economic Forum and neglect the everyday spaces in which the members of this formative class live, work, engage in politics, and socialize.[21]

The global city provides just such an everyday space. While the global city literature has generally focused on the functional role played by global cities in the global economy, there is a growing literature that focuses on, as the title of one edited volume puts it, "living the global city" (Eade 1997).[22] Here the focus is on the physical, social, and discursive construction of particular global cities, their cultural complexity, their "local" politics, and the efforts of particular cities, or more accurately, certain social groups within particular cities, attempt to "go global" (Todd 1995).[23] Building on both this approach and the TCC literature, I want to argue that the global city provides an important site of processes of class and identity formation for the TCC. The TCC needs

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[21] To be fair, Sklair (briefly) mentions, under the rubric of "lifestyle," "exclusive clubs and restaurants, ultra-expensive resorts in all continents, private as opposed to mass forms of travel and entertainment and, ominously, increasing residential segregation of the very rich secured by armed guards and electronic surveillance…[in] gated communities," which he seems to think are exclusively located in global cities (2001, 20-21). In fact, as scholars of such spaces have demonstrated, gated communities and fortified enclaves are not limited to the TCC alone, instead housing the "upper and middle classes" (Caldeira 1999, 88), "affluent society" (Davis 1992, 224), or everything from "middle- to lower-middle-income" on up (Low 2005, 88-89). This lack of attention to the actual spaces inhabited by members of the TCC is indicative of the wider problem identified here.

[22] Sassen's work, along with Friedman and Wolff's earlier article (1982), are the two seminal works on the global or world city. For two excellent reviews of the global/world city literature, see Friedmann 1995; Yeoh 1999.

[23] For works that treat the globalization of cities as a processural, and local (as well as extra-local) phenomenon, see Douglass 1993; Keil and Lieser 1992; Marcuse and Kempen 2000. For considerations of the cultural aspects of global cities, see Hannerz 1996; King 1997. For the implications of the global city for local political struggle and for notions of democracy and citizenship see Isin 2000; Keil, et al. 1996; Oncu and Wyland 1997. For ethnographic studies of everyday lives of the middle and upper classes, the working classes and the poor, and immigrants in the global city, see Bestor 1989, 2001; Bourgois 1995; Budd and Whimster 1992; Gregory 1998; Kasinitz 1992; Kwong 1996, 1997; Sanjek 1998; Sharff 1998; Stoller 2002; Susser 1982, 1999; Zukin 1989. For discussion of the largely-neglected gendering of the global city, see McDowell 1997; Weyland 1997.

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to be understood as *urban* as well as *transnational;* it is not just in the World Economic Forum where members of the TCC become aware of their collective existence and act upon common interests, but in the streets, cultural institutions, and political organizations of cities like New York, London, and Tokyo.[24] Furthermore, the fact – as both Robinson and Sklair recognize – that the TCC is in a process of formation points to the importance of this group as an *agent* of contemporary capitalist globalization. If, following Sassen and Smith, we can understand that this contemporary process of globalization is at the same time a process of urbanization, we can see that there it is important to realize that the process of TCC formation might also entail the members of this formative class using their substantial power to reshape the environments in which they find themselves. "There can be no territorial distinctions between the 'global' transcending of place and the 'local' making of places, Anna Tsing writes; "Instead, there is place-making…all around, from New York to New Guinea" (2002, 464).

3) Transnational Capitalist Class Place-Making

It seems apparent that this place-making will be multidimensional, implicating economics, politics, and processes of identification in the cities in which the TCC members attempt to shape urban environments in keeping with their needs and desires. The fashioning of the global city as an economic space, where the command and control of the global economy is achieved through the production of innovative financial arrangements, business services, and global management, has been the subject of much of

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[24] Sven Beckert (2001) describes a similarly multi-scaled process whereby the consolidation of New York City's bourgeoisie in the second half of the 19th century, because of the key position of the city in national networks of trade, finance, and production as well as its role as the gatekeeper of the nation's trade with Europe, doubled as the consolidation of a national bourgeoisie.

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the global city literature, and I will not delve any more deeply into it here. Less often discussed has been the fact that there are compelling reasons to believe that the global city also serves as an arena for TCC political projects and class and identity formation.

The globalization of capital has not rendered sub-global states – at the national, sub-national, or urban level – irrelevant. Rather, the result has been "the transformation of inherited geographies of state space, and the ongoing production of new state spaces at various geographical scales and territorial sites around the world" (Brenner, et al. 2003a, 11).[25] There are good reasons for the continuing relevance of the sub-global state, notes Harvey, who acknowledges the emergence of a TCC even as he argues that its theorists overstate both its coherence and the degree of historical change that this emergence represents: "There undoubtedly has been a deepening as well as a widening of…transnational connections during the phase of neoliberal globalization…This does not mean however, that the leading individuals within [the TCC] do not attach themselves to specific state apparatuses for both the advantages and the protections that this afford them" (2005, 35). Given the importance of global cities to global capitalism and the TCC, it seems likely that the TCC would have a vested interest in influencing the actions of local government in such cities, especially given the crucial role of public action in economic development, urban planning, and the provision of cultural amenities. While there is burgeoning literature on the participation of purely local business owners in urban politics, work on the involvement of the TCC is scanty.[26] However, there does

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[25] This quote is drawn from the introduction to a reader (Brenner, et al. 2003b) that collects a number of important essays on the reconfiguration of the state in the context of contemporary globalizing capitalism.

[26] See Valler, et al. 2000 for a review of the literature on local business interests. While the literature on TCC activity in urban politics is scarce, there is evidence of TCC participation in other political arenas. As s one observer notes of politics at the Federal and State level, "in recent years, self-financed candidates

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seem to be some evidence that the owners of transnational capital are becoming more involved in politics in either global cities or in cities with global aspirations. One thinks not only of the mayoralty of Michael Bloomberg, but of multi-millionaire venture capitalist Richard Riordan's mayoralty in Los Angeles (Kaufmann 2003); the late billionaire Rafik Hariri's tenure as Prime Minister of Lebanon, during which he oversaw the rebuilding of Beirut (Sawalha 1998); and Microsoft co-founder Paul Allen's involvement in urban development in Seattle (Ritter 2005). In addition, scholars have documented the active role that global corporations have taken in remaking certain cities, such as Bank of America's efforts to encourage gentrification in Charlotte, North Carolina and the efforts of the leadership of the semiconductor industry to enhance the "quality of life" in Silicon Valley, California.[27]

While not addressing the global city per se, there is a small but growing literature that challenges the idea that the formation of a TCC necessarily eviscerates the importance of sub-global places, practices, and social ties for the construction of identity – including class identity – even for the most cosmopolitan, powerful, and mobile. David

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have become a systemic element of the political process, especially among Democrats" (Schmitt 2001). While much ink has been spilled about the implications of wealthy self-financed candidates for campaign finance reform and for the health of electoral democracy, there has been relatively little discussion of the political economic forces producing this new breed of socially liberal, if economically moderate self-financed candidates, many of whom hail from the ranks of the TCC. In the New York region, the other instance of this new breed of wealthy political candidate besides Bloomberg, who had been registered as a Democrat until shortly before deciding to run for mayor, when he switched parties in order to circumvent the party's control, was Democrat Jon Corzine, who successfully ran for US Senate from New Jersey in 2000. Corzine and Bloomberg, in stark contrast to past instances of wealthy politicians from the New York area like Nelson Rockefeller, had taken a meritocratic path of educational achievement to rise from relatively modest backgrounds into careers of stupendous wealth, examples of the new MBA CEO that has become increasingly more common since the 1960s. Crucially, both men also made their billions during the 1980s and 1990s in New York's ascendant financial industry: Corzine at the investment bank Goldman Sachs, where he became a partner in 1980 and a Chairman and CEO in 1994, and Bloomberg in his own firm, which he founded with a $10 million severance package after 15 years of employment at the securities trading firm Salomon Brothers.

[27] See Smith and Graves 2005 and Lee 2005 for discussions of Charlotte and Silicon Valley, respectively.

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Ley, in an article that draws on the work of a number of anthropologists and geographers, writes that for transnational corporate elites, "global *habitus* can also be intensely local," or even "parochial" (2004, 160). In particular, Ley analyzes several works on the transnational diaspora of ethnic Chinese capitalists to argue that "the appearance of the footloose global entrepreneur with portable skills does not confound the play of a deeper geographical imperative that continues to assert difference over sameness and rewards spatial proximity over separation" (2004, 159). Indeed, the work of Aihwa Ong (2002), which Ley analyzes, can be read as supporting this point: the "flexible citizenship" demonstrated by members of the diasporic Chinese capitalist class that Ong analyzes as they seek to take advantage of their mobility and that of the capital they own is in crucial ways related to their common roots and still-present connection to Hong Kong, and to the particular set of political-economic and familial practices that emerged from that city's colonial and postcolonial history. Similarly, in her analysis of the global Bre-X investment scandal, Anna Tsing insists that the financiers who organized the chain of investments linking Canada and Indonesia must be understood to be at the same time engaged in "globe-making" *and* rooted in "a culturally specific set of commitments and…practices" (2000, 120,143). These global investments were sold and discussed in the terms of Canadian national pride and frontier mythology; we might say that these financiers were constructing the nation even as they were constructing the global economy.

The point here is not to underplay the mobility of the TCC, or even more foolishly, to argue that members of the TCC are somehow irrevocably bound by essentialized cultures. Rather it is to argue that we should not pose transnationalization

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and localization as opposites, especially when discussing the process of TCC formation. While others have made this argument, they have often done so by arguing for a "transnationalism from below." Michael Peter Smith typifies this line of thinking in his insistence that mobility and "translocality" are not confined to the wealthy and powerful alone, but are also characteristics of the lives of "ordinary people" (2001, 1-8). While granting this point, I would also argue that the converse is also true. It is important to recognize that even the wealthiest and most powerful transnational elites need to be localized as well. Thus, we would be in error to view global cities not as actual lived environments for the rich and powerful as well as the poor and powerless but as mere stop-over points for endlessly circulating transnational elites whose identity is constituted in "transnational social space" (Smith 1999, 121). I would also more strenuously reject formulations like that of Manuel Castells, who radically abstracts elites from the localized social worlds that they do so much to shape when he writes that "elites are cosmopolitan, people are local" (1996, 415). Reworking Castell's statement, we can say that since elites are people too, we must understand them as cosmopolitan and local at the same time, and must be aware of the ways in which they shape local places at the same time as transnational space.[28]

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[28] Interestingly, Michael Peter Smith, who is highly critical of Castells, reproduces this line of thinking – that capitalists and the workings of capital are somehow distinct from "ordinary people" and the workings of everyday life when he writes:

> It is a central assumption of this book that the accumulation strategies of capitalist logics, structures, and actors, to which many urban analysts devote so much attention, are not the sole, or at times even the most important, agencies in the constitution of urban life. As important, if not more so, has been the impact of ordinary men and women – their consciousness, intentionality, everyday practices, and collective action – on the social construction of urban life (2001, 8).

While Smith is of course correct in pointing out that urban life is determined by far more than capitalist accumulation alone, it is erroneous to argue that "ordinary people" and their action, consciousness, and

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4) The Transnational Capitalist Class in New York City

This theoretical detour is aimed to lay the conceptual groundwork for an empirical claim: that the emergence of New York as a global city has not only entailed its increased integration into global flows of people, capital, and products but also the constitution of a specifically New York-based fraction of the TCC. Furthermore, the commitments – economic, political, and identificatory – of this fraction of the TCC to New York *qua* global city play an important role in the process of its own self-identification as part of the TCC. Unfortunately, the small size and distinguishing characteristic of this group – its ownership of transnational capital – make it difficult to identify using normal demographic methods. However, there are three pieces of evidence that support the notion that recent decades have seen the formation of a specifically New York-based fraction of the TCC.

First, Robinson points to the "dramatic increase in foreign direct investment (FDI)" as "a critical component in the rise of transnational capital" (2004, 22). Likewise, Sklair identifies FDI as a "globalizing practice" through which the TCC constitutes itself (2001, 81-109). FDI also serves as an important reference point for Sassen's conception of the global city (1991, 35-63). She argues that both the increase and diversification – into producer services in particular – of FDI that has come with the global dispersal of industrial production is an important impetus for the formation of the global city, which provides a strategic site for the command and control of such investment flows. In

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intentionality is somehow *distinct* from the workings of the capitalist economy rather than enmeshed in it in complex and not always straightforward ways, and moreover to argue that the categories of "ordinary people" and "capitalist actors" are distinct. Ironically, Smith's fetishization of "ordinary people" acts to grant "capitalist actors" the same impregnability and invulnerability to the vicissitudes of everyday life that Castells seems to grant those who dwell in the "space of flows."

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addition, the increase of FDI in global cities themselves is an important part of the construction of the network of people, money, and firms that constitutes the global economy. New York City has been a both a magnet for FDI (especially during the 1980s) and its status as a financial center has made it the primary node through which FDI has flowed in an out of the country (Rosen and Murray 1997). If Robinson and Sklair are right in seeing FDI as a crucial component of the transnationalization of capital and of the capitalist class, and New York has been a crucial recipient and gateway for FDI, it seems likely that the city has become an important economic space for the TCC.

Second, the growth of income inequality in the city provides evidence for a growing TCC presence. While this trend has been well-documented, most of studies of inequality in the city have, due to data limitations, focused solely on *wage* inequality, excluding income derived from returns on capital investments.[29] As a result, these studies are most likely to capture the disproportionate amount of city income captured by well-off members of the city's salaried professional-managerial class. What they leave out is the degree to which inequality within the city has been driven by appropriation of income derived from the investment of capital, which is of course a distinguishing characteristics of any capitalist class, transnational or otherwise. One 2000 study that does include investment income clearly demonstrates that realized capital gains have played an increasingly important role in income inequality in the city (New York City Independent Budget Office 2000). For those with total incomes over $1 million, capital gains consisted of fully 25 percent of total income between 1987 and 1997, and over half of all capital gains income in the city during this period flowed to these millionaires.

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[29] See Fainstein 2001c; Fiscal Policy Institute 2002a; Mitchell 2002a; Sassen 1991, 222-228.

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Importantly, the trend in the percentage of millionaires' income drawn from capital gains has been upward over time, rising markedly between 1991 and 1997 with the rise of the stock market; given the rise of the stock market after 1997, this trend likely has continued. Returns on capital have represented a crucial and growing source of income for the city's very wealthy, a strong indicator that the TCC, dependent on returns to capital and especially to financial capital, has lodged itself in the upper reaches of the city's socio-economic structure.

Finally, the change in the composition of the city's leading business group, the Partnership for New York City, indicates a growing transnationalization of the city's largest employers, as well as of local TCC political organization. When the Partnership was founded by David Rockefeller in 1979 in response to the fiscal crisis of 1970s, it was composed of local real estate developers and corporate executives drawn from New York-based banks and insurance companies. Even if their firms had national or even international branches, these executives had deep social and economic roots in the city. Over time, and through a series of organizational changes, the Partnership has transmuted into an organization whose mission is to represent the largest employers in New York, including both "New York-based business organizations [and] global business entit[ies] with a presence in New York City" (Partnership for New York City 2005c).[30] The most recent of these organization changes came in January 2003. Along with a name change – the group had formerly been known as the "New York City Partnership and Chamber of Commerce" – came less cosmetic changes, as the organization's smaller member businesses were demoted to the status of "associate members," with smaller dues

[30] See also Gifford 1986; Partnership for New York City 2005a; Rockefeller 1986.

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requirements and a reduced role in the organization. Henceforth, the Partnership's primary mission would be "to leverage the clout of the city's larger employers to push the business community's public policy agenda" (Lentz 2003). This led to shift in the composition of the organization, as the city's largest firms are predominantly in the highly globalized media, financial, and business services sectors. By 2005 the majority of the Partnership's core members, its 200 CEO partners, consisted of executives of indisputably global firms, mostly in these sectors. Though most of these firms were headed in New York or elsewhere in the US, a substantial number – about 15 – were headquartered outside of the U.S.[31] Thus, this the membership of this "local" business advocacy organization has in fact become increasingly composed of the CEOs and other high level of executives of multinational corporations, that is, of members of the TCC. Moreover, we can view the Partnership as a site in which TCC formation takes place, where its members can socialize, engage in political activity, and become aware of their common interests.

5) New York's Transnational Capitalist Class and the Political Rise of Michael Bloomberg

There is thus reason to believe that in recent decades New York City has become the home of a substantial and growing fraction of the TCC, and that this group – both urban and transnational at the same time – has become more involved in "local"

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[31] This is based on an analysis of the list of the Partnership's 2005 membership. See Partnership for New York City 2005b. Once the CEOs of global corporations are accounted for, the remainder of the Partnership's membership is made up of the CEOs of real estate firms and retailers, who largely remain locally focused.

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politics.[32] Indeed, in the growing inequality in the city, constituted in no small part by the increasing returns to capital by the city's wealthiest citizens, we find the condition for this group's entrée into politics. Money – which as Marx reminded us long ago, is a form of social power – allows its members to garner political influence, either through making campaign contributions, or, as in Bloomberg's case, providing the ability to substitute massive campaign spending for the constituency-building and political groundwork usually necessary to win a mayoral election.[33] The political rise of Michael Bloomberg and his approach to urban government was made possible by the enormous financial power of New York's TCC.

The latter was also rooted in the TCC's political organization. As we shall see, the Partnership for New York City – whose membership included Michael Bloomberg as well as other key members of his administration – played an important role in the development of his administration's approach to economic and urban development. The networks provided by elite groups like the Partnership, as well as by socialization and

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[32] I also saw glimmerings of evidence for this in some of the interviews I conducted. When I asked *Crain's New York Business* editor Greg David about the commitments of the executives of indisputably global firms to New York, he replied:

> The companies see themselves as local…[Walter] Shipley who created [J.P. Morgan Chase] and to some extent [William] Harrison who runs it now, always saw themselves as New Yorkers running a business, which grew into a global business…Sandy [Weill, CEO of Citicorp,] sees himself as a New Yorker. He's proud of his Brooklyn roots. While…sometimes his efforts to build these conglomerates took place elsewhere, he was always a New Yorker. He always lived here. So, he's made that much more a New York institution. And the chief executives just see themselves as players in [the city]. Like Henry Kravis [founder of the private equity firm Kohlberg Kravis Roberts & Co.] doesn't run a New York business, he runs a global business, global investing business, but he clearly sees himself as someone deeply committed to the future of New York and is heavily involved in the Partnership [for New York City] (David 2004).

[33] Bloomberg spent $74 million of his own money, a new high for a municipal campaign and more than three times the amount spent by Mark Green. This came to $98 per vote; in contrast, in 1997 Rudy Giuliani spent only $15 per vote in trouncing his Democratic challenger. As large as this amount seems, it was a relatively small portion of Bloomberg's wealth, valued at $4 billion in 2001 (Forbes Magazine 2001).

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philanthropy, allowed Bloomberg to recruit other members of the TCC into his administration, most notably Daniel Doctoroff and Andrew Alper.

Finally, Bloomberg's political rise was also rooted in the ideological power of the TCC. This is seen most clearly in Bloomberg's successful mobilization of biography in the 2001 campaign, in his status as a "charismatic CEO," and in his claims to being a "good manager." However, as Sklair demonstrates, there are other important elements of TCC ideology besides the somewhat amorphous claim of managerial acumen, all of which he gathers under the rubric of "global vision:" "an outward-oriented global rather than inward-oriented local perspective on most economic, political and culture-ideology issues" (2001, 20). This "global vision" encompasses a number of ideological positions. It includes a cosmopolitan embrace of free trade and cultural diversity. It emphasizes a notion of national (and, we might add, urban) competitiveness which can be *measured* using the technocratic practice of "benchmarking," defined as "a system of continuous improvement derived from systematic comparisons with world best practice" (Sklair 2001, 115). Lastly, it puts forward the idea of "global corporate citizenship," as corporations and their executives are thought to have a fundamental responsibility to society and to the environment, a position which Sklair sees as essential to the legitimization of the growing wealth and power of the TCC.

These combine to produce to ideologically potent image of a well-educated, socially responsible, and culturally sensitive "global executive," deferential to expertise and steeped in global "best practice."[34] The new global executive is not a heroic and

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[34] Sklair argues that global growth in business education, especially in prestigious business schools like the Wharton School at University of Pennsylvania or Harvard Business School which draw aspiring members

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iconoclastic superman struggling against the dulling conformity of the masses *a la* Ayn Rand. He is certainly no robber baron.[35] Instead, this global executive is at once a rugged individual and a technocrat, a gruff straight-shooter and a caring steward of society and the environment. That this is an intensely contradictory ideological composite matters little.[36] The ideological figure of the global executive legitimizes the increasing wealth and power of members of the TCC by rooting their dominance in the natural order of things – in individual personalities – even as it assures us that we are in good hands: the use of this enormous power will be governed by respect for cultural diversity and expertise and by a sense of social responsibility.

In New York, this ideological gambit takes on a particular form. By identifying themselves with an ideologically loaded image of the city as the "capital of the global economy," a center of cosmopolitanism, internationalism, and immigration, New York-based members of the TCC make claims about their own status as cosmopolitan, global citizens who understand and embrace the city's cultural diversity (even, it should be noted, as they elide other sorts of diversity within the city, most notably that of class). Likewise, by acting to shape the city in accordance with this image, especially under the

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of the TCC from all over the world, has played in important role in shaping the coherence of TCC practice and ideology (2001, 20.) As noted above, Bloomberg earned an MBA at Harvard.

[35] The gendering of the figure of the global executive – here and throughout this work – is intentional and appropriate. The global executive is almost always male, though there is some evidence that this is changing, albeit very slowly. For example, Carly Fiorina's 1999 appointment as Hewlett-Packard's CEO put her squarely in the ranks of the TCC. With over $90 million in annual compensation, most of which was in stock and stock options, she was the highest paid woman in corporate history (Sklair 2001, 291). However, the controversy of her brief reign as CEO, as well as her bitter ouster in 2005 – not to mention the gleeful media coverage of her demise – makes it clear that the gendering of the TCC remains strong.

[36] Eric Wolf notes that the "readiness of many people to live with contradictions, as well as the proclivity of most to pay little heed to internal cognitive coherence" makes the connection of ideology to the "existential concerns of everyday life" far more important than its conceptual consistency (1999, 290).

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rubric of enhancing the ability of the city to compete for global investment, New York-based members of the TCC can claim to be pursuing the prosperity of the city as a whole, even as they enhance their own interests as owners of the very global capital that is being wooed. Finally, by engaging in ostentatious philanthropy and other practices of "good corporate citizenship," New York-based members of the TCC make claims about their own decency and generosity and the rightness of their claims to leadership.

Essentially, it is this TCC ideology that forms the basis of the Bloomberg administration's approach to urban government, and in particularly to economic and urban development policy, which is described in the next chapter. However, before turning to this approach to urban government, I want to outline another important role played by Michael Bloomberg's particular inflection of TCC ideology in his political ascendancy: the role it played in generating support for Bloomberg in the ranks of New York City's growing and increasingly influential professional-managerial class.

B. New York's Professional-Managerial Class

The definition, coherence and even the existence of a "new middle class" of professionals and managers has been the subject of a great deal of debate in the social sciences. Despite the volume of research and theorizing on this class, there is still no generally accepted definition, or even general acceptance of its existence.[37] Much of the theoretical work on the new middle class conflates cultural attitudes, occupation, income, and status, a result of a multiplicity of understandings of class. Nonetheless, there are still theoretical and empirical reasons to believe that the 20th century, and especially its

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[37] For some key works see Aronowitz 1979; Bruce-Biggs 1979; Ehrenreich and Ehrenreich 1971; Gouldner 1979; Mills 2002; Poulantzas 1978; Wright 1985. See Smith 1996, 93-98, and Bell 1980 for two critiques of the concept coming from very different theoretical perspectives.

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second half, saw the growth of a relatively privileged stratum of salaried workers mediating between the capitalist class and the working class, whose labor involved either cultural or intellectual production or the management of the labor of others (Ehrenreich and Ehrenreich 1971; Wright 1985). This class – which I will call, following Barbara and John Ehrenreich (1971), the professional-managerial class (PMC) – like other classes, is neither internally homogenous, nor sharply distinct form other classes, nor constituted in isolation from other forms of identity and consciousness. Nevertheless, the PMC concept serves a useful analytic purpose, allowing us to identify a social grouping, which while diverse, complex, and difficult to define with theoretical and empirical precision, has nevertheless clearly become a marked and important presence in contemporary social life – and in particular, in contemporary urban life.

Whereas the growing political power of New York's TCC is both constituted and signaled by its members' direct involvement in urban politics, that of the city's PMC has taken a different, more diffuse form. While, as discussed in Chapter Five, the Bloomberg administration would draw professionals and managers into City Hall, previously the PMC's direct involvement in politics had been limited. Steven Brint, in one of the only analyses of this group's political activity, concludes that despite their privileged position in the city's economic structure, and despite their tendency to vote, in the political arena "professionals…are neither dominant…nor even…cohesive in any clear and obvious sense" (1992, 173). Yet, this lack of direct and collective political activity does not mean that New York's PMC lacks political influence. Instead, its political power has typically been subtle and systemic, rather than overt and active. Let me explain what I mean by this.

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1) The Generalization of Gentrification and the Power of the PMC

In urban scholarship, discussion of the PMC's role in cities largely taken place in the context of the study of gentrification. Until the early 1990s, gentrification was often viewed as a rather limited process involving the reinvestment in and rehabilitation of inner-city residential neighborhoods, with small-scale investors producing "islands of renewal in seas of decay," in the words of one geographer (Berry 1985).[38] However, by the late 1990s it was apparent that this limited form of gentrification was merely the leading edge of a broader and deeper process of urban regeneration in the course of which the city was reclaimed by and for those at the upper end of the socio-economic ladder. This process involved not just residential neighborhoods in a few large cities, but a fundamental and multi-dimensional transformation of the urban environment in cities of various sizes throughout the world. A number of different scholars have noted this shift in the nature of gentrification. Jason Hackworth has called it "third wave gentrification," increasingly involving state action and large corporate investors (2002). Neil Smith has argued that gentrification has become "generalized," and now constitutes a "global urban strategy" involving the transformation of "whole areas into new landscape complexes that pioneer a comprehensive class-inflected urban remake" (2002, 443). Loretta Lees has noted "super-gentrification" whereby already established gentrified neighborhoods become even more affluent and valorized (2003). Finally, Chris Hamnett has argued that gentrification is deeply rooted in economic shifts in the urban economy, arguing that

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[38] See Hackworth and Smith 2001 for a thorough discussion of the early process of gentrification and its analysis.

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"gentrification is the social and spatial manifestation of the transition from an industrial to a post-industrial urban economy" (2003, 2402).

Hamnett's formulation draws our attention to the links between gentrification and the development of the post-industrial urban economies in which the PMC is rooted, and echoes scholars like David Ley (1996) and Tim Butler (1997) who emphasize the "demand" for gentrified urban environments generated by the cultural orientations and consumption practices of members of the PMC. On the other hand, scholars like Smith and Hackworth emphasize the role of real estate investors and the state in creating the "supply" of gentrified neighborhoods. While adherents of these two positions engaged in an at-times acrimonious debate during the 1980s and early 1990s, it cannot be doubted that the "generalization of gentrification" that has occurred in the years since has been driven by a convergence of three processes: first, the increasing tilt of urban economies – at least in North America and Western Europe – towards postindustrial sectors like finance, media, and business services; second, the increased investment of global and corporate capital in urban redevelopment; and finally the increasingly important role played by the state, acting in the name of urban competitiveness, in coordinating the process of gentrification, broadly construed.[39] This convergence has been especially significant in global cities like New York, restructuring both market and political relations.

The increasing enrichment of the members of the PMC affiliated with the financial, media, and business services firms at the core of the global city's command and

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[39] For a summaries of the debates of the 1980s and 1990s, see Brash 2000, 8-15; Hamnett 1991; Smith 1996, 40-44.

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control functions gives them a privileged place in local consumption markets, especially in the real estate market. The same is true of these firms themselves, whose "super-profits" give them a privileged place in commercial real estate markets.[40] A postindustrial economic base skews real estate prices upwards, creating a symbiotic relationship between real estate capital and postindustrial firms. Thus, the postindustrial economy and a large PMC presence together fundamentally restructure market relations within global cities, an important aspect of the systemic power of this group.

The PMC also restructures political relations in a broad range of cities, albeit in diffuse and indirect ways. The attraction of postindustrial firms and their employees is a central goal of many city governments. Indeed, it is the attempt to attract such firms and residents that often constitutes what it means for a city to "go global." Moreover, recent shifts in economic development thinking have identified the attraction of members of the PMC as crucial to cities' economic success. Richard Florida, for example, argues that old strategies of recruiting companies are obsolete, writing that "cities need a *people climate* even more than they need a business climate;" for "people," read "members of the creative class," Florida's own empirically and theoretically incoherent attempt to demarcate the PMC (2002, 283). The relentless focus on the attraction of well-heeled professionals and managers, who, it is hoped, will in turn attract high-margin businesses in growth industries, has given the perceived tastes and desires of this group a privileged role in the determination of local government policy, especially urban and economic

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[40] For the large portion of the city's income appropriated by the city's PMC, especially in the FIRE sectors, see Bram and Orr 1999; Drennan 1991; McCall 1998; Sassen 1991, 197-244. For a discussion of the impact of high wages and profits on the local land market see Sassen 1991, 186-187.

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development policy.[41] Thus, cities all over the globe develop open space and waterfronts for leisure and recreation uses, attempt to stimulate culture and the arts, create elite consumption districts, fight (or hide) crime and disorder, and in a variety of other ways, place "quality of life" concerns at the center of urban policy.

Ironically, all of this has happened even as the urban PMC has remained largely politically disengaged. In a pair of insightful articles, Herman Boschken has found that the presence of a large PMC contingent in a city has a significant effect on policy outcomes, even in the absence of direct PMC political activity (1998, 2003).[42] He argues that the disjunction between the PMC's political inactivity and the fact that urban policy so often reflects their policy preferences can be explained by the application of Stone's notion of systemic power. He argues the PMC is politically potent not because it is politically active or because its members have mobilized their considerable resources in the pursuit of certain political ends; rather, it is politically potent because politicians and other policymakers *perceive* it to be an economically important group and thus attempt to anticipate the needs and desires of its members when formulating urban policy.

2) Postindustrialism and the Professional-Managerial Class in Post-Fiscal Crisis New York

Boshken notes that the PMC is particularly well-represented in global cities:

> Instead of [PMC] *individuals* "colonizing" global cities per se, a rival argument for why only some cities become global platforms may have to do with a [PMC] genre made more visible by endorsements from the city's

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[41] It should also be noted that members of the PMC are a crucial source of tax revenues: their relatively high incomes generate local income taxes, their profligate consumption practices generate sales tax revenues, and their tendency towards homeowners and improvement generates property taxes.

[42] Boschken uses the term "upper class genre" rather than PMC, and identifies this group as "economically ascendant, highly educated, and professionally employed" (1998, 415).

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> larger population. Politicians and public-private partnerships respond to this potentially powerful influence by bringing forth the necessary global-platform resources that distinguish such cities and make them more competitive "players" in the transterritorial networks of global connectivity. As a result of the types of professional employment, income mobility, cosmopolitan and recreational preferences, and political culture of the [PMC]…urban developmental policy contains a more comprehensive emphasis on global-city dimensions than policy less influenced by the [PMC] (2003, 821).

This, I would submit, describes well what has happened in New York in the final decades of the twentieth century. In a circular process, the efforts of the city's real estate-driven traditional growth coalition to create a postindustrial economy and built environment has led to a growing PMC population, whose high-profile presence has in turn created a continued impetus for urban development policies that are perceived to be in keeping with the preferences of this group; this in turn deepens the postindustrial transformation of the city's economy and built environment, which enhances the position and visibility of the PMC even further. This process has been especially acute since the 1970s fiscal crisis, as the years since have seen a series of urban and economic development interventions aimed at creating an environment in keeping with the perceived needs and desires of the PMC: the construction of Battery Park City, growing city government support for residential and retail gentrification in neighborhoods like the Upper West Side, the East Village, and Park Slope; the redevelopment of Times Square as a sanitized consumption and entertainment space; and the efforts of Mayor Giuliani to impose a sense of law and order on the city through a series of well-publicized crime-fighting innovations.

Despite these interventions, city economic and urban development policy generally has been focused more on companies than people, to follow Florida's formulation, primarily through the use of tax incentives intended to attract and retain

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corporations or to stimulate the construction of office space. Even when the PMC itself was targeted, the administrations of Ed Koch, David Dinkins, and Rudy Giuliani often seemed out of synch with the PMC's cultural sensibilities and practices. Times Square, for example, was a bit too gaudy and "Disney-fied and Giuliani's attacks on "obscene" art displayed at the Brooklyn Museum probably alienated as many members of the PMC as he attracted with his support of zero-tolerance policing. While New York City of the 1980s and 1990s was hospitable to the PMC, it was only in 2001 that it found a true champion.

3) The Professional-Managerial Class and the Political Rise of Michael Bloomberg

In contrast to other post-fiscal crisis mayors, Michael Bloomberg seemed extraordinarily attuned to the values, cultural preferences, and urban practices of the PMC. Brint has identified two "political cultures" which have roots in the upper strata of the New York City's PMC (1992, 172-173): a business culture among higher-income professionals and corporate managers, and a liberal professional culture oriented to humanistic values rooted in nonprofits, universities, cultural organizations, and government.[43] In 2001, Michael Bloomberg managed to articulate a campaign message that appealed to both of these professional political cultures.

First, Bloomberg effortlessly tapped into business culture. Bloomberg's legendary rise from a middle-class background to the heights of the transnational

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[43] In fact, there is evidence that U.S. professionals and managers of all sorts have become more positive in their attitudes towards business in recent years. Brint himself finds that professionals across the board "trust business far more than labor" (1994, 86). He ascribes this, at least in part, to a shift from "social trustee" professionalism to a more individualistic and market-oriented "expert professionalism (1994, 23-44).

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capitalist class on the basis of his own hard work, talent, and intelligence served to ratify the meritocratic aspirations of upwardly mobile members of the city's PMC, especially those in finance and business services.[44] Bloomberg – skilled manager, generous philanthropist, and cultural sophisticate – embodied the best of corporate culture. Moreover, his emphasis on fiscal discipline and governmental efficiency appealed to corporate managers, financiers, and other professionals, especially after 9/11 intensified the city's already-growing fiscal woes.

For professionals in the liberal, humanistic camp, there was Bloomberg's social liberalism and tolerance, especially in terms of race.[45] Likewise, Bloomberg's generous support of culture and the arts, his nonpartisanship, and his embrace of good government appealed to these professionals, especially those in the cultural and nonprofit sectors.[46] His faith in measurement and respect for expertise, both discussed in Chapter Five, appealed to those whose primary economic asset was their own specialized knowledge and educational credentials; his hiring of a number of well-regarded academics and policy experts to aid his campaign's policy development process only reinforced this.

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[44] In a fascinating look at how Wall Street investment bankers construct themselves and their firms as global, Karen Ho (2005) notes the crucial rule that claims about meritocracy make in the recruitment of investment bankers by high level executives, She describes a recruitment session at Princeton University:

> Investment bankers begin by addressing "the Princeton family" to establish a connection with the audience and to delineate an elite selectivity — just as not everyone can be a student at Princeton, investment banking is not a profession in which all can participate. From there bankers move on to talk about "smartness" to establish collective meritocracy as the organizational rationale for investment banking elitism (2005, 75).

Thus we can see how the high-level business professionals who staff investment banks and the members of the TCC who run them are bound by a collective self-regard as the best and the brightest.

[45] The popularity of this combination of social liberalism and fiscal conservatism has been well documented among professionals in the U.S. See Brint 1994, 13-17; Judis and Teixeira 2002, 48-49.

[46] Bloomberg garnered the endorsement of a number of prominent civic organizations, most notably Citizens Union,

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Finally, Bloomberg put forth a vision of the city – as urbane, cosmopolitan, cultured, amenity-filled, and well-serviced – that was deeply appealing to members of the PMC across the board.

This multi-dimensional appeal drew many members of the city's PMC into Bloomberg's 2001 electoral coalition. As well as receiving unprecedented levels of black and Latino support, Bloomberg also garnered the votes of more white liberals than any Republican had a right to expect. Mollenkopf points out that Bloomberg did remarkably well in neighborhoods largely populated by white, Democratic, and well-off members of the PMC. In areas like Park Slope, Greenwich Village, and the Upper West Side, which "should have been [Mark Green's] natural base," the Republican Bloomberg won about 40 percent of the vote (Mollenkopf 2002). In contrast, 2000 Republican Presidential candidate George W. Bush received only about 10 percent of the vote in these areas.

IV. Conclusion: The Political Contradictions of Postindustrialism

Michael Bloomberg's political ascendancy signaled the potential emergence of a new ruling class alliance in New York City, constituted by a new corporate elite composed of both high level corporate executives and well-paid professionals, or to use the categories I have tentatively and provisionally employed here, an alliance between the city's transnational capitalist class and its professional-managerial class. While systemically powerful, the city's PMC, like the French peasantry Marx describes in *The 18th Brumaire of Louis Bonaparte*, had been "incapable of asserting their class interest in their own name" in urban politics (1991, 124). Bloomberg, while no longer a member of this class himself, took on the task of representing the PMC, putting forward an urbane vision of urban government and of the city itself in keeping with its ideological and

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cultural outlook. Yet he did so as a member of a transnational capitalist class making its own claims to urban (and global) leadership. What made this new political formulation possible were the political contradictions of postindustrialism itself.

While, as discussed in Chapter Two, the postindustrial development strategy long pursued by New York City's traditional growth coalition was, first and foremost, a means to increase real estate values, its largely successful implementation had another effect: the creation of a cadre of well-compensated, ambitious, and confident corporate executives, professionals, and managers whose growing political potency threatened to displace real estate elites from their traditional dominance of local development politics. Postindustrialism's very success threatened to challenge the systemic power of real estate elites to structure the contours of economic and urban development policy, power that had served as the condition of this success in the first place. This can be seen most acutely in Bloomberg's self-financing of his mayoral campaign and his refusal to accept campaign contributions: his massive wealth allowed the evasion of one of the most potent forms of political control typically wielded by real estate elites over New York City politicians.

Furthermore, in this process of political succession, we can see a second contradiction, one that had enormous implications for the debate over the Hudson Yards plan. Bloomberg's *antipolitical* approach of urban government was made possible by the *political* ascendancy of the emergent alliance between the city's transnational capitalist class and its professional-managerial class. What makes this contradiction even sharper was that Bloomberg's assertion that he was "above politics" – "a Leader, Not a Politician" read one 2001 campaign slogan – represented a claim to power in itself, as

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this kind of individualistic, autobiographical claim-making must be understood as a strategy to legitimize *class* power, even as it refuses to acknowledge itself as such. While Bloomberg was right to claim he was not a politician, this did not mean that he was not deeply embedded in the class politics of New York City. Bloomberg's road to City Hall was paved with class politics. In the following chapter we will see that these class politics did not stop when the new mayor climbed up City Hall's white marble steps and through its doors for the first time. In fact, the Bloomberg Way, his administration's approach to urban government, and to economic and urban development policy in particular, was as much a product of class politics as was his rise to political power.

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Chapter 5: The Bloomberg Way: Technocratic, Corporate, Antipolitical

> New York is in a fierce, worldwide competition. Our strategy must be to hone our competitive advantages. We must offer the best product – and sell it, forcefully.
>
> – Mayor Michael Bloomberg, State of the City Address, January 23, 2003.

I. Synoptic Urban Visions

In *Paris, Capital of Modernity*, David Harvey describes Honore de Balzac's desire to view the Paris of the mid-19th century in its totality, to find some way to unify the extraordinary diversity of its populace, its houses, its streets, its speech, its industries, its arts, its crime, its greatness, and its venality. "Balzac," Harvey writes, "is out to possess Paris" (2003, 50). Like many urbanists, Balzac uses metaphorical language to capture the totality of the city. Paris is a "sentient being:" "a poverty-stricken hag," "a great harlot," "a great man," "a brain teeming with genius," "a ceaseless creative artist," and "a moral entity." While these organic metaphors have been echoed by urban thinkers like Ebenezer Howard and Patrick Geddes, others have compared the city to an industrial machine, or a computer, or a quilt, or a tapestry, or a node in a network, or a bubbling cauldron of political, economic, racial or gender conflict – or, as we shall see, as a product to be branded and marketed. What is important for Harvey here is not the exact metaphor used, but rather the effort each represents to conceive of, in thought and in language, the city *as a whole*: "the end product is a synoptic vision, encapsulated in extraordinary descriptions of the physiognomy and personality of the city…Again and again, we are urged to see the city as a totality, and graspable as such" (2003, 51). Many forms of intellectual work that deal with cities display this "synoptic vision," an imaginative attempt to envision the city as a totality. One thinks immediately of the novel – Rohinton Mistry's treatment of 1970s Bombay in *A Fine Balance,* New York

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City in the go-go 1980s as described in Tom Wolfe's *Bonfire of the* Vanities, or the efforts of crime novelists to elucidate the essence of certain cities at certain times. From the conceptual art of Chris Burden to the addictive computer game Sim City, the impulse to create panoramic visions of the city in imaginative space seems endemic to modern urban life.

This effort to hold the city – as it exists or as it is projected to exist – in the imagination is especially notable as a necessary prelude to large scale efforts to transform, shape, or create urban space. As Harvey notes of the great builder of Second Empire Paris, "Haussman, armed with balloons and triangulation towers…appropriated Paris in his imagination as he set out to reshape it on the ground" (2003, 51). We can see similar efforts throughout modern urban history, whether it be Lucio Costas and Oscar Niemeyer's conjuring of Brasilia from the wilds of central Brazil; Le Corbusier's imagined destruction of Paris' dense urban fabric and its replacement with towers-in-the-park in his *Plan Voisin*; Robert Moses' visions of an entire New York metropolitan region knit together with highways and parkways, bridges, and tunnels; or, more prosaically, the New York City government's recent use of aerial photography to create a detailed digital image of the entire city.[1]

A. "Transforming New York City"

Only after about a year of fieldwork did I realize that, despite his reputation as a non-ideological pragmatist, Mayor Michael Bloomberg, was attempting to reshape the city in accordance with an imaginative vision that rivaled those of Haussman, Moses, and

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[1] See Graves 2005. Urban cartography is of course the paradigmatic example of this effort to bring the totality of the city (literally) into view.

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Le Corbusier in its ambition and transformative potential. In fact, I can identify the moment when this realization stuck me almost to the minute: it was slightly after 8:30 A.M. on September 29, 2004.

On that morning, a standing-room-only crowd had gathered in the lobby outside of a luxurious meeting room in a Hilton Hotel in midtown Manhattan to hear a speech given by Daniel Doctoroff, the Bloomberg administration's Deputy Mayor for Economic Development and Rebuilding. As I looked around the crowd, sipping weak coffee and chewing on rubbery bagels as they waited for the appearance of the Deputy Mayor, I noticed that it was more diverse than usual for the series of Breakfast Forums, sponsored by the city's leading business paper, *Crain's New York Business*, of which Doctoroff's speech was a part. The attendance at *Crain's* Forums I had attended had typically been confined to those who could expense-account the $45 charge; this crowd, on the other hand, was made up not only of prominent local businesspeople, but also local press, government officials past and present, think tank professionals, a few academics, and, most unusually, a small contingent of activists and residents from the far west side of Manhattan. This area was the proposed location for the Bloomberg administration's most forcefully advocated (and forcefully opposed) redevelopment project, the Hudson Yards plan, which entailed the construction of a new office district and stadium, as well as a subway line extension and an expansion of the Javits convention center. Doctoroff's championing of the plan had led to comparisons – both in condemnation and praise – to Robert Moses himself and had made him the most important, and certainly the most controversial, figure in the Bloomberg administration besides the Mayor himself.

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As the "networking breakfast" wound down, the crowd filed into the meeting room, where we found on our plush seats a glossy brochure describing the administration's "Major Economic Development Initiatives." Opening it up, we found 62 initiatives, listed across three pages, with each page representing one of the three strategies that together constituted the administration's overarching economic and urban development strategy: "Make New York City More Livable," "Make New York City More Business-Friendly," and "Diversify the New York City Economy." On the back sides of the brochure, there was more (see Figure 5). We found a detailed map of the city, with the areas where these initiatives were underway or planned highlighted in brown. As promised, these brown regions were scattered throughout all five boroughs, and covered a not insubstantial portion of the city's area: perhaps 15 percent, perhaps a fifth. Finally, to give us an idea of what it would all look like, was a series of before and after images, under the heading "Transforming New York City:" a photo the empty and dilapidated industrial waterfront of Greenpoint in Brooklyn paired with a rendering of a wide pedestrian promenade just inland from waterside housing, populated by happy Brooklynites enjoying shade trees, entering a state-of-art playground, and sitting at a waterfront café; a slightly out of focus photo of the overturned earth of Staten Island's Fresh Kills Landfill paired with a rendering of a well-landscaped park, with broad meadows, thick stands of lush trees, and a network of paths running through it all.

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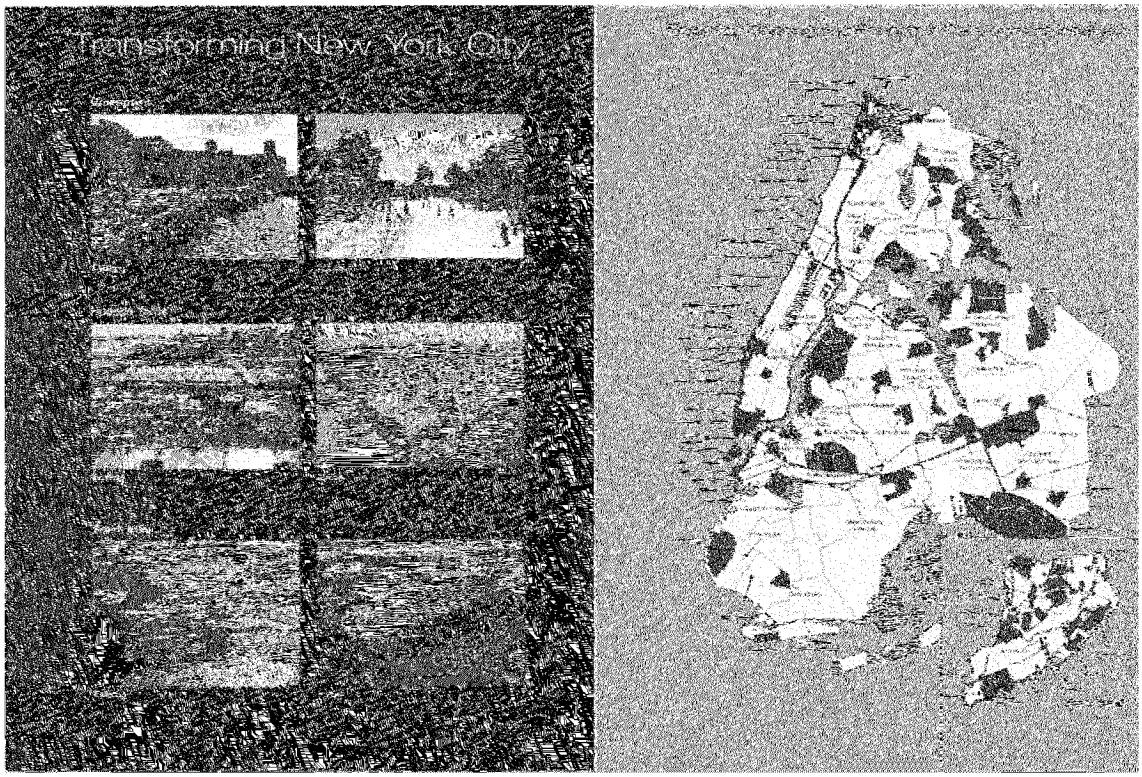


Figure 5: Transforming New York City (Source: New York City)

Between these two sets of paired photos was this: a photo of barren rail yards and parking lots on the far west side of Manhattan paired with a bird's eye view of rays of sun beaming down on a glittering new district, made up of architecturally innovative skyscrapers, a new stadium, an expanded convention center, a new mid-block boulevard leading to a grand plaza, a block-sized new park with athletic fields, and a newly redeveloped waterfront, directly accessible by a deck over the West Side Highway, and replete with ferries, piers full of greenery and activity, and sailboats pulling into and out of shore. This was the new far west side the Bloomberg administration's Hudson Yards plan aimed to create. At the time, this plan – and particularly one element of the plan, the new stadium proposed as a new home for the New York Jets and for use as an Olympic stadium if the city was successful in its bid to bring the 2012 Summer Games to New York – was the subject of more controversy and debate than any plan in the city's recent

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history, with the possible exception of the plans for the former site of the World Trade Center. Certainly, the presence of such a large and diverse crowd was a testament to this. It was the Hudson Yards plan that people had come to hear about – not "Energy Policy," or "Street Furniture," or "Tourism Study," or any other of the economic development initiatives listed.

Judging from the questions the Deputy Mayor was asked after his speech, all of which had to do with the Hudson Yards plan, most of the audience viewed those additional 61 projects as distractions from the main event (which apparently frustrated Doctoroff, who kept asking, in vain, to be asked about those other projects). But what struck me so powerfully was the strategic coherence of this document, the interrelationships between those other "lesser" projects, and their relationships with the Hudson Yards plan. Indeed, rather than diminishing the Hudson Yards plan, in my mind their presence actually magnified its importance. The Bloomberg administration had assimilated the Hudson Yards plan, originally developed by NYC2012, into an aggressive, coherent, and comprehensive urban and economic development strategy. "Transforming New York City" seemed like a most apt phrase. The Hudson Yards plan, I realized, was both the capstone of an extraordinary development agenda and a microcosm of that agenda, as elements of the plan would accomplish each of the Bloomberg's three strategies of livability, business-friendliness, and economic diversification.

As I studied this document, both banal and extraordinary, the morning's program began. After a few words of greeting, thanks, and introduction, Alair Townsend, *Crain's* publisher, paused and said:

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> Now let me tell you something that you already know: Nothing that happens in New York is without controversy. The people in this room, for example, hold very different views about…the desirability of the new west side stadium. I ask you please to respect the…other people in the room and the speaker in how you express your views this morning. There are security personnel in the audience.

Some in the crowd laughed loudly at this, thinking her words a joke. Some tittered nervously. The far west side activists, who in fact had no intention to disrupt, rolled their eyes. Others seemed befuddled that the issue of security would come up at all. After nervously laughing herself, Townsend continued:

> With your cooperation, we won't have to call upon them. I'm trying to remember how they say it in the movies: "please, don't make me do this."

She finished her introduction, and Deputy Mayor Doctoroff strode on stage and gave his speech.

B. Remaking New York

The jarring contrast between the well-crafted certainty of the brochure we found on our chairs that morning, with its visions of more competitive and prosperous New York City, and the nervous threat to call security if an eruption of political contention disturbed the staid proceedings of a *Crain's* forum, symbolizes well the story that I seek to tell in the remainder of this work. This chapter will outline the development of the development strategy represented by that brochure, while Chapters Six through Nine will explore how this strategy fared in the contentious realities of city development politics, specifically in the context of the Hudson Yards plan for the far west side of Manhattan.

This chapter then represents an excavation of the depths of what I call "the Bloomberg Way," the administration's corporate, technocratic, and antipolitical approach

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to urban government.[2] Like Balzac, Moses, and Haussman, the Bloomberg administration endeavored to imagine, know, govern, and, most importantly, *remake* the city *as a whole*. The Bloomberg Way – which I will describe, following Thomas Osborne and Nikolas Rose, as an "urban diagram," an "imagining of the city as a space of government" – explicitly conceived of the mayor as a CEO, the city government as a corporation, businesses as clients, and perhaps most radically, the city itself as a product (Osborne and Rose 1998, 1).

However, the urban diagram of the Bloomberg Way was far more than a disembodied imagining of the city as a space of government, as Osborne and Rose would have it. First of all, it animated the reorganization of the segments of the city's bureaucracy charged with the development and implementation of economic and urban development policy, a reorganization that both centralized state power in the office of Deputy Mayor Doctoroff and created the organizational capacity to develop and implement a coherent and comprehensive economic and urban development agenda. Secondly, the Bloomberg Way was itself deeply political, rooted in long term processes of class succession in the city and privileging the interests, experience, and values of certain class fractions at the expense of others even as it espoused an antipolitical stance that delegitimized the expression of, and at times denied the existence of, deep political divisions among the citizens of New York City.

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[2] This phraseology is endemic in the titles of corporate executives' biographies. One finds, to name just two: *Business the Richard Branson Way* and *Jack Welch and the GE Way*. As is discussed in Chapters Four and Five, the Bloomberg's mayoralty in general and his administration's approach to urban and economic development policy in particular were conditioned in crucial ways by biography.

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II. Embracing Competition, Remaking the City – and Remaking Government

Under contemporary conditions of enhanced interurban competition, city governments, like private corporations, are – or perhaps more importantly are believed to be – obliged to constantly strive to outmaneuver their competitors for investment, residents, workers, and other resources. In such an environment, mayors must not only manage municipal government, but, like CEOs, must be competitive strategists as well, scanning the horizon for potential opportunities and threats, working to tap into flows of mobile capital and people in order to channel benefits into their cities, and building on their cities' competitive strengths and minimizes their competitive weaknesses. The relentless pursuit of competitive advantage implies a relentless process of urban reinvention and intervention.

Whereas other mayors, in New York City and elsewhere, have viewed this situation as a necessary evil, a political reality in globalizing times, Mayor Bloomberg enthusiastically placed competition at the center of city development policy. The new mayor, along with key member of his economic development team, had succeeded in intensely competitive industries, and brought to municipal government a deep-seated belief in the beneficence of competition, not just for consumers, but for the competitors – whether businesses or governments – as well. Bloomberg writes in his autobiography:

> Competition's great – obviously for the consumer, but even for the providers. Every morning when we get up, we relish the day's upcoming battles. They keep us alive, and they keep Bloomberg's corporate family thriving. We can't wait for tomorrow. Who says we can't do that? What do you mean they'll beat us? Have them put on their boxing gloves, and send them into the ring. We're ready (Bloomberg and Winkler 2001, 183)!

Competition then, rather than being conceived of as a "necessity imposed by nature," as Marx (1992, 476) put it, is something to be embraced, a principle to live by.

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Or a principle to govern by. One of the mayor's expressed goals was to "prepar[e] all of New York to compete, and win, in the future" (Bloomberg 2004c). The Mayor and his key economic development officials brought into the public sector a set of vocabularies, techniques, and practices for understanding, analyzing, and engaging in competition that would play a key role in the development and implementation of development policy. Embracing competition implied not only a remaking of the city, but a remaking of the process of governing as well.

A. Urban Diagrams

The Bloomberg administration's enthusiastic embrace of interurban competition was inextricably bound with an ambitious program for the transformation of New York City *and* a new approach to governing the city. The work of Thomas Osborne and Nikolas Rose explicating the relationship between urban government, knowledge, and transformational urban projects provides a useful entry point to understanding the Bloomberg Way.

Osborne and Rose seek to understand how Michel Foucault's concept of "governmentality" operates in a specifically urban context.[3] In their work, the term "government" is not to be taken as an object (i.e., as *the* government), but instead as the noun form of the verb "to govern." Their concern is with the *process* of governing, that is, of identifying, ordering, capturing, intensifying and weakening social relations, processes, and objects as well as of generating truths about them, regardless of *who* or

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[3] See Foucault 1991. The literature in both urban studies and anthropology in general that draws on the concept of governmentality is too vast to be listed here. For anthropological approaches to governmentality as it operates in a particularly urban setting see, for example, Appadurai 2002; Maskovsky 2006; Merry 2001; Perry 2000; Smart 2000. For works in urban geography that have used this concept, see Bondi 2005; Larner 2000.

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what is doing the governing. Osborne and Rose identify the notion of "the diagram" as fundamental to the imagination of the city as a space of government:

> The notion of a diagram captures something appropriate to our concerns because it suggests something that is not merely ideological or ideal, but functional yet somehow immanent to its effects: the various abstract cities which, at different moments, distribute specific attempts to understand and intervene into concrete urban space, time and existence. These diagrams are neither two-dimensional figures nor Weberian ideal types but operative rationales that animate programmes aimed at shaping the conduct of others and the ways in which they shape their own conduct. Each diagram depicts and projects a certain 'truth' of the city which underpins an array of attempts to make urban existence both more and less like a city – more in that the immanent virtues of the city are intensified, less because the immanent dangers of the city are pacified. If we are warranted in suggesting that one can identify, at certain historical moments, a specifically urban "will to government," this is simply to the extent that government itself has been animated by a spatial diagram of its objects, its problems and its means of action, which have taken the city for its shape (1998, 3).

Despite the different theoretical commitments of their proponents, Osborne and Rose's notion of the diagram and David Harvey's notion of "synoptic vision" are actually quite similar, though far from identical. Harvey (explicitly) and Osborne and Rose (implicitly) point to the importance of the totalizing and objectifying quality of the diagram or synoptic vision. Both concepts describe a process in which a specific truth about the city *as a whole* – a truth that is at times metaphorical, at times not – is held in the imagination. Osborne and Rose sketch out several urban diagrams that functioned in a variety of historical and geographic contexts: the 19th century European "eugenic" diagram of a city of pathology, disease, degeneration, and decay, in which the urban environment was both blamed for urban ills and targeted by programs to address these ills; the "eudaemonic" diagram of early 20th century Europe, America, and their colonies, in which the city operated as a spatial projection of social happiness achieved through transparent and benign administration; and finally the diagram of the contemporary "active city" of "advanced liberalism," structured by individual freedom and community responsibility,

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and governed in terms of specifically urban forms of public health, risk, citizenship, entrepreneurialism, and pleasure.[4]

Osborne and Rose's work is useful here in three ways. First, it points to the *intellectual* and *imaginative* work that must go into generating actionable conceptions of the city *as a whole*. Doing so requires a leap of creativity; it puts the "art" in the "art of government." Secondly, their work points to the *functional* quality of urban diagram. Unlike urban novels, the urban diagram is descriptive *and* explicitly programmatic. We might say that what identifies an urban diagram as a specific type of synoptic vision is the fact that a governmental program is immanent to the description it renders of the city. For example, the "eugenic" diagram of the city described by Osborne and Rose ascribes the blame for urban pathology to the urban environment itself, and thus supplies not only a diagnosis but a prescription as well: to target that environment in efforts to improve public health and morality.

Finally, in arguing that each urban diagram depicts a certain truth about the city, Osborne and Rose draw attention to the ways in which knowledge of the city is implicated in urban government. After all, the social or physical transformation of a city requires a certain degree of knowledge about that city; further, it is only through the production of knowledge about the city that one is able to fix it in the imagination in the first place. Especially in the context of modernity, urban diagrams require – and thus stimulate the production of – systematic and comprehensive methods of observation and measurement, as the complexity and size of cities often render them opaque to direct

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[4] The phrase "advanced liberalism," as far as I can tell, operates in the work of Osborne and Rose as a synonym for the term "neoliberalism" as it is used by critical scholars in anthropology, geography, and urban studies.

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observation: how does one imagine an urban economy the size of New York City's without the use of statistics? From this vantage point, it seems quite unsurprising that some of the first citywide statistical mappings in the city were performed in the service of public health reform in the mid-19th century.

Despite these strengths, Osborne and Rose's notion of the urban diagram has a number of serious shortcomings, two of which I will take up here

1) The Grammar of Groups and their Struggles

Engin Isin, in a reply to Osborne and Rose's working paper, argues that their historical cases are inadequately specified in a particular way. While richly outlining the strategies and techniques of government encompassed by each urban diagram that they describe, Osborne and Rose neglect the political struggles and the relations of power that define these different urban diagrams. For example, Isin argues that the rise of the eudaemonic diagram, which generates a governmental strategy of rational urban administration, has a great deal to do with the "increasing dominance of expert groups and the rise of professions in claims to knowledge and it domains," a historical fact that Osborne and Rose neglect altogether (Isin 1998, 41). Isin concludes:

> Whether investigating the Greek diagram of the city or the "advanced liberal" diagram of the city, I would speak in a grammar of groups and their struggles. Otherwise, remaining only at the level of stratagems and techniques, – in other words, simplifying the diagram to operative rationales and interpretative analysis, perhaps against its own intentions, – gives the impression of an invisible, if not central, power at work, usurping, capturing and directing the immanent forces. This is the danger of declaring power everywhere, as Foucault was wont to do. But power is not everywhere; it passes only through certain nodes and traverses only some points that the diagram maps. Again, declaring power everywhere and mapping strategies without strategists creates the impression, obviously unintentionally, that there is a central source of power and "it" diagrams immanent relations (1998, 43).

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To put this another way, we can turn back to Harvey's comparison of the synoptic vision of Balzac and that of Haussman. "Whereas Balzac obsessively seeks to command, penetrate, dissect, and then internalize everything about the city as a sentient being within himself," Harvey writes, "Haussman converts that fantastic urge into a distinctive class project in which the state and the financiers take the lead in techniques of representation and of action" (2003, 51). Haussman, with the well-financed power of the Parisian state apparatus at his disposal was able to not only create a vision of Paris as a whole in his imagination, but, to a significant degree, *implement* that vision. Other strategies and programs animated by particular imaginings of the city have been less successful: the Paris Commune, which enacted a program animated by an imaginative conception of the city as a republican body politic and a governmental program immanent to that conception was crushed in a matter of weeks. The position of particular individuals, movements, and institutions in complex sets of political, economic, and social relations as they attempt "to understand and intervene into concrete urban space, time and existence" in accordance with a particular urban diagram, a particular "abstract city" or "truth of the city," matters a great deal in our understanding of which of these interventions gain purchase in that "concrete urban space, time and existence" – and which do not (Osborne and Rose 1998, 4). Strategies matter, but as Isin wisely notes, so do strategists, the power they wield, and their position in broader sets of power relations.

2) Government without Organizations

In an incisive critique, Bruce Curtis has argued that governmentality theorists like Rose, Osborne, and another Rose co-author, Peter Miller "bowdlerize the work of Michel Foucault, purging it of its inconsistent references to the state, state apparatuses, state

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action, social class, hegemony, domination and exploitation" (1995, 576).[5] Curtis argues that even as they do so, they still implicitly rely on traditional conceptions of political power – as invested in the state and social classes, for instance – that Foucault himself did not dismiss, even if he did not treat them in a particularly coherent manner.

I want to focus on Curtis' contention that governmentality scholarship largely neglects the workings of state apparatuses. Osborne and Rose's narrow focus on "the ways in which the form of the urban has been realized in thought" not only, as Isin argues, divorces particular urban diagrams from the political context in which they originate and play out, but also divorces them from the organizational contexts in which they become functional (Osborne and Rose 1998, 2). While Osborne and Rose pay close attention to the ways in which particular forms of knowledge and particular imaginings of the city generate particular strategies of urban government, they pay little attention to the organizations that produce this knowledge and implement these strategies. Yet knowledge of cities, especially contemporary cities, is intensely social and political, involving the coordinated action of many people, often in many different organizations, usually including the state. For instance, there is no statistical knowledge of the city without a statistical bureau, which is usually part of the local state apparatus.

Moreover, governmental strategies not only work through organizations but also transform the workings of these organizations as well.[6] Osborne and Rose's eudaemonic diagram, for instance, must be understood not only as an the imagining of the city as a

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[5] For examples of works that Curtis critiques, see Miller and Rose 1989, 1990; Rose and Miller 1992.

[6] Rose himself has demonstrated this in his discussions of how governmental strategies of advanced liberalism have not only effected processes of subject formation that are nominally "outside" of the state but also those that are "internal" to it by producing an "audit culture" by which state performance is measured and judged (1999, 146-165).

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space of social harmony administered by a transparent and benign administration, or even, as Isin suggests, as an expression of the political and economic ambition of a new class of experts and professionals, but also as a fundamental transformation of state institutions, involving new methods and standards for hiring, promotion, and administration. If urban diagrams are to become anything more than fantasies, they must work through organizations at the same time that they transform the ways in which these organizations are administered and staffed.

In their salutary effort to move the analysis of government beyond a myopic focus on the state, Rose, Osborne and other governmentality scholars have in fact left a gaping hole at the center of their analysis: while government may well go beyond the state, the fact is that in contemporary society, it is the state is usually the most important site of government.[7] Foucault and many of his followers draw on the language of warfare in their discussions of governmentality, arguing that the state must be seen as tactical, and government as strategic. However, they have generally neglected the third term of the modern doctrine of war: logistics, the processes of administration and management which facilitate the provision of resources that support and make possible strategy and tactics.[8] A complete analysis of governmentality in general, and of urban governmentality in particular, must take up the logistics of government: the administration, management, and

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[7] Foucault writes that "in contemporary societies…power relations have come more and more under state control…in referring here to the limited sense of the word *government*, one could say that power relations have been progressively governmentalized, that is, elaborated rationalized, and centralized in the form of, or under the auspices of, state institutions" (Dreyfus and Rabinow 1983, 224).

[8] See Canadian Forces Logistics Branch 2000, 1. The Foucauldian neglect of logistics probably derives from Foucault's dependence on von Clausewitz's *On War* (1982), which virtually ignored logistics.

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structure of the various organizational forms that make up and intersect with the (urban) state all their specificity, mutability, and complexity.

B. "The Bloomberg Way" as Urban Diagram

Osborne and Rose's notion of an urban diagram provides crucial insights into the nature of urban governance under conditions of enhance interurban competition. It alerts us to the fact that these conditions may lead to the production of novel spatial and synoptic imaginings of the city, as the primary agent in the framework of interurban competition is generally held to be the city as a whole, rather than any internal subset thereof.[9] Moreover, we might say that the diagram associated with such enhanced interurban competition, contains both a general diagnosis – globalization and the increased mobility of capital – and a general prescription – policies aimed to increase competitiveness. Finally, in this context we see new forms of knowledge production becoming increasingly important; one example is the growth of "economic development" as a sphere of professional expertise aimed at understanding how particular the characteristics of particular cities relate to the broader field of interurban competition and in developing strategies for enhanced competitiveness.[10]

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[9] Kevin Cox argues it is legitimate to conceptualize localities as agents *only* if locality is defined in terms of a set of "locally dependent actors with interests in the same locality forming an alliance, acting together to develop and implement strategies to further their interests" – that is, in terms of localized social structure (1991, 197). The alternative – a spatially fetishistic definition of locality in physical terms, necessarily encompassing *all* local actors – should "be interpreted as political propaganda on behalf of certain local actors engaged in pretending a complete unity…among local actors" (1991, 207). As we shall see, it was the Bloomberg administration implied definition of New York City as an agent in interurban competition was far more in keeping with the latter than the former.

[10] Peter Eisinger notes the rapid expansion of "economic development" as a policy domain, with associated governmental agencies, journals, conferences, and so on, since the mid-1970s, when urban neoliberalism first began to appear (1988, 1-9). This is especially important in the proactive "high road" economic development strategies according to which "the key to growth and development lies in understanding the structure and dynamics of the market as a prelude to its exploitation" (1988, 231).

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By pointing out the ways in which the urban diagram is spatial, creative and synoptic; programmatic and functional; and the ways in which it stimulates and is based upon knowledge production, the development of the notion of an urban diagram put forward in Osborne and Rose's paper is theoretically useful not only in the analysis of the broader contemporary urban context but also, as we shall see later in this chapter, in the analysis of one aspect of that context, the Bloomberg Way. However, following the two lines of critique of Osborne and Rose's formulation of the urban diagram, I also want to insist, first, that we understand the relations of power that undergird the Bloomberg Way – following Isin, that we "speak in a grammar of groups and their struggles" and, second, that we play close attention to the organizational infrastructure that both supported and was animated by this urban diagram. Hopefully, the previous chapter will have gone a good way towards accomplishing the former; I will discuss the reorganization of the city government's economic and urban development apparatus later in this chapter.

In the remainder of this chapter, then, I will describe in some detail a particular urban diagram that represented an effort to transform both the city itself and the relationships in which it was embedded. Despite the general appraisal of Bloomberg as nonideological and pragmatic, in the first years of his administration, the mayor and his key advisors developed a strategy to govern – to imagine, administer, know, and shape – the city as totalizing and potentially transformative as anything Robert Moses, Le Corbusier, or Baron Haussman ever proposed. In particular, the Bloomberg administration, and especially the former businessmen who led its economic and urban development apparatus, explicitly conceived of the city as a *product* to be developed, branded and sold in a competitive marketplace. Likewise, the city government was

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conceived of as a *corporation* (with the mayor as the CEO), and certain desirable businesses and residents as *clients* (or *customers*). Together, these three conceptions came together to produce a specific governmental rationality – corporate and technocratic – and a particular, and spatially inflected, antipolitics.

The remainder of this chapter consists of four sections. The Section III describes organizational and managerial changes made by the Bloomberg administration. Section IV describes the reformulation of competitive strategy – the branding of New York City – that took place early in Bloomberg's first term. Section V describes the urban development program that flowed from this competitive strategy. Section VI consists of a discussion of the antipolitics and the politics of the Bloomberg Way.

III. City Government as a Corporation: Improving Management, Achieving Performance

The centerpiece of Mayor Bloomberg's 2001 mayoral campaign was his experience and expertise as a corporate manager. True to his word, Mayor Bloomberg drew heavily on his experience as a CEO: in staffing his administration; in reorganizing city government, especially those agencies responsible for economic and urban development policy; and in implementing a number of private-sector management practices in city government in general and those agencies in particular. These practices can be broken down into four key elements: leadership, personnel, evaluation, and organization. Each, discussed in turn below, plays a crucial role in achieving the fundamental goal of "performance." The leader's ultimate responsibility is the determination of the mission of the organization and decision-making. Finding the best way to achieve the goals set forth by the leader is the responsibility of high-level staff.

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Methods of evaluation are established to gauge progress against benchmarks. Finally, organizations must be efficiently structured to best allow them to carry out their mission.

A. The CEO Mayor

What did it mean to be a CEO Mayor? In his 2001 campaign and his autobiography, Bloomberg portrayed the CEO as the ultimate locus of responsibility, decision, and action, and asked to be judged on his individual accomplishments rather than on the basis of partisanship or political ideology.[11] "In the end, its one person's decision, one person's responsibility," Bloomberg has written. "A major part of the CEO's responsibilities is to be the ultimate risk taker and decision maker" (Bloomberg and Winkler 2001, 182). In return, employees must trust the CEO's judgment and fall in line with his decisions:

> Either they believe in me, trust me, and are willing to take the risk that I will deliver success, or they don't. It's that simple. There's no haggling. I don't negotiate (Bloomberg and Winkler 2001, 46-47).

The CEO's acceptance of ultimate responsibility creates an obligation: leadership implies deference and loyalty on the part of those being led.[12] This relationship between the leader and the led, as we have seen, calls to mind Weber's notion of charismatic authority and hinges on the notion of *performance*. It is the CEO's performance in the face of competition that generates the obligation to follow, and which legitimizes his power. Note that in such a relationship there is no defined mechanism of *accountability*. It is

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[11] For example, in a November 2001 debate with his Democratic opponent Mark Green, Bloomberg said: "My opponent has not had any experience in managing a large organization, in leading a large number of people, in setting large budgets, and *in actually doing things*" (quoted in Nagourney 2001, emphasis added).

[12] As a CEO Bloomberg was notorious for his refusal to negotiate raises with employees who had outside job offers or to hire back employees who had left for reasons unrelated to family matters. See Hopkins 1998.

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unclear how a CEO – especially of a CEO of a *private* company like Bloomberg LP, unaccountable to stockholders and securities analysts and not subject to fiduciary responsibility – might suffer the consequences of inadequate performance, outside of its effects on his bank account: not a small factor, but not one that implicates the relationships between CEO and employee.[13]

While not embracing accountability per se, as a CEO Bloomberg had stressed transparency and openness. The most obvious example of this was the office layout at Bloomberg LP. None of the company employees, including Bloomberg, had private offices. Instead, they sat in the "bullpen," an open layout of desks separated only by waist-high dividers. According to Bloomberg, such a layout served to facilitate teamwork, but more pertinently it allowed the monitoring of employees by management, by each other, and by office visitors, preventing bad work habits and undercutting intra-office politics. "As is true with markets," he writes, "transparency produces fairness" (Bloomberg and Winkler 2001, 163). This physical layout symbolized a broader approach: as Bloomberg told one interviewer, "my whole business life has been in the open" (quoted in Gimein 2002). This openness to public scrutiny, if not accountability, was not entirely innocent, as it fed the straight-shooting image of himself and his company that the intensely public-relations conscious Bloomberg took care to cultivate.[14]

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[13] Bloomberg was quite cognizant and protective of the unaccountability that his firm's private ownership allowed. In a discussion in his autobiography of the possibility of converting his company to public ownership, he writes: "Go Public? And have to answer to more partners, stockholders, and securities analysts…For the moment, *answering to no one is the ultimate situation*" (Bloomberg and Winkler 2001, 163, emphasis added).

[14] In his autobiography, Bloomberg writes that "at Bloomberg, I handle all our firm's internal and external public relations. It's just too important to give to anyone else" (Bloomberg and Winkler 2001, 181). For more on the importance of P.R. to CEO and candidate Bloomberg, see Wolff 2001a.

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Moving to a position as an elected public official created a different type of relationship between Bloomberg as leader and those being led. Bloomberg was now directly accountable to the citizens of New York in a way he had never been accountable to anyone in his business career. In addition, his power as Mayor, while expansive, would be subject to some curbs – by the City Council, which has the power to pass local laws, to vote land use changes up or down, and to override mayoral vetoes and, perhaps more importantly, by the various State authorities (such as the MTA, the Empire State Development Corporation, the Public Authorities Control Board, and so on) which have significant power over land use decisions (especially in regards to State-owned land) and the various financing and subsidy programs related to economic development policy.[15] In addition, most land use decisions and planning projects would be subject to the city's Uniform Land Use Review Process (ULURP), established in the mid-1970s to enhance community planning participation in the wake of the depredations of Robert Moses and federal urban renewal programs.[16]

While the mayor would invite New York's citizens to hold him accountable for his performance during his 2001 campaign (and after being elected, his 2005 reelection campaign), between these elections, as we shall see, Bloomberg's vision of the role of the mayor would demand the city's citizenry – including City Council members, members of

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[15] New York City has a strong mayor system of government: unlike in other cities, the mayor has considerable power over budgeting, the ability to hire and fire agency heads at will (including fire and police department chiefs), and the day-to-day management of city government.

[16] Under this process, local community planning boards (called Community Boards) and borough presidents were permitted to make non-binding recommendations and decisions on particular land use changes; the City Planning Commission (the majority of whose members were appointed by the mayor) was given a binding vote on such projects, which would be ultimately subject to be approved or rejected by the City Council. See www.nyc.gov/html/dcp/html/luproc/ulproc.shtml for more on ULURP.

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Community Boards, and others – to display the kind of deference to his decisions that he had once demanded from his company's employees. The Mayor vowed that his would be a transparent and open government, and took steps to make certain sorts of data that would ostensibly allow the public to gauge his mayoral performance (even as his office retained a tight control over the flow of information in other areas). Nevertheless, his words and deeds indicated that his most significant "accountability moments" – to borrow a phrase from another ex-corporate political executive – would come once every four years.[17]

Just as Michael Bloomberg, CEO Mayor, resisted impositions on his ability to make decisions and take risks that came from within the city, so he resisted impositions on the city government's autonomy, especially those rooted in various intergovernmental power arrangements. When he came into office in 2002, Mayor Bloomberg demanded – and received –control of the city's schools. Following the terrorist attacks of September 11, 2001, the Bloomberg administration circumventing the federal government's often incompetent and under-funded efforts to protect the city against further terrorist attacks as Police Commissioner Raymond Kelly built up an anti-terrorism unit in the city's police department whose capabilities were extremely well-regarded among counterterrorism experts worldwide (Finnegan 2005). However other attempts to assert the financial and political autonomy of the city were less successful, including efforts to have the state legislature to allow the city to reinstate a commuter tax, to have the federal government change its formulas for terrorism funding to the city's, and to have the State legislature reduce the city's portion of the Medicaid bill. Nevertheless, the mayor was resolute in

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[17] For these words of President George W. Bush, see VandeHei and Fletcher 2005.

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his belief that, as he said in 2001 in reference to the process of rebuilding the World Trade Center site, "the city should be responsible for its own destiny" (quoted in Nagourney 2001).

The emphasis on the autonomy of both the mayor and of the city inherent in the idea of the CEO placed it on a collision course with the realities of the checks and balances of city government, state-controlled public authorities, and intergovernmental politics and relations, to the say nothing of the dependence of the city's economy to the vagaries of the broader economic trends. Even the city's school system, which Mayor Bloomberg did gain control over, was still dependent on forces over which he had no sway, such as the requirements of federal law, state funding levels, and standard testing requirements. Yet despite these obstacles, we should not underestimate the power of the model of a CEO Mayor. Mayor Bloomberg had control over a large and powerful, if constrained, municipal state apparatus, and all the bureaucratic, political, and ideological power inherent in it. Moreover, this CEO Mayor would quickly act to staff his administration's highest positions and to implement a series of evaluation techniques and bureaucratic reorganizations in such a way that would bolster this power, especially in the area of economic and urban development policy.

B. Hiring "the Right People"

As we have seen, Bloomberg's biography was a testament to the meritocratic ideal: through education, hard-work, and talent, he was able to transcend his modest beginnings and achieve enormous levels of wealth and success. Bloomberg's upward path into and then out of the professional-managerial class clearly left an imprint, as before becoming mayor, he demonstrated nothing but respect for expertise and

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professionals and a profound belief in meritocracy. For example, what initially appealed to the young MBA about his first employer, Salomon Brothers, was the firm's meritocratic ethos: its leaders rewarded "go-getters" rather than Ivy League legacies with "distinguished lineages, manners, [and] accents" (Bloomberg and Winkler 2001, 19). Moreover, at one point during the 2001 campaign, in the context of the anthrax attacks that followed the destruction of the World Trade Center, Bloomberg expressed his faith in the judgment of the public health and emergency management professionals, saying:

> You have professionals there to assess the risks and make decisions. That's what you have experts for. And if all of us think that we have the detailed knowledge, you're just wrong (quoted in Murphy 2001).

After Bloomberg was elected, he stayed true to these words, assembling an administration in such a way that demonstrated his faith in meritocracy, professionalism, and expertise.

1) Expertise and Experience in the Bloomberg Campaign

Even early on in his campaign, it was obvious that, if elected, Michael Bloomberg would take a different hiring tack than his predecessors, at least since the mayoralty of John Lindsey.[18] David Dinkins, Ed Koch and Abe Beame all were politicians' politicians with deep roots in Democratic Party politics, and staffed key positions in their administrations with government insiders and party players. The key positions in Rudy Giuliani's campaign and administration were held by a small group of friends and loyalists, as well as by members of the patronage-focused Liberal Party, and he depended heavily on the conservative Manhattan Institute for policy ideas. In contrast, when his run for mayor was in its formative stages in 2000, Bloomberg consulted a broad array of

[18] As discussed briefly in Chapter Two, the administration of liberal Republican John Lindsay, in power from 1966 to 1973, had a deep technocratic streak, and its staffing was dominated by young experts.

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experts on city issues, and had many of them write background papers for his own edification. Later, important positions in Bloomberg's campaign policy team were filled by a small but eclectic group of well-respected academics and other political novices, as well as a few experienced government insiders.[19]

2) Constructing the Bloomberg Administration

In November 2004, a young City Hall staffer told me:

> There are no political appointees in this administration. This is…administration by technocrats…The commissioners are a really talented bunch…Nobody's here because they volunteered for the mayor's campaign and certainly nobody's here because they gave money…It's very much a meritocracy (Ricks 2004).

Contrary to what might have been expected, Bloomberg's high-level appointments were not drawn solely from the private sector. Though his deputy mayors, policy advisors, and commissioners were drawn from diverse backgrounds and sectors, all had strong professional experience and expertise relevant to their new positions. Bloomberg's stated priority was finding the person with the "right" background for each position and assembling a group of deputy mayors and commissioners who could work as a team.

Nevertheless, two important early appointments were drawn from the corporate world: Daniel Doctoroff was named as Deputy Mayor for Economic Development and Rebuilding and Patricia Harris was appointed Deputy Mayor for Administration. Importantly, both Doctoroff and Harris, while emerging from the corporate sector, had important knowledge of and links to the public sector: Doctoroff through his founding

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[19] Maureen Connelly, a veteran public relations and political consultant, helped Bloomberg coordinate a policy team that included Alan Gartner, Ester Fuchs, and Mitchell Moss, all of whom were centrist or liberal academics with expertise in urban issues – Gartner in education, Fuchs in government and administration, and Moss in planning (Moss, as discussed in Chapter Three, was also engaged in NYC2012's planning process). All three had worked in some capacity for David Dinkins, but none of them could by any means be considered a political insider.

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and stewardship of NYC2012 and Harris through an early career in government and her heavy involvement in philanthropy and government affairs issues at Bloomberg LP.[20]

Bloomberg also appointed experienced government hands to a number of important positions. However, they were chosen not for their political connections, but rather for their expertise and knowledge, and were generally considered to be intelligent and capable. Many had risen through the ranks of city government, rather than being the kind of "serial" commissioners or deputy commissioners seen in previous administrations: politically well-connected but inexpert individuals who hopped from high level positions at one agency to another. Bloomberg also drew heavily on well-established segments the city's not-for-profit and academic sectors, both hotbeds of professionalism and policy expertise.[21]

By casting such a wide net, and by refusing to allow nakedly political or partisan considerations govern his appointments, Bloomberg sent a signal to many prospective officials that their expertise and experience would be respected if they were to join his

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[20] Harris was one of several Bloomberg LP employees who joined their boss in the public sector, including Kevin Sheekey who served the mayor as a political advisor, Edward Skyler, who became the mayor's communications director, and Betty Wu, who served as head of the Department of Employment. As of early 2006, Harris, Sheekey, and Skyler were still important figures in the administration.

[21] One example of the kind of expert and experienced public servant that Bloomberg appointed was Mark Page, his Director of the Office of Management and Budget (OMB), a position that would be crucial given the city's rapidly deteriorating fiscal situation, had been in city government for 24 years, serving as Deputy Director and General Counsel to the OMB before his appointment. Likewise, Marc Shaw was appointed as Deputy Mayor for Operations, another key position given Bloomberg's desire to improve the managerial efficiency and responsiveness of city government. Shaw had a 20-year history of public service, most recently as Executive Director and CEO of the MTA since 1996 and previous to that as Budget Director in the OMB. Drawing on the nonprofit sector, Bloomberg appointed Dr. Benjamin Chu, formerly a high level administrator at the medical schools of Columbia University and New York University, as head of the city's Health and Hospital Corporation. Also, Dennis Walcott, for 11 years head of the New York Urban League was appointed Deputy Mayor for Policy and would be Bloomberg's key education reform advisor. Academics Alan Gartner and Esther Fuchs both stayed on as key officials in the newly elected Bloomberg administration – Fuchs as Special Advisor for Governance and Strategic Planning and Gartner as Director of Research in Deputy Mayor Walcott's office. The Mayor also appointed Kate Levin, City College Professor of English and Theater to as commissioner of the Department of Cultural Affairs.

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administration. This appealed to many upper level professionals who would have probably not considered government work had Bloomberg not been elected. Both senior and junior City Hall staffers told me that Bloomberg's meritocratic and professional ethic was a key factor in their decision to join the administration, as well as the decisions of their colleagues to do so. Ester Fuchs, one of Bloomberg's senior advisors told me:

> Bloomberg regenerated interest in government among younger people and professionals. Many came from the private sector, [seeing] new professional opportunities and opportunities to create change by bringing their professional skills to bear on city issues. There's a different attitude – they won't be frustrated and bored. Bloomberg opened up a space for these people in city government and created a new excitement about public service (Fuchs 2004).

I asked one of those young professionals, Marc Ricks, a senior policy advisor to Deputy Mayor Doctoroff, holder of an MBA from Harvard and former employee of the management consulting firm McKinsey & Co., if Mayor Bloomberg's corporate success and his emphasis on professionalism and technical expertise had drawn him to the job. He answered with comments typifying the admiration many City Hall staffers expressed for Mayor Bloomberg:

> I am convinced this is the best job I'll ever have…Start with the fact that it's in New York, and it's in City Hall, but it's for a guy who doesn't really owe anybody anything, who's obviously extraordinarily capable, who really wants to do the right thing…I've been in some meetings with the Mayor, but not a lot, but you can't help but, you know, you can read the articles and know that this must be a smart guy. I've seen him at work. You know, he's smart, he's sort of provocative, he likes to sort of throw bombshells in meetings at you: why can't we do it this way, or why can't we do it that, you know. It's like a chief executive needling his people to be more creative…
>
> He's said this before, that his plan B is a lot better than most people's plan A. If he doesn't get reelected, he goes back to being a billionaire chief executive, or billionaire philanthropist, or a billionaire retiree, whatever the heck it is he wants to do. And that's a very liberating thing…You do meet politicians where their need to hold on to their job is palpable, because what else do you do, when this is all you've known, or this is what you've know for a long time? So it certainly drew me (Ricks 2004).

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In sharp contrast to the early days of the Giuliani administration, when political supporters of the new mayor called in favors and flooded City Hall with resumes, a number of key officials only joined the administration after being convinced that they the mayor would respect their expertise and that he was committed to the policy domain they would be responsible for.[22] Andrew Alper, the new President of the New York City Economic Development Corporation (EDC), when asked in a City Council hearing in early 2002 if he felt that the administration would take economic development policy seriously, replied:

> Absolutely. That's why I'm here. I was very happily sitting at Goldman Sachs about ten weeks ago when Deputy Mayor Doctoroff called me and asked me to do this. I met with Mayor Bloomberg and I was convinced that the Administration was serious about economic development, and [would] support it (Alper 2002a).

In part this hesitation to enter the public sector was due to the fact that many prospective officials had well-paid and successful private sector careers: Bloomberg's words – "my plan B is a lot better than the other guy's plan A" – applied to them as well.[23] But it also indicated that Bloomberg was interested in staffing his administration with those motivated by what he saw as the right reason to enter public service: a desire to solve the city's problems rather than to further their own political or bureaucratic careers.

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[22] Early on in the Giuliani administration, personnel decisions were centralized in City Hall under twenty-three year old Tony Carbonetti, a former campaign staffer and son of a Giuliani childhood acquaintance. With politically fealty as the number one job qualification, the Giuliani administration purged Dinkins supporters from even the lowest-level administrative jobs and replaced them with political supporters of questionable ability. "Of course we are hiring supporters," Giuliani said at the time, "who else would we appoint?" (quoted in Kirtzman 2001, 99).

[23] Many of them worked essentially for free, accepting a nominal salary of one dollar.

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3) Assembling an Economic Development Team

Mayor Bloomberg inherited a city economy that had been radically destabilized not only by 9/11, but also by the end of the 1990s stock market boom and the onset of a national recession. The brewing fiscal crisis facing the city in the wake of these three events led many policy and business elites to argue that the city's economic base needed to be diversified and its reliance on the financial industry lessened, even as they called for steps to reassure financial firms considering leaving the city in the wake of the terrorist attacks. Besides the rebuilding of the World Trade Center site, there were a series of stalled or lagging development projects that development and real estate elites insisted were crucial to the city's economic future: plans for the Second Avenue subway line, for a direct rail link from Lower Manhattan to JFK airport, for the commercial development of Downtown Brooklyn and Long Island City, and, of course, for the redevelopment of Manhattan's far west side. All this, along with the fact that Bloomberg had indicated during the 2001 campaign that if elected he would bring his corporate experience to bear on strengthening the city's economy, made it inevitable that economic and urban development would be a key policy area for the new administration, and that Bloomberg's transition team would pay special attention to the staffing of key economic development and planning positions. Bloomberg's choices to fill these positions demonstrated both that his administration would pursue a coherent and comprehensive economic and urban development policy and that this policy would be developed and implemented but by the "best and the brightest," men and women with the highest qualifications and credentials.

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4) "Everybody's Choice"

The most important economic development position to be filled would be that of the Deputy Mayor for Economic Development and Rebuilding, who would be charged not only with leading the city government's role in the rebuilding of the World Trade Center site, but also with reinvigorating a stagnant city economy. While a number of candidates campaigned for the position – ex-deputy mayors, real estate developers, experienced development officials, and well-connected business elites – one man enjoyed broad support for the job among the city's development and real estate elite, even if he was unknown to the vast majority of New Yorkers: NYC2012's Daniel Doctoroff. The commissioner of the National Football League, Paul Taglibue, expressed Doctoroff's popularity among city elites well, saying "when Mike Bloomberg became Mayor, I think Dan was everybody's choice to be post-9/11 to be the Deputy Mayor" (Tagliabue 2002). He certainly was the first person Nat Leventhal, head of Bloomberg's personnel search committee (and a board member of NYC2012), thought of:

> I knew what the job required. It was self-starting initiative and creative and a quality of not being confined by regular bureaucratic way of thinking. I never had anyone else in my mind (quoted in Golson 2004a).

Doctoroff had spent the past seven years developing a plan for the Olympics that would have major impacts on the entire city under the aegis of a completely private organization funded solely by donations from wealthy individuals and large corporations and accountable to no one. Like Bloomberg, he was unaccustomed to the strictures of public decision-making and the give-and-take of the city's normal political processes, let alone its highly contentious development politics. He had never implemented a single development project, large or small, or negotiated with an angry neighborhood organization, a critical good government group, or a truculent union. While Doctoroff

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had united the city's elite behind the Olympics bid, he had little experience dealing with its diverse political interests, ethnic groups, and class fractions, all of whom had their own ideas about what the city's development priorities should be.

Peter Solomon, Doctoroff's mentor at Lehman Brother in the early 1980s, discussed these issues with Doctoroff after he was asked to take the position:

> I told him it was a great opportunity to use the Olympics to harness the political will to move dozens of projects that some of us have been interested in for years…Of course, one of the challenges is that you're constantly balancing everybody's interests and your own interests (quoted in Robbins and McIntyre 2004).

Indeed, Doctoroff twice declined the position, reluctant to give up day-to-day control of NYC2012 (and for personal reasons as well). However, a late 2001 meeting with Mayor-elect Bloomberg ended with Doctoroff accepting the position, and walking away with Bloomberg's admiration and trust. This mutually satisfactory agreement was generated from biographical similarity: both men were "masters of the universe," enormously ambitious, successful, wealthy, and motivated by a personal desire to "give back" to the city they loved via public service. Both believed deeply that their success in the private sector – financial and managerial – could be replicated in government. Bloomberg has said of Doctoroff:

> I don't think in any previous government, at least as far as I know, they ever had somebody who was a real banker, who knew how to put together things, who knew what drives the private sector economy. He's got the attitude, "I'm going to get it done. I'll find a way to do it." (quoted Robbins and McIntyre 2004).

Doctoroff's appointment signaled several things: that the Bloomberg administration was on board with NYC2012's development agenda; that land use, urban development, and the physical shape of the city would be an important element of the Bloomberg administration's economic development policy; and that corporate success,

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financial and managerial acumen, and an understanding of the needs of business, particular the high-end financial services sector, were more important to Bloomberg than experience negotiating the treacherous waters of New York City development politics. Two key appointments would follow that made all these things clearer still.

5) "An Experienced Manager, a Consensus Builder, and a Good Listener"

Doctoroff's position did not come with a large staff, though it what it lacked in headcount it made up for in access to the Mayor. The most important site of organizational capacity for economic development policy was the EDC, charged with the sale and lease of city assets, the administration of a variety of business retention and attraction subsidy programs, the management of certain development projects, and the statistical analysis of the city's economy and the economic impact of particular projects. Besides Doctoroff, Bloomberg's choice for EDC President would be the most important development-related appointment he would make.

The conflict over this appointment, and the way it was resolved, set an important precedent, demonstrating that under the new Bloomberg administration, EDC would be run efficiently and professionally as a true economic development agency focused on serving the needs of business, rather than as a patronage mill or as a conduit for the privatization of city assets. As of Bloomberg's election, the position was held by Michael Carey, the well-connected son of former New York Governor Hugh Carey. The third EDC President in six years, Carey had inherited the agency from Charles Millard, a former Republican councilmember whose tenure was marked by ineffectiveness and

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corruption.[24] Though Carey had made significant improvements at the agency, Bloomberg declined to offer him the position.[25] This perceived snub angered Carey's father, who had endorsed Bloomberg: the elder Carey reportedly complained to Bloomberg's aides, threatened to boycott his inauguration (though he did, in fact, end up attending), and rallied a number of prominent Bloomberg supporters to his son's cause.

However, the mayor refused to cave in, and asked Andrew Alper, a political neophyte, to take the position. Alper had been approached by Doctoroff, a friend and former client, in November 2001, shortly after Doctoroff had agreed to become Deputy Mayor. As we have seen, Alper, like Doctoroff, was initially reluctant to take the position, only agreeing to do so after Bloomberg and Doctoroff reassured him that it would be meaningful and professionally rewarding. Alper, who received his MBA from the University of Chicago, had been at Goldman Sachs for 20 years, where he was more of a manager than a dealmaker, serving most recently as a Chief Operating Officer of the Investment Banking Division. Bloomberg emphasized Alper's managerial qualifications when he announced his appointment:

> New York City is extremely fortunate to have a successful businessman with the global experience of Andy Alper to take the helm of its primary economic development agency…Andy has the skills of an experienced

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[24] Under Millard, the agency had focused almost completely on corporate retention deals, and was criticized for being unresponsive to both businesses and other government agencies. Moreover, the agency lost several respected and experienced high level officials, even as it doled out huge bonuses to EDC employees, many of whom had received their six-figure salary positions due to patronage. Finally, Millard had concealed his close relationship with Ray Harding, the boss of the tiny but influential Liberal Party, a chief advisor to Giuliani, a well connected lobbyist representing clients with deals with EDC, and the father of Russell Harding, an EDC employee with a $105,000 salary (and the recipient of one of Millard's bonuses) who would later face federal charges for embezzling more than $250,000 from the city.

[25] Instead, Carey was asked to be commissioner of finance or president of the city Off-Track Betting Corporation, both of which he declined; these positions were less powerful than the presidency of EDC. Eventually, Carey accepted a largely symbolic (and face-saving) position as Special Assistant to the Mayor, ostensibly advising Bloomberg on major capital projects.

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> manager, a consensus builder, and a good listener to strategically lead New York City into the future (Bloomberg 2002a).

Prior EDC presidents – corrupt or honest, effective or ineffective – had all been creatures of the murky world lying at the intersection of New York City's government and business sectors. Alper, on the other hand, was purely a creature of the private sector, prized by Bloomberg for his successful business background and his managerial skills.

Alper's political inexperience and self-effacing personality, along with the fact that he was Doctoroff's choice for the position, indicated that the hard-driving Doctoroff would be the key figure in the formulation and implementation of economic development policy. Alper's role would be to serve as a trusted liaison to his former compatriots in the private sector, particularly in the financial and business services sectors. As Alper said in a 2004 interview, "the mayor and [Doctoroff] asked me to take what I had learned in two decades on Wall Street in terms of client-relationship building…[and] customer service…and apply it to the…very competitive…business of government" (quoted in Temple-Raston 2004c). Indeed, one of Alper's first initiatives demonstrated that the administration would work to meet even the most prosaic needs of business (and to insure the convenience of corporate executives), as EDC worked to change parking regulations to insure that "black cars," the transportation choice of most corporate executives, would have better access to the entrances of Manhattan office buildings.

6) "A Friend of Long Standing"

The final key economic development position Bloomberg needed to fill was one that in the previous administration was not considered an economic development position at all. Under Mayor Giuliani, the Department of City Planning (DCP) was not under the control of the Deputy Mayor for Economic Development; instead it was under the

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Deputy Mayor for Planning and Community Relations, along with a grab bag of other city agencies in which Giuliani had little interest, such as the Human Rights Commission and the Department of Community Relations. In contrast, in the Bloomberg administration, the DCP was placed under the Deputy Mayor for Economic Development and Rebuilding, further indication that urban planning and development was viewed as crucial to economic development. A final sign that urban planning would be taken seriously in the new administration was the slate of candidates to head the DCP and chair the City Planning Commission (CPC).[26] All three of the finalists for the position – Sherida Paulsen, chair of the city Landmarks Preservation Commission, NYC2012's Alexander Garvin, and Amanda Burden, a planner currently on the CPC – were experienced and well-regarded planners.

Garvin was reputedly Doctoroff's pick for the position, but Bloomberg appointed Burden instead.[27] At least in part, this was due to the strong social connections Burden had with Mayor Bloomberg. Both moved in upscale Upper East Side social circles, and Burden's boyfriend, the television talk show host Charlie Rose, filmed his show in Bloomberg LP's television studios. At the press conference announcing Burden's appointment, Bloomberg jokingly said of the glamorous and youthful 57 year-old: "she's not an old friend, she's a friend of long standing" (quoted in Cooper 2002).

But as well as being a social acquaintance of Bloomberg, Burden was also a well-qualified and well-respected planner. Trained at Columbia University, her early professional mentor had been William "Holly" Whyte, who, along with Jane Jacobs, was

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[26] In New York, the Chair of the City Planning Commission also heads the Department of City Planning.

[27] Garvin ultimately landed at the Lower Manhattan Development Corporation as its chief planner; Paulsen stayed on as chair of the Landmarks Preservation Commission.

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the most prominent critic of the modernist urban renewal schemes that gutted the downtowns of so many post-war American cities.[28] Both Whyte and Jacobs championed a human-scale urbanism centered on lively street life, mixed uses, 24-hour activity, and high-quality public spaces. Whyte's Project for Public Spaces, where Burden gained her first exposure to issues of urban design and public space in the early 1970s, was known for its exhaustively detailed studies of the ways in which people used public spaces throughout the city, and used these to draw conclusions about the type of public spaces the city should be encouraging in its zoning laws. In the 1980s, Burden was in charge of the public spaces at Battery Park City, the planned development along the Hudson River in Lower Manhattan that many urban planners, designers, and architects consider a triumph of urbanism. Burden oversaw the design of Battery Park City's waterfront esplanade, one of the most usable waterfront spaces in the city, and was a dedicated advocate of good design, standing up to recalcitrant developers and headstrong architects in defense of her own vision of urbanism.

Burden, then, brought into her position as CPC chair a deep commitment to a small-scale urbanism characterized by vibrant street life, good urban design, a well-constructed mix of land uses, and usable and inviting public space. During an April 2004 speech, Burden said:

> Ross [Sandler, the host of this event] mentioned my relationships with Holly Whyte…That's…at the core of everything that I believe in and what we're doing…Even though we are planning at a very broad level down, everything really comes down to how it affects the vibrancy and street life of communities…Whether it's change in land use or the level of density, the end result you must achieve is the vibrancy of street life…Last but not least, I believe, and we all share this now more and more, the entire city shares it, that good design is economic development (Burden 2004b).

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[28] See Jacobs 1992 and Whyte 1980.

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Though the relation between good urban design (and planning) and economic development would prove far more problematic than Burden anticipated, her commitment to the principles of post-urban-renewal urban planning was clear, and well established: as a member of the Giuliani-era CPC, she had often been a lone voice insisting on good planning and urban design at a time when the CPC did little more than rubber-stamp zoning changes that often seemed solely aimed to provide windfall profits for landowners.[29] Now the city would have a CPC Chair who not only was a real planner, but who actually espoused many of the field's "best practices." For many of the long-suffering professional planners at the DCP, her appointment was a breath of fresh air: not only would urban planning and design be respected in the new administration, but high quality and professionally sound planning and design would be encouraged. However, the DCP would not be autonomous. Policy involving the nexus between urban planning and economic development would remain under Deputy Mayor Doctoroff's close control, especially since Burden's professional strengths and interests were geared more towards urbanism than economic issues.

7) A New Ethos in City Hall

Together, the appointments of these three individuals provided the basis for a newly coherent and comprehensive economic and urban development policy. Their backgrounds, expertise, and experience complemented each other well: Doctoroff was the hard-driving deal-maker with bold visions and a keen understanding of what made the private sector tick; Alper was the diplomatic manager who could reach out to businesses

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[29] Ironically, Burden had been appointed to the CPC by Bloomberg's 2001 opponent, Mark Green in his earlier capacity as the city's Public Advocate.

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in the city and across the globe; and Burden was the "aesthetic watchdog" who could temper the attention to the bottom line by serving as a guardian of the city's urbanism and urbanity, so important to the urban "quality of life" sought by well-educated and highly-skilled professionals.[30]

These appointments also signaled something else. Looking on his first 100 days in office, Bloomberg described how he had approached the staffing of his administration:

> I'm a big believer in picking good people, and giving them the tools, and removing barriers to cooperation and promoting them and protecting them, and letting the professionals go and do what they do well. I should not try to micromanage…I think I put exactly the right people in place (Bloomberg 2002b).

Professionalism, capability, creativity, problem solving, expertise, and execution – these were the new keywords in City Hall. The mayor brought from the private sector a management philosophy according to which a CEO must respect the skills and capabilities of his employees, even if he bore final responsibility. Ultimately, the professionals Bloomberg hired themselves provided the clearest evidence of all for this respect. Turnover in the administration – and especially in its highest levels – was so low as to be without precedent in recent decades. Four years after Bloomberg became mayor, only a handful of the dozens of commissioners, top aides, and deputy mayors initially appointed by Bloomberg had left their positions, and Doctoroff, Alper, and Burden all still remained in their respective positions.

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[30] See Pogrebin 2004. A fourth appointment also fit into this overall scheme, as Rob Walsh was tapped to head the Department of Business Services, which was soon renamed the Department of *Small* Business Services. This department would be aimed at providing aid and technical assistance to the city's small businesses, especially through playing an active role in stimulating new and strengthening existing Business Improvement Districts (BIDs). For a variety of views on BIDs in New York City and elsewhere, see Barr 1997; MacDonald 1996; Tabb 2001. During the 1990s, Walsh had been the head of the Union Square BID, which was widely touted as a model BID, as during Walsh's tenure the BID had avoided the kinds of community conflict and empire-building which had caused controversy in other BIDs throughout the city.

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Despite the fact that these three were clearly qualified for their positions, at least as defined by the new Mayor, it is important to note that social and business connections, if not political connections, played an important role in their appointments. Doctoroff, Alper, and Burden were each drawn from the elite business, cultural and social circles in which Bloomberg himself traveled. But crucially, these circles – an overlapping of high-level executives and professionals – were held to be constituted on the basis of meritocratic professional achievement, rather than on the crasser bases of cronyism and political dealing often viewed as endemic in city government. Connections still mattered in City Hall hiring decision, but a new set of social networks were being drawn upon.

C. "You Must Measure to Evaluate:" Gauging Performance

With "exactly the right people in place," the task was now to develop and implement strategies to achieve the goals Bloomberg had set out as a candidate: improving the city's schools, bolstering the city's economy, efficiently delivering high quality services, and so on. In keeping with the centrality of "performance" to the political claims and rationality expressed by the CEO candidate and now mayor, the administration focused intently in its early days on constructing ostensibly objective methods to evaluate its own performance. The stated aim of the Bloomberg's administration was "results," not catering to his political base or expanding his electoral coalition: measurement provided a tool to measure those results.[31]

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[31] In fact, especially as his first term went on, the administration did make certain decisions in which such political considerations played an important role, especially in its dealings with the city's public unions. In addition, the Mayor's philanthropy became suspiciously more encompassing and targeted as years passed, leading some to criticize the mayor for engaging in a form of privatized patronage. Nevertheless, these

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Quantitative measurement was by far the most important method used (and offered to the public) by the administration to evaluate its own performance. Mayor Bloomberg and many key members of his administration demonstrated a deep and abiding faith in the accuracy and power of statistical analyses of various sorts: "the facts are the facts," he often said. The administration, drawing on "best practices" in governmental management and the corporate experience of its members, developed a comprehensive system of measurement and reporting aimed at supplying different "audiences" – the public, agency managers, and "senior executives" (i.e., the Mayor and his Deputy Mayors) with information of appropriate detail and frequency. This system contained several key elements, including an expanded Citywide Accountability Program, an internal program founded in 2001 to provide detailed and frequently updated information for agency managers to use to "monitor and improve performance" and the new 311 telephone system, which provided citizens with an easy way to report complaints and also represented a new source of data about public services (City of New York 2002).

The most public and important of these elements was Bloomberg administration's revamping of the Mayor's Management Report. First produced in the aftermath of the 1970s fiscal crisis, the Report was intended to hold accountable a city government widely perceived to be opaque, out of control, and mismanaged. The following decades saw the production of the Report degenerated into a bureaucratic nuisance rather than an exercise in managerial efficiency or governmental transparency. By January 2002, when Mayor

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cases were relatively rare, and even then the decisions made were usually defensible within the logic of "performance."

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Bloomberg called for its overhaul in his first State of the City address, the Report had grown from a single 150-page report into a three-volume, 1,000 page grab-bag of over 4,000 statistical indicators. In September 2002, the administration released its first Mayor's Management Report, now conceptualized as a "Public Report Card." The number of statistical indicators was reduced and the mix of indicators was reoriented "toward reporting on 'outcome' or results-oriented statistics that demonstrate success or failure" (City of New York 2002, 4). Indicators were made available on the city's web site, with an easy-to-use mapping function that allowed citizens to evaluate city services in their neighborhoods. Finally, "based on best practices in performance reporting," the 2002 Report contained a series of goals and targets against which important indicators could measured, which "provide[d] a clear frame of reference for assessing performance and [included] nationally recognized standards and the benchmarking of performance against other large cities" (City of New York 2002, 4).

While some critics of the administration saw the Mayor's Management Report overhaul as an effort to control the flow of information to the public, the Report was more than an exercise in public relations.[32] In fact, indicators in the 2002 and subsequent Reports were not always flattering to the administration, and the mayor publicly acknowledged the areas in which it indicated the city's performance could improve. Mayor's Management Report indicators were also used by agency heads in their testimony in City Council oversight hearings. For example, EDC President Alper's used such measures to forthrightly discuss the efficacy of corporate retention and attraction

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[32] Critics objected to the cutback in the numbers of indicators, to the absence of some data, and to a number of methodologies used in the Report. See McIntyre 2004 and Pasanen 2004.

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programs with City Council members. Furthermore, administration officials whom I interviewed often mentioned the Report as a crucial part of the Mayor's push towards enhancing the performance of city government, telling me, for example, that "Bloomberg believes that you need to measure to evaluate" (Fuchs 2004).

D. Creating Organizational Capacity

The Bloomberg administration implemented corporate management practices throughout city government. The most widely publicized of these was the physical rearrangement of the mayor's offices in City Hall to resemble the open "bullpen" layout used in Bloomberg LP: once again no one, not even the mayor himself, had private offices. Other examples included the 311 telephone service mentioned above, which was explicitly presented as way to improve "customer service" and the private sector management techniques that were implemented in the context of the city's education system.[33] But these corporate management techniques reached more deeply into the agencies under Deputy Mayor Doctoroff than elsewhere. In part, this was a result of biography, as ex-corporate executive, managers, and professionals were particularly common among these agencies' staff, especially at the highest level of management. But it was also due to the nature of this policy domain, as one of the fundamental premises of economic development policy is that, to use Bloomberg's words, "the public sector's role is to create the conditions that foster private investment," which implies close

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[33] In early 2003 Mayor Bloomberg launched the New York City Leadership Academy, a nonprofit organization that recruited, trained, and supported public school principals. Its website proclaims that "the approach the Academy has taken is unprecedented in the public sector [and is] modeled after successful private sector initiatives such as General Electric's John F. Welch Leadership Center" (New York City Leadership Academy 2006).

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connections with the corporations that are the source of such investment (Bloomberg 2006b).

Deputy Mayor Doctoroff, with the strong backing of the mayor, implemented a series of reorganizations that created the organizational capacity to develop and implement a coherent and comprehensive economic development strategy. These reorganizations were both animated by and constitutive of the Bloomberg Way, which conceived of city government as a corporation, of businesses as clients, and of the city itself as a product to be developed and marketed.

1) Centralizing Bureaucratic Control

Shortly after Bloomberg became mayor, and Doctoroff became Deputy Mayor, an important reshuffling of bureaucratic authority took place. Although it would pass largely unnoticed at the time, it created the organizational potential for a coherent and comprehensive economic development strategy, as it resulted in all city agencies relating to economic development – the EDC and the DCP, as well as the Departments of Business Services (soon to be renamed the Department of Small Business Services), Housing Preservation and Development, Parks, Consumer Affairs, and Cultural Affairs – reporting to the Deputy Mayor for Economic Development and Rebuilding. One man, Daniel Doctoroff, was granted a degree of bureaucratic control over development policies and projects unprecedented since the days of Robert Moses. From the tiniest infractions of the city's signage regulations by small businesses to multi-million dollar incentive deals for the city's biggest corporations, from the upkeep of local parks to the rezoning of entire neighborhoods – all of this would be under Doctoroff's purview. And it was not just these public bureaucracies over which Doctoroff held control, but a good deal of

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private sector activity as well. This was especially true in the real estate sector, given the lengthy list of permits, special approvals, subsidy programs, and licenses involved in city real estate development.

Placing these agencies under Doctoroff's control represented only the first step in the process of creating the bureaucratic capacity to develop and implement a comprehensive and coherent economic development policy. In the first few months after Bloomberg's inauguration, his administration took two additional steps towards this end, both of which were influenced by the corporate experience of the mayor and his key economic development officials.[34]

2) EDAC, Strategic Plans, PowerPoint, and Retreats

The first of these was Doctoroff's creation of the Economic Development Agency Council. In the Council's reportedly well-attended, engaging, and lively weekly or bi-weekly meetings, commissioners and other executives of agencies reporting to the Deputy Mayor met to discuss both inter-agency issues and each agency's activities. This intervention was apparently effective in "removing barriers to cooperation" – one of the tenets of Bloomberg's approach to management: both in interviews and testimony before

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[34] Another step was the renaming and reorientation of the Department of Business Services. As its new name – the Department of *Small* Business Services – indicates, the agency was to serve as the primary site of assistance and outreach to the small business, complementing the EDC's focus on larger employers. In both cases, the goal was to serve the needs of particular segment of the city's businesses, a particular "clientele." In 2002 and 2003, the administration made a number of changes to the agency's structure and staffing intended, in the words of its new commissioner, Rob Walsh, "to clarify and simplify the agency's functions [and] to create a coherent mission" (Walsh 2002). As of Bloomberg's 2002 inauguration, the agency consisted of 15 units responsible for a hodge-podge of business-related services, functions and programs. Some of these responsibilities, such as administering Business Improvement Districts and providing minority and woman-owned small businesses with access to the City's procurement process, were directly related to the agency's new mission, but many were not. To correct this, functions unrelated to serving small business were transferred to other agencies; staffing changes were made to strengthen and rationalize the agency's administration, including the hiring of private sector talent; and the agency began to explore the possibility of establishing a number of satellite offices throughout the five boroughs as part of a broad effort to extend the geographic reach of the agency and increase its visibility and accessibility.

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the City Council, commissioners and other city officials highlighted increased interagency cooperation and its benefits.[35] Cross-agency coordination and communication was especially important to the development, and the implementation of a comprehensive and coherent economic development strategy. As CPC Chair Amanda Burden said of the interagency cooperation that the Council helped bring about, "That's how you get things done, and that's what the Mayor is all about. It's about executive decisions and performance" (Burden 2004b).

The establishment of the Council also provided a forum for Doctoroff to assert bureaucratic control over the individual agencies under his command. He required that each of his agencies develop a strategic plan in PowerPoint, the presentation software that is *de rigueur* in the private sector. These strategic plans included the mission of each agency, agency-specific goals and initiatives to meet them, quarterly targets for progress, and so on. They served as both a comprehensive policy development tool used to coordinate the goals of each agency and a technique to encourage efficient management and to hold commissioners accountable for their agencies' performance. In the words of EDC President Alper, no stranger to such corporate management techniques, they provided "a road map as to how to spend our time and our capital" and "a mechanism to

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[35] For example, in May 2002, Rob Walsh, the Commissioner of the Department of Small Business Services told the City Council of specific areas in which cross-agency cooperation was beginning to bear fruit:

> We have been working a lot more with the EDC…For a number of years we were under different Deputy Mayors; [now] we're under one Deputy Mayor. [EDC] and our programs should be working hand-in-hand, and we're doing a lot more with that. We're talking to them about our energy programs, our incentive programs, our outreach, and that is working out quite well, and we're going to be coordinating a lot more with these programs (Walsh 2002).

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ensure and measure success" with "metrics built into it to make sure that we're in fact doing what we say we're going to do" (Alper 2003a).

Strategic plans and agencies' progress towards the benchmarks and goals they articulated were often discussed during Economic Development Agency Council meetings. They were also discussed in the context of another practice imported from the private sector. "We've done a couple of retreats," Mark Ricks told me, "where we go away for a day somewhere in the city and talk about…what our objectives are, or how we've done, how we're going to measure success, et cetera (Ricks 2004).

These management techniques – retreats, strategic plans, PowerPoint presentations, all "reminiscent of a private sector mentality," as Ricks put it – had real effects in the agencies under Doctoroff (Ricks 2004). Though not altogether novel at the EDC, which had always had close connections to the private sector and a bit of a corporate ethos, they nevertheless led to concrete changes in management and policy there. For example, cost-benefit analysis was introduced to judge the worthiness of various subsidy program and development projects. The impact of such practices was even greater at other agencies. CPC Chair Burden expressed this sense of novelty in a 2004 speech:

> Early on, in January 2002, Deputy Mayor Doctoroff instructed one of his agencies to develop a Strategic Plan in PowerPoint. City Planning didn't know what a PowerPoint was! But we learned fast, and he wanted strategic planning benchmarks – month-to-month benchmarks for two years about what we were going to achieve and when we were going to achieve it. And he held us to those benchmarks and we got judged by those plans all the time and those benchmarks, and we've kept to them (Burden 2004b).

The DCP would go on to put forward an ambitious series of rezonings that would have been unimaginable under previous administrations. Doctoroff's implementation of

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private sector management techniques clearly helped spur the development of such an ambitious agenda.

Seemingly a small detail, the use of PowerPoint, with its (at times deceptive) ability to present information neatly and simply, emblematized the use of corporate management techniques by the Bloomberg administration. Administration officials used the PowerPoint presentations, often embellished with attractive graphics and illustrations, as crucial public relations tools in speeches and presentations to various groups across the city. The presentations allowed officials to clearly and concisely communicate to various publics the tenets and goals and of the administration's economic development policy, the ways in which their agencies' initiatives related to these goals, and the success they had made in making progress towards them. If the placement of economic development agencies under Deputy Mayor Doctoroff, the creation of the Economic Development Agency Council, and the introduction of private sector management techniques all aided in creating the capacity to develop and implement a comprehensive and coherent economic development policy, the presentation of these strategic plans in PowerPoint permitted the coherent communication of such a policy.

3) "Obvious to Any Investment Bank:" The Reorganization of EDC

In his first State of the City address, given in January 2002, Mayor Bloomberg outlined his plans for his first year in office. Economic and urban development concerns took up a few minutes of his speech, during which Bloomberg focused primarily on the redevelopment of Lower Manhattan, the far west side of Manhattan, and the city's waterfront. After hearing the mayor's grand plans for these areas, listeners probably should be forgiven if they paid little attention to the words that followed – or, if they did

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pay attention, they responded to this bit of corporate-speak with a roll of the eye or a raised eyebrow: "Our Economic Development Corporation," Bloomberg said, "will be reorganized with a new 'client-centered' approach to retain and attract companies" (Bloomberg 2002c). Just as Deputy Mayor Doctoroff had introduced the commissioners of the agencies under his authority to the wonders of strategic plans, PowerPoint, and corporate retreats, EDC President Alper had "set out to restructure EDC and instill a private sector focus [by] applying what he learned running Goldman's Investment Banking Division" (University of Chicago Graduate School of Business 2004).

In April 2002, Alper announced an internal restructuring of his agency, which would "enable EDC to function more efficiently, empower decision-making at all levels, encourage horizontal collaboration and establish short and long-term strategic goals" (New York City Economic Development Corporation 2002). The agency's structure was simplified – its number of divisions was reduced from 24 to three – and functions like long-term infrastructure maintenance and development, along with citywide strategic planning, were strengthened. As well as facilitating internal efficiency, the reorganization enhanced the EDC's capacity to approach economic and urban development in a comprehensive and proactive way.[36]

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[36] This was a real change at EDC. "EDC always had a transaction culture – sell the land, get construction going, get a new factory, get new jobs," one long-time EDC executive told me; "Now there is more focus on policy and infrastructure, which were explicitly peripheral before, more long-range planning." This individual even went as far as comparing the EDC to a think-tank; a radical change from its role under the Giuliani administration, during which it served primarily as conduit for the privatization of city property and for the direct subsidy of large corporations.

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The centerpiece of this reorganization was the creation of the Client Coverage Operating Division, one of EDC's three new "core operating divisions."[37] This new division would be organized on the basis of a "client coverage model, obvious to any investment bank, but less obvious to a lot of city governments," as Mark Ricks told me (2004).[38] In the private sector, this model consists of a series of industry desks, each staffed by experts responsible for monitoring events and developments in a specific industry, for serving as the identifiable and trusted face of the company to businesses in that industry, and for maintaining open communication with such businesses. The consolidation of responsibility for expertise and outreach in one employee or group of employees allows the company to cull information allowing it to better serve current clients and target potential clients.

The EDC's Client Coverage Operating Division reflected this private-sector model:

> There is a person who is the media desk, whose job it is to understand what's going on with media companies [and] to keep tabs on who might be relocating, who's looking for space…[So] that when we get a call…from…a major media company saying we're thinking about relocating…this guy at the media desk [can give] us information in terms of here's how much space they have, how many employees they have, here's what we've done for them, here's what we hear…We want [him] to understand not just real estate, but the peculiarities of the real estate needs facing a media company. Do they need large floor plate? How much are they willing to pay? Where are their employees located? (Ricks 2004).

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[37] The other two divisions were the Real Estate Development Division, which would handle the EDC's traditional functions of selling, managing and developing city-owned or controlled land, and the Infrastructure Division, which would focus on the maintenance and improvement of the city's physical infrastructure, especially its transportation, energy, and telecommunications networks.

[38] As Doctoroff and Alper noted in various public discussions, the client coverage model is also employed in advertising agencies and commercial banks.

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Serving as a source of expertise and a point of contact with a particular sector, the desk staff would better be able to understand the strengths and weaknesses of New York City as a place for business, and, in EDC President Alper's words, "to make sure that we have proactive relationships and dialogues with companies and industries big and small throughout the five boroughs to make sure that we're being responsive" (Alper 2002a).[39] To ensure that the Division remained true to its private sector origins, Alper hired a former Goldman Sachs colleague to oversee the industry desks.[40]

The EDC adopted not just the organizational aspects of the client coverage model, but conceptual ones as well. Businesses were conceived of as "clients," as expressed succinctly by Deputy Mayor Doctoroff in a 2004 speech describing the creation of the Client Coverage Operating Division: "We began to think about covering our clients – the companies in this city who pay taxes and generate jobs – the way an investment bank or a commercial bank would" (Doctoroff 2004d).[41] Another of the Division's aims was to understand how city government, and the city itself, could "add value" for these clients, just as a private sector firm providing a service or product might. "We need to develop expertise and relationships in those industries that are growing," EDC President Alper

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[39] Despite the Giuliani administration's willingness to hand out tax subsidy deals with little regard for their effectiveness or necessity, relations between the administration and businesses in the city were largely chilly. Alper described his former firm's relations with the city as "neutral to hostile" (quoted in Steinhauer 2002a). Many other executives of large, important New York City firms complained that the eight years of the Giuliani administration passed without any communication from the EDC or from anyone else in the administration.

[40] Initially, industry desks were created for the FIRE sector, media, manufacturing, the life sciences industry, and international business, with plans for not-for-profit, retail, fashion and beauty, and construction desks.

[41] Some old hands at EDC viewed Alper as something of an interloper and minimized the novelty of the changes he introduced. One long-time official there told me that the EDC had always been a "client - centered" agency.

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told the City Council in 2002, "to understand how we, as a City, can add value to their businesses and make sure we are a better host…for them" (Alper 2002b). Understanding the city's "value proposition" was the next task in the development of the Bloomberg administration's competitive strategy for New York City

E. From Management to Strategy

The elements were in place for the administration to prepare "New York to compete, and win" (Bloomberg 2004c). The CEO mayor had put the "right people" in place, drawing on the best the private, public, and nonprofit sectors had to offer; he had established clear benchmarks and methods of measurement that would allow for the evaluation of performance; and finally, his ex-private sector compatriots were applying their corporate management experience and deep knowledge of the private sector to create the organizational capacity to achieve results. Only one thing was missing: a strategy for success. Over the first 13 months of the Bloomberg administration, as agencies were being reorganized, core missions redefined, strategic plans written, and PowerPoint presentations prepared, a coherent competitive strategy was emerging, one that took into account both the city's competitive strengths and weaknesses and the broader field of interurban competition in which it was embedded.

IV. Rebranding New York: Creating a Competitive Strategy

In June 2002, EDC President Alper told the City Council:

> We are, with a lot of people's help trying to make sure that we do a better job of marketing and positioning New York City as a brand. McKinsey & Co. has…interviewed companies…to help us think about what are our competitive advantages and disadvantages, so we can position ourselves. We are thinking about what companies we should target…We want to put together a high impact road show, talk about the benefits of New York City, why it is a good place to live and to do business, and…convince companies they should be here…In the past, I think, we relied on the fact that New York is the crossroads of the world, it is the business capital of the world. We sort of let people come to us. Well, you know what? We

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> need to go to them now. It is time for us to get on the road and tell our story. It is a very compelling story. Yes, it is expensive. Yes, it is crowded, but there is a reason it is crowded. It is a great place to live and to work…We have to get that story out (Alper 2002b).

This long quote contains a rough sketch of a remarkably coherent and ambitious competitive strategy for New York City. In this strategy, we see a forceful effort to assert the autonomy of the city by both strengthening its competitive position and by recasting the field of interurban competition itself. In it we also see the *prescriptive* aspect of the urban diagram of the Bloomberg Way: if the cause of the city's economic problems was diagnosed as increased interurban competition, the solution was to compete more vigorously and more intelligently. And *intelligent* competition required a thorough understanding of the competitive field, a comprehensive understanding of the city's characteristics, and, most importantly, an analysis of the relation between the two. It required an understanding of the city as a *brand.*

A. Branding as Knowledge Production

From Haussman's balloon-aided mapping of Paris to the use of health statistics in the "eugenic city," efforts to remake the city have induced efforts to understand it. The Bloomberg administration's campaign to improve the city's competitiveness was no exception, as the process of "branding" – as conceived of by administration officials (as well as by branding experts) – went well beyond the use of logos and advertising, involving the use of particular techniques of knowledge production aimed at producing a thorough understanding of the city's position in the "market" of interurban competition.

Like old-fashioned "competitive strategy," branding entails understanding the relationships between a firm's product, its existing and targeted customer base, and its

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competitors.[42] However, rather than focusing on improving management or making production processes more efficient, branding theory emphasizes product differentiation. Here are the words of one leading branding expert:

> A brand is a product, then but one that adds other dimensions to differentiate it in some way from other products designed to satisfy the same need. These differences may be rational and tangible – related to product performance of the brand – or more symbolic, emotional, and intangible – related to what the brand represents (Keller 1998, 4).

Another branding expert points out that a good brand has the ability to create distinctions among products that in every other aspect are exactly the same, writing that "a brand differentiates products that appear similar in features, attributes, and possibly even benefits" (Aaker 2000, 3).

While the "symbolic, emotional, and intangible" elements of branding have generated the most verbiage, especially among brand gurus eager to make a name for themselves, more hardheaded brand theorists stress the importance of firms' understanding the position of their products in the marketplace:[43]

> Brand positioning has been defined as the act of designing the company's offer and image so that it occupies a distinct and valued place in the target customer's mind. Thus, positioning, as the name implies, involves finding the proper location in the minds of a certain market segment so that they think about the product in the "right" or desired way…Deciding on a positioning requires determining a frame of reference by identifying the target market and the nature of competition…In other words, its is necessary to decide (1) who the target consumer is (2) who the main competitors are, (3) how the brand is similar to these competitors, and (4) how the brand is different from these competitors (Keller 1998, 109).

Or, as two other experts on branding and strategic marketing put it, "the development of a brand identity relies on a thorough understanding of the firm's customers, competitors,

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[42] For a classic work on competitive strategy, see Porter 1980.

[43] For examples of branding theorists who stress the cultural, emotional, and even the spiritual aspects of branding, see Clark 2004; Gobe 2001, 2002; Holt 2004.

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and business strategy" (Aaker and Joachimsthaler 2000, 12). Branding is thus a knowledge-intensive process. Knowledge concerning consumers, the product, competitors, the marketplace, and the actual and potential relations between these elements must be produced and then used to formulate a competitive strategy to reshape the product and position it in the marketplace in a way that achieves "sustainable competitive advantage" (Aaker 1995). Between January 2002 and January 2003, the key economic development officials and agencies of the Bloomberg administration embarked on an effort to rebrand New York City, drawing on everything from consultations with experts and corporate executives to brand surveys in order to analyze the city's current and potential competitive position and to develop a strategy to improve that position.

B. The Consensus of the Experts

"They are killing us." So spoke EDC President Alper in June 2002 of New York City's ongoing competition with New Jersey for office jobs (Alper 2002b). The office towers that had risen during the 1990s on the western shore of the Hudson River as company after company – including lynchpins of the city's financial sector like Goldman Sachs, Merrill Lynch, JP Morgan Chase, and Morgan Stanley – had moved thousands of back-office and high-end employees to Jersey City and Hoboken, formed a perceptible and galling reminder of the fact that the city had been losing jobs and businesses to locales across the nation and the globe over the past three decades.[44] Alper expressed a sentiment widely shared among city policy elites: that the stock market boom of the 1990s had masked a longer-term erosion of the city's ability to compete for jobs, revenue,

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[44] Alper estimated that 50,000 to 60,000 employees working in Hudson County, New Jersey, where most of the development along the Hudson is located, had previously worked in New York City (Alper 2002b).

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and the highly-educated workers demanded by high-margin, high-value-added corporations.[45] Many of these experts also shared a negative judgment of the Giuliani administration's economic development policies. Though his administration's imposition of order had played a crucial role in reestablishing New York as a good place to do business, Mayor Giuliani's economic development policy itself had been reactive, limited in scope to tax incentive deals that were often wasteful or unnecessary, neglectful of long-term investment in infrastructure, overly focused on the financial and media industries and Manhattan, and, worst of all, ineffective – as attested to by those office towers across the Hudson.[46]

New Jersey's various incentive programs, including the notoriously generous Business Employment Incentive Program, had long irked city officials and policy professionals. In 1997, then-EDC President Charles Millard dramatically confronted New Jersey Governor Christine Todd Whitman while she was giving a speech in Manhattan, accusing her of violating a 1994 agreement to refrain from cross-Hudson River job poaching by using the program to lure New York City companies to New Jersey (Bagli 2003a; Halbfinger 1997). EDC President Alper called the program

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[45] During the period from 1969 to 2000, the number of jobs in the city had actually declined, even as the number of jobs in the metropolitan region, New York State, and the country rose; the decline of the city's share of the region's and the nation's high-paying jobs in the FIRE and business services was especially pronounced. Yet despite this decline, the city's economy had grown more focused on these sectors, a result of the precipitous decline of the number of manufacturing and wholesale trade jobs in the city. See Bowles and Kotkin 2003.

[46] By late 2001, critiques of Giuliani's economic development policy and demands for a new direction had been made by liberal academics like Mike Wallace and Glenn Pasanen, both CUNY professors; union-funded progressives like Bettina Damiani of Good Jobs New York and James Parrott of the Fiscal Policy Institute; "high road" neoliberals like Jonathan Bowles of the Center for an Urban Future; the staff of the Citizens Budget Commission, a centrist budget policy watchdog; pragmatic politicians like James Sanders, chair of the City Council's Economic Development Committee; and even by representatives of business like Kathryn Wylde, head of the Partnership for New York City.

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"irresponsible" (Alper 2002b) and Deputy Mayor Doctoroff called it "overly generous" and questioned its sustainability (Bagli 2003a).[47]

While the Giuliani administration attempted to outdo New Jersey by engaging in its own unsustainable (and unsuccessful) binge of tax incentive deals, by late 2001 the consensus among economic development experts was that a reliance on tax incentives was not only futile but actually harmful. Billions of dollars of tax revenues had been foregone, and each subsidy deal led to demands for equal treatment by the competitors of subsidized companies, even if they had no intentions of leaving the city. In fact, most economic development had concluded that the very premise of an economic development policy based on tax incentives was mistaken: given New York's real estate market and the costs of providing public service, the city would never be able to compete on the basis of cost alone.[48]

However, there was no consensus on the best way to move forward. Planning groups stressed the maintenance and enhancement of the city's transportation infrastructure and the development of its waterfronts. Labor, liberal academics, and community groups pushed for job training, wage floors, and the protection and strengthening of manufacturing and other heavily unionized sectors. Policy organizations and experts with a neoliberal bent, along with the Partnership for New York City, advocated support for the biotechnology industry and the cultivation of links between the

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[47] In fact, New Jersey cut back the program in 2003 in the face of a $5 billion budget deficit (Bagli 2003a).

[48] Exceptions to this consensus came from two influential sources: first, from ideological conservatives like those at the Manhattan Institute who promoted tax cuts of any sort as a panacea for the city's economic ills; and, second, from the Real Estate Board of New York, whose support for the continued use of tax incentives was rooted in strictly economic concerns. Many city incentive programs either directly or indirectly subsidized real estate costs, which of course supported higher real estate prices, and therefore real estate profits.

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city's universities and high-tech sectors. Finally, as discussed in Chapter Three, the members of the city's traditional growth coalition were calling for steps to stimulate office construction. While the Bloomberg administration would listen to many of these groups and would draw on many of their ideas, it was to private sector companies – the city's current and prospective "clients" – to which it would listen most carefully.

C. Bringing in the Consultants

Faced with a failed competitive strategy and uncertainty about how to move forward, Mayor Bloomberg, Deputy Mayor Doctoroff, and EDC President Alper did what any smart executive would do: they brought in the consultants. In spring 2002, the administration asked management consulting firm McKinsey & Co. to do its part to aid the city's post-9/11 recovery by conducting a pro bono study of the city's market position. The study, centered on a survey of corporate executives, aimed to measure perceptions of the city as a place to do business, evaluate its competitive strengths and weaknesses, and ultimately formulate a strategy to enhance the city's ability to attract and retain business.[49]

Competitive strengths identified by McKinsey consultants included the sheer size of the city's market; the "depth of the talent pool" (economic development officials were fond of pointing out that there were more New Yorkers with college degrees than people in San Francisco); its cosmopolitanism; its cultural amenities and dynamism; its reputation as a place that attracted the ambitious and the well-educated; its transportation

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[49] The study was never publicly released. It was made available "on background" to a reporter for the *Economist*, who used it to generate a survey of New York City in the February 19, 2005 issue of that magazine. This description of the study and its conclusions is based on interviews with city economic development officials, their public statements on the subject, and newspaper reports. See Economist 2005a, 2005b, 2005c; Steinhauer 2002a; Temple-Raston 2004b.

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infrastructure; and the quality and number of its educational, medical, and scientific institutions. Competitive weaknesses included perceptions that the city was unsafe and environmentally unfriendly, the inadequacy of its public schools; and, unsurprisingly, its high costs – of housing, commercial space, energy, and taxes.

The outcome was a series of recommendations concerning how the city should be targeting its economic development policy. The study identified, in the words of EDC President Alper, "high impact industries and functions within industries that we should be trying to attract into New York" (Alper 2003a). The idea was to refine City efforts to attract and retain businesses by identifying companies, industries, and economic functions with internal characteristics and locational needs that made them likely to consider a New York City location. By identifying what Alper called "disconnect[s] between competitive strength and commercial activity," McKinsey provided a list of companies, industries, and economic functions that the city would be most likely to attract. (Alper 2003a). Such focused targeting was new to public-sector economic development policy, but it was old hat for the ex-private sector members of the Bloomberg administration's economic development team. "Just like an investment bank would, [and as] in my previous life for a law firm and an accounting firm," Alper said, "we want to actually have a list of targets, of companies that should be here that are not" (Alper 2002b).

This, it was hoped, would make the practice of business attraction and retention far more rational and efficient than it had been in the past. By understanding what the city had to offer to which companies, administration officials would be able to more finely calibrate the types of action – from proactive marketing to the offering of tax

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incentives – necessary to attract or retain companies, or to convince them to expand in the city. The McKinsey study, Mark Ricks told me, identified companies for whom the city's competitive strengths were more important in locational decision making than its competitive weaknesses – and thus whose business could be more easily won:

> [Take] all this talk about understanding which companies are worthy of extending incentives to and which are not: which are the industries we're never going to win in; which are the companies that basically won't survive here without extensive government incentives, where maybe it makes sense to cut them loose; which are the companies that are never leaving no matter what; and which are the companies that are in the sweet spot, which are the industries that we are going to win fairly easily (Ricks 2004).

D. "Our Guys Know Those Guys"

In a 2004 interview, Patricia Noonan, the Vice President for Economic Development at the Partnership for New York City told me:

> Our guys know those guys. There's a personal thing there. Someone with a business background recognizes that business people have good ideas…There have been more opportunities for sharing and [discussing] best practices in areas where there is business expertise than there was previously (Noonan 2004).

By "our guys," Noonan was referring to the CEOs who forming the Partnership's core membership. By "those guys," she was referring to Mayor Bloomberg and Deputy Mayor Doctoroff, both of whom had been members of the Partnership before entering city government. As Bloomberg's economic development team went about developing its understanding of the city's competitive strengths and weaknesses, the Partnership was a natural place to turn: after all, it was the Partnership's members who were the ones who actually made decisions concerning the location of their companies' various functions. From very early in Mayor Bloomberg's first term, administration officials and the Partnership's staff and member CEOs held conversations comprised of both formal task forces and informal brainstorming sessions. Indeed, the relationship between EDC and

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the Partnership went beyond consultation alone: it was institutionalized in 2002, when in order "to help really create that bond between the public and private sector in New York City," Andrew Alper invited Partnership President Kathryn Wylde to join the EDC's Board of Directors (Alper 2003a).

In our interview, Patricia Noonan laid out the general principles of economic development strategy that emerged from the consultations between the Partnership and the Bloomberg administration. First, she argued that the near impossibility of lowering real estate costs, along with the fact that major tax-cutting would gut crucial public services, made high costs essentially inevitable in New York City. "Any company that is here has made the decision that cost is not the most important thing," she told me, "otherwise they wouldn't be here" (Noonan 2004). Given this, city officials needed to be clearly focused on companies able to afford such a location, and able to take advantage of the city's competitive strengths, the most notable of which was the quality of its labor force. "Talent is what drives it," Noonan said, "that's our absolute top asset…Every businessperson will tell you that" (2004). However, this alone could not insure the city's competitive edge, as companies could access this labor pool in metropolitan locations outside of the city's boundaries – Connecticut or New Jersey, for example – with lower costs. Other "assets," such as the quality of the city's public services and transportation infrastructure also needed to developed. Noonan also identified intangibles as vitally important as well:

> If we're going to cost more, and we *are* going to cost more, we'd better have other things to make up for it. Part of it is – New York is New York. It's the skyline, the excitement. It's all these things, and companies value that…It's the stuff we know intrinsically, but is harder to count, that makes New York a viable location (Noonan 2004).

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In other words, urbanism itself – the city's culture, its diversity, its density, and its cosmopolitanism – was a selling point.[50] Given the difficult of quantifying these types of phenomena, attracting firms was a matter of determining the best way to communicate these advantages:

> How do you articulate that? I think EDC is going to be able to [communicate] New York's value proposition. We're never going to be the cheapest, but here are the things we have…Those of us engaged in economic development, those of us who have an interest in making sure New York remains competitive, have to do a better job, to keep trying to improve the way we…market the stuff you can't count (Noonan 2004).

Economic development policy had to become an exercise in branding.

E. From Cost to Value

As a CEO, Bloomberg had been notable for pursuing a corporate strategy emphasizing high-quality customer service, generosity to employees, and the creation of a comfortable, even luxurious, work environment.[51] He stuck to this strategy even during tough times, avoiding the usual corporate practice of paring back expenses or eliminating jobs. As Partnership President Wylde put it:

> He is not a guy out of corporate…He is an entrepreneurial growth guy. He believes service is the way to build a business, and to build a brand" (quoted in Steinhauer 2002b).

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[50] Mark Ricks reiterated this, saying of the appeal of a New York's urbanism to executives in global firms:

> It's a prestige value. It's…important in terms…of international flavor and [the] sense that this is a place where if you're an up-and-coming executive anywhere around the world, you have to spend some time here (Ricks 2004).

[51] In his autobiography, Bloomberg writes:

> We always have our offices in the best and most expensive parts of town while our competitors look for bargain space in the low-rent districts. It gets back to who you think is more important, your people or outsiders…I believe in the best for *us*. This is true not only at "headquarters," but everyplace. Our offices around the globe all work and look the same. The best locations and décor money can buy (Bloomberg and Winkler 2001, 163).

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Bloomberg's own business background at the intersection of the media, information technology, and financial industries – all high margin and high value-added industries – had shaped his own ideas about the relative importance of cost. Now McKinsey & Co., the Partnership, and many economic development experts were reinforcing these ideas. Lowering the costs of doing business could never be the key to enhancing the city's competitiveness. Rather, it was the city's labor pool and its intangibles – the particular *value* that a city location offered businesses – that gave it a unique competitive advantage.

Like the client coverage model, PowerPoint, and strategic plans, the choice between competing on the basis of cost and on the basis of value would be familiar to any newly-minted MBA. Competitive strategy and branding experts identify the choice between cost-based competition and value-based competition (which allows for premium pricing), as one of the fundamental choices any corporate manager must make.[52] One such expert writes:

> Brand Power is the…only alternative to destructive price competition. The customer's loyalty needs to be based not on prices, but on points of differentiation, including brand personality, intangibles, emotional benefits and self-expressive benefits (Aaker 2000, xi).

Management super-guru Tom Peters put it even more starkly: "In an increasingly crowded marketplace, fools will compete on price. Winners will find a way to create lasting value in the customer's mind" (quoted in Aaker and Joachimsthaler 2000, 16). If Bloomberg, Doctoroff, and Alper had been anything in their private careers, they had certainly been winners. Armed with their knowledge of business decision-making, now supplemented with detailed knowledge of the city's competitive strengths and

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[52] See Aaker 1995, 6-7 and Porter 1980.

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weaknesses produced with the aid of the private sector and economic development professionals, it was time to lay out a strategy for the city to compete – and win. In January 2003, the administration did just that.

F. The Luxury City

On January 7, 2003 nearly 100 of the city's top businesspeople and civic leaders attended an "economic development summit" co-sponsored by the Partnership and EDC.[53] Closed to the press, the summit included three roundtable discussions, one focused on ways in which the "private sector can strengthen New York City's fundamental competitive advantages and strategies to retain and attract private sector investment and jobs," the second on "marketing New York City domestically and abroad to encourage investment, job attraction and expanded tourism," and the third on strategies to lobby the federal Government by both the public and private sectors (City of New York 2003b). Robert Rubin, former Secretary of the Treasury and chairman of Citigroup, chaired the roundtables, and Mayor Bloomberg took part in all three. Issues addressed included risk management and security issues in the wake of 9/11, the need for viable office districts in the boroughs outside of Manhattan, strengthening the city's talent pool, and the need to "collaborate in branding and presenting the City's attributes to non-resident companies to stimulate economic growth and diversification" (City of New York 2003b).

In his remarks during and after the summit, Mayor Bloomberg indicated that his experience as a CEO had shaped his approach to economic and urban development policy. "I've spent my career thinking about the strategies that institutions in the private

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[53] The details of this summit are drawn from Cardwell 2003; City of New York 2003b; Saul 2003b.

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sector should pursue," he said, "and the more I learn about this institution called New York City, the more I see the ways in which it needs to think like a private company" (quoted in Cardwell 2003). The conclusion that the mayor had reached in thinking about the city like a private company? "New York City is never going to be the lowest-priced place to do business; it is just the most efficient place to do business," Bloomberg told reporters after the summit. "You have to get value for the money that you're going to spend" (quoted in Cardwell 2003). However, only certain companies would be able to spend this money, and would be able to take advantage of that value. Thus, New York City was not going to compete for companies for which cost was an overriding concern in locational decision-making. Instead, it would target a more upscale market segment. Mayor Bloomberg used remarkable language to make this point:

> If New York City is a business, it isn't Wal-Mart – it isn't trying to be the lowest-priced product in the market. It's a high-end product, maybe even a luxury product. New York offers tremendous value, but only for those companies able to capitalize on it. (quoted in Cardwell 2003).

The Bloomberg administration's importation of private-sector conceptions into the public sector practice of economic development had reached its logical conclusion. If corporate management techniques such as strategic planning and the use of PowerPoint could be deployed in city agencies, if businesses could be treated as valued clients, and if the EDC could be restructured using a client coverage model, then why could the city not be conceptualized as a *product* – a product with a specific position in the marketplace and specific value to add in the production process, a product which could be effectively branded and marketed, just like any other? Economic development had become niche marketing.

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And the particular market that this product would be geared towards? Perhaps unsurprisingly, it was the very high-end corporate market that Bloomberg, et al., had emerged from, and which the Partnership represented. "When you…get to the higher value-added businesses," Robert Rubin said at the summit, "the advantage of being here is so enormous that [the city's] going to continue to hold and attract businesses" (quoted in Cardwell 2003). A number of other summit participants agreed that a New York City location had value in and of itself, regardless of cost, for this subset of companies.

The upshot of the summit was clear. Out was the old "one size fits all" approach, where a lower cost environment, achieved through tax cuts and tax incentives, was the be-all and end-all of economic development policy. In was an approach that focused on the attraction of firms for which cost was not the paramount concern in locational decision-making. Economic development was no longer a matter of bribing companies to stay, but of, first, seeking out and informing firms with appropriate needs of the advantages New York had to offer, and, second, building on those advantages.

In his 2003 State of the City address, given two weeks after the economic development summit, Mayor Bloomberg for the first time publicly presented a comprehensive and coherent economic development strategy. He argued that only a growing economy could solve the city's current fiscal and economic problems in the long term, saying that the "efficiencies and programs I've mentioned won't end the City's budget problems. The solution there can be summed up in two words: economic growth" (Bloomberg 2003c). The mayor went on to neatly sum up the premises and principles of his administration's economic development strategy, premises and principles that

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crystallized all of the discussions, bureaucratic reorganizations, actions, and events of his first year in office:

> New York is in a fierce, worldwide competition; our strategy must be to hone our competitive advantages. We must offer the best product – and sell it, forcefully (Bloomberg 2003c).

Mayor Bloomberg then presented those competitive strengths and weaknesses. Reflecting the content of the economic development officials' consultations with the Partnership and McKinsey, he presented the city's labor pool as its greatest economic asset. "Our unique 'value added' is our diverse eight million citizens and workforce," Bloomberg said; "It's what makes us the best city to live in and do business" (Bloomberg 2003c). He went on to indicate which of the city's citizens and workers actually constituted this "value-added:" "the best, the brightest, the most talented" – in other words, the well-educated professionals that staffed the city's financial, media, and business services companies.

The Bloomberg administration's economic development team had spent 2002 engaged in a long process of determining the city's market position, understanding its competitive strengths and weaknesses, and building the city government's capacity to develop and implement economic development policy. Now, it was time to develop and sell its "luxury" product – the city itself.

V. Building the Brand

The task, then, was to develop the product and to sell it. Based on these premises, it was entirely predictable that the Bloomberg administration would embark on an aggressive urban marketing campaign. Less predictable was the shift in tax policy, both in terms of citywide taxes and in specific tax incentive deals aimed at particular

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corporations. And most remarkable – and radical – was the notion that urban development could be treated as product development.

A. Marketing the City

In his 2003 State of the City address, Mayor Bloomberg proposed a major marketing campaign involving direct media, road shows, corporate outreach, and advertising. Though such campaigns are nothing new, in New York or elsewhere, this one was novel both in its coherence and in its comprehensiveness, both of which were products of the integrating role played by the city's brand as a "luxury city."[54] This campaign had two distinct, but mutually reinforcing parts: the targeted and proactive effort to attract new companies and events to the city – to stir up new business as it were; and an effort to develop the city's brand by entering into sponsorship deals with private companies that would allow for the marketing of the city's image in a variety of ways.

1) Proactive Outreach

In mid 2003, EDC President Alper told the City Council that "Senior EDC staff and City officials regularly meet with companies to present the case for doing business in New York. We call it our value proposition discussion" (Alper 2003b). Specifically targeted were the executives of companies that, as Alper put it, "aren't here but should be," which fit the administration's profile of companies for whom a city location was fitting but were not currently in New York, as well as the executives of companies with a presence in the city that might be convinced to expand their New York operations. In addition to using common tools of corporate attraction like direct mailings, high level city

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[54] For a history of such urban marketing campaigns in post-fiscal crisis New York City, see Greenberg 2003.

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officials – including Mayor Bloomberg – traveled the city, the nation and even the globe to make the case for New York. As Mark Ricks pointed out to me, their presence added a unique element to these "road shows:"

> They lend a sense of sort of comfort and reassurance, when these guys hit the road to meet with international companies and say come to New York…They have credibility. All three have run significant operations…They speak the language (Ricks 2004).

Or, as Partnership for New York City President Kathryn Wylde put it:

> Unlike Ed Koch and David Dinkins, Bloomberg doesn't need to lead a parade of New York business leaders [around the world]. He…has the relationships and the international credibility. He's the whole show (quoted in Sargent 2003b).

Mayor Bloomberg, Deputy Mayor Doctoroff, and EDC President Alper understood their customers intimately – their values, their tastes, their psychology – and used this knowledge in these trips. For example, in March 2003, Alper and Doctoroff led a two-day trip to London during which they met with executives of over 20 of the largest companies based in the United Kingdom.[55] The trip included one-on-one meetings with CEOs and a reception for both executives and what Alper called "influencers" – key business leaders with a great deal of sway in London business circles – that featured a video trumpeting the benefits of doing business in New York City created expressly for the trip. The capstone of the trip was an exclusive dinner party attended by a select group of corporate executives held at Mayor Bloomberg's $10 million Victorian townhouse, an elegant red-brick structure located on tony Cadogan Square. The use of the mayor's luxurious London home was of a piece with the idea that New York was "a luxury product:" the accoutrements of wealth were as much a part of marketing the city's new

[55] Security concerns resulting from the recently started invasion of Iraq prevented Mayor Bloomberg's planned participation in the trip. The details of this trip are drawn from Levy 2003b, Sargent 2003b, interviews with administration officials, and City Council testimony by those officials.

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brand as the presentations and the videos, and would hopefully reinforce the prestige value of a New York City location. This sensibility was evident in other stops on the "international road show" that wound over the globe over the next couple of years, including trips to global corporate hubs like Lille, Beijing, Munich, and Seoul, and perhaps most notably, an "attraction breakfast" hosted by Deputy Mayor Doctoroff at the 2004 World Economic Forum in Davos, Switzerland.

As gratifying as these international trips may have been to the cosmopolitan self-regard of economic development officials and their corporate brethren, they were not the only, or even the most important, focus of the administration's business outreach campaign. Despite the proclivities of some city officials toward "global city" rhetoric that stressed competition with cities abroad like London, Berlin or Singapore, economic development officials were well-aware that a significant portion of the city's competition was domestic, or even regional.[56] The bulk of the administration's business outreach efforts were nationally and regionally focused. The staff of EDC's Client Coverage Operating Division paid close attention to developments in their assigned industries, and when a merger, new venture, or expansion was announced, lost no time in contacting executives of the companies involved to pitch the value of a New York City location. While this type of work is the bread and butter of economic development agencies

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[56] CPC Chair Amanda Burden, along with some of her prominent staff members, were especially inclined to invoke global city language and to make unsupportable claims about which cities were New York's primary competitors (perhaps this is the result of the prominence given to Saskia Sassen's *The Global City* in planning curricula and literature). For example, Burden, at a April 2004 presentation, after invoking New York's global city status claimed that "we no longer compete with San Francisco, Chicago, Philadelphia; we compete with Singapore, Tokyo, London, Berlin, and we want to look at ourselves that way" (Burden 2004b). As much as Burden may have "wanted to look" at the city this way, her dubious claim was undercut by the fact that at the very same time the city was in fact competing with San Francisco for the headquarters of the newly created Virgin America airline.

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throughout the country, the Bloomberg administration's outreach efforts were notable for their proactive quality, facilitated by the client coverage model implemented at EDC, and for the mobilization of the personal connections of officials like Alper and Doctoroff.

Also notable was that these pitches were geared towards specific economic sectors. The city's rebranding campaign had generated a list of specific industries held to be well suited to take advantage of the city's "value proposition," including biotechnology, pharmaceuticals, tourism, and television and film production.[57] This "sectoral development" approach was aimed at diversifying the city's economy and reducing its reliance on the unstable and highly cyclical financial, business services, and real estate industries.[58] As time went on, the administration developed a series of policies aimed at cultivating these industries. For instance, it attempted to boost the biotechnology industry by working to provide suitable space and aiding universities' efforts to commercialize their research. Likewise, it aimed to strengthen the tourism industry by expanding the facilities for cruise ships into Brooklyn, expanding the Javits

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[57] Manufacturing and light industry was initially left out of this effort, much to the consternation of progressive economic development advocates, until 2005 when a much-delayed manufacturing study and strategy was released. However, the city's manufacturing strategy largely neglected the key issue of land use, rendering it largely useless.

[58] Sectoral development had at times been discussed in the context of reducing economic inequality in the city and elsewhere, specifically by cultivating the growth of industries that, unlike finance and business services in particular, had a history of unionization, provided opportunities to workers with a broader array of education and skill levels, or provided "career ladders," that is, opportunities for entry-level workers to rise into more rewarding positions in the industry (see Fiscal Policy Institute 2002b; New York City Economic and Marketing Group 1993; Zandniapour and Conway 2001). Whether or not sectoral development was used as a steadying fiscal and economic influence and a source of new jobs and city revenues or as a means to mitigate economic inequality and provide economic opportunities to a broader portion of the city's population was very much dependent on the particular industries that to be targeted. It was quite possible to push to diversify the city's economy without addressing issues of economic inequality or increased opportunity if the career and compensation structures of targeted industries were not taken into account. And in fact, this is generally how the Bloomberg administration proceeded, targeting industries based on the city's "value proposition" rather than on the contributions they might make to reducing inequality or enhancing economic opportunity.

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Convention Center, stimulating hotel construction, and stepping up city tourism advertising campaigns.

As part of its efforts to expand tourism, the Bloomberg administration focused considerable attention on attracting mega-events to the city. The EDC, in conjunction with the city's official tourism board, NYC & Co., formed the Permanent Host Committee, charged with coordinating the city's efforts to draw large events like the national political conventions, Super Bowls, and so on.[59] And, of course, the administration threw itself behind the ongoing effort to bring the most mega of mega-events, the Summer Olympics, to the city in 2012. While these efforts were aimed to bolster the tourism industry and generate tax revenue for the city, they were also intended to raise the city's international profile and provide publicity for its brand. Indeed, the actions that the administration took to target companies and to bring events were part of a single overarching marketing strategy that emphasized certain of New York's "intangibles," strategy described by Mayor Bloomberg in his 2003 State of the City address:

> A "road show" organized by our Economic Development Corporation will promote our city worldwide. Their sales pitch in cities around the globe will be that New York is the world's second home – a place where people from literally anywhere, if they have a dream, and are willing to work – can succeed. That's the message that won us the right to represent the United States in the international competition for the 2012 Olympics. We're confident it will win us attention from businesses around the world that are looking for new markets and opportunities for growth (Bloomberg 2003c).

2) Taking Custody of the City's Image

In this speech, Bloomberg went on to say:

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[59] In Bloomberg's first term in office, the city hosted the 2004 Republican National Convention as well as "The Gates," a massive art installation in Central Park by the artists Christo and Jeanne-Claude.

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> We'll take advantage of our brand. New York is the best-known city on the planet. Our skyline is recognized worldwide. News from our streets reaches homes around the globe. At last count, more than 340 songs have been written about New York. Yet, as a city, we've never taken direct, coordinated custody of our image. By changing that, we can realize additional…revenues immediately. Many companies are interested in sponsorship agreements, similar to their sponsorship of major sporting and charitable events. We'll do this in a way that protects the integrity of our services and that creates financial returns benefiting all New Yorkers (Bloomberg 2003c).

In April 2003, Mayor Bloomberg created the position of Chief Marketing Officer for the City of New York, hiring Joseph Perello, a marketing executive, to fill the position. At the announcement of this position, Mayor Bloomberg charged Perello and his team with marketing the city in the most literal sense:

> [The Chief Marketing Officer] will establish a centralized marketing strategy for the City that will enable us to effectively leverage the world's affection and admiration for New York City and the unique assets that we possess…The primary objectives of…the Officer include identifying the core marketing assets of the City and each City agency and tastefully centraliz[ing] them into a comprehensive value proposition [for] corporate sponsors much the same way any successful sports franchise or museum develops corporate support. Simultaneously, the CMO will develop proprietary City trademarks to license and distribute much the same way the NFL or the NBA develops, licenses and distributes their team and league marks (City of New York 2003a).

The Chief Marketing Officer was also to work with city agencies charged with drawing mega-events and film and television production to the city to insure that the city's image was protected and enhanced.

Under Perello's guidance, the City did indeed aggressively "take custody" of its brand: there were crackdowns on the sale of unlicensed goods adorned with city logos and sponsorship deals with the soft-drink company Snapple, which was given a monopoly in vending machines in the city's public schools, and the History Channel, which was given free advertising on city-owned property in exchange for featuring the

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city in programming and advertising.[60] While sponsorship deals with credit card companies were considered and rejected – the city did not want to compete with good corporate citizens like the city's financial companies – deals were pursued that would put the city-related logos and images on pajamas, toys, sports bras, golf balls, earmuffs, hair accessories, and more, all of which could be purchased on a new city merchandise web site that was charted to be up and running by early 2006. However, city officials vowed to avoid deals that were not "tasteful" – no shot glasses, for instance – and countered critics who objected to the commercialization of the city's image and the privatization of rights to its use by portraying these deals as an alternative to cutting services or raising taxes.

B. Deemphasizing Costs, Deemphasizing Taxes

Prior to Mayor Bloomberg's election, tax policy had long been the primary tool of economic development in post-fiscal crisis New York City. Mayor Giuliani had subscribed to conservative tax-cutting orthodoxy, slashing a number of city taxes in an effort to stimulate the city's economy, and tax incentive deals had been used for decades in order to reduce the tax burden of particular companies, usually in the face of their threats to move out of the city to a lower cost locale. Mayor Bloomberg was certainly not cavalier towards taxes, as demonstrated by his insistence during the 2001 campaign that he would not raise taxes and by his administration's attempts to find alternative sources

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[60] City Comptroller William Thompson sued the city over the Snapple deal, arguing that it was not properly reviewed. A judge later found that there had been irregularities, but refused to throw the deal out. More to the point, the deal – which the administration initially said would bring some $166 million into city coffers over 5 years, generated significantly less money than it had been projected to in its first years. Perhaps this was a result of anger on the part of students in city schools, who resented that their choices were being limited to one, high-cost, sugary beverage; in fact, some schools went as far as banning students from bringing in outside beverages altogether. See Andreatta 2004; Lucadamo 2004; Michaud 2004; Saltonshall 2004.

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of revenue through sponsorship and merchandising deals. Nevertheless, he downplayed the negative impact of taxes. For instance, after his election Bloomberg publicly scoffed at companies for which tax rates were decisive in locational decision-making, saying that "any company that makes a decision as to where they are going to be based on the tax rate is a company that won't be around very long…If you're down to that incremental margin, you don't have a business" (quoted in Tierney 2001). Deemphasizing tax cutting was, of course, of a piece with the notion that the city should be competing on the basis of value rather than cost, and was integrated into administration policy in two important ways: by reforming tax incentive policy and by choosing to raise taxes rather than slash services when faced with budget deficits.

1) Corporate Welfare Reform

One of the administration's first actions upon taking office was to scuttle one of the Giuliani administration's most publicized and controversial incentive deals, a proposed $1.1 billion subsidy to the New York Stock Exchange. If implemented, this deal would have represented the largest subsidy ever given a private entity in the history of all of New York State. There was little evidence that the Exchange in fact ever seriously considered moving out of the city, or even *could* realistically consider such a move. Mayor Bloomberg pointed this out in May 2002, calling the threatened move "inconceivable," and going on to say: "Come on, this is the Big Apple. This is the financial center of the world and that isn't going anyplace and the [Exchange] understands that (quoted in Williams 2002).

This belief in city's intrinsic attractiveness to business (or to certain businesses, anyway) regardless of cost, played an important role in the development of the

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administration's policy towards the use of discretionary tax incentives deals to retain companies.[61] By mid-2002, EDC President Alper had outlined a clear process and a stringent set of criteria for the offering of such corporate retention deals, which brought an increased degree of skepticism and scrutiny to companies' claims that they were considering a move out of the city and elaborated guidelines for the size and structure of any deal that was offered.[62] The city would be offering discretionary corporate retention deals only in certain, well-specified circumstances, and when it did offer the deals, they would be carefully crafted and would contain "clawback" provisions, which imposed penalties on firms who violated the terms of their deals.[63] The industry desks of the EDC's Client Coverage Operating Division would play an important role here, acting to head off prospective demands for tax subsidies by tracking upcoming lease terminations and other developments, sizing up the likelihood of a company's move out of the city, proactively contacting companies and encouraging them to stay without the use of tax incentives, and evaluating the importance of companies that nevertheless threatened to leave to the city's economy.

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[61] Most of the city's subsidies were granted as-of-right to any company that met certain criteria; most discretionary deals were with small private firms and nonprofits, and did not usually rise in dollar amount above the tens of thousands. These were not particularly controversial. Rather, it was the discretionary subsidies involving many millions of dollars made to large, successful companies, often in the financial and media sectors, that drew the most criticism, and which were the most difficult to justify. The smaller subsidy deals continued under the Bloomberg administration, and were largely unaffected by the shifts in policy described here, which generally affected the large financial and media firms that had received the lion's share of the dollar benefits from past retention deals

[62] In New York, tax incentives flow through the Industrial Development Agency, a non-profit organization housed in the EDC and staffed by EDC employees. For all intents and purposes, this agency is indistinguishable from EDC.

[63] Most corporate retention deals require companies to retain a certain number of employees in the city, requirements that had generally not been enforced in the past. See Bowles 2001. As well as strengthening the terms and enforcement of these provisions, the administration also opened up the hearing process for the granting of such deals to the public; previously they had been negotiated largely in secret and their details were, for all intents and purposes, hidden from public view. See Good Jobs New York 2004.

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The administration did generally follow this policy in practice. The Stock Exchange deal provided evidence that there would be a new standard for retention deals, but its outrageously generous terms and the fact that virtually no one outside of the Giuliani administration thought it necessary made it a relatively easy target. A more important test came later in 2002, when the securities firm Bear Stearns made a play for a third job-retention incentive package in just over a decade. Despite the commitments the firm made in these agreements, it threatened to move 1,500 jobs to New Jersey when the lease for its downtown Brooklyn location ended in 2004 unless granted a subsidy to move its operations there to Lower Manhattan. Administration officials accused the firm of trying to renege on its commitments, and by the end of 2002 negotiations were at an impasse. In the end, the administration refused to grant any new incentives – and Bear Stearns did not move any employees to New Jersey.[64] Though the administration did grant some tax deals to existing New York City companies, these deals met the criteria that Alper had laid out and were nowhere as frequent as they had been in the past. [65]

In addition, the administration changed the focus of tax incentive deals from retaining companies and jobs already in the city towards an emphasis on job and revenue growth, achieved by encouraging existing city companies to expand their operations or by attracting new firms. For example, in 2002, the city granted subsidies to two New York firms, the Hearst Corporation and the Bank of America, in exchange for expansions

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[64] The city did make some concessions to the firm in order to avoid alienating a major New York City employer, but they were minor and did not involve the granting of any new tax incentives.

[65] Some caveats need to be added here. First, the relatively loose and cheap commercial real estate market in the city during 2002 and 2003 reduced cost pressures on company and thus lowered the number of companies demanding subsidies. Second, the availability of federal development assistance responding to the terrorist attacks of September 11, 2001 also reduced the demand for city-funded corporate retention deals. Much of this assistance was used in ways only tenuously related to post-9/11 reconstruction.

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that both created jobs and involved the construction of new Manhattan office buildings. Subsidies were also used to lure new firms into the city, though usually only as a minor element of intensive campaigns, often involving the personal involvement of high-level city officials, to woo these firms' executives. In 2004, for instance, Virgin Atlantic was granted a small, $11 million subsidy for locating the headquarters of its new low fare airline in New York City. City officials and company executives indicated that the subsidy was less important in this decision than the city's deep and talented labor pool and the intensive and apparently successful efforts on the part of EDC President Alper and others to argue that the city's cultural dynamism was a perfect fit with Virgin's "hip" image.[66]

"We've essentially ended corporate welfare as we know it," Mayor Bloomberg told an audience of corporate executives in late 2003, "by no longer paying companies – who wouldn't have left anyway – to stay in our great city" (Bloomberg 2003a). This statement must be taken with a grain of salt, as the administration's definition of "corporate welfare" was a narrow one, excluding a host of other forms of corporate subsidization besides retention subsidies. Nevertheless, the policy it described represented an important shift away from the idea that cost reduction for particular companies was the be-all and end-all of economic development policy and indicated that the administration's embrace of an economic development policy based on the value the city could offer was more than rhetoric.

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[66] See Kim 2004; Magill 2004.

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C. "What Kind of Businessman Raises Your Taxes?"

So asked a 2002 *New York Times* article discussing Bloomberg's plans to address the city's budget deficit (Steinhauer 2002b). Since the fiscal crisis of the 1970s, New York City's mayors, including liberal Democrat David Dinkins, had primarily relied on slashing city spending rather than raising taxes to close the city's recurring budget crises. In contrast, faced with huge budget deficits, in late 2002 Bloomberg put forward a plan including $3 in tax increases for every $2 in budget cuts, most of which resulted from one-time savings rather than service cuts or layoffs. The Mayor's plan included an increased commuter tax (which required and never received, the approval of the state legislature) and a whopping 25 percent increase in the city's property tax, which could be enacted without State approval and which was passed by the City Council, though after being reduced to an 18.5 percent raise.

Mayor Bloomberg repeatedly defended the tax hikes by evoking the memory of the fiscal crisis of the 1970s. For Bloomberg, the lesson of that fiscal crisis was the foolishness of rashly cutting services in the name of fiscal responsibility and economic recovery. In his 2003 State of the City address, the mayor stressed the importance of high-level and high-quality public services for the city's economic success, as well as the ability of good management to counter the negative effects of budget cuts that had been made:

> During the fiscal crisis of the 1970s, services were cut so much that crime gripped whole neighborhoods, fires gutted whole blocks, and garbage littered the streets…I won't permit that history to repeat itself…Last month, we took the difficult but necessary step of raising the property tax rate…I would not have asked the City Council to take these steps if they weren't necessary or if we had any practical alternatives. No one likes the imposition of taxes or budget cuts – the only choices the law allows. But devastating the very services that make this the world's second home is far worse than paying more and doing with less. Taxes and frugality are far better than crime, filth and abandonment (Bloomberg 2003c).

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According to the mayor, the central choice faced in balancing the budget was between "paying more" and "the very services that make this the world's second home." What made New York City "the world's second home" was not its tax policy, but the services the city government provided and the kind of environment created by those services. Higher taxes, while clearly undesirable, would not undermine the city's economic position; on the contrary, gutting the services that taxes provided would do far more to undermine the city's desirability as place to live and to do business. Despite predictable and sustained critiques from anti-tax conservatives and some business groups, Bloomberg stuck to this position throughout his first term in office.[67] Even as his 2005 reelection campaign geared up, he refused to rule out further tax increases if reelected, saying:

> My objective would be to bring [taxes] down, but when you say "taxes are too high" you're talking about a number out of context. The real issue is after you pay your taxes, what kind of a life do you have?...If you think taxes are too high, I would argue you're probably a little bit out of step with businesses that are coming here, businesses that are expanding here, people who are driving residential real estate prices up…Nobody wants to pay taxes, [but] would you really like to go back up to 2,200 murders a year? (Bloomberg 2005d).

The answer then to the question posed by the *New York Times*? The kind of businessman who believes that quality city services created more value for business than lower taxes.

D. Urban Development as Product Development

In the Bloomberg administration's urban marketing campaign and in its prioritization of city services over lower taxes, we can clearly see the Bloomberg Way at work: the administration would market the city as a *luxury* product well-worth its high cost. As novel as these practices may have been, it was in the arena of urban development that the Bloomberg administration's corporate approach reached its

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[67] For examples of such critiques, see Editorial 2002, 2003; McMahon 2005.

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apotheosis, in which it was not just the city as a place to do business, or the image of the city that was being branded, marketed, and sold, but the very urbanism of the city itself.

As we have seen, Deputy Mayor Doctoroff brought into city government a strong belief in the importance of urban planning to economic development. This nexus between the city's physical form and its economy had grown in the hothouse of NYC2012, as Doctoroff, Alexander Garvin, and others developed an Olympic plan that aimed to strengthen the city's economy – and most importantly, its postindustrial and real estate sectors – through a series of planning interventions that would unleash commercial development in the city. The most important of which was the Hudson Yards plan for the far west side of Manhattan. While the Bloomberg administration would embrace the NYC2012 plan in general, and the Hudson Yards plan in particular, it would do so in the context of political-spatial rationality that differed in important ways from the postindustrial ideology that had informed not only the development of the Olympic plan, but the broader approach to urban development that had long been the hallmark of New York City's development politics. Whereas postindustrial ideology was a loose set of concepts and rationalizations that had served to legitimize what was in fact a real estate-driven development strategy by portraying it as a jobs strategy, to use Robert Fitch's formulation (1993, 49), the urban diagram of the Bloomberg Way was far more coherent and comprehensive, informed by a particular approach to the processes of governing and knowledge production, a particular synoptic vision of the city as a whole and, a particular way of perceiving and molding the spatiality of the city.

In his 2003 State of the City address, Mayor Bloomberg argued that exploiting the city's competitive advantages required nothing less than an aggressive transformation of

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its physical form, in order to produce an environment appropriate to the needs and desires of the well-educated professionals that staffed the city's financial, media, and business services sectors, as well as those of their employers:

> To capitalize on [our] strengths, we'll continue to transform New York physically…to make it even more attractive to the world's most talented people. New York is the city where the world's best and brightest want to live and work. That gives us an unmatched competitive edge, one we'll sharpen with investments in neighborhoods, parks and housing. We'll invest in neighborhood livability, cultural organizations, education, research and medicine [and we'll] expand and develop business districts in all five boroughs (Bloomberg 2003c).

Bloomberg went on to outline an aggressive and comprehensive program of urban development that was followed faithfully over the next few years by the agencies under Deputy Mayor Doctoroff's control. This program had two central elements, each aimed to enhance the city's competitive strengths.[68]

The first was the creation of a high quality residential and recreation environment, a set of "unequaled amenities" attractive to well-educated professionals. This included the facilitation of housing development, primarily luxury housing, throughout the city, but especially in Williamsburg/Greenpoint, West Chelsea, Harlem, and in downtown Brooklyn and thereabouts. It also involved curtailing "inappropriate" residential development to protect "neighborhood character" in suburban-style, single-family-home neighborhoods in the outer boroughs. Together, these two initiatives served several upscale market segments, as it were: young single professionals, retired empty-nesters, and families seeking to stay in the city. Also emphasized was the development of parks and open space, especially along waterfront areas: the former site of the Fresh Kills landfill in Staten Island was slated to become a massive new park with everything from

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[68] See New York City Department of City Planning 2003b.

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mountain bike trails to equestrian facilities; the city's network of bike paths was to be lengthened and strengthened, especially on the waterfront; sidewalk cafes were to be encouraged; and specific waterfront sites in West Harlem, Williamsburg/Greenpoint, and the far west side of Manhattan were to be developed with a mix of uses. Indeed, mixed use plans aimed at creating "unique spaces" were proposed for areas throughout the city, from Lower Manhattan to Morrisania in the Bronx. Finally, good urban design, cutting-edge architecture, and cultural uses were encouraged.

The second element of the administration's urban development agenda was the creation and enhancement of diverse office districts throughout the city. After the January 2003 economic development summit Deputy Mayor Doctoroff remarked:

> We must find creative ways to build on and improve the City's unique competitive advantages to attract companies and spur private investment. We…need to develop areas outside the traditional central business districts of Midtown and Lower Manhattan so that companies that need to diversify or need lower cost alternatives can be accommodated within the five boroughs (quoted in City of New York 2003b).

Even more clearly conceptualizing urban development as product development, in 2004 Doctoroff said:

> We have to offer different products for different corporate customers. Lots of the people who want to be in New York want to be in Midtown Manhattan, and Midtown Manhattan is pretty much at capacity. So we're trying to do [expand that district]. We're trying to do it all over the city…We recognize we've got to offer different things to different people. (quoted in DeDapper 2004).

The administration formulated plans for commercial development in a number of different areas, each aimed at a particular segment of the office market. Downtown Brooklyn and Long Island City, for example, were intended to compete with New Jersey for lower-cost office space housing back-office functions that did not need to be in Lower or Midtown Manhattan but still needed to be relatively close by. Jamaica, in Queens near

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the JFK airport, was conceived of as an "an airport/corporate park- type environment" (Alper 2004). Other districts – Harlem, the Hub in the Bronx, and Flushing in Queens – were to be developed as "regional" commercial centers geared towards industries that served local markets, like government services and healthcare, and supplemented with a mix of retail, entertainment, and tourism-related development.

While all the elements of this two-pronged, "five-borough development strategy," as the Mayor repeatedly called it, were important, there was one project that was first among equals: the Hudson Yards Plan. Despite some early hesitancy on Mayor Bloomberg's part to publicly fund the Olympic stadium in the context of a harsh fiscal crisis, he was largely committed to the project from the start, as shown by Doctoroff's appointment as Deputy Mayor. By early 2003 the importance of the Hudson Yards plan was apparent: in his State of the City Address, Bloomberg called the plan "our highest priority," and devoted several minutes to discussing the plan, while barely mentioning the plans for World Trade Center site redevelopment (Bloomberg 2003c).

The Hudson Yards plan served as both the capstone of the Bloomberg administration's urban and economic development strategy and a microcosm of the strategy itself. It would create the city's next great office district, an extension of midtown Manhattan, which was rapidly running out of space to grow and which was clearly viewed by the Mayor and the Deputy Mayor as the city's premiere CBD.[69] Its 80-story office buildings would provide "prestigious addresses" for the high-margin companies that administration officials had indicated were best suited to capitalize on a

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[69] Bloomberg LP was located in midtown, as was the company's new headquarters building, which was under construction when Bloomberg became mayor. In addition, Daniel Doctoroff, as we have seen, had invested in midtown and far west side real estate.

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New York City location, and which formed the core of the city's economy. Moreover, the Hudson Yards plan included luxury housing, waterfront development, and new open spaces, not to mention a convention center expansion that would stimulate the tourism industry. Finally, the Hudson Yards plan was the most important element of NYC2012's plan for the Olympics, the biggest mega-event of them all, and one that reinforced the ideas of competition, ambition, cosmopolitanism and diversity so crucial to the administration's efforts to market the city – and to the vision of the city that was held by its ex-corporate executive leaders.

It would, as we shall see, also prove to be a plan most difficult to bring to fruition, despite its high priority, and despite the fact that the administration was successful in implementing much of its development agenda. During Mayor Bloomberg's first term, Deputy Mayor Doctoroff's reorganized economic and urban development apparatus successfully pushed a series of major rezonings and development projects through the approval process, including plans for downtown Brooklyn, Williamsburg/Greenpoint, West Chelsea, Park Slope, Harlem, and Long Island City, as well as plans for the downzoning of a number of upscale residential neighborhoods throughout the five boroughs. Significant progress was also made on plans for the East River waterfront in Lower Manhattan, for the completion of a greenway circumnavigating the Manhattan waterfront, for the redevelopment of Flushing, and for the Fresh Kills Park in Staten Island. In all these endeavors, coordination between the EDC, charged with developing the economic development aspects of these plans, and the DCP, charged with developing land use, urban design, and physical plans for these areas, proved essential.

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This agenda, of urban development as product development, of comprehensive planning as niche marketing, represented not only the most aggressive urban development agenda since the days of Robert Moses but also an important departure with previous practice. The postindustrial development strategy embraced by the city's traditional growth coalition was primarily driven by the logic of real estate profit, was relentlessly local, and was narrowly focused on the construction of high-end office space and luxury housing. In contrast, the Bloomberg Way, in the name of squarely facing interurban competition, embraced a multi-dimensional sense of urbanism that incorporated not just the profitable construction of office towers and luxury housing, but the construction of open and recreational space and the cultivation of culture, leisure, consumption, and neighborhood quality of life.

Nearly three decades ago, Henri Lefebvre predicted that urbanism would soon supplant industrialization as the central "problematic" of capitalist society. While this prediction has yet to be borne out, we can see in the Bloomberg Way the realization of one of Lefebvre's less sweeping insights. In the *Urban Revolution,* Lefebvre argues that "urban reality modifies the relations of production without being sufficient to transform them. It becomes a productive force, like science" (2003, 15). In the Bloomberg Way the city is imagined – and more than this, reshaped and governed – as a value-adding product, an input into the production process itself.

VI. The Political Contradictions of the Bloomberg Way

This, then, was the Bloomberg Way: the mayor as CEO, the city government as a corporation, businesses as clients, and the city itself as a product. While the use of corporate language and management practices in government has become more common

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in recent decades, the Bloomberg administration's urban and economic development policy was more than inflected or influenced by the corporate experience of the mayor and his key economic development officials. Rather, corporate rationality was pervasive and foundational, the DNA of the Bloomberg Way. This gave economic and urban development policy a coherence and comprehensiveness lacking in the past: postindustrial ideology was more a loose and flexible set of simplistic precepts concerning the position of the city in the global/postindustrial/new/information/ideas economy than a coherent basis for a comprehensive economic development strategy. In contrast, the urban diagram of the Bloomberg Way tightly integrated processes of producing knowledge about the city, the results of those processes, certain managerial techniques, and a strategy to physically remake the city to form a specific spatio-political rationality. While Bloomberg and his approach to urban governance was often characterized as pragmatic and nonideological, not least by the Bloomberg himself, the Bloomberg Way was in fact deeply ideological and ambitious, a grand, synoptic vision of the city *as a whole* – and a program for its transformation.

Osborne and Rose write that "each diagram depicts and projects a certain 'truth' of the city" (1998, 3). In its emphasis on the specificity – and the partiality – of the "truth" about the city elucidated by an urban diagram, this formulation draws our attention to the question of politics, to the "grammar of groups and their struggles," even if Osborne and Rose fail to explicitly raise this question (Isin 1998, 43). *Which* truth is depicted and projected, or better yet, *whose* truth, matters very much if we are not to be find ourselves in the theoretically untenable situation of positing "strategies without strategists" (Isin 1998, 43).

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The common understandings, experiences, values, and vision of the city shared by the chief strategists of the Bloomberg Way were products of a very particular class background. Bloomberg, Doctoroff, and Alper were all solidly ensconced in the upper levels of the city's new corporate elite, and had all purportedly achieved great success on the meritocratic basis of their own education, skill, hard work, and ambition. Yet despite the specificity of this shared background, which as David Ley (2004, 160) points out can be intensely parochial even as it is global and cosmopolitan, the Bloomberg Way was represented as serving the interests of the city as a whole, as providing a path to shared prosperity, as "preparing *all* of New York to compete, and win, in the future" (Bloomberg 2004c, emphasis added). In fact, inherent in this corporate approach to urban governance was a insistence that the city's citizens subordinate their own ostensibly selfish and parochial interests to that of the city was a whole, an insistence made explicit in Mayor Bloomberg's 2003 State of the City address when he asked New Yorkers to "keep the good of our whole city ahead of any narrow ideological or political interests" (Bloomberg 2003c). The Bloomberg Way constituted a denial of the legitimacy of "groups and their struggles" even as it was itself a product of such struggles. The Bloomberg Way was caught in a fundamental contradiction: it was at once both deeply antipolitical and deeply political.

A. The Corporate and Technocratic Antipolitics of the Bloomberg Way

While Bloomberg's awkwardness at the kind of handshaking, baby-kissing, and pandering political theater that so often defines the phrase "politics" received much attention, the Bloomberg Way represented a more profound submergence of politics, a denial of the inevitability of political conflict in a city of the diversity and inequality of

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contemporary New York City. The antipolitics of the Bloomberg Way were deeply rooted in its corporate nature. By explicitly casting the city government as a corporation, businesses as clients, and the city as a product, the administration made the implicit claim that the fundamental aim of economic and urban development policy was as clear and well-defined as the fundamental aim of a firm. Whereas competitiveness in the name of profit is the overriding objective of corporate management, urban competitiveness towards the end of economic growth was posited as the overriding objective of urban management. Such growth would supply increased tax revenues that were, as Bloomberg often argued, the only tenable long-term solution to the city's recurrent budget crises and the only way in which high-quality city services could be maintained. Economic growth would also provide jobs, which Bloomberg was wont to call "the most effective social policy" (Bloomberg 2003a). Though administration officials often touted the importance of "rewarding and fulfilling" jobs, they did little attention to insure the quality of the jobs brought into the city, following a quantitative strategy in which it was evidently assumed that more jobs would necessarily lead to more good jobs.[70] In keeping with the unquestioned belief in the goodness and inevitability of quantitative growth that is a fundamental goal of the capitalist firm, as well as capitalist development in general, the Bloomberg Way posited a single, unitary interest for the city as a whole: economic growth, to be measured in terms of jobs growth, gross city product growth, and the growth of tax revenues.

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[70] This was challenged by a number of progressive and labor groups who proposed sectoral-based economic development strategies that targeted the growth of industries in which good wages and benefits and career ladders were the norm. See Labor Community Advocacy Network to Rebuild New York 2003.

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Three things are noteworthy here. The first is that the question of distribution – of jobs, of income, of tax burdens and benefits is – becomes moot; the only issue is that of the quantitative growth of jobs, aggregate city income, and overall tax revenue. The second is that urban development policy becomes deeply depoliticized. Even a cursory glance at New York City history, to say nothing of urban history in general, indicates that economic and – even more so – urban development policies and projects are inherently divisive and conflictual, marked by racial and class tension, community opposition, litigiousness, cross-industry dispute, real estate manipulation, intergovernmental conflict, clashes of ego, and deep divergences in types of claims on and values attributed to particular places by their different users. Yet the Bloomberg Way posited a sole metric by which such policies and projects should be measured: the degree to which they enhanced the city's competitiveness. Finally, Mayor Bloomberg, armed with his own business expertise and that of his economic development officials, implicitly – and, as we shall see, at times explicitly – claimed the prerogative to determine the most efficient and effective strategy to enhance the city's competitiveness. Just as the mayor had expected his employees at Bloomberg LP to defer to his decisions, so New York City's citizenry was expected to defer to the CEO Mayor's decisions concerning both overall competitive strategy and specific "investments," as the administration dubbed individual economic and urban development projects like the Hudson Yards plan.

The antipolitics of the Bloomberg Way were reinforced by one particular characteristic of the corporate model that was being imported from the private to the public sector: it was deeply technocratic, as acknowledged by high-level aides, one of whom hedgingly described the administration's approach to me as "more than good

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government, [its] almost technocratic in some ways" (Fuchs 2004).[71] It is the nexus between technocracy and corporate management practice that defines the particular business culture from which Bloomberg, Alper, and Doctoroff emerged: the culture of the transnational capitalist class as described by Leslie Sklair, which is centered on the professional and meritocratic figure of the "global executive," dedicated to the pursuit of expert-determined "best practices" and quantitatively measured "benchmarking."[72]

Earlier in this chapter we discussed both the Mayor's respect for professionalism and expertise, as well as the ways in which Mayor Bloomberg's campaign promise to deliver "performance" was translated into an emphasis on the necessity of evaluation – both within the administration and of the administration by the public – through the use of quantitative measurement (which of course dovetailed with the quantitative approach to economic growth just discussed). Indeed, Mayor Bloomberg's demand that he be judged on the basis of performance was premised on the existence of adequate and unambiguous metrics of this performance. Moreover, the idea of performance implies a strict separation between ends and means, treating questions of policy as a matter of finding the "best" – the most efficient and effective – means to achieve a particular, predetermined end, and thus reducing complex and contentious interventions with

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[71] Ironically, in a 1992 book, Fuchs decries the "framing [of] policy decisions in management terms" that "serves to obscure the political dimension of the decisions and discourages public involvement in setting the political agenda" in post-fiscal crisis cities like New York (1992, 283). While Fuchs' point in that book was to decry the ostensibly "inevitable" Reagan-era cutbacks to social and public services that often accompanied this kind of managerialism – cutbacks that Bloomberg, as we shall see, generally avoided in favor of policies that would expand the tax base – the administration of which she was part nonetheless used such technocratic and managerialist rhetoric and practice to stifle political debate and obscure the deeply political nature of its decisions.

[72] See Chapter Four and Sklair 2001.

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profound political implications to a matter of the application of expertise.[73] The high-level and low-level staff who Mayor Bloomberg had hired based on professional qualifications and relevant expertise would be responsible for developing the best technical means to the ends the mayor had declared paramount: competitiveness and economic growth. This technocratic ethos suited many of these professionals, whose expressed rejection for "politic as usual" and whose admiration for the mayor for being "above politics" echoed the distaste for politics often displayed by professionals.[74]

Implicit in the Bloomberg Way then was a deep hostility to politics. The Bloomberg Way had antipolitical implications for the relationship between government and citizen: the CEO Mayor, Michael Bloomberg, claimed the prerogative to both make conclusions about the interests of the city as whole – in terms of overall policy and in terms of particular projects – and to have the members of his administration determine the best way to achieve those interests on the basis of their expertise, both corporate and otherwise. Moreover, inherent in both the synoptic quality of the Bloomberg Way and its premise of the pervasive importance of interurban competition was a particular antipolitical *spatial* ideology: New York City was conceived of as a *territorially bounded* and *socially unified* economic unit in competition with other such units. The insistence on the importance of unity in the aim of competition, as well as the technocratic insistence on the efficacy of measurement and expert knowledge, served to

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[73] The depoliticizing nature of this expertise-centered approach to a number of policy realms, including that of "development" and anti-poverty policy (Ferguson 1990), environmental policy (McAvoy 1999), as well as in the context of neoliberal urban policy (Gough 2002; Isin 1996; Peck and Tickell 2002).

[74] See Marcuse 2002, 159-161.

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delegitimize the political expression of the city's internal divisions, if not to elide their existence altogether.

B. The Politics of the Bloomberg Way

Yet, as the previous chapter's discussion of the CEO autobiography as literary genre and campaign strategy should demonstrate, the very claims to performance and managerial expertise upon which the antipolitics of the Bloomberg Way rested were themselves deeply political, claims serving to legitimize the immense power held by CEOs. This was only the first element of the politics of the Bloomberg Way. The specificity of the vision of the city as a "luxury product" was also deeply political, benefiting one set of interests even as it disadvantaged other. Furthermore, the Bloomberg Way represented a consolidation of state power, a redrawing of the balance between the private and public sector. Finally, in making the Hudson Yards plan the capstone of its aggressive development agenda, the administration was venturing – figuratively and literally – into deeply contested territory.

1) The Politics of "the Luxury Product"

The idea that the value of a New York City location outweighed its high costs – that is, the idea that New York City was "a luxury product" – was true only for certain businesses. While the Bloomberg administration clearly acknowledged this, what was not acknowledged was fact that this conclusion was deeply effected by the particular experiences and interests of key officials and administration allies. Conservative Manhattan Institute analyst E.J. McMahon puts it well:

> Bloomberg's problem is that he continues to draw solely on his own experience. He thinks he never would have gotten rich anywhere else and he doesn't want to be anywhere else – and if you want to be anywhere else you are crazy. That isn't true for everyone (quoted in Temple-Raston 2005).

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Disguised as a technocratic, hardheaded business strategy was a highly class- and experience-bound notion of what New York City had to offer as a place to do business. The key members of the administration's economic development team, as well as the businesses represented by the Partnership for New York City, were far from representative, not just of New York City as a whole, but even of business in New York City. Alper and Doctoroff had both come from the financial sector. Bloomberg had developed his company at the intersection of media, information technology, and finance. McKinsey & Co. is perhaps the most prominent consulting firm in the country, and is dependent on these sectors for its personnel and its business. Finally, the Partnership, despite its rejection of the label of a trade group and its claims to represent all of New York's "business community," is clearly skewed towards global firms in the financial, business services, and media sectors.[75]

The move away from cost as the basis of competitive strategy certainly made sense to the members of the Partnership, McKinsey & Co. consultants, and the key members of the Bloomberg administration's economic development team; the heavy emphasis on the city's urbanism and its labor force as its most important competitive strengths reflected the experience and outlook of a well-educated, professionalized, cosmopolitan corporate elite. However, these individuals and groups represented a

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[75] See Chapter Four. In addition, Partnership V.P. Patricia Noonan told me:

> The Partnership…doesn't represent one sector…it's not a trade group, like the Real Estate Board…We really represent the broad spectrum of industries in New York. We're not just speaking for one industry; we're speaking for all of them (Noonan 2004)

Yet she also acknowledged the particularity of the Partnership's membership:

> Not all of [our members] are global, but all of them are big…We represent the large employers. We do not speak for small business. Our leaders are the larger companies (Noonan 2004).

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severely limited, if dominant, point of view, one that excluded the experiences of low-wage service workers and even middle-class professionals squeezed by costs of living. And it did not represent the views of many members of the city's business class, including many real estate elites, small business owners, or the owners of manufacturing and other industrial businesses.

By early 2003, a split was emerging in the city's business class, with small business owners, industrial and manufacturing interests, and real estate elites on one side and the Partnership on the other. This conflict had erupted into with Mayor Bloomberg's 2002 proposals to raise taxes to close the city's budget deficits, as the Partnership refrained from opposing the tax hikes and had been generally supportive of the Mayor, much to the consternation of representatives of real estate and small business and of the business press.[76] However this particular controversy signaled a deeper divergence, as

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[76] *Crain's New York Business* editorialized a number of times in late 2002 regarding the Partnership's refusal to condemn the tax hikes, implying that it represented a craven effort to curry favor with the Mayor rather than reflecting a high-minded dedication to New York City (David 2002; Lentz 2002a, 2002b). Indeed, a cynical observer might wonder if the Partnership and the corporate executives it represented might been so willing to accept tax increases of other kinds – income tax increases, or a reintroduction of the stock-transfer tax, for instance – that would have more directly affected the bottom lines of financial, business services, and media firms. Nevertheless, the leadership of the Partnership continued to tout its pro-competitive business environment bona fides while declaring its right to make judgments regarding specific policies: "The Partnership, however, is not a knee-jerk, anti-tax organization, especially when the city faces a fiscal crisis" (Wylde 2002). In fact, the Partnership *had* taken anti-tax positions in past situations of fiscal crisis, as in 1991 when the Partnership joined the REBNY and the Rent Stabilization Board in opposing then Mayor David Dinkins' proposal to increase property and income taxes.

Steven Spinola, the president of the Real Estate Board of New York had this to say about Bloomberg's proposed property tax increase:

> We believe any substantial increase is going to be devastating for the city. Forget about for business – devastating for the city long-term because it's going to eliminate, over time, private-sector jobs. That's what tax increases result in (quoted in Lentz 2002a).

The Real Estate Board, attempting to link up with multitudinous small property owners, formed an umbrella organization called "Taxpayers for an Affordable New York." Small business groups vocally opposed the tax hikes, particularly borough and neighborhood level chambers of commerce. The Manhattan Chamber of Commerce, for instance, said the property tax increase would "create a massive

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the idea of the city as a "luxury product," and the new calculus of cost and value that it represented, had very different economic implications for different industries and sectors – and thus important political implications. Most notably was the unfamiliar spot in which it placed the real estate industry, traditionally the most powerful industry in the city and the core of the city's traditional growth coalition, and traditionally allied with the city's financial industries.[77] Now, real estate was outside the innermost circle of power, along with often put-upon manufacturing firms and small businesses; as one developer complained after Bloomberg announced his tax hike, "He's not seeking our counsel. He didn't talk to us. He just said it" (quoted in Bagli 2002).[78]

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exodus of businesses, either through actual physical moves out of our five boroughs or through 'Going out of business' signs" (Lentz 2002a).

[77] As discussed in Chapter Two, real estate interests and the New York Banks had long formed the heart of the city's traditional growth coalition. Though the globalization of these banks had steadily eroded the coherence of this political alliance over time, important financial links between the financial industries and real estate developers have persisted. As Susan Fainstein (2001a, xi) documents, the 1980s saw New York financial firms make major speculative investments in the city's real estate; when these investment turned sour, financial firms stepped back and tightened the flow of capital into city real estate during the 1990s. By 2005, some investments banks without much experience in real estate financing were reentering this market using complex and risky financing instruments (Satow 2006).

[78] Indeed, entrenched real estate interests had been suspicious of Bloomberg from the beginning. Some of this had to do with the fact that Bloomberg's refusal to accept campaign contributions left the real estate industry, historically the largest source of donations to mayoral candidates, with little leverage over the new mayor. The appointments of Doctoroff and especially Burden caused great consternation in real estate and associated circles, who were accustomed to seeing real estate executives in positions related to urban and economic development. Greg David, editor at *Crain's Business New York*, a newspaper with strong links to the real estate industry and a conservative, anti-tax, and pro-development bent, expressed this dismay:

> Many of the real estate people think they're anti-development…Doctoroff and Amanda Burden are the only economic development officials in my 20 years in New York to win the praise of the Municipal Arts Society. Businessman mayor appoints the number one economic development official and planning commissioner. And the only people in my 20 years to win the support of the Municipal Arts Society, which is, in anybody's legitimate view, the worst anti-development group around. So, what kind of businessman mayor is this? (David 2004).

In fact, the Municipal Arts Society is a quite moderate group, far more concerned with making development aesthetically pleasing than standing in its way, that emerged from the early 20th century City Beautiful movement.

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2) Strengthening the Position of the State

If the Bloomberg administration was drawn from and allied with certain segments of New York business, it was not subservient to private interests. In fact, the opposite was true, as the Bloomberg Way constituted a strengthening of the position of the state vis-à-vis the private sector. Implicit in the new understanding of the city's "value proposition," especially when taken in tandem with the proactive and "client-centered" approach espoused by city economic development officials, was an attempt on the part of the Bloomberg administration to restructure the relationship between the city government and business as an equal partnership. The willingness of the administration to reach out to and to support business – the city's "valued clients" – was paired with the strongly held belief that New York City, regardless of its high costs, was a good place to do business. This belief rendered unfounded and hollow the threats that so many companies had made to leave the city unless subsidized. It also enhanced the position of the city government in relation to such companies. Imbued with confidence in the desirability of the city as a place to do business, city economic development officials were willing to take a much tougher negotiating position, to call the bluff of companies like Bear Stearns and the New York Stock Exchange as they attempted to capitalize on interurban competition for their own ends. It permitted Mayor Bloomberg to insist, as Ester Fuchs told me, that there would be "no pandering to business," that while an "important partner," "business...must hold up its end" (Fuchs 2004). This was communicated quite openly by administration officials' public use of the term "corporate welfare, a derogatory term usually employed by liberal and leftist critics of economic development

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policies, as well as in Mayor Bloomberg's frequent public admonishment of fellow corporate executives he perceived as acting badly.[79]

The assertion of the city's value as a place to do business regardless of cost enhanced the ability of administration officials to set the terms of often complex and subtle urban business-government relations. However, the Bloomberg Way strengthened the position of the state – most notably in relation to real estate interests – in more straightforward ways. The centralization of all the city agencies related to economic and urban development under the command of Deputy Mayor Doctoroff gave him control of what one reporter aptly called "an awesome arsenal of city development agencies" with power over almost every aspect of the city economic and urban development policy (Golson 2004a).

This had two effects, both of which would have important roles in the conflict over the Hudson Yards plan. First, it provided the capacity for the rationalization of urban development in accordance with the ambitious agenda for the city's physical transformation that was an integral part of the Bloomberg Way. This agenda was not necessarily inimical to real estate interests, as it involved the stimulation of commercial and residential construction in neighborhoods throughout the city. Yet it was structured by a very different rationality than that of strict real estate profitability. Deputy Mayor Doctoroff captured this when speaking of the administration's desire to substitute luxury housing for office space at the World Trade Center redevelopment site over the wishes of

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[79] For example, Bloomberg challenged the loyalty and commitment of the leadership of the New York Stock Exchange for threatening to move to New Jersey: "In this day and age, if they were ever thinking about moving away, 9-11 must have ended that. Nobody's going to desert New York City at this point in time" (quoted in Williams 2002). As we shall see in Chapters Seven and Nine, this invocation of "urban patriotism" emerged as a favorite rhetorical device used by members of the administration to question the legitimacy of their critics.

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Larry Silverstein, the site's owner and a prominent developer. "There is an inherent conflict between someone who is market-driven and the city's interests, which should be rationally discussed," Doctoroff said in early 2005 (quoted in Magnet 2005b).[80] For decades, the interest of the city and the interest of "market-driven" real estate investment were conflated: what was good for real estate was good for New York. But no longer. While the logic of "market-driven" real estate development and that of the "rationally" determined "city's interest" were often in accord – especially given the shared dedication of real estate interests and the administration to bringing the 2012 Olympic Games to New York and the role NYC2012 played in reconciling potential conflicts – they were not identical.

The second effect of the centralization of bureaucratic power in Deputy Mayor Doctoroff's office was less innocuous: it gave him the ability to mete out rewards to real estate developers and others who chose to follow the administration's dictates and punishments to those who did not. The administration steadfastly rejected the notion that the Deputy Mayor took advantage of this ability. Yet many in the real estate industry (as well as in other industries) certainly saw the fate of their projects as dependent on staying in the good graces of the Deputy Mayor.[81]

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[80] The Bloomberg administration consistently advocated mixed-use development on the World Trade Center site, in keeping with its view that Lower Manhattan's future was as a mixed-use, 24/7 neighborhood, rather than as a mono-use CBD: midtown was the future of high-end office space in the city (See Chapter Seven). This directly conflicted with the wishes of Silverstein, who fought for the restoration of all of the office space that had been destroyed and for major state and city subsidies if the market could not support it. At one point the administration even floated the idea of removing Silverstein from the picture altogether since, as the Mayor put it, "I just don't think we're making as much progress as we should, particularly [on] things that might not be high on his economic agenda but are high on our economic agenda from a city planning point of view" (quoted in Levy 2005).

[81] Indeed, perceptions that developers who either had close relationships with Deputy Mayor Doctoroff (like his former business partner Steven Ross, CEO of Related Companies and one of the city's largest developers) or contributed to NYC2012 received preferential treatment by the city, regardless of whether or

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There was one final way in which the Bloomberg Way strengthened the power of the local state, one which had less to do with the state's ability to shape the city's economy and physical form and more to do with its ability to shape its ideological terrain. Many of the same ideological elements that helped Bloomberg get elected – his ostensibly pragmatism, his rejection of "politics as usual," the ability of his wealth to inoculate him against special interests and corruption, and his dedication to performance animated the Bloomberg Way. However, the Bloomberg Way as spatialized form of government held its own ideological power. The imagining of a New York City unified in the face of interurban competition is an instance of what Michel-Rolph Trouillot has called the "identification effect…the capacity to develop a shared conviction that 'we are all in the same boat' and therefore to interpellate subjects as homogenous members of various imagined communities" (Trouillot 2001, 132). This identification effect – here formed on an urban, rather than a national, basis – served to delegitimize or elide conflict internal to New York City and was thus essential to the antipolitics of the Bloomberg Way. Despite the contradictory and problematic nature of these antipolitics, it is important not to underestimate the power of this urban identification effect – "urban patriotism," we might call it – especially in the environment of post-9/11 New York City. As we shall see, the Bloomberg administration's deployment of "urban patriotism" played a crucial role in its endeavors to win support for the Hudson Yards plan. [82]

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not they were accurate, only reinforced the reluctance of developers or others with business before the city to "cross" the Deputy Mayor. On the relationship between Doctoroff and Ross, see Bagli 2004d; on donations to the Olympic bid, see Bernstein 2005; Robbins 2005a; Smith 2005.

[82] See Chapters Seven and Nine.

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VII. Conclusion: Contested Ground

To end this lengthy exposition of the Bloomberg Way, and in particular this discussion of its antipolitics and politics, let us turn to the subject that will be the focus of the remainder of this work: the conflict over the Hudson Yards plan. Even as the Bloomberg administration put forward a deeply antipolitical economic and urban development strategy, it had placed as central to this strategy a plan – the Hudson Yards plan – profoundly shaped by political considerations and interests, for an area – the far west side of Manhattan – that had been the site of some of the most contentious battles over the shape of the city's built environment. As Chapters Two and Three should make abundantly clear, if the Bloomberg administration wanted a rigorous test of the efficacy of its corporate, technocratic, and antipolitical urban and economic development policy, it could not have picked a better place, or a better plan. Mayor Bloomberg, Deputy Mayor Doctoroff, EDC President Alper, CPC Chair Burden, and the rest of the administration's economic development team were on a collision course with the contentious realities of New York City development politics: well-organized community opposition; entrenched real estate interests; messy and complex inter-governmental relations; ethnic and class politics; a complex land-use review process; a City Council attempting to balance governing, fund-raising, and the demands of the city's many political constituencies; an affordable housing crisis; an affordable office space crisis; and last, but not least, the social democratic legacy of immediate post-World War II city policy and politics. Would the Bloomberg Way prove successful in bringing to fruition the Hudson Yards plan in an area and a realm of the city's politics in which so many other plans – from the commercial development envisioned in the Lindsay administration's 1969 plan to

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Giuliani's west side Yankee Stadium – had met their unhappy end? That is the question that the remainder of this dissertation seeks to answer.

The following four chapters describe the efforts of the Bloomberg administration to generate political support for the Hudson Yards plan and to achieve the necessary legislative and bureaucratic approvals for the different elements of the plan. Chapter Six describes the ways in which the administration sought to present the plan as an exercise in best planning practices. Respect for professionalism and technical expertise was deeply ingrained in the Bloomberg Way, which gave the practices and language of best planning practice a weight they had not had during previous administrations. As the administration sought to generate support for the Hudson Yards plan on this basis, it found itself in a distinctly uncomfortable situation, as the technocratic requisites of good urban planning clashed with the political exigencies that had shaped the Hudson Yards in fundamental ways.

Chapters Seven and Eight describe the Bloomberg administration's attempts to sell the plan as an economic development project, aimed at generating economic growth – and specifically at generating additional tax revenues for the city. As we shall see, in doing so, the administration used private sector language – describing the Hudson Yards plan as an "investment" that would generate "profits" – and private sector practices, most notably in its design of a complex and risky financing scheme for the rezoning portion of the Hudson Yards plan, which would allow for the extension of the midtown Manhattan CBD westward to the Hudson River. Chapter Seven describes how this logic of investment infused the administration's ultimately successful attempts to gain City Council approval for the rezoning portion of the plan, and Chapter Eight describes how it

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affected the administration's ultimately unsuccessful campaign to generate support for the stadium proposed for the Hudson rail yards. As these chapters should demonstrate, to the degree to which the administration achieved success in pushing these elements of the Hudson Yards plan forward, it was *despite* of the corporate, technocratic, and antipolitical Bloomberg Way, rather than because of it. In the end, the more base concerns of politics and self-interest did more to move these elements of the plan forward.

Chapter Nine focuses on the final, failed effort of the administration to gain approval for the stadium, which reached a peak in early 2005. Here, the administration, along with NYC2012, took a series of steps that allowed it to credibly claim that opposition to the stadium doubled as opposition to the city's Olympic bid – which was itself a sign of an insufficient commitment to the best interests of New York City. This attempt to mobilize a kind of "urban patriotism" flowed out of one of the central conceptions of the Bloomberg Way – that there was single and unitary interest of the city and that the Mayor had successfully identified that interest – and ultimately foundered on the reality of a city cross-cut with political, normative, social, and economic conflict.

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Chapter 6: "No Responsible Planner Will Tell You to the Contrary:" Selling the Hudson Yards as Best Urban Planning Practice

> We need the stadium for the west side development – period, end of story…Without it, the whole west side is not going to be developed for a very long time. No responsible city planner will tell you to the contrary."
>
> - Mayor Michael Bloomberg, (quoted in NY1 2005).

I. Introduction

On the warm summer evening of August 4, 2004, I walked down Ninth Avenue with Anthony Borelli, the District Manager of Manhattan's Community Board Four (CB4), which represented the far west side, and whose leaders were at the forefront of the opposition to the Hudson Yards plan. It was almost 10 P.M., and we were looking for a spot to grab a hamburger and a beer after spending several hours in a small conference room at John Jay College in the company of most of the CB4's leadership, several staff members from the Department of City Planning (DCP), and a smattering of lawyers and planners with stakes in the Hudson Yards plan. The previous day, CB4 had held a raucous public hearing at which DCP staffers had presented their plan, CB4's leadership had presented an outline of their official response to the plan, and the plan's supporters and critics had volubly expressed their opinions of the plan (and of each other). On the evening of August 4, CB4's Land Use Committee had met to incorporate comments made at the public hearing as it hammered out the details of its written response to the Hudson Yards plan, to be submitted to the DCP and the City Planning Commission (CPC) in about two weeks.

As Anthony and I walked, the conversation shifted away from the mind-numbing technical details of the plan that had been the focus of that evening's meeting. I asked Anthony if he would be attending an event, entitled "Envisioning the West Side,"

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scheduled for the next evening and sponsored by State Senator Tom Duane, whose district included the far west side and who was an implacable opponent of the Hudson Yards plan. The slate of speakers scheduled to appear at the event promised contention and debate, including several of the key players, pro and con, involved in the debate over the plan: Christine Quinn, the far west side's City Councilwoman, who, like Duane, was a harsh critic of the plan; Vishaan Chakrabarti, the Director of DCP's Manhattan office, and that agency's most publicly prominent marketer of the plan; Deputy Mayor Daniel Doctoroff; and Robert Yaro, President of the Regional Planning Association (RPA). I mentioned that I was especially interested in seeing the last three, Chakrabarti, Doctoroff and Yaro, in the same room, as the RPA had issued a report just weeks before that, while supportive of the notion of redeveloping the far west side as a mixed use district providing high-density residential and commercial development, criticized many of the particulars of the administration's plan, most notably the proposed stadium. This report had come as a blow to the Bloomberg administration, which had taken the unprecedented step of intensely lobbying the RPA's Board of Directors earlier in the year, when rumors that the organization would not endorse the plan began to circulate.

In the midst of discussing all this, Anthony asked a simple, but penetrating question. Why, he asked, did the administration even care what the RPA thought at all? After all, for much of the previous decade, the organization had played the role of a proponent of thoughtful, if politically irrelevant, regional planning. The substance of the RPA's 1996 plan for the region had been well-received by planning schools, civic organizations, editorial boards and think tanks (Regional Plan Association 1996). However, its calls for regional taxes and development controls were dismissed by the

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Giuliani administration as politically unrealistic and fiscally untenable. Yet, here was Doctoroff, along with CPC Chair Amanda Burden, NYC2012's President Jay Kriegel, and Real Estate Board of New York (REBNY) President Steven Spinola, intensely – and in the opinion of some RPA Board members, heavy-handedly – lobbying for the organization's approval. What had changed? What was going on?

In this chapter, I will provide an answer to this question. In doing so, I argue that one aspect of the Bloomberg Way – its technocratic embrace of professionalism and expertise – was both expressed the administration's efforts to gain support for the plan, and ultimately undermined those efforts. I will discuss the arguments made by administration officials and their allies that the plan was an example of best planning practice both in terms of the ostensibly participatory process that was used to develop the plan (as described in Section II) and in terms of the substance of the plan itself (as described in Section III). In these sections, I will also outline the largely negative response of the critics of the Hudson Yards plan, as it was soundly rejected by both professional planning groups and CB4 on the basis of the very planning principles that it was claimed to represent. Moreover, the efforts to sell the plan as an exercise in good planning generated another response: the production of a series of ambitious and, to varying degrees, well-thought-out plans for the far west side that at times better advanced the administration's purported planning goals for the district than did its own Hudson Yards plan. These plans and their implicit critiques of the Hudson Yards plan are discussed in Section IV. Section V returns to Anthony Borelli's question, in order to argue that the contradictions inherent in the Bloomberg Way – and in particular the contradiction between the deeply political nature of the plan and the technocratic attempt

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to invoke the best practices of urban planning to sell the plan – ultimately doomed the effort to sell the Hudson Yards plan as an exercise in best urban planning practice. The Chapter ends with a discussion of the administration's response to the widespread rejection of the plan on the basis of best planning practices, which was to essentially jettison any effort to engage in professional dialogue or technical argument with those who objected to the plan in favor of an often ugly attempt to discredit these critics by invoking the deeply-rooted myth of antidevelopmentism, which was introduced in Chapter Two.

II. Community Participation and Its Limits

The night after my conversation with Borelli, I attended Duane's "visioning session." Sitting face to face with a crowd of skeptical, if not outright hostile, community members, Deputy Mayor Doctoroff and the DCP's Vishaan Chakrabarti touted their efforts to solicit input from far west side residents, elected officials, and business and property owners. Doctoroff assured the crowd of the administration's commitment to community input, touting the "two hundred meetings that we have attended with community…and civic groups," arguing that "the plan ha[d] changed [and] evolved" as a result of these meetings, and describing the administration as "amenable to [further] changes" (Doctoroff 2004b).

These claims – that the administration was committed to an open planning process including the participation of community and civic groups – underwrote broader claim that the Hudson Yards plan was an exercise in best planning practice. Since the early 1970s, community participation has been viewed as an important element in urban

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planning, both for reasons of democratic principle and efficacy.[1] In addition, the multitudinous presentations of the plan that Bloomberg administration officials did indeed make between 2002 and 2004 were in line with the administration's broader commitment to "transparency" in city government. Indeed, Councilwoman Quinn, despite her opposition to most of the Hudson Yards plan, acknowledged the administration's willingness to make such presentations during Duane's "Envisioning Session," saying that "Mayor Bloomberg has never shut us out or locked us out, or sent no representation to neighborhood events, like Mayor Giuliani did…I think your voices are being heard and this is an important thing to know as we move forward through the process" (Quinn 2004a). Whether or not the administration's commitment to transparency and the fact that the voices of the far west side were being heard would lead to substantive changes in the plan was another matter entirely. While the administration did make certain changes to the Hudson Yards plan, at least early in the process, after a certain point, such changes ceased, as the demands of the far west side community, as represented by CB4, began to conflict with the financial and political exigencies embodied in the plan.

A. Reason for Hope

As discussed in Chapter Three, since the late 1990s far west side community groups and leaders had chosen to take a more proactive approach to the seemingly inevitable redevelopment of the area. This was reflected in the community planning process led by the Hell's Kitchen Neighborhood Association (HKNA), as well as in the

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[1] See Forester 1989, 1993, 1999; Hanna 2000; Healy 1993; Innes 1996; Sager 1994.

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positions towards development taken by CB4.[2] CB4's leaders felt that some development of the area was desirable (as well as likely inevitable); while rejecting the stadium, it consented to the expansion of the Javits Center and to some commercial development.[3] While this was in part a political calculation, it also was reflected of the makeup of CB4's leadership, which largely consisted of well-trained professionals, including lawyers, architects, planners, and affordable housing developers.[4] CB4's leaders were not averse to taking political stands when they felt it necessary. Nevertheless, they tended to opt for engagement and compromise with city officials before confrontation, a conciliatory stance enabled by the fact that CB4's leadership was well-versed in planning best practices and the technical details of planning in New York City. Not only were they willing to engage with City officials, but they commanded the

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[2] CB4's position was generally in agreement with that put forward in the HKNA plan, which CB4 in fact had helped develop and endorsed.

[3] The Javits Center expansion never was particularly controversial, and thus is not discussed at length in this work. This was due to both strategic political considerations – several opponents of the plan told me that they had chosen not to oppose the Javits Center expansion out because they didn't want to be perceived as "opposing everything," and a general and longstanding consensus that the convention center was inadequate and that the public funding of convention center construction and expansion was in accordance with the general norms of urban and economic development policy. However, the linking of the Javits Center and the stadium *was* controversial, but only because stadium opponents perceived it as compromising the Javits Center's function as a convention center in a political effort to bind together the popular and uncontroversial convention center expansion with the controversial stadium. In addition, there was some criticism of the premise that the convention center expansion made economic sense. The conservative Manhattan Institute pundit Steven Malanga and progressive journalist Neil DeMause both cited the research of Heywood Sanders, which thoroughly debunked the methodologies used and the claims made in the economic impact studies used to justify convention center expansions throughout the country. In particular, Sanders pointed to the fact that by the early 2000s, there was an enormous, and growing, oversupply of convention space in the US, resulting in intense competition and discounting of convention center and hotel rates. See Demause 2004a; Malanga 2004; Sanders 2002, 2004.

[4] Key leaders of CB4 included its elected Chair Simone Sindin (who would be succeeded as by former union activist Walter Mankoff in 2003) and lawyer Anna Levin, the Chairwomen of its Land Use Committee. Other key leaders included CB member Joe Restuccia, a local developer of affordable housing and a veteran of west side development battles, and Anthony Borelli, who had been trained as an urban planner at Columbia University (where, I must add in the interests of full disclosure, he was a professor, co-worker, and friend of mine). Borelli had several years experience in community planning before coming to CB4.

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technical and professional knowledge to be able to do so. So, when Mayor Bloomberg was first elected, the CB4's leadership had high hopes that a constructive and engaged approach to the redevelopment of the Hudson Yards would result in changes to the plan set out in the DCP's 2001 *Far West Midtown: a Framework for Development* (the Framework).

There were two additional reasons for this hope. First, the west side development boom of the late 1990s had resulted in a number of land use actions which had led to close working relationships, and a sense of cooperation and mutual respect, between DCP staff responsible for the area and CB4's leadership. Anna Hayes Levin, the chair of CB4's land use committee, who had left a well-paid and high-powered position as corporate counsel for the French conglomerate Louis Vuitton Moet Hennessey to become more active in local planning issues, and who brought to the job an ethos of professionalism, civic-mindedness, and lawyerly attention to detail and argumentation, had nothing but good things to say about DCP staff she had worked with, calling them "engaged, committed, serious public servants" (Levin 2004a). These DCP staffers made several productive and friendly community presentations of the Framework throughout 2002, and even in the later, more contentious, period of the planning process, maintained amicable and professional relationships with the leadership of CB4.

Secondly, CB4's leaders viewed the appointment of Amanda Burden, an advocate, as we have seen, of finely grained urbanism, participatory planning, and good design, as CPC Chair as a promising sign that their input would be solicited. Initially, at least, these expectations were met. Levin told me:

> Burden made it clear as soon as she was appointed that she had a totally different vision for how this was going to unfold and a real commitment to community involvement. She hauled in…a small group of us…for initial

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> presentations of the work they were doing. She hired Cooper Robertson to do [urban design work], and we went off to meetings with Robertson for discussion before their plan came out…We had a whole series of check-in conversations in those very early days…(Levin 2004a).

Moreover, given that the principles that the community plan developed by HKNA and endorsed by CB4 – especially the importance of mixed uses, the preservation of neighborhood character, and modesty of scale – meshed with Burden's vision of planning, there seemed to be every reason to believe that Burden's appointment would not only open up space for community participation in the development of the Hudson Yards plan, but that this participation would lead to fundamental changes in the plan.

B. Early Community Victories

The first year of Bloomberg's mayoralty seemed to bear out these hopes, as through 2002 planners from DCP were engaged in fruitful discussions with CB4.[5] In January and February 2003, Amanda Burden and her staff presented a revised version of the plan, dubbed the *Hudson Yards Master Plan: Preferred Direction* (the Preferred Direction) to far west side community leaders and residents in a series of meetings (New York City Department of City Planning 2003a). Though the Preferred Direction reiterated the importance of expanding the midtown CBD and generally followed the outlines of the Framework, there were some changes to the plan. While one important change countered the wishes expressed by far west side locals – the office development alternative for the development of the Western Hudson rail yards was gone, with only the "multi-use facility" (i.e., stadium) alternative remaining – other changes did reflect the demands of CB4's leadership and other community leaders for more open space and

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[5] While CB4 would have an official advisory vote on the plan after it entered the ULURP process, at this early point consultations occurred at the discretion of DCP management. The Hudson Yards plan would officially enter the ULURP process only in June 2004.

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housing.[6] The Olympic Square on the eastern rail yards and the Olympic Boulevard leading to it were now supplemented by an expanded "neighborhood open space" network in the residential parts of the neighborhood and a full block park just south of the stadium. While the proposed rezoning of the area still would result in 11th Avenue and the 33rd Street corridor being crowded with tall office buildings, the "main street" residential character of Ninth Avenue was more strongly protected than in the Framework.[7] Moreover, the Preferred Direction contained proposals for the expansion of this primarily residential area. While new residential areas would be denser than existing ones, this still was music to the ears of CB4's leaders, who had insisted that the character of these areas be respected. Early discussions between DCP and CB4 and other far west side community leaders, then, had borne fruit. Anna Hayes Levin told me:

> It was out of those discussions that City Planning began talking about Ninth Avenue as "Main Street." We made it clear to them that they absolutely needed to recognize the existing character of Ninth Avenue. I think initially the Framework would accomplish a totally different Ninth Avenue and we wiped the whole thing out (Levin 2004a).

C. The Requirements of Self-Financing

Despite these changes, CB4's leadership still had serious concerns about several elements of the plan, especially the elimination of the office development alternative for the western Hudson rail yards and the continued inclusion of the stadium in the plan. However, it was the financing plan, and its relationship to the high densities of commercial development proposed in the Framework, and now in the Preferred

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[6] In addition, the Preferred Direction did not include a new arena housing the moved Madison Square Garden, as its management had decided to stay in their current location. The space where an arena had been proposed in NYC2012's plan and the Framework now was taken up by a series of office buildings.

[7] The Preferred Direction did not include projected square footage of development, but over the next few months city officials would place the amount of commercial development at 28 msf and the amount of residential development at 12 msf.

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Direction, that was emerging as particularly problematic. In the Preferred Direction, the financing of the Hudson Yards plan was only mentioned briefly.[8] It was again argued that the project could be "self-financing," as the value of future development resulting from the plan would pay for the costs of the various public actions proposed. This was again portrayed as a boon for the city, as "the infrastructure requirements will not compete for scarce public resources for other worthwhile projects" (New York City Department of City Planning 2003a, 10). However, in an early acknowledgment of a fact that would become increasingly controversial over time, it was also stated that the self-financing nature of the plan necessitated a substantial amount of density in the area: "financing [these public investments] will only be possible by encouraging a critical mass of densities and uses" (New York City Department of City Planning 2003a, 10). As we have seen, the self-financing nature of the Hudson Yards plan served an important political purpose, largely isolating the plan from public review and legislative approval. However, it also had important planning implications, as a certain minimum amount of value had to be created (and thus density built) in order for the costs of the plan to be covered. The political drive to make the Hudson Yards plan to the greatest degree possible self-financing imposed certain economic restrictions on the plan, restrictions that severely curtailed the ability of the DCP's staff, if they were so inclined, to accommodate community demands for decreased density.

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[8] The Preferred Direction projected a "spring 2003" release date for the financing plan, which was still being developed. Deputy Mayor Doctoroff promised a plan in six to eight weeks. In fact, the full financing plan would not be released until February of 2004; even then it would not address the financing of the Javits Center or the stadium. See Chapters Seven and Eight.

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This did not escape the notice of CB4's leadership. While applauding the changes made to the plan, in its official response to the Preferred Direction CB4 expressed considerable trepidation concerning its self-financing, arguing that the project's "financing should not isolate the area within the City's revenue structure, nor cede authority over the area to the Empire State Development Corporation or any similar authority" (Sindin and Levin 2003a). The response called attention to the relationship between the high levels of commercial density proposed in the plan and its self-financing nature, and proposed to limit the density along the 11th Avenue corridor and shift some of that density to the western Hudson rail yards. This of course could only be achieved if the city, as CB4's leadership insisted it should, dropped plans for a stadium and instead developed the western rail yards as a western extension of the 33rd Street commercial corridor (which would reduce the overall costs of the plan as well). Finally, in an important precedent, CB4's response to the Preferred Direction called for an "affordable housing plan that is an integral part of the overall plan" (Sindin and Levin 2003a). Though CB4, HKNA, and other community groups had long identified affordable housing as a top development priority for the residents of the far west side, neither the Framework nor the Preferred Direction made any mention of affordable housing.[9]

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[9] As well as providing this technical feedback, CB4's leadership took political steps to more efficiently marshal the community's political power. In February 2003, CB4 Chair Simone Sindin announced the formation of the Hell's Kitchen/Hudson Yards Alliance, at a conference on the Hudson Yards attended by, among others, Deputy Mayor Doctoroff, Jay Cross of the New York Jets, Jay Kriegel of NYC2012 and prominent far west side landowners and developers. The Alliance included under its aegis a number of important community groups, several neighborhood block associations, and all of the elected officials representing the area, not only in the City Council, but also in the State Assembly and Senate and the U.S. House of Representatives. This sent a direct message to the elites in the audience that the far west side community was unified, organized, and preparing for a major political battle.

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Far west side community leaders continued engage in cooperative and generally friendly communication with DCP staff as the Hudson Yards plan moved forward through spring of 2003. This time period was crucial, since the next steps official steps would result in a hardening of the plan's form as it entered the environmental review process required by State and City law.[10] The first step in this process was to develop and hold hearings on a "Draft Scoping Document," which would outline the broad scope of the project in terms of both geography and the public actions it necessitated, as well as the details of the Environmental Impact Statement (EIS) measuring its predicted impacts on everything from natural resources to socioeconomic conditions and measures to mitigate these impacts

In April 2003, the Metropolitan Transportation Authority (MTA) and the DCP released the Draft Scoping Document for the Hudson Yards plan (New York City Department of City Planning and Metropolitan Transportation Authority 2003). The Document described a rezoning of the area that would result in some 45-50 msf of development in total, the majority of which (35-40 msf) would consist of commercial development, along with the extension of the Number 7 subway line to serve this development. While spurring the growth of office-based employment in the city was the primary economic purpose of the project, it was not the only one. Others included the increase of tourism and a greater share of the convention, exposition, sports and entertainment markets, all of which would lead to greater spending in the city and this

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[10] The City's Environmental Quality Review requirements and the State's Environmental Quality Review Act called for a wide-ranging study (the "Draft Generic Environmental Impact Statement") that would. It was decided that the MTA and DCP would be direct this study together, since the largest public actions involved (the extension of the Number 7 subway line and the rezoning of the area) would be implemented by these two agencies.

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additional economic activity and tax revenue; these goals would of course be accomplished by the construction of the stadium and the expansion of the Javits Center. Only one non-economic purpose was included: the expansion of the amount of open space in the area. While this was certainly beneficial to the local community, it also included, as we have seen, open space crucial to NYC2012's plan for the Hudson Yards. None of this was particularly new, but there were two noteworthy aspects of the Document.

The first was the proliferation of buzzwords referring to best urban planning practice, which is discussed below. The second was the fact that it for the first time laid out a detailed description of the proposed rezoning. This was important not in and of itself, but rather because it gave an indication of the details of the mechanisms that would be used to finance the project. While the Document did not include a complete financing plan, it did insight into how the project's financing would work and its relation to the rezoning of the area. In each of the "sub-districts" into which Hudson Yards area was divided, a base and a maximum level of density would be established.11 Commercial

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[11] Under New York City's zoning resolution, the level of permissible density is governed by the application of a "Floor Area Ratio," or FAR. FAR represents the ratio of the total square footage of development on a site to the site's area. For example, a 2,000 square-foot lot with an FAR of 10 could be developed to a maximum of 20,000 square feet. The exact configuration of this 20,000 square feet would vary based upon other restrictions that are included in the zoning resolution, including requirements for a certain proportion of open space, street-wall requirements (which require buildings be built to the front-edge of a lot in order to maintain a uniformity of height along a street), setback requirements (which require that certain upper floors be set back from the street line in order to prevent the street from being perpetually in shadow), and height restrictions. Thus, our hypothetical building, if only 50 percent lot coverage was allowed, might consist of 20 stories, each with 1,000 square feet. This is further complicated by the fact that different types of uses are often included in particular zoning districts, and that there are caps on the FARs for particular uses (for example, community facilities are often permitted in commercial districts, but their FAR may be limited to a level, of say 2; if the overall FAR permitted is 20, this means that only a tenth of the building can consist of community facilities and the remainder must be commercial). Determining the building configuration and mix of uses that provides the maximum square footage and the most profitable mix of uses given the complex requirements of the zoning resolution is the central challenge of architects working in New York City.

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building at a density above a certain level would require payment into a "District Improvement Fund."12 In addition, another mechanism – the transfer of development rights – would be used to generate revenue. The eastern rail yards would be upzoned to permit a level of development similar to that of midtown Manhattan. However, most of this increase in the allowable density on the eastern rail yards – which were proposed to be used primarily as open space, housing the Olympic Square – would be transferred to the area running along 11th Avenue from 30th to 41st Street, where the bulk of the large-scale commercial development would be located. Developers building along 11th Avenue would be permitted to increase their buildings' densities by purchasing the unused development rights to the eastern rail yard.[13]

The Draft Scoping Document made one thing very clear: the ability to meet the enormous costs – now estimated at $3 billion, twice NYC2012's original estimates – of extending the Number 7 subway line, constructing the open space network, and decking

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[12] In the case of residential development, developers could build above the base FAR if they included a certain amount of affordable housing. This mechanism for producing affordable housing is commonly known as "Inclusionary Zoning" and would become a matter of significant debate as the Hudson Yards plan wound its way through the approval process, and as the Bloomberg administration proposed and implemented a number of other rezonings that allowed for significant increases in the density of residential development (i.e., in the context of the residential real estate boom of the early to mid 2000s, the construction of luxury apartment towers).

[13] One knotty question about this scheme not addressed in the Draft Scoping Document was that of ownership. At the time, the MTA owned the entirety of the Hudson Yards and the rights to develop them; if the area was upzoned as the Document proposed, any proceeds from the transfer of development rights would flow to the MTA. This might prove troublesome for the Bloomberg administration and NYC2012, as there was no guarantee that the MTA would dedicate these funds to the extension of the Number 7 line subway, which, in fact, the MTA had not identified as a high priority. The only way to get around this would be for the city to acquire the development rights for the eastern rail yards. In fact, NYC2012's Hudson Yards plan had proposed that the MTA turn over the development rights to the eastern rail yards to the city in exchange for city funding of the Number 7 Line. Thus, the city, rather than the MTA, would have both the responsibility for decking the eastern rail yards and the right to the proceeds of the sale of the development rights to those yards. However, this proposal was not included in the Framework, the Preferred Direction, or the Draft Scoping Document. The question of sale of the right to develop the rail yards would eventually prove to be extremely controversial, as the MTA's finances deteriorated over time and the pressure on the agency to maximize the price it received for these rights grew. See Chapters Eight and Nine.

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the rail yards would depend, to a significant degree, on the level of commercial development in the Hudson Yards area, especially in the 11th Avenue corridor. The concerns expressed by the leadership of the CB4 that the level of density included in Hudson Yards plan were driven as much by the exigencies of self-financing as by projected demand for office space were proving to be well-founded. In a June 2003 letter sent to the DCP and the MTA after a public hearing on the Draft Scoping Document, CB4's leaders outlined a series of objections and concerns to the plan, as well as to the proposed design of the EIS. Along with continued rejection of the stadium and continued demands for a solid affordable housing plan, they expressed trepidation at the amount of commercial development being proposed and suspicion that "the high-density plan…is driven by self-financing requirements rather than actual shown need" (Sindin and Levin 2003b). Again, they argued that densities could be lowered and shifted to the 33rd Street corridor if the western rail yards were used for office development, rather than for a land-consuming stadium. CB4's leaders also argued that locating the stadium on the western rail yards was a major planning mistake, as it limited the flexibility with which office space could be located: since the "main street" of Hell's Kitchen was off limits to commercial development, there was only one place for it to go – straight up 11th Avenue.

D. The Limits of Participation

By mid-2003, it was apparent that demands for reduced density could only be met by eliminating the requirement that the Hudson Yards plan be self-financing, by significantly reducing the cost of the plan though the elimination of the Number 7 line subway extension (or by replacing it with a less costly alternative), or by gaining land-use

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flexibility through the elimination of the stadium and/or the Olympic Square. However, from its inception in the offices of NYC2012, these were the very elements of plan that were absolutely non-negotiable; indeed, they were its political *raison d'etre*. The demands imposed on the plan by community participation were in irreconcilable conflict with the political function the plan played in unifying the city's elite behind the Olympic Bid and ultimately behind the effort to redevelop the far west side of Manhattan. So, by mid-2003, there was little room for substantial change in the plan, despite the Bloomberg administration's supposed commitment to community participation. Until the plan entered the ULURP process, which would entail advisory votes by CB4 (as well as Manhattan Community Board Five), the Manhattan Borough Board, and the Manhattan Borough President and then binding votes by the CPC and later the City Council, there would be little change in the plan.[14]

1) Codifying Inflexibility

This inflexibility was codified in the Draft Scoping Document, which would guide the EIS study. As well as outlining the details of the plan, the Document contained a series of goals for the Hudson Yards plan, which would serve as criteria against which the various projections of positive and negative impacts of the plan and its alternatives would be measured. The EIS would include almost two dozen alternative plans besides the administration's Hudson Yard plan, including the HKNA plan and other schemes that did not include the Number 7 subway extension and/or the stadium, all of which would

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[14] A small portion of the area affected by the Hudson Yards plan fell under the geographic jurisdiction of Manhattan Community Board Five, lying just to the east of that of CB4. When ULURP applications fall under the jurisdiction of more than one Community Board, the convening of a borough board, which includes representatives of each CB effected as well as all City Council members in the borough effected and which is overseen by the Borough President, is required.

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be judged by their ability to meet these criteria. However, as well as including broad goals like "provid[ing] opportunities for significant new office development" and "encourage[ing] new housing," the Draft Scoping Document included quite specific goals that essentially deemed certain plans unworthy from the beginning, most obviously the goal of "develop[ing] a new Multi-Use Facility to provide a venue to host a variety of large-scale sports, exhibition and entertainment events and to serve as a home facility for the New York Jets" (New York City Department of City Planning and Metropolitan Transportation Authority 2003, 9-10). These goals were essentially the same in the Draft Scoping Document and all the subsequent documents produced as part of the environmental review process.[15] Thus, it was unsurprising that the EIS, released in June 2004, concluded that all the plans that did not include a stadium were deficient, and only the administration's Hudson Yards plan would satisfy all the goals laid out in the Draft Scoping Document

Many observers and critics of the Hudson Yards Plan decried the fact that the EIS had essentially been rigged to justify the administration's plans for the far west side. As Eric Goldstein, the director of the Natural Resource Defense Council's New York Program, noted in a withering critique delivered in November 2004, the purpose of the environmental review process expressed in the City and State law was to solicit comments from the public to assist in decision-making about urban development, and to provide an early and constructive mechanism for public input (Goldstein 2004a). In

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[15] These documents included the Final Scoping Document released in May 2004, the Draft Generic EIS released in June 2004, and the Final Generic EIS, which was adopted by the City Planning Commission in November 2004. For the sake of simplicity, I will refer to this set of documents as the Environmental Impact Statement or EIS.

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Goldstein's opinion, the Hudson Yards plan EIS failed in this regard because it failed to consider alternatives to the major goals of the redevelopment of the far west side, instead engaging in circular logic whereby its authors dismissed alternative plans that did not fit its enumerated goals, goals which in fact were clearly derived from the administration's Hudson Yards plan. Thus, these drafting of these goals insured that alternatives to the Hudson Yards plan were destined to fail. In summary, Goldstein noted, the EIS seemed to be set up "not to analyze alternatives or stimulate debate, but rather to justify a public policy decision that had already been made" (Goldstein 2004a). Councilwoman Quinn bluntly derided the EIS in August 2004 as an "example of the worst planning possible. It had no open set of goals" (Quinn 2004b).

2) "While We Kept Talking Nothing Much Happened"

At a November 2004 CPC hearing on the plan, CB4 Chair Walter Mankoff said:

> We've had many opportunities in the past two years to exchange views with the Department of City Planning. And I want to thank Chair Burden and her staff for the respectful manner with which we have been greeted. I only wish we had been more successful in changing their views (Mankoff 2004a).

Nothing could disguise the fact that the administration, and in particular Deputy Mayor Doctoroff, was unwilling to substantially revise the fundamentals of the Hudson Yards plan as developed by NYC2012 and then by DCP. Even committed opponents of the plan like Mankoff and other CB4 members recognized that the commitment of DCP staff, and even of CPC Chair Burden, to community involvement was probably sincere; the problem was higher up, in the office of the Deputy Mayor. As Anna Hayes Levin told a reporter, "Amanda [Burden] clearly has a commitment to community input into land-use planning, and that is a refreshing change from prior administrations. But she has a boss who is determined to make this plan work and therefore has her hands tied" (quoted in

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Pogrebin 2004). By mid-2003 this was had become crystal clear, as evidence emerged that as much as Burden and DCP staffers might desire to incorporate the wishes of the community into the Hudson Yards Plan, its non-negotiable elements – the stadium and the requirement that it be self-financing –precluded them from doing so. This inflexibility was codified in the goals outlined in the Draft Scoping Document, which insured that the Environmental Impact Study would find that the administration's plan was the best of all possible alternatives. While some changes would be made in late 2004 and early 2005 as it moved toward the City Council floor, by mid-2003 opportunities for significant community involvement in shaping the fundamentals of the Hudson Yards Plan had ended. As Levin told me in September 2004:

> Looking back from…today's perspective, I think we've had very cordial and open relations with City Planning. But there came a time about a year ago, when Doctoroff told them to stop…making changes to the plan. So, while we kept talking nothing much happened…That is not the inclination of Burden or her department. That is the direction from Doctoroff, who with his background as a hedge-fund guy, has a hold-no-prisoners, make-no-negotiations, screw-'em-all, I'm-gonna-win attitude (Levin 2004a).

3) Splitting the Plan, Avoiding Public Review

If Levin was right in dating the de facto demise of community participation in the formulation of the Hudson Yards plan to late 2003, the official announcement of its end came in early 2004. In February, it was reported that the Bloomberg administration had decided to legally divide the Hudson Yards plan in two, splitting it down 11th Avenue. The portions of the plan addressing the area to the east of the avenue – the rezoning of the area, the extension of the Number 7 subway line, and the construction of the mid-block boulevard and the open space on the eastern Hudson rail yards – would go through the city ULURP process, which gave CB4, the Manhattan Borough President, and the Manhattan Borough Board advisory votes and the CPC and the City Council binding up-

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or-down votes. However, the portions of the plan for the area to the west of 11th Avenue –including the relatively uncontroversial Javits Center expand but also, and far more importantly, the stadium on the western Hudson rail yards – would be subject to an entirely different process, one which would require no legislative approval whatsoever.[16]

While the City Council seemed relieved to avoid this particular political hot potato, critics of the plan, and particularly of the stadium, were infuriated. Despite all the talk of participation and transparency, here was the administration not only ignoring the wishes of the far west side community concerning, but using the technicalities of State and City law to evade the legislative approval process altogether for the most controversial portion of the plan. Mayor Bloomberg rather lamely claimed that "nobody is trying to cut anyone out" of the stadium approval process, but it was clear that this was exactly what was intended (quoted in Temple-Raston 2004a). Moreover, as a number of stadium and plan critics – including the RPA – noted, by placing the two sides of the plan on separate legal tracks, the Bloomberg administration had sundered what, as we shall see, was claimed to be a well-integrated and comprehensive plan. The desire to avoid public review had trumped good planning. However, as we will see in Chapters Eight and Nine, this decision would come back to haunt those who had made it.

E. Critique and Credibility

The critique that the claims of community input and public participation made by proponents of the Hudson Yards plan were little more than a smokescreen for a plan whose essential elements had been set in stone long ago, was especially biting when it

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[16] This was possible by virtue of the fact that the area to the west of 11th Avenue was owned by the State government, and thus not governed by the city's land use review process.

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came from well-educated professionals like Eric Goldstein and Anna Hayes Levin, who were hard to credibly paint as wild-eyed radicals or small-minded NIMBY-ists.[17] Indeed, many of these professionals were quick to proclaim their support for ambitious urban development agendas and their respect for DCP staff and management attempting to negotiate a path between their own professional judgment and the diktats coming from the Deputy Mayor. Some even expressed support for Mayor Bloomberg even as he pushed the Hudson Yards plan forward, citing his respect for professional expertise, his managerial competence, and his refusal to play by the rules of politics as usual. Though some critics of the Hudson Yards plan would invoke class-based critiques of the Hudson Yards Plan, these professionals generally steered clear of such critiques, preferring to engage the Hudson Yards Plan in terms of its adherence, or lack of adherence, to principles of best planning practice.[18] Having discussed one element of best planning practice, that of planning process and the community participation in that process, I now turn to the debate over whether or not the substance of the Hudson Yards plan was in accordance with best planning practice.

III. Invoking, and Bucking, Planning Orthodoxy: Environment, Place and the Stadium

The Hudson Yards plan issued by NYC2012 in 2001 invoked many of the buzzwords and principles of best planning practice. It was argued that the plan would create a vibrant new mixed-use district, characterized by high quality public space and vital street life. Waterfront access would be enhanced, and it was argued that the

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[17] Though, as we will see below, this did not prevent supporters of the Hudson Yards plan from attempting to do so.

[18] These class-based critiques are discussed in Chapter Nine.

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extension of mass transit, commuter rail, and ferry service to the area, along with roadway improvements would have the environmentally beneficial effect of reducing traffic congestion in the area. However, the plan paid far closer attention to outlining a self-financing plan, invoking the benefits of grand planning, the plan's economic benefits, and the ability of the Olympics to catalyze stalled development projects.

While NYC2012's planners did embrace best planning practices, these practices became more important once the Bloomberg administration, and in particular the DCP now headed by Amanda Burden, took custody of the plan. The deployment of terms associated with best planning practices began with the spring 2003 issuance of the Preferred Direction and the Draft Scoping Document, the first planning documents the administration produced, and continued as the plan moved forward and eventually entered the ULURP process in mid-2004. In hearings and presentations held as part of the ULURP process, DCP staff and other city officials took pains to establish the planning bona fides of the Hudson Yards plan.

One DCP staffer, Vishaan Chakrabarti, was especially prominent in touting the Hudson Yards plan as an example of best planning practice. Chakrabarti had been hired in the fall 2002 as the head of DCP's Manhattan Office and quickly became DCP's main public proponent of the plan, as CPC Chair Burden seemed to step back, at least publicly, from the project. Chakrabarti – tall, handsome, articulate, and always impeccably dressed – had been trained as an architect and a planner and had eventually become an Associate Partner at Skidmore, Owings, and Merrill, a renowned corporate architecture firm, where he managed a number of prominent projects including the development of a new headquarters for the New York Stock Exchange. Chakrabarti was an rising star in

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the city's development elite, as his tenure at Skidmore, Owings, and Merrill had drawn the attention of both the Partnership for New York City, which granted him a prestigious fellowship, and *Crain's New York Business*, which included him in their 2001 "40 under 40" list of up-and-coming New Yorkers. While DCP staff and administration members would use terms and ideas associated with best planning practice to justify the Hudson Yards plan, Chakrabarti provided the most forceful defense of its status as a piece of good planning.[19]

The Bloomberg administration's defense of the Hudson Yards plan as a piece of cutting-edge planning can be divided into three broad claims, each of which was challenged by the plan's opponents. First, the plan was advertised as an example of comprehensive planning. In particular, it was argued that the combination of transportation and land-use planning that drove the plan was a prime example of what is known in planning circles as "transit-oriented development." Second, the plan was touted as an exercise in "urban place-making," as the plan's proponents argued that its provision for a mix of uses and the inclusion of open space and urban design guidelines in the plan would make the Hudson Yards district the city's "next great place." Finally, the plan's defenders attempted to justify the stadium in planning terms, arguing that unlike most urban stadiums, which conventional planning wisdom viewed as planning

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[19] Some individuals I spoke with claimed that Chakrabarti's hiring had been imposed upon the DCP by Deputy Mayor Doctoroff, while others were under the impression that Doctoroff merely guided the process. Whatever, the case, it is clear that Chakrabarti was hired primarily to usher the Hudson Yards plan through the ULURP process: his tenure at DCP was short, as he offered his resignation in late 2004 and left DCP shortly thereafter. After this, he returned briefly to Skidmore, Owings, and Merrill before being hired by the Related Companies, whose CEO, Stephen Ross, was a close friend and former business partner of Daniel Doctoroff. At Related, Chakrabarti worked on large, mixed use planning projects, including the proposal for the redevelopment of the Farley Post Office, which the Related Companies, along with another prominent real estate firm, Vornado, won the right to redevelop in 2005.

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disasters, the stadium was actually a key element in making the overall Hudson Yards plan work.[20]

A. Hudson Yards as Comprehensive and Environmentally Sound Planning

On September 23, 2004, the MTA and DCP held a joint public hearing on the pieces of the Hudson Yards plan moving through the city ULURP process and on the EIS, which addressed the entirety of the project. William Wheeler, an MTA executive, introduced the plan:

> We…decided that from the very beginning we would combine land use and transportation planning and do it interactively as one combined effort. This is best practice planning. It's something that many of you who will speak today have urged us to do and we are pleased to give you a single, comprehensive picture of how land use and transportation will interact and be mutually supportive (Wheeler 2004).

The decision to combine transportation and land-use planning, made years ago in the offices of NYC2012, was undoubtedly eminently sensible. Without better access to the area, commercial development at the scale being proposed would clearly be difficult, if not impossible, to implement (the example of London's Canary Wharf, a riverside commercial development that lagged until mass transit was extended to the area was often sited as a cautionary tale by the plan's proponents).[21] Planning groups throughout

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[20] My use of the principles of post-Jane Jacobs planning orthodoxy – which includes the New Urbanism and Transit-Oriented Development – as the criteria for judging whether or not the Hudson Yards plan met the test of good planning should not be taken as an endorsement of these principles. While I do embrace certain of these principles, this planning school's wholesale rejection of modernist planning, which despite its failings did explicitly attempt to ameliorate social injustice and to use planning and architecture as tools to build a more just future, has led to urban planning and modes of urbanism that while explicitly rejecting political aspirations, have in fact been mobilized in the defense of efforts to remake cities in a manner that is often hostile to the interests of poor, working class, and even lower-middle class individuals, as well as minorities. Regardless of my judgment of this post-Jacobs planning orthodoxy, it is clearly dominant in professional planning practice and training, and as such operated as the primary yardstick by which the Hudson Yards plan was measured in the debate described in this chapter.

[21] Residential development would have likely not required a subway extension. Luxury housing had been developed successfully in areas far from mass transit such as the western end of 42nd Street and the eastern

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the city and the region commended the administration for combining land use and transportation planning. However, whereas these planning groups seemed to view this as an obvious, if praiseworthy move, the plan's defenders portrayed it as bold and innovative.

Chakrabarti was especially vocal on this point, arguing again and again for the significance of combining transportation and land use planning. He insisted that by rezoning the area and extending the transportation network at the same time, the administration was not just expanding the midtown Manhattan CBD, but actually fighting urban sprawl by insuring that commercial development would flow into the city rather than into suburban or exurban areas. "[Manhattan] has to have the room to grow for our environment," Chakrabarti said in August 2004, "because if we allow regional sprawl, we will be like so many other cities in America, traffic-choked and environmentally damaging" (Chakrabarti 2004d). While Chakrabarti's statement was in fact inconsistent with the Bloomberg Way, as he portrayed Manhattan and suburban/exurban locations as essentially interchangeable, the claim that centralizing commercial activity in an area of the region well-served by mass transit was an environmentally sound practice was clearly correct, if obvious. What is notable is the attempt made by Chakrabarti and others to deploy planning jargon to dress up this claim. Two months earlier, Chakrabarti had used the term "transit-based development" to describe the Hudson Yards plan in a presentation to CB4 (Chakrabarti 2004b). Indeed, this term, or its more widely used synonym "transit-oriented development," had started appearing in DCP documents and

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portions of the East Village. Wealthy New Yorkers, it seemed, were willing to walk long distances in order to live in desirable areas.

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presentations soon after Chakrabarti was hired in October 2002: it was used in the Draft Scoping Document in early 2003 (New York City Department of City Planning and Metropolitan Transportation Authority 2003, 1) and by DCP staff throughout 2003 and 2004.

"Transit-oriented development" became a planning buzzword in the 1990s largely due to its association with the "New Urbanism," a school of planning thought aimed at counteracting urban sprawl and perceived suburban anomie through higher densities, more public space, planning for residential diversity along age and class lines, and urban design and architecture that embraced public space (such as front-porch requirements in residential development or commercial districts that looked more like small town shopping areas rather than strip malls). Prominent advocated of transit-oriented development like Peter Calthorpe added an environmental component to this mix by insisting that this kind of development be centered on mass transit, rather than served solely by the automobile.[22]

The use of this term in defense of the Hudson Yards plan was an odd twist, given the fact that actually constructed transit-oriented developments have generally been located well outside of city centers. In fact, virtually any project or rezoning proposed in New York City, whether or not it was associated with the enhancement of mass transit, could be described as an example of transit-oriented development.[23] While the

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[22] See Calthorpe 1993; Calthorpe and Fulton 2001. For more on the New Urbanism, see Congress for the New Urbanism 1999; Duany, et al. 2003; Duany, et al. 2000; Katz 1994.

[23] The RPA noted this in its 2004 response to the Hudson Yards plan: "The City has argued that constructing the proposed NYSCC in the CBD would be an example of smart growth or transit oriented development. Almost any activity located in the Manhattan Central Business District will have a higher share of transit use than a similar facility located elsewhere" (Regional Plan Association 2004a, 24).

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combination of land-use and transportation planning in the case of Hudson Yards made this label a slightly better fit, it was still a stretch. But regardless of whether or not the label was warranted or not, it was clear that the phrase – along with other urban planning jargon – was being used as a post-hoc justification by DCP staff for a plan whose elements had been in place years before.

While, administration officials and other proponents of the plan pointed to the fact that the Hudson Yards plan included both transportation and land use as evidence of both its environmental soundness and its comprehensiveness, these claims were hotly contested by the plan's opponents. For example, a representative of the New York City Building Congress, a construction industry organization that strongly supported the plan, at a September 2004 hearing on the plan held by Manhattan Borough President Virginia Fields called it an example of "smart [and] environmentally friendly regional planning." This received one of the loudest – and most negative – responses of the evening: the plan's opponents shouted "No! No!" and booed him soundly.[24]

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[24] This was just one example of administration allies and supporters of the Hudson Yards plan publicly claiming that it was emblematic of best planning practice. REBNY President Steven Spinola called the plan "probably the best planning work in decades" (quoted in Rayman and Robin 2004). Richard Anderson, the President of the New York City Building Congress wrote editorials calling the plan "good regional planning" (Anderson 2004b), and at a September 2004 CPC hearing on the plan, touted his own planning credentials in justifying his support:

> I've been President of Regional Plan Association, also the American Planning Association. And I've been chairman of the American Planning Association College of Fellows. I think my planning credentials are fairly strong. And in my judgment from a planning standpoint the Department of City Planning has served this Commission exceptionally well with this rezoning proposal. It is well thought through. It is balanced. And it compliments so many other very important planning initiatives that you have before you in the City of New York right now. In fact, I would call this the era of good planning in New York City (Anderson 2004a).

At that same hearing, Brenda Levin, a former member of the CPC who was now a NYC2012 official called the plan a "well-considered plan in everything that term of art means" and a "planning tour de force" (Levin 2004d); Donald Elliott, who had been CPC Chair during the Lindsey Administration, and who had been intimately involved in the

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At that September 2004 hearing, and at many others, the plan's opponents decried its negative environmental effects. Community members, representatives of planning and environmental groups, and politicians highlighted the fact that the EIS indicated that the development envisioned in the plan would have severe impacts on air quality and traffic congestion, and that the sewage generated by the area's redevelopment might overwhelm the city's waste treatment system on certain days and spill into the Hudson River. They also pointed out that the plan's requirement that builders supply significant amounts of parking violated the city's own policy, in place for two decades, of limiting the provision of parking in Manhattan below 110th Street in order to reduce automobile congestion and pollution.

The plan's critics also lamented what the plan would *not* accomplish, arguing that the redevelopment of the far west side was a prime opportunity to promote environmentally friendly development, or "green building."[25] Testifying before the CPC in September 2004, Eric Goldstein of the Natural Resources Defense Council described what it would take to accomplish this goal:

> The far west side presents a spectacular opportunity for development in New York to be a model for green building and development. But the final plan needs binding commitments on guidelines for green development, using the Battery Park City as a one good model. It needs goals for net zero carbon dioxide emissions that ought to be incorporated for each new building and lead standards also incorporated for each new residential and commercial building (Goldstein 2004b).

1969 plan for the far west side, called the Hudson Yards plan "an extraordinary act of sensible, careful planning" (Elliott 2004).

[25] Interestingly, the Preferred Direction called the Hudson Yards plan "a singular opportunity to integrate city-wide initiatives for energy and water conservation, intelligent response to microclimate, waste minimization and recycling, ecology and public open space within a comprehensive sustainable development framework" (New York City Department of City Planning 2003a, 24). However, this path was not taken, and these kinds of environmental requirements were not included in the plan as its details were fleshed out over the following years.

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City Councilman Alan Gerson, who sat on the Manhattan Borough Board and whose downtown Manhattan district included Battery Park City, was especially vocal about this, pointing to the happiness of Battery Park City's residential and commercial tenants with their green buildings. Gerson and others also argued that it was imperative to include requirements for green building in a redevelopment of this size, not just because of its direct impacts on the environment, but also because of its potential to spur green building around the city, and thus to better position New York's construction and design sectors to take advantage of the growing industry of environmentally friendly development.

In addition, critics of the Hudson Yards plan argued that far from being comprehensive, it actually neglected fundamental issues of basic infrastructure and service provision. At September 2004 meeting of the Manhattan Borough Board, Borough President C. Virginia Fields pointed out that since the plan would create as much office space on the far west side as existed in the downtowns of cities like Pittsburgh or Detroit, it was crucial to "ask what you need when developing a new city"(Fields 2004). Many held that the plan failed to do just that: as well as neglecting the sewage treatment, it was argued, the plan did not account for the provision of basic services necessitated by the development of 40 msf of space on the far west side. One CB4 member put it this way at a September 2004 CPC hearing:

> Where will the new school…be sited, the new firehouse or the new day care centers, electrical substations and transmission facility, policy and emergency medical facilities and services?...These are all mentioned in the [EIS] appendix but not in the text. Where will these facilities be located? How will they affect traffic? How will they be paid for? (Compton 2004).

Many politicians and community members expressed concern that already overburdened city services would be further eroded by the level of development proposed for the far

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west side.[26] Finally, the most important deficit in the plan's comprehensiveness was its lack of a concrete affordable housing plan. Despite years of calls for such a plan, the Hudson Yards plan did not contain a concrete affordable housing plan until late 2004, when political pressure brought on by impending City Council review of the plan forced the administration's hand.

So, the efforts of the Bloomberg administration to sell the plan as comprehensive and environmentally sound were rebuffed in their very own terms. For every argument the plan's proponents made, its opponents made a counterargument, often employing the same language of environmental and comprehensive planning that the administration had apparently hoped to claim as its own. But the administration had other claims to make concerning the Hudson Yards' planning bona fides.

B. Hudson Yards as Urban Place-Making

The Draft Scoping Document was notable not just because it contained the first appearance of the phrase "transit-oriented development" to describe the Hudson Yards plan. It also claimed that the redevelopment of the far west side would result in a "vital 24-hour neighborhood containing a mix of commercial, residential, retail, open space, and recreational uses contributing significantly to the vitality of the City as a whole" (New York City Department of City Planning and Metropolitan Transportation Authority 2003, 4). This clearly invoked Jane Jacobs' 1960s critique of modernist, mono-use urban renewal planning, a critique that by the 1990s had hardened into a new planning

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[26] A number of community members and politicians also asked why the city had not taken the possibility of terrorism in to account in the Environmental Impact Statement. At a September 2004 Manhattan Borough Board Meeting, the DCP's Vishaan Chakrabarti was asked about this issue. His reply: the Environmental Impact Statement did address issues of police actions, such as the closing or reversing of streets, but terrorism was not legally mandated by the laws that governed its production, and this was not addressed directly.

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orthodoxy, stressing the importance of street life, a broad mix of land uses, and well-maintained and well-ordered public space in the pursuit of urban "vitality" (Jacobs 1992). In fact, this was only one example of the invocation of "Jacobean" ideology to defend the Hudson Yards plan; such rhetoric had first been used by NYC2012 planners, who argued from the beginning that the entire Hudson Yards plan had to be an exercise in "place-making." As Alexander Garvin, NYC2012's chief planner put it in 2000, "if you are going to make a new part of New York, you have to make some there there" (quoted in Goldberger 2000).

Mayor Bloomberg and Deputy Mayor Doctoroff used such language themselves. For example, Bloomberg described the plan as creating "a vibrant, mixed-use community" (quoted in Bagli 2004a). Doctoroff was especially prolific in this regard, as such language fit well with his soaring rhetoric portraying New York as a place of ambitious dreams, grand visions, and "great spaces," rhetoric which had been refined in the marketing of NYC2012's bid for the 2012 games. For example, he described the plan as creating a "pulsating, 24-hour neighborhood" (quoted in Edozien 2003) and called the plan "not simply an opportunity for development. It is an opportunity to turn the area into one of New York's great places…a worthy successor to Rockefeller Center and Lincoln Center" (quoted in Horowitz 2004).

However, it was Amanda Burden and her compatriots at DCP who had the most invested in promoting the Hudson Yards plan as an example of first-class urban place-making; after all, professional identities were at stake here. The result was an onslaught of Jacobean planning jargon in defense of the plan. This began very early in DCP's stewardship of the plan; such language was not only included in the Draft Scoping

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Document, but also used in DCP presentations of the Preferred Direction in early 2003. Burden said at one such presentation that "we want to create a unique and special place where people want to live, work, visit and spend time" (quoted in Colangelo 2003). The use of this language continued throughout the ULURP process – for example, Vishaan Chakrabarti told the CPC in October 2004 that the goal of the plan was to create a "mixed use, 24/7 neighborhood," rather than a "deserted office park environment" (Chakrabarti 2004a).

1) Visualizing the Hudson Yards Plan

DCP staff did not just use language to sell the plan as an exercise in urban place-making; they used visual aids as well, in particular the renderings included in the Hudson Yards urban design master plan co-created by two firms, Cooper Robertson and Arquitectonica.[27] CPC Chair Burden insisted on the use of visually rich urban design master plans. In an April 2004 speech, as she displayed images like those included in Figure 6, Burden touted the usefulness of these plans…

> ...to help the community understand, to try together to understand urban design goals that they might want to achieve…[This] really helps them understand the physical manifestations of the site… [By] illustrating these master plans…we can engage in a productive dialogue with…both the residential community and the development community. This is…an illustration of the Hudson Yards plan, which really shows the extension of the density of midtown. We like to call this Divine Planning, because God's shining down on us (Burden 2004b).

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[27] Alexander Cooper and Jacqueline Robertson, Cooper Robertson's principals, had both been DCP officials under the Lindsay Administration and had both been involved in the plans for the far west side included in that administration's 1969 Plan for New York City.

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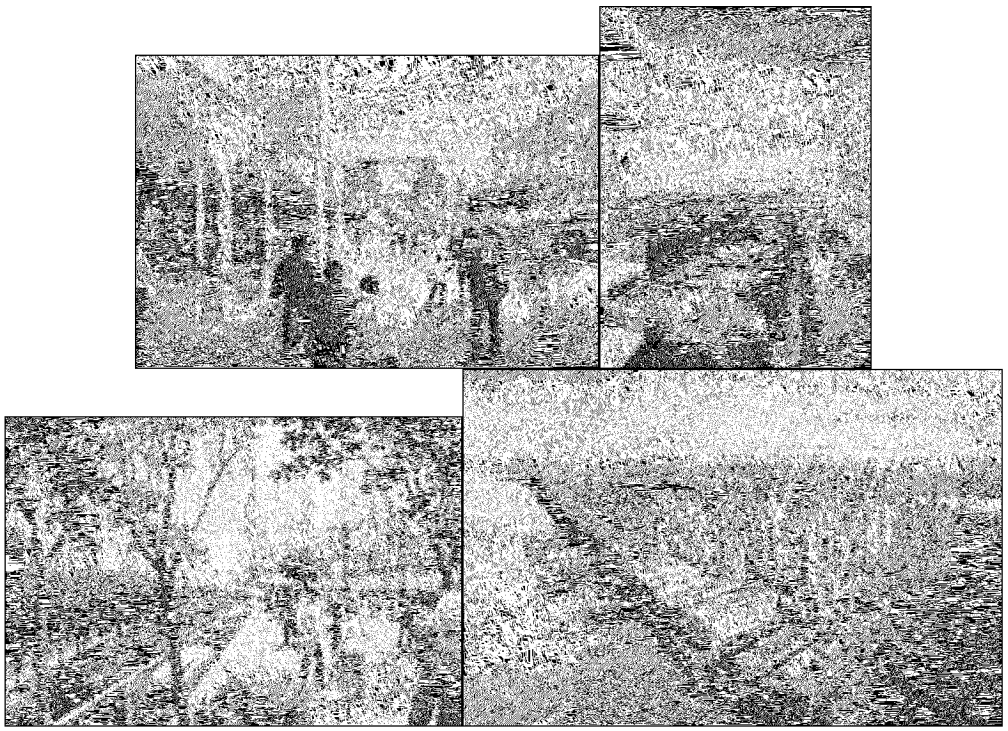


Figure 6: Renderings of the Hudson Yards Plan (Source: DCP).

While this drew laughter from the audience, the renderings served a serious purpose, one viewed with considerably more skepticism by their intended targets. In keeping with the conventions of the rendering trade, they portrayed the plan in (literally) the best light possible.[28] In these renderings, the sun is brightly shining, public spaces are active and well-populated by a diverse mix of New Yorkers, and all but the first few floors of buildings are generally not shown, which disguises their proposed height and bulk. All the elements of a mixed-use, 24/7 neighborhood are present – active street life, well-designed and inviting public and open space, human scale, and a diverse population, who we can suppose, have been drawn by the district's retail, residential, and commercial mix. Conspicuously absent, however, are the 80-story office buildings forming the crux of the plan (except when viewed from far enough above that their scale in relation to the

[28] For a discussion of these conventions, see Dunlap 2003.

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street is obscured), luxury residential towers, and the increased traffic predicted by the EIS. These renderings accompanied DCP staff at almost every discussion and presentation of the Hudson Yards plan that I attended, integrated into the PowerPoint presentations staff used to make their case for the plan. However they did little to advance the city's case for the Hudson Yards plan, and, in fact, were often used in ironic or creative ways by opponents of the plan.

Critics of the plan used these renderings in their testimony against the plan to great rhetorical effect, contrasting their rosy portrayal of the future with harsher potential effects of the plan. One far west side resident, testifying before CB4 in August 2004, noted of her building: "On that beautiful artist's rendering of this construction project, we are right underneath an 80 story building!" CB4 member Lee Compton, testifying before the CPC in September 2004, said:

> We have all seen the City's images of a completed Hudson Yards project that includes sweeping vistas from broad promenades and open plazas and parks, all lightly populated by people walking, sitting on the grass or eating in outdoor cafes. In stark contrast, the text of the EIS talks of requiring sealed and double-glazed windows because of unacceptable noise levels, windows that can't be opened because of the air pollution outside, quote, unavoidable pedestrian contact, unquote, on overcrowded sidewalks, long lines at stair and elevator entrances to subways, and more than five minutes for a car to cross an intersection. Instead of the idyllic outdoor experience depicted by the City, the EIS calls up images of sidewalk skirmishes conducted with breathing masks and earplugs (Compton 2004).

Meta Brunzema and Daniel Gutman, the two chief planners for the HKNA plan, generated their own rendering of the development permitted by the Hudson Yards plan (on the left in Figure 7), which they contrasted to the development permitted by the HKNA plan (on the right). This rendering, however, was from a very different perspective than those displayed by DCP staff, with very different effect.

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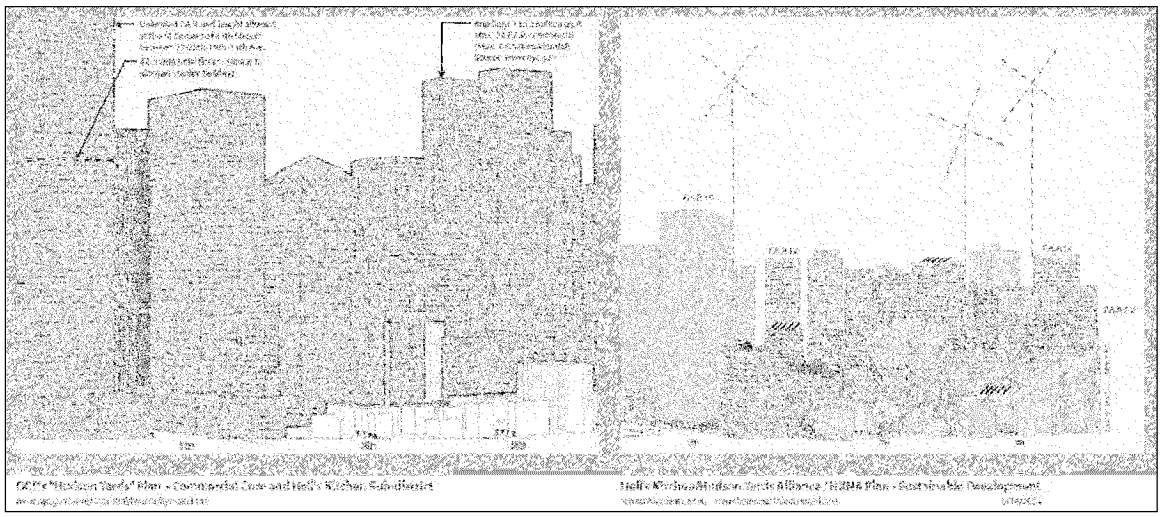


Figure 7: Comparison of densities proposed in Hudson Yards Plan and HKNA Plan, northwest view from roughly West 33rd Street and Ninth Avenue (Source: HKNA)

By including the far west side's residential areas – Hell's Kitchen's "main street" – Brunzema and Gutman were able to visually counter arguments that the plan was human-scaled and that the hulking commercial development along 11th Avenue, as proposed by the city, would be in context with the existing character of those residential areas. Their rendering also made the point that the commercial development proposed in the HKNA plan would better mesh with that character.

Finally, an episode during the Manhattan Borough President's hearing on the Hudson Yards plan held in September 2004, demonstrates the futility of using graphics to sell the plan, given the actuality of what was proposed. At the beginning of the hearing, a DCP staffer had the unenviable task of presenting the plan to an audience of many hundreds, evenly split between rowdy construction union members supportive of the plan and angry community members opposed to it.[29] As the staffer discussed the details of the commercial development proposed for the 11th Avenue corridor, an image of typical

[29] The role of the construction unions in the debate over the Hudson Yards Plan is discussed in Chapter Eight.

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buildings that might rise there flashed on the screen behind the dais (see Figure 8). While a few construction workers cheered, they were drowned out by vehement booing lasting almost an entire minute.

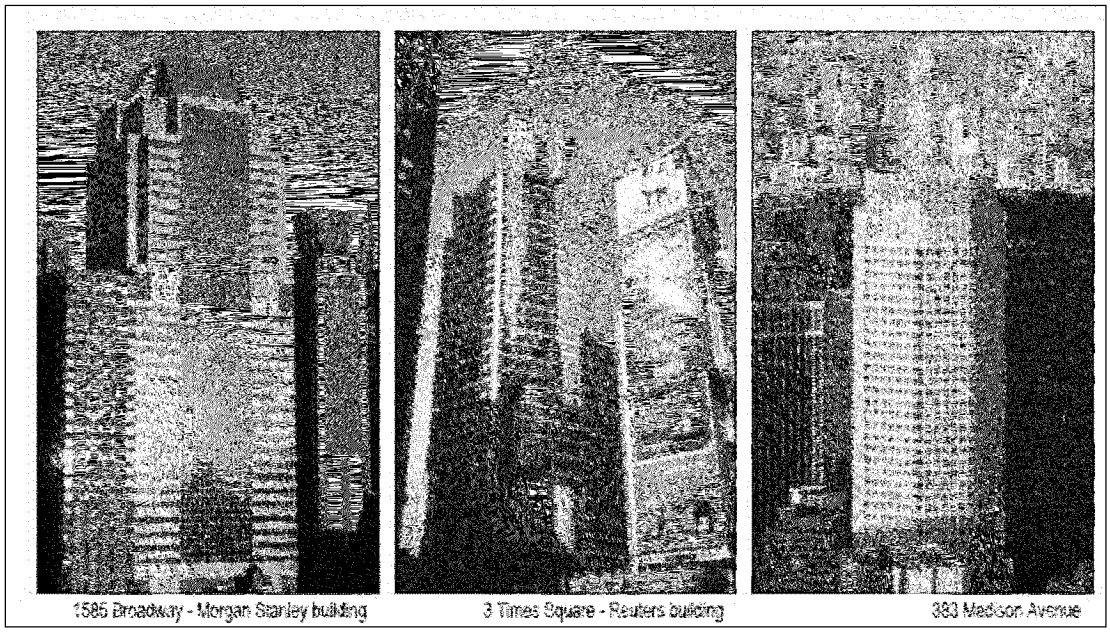


Figure 8: Buildings typical of densities proposed in the commercial core of the Hudson Yards Plan (Source: DCP).

As these reactions to the renderings point out, the problem with the Hudson Yards plan was not one of failed communication, or a lack of understanding, as Burden's rationale for their use assumed. The problem with the plan as a piece of "urban place making" was the kind of place it proposed to make.

2) Rhetoric, Image – and Reality

Did the reality of the Hudson Yards Plan jibe with the rhetoric of urban place-making and the attractive images deployed by DCP staffers, management, and other city officials as they tried to market the plan? CPC Chair Burden and her staff clearly did all they could to make it do so, devising a series of enforceable guidelines intended to create a more urbanistically sound, pedestrian friendly, and human-scaled environment as part

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of the text of the rezoning plan for the area.[30] These efforts were generally well-received by critics of the plan; for example, Karen Phillips, the only member of the CPC to vote against the plan when it reached that body in November 2004, specifically cited the urban design components for as one of the plan's great strengths in her comments before casting the vote (Phillips 2004), as did the RPA in its generally critical position paper on the plan (Regional Plan Association 2004a, 19-20).

In addition, the plan did contain a mix of uses. However, as the land-use maps in the Framework for Development, the NYC2012 plan, and the Preferred Direction indicate, they were generally cordoned off from each other, with each "sub-district" dominated by a single use (though DCP staff would attempt to ameliorate this in a variety of ways, including the requirements on ground floor retail discussed above). The kind of fine grained-mix of uses advocated by Jane Jacobs was largely absent, except in the "Hell's Kitchen Main Street" area to the northeast, where such a pattern was well-established and would be, if not reinforced, then certainly not disrupted by the plan. To call the commercial districts being proposed for 11th Avenue and the 33rd Street corridor "mixed-use" may have been literally true, but was nevertheless a distortion of what that phrase meant both in Jacobs' writings and as a planning term of art. Similar critiques can be made of the description of plan as creating a "24/7 neighborhood" and creating a

---

[30] New York City's zoning resolution contains both maps, that indicate the borders of the various zoning districts, and text, which lay out the rules governing each zoning district. In the case of Hudson Yards, the rezoning would alter the zoning map significantly, generally replacing manufacturing districts with commercial ones; more important were the proposed changes to the zoning text, which included language that described urban design guidelines, placed unique restrictions on uses (most important, restricting residential development in certain areas in order to preserve desirable development sites for office buildings) and outlined some of the mechanisms that would be used to finance the plan (such as the transfer of development rights and payments into the district improvement fund in exchange for permitting additional density; other mechanisms were not included in the rezoning and were subject to a different city approval process).

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"vibrant street life." To the extent that these claims may have been true of certain parts of the plan, it was *in spite of* the plan's primary economic *raison d'etre*, which was to fashion an extension of the midtown Manhattan CBD by building massive amounts of office space. Indeed, the administration had to be pushed by the CB4's leadership to include more housing, which of course, would enhance the area's status as a "24/7 neighborhood." And while midtown Manhattan does indeed have an active street life, this kind of congestion is far from the ideal the rhetoric of urban "vibrancy" brings to mind by cafes, sidewalk vendors, engaging and unique ground-level uses, unpredictability, and the opportunity for slow-paced strolling and people-watching.

Finally, while the open space network clearly would provide a much-needed dose of green to the far west side, the fact that much of it (including the mid-block promenade and the park that would lie over the eastern rail yards) was geared toward the geographical nexus of 33rd Street and 11th Avenue – where the commercial district, the stadium, and the Olympic square would converge. Indeed, the leadership of CB4 noted the imbalance in plans for open space, writing in their final official response to the plan, "we are amazed at the lack of public value given to the creation of neighborhood parks…in comparison to the attention the Hudson Yards plan gives to parks serving the proposed commercial areas" (Manhattan Community Board Four 2004, 14). The Hudson Yards plan embraced grandiose parks and promenades, and, ironically, turned its back on exactly the kind of small, user-friendly parks that William H. Whyte, Burden's mentor, advocated (Whyte 1980).

The larger point is that the mobilization of Jacobean language to describe a plan that would stack a row of 80 story office buildings across from a monolithic convention

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center and stadium stretches credibility: after all, Jacobs' model of vital urbanism was the West Village, not Midtown Manhattan. Try as they might, Amanda Burden and her staff at DCP could not get around the fundamental contradiction between the reality of what was being proposed and the rhetoric of urban place-making. When Burden would say things like "you have to have density to get vibrancy; we believe that deeply, deeply, deeply" (quoted in Dunlap 2005) or that the amount of development in the area had to be "enough so that there is a there there" (Burden 2004a), she missed a fundamental point. Architectural critic Nicholas Ouroussoff, in one of his two scathing reviews of the Hudson Yards plan, wrote that the attitude towards density that animated the plan "mistakenly assumes that all urban density is good, regardless of its quality…The stadium plan will enrich developers, while adding nothing of value to the public realm. If this is our vision of humane urban planning, we should fear for the future (Ouroussoff 2004). Indeed, CB4 President Walter Mankoff, in September 2004 testimony before the CPC, provided a very different vision of "humane urban planning." While lacking Ouroussoff's vitriol, Mankoff forcefully pled for the respect for place that DCP planners vainly attempted to infuse into the Hudson Yards plan:

> We see the rail yards and the surrounding underutilized land as part of a much broader historic Hell's Kitchen area. We cherish its diversity. Its buildings are old and new, large and small. Its residents come from all walks of life and reflect many income levels and ethnic backgrounds. Its businesses, large and small, play an important part in our city's economy. A rational Hudson Yards rezoning plan would build on the best of today while providing for the commercial and residential needs of the future…The Administration, in contrast, has put on blinders to all alternatives and only sees the wasteland in our area. It's doubly unfortunate. The plan damages the present while offering a future that is so unsound that it has been widely criticized by some of the most respected planners and civic organizations of our day (Mankoff 2004a).

And in one extraordinary moment at a September 2004 CPC hearing on the plan, one opponent of the plan managed, in one fell rhetorical swoop, to discredit the plan's

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pretensions as a piece of humane urbanism by invoking the words of a planner close to Amanda Burden's heart:

> Opponent: A great urbanist thinker taught us to [reading from a book] "see cities as habitats for people rather than simply as economic machines, transportation modes or grandiose architectural stage sets." Do you know who that was, Ms. Burden?
>
> Amanda Burden: I don't know.
>
> Opponent: That was William H. Whyte.
>
> Amanda Burden: Oh.
>
> Opponent: Thank you.

C. The Ultimate Challenge: Selling the Stadium as Good Planning

For NYC2012, the stadium was the *sine qua non* of the Hudson Yards plan. An Olympic stadium was, besides the Olympic Village that housed the athletes, the most important facility in any plan for the games. As we have seen, there was skepticism among real estate developers and business executives about the wisdom – political, economic, and planning – of placing the Olympic/Jets stadium on the west side of Manhattan. However, despite this skepticism, the stadium continued to enjoy staunch support, in public at least, from the members of the elite coalition that Doctoroff, Kriegel and other NYC2012 officials had cobbled together. This was due to the crucial political role it played: without the stadium, all the elements of the plan to develop the far west side would lose the rosy glow of being associated with the Olympics; in turn, tying the stadium to a southward expansion of the Javits Center and to the drive to expand the midtown Manhattan CBD generated support among elite business and real estate interests. In political, as well as geographical terms, the stadium was the cornerstone of the far west side plan.

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But could it be sold as a piece of good planning? Selling 80-story office buildings as an exercise in urban place-making was difficult. Yet this paled in comparison to selling a stadium as best planning practice given the near unanimity among planners that stadiums, and especially football stadiums, had negative effects on surrounding areas and were physically ill-suited for construction near dense, residential locations like the Ninth Avenue "main street" to the northeast and Chelsea to the south. Nevertheless, the Bloomberg administration and its allies, particularly the management of the New York Jets, conducted a vigorous campaign to justify the stadium in planning terms, a campaign centered on two themes. The first focused on the role of the stadium in the context of the overall Hudson Yards plan. It was argued that the stadium, since it doubled as a southward expansion of the Javits Center, would catalyze development in the area by covering the gaping hole of the western rail yards and by generating activity at the westernmost edge of the Hudson Yards area. The second had to do with the design of the stadium itself, which, it was claimed, would be environmentally friendly and urbanistically sound.

1) "The New York Sports and Convention Center"

On June 3, 2004 hundreds of construction union members and other stadium supporters in green t-shirts proclaiming "Build It!" descended on City Hall. They were countered by hundreds of anti-stadium activists, many of whom were far west side residents, wearing their own black t-shirts, emblazoned with the word "stadium" with a large red slash through (see Figure 9). All had gathered to voice their opinions at a City Council hearing on the stadium. After a rowdy rally at which pro-stadium supporters cheered a succession of speakers – politicians, labor leaders, and retired Jets like Greg

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Buttle and Dave Herman, who drew the loudest response – and a press conference on the City Hall steps that saw politicians like Councilwoman Quinn and Assemblyman Richard Gottfried excoriate the stadium plan, everyone poured into the ornate City Hall chamber. During the rally, the anti-stadium crowd had taken most of the floor seats, leaving the pro-stadium forces only the balcony seats, from which they rained boos and taunts down on their opponents below.

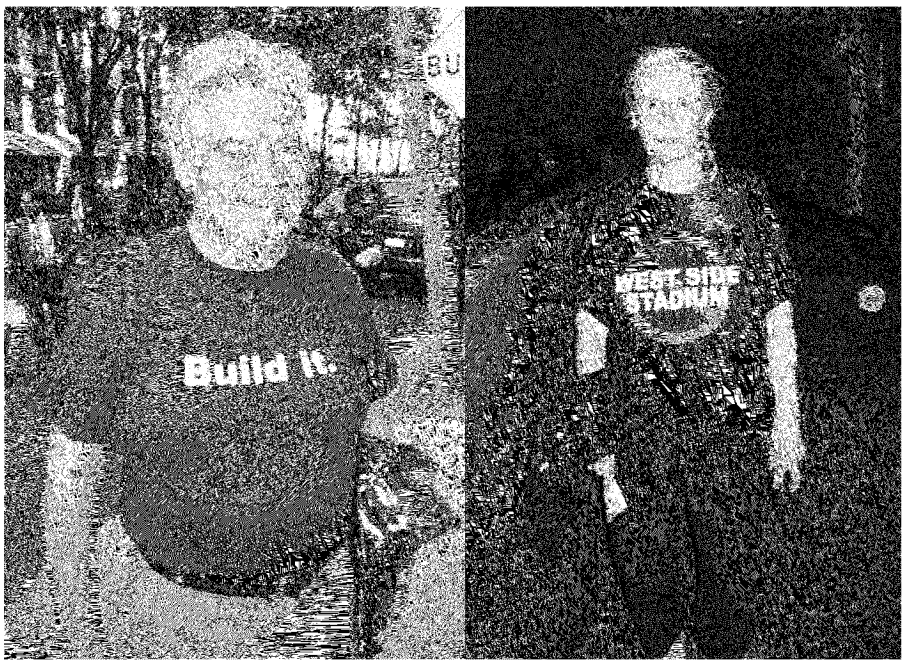


Figure 9: Dueling T-Shirts (Photo by Author)

After a few introductory words – and pleas for civility – from Council Speaker Gifford Miller and Councilman James Sanders, who chaired the hearing, testimony began. After representatives of the State and the New York Jets voiced enthusiastic support for the stadium, the man whom everyone was waiting to hear from – Daniel Doctoroff – pulled up his mike to a mixed chorus of boos and cheers. Doctoroff launched into an impassioned defense of the stadium – and a rebuke of its critics – that

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clearly outlined the purported planning rationale for the stadium. Doctoroff argued for a crucial semantic distinction:

> I think it's fair to say that over the past several months, as debate on this topic has intensified, there has been a vast amount of misinformation that's been spread…Let me repeat what I think is the most significant myth; and that is, that the New York Sports and Convention Center will just be a stadium. It's not just a stadium. The New York Sports and Convention Center will be alive with year-round activity from convention business, retail, cultural and recreational uses (Doctoroff 2004f).

Later on, Doctoroff was even blunter, scolding a Councilmember who had used the word "stadium" and saying "I refuse to acknowledge that it's just a stadium" (Doctoroff 2004f).

For Doctoroff and the other proponents of the Hudson Yards plan rejecting the "myth" that the building in question was merely a stadium involved labeling it, first a "multi-use facility" and later "the New York Sports and Convention Center" (NYSCC). This semantic distinction was of crucial importance in defending against the charges that football stadiums tended to create urban black holes, devoid of all activity, on non-game days.[31] Stadium proponents conceded that this might be the case with a stand-alone stadium, but insisted that the building's convention center functions would make it active for hundreds of days per year, rather than the ten or so days it would be active as a football stadium. Here are the words of Vishaan Chakrabarti, speaking at a May 2003 conference:

> I think the most important thing to say here is that the stadium, as a stadium, only makes sense as part of this multi-use facility…Its planning logic has it directly south of the Convention Center. That's part of what makes it work because if it were a stand-alone piece essentially you'd have something you'd use maybe ten, fifteen days a year…By connecting it to the Convention Center we'll get many event days out of this stadium…That is why we call it a multi-use facility… (Chakrabarti 2003)

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[31] I will use the terms "the stadium" and "the New York Sports and Convention Center" (NYSCC) interchangeably.

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The stadium could also host other events like concerts, the NCAA Final Four collegiate basketball tournament, graduations, soccer games, or a NFL Super Bowl. Stadium defenders pointed to stadium projects in Denver, Cleveland, Phoenix, Pittsburgh, San Diego, Indianapolis, and St. Louis that either doubled as convention centers or were part of a larger, multiuse developments that brought together commercial, retail, and residential uses to create new, dynamic neighborhoods (Alschuler 2004b).

It was also argued that the location of the stadium over the western rail yards was important. As many stadium proponents put it, including some residents of Chelsea and the far west side, the stadium, along with the development proposed for the eastern rail yards, would "fill a gaping hole" in the fabric of the far west side, a hole that had long served as a retardant for development in the area. As Mitchell Moss, the urban planner who had worked with NYC2012 and who served as an advisor to Mayor Bloomberg, put it in an interview in early 2005, "there is no benefit to keeping an empty railroad site. There's no reason to allow the rail yard to be barren when the rest of the area is going to blossom" (quoted in Gardiner 2005a). Mayor Bloomberg himself, though failing to toe Doctoroff's semantic line, often laid out this line of argument. "The truth of the matter is nobody will build over there unless there are people there already," he said in late 2004, "the great thing about the stadium is it will get people there and it will cover up the eyesore of the rail yards" (quoted in Saul 2004a). A DCP official I interviewed described the stadium as kind of planning "loss leader:"

> Putting something [on the western rail yards] that's going to be animated – that's the whole thing. It's like the sale item, putting milk on sale for 39 cents a gallon instead of four dollars a gallon…to get people into the store. You're putting this thing here, and you're animating it on the sides that need to be animated, so that there will be people coming…Once it's up and running it's like a self-fulfilling prophecy. The hard part is getting the first guy to come here…

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The Jets would be that "first guy," filling the void of the western rail yards, so that commercial and residential developers would follow.[32]

This argument made a certain amount of sense, at least on first glance.[33] However, when I relayed it to another DCP staffer, I received a response that pointed to the fundamental problem with the arguments of stadium proponents. She said, dubiously, "that's the argument anyway…but what would fill that hole was already determined." No one denied that two three-city-block rail yards were an impediment to development. The larger issue for opponents of the plan, and certainly for the planners that opposed it, was the wisdom of the particular use being proposed for the western rail yards. Did it make sense to put a stadium, or even a "multi-use facility," on a waterfront property located in the heart of the city? As CB4 Chair Mankoff put it in that June 3, 2004 City Council hearing:

> The Deputy Mayor is fond of using pictures of Park Avenue before New York Central covered Park Avenue. Can you imagine if we had a stadium in the middle of Park Avenue, whether the Waldorf Astoria would have been built across the street? Or whether St. Bartholomew's Church would be around the corner? We know it would not happen. You would have a stadium and desolation around it (Mankoff 2004b).

CB4 District Manager Anthony Borelli made this case in succinct terms at a later hearing on the stadium, asking, "can you imagine a stadium in Times Square?" (Borelli 2004b).

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[32] Stadium proponents used the April 2004 rumor that the Guggenheim Museum was considering building a satellite museum on the eastern rail yards across 11th Avenue from the stadium to further this argument. "Critics have said that if you build a stadium there, no one will want to be next to it," the DCP's Chakrabarti, said; "Lo and behold, there are cultural institutions clamoring to be next to this facility because they understand it will energize the district" (quoted in Bagli 2004b). However, it should be noted that in October 2003, shortly before this rumor surfaced, the Guggenheim's board was joined by Stephen Ross, CEO of the Related Company and a friend and former business partner of Daniel Doctoroff. An actual plan for a far west side Guggenheim never materialized.

[33] In fact, the Jacob Javits Convention Center itself had done nothing to spark development along 11th Avenue, throwing doubt on the argument that the stadium's convention center functions would provide a catalyst for development. However, since most opponents of the stadium had endorsed the Javits extension even if they were dubious about its necessity or benefit, there was little to gain in making this point.

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This argument, that the planning issue in regards to the stadium was not *if*, but *how*, the western rail yards should be developed, was the one eventually made by the RPA when it declared its opposition to the stadium. The RPA's 2004 report on Hudson Yards plan soundly rejected the stadium as an inappropriate use of the western rail yards, arguing that "there is no compelling need to place [the NYSCC] in a part of the city that should be devoted to high-value, high-density office and residential development…Fortunately, the alternative is not simply a choice between the NYSCC or an open rail yard (Regional Plan Association 2004a, 5)." The report went on to lay out in excruciating detail the planning arguments against the stadium, concluding that "the NYSCC will likely deter, rather than attract, the large-scale redevelopment that the district needs (Regional Plan Association 2004a, 24-25). The RPA argued that the congestion, both automobile and pedestrian, the stadium would create would likely conflict with the commercial uses proposed nearby. In addition, the stadium would block access to the waterfront, its mass and volume would "create an unpleasant pedestrian experience in its vicinity," and it was unlikely that it would result in animating the surrounding area, even in its role as a convention center (Regional Plan Association 2004a, XX). As the report pointed out, the aim of convention centers and stadiums is to retain patrons and their money, not to disperse them into the surrounding neighborhood; even the city's own analysis projected that the facility would be used only 136 days per year, and thus would be inactive the great majority of the time.

Once the RPA released its report, several other civic and planning organizations like the New York Chapter of the American Planning Association and Citizen's Union, the city's oldest civic organization, joined it in condemning the stadium. While these

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organizations cited a number of different reasons for this, a common objection, especially among planning groups, was the inanity of locating a stadium on what could, if the proper infrastructure was supplied, be one of the most valuable and desirable pieces of property in the city.

2) "One of the Revolutionary and Iconic Buildings in the World"

So Deputy Mayor Doctoroff described the NYSCC in a September 2004 speech (Doctoroff 2004d). In the effort to market the stadium to a skeptical public, its very form became a selling point. From the very beginning, Jets executives, led by Jay Cross, attempted to use the power of design to move the stadium forward. In doing so, they were was drawing on common practice among stadium planners and architects, a fact revealed to me when I attended a July 2004 discussion of stadium architecture sponsored by the New York Chapter of the American Institute of Architects; Cross himself was in the audience, along with staff members from NYC2102 and Doctoroff's office.[34] The prominent architect Peter Eisenman stated flatly that stadium architecture was first and foremost "geared towards media promotion…We spend less energy on designing than on mediating what we design…Normally architects don't talk about this, but this is where the action is. Our client displays other media portraying the stadium, not the design itself (Eisenman 2004). Echoing this point, Raymond Gastil, the founding director of the Van Alen Institute, an organization dedicated high quality urban planning and design, wrote that "the Jets knew that to build their stadium, they would have to push very hard in the arena of public opinion and they decided to pump up the architectural vision of the type

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[34] New York's AIA chapter was, to my knowledge, the only professional organization of planners or architects in the city to endorse the stadium, which speaks volumes about the mindset of mainstream New York City architecture.

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of building their stadium would be, demanding an icon" (Gastil 2002, 163).[35] And indeed, selling the NYSCC to the public was largely a media-driven project, as the images and renderings of the stadium became ubiquitous both at presentations and hearings and in both print and television media (see Figure 10).

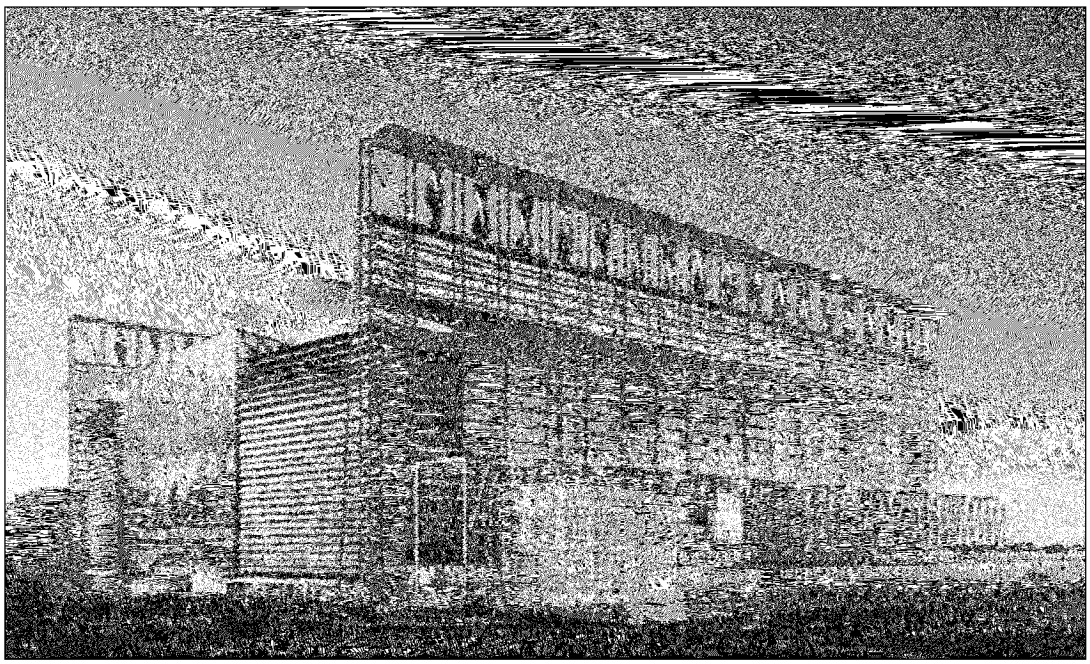


Figure 10: Rendering of the Stadium as viewed from the northeast (Source: New York Jets)

These renderings were produced by the New York architectural firm of Kohn Pederson Fox Associates, which the Jets hired in late 2001 to design the stadium. According to Jay Cross, the team had insisted upon a New York City architect, since only such an architect would be able to integrate the stadium into the complex mix of uses, scales, and infrastructure surrounding the western rail yards (Cross 2003). William Pederson, one of the firm's principals, described the stadium's design as driven by three

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[35] Gastil, whose experience and ideas had much in common with Amanda Burden's, would succeed Vishaan Chakrabarti as the head of DCP's Manhattan Office in January 2005, after Chakrabarti had succeeded in pushing the Hudson Yards rezoning plan through the ULURP process.

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objectives: first, the building should connect the inland community to the river; second, it should be an integrated part of the urban context; and third, the building should constitute both "a retrospective gesture" by drawing on historic Hudson River piers and the "muscularity" of the George Washington Bridge, and "a prophetic gesture in the form of sustainability" (Pederson 2004)

Each of these objectives fit with the overall effort to sell the Hudson Yards plan as an exercise in best planning practices, mobilizing the language of waterfront access, sensitivity to context (both historical and geographical, in this case) and environmentalism. In Kohn Pederson Fox's plans, the stadium was surrounded on the north by full-block "front porch" aimed at pulling pedestrians towards the river, which would also include some outdoor retail uses (see Figure 11). On the south, the stadium bordered another full-block park providing a route to the water. Also, the stadium here was integrated with the High Line, a long-abandoned elevated train trestle running 22 blocks from the Meatpacking District through West Chelsea to West 34th Street that was slated for redevelopment as an elevated pedestrian way.[36] The eastern side of the stadium would include a two-story shopping arcade and a number of high-end restaurants and bars, all of which would be open seven days a week. 60,000 square feet of "destination retail space," including a high-end supermarket and a car dealer's showroom, were also planned here. Finally, on the west side of the stadium, overlooking the Hudson River, would be a 400-seat community theater, another restaurant, and a museum.

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[36] The redevelopment of the High Line was a project especially dear to Amanda Burden and other advocates of human-scale urban development. However, it was not often noted that the NYSCC plan, as eventually adopted by the Empire State Development Corporation, actually called for the destruction of the portion of the High Line running north of 33rd Street. It would be replaced with a pedestrian walkway adjacent to the stadium. See New York State Urban Development Corporation 2004, 13.

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Figure 11: Rendering of Stadium as viewed from the northwest (Source: New York Jets).

The activity on all four sides of the stadium, the block long parks connecting the inland area with the river, and the integration of the High Line all were intended to enhance the stadium's status as an exemplar of urbanism. Moreover, the stadium itself was designed as a cutting-edge green building, as Cross detailed during a February 2003 conference:

> The other point we took into consideration before we even started is that we're in a world today where energy is thought of in very different terms…So we have thirty-six wind turbines and…100,000 square feet of solar paneling on the roof. That will generate all of the power requirements that our football stadium needs to generate. So that's green power…Basically through the entire year we will be putting sustainable green energy into the grid and only taking energy out of the grid as we need it…We also collect all of the rain water and the snow…in a retention pond like you would see in a suburban location, except we put it on the roof…Finally…we'll be able to generate all of our hot water needs (Cross 2003).

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While the inclusion of all these elements in the design for the stadium would undeniably lessen its use of energy and other resources, it also served an important public relations purpose, allowing stadium proponents to counter arguments about traffic and congestion by pointing to the stadium as a "model building in sustainable design," as one stadium advocate put it (Gargano 2004).

Many of the urbanistic flourishes included in the stadium plan were the result of pressure from CPC Chair Burden and other DCP staff. The inclusion of a stadium in the plans for the far west side was hard to square with Burden's commitment to small-scale, fine-grained urban development, but apparently Burden had accepted the inevitability of a stadium and had chosen to push for elements that would soften its edges and ameliorate its negative consequences rather than oppose it outright.[37] In interviews, she insisted that her efforts had been effective, pointing to the inclusion of parks on all four sides of the stadium and retail and other street-level activity on its edges, and saying that "we've been pushing the Jets very, very hard to improve the design – I am very intent on doing that" (quoted in Pogrebin 2004).

3) Lipstick on a Pig?

In fact, Burden, along with staff from the DCP and the Municipal Arts Society – a prominent civic group dedicated to urban design (and the only major civic group not to reject the stadium) that had been drafted to assist in improving the stadium's design –

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[37] There were rumors of discord within the administration and, more specifically, between Burden and Doctoroff, about the wisdom of locating a stadium on the far west side of Manhattan (see Pogrebin 2004). Many observers wondered about this, including Anna Hayes Levin, who told me:

> Obviously Amanda got to some point where she decided that this job was something that she wanted to keep, and if she wanted to keep her job she had to make room for a stadium. But yet we continue to wonder what she thinks when she goes home at night about it (Levin 2004a).

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succeeded in this. In February 2005, the Jets released a new stadium design that attempted to address some of the concerns about stadium (see Figure 12). The wind turbines were gone, though the Jets still planned on purchasing power for the stadium from an upstate wind farm; this reduced the stadium's height by a third (by roughly 120 feet, or ten stories). The stadium was now wrapped in a transparent glass veil to give it a lighter, less massive appearance, and to make it less of a (visible) barrier to the waterfront. Its 11th Avenue frontage was pushed back to provide a wider sidewalk that could be used as a public plaza. Finally, retail space and a broadcast studio were added in a further effort to keep the stadium active for more of the time.

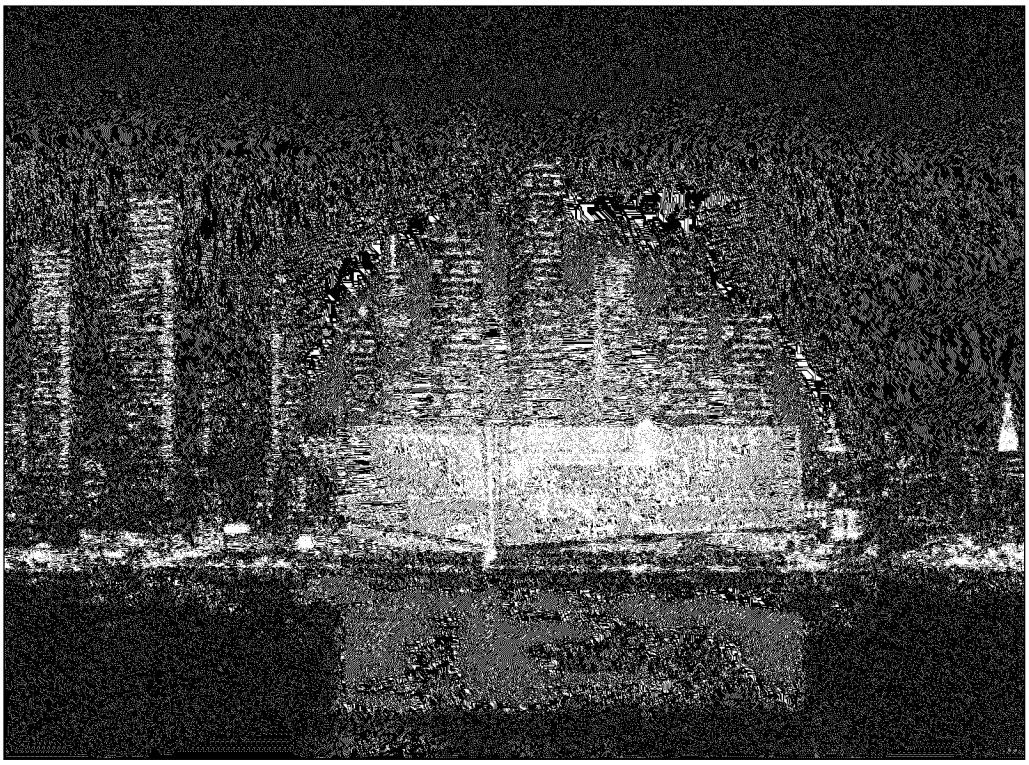


Figure 12: The February 2005 redesign of the NYSCC (Source: New York Jets)

The effort to sell the stadium on the basis of urbanism, design, and sustainability reached an apogee just after these changes were made. Alexander Cooper and Jaquelin Robertson, two ex-Lindsay administration officials who were principles of the respected

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urban design firm that created the Hudson Yards urban design master plan, lent their considerable prestige to the stadium in an extraordinary editorial that laid out the case for the stadium as an "an icon of urbanism" (as the editorial was entitled):

> From a planning and design perspective, the [NYSCC] fits perfectly with New York tradition and history…From the beginning this city has flourished because of its waterfront connection to the Old and New Worlds…Recent design modifications and a height reduction…connect the enterprise even more powerfully and viscerally to the urban fabric…It is…urban through and through.
>
> Its design is a daring expression of 21st-century architectural possibilities. The architects…have intuitively deferred to the majesty of [Manhattan's street] grid to define the building's dimensions and volume…The stadium's pioneering design, which is reflective of the glitter of Times Square, with its super graphics and dramatic signs, will become a contemporary iconography…Brilliant and – even without its wind turbines – still green, the design incorporates a network of sustainable technologies both to delight and to conserve…
>
> It is a triumph of design and civic responsibility - rooted in history and embracing the future. It is architecturally bold, environmentally forward-looking and urbanistically engaged…Decades from today we want the public to look back and celebrate what has been achieved, rather than lament a failure of imagination. The gift of our waterfront, as envisioned more than 350 years ago, is ours once again to seize (Cooper and Robertson 2005).

I quote at length here because this editorial is perhaps the most striking, concentrated, and rhetorically ornate example of the use of the language of urbanism, design, and sustainability in the campaign to sell what is an essence, a football stadium.

What is also striking was the almost complete failure of this effort. CB4 Chair Mankoff's response to the much-ballyhooed unveiling of the new stadium design in February 2005 reflected the overall attitude of opponents to the stadium to all of the efforts of the Jets, the city, and other stadium proponents to deploy the stadium's design in an effort to garner support for the stadium: "It's a minor cosmetic change. It doesn't offset the environmental impact of the stadium, the crowding and traffic issues. It's so trivial" (quoted in Bagli 2005e). All of this effort was akin, in the apt words of one

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journalist, "to putting lipstick on a pig" (Golson 2004b). Professional planning groups and community members alike continued to view the stadium with great hostility.

No matter how much the stadium's proponents insisted that it was an example of good planning – that it would facilitate access to the waterfront, spark development in the neighboring areas, and that the activities planned for its edges would prevent it from becoming an urban black hole – its primary function as a football stadium could not be disguised. The stadium was necessarily large, bulky, and blocky; even with its convention and arena functions, it would be in use less than 40 percent of the time. And despite studies sponsored by the Jets that showed that a large percentage of their fans would use mass transit to come to games, the stadium's environmentally friendly features did little to allay fears of the stadium's negative environmental impacts, especially in the form of congestion and traffic. Despite the best efforts of Jay Cross, Daniel Doctoroff, Amanda Burden, and others to, if we are to give them the benefit of the doubt, soften the impact of the stadium, or, more cynically, use semantics, design, planning rhetoric, and environmentalism to foist the stadium on a skeptical public, few minds were changed.[38] In September 2004, Jeanne Isenstein, who had lived in the same Hell's Kitchen building for 28 years, had this to say:[39]

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[38] While many officials who came to support the stadium cited its economic impacts, few cited its design as important, or even mentioned it at all.

[39] One of the great joys of my ethnographic research was watching far west side community residents overcome their fear of public speaking and the often intimidating catcalls of stadium opponents and give eloquent and impassioned testimony at the 2004-2005 hearings on the Hudson Yards Plan. Isenstein, a petite, soft-spoken woman who had worked as a teacher and trained as a lawyer before becoming disabled and unable to work. I first saw her speak at a practice meeting sponsored by the Hell's Kitchen/Hudson Yards Alliance before the Borough President's hearing where, with the encouragement of her neighbors and anti-stadium compatriots, she spoke in a quiet and halting voice. However, at the Borough President's hearing and later in the CPC hearing, she found her voice, giving well-argued testimony and even engaging in spirited call and response with anti-stadium audience members.

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> I'm originally from the Boston/Cambridge area where people are able to enjoy the grassy banks of the Charles River: that's emblematic of the area. They wouldn't think of building a humungous hulking structure right on the river obstructing their ease of access and destroying the beautiful view and New York shouldn't either. I think we all agree that waterfront property is extremely precious. Planting a ribbon of grass alongside the stadium, even if there are parks at either end, doesn't negate the fact that our access to and view of the river will be obstructed…A stadium has nothing to do with the water. It squanders the opportunity to take advantage of the beautiful river (Isenstein 2004).

In the eyes of many, the stadium remained just that – a stadium.

D. The Hudson Yards Plan Rejected

Despite the Bloomberg administration's purported dedication to best planning practices, signified most clearly by the hiring of Amanda Burden to head the DCP, the Hudson Yards plan was rejected by both CB4 and the civic and planning organizations that had the ability to impart the imprimatur of best planning practice to the plan. The RPA was clearly the most important of these organizations, as its professionalism, technical expertise, and lack of partisanship, in the context of a Bloomberg administration that openly embraced these qualities, gave it a level of public authority it had not enjoyed during previous administrations. As mentioned above, the administration took the unprecedented step of lobbying the organization, and in fact successfully delayed the issuance of its report from May 2004, when it would have come just before the International Olympic Committee met to pare down the field of candidate cities for the 2012 summer games, until July of that year. This lobbying campaign only enhanced the RPA's authority – after all, if they did not matter, why were Doctoroff, Burden, and others trying so desperately to win the organization's endorsement? In addition, the RPA's endorsement of the broad goal of developing the far west side contributed to the difficulty of dismissing the organization as due to NIMBY-ism or blind antidevelopmentism (though, as we will see, this did not prevent some proponents of the

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plan tried to do just that). As RPA President Robert Yaro, sitting on a dais with Daniel Doctoroff and Vishaan Chakrabarti, put it at Tom Duane's August 2004 "Visioning Session:"

> Our differences, Dan, with the city over the west side plan have nothing to do with the overall goal, but finding ways that the west side can accommodate a significant part of the city's economic growth and population growth [sic]. Our concerns have been about *how* that plan and its elements [can do so]…I think the challenge facing all of us is how the west side and the city accommodate that growth (Yaro 2004).

The report the RPA issued in July 2004 clearly supported the goal of redeveloping the far west side with significant amount of residential and office space, along with the notion of extending mass transit the area and expanding the Jacob Javits Center. However, as well as questioning the rationale for a far west side stadium, the report made several other substantive criticisms of the Hudson Yards plan. It questioned the timing of the plan, arguing that rather than building the Number 7 train right away (thus incurring a major upfront cost), the rezoning should go forward and the Number 7 line should constructed only when development in the area warranted it. It criticized the rezoning as inflexible in its discouragement of residential development in the commercial core of the plan along 11th Avenue, and called for a greater mix of uses in that area. It called for additional efforts to creatively use open space in order to cover up the unattractive traffic ramps serving the Port Authority Bus Station and the Lincoln Tunnel. It called for strengthening connections to the waterfront and completing the section of the Hudson River Park adjacent to the area. Finally, it not only rejected the stadium but called for the…

> …immediate pursuit of alternative development plans for the Western Yards site that better connect to the waterfront, animate the neighborhood and support the development of the district. Specifically, the site should be zoned for high density mixed uses with a strong focus on residential development that could be combined with open space, cultural activities

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> and many of the same amenities that are being planned to animate the edges of the multi-use facility (Regional Plan Association 2004a, 24).

The RPA report's criticisms were especially effective because they operated using the same set of assumptions and conceptions that the Hudson Yards plan's proponents claimed as their own. It never questioned the necessity to expand the midtown Manhattan CBD; it never questioned the reigning Jacobean planning orthodoxy stressing waterfront access, mixed-use development, vital street life, and open space. Thus, the RPA's critical assessment of the Hudson Yards plan struck a severe blow to the efforts of its proponents to sell it as an example of best planning practice.

These efforts received a second blow in August 2004, when CB4 issued its official response to the Hudson Yards plan. Like the RPA's report, CB4's response did not reject all of the plan's premises outright; instead it managed to negotiate a tricky path between the stated goals of the HKNA plan (which CB4 had endorsed in 2003) and those of the Hudson Yards plan by endorsing certain parts of the latter plan that were more or less in keeping with the former plan's goals, and rejecting other elements that were not. The response was based on a fundamental insight that struck Anna Hayes Levin in summer 2004:

> I realized as I was studying the Environmental Impact Statement and reading the alternatives that there's a low-density alternative that the city has included which is just the base rezoning. And that's when the light bulb went on…That's the way for us to present our response! We can say we like this alternative, and it's the city's own alternative. It's the base zoning. Do that part. All the nasty stuff is in the text, the district improvement bonus; all the development rights transfers; all the things that create the density that we oppose are in the text. So that's why we set up our response the way we did. And it's interesting to watch now how it's playing out through the process because other people are picking up on that. You can have your doubts about the base rezoning; there are some problems with it. But it still becomes a very useful framework in which to think of this (Levin 2004a).

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By embracing the base rezoning, and rejecting the zoning text, which as Levin indicated, contained the mechanisms that allowed for the increased density that would in turn produce the revenues that allowed the plan to be self-financing, CB4 was able to present politicians such as Manhattan Borough President Fields and the members of the City Council who would eventually vote on the plan with an option between wholesale endorsement and flat-out rejection. Politicians could express their disapproval of parts of the plan without taking the political risks that would be incurred – particularly the antipathy of the real estate industry, the administration, and the construction unions – by completely rejecting the plan. And in fact this is the path the Manhattan Borough Board took, and this gambit played an important role in later negotiations between the Bloomberg administration and the City Council.

As well as providing a middle path between endorsement and rejection, CB4's response laid out convincing arguments that many elements of the administration's plan were in violation of best planning practices. As well as objecting to the risks inherent in the financing plan (which are discussed further in Chapter Seven), CB4's response noted that the plan, in a break with general precedent in New York City, imposed no limits on the density allowed in certain locations; it condemned its lack of an affordable housing plan and provided a series of concrete recommendations for such a plan; it decried the stadium and the Javits Center expansion as creating barriers to the waterfront; it laid out serious environmental concerns; it portrayed the plan as favoring open spaces serving commercial rather than residential areas; it expressed concern that certain architectural and historical landmarks in the area, which were enumerated in great detail, would be threatened (this was clearly targeted at Amanda Burden, a strong advocate of historic

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preservation); it decried the plan's inclusion of more parking than had generally been the city's policy; it objected to the condemnation and displacement of a number of residences and businesses, and finally it drew attention to certain elements in the plan that would preclude public review of certain future city actions in the Hudson Yards area. All of this was laid out in clear, well-reasoned prose.

CB4's response impressed both opponents and proponents of the plan. DCP staff who had worked with CB4's leadership praised the response, even as they disagreed with some of its criticisms. In addition, several members of the CPC praised CB4, even as they voted in favor of the plan. One commissioner, despite his vote for the Hudson Yards rezoning plan, went as far as saying that he had "never seen a more well-thought-out presentation of community response" at the November 2004 CPC meeting at which that plan was passed (Cantor 2004).

While CB4's response did not prevent the rezoning portions of the plan that went through the ULURP process from passing the CPC, and eventually the City Council, it nevertheless played a crucial role in providing arguments against the plan. Especially notable was the fact that community leaders were able to understand, explain, and repackage for public consumption the complexities and details of the zoning code; of the various financing plans for different elements of the Hudson Yards plan; of stadium, convention center, and real estate economics; and of the project's mammoth Environmental Impact Statement. Just as the CB4's analysis of the Hudson Yards rezoning plan provided politicians a middle way between wholesale acceptance and complete rejection, their ability to penetrate the technical intricacies of planning practice and to master the language of best planning practice provided busy politicians and other

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public figures concise and accurate information that they could use in justifying their opposition to the plan and/or its elements. Also, CB4's steadfast position that the Hudson Yards plan had to include a comprehensive and concrete affordable housing plan provided the bedrock upon which a broader coalition pushing for such a plan was eventually built in the second half of 2004. Finally, as the focus moved in 2005 to the process of approving the stadium, CB4 and its membership, along with the far west side plan opponents which it represented, played a crucial role by joining the citywide opposition to the stadium and by constantly protesting, filling hearing rooms, and flooding politicians with letters and faxes. After the stadium was voted down by an obscure state board consisting of representatives of State Senate Majority Leader Joe Bruno and State Assembly Speaker Sheldon Silver, and Governor George Pataki in June 2005, Anna Hayes Levin told me:[40]

> The stuff you heard coming out of their [i.e., Silver and Bruno's] mouths were arguments we helped develop that went up through the food chain…and in the end won the day…We've learned how to take our own parochial interests and connect them up with the broader interests that other New Yorkers might have because we knew we weren't going to kill this if it was just a "not in my backyard" argument (quoted in Murphy 2005).

Or as CB4 Chair Mankoff put it, "we started as a whisper and ended as a storm" (quoted in Murphy 2005).

The rejection of the plan by both the RPA and the CB4, by both an elite and authoritative planning organization and the one organization that could claim to represent the local community, together eviscerated the claims of the plan's proponents that it represented best planning practice. Moreover, Levin put her finger on something very

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[40] The vote of this state board is discussed in Chapter Nine.

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important when she noted the need to avoid the NIMBY label, as what was crucially important about these rejections of the plan was that both were accompanied by positive proposals for the far west side. In an ironic twist, the Bloomberg's own purported embrace of comprehensive and environmentally and technically sound planning unleashed a torrent of planning energy that resulted in a plethora of visions for the far west side and for the western rail yards. It is to these visions that we now turn.

IV. The Response: Planning Unbound

In the same conversation I describe at the beginning of this chapter, Anthony Borelli noted the one result of the willingness of the Bloomberg administration to engage in ambitious, large-scale planning. "It creates the opportunity for planning organization to be heard," he said. "The RPA, the Newman Institute – now everyone can think big. It has unleashed the pent up floodgates of planners' desire to do big planning." As the debate over the Hudson Yards plan ramped up through 2003 and into late 2004, four alternative plans for the area emerged. Each, to different degrees, accepted the premise that the redevelopment of the far west side was necessary and appropriate. Yet each challenged the official Hudson Yards plan in significant ways, and taken together represented a further blow to the claims of the administration and other supporters of that plan that it constituted the only, or even the best, approach to the far west side's redevelopment.

A. The HKNA Community Plan

The plan developed by HKNA and the Design Trust for Public Space was the oldest of all these plans, and the one that best represented the desires of the far west side community. As was discussed in Chapter Three, the community plan was rooted in a

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participatory planning process that had begun in the late 1990s. The plan became more a more detailed as time went on and the input of the community board and far west side community members was incorporated, resulting in an April 2004 version of the plan that was included in the alternatives considered in the Environmental Impact Statement. This version actually contained a slightly higher amount of density than proposed in the administration's Hudson Yards plan, although contained significantly more residential space and significantly less commercial space.[41] It included both a northward and southward expansion of the Javits Center and a significant amount of open space (though the mid-block boulevard was not included), and proposed, first, an east-west moving walkway connecting Penn Station and 11th Avenue along 34th Street, and if necessary, the future extension of the Number 7 subway line (see Figure 13).

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[41] This version of the community plan proposed 20 msf each of residential and commercial development, 1.6 msf of hotel development and about 1.8 msf of retail development. This shifted about 6 msf from the commercial to the residential category, while the amount of hotel space was about the same as proposed in the overall Hudson Yards plan and the amount of retail space was roughly double that in the city's plan. It should be noted that a version of the community plan that had the same overall amount and distribution of development as the city's plan was also included in the Environmental Impact Statement; however, advocates of the community's plan preferred the April 2004 version, as they saw a greater need for residential development than for commercial development.

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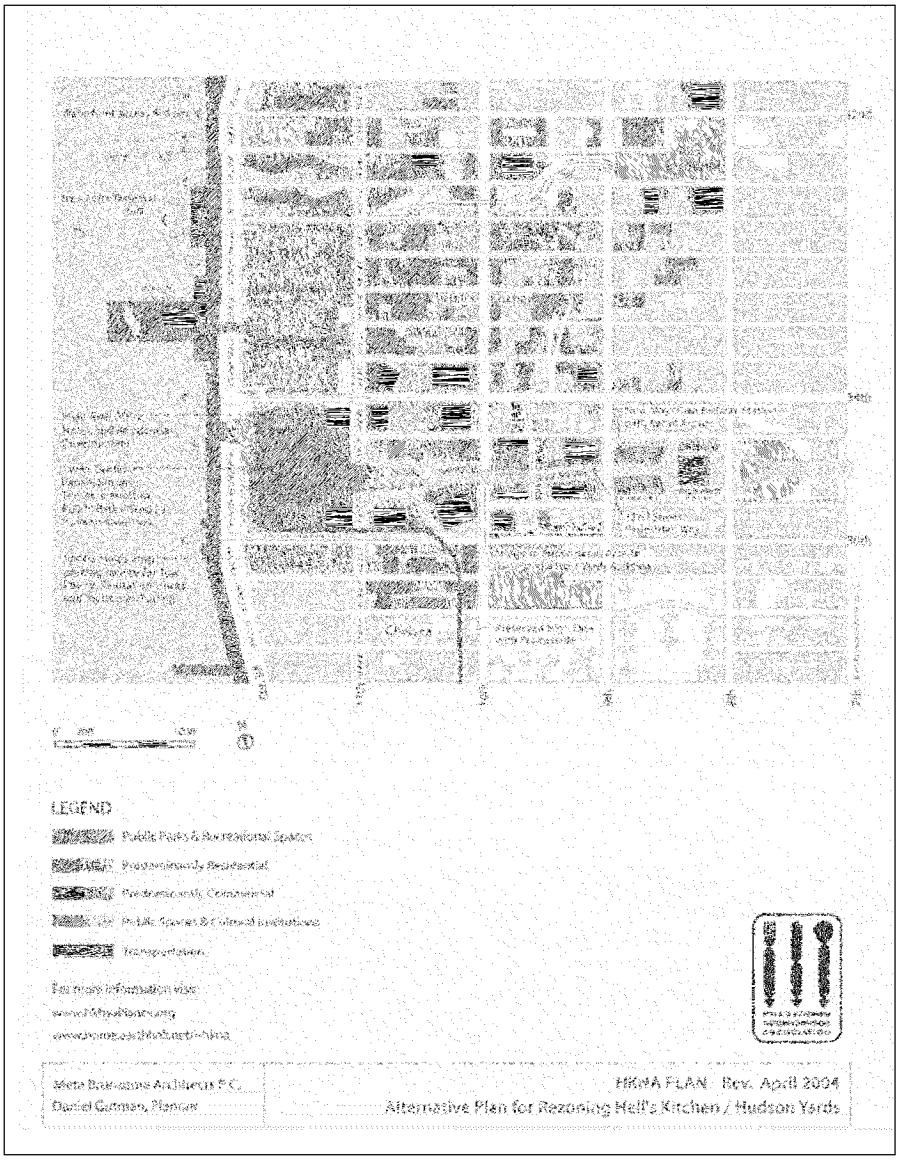


Figure 13: The Community Plan (Source: HKNA).

Where the HKNA plan departed most radically from the Hudson Yards plan was in its exclusion of a stadium on the western rail yards. As members of the CB4 leadership and HKNA's planners argued again and again, the stadium was a planning mistake not just in itself, but also in its effect on the rest of the plan. Precluding commercial and residential development on the western rail yards forced density northwards along 11th Avenue, away from the 33rd Street corridor, where the connection to the existing midtown Manhattan CBD was strongest.

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With the stadium gone, the community plan proposed that the Javits Center be extended southwards onto the western rail yards, where it would be covered by a large park which would have residential development on its western, river-facing corners and commercial development on its eastern corners. Commercial development would be centered along a 30th-35th Street corridor, with the area to the north of this reserved for residential development. Commercial development would be arranged to facilitate a several-block-long connection to the river; in addition connections to the river in the northern portion of the area would be strengthened by cutting off the northward expansion of the Javits Center at 39th Street (where, in both the city and the community plans a ferry terminal would be located).[42]

At a number of CPC review sessions held in fall 2004, Vishaan Chakrabarti and other DCP staff criticized a number of aspects of the community plan, calling its arrangement of open space "disconnected," decrying the removal of the mid-block boulevard, and describing its proposals for the expansion of the Javits Center and for the extension of mass transit into the area as insufficient. However, they did acknowledge that they had made some changes to the city's plan that incorporated certain aspects of the community plan, in particular by shifting some density towards the east-west orientation proposed in that plan and by adopting the strategy of placing green space over certain infrastructure associated with the Lincoln Tunnel. As well as having these tangible effects on the Hudson Yards plan, the community plan made the larger point that

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[42] The Hudson Yards plan proposed that the Javits Center be extended to West 41st Street, which would block access to the ferry terminal. City planners proposed a pedestrian passage through the Javits Center to ameliorate this.

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the stadium, by forcing too much density into too small a space and by cutting off the waterfront – was a fundamental hindrance to sound planning on the far west side.

B. The Newman Plan

A second comprehensive plan for the far west side emerged in fall 2004 from the Steven L. Newman Real Institute, located at Baruch College. The institute, run by Henry Wollman, who had strong connections in the real estate industry and whose family name is peppered on various landmarks throughout the city, had impeccable credentials among the city's development and real estate elite. Like HKNA's planners, the developers of the Newman Plan, including a team of prominent engineers, planners, and designers led by Robert Geddes, a distinguished architect and dean emeritus of the Princeton University School of Architecture, saw the planning of the rail yards as the crucial element in planning for the redevelopment of the far west side. However, rather than seeing the stadium as the major problem with the Hudson Yards plan, they saw the Javits Center itself, occupying several prime waterfront blocks, as the fundamental obstacle to good planning in the area.

With this in mind, the Newman planners came up with the ambitious idea of completely razing the Javits Center and rebuilding it over a "land bridge" running from Ninth Avenue all the way west to the riverfront, straddling both the eastern and western rail yards as well as an additional block between Ninth and Tenth Avenues (see Figure 14). More spacious than even the expanded Javits Center envisioned in the Hudson Yards plan, this new convention center could serve as a base for development of many different kinds. This flexibility – the plan included several different options for development above the new convention center, including office buildings, residential

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towers, or even a stadium – was touted as one of the plan's great strengths, and implicitly pointed to one of the Hudson Yards plan's inflexibility, one its great weaknesses. Finally, all of this development would be served by a futuristic automated rapid transit system looping from Penn Station to the Hudson River waterfront.

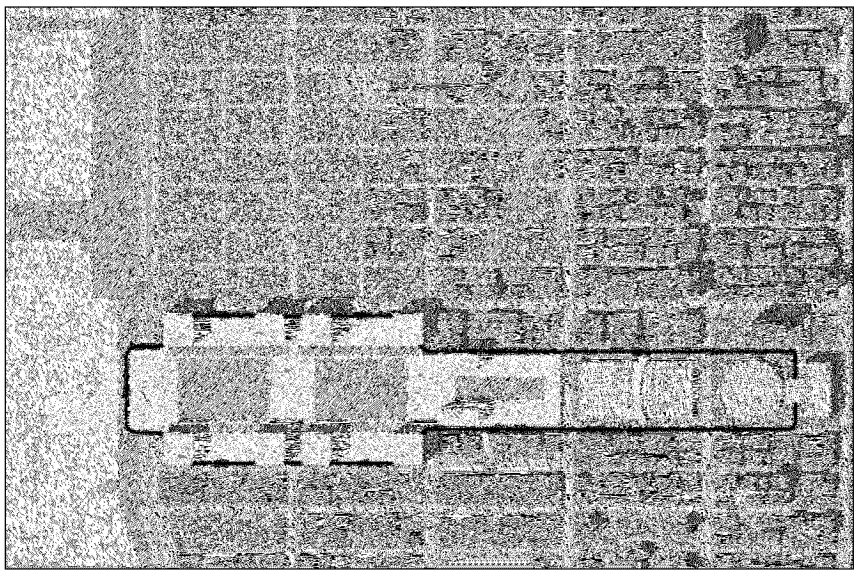


Figure 14: The Newman Plan (Source: Steven L. Newman Real Estate Institute)

The result would be the "unleashing [of] $3 billion worth of real estate value" as Wollman put it at the November 2004 unveiling of the plan before CB4, as several waterfront blocks would now be available for high end residential development (Wollman 2004).[43] Revenue from this development, according to the plan's detailed financing proposals, would pay for the convention center, the rapid transit system, and 4,000 units of affordable housing. All this would be facilitated by the fact that all of the land in question was State-owned, simplifying both the approval process and the

[43] At this presentation, Wollman made a subtle dig at DCP's practice of using flashy renderings in presentations of the Hudson Yards plan. Wollman, who instead used relatively rudimentary architectural drawings and plans, noted that "there are no renderings or computer stimulations. We are too respectful of the level of intelligence [of people] in the room, [who] can deal with images as professionals in their offices might" (Wollman 2004).

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financing plan, which could draw on straightforward state borrowing, rather than complex self-financing schemes.

While at first glance this plan seemed insanely ambitious, the sobriety and respectability of Wollman and the Newman Institute, along with the substantive engineering and financial analyses that had been done, provided evidence of the plan's feasibility. And in fact, its very ambition and willingness to squarely face the fact that the Javits Center was the fundamental barrier to waterfront access made the Hudson Yards plan seem relatively uninspired. Wollman bragged that his plan, especially the state-of-the-art convention center and the automated rapid transit system, "reeks of the 21st century" (Wollman 2004). The release of the Newman Plan took some wind out of the Hudson Yards plan's sails: here was a plan developed under the auspices of perhaps the central intellectual institution of New York City's real estate development community that managed to be more flexible, more financially straightforward and prudent, more futuristic, and more ambitious than the Hudson Yards plan. All this – and more affordable housing? Suddenly, the Hudson Yards plan looked very 20th century, indeed.

C. The RPA's Plan

While the Newman plan and the community plan contained comprehensive proposals for all or large portions of the Hudson Yards area, two other plans, formulated by the RPA and by Cablevision, Madison Square Garden's parent company and a dedicated opponent of the stadium, proposed alternatives for the Hudson rail yards alone. Similar in their broad outlines, both plans proposed a mix of residential and commercial development, as well as open space intended to link inland areas with the river.

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In keeping with the criticisms made of the city's Hudson Yards plan in its earlier position paper, the RPA's December 2004 plan for the rail yards proposed that the eastern and western rail yards be developed together. The RPA actually presented three different options, centered on 32nd, 33rd, and 34th Streets, each of which contained some 11 msf of development, with 75 percent of that residential development and 25 percent commercial (the western rail yards would be entirely residential and the eastern rail yards split between residential and commercial uses) (see Figure 15). These alternatives were designed with several goals in mind. First, the RPA designed its plan to be compatible with the rest of the city's Hudson Yards plan.[44] Second, the RPA proposed to broadly spread the benefits of development, by including a significant amount of affordable housing and a level of development that would "generate a reasonable rate of return for private developers and significant revenue for the City, State, and MTA" (Regional Plan Association 2004b, 4). Finally, the RPA put forward a series of Jacobean planning goals: to "activate streets and public spaces; create a human-scale pedestrian experience; create a variety of public spaces; [and] provide a link to the water, both visually and physically" (Regional Plan Association 2004b, 3-4).

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[44] For example, it permitted the same amount of square footage of development rights to be transferred off the eastern rail yards as the city's plan did, and attempted to create a scale and a mix of uses on the site that was compatible with the city's plans for the rest of the area.

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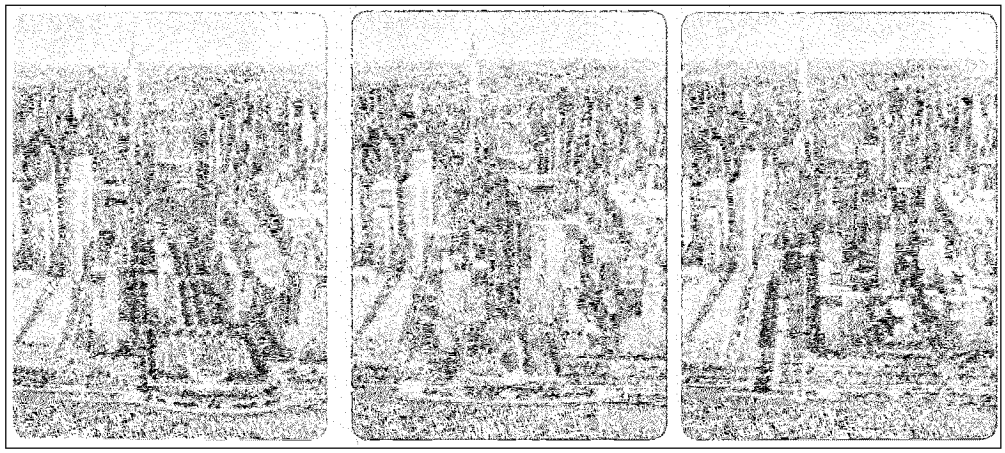


Figure 15: The RPA's three proposals for the Hudson Rail Yards (Source: RPA)

To achieve these goals, each of the three alternatives proposed by the RPA was structured around corridors of open space running on an east-west orientation, which would strong connections to the river. Each contained buildings of a variety of heights and types, in order to "enhance the pedestrian experience in an around the Hudson Yards" (Regional Plan Association 2004b, 4). Each alternative's mixed-use nature would "provide a more effective terminus to the 32nd-34th Street corridor, encouraging the westward movement of Midtown" (Regional Plan Association 2004b, 4). Finally, the mix of uses and scale of development, according to the RPA's financial analysis, would provide significantly more revenue to the city, the state, and the MTA than the proposed stadium, and reduce traffic impacts.

The RPA's plan provided evidence that developing the two rail yards together, in a mixed-use fashion with lots of open space, would result in a more human scale and stronger connections to the waterfront. It accomplished all this while fitting in with the city's plans for the rest of the far west side. Moreover, it would produce about 1,000 units of affordable housing on the rail yards (as opposed to the city's plan which proposed no residential development at all on the either of the rail yards), more

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government revenue, and less traffic. The RPA had supplemented its earlier critique of the Hudson Yards plan with a positive proposal for the area, one that it many ways beat the city's plan at its own game.

D. Cablevision's Plan

The second plan for the rail yards (in this case just the western rail yards) was the product of far less noble motivations than were any of the alternative plans discussed above. Cablevision viewed the proposed stadium as a competitive threat to Madison Square Garden, located just a few blocks to the east. Since the stadium would have a retractable roof, it could host concerts, circuses, and other events that the Garden currently monopolized, at least in Manhattan. As well as funding the media and legal campaign against the stadium and providing support to anti-stadium groups, Cablevision threw a major wrench into the Jets' plans to purchase the rights to develop the western rail yards in February 2005, when it offered to buy those rights for many millions of dollars more than the Jets were offering the MTA. This resulted in an ostensibly open bidding process for those rights, which was eventually won by the Jets.[45]

In the course of preparing their bid for the western rail yards, Cablevision developed yet another mixed-use alternative for the yards. Alex Krieger, a Harvard planner and architect and a self-described disciple of Jane Jacobs, was the plan's principal author.[46] Krieger dubbed his design "Hudson Gardens," apparently in an effort

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[45] This bidding process is discussed in more detail in Chapter Nine.

[46] When asked by a reporter about Krieger's claim that his plan was "in line with the Jane Jacobs vision," Jacobs herself said she was unfamiliar with Krieger's work, saying:

> The Harvard School of Design has never been a mentor of mine…They've never respected the city street or the vitality of cities. They got terribly fond of Le Corbusier and it's never really worn off (quoted in Doig 2005).

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to evoke Ebenezer Howard's Garden City movement; this was in keeping with Krieger's inclination to sprinkle his presentations of the plans with references to the names of planning icons like Jacobs and Lewis Mumford and the language of the human scale urbanism.

Despite this rhetoric, the plan seemed, as several observers noted, more akin to the work of Le Corbusier, whose "towers in the park" had sparked the Jacobs-led backlash against modernist planning. It consisted of two rows of towers on the north and south sides of the rail yards, surrounding a wedge of open space opening onto the river. It contained some 5,800 units of housing (600 of them affordable), an elementary school, a library, retail shops, and a hotel, qualifying it as "mixed-use" under the rather loose definition of this term that circulated in the debate over planning the far west side (see Figure 16).

However, not giving any encouragement to stadium advocates, she also condemned the stadium as "an awful way to use valuable land in Manhattan" (quoted in Doig 2005).

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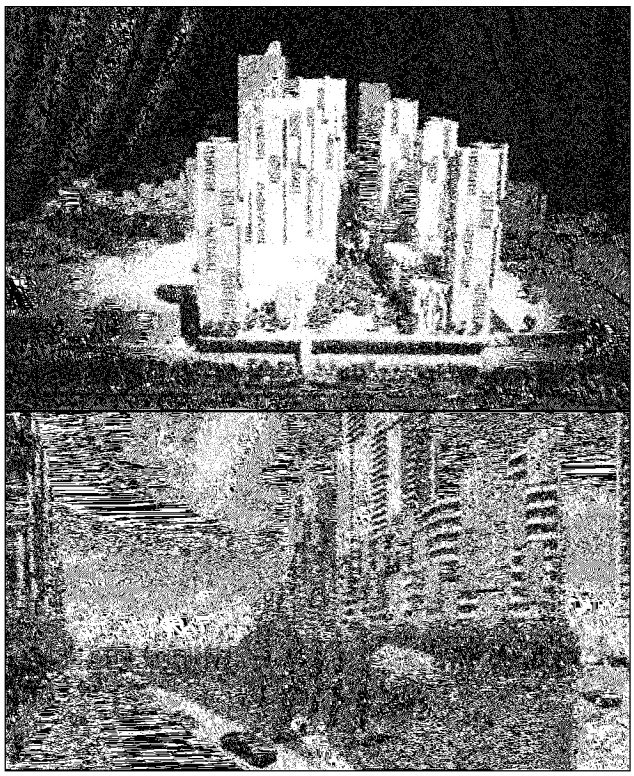


Figure 16: A model and rendering of Cablevision's plan for the western rail yards (Source: Cablevision)

CB4 applauded the plan: to them anything was better than a stadium, and at least this proposal promised residential development on the yards and some sort of connection to the waterfront. Moreover, it provided evidence – tenuous though it might have been given the likelihood that Cablevision's only aim was to block the stadium rather than to actually develop the yards – that private development on the rail yards along the mixed-use lines proposed by the community and the RPA was feasible: this was the only one of the proposals for the western rail yards that would be funded completely by private-sector capital.

The use of the language of best planning practice by Krieger and Cablevision executives seemed no less cynical than its use by DCP staff and other proponents of the Hudson Yards plan. Nevertheless, the existence of a privately-funded plan for the rail yards provided an important counterpoint to the heavily subsidized stadium plan. In

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doing so, it made its own small contribution to the overall effect of the alternative plans described here. Together they provided a set of not just feasible but high-quality alternatives to both the overall Hudson Yards plan and to the plan for a stadium on the western rail yards.

V. Why the RPA Mattered

By early 2005, it would not have been surprising to learn that Mayor Bloomberg and Deputy Mayor Doctoroff regretted ever opening this particular can of worms. By hiring Amanda Burden and by attempting to legitimize the Hudson Yards plan using the language of best planning practice, the administration opened the plan up to an avenue of critique that otherwise might not have been available. It had sparked a burst of planning creativity that had led to the production of a number of plans that often managed to meet the planning goals the Hudson Yards plan was ostensibly constructed to meet more efficiently and effectively than that plan itself did. However, the omission of the stadium from all these plans insured that they could not meet the *political* goals that the Hudson Yards plan had been constructed to meet years ago in the halls of NYC2012. Likewise, the exigencies of self-financing – which from the beginning served the highly political function of shielding the Hudson Yards plan from public review and governance – placed clear and definite limits on the degree to which the plan could be reshaped.

The administration was caught in a fundamental contradiction that arose out of the Bloomberg Way itself: on one hand, Bloomberg was a dedicated advocate of an antipolitical ethos of technocratic professionalism, and willing to defer to the bearers of technical expertise. On the other hand, the plan that was being sold using the language of technocratic best planning practice was itself deeply political, an amalgam of elements –

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the most crucial of which was the stadium – that had been strung together by NYC2012's planners in an effort to produce a plan that was politically, as well as technically, workable, in that it satisfied a number of elite constituencies. The elements of the Hudson Yards plan were essentially locked into place well before Bloomberg came into office. Thus, the plan was amenable to marketing – the product was designed and ready to be sold – but it was far less amenable to alteration in lines with technical planning critique or by community participation and critique. Indeed, many of the planning arguments for the overall plan, and for the stadium in particular, had a distinctly post hoc feel – lipstick on the pig, as it were – as its proponents attempted to pin a litany of planning terms on the plan: transit-oriented development, mixed-use development, street-life, 24/7 neighborhood, place-making, etc.

However, it must be noted that even as these technocratic critiques were brought to bear by the RPA and others, they left the deeper political aspects of the plan untouched, What the RPA and other professional planning organizations critiqued was not the ultimate ends of the Hudson Yards plan, but the means to accomplish those ends. Indeed, even as the Bloomberg Way opened up a line of technocratic critique, the fact that most of the purveyors of this critique essentially shared the Bloomberg Way's proposition of the existence of a unified city interest – that is, to enhance the city's competitiveness – precluded more substantive political critiques. The continued willingness of professional planners, both within the administration and in the RPA and other groups, to either continue working on the plan even as they had serious reservations about it or continue to offer constructive critiques of the plan testifies to the fact that the Bloomberg Way strongly resonated with the city' professional planners and planning

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organizations. The mayor's respect for technical expertise in urban planning, signified so clearly by Burden's appointment, appealed to planners' sense of themselves as credentialed professionals and experts, and his rejection of "politics as usual" appealed to planners' political outlook. These two aspects of Bloomberg's approach to governance were of course related, as the mayor's technocratic ethos resolutely ignored the existence of political conflict, seeing the major issues facing the city – its fiscal crisis, its economic downturn, its neglected infrastructure and physical plant – as technical problems that could be solved by the application of expert knowledge. Urban planning, in this view, represented the effort to shape the city's form in accordance with technical best practices toward the end of enhancing the city's economic competitiveness. None of these terms was subject to *political* debate, though each might be subject to *technical* debate. So, while some progressive organizations criticized the Bloomberg administration's broad development agenda and the Hudson Yards plan from a specifically class-based point of view, arguing that it privileged the interests of wealthy New Yorkers over those of the middle class, the working class, and the poor, the RPA criticized it from a technical point of view, focusing not so much on the ends it would serve, but the means to accomplish those ends.[47]

In this, the RPA was representative of a broader approach to, or rejection of, politics on the part of professionals, including urban planners. Peter Marcuse, addressing

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[47] The RPA's report on the city's Hudson Yards Plan illustrates this accord on the ends of the plan. The first lines of the report indicate that the "RPA envisions the growth of a new, 21st Century business district on the Far West Side of Midtown Manhattan – a 24/7 mixed-use neighborhood that emphasizes office development but includes significant residential, retail and entertainment uses" (Regional Plan Association 2004a, 3). Later, the report's authors write that "The City and State have articulated their goals clearly – to provide office space that will allow the City's economy to expand, to improve the City's competitiveness in the convention and tourism industries, and to bring the Olympics to New York in 2012. These are all worthy goals that RPA shares" (Regional Plan Association 2004a, 14).

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the debate over the redevelopment of the World Trade Center site, writes of civic and planning groups:

> Some…have in mind a "consensus" image of planning. In hoping to minimize conflict, they ignore its real existence. This is a danger for professionals in particular, who sometimes act as if their expertise will enable them to formulate conclusions about the public interest as if there were no conflicting interests involved…The point here is not to call into question the ethics of any individual profession in the field. It is rather to highlight the implicit assumptions that professionals often hold: that professional expertise can resolve what is best for the public, that professionals can arrive at conclusions uninfluenced by their own interest or those of their clients; and that real conflicts of interests do not exist or are only matters of inadequate technical understanding which professionals should try to convert to consensus (2002, 159-161).

Implicit in this outlook is a belief in a shared and unproblematic "public interest;" RPA President Yaro pointed to just this when he attributed the RPA's influence to the fact that "it isn't owned by any industry, and it has no political agenda other than what's in the public interest" (quoted in Finn 2004).

Moreover, the substance of what most professional planners and the Bloomberg administration saw as in the "public interest" was for all intents and purposes, identical. As discussed in Chapter Five, the Bloomberg Way represented a different ideological frame and a different constellation of class interests than had the postindustrialism embraced by the city's traditional growth coalition, which included most mainstream urban planners. Nevertheless, the parallel expansion of the city's CBD and its office-based economy remained the most fundamental aim of urban and economic development policy: the Hudson Yards plan was above all a plan to enhance the city's ability to compete for high-end office jobs. In this, it united urban planners, along with other members of the city's traditional growth coalition, and the newcomers in the Bloomberg administration.

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The Bloomberg administration, by virtue of its own technocratic approach to urban and economic development, created an environment in which it was unable to easily dismiss the technical critique of an organization like the RPA. The RPA did not question the administration's overall vision for the far west side, or for the future of the city's economy; rather, it questioned the wisdom of the stadium, the risk of the Hudson Yards plan's financing, and the timing of its implementation. The RPA operated under a similar, if not identical, set of beliefs and conceptions as the Bloomberg administration: a belief in technical expertise, in the importance of good planning, of the importance of expanding the city's supply of office space. Thus, it was able to critique the administration's plans for the far west side in their own terms, in accordance with the same criteria that the administration had both explicitly and tacitly established through the appointment of people like Doctoroff and Burden. The appointment of Burden in particular served as an endorsement of best planning practices and, as such, an opening to critique upon their bases. It was the Bloomberg Way itself that made the RPA, for the first time in years, matter.

VI. Conclusion: Invoking the Myth of Antidevelopmentism

When the legitimacy of the use of these planning terms to describe the Hudson Yards plan was challenged either directly or indirectly by the alternative plans that emerged throughout 2004 and 2005, the plan's proponents were essentially precluded from engaging in substantive, professional debate, or from altering the plan in any significant way. Some did try: the August 3, 2004 panel discussion described above that included Doctoroff, RPA President Yaro, and the DCP's Vishaan Chakrabarti, saw Chakrabarti and Doctoroff engage in a spirited defense of the Hudson Yards plan and lay

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out a planning critique of the RPA's position on the project; and there were slight alterations to the Hudson Yards plan that incorporated bits of the community plan.[48] Nevertheless, there was never any possibility that the stadium be removed, for example, or the amount of density would be significantly reduced.[49]

With significant changes to the plan out of the question, and with the efforts to drape a flawed plan in the garb of best planning practice having largely failed, several proponents of the plan, among them the Mayor and the Deputy Mayor, shifted gears and pursued a new strategy. This new strategy was to invoke the myth of antidevelopmentism, which as I discussed in Chapter Two, had constituted a crucial element of the postindustrial ideology that long played an important role in unifying the city's traditional growth coalition. While this myth, which placed the primary responsibility for the delay and/or demise of development projects and public works like Westway and the Second Avenue Subway with parochial and obstinate neighborhood groups and activists, was especially powerful among the city's development and real estate elite, it affected others as well, as illustrated by the efforts of far west side community leaders to defy the NIMBY label by embracing the Javits Center expansion and the base rezoning of the Hudson Yards plan, and by putting forward their own plan for far west side redevelopment.

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[48] Daniel Doctoroff also did send a lengthy (and respectful) letter to the RPA's board before it released its report in July 2004 that laid out in detail the city's case for the Hudson Yards plan (Doctoroff 2004a).

[49] The amount of commercial space did eventually fall from 28 million to 24 million square feet; half of this reduction occurred in response to community critique and the other half due to negotiations between the city council. Nevertheless, this 14 percent reduction in the amount of office space included in the plan did not address the fundamental planning issue of too much commercial space being crammed into too small a space, which as we have seen, was a result of the relative low densities being proposed for the two rail yards in the Hudson Yards plan.

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Despite these efforts, the myth of antidevelopmentism provided some proponents of the Hudson Yards plan with a convenient club with which to bash critics. Invocations of the myth had popped up previously; however, they became far more common and far more vitriolic after the RPA and other civic and planning groups went public with their critiques of the plan in mid-2004. For example, while Deputy Mayor Doctoroff had long drawn on this myth in his public defense of the plan, he ramped up the rhetoric in the second half of 2004. In a speech from that time, he said:

> Can you imagine New York without its treasured landmarks? In the 1850s, a great debate erupted over a proposed park. "The very idea is ridiculous," wrote one paper. "The sooner it is abandoned the better," wrote another. Can you imagine New York without Central Park? When a cultural center was proposed 50 years ago, activists used rallies and lawsuits to try and block it, with allegations of unreasonable subsidies and dislocation. Can you imagine New York without Lincoln Center? More recently, one West Side legislator opposed the redevelopment of Times Square as quote "a threat to the low and moderate income community and a giveaway to real estate developers" unquote. Who among us would prefer the crime infested Times Square of old..? Central Park, Lincoln Center, Times Square, add the Brooklyn Bridge, the UN and the Empire State Building to the list. Behind each of these majestic places, and many others, is a story of bold planning and controversial change. In every case, there were doubts and outcries, naysayers and doomsayers, from famous novelists to ordinary citizens. But in each case those doubts were overcome, and the result is the New York we love today (Doctoroff 2004c).

Others who had long been involved in the development of the Hudson Yards plan also targeted the RPA and other critics of the plan. After the RPA released its proposal for the rail yards in December 2004, a spokeswoman for the Jets called it a "rehash," saying "it's time we stop studying the far West Side and start revitalizing it" (quoted in Rayman 2004a). One the same day, a spokesman for the Hudson Yards Coalition, a nominally

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independent business group supportive of the plan, called the RPA "the Regional Fantasy Association" (quoted in Rayman 2004a).[50]

Local media outlets, many of which held staunchly pro-development stances, and which had long played a key role in propagating the myth of antidevelopmentism, took aim at the RPA, CB4, far west side and politicians.[51] One pundit wrote that "the arguments against the stadium from self-styled community activists, shortsighted Luddites, and reflexive NIMBY advocates all boil down to a Bartleby-esque 'I would prefer not to' [driven by] nostalgia for the present" (Avlon 2004); one editorial board labeled far west side politicians as "reflexively anti-development" (Editorial 2005b). The RPA was dismissed as "distrusting market forces" and "an organization that prefers no growth to growth it can't channel as it deems best" (Editorial 2004b), and as "misguided do-gooders…with their heads in the clouds" (Editorial 2004a).[52]

Mayor Bloomberg himself invoked the myth of antidevelopmentism. Though at times his invocations of the myth were typical – he labeled critics of the plan "narrow-

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[50] The Hudson Yards Coalition was actually housed in the city's official tourism bureau, NYC & Co., despite its claims to independent status. See Chapter Three for a discussion of the founding of the Hudson Yards Coalition.

[51] Not all local media outlets were in favor of the Hudson Yards plan; the stadium in particular drew opposition from some of them. The editorial pages of the *New York Times* and *New York Newsday* were skeptical of the stadium, though the *Times* in particular strongly supported the commercial redevelopment of the far west side. A number of columnists – Bob Herbert of the *Times* and Juan Gonzalez of the *Daily News* most prominent among them consistently criticized the plan. Interestingly, prominent sportswriters (most notably Mike Lupica of the *Daily News*), were especially vociferous and unrestrained in their criticism of the Bloomberg administration and its plans for the far west side. This is discussed in more detail in Chapter Nine.

[52] The dismissal of the RPA as distrustful of market forces was especially ironic given the fact that the Hudson Yards plan expressly forbade residential development in large parts of the Hudson Yards area, even if the market called for it, and actually placed the city in the role of developer – hardly the actions of a studiously pro-market administration (see Chapter Seven). Of all the supposedly conservative papers in the city (*Crain's*, *the New York Post,* and *the New York Sun*) only the *Sun* consistently editorialized against the Bloomberg administration's willingness to intervene in local property markets.

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minded," "afraid of short-term obstacles," "professional screamers," and, echoing Doctoroff, "naysayers" – at other times, they were not. Instead, they were filtered through the tenets of the Bloomberg Way, as he repeatedly stressed the fact that the RPA and other critics of the plan were not talkers, not doers. Thus, he approached the criticism of the plan through the rubric of *performance*: here was Bloomberg, CEO Mayor, trying to take bold action to enhance the city's competitiveness, and here were the RPA and other critics of the plan standing in the way. For example, shortly after the release of the RPA's July 2004 position paper on the Hudson Yards plan in July 2004, a Mayoral spokeswoman said:

> Sadly, the RPA has been discussing the redevelopment of the Far West Side for more than 80 years. If the staff report's recommendations are adopted, they'll have the opportunity to just talk, rather than act, for another 80 years (quoted in Cockfield 2004).

An excerpt from a 2005 article captures well Bloomberg's public attitude towards opponents of the Hudson Yards plan, as a corporate emphasis on action and performance is filtered through the venerable myth of antidevelopmentism:

> When I mentioned the stadium's opponents, Bloomberg bristled. "These people," he said dismissively…"Most of the people that are criticizing it have never built anything in their lives, and they are not willing to put their own money up, so it leaves me a little cold…It takes courage to go and build things. If you want to study it forever, you will study it forever, and you will never come to any agreement"…"It would be a tragedy if we let the naysayers stop us doing things," [Bloomberg] said. "What has always been great about New York has been that we've built the big things and taken the risks. People say, 'You were a business guy. You don't understand politics.' Yes. I was a very successful business guy because we took the risks in the business. We built for the future. You never know what the future is going to be like, but you have to build in advance. Running risks is exactly what you want to do. If you don't run any risks, you will never make any progress" (Cassidy 2005).

While the invocation of the anti-development myth in the context of the Hudson Yards Plan from some quarters was probably inevitable, what is remarkable here is the way in which Mayor Bloomberg's technocratic respect for professional expertise so quickly

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turned to contempt when the bearers of that expertise came to different conclusions about the Hudson Yards plan than had the Mayor. The administration's embrace of best planning practices had made the RPA – along with the kind of technically savvy and constructive planning and criticism offered by CB4, HKNA, the Newman Institute, and even Cablevision – matter; now, it found its claims that the Hudson Yards plan represented best planning practices soundly refuted, and furthermore, it was faced with a slew of alternative plans that often met the stated planning goals of the Hudson Yards plan better than that plan itself.

The Bloomberg administration was caught in two set of contradictions. First, as has been discussed, the technocratic – and antipolitical – embrace of best planning practices by the administration was in deep conflict with the political construction of the Hudson Yards plan. Second, the performance-centered notion of the CEO Mayor that was inherent in the Bloomberg Way conflicted with the prerogative of professional planners and others to exercise their own judgment and analysis of the Hudson Yards plan as a technical exercise in urban planning. Faced with the plan's rejection by the RPA and other representatives of the planning professions, as well as by a Community Board that was able to mobilize significant planning expertise, the Bloomberg administration did not – and in fact, could not – change the plan but, along with its allies chose to attack their critics by invoking the venerable myth of antidevelopmentism, or in the case of the Mayor himself, a version of the myth filtered through the Bloomberg Way. But marketing the Hudson Yards plan as a piece of good planning was but one of several strategies the Bloomberg administration used to attempt to gain support for the plan. It is to another, and more important, of these strategies that we now turn.

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Chapter 7: Piggybacking on Postindustrialism: Selling Office Development in the Hudson Yards

I. Introduction

While the Bloomberg administration spent a good deal of time, money, and energy on selling the Hudson Yards Plan as an exercise in good planning, this was never the administration's primary justification for the plan. Members of the administration consistently described the Hudson Yards plan as the administration's most significant *economic development* effort and argued that the most important rationale for the plan were the enormous benefits to the city's economy that it would generate. This rationale, unlike the argument that the plan was shaped by best planning practice, reflected the core interests that had driven its development from its inception in the mid-1990s under the auspices of NYC2012, when the city's Olympic bid had been conceived as a "forcing mechanism" that would push forward a number of stalled projects that had long been dear to the city's real estate and development elite. Most prominent among these, of course, was the redevelopment of the far west side.

Thus, the selling of the Hudson Yards as an economic development project was more straightforward than selling it as an exercise in cutting edge urban planning. Moreover, the Bloomberg administration, given its general embrace of economic development policy in general, as well as the private sector techniques, practices, and conceptions it imported into city government, was especially well-positioned to take on this task. And, as we shall see, of the three strategies that the Bloomberg administration used to sell the Hudson Yards plan – as best planning practice, as economic development, and through the mobilization of urban identity – the economic development campaign, as

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it were, was the most successful, though often not for the reasons that the Bloomberg administration might have expected.

This chapter and the one that follows discuss the efforts of the Bloomberg administration to construct and sell the Hudson Yards plan as an *economic development* plan. This involved two separate tasks, which played out over slightly different time frames. The first was the administration's campaign to design and generate support for the rezoning portion of the plan, which would transform the far west side into a major office district that would ostensibly generate thousands of jobs and billions of dollars in new tax revenue. This effort is discussed in this chapter, and played out from early 2003 until late 2004. The second of these tasks was the effort to sell the New York Sports and Convention Center (NYSCC) as an economic boon for the city, again in terms of both jobs and tax revenue generated. This effort is described in Chapter Eight and covered the period between early 2004 and mid-2005.

Before turning to these two tasks, I want to discuss the fundamental economic development premises that the Bloomberg Way, the administration's corporate, technocratic, and antipolitical approach to urban and economic development, established for these two elements of the Hudson Yards plan. These premises were twofold: first, that the city's quantitative "growth" – the exact nature of which was often left unspecified – was absolutely crucial to its future economic and social health; and, second, that growth could best be assured by using the *logic of investment*, whereby potential investments – i.e., particular development projects – should be judged on the basis of the "profit" they would generate.

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A. Government Led Growth

In early 2004, City Planning Commission (CPC) Chair Amanda Burden described the basic premise of the Hudson Yards plan, saying "New York City must grow" (Burden 2004b). As discussed in Chapter Five, economic growth was posited as the unproblematic and fundamental aim of the competitive strategy embodied in the Bloomberg Way. The Hudson Yards plan, administration officials and other plan proponents argued, was vital to this aim, as it would allow the city to "capture" its rightful share of the region's, the nation's, and indeed, the global economy's growth.

However, in the context of the Hudson Yards plan, the crucial question was how the city would grow, what would drive that growth, and what form that growth would take. As we have seen in Chapters Two and Three, the Hudson Yards plan was rooted in the decades-old project of the city's traditional growth coalition to expand the midtown Manhattan CBD westward to the Hudson, a project that had reemerged as the commercial real estate market tightened during the city's late 1990s economic boom. For members of the traditional growth coalition, the primary justification for the Hudson Yards plan was that it would expand the city's supply of office space (and secondarily luxury housing) and thus, ostensibly, the city's postindustrial, office-based economy. "For the city to thrive…it will absolutely require a growth in the office stock," an executive of Vornado, one of the city's largest commercial development firms, and one with significant holdings on the west side of Manhattan, said in March 2003, "and a key to that long-term health of the city is to expand the [Midtown] central business district" (Greenbaum 2003). Other members of the city's traditional growth coalition – among them the RPA, the Real Estate Board of New York (REBNY), and local politicians – echoed these sentiments.

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Bloomberg administration officials did not disagree with the notion that the growth of the city's office stock was required to secure its economic future or with the central tenets of postindustrialism. For example, in a September 2004 speech, Deputy Mayor Doctoroff, said that "the economy of this city had been evolving for a long time, [and] it's going to continue to evolve, into a much more office-based economy" (Doctoroff 2004d). However, as discussed in Chapter Five, the logic of the Bloomberg Way differed in important ways from the real estate profit-driven logic of postindustrialism that had long governed development policy in the city, perhaps most notably in its embrace of interurban competition. Bloomberg administration officials explicitly placed the need for more office space, and thus the Hudson Yards plan, in the context of interurban competition. This remarkable quote from Vishaan Chakrabarti, head of the Manhattan office of the Department of City Planning (DCP) pulls together the need for office towers (which Chakrabarti refers to here as "density"), global competition, and the compulsion of growth:

> We also need to grow. Density is good. Density is the reason we all live here…I met my counterpart from the city of Paris a few months ago, who explained to me that 10 years ago the city of Paris passed a moratorium on building anything more than a five story building in the heart of Paris. In that ten years, they lost 150,000 jobs. We are going to grow or die in this competitive environment, and New York, as a global city, is absolutely in the heart of that environment (Chakrabarti 2004d).

The Bloomberg Way not only embraced interurban competition; it also embraced an active role for city government in engaging in such competition. This emphasis on a *government-led* strategy differed from postindustrialism, which while by no means a *laissez-faire* doctrine, saw the role of the government as paving the way for or supporting real estate development, rather than to guiding or directing it. Here is an excerpt from an August 2004 presentation by Deputy Mayor Doctoroff:

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> The reason we propose this bold plan is to prepare for our future…in…an increasingly competitive globalism, where we know if we just sit still, we're not going to be able to provide the services that our citizens demand. The plan we propose, over a 30 year period of time, will generate $67 billion in tax revenues above what it costs us to finance it. Within twenty years, we will be providing in the Hudson Yards area, roughly 125,000 jobs…The reason we propose such a bold plan is because we've got to invest in our future, and if we don't the [city's] problems…won't get solved. We will remain in a perpetual struggle for scarce resources. The key to New York City's future is invest now, to create change (Doctoroff 2004b).

This was the heart of the Bloomberg administration's case for the Hudson Yards plan as an economic development project. An increasingly competitive world required that the city grow just to stand still. This growth required the construction of office space, along with, as we have seen, as the kind of residential, cultural, leisure, and open space necessary to create an urban environment that appealed to the members of the professional-managerial classes and their employers in the office-based industries. However, such office space was but a means to an end, or rather two ends: first, to an expansion of the city's revenue base, and secondarily to an expansion of the city's employment.

B. The Logic of Investment

Of these two ends, it was the first that the Bloomberg administration prioritized. The Bloomberg administration, as one critic aptly put it to me, pursued "a revenue-based strategy, not a job-based strategy" (Damiani 2004). This was a reflection of the broader quantitative emphasis of the Bloomberg Way; while jobs were not unimportant, it was the number of jobs that a particular project like the Hudson Yards plan would create that was

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stressed. Their more qualitative aspects – who they would go to, how they would pay, and so on – were either ignored or addressed in only the most cursory of ways.[1]

1) Profit

Speaking of the Hudson Yards plan, Deputy Mayor Doctoroff said in June 2004:

> What we're trying to do is generate new incremental additional tax revenues…It's what the investment in the west side is all about…If you look at the west side plan as a whole, we contemplate a public sector investment of 4.5 billion dollars, but over a 30-year period of time, from 2005 to 2035, above and beyond the cost of interest and principal on the debt that we're going to incur to finance that four and a half billion, we foresee additional new tax revenue that would not have existed but for those investments of roughly $67 billion. That is what we've got to be doing. We've got to be investing smartly…Our job…is to invest the City's money wisely so that the pie is ultimately bigger than it is today (Doctoroff 2004f).

This stress on revenue was rooted in the corporate nature of the Bloomberg Way. Central to the construction and marketing of the Hudson Yards plan as an economic development project was the deployment of the language and logic of investment. The notion that cities must make various sorts of "investments" in order to enhance competitiveness and economic growth has been a hallmark of urban neoliberalism in general, as the central concerns of liberal urban policy – social welfare, redistribution, and the support of middle-class consumption – have been replaced with an "overriding concern with economic development" (Peck and Tickell 2002, 394). Indeed, at a panel discussion held

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[1] For example, administration officials argued that the Javits Center expansion would provide, in the words of EDC President Andrew Alper, "very important jobs…for the lower economic rungs to provide entry-level jobs for immigrants and people without college of even high school degrees to get in, and begin to earn a decent living" (Alper 2004). However, there was little evidence that the kind of tourism-related jobs that the Javits Center expansion would produce would in fact be "good jobs." While such jobs do tend to be filled by immigrants and people with relatively low levels of education, studies show that without training programs that provide low-level tourism employees with the skills necessary to advance, "tourism jobs tend be poorly paid, unstable, and often 'dead-end'" (Labor Community Advocacy Network to Rebuild New York 2003, 22); see also Wial and Rickert 2002. The Bloomberg administration did not propose such training programs or any other interventions that might insure that these low-level tourism jobs would in fact provide "a decent living."

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in late 2004, John Alschuler, an economic development consultant retained by supporters of the Hudson Yards plan, expressed the central tenet of neoliberal approaches to urban governance in a nutshell:

> All the panelists here share the idea that government's core mission is to help grow our local economy – to create jobs and building which lead to tax revenues. Does investment in the stadium fulfill this mission? Our research says it will fill an important role in securing the economy of New York, that it will be a core asset. It is a rational investment (Alschuler 2004a).

Later, Alschuler decried stadium opponents for demonstrating a "dangerous passivity in the face of competition" and when asked if the stadium represented a subsidy for the wealthy, quite rightly pointed our that "the question is about role of government," arguing that that role should be "to make prudent judgments of alternatives and invest to create jobs and tax revenues" (Alschuler 2004a).

The Bloomberg administration's embrace of the logic of investment was at least in part driven by a number of pressures that all cities face in an environment of enhanced interurban competition, most notably the decline in intrastate urban aid and capital mobility. Nevertheless, this embrace of the logic of investment was notable for its pervasiveness and literal-mindedness; for the administration the logic of investment was not metaphorical window-dressing but a deeply held principal of governance. This translated into an repeated emphasis on the "profit" (i.e., incremental tax revenue), as administration officials, and particularly Deputy Mayor Doctoroff, again and again labeled it, that the Hudson Yards plan and projects like it would generate, as well as a willingness to tolerate – and indeed, a demand that others tolerate – a level of financial risk level of risk that many saw as inappropriate for a public project.

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As we have seen, Mayor Bloomberg's tenure as a CEO had been marked not by cost-cutting, but by a willingness to bear high costs if they produced value for his company. He was, as the President of the Partnership for New York City Katherine Wylde put it, "an entrepreneurial growth guy" (quoted in Steinhauer 2002b). The Hudson Yards plan's purported ability to expand the city's revenue base was of particular import to the Bloomberg administration, given Mayor Bloomberg's belief that the city had to find new revenue to close its chronic budget deficits, and thus to be able to provide the efficient and high-quality public services necessary to attract businesses, desirable residents, and investment. From the administration's point of view, the Hudson Yards plan, including the controversial stadium, was an exercise in entrepreneurial growth, an investment that would pay off in future revenue. It was a public project imbued with the private sector logic of investment and profit, and sold as such.

2) Quantification

This logic of investment was a product not just by the corporate nature of the Bloomberg Way, but of its technocratic nature as well. As we saw in Chapter Five, the Bloomberg Way was characterized by a deep faith in quantification and measurement. This stress on quantification affected the administration's deployment of the logic of investment in support of the Hudson Yards project in a very particular way. Claims that the Hudson Yards project would be a profitable investment were premised on the idea that economic and cost projections could be used to accurately and unproblematically measure the quantitative costs and benefits of the project. Thus, administration officials presented projections that were, by their very nature, imprecise and speculative, as indisputable facts. Did the city really need 68 million square feet of office space? Would

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the Hudson Yards Plan really generate $67 billion in tax revenue over the next 30 years? Would the NYSCC really provide a 75 percent annual return on investment? Answering these questions with complete certainty was impossible, but one would never know this from the way these figures were deployed by key members of the administration. Figure 17 displays a graphic that was included in the most of the PowerPoint presentations that were a ubiquitous feature of the administration's efforts to sell the plan. If one were to read the caveats and assumptions included in the economic impact reports from which these numbers were drawn one might get a sense of the inherent uncertainty involved in any attempt to make projections 30 years into the future. But none of these uncertainties appear in this graphic; instead highlighted in bold print and thick lines is the $67 billion "profit" that the Hudson Yards would purportedly produce.

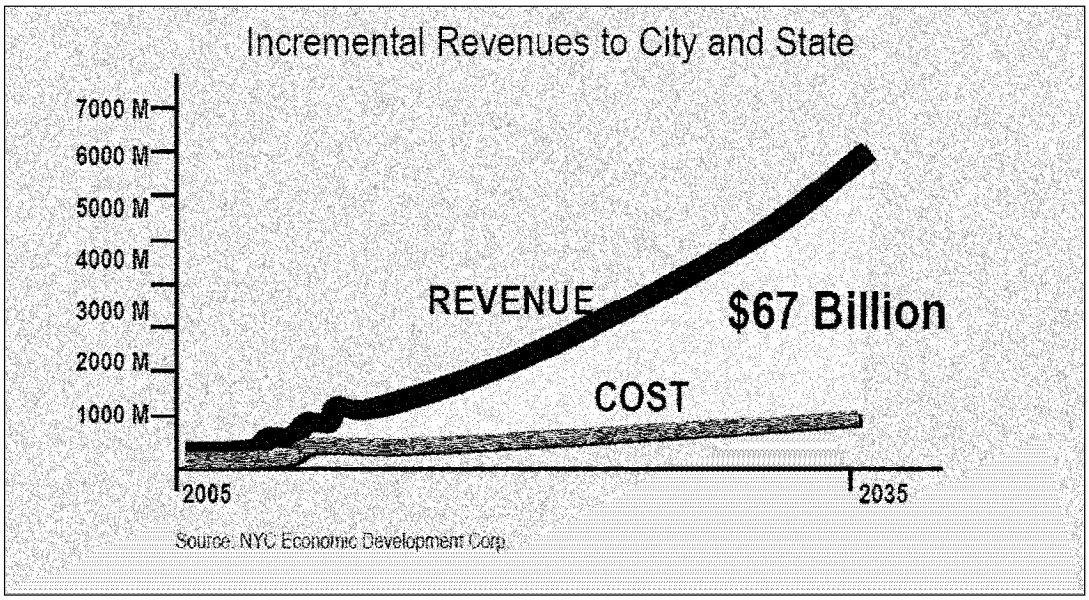


Figure 17: Costs of and Revenues generated by the Hudson Yards Plan (Source: DCP)

As we shall see, this faith in the powers of projection and measurement led the administration to embrace a risky and complex financing plan for the rezoning of the Hudson Yards area, and to attempt to market the NYSCC on the basis of its ostensible

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profitability. But as we shall also see, the logic of investment also had a far less rationalistic aspect: the leap of faith necessitated by any investment – faith in profitability, and, in this case, in the successful future commercial development of the Hudson Yards.

C. Selling the Hudson Yards Plan as Economic Development

Thus, the Bloomberg administration justified its support for the Hudson Yards plan – including both the rezoning portion of the plan that would create some 30 msf of office space and the NYSCC – by arguing that interurban competition, and in particular the "luxury city" strategy inherent in the Bloomberg Way required the city government to take action to generate new tax revenue that would supply "the very services that make [New York] the world's second home," as the Mayor had put it (Bloomberg 2003c). Like a private company, the role of the city government was to invest the city's resources into projects that would generate profits that would flow back into the city's treasury, as well as jobs for the city's citizens. These profits could be measured – and thus the worth of these projects judged – through careful analysis that would indicate their relative levels of costs and benefits. However, it was the business instincts of the Mayor and his key economic development officials that would serve as the ultimate arbiters of which projects were deemed worthwhile, and their financial acumen that would allow them to come up with "creative" financing solutions to the difficult problem of finding the capital necessary to invest, capital especially scarce given the long-term demise in federal assistance for urban planning and economic development. This logic of investment animated the Bloomberg administration's efforts to gain support for both the rezoning

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portion of the Hudson Yards plan – which I will describe in the remainder of this chapter – and the NYSCC, which I will turn to in the following chapter.

Of all the elements of the Hudson Yards plan, two – the expansion of the Jacob Javits Center and the development of a new midtown Manhattan office district – were the least controversial, especially among the city's real estate, development, and political elite. Yet, it is an ironic fact that the Bloomberg administration's corporate, technocratic, and antipolitical approach to urban governance in general and to the Hudson Yards plan in particular, and the logic of investment inherent in this approach, almost scuttled the second of those two elements. The administration proposed a plan to finance the major public infrastructure investments – the extension of the Number 7 Subway Line, the purchase of the eastern rail yards, and the creation of an open space network – that emblematized its private sector approach to governance. This complex and risky self-financing plan relied on one hand, on projections for future office space demand, and on the other, on a high degree of faith on the future of the city's office-based economy. Drawing on their private sector experience, key members of the Bloomberg administration, most notably the Mayor and the Deputy Mayor, displayed a comfort with the particular mix of calculation, risk, autonomy and faith that this self-financing plan required; others, including many who shared the goal of redeveloping the far west side as a new office district, could not accept this mix, given their own notions of fiscal prudence and their own interpretation of New York City's history.

In the remainder of this chapter, I will discuss the ways in which the logic of investment infused the Bloomberg administration's development and marketing of the rezoning portions of the Hudson Yards plan that would lay the groundwork for the

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development of the far west side as a new midtown Manhattan office district. In Section II, I will describe the development of the Hudson Yards self-financing plan and the details of that plan as it eventually emerged. In Section III, I will discuss the debate over the plan, which centered on fundamental differences concerning what mix of risk, reward, autonomy, oversight, faith, and doubt was appropriate for a public project, as well as on the ways in which the Bloomberg administration prioritized or did not prioritize development in different areas of Manhattan. All of these debates were undergirded by a fundamental question: was the administration proposing too much office space on the far west side? Finally, I will discuss the outcome of this debate in Section IV. Ironically, the Bloomberg administration actually found its Hudson Yards rezoning plan rescued by the very same City Council whose oversight it had worked so hard to minimize, if not avoid altogether.

II. (Self) Financing the Hudson Yards Rezoning

By late 2001, it was apparent that the redevelopment of the far west side would require the expenditure of significant public resources, most notably for the extension of the Number 7 subway line, which would provide the transit access required for major commercial development. However, while this project was seen as essential by NYC2012's planners and to the much of the city's real estate and development elite, it was a relatively low priority for many politicians and much of the general public, not to mention the segments of the city's business and real estate elite that prioritized other proposed transportation projects. By proposing that the Hudson Yards plan be self-financing, NYC2012's planners, and later the Bloomberg administrations, sought to circumvent this competition by avoiding the normal processes of capital budgeting and

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transportation funding that would expose the Number 7 subway line extension to legislative approval – which, in all likelihood, it would not survive.

Thus, the exigencies of self-financing were inextricably connected with the plan's central goal, the commercial redevelopment of the far west side. The Hudson Yards area could only become a new CBD if the Number 7 subway was extended; but the Number 7 subway extension could only be funded from the proceeds of that development.[2] The rezoning that would allow for the extension of the midtown Manhattan CBD and the plan's self-financing status were tied together in such a way that, as we have seen, precluded significant changes to the level of commercial density proposed.

A. The Slow Development of the Self-Financing Plan

The details of the self-financing plan, which was developed primarily by the EDC and the city's Department of Finance, were slow to emerge. Through 2002 and early 2003, it was widely assumed that the financing plan would center on the mechanism of tax increment financing (TIF). This expectation spurred the production of a 2002 report on TIF by the city's Independent Budget Office (IBO), a nonpartisan policy analysis organization funded by the city.[3] As that report stated, "the basic idea underlying TIF is that a city or town finances an improvement in a specific district with the property tax revenue generated by that improvement" (New York City Independent Budget Office 2002, 1). When using TIF, a city or town designates a particular area as a TIF district, and then issues bonds (i.e., borrows money) to fund a specific improvement that is

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[2] To this chicken and egg situation we must also add an additional element: the need to complete the Number 7 subway extension before, if the city's Olympic bid was successful, the 2012 games were held.

[3] The IBO enjoyed a sterling reputation as an evenhanded and technically proficient organization, especially in matters of public finance. As we shall see, its analyses of the Hudson Yards Plan would play an important role in the debate over the strengths of the plan as economic development policy.

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expected to raise property values in the area, and thus property tax revenue. This additional revenue is then used to pay the interest and principal on the bonds. While, as the IBO report noted, there are a number of advantages and disadvantages to using TIF, in the context of the Hudson Yards plan, one particular danger of TIF was particularly salient: the danger of a shortfall in revenues.[4] Since TIF districts have but one revenue source, the incremental property tax revenue generated in the district, the TIF district is likely to face financial shortfalls if the projected level of revenue fails to materialize. Moreover, revenues often lag behind the initial investment, which may necessitate additional borrowing to cover the debt service payments due in the initial period after TIF is established. These dangers are especially acute when property tax abatements are used to spur development in a TIF district, which is often the case. As the IBO report noted, TIF had never been used in New York City; the costly $1.2 billion Number 7 Line subway extension would be not only the first TIF-funded project in the city, but the largest project ever financed by TIF in all of the United States.

While the Bloomberg administration had promised the City Council a Hudson Yards financing plan by January 2003, none was forthcoming at that time. A month later, the administration indicated it would not pursue TIF to finance the Hudson Yards Plan.

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[4] TIF allows cities to make public improvements without raising taxes or using debt that counts against municipal borrowing limits (states generally place limits on the amount of debt municipalities can issue). Also, once state legislation authorizing TIF is in place, TIF gives city governments direct control over redevelopment. Another benefit is the fact that TIF allows for city governments to directly capture a portion of the private value created by public actions. Drawbacks of TIF include its segmentation of the tax base, which prevents revenues in one area from benefiting the city as a whole; the possibility of "cost spillover," i.e., the possibility that the new development will impose costs (for example, for fire or police protection) on areas outside the TIF district; conversely, the possibility of "benefit spillovers," whereby the TIF district bears costs for improvements that benefit a wider area; and the fact that since TIF bonds are not backed by the "full faith and credit" of the city or the state, but only by the revenues produced in the TIF district, they are considered riskier by investors, who thus require higher interest rates, which results in costlier projects. See Anderson 1990; Dye and Merriman 2000, 2003; Johnson and Man 2001; New York City Independent Budget Office 2002; for a more critical take on TIF, see Weber 2002.

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Although the IBO's cautions, along with a growing chorus of criticism that using TIF to finance the Hudson Yards plan's enormous costs was incredibly risky, certainly played a role in this decision, more important was the fact that the estimates of the cost of the project had jumped by this point to $3 billion. The incremental gain in property taxes alone, the only source of revenue available to TIF districts under New York State law, would be insufficient to meet these rising costs. In February 2003, some details of a new financing plan – which would include the use of Payments in Lieu of Taxes (PILOTs), the transfer of development rights, and payments by developers in exchange for being permitted to build additional density – were leaked, and Deputy Mayor Doctoroff promised that the financing plan would be released in late spring.[5]

Late spring passed, and then summer, and then fall – and no financing plan was issued. Administration officials urged patience, pointing to the complexity of the Hudson Yards plan, which Doctoroff likened to "a Rubik's Cube that is very, very complicated" (quoted in Levy 2003a). Indeed, as the year went by, it was clear that the administration was struggling to balance a host of factors in its development of the financing plan, as projected costs for various pieces of the plan kept rising and as political pressure forced the city to take on additional costs. Most notably, in the face of growing concern from business and tourism groups that the momentum for the Javits Center expansion was being bogged down by the difficulty of putting together a financing plan for the entire Hudson Yards project, the administration agreed to help fund that expansion in mid-2003.

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[5] PILOTs are generally used when private developers are permitted to build on publicly owned land, which is exempt from property taxes. When the provision of public land is used to encourage development, PILOTs are often assessed at a lower rate than the normal property tax rate. PILOTs can also be used to replace sales or other taxes generated on public land. So, like TIF, PILOTs can be used to capture tax revenue from a certain district.

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This added yet another cost that the administration had to incorporate into its financing plan.

In December 2003, the administration submitted a request for proposals to the investment banks that did most of the underwriting of city bond offerings, asking that they come up with proposals for a detailed financing package (Hudson Yards Infrastructure Corporation 2003). This request for proposals contained no mention of TIF, though it did identify a number of revenue streams – PILOTs, payments to a District Improvement Fund in exchange for increases in the allowable density, and the proceeds of transferring the development rights for the eastern rail yards to private developers – that could be used to finance the project. While it requested that the banks consider all possible financing options, the administration seemed to be pushing the banks to come up with a self-financing plan; at the time, Doctoroff said "it is very conceivable that people will recommend that we finance this entirely on the strength of the incremental revenues that the project will generate over time" (quoted in Saul 2003a).

Despite the years of claims made by Doctoroff and NYC2012 that the entire plan could be self-financing, it was now apparent that major portions of the Hudson Yards Plan would in fact *not* be able to finance themselves. The administration had asked the banks to consider only the portions of the Hudson Yards plan lying *east* of 11th Avenue, that is, those which were associated with the rezoning portion of the plan. This comprised the extension of the Number 7 Subway line, the decking of the eastern rail yards, and the construction of the open space network, adding up to about $2 billion in costs. The "Convention Corridor," which lay to the west of 11th Avenue and included the

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Javits Center expansion and the construction of the NYSCC, each of which would cost about $1.5 billion, would be financed separately.[6]

B. The Self-Financing Plan Emerges

In February 2004, the administration announced that it had selected Goldman Sachs & Company, J.P. Morgan Chase & Company and Bear Stearns & Company to act as senior underwriters for the bond offering that would fund the financing of the portions of the Hudson Yards plan lying east of 11th Avenue. The complex financing plan relied on some $3.6 billion in borrowing backed by revenues from PILOTs, Payments in Lieu of Sales Taxes, residential property taxes, District Improvement Fund payments, and proceeds from the transfer of development rights that would accrue to the city between 2005 and 2035.[7] The city projected that this $3.6 billion would be dwarfed by the $16 billion from the revenue that would flow to the city over that period. Three aspects of this financing plan were especially notable.

1) The Hudson Yards Infrastructure Corporation

The first of these was the governance structure proposed. The Mayor would create the Hudson Yards Infrastructure Corporation (HYIC) to serve as a financing conduit during the implementation of the Hudson Yards plan. Crucially, the HYIC, as a local development corporation, had the right to exempt certain businesses from property and other taxes and then to negotiate PILOTs without legislative approval, whereas a straightforward TIF plan would require approval by both the City Council and the State

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[6] The financing of the Convention Corridor is discussed in Chapter Eight.

[7] The details of the financing plan are drawn from New York City Department of City Planning 2004. The $3.6 million included both the costs of principal and interest. All dollar amounts used here, per the city's practice in the financing plan, are in constant 2003 dollars.

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Legislature. The establishment of HYIC and the decision not to use straightforward TIF not only facilitated the self-financing of the rezoning portion of the Hudson Yards plan, but was yet another instance in which the Bloomberg administration engineered the plan in such a way to insure its autonomy from normal budgeting and legislative approval processes.

It was proposed that the HYIC's board would consist of three members, all appointed by the mayor.[8] The HYIC would sell its own bonds, backed only by the various revenue streams described above, which would flow directly to HYIC and which would be used to pay back those bonds. Any remaining revenue would be passed on to the city. The HYIC would not have any staff of its own; rather, City agencies and the MTA would be reimbursed by the HYIC for the work they performed in making the various public improvements that were proposed. The HYIC was the institutional means by which the plan would be self-financing as it would be completely independent of other city financing entities and from the normal budgetary processes, as well as from legislative oversight.

This gave the HYIC a good deal of autonomy, but it also made its bonds a riskier investment, since they were not officially backed by the city government.[9] The HYIC

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[8] This would change. Initially, the HYIC's board was proposed to consist of the Deputy Mayors for Economic Development and Operations as well as the Budget Director; later in response to political pressure, the City Comptroller and the Speaker of the City Council and members of Community Boards Four and Five were added.

[9] The administration hoped that the HYIC bonds would get a BBB credit rating, the lowest investment grade for bonds. As of late 2004, the city's normal general obligation bonds had an A rating (AAA is the highest bond rating). The administration projected that the HYIC bonds would initially pay a 6.5 percent interest rate, which would eventually rise to 7.5 percent in 2007. General obligation bonds would pay an interest rate 0.5 percent lower than this. While this may seem like a small difference, the higher HYIC rate was estimated to add hundreds of million in interest costs to the plan. See New York City Independent Budget Office 2004b.

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represented a trade-off between two kinds of risk: the risk inherent in this kind of self-financing, and the risk that normal capital budgeting processes – or even straightforward TIF – would result in legislatures not funding the Number 7 subway line extension or any of the other capital improvements proposed east of 11th Avenue. The administration would pay more and take on additional risk in order to insure the project would go ahead.

2) Bridging the Investment Gap: Commercial Paper

The second noteworthy aspect of the self-financing plan was the manner in which the administration proposed to solve a fundamental problem it faced: the fact that the costs of the public investments would be incurred in the first few years of the period of time covered by the plan, while revenues would not materialize until much later. Driven by the deadline of the (potential) 2012 Olympics, as well as by the belief that commercial development on the far west side was conditioned on mass transit access, the Number 7 Subway Line was projected to be completed by 2012, as were the lower portion of the mid-block Boulevard and the large park (a.k.a. the Olympic Square) on the eastern rail yards.[10] While most self-financed development projects face this kind of financing gap, this problem was intensified by the 2012 Olympics deadline, which temporally concentrated these costs rather than spreading them over time. The city thus faced an enormous upfront cost, as $2.8 billion had to be spent by 2012. While the principal of the long-term (30-year) bonds that would fund most of the project would not be due for decades, the interest payments on those bonds (i.e., the debt service) were due annually.

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[10] Two subway stations were proposed as part of the Number 7 Subway Line extension, one at 11th Avenue and 34th Street and a second at 11th Avenue and 41st Street. Only the 34th Street station was proposed to be completed by 2012; the other station was projected to be completed by 2015. The northern portion of the midblock boulevard (i.e. the portion above 36th Street) would only be completed in 2025.

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Over $800 million in interest payments on those bonds would be due between 2005 and 2012; given the projected rate of development during this period, only about $300 million in revenue would be available.

The HYIC could have covered this gap by selling more long-term bonds, putting the money in the bank and using it to pay the debt service.[11] However, this would have increased the already large upfront costs of the project, so the administration chose to defer these costs; the trade-off was that they would be greater than if not deferred.[12] The administration proposed to use so-called "commercial paper," a form of low-cost, short-term borrowing typically used by private companies to bridge temporal gaps between investment and return. Commercial paper is typically backed by commercial insurance that enhances the borrower's credit standing, making it a safe (and thus, low-cost) short-term form of credit. The city would borrow commercial paper, and, when it became due at the end of the year, borrow more to pay back the principal and the interest owed; this kind of rolling-over of commercial paper is fairly common in private sector credit markets. In all, about a billion dollars in commercial paper would be borrowed by 2012, when project revenues were projected to rapidly grow. At that point, the project revenues were projected to be sufficient to begin to pay down the commercial paper debt; and if any commercial paper debt was still outstanding in 2020, HYIC would then use long-term bonds to retire that debt.[13]

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[11] The administration also could have funded the entire project using general obligation bonds. Its insistence that the Hudson Yards plan be self-financing precluded this.

[12] The HYIC bond repayment structure also deferred costs, by pushing back the date at which the principal of this borrowing, as opposed to the interest alone, would be paid back.

[13] The administration projected that some $600 million in commercial paper would still be outstanding in 2020.

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The use of commercial paper, though familiar in the private sector, was new to public finance in New York City. Also new, and potentially more problematic than the use of commercial paper in and of itself, was the method that the administration proposed to use to back the debt, to make it credit-worthy. The City could not avail itself of the kind of commercial credit insurance typically used by private companies. Instead, the administration proposed that the debt be backed by the Transitional Finance Authority (TFA), created in 1997 by the State legislature as mechanism to expand the city's borrowing capacity.[14] The administration proposed that the TFA back the HYIC's issuance of commercial paper. This meant that if the HYIC could not find borrowers for its commercial paper – which, remember, it proposed to roll over year after year for over a decade – the TFA would be committed to purchase that commercial paper using money otherwise destined for the normal city budget. Thus, the commercial paper portion of the financing plan put the city on the hook for hundreds of million of dollars.[15]

3) The City as Developer

The third noteworthy aspect of the financing plan that the city was proposing to fund the parts of the Hudson Yards plan east of 11th Avenue was the fact that it essentially placed the City, or more precisely, the HYIC, in the role of a real estate developer.[16] Since the plan was self-financing, the HYIC would be totally dependent on

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[14] The TFA, a public benefit corporation legally separate from the city, was permitted to issue bonds directly backed by personal income taxes collected by the city. This increased the amount of debt the city could take on, which was otherwise limited by state law to the total assessed value of taxable real estate in the city.

[15] It was unclear if this was a legal function of the TFA. The city's lawyers insisted it was, but critics of the financing plan insisted otherwise. In the end, as we shall see below, this was a moot point.

[16] I am indebted to Brian Hatch for this insight.

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development proceeding apace in the Hudson Yards area; if it did not, the HYIC would be faced with serious shortfalls. When the City released its financing plan for the area east of 11th Avenue, it also released projections for commercial development, which would be the primary source of revenues especially early on, in the Hudson Yards area from 2010 to 2035. 28 msf of commercial space was projected to be built over this period, an average of over one msf per year. Doctoroff and other administration officials insisted that these projections were conservative, despite the fact that an average of only 1.5 msf of office space per year had been built *in the city as a whole* during the 1990s, though an average of 4.6 msf per year had been built in the 1980s and 5.4 msf per year in the 1970s (Group of 35 2001, 3). In any case, the viability of the financing plan hinged on the steady materialization of this commercial development. A cyclical downturn in demand for office space or a glutted office market could throw the whole project into financial disarray – with dire consequences for both the TFA and the City itself, which was highly unlikely to let the HYIC default on its bonds.

The plan also contained provisions for subsidies to commercial developers intended to spark development should it lag, though the administration did its best to downplay these subsidies. While such subsidies have long been used in New York City, in this case they were quite problematic. This was because the subsidies would take the form of reduced PILOT payments, which would substitute for normal commercial property taxes in much of the Hudson Yards area and which were the largest sources of HYIC revenue. Thus, one of the major tools that the city could use to spark development in the Hudson Yards area, reduced PILOT payments, would in fact reduce the revenue flowing to the HYIC. If faced with shortfalls in HYIC revenue as result of commercial

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development that fell short of projections, the city's main recourse would be to increase subsidies – and thus further reduce its revenues – in the hope that this would in turn spark development in the Hudson Yards.

Like a developer, the HYIC was dependent on its investment generating revenues to pay for the debt incurred in making that investment. Like a private developer, the HYIC would have to walk a fine line between reducing prices to spark demand and still receiving enough revenue to pay debt service. However, the HYIC was even more dependent on development occurring in the Hudson Yards area than a developer would have been: a developer could use revenues from more successful investments to cover shortfalls in less successful ones, while the HYIC was dependent on revenue from a single investment.[17] The self-financing plan placed all the burdens borne by a private developer on the HYIC; however, it conferred upon the HYIC none of the advantages a large private developer could draw on.

With the long-promised details of the self-financing plan for the rezoning portion of the Hudson Yards plan finally revealed, the debate over that plan began. The self-financing plan represented a departure from conventional public finance mechanisms used to fund large infrastructure projects. Moreover, it included a level of financial complexity and risk new to public finance in New York City. Clearly, the private sector experience of Bloomberg officials, particularly Doctoroff's experience as a risk-taking financier, had played a key role in the development of this innovative – and risky – self financing scheme. How would this go over in a city in which traumatic memories of the

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[17] Normal city borrowing for capital projects hews to this principle of broadly spread risk and benefits. The city as a whole must produce revenues sufficient to pay back bonds used for a particular project.

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1970s fiscal crisis, itself precipitated in part by ambitious and risky public financing schemes, were despite the passage of nearly three decades still a vivid part of public discourse?

III. Debating the Self-Financing Plan

The Bloomberg administration deployed a dizzying array of figures in its efforts both to market the Hudson Yards plan as a piece of economic development and to construct it as a profitable "investment." The logic of investment required that the Hudson Yards plan be justified not just qualitatively, as an example of best planning practice, for instance, but quantitatively as well. Thus, the administration, already influenced by Bloomberg's own faith in the power of measurement, infused a series of projections, estimates, and forecasts with the authority of fact. Unsurprisingly, these projections, estimates, and forecasts became the subject of a good deal of scrutiny and debate. As the debate over the Hudson Yards plan proceeded, critics questioned everything from estimates of office space per worker to the pace at which office development was likely to materialize on the far west side. Undergirding these critiques were two fundamental issues, both of which pointed to the limitations of the Bloomberg administration's embrace of the logic of investment as a strategy of public governance.

First, critics of the Hudson Yards rezoning plan complained that the level of risk that the city, either directly or indirectly, was assuming was inappropriate for a public project, especially a project which had been studiously engineered in order to minimize public review. This targeted the mix of risk and autonomy that lay at the very heart of the Hudson Yards self-financing plan. While this mix may have seemed perfectly

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appropriate to creatures of the private sector like Bloomberg and Doctoroff, it was challenged by a broad array of groups and individuals engaged in the process.

Second, and in the end, more damaging to the Hudson Yards Plan, was a divisive political issue that the Bloomberg administration's private sector approach was especially ill-suited to deal with. This involved the longstanding competition between Manhattan's two central business districts, midtown and downtown. Midtown Manhattan had slowly been eclipsing Lower Manhattan as the city's premiere business district since at least the mid-1980s: in 1985, commercial rents in the two CBD's were essentially the same; by 2000 midtown rents were roughly a third higher than those downtown (Crain's New York Business 2005). Through the late-1990s, downtown saw the residential conversion of a good deal of older office space, while midtown saw the construction of several new, high-tech office buildings. The destruction of the World Trade Center on September 11, 2001 threatened to further diminish Lower Manhattan's role as a functioning CBD, and sparked a pitched effort on the part of downtown politicians and real estate and business interests to counteract this decline through the generous application of City, State, and Federal resources. The Bloomberg administration's efforts to develop a new branch of the midtown Manhattan CBD in the Hudson Yards area appeared as fundamental threat to advocates of downtown commercial development, as it posed the prospect of a pitched competition between the two areas for limited office space demand. However, key Bloomberg administration officials would dismiss these concerns on bases animated by the conceptions and interpretations that they brought from the private sector to city government, insisting that the two CBDs were complementary rather than competitive, different "products" serving different markets – at, as we shall see, their own peril.

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Both of these issues centered on a single question: was the Bloomberg administration planning too much office space in the Hudson Yards area? If so, this would pose risks both to the self-financing plan, and by extension, to the city's financial stability, as well as to Lower Manhattan's future as a commercial center. This seemingly technical question, in fact, had major political repercussions, and was at root of a good deal of the debate over the viability of the Hudson Yards rezoning plan as a piece of economic development policy. Before discussing the two political issues – the level of risk appropriate to a public project like the Hudson Yards rezoning and the prospect of competition for office space demand between downtown and midtown – we need to address this seemingly banal technical issue.

A. Too Much Office Space?

1) Establishing the Need for Office Space

Among the various groups and interests that supported the rezoning portion of the Hudson Yards plan, the question was not whether office space should be built on the far west side of Manhattan, but how much. The Group of 35 projected in their June 2001 report that the city needed some 60 msf of office space, a third of which could be located on Manhattan's far west side (Group of 35 2001, 3,6). The DCP's Framework, released later that year, indicated that about 30 msf of office development was warranted there (New York City Department of City Planning 2001, iii).

Eventually, the city hired the real estate consulting firms Economic Research Associates and Cushman & Wakefield to hone these projections. The consultants released their report in spring 2003 (Economic Research Associates and Cushman & Wakefield 2003). Starting from a projection that the metropolitan region as a whole

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would see the an additional 443,000 new office-based jobs, the report used a number of calculations – of office space per worker and of the rate at which different areas in the region and the city had historically "captured" this job growth – to come to the conclusion that midtown Manhattan would require roughly 36, 45, or 54 msf of new office space by 2025, depending on which of three assumptions about office space per worker was used.[18] It estimated that only about 20 msf could be developed on existing sites in midtown. Thus, the report concluded, there was an office space shortage of between 16 and 34 msf in midtown, which could be filled by office construction in the Hudson Yards.

These three efforts at projecting the amount of office space in the Hudson Yards area that could realistically be expected to be filled reached rather divergent conclusions; even the projections of office space demand contained in the Cushman report alone varied greatly. This variance among and within these reports was in sharp contrast to the

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[18] The Cushman report used three estimates of office space per worker – 200, 250, and 300 square feet. The estimates of the number of jobs that would be either "generated" or "captured" by the office development in the Hudson Yards had varied over time, as did the methods used to make these estimates. The earliest projections, laid out in the 2000 report commissioned by NYC2012 and written Appleseed and the Taub Research Center, were for roughly 90,000 jobs in the area, 80,000 of which would be office-based; this report did not include jobs that would be generated indirectly from the economic activity in the Hudson Yards or the construction jobs that would be generated by redevelopment in the area (Appleseed and Taub Urban Research Center 2000, 2.) By late 2003, the city was estimating that the rezoning would result in roughly 70,000 new office jobs by 2025 (Levy 2003a). Later on in late 2004 and early 2005, the number cited by administration officials had jumped considerably, as Deputy Mayor Doctoroff and Mayor Bloomberg claimed that the rezoning would create 230,000 permanent direct and indirect jobs, as well as a similar number of construction jobs (Bloomberg 2005c; Doctoroff 2004e). While these wildly varying estimated were often mentioned by administration officials, and while these jobs were in the end the ultimate justification for the office space being planned for the Hudson Yards area, they generally took a back seat when these officials laid out the ultimate premises of the Hudson Yards plan. After all, it was the office space itself that was the crucial middle term in the essentially circular logic that animated this economic development argument for the Hudson Yards plan: the number of jobs in the region would grow by 443,000 by 2025 no matter what; in order to capture the city's share of this job growth, office space would be needed; in turn, this office space would generate jobs. Whether job growth was exogenous or not, the need for office space remained the constant factor.

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certainty with which Bloomberg administration officials made claims about the amount of office that was needed in the Hudson Yards area. Over and over, Deputy Mayor Doctoroff and the DCP's Vishaan Chakrabarti flatly claimed the existence of a 19 msf "office space gap" that if not filled by office development in the Hudson Yards would have dire consequences for the city's economic future. Only if directly challenged on these numbers – a rare occasion – would they acknowledge the uncertainty of the projections upon which their claims were based, and even then they would argue that these claims, far from being overly optimistic, were in fact quite conservative.

2) Untenable Projections

Despite the certainty with which administration officials claimed that the city was facing an office space gap of 19 msf, the economic necessity for this amount, let alone the 28 msf that was originally proposed, came under serious scrutiny. Criticism came from three directions. First, there were those who worried that the level of commercial development that the city projected was overly optimistic and would not materialize, which would threaten the financial underpinnings of the plan. Secondly, a smaller group challenged the very notion that the city should be continuing to concentrate so much of its resources in economic development projects aimed at fortifying the office-based economy by providing large-floor plate office buildings. Finally, there were those who feared that the commercial development on the far west side *would* materialize (especially if goaded on by tax incentives) and would compete with the redevelopment of the World Trade Center site and Lower Manhattan in general.

In August 2004, the IBO released a report tellingly entitled *Supply & Demand: City and State May Be Planning Too Much Office Space* (New York City Independent

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Budget Office 2004a). The report concluded office job growth in the city between 2005 and 2035 would generate significantly less demand for office space than the Bloomberg administration was projecting.[19] But another message of the report was that projections of office job growth and of office space demand were inherently uncertain and should be treated tentatively. Theresa Devine, the chief author of the report, stressed this to me:

> I asked myself: Do we need all of this office space? Will office employment actually grow at [the rate assumed by the city's projections]? The forecasting is not clear. There are unanticipated events…Innovations can impact the need for office space…The bottom line is that we just don't know (Devine 2004).

Devine told me that small changes in the assumptions underlying projections could generate wide divergences in outcomes, especially when projecting past the immediate future. Thus, she pointed out, the IBO, when providing mayoral administrations with office market forecasts used to predict property tax receipts, only generated forecasts five years into the future; even then, years four and five were taken with a grain of salt. Questioning the city's multi-decade projections for the demand for office space, Devine concluded our discussion by asking and answering a rhetorical question: "Why doesn't everybody go 30 years out? The uncertainties are just too great" (Devine 2004).

Other experts – even those supportive of the basic premises of the Hudson Yards plan – publicly questioned the Bloomberg administration's projections of office space demand. In particular, the plan's concentration of office space at the western edge of the Hudson Yards, far from midtown Manhattan, made the projected level of demand even

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[19] The Bloomberg administration claimed that the city as a whole would need nearly 70 msf of office space by 2035; the IBO's midpoint projection was 50 msf. The report estimated that about half of this demand could be met by projects already under development, planned for the near term, or on developable land in midtown and downtown Manhattan. This left a projected 25 msf of demand, while the city was proposing to build 43 msf of office space in its three largest commercial development projects alone: the Hudson Yards (28 msf), the World Trade Center site (10 msf), and Downtown Brooklyn (4.5 msf).

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more questionable. "What's implausible is that one new, unproven district would capture all that demand," said one prominent forecaster (quoted in Bagli 2004i). The RPA, which accepted the proposition that midtown Manhattan would eventually run out of room, questioned the immediate need for so much office space, writing in their July 2004 position paper on the Hudson Yards plan that while "the region will be at a competitive disadvantage if there is no capacity to expand its prime business location, this situation remains farther in the future...than the City's plan would suggest" (Regional Plan Association 2004a, 12).[20] Its own projections indicated that the current stock of vacant office space in the city, the existing commercial development sites in Manhattan, and World Trade Center redevelopment would be sufficient to meet projected demand until at least 2017, and then only if the New York City economy grew as fast as it did during the go-go 1990s.[21] Even some prominent office developers publicly questioned the city's office space projections: Douglas Durst, the scion of a prominent real estate family whose holdings included a number of midtown office buildings, and a proponent of the far west side development said in early 2003, "I don't see how you project demand for 30 million square feet of office space" (quoted in Sargent 2003a).

Unsurprisingly, critics of the plan echoed these sentiments. When the CPC approved the Hudson Yards rezoning plan in November 2004, Karen Phillips, the one

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[20] The RPA's report also questioned the logic that underlay the claims made by the Bloomberg administration, the Group of 35, and members of the real estate and development elite that the city was experiencing an "office space gap" that prevented it from capturing its rightful share of regional job growth, which it was now losing to New Jersey and other suburban locations. The authors of the RPA report argued that city and suburban office development actually were complimentary rather than competitive. (Regional Plan Association 2004a, 12).

[21] More cautious projections made by the RPA pushed this point beyond 2020. The RPA thus recommended a flexible and phased approach that would fund infrastructure improvements as office demand actually materialized.

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Commissioner to vote against it, cited "speculative office space projections" as one of the reasons for her vote (Phillips 2004). Richard Ravitch, the former head of the MTA and a former developer, said at a June 2004 State Assembly hearing that "it would be a long time, I suspect, before commercial developers will want to build office buildings on the West Side given the fact that there is currently 50 million square feet of empty office space in New York City and another [10] million being built in Lower Manhattan" (Ravitch 2004c).

3) Different Economy, Different Office Buildings

At that same June 2004 hearing, Ravitch reiterated the need for caution when making forecasts, saying that "I was in the development business for some time and I believe in growth and I believe in New York, but I can't predict what the empty space will be in ten years" (Ravitch 2004c). He then addressed a separate important issue, arguing that office demand was likely to be "less [for] large plate office construction," since the industries that generated the largest demand for large floor plate office buildings, like the financial and business services industries, were likely to shrink in the future. He guessed that the space demands of "new technology and research and development [and] of small business…where…the growth of this city now is so dynamic" would be more important to the future shape of city office development (Ravitch 2004c).

Not only did the Hudson Yards plan envision large concentrations of office space on the far west side, it had been engineered to generate a certain type of office-building: large floor plate office buildings, like those that give Sixth Avenue in midtown

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Manhattan its canyon-like appearance.[22] The large, contiguous spaces available in such buildings, city officials and some real estate developers claimed, was necessary to accommodate financial, media, and business services firms.

However, there was significant debate over the need for traditional large floor plate office building. Policy organizations like the Fiscal Policy Institute and the Center for an Urban Future had begun to question the future centrality of the financial and business services industries to New York City's economy.[23] While the administration and business groups like the Partnership for New York City proposed to *supplement* these industries through economic diversification, these policy groups argued that they were actually stagnant or even in decline, and would be unlikely to generate the number of new jobs needed to fill the office space that the administration was proposing to build in the Hudson Yards. "If Wall Street isn't going to grow," Center for an Urban Future Research Director Jonathan Bowles asked in 2003, "will there be enough jobs created in the service sector?" (quoted in Bagli 2003b).

Moreover, some critics of the plan cited evidence that the demand for large floor plate office buildings was declining even in those industries that had been their traditional users. This was due in part to the decentralization of these industries; routine back office functions were being moved out of center cities to lower cost locations, leaving behind functions executed by the elite, well-educated employees that the Bloomberg Way targeted. Such employees demanded a high-quality work environment, which large floor

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[22] Included in the plans were mechanisms to prevent the construction of smaller buildings along 11th Avenue, where the densest commercial development was envisioned and to aid in the assemblage of lots large enough to accommodate large floor plate office buildings.

[23] See Bowles and Kotkin 2003, Fiscal Policy Institute 2002a, and Labor Community Advocacy Network to Rebuild New York 2003.

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plate office buildings with large quantities of internal space without windows were ill-suited to supply. In addition, slimmer, less bulky buildings were more amenable to energy-saving technologies. As Meta Brunzema, one of the HKNA's chief planners, and the IBO's Theresa Devine pointed out to me, smaller, narrower office buildings in the city were actually having more success drawing tenants than typical large floor plate office buildings (Brunzema 2004; Devine 2004).[24]

Brunzema, along with others, also brought up the issue of the growing popularity of live-work space. As she pointed out, even larger buildings in traditional office districts were being designed to accommodate both office space and high-end residential uses. At the RPA's 2004 Annual Meeting, which was dedicated to discussions of the redevelopment of the far west side and which was attended by virtually all of the key players in the debate, Lynn Sagalyn, a Professor at the University of Pennsylvania also challenged the need for large floor plate office buildings, pointing out that future job growth in the city was likely to be driven by small, entrepreneurial, high-end businesses (Sagalyn 2004). Both the owners and the employees of such businesses, Sagalyn argued, would be unlikely to be attracted to large office buildings, preferring small-scale mixed-use neighborhoods like Williamsburg, Chelsea, or DUMBO; the Hudson Yards plan, she argued, could serve as an opportunity to create a different type of commercial district, rather than to replicate the current midtown Manhattan CBD.

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[24] For example, One Bryant Park, a thin new office building near Bryant Park and 42nd Street, at the time was seeing much more success in drawing tenants than more traditional office buildings like 7 World Trade Center.

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4) Too Much Office Space

Thus, there was significant evidence that the Bloomberg administration was planning too much office space, both on the far west side and throughout the city. This concern was shared by groups and individuals representing a broad array of perspectives. Some, like the RPA, had faith in the continuing centrality of office-based employment to the city's economy. Some, like Meta Brunzema and Jonathan Bowles of the Center for Urban Future, predicted a decline in traditional office-based employment. And others, like Theresa Devine of the IBO, challenged the Bloomberg administration's office space projections on technical grounds. As we have seen in Chapter Two, overly optimistic appraisals of the future of the city's postindustrial sectors are nothing new in New York City, but this time the stakes were extremely high, as the administration had staked the future solvency of its risky self-financing plan for the rezoning of the Hudson Yards area on the accuracy of such office space demand projections.

B. Risk, History and Faith

However, the debate over the financing plan involved far more than arguments over the future demand for office space in New York City. At issue was something else: the degree of risk appropriate for the city government to take on, given the lessons of history and the norms of public finance.

1) "You Must Spend Money to Make Money:" Embracing Risk

On December 15, 2004 the City Council held a hearing on the self-financing plan for the Hudson Yards rezoning proposed by the administration. Introducing his testimony, Deputy Mayor Doctoroff, while never actually using the word "risky," preferring euphemisms like "creative" or "innovative," evoked the city's history to

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implicitly argue that the potential payoff of the Hudson Yards plan was well worth the risk posed by the proposed self-financing plan:

> There is an old saying, "You have to spend money, to make money." We see this throughout our every day lives, when a small business owner expands her store, or when a family takes out loans to send a child to college…That is as true for the City, as it is for us in our daily lives…Throughout our history, New York City as taken great leaps forward thanks to public planning and significant investments. In many cases, these bold plans for New York required innovative financing to make the initial investment…In each case, a massive, public investment spurred private development resulting in billions of dollars in new tax revenues. Each used different ways of financing that were appropriate for the times. But one way or another our predecessors found creative ways to make great things happen (Doctoroff 2004g).

Doctoroff minimized the risk that the self-financing plan posed to the city's finances. He argued that only the HYIC would be responsible for the bonds it issued and played down the possibility that the credit support provided by the TFA for the commercial paper issued by the HYIC would ever be needed. Doctoroff ended his testimony with a burst of rhetoric portraying opposition to the self-financing plan, and the Hudson Yards plan in general, as the real threat to the city's financial future:

> With the Hudson Yards plan we face an opportunity and a challenge. We also have an answer and an alternative. The opportunity is to look optimistically towards New York's future, and make an investment in the Hudson Yards that will pay for itself many times over. The challenge is to find a way to pay for the investment in a time of limited resources, particularly in the Capital Budget. The answer is a financing plan we have developed after many months of hard work and close consultation with experts. The alternative…is to do nothing, to miss out on an opportunity to build a better economic future for eight million New Yorkers. It is an opportunity we cannot afford to miss. It is an investment we cannot afford not to make (Doctoroff 2004g).

Doctoroff's testimony was followed by that of the considerably more reserved Budget Director Mark Page, a veteran of city government. Page, in his testimony and public speech, generally was blunt, honest, and pithy; now, however, he seemed uncomfortably caught between his boss, Doctoroff, sitting at his side, and his

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characteristic frankness. When asked point-blank if the financing plan was "fiscally prudent," Page half-heartedly dissembled for a bit before giving a revealing non-answer:

> Budget Director Page: We are working on it…The whole thing has to come together, because it is the whole thing that becomes the credit package that we need to convince the credit rating agencies and potential investors that it will work. And the "it" is all the pieces coming together at once. You cannot say, well, I am going to build the platform, but I don't think I will build the parks. Or I will build a tunnel for the train but I am not going to put in the tracks until I know things are going better. Because then you have not provided the foundation that convinces people that it is going to suck in private investment, so you are going to get buildings here that are going to produce revenue and pay taxes, which is going to make the whole thing go, and…pay back the debt.
>
> Councilmember: On a scale of one to ten, how do you rate the risk factor in this plan?
>
> Page: We are working on it, stay tuned (Page 2004).

2) Remembering the Fiscal Crisis

If Page's evasion undercut Doctoroff's declarative and confident optimism, the lessons that the next speaker had learned from New York City's history undercut it even more so. Richard Ravitch, the former developer and head of the MTA, drew an explicit parallel between plans to have the ostensibly independent HYIC float bonds backed by future revenues with the 1965 decision on the part of the state legislature to permit a quasi-state organization, the Urban Development Corporation (UDC), to borrow against estimated future revenues. When these revenues failed to materialize, the UDC had to be bailed out by the State, an event that helped precipitate the city's 1970s fiscal crisis. Expressing sympathy with Doctoroff even as he challenged the wisdom of the course the Deputy Mayor had charted, Ravitch said:

> I have spent my life building things based on assumptions about what the future revenues will be, and I am not unsympathetic. But I know bonds cannot be sold just on the credit of the [HYIC]. When Mr. Doctoroff says that the City isn't obligated on that, he is absolutely correct, and I am sure he means it honestly. But to suggest it would not affect the credit of the City is silly, because the City in no way could ever permit a default of the [HYIC] without it affecting the credit of the City of New York…The case

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> in point is the one that I lived through…in 1975, when the bank said, if you let UDC go broke, we acknowledge it is not a legally enforceable debt of the State of New York. But if you let it go under, we will not lend the State of New York a dime (Ravitch 2004b).

Putting it even more bluntly, Ravitch told an interviewer in 2005 that he "saw in the West Side plan all of the things that had led to the crisis of the seventies" (quoted in Cassidy 2005). Other developers, financiers, and members of the development elite who had lived through the 1970s fiscal crisis – especially those who had left public life or for other reasons were not as hesitant to criticize the Bloomberg administration as those with projects before or business with the City – cautioned against the use of off-budget and risky financing schemes like the Hudson Yards self-financing plan, Felix Rohatyn, the financier who had led the elite effort rescue the City's finances at that time, most prominent among them. The Financial Control Board, the State board that had overseen City finances since the fiscal crisis, expressed concerns that using the TFA as a credit enhancer posed risks to the City's fiscal health.[25]

3) Taking on Risk, Avoiding Public Review

History aside, a broad array of groups and individuals with expertise in development and municipal finance publicly criticized the self-financing plan as too risky and, as a result of its avoidance of normal capital budgeting processes, too expensive.[26] Even the investment banks that had submitted bids to handle the project's financing, all of whom had proposed self-financing plans, nevertheless appraised these plans as risky;

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[25] For Rohatyn's comments, see Bagli 2004f. For the Financial Control Board's assessment of the financing plan, see New York State Financial Control Board 2004, 37-38.

[26] A 2004 IBO report estimated that the self-financing plan for the Hudson Yards rezoning cost about $1.3 billion more than using normal capital budgeting procedures (New York City Independent Budget Office 2004b).

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they pointed to the possibility of revenue shortfalls or delays resulting from lower-than-expected demand for office space or delays in the construction of the Number 7 subway line, the possibility of depressed demand for HYIC bonds due to investor hesitancy and lower bond ratings, and increased costs due to higher interest rates or cost overruns on the subway.

Community critics of the plan raised the issue of risk many times, and argued directly against the administration's claim that the additional risk of the Hudson Yards financing plan was worthwhile because it prevented competition with other projects funded through the city's normal capital budget. At a September 2004 CPC hearing, CB4 Land Use Chair Anna Hayes Levin noted that the fundamental purpose of the capital budget process was to allow exactly the kind of prioritization and appraisal of individual projects that the administration was trying to avoid. "The financing plan takes substantial public works projects outside of the normal budget process," she said; "This is not right. We have a public budget process so that competing priorities can be publicly considered" (Levin 2004b).

All those who expressed concern about the self-financing plan raised the same issue: the Bloomberg administration's insistence that the plan be self-financing, and its willful avoidance of normal capital budgeting approval processes and, thus, the straightforward use of general obligation bonds, resulted in a financing plan that, rather than having no impact on the city's basic finances, actually placed them at risk. History and fiscal prudence led these critics towards both a lower tolerance for risk and a more cautious appraisal of the city's economic future, and in particular, a more tentative appraisal of the future demand for office space on the far west side.

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It is crucial to note that most of these critics did not object to the centrality of office development to the plan, but rather to the high-stakes gamble that the administration, through its self-financing plan, was placing on specific amounts of office development (over 1 msf per year) in a particular location (the far west side) during a particular time-frame (2010 to 2035). This was especially true of the politicians, developers, and pro-development conservatives who criticized the financing plan. While they wanted to see the far west side developed, they did not want to see the city's finances placed at risk through the use of a financing plan that was, as Richard Ravitch put it, in an insightful comment made at November 2004 panel discussion of the plan "faith-based" (Ravitch 2004a).

4) Risk and Faith

Despite Doctoroff's euphemistic labeling of the self-financing plan as "creative," rather than "risky," many administration officials and proponents of the Hudson Yards plan acknowledged that the self-financing plan was, as Alan Anders, a City finance official, put it at an October 2004 briefing of the CPC, "a virtual TIF," with all attendant risks (Anders 2004). Indeed, Mayor Bloomberg himself acknowledged that the Hudson Yards self-financing plan was "a more expensive, riskier way to finance" (quoted in Temple-Raston 2004d). However, he dismissed concerns about the risk inherent in the financing plan, arguing hyperbolically that the very existence of the city was at stake:

> [With every large project], what you really have to do from the city's point of view is to look at what the economic benefits are. Every one of them has risks…Everybody wants guarantees in everything. That's not the way the world works. You have to be willing to invest and run some risks and the city has the same obligation. If we don't do that we won't have a city for our kids and grandkids (Bloomberg 2004a).

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For the Mayor, the Deputy Mayor, and other proponents of the plan, the additional risk was justified – by the projections of its potential economic benefits, but more fundamentally, by faith in the future of the city's economy. Just as Bloomberg the CEO had demanded faith from his investors and employees, the Hudson Yards self-financing demanded faith in the city's economic future on the part of citizens, developers, politicians, and potential investors. The administration was asking these groups, to repeat Doctoroff's words, "to look optimistically towards New York's future" (Doctoroff 2004g).

Other administration officials acknowledged that faith in the city's economic future was crucial to the self-financing plan. In his October 2004 briefing of the CPC, Alan Anders said:

> The Hudson Yards plan is an expansion of the central business district. Therefore the [HYIC bonds will have] the same buyers as general obligation bonds, for the same reason: faith in the city economy (Anders 2004).

Anders glossed over the fact that the increased risk inherent in the HYIC bonds actually required a greater leap of faith on the part of investors (and citizens) than did regular general obligation bonds. Moreover, since these bonds were tied directly to development in one specific district, they required faith not in the city's economy in a whole, but in the potential for commercial development in the Hudson Yards in particular. At the December 2004 hearing on the financing plan, Budget Director Mark Page, with his typical directness, also conceded that the self-financing plan was "faith-based," and that this faith was geographically specific (though he too, perhaps again remembering that Doctoroff was seated next to him, in the end elided the future of the Hudson Yards with the future of the city as a whole):

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> In a way you are selling the future…It ultimately…comes down to being able to convince potential investors and credit- rating agencies that [the Hudson Yards] is a section of New York City that…with the help of…government investment…will become a part of the City's overall success, and you should buy into it. If you buy into the fact that your City bond is going to pay off in 30 years, you ought to buy into the future of Hudson Yards Development (Page 2004).

Or as he had put it months before, "you have to persuade [people] that your version of the future will work somehow" (quoted in Temple-Raston 2004e).

The Bloomberg administration on the one hand used quantitative analyses – office space projections, cost/benefit analyses, and cost and revenue projections – to convince critics that its "version of the future would work somehow." Again and again, administration officials defended their projections of office space as "very conservative." But these claims of conservatism were undermined by the projections of the IBO and the RPA, both of which foresaw lower levels of office space demand in the future. The administration's faith in numbers instigated this kind of technical response.

But in the end, this was a battle over competing visions of the future (and the past): one cautious and risk-averse and the other optimistic and much more tolerant of risk. That this was the case was demonstrated quite clearly by one way of the ways in which administration officials deflected this criticism: they essentially questioned critics' commitment to the city and its economic future. A prime example of this came at September 2004 meeting of the Manhattan Borough Board. After CB4 Chair Walter Mankoff and others criticized the city's projections as overstating the likely demand for office space on the far west side, the DCP's Vishaan Chakrabarti responded passionately:

> I would like to make a comment on density…There is 290 million square feet of office space in midtown. The 28 million square feet in the Hudson Yards represents ten percent more office space. If we cannot grow by 10 percent in midtown, this is a sad statement about the city. What does it say to international businesses that might locate here instead of in London or elsewhere? Midtown is the economic engine of the city. A ten percent

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> increase is a reasonable number. This is very important (Chakrabarti 2004c)!

Upon hearing Chakrabarti's words, several people in the room groaned and afterward angrily objected to the implicit impugning of their "New York City patriotism," as one person called it.[27] This statement, with its use of the utterly arbitrary figure of ten percent growth in midtown Manhattan's office space, unjustified by any economic analysis or office demand forecasts, harkened back to the dream of an ever-expanding office-based economy that is the cornerstone of the postindustrial ideology long uniting the city's traditional growth coalition. But it also emblematized the unbridled faith that key Bloomberg administration officials held in their capacity to (profitably) shape the future – and its scorn for those who did not share this faith.

5) Private Techniques, Public Funding: Risk, Profit, and Public Control

The self-financing plan was a clear example of the way in which the Bloomberg administration's approach to urban and economic development and to the Hudson Yards plan was shaped by the private sector experience of its key officials. This was not just because certain of its elements, like the issuance of commercial paper, were new to the public finance in New York City, or because of the plan's self-financing quality alone: after all, self-financing TIF projects had been implemented by city and local governments throughout the country. What was exceptional was the particular mix of risk and autonomy it embodied, a mix driven by the logic of investment that Doctoroff and Bloomberg had imported from the private sector into city government. The Hudson Yards plan's autonomy from legislative control and ostensibly independence of external

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[27] This mobilization of urban identity through an invocation of "urban patriotism" was an oft-used tactic of administration officials, used in a variety of contexts. It is discussed in greater length in Chapter Nine.

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sources of revenue made it a substantially riskier project than it would have been otherwise. It imposed higher costs of borrowing, delayed repayment of that borrowing, forced the use of financial instruments untested in the public sector, and most of all, dramatically limited the revenue sources upon which the HYIC would be dependent. However, from the point of view of the administration, this additional risk provided a substantial benefit: once the plan passed a single hurdle of public review (the approval of the rezoning by the City Council), the HYIC – and by extension, the mayor -- would be in complete control, immune from political, if not economic, pressures. Mayor Bloomberg and Deputy Mayor Doctoroff, as they had been in the private sector, would be in full control of their own investment. Though it might fail, it would fail not because of politics, because some small-minded legislator voted against this or that capital budget plan; rather it would fail or succeed on its own terms, because the analysis Bloomberg, Doctoroff, and the other officials and investment banks who had helped develop the plan had done – the projections they had run, the numbers they had crunched, and the profits they had predicted – was right, or was wrong. As Bloomberg has written of potential employees and investors: "Either they believe in me, trust me, and are willing to take the risk that I will deliver success, or they don't. It's that simple" (Bloomberg and Winkler 2001, 46-47).

Unfortunately for Bloomberg, Doctoroff, and other proponents of the Hudson Yards plan, critics and even some tentative supporters of the plan were unwilling to accept this risk. At root, the conflict over the Hudson Yards self-financing plan centered on the balance of risk, autonomy and reward appropriate to public projects. Many critics saw in the self-financing plan a return to the kind of financing schemes – risky, off-

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budget, and lacking adequate oversight – that led to the 1970s fiscal crisis. Other critics, who had not been in public life during that period or whose memories of it had dimmed, saw in the self-financing plan a further betrayal of Doctoroff's long-made claim that the Hudson Yards pan would be funded entirely separately from the normal city budget. By the time the self-financing plan was released in early 2004, it was clear that the Javits Center expansions and the NYSCC would not be self-financing; now even the one remaining piece of the plan that was purported to be self-financing, in its use of the TFA as a credit-enhancer, had serious implications for the City's budget and credit.

In its response to city's Request for Proposals for the Hudson Yards financing plan, the public finance experts at Goldman Sachs wrote that "There is no way to guarantee to investors that the infrastructure being paid for with the bonds will result in the revenues projected by the city. A 'leap of faith' would be required of investors (quoted in Rayman 2004b). Indeed, it was the entire citizenry of New York whom the Bloomberg administration was asking to take this "leap of faith," not just potential buyers of HYIC bonds. While their efforts to persuade people that their version of the future of the Hudson Yards would work relied in large part on their deployment of economic impact studies, what they were asking the citizens of New York, in the end, was simple: "trust us." Trust our management acumen; trust our judgment of the appropriate mix of risk, reward and autonomy for public projects; trust our ability to recognize a good investment when we see it; trust our interpretation of the past, and our understanding the future. Yes, the Hudson Yards plan was risky, but it was a risk that the city, in the capable hands of the Bloomberg administration, should be willing to take. But however much confidence in Bloomberg's leadership critics of the self-financing plan did have,

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and however optimistic about the future of commercial development in the Hudson Yards they were (and many were optimistic about it), their understandings of history and their conceptions of fiscal prudence prevented them from abdicating their own judgment and taking the leap of faith that the administration demanded.

C. Competition with Downtown

The questions that many raised about the Hudson Yards self-financing plan were premised on the idea that the demand for office space necessary for the plan to remain solvent *would not* materialize as predicted over the next few decades, with dire consequences for the fiscal health of the HYIC, the TFA, and ultimately, the City itself. Others, however, criticized the Hudson Yards plan based on fears that this office demand *would* materialize, with dire consequences for another important commercial district, Lower Manhattan. They accepted the premise that the demand for office space would continue, but questioned the wisdom of the Bloomberg administration pushing so hard for far west side commercial development when such development was lagging downtown. Planning groups, City Planning Commissioners, members of the media, and downtown politicians, real estate developers and business interests all expressed concern that the development of the Hudson Yards would divert real estate development, commercial tenants, and public resources from the effort to redevelop Lower Manhattan in the wake of the destruction of the World Trade Center. Although Mayor Bloomberg, along with Deputy Mayor Doctoroff and other prominent officials, often claimed that the

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redevelopment of Lower Manhattan was their first priority, their actions (and at times their words) indicated otherwise.[28]

1) Shifting the Financial Capital of the World?

The strength of the Bloomberg administration's commitment to Lower Manhattan redevelopment had been called into question from very early on in its first term. As early as November 2002, Assembly Speaker Sheldon Silver, whose downtown district encompassed the former site of the World Trade Center, and in whose hands the fate of the NYSCC would eventually lie, worried "that the development of the West Side may be done to the detriment of downtown" (quoted in Rogers 2002).

The Bloomberg administration's vision for Lower Manhattan development only reinforced the concerns of those who felt that downtown's position as the "financial capital of the world" was under fire. In December 2002, the Mayor outlined a plan for Lower Manhattan stressing not just office space but also residential uses, parks, and cultural institutions: a vision of a mixed-use district rather than a traditional single-use CBD. The administration consistently argued that too much office space was being planned for the World Trade Center site and that mixed-use development was appropriate downtown.[29]

Throughout 2004 and early 2005, the Lower Manhattan redevelopment process moved forward very slowly, and there was a growing chorus of criticism of the

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[28] As mentioned in Chapter Five, in his 2003 State of the City address, Bloomberg called the far west side development "his first priority," devoting several minutes to that project; Lower Manhattan redevelopment received only a brief mention (Bloomberg 2003c; Levy 2003c).

[29] The administration also successfully pushed for the use of Liberty Bonds, originally intended to provide Federal aid to the effort to rebuild Lower Manhattan, outside of that area, and in midtown Manhattan in particular.

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Bloomberg administration's apparent neglect of that process in favor of far west side redevelopment. There were a number of explanations for this: Bloomberg had built his business in midtown, and Bloomberg LP was constructing a large new headquarters building there; Doctoroff's commitment to the Olympics and associated far west side redevelopment, as well as the fact that he had been an investor in a number of far west side properties before entering city government; and the existence of a tacit but generally acknowledged deal between the Mayor and Governor Pataki which left the far west side to the Mayor and Lower Manhattan to the Governor. Whatever the exact reason, resentment was steadily growing. Sheldon Silver, who emerged as the public voice of downtown real estate and business interests leery of publicly criticizing the Mayor or Deputy Mayor Doctoroff, continued to decry the administration's Hudson Yards plan on both moral and economic grounds. During a November 2004 meeting of the Lower Manhattan Development Corporation, charged with coordinating downtown redevelopment, Silver said: "Surely you can understand the resentment of this brutally mauled community when – after all of the heroic pledges and vows – we now hear the mayor and the governor championing the commercial development of the far west side, in competition with the rebuilding of Lower Manhattan" (quoted in Saul 2004c). Silver's rhetoric grew more and more strident as time went on, reaching a head in May 2005, when, using his ability to block the State funding for the NYSCC as leverage, Silver called for a "Marshall Plan" to spark downtown's commercial redevelopment, a call echoed by planning groups and editorial boards.

Silver's more parochial concerns were reinforced by both the RPA and the IBO. While the IBO's August 2004 report that maintained that the city was likely planning too

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much office space remained studiously technical in tone, it did make it quite clear that office space in the Hudson Yards area and Lower Manhattan would be in direct competition. The RPA went further, questioning not just the total amount of office space being proposed in the two areas, but insisting that the commercial development of the far west side be delayed by several years in order to insure Lower Manhattan's redevelopment, which it insisted, "must be given every opportunity to succeed" (Regional Plan Association 2004a, 11).

The administration was faced with criticism of the key economic development premise of the Hudson Yards plan – the city's need for large quantities of new office space – on economic, technical, and even moral grounds. Yet, however sound the economic and technical critiques of the city's projections for office space demand may have been, they gained little traction in the face of the tenacity of the postindustrial ideology that united much of the city's economic and political elite. Only the prospect of serious competition between Hudson Yards and midtown generated opposition to the Hudson Yards plan politically powerful enough to place it in real jeopardy of failure.

The challenge posed by claims that the commercial redevelopment of the far west side threatened the revitalization of Lower Manhattan as an office district had the potential to be especially damaging. Sheldon Silver, the RPA, and others who publicly made this critique did not challenge the basic tenets of postindustrial ideology, accepting the idea that the city's economy would remain based on finance, business services and other office-based industries. Rather, they primarily questioned the timing of these two commercial redevelopment projects, insisting that the commercial development of the far west side be deferred until the Lower Manhattan CBD had recovered. And their concerns

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were broadly shared, even if many were unwilling to publicly express them. Perhaps most importantly, it was apparent by early 2004 that Silver, in his role as a member of the Public Authorities Control Board (PACB), an obscure State board that would have to unanimously approve the NYSCC's funding, would eventually have an ultimate say over control that particular element of the Hudson Yards plan.

2) The Administration Responds: Different Products for Different Users

Despite the leverage that Silver's seat on the PACB gave him, Bloomberg administration officials essentially dismissed these criticisms in much the same way as they brushed aside concerns that their projections for office space demand were too optimistic: by reiterating the conclusions of their own analyses and by challenging critics' commitment to the city. However, they supplemented these arguments with a third argument that drew heavily on the idea, central to the Bloomberg Way, that the city was a product to be marketed to variety of different customers.

Deputy Mayor Doctoroff was especially unwavering in his dismissals of the charge that the redevelopment of the Hudson Yards would endanger Lower Manhattan's recovery.[30] First, he insisted that there would relatively little overlap between the two commercial development projects: the administration did not expect any significant development in the Hudson Yards until 2010, when the first stage of the Number 7 subway line extension was projected to be completed; the Lower Manhattan redevelopment process was expected to be completed by 2015. Second, he argued that

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[30] Doctoroff had good reason to defend himself against this charge, as he was the administration's key representative in the Lower Manhattan redevelopment process. Indeed his title – "Deputy Mayor for Economic Development *and Reconstruction*" (i.e., of the World Trade Center site) – highlighted his responsibilities in that process.

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even if there was some overlap between the two projects, there would not be significant competition as they served different segments of the office market: "They're entirely different products," he said in a 2002 interview, "midtown is a very different product than downtown" (quoted in Robin and Rayman 2002). Doctoroff spelled this out in more detail in September 2004:

> Not every company wants to go downtown. We tried desperately to get Bank of America to build a building in Lower Manhattan. They didn't want to….Not every company wants the same thing now. Our job is to create a variety of products…We have a responsibility to provide alternatives for the companies that want to be here (Doctoroff 2004d).

The argument that the midtown and downtown office districts were different products serving different markets and that the city "must provide different kinds of options for our costumers in terms of corporate clientele," as Vishaan Chakrabarti put it at an October 2004 CPC review session, was the cornerstone of the Bloomberg administration's defense against criticisms of its apparent prioritization of the west side over downtown (Chakrabarti 2004a). However, administration officials never spelled out which firms were more likely to desire a midtown location over a downtown one, or vice versa. Only anecdotal evidence – that Bank of America insisted on a midtown rather than a downtown location, that Goldman Sachs refused to move to midtown, preferring a downtown location (as Chakrabarti claimed) – was forthcoming, and even this sketchy evidence was contradicted by later developments: Goldman Sachs temporarily abandoned its plans to build a headquarters building downtown in spring 2005, choosing instead to scatter its employees throughout its existing midtown locations.[31]

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[31] In August 2005, Goldman Sachs revived its plans for a downtown office tower after it was unable to find enough a sufficient midtown space, and, not unimportantly, after tax incentives were substantially increased (Bagli 2005a).

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But if one questioned this unsubstantiated locational logic, the administration had one more argument to make. As Doctoroff put it in a 2002 interview, "anyone who doesn't think we can do both, underestimates New York City" (quoted in Rogers 2002). A crude urban patriotism was being evoked to ward off criticism of the administration's Hudson Yards plan, criticism that was in fact often based on the administration's own analyses of office space demand.[32] Once again, administration officials scorned critics for not sharing their faith in the city's economic future and capacities, evoking this faith rather than acknowledging that its favored project, the commercial redevelopment of the Hudson Yards, might in fact draw resources, whether transportation funding in the case of the Number 7 subway extension or commercial tenants in the case of the Hudson Yards office district, away from other projects and areas in the city. According to this perspective, the city could have it all – and anyone who said otherwise was a naysayer, a pessimist, and on some level, not a "real" New Yorker.

These arguments, particularly the idea that midtown and downtown were complementary rather than competitive, did seem to soothe some concerns about the possibility of competition between a Hudson Yards office district and Lower Manhattan, especially as expressed by a number of City Planning Commissioners. However, they were also quickly picked up and repeated by defenders of the Hudson Yards plan and by groups and interests with a stake in midtown in such a way that actually reinforced the

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[32] As Brian Hatch, a former Salt Lake City Deputy Mayor and a former consultant to NYC2012, pointed out, the Cushman & Wakefield/Economic Research Associates analysis that the administration used to justify its office space projections actually projected that World Trade Center redevelopment would fail, as it predicted that Lower Manhattan would absorb millions of square feet of office space less between 2010 and 2035 than was currently planned for the area (Hatch 2005).

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fears of downtown interests. Exemplary was a 2004 editorial in *Crain's New York Business*, which had long proposed that the future of the city's economy lay in midtown:

> In the end, New York City's economy will not grow unless the potential of the West Side is realized. While everyone hopes downtown will continue to be a vital economic center, many of the biggest and most expansion-minded employers in the city see their choice as between midtown and some other town. Unless the West Side is developed, there will be no space for them when the economy rebounds, and they will move elsewhere (Editorial 2004b).

The idea that downtown and midtown were competing for a different clientele, when coupled with the administration's claims that the Hudson Yards was crucial to New York's competitiveness as a global city, left downtown advocates with the uneasy impression that the administration was attempting, as Sheldon Silver would put it after blocking the NYSCC, "to shift the financial and business capital of the world out of Lower Manhattan and over to the West Side" (quoted in Bagli and Cooper 2005).

From a technocratic planning and economic development point of view, favoring the midtown CBD over that of downtown actually made a fair amount of sense, as did the administration's push to have redevelopment of the World Trade Center site and associated projects in Lower Manhattan follow the trend of downtown land use towards a mixture of residential, commercial, recreational and cultural uses. Even the RPA, which expressed concern that office development in the Hudson Yards area might interfere with office development downtown and argued that downtown's redevelopment should be the Bloomberg administration's highest priority, endorsed the administration's vision of a mixed-use Lower Manhattan; its difference with the administration was one of prioritization, as the RPA's staff felt that the commercial redevelopment of Lower Manhattan was an essential part of this mixed-use vision, and needed to be given time to succeed. However, even this more technocratic planning approach acknowledged that

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there might be tradeoffs between commercial development in one part of the city and another, that choices had to be made, even if it implied that these choices and tradeoffs should be made on the basis of technical criteria as evaluated by professional experts.

However, Silver interpreted the Hudson Yards plan in explicitly *political* terms, as an attempt to prioritize commercial development in one area of the city, and thus one group of real estate and business interests over another. From his point of view, neither the Bloomberg administration's corporate approach, nor the technocratic planning approach espoused by the RPA and others, could disguise the fact that the transformation of Lower Manhattan into a mixed-use district would diminish its stature as a CBD, and thus would negatively affect downtown commercial developers and business interests. While the RPA's endorsement of a mixed-use downtown was unwelcome, the Hudson Yards self-financing and rezoning plans presented even more dire threats, threats backed by the power of the local government. As Silver recognized, the Hudson Yards plan's financial structure would create enormous pressure on current and future administrations to stimulate development there, as the HYIC's (and indirectly, the city's) fiscal health would rely on projected office development materializing; as we have seen, the Bloomberg administration was already proposing to offer incentives to spur far west side commercial development.

In the meantime, commercial development and transportation projects downtown were languishing. Despite its denials of competition between the two CBDs and of favoring midtown over downtown, the Bloomberg administration had made a political choice: it had prioritized midtown's commercial development over such development downtown. While this may have been justifiable, the administration refused to admit a

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choice had been made, a refusal that must have infuriated Silver: not only was his constituency getting the short end of the stick, but the administration was denying that the stick even *had* a short end, and impugning the urban patriotism of those who publicly argued otherwise.

This denial of politics would prove to be the undoing, not of the Hudson Yards rezoning plan, but of the state's portion of the public funding of the NYSCC, over which Silver ultimately had the final say by virtue of his seat on the PACB. The administration's embrace of a logic of investment to justify the Hudson Yards self-financing and rezoning plan led to the use, on one hand, of the calculative and rationalistic deployment of facts and figures, projections and predictions, and on the other, an anti-rationalistic demand for faith in the city's future economic development, and its current political leadership. While these two approaches may seem contradictory, they have one important thing in common: an implicit denial of politics, of the fact that policy inevitably privileges the interests of some over the interests of other – that there is almost always a short end of the stick.

IV. The City Council (and Postindustrial Ideology) Rescues the Rezoning Plan

Only one portion of the Hudson Yards plan – the rezoning of the area east of 11th Avenue – actually required City Council approval. As we have seen, first NYC2012, and later the Bloomberg administration, engineered the plan to minimize the necessity for such legislative approval, most notably by splitting the plan along 11th Avenue in such a way that neither the expansion of the Javits Center nor the NYSCC would ever be subject to City Council approval. Indeed, the NYSCC itself would not be subject to any legislative approval, either at the State or the City level. Thus the stakes were

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particularly high when, after the CPC approved the Hudson Yards rezoning plan on November 21, 2005, the plan moved onto the City Council's agenda. The Council, as the ULURP process required, now had to either approve or reject the plan within 50 days. This would be the only opportunity that the Council would have to weigh in on the Hudson Yards plan, and although it had no legal mandate to address the NYSCC, since it was not part of the rezoning plan, its ability to kill or fundamentally alter the rezoning plan gave it political leverage in regard to the NYSCC – if the Council chose to use it.

The Council held two hearings on the Hudson Yards rezoning plan over three days in December 2005. In the contentious first hearing, Council members grilled administration officials about the possibility of increasing the amount of affordable housing in the plan and about the levels of density being proposed in front of a boisterous audience divided between opponents and proponents of the plan. However, none of them challenged the central economic development premise of the Hudson Yards plan, the idea that the city's economic future hinged on the commercial redevelopment of the area. At most, they called for a redistribution or a slight adjustment in the amount of density being proposed on the far west side, or asked for assurances (which they received) that steps would be taken to insure that the low-end office jobs that would be generated there would be unionized or guaranteed to pay a decent wage.

The second hearing, devoted to the self-financing plan, was less contentious and well-attended, as the often mind-numbingly discussion of the intricacies of the plan led to glazed eyes, nodding heads, and the eventual departure of a substantial portion of the audience. In the course of this hearing, it became clear that the Council was unlikely to use the political leverage that control over the rezoning gave them over the NYSCC. In

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fact, City Councilman David Weprin, who chaired the hearing, insisted that the testimony address only the Hudson Yards rezoning and *not* the NYSCC, since the latter was outside the Council's purview. Opponents of the stadium objected to this. For example, State Assemblyman Richard Gottfried, who represented the far west side, challenged the Council to use its leverage:

> The Governor and the Mayor say that the Hudson Yards plan is one, inseparable package, including the spending of more than $3.5 billion by New York City. And yet, for major elements of that package…they are determined to exclude the City Council and the State Legislature from a meaningful role…I encourage the Council to stand up…and demand its rightful role when billions are spent and our City's future is being decided. This…is, I submit, your one effective opportunity to take that stand…I think it is a mistake to evaluate the Hudson Yards plan, pretending that the stadium is not…the elephant in the room (Gottfried 2004).

Weprin, who had tried to interrupt, scolded Gottfried for even mentioning the stadium.

Council Speaker Gifford Miller had essentially endorsed this position in his opening remarks at the hearing, not even mentioning the stadium. Miller's position was crucial, as his budgetary power and control of choice committee seats ensured fealty on the part of most Council members. Miller called upon his fellow council members to "seize [the opportunity] right now to rezone this area to provide for more residential and commercial development" (Miller 2004). He went on to indicate that it was his hope to use these hearings – and subsequent negotiations with the administration – not to hold the administration's feet to the fire on the stadium issue, but to work with the administration to lower the risk and cost of the Hudson Yards rezoning self-financing plan. Ironically, it now seemed that the Council, whose jurisdiction the Bloomberg administration had so strenuously tried to avoid in its development of the Hudson Yards plan, was not an obstacle to the plan's passage, but rather a willing partner.

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Despite these indications of support for the basic outlines of the Hudson Yards plan, a number of Council members strongly expressed their concerns that the self-financing plan was too costly and too risky, subjecting Deputy Mayor Doctoroff and Budget Director Mark Page to intense questioning on the proposed use of commercial paper, the role of the TFA, the accuracy of the office space demand projections upon which the administration had based its self-financing plan, the use of PILOT payments to fund the plan, the purchase of the eastern rail yards, and a host of other financing issues. This questioning was often adversarial, and Page's and Doctoroff's responses were often testy or evasive. When this hearing ended, it seemed that despite Miller and Weprin's enthusiasm, there were still serious issues to be resolved in the negotiations between the Council and the administration that would follow.

Just over one month later, the City Council's Zoning and Franchising Subcommittee, which had to approve the Hudson Yards rezoning plan for it to move to the Council floor, convened in a small room packed with onlookers. The two hearing held in December had ended with tension and uncertainty in the air. In contrast, the atmosphere now was friendly, relaxed and full of bonhomie. Council members and administration officials filtered in to the room, looking tired but happy. Before the meeting devolved into an orgy of self-congratulations and before the subcommittee voted nearly unanimously to approve the plan, the committee's co-chair Tony Avella began by describing the intense negotiations that had gone in the past four weeks, thanking the administration, the members of the committee and the committee's staff for their dedication and tirelessness. He went on to outline the details of the agreement that the City Council and the Bloomberg administration had reached: the number of affordable

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housing units included in the plan had been raised slightly; a number of tenant protection measures had been put in place; the commercial development had been reduced from 26 msf to 24.3 msf; the administration had committed not to use any of revenue generated east of 11th Avenue for costs relating to the NYSCC or the Javits Center expansion; and steps had been taken to broaden participation in the governance of the HYIC.[33]

Perhaps most notable was the resolution of the issues concerning the self-financing plan. The financing of the plan would still not go through the normal capital budgeting process and remained essentially self-financing, with one important exception: instead of the City relying on the issuance of commercial paper backed by the TFA to pay debt service for the 10 years before the project's revenues would be sufficient to do so, the Council had agreed to appropriate nearly $1 billion from the City's operating budget over the first decade of the plan's implementation to bridge the gap. Despite the administration's refusal to allow the plan go through the capital budget and its unwillingness to allow the Council a vote on the stadium, the Council had essentially bailed the Bloomberg administration out, averting the necessity for the riskiest elements of its proposed self-financing plan and reducing the overall costs of the Hudson Yards plan by about $1 billion. The public expenditures associated with the rezoning – the extension of the Number 7 subway line, the construction of the open space network, and the purchase of the eastern rail yards – still did not have to compete with other projects for funding. The "compromise" that the Council had struck with the administration

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[33] In fact, the administration had never proposed that revenues generated east of 11th Avenue be used to fund the Convention Corridor. Instead, as stadium opponents noted, elements of the plan lying east of 11th Avenue like the Olympic Square and the Number 7 subway line were clearly designed to serve the NYSCC in particular: the plan functioned as a whole and the 11th Avenue divide was an artificial one generated by the administration's desire to avoid public review of the stadium. The issue was not the financial unity of the plan but rather its functional unity.

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bolstered the plan's autonomy from public review while reducing its risks and costs, a major victory for an administration willing to embrace higher levels of risk and cost to guarantee this autonomy. And it did so by committing nearly $1 billion from the very City budget that Deputy Mayor Doctoroff had long claimed the Hudson Yards plan was designed to leave whole. Suddenly, the administration was willing to impose a major burden on the very budget that funded the critical public services the Hudson Yards plan supposedly was aimed to augment.

Several days later, the entire Council passed the Hudson Yards rezoning plan, and it became the law of the city. Despite months of heated rhetoric, all but two Council members rose in turn and voted to approve the rezoning plan, prefacing their votes with remarks celebrating the concessions that the Council had won from the administration. While some Council members expressed hesitancy about some portions of the plan, none of the aye voters mentioned the possibility that too much office space was being planned for the area. In fact, most comments focused on the politically popular inclusion of affordable housing in the plan; apparently the need for 24 msf of office space on the far west side was so far beyond dispute for most council members that it was not even worthy of comment.

There were some exceptions to this. Ironically, one of these was the Councilwoman representing the far west side, Christine Quinn, who had been the most vocal critic of the Hudson Yards plan. The affordable housing and the anti-displacement provisions in the plan, Quinn said, "make sure that the Hell's Kitchen neighborhood remains a neighborhood, and a terrific neighborhood. But the plan also allows businesses that need more office space to expand and allows the expansion of the central business

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district that the business community needs (Quinn 2005). Indeed, many Councilmembers portrayed the plan this way, as a "win/win" for both the local community and the city as a whole, with the affordable housing serving the *social* needs of the city and the commercial development serving its *economic* needs. Only one Councilmember, Charles Barron, a former Black Panther from Brooklyn who voted against the plan, challenged the notion that the economic interest of the city as a whole would be advanced by large scale office development on the far west side and by the office-based industries that would fill those buildings. He decried the provision of large property tax breaks for developers even as the City was raising property taxes for small homeowners and the Council's willingness to bail out the administration's self-financing plan by committing nearly $1 billion from the city's operating budget to the project over the next decade. As he put it, "we are mandating $900 million of cuts from other areas of the budget in the next 10 years, and committing $46 million this year before we even enter budget negotiations with the mayor. Last year we couldn't even get $10 million for youth programs" (Barron 2005)!

Clearly, the Bloomberg administration had severely overestimated the Council's willingness to stand in the way of the Hudson Yards rezoning. In fact, the Council was willing to bolster the plan's finances in exchange for a handful of relatively minor concessions. This was clearly, as one west side community organizer who had led opposition to the Hudson Yards Plan told me, "a victory for the city." "I'm disappointed," a CB4 member told me, "but we got enough to make it OK. The affordable housing is good, but the density and office space is still bad, bad, bad." What this victory for the Bloomberg administration made clear was the degree to which the

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city's political leadership had bought into the postindustrial ideology, no doubt helped along by the largesse of the real estate industry.[34] The proposition that the office-based economy, and the construction of the buildings that housed it, was crucial and central to the city's economic future was never seriously debated by the Council. Instead, to many Council members it seemed such a self-evident truth that it was not even worthy of comment.

V. Conclusion

The Bloomberg administration was largely successful in its efforts to move the Hudson Yards rezoning plan into law. This element of the Hudson Yards plan, premised on the idea that the city's economic future depended on the expansion of the midtown Manhattan CBD and on the provision of ever more office space to capture the city's share of the ever-expanding postindustrial economy, moved from conception to passage largely unchanged. There had been adjustments in the proportion of the overall 40 msf of

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[34] See Chapter Two. Two examples from the period during which I was conducting fieldwork demonstrate the cozy personal and financial relationships between City Council members and representatives of the real estate industry. First, on January 20, 2005, the day after the City Council voted to approve the Hudson Yards rezoning plan, the REBNY held its 109th annual banquet. Among the Councilmembers who not only attended, but scored seats on the dais were Melinda Katz, the chairwoman of the Council's Land Use Committee, and Tony Avella, the chairman of that committee's Zoning and Franchises subcommittee. The Hudson Yards rezoning plan, like all ULURP applications, had to receive approval from both these committees. Katz and Avella had played prominent roles in the negotiations with the administration over the Hudson Yards rezoning plan; now they were rubbing shoulders with administration officials like Deputy Mayor Doctoroff, as well as with every major developer in the city. Katz actually sang the national anthem at the event; apparently this was a bit of tradition, as she had done the same at a 2004 awards luncheon held by the New York City Building Congress, the most prominent construction industry organization in the city. A second example: at a February 2005 Council hearing on the NYSCC, Councilwoman Christine Quinn closely questioned Steven Spinola, REBNY's President, on his organization's support of the project. Her questioning, while polite, was tough. However, as Spinola finished his testimony and walked toward the exit of the hearing room, Quinn rushed to catch him before he left. Smiling somewhat apologetically, she said a few words to him, shaking his hand and giving him a pat on the back before he departed. The contrast between the public performance of questioning Spinola and the friendly and reassuring interaction at the back of the hearing room left a distinct impression: no matter what one's public position, an ambitious New York politician – Quinn reportedly had her eye on the Council Speaker position at the time, which she eventually obtained – cannot afford to alienate the representatives of the powerful, and deep-pocketed, real estate industry.

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development that would be devoted to commercial and residential uses: the 28 msf of office space originally proposed had been reduced to 24 msf, with the amount of residential space in the plan rising accordingly. However, it should be noted that this level of office development was still well above the 19 msf "office space gap" that Bloomberg administration officials had used to justify the levels of commercial development proposed in the rezoning plan; it should also be noted that the plan's provisions for the preservation of large land parcels that would accommodate large floor plate office buildings in the areas of the Hudson Yards district designated for concentrated office development remained essentially unchanged. The plan as passed still embodied the postindustrial ideology shared by much of the city's real estate, development, and political elite. The Bloomberg administration's corporate and technocratic approach to the Hudson Yards Plan seemed on first glance to have been vindicated.

But, looking again, we might conclude otherwise. The Bloomberg administration's major contribution to the Hudson Yards rezoning plan, the elements of which were largely in place before the administration entered City Hall in early 2002, was its employment of private sector techniques, all animated by the logic of investment, to develop and market the plan. Two of these techniques were notable; neither did much to move the plan forward. In fact, they generated more opposition than support.

The first of these techniques, derived from the Bloomberg Way itself, which, as described in Chapter Five, explicitly conceived of the city as a product, businesses as clients, and the city government a corporation, was to argue that the downtown and midtown CBDs were different products serving different clienteles. While this was

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intended to undercut the idea that the commercial development in the two districts would be competitive, it exacerbated political divisions among the city's business and real estate elite, and eventually led Assembly Speaker Sheldon Silver to use his power over the State funding of the NYSCC to kill that project. While it is ironic that a dispute over office space led to the demise of the NYSCC rather than the Hudson Yards rezoning plan that actually would lead to the commercial redevelopment of the far west side, it nevertheless demonstrates the dangers posed by the Bloomberg Way's refusal to recognize the legitimacy or, even the existence of, political conflict. This refusal was doubly harmful: not only did administration officials like Deputy Mayor Doctoroff summarily dismiss the possibility that there might be economic competition, and thus political conflict, between downtown and midtown, they did so even as they were quite apparently choosing sides in this dispute: the administration as a whole and its key members were firmly committed to the midtown Manhattan as the city's premiere CBD. Once again, we see that even as the Bloomberg administration denied the existence and legitimacy of political conflict, it was engaged in it.

The second technique, the logic of investment, animated the administration's development and defense of the self-financing plan. On one hand, this logic of investment entailed the rationalistic use of figures – office space demand projections, revenue estimates, cost estimates, and so on – often infused with the authority of fact despite their inherent and inevitable imprecision. On the other hand, it demanded a leap of faith – in the city's economic future, in the commercial redevelopment of the far west side, and in the capacity and competence of the Mayor and his key economic development aides – that defied justification in quantitative terms alone. Even as

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administration officials used a bevy of figures to construct and defend the self-financing plan, in the end, acknowledging the risk inherent in their plan, they asked New Yorkers to put aside their doubts and trust the judgment of Mayor Bloomberg and Deputy Mayor Doctoroff, judgment sharpened by years of successful private experience, by years of learning to spot a profitable investment opportunity. But this was a leap of faith that many New Yorkers, even those supportive of the overall goals of the plan, were unwilling to take. Their reading of history and their judgments of fiscal prudence required otherwise. Indeed, the increased risk and excessive cost of the self-financing plan in the end proved the greatest threat to the passage of the Hudson Yards rezoning plan; rather than strengthening and generating support for the rezoning plan, the logic of investment almost proved its downfall.

The Hudson Yards rezoning plan was never threatened by politics; rather, it was rescued by politics. The City Council, funded by the real estate industry and faithful to postindustrial ideology, acted to significantly lower the costs and risks of the financing plan even as it ensured its ability to avoid competition with other public projects by bypassing the normal processes of capital budgeting. The rezoning plan succeeded in spite of, not because of, the Bloomberg administration's antipolitical and corporate approach to governance. Fortunately for the administration, this key component of the overall Hudson Yards plan was in alignment with the interests of the city's still powerful traditional growth coalition and thus was never in any serious danger of failing. But, a second element of the Hudson Yards plan, the NYSCC, would be justified by administration officials using the private sector conceptions and techniques that animated the Bloomberg Way. However, in the case of the NYSCC, the administration could not

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rely on the reservoir of support provided by the city's traditional growth coalition. This would prove to be a more stringent test of the Bloomberg Way.

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Chapter 8: Selling the Stadium: Profit …Or Jobs?

"We make investments. We don't do subsidies."
- Mayor Michael Bloomberg on the public funding of the New York Sports and Convention Center, June 15, 2005 (quoted in Bagli 2005f).

I. Introduction

Unlike the northward Javits Center expansion and the rezoning of the Hudson Yards area, the New York Sports and Convention Center (NYSCC) did not in itself have the benefit of the political support of a preexisting constituency. As explicated in the previous chapter, the rezoning of the Hudson Yards area for large-scale commercial development drew on a reservoir of support among the members of the city's traditional growth coalition. While tourism-related industries and many business groups strongly supported the Javits Center expansion, according to Javits' management what would really make the convention center – and thus tourism-related industries – more competitive was the large contiguous space that would be created as part of its *northward* expansion rather than the non-contiguous space that would be created if the NYSCC was used as a southward expansion of the Javits Center.[1]

The NYSCC played a different kind of role in the overall Hudson Yards plan than did these other two key elements of the plan. Rather than benefiting an existing economic constituency, the NYSCC served as the *political* lynchpin of the Hudson Yards plan.[2] Without a west side Olympic stadium, neither the Javits Center expansion nor the commercial redevelopment of the far west side, both of which had been on the agenda of

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[1] Tellingly, the idea of the NYSCC doubling as a southern expansion of the Javits Center originated not with the management of the Javits Center but with NYC2012 (see Chapter Three). In fact, Javits' management was initially uncomfortable with the idea of a southern expansion of the convention center (McGeveran 2002).

[2] Though it would of course provide enormous economic benefits to the New York Jets.

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city elites for decades, would benefit from association with the city's Olympic bid. Once NYC2012 settled on the west side as the one and only location for the Olympic stadium, the NYSCC came to be perceived as crucial to the overall success of the bid – and thus to the construction projects throughout the city and the tourism, media, and advertising dollars that would purportedly pour into the city if New York was selected to host the 2012 Summer games.[3]

The NYSCC served as a kind of political glue holding together the coalition of elite interests that had come together to support the city's Olympic bid. This posed a major challenge for the Bloomberg administration's ability to push the NYSCC forward, especially after it became apparent in fall 2004 that the rezoning and the Javits Center expansion – the elements of the Hudson Yards plan that *would* provide direct benefit to particular industries and interests – were likely to be approved. With these two elements of the project in the bag, support for the NYSCC became less essential to the real estate and tourist industries as the Olympic bid had already fulfilled one of its main purposes, which was to serve as a "forcing mechanism" for the commercial redevelopment of the far west side of Manhattan. While the other projects throughout the city that were associated with the Olympic bid were not unimportant, the approval of the Hudson Yards rezoning was the real coup, the fulfillment of what had been for decades been one of the central goals of the city's traditional growth coalition.

Thus, as of fall 2004, the yet-to-be-approved NYSCC was left without the same kind of intense political support that the Hudson Yards rezoning and the Javits Center

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[3] The decision to make the far west side the one and only site for an Olympic stadium is discussed in Chapter Nine.

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expansion had enjoyed. However, it did have the strong support of the Bloomberg administration, which devoted an enormous amount of time, resources, and political capital to pushing the NYSCC through, and the New York Jets, which had a direct interest in its approval. While these two actors would work in concert, they would nevertheless take very different approaches to the task of generating support and gaining approval for the NYSCC.

The relative success – and failure – of the different strategies that the Jets and the Bloomberg administration used speaks volumes about the political efficacy of the Bloomberg Way. The NYSCC became perhaps the most crucial test of the Bloomberg Way, as this time the administration would not be able to rely on reservoir of political and ideological support that had been so important to the success of the Hudson Yards rezoning plan. The Bloomberg administration's efforts to move the NYSCC from vision to reality entailed two distinct strategies. First, the administration attempted to mobilize a sense of urban identity and patriotism in support of the stadium, which will be discussed in the subsequent chapter, Chapter Nine. Second, as was the case with the rezoning portion of the Hudson Yards plan, the administration deployed the logic of investment in its attempts to sell the NYSCC as an economic development project – that is, on the basis of the precisely-quantified, and later, the jobs, it would ostensibly generate; this strategy will be the subject of Section II of the current chapter.

However, the Jets would take a very different approach to building support for the NYSCC, as will also be discussed in this chapter, in Section III. Ironically, it involved an old-fashioned and tried-and-true method of building political support for an urban development project: the promise of jobs to specific constituencies in exchange for their

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political support. As I will argue in this chapter's conclusion, to the degree that the NYSCC did receive political support and did move towards approval, it was due to this constituency building, rather than to the approaches the administration took, which were paradigmatic of the Bloomberg Way, its corporate, technocratic, and antipolitical approach to urban governance.

II. Investing in (or Subsidizing) the New York Sports and Convention Center

The majority of the tax revenue that would be generated by the Hudson Yards plan would result from the commercial development facilitated by the rezoning of the area. Yet Bloomberg administration officials deployed the logic of investment most fervently in their justifications of the NYSCC. There were two related reasons for this. First, despite the early assurances of Doctoroff and NYC2012 to the contrary, it was clear by spring 2004 that the stadium, unlike the rezoning portion of the Hudson Yards plan, would not be self-financing. The City and State would have to use conventional methods to finance their combined $600 million contribution to the stadium's funding, and thus pull money away from other "public priorities." Administration officials could minimize the political fallout from this if they could establish that the stadium would turn a "profit," i.e., that it would generate tax revenues greater than its costs. Likewise, establishing the stadium's "profitability" might counter the conventional wisdom that public investments in stadiums were rarely, if ever, recouped.[4] Upon entering City Hall,

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[4] See Zimbalist 1997. In May2005, the National Taxpayers Union, a conservative policy institute sent an open letter to Mayor Bloomberg, Governor Pataki, and the City Council denouncing the stadium as an unwise use of public resources. Signed by Zimbalist and over one hundred other economists the letter stated:

> A vast body of economic research on the impact of sports stadiums suggests that the proposed Jets Stadium on Manhattan's West Side, now estimated to cost $1.925 billion – more than three times the cost of any other NFL stadium – will not generate significant

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Mayor Bloomberg himself had heeded this conventional wisdom when he scuttled plans drawn up by the Giuliani administration to provide public funds for new stadiums for the city's two baseball teams.

Armed with a 2004 study of the economic benefits of the NYSCC conducted by the consulting firm Ernst & Young and paid for by the New York Jets, administration officials and other stadium proponents argued that *this* stadium was an exception to conventional wisdom (New York Jets 2004). Just as they argued that the NYSCC would not have the same deleterious planning effects as stadiums elsewhere since it was not *just* a stadium but also an extension of the Javits Center, so too they argued that, unlike stadiums elsewhere, it would generate positive impacts in the form of increased tax revenues and new jobs. At a June 2004 City Council hearing on the NYSCC, Jets President Jay Cross attempted to preempt the arguments of the unanimously anti-stadium economists slated to testify later in the hearing:

> Today you will hear from one purported expert or another who will argue stadiums do not generate new tax revenue. We have heard those arguments too. ...Where is their data to suggest otherwise [sic]? We can only offer the data we have, painstakingly researched and gathered over three years that demonstrates a net return after debt service in excess of $30 million a year annually to the City and the State...The real answer to those experts is that the Sports and Convention Center is not just a stadium. That's why the same tired economic analysis that might apply to fully subsidized stadium-only facilities in cities like Baltimore and Cincinnati does not apply to this model, the New York model. We have…in…the New York Sports and Convention Center, a unique situation. The academics have to go back to first principles and completely comprehend two distinct industries, sports and conventions. They have not done that (Cross 2004).

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net economic or fiscal benefits. Most studies find that new sports stadiums do not increase employment or incomes, and sometimes have a modest negative effect on local economies. The reason appears to be that sports stadiums do not increase overall entertainment spending but merely shift it from other entertainment venues to the stadium (Alexander 2005).

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The Ernst & Young study, released in March 2004, indicated that the NYSCC would result in an annual increase of about $73 million in State and City taxes. As Cross' remarks suggested, the football stadium functions of the NYSCC only accounted for about $28 million this amount; the majority of the impact would result from the building's function as a convention center (about $32 million) and from its ability to host "mega-events" like the NCAA Final Four basketball tournament. By the time this study was released, the City and the State had agreed to evenly split the $600 million cost of decking the western Hudson rail yards and building a retractable roof on the stadium. While the source of this public funding was unclear, it was likely to come through some form of borrowing and City and State officials estimated that the annual debt service on this borrowing would amount to about $40 million for 30 years.

Proponents of the stadium used these two numbers – the $73 million of annual tax revenues that it was projected to generate and the $40 million in annual debt service costs – to make the argument that the NYSCC, in contrast to stand-alone stadiums, represented a wise use of public resources. In that same June 2004 City Council hearing, Jay Cross went on to argue that the NYSCC would generate a phenomenal annual return on investment of 75 per cent. For his part, Deputy Mayor Doctoroff explicitly used the private sector language of investment and profit to justify the city's portion of the stadium bill:

> The opposition will suggest that we're simply spending $600 million of public resources…The reality, when we actually look at the numbers, is that the New York Sports and Convention Center…is a terrific investment that…will generate a substantial profit that can be used for the things that we all agree are priorities – health care, housing, police and fire protection, parks…Our job is to invest. To invest scarce dollars to earn more dollars that will enable us to pay for those important priorities (Doctoroff 2004f).

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Here we see clearly the logic of investment used to defend the stadium. Rather than representing an "expenditure of public resources," let alone a subsidy, the public money being spent on the stadium was an "investment" that would generate a "profit," that could be used to pay for other city services.

The Bloomberg administration made other arguments for the NYSCC, asserting that as a convention center expansion it would provide an economic boost to the tourism industry and that it was necessary for the city's bid for the 2012 Olympics. But given the abandonment of the promise that the Hudson Yards plan would fund itself and the widespread doubt about the positive impacts of stadiums, establishing its "profitability" was critical. The administration's case for the NYSCC, at least as initially made, was thus almost completely dependent on a stripped down logic of investment. This made the identification of funding sources and the quantifications of costs and revenues highly salient in the debate over the NYSCC. Doctoroff may have been correct in arguing that "our job is to invest," but without a solid source of capital and solid projections of an investment's likely profitability, closing the deal can prove most difficult.

Unfortunately for the Bloomberg administration, these quantifications were subject to close scrutiny and harsh criticism. Indeed, by late spring 2005, when the debate over the NYSCC reached a head, it was unclear how it was to be funded, how much it would actually cost, and how much it would actually produce in tax revenues. These quantifications – which, as in the case of other quantitative measures, administration officials imbued with the authority of fact despite their inherent fallibility – proved to be an Achilles' heel of the Bloomberg administration's attempt to sell the

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NYSCC using the logic of investment. However, this is not to say that other more political attempts to garner support for the stadium did not enjoy more success.

A. Financing the Convention Corridor

As we have seen in Chapter Seven, the self-financing plan for the rezoning portion of the Hudson Yards plan presented by the Bloomberg administration in February 2004 split off the financing for the public investments east of 11th Avenue from the financing of the so-called Convention Corridor, lying to the west of 11th Avenue and comprising the Javits Center expansion and the construction of the NYSCC. Though it was apparent that the financing of the Convention Corridor would follow more conventional lines, at that time it was still unclear what the exact sources of that financing would be.

1) Financing the Javits Center

The financing plan for the relatively uncontroversial Javits Center expansion quickly fell into place. By March 2004, most of the details of the $1.4 billion funding plan were set. The State would issue $850 million in tax exempt bonds, $350 million of which would be backed by money derived from the refinancing of existing Javits Center debt and another $500 million by a new $1.50 per room hotel tax. An additional $200 million in tax exempt bonds would be used to subsidize a convention center hotel. Though it was unclear why this hotel should be subsidized given the fact that expansion of the Javits Center's was justified by the argument that it would serve to pull conventioneers into city hotels, none of these financing elements faced serious challenge. A few conservative organizations and editorial boards objected to the new tax, but this was outweighed by the support of the city's hotel and tourism industries.

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This left just the city's $350 million contribution to the project unspecified. Initially, Mayor Bloomberg had proposed backing bonds issues in this amount with money flowing to the City from the Battery Park City Authority, State-established public authority that administers that development. This received harsh criticism from affordable housing activists and civic groups, who had long complained about the fact that the City had not honored the commitments made when Battery Park City was first built to dedicate excess Authority funds for affordable housing, using a technicality to move the money into the city's overall budget instead. This criticism led to the abandonment of this plan, and the administration later agreed to put the Battery Park City Authority money to its originally intended use

In December 2004, the State legislature passed, and Governor Pataki signed, a bill approving the new State borrowing for the Javits Center expansion. The source of the City's share of the funding was still uncertain. At the time Daniel Doctoroff would only say that the city's portion would come from bonds secured by an unspecified stream of PILOT payments, user fees, and other revenue controlled by the Mayor, rather than through the City's normal capital budget.[5] Ironically, the Javits legislation had been significantly delayed, despite near unanimous approval of the project in Albany. Controversy had broken out over whether or not an initial version of the authorizing legislation contained language that would surreptitiously permit the use of some of the proceeds of the Javits expansion bonds to pay for a portion of the NYSCC. Though a compromise "clean," "stadium-neutral" bill eventually passed, one could understand why

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[5] As discussed in Chapter Seven, PILOTs, or Payments in Lieu of Taxes, allow the collection of public revenues when private developers build on publicly owned land, which is exempt from property taxes.

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stadium proponents in Albany might try to sneak in language on the funding of the stadium, for in summer 2004, when that controversy erupted, and even later, in December of that year, when the "clean" Javits bill was signed, the funding for the NYSCC remained undetermined.

2) Ghost-Financing the NYSCC

In February 2004, it was agreed that the $1.4 billion costs of the NYSCC would be split between the Jets, the State, and the City. The State and the City would each contribute $300 million to pay for the cost of decking the western Hudson rail yards (which made development there possible) and for the construction of the retractable roof that permitted the NYSCC to be used as an expansion of the Javits Center. The Jets would be responsible for the remaining $800 million, as well as for any cost overruns.

The exact sources of the public money to be used for the stadium were not determined at that point. Fearful of the results of subjecting the NYSCC's funding to legislative approval by either the State legislature or the City Council, City and State officials were intent on finding an alternative way to fund the stadium. While avoiding legislative approval gave government officials more flexibility in certain ways, it severely restricted the options for financing the NYSCC. The State's main economic development agency, the Empire State Development Corporation (ESDC), had the ability to issue bonds to pay for the public portion of the stadium's cost. However, some revenue stream had to be found to back these bonds. Without recourse to money appropriated by the State legislature or the City Council, this was a difficult task: revenue from elsewhere in City and State budgets would have to be found.

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In fact, the task of determining a City funding mechanism for the NYSCC was never completed. Even in late 2004 and early 2005, when the ESDC adopted and then approved a General Project Plan for the NYSCC, which detailed the physical plans, financial details, and governance structure of the proposal, the sources of the both the City and the State's portion of the funding were not determined (New York State Urban Development Corporation 2004, 2005). The General Project Plan indicated that the ESDC would issue $1 billion in tax-exempt State bonds, subject to the unanimous approval of the Public Authorities Control Board (PACB). This $1 billion covered not just the $600 million public contribution to the NYSCC that was to be split between the City and the State; it also included an additional $400 million of tax-exempt bonds that would cover a portion of the New York Jets' contribution to the NYSCC.[6] However, whereas State officials had previously claimed that the State's portion of these bonds would be backed with unspecified tax revenues generated by the NYSCC, the General Project Plan made it clear that State legislative approval would be necessary for its share. If this legislative approval was not forthcoming, the City would be responsible for the entire $600 million, though it was claimed that in such an eventuality the State government would find a way of reimbursing the city by "identify[ing] by agreement a cash equivalent comparable opportunity for the City to be made whole for its assumption of the State's obligations" (New York State Urban Development Corporation 2005, 7). Or, as ESDC President Charles Gargano put it, "we have ways of shuffling money around" (quoted in Topousis 2004b).

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[6] These bonds were backed by PILOTs paid by the Jets for the right to develop over the western Hudson rail yards. As is discussed below, this amounted to a major subsidy for the Jets, reducing their costs of borrowing significantly.

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3) PILOTs for the Convention Corridor

It was ironic that the City was being asked to take on this additional responsibility, given its difficulty in identifying a revenue stream to back its own $300 million portion of the NYSCC, not to mention its $350 million contribution to the Javits Center expansion. In December 2004, the Bloomberg administration announced a solution. It would draw on the millions of dollars that flowed to the city budget in the form of PILOT payments from projects throughout the city. These payments amounted to about $210 million in 2004 alone. However, the majority ($130 million) came from the Battery Park City Authority; as we have seen, the administration had already agreed not to use this money for the Javits Center expansion. This left some $80 million of annual PILOT payments, $46 million of which were controlled by the mayor: just enough to cover the City's annual debt service for both its $350 million contribution to the cost of the Javits Center expansion and its $300 million commitment to the NYSCC.[7]

If the administration thought this settled the issue, it was wrong. City Council Speaker Gifford Miller, a stadium opponent, and perhaps more importantly, a candidate for mayor in the 2005 election, cried foul, asserting that the City Council's power to appropriate city funds was being abrogated by the use of PILOT payments as a "mayoral slush fund." Legislation was quickly drawn up and passed by a veto-proof majority in the City Council in spring 2005. The administration claimed that its use of PILOT was not subject to Council approval, and thus the legislation violated the City Charter. Everyone involved agreed on one thing: this was a fundamental conflict over the division

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[7] These PILOT payments technically flowed to the NYC Industrial Development Authority, a State-sanctioned public authority housed in, and for all intents and purposes controlled by, the EDC.

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of powers within City government and thus the ultimate outcome would be determined in the courts.[8]

In any case, the conflict over the use of PILOT payments by the Bloomberg administration once again cast into doubt the source of the City's portion of the funding of the NYSCC, even as the NYSCC was up for approval by the PACB in spring 2005. The indeterminacy of this funding was especially harmful given the Bloomberg administration's use of the logic of investment to justify the expenditure of public money on the NYSCC.[9] After all, it is difficult to sell an investment when the source of capital is unclear. But it was not only the source of this investment that was unclear. Despite the certainty with which administration officials wielded the numbers that purportedly demonstrated the profitability of the NYSCC, these numbers and their provenance themselves came under close scrutiny by critics of the project. This scrutiny undermined the administration's argument that it was "a fact" that the NYSCC represented a profitable investment, and thus a wise use of public resources.

B. Running, and Challenging, the Numbers

From mid-2004 onward, there was a torrent of criticism of, depending on one's point of view, the public subsidy of, or, investment in, the NYSCC. As we have seen, the State and the City had each committed to contribute $300 million to the cost of the

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[8] In the end, in June 2005, after the NYSCC had been rejected by the PACB, Mayor Bloomberg and Speaker Miller struck a deal on the PILOT payments as part of the negotiations over the fiscal year 2006 budget. With the funding of the stadium no longer an issue, Bloomberg essentially abandoned his position, agreeing to allow City Council review the diversion of PILOT payments by the Mayor for special projects and to report all PILOT income to the Council. The fact that PILOTs had emerged as an issue and that this had led to a higher degree of oversight over their use was seen as an unexpected and welcome side effect of the debate over the NYSCC by advocates of greater accountability and transparency in economic development policy.

[9] As will be discussed in Chapter Nine, there were many reasons for the PACB's failure to approve the NYSCC. However, the indeterminacy of its funding certainly played a role.

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NYSCC, using the Ernst & Young economic impact study to argue that this investment would be paid back many times over by the additional tax revenue that the NYSCC would generate. However, critics of the NYSCC challenged the notion that the stadium was a good public investment by claiming that the benefits of the NYSCC were overstated and that the actual public costs were understated. Taken in tandem, this criticism squarely took aim at the administration's central economic development argument for the NYSCC, critiquing the stadium using the very logic of investment that administration officials used to sell it.

1) Overstated Benefits

At the charged and contentious June 3, 2004 City Council hearing on the NYSCC, the Jets-funded study of the NYSCC's economic impact came under fire. A number of Council members expressed skepticism of the study, given its provenance. Far west side Councilwoman Christine Quinn, an implacable foe of the stadium, questioned ESDC President Gargano on the propriety of the State and the City's use of data from a study funded by a private, interested party:

> Councilmember Quinn: The financial plan or document you referenced that had been analyzed, what document was that? Was that the Ernst and Young study?
>
> ESDC President Gargano: That's correct. It's something that the Jets had asked for…Like the City of New York, we have made our own evaluations using our models in New York State, which we use for all projects that we are going to be involved in…We have a model that tells us that we'll have an added revenue of $64 million a year.
>
> Quinn: The basis for [the State's model] was not the Ernst and Young data, it was other data?
>
> Gargano: It was us evaluating the Ernst and Young data…
>
> Quinn: Is it typical that the State, with a project of this magnitude, would analyze the applicant's or the proponent's economic data as opposed to commissioning their own? It seems to me that it would only add support to your position, had you commissioned your own economic study

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> because then somebody like me couldn't raise the question [of] aren't you basing this on data which was paid for by those who want a particular result…
>
> Gargano: Ernst and Young is a reputable firm. We use them on many, many occasions to evaluate projects that we are engaged in…Therefore using that particular information and then attaching our models…is typical indeed, yes (Quinn and Gargano 2004).

Later, Eric Gioia, a Councilman from Queens, picked up this issue:

> Councilmember Gioia: It's common practice not to do our own accounting procedures but to use the accounting procedures of the applicant [i.e., the Jets]?
>
> ESDC President Gargano: I'll try and clear it up again. I believe that, first of all, the applicant does not do the work, it's given to a professional firm, and if we have confidence in that professional firm, which we do in this case, because we use them for many of our projects, we will look at the information, we will then apply our models to it, [to] see if we come up with the same conclusions and the same numbers. But the facts are the facts. There are numbers that are used, we evaluate those numbers, the information that's provided, and if we disagree with it, we obviously will not use that information. But if we agree with it, we will then use our models, which sometimes are a bit more conservative and draw our own conclusions…
>
> Gioia: To the best of your recollection, has there ever been a time when your own independent analysis was not comfortable with the numbers supplied by the applicant?
>
> Gargano: I can't give you that answer directly. But one thing that I would like to point out is that these are professional firms…that do this, they are the experts in this field, and I think I am sensing there is an indication here that maybe because they were hired by a particular firm, that projections were made on that basis. As long as I have been doing this, and hiring firms, I don't believe that that really is the case. I think that's speculative and we're very comfortable using [their data], providing it's a reputable firm.
>
> Gioia: And I'll just conclude on that…I'm sure there's agreement in this room that Ernst and Young is a reputable firm, but certainly Arthur Anderson was a reputable firm at one point as well (Gioia and Gargano 2004).

After the laughter garnered by this reference to the accounting firm that had been caught up in the collapse of the energy company Enron died down, Gioia hammered home the point:

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> Gioia: I would just think that we would want to verify information when we're dealing with public dollars…If there was a time when numbers provided by an applicant were sent back because…independent analysis showed that [they weren't valid] that would lend credence to…what you're saying because then you'd say, well, in the past we threw the numbers out because we didn't agree with them, but this time we've looked at them and we do agree with them. But if it's just pro forma, then it certainly would raise questions (Gioia and Gargano 2004).

Gioia and Quinn had hit on a fundamental issue. The Bloomberg administration and its allies were touting numbers from a study funded by the Jets as fact; it was these numbers that were used to justify claims that the NYSCC would be a profitable investment. Regardless of Ernst & Young's reputation, basing public policy and the expenditure of public funds on the basis of a study funded by a private, interested party raised major questions, questions that could not be easily laid to rest by the claims of State and City officials that they had subjected Ernst & Young's data to all manner of stress tests and alternative models. Indeed, both the origin of this study, as well as the questionable record of economic impact studies in general, pointed to the strong possibility that the Ernst & Young study was likely overstating the benefits of the NYSCC through the use of a variety of overly optimistic assumptions.[10]

Opponents of the NYSCC raised this issue again and again. And administration officials like Deputy Mayor Doctoroff again and again pointed to Ernst & Young's status as a "reputable firm," saying they were "comfortable" with the result (quoted in Bagli 2004g). Why the City, which had conducted or commissioned its own studies of the economic impact of other portions of the Hudson Yards plan, declined to do its own study of the NYSCC is unclear. This certainly would not have defused opposition, but it would have deflected a key line of questioning of the NYSCC's status as a good public

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[10] See Sanders 2002 and Sanders 2004 for a general critique of economic impacts studies.

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investment. Not doing so fed perceptions that the relationship between the administration and the Jets was overly cozy, and that the administration's commitment to the NYSCC was absolute. As Ronnie Lowenstein, the widely-respected director of the IBO, put it, the administration's reliance on the Jets for revenue estimates, "suggests how badly they want the project to proceed" (quoted in Bagli 2004g).

Along with the Jets-funded study by Ernst & Young, one other economic impact study played a key role in the debate over whether or not the stadium would be a profitable investment.[11] In June 2004, the IBO issued its own appraisal of the stadium's economic impact (New York City Independent Budget Office 2004c). Paradoxically, the IBO's analysis provided ammunition to both critics and proponents of the NYSCC. On the one hand, it found that the Ernst & Young study overstated the annual economic impact of the stadium by between $18 and $28 million, as it used overly optimistic estimates of the number of conventions and expositions that would be held in the NYSCC and it overestimated the degree to which NYSCC would generate new economic activity rather than draw it from elsewhere.[12] On the other hand, the IBO found that the NYSCC would still be a "profitable" investment, if barely so, indicating that the annual tax

[11] Other studies of the economic impact of the NYSCC were issued in the second half of 2004. In August 2004, the Hudson Yards Coalition, an ostensibly independent pro-stadium group released its analysis of the budgetary impacts of the NYSCC (Hudson Yards Coalition 2004). In October, a consulting firm that had been hired by a group of construction unions along with the New York City Building Congress, all strong proponents of the NYSCC, issued a report (Alschuler 2004b). Unsurprisingly, both these reports indicated that the NYSCC would have a tremendous positive economic impact. One additional study, the RPA's December 2004 analysis of an alternative mixed use development scenario for the western rail yards provided ammunition for stadium critics, as it indicated that the annual tax revenues generated by mixed-use development on the rail yards, amounting to at least half a billion dollars, would dwarf the $72 million that the Ernst & Young study indicated would be generated by the NYSCC (Regional Plan Association 2004b). None of these studies had much influence: the pro-stadium groups' studies were regarded as biased, and the RPA's study came too late in the process to have a significant impact.

[12] The IBO report also found that the Jets' claims about the number of jobs that would be created were inflated; it projected about 3,500 permanent jobs would be created, just over half of the amount projected by the Jets' study.

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revenue generated by the NYSCC would still exceed the $42 million annual debt service by between $2.5 and $10 million per year. However, the report cautioned that even if the NYSCC would generate more annual tax revenue than its annual debt service, other issues – most notably the existence of alternative uses for the western rail yards and the $600 million committed by the City and State – needed to be taken into account. In other words, the report argued that "profitability" should not be the sole criterion of whether or not the NYSCC was a wise public investment.

Even as the NYSCC's proponents criticized the study as "pessimistic," "inexpert" and "ultraconservative," they argued that it bore out the fundamental claim that the NYSCC would generate a profit. Bloomberg administration officials portrayed the IBO's report as vindicating their support of the stadium, even as they ignored its insistence that alternative uses of the western rail yards and of the public money that would be spent on the NYSCC needed to be considered. Doctoroff, for example, touted the IBO's analysis in a September 2004 speech, saying that "even...the Independent Budget Office's estimates [that] this building over a 30 year period of time will generate a $900 million profit" (Doctoroff 2004d).

The claim that the IBO had estimated that the stadium would generate a $900 million profit over 30 years, reiterated by Doctoroff and other stadium proponents on a number of occasions and eventually making its way into a Jets television commercial, generated an angry response from the IBO's director, who called the use of this figure "at best disingenuous" (Lowenstein 2005a). In fact, the IBO had estimated the long-term impact of the NYSCC at $210 million ($89 million of which would flow to the City, with

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the remainder going to the State).[13] The difference between the two figures was a result of stadium proponents not discounting the future revenues, which good accounting practice required – and which Doctoroff in particular had to know, given his financial acumen and his own use of discounted figures when it reflected well on the NYSCC and the Hudson Yards plan in general.[14]

Even though administration officials were able to appropriate the IBO's criticisms of the Ernst & Young study and spin them as vindication, the IBO's more restrained estimates did aid in undermining the administration's efforts to sell the NYSCC as a profitable investment. If nothing else, the IBO study emphasized the inherent uncertainty involved in the kind of projections upon which the Bloomberg administration was making its claims that the NYSCC represented a "profitable" investment. Would the annual revenues generated by the NYSCC be $73 million, as the Ernst and Young Study claimed? Or would it be close to $45 million, the low end of the IBO's range of annual revenues generated by the NYSCC? Would the "profit" be $900 million over thirty years? $210 million? The numbers were getting fuzzy. However, the IBO, like the Bloomberg administration, had taken one number – the $600 million that the City and State would contribute to the construction of the NYSCC – as a given in its analysis.

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[13] This estimate was made in a February 2005 IBO report that updated its earlier report and included long-term estimates of the NYSCC's economic impacts. See New York City Independent Budget Office 2005.

[14] Future revenues and costs are discounted and their present values used because using nominal values to calculate the return of an investment ignores the fact that first, a dollar in the hand now is inherently worth more than a prospective dollar in the future, and second, that the return on any investment has to be judged not against the value of the dollar in and of itself but also against the value that would accrue from that dollar if used in an alternative fashion, which is generally estimated by using the interest rate. Doctoroff and Budget Director Mark Page used the converse of this logic in a December 15, 2004 City Council hearing to minimize the costs of using commercial paper in the Hudson Yards self-financing plan. The fact that Doctoroff used present value to minimize future costs of the self-financing plan while not doing so when estimating the benefits of the NYSCC does seem, at best, disingenuous.

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However, there was growing evidence that there were a number of hidden public expenditures that substantially increased the "public investment" the NYSCC's construction would require.

2) Understated Costs

Of all the figures that circulated in the debates over the Hudson Yards plan, none was more prominent than the $600 million that the City and the State had agreed to together spend on the NYSCC. Whether one considered this an investment or a subsidy, an appropriate use of public money for infrastructure improvements or an unconscionable giveaway to a private football team, this $600 million figure was a staple in the debate. State, City, and Jets officials vowed that the public contribution to the NYSCC was "capped" at this amount and the Jets would be responsible for the balance of the NYSCC's costs, including cost overruns. Despite the best efforts of stadium proponents, over time the accuracy of this figure – which functioned as a crucial base line against which the NYSCC's "profitability" could be measured – began to come into question. Indeed, by spring 2005, with the PACB's approval the only remaining roadblock to the NYSCC becoming a reality, two of the board's members, State Majority Leader Joe Bruno and State Assembly Speaker Sheldon Silver, pointed to unanswered questions about the true level of public expenditure required by the NYSCC to justify their refusal to approve the project.

The first hints that the $600 million committed by the State and City would only be the beginning of the public money required by the NYSCC came in July 2004, when it was reported that ESDC financial documents indicated that the State was considering allowing the Jets to fund over half of their $800 million portion of the NYSCC's costs

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using tax-exempt, private activity bonds. Such bonds, which would still have to be paid back by the Jets, nevertheless represented a subsidy as their tax-exempt status reduced the interest rate the team would have to pay in order to find buyers for the bonds. While the use of tax exempt bonds was common throughout the country to fund sports facilities, the mention of the potential use of such bonds to fund the NYSCC in ESDC documents gave already suspicious stadium opponents even more of an incentive to keep their eyes peeled for hidden subsidies.

The November 2004 General Project Plan for the NYSCC confirmed the suspicion of stadium opponents that the $600 million committed by the City and the State was only the start of the public money that would flow to the NYSCC. Most questionable was a complex arrangement involving the Jets' payment, or nonpayment, of property taxes. Since the western rail yards were owned by the State, the Jets would make PILOT payments instead of paying real estate taxes; these PILOT payments, rather than flowing into State or City coffers as would normally be the case, would be used to pay off $450 million of tax exempt bonds that ESDC would make available to the Jets. This, as critics delighted in pointing out, was akin to a private homeowner being permitted to use their property tax payments to pay off their mortgage. It represented an additional subsidy of $450 million, without even taking into account the fact that the use of tax-exempt bonds would lower the Jets' borrowing costs.

In addition, the General Project Plan did not indicate funding sources for a number of pieces of infrastructure associated with the NYSCC, many of which were included in the renderings of the building, which, as discussed in Chapter Six, were an important element in the efforts of both the Bloomberg administration and the Jets to sell

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the Hudson Yards plan as an exercise in cutting edge urban planning. Importantly, many of these pieces of infrastructure – the park to the north of the NYSCC, a tunnel connecting the Javits Center to the NYSCC, a new ferry terminal on the Hudson waterfront at West 39th Street, and a platform over Route 9A connecting the stadium to the Hudson River Park – served to provide the kind of "seamless connections" to the surrounding areas that boasts that the NYSCC would be an "icon of urbanism" were based on.[15] There was no indication in the General Project Plan of how the tunnel and the park would be paid for; many stadium opponents assumed that they would be borne by the Javits Center – and thus by the City and the State, which would represent an additional public subsidy of approximately $100 million.[16] The Jets did agree to pay for half the ferry terminal, but since the team rested its claim that the stadium would not have major traffic impacts on the prospect of enhanced public transit access, including ferry service, to the area, this struck many stadium opponents as insufficient. In addition, the bridge and platform over Route 9A was unbudgeted in the GPP. The platform would only be necessary if the city received the 2012 Olympics Games, as the NYSCC would have to be expanded westward to meet Olympic requirements. However, given that the stadium was crucial to the city's Olympic bid and given that the platform was depicted in stadium renderings (though it mysteriously disappeared from these renderings in late

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[15] Route 9A is also known as the West Side Highway and runs along the Hudson River waterfront. It is separated from the waterfront by the Hudson River Park, which runs along the river for much of the length of Manhattan.

[16] A December 2004 letter from a number of west side politicians to ESDC President Gargano contained cost estimates for several of these unfunded pieces of infrastructure, estimates sourced to unspecified documents that had been produced in accordance with the City's Freedom of Information Law (Nadler, et al. 2004). The cost of the park was estimated at $66 million and the tunnel linking the NYSCC and the Javits Center at $30 million.

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2004), many stadium opponents saw the exclusion of this cost, which was estimated at $55 million, as disingenuous.[17] The cost of the environmental clean up the western rail yards would be split evenly by the Jets, the City, and the State, which was harder to characterize as a subsidy since the rail yards were public property and would require a cleanup whatever kind of development might rise there. Finally, as of November 2004, when the General Project Plan was released, the Jets had offered the MTA, who owned the right to develop the yards, $100 million for those rights. Many observers – including some who supported the stadium – were outraged, given the fact that the MTA itself placed the value of those development rights at upwards of $1 billion (Satow 2005c). Eventually, the Jets agreed to pay $280 million for those rights. While this nearly tripled the amount the team's initial offer, it still was viewed by many as an unconscionable giveaway of public resources.

Totaling all these hidden subsidies, critics charged that the entire amount of public money that would be expended on the NYSCC was not $600 million, but well over $1 billion. The greatest portion of the discrepancy, $450 million, resulted from the proposed use of the Jets' PILOT payments to pay off their tax-exempt bonds. At a February 2005 City Council hearing on the financing of the NYSCC, City Council Speaker Gifford Miller grilled Jets President Jay Cross and Deputy Mayor Doctoroff on this issue. Cross and Doctoroff insisted that this was appropriate, saying first that since the Jets would only be leasing the land from the State, no property taxes would be paid anyway; later that the cost of the rights to develop the western rail yards would reflect

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[17] The $55 million figure was also cited in Nadler, et al. 2004. There were some claims that NYC2012 would pay for this platform. The Jets did agree to pay for a pedestrian bridge connecting the stadium to the park in any event.

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this; and finally that the Jets had committed to use the "vast majority" of these savings to pay for "other critical pieces of infrastructure that help make the overall west side plan a reality" (Doctoroff 2005). However, what these pieces of infrastructure were and how this commitment would be codified were unspecified. Eventually it became clear that the real intent was simply to save the Jets money as they faced a ballooning price tag for the NYSCC and that that the Jets were implacably opposed to paying property taxes on their proposed new home:

> City Council Speaker Gifford Miller: So, are [the Jets] paying taxes or not?
>
> Jets President Jay Cross: Mr. Speaker, we're not paying taxes.
>
> Miller: You're not paying taxes.
>
> Cross: No. We're paying debt service. We can either pay debt service in the form of a PILOT on municipal issue debt, or we can pay debt service on private debt, and we're happy to pay the debt service either way, and we're happy to raise the $800 million, now a billion dollars, either way…
>
> Miller: But you're committed to not paying taxes?
>
> Cross: Correct (Miller and Cross 2005).

Cross and Doctoroff flatly rejected the idea that this should be considered a subsidy. But to many others, it seemed to be just that.

3) The Numbers Get Fuzzy

Regardless of the whether any particular piece of infrastructure or financing was considered a subsidy or an investment, the overall effect of both the questioning of the projections provided in the Jets-funded economic impact study and of the revelations that the $600 million of State and City money that had been touted as the sole public contribution to the NYSCC was in fact only the tip of the public expenditure iceberg was to radically destabilize the Bloomberg administration's claims that the stadium represented a profitable public investment. Critics of the stadium in fact often implicitly

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embraced the logic of investment, challenging not the use of this logic to govern public policy, but rather the administration's calculations of the relative level of costs and benefits that the NYSCC would generate. The IBO's reports, even as they supported the claim that the NYSCC would generate enough annual tax revenue to cover annual debt service, pointed to the fallibility of the figures that the Bloomberg administration was using to make its case; the fact that a nonpartisan organization like the IBO found that the Jets-funded economic impact study significantly overstated the NYSCC's benefits was damaging, regardless its finding that the stadium would generate a (small) "profit." The revelations that the NYSCC would impose significant additional public costs above and beyond the City and State's $600 million investment obliterated the claims that the NYSCC would be profitable, as those claims had always been based on that $600 million baseline. Indeed, even in June 2005, just days before the PACB meeting at which the NYSCC was finally killed, a number of prominent officials – including State Comptroller Alan Hevesi and most crucially Sheldon Silver and Joe Bruno, who sat on the PACB – were still posing questions concerning the NYSCC's financing, pointing out that the sources of both the State and City funding for the project and the exact responsibility for cost overruns, still remained undetermined.

Bloomberg administration officials never abandoned the argument that the NYSCC would not only pay back the initial public investment, but produce a large profit. Indeed, they could hardly do so, given the fervor with which they had defended the stadium as a profitable investment and with which they had attacked the "myths" that challenged it on this basis. But as time went on, administration officials supplemented this argument with one other argument directly related to the NYSCC's status as an

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economic development project. While this second argument was also unsuccessful, in the sense that it did not prevent the NYSCC's ultimate failure to gain the necessary public approvals, it did gain some traction. Importantly, this second, more successful, approach to selling the NYSCC involved the building of political constituencies supportive of the project. It is to this approach I now turn.

III. Jobs, Jobs, Jobs

On a warm summer day in late September 2004, thousands of union members gathered on West 33rd Street between Ninth and Tenth Avenue (see Figure 18). A large stage had been set up at the eastern end of the street; Madison Square Garden, whose owner, Cablevision, had emerged as the *bete noire* of pro-stadium advocates, loomed in the background. As I walked into the rally, a band played a version of the 1980s hit "We Built This City" in tribute to the gathered hard-hat and work-boot-clad construction union members, many of whom held signs proclaiming "Jobs Now!" and wore t-shirts adorned with an image of the NYSCC along with the words "Build It!" Pro-stadium ads and videos promoting the Olympic bid played on a large video screen above the stage. As the rally progressed, a stream of union leaders, past and present New York Jets, and pro-stadium politicians touted the benefits of the NYSCC, particularly the jobs that it would provide. One speaker led the crowd in a call-and-response chant, shouting "What do we want?" to which the crowd answered with a rousing roar: "Jobs!"

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Figure 18: Jobs Now! Stadium Supporters Rally, September 29, 2004 (Source: westsidestadium.org)

After labor leader Ed Malloy derided Cablevision and other stadium opponents as "opponents of progress," after ex-mayor Ed Koch trumpeted his just-announced support for the NYSCC, claiming that its opponents were suffering from "NIMBY syndrome," and after ex-Jet Joe Klecko urged the crowd to "kick ass and take names" as had the successful Jets teams of the 1980s, there was a lull of a few minutes as the crowd waited for Mayor Bloomberg to arrive and address the crowd. Finally, the Mayor, in shirtsleeves, strode on the stage. A slender, small-statured, and restrained man, Mayor Bloomberg looked slightly awkward and out of place among the beefy ex-football players, the working class white ethnic union leaders, and the multi-ethnic mix of politicians surrounding him. When he stepped up to the podium, his first words were not

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about the Olympics or the profit that the stadium would generate: rather, he led the crowd in a chant of "Jobs! Jobs! Jobs!"

By this point in September 2004, the administration was relying more and more on a new justification for the NYSCC: the jobs it would provide. This trend would continue and grow more pronounced over the next nine months. Increasingly, the NYSCC was portrayed as an old-fashioned example of urban Keynesianism, a public project intended to put money in the pockets of the city's working class. While the administration continued to argue that the NYSCC represented a profitable investment, this justification was eclipsed by claims that it was a jobs program in the form of a stadium.

"Don't spell it J-E-T-S," said Bloomberg in January 2005, referring to a chant popular among fans of the team, and implicitly shifting attention away from the wealthy football team that would call the stadium home: "spell it J-O-B-S" (quoted in Janison and Murphy 2005). The Mayor reiterated this in April 2005 during a radio interview, saying that "the real thing when you think stadium, the word that you've got to think about is not Jets, but jobs. This creates jobs and it creates jobs right now" (Bloomberg 2005a). Asked by the show's host about the timeframe for the stadium's approval, the Mayor pointed not to the deadlines that the city's Olympic bid ostensibly created, but to a very different timeframe:[18]

> Well, there are a number of timeframes. The most important one is that there are people out there right now…in this city that need jobs. And I don't know how you answer the question to them, look them in the eye and say, "What's your timeframe on when you need to have the ability to make

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[18] The use to which the Olympic bid was put by the Mayor and others in creating ostensible deadlines for the approval of the NYSCC is discussed in Chapter Nine.

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> a living so you can support your family?" The timeframe is now (Bloomberg 2005a).

Suddenly, the NYSCC was not about profits or the Olympics, and it certainly was not about the interests of a wealthy football team; rather it was about working people struggling to feed their families. Accordingly, opponents of the stadium were, in the words of the Mayor and his spokespeople, "against creating jobs and economic growth" (quoted in Rutenberg 2005d) and "against economic opportunity for all New Yorkers" (quoted in Rayman and Janison 2005).

Ironically, the numbers used to establish the NYSCC as a jobs generator were just as fuzzy as those used to establish the project as a profitable investment. In the Jets-funded study conducted by Ernst & Young, it was concluded that the NYSCC would generate some 7,000 permanent full-time jobs and about 4,500 construction jobs in each of the four years it was estimated that it would take to construct the NYSCC. Later, the ESDC's General Project Plan set these estimates significantly lower, at about 3,000 permanent jobs and 3,000 construction jobs per year and the IBO's estimates came in at about 3,800 permanent jobs and 2,900 construction jobs per year. As IBO Director Ronnie Lowenstein pointed out in testimony at a February 2005 City Council hearing, this came to a subsidy of about $163,500 per permanent job (Lowenstein 2005b); even the Jets' higher job estimates resulted in a subsidy of about $85,000 per permanent job, well above what economic development experts considered a reasonable level of subsidy. As a number of stadium critics pointed out, the federal government had set the maximum subsidy per job for which federal money could be used at $35,000 (Demause 2004b).

However, these lines of critique never really took hold. Whereas the fuzziness of the figures justifying the NYSCC as a profitable investment did have a serious and

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detrimental effect on the project's momentum, the fuzziness of the job numbers and the fact that the project was terribly inefficient as an exercise in job creation did not have such an effect. There was a simple reason for this. Unlike the profit the NYSCC would purportedly generate, the jobs that would be created would flow to identifiable, organized, and motivated political constituencies. These constituencies were built, largely by the Jets, through the offer of clear and defined benefits in exchange for political support. In contrast to the Bloomberg administration's strategy of selling the NYSCC as a profitable investment, the generally successful Jets-led effort to develop supportive constituencies was in exercise in political bargaining, as the Jets made real concessions and offered real benefits in exchange for political support.

A. Building Constituencies

In early 2003, while the Bloomberg administration was busy crafting the Hudson Yards rezoning and self-financing plans, the Jets made a key hire. Relying on the judgment of President Jay Cross, whose experience in stadium-building campaigns in cities like Miami and Toronto had left him with an appreciation of the need to build broad political coalitions, the team hired Bill Lynch, a lobbyist and long-time Democratic operative who had played a key role in the election of David Dinkins as the city's first African-American mayor. Lynch, himself African-American, was charged with building support for the NYSCC among labor leaders, Democratic elected officials, and minority leaders, all groups to which he had intimate ties. Over the next two years, led by Lynch and a handful of other lobbyists and public relations officials, including prominent Latino lobbyist Alfredo Vidal, the Jets conducted a broad-ranging campaign to enlist grassroots support for the NYSCC, making barroom presentations, targeting specific constituencies

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in media campaigns, and perhaps most effectively, insuring specific groups' support by dangling the prospect of employment in the construction and operation of the NYSCC.

1) A Unified Labor Front

The easiest target was the city's powerful construction and building trades unions.[19] These unions, including organizations representing steelworkers, painters, plumbers, electricians, and so on, had long been part of the city's traditional growth coalition. Generally supportive of development projects, these unions had historically deployed their members as "shock troops for real estate developers eager to counter community opposition" (Bagli 2004e). Years of relatively slow construction activity and the increasingly common use of non-union labor made the prospect of both a citywide construction boom fed by a 2012 New York Olympics and the redevelopment of the far west side especially appealing. This was especially true of the Javits Center expansion and the construction of the NYSCC: both were large, government-supported projects that would proceed on a predictable timetable. Accordingly, the city's construction and building trades unions were eager to support the NYSCC in exchange for a pledge by the Jets to avoid the use of nonunion construction labor.

And support it they did. Construction union members were a visible, loud, and at times intimidating presence at every event related to the Hudson Yards plan that I attended. They were especially vocal in their support of the NYSCC, which offered not only jobs, but also the prospect of the rightful and overdue return of the Jets to New York

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[19] These unions were led by Edward Malloy, President of the Greater New York Building and Construction Trades Council, an umbrella group of the city's construction unions. Malloy had served on NYC2012's Facilities Advisory Group (see Chapter Three).

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City.[20] Construction union members gathered in the early morning hours outside City Hall before hearings, held boisterous rallies and press conferences, vigorously booed stadium opponents during their testimony, and interrupted the press conferences of stadium opponents with heckles and chants of "Jobs, Jobs, Jobs."[21] Many received compensation for their presence at these events, a fact that stadium opponents angrily pointed out on a number of occasions, especially when they were accused of being the lackeys of Cablevision, the most powerful supporter of the anti-stadium campaign. While many construction union members would leave hearings en masse when their time on the clock there ended, most seemed authentic in their support for the NYSCC and the Hudson Yards plan more generally, citing both economic self-interest and the projects' citywide benefits.

The Jets went beyond the construction unions for labor support. In exchange for a promise that the restaurants that were proposed to be included in the NYSCC would be all-union, the Hotel and Motel Trades Council endorsed and provided support for the project. Locals of other prominent unions like UNITE, the garment workers unions, and SEIU, which represented service workers, also supported the overall Hudson Yards plan, usually in return for specific benefits. The willingness of the Jets to embrace labor won

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[20] Indeed, the return of the Jets to New York seemed only slight less important than employment in generating support for the NYSCC among the construction union members who I spoke to and heard testify at hearings, the vast majority of whom were male.

[21] The union members were coordinated by their own leadership, Jets executives and employees, and, most notably, by several staff members of the Hudson Yards Coalition. The Hudson Yards Coalition was housed and funded by the city's official tourism board, NYC & Co., and for all intents and purposes was an arm of the Bloomberg administration. It played a key role – though its leaders denied it – in alerting and summoning the union membership to spur-of-the-moment press conferences by stadium opponents like Council Speaker Gifford Miller and Anthony Weiner, a U.S. Representative from New York who, like Miller, a 2005 mayoral candidate. It also played a role in the competitive gamesmanship that surrounded City Council hearings, securing speaking slots and prime hearing room seats for union members, as well as prime locations for pro-stadium rallies, and so on.

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the NYSCC the support of the New York City Central Labor Council, the governing body for all of the city's labor unions. Thus, the Jets – and by extension the administration – could credibly point to the unified support of labor for the project, support that substantially bolstered claims that the NYSCC would be a major generator of not just jobs, but good union jobs.

2) Courting Minority Leadership

The support of the city's labor unions was crucial given their ability to provide pro-stadium foot soldiers and working-class support that could counter arguments that the Hudson Yards plan in general, and the NYSCC in particular, would only benefit wealthy corporations and real estate developers. Given the generally pro-development and conciliatory approach of many of the city's unions, it was not a particularly difficult task. However, the Jets had targeted the support of another constituency, the city's minority leadership. Enlisting blacks and Latino leaders would serve to further the Jets claims' that the NYSCC would provide broad-based benefits to New Yorkers, and would further counter community and grassroots opposition to the project. This would be a more difficult task, as many blacks and Latinos were suspicious of large-scale development projects, which had often resulted in the destruction of working class and poor black and Latino neighborhoods. Whether it was the construction of the new Pennsylvania Station in the first decade of the 20th century, which led to the destruction of the historically African-American Tenderloin district, the construction of Lincoln Tunnel in Hell's Kitchen in the 1930s, which displaced working class African-Americans and Puerto Ricans as well as many of the markets and businesses that served them, or the mid-20th-century Federal Urban Renewal schemes that razed blocks of tenements in Harlem and

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the South Bronx to make way for large-scale public housing projects, or worse, resulted in so-called "planner's blight" as proposed projects were never built and entire blocks were left empty, large-scale redevelopment projects in New York City had historically imposed heavy burdens on poor and working class African-Americans and Latinos, while providing few benefits in return.[22]

Many black and Latino politicians were also deeply concerned about the diversion of public resources to private interests, especially in the context of the post-1970s fiscal crisis squeeze on New York City's social welfare programs, which had intensified under the Giuliani administration and which seemed likely to continue as the City faced large budget deficits in the early years of Mayor Bloomberg's first term. Providing subsidies to a wealthy sports team and real estate developers when the funding for such programs was being reduced and when the costs of housing, transportation, and other staples were steadily rising struck many of these politicians as patently unfair.

Given this context, along with its early lack of success, the Jets campaign to enlist minority support for the NYSCC seemed ill-fated, though not for lack of effort. Jets coach Herman Edwards, one of the few black NFL coaches, pitched the NYSCC to a variety of minority and community groups. Jets officials visited the editorial boards of minority newspapers and lobbied minority legislators in City Hall and Albany. Even Jets owner Woody Johnson got into the act, attending a meeting of the predominantly Latino Bronx Democratic Party and attending a Harlem fundraiser for African-American Assemblyman Keith Wright, the chairman of the New York State Association of Black and Puerto Rican Legislators. Despite all this, minority support was slow to materialize.

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[22] See Conard and Smiley 2002; Osofsky 1996; Schwartz 1993.

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Indeed, at a news conference held on the steps of City Hall in March 2004 convened expressly to demonstrate minority support for the NYSCC was attended by just three minority politicians: Wright, Assemblyman Darryl C. Towns, and Councilwoman Margarita Lopez. Even these "supporters" were far from steadfast: in July 2004 Wright said that "the jury is out" on the stadium (quoted in Steinhauer 2004); Lopez was still on the fence in early 2005.

However, the tide began to turn in mid-2004. Testifying before the City Council in June, Jay Cross announced a campaign to develop what he termed "the most inclusive and comprehensive MWBE [Minority and Women-Owned Business Enterprise] program seen to date" (Cross 2004). The Jets, he said, would work with the Minority Business Leadership Council (MBLC) to develop such a program that would "ensure real MWBE participation and real growth for minority business" (Cross 2004).[23] Touting the endorsement of the Amsterdam News, the city's most prominent African-American newspaper, which had appeared in the paper that day, Cross maintained that this MWBE program would insure that the NYSCC would benefit all New Yorkers.

Later in the hearing, Jim Heyliger, the MBLC's chairman, acknowledged that development projects, as well as broad patterns of public service provision, had historically had adverse effects on poor minority neighborhoods. However, he argued, times had changed:

> In our disadvantaged communities, development was forced on us without any regards to environment impact. We share an unfair share of service-oriented institutions in our respective communities…[Political leaders] still shortchange our education with insufficient funds. However, as hard as these deliberating circumstances are for minorities and women, no issue

[23] The MBLC is an umbrella group of 17 different minority trade associations representing, among other groups, African-Americans, women, Hispanics, and Caribbeans.

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> is greater than…our 51 percent black unemployment. And if you look at our census review, the Hispanic unemployment situation rates the same way…The most crushing issue in this town is the employment of the middle income class of the minorities…
>
> Our objective is to structure an enforceable economic development affirmative action plan on all…major projects…This is… a matter of survival of our people and our respective communities. We cannot provide shelter if we're not employed. Our children cannot learn if they are hungry. We cannot maintain our health standard if we are unemployed. And we certainly cannot grow and develop our families if [there is] underemployment…
>
> Recently the MBLC met with the Jets ownership, and we looked at what they wanted, they looked at what we wanted. We've come out with a foundation…for…[an] agreement, where we're going to guarantee…employment, business opportunity, economic development opportunity…
>
> We are in favor of this project, not because it's the Jets, not because it's the Javits Center, but because it represents a possible lifeline to our respective communities…The State has refused to give us our educational dollars. The City does not have a plan for economic development that meets our needs. [Given] this…the private sector could possibly set the model that would allow the public to take the step forward and produce the type of economic development and employment that our communities need (Heyliger 2004).

I quote Heyliger at length because in this testimony he outlined a fundamental dilemma faced by the advocates and representatives of poor people and minorities in New York City. This dilemma was centered on the (slightly misstated) statistic of "51 percent black unemployment" Heyliger cited in his testimony, which was drawn from a widely read report released in February 2004 by the Community Service Society, a liberal research and advocacy group (Levitan 2004). The report found that only 52 percent of African-American men in the city were employed, a fact that generated alarm among the city's minority leadership and advocates for the poor.[24]

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[24] Indeed, this issue had become a major priority for Councilman James Sanders, the chair of the very Economic Development Committee that Cross and Heyliger were testifying before. He had held a hearing on the issue about a month and a half before Cross announced the NYSCC MWBE program at which the issue of minority access to the jobs generated by large scale development projects and by the construction

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Given the city's decades-old retreat from urban liberalism, it appeared pointless to look to the city government for answers. Instead, it seemed, solutions had to be found in partnerships with the private sector. One prominent target was the city's real estate development industry, especially since development projects were popping up around the city and since minorities and women had historically been excluded from construction unions and thus from the well-paying construction jobs that had lifted many white ethnics into the middle class. In this context, the construction of the NYSCC presented an opportunity for minority leaders to guide some of the employment and business associated with the project towards their constituencies, as well as an opportunity to spur public action by setting a precedent for other large development projects. This explained the willingness of the MBLC and other advocacy and minority groups to work with the Jets on the NYSCC, despite the deleterious effects such large-scale development projects had historically had on poor and working and minority neighborhoods in the city.

After this June 2004 announcement, the NYSCC began to receive more and more support from minority civic leaders and politicians.[25] A number of prominent minority politicians and leaders joined the task force that the Jets and the MBLC had assembled to develop the specifics of the NYSCC MWBE program; others publicly expressed their

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industry more broadly was a major focus, especially given the state support and subsidies historically guided towards real estate development in the city.

[25] While this analysis is concerned with the actions of minority politicians and civic leaders, polling data available from the Quinnipiac University Polling Institute shows that support among blacks and Hispanics generally ran about five percentage points higher than support among whites, which generally ran between 35 and 40 percent. Interestingly, this gap had been narrowing a bit until March 2005; however, in the course of that month – during which Al Sharpton announced his support of the NYSCC – black support jumped by nine points (from 35 to 44 percent), and Hispanic support by five points (from 34 to 39 percent). See ww.quinnipiac.edu/x11369.xml.

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support in the media and at public hearings. These individuals almost without exception cited the unemployment figures sited in the Community Service Society report in tandem with the willingness of the Jets to take clear steps to insure minority employment and business participation in the NYSCC to explain their support for the project.

In the first several months of 2005, with the debate over the NYSCC reaching a head, the minority support of the stadium became more intense and more prominent. In mid-January 2005, prompted by U.S. Congressman Charles Rangel, perhaps the most important African-American politician in the city, and by the impending release of the City Council report that was said to show that minority- and women-owned business were receiving a tiny portion of construction-related contracts, the Bloomberg administration agreed to form a commission to ensure the inclusion of minority and women contractors in all large development projects in the city. A few days later, the NYSCC MWBE task force approved a draft of the program they had developed, which was officially released in February 2005.

The NYSCC MWBE program provided a plethora of benefits for minority- and women-owned businesses, including technical assistance and financial aid, which could result in over $100 million of business flowing to such firms. It was called "historical," and "precedent-setting," and indeed it did represent a departure from the historic willingness of the construction industries to brush aside the concerns of minorities. However, the major effect of the program would be to expand the pool of minority- and women-owned businesses competent, prepared and qualified to bid on NYSCC contracts; it did not include enforceable provisions for contracting with such businesses, or guarantees that minorities or women would actually be hired. City Councilman Charles

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Barron and Harlem-based labor and community activist Jim Haughton, both rooted in a more radical political tradition than the generally mainstream liberal politicians and minority leaders who had signed onto the program, were highly critical. They argued that it did little to actually change discriminatory hiring and contracting practices in the construction industry and decried the Jets for their unseemly capitalization on the economic distress of African-Americans and other minorities. "They know that our community is desperate for jobs," Barron fumed in one newspaper report, "so they come in with these deals" (quoted in Rutenberg 2005a).

3) Good Publicity and Political Support

Regardless of the details of the NYSCC MWBE program or the wisdom of the pragmatic political approach that most of the city's minority leadership took vis-à-vis the NYSCC, the Jets efforts – which, Jay Cross claimed, had cost the team more than half of a million dollars in expenses – to develop a MWBE program provided immediate political benefits.

First, a number of events related to the development of the program generated wide media coverage. A January 2005 event held at Harlem's historic Bethel AME Church, hosted by black performer Paul Mooney, featured choirs from Bethel AME and Canaan Baptist Church and was attended by a broad array of African-American reverends, politicians, civic leaders, and sports figures. The February 14, 2005 announcement of the MWBE agreement was held just blocks from the Hudson rail yards and was hosted by Mayor Bloomberg and Jay Cross and attended by the members of the MWBE task force and a host of other politicians. Perhaps the most notable of these events, and the one that generated the most press coverage, was the March 2005

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endorsement of the NYSCC by the Reverend (and former Senatorial and Presidential candidate) Al Sharpton, who cited "systemic unemployment in communities of color around New York City" and the Jets' willingness to "develop a concrete plan for inclusion from ALL of New York's communities..[and] to commit the resources necessary to develop this plan of inclusion" (Sharpton 2005). Sharpton even went as far as appearing in a television commercial promoting the stadium, saying that the "the Jets have come to labor, have come to the black and Latino community and have made firm commitments, which sets a standard for doing business in this city."

For the Jets, Sharpton's endorsement was the icing on the cake. Here was a major black activist who for many New Yorkers – African-American and otherwise – symbolized the city's progressive, grass-roots, and civil rights traditions endorsing the NYSCC, and offering his typical media-friendly quips to boot: when it was pointed out that he was on the same side of this issue as his sworn enemy, Rudy Giuliani, Sharpton said of the former mayor that even "a broken clock is right twice a day" (quoted in Cimini and Saul 2005). This made it more difficult for stadium opponents to argue that the project was little more than a giveaway to a wealthy corporation. Stadium opponents clearly understood the danger that the now nearly unanimous support of the city's mainstream minority leadership posed to their campaign to kill the stadium. Indeed a mini-scandal emerged in February 2005 when a memo from west side Assemblyman and stadium opponent Richard Gottfried's office calling for the development of a counter-strategy to build opposition to the stadium in "communities of color" fell into the hands of newspaper reporters and stadium proponents, who, given the Jets explicitly race-conscious efforts to garner minority support, rather disingenuously criticized Gottfried

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for expressing this sentiment. Assemblyman Wright, one of the African-Americans who had played a key role in the Jets' efforts to build minority support, said of the memo: "I don't know why you would want to bring race into the issue of the stadium" (quoted in Saul 2005f).

The second major benefit of the Jets' efforts to garner minority support was the creation of strongly pro-stadium blocs in both the City Council and the State Assembly. By late May 2005, the stadium had the support of a majority of the members of the City Council, despite the opposition of the Council Speaker Gifford Miller. This majority included almost all of the Council's African-American and Latino members.[26] The Jets had also built a fair amount of support in the State Assembly, as roughly a third of Assembly Democrats (who held a 104-44 majority in the Assembly) endorsed the project despite the reluctance of the Assembly's powerful Speaker, Democrat Sheldon Silver, to do so. This included most of the city's Assembly delegation and a majority of the Assembly's Black, Puerto Rican, and Hispanic Caucus. This placed some pressure on Silver, though it was alleviated by the fact that a number of other city Assembly members, including his close allies Richard Gottfried, Deborah Glick, and Adrian Espaillat (who was actually the head of the Assembly's minority caucus), were dedicated opponents of the stadium. According the news reports, Silver deeply resented the efforts of the Jets to directly woo Assembly members, perceiving them as attempts to circumvent his authority; his resentment was intensified by the contrast between the Jets' efforts to address the concerns of the Assembly's minority members and the Bloomberg

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[26] Indeed, 28 of the Council's 51 members signed a letter sent to Assembly Speaker Sheldon Silver and Senate Majority Leader Joseph Bruno urging them to approve the State funding for the projects and pledging to appropriate the city's $300 million contribution.

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administration's unwillingness, until it was far too late, to seriously address Silvers' concerns that the commercial redevelopment of the far west side would endanger the recovery of Lower Manhattan. While this resentment would have posed a danger to the NYSCC in any case, it was especially important given the procedural route that the Bloomberg administration had taken to gain approval for the NYSCC – a route that ran directly through Speaker Silver.[27]

B. A Successful Effort...With an Unusable Payoff

The Jets-led effort to build both union and minority support for the NYSCC was an unquestionable success. Virtually all of the city's major private-sector unions, and all of its construction unions, enthusiastically supported the plan. In addition to providing an army of motivated union members to pack City Hall hearing rooms, to attend rallies, and, at times, to heckle stadium opponents, this working class support of the NYSCC provided an important counter to charges that the plan would only benefit wealthy corporations and developers. As jarring as the sight and sound of union members, gathered on the steps of City Hall, singing labor anthems in support of a project that was essentially the brainchild of a small number of capitalists – Michael Bloomberg, Daniel Doctoroff, and Jets owner Woody Johnson most notably – may have been, it did serve to vitiate some of the class-based criticism of the NYSCC and of the Hudson Yards plan in its entirety

While this union support was not unexpected, the broad support that the NYSCC enjoyed among African-American and Latino civic leaders and politicians was the real coup. The Jets' willingness to offer up real benefits for minority-owned businesses, and

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[27] These concerns were addressed in Chapter Seven; Silver's resentment of the Bloomberg administration is discussed at greater length in Chapter Nine.

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by extension, opportunities to minority workers, resulted in widespread support for the NYSCC among a group of politicians and civic leaders disposed by history and principle to be suspicious of large development projects, particularly those involving major government subsidy. Despite the flaws of the NYSCC MWBE program, and despite the questions raised about the propriety of capitalizing on the economic distress of the city's minority populations, the fact was that almost every minority elected official in the city supported the NYSCC, along with a broad array of black and Latino civil rights and civic leaders.

However, the very success of the Jets' efforts to build political support points to one of the supreme ironies of the conflict over the redevelopment of the far west side. By wooing labor and minority constituencies, the Jets had won over a majority of the City Council and a large plurality in the State Assembly. While this political support provided important political and public relations benefits, in the end it was useless. This was the case because of the desire, of NYC2012 and, later and more importantly, of the Bloomberg administration to avoid legislative review of the financing for the NYSCC. Both NYC2012 and the Bloomberg administration overestimated the degree and obduracy of opposition to the NYSCC and underestimated the possibility that support for the NYSCC could be won through political means. For this, the Bloomberg administration, NYC2012, and the Jets would pay a dear price. Avoiding legislative review by placing the NYSCC under the aegis of the ESDC, whose ability to float bonds for the NYSCC had to be approved by the PACB, placed the fate of the NYSCC in the hands of Sheldon Silver, one of the PACB's members. Silver's ire had already been raised by administration officials' refusal to take seriously his concerns about

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competition between commercial development in the Hudson Yards and in Lower Manhattan. Now he was faced with an Assembly membership that, thanks to the largely successful efforts of the Jets to woo minority Assembly members, was deeply divided over the NYSCC. Silver's ability and inclination to kill the stadium in June 2005 can be directly traced to the decision made years before to avoid the necessity of legislative approval of the project.

IV. Conclusion: the Futility of Antipolitics

In all the hearings, rallies, and press conferences that I attended, I never once heard a crowd chant "Profit! Profit! Profit!" I never once saw a stadium supporter wearing a t-shirt proclaiming "Tax Revenue Now!" But I did hear and see, again and again, expressions of support for the NYSCC based on the jobs it would create, often made by the very people who could anticipate getting those jobs. While Deputy Mayor Doctoroff was lamenting the inability of stadium opponents to understand how profitable the stadium would be, what a brilliant investment it was, and how lucky New Yorkers were to have the opportunity to invest their tax dollars in such a groundbreaking building, the Jets were doing the painstaking and expensive work of building political support: attempting to understand the concerns of potential allies, making concessions and offering benefits to meet those concerns, and thus to gain their political support.

This political legwork gave the Bloomberg administration's arguments that the NYSCC was worthy of support because of the jobs it would create a kind of heft and effectiveness never achieved by the other arguments for the stadium that it put forward – its status as an exercise in good urban planning, and as we will see in the next chapter, its role in the city's Olympic bid. The jobs argument worked, not because the numbers

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supporting it were convincing, but because it was an argument backed up by the political support of a political constituency. Just as the deep reservoir of political and ideological support for office development present in the city's traditional growth coalition allowed the Hudson Yards rezoning plan to sail through the approval process despite very real questions about the need for the amount of office space included in the project, it seems likely that the Jets' efforts to woo union and minority support for the NYSCC would have resulted in the NYSCC receiving legislative approval, despite the questions raised about its planning role in the far west side's development and about its ability to actually generate enough tax revenue to repay the public investment in the project – if only the Bloomberg administration had not chosen to avoid this procedural route. But, as a result of the NYC2012's fear of political opposition, and, more crucially, the antipathy to the messiness and bargaining involved in the political process that was part and parcel of the Bloomberg Way, the administration had years before chosen to minimize the degree to which the NYSCC would be exposed to public and legislative review, rendering the Jets' political legwork, for all intents and purposes, an exercise in futility. To the degree that the Bloomberg administration succeeded in moving the NYSCC forward on the basis of it being a good economic development project, it was a result of politics rather than of its own antipolitical approach to governance.

However, in the case of the NYSCC, the Bloomberg administration's private sector approach was not only ineffective, but actually detrimental. We have already seen the ways in which the Jets' targeting of minority Assembly members, when taken in tandem with the Bloomberg administration's refusal to acknowledge the legitimacy of concerns about competition between commercial development in Midtown and Lower

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Manhattan, angered Assembly Speaker Sheldon Silver, in whose hands the fate of the NYSCC had been placed when the administration chose the procedural route for the project that it did. But there was a second way in which the Jets' efforts to build political support for the NYSCC, and the administration's embrace of those efforts and deployment of the jobs argument in favor of the project, actually worked to undermine the very premises of the Bloomberg Way.

The exchange of employment for political support lay uncomfortably with the Bloomberg Way, seemingly more appropriate to the political machines of Boss Tweed's 19th century New York than the corporate technocracy of Michael Bloomberg's 21st century vision of the city. As we have seen, the Bloomberg Way was premised on the existence and identification of a unitary interest of the city as a whole, and a rejection of the existence of political conflict and the legitimacy of political self-interest. However, the efforts of the Jets to build a political constituency supportive of the stadium, to which the administration was a willing party, explicitly relied on appeals to self-interest. In doing so, these efforts actually facilitated and fomented political division, as opponents of the stadium were cast as inimical not just to the project, but to the economic well-being of minorities and union members. Members of the administration themselves deployed divisive rhetoric to this effect, accusing stadium opponents of being "anti-job," heartless opponents of a project that, as Bloomberg put it in late 2003, "would put food in the mouths of families throughout the five boroughs" (Bloomberg 2003b). Minority leaders also at times used this kind of rhetoric – Jim Heyliger, for example, said that opponents of the NYSCC "don't need to be in this city" (quoted in Seifman 2005) – but because most of these leaders shared party affiliation and political leanings with the leadership of

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the opposition to the stadium, they tended to avoid the use of alienating and divisive language, preferring to tout the projects benefits rather than attack its opponents.

The construction unions, and especially their leadership, showed no such qualms. While the membership of these unions had been steadily diversifying over time, though at different rates in different unions with different histories of racism and inclusion, most of this membership, and the vast majority of their leadership, still were largely composed of culturally conservative male white ethnics: Ed Malloy, President of the Greater New York Building and Construction Trades Council, described its membership as made up of "Reagan Democrats" (quoted in Rutenberg and McIntyre 2005).[28] Like Reagan Democrats in general, the Council had moved towards the Republican Party, endorsing a number of Republican candidates in recent years, including George Pataki and Rudy Giuliani.

Many of the members and leaders of the construction unions whom I observed in the context of the debate over the NYSCC displayed a pronounced inclination towards the use of conservative backlash rhetoric when addressing or discussing stadium

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[28] While many of the city's private-sector unions (as opposed to its public sector unions whose leadership and membership had long been fairly integrated and diverse) had troubled histories marred by racism, corruption, and mob influence, construction unions were notorious in this regard. However, in recent years some of these unions, notably the New York City District Council of Carpenters and the Construction and General Building Laborers Union had begun to move away from this history. For example, the Laborers, which by the early 2000s was roughly two-thirds nonwhite, had worked to remove mob influence and to join in the emergent and tentative that many city unions were taking away from a kind of "business" unionism, focused narrowly on the wages and working conditions, towards "social movement" unionism, which stressed stronger organizing, labor-community relations and broader social justice concerns. However, other construction unions, such as the city's Ironworkers locals, remained focused on their current, largely white and conservative membership. Even in more progressive unions, hiring practices still tend to favor whites, and social movement unionism still was at times viewed with suspicion or as an unaffordable luxury in a time of widespread attacks on labor. See Ciezadlo 2003; Reiss N.D.; Susi 2005.

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opponents.[29] This backlash rhetoric, interestingly, was not generally not explicitly racial in nature, as it had been during earlier periods of white working class and middle class reaction during the early 1970s and then again in the early to mid-1990s.[30] Instead of targeting blacks or immigrants, it took aim at another hobgoblin of conservative discourse: elitist liberals, and in particular, drawing on the reputation of Manhattan's west side as a home for limousine liberals and cultural elites, west side liberals.[31]

While this backlash sentiment often simmered just below the surface, it erupted into the open on several occasions which I observed first hand. For example, at a pro-stadium rally held in June 2003 before the first major City Council hearing on the stadium, one union leader told the assembled crowd that "a small group of elitists from west side say we don't want our neighborhood to change, " urging them to "face reality! They live in Manhattan – and traffic and development are inevitable." Later, during the hearing, I overheard a member of Local 580 of the Ironworkers union, historically one of the most conservative and exclusionary unions in the city, whose members were inclined towards leather vests with large iron-on insignias and American-flag bandanas that made them look more like members of the Hell's Angels than the urban working class, gestured

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[29] This was certainly not true of all the construction union members I observed and spoke with. I participated in and observed stadium opponents having, thoughtful and respectful discussions with construction union members about the pros and cons of the NYSCC and the Hudson Yards plan. In these discussions, construction union members made clear the dilemmas they faced – increasing use of nonunion labor in construction projects, fewer employment opportunities, and pressure on wages – and listened as opponents of the plan, from the far west side and elsewhere, made it clear the concerns they had about the affordability of housing and overdevelopment in that neighborhood.

[30] See Freeman 2000, 228-255; Sleeper 1991.

[31] See Frank 2003. In the present case, this backlash rhetoric was also deeply masculinist, drawing on martial and sports metaphors and assuming the premise of the single (male) wage earner family; in addition, construction union members' numbers, body language, barely concealed (and illicit) consumption of beer at public hearings, and style of dress was perceived as intimidating by many stadium and plan opponents as menacing, though I cannot claim to know that was intended as such.

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at the anti-stadium activists gathered below (we were sitting in the balcony), and shout to one of his compatriots, "these are the same motherfuckers who were protesting the Vietnam war while we were fighting it!" A couple of months later, at the Manhattan Borough President's hearing on the Hudson Yards rezoning plan, a construction union member interrupted the testimony of the far west side resident calling for more affordable housing in the plan, yelling out, to the appreciation and amusement of the fellow unionists surrounding him: "Get a real job and buy a house!" Finally, before a City Council hearing in February of 2005, a union leader rallied his members by decrying "the elitists who want to keep working people from supporting their families!" For these construction union members, the city seemed to be divided into opposing camps: good, down-to-earth, family- and home-oriented, and productive working people and elitist snobs stifling both of progress and of their ability to earn a living.

The Bloomberg administration had strongly associated itself with, and at times even tacitly encouraged, this divisive discourse, which clearly set up a political dynamic of friend and foe, ally and enemy.[32] This would not have been out of place during other recent mayoral administrations like those of Ed Koch and Rudy Giuliani, both of whom were skilled practitioners of divisive and revanchist politics that both drew on and

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[32] This populist backlash sentiment, while expressed most clearly by union members and leadership, was in fact fed by prominent members of the Bloomberg administration, including the Mayor himself. Bloomberg officials often claimed that the Hudson Yards area was populated by only about 150 families, and lamented the fact that such a small group of people was being allowed to block progress that would benefit the city as a whole. However, this was true only of the area west of 10th avenue; the area to the east actually housed many thousands of households. Bloomberg officials often elided the entire area covered by the Hudson Yards plan with this smaller area, giving the impression that the entire Hudson Yards area held only this small number of households. For example, in two radio interviews conducted on March 26, 2004, the day after the Jets, the City, and the State had unveiled the plan for the NYSCC, Bloomberg said of the Hudson Yards area, first, that "it has a handful of people living there, a very small number, and its mostly chop shops and parking lots and derelict buildings" (quoted in Saul 2004b) and second, going further, "there's nobody that lives there" (Bloomberg 2004a).

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enforced deep political, economic, and racial divisions within the city. However, the Bloomberg Way – and the administration's approach to selling the Hudson Yards plan in general and the NYSCC in particular – was premised on the idea of a unitary city interest. Yet, here were some of the administration's closest allies, and at times administration officials themselves, practicing a deeply divisive style of politics. This radically undermined the Bloomberg administration's antipolitical approach and made it difficult to accept claims on the part of administration officials that they were concerned only with the greater good of the city and their claims that this administration – and this urban development plan – were somehow "above politics."

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Chapter 9: Re-Scaling Patriotism: The Olympics, the Stadium, and Urban Identity

I. Introduction

In previous chapters, we have seen how the Bloomberg Way animated a series of arguments for the Hudson Yards plan: that it represented high quality urban planning, that it would enhance the city's economic position as a post-industrial powerhouse, and that it would generate additional tax revenue – "profit" – for the city. In this chapter, we will explore the ways in which NYC2012 and the Bloomberg administration attempted to use the city's bid for the 2012 Olympic Games to generate political support for and to push for the approval of the New York Sports and Convention Center (NYSCC). We have seen how the Bloomberg Way in itself largely failed to generate support for the Hudson Yards plan: to the degree the Hudson Yards Plan did gain political support and move forward in the approval process, it was due to preexisting reservoirs of political support (for office space, for example) or due to the willingness of the administration's allies to engage in explicit political horse-trading (as in the case of the New York Jets' promises to provide union members and minorities with jobs in exchange for their political support). The Bloomberg approach failed precisely because it was antipolitical, unable to accommodate (or even at times to acknowledge the existence of) the reality of political conflict, of variations in economic interests, of divergent visions of the city's best interests.

In this chapter, we will explore more deeply the reasons for this failure. What became apparent in the efforts of NYC2012 and the Bloomberg administration to use the Olympic bid as a political tool was the degree to which the Bloomberg administration's campaign to gain approval for the NYSCC (and by extension the entire Hudson Yards

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plan) was premised on the existence of a unitary interest of the city as a whole as well as on the idea that the Mayor and NYC2012 had successfully and legitimately determined and articulated this interest. These premises served as the first link of a logical chain, which, as will be discussed in Section II of this chapter, NYC2012 and later the Bloomberg administration worked hard to establish over the years between the founding of the bid in 1994 and its ultimate failure in 2005. This logical chain was as follows: the Olympic bid was in the interest of the city as a whole; the NYSCC was absolutely necessary to the bid; therefore, to oppose the NYSCC was to oppose the interests of the city itself. Thus, as is discussed in Section III of this chapter, opposition to the NYSCC was transmuted into a seemingly inexplicable opposition to the interests of the city as a whole. If the NYSCC and the Olympics were unquestionably good for the city opponents of either must, for whatever reason – naked self interest, fear of change, lack of vision – not have those interests at heart. This led Bloomberg officials – and especially the Mayor himself – to question stadium opponents' urban patriotism, their commitment to the best interests of New York City.

By making these claims, the Bloomberg administration and NYC2012 entered dangerous territory. Now at stake was not just the future of the far west side, the integrity of the city's fisc, or the use to which the western Hudson rail yards would be put, but fundamental notions of urban identity and belonging. The well-educated professionals and corporate executives that led NYC2012 and staffed the upper echelons of the Bloomberg administration celebrated a particular vision of the city and sense of urban identity, celebrating New York City as a place of innovation, competition, ambition, and

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cosmopolitanism: a global city, if not *the* global city; the cultural and financial capital of the world.

What could not (in the case of Mayor Bloomberg), or would not (in the case of NYC2012), be acknowledged was the fact that this was a profoundly partial vision of the city and a quite specific sense of urban identity. This specific elite vision of the city and sense of urban identity informed the development and the marketing of the city's Olympic bid, as well as the claims of urban belonging – and exclusion – that infused the efforts of NYC2012 and the Bloomberg administration to use the city's Olympic bid to generate support for the NYSCC. Those who made these claims did not seem to realize that they would be effective on if this particular vision of the city and notion of urban identity were shared broadly by New York's citizenry; as we shall see in Section IV of this chapter, they were not.

Instead, critics and opponents of the NYSCC, the Hudson Yards Plan, and the Olympics plan had their own notions of what it meant to be a New Yorker – their own sense of urban identity and their own vision of the city – based on their own experiences and their own judgments of their interests and the interests of the city as a whole. For these people, the question was whether or not the interests and desires of a small but powerful group of city elites would trump the interests of the city's broad working and middle classes, for whom education, health care, decent employment, and most of all, affordable housing were of particular concern. NYC2012's and the Bloomberg administration's attempts to mobilize urban patriotism could not paper over deep questions about whose interests would in the end be served by public policy. The denigration of those who dared oppose the NYSCC – and thus the Olympics – as

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insufficiently committed to the city, raised a series of fundamental questions: Who was the city for? What kind of city would – and should – New York be? And who would decide?

II. Building the Chain: Linking the Olympics and the NYSCC

Sometime after the United States Olympic Committee (USOC) selected New York as the nation's candidate city for the 2012 summer games in November 2002, the leaders of NYC2012 working in partnership with the Bloomberg administration, made a fateful, high-stakes gamble. Rejecting the possibility of an alternative site for the Olympic Stadium, they bound together the fates of the 2012 Olympic bid and the NYSCC and by extension the entire Hudson Yards plan. Bloomberg administration and NYC2012 officials would thus be able to credibly claim – as they did throughout 2003, 2004, and 2005 – that a rejection of the NYSCC would cripple the city's Olympics bid. They hoped that the "enormous public enthusiasm for the Olympic Games" foreseen in NYC2012's 2001 Hudson Yards plan would minimize the possibility of such a rejection (NYC2012 2001, 94). This was the gamble: would the prospect of a New York City Olympics prove so seductive, so appealing, and so obviously beneficial to the city as a whole that New Yorkers otherwise inclined to oppose the NYSCC would set aside their objections for the (ostensible) greater good of the city?

However, it took a fair amount of work to create the conditions in which this gamble might pay off, in which the Olympics could be rendered politically effective vis-à-vis the redevelopment of the far west side. First, it had to be established that the Olympics were unquestionably in the city's best interests. As we shall see, both NYC2012 and the Bloomberg administration did their best to do so, though in slightly,

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but tellingly, different ways. Second, the redevelopment of the far west side had to be made indispensable to the Olympic bid; this was accomplished by eliminating all alternative sites for the Olympic stadium from consideration. Thirdly, the administration and NYC2012 had to counter arguments that the vote of the Public Authorities Control Board (PACB), the state board which had ultimate control over the state's portion of the public funding of the NYSCC, be delayed until *after* the International Olympic Committee (IOC) had made its decision on whether or not the 2012 Games would be held in New York. If the IOC granted the 2012 Games to one of the other cities in the running (as was widely expected) before the NYSCC was approved by the PACB, the stadium would have to succeed on its own merits, without the boost that association with the Olympic bid was thought to supply. Thus, the administration and NYC2012 argued fiercely that the NYSCC needed to be approved well before the IOC's decision was to be made in July 2005, throwing up deadline after deadline by which the stadium absolutely *had* to be approved if the city's bid was not be placed in serious jeopardy.

A. Constructing a Citywide Interest

Both NYC2012 and later, the Bloomberg administration, justified the pursuit of the 2012 Summer Games in simple terms: the Games would serve the best interests of the city. However, these claims differed in their specifics. NYC2012's leaders had long made it clear that they conceived of the Olympic bid as a vehicle for the implementation of an urban development agenda encompassing a number of stalled or moribund projects. While they perceived this development agenda as being in the interest of the city as a whole, they also perceived the likelihood of political opposition to particular projects they advocated. The Olympic bid, it was hoped, would provide a politically popular

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framework for these projects and thus defuse the opposition that might otherwise stymie their implementation.

The Bloomberg administration and the Mayor himself did defend the bid by citing its ability to advance this development agenda. But the Olympics were also subsumed by the Bloomberg Way, which led the administration to stress a different set of benefits the Games would bring. NYC2012's and the Bloomberg administration's strategies to establish the Olympic bid as serving the interests of the city as a whole overlapped, but they were not identical: one was an opportunistic strategy to push a long-held urban development agenda that was at least implicitly acknowledged to be politically controversial; the other reflected the administration's antipolitical drive to enhance the city's competitiveness.

1) The Olympics as a Political Calculation

After the USOC selected New York to represent the U.S. in the competition for the 2012 Games in November 2002, the City Council held a series of hearings on the potential impacts of NYC2012's Olympic plan. At the first of these hearings, held in December 2002, Councilmember Eric Gioia posed a question to Deputy Mayor Daniel Doctoroff:

> There's an old expression…: "what's good for U.S. Steel is good for America." What we begin to hear is what is good for the Olympics is good for New York. And then the critics will say, well, the Olympics is actually skewing New York's priorities as we lead into 2005 and 2012, and clearly you have one hat on as Deputy Mayor and the other hat on as the former President of NYC 2012, so it's a two-part question really: How do you separate yourself? In other words, whom are you serving, even as testifying today? But, two, does this skew New York's priorities leading to 2005 and 2012 (Gioia 2002)?

Gioia did not take the extra step of asking which interests had been represented in the construction of NYC2012's Olympic bid itself. Nevertheless, his question raised a

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crucially important and often overlooked issue: the possibility that the priorities of NYC2012 might not reflect the priorities of other or even most, New Yorkers. Doctoroff's answer was revealing:

> I have always believed…that the effort to bring the Olympic Games to New York serves no one other than the people of New York…You can agree or disagree about the specific components of it, but nobody benefits from it other than the people of the City of New York…*The priorities that we have as a City can be advanced as a result of the Olympics and not the other way around…I really think they are one in the same. I don't think there's any inconsistencies* [sic]…You can agree or disagree that development of the west side is a good thing, but we're not developing the west side to help the Olympics. The Olympics, in large part, are helping us do what we need to do on the far west side, which is create an area that can be an engine for growth for this city that can throw off taxes, that can generate jobs, that [it] desperately needs if we're going to support the population here in the way which they think we should be (Doctoroff 2002, emphasis added).

Note the claim that Doctoroff makes here: the priorities "we" have as a city are identical with the priorities of the Olympic bid. Among these priorities is what "we" need to do on the far west side. Yet, in implicit acknowledgment of the possibility of political division, Doctoroff notes, "You can agree or disagree about the specific components of it" and "you can agree or disagree that development of the far west side is a good thing."

The identity of this "we" was the crux of the entire issue. Those active in and supportive of the Olympic bid portrayed themselves as representative of the interests of the city as a whole, even as they acknowledged that some the elements of the Olympic plan might generate political controversy. However, the hope often expressed by NYC2012's leaders was that the bid would serve to unify a diverse city and to co-opt political opposition to specific urban development projects stymied in the past. Doctoroff himself stressed the unifying effect of the Games at that December 2002 hearing, saying "there is nothing like an Olympic Games to bring a community together, and so we think there's a social legacy…that's hard to quantify, sometimes hard to describe, that can really

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be expressed in continuing to develop the spirit of the City" (Doctoroff 2002). Indeed, as time went on Olympic supporters publicly argued that the city had in fact been so unified by the Olympic bid. In June 2004, NYC2012 President Jay Kriegel, declared that "all the research shows that the Olympics, more than any other issue, brings New Yorkers together. Across every economic, racial, ethnic line, [it has] tremendous popularity and [it] would be a fantastic way to promote civic unity in our City" (Kriegel 2004). John Sexton, the President of NYU and a dedicated Olympic supporter, identified Doctoroff's "major contribution" as having "successful created a diverse but united community" supportive of the bid (quoted in Horowitz 2004).

As was discussed in Chapter Three, NYC2012 was a private entity, dominated by members of the city's corporate, development, political, and real estate elite. The Olympic plan was developed in private, without the participation of the vast majority of individuals and groups involved in planning and development issues in the city, let alone the participation of the city's general citizenry. While there were public presentations of the Olympic plan *after* it had been developed, there were no public meetings, no community design sessions, and no participatory *charettes* during the early stages of its design and development, when the priorities that would inform the specifics of the plan were decided. City officials did take part in Olympic planning, both informally and through membership in NYC2012's Facilities Advisory Group. But since it was constructed under the aegis of a private organization, the *overall* Olympic plan was not addressed in public hearings, documents, or impact studies. These only came later, after the overall plan had been designed, as specific pieces of the plan entered City or State approval processes. There was virtually no opportunity for those outside of the purview

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of NYC2012's leadership and advisors, a relatively small group of New Yorkers united around postindustrial ideology and/or economic interest in real estate development, to participate in the formulation of the urban development priorities that would inform NYC2012's Olympic planning.

Unsurprisingly then, the Olympic plan was a laundry list of projects favored by this elite group. Peter Solomon, Doctoroff's former mentor, said in November 2004:

> If you look at the Olympics not as a sporting event, but as the revitalization of New York City, the brilliance of the city's plan is that it incorporates almost every idea we've been working on for 30 years. It would open up the waterfront. It builds housing and expands the Javits (quoted in Bagli 2004h).

The commercial development of the far west side was one of two foci of NYC2012's Olympics plan. The second was the reclamation of the city's waterfront for large-scale residential development, open space, and leisure uses, especially in southern Queens, where the Olympic Village would be located, and in northern Brooklyn, which would be the site of a waterfront park where Olympic swimming, diving, and volleyball events would be held. As I argued in Chapter One, the Olympic bid served as a bridge between a development politics led by the city's traditional growth coalition and a development politics led by the city's new corporate elite; this fact is reflected that it stressed not just commercial and luxury development, but the development of permanent urban amenities geared towards the tastes of well-educated professionals. These included not just waterfront amenities, but recreation facilities throughout the city: an Equestrian Center and hiking and mountain biking trails in the new Fresh Kills Park in Staten Island; indoor bicycling facilities in the Bronx; and a rejuvenated Flushing Meadows Park in Queens that would include facilities for water sports like kayaking and canoeing.

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With the exception of waterfront redevelopment, the Olympic plan largely excluded development projects and priorities favored by those outside of the circle of elites involved in its design. Even the waterfront development that was proposed was skewed, as it included luxury housing and recreational uses likely to be privatized after the Olympics rather than more accessible parks and open space. Likewise, the Olympic plan included the extension of the Number 7 Subway Line and the development of significant amounts of luxury housing, neither of which had much support outside of elite circles; it did not include the much more popular Second Avenue Subway or major provisions for affordable housing.

The closed nature of NYC2012's planning process and the general consensus among elites as to which development projects should be prioritized resulted in a kind of echo chamber: the elite New Yorkers whose support had been solicited by the bid's founders and key planners saw their own priorities reflected in the bid and the bid's stewards, exposed only to the opinion of this small group, heard only positive responses to the Olympics bid. John Sexton may have been right to say that NYC2012 had "successful created a diverse but united community," but its diversity and unity was limited to a small, unrepresentative, and elite group of New Yorkers. Solomon may have been right to say that the Olympics plan "incorporates almost every idea we've been working on for 30 years," but the question, once again, was who exactly this "we" referred to. Finally, in responding to Councilmember Gioia's concern that the Olympic bid was "skewing" the City's priorities (quoted above), Deputy Mayor Doctoroff may have been right to argue that *the bid*'s priorities were not skewing city policy and that the

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bid was a vehicle for "our" urban development priorities. It was these priorities themselves that were skewed.

Doctoroff, Kriegel, Sexton, Solomon, and other NYC2012 officials and supporters may have been sincere in their belief that the urban development priorities were in the best interests of the city as a whole. However, NYC2012's argument that the enthusiasm generated by the Games would serve as an antidote to potential political opposition to certain projects, taken with the long standing efforts of NYC2012's planners to minimize legislative review by engineering the plan to be largely self-financing and self-governing, indicates that this sincerity was mixed with a strong dose of political realism. Even if they did believe that the development agenda informing the Olympics plan was in the interests of the city as a whole, NYC2012 officials did not seem confident that most New Yorkers would share their belief in the merits of the particular projects they proposed. Otherwise, why would the patina provided by the Olympics be necessary? Why, despite the supposed unity of the city in support of the bid, the attempts to minimize or avoid legislative review? The actions and words of NYC2012's leadership, staff, and supporters betrayed a recognition that the development priorities informing the Olympic plan were *not* shared by many New Yorkers (even though, in their eyes, they should have been). The hope was that the desirability of the bringing the Games to New York and the civic pride generated if the city was selected would counteract this potential opposition; if that did not work, the avoidance of public review would. NYC2012 sought to defuse or evade politics, not to deny their existence altogether.

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2) Mayor Bloomberg: The Olympics as Economic Development

Thus, NYC2012's leadership had long ago made a *political* calculation, a calculation that at least implicitly acknowledged the fact that the urban development agenda that animated NYC2012's Olympic plan might not be shared by all New Yorkers. On the other hand, Mayor Bloomberg, to my knowledge, never acknowledged this possibility in word or in deed. Instead, he seemed totally convinced that New Yorkers of all stripes shared his enthusiasm for the Games. Though Bloomberg did cite the Olympics' ability to spark development throughout the city, this enthusiasm was also justified by the enormous economic boost that the Olympics, along with the other mega-events targeted by the Bloomberg Way, would purportedly provide the city in the form of jobs and tax revenues:[1]

> Having the Summer Games here…would also pump nearly $12 billion into our local economy… produce 135,000 new jobs…and galvanize an unprecedented era of construction – new parks, new housing on the East River in Queens, new transportation links, a new pool at Flushing Meadows-Corona Park and other world-class sports facilities for our youth. Big events in New York – like the Olympic Games and *The Gates* [a 2005 Central Park art installation] – will always be incredible opportunities to create jobs and boost our tax revenues…(Bloomberg 2005b).

Mayor Bloomberg acknowledged that such one-off events, while useful and beneficial, did not form an adequate economic development policy in themselves. Nevertheless, he argued, they generated substantial gains for the city, and were well worth pursuing, especially in the context of a broader economic and urban development policy. This was especially true of the Olympics, the mother of all mega-events. The Mayor often cited the projects and amenities in all five boroughs that would be catalyzed by the Olympics,

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[1] See Chapter Five for a discussion of the role of mega-events in the Bloomberg administration's approach to urban and economic development.

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as well as the many industries that would benefit. The bid would provide major boosts to tourism, construction, and media businesses, benefits that would trickle down to workers in those industries.[2] Hotels and restaurants would be filled with visiting athletes, their families, Olympic officials, and foreign dignitaries; the media industries would see a bonanza of advertising and programming opportunities; construction workers would be busy erecting pools, stadiums, and office and apartment buildings to house Olympians and Olympics-related functions.

Whereas NYC2012's leadership saw the bid as an opportunity to push a particular development agenda, even if it was an agenda they felt was in the city's best interest, Mayor Bloomberg saw the games themselves as the biggest prize, with economic benefits spread across the city and many sectors of the city's economy. The Olympics fit in neatly with the Bloomberg Way, as they would enhance the city's bottom line by creating jobs, and more importantly, generating increased tax revenues. For NYC2012, the Olympics clearly served a political purpose; Mayor Bloomberg, on the other hand, saw the games as an apolitical economic development project indisputably in the best interest of the city.

3) Different Routes, Same Conclusion

NYC2012 and Mayor Bloomberg thus took different routes to arrive at the conclusion that the Olympics bid – and, in the case of NYC2012, the development agenda that informed the Olympics plan – was in the best interest of the city. However,

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[2] However, the economic disruption caused by the smaller and shorter Republican National Convention in August 2004, especially to smaller midtown Manhattan businesses dependent on the daily patronage provided by local workers and residents, challenged the idea that the 17-day Olympics would be a boon for all (Berman 2004).

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once they arrived at this conclusion, they worked in tandem to create the conditions in which the political efficacy of this "fact" could be maximized. Two strategies – one spatial and the other temporal – were used in this regard. First, it was argued that the stadium had to be *here* – on the west side of Manhattan; second it was argued that the stadium had to be approved *now* – well before the IOC made its July 2005 decision selecting the host city of the 2012 Summer Games.

B. There is No Alternative Location

As we have seen, the NYSCC was in and of itself not crucial to the development agenda that informed the Olympic bid. Rather, it served a politically facilitative role by linking the Hudson Yards redevelopment plan with the bid. As such, the prospect of an alternative location for an Olympic stadium could threaten the whole scheme: if a realistic alternative site could be found, the plans for the redevelopment of the far west side would have to sink or swim on their own. As the previous two chapters should demonstrate, this in fact was far less of a threat than NYC2012's leadership and the Bloomberg administration took it to be, given that the commercial redevelopment of the area and the expansion of the Javits Center actually had long been backed by powerful interests.[3]

Nevertheless, the NYSCC, as the element of the Hudson Yards plan that bound it inextricably to the Olympic bid, had long been perceived by NYC2012's leadership as fundamental to the prospects of the entire effort to redevelop the far west side. Thus, after November 2002, when the USOC selected New York as the nation's candidate city

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[3] Indeed, in the end, *all* the elements of the Hudson Yards plan *except* the NYSCC were eventually approved, which indicates that the controversial NYSCC was more of a hindrance than a help to these other elements of the plan.

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for the 2012 Summer Games, NYC2012, in concert with the Bloomberg administration, took actions to preclude the politically dangerous possibility of an alternative Olympic stadium location. In doing so, they essentially created a self-fulfilling prophecy: if the NYSCC was not absolutely crucial to the Olympic bid before this point, it certainly was afterwards.

1) A Queens Alternative?

In early 2002, according to internal NYC2012 memos, the USOC "requested that bid cities prepare a fall-back alternative to the Olympic Stadium proposed in their original bid book[s]. This is because the scale and complexity of the project make it one of the most difficult to build for the Games, yet is perhaps the single most important venue" (NYC2012 2002a, 1).[4] This eminently sensible request led to the development of a plan to use Shea Stadium, located in northwestern Queens, as an alternative to the construction of a new Olympic stadium on the far west side of Manhattan. Though these memos indicate that NYC2012 planners felt that these alternatives were "adequate" and not "ideal," they demonstrate that there were realistic options besides the Hudson rail yards for the Olympic Stadium.[5] In late 2002, Doctoroff acknowledged the Shea Stadium alternative in testimony to the City Council, though he claimed that it would provide "an inferior result that would result in a much lower chance of winning [the competition for the 2012 Games" (Doctoroff 2002).

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[4] Two NYC2012 documents containing these details, along with a number of other NYC2012 documents addressing other issues, were leaked, and by mid-2004 were widely available on the internet. See NYC2012 2002a, 2002b.

[5] In fact, alternatives to the NYSCC had been considered by NYC2012 for years; it was only when the New York Jets agreed to partially fund a far west side stadium that the construction of a new, Olympic stadium became financially viable within the confines of NYC2012's commitment to a largely privately-funded New York Olympic Games. See Chapter Three.

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This was the last time, at least until the NYSCC was rejected by the PACB in June 2005, that Doctoroff or any other administration or NYC2012 official acknowledged the Shea Stadium alternative. After the November 2002 USOC decision, NYC2012 and the Bloomberg administration not only dropped the Queens alternative from consideration, but refused to acknowledge that this alternative existed at all. For example, Doctoroff, in a February 2005 television interview insisted that "there is no alternate plan. There never has been an alternate plan" (Goldin 2005).[6] In addition, NYC2012 did not include an alternative location for the stadium in the versions of its bid subsequently submitted to the IOC.[7] Together, the public denial of an alternative stadium location and its elimination from the official bid comprised a "risky choice to hang the bid on the stadium," as one prominent Olympic pundit, Ed Hula, put it. "It's not traditional for a city to throw down a gauntlet like this" (quoted in Hindo 2005).

2) Working without a Net

Nevertheless, this was the choice that NYC2012 had made and which Mayor Bloomberg had embraced upon entering office. Once the USOC's decision was made, both NYC2012 and the Bloomberg administration chose to work without a net, as it were, insisting that there was no Olympic stadium alternative besides the NYSCC. Deputy Mayor Doctoroff, in an April 2004 interview insisted that "the Olympic stadium will be on the West Side. That is the only option that we have" (quoted in Barron 2004). Later

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[6] Whether or not this was a blatant untruth or not depends on a Clintonian distinction: the meaning of the word "plan." While there had not been a full-blown plan for an alternative Queens stadium site, it had clearly been considered in some degree of detail in NYC2012's submissions and presentations to the USOC. See NYC2012 2002a, 2002b.

[7] Administration and NYC2012 officials argued that the inclusion of an alternative was against IOC rules and that acknowledging an alternative stadium site would indicate that a unified will to implement the preferred plan was lacking – which, of course, it was.

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that year NYC2012 official Brenda Levin, testifying at the Manhattan Borough President's September 2004 hearing on the Hudson Yards plan, stated flatly that "the Olympic stadium must be in midtown Manhattan" (Levin 2004e).

As time progressed and opposition to the NYSCC grew a number of politicians and planners opposed to the NYSCC but supportive of the Olympic bid revived the possibility of a Queens stadium site, arguing it represented a less controversial, cheaper, and less disruptive alternative. Unsurprisingly, Bloomberg administration and NYC2012 officials, who by this time had publicly linked both the success of the overall Hudson Yards plan and the success of the Olympic bid to the NYSCC, vehemently rejected this possibility. They argued that the large private investment promised by the New York Jets, who refused to consider a Queens location, would disappear, rendering the stadium's finances inoperable.[8] Moreover, they pointed to a July 2004 study by Tishman Construction Company that showed that a new Queens stadium would be just as expensive as a west side stadium, and because it was not linked to the Javits Convention Center, would not generate the "profit" that the NYSCC would.[9] Finally, Mayor Bloomberg in particular insisted that the Olympics, an event of global scope, required a "world-class stadium" (quoted in Topousis 2004a). In February 2005, Bloomberg dismissed the possibility of an expanded Shea Stadium during a press conference in

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[8] The Jets considered a Queens location after the NYSCC failed to gain state approval. Eventually the team chose to remain in New Jersey, where they would share a new publicly-subsidized stadium with the New York Giants.

[9] See Tishman Construction Corporation 2004. This study, commissioned by the New York Jets, based its numbers on the Ernst & Young study (also commissioned by the Jets) discussed in Chapter Eight. Tishman had worked closely with the Jets for a number of years on generating cost estimates for the NYSCC project and also was interested in bidding for the Javits Center expansion contract – which it in fact won in summer 2005.

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Queens, arguing that Queens was neither glamorous enough for the Olympics nor profitable enough for the Jets:

> You should get on a plane and go to see the places where the Olympics have taken place…You will realize that Shea Stadium is not of the same order of magnitude or grandeur that the IOC wants for the Olympics. Nor is it of the same order of magnitude or grandeur that the other cities have promised to either build or already have…(quoted in McIntyre 2005).

Just as the Bloomberg administration's seeming preference for commercial development in midtown Manhattan over downtown angered Assembly Speaker Sheldon Silver and revealed its officials' own biases towards midtown Manhattan, Bloomberg's rejection of a Shea Stadium alternative angered local politicians and demonstrated an elite and cosmopolitan parochialism privileging the glamour of Manhattan over the more hardscrabble outer boroughs. Whatever the exact justification, the Bloomberg administration and NYC2012 officials, by rejecting a Queens alternative had essentially created the situation of which it was trying to take advantage: now, a midtown Manhattan stadium was in fact the *sine qua non* of a successful New York City Olympic bid. Now, opposition to the stadium would indeed threaten the Olympic bid itself, along with all the benefits it was touted to provide. However, there was still a way stadium opponents could evade this tightening rhetorical vise. Why not, they asked, delay approval of the stadium until after the IOC decided where the 2012 Summer Games would be held?

C. Artificial Deadlines: No Stadium Approval, No Olympics

Critics of the NYSCC pointed out that it was more common for candidate cities for the Summer Games to have stadium plans contingent upon approval if they were not using existing facilities. Bloomberg administration and NYC2012 officials insisted this was not applicable to the current, highly competitive race for the 2012 Summer Games,

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since Paris, Moscow and Madrid already had stadiums (they tended not to mention the fact that the London, which eventually won the 2012 Summer Games, had made the construction of its Olympic stadium contingent upon the IOC's decision). In such a context, they claimed, it was crucial that New York demonstrate to the IOC that an Olympic stadium would and could be built. Mayor Bloomberg made this case in October 2004 at one of the many pro-Olympic events that were held around the city in the run-up to the July 2005 IOC decision. At a presentation to students at a Harlem high school, Bloomberg, surrounded by 2004 Olympic medal-winners, said:

> The Olympic Committee has made their requirements reasonably clear, I would even say crystal clear: If we don't have, or if they don't believe that we will have, the kinds of facilities that they want for the Olympic Games, they will take them elsewhere. There's no guarantee that if we build, they will come, but the reverse is pretty clear (quoted in Virasami 2004b).

NYC2012 and Bloomberg administration officials insisted that approving the NYSCC would convey to the IOC that New York City, in words used by a number of Olympic boosters, had "what it takes" to host the Olympics: i.e., a degree of political will and unity sufficient to overcome the antidevelopmentism and political gridlock supposedly characteristic of the city. This was often cast in intensely personalistic terms by Mayor Bloomberg and Deputy Mayor Doctoroff. Both seemed to feel that their standings as an effective leaders were at stake and often seemed to elide their own ability to "get things done" with the city's ability to do so. For example, Doctoroff said in early 2005 that "what's critical is that…we can look them in the eye and say we not only will get [the stadium] done, we did get it done" (quoted in Zinser 2005). Similarly, Mayor Bloomberg said in September 2004 that "I have to be able to look the IOC in the eye and say this stadium is going to be built" (quoted in Virasami 2004a).

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No doubt the IOC *was* concerned about the political controversy over the NYSCC and the possibility that the only Olympic stadium option included in the plan might be rejected. However, this kind of controversy was not unique to New York but common in Olympic Games candidate cities throughout the world, an inevitable response to the large scale urban development projects that have become associated with hosting the Games. Indeed, when the NYSCC *was* rejected in June 2005, the IOC did not force NYC2012 to withdraw its bid. Instead, it allowed NYC2012 to submit an alternative plan, which involved the construction of a new stadium in partnership with the New York Mets, the baseball team that occupied Shea Stadium; the new stadium would be built in the parking lot next to Shea and would house the Mets before and after the 2012 games.[10] This gave the lie to both the claim that an alternative site for an Olympic stadium was an impossibility – indeed, the NYC2012, the City, and the Mets actually put the deal together in a matter of weeks, demonstrating the relative ease with which such an alternative plan could be constructed – as well as to the idea that a failure to gain approval for the NYSCC would throw profound doubt on the city's ability to get things done, to take the kinds of actions necessary to implement a successful Olympic Games.

1) Maximizing the Bid's Impact

In fact, the insistence that the absence of approval (or even the contingent approval) of the NYSCC would profoundly undermine perceptions of the city's ability to get things done seemed to be as much aimed at matters (and people) close at hand as at

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[10] Olympic boosters liked to talk about the "legacy" that the Games would leave the city. One legacy that the bid left the city was the obligation to subsidize this stadium: in their haste to come up with a feasible alternative stadium site, Bloomberg administration officials, working behind closed doors with Mets ownership and Queens politicians, committed to a plan to subsidize a new Mets stadium whether or not the Olympics were granted to New York City.

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the IOC. Why, if the IOC was of central concern, would NYC2012 and the Bloomberg administration take such pains to publicize and accentuate the most controversial element of its Olympic Plan – the NYSCC – while downplaying the many elements of the plan that had in fact been approved or were moving quickly through the approval process?[11]

The answer was simple and had everything to do with the original justification for the city's Olympic bid: as of July 6, 2005, when the IOC made its decision, the Bloomberg administration and NYC2012 would likely, given the growing consensus that the 2012 Games would go to either Paris or London, lose the ability to use the Olympic bid as a "forcing mechanism." By focusing so much attention on the NYSCC, and by refusing to consider, or even admit the existence of, alternative sites, the administration and NYC2012 attempted to maximize the leverage that the Olympic bid would generate towards the end of implementing the urban development that had informed its origin. Yet, it weakened the bid itself, making it less flexible and insuring that the most important facility of any Olympic bid, the stadium, was surrounded by political controversy. Agreeing to consider an alternative site or the contingent approval of the NYSCC might have strengthened the bid, but it would have undercut the administration's ability to argue that the fate of the Olympic bid hinged on getting approval by the NYSCC by the IOC's July 6, 2005.

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[11] By Spring 2005, when the calls from NYC2012 and the Bloomberg administration for approval of he NYSCC reached a crescendo, with the issue getting daily coverage in all of the city's newspapers and on all of its television stations, as well as consistent coverage from national and international media, a number of projects that would host Olympic events were either approved or quickly moving forward, including the Javits Center expansion (which would host a number of sports, from fencing to table tennis); the Williamsburg Waterfront Park, the site of beach volleyball and a number of water sports; and the redevelopment of the Bronx Terminal Market, where a bicycle velodrome and arena for badminton would be located.

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2) Deadlines, Deadlines, and More Deadlines

And use this deadline the administration and the NYC2012 did. From late 2003 onwards, Bloomberg administration and NYC2012 officials pointed to a series of dates by which the NYSCC absolutely *had* to receive approval from the PACB, in whose hands the fate of the State portion of the funding for the NYSCC lay.[12] As each of these dates passed, the deadline shifted, and the administration's rhetoric became more heated.

In January 2004, Deputy Mayor Doctoroff claimed the construction of the NYSCC needed to commence before the IOC made its selection in July 2005 (Bagli 2004c). In late fall of that that year, both Deputy Mayor Doctoroff and other NYC2012 officials reiterated this, saying that it was imperative that there be "a shovel in the ground" on the stadium project by that date (quoted in Williams 2004). Of course, this would require the prior approval of the NYSCC by the PACB; Mayor Bloomberg thus insisted that the PACB needed to approve the stadium by early 2005, especially given that an IOC evaluation commission would be visiting the city in late February. Upping the ante considerably, Mayor Bloomberg threatened in September 2004 that "if we were to not get this stadium going very soon, we would have to drop out of the competition for the Olympics. If you don't have it, I've got to call the IOC and say don't come" (quoted in Colangelo 2004).

By mid February 2005, with the IOC's visit just days away and with two members of the PACB, State Senate Leader Joe Bruno and Assembly Speaker Sheldon

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[12] Actually, the NYSCC had to be approved first by the Empire State Development Corporation (ESDC), the State economic development agency that was sponsoring the project due to the fact that it would be built on State-owned land. However, the ESDC approval would be little more than a rubber stamp, as Governor Pataki, who strongly supported the project, appointed all of its board members.

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Silver showing no sign that approval of the NYSCC was imminent, Mayor Bloomberg and NYC2012, unsurprisingly, did not withdraw the city's bid.[13] Instead, they now insisted that the PACB needed to approve the stadium before the IOC finalized a technical report summarizing what its members had found during their visit. The report was to be issued in early June 2004, but its writing would start much earlier. Thus, it was now imperative that the PACB approve the NYSCC in the "very near future," as Bloomberg insisted "by the time [IOC officials] write a report in April or May saying we don't believe New York is serious about this, forget about it" (quoted in Janison 2005). It was now highly unlikely that construction of the NYSCC actually could begin before the IOC made its decision in July 2005, even if this newest deadline was met. Nonetheless, Mayor Bloomberg insisted that he could keep the personal commitments he had made to get the NYSCC started by the time the IOC made its decision, saying that "I committed that when I come to Singapore on July 6, there will be a shovel in the ground. It could be a symbolic shovel, but nevertheless a shovel…[to show] that we are committed and people are behind this" (quoted in Associated Press 2005).

By the time of the February 2005 IOC visit, State Senate Leader Bruno had begun to give signals that he would happily approve the NYSCC – but only after the IOC selected New York City to host the 2012 Summer Games. Silver also questioned the need to approve the stadium before the decision was made.[14] In addition, Bruno

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[13] The third member of the PACB, whose unanimous approval was necessary for the State's portion of the funding of the NYSCC to go forward, was appointed by Governor Pataki, and had committed to approve the funding.

[14] Silver, as discussed in Chapter Seven, also expressed concern that the NYSCC and indeed the entire Hudson Yards Plan would threaten the recovery of downtown Manhattan, which he insisted needed to be *the* development priority for both the State and the City.

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expressed some irritation at the administration's repeated attempts to construct deadlines for the PACB's approval, saying that "using time frames as a pressure doesn't work" (quoted in Bagli 2005b). However, administration officials seemed deaf to all this. They publicly rejected conditional approval as insufficiently demonstrative of the city's resolve. And Mayor Bloomberg continued the practice of staking the entirety of the Olympic bid on the NYSCC: at a private meeting with the IOC evaluation commission in an art gallery overlooking the Hudson rail yards, he promised that the NYSCC would be approved by the time the IOC met in Singapore in July to make its decision on the 2012 Games. The IOC evaluation commission's visit, which was a whirlwind of site visits and white-glove treatment as IOC members were feted by celebrities and city and NYC2012 officials at Lincoln Center and Mayor Bloomberg's Upper East Side townhouse, ended with a press conference during which the head of the commission, Nawal El Moutawakel, by making the following statement, gave the administration and NYC2012 a major gift: "For us it is important to have a stadium….We need a stadium, and we received assurances the stadium will be there," she said, "We trust that between now and the end of March or even July an agreement will get done" (quoted in Jeansonne 2005).

Administration and NYC2012 officials took these remarks and ran with them, portraying El Moutawakel's statements as irrefutable evidence that the NYSCC had to be immediately approved for the city to have any chance to win the Games.[15] After the IOC's visit, Mayor Bloomberg insisted that this demonstrated the need for the NYSCC to

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[15] The statement generated an outburst of public parsing, as some stadium opponents insisted that Moutewakel words only indicated the necessity of a stadium in general, not necessarily the NYSCC.

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be approved "as soon as possible" (Bloomberg 2005a); he went further at a March 2, 2005 speech, saying:

> Their message was clear: no sports and convention center on the West Side, no Olympics. End of story. You can't have it both ways. If you're opposed to one, you're opposed to the other (Bloomberg 2005d).

This theme – that El Moutawakel's words proved that to oppose the NYSCC was to oppose the Olympics themselves – was sounded again and again by administration officials. Referring to the handful of Democrats competing for that party's nomination as the 2005 mayoral candidate, all of whom opposed the NYSCC while endorsing the city's Olympic bid, a spokesman for Mayor Bloomberg said that "pandering politicians can no longer have it both ways. If you are against the sports and convention center, you are against our Olympic bid – end of story" (quoted Michaud 2005).

However, it was not just pandering politicians and stubborn legislators who were standing in the way of the approval of the NYSCC. The approval process was also being held up because of the mid-February 2005 decision of the MTA to open up a formal bidding process for the development rights to the western portion of the Hudson rail yards. This decision was sparked by an unsolicited offer from Cablevision, an avowed opponent of the NYSCC, to buy those rights at a much higher price than had been offered by the Jets, who had been previously been in exclusive and ad hoc negotiations with the MTA.[16] Until the bidding process was concluded – which it was in late March, when the MTA granted the Jets the development rights for the yard – the approval process could not move forward. Soon after this, in mid-April, the ESDC approved the NYSCC

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[16] This episode is discussed in more detail below.

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funding and General Project Plan. Now, only the PACB, which would meet in mid-May, stood in the way of the NYSCC becoming a reality.

In the meantime, Sheldon Silver had taken center stage in the drama over the NYSCC. In early April, Goldman Sachs, which in a major coup for downtown advocates had earlier proposed to build a headquarters office tower downtown in Battery Park City, dropped its plans to do so. The firm cited the lack of progress in resolving infrastructure issues related to the redevelopment of the former World Trade Center site, which lay just across the street from the proposed location for its new home. Silver was furious, arguing that this demonstrated the Bloomberg and Pataki administrations' neglect of downtown's recovery. The two administrations quickly reacted by resolving a series of downtown development issues, essentially acceding to Silver's demand for a "Marshall Plan" for Lower Manhattan.

Even as they were negotiating with Silver, Bloomberg administration officials kept up the rhetorical pressure.[17] "We need [stadium approval] right now," Bloomberg said in early April; "without this, we have no chance of the Olympics [sic]" (quoted in Saul 2005b). The May 18 meeting of the PACB, the next scheduled meeting of the group became the newest target *du jour*, providing all the legal challenges to the MTA's decision to award the development rights to the western rail yards to the Jets had been resolved by this date. On his radio address of April 15, just after the ESDC approved the plan, Bloomberg said that the members of the PACB "have to…do it now…Because if

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[17] The Jets also got into the deadline game at this time. Jets President Jay Cross said that the stadium could not be constructed in time for the 2010 Super Bowl, which the National Football League had promised to hold in the NYSCC if it was built, unless the Jets ordered 17,000 tons of steel by the end of May, which could only be done if the PACB approved the stadium before that point (Bagli 2005g).

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they don't, I don't know how we could keep going with our Olympic bid" (Bloomberg 2005a). Once again, Bloomberg had threatened to pull the plug on the entire bid if the NYSCC was not approved by a specified date, a threat he repeated later that month when both Silver and Bruno continued to indicate that they would only approve the NYSCC if New York was awarded the 2012 Games in July: "The option of waiting until after the Olympics is not a realistic option. I don't know whether we drop out or just say to them, 'Thank you very much for your consideration,' but I don't know why we'd want to embarrass the country and ourselves" (quoted in McClam 2005).

Once again these threats proved hollow when, two days before the PACB was scheduled to meet in early May, Joe Bruno formally requested to postpone the meeting for one month, citing unresolved lawsuits against the MTA and the fact that the source of both the City and the State's portions of the NYSCC's funding were still unidentified. Governor Pataki postponed the meeting, fearing that holding the meeting against Bruno's wishes might lead to a final vote against the NYSCC. However, he broke refused Bruno's request for a one-month delay, scheduling the PACB meeting for the following week.

The Governor and other Olympics boosters argued that the PACB vote needed to be held well before the IOC's evaluation commission released the report summarizing the results of its visits to candidate cities that had taken place earlier in the year, a report which was scheduled to be released in June; this would give the IOC time to include the fact that the NYSCC was approved in its evaluations of the city's bid (or so Olympic boosters hoped). However, Silver and Bruno refused to take action on the NYSCC until all lawsuits challenging the MTA's decision to grant development rights to the Jets were

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resolved, which was not expected to occur until the first week in June. Once again the deadline, and the rationale for the deadline, moved back. Now, it was necessary for the PACB to approve the stadium by June 6, when the report would be issued. Even if the NYSCC's approval was not included in the report, it was claimed, the publicity gained from its approval would outweigh any negative impressions from this omission and would prevent other candidate cities from using the lack of approval of an Olympic stadium against New York in their lobbying of IOC members.

So on May 27, Mayor Bloomberg, with urgency if not desperation in his voice, announced on his weekly radio address that the PACB vote would be scheduled for June 3, the day after a State Judge was scheduled to release his decision on the lawsuits against the MTA. Now with time clearly running out, Bloomberg administration officials stepped up their already frenzied negotiations with Sheldon Silver; late May and early June saw the administration move forward a number of downtown Manhattan projects that had been lagging. In addition, thinly veiled threats of political retribution against Silver should he not approve the funding for the NYSCC came African-American and Latino Democratic Assembly Democrats, as well as from the construction unions. USOC officials lobbied Silver and Bruno and even the White House got into the act, as Chief of Staff Andrew Card reportedly telephoned fellow Republican Joe Bruno and asked him to support the NYSCC. An internal NYC2012 memo outlining the dire threat posed by the lack of approval for the NYSCC was fortuitously leaked and then touted by Olympic supporters as evidence that the continuing failure to approve the NYSCC was undermining the bid.[18] The final element in this blitz of pressure on Bruno and Silver

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[18] In that memo, Charles Battle, NYC2012's international relations director wrote:

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was provided by Mayor Bloomberg: two days before the PACB was scheduled to vote – a date that was still up in the air, pending the resolution of the lawsuits against the MTA – he said that there "had to be a vote" on June 3.

On June 2, in a major victory for NYSCC proponents, a State judge dismissed all of the lawsuits against the MTA. However, their joy quickly turned to unease, and then to anger and grief, when the PACB vote scheduled for June 3 was pushed back to June 6. This meant that the IOC evaluation commission would release its report before any action was taken by the PACB. A weekend of manic negotiations followed. On early morning of June 6, the IOC issued its report. It stated that lack of approval for a number of Olympic facilities, including but not limited to the NYSCC, weakened the city's bid, which was ranked behind Paris and London in a tie with Madrid. In the hours between the release of the report and the scheduled vote of the PACB, NYC2012 and Bloomberg administration officials attempted valiantly to spin the contents of report as unambiguously positive news for the City's bid. However, this all came to naught in the afternoon, when both Bruno and Silver refused to approve state funding for the NYSCC. As of June 6, 2005, the NYSCC was dead.

D. The Mistaken Premise of Olympic Deadlines

Years of using the Olympics as a "forcing mechanism" and using Olympics-related deadlines to force the hand of the elected officials in whose hands the fate of the

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> While the other cities are beginning their closing campaigns with a demonstration of strong local and national support, we are locked in this ongoing state process over the stadium, which is undermining positive stories about the bid…Statements by the state legislative leaders that they support the bid, while declining to approve the stadium, appear to some internationally to be inconsistent, if not disingenuous…Rather than expressing their support and enthusiasm for the bid, [these leaders are] sending a negative message at this critical moment…(quoted in Saul 2005e).

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stadium ultimately lied had failed. Not only had these deadlines not achieved their desired end, they had actually engendered some degree of bitterness in those at whom they were aimed: both Silver and Bruno condemned the use of "artificial deadlines," as Silver put it in early June, to create pressure to approve a project that, in the end, was unable to win their approval on its own merits (quoted in Satow 2005b). Furthermore, the willingness of the administration, and Mayor Bloomberg in particular, to seemingly undermine the Olympic bid by publicly linking the success of the bid so tightly to the approval of the NYSCC and by repeatedly (and hollowly) threatening to withdraw the bid unless approval was gained by one or another ostensibly absolute deadline, cast substantial suspicion on the priorities of both the administration and the NYC2012: was it the bid itself, or the NYSCC, or far west side development, that was the crucial issue?

Of course, as we have seen, the answer to this question was all of the above. These three elements were inextricably bound together – politically, physically, and financially. Though the Bloomberg administration and NYC2012 prioritized them in slightly different ways, they shared a fundamental misconception, demonstrated so clearly in the use of Olympic-related deadlines to push for the PACB's approval of the NYSCC: that their judgment that a New York City Olympics was in the best interests of the city as a whole was both unchallengeable and widely shared, and that the possibility of losing the Olympics because the NYSCC's approval was not forthcoming would push those who might otherwise question the stadium to put aside their doubts and act now.

III. Mobilizing Urban Identity and Patriotism

This misconception led to a particular response to the continued unwillingness of many, including Bruno and Silver, to put aside their concerns about the NYSCC in the

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interests of the greater good of the city: NYC2012, and even more so, Bloomberg administration officials seemed to conclude that those who opposed the NYSCC and thus the Olympic bid, were somehow opposed to the city itself. Or, to put it another way, they were not good New Yorkers.

A. Inclusion and Celebration

From the very beginning, the prospect of a New York City Olympics was pitched through an appeal to the identity of New Yorkers as residents of the greatest, most diverse, most ambitious, and most cosmopolitan city in the world: a "city of big plans, of big ideas" as one NYC official put it (Levin 2004c). Bloomberg administration and NYC2012 officials argued that the grandeur and scope of the Olympic Games were in keeping with the greatness of New York City; it was only natural, they argued, that the biggest sporting event in the world be held in New York. The testimony of NYC2012 official Brenda Levin at a September 2004 CPC typifies this rhetoric:[19]

> New York is the only truly international city never to host the games. New York is the most diverse city in the world and therefore the most appropriate to host the games. We found in Athens that the athletes want to compete in New York; the world's greatest athletes competing in the world's greatest city… (Levin 2004d).

Daniel Doctoroff sounded many of these same themes in a September 2004 speech:

> We think what draws people to the Olympic games is three things: bringing the world together in one place – nobody does that better than we do; competition, and fair competition, and anyone who's ever set foot in this city will tell you that this is the most competitive place on earth. But fundamentally what it's all about [is] athletes pursuing their Olympic dreams…against incredible odds, and it all coming down to a point or a fraction of a second. That's what New York is. New York is a city of dreamers. People come here from everywhere with big dreams and new ideas. That's what gives this city its special energy…When the Olympic

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[19] Levin had actually served with several of the CPC's members as a Planning Commissioner in the late 1990s.

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> movement says where can we go to tell the Olympic story, I think the answer has got to be New York (Doctoroff 2004d).

The Games were portrayed in keeping with a certain set of qualities ostensibly characteristic of New Yorkers: their competitiveness, their ambition, their boldness, their innovativeness, their diversity. This cluster of characteristics no doubt accurately reflected how Doctoroff, Bloomberg, and the other successful professionals, financiers, and developers who led both the Bloomberg administration and NYC2012 viewed themselves and their city. However, it was a limited and partial vision of the city; for other New Yorkers, other characteristics of the city – its working class and radical history, its tolerance and openness to radical difference, its openness to artistic creativity, its ability to absorb ethnic groups of all types, its hedonism, its secularism, its irony and cynicism, and even its jarring contradictions of race, geography and class – were more important than those evoked by Olympic boosters. The Olympic bid was tied not just to a set of economic and professional interests; it was also tied to a vision of the city and a sense of urban identity and belonging that reflected particular experiences and class positions.

This vision of the city and sense of urban identity was of course also fundamental to the Bloomberg Way, particularly to its embrace of interurban competition and its assertion that the city was a "luxury product." Moreover, just as the corporate and professional elites who populate the highest ranks of the Bloomberg administration and those who aided the administration in developing the Bloomberg Way conflated their own interests with those of the city as a whole, they also mistakenly seemed to believe that their own perceptions of the city's strengths and their own sense of urban identification were shared far more broadly than they actually were. This is reflected not

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just in the way in which Doctoroff and Levin describe the city above – as competitive, innovative, diverse, and ambitious – but in other ways as well. Remember for example, the list of "great spaces of New York City" that Doctoroff, Bloomberg, Amanda Burden, and other members of the administration argued that redeveloped Hudson Yards would be comparable to: Lincoln Center, Rockefeller Center, the United Nations, the office district around Grand Central Station, Battery Park City, and Central Park. With the possible exceptions of Central Park, which does provide significant open space that can be and is used by a broad range of New Yorkers, all these places are oriented towards the cultural tastes and economic needs of a small, elite, and unrepresentative slice of New York City's population.

Anthony Borelli, CB4's district manager summarized well the role that personal notions of urban belonging and visions of the city played in the planning of the Hudson Yards plan and the Olympics:

> Doctoroff's Olympic desire – its personal, not just political. Bloomberg's vision of a yuppie city – that's personal too. For him, it's just the way New York should be (Borelli 2004a).

This visceral and personal investment in a particular conception of "the way New York should be" accounted for the intensity with which the Bloomberg administration and others pushed the entire Hudson Yards plan, the NYSCC, and the city's Olympic bid.[20]

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[20] Another example was Doctoroff's repeated public citation of the fact that the Javits Center was only the 18th largest convention center in the country as reason enough to fund its expansion. This is a typical quote:

> Frankly, I'm a bit embarrassed to tell you that in this world capital of business, the Javits Center is smaller than the convention center is Rosemont, Illinois, and if you haven't heard of Rosemont, you can see why we're in trouble (Doctoroff 2003).

While Doctoroff and other advocates of Javits Center expansion did cite its economic benefits, they often deployed this kind of appeal: that it was embarrassing that the world's greatest city had such a substandard convention center.

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These involved not just a particular bundle of economic and professional interests, but also a fundamental sense of what the city, and what being a New Yorker, was all about: competition, ambition, innovativeness, diversity, and cosmopolitanism.[21]

B. Exclusion and Denigration

While the celebratory and ostensibly inclusive aspect of this particular urban identity and vision was prominently displayed in the words of Olympic boosters like Doctoroff and Brenda Levin, like all patriotisms – urban or otherwise – it also had a less savory flipside. This became more and more evident throughout late 2004 and 2005, as the NYSCC's approval was delayed and imperiled by community opposition, lawsuits, the actions of Cablevision, and the obduracy of Sheldon Silver and Joe Bruno. Opposition to the NYSCC (and thus, to the Olympics) evoked a profoundly emotional response: opponents were portrayed by administration and NYC2012 officials as not just wrong or mistaken, but as bad New Yorkers, unwilling, for whatever reason, whether it be self interest, fear of change, or lack of vision, to act in accordance with the city's best interests.

This was manifest in many ways. For example, the New York Jets, in coordination with the Bloomberg administration launched a television ad campaign that professed to indicate "What Real New Yorkers Have to Say About the New York Sports Convention Center," as the on-screen text that prefaced the testimony of a variety of politicians, far west residents and business owners, and unionists of the benefits of the

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[21] Others invoked different urban visions and identities when arguing for the Hudson Yards plan. For example, many members of the construction unions displayed their own conception of New York and what it meant to be a New Yorker, which while different from that of Bloomberg, Doctoroff, etc. al., was compatible with it: New York was the greatest city in the world because of the sheer enormity of its built environment. New York, then, was about *building*: building bridges, office buildings, subways, and so on. Recall the slogan printed on their pro-stadium t-shirts: "Build It!"

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NYSCC read. The insinuation, of course, was that those who opposed the stadium were *not* "real" New Yorkers.

The most heated rhetoric was aimed at Cablevision, which supplied significant support to media and organizational campaigns to block the NYSCC. Cablevision was clearly acting for reasons of self-interest: in the domed NYSCC it saw a competitive threat to the ability of Madison Square Garden, which it owned, to continue to monopolize concerts and other large indoor events held in Manhattan. As was discussed in Chapter Six, in early 2005 the company made an unsolicited, last-minute bid for the development rights to the MTA-owned western Hudson rail yards; though ultimately fruitless, as the MTA eventually granted those development rights to the Jets, the bid significantly delayed the PACB vote on the project. Despite Cablevision's support of the Olympics and its willingness to host the Olympics basketball tournament at Madison Square Garden should New York be granted the Games, the company became a prime target of the wrath of Mayor Bloomberg and other stadium proponents.

Mayor Bloomberg was enraged and seemingly befuddled by the fact that Cablevision was willing to act in its self-interest, challenging not only the rightness of the company's analysis that the NYSCC would represent competition for concerts and other indoor events but its commitment to New York City as well. In November 2004, Mayor Bloomberg said that Cablevision would "stop at nothing to prevent the Olympics from coming here" and accused the "selfish" company of "trying to deny us an economic future," concluding that "we cannot allow a selfish monopoly to deny us the future we deserve" (Bloomberg 2004b). In February 2005, after Cablevision had made its bid for the rights to develop the western Hudson rail yards, Mayor Bloomberg reiterated the idea

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that Cablevision's opposition to the NYSCC represented opposition to the interests of the city as a whole, saying that the company "want[s] to take away the Olympics [and] the future of this city" (quoted in Virasami 2005).

It was not just Cablevision that was accused of displaying an insufficient commitment to New York City, though it did bear the brunt of this type of criticism and was the target of the administration's most condemnatory rhetoric.[22] Politicians, community groups, and other organizations opposed to the stadium were accused repeatedly of trying to kill New York's "Olympic Dream." Joseph Bruno and Sheldon Silver, perhaps because as members of the PACB they held the fate of the NYSCC in their hands, were the target of more oblique challenges to their New York City patriotism. For example, in May 2005, Silver along, with some other New York City politicians and editorial boards, argued that since New York was widely judged to be trailing London and Paris in the competition for the 2012 Summer Games it might be wise to delaying a vote on the NYSCC until after the Olympics decision was made. In response, Mayor Bloomberg challenged their can-do New York spirit:

> The defeatism here of not going out and trying! Let's all get together…When did New York walk away from taking shots and trying to get things? Think about what society we're changing into here. We're giving up before we even start (quoted in Saul 2005d)?

Bloomberg's chiding of those who were making the entirely sensible point that it might be wise to wait until it was decided that New York City would in fact be hosting the game *before* deciding to undergo such an expensive and significant urban development

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[22] Cablevision was accused by Bloomberg of being anti-American as well as anti-New York, because of its opposition to the NYSCC, and thus, according to Bloomberg et al., the Olympics: "This company says, 'To hell with all of America. We don't care. We've got a monopoly, and we're going to try to keep it" (quoted in Saul 2005c).

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project for being overly pessimistic seemed especially off point given his own repeated assertions that the city would have to withdraw its Olympic bid if approval of the NYSCC was not forthcoming.

After Silver and Bruno refused to approve the funding for the NYSCC, Mayor Bloomberg and the leadership of NYC2012 dropped their earlier restraint and quite explicitly condemned Silver and Bruno, along with other stadium opponents, of being insufficiently committed to New York's future. The day after the PACB rejected the State funding for the NYSCC, Bloomberg challenged Silver and Bruno's urban patriotism, and in so doing highlighted the importance of performance – "doing things" – to his vision of New York City and his own sense of himself as a New Yorker (as well as, perhaps unintentionally, the economic interests that were conflated with these more personal concerns):

> I think [the rejection of the NYSCC] was a major blow to this city. I think most people understand…that we have lost something. We've lost a little bit of our spirit to go ahead and our can-do attitude. If you adopt this kind of policy, we never would have built Carnegie Hall, we never would have built Radio City Music Hall, we never would have built the airports, or the Triborough Bridge or Central Park…One of the great dangers is that developers are going to get disheartened and say, "I can't build anything in New York City because the politics always get in the way"…We have let down America. The United States Olympic Committee selected us, New York, to represent the country. New York won because people had confidence that New York would be able to do things. And it turned out that we, unfortunately, are not able to do things (quoted in McIntyre and Rutenberg 2005).

Jay Kriegel, the Executive Director of NYC2012, in a remarkably vituperative e-mail sent out on June 8, 2005 to NYC2012 supporters, wrote:

> Today's press makes very clear, sadly, that the action on Monday by State Assembly Speaker Silver and State Senate Leader Bruno voting against the Olympic Stadium had absolutely no substantive reason…We are left with the conclusion from today's press reports that Monday's vote to kill the Olympic Stadium was based solely on parochial politics, not on any public policy [sic] or concerns for the City's future. These reports are an embarrassment for New York nationally and internationally. To have the

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> City's Olympic bid jeopardized by this kind of negative politics may not just defeat the bid, but has shown New York in the worst possible light just as we are stepping onto the world stage against other great cities, all striving to win this most coveted of all international prizes. Monday's action by the State Legislative Leaders has thrown into grave jeopardy the City's bid, which is also America's bid. [We] are particularly appalled that local politics would override the City's and the nation's Olympic dream.

Kriegel's statement was aimed primarily at Sheldon Silver, who had consistently argued that the Hudson Yards plan, particularly the office development proposed for the area, would threaten the recovery of Lower Manhattan as a commercial center. However, it seemed that what Silver also wanted was to be consulted directly by the Mayor and the Deputy Mayor on the Hudson Yards project, as he felt his political stature warranted; he wanted his concerns to be taken seriously when he raised them, rather than when Bloomberg and Doctoroff *had* to address them due to Silver's position on the PACB:

> I just think that nobody's opinion counted until it counted…They never talked to Senator Bruno, they never talked to me. And they just proceeded ahead, and they used this Olympic timetable as the hammer that was going to make everything that was wrong with the bid suddenly right (quoted in Steinhauer 2005).

Thus, Kriegel was probably right that there was an element of political gamesmanship involved in Silver's refusal to approve the NYSCC even after being offered at the last-minute a slew of benefits for commercial development in downtown Manhattan.[23]

However, Kriegel's conclusion that substantive objections to the NYSCC played no part in its rejection by the PACB ignores the role of Joseph Bruno. Bruno raised a series of substantive objections to the NYSCC, especially concerning the sources of both its City and State funding which were still not clearly identified even as the NYSCC went before PACB. For that matter, it also ignores the legions of stadium critics – including

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[23] As mentioned in Chapter Eight, Silver also resented the fact that the Jets, NYC2012, and the Bloomberg administration had circumvented his authority in the Assembly by directly wooing minority Assembly members.

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CB4, most Manhattan politicians, the RPA, the Independent Budget Office, and several New York City editorial boards including the *New York Times* and the *New York Sun* – whose sustained and substantive critiques of the NYSCC's public subsidies, planning role, environmental impacts, and limited approval process either, depending on one's perspective, informed or provided cover for Silver and Bruno's refusal to approve the NYSCC. For Kriegel to say that the rejection of the stadium was "based solely on parochial politics, not on any public policy [sic] or concerns for the City's future" is either a willful distortion, or, more likely given the years of effort and large amounts of money that NYC2012's staff and boosters had dedicated to the city's Olympic bid, a measure of how thoroughly Kriegel, like Bloomberg and Doctoroff, was convinced of the rightness of his cause. So thoroughly, in fact, that opposition to the NYSCC (and thus, ostensibly to the Olympics), could only be explained by casting aspersions upon the commitment of stadium opponents to the city and to its future, by questioning their New York City patriotism.

IV. Class and Politics Resurgent

Alone, the fact that Mayor Bloomberg, the former CEO of an extremely competitive and profitable company, would be so outraged and surprised that a profit-motivated corporation like Cablevision would act to defend its economic interests, clearly demonstrates the limitations of his administration's corporate and technocratic approach to governance, as well as the fundamental misconception on which it was premised: that a city, like a corporation, could be successfully governed towards the end of a single, unitary interest. However, it was not just Cablevision that was tarred as being anti-New York. Mayor Bloomberg's words indicate an expectation that, like his employees at

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Bloomberg LP, all the citizens and businesses of New York should be willing to set aside their own self-interest, their own notion of good public policy, and their own notions of urban identity in deference to the conception of the city and its best interests held by its CEO – Mayor Bloomberg. But as the rejection of the NYSCC demonstrates, this gambit clearly failed. Like Sheldon Silver and Joseph Bruno, stadium opponents generally pressed on with their campaign to stop the NYSCC despite attacks on their New York City patriotism.

Indeed, the only groups that seemed concerned about such attacks were those already on board with the city's Olympic bid, especially real estate developers. Richard Ravitch, the former chairman of the MTA, and the one of the only members of the city's fraternity of major real estate willing to speak publicly, explained the unwillingness of developers to speak out against the stadium despite their continuing doubts about it by saying that "people are worried, but no one wants to be accused of killing the Olympics" (quoted in Horowitz 2004). In fact, in early 2005, these developers had a chance to translate these doubts into action, when Cablevision's unsolicited bid for the rights to the western Hudson rail yards forced to MTA to open up bidding for the rights. However, not a single major New York City developer bid for them, a remarkable turn of events given their desirability as a development site. While not wanting to be accused of "killing the Olympics" and thus of opposing New York's best interests may have played a role, prosaic concerns were also important. To put it simply, many developers were afraid to incur the wrath of the administration, especially given the centralization of control over economic and urban development agencies – and thus over the fate of many development and building projects – in the hands of Deputy Mayor Doctoroff, perhaps

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the most devoted proponent of the stadium. "There is a reign of terror in this town," RPA President Bob Yaro said at the time. "The litmus test is 'Do you support the Olympics?' If so, then you can do business with the city" (quoted in Robbins 2005b).

Developers expressed their displeasure at this situation and their interest in developing the rail yards – but only anonymously. Prominent midtown Manhattan developer Douglas Durst, for example, had designs on the rail yards and provided financial support to stadium opponents; however, he refrained from bidding on the rights to develop the yards and anti-stadium recipients of his aid were sworn to secrecy. The rail yards are "clearly valuable," another major developer anonymously said, "but can anyone in my position say so on the record? Everyone, including me, is scared to cross [Bloomberg and Doctoroff] on this. I've got too many things cooking in this town" (quoted in Bagli 2005h).[24] New York's real estate elite, as Ravitch memorably put it, were "in the witness protection program" (Lehrer 2005a).

Developers aside, NYC2012 and Bloomberg officials claimed that the Olympics had "overwhelming support" and in fact, polls did show that a majority (between roughly 60 and 80 percent) of New Yorkers did support the bid.[25] However, polls also consistently showed that majorities of New Yorkers opposed a publicly subsidized stadium, suggesting that the efforts of the Bloomberg administration and NYC2012 to garner support for the NYSCC by linking it to the Olympics bid were in vain. In fact, support for the Olympic bid actually fell between fall 2004 and spring 2005, the period of time during which debate over the NYSCC peaked and became most heated; such

[24] See also Bagli 2005c, 2005d; Gardiner 2005b.

[25] These polls were conducted by a variety of organizations, including the Quinnipiac University Polling Center, Marist College and the New York Times, and by the IOC.

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support reached a nadir in March 2005, when the IOC reported that only 59 percent of New Yorkers supported the bid. This level of support was by far the lowest among the five candidate cities for the 2012 Summer Games.[26]

A. Right End, Wrong Means

More important than the negative effect that the controversy over the NYSCC had on widespread public support for the city's bid was the sheer ineffectiveness of attempts to equate opposition to the NYSCC to opposition to the bid, and thus to opposition to the interests of the city as a whole. First, many of the high profile critics of the NYSCC – including the RPA and other civic organizations, the editorial boards of the *New York Times* and *Newsday,* all of the candidates for the 2005 Democratic mayoral nomination, and elected officials like State legislators Richard Gottfried, Sheldon Silver, and Joseph Bruno and City Comptroller William Thompson – were self-proclaimed supporters of the Olympic bid. Most had called repeatedly for the Bloomberg administration and NYC2012 to move the site of the Olympic Stadium to Queens. For most politicians and other political or media elites, support for the Olympics bid seemed *de rigeur*, even if it did not prevent them from exercising their judgment on the propriety of a west side stadium. The Bloomberg administration's and NYC2012's efforts to equate opposition to the NYSCC with opposition to the Olympic bid largely failed to fulfill the potential that NYC2012's founders saw in the bid – to undercut political opposition to the urban development projects that would be associated with it. In fact, most of these elites did support the other elements of the Hudson Yards plan, but this was due more to the

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[26] The March 2004 IOC poll found that 91 percent of the residents in Madrid, 85 percent in Paris, 77 percent in Moscow, and 68 percent in London supported their city's bid (Saul 2005a).

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prevalence of postindustrial ideology among city elites than to any association that the extension of the Number 7 subway line, the expansion of the Javits Center, or the commercial and residential development of the far west side had with the city's Olympic bid.

B. Voices of Conflict

However, many opponents of the NYSCC were in fact either opposed or relatively indifferent to the city's Olympic bid. Crucially, many of these critics explicitly labeled the NYSCC, the entire Hudson Yards plan, and the Olympic bid as projects being imposed on the majority of New Yorkers by an elite group of politicians, corporations, and real estate developers. While, most political and media elites studiously avoided using the language of class or democratic populism in their critiques of the NYSCC or the Hudson Yards Plan, generally portraying the NYSCC or other objectionable elements of the overall plan as wrong-headed means to a beneficial end, these opponents cast the Hudson Yards plan and the Olympic bid in a considerably more negative light.[27] These

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[27] Though there were exceptions to this: particularly notable were the two of the city's most prominent, and unabashed, liberal columnists, Bob Herbert, an op-ed columnist for *the New York Times* and Juan Gonzalez, a reporter and columnists for *the Daily News* (the great left-wing journalist Jack Newfield also wrote a columns for the *New York Sun* that were highly critical of the Hudson Yards and Olympic Plans before his death in 2004). Herbert wrote several columns about what he called "Bloomberg's Billionaire Boondoggle" ((Herbert 2005b); see also Herbert 2003, 2004a, 2004b, 2005a, 2005c). Gonzales dug up a number of stories about Deputy Mayor Doctoroff's past and current investments in far west side real estate and his connection to developers who would benefit from the plan, as well as about questionable deals between the DCP and local developers and landowners, and also wrote in detail about the financing of the plan, and which he labeled "a giant giveaway to big developers, to the Wall Street firms eager to finance the whole affair, and, of course, to the New York Jets" (Gonzalez 2004a; see also Gonzalez 2004b, 2004c, 2004d, 2005b, 2005c, 2005d, 2005e, 2005f).

What was especially interesting was the willingness of sportswriters and other sports journalists to subject the Mayor, Deputy Mayor Doctoroff, and NYC2012 to scathing critique, a fact which Jack Newfield himself noted when he wrote "as usual, the sportswriters are telling people the truth, while the politicians are full of spin, hidden agendas, and bogus New York triumphalism" (Newfield 2004). Most notable here was Mike Lupica of the *Daily News,* who repeatedly compared Doctoroff's campaign to win support for NYC2012 to the hucksterism of Professor Henry Hill in *The Music Man,* condemned the Olympic bid as lacking in public support, and called the Hudson Yards Plan "the biggest land grab in the history of this

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New Yorkers saw the Olympics plan and the Hudson Yards plan as the continuation of ongoing efforts on the part of the city's wealthy corporations and individuals to remake the city according to their own interests and tastes, and/or as an assault on the standards of democratic decision making – an effort by a cabal of real estate developers and corporate types to impose their own vision of the city's future on an unwilling public.

1) Urban Populism: Democracy, Class, and Geography

Critiques based on democracy and class were not identical, and often had different sources: the politicians and media figures who broke with their peers to criticize the premises of the Olympic bid and the Hudson Yards plan tended to do so on the basis of the lack of democratic process, while the far west side residents, the city's professional liberal advocates, and other ordinary people who testified at the public hearings on the Hudson Yards plan were more willing to employ class-based critiques. Nevertheless, they often overlapped, merging into a broader populist position. Whether opposition to the Olympics plan and the Hudson Yards was explicitly linked to class or not, all these critics agreed that the fundamental problem with both plans was the fact that they were conceived and designed by a small, unrepresentative group of New Yorkers attempting to portray their plan as being representative of the priorities and beneficial to the interests of

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city" (Lupica 2004b; see also Lupica 2004a, 2004c, 2004d, 2004e, 2005a, 2005b, 2005c). Dave Anderson of *the New York Times*, Shaun Powell of *New York Newsday*, and Mike Francesca and Chris Russo, co-hosts of WFAN radio's *The Mike and the Mad Dog Show*, the most popular sports talk show in the city, also got into the act; for example, Francesca and Russo subjected Doctoroff's arguments for the NYSCC, the Hudson Yards Plan, and the Olympic to harsh, and at times mocking, treatment during his repeated appearances on their show. One might posit a number of reasons for their willingness to criticize not only the NYSCC and the Hudson Yards Plan, but the Olympic bid itself, which many of their peers on the politics, planning, or economic development beat treated as sacrosanct: their exposure to pro-stadium campaigns elsewhere; their lack of initiation into the folkways of economic and urban development, which made them more likely to challenge the tenets of postindustrialism and the Bloomberg Way, which many of their peers seemed to buy into without questions; or the fact that they, unlike other journalists, were not dependent on City Hall sources. In any case, the critiques on the sports pages often contrasted greatly with the Hudson Yards and Olympics boosterism displayed on the local news and editorial pages.

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all New Yorkers. Public Advocate Betsy Gotbaum, the only high-level City elected official willing to directly and publicly attack the premises of the Hudson Yards and the Olympics plans, expressed this sense of populist anger at a September 2004 CPC hearing on the Hudson Yards rezoning plan, saying "at a City Council hearing this past summer, I said that the problem with the Bloomberg Administration's plan for the redevelopment of the west side is that it is the vision of only a handful of men…The administration is trying to force a narrow vision for the west side on neighborhood residents and the City as a whole (Gotbaum 2004).

One elderly one west side resident expressed this sentiment in considerably more colorful terms when she spoke at the Manhattan Borough President's September 2004 hearing on the plan:

> I have been a New Yorker for 35 years, and a resident of Chelsea for 28 years. [Jets Owner] Woody Johnson is the heir to the Johnson and Johnson fortune. He has more money than god. Let him use his own money, not ours! Bloomberg is a billionaire; if he wants it so bad, let him use his money! As for the Olympics – they're my nightmare. [APPLAUSE]…It is nonsense that this will make money for city. The Jets owe us big-time – they left! We don't owe them! Use this money for education, housing, healthcare, firefighters, teachers…*our* priorities! [APPLAUSE] The city is not owned by Bloomberg and Johnson…and Trump; it belongs to the people. Officials are supposed to represent us! And what we want! We don't want this stadium. And if the officials don't do our bidding, we're gonna rid of them And if that doesn't work, we'll start the revolution!

Another west side resident, testifying at a December 2004 ESDC hearing on the NYSCC, summarized populist sentiment, lambasting the Bloomberg administration's decision that "it would take too much time to honor democracy to vote on such an important issue [i.e., the NYSCC]," and saying that it had cast aside "democracy" in favor of "buck-ocracy."

This sense of political disempowerment, that decisions were being made behind closed doors, with the only the most minimal level of public input, reflected and merged with a similar sense of geographic disempowerment: the sense that a powerful

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combination of economic and political processes and actors was slowly tearing the city itself from the grasp of those who had staked their own middle and working class lives and identities – as teachers, government workers, artists, writers, musicians, actors, social workers, and nurses – to the island of Manhattan and the city of New York.[28] Their New York was a city welcoming to those of modest means and aspirations. It was a city where one could live comfortably, if not richly, without being a stockbroker, a lawyer, or a commercially successful artist or writer. Perhaps most importantly, and perhaps anachronistically, it was a city whose government provided a bevy of public services and amenities, from clean, well-run parks to affordable housing, to the poor and the working classes. But their city seemed to be giving way to the city of competition, ambition, cosmopolitanism and innovation celebrated by Bloomberg, Doctoroff, and NYC2012's public relations staffers. One long time Hell's Kitchen resident, a composer and a resident of Manhattan Plaza, a subsidized housing project for artists, summed all this up in his testimony before CB4 in August 2004 when, despite his calls for more government spending on affordable housing and education and less on office space, he seemed resigned to the city's continued transformation. "The struggle for the quality of life of the lower middle class," he said, "is futile."

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[28] Many of the most vocal critics of the Hudson Yards and Olympic plans – including a group of elderly women who showed up *en masse* at every hearing and event related to these plans and came to be known as the "Penn South Ladies" in honor of the middle-class housing project where they lived – themselves lived in the large quantity of affordable housing on the far west side that was the legacy of the liberal urbanism and social movement unionism that characterized post-War New York City until the early 1970s. Thus, they had both and economic interest in continued support for affordable housing as well as an ideological inclination against gentrification and in favor of government support for affordable housing.

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Many other west side residents and critics of the NYSCC and the Hudson Yards Plan echoed the sentiment that the city – and Manhattan in particular – was being transformed into a zone of economic and cultural homogeneity increasingly hostile to all but well-paid professionals and the very wealthy. As one resident of one of the many mental health outpatient facilities located on the far west side put it at a community group meeting in September 2004, "Bloomberg wants Manhattan only for the wealthy and the superwealthy – it's unjust!" For these people, the gentrification of the far west side, which was already well underway and which would only be furthered and intensified by the Hudson Yards Plan, represented more than just a threat to their ability to find housing.[29] Though it certainly did represent that for those not living in subsidized or rent-regulated housing of one sort or another, it also represented the loss of an entire complex of businesses, institutions, residences, and shared and individual memories and meanings that had made the area, despite its in-places dilapidated appearance, a neighborhood. Three testimonials from far west side residents, all from the September 2004 CPC hearing on the Hudson Yards rezoning plan, capture this.

> I love my neighborhood, and when I moved to Hell's Kitchen 21 years ago, I thought I was doomed to a life of overpriced and soulless tourist traps. Instead, I found wonderful and affordable family-owned businesses: barber shops, a shoe repairman, butcher shops, a farmers' market, fish markets, spice shops, family-owned pharmacies, bodegas, bakeries and restaurants of all types. The family pharmacies are history

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[29] In the context of the Hudson Yards Plan, as well as the number of other rezoning plans being considered at the same time, the City's liberal and progressive advocacy groups largely focused on the issue of affordable housing. They united under the aegis of the "Campaign for Inclusionary Zoning," a campaign aimed at insuring that residential developers be forced to built a certain portion of affordable units in their buildings in exchange for being permitted to build additional density. Thus, it was argued, a certain portion of the value being created through city actions (upzonings and infrastructure improvements) would flow to the benefit of poor, working class, and middle class New Yorkers. While the Campaign for Inclusionary Zoning did not have a major impact on the outcome of the Hudson Yards Plan, it did achieve more success in the context of the City's plan to rezone the East River waterfront area of the northern Brooklyn neighborhoods of Greenpoint and Williamsburg.

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> now, and all the remaining families businesses here are already threatened, being replaced by banks, phone stores or yet another Starbucks. The West Side Stadium is a corporate-centric proposal and will clearly bring about the extinction of the rest of these one-of-a-kind businesses. Manganaro's Hero Boy will fall to Subway; O'Farrell's Bar is going to fall to TGI Friday's; Stile's in the Big Apple Market to the Food Emporium. I invite you to take a walk down Ninth Avenue and see these wonderful stores that – people don't come to New York to see Applebee's. I mean, that's just the reality. So the Mayor and the President continue to stress the importance of the small business in the strengthening of this economy. Yet it seems every political decision belies the American Dream in favor of corporate expansion. I listened to the stadium proposal at the last public meeting here. It is a Gordian knot of overdevelopment and overspending based on two major premises: that there will be almost a half a million new office jobs and that New York will be selected for the 2012 Olympics. What if these never come to pass? The damage to my community would be irreversible…The little guy needs your help. Please use that power to block this proposal.

Whereas this resident stressed the deleterious effect of the plan on beloved small businesses on the far west side, a second resident stressed the relationship between residential gentrification and the ability of those in modestly-paid careers to live there:

> I discovered Hell's Kitchen 35 years ago. There are a lot of people that are discovering our neighborhood now. There are people discovering Chelsea, Clinton, West Side, call it Far West Side, whatever. We discovered it years and years ago, and we loved it. Why? I'm a member of the theatrical community. I'm an actor. I want to live near where I work. Thirty-five years ago we could all afford to live there. We are a huge number of people in the most important entertainment industry in the City. And our young people can't live there anywhere more because people are discovering us. The marketplace is discovering us. But the City is made up of more than fancy buildings and big businesses. Where are our young people going to live? An apartment that we used to rent for $450 so that we could afford to be a playwright and an actor is now renting in our building for $2,000 a month. This is craziness. City planning has to be more than about big development and big stadiums, where we know who's going to make the money. I'm sorry. It is going to be construction workers who make $69 an hour. It is going to be the three owners of the Jets. It is going to be Jet players. It is going to be the real estate department and the development department [sic]. But I've been to eight of these meetings and nobody…is talking about people. Where are the people in the process? Where are the children of the future in the process?…We need you guys [i.e., the City Planning Commission], we really need you. The developers don't need you as much as we do. I got to tell you, we're counting on you. Please, don't let us down. Do your homework and prepare for people, not just business…The plan has come from the top. The plan has come from back doors and closed doors. We're only vaguely getting the kind of information that we need to make beautiful plans for a beautiful city that includes people and children of the future.

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A third far west resident community and kinship:

> I'm a resident of Hell's Kitchen…When I was born my mother was living in Chelsea. I returned to Chelsea to attend high school and attend college in Chelsea…And as a resident of Hell's Kitchen, I worked in the community as a community worker. One of my children was born in Polyclinic Hospital, which no longer exists. It is now an apartment building and parking lot…The Jets are getting a free ride. There aren't even any guarantees that New York City would be picked for the Olympics. The stadium would be better served elsewhere where ample parking facilities can be built with ample facilities for all, where the quality of life isn't interrupted. This is not where this belongs. Congestion, pollution, traffic, and most important, the humanity of the project, there isn't any. It is thoughtless, selfish, at the expense of taxpayer dollars. No more. We have to stop supporting the corporation [sic], destruction and gentrification of our communities.

What is notable about these testimonials – as well as many others I heard – is the resounding rejection of the idea that the Olympics plan and the redevelopment of the far west side served the interests of the city as a whole. Instead, what we see is a clear perception that these urban development plans were necessarily and inherently *political*, involving the prioritization of some interests and some visions of the city over others. Many far west side residents, as well as other run-of-the-mill New Yorkers who participated in the hearings about Hudson Yards plan presented a clear and consistent analysis of the situation that starkly contrasted with that offered by many planning and policy groups, as well as media analysts (not to mention many academics), who ruefully pointed to interurban competition, the demands of the postindustrial economy, and globalization as imperatives that made the redevelopment of the far west side necessary (even if this particular version of that project was flawed). Rejecting this, other New Yorkers proclaimed the reality of social conflict, identifying quite clearly who they perceived the winners and losers would be if the Hudson Yards Plan were to go forward. Once again, here are the words of three far west side residents, drawn from a number of hearings I attended:

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> This plan will not benefit the community. This is economic development not for the poor, but for the pockets of the very rich!
>
> We have an opportunity now on the west side to do something that could be wonderful. It would be written about in the whole world: look what New York did! Wouldn't that be wonderful if we could take pride in that, [instead of having to say] follow the money, follow the money? Who's profiting from this? Who is making the money? Who is taking our city again and again and again and building astronomically expensive places?
>
> As Rome burned, Nero fiddled. And as NYC's infrastructure crumbles, Mayor Bloomberg engineers a giveaway stadium deal for his cronies. [Applause] While our schools are dilapidated…while firehouses are being closed, here is a $600 million giveaway to a privately held corporation [WHOOO!]…NYC affordable housing is an oxymoron, [but] Bloomberg bends over backyards to give landlords whatever rent increases they ask for…

Developers, landlords, the wealthy, large corporations: these would be the winners in the redevelopment of the far west side as envisioned in the Hudson Yards Plan. The poor, the working class, and even the "lower middle class" would be pushed out – along with the one-of-a-kind stores and the local institutions that were still remaining – in favor of the well-educated professionals and corporate executives working in shiny new office buildings, living in luxurious apartment towers, eating in upscale restaurants, and rooting for the New York Jets from their corporate box seats in a posh, amenity-filled, and architecturally striking new stadium.

2) What Kind of City Do We Really Want?

But while these testimonials include an analysis of who the winners and losers would be if the Hudson Yards Plan were implemented, they do something more than this. They also make clear that at stake here were fundamental questions of urban identity and vision, questions that were related, but not identical, to economic interests. For while these critics of the Hudson Yards plan, especially those who were residents of the far west side, were often undeniably acting and speaking in defense of their perceptions of their own economic interests, they were all in essence asking a single question, which

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was articulated by one far west resident as she testified before the CPC in September 2004: "What kind of city do we really want? That is what we really have to analyze."

As demonstrated earlier in this chapter, the Bloomberg administration and NYC2012 had provided their own answer to this question, acting on (and attempting to mobilize) a vision of the city and a sense of urban identity that stressed competition, innovation, and ambition, which clearly reflected the experiences and interests of the successful professionals, executives, and developers prominent in these two organizations. Far west side residents and other critics of the Hudson Yards plan rightly linked this vision of the city and sense of urban identity articulated by the administration and NYC2012 to a larger, long-term project on the part of the city's elite, a project to remake the face of the far west side in particular and the city in general in accordance with their own economic interests and in accordance with their own (postindustrial and corporate) vision of what the city should be: a global center of finance, media, and business services, a city of office buildings and luxury apartment towers, and a city catering to the tastes and lifestyles of well-off professionals and tourists. However, the attempts of the Bloomberg administration and NYC2012 to mobilize the sense of urban identity in accordance with this long-term project largely failed, precisely because they encountered a very different, and often contradictory, sense of urban identity and vision of the city that had its own hold on significant numbers of far west side residents and other New Yorkers: a conception of New York as a city true to its social democratic history, a city providing a comfortable life to those who were not wealthy, well-credentialed, or ambitious, a city that provided a place for those outside the mainstream

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of American culture, and a city that honored and cared for longtime residents and the neighborhoods they created.

Both these visions of the city are in some sense, true, if partially so; they stress different interests, different experiences, and different values. However, the vision of the city put forth by Mayor Bloomberg, his administration, and NYC2012 was unable to accommodate the reality of its own partialness. Those who held it seemed to assume that their own vision of the city and their own experiences and interests were in fact shared by all: thus, the effort of the Bloomberg administration and NYC2012 to employ urban patriotism to push the NYSCC, and by extension the Hudson Yards Plan, and the Olympic plan, and thus the tone of baffled anger that often tinged their public statements. As the responses by Mayor Bloomberg and NYC2012 Executive Director Jay Kriegel to the rejection of the NYSCC by the PACB quoted above should demonstrate, opposition to the NYSCC, the Hudson Yards Plan, or the Olympics plan seemed genuinely perplexing – and infuriating – to the proponents of these projects in NYC2012 and the Bloomberg administration.[30] They seemed at a loss to understand why anyone would doubt that the Olympics, if not the NYSCC, was in the best interests of the city.

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[30] Interestingly, many of the construction union members who supported the Hudson Yards Plan seemed to understand opposition to the NYSCC even if they saw it as wrongheaded, likely a result of the fact that the labor movement's very existence is premised on the potential for, if not the actual existence of, social conflict. Many ascribed this opposition to the interest of the "liberal elites" of Manhattan's west side (see Chapter Eight) in maintaining a publicly subsidized way of life: living in subsidized affordable housing projects and working as teachers, city workers, or social workers, i.e., in professions supported directly or indirectly by state expenditures. These unionists often contrasted this publicly subsidized way of life with their own: unlike these parasitical opponents of the plan, construction union members were productive, hard-working members of society who owned their own homes (often in the suburbs of the city), fed their families without help from the government, and (literally) built up the city. Again, this perception has some truth to it; many opponents of the NYSCC *were* arguing for broader government support, especially for publicly subsidized rental housing. However, it does not acknowledge the fundamental role of public policy in homeownership, suburbanization, or real estate development.

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In contrast, the vision of the city put forth by those far west residents and critics of the Hudson Yards Plan quoted here acknowledged and even at times embraced the reality of social conflict, of political, economic, and ideological difference. Its proponents rejected not just the substance of the vision of the city and the version of urban identity embraced by NYC2012 and the Bloomberg administration but also the efforts to mobilize urban patriotism in support of the Hudson Yards and Olympic plans itself. In fact, far from generating support for these plans, these efforts only generated more acrimony among NYSCC opponents. They saw the Bloomberg administration as not only pushing on a largely reluctant public an undesirable and unjust stadium and Olympics plan that would serve the interests of large corporations, real estate developers, and the wealthy even as it sacrificed the interests of working and middle class New Yorkers, but as also demanding that those New Yorkers abandon their own judgments of what was good for them and their city and defer to the judgment of the Mayor, the Deputy Mayor, and the leadership of NYC2012. Public consideration -- both in terms of the actual approval process and in terms of broad public discussion – of the NYSCC and the Olympics plan had been condemned as disloyalty to New York City itself, either by delaying the approval of the NYSCC or by endangering the image of the city as unified behind the Olympic bid that its proponents of the bid wished to project to the IOC. One of the few politicians willing to publicly question the desirability of the city's Olympic bid, Manhattan Assemblywoman Deborah Glick decried the fact that "few people have been willing to discuss if the Olympics are even a good idea for New York City, because Deputy Mayor Doctoroff has made opposition to the Olympics seem unpatriotic" (Glick 2004).

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Opponents of the stadium, including everyday New Yorkers, politicians, and media figures, seemed to take this as an insult, both to their own status as engaged, sophisticated and savvy citizens quite capable of forming their own assessments of the merits of the plan, as well as an insult to the city itself. Why, they asked, should a city as great as New York be forced to make a hasty and rash decision about the use to which such a valuable piece of land as the Hudson rail yards (not to mention the rest of the far west side) would be put for the sake of a two-week event several years in the future? For example, one far west side resident I spoke at a CB4 hearing asked:

> A stadium for the Olympics? It's crazy! Why do we even need the Olympics? To put us on the map? To attract tourists? C'mon! Everybody knows New York City is the best! We don't need this!

Or, as journalist Juan Gonzalez put it, turning around the words of proponents of the NYSCC and the Hudson Yards Plan, who often argued that the city's status as "the greatest city in the world" was threatened by its inability to host the Olympics or the Super Bowl, by the fact that the city only had the 19th largest convention center in the country, or by the failure of will that not building the NYSCC would represent: "The plain fact is New York doesn't need the Olympics to be the greatest city in the world. It already is" (Gonzalez 2005a). Likewise, the cultural critic Kurt Anderson, writing in *New York Magazine*, refused to permit the glory of the Olympic bid overrule his conclusion that the Hudson Yards plan was a throwback that ignored the lessons of the mega-planning and urban renewal schemes of the 1960s, and unworthy of "a city as sharp and self-aware as ours" which surely deserved (and knew) better:

> Personally, I would be happy to have the Olympics here, especially if we can start calling the games by their super-cool proper name, the XXX Olympiad. But I don't want to waste a glorious piece of Manhattan land on Bloomberg's big, dumb, old-school scheme. Therefore, at the risk of seeming an unpatriotic American and disloyal New Yorker, in July I'll be

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> pulling for Paris or London or Moscow or Madrid – anyplace but here (2005b).

Daily News sportswriter Mike Lupica, an indefatigable opponent of the Olympic bid and the Hudson Yards Plan, wrote of Mayor Bloomberg:

> Anybody who doesn't go along with him is painted as some kind of lousy New Yorker. If you don't think the real future of everything in New York is the 2012 Games, you are a bum. This is a lie (2005a).

Lupica also directed his ire at Deputy Mayor Doctoroff:

> The real front man for all this, front of the parade as always, is Doctoroff, who has no public mandate for what he is doing and never has, who has made it sound all along, long before his dog-and-pony show in Athens, as if the Summer Games of 2012 are some sort of imperative for not just the future growth of that gold mine of undeveloped property on the West Side, but the city itself. This is what people always tell you when they want you to pay for their vision of the future (2004c).

A Brooklyn resident condemned the willingness of the Bloomberg administration and its allies to tar stadium opponents as unpatriotic in a letter to the editor of *Crain's New York Business*, joining Anderson in taking a kind of perverse pleasure in rooting for another city besides New York to get the 2012 Games:

> The Feb. 28 editorial ("Olympic-size decision on stadium") argues that "those who oppose the stadium also seek to ruin the Olympics bid." This smacks of the same type of weak reasoning that President George W. Bush uses to defend his decision to invade Iraq: the implication being that if you're against the war, you're unpatriotic and un-American. So, by the same token, anyone opposing the stadium must be anti-Olympics and therefore anti-jobs…Me, I'm rooting for Paris (Wierzbicki 2005).

I will end with the words of another far west side resident, a long-time activist and officer of the Hell's Kitchen Neighborhood Association. Speaking forcefully at a September 2004 hearing held by the Manhattan Borough President, she summed up the mix of class analysis, economic interest, democratic principle, and urban pride and identity that ultimately stymied the efforts of the Bloomberg administration and NYC2012 to use

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urban patriotism and the bid for the 2012 Summer Olympic Games to both built support for and suppress criticism of the New York Sports and Convention Center:

> New York City is a great and world class city without building a stadium on the west side for the Olympics or the New Jersey Jets! We will not stand by while these people turn our city in the name of profits into suburban America, because that is not why we leave here! New York City does not need to be reinvented!

In this testimony, we can see how anger about the lack of democratic process and public participation ("we will not stand by while these people…") and protest at wealthy economic interests being served by city policy ("in the name of profits…") – that is democratic and economic critiques of the Hudson Yards plan – merge with profoundly personal commitments concerning the type of city New York should be, that is with issues of urban identity ("that is not why we live here"). All this leads to a conclusion that I interpret as a denouncement of both the post-1970s fiscal crisis project of corporate, development, real estate and political elites to erase the city's social democratic legacy in the name of global competition, the creation of a good business environment, and the attraction of well-educated professionals, and of the most recent manifestation of this project, the vision for the transformation of the far west side embodied in the Hudson Yards Plan: "New York City does not need to be reinvented!"

V. Conclusion

In an important 1995 essay, the political geographer Peter Taylor made a bold claim. "Cities," he wrote, "are replacing states in the construction of social identities" (1995, 58). This tantalizing possibility has received much comment among urbanists.[31] It has typically been attributed to spatial and scalar restructurings associated with

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[31] See, for example, Bender 2002, 316; Smith 2000a, 11.

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globalization that have had the dual result of disembedding global cities from their national territories even as these global cities became more interconnected. However, there has been little if any empirical exploration of how a specifically *urban* process of identity formation might work and how it might be explained.[32]

In this chapter, I have illustrated one attempt to mobilize urban identity towards specific political ends. As I argued in Chapter Five, inherent in the Bloomberg Way was the deeply antipolitical notion that New York City as a whole had a single, unitary, and easily identified interest – to increase its competitiveness in order to draw investment, jobs, and desirable residents. Other scholars have noted the depoliticizing effects of placing competitiveness as the central premise of urban policy.[33] However, what this chapter should demonstrate is the way in which doing so can result in the kind of mobilization of urban identity attempted by the Bloomberg administration. In its efforts to gain approval of the NYSCC by associating it with the city's Olympic bid, the Bloomberg administration explicitly linked competitiveness with this mobilization of urban identity, by arguing that those who would oppose the NYSCC were "trying to deny us an economic future," as the Mayor had of Cablevision. It seems then that there is an internal connection between enhanced interurban competition and the possibility that cities are becoming key arenas for the construction of identities. It is a connection made possible by the antipolitical spatial ideology that I have earlier argued was inherent in the Bloomberg Way, in which New York City was conceived of as a territorially bounded and *socially unified* economic unit in competition with other such units.

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[32] For one recent exception, see Yeoh 2005.

[33] See, for example, Fuchs 1992, 273-290; Gough 2002; Peck and Tickell 2002. For a discussion of depoliticization in post-fiscal crisis New York City, see Bender 2002, 185-197.

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However, it is also notable that this particular mobilization of a specifically urban form of identification was government-led. The tendency for governments operating at any number of scale to effect the development of "a shared conviction that 'we are all in the same boat' and therefore homogenous members of imagined communities," as Michel-Rolph Truillot summarizes a large body of scholarship, is readily apparent (2001, 132).[34] Whereas, this shared conviction has served the purpose of national economic development or war-making, for example, when operating at the scale of the nation-state, under neoliberal forms of urban governance, it is the shared fate of a city's citizens in the face of interurban competition that serves as a basis for depoliticization and homogenization.

However, just as the project of the nationalization of identity has often foundered in the face of internal divisions and the inherent difficulty of "fixing" identity, so too can this government-led urbanization of identity can fail. As the voices of dissent and conflict with which I ended this chapter should indicate, the Bloomberg administration's effort to mobilize urban identity was largely futile. Not only did it fail to win new converts to the cause of the stadium or the Olympics, it in fact exacerbated already extant divisions of class, geography, and normativity, as many New Yorkers resented being told they were insufficiently loyal because their judgments of their own interests and of the interests of the city as a whole conflicted with those of the Mayor; in fact, many recognized the Mayor's mobilization of urban identity as just the kind of homogenizing and depoliticizing political project that it was. They saw that the Mayor's claim to represent the interest of the city as a whole, to take the "standpoint of the city," if I may

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[34] See Scott 1998b and Foucault 1991.

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apply the words of Marx at a different scale than the one he was addressing, "means nothing more than the overlooking of the *differences* which express the *social relation*[s]…of bourgeois society" (1973, 264-265). In their attempts to reassert these differences in the face of Bloomberg's neoliberal, corporate and antipolitical vision of New York, these New Yorkers reflected an older and increasingly threatened notion of "what kind of city we want to be:" what Thomas Bender calls "the broader political culture of the city – grounded upon an experience marked by the reality of difference – [which] has energized attempts to bring economic decisions within the sphere of democratic politics" (2002, 192).

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Chapter 10: Conclusion

I. Political Failures and Political Successes

During two months in mid-2005, Mayor Michael Bloomberg suffered the two most damaging political defeats of his first term. New York's fourth place finish in the July 6, 2005 International Olympic Committee vote on the location of the 2012 Summer Olympic Games, and perhaps more importantly, the rejection of the New York Sports and Convention Center (NYSCC) a month earlier, were humiliating setbacks for a Mayor who had staked his political reputation on getting things done, on performance. Despite the efforts of not just the administration, but the Jets, NYC2012, and much of the city's traditional growth coalition, the NYSCC ultimately became just one more entry in the long list of failed development projects proposed over the decades for the far west side of Manhattan.

Yet, it was a funny kind of failure. For even as the Bloomberg administration was seeing its plans for the NYSCC and a 2012 Olympics meet their demise, the Mayor was well on his way to a resounding reelection victory in November 2005, which saw him defeat his Democratic rival, Fernando Ferrer, by almost 20 percentage points. This raises a question. Why, if the Bloomberg Way was unable to achieve approval for significant elements of the Hudson Yards plan, did the Mayor not only defeat his hapless Democratic rival, Fernando Ferrer, but defeat him by such a large margin? How are we to understand this striking juxtaposition of political success and failure?

There are several straightforward explanations for Bloomberg's victory. Bloomberg once again outspent his opponent many times over: whereas Ferrer spent about $10 million, Bloomberg spent some $78 million, amounting to roughly $103 per vote. He also rode a wave of economic recovery, as the time around the election was

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peppered by press reports of sustained job growth (especially in the well-compensated, office-based sectors), increased tax revenues for the city, a booming tourism industry, high profits on Wall Street, and rising real estate values.[1] Yet it was also marked by press reports of the continuing inability of middle- and working-class New Yorkers to secure affordable housing – and indeed of rising costs across the board, covering everything from education to clothes to food – as well as the continued growth of poverty, hunger, and inequality within the city.[2] The extent to which Bloomberg's economic and urban development policies were responsible for these outcomes is subject to debate, and I do not have definitive answers to such questions. In any case, Bloomberg understandably did not hesitate in claiming credit for the good news at least, claiming it as the fruit of his comprehensive and coherent economic development strategy.

But in this conclusion, I want to explore this question a bit more deeply. In particular, I want to appraise the political strengths and weaknesses of the Bloomberg Way in the context of the processes of class transformation and succession that were discussed in detail in the first several chapters of this dissertation. How effective was the Bloomberg Way? Who were the winners in the conflict over Hudson Yards plan, and who were the losers? And what does this tell us about the processes of class transformation and succession underway in New York City?

In addition, I will discuss the more general implications of this mix of success and failure. I will make some tentative conclusion concerning the implications of this case

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[1] See Anderson 2005a; Baker 2005; Gardiner 2005c; Hess 2005; Lombino 2005; Magnet 2005a; Satow 2005a.

[2] See Daily News 2005; Feuer 2006; Steinhauer 2006; Tymkiw 2005.

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study for our understanding of urban governance – and particularly of urban neoliberalism – more broadly by relating the Bloomberg Way, debates over the trajectory of urban neoliberalism, and class transformation not just in New York, but in cities around the globe. Finally, I will discuss the implications of this work for struggles to bring about a more just urban order.

II. Judging the Bloomberg Way

A. Antipolitics' Failures…

The defeat of the NYSCC and the failure of city's Olympic bid were not only the two most stinging political defeats of Mayor Bloomberg's first term; as should be abundantly clear by now, they were also a clear indication of the political inadequacy of the Bloomberg Way, at least in its most purely corporate, technocratic, and antipolitical form. While the Olympic bid anteceded the Bloomberg administration, the administration not only embraced the bid but placed it – and the bid's most important element, the Hudson Yards plan – at the center of its own economic and urban development agenda. Indeed, the elite agenda, the vision of the city, and the aversion to politics that all informed the bid were shared by Mayor Michael Bloomberg and many of the key members of his administration, as the hiring of Daniel Doctoroff as the Deputy Mayor for Economic Development and Reconstruction made so clear.

The 2001 Hudson Yards plan issued by NYC2012 clearly recognized that, if not for the expected materialization of "enormous public enthusiasm for the Olympic Games" that would facilitate "major infrastructure projects that would otherwise never have been possible" (NYC2012 2001, 94), the redevelopment of the Hudson Yards was likely to generate the same kind of intense political controversy and opposition, which, its

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authors claimed, had doomed previous attempts to redevelop the far west side. This represented both an overestimation and an underestimation of politics: an overestimation of politics because previous plans for the area had stumbled for a variety of reasons, including but not limited to political opposition; and an underestimation of politics because of the prediction that the prospects of a 2012 New York Olympics would win over those who might otherwise oppose the redevelopment of the Hudson Yards. As we have seen, this prediction proved to be profoundly wrong: the Olympics bid did very little to counteract opposition to the NYSCC, and in fact, the manner in which the bid was wielded by Bloomberg administration and NYC2012 officials actually exacerbated that opposition. Shrewder – and more effective – was the use of another method to sidestep political opposition: the proposed employment of self-financing mechanisms that would sidestep the legislative review of important elements of the Hudson Yards plan. If its particular analysis of the importance and tenacity of politics was at times wrongheaded, NYC2012's leadership at least acknowledged the fact of politics and conflict as fundamental factors in urban development politics – if only in an attempt to develop strategies to overcome these factors. For NYC2012, the privatism of the bid was as much a pragmatic political strategy as an ideological imperative, stemming from a recognition that the economic and development agenda that informed the bid, even if it was understood by NYC2012's planners and leaders to be in the city's best interests, would be likely to generate political opposition.

The Bloomberg administration went one step further. For the administration, and most importantly, for the Mayor himself, the privatism of the bid – and the evasion of public participation and legislative review that it implied – was not a strategic choice

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based on political calculation but a reflection of a more fundamental ideology of urban governance. The Bloomberg Way, which posited the existence of a unitary citywide interest that could be determined and acted upon, denied the very existence of political conflict based on divergent economic interests or visions of the city. The mayor clearly was convinced that the hosting the Olympics, building the NYSCC, and redeveloping the far west side represented that unitary, citywide interest, and, like the CEO he had been, demanded fealty to his judgment. While this style of leadership seems to have served Bloomberg well in the private sector, as mayor of a city like New York, a city of intense political, economic, and cultural contradictions and conflict, it seemed to blind him to the fact what he had judged to be in the best interest of the city as a whole, first, might be challenged by others who had come to very different conclusions, and second, might in fact reflect his own specific class position, experience, and vision of the city. When opposition did emerge, Mayor Bloomberg treated critics not as political foes to be outmaneuvered or co-opted. Rather, he treated them as one might expect him to treat underlings at Bloomberg LP who dared challenge his judgment: he attempted, if on a symbolic level, to fire them – to cast them out of the circle of legitimate belonging by tarring their loyalty to the city, by challenging their urban patriotism. While others intimated that opponents of the NYSCC, the Hudson Yards, and the Olympic bid were insufficiently committed to the city's best interests, Mayor Bloomberg did so more frequently, more explicitly, and more vituperatively than anyone else.

In the end, it was Mayor Bloomberg's corporate and technocratic approach to urban governance that informed the way in which his administration used the Olympics bid to push the NYSCC on an unenthusiastic public. And on July 6, 2005, a month after

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the PACB had rejected the stadium's funding, it was apparent that this approach had failed, with the 2012 Olympics headed to London and the NYSCC to the scrapheap of history.

B. …and the Bloomberg Way's Successes

The Bloomberg Way failed to generate the level of political support necessary to gain the approval of the NYSCC, a failure that effectively eliminated New York's already slim chances to win the 2012 Olympic Games. But the Hudson Yards plan was not completely defeated. The administration did win passage of the Hudson Yards rezoning plan, which paved the way for the postindustrial redevelopment of the far west side. Yet, as we have seen, the political credit for this success was due more to the tenacity of postindustrial ideology than to the political efficacy of the logic of investment that the administration used to develop and sell the rezoning plan. And the Javits Center expansion was also passed – though it had garnered little political opposition and was relatively uncontroversial.[3]

Indeed, one could argue that the outcome of the conflict over the Hudson Yards plan represented a political victory for almost everyone *except* the Bloomberg administration: real estate developers and the members of the city's traditional growth coalition more broadly had won the long-sought-after rezoning of the far west side for major commercial (and luxury residential) development; the city's tourism industries had won gotten their Javits Center expansion; the far west side community, with the help of

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[3] Nevertheless, the implementation of the Javits Center expansion was still uncertain in spring 2006. This was not due to political opposition, but to a growing belief among some city elites that the plan needed to be reformulated given the failure of the NYSCC. The Javits Center expansion had been the dog wagged by the NYSCC tail; some, most notably U.S. Senator Charles Schumer, saw the NYSCC's failure as representing an opportunity to go back to the drawing board and think through how the expansion could be done "correctly" (Bagli 2006b).

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Assembly Speaker Sheldon Silver, had managed to stop the stadium, though it was rebuffed in its attempts to reduce the scale and density of the rezoning plan; and Silver himself had managed to leverage his control over the NYSCC's funding to reinvigorate the Lower Manhattan redevelopment process, much to the gratification of downtown interests.[4]

Yet, as Bloomberg's resounding reelection victory in November 2005 indicates, things were not quite so simple. Yes, the administration had failed to gain passage for the NYSCC, which doomed the Olympic bid. Yes, the administration's political successes – the passage of the rezoning plan and the Javits Center expansion – were either uncontroversial (in the latter case) or in large part attributable to already extant reservoirs of political support. And yes, to the extent that the NYSCC did garner political support, it did so more on the basis of the old-fashioned horse-trading of the New York Jets than on the basis of the administration's claims about the stadium's "profitability" or its urban planning bona fides. But in the midst of all this, Mayor Bloomberg managed to cement his position of political leadership: by November 2005, he had assembled a dominating electoral and political coalition that included not just professionals and corporate executives, but increased support from labor, many minority and ethnic groups, and perhaps most importantly, much of the city's traditional growth coalition, whose members, remember, had been intensely suspicious of Bloomberg when he came into office in 2002. And his administration had succeeded in moving forward not just the

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[4] Silver's demands for a "Marshall Plan" for downtown Manhattan were met in mid-2005. Moreover, after months of haggling, in April 2006 the Governor, the Mayor, and Larry Silverstein, the developer who held the rights to redevelop the World Trade Center site, reached an agreement to accelerate commercial development on the site, though question remained about whether the city's commercial real estate market would be able to absorb all the space planned for that site and the Hudson Yards area (Bagli 2006a, 2006c).

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Hudson Yards rezoning plan, but a host of other development plans, including major rezonings and projects in all five boroughs.

Thus, the Bloomberg Way's antipolitics did not doom it to total failure as a political strategy, nor as a strategy of effective governance. Other elements of the Bloomberg Way besides its antipolitics were more successful: the centralization of power within the office of Deputy Mayor Daniel Doctoroff, for instance, which generated the capability both to pursue a comprehensive and coherent economic and urban development policy and to keep those who might undermine this strategy – real estate developers, most notably – in line. Without this centralization, the administration's efforts to develop and move forward the complex and ambitious Hudson Yards plan, however unsuccessful they ultimately were, would have been inconceivable. The coordination of the Economic Development Corporation, the Department of City Planning, the Department of Finance, the Department of Housing Preservation and Development, and the many other agencies involved in that plan was in fact a major achievement. This should not be overlooked.

C. Softening Antipolitics

Moreover, this centralization, along with the ideological potency of the idea that the city needed to be united in its pursuit of enhanced competitiveness, permitted the Bloomberg administration to considerably soften its antipolitical stance in the run-up to the election of 2005. The administration, it seemed, was moving towards a model of governance and political leadership that acknowledged the importance of bringing a broad array of groups to the table, as it were, even as it remained committed to the idea that the city needed to remain united in the face of interurban competition. In the context

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of the softening of the Bloomberg administration's antipolitics, the centralization of economic and urban development policy allowed the administration to distribute the benefits of development more broadly than had previously been the case. Thus, the Jets' negotiation of the "historic" Minority and Woman-Owned Business Enterprise program for the NYSCC and the resulting minority support for the stadium pushed the administration to take steps to incorporate such programs into citywide development policy. Likewise, recognizing the fact the Hudson Yards plan's lack of a concrete affordable housing plan had proved a major political liability, the administration took steps to insure that all major city-sponsored development projects and rezonings would include major affordable housing components.

Yet these efforts to attract the support of particular political constituencies for the administration's economic and urban development policy were portrayed not as inherently political efforts to redistribute the benefits of government policy, but instead as crucial to enhancing the city's competitiveness. Thus, whereas affordable housing was portrayed by many of its traditional advocates as an issue of social justice concerning the right of those of modest means to live in the city, the Bloomberg administration placed affordable housing in the rubric of competitiveness: "Affordable housing is crucial to the future economic development of this city," said Shaun Donovan, the Bloomberg administration's chief housing official; "We [must] make sure that we keep workers in this city…in this new economy [in which] the cities that will compete and win are the cities that can build successful mixed-income neighborhoods rather than the historic economic divide between city and suburb" (quoted in Scott 2006). And accordingly, when the administration announced an expansion of the City's affordable housing

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program, one-third of the proposed units were to be reserved for "middle class" households making as much as $125,000 – households whose presence, as the Mayor put it, would "allow the City's economy to continue to grow" (Bloomberg 2006a).[5] This was affordable housing for the denizens of the luxury city. So, somewhat paradoxically, even as the administration softened its antipolitics, it remained committed to the fundamental (antipolitical) premise of the Bloomberg Way: the need to enhance the city's ability to compete – and particularly to compete for well-paid professionals and their postindustrial employers.

D. Broadening and Deepening the Bloomberg Coalition

As 2004 turned into 2005 and the mayoral election neared, it became even more obvious that Mayor Bloomberg had learned the lessons of the Hudson Yards debacle. His 2005 mayoral campaign was marked by a political sophistication and willingness to engage in constituency-building markedly absent from his administration's approach to the Hudson Yards plan. The Mayor parlayed his support of the Hudson Yards plan and the ongoing construction boom in the city into strong construction union support, securing the important endorsement of several construction unions early in the campaign season. Several other unions, including those representing garment trade workers, building service workers, and public employees, endorsed Bloomberg; others did not endorse him but offered Ferrer only the most tepid endorsements and political support. His campaign team held weekly meetings with African-American and Caribbean-American leaders, and eventually won almost half the black vote, a remarkable level of

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[5] In 2006, the city median income for a family of four was about $63,000. Such families making up to twice the median income would be eligible for "middle class" housing (New York City Housing Development Corporation 2006).

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support for a wealthy white Republican. He also won more than a third of the city's Latino vote, an impressive showing against his Democratic opponent, Fernando Ferrer, who made much of the fact that if he were to win, he would be the city's first Latino mayor. Importantly, Bloomberg also made inroads into the social-service and nonprofit sectors, usually hotbeds of Democratic support, especially through the politically savvy targeting of his extensive personal philanthropy: over his first term, Bloomberg's philanthropy not only grew in size but in breadth, as he shifted his contributions towards key neighborhoods and constituencies.[6] Finally, Bloomberg made affordable housing a central plank of his reelection campaign, a tactic aimed at the city's struggling middle and working classes as well as community activists, progressive advocates, and urban policy organizations.

Moreover, Bloomberg continued to cement his support among the new corporate elite – the well-paid and well-educated professionals and the corporate executives – who had long been his base. He made gains in liberal, white, professional neighborhoods like Park Slope and the Upper West Side. In addition, Bloomberg's first term saw a shift of the political loyalties of several important corporate executives who were historically large political contributors to the Democratic Party.[7] Steven Rattner, a major financier (and personal friend of Bloomberg) and a number of other major investment bankers and media moguls who had in the past played advisory and fund-raising roles for Democratic

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[6] Bloomberg also continued the now five-election old Republican dominance of the white vote, pulling in roughly 70 percent of the white vote. For racial and ethnic breakdowns of Bloomberg's 2005 electoral coalition see Engquist and Michaud 2005; Roberts 2005; Rutenberg 2005b. For Bloomberg's political use of philanthropy, which the Mayor and his aides denied, see Colford and Singleton 2005; Lueck 2005; Roberts and Rutenberg 2005.

[7] For Bloomberg's success among professionals, see Roberts 2005; Rutenberg 2005e. For his increasing support among Democratic corporate executives, see Bruder 2005; Rutenberg 2005c.

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candidates on both the municipal and national level, declined to give money to Fernando Ferrer and were active in the "Democrats for Bloomberg" organization. Some of this can be ascribed to the fact that the incumbent mayor was heavily favored to win, but there was also an element of class solidarity at work. Many of those who refused to give to Ferrer were part of the same social and philanthropic circles as Bloomberg and Rattner himself said: "I can't think of a single active Democrat in New York who's supporting Freddy Ferrer. And when I say active Democrats, I mean the *people in our world*, who help raise money for Presidential candidates and things like that" (quoted in Bruder 2005, emphasis added).

Perhaps most noteworthy was Bloomberg's support from the real estate industry, the core of the city's traditional growth coalition. Despite real estate's past support for Ferrer, the hapless Democratic found, as one newspaper headline put it, real estate's "deep pockets sewed up" (Cardwell 2005).[8] While fear of retribution and the Bloomberg's frontrunner status played a role, it was also clear that real estate elites, despite their previous suspicions of the Mayor, despite his property tax hikes, and despite his unwillingness to allow real estate profitability to dictate urban development policy, were willing to defer to his leadership.

This fact is the clearest evidence that the first term of Michael Bloomberg's mayoralty saw a strengthening of his position of political leadership in the city, and the clearest evidence of the supersession of the ruling class alliance represented by the city's traditional growth coalition by the ruling class alliance centered on the Bloomberg-led

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[8] In 2001, for example, executives and employees of real estate giant Tishman Speyer, gave Ferrer $12,500; Douglas Durst and his family gave him almost $10,000, and Larry Silverstein gave him $4,500. In 2005, Ferrer received not a cent form any of these donors (Cardwell 2005).

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new corporate elite. As argued early in this work, the Bloomberg Way was made possible by the postindustrial approach to urban development espoused by the city's traditional growth coalition; yet this approach to urban and economic development was at times in tension with deeply entrenched ideologies and political-economic power relations. While the Bloomberg Way was not incompatible with the exigencies of profitable real estate development, it nevertheless represented a rationalization of urban development along different lines, comprising a government-led competitive strategy emphasizing a multi-dimensional urbanism rather than the construction of office buildings and luxury residential housing alone. Moreover, the Bloomberg Way's contention that the value produced by a New York City location outweighed the high cost of doing business in the city (for certain companies, at least) contradicted the economic development orthodoxy of the post-1970s-fiscal crisis consensus, which had done so much to gild the pockets of real estate developers and others in the city's traditional growth coalition.

The relationship between Bloomberg and the city's traditional growth coalition in Mayor Bloomberg's first term had been a complex mix of conciliation, adaptation, and conflict, as the conflict over the Hudson Yards plan, and particularly the conflict over the NYSCC, clearly demonstrated. As we have seen, many real estate developers had always had doubts about the stadium's location on a prime piece of property on the far west side, but were generally willing to go along if it did not generate so much controversy as to threaten the rezoning portion of the Hudson Yards plan, which would open up the area for profitable commercial and luxury housing development.

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So when the rezoning plan passed the City Council in early 2005, there seemed to be little reason for developers to continue to support the Bloomberg administration's plans for the NYSCC. Yet when given the opportunity to bid on the rights to develop the western Hudson rail yards, the proposed location of the NYSCC, when those rights came up to bid in early 2005, not a single local real estate developer chose to do so. This fact can be attributed in part to fear of possible recriminations of the Mayor and the Deputy Mayor, who together had constructed a powerful bureaucratic apparatus that governed almost every aspect of development in New York City. But there was more than just coercion at work here; the refusal to take on the administration over the use of the rail yards, coupled with the unwillingness of real estate to support his opponent in the 2005 election, indicates something else was at play. First, it is notable that while the administration's attempts to invoke urban patriotism to generate support for the NYSCC were rebuffed by most of their targets, they did seem to gain purchase with real estate developers, who were afraid of being "accused of killing the Olympics" (Horowitz 2004). This suggests that at some level, real estate elites had bought into the spatial ideology inherent of the Bloomberg Way, the idea that the city was a socially unified unit in competition with other such units. In a more material vein, it is also the case that the efforts to transform New York City inherent in the Bloomberg Way had sparked a major real estate development boom, which while not always strictly in accordance with the desires and profits of real estate developers, was beneficial enough that they were willing to defer to the Mayor's leadership. By the end of Mayor Bloomberg's first term, for a mix of ideological, material, and pragmatic reasons, the city's real estate elite, while nevertheless still prominent and powerful, had accepted a position outside the innermost

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circle of power, a position to which they were unaccustomed, to say the least, given the central position in the city's development politics and traditional growth coalition that their systemic power had long insured them.

This was not just a matter of real estate bending to the Mayor's will; the Mayor adapted as well. The Bloomberg administration drew on both postindustrial ideology and the entrenched power of the city's traditional growth coalition in important ways, whether it was the Mayor's invocation of the venerable myth of antidevelopmentism or the use of construction union members as "ground troops" in the political trench warfare that characterized the conflict over the Hudson Yards plan. Indeed, the Hudson Yards plan itself had emerged from the heart of this traditional growth coalition, as many of its details and designers had decades-old lineages. Moreover, in the Bloomberg administration's softening antipolitics, one sees a sign that it was learning something that real estate developers and other members of the city's traditional growth coalition had long known: like it or not, urban development in New York City required a willingness to plunge into the messy realities of a contentious and conflictive city, that is, it was an inherently political game.[9]

In 2002, Michael Bloomberg and key members of his administration brought into City Hall a corporate, technocratic, and antipolitical approach to urban governance – the Bloomberg Way – aimed at fundamentally transforming not just governance but New

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[9] Indeed, at the same time as the Bloomberg administration was meeting so much resistant on the far west side, Bruce Ratner, a powerful and politically savvy developer, was successfully, if slowly, moving forward his own proposal for the development of rail yards in Brooklyn. In contrast to the Bloomberg administration, Ratner, offering a series of benefits like affordable housing, contracting and employment opportunities, and community benefits, patiently built a broad-based coalition in support of his project, which included labor, progressive advocacy groups like ACORN, and much of Brooklyn's African-American political and religious establishment. It seems likely that Bloomberg administration officials absorbed the lessons of Ratner's more politically adept approach.

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York City itself. In the administration's efforts to sell the Hudson Yards plan, the Bloomberg Way foundered on the political realities of a city divided by class, by race and ethnicity, and by ideology. While Bloomberg remained resolutely nonpartisan and continued to make his experience as a CEO central to the legitimization of his mayoralty, by the end of 2005, "politics" was no longer a dirty word in Mayor Bloomberg's City Hall. In 2002, Michael Bloomberg set out to transform New York; as of 2005 it was more accurate to say that New York had transformed Michael Bloomberg.

III. The End of Urban Neoliberalism?

In the beginning of this work, I quoted David Harvey's statement that "while neoliberalization may have been about the restoration of class power, it has not necessarily meant the restoration of power to the same people" (2005, 31). I argued that the neoliberalization of New York City represented by the policies of the post-1970s-fiscal crisis consensus of austerity, corporate and real estate subsidization, and revanchism advocated by the city's traditional growth coalition had in fact resulted in the restoration of class power – but to a different group of people: the city's new corporate elite. In the intervening chapters, I have aimed to demonstrate the ways in which the private-sector experience and urban ideology of this new corporate elite, particularly of the high-level corporate executives who emerged as its political leadership in the last years of the 20th century and the first years of the 21st, shaped urban governance, city economic and urban development policy, and the conflict over the Hudson Yards plan. After doing so, I want to pose this question: if urban neoliberalism in New York City represented the restoration of class power to this new elite, does the corporate, technocratic, and antipolitical approach to urban governance that it brought into City Hall

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represent a new "mutation" of urban neoliberalism, or does it represent the transcendence of urban neoliberalism and the rise of a new sort of urban governance?[10]

Drawing on the material presented here, it seems to me that there are two possible answers to this question. First, it could be plausibly argued that the Bloomberg Way is an example of what Jamie Peck and Adam Tickell call "roll-out" neoliberalism. As I detailed in Chapter One, Peck and Tickell stress that "roll-out" neoliberalism is characterized by "a striking coexistence of technocratic economic management and invasive social policies," particularly penal and labor market policies (2002, 389). In terms of economic and urban development, the Bloomberg Way clearly represents a series of institutional, ideological, and competitive innovations that neatly fit Peck and Tickell's characterization of roll-out neoliberalism. As I have argued, the Bloomberg Way was in fact deeply technocratic, but it was a specifically *corporate* sort of technocracy in which the city government was conceived of as a corporation (with the Mayor as CEO), businesses as clients, and most radically, the city itself as a product. While competitiveness has become a fundamental plank of urban policy in many cities given the current context of enhanced interurban competition, the Bloomberg Way embraced competition with a uniquely all-consuming enthusiasm: this encompassed everything from the use of cutting-edge branding practices to the use of corporate benchmarking techniques to the deployment of the logic of investment to design and sell particular development projects. Moreover, it led to a novel ideological move – the

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[10] I should state at the outset of this discussion that I do not have a definitive answer to his question. Instead, I see it as opening avenues of further research, particularly further research in other cities throughout the globe where corporate elites similar to that that came into power in New York in 2002 have stepped forward to take on the mantle of urban leadership.

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deployment of urban patriotism, which as we have seen, arose directly out of a competition-driven spatial ideology that portrayed the city as a socially unified and territorially bounded entity in competition with other such entities. All of this corresponds with Peck and Tickell's depiction of roll-out neoliberalism.

Yet, there are some crucial pieces missing from the Bloomberg Way – and crucial new pieces – that make this a less comfortable fit than it might initially appear. Most notably, the Bloomberg Way included little of the stress on revanchist penal or labor market policy that Peck and Tickell describe as characteristic of roll-out neoliberalism. Or perhaps more accurately, we might say that under the Bloomberg administration, these kinds of policies had become routinized in the wake of the Giuliani administration, for which such policy was a pronounced and loudly-trumpeted priority. This deemphasis was especially apparent in welfare policy: "They talk about serving the client better, but this is just to make more tolerable the regime that Giuliani put in place," Lawrence Mead, a NYU political science professor, said in late 2005 of the Bloomberg administration's welfare policies. "They are still about getting clients to go to work, but what is missing is the in-your-face attitude" (quoted in Kaufman 2005). But of course the "in-your-face attitude" was as much the point as was the actual reengineering of welfare policy and the lower echelons of the labor market in order to "get clients to go to work." It served as an ideological broadside that aimed to both discredit older, more generous welfare policies, to impose discipline upon the poor, and perhaps most importantly, to communicate a sense that order was being imposed on the city.

During the Bloomberg administration, the institutional bases of welfare reform remained in place, but the ideological message – that the city was being taken back from

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the forces of disorder, crime, and chaos – was muted.[11] In part, this was made possible by the fact that the Giuliani administration had already accomplished the task of communicating to corporate executives and professionals that a basic sense of order had been restored: the poor were being disciplined, the homeless were disappearing, and most importantly, crime was under control: businesspeople no longer had to wonder, as one member's of the city's business press put it to me, "if they were going to get killed the next day in New York" (David 2004). But the cosmopolitanism and respect for diversity inherent in the ideological figure of the "global executive" also played an important role, as it militated against the use of the kind of obviously racialized rhetoric that such revanchism represents. And indeed, Bloomberg's 2001 mayoral campaign and his first term as mayor were both marked by the lowering of racial tensions and the absence of such rhetoric.

Moreover, there was a fundamental difference in the way in which Giuliani's urban revanchism and the Bloomberg Way constructed the political logic of friend and foe. Giuliani's urban revanchism, as Neil Smith writes, represented a "rescripting of internal 'enemies'" (1996, 215), as a variety of groups within the city – welfare recipients, the homeless, African-American males, artists, squatters, and the like – were demonized and portrayed as having "stolen" the city from its rightful owners. The Bloomberg Way, on the other hand, was far more focused on the external threat of competition and on maintaining unity in the face of that threat. The Bloomberg Way and

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[11] Though at times it reemerged, most notably during the Republican National Convention of August 2004, when the NYPD used harsh and at-times brutal tactics to suppress street demonstrations.

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the revanchism that is part and parcel of roll-out neoliberalism operated according to fundamentally different political logics.

Moreover, neoliberalism, roll-out or otherwise, "rests on a pervasive naturalization of market logics" (Peck and Tickell 2002, 394). Yet, as conservative commentators pointed out over and over again, Bloomberg was far from a free-marketeer. His administration largely rejecting privatization, deregulation, and tax-cutting while showing little hesitancy to have the city government intervene into urban land markets, raise taxes, favor certain sectors over others, or use the power of eminent domain, if necessary.[12] The Bloomberg Way was far more committed to strengthening and rationalizing government than to reducing its purview. Indeed, the Bloomberg Way comprised a model of government-led economic growth: the role of the local government was to make "investments" that would enhance the city's competitiveness and thus insure the growth of tax revenues and employment. The Luxury City strategy in particular clearly deemphasized the importance of taxes, contradicting the orthodox neoliberal idea that high taxes inevitably lead to distortions in the efficient working of the market. Moreover, the administration's Hudson Yards plan, rather than merely rezoning the area and opening it up for market-driven development, sought to shape the development that would occur there in highly specific ways. To once again quote Deputy Mayor Doctoroff, speaking of the administration's desire to substitute luxury housing for office space at the World Trade Center redevelopment site: "There is an inherent conflict

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[12] In a remarkable statement, Bloomberg in early 2006 entered the ongoing debate over the Supreme Court's 2005 Kelo v. New London decision, which gave governments the power to seize private property and transfer it to another private owner, telling a crowd gathered at a Times Square groundbreaking ceremony: "You would never build an big thing any place in any big city in this country if you didn't have the power of eminent domain…You wouldn't have a job, neither would anybody else standing here today. None of us would" (quoted in Cardwell 2006).

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between someone who is market-driven and the city's interests, which should be rationally discussed," Doctoroff said in early 2005 (quoted in Magnet 2005b).

Thus, while the centrality of competitiveness and economic development to the Bloomberg Way corresponds with Peck and Tickell's characterizations of with urban neoliberalism, especially its roll-out variety, the Bloomberg Way thus differed from urban neoliberalism in important ways, both political and economic. Bob Jessop has noted that neoliberalism is just one of many several "ideal-typical" strategies that cities and nations can take to "promote or adjust to global neoliberalism," whose greatest impact on cities has been the enhancement of interurban competition (2002, 460-461). And in fact, the Bloomberg Way, especially in the more politically inclusive and less antipolitical form that emerged after the Hudson Yards debate, shares a number of characteristics with what Jessop calls "neocorporatism" (2002, 461-462). Among these are an enhanced concern with fostering public-private partnerships towards the end of innovation and competitiveness and a willingness to impose high levels of taxes in order to fund social investment, both of which are clearly present in the Bloomberg Way. Moreover, Jessop describes neocorporatism as comprising a negotiated approach to development that includes not just capital, labor, and the state, as had previous incarnations of corporatism, but also policy networks, and a "diversity of…communities and networks relevant to innovation-driven growth, as well as the increasing heterogeneity of labor forces and labor markets" (2002, 462). We see this in the Bloomberg administration's post-Hudson Yards plan outreach to a variety of groups: affordable housing advocates; minorities and ethnic groups; not just construction unions, but a variety of unions in the service sector; and the nonprofit and social-service sectors,

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to name a few. While this outreach did insure that the benefits of development were spread more broadly, it nevertheless represented an adaptation of the Bloomberg Way's corporate and antipolitical approach to the demands of city politics, rather than its abandonment. This "corporate neocorporatism," if we can call it that, represented an effort on the part of Bloomberg the CEO Mayor to bring more negotiating partners to the table in order to improve performance and competitiveness, that is, to more efficiently pursue the unitary best interests of the city as a whole. Fundamental political, economic, cultural, and ideological divisions internal to the city remained unacknowledged.

In any case, it seems that the corporate and technocratic Bloomberg Way may represent yet another mutation of urban neoliberalism, this time from "roll-out" neoliberalism to a kind of corporate neocorporatism. On a local level, if the Bloomberg Way proves to be more than a fleeting phenomenon – which we will only know in the future – this would seem to represent the final unraveling of New York's post-fiscal crisis consensus: not just the end of cost- and subsidy-centered economic development policy, but also a new approach to dealing with the city's working classes and minorities, as negotiated co-optation replaces a harshly disciplining revanchism. And it would also seem to indicate the consolidation of New York City's new corporate elite's supersession of the city's traditional growth coalition.

More generally, it suggests that as members of this new corporate elite, particularly those who I tentatively labeled as members of the transnational capitalist class, become more active in urban politics in cities across the globe, we may see new forms of governance emerging, forms of governance that are impacted in crucial ways by the private-sector experience – and success – of those members of the global, corporate

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elite who have benefited so much from the neoliberalism at the urban, national, and global scales. Only comparative research will demonstrate whether or not this on fact is the case.

IV. Fallibility and Possibility

The recent shift from "roll-back" neoliberalism to "roll-out" neoliberalism was, Jamie Peck and Adam Tickell write, "substantially triggered by the 'internal' contradictions and tensions in the [neoliberal] project…Roll-out neoliberalism reflects a series of politically and institutionally mediated responses to the manifest failings of the Thatcher/Reagan project…In a sense, therefore, it represents *both* the frailty of the neoliberal project *and* its deepening" (2002, 390). In New York, we can see the Bloomberg Way as a response to the inability of the post-fiscal crisis consensus to insure fiscal stability and broadly shared prosperity – the very ends it was supposed to achieve. Moreover, in the softening of the antipolitics of the Bloomberg Way, in its evolution into a sort of corporate neocorporatism, we can see a response to the "manifest failings" of that corporate, technocratic, and antipolitical approach to urban governance – most notably its failure to gain political support for and approval of the Hudson Yards plan in its entirety, as well as its manifest failure to secure the 2012 Summer Olympic Games. We must not let Mayor Bloomberg's reelection victory in 2005, overwhelming though it was, obscure the fact that the most important development project of his first term met its demise. And we must not let this electoral victory obscure the crucial role played in this outcome by strong community opposition, or the fact that this opposition often articulated a vision of New York City that was more progressive, more democratic, and more just, if more inchoate, than that articulated in either the post-fiscal crisis consensus or the

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Bloomberg Way. The Mayor's reelection victory demonstrates that despite this failure, he still had broad political support; yet, the depth of such support is easily overestimated, as demonstrated by the fact that it did not translate into the implementation of his administration's transformational vision for the far west side of Manhattan.[13]

Peck and Tickell note that one of the elements that makes alternatives to urban neoliberalism seem self-evidently impossible is the fact that this mode of governance has had "attributed to it [an] immense and unambiguous causal efficacy" (2002, 383). Yet, as Cindi Katz has noted, "nothing, not even neoliberalism, is airtight" (2005, 630). If nothing else, perhaps this work does this: by calling our attention to the fallibility and vulnerability of both urban neoliberalism and its possible successors, it allows us to consider the possibility that a new, more just urban order is possible.

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[13] The fact that the 2005 election saw one of the lowest level of voter turnout in more than twenty years, as only about 1.5 million of 4.3 million New Yorkers registered to vote actually did so, also indicates that Mayor Bloomberg's political support is easily overestimated.

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Appendix: Abbreviations

CB4	Manhattan Community Board Four
CEO	Chief Executive Officer
CBD	Central Business District
CPC	New York City Planning Commission
DCP	New York City Department of City Planning
EDC	New York City Economic Development Corporation
EIS	Environmental Impact Statement
ESDC	Empire State Development Corporation, aka New York State Urban Development Corporation
FDI	Foreign Direct Investment
FIRE	Finance, Insurance, and Real Estate
The Framework	*Far West Midtown: A Framework for Development* (Released by New York City Department of City Planning in 2001)
HKNA	Hell's Kitchen Neighborhood Association
HYIC	Hudson Yards Infrastructure Corporation
IBO	New York City Independent Budget Office
IOC	International Olympic Committee
MBLC	Minority Business Leadership Council
msf	Million Square Feet
MTA	Metropolitan Transportation Authority
MWBE	Minority and Women Owned Business Enterprise
The Partnership	The Partnership for New York City (formerly the New York City Partnership and Chamber of Commerce)
PMC	Professional-Managerial Class
The Preferred Direction	*Hudson Yards Master Plan: Preferred Direction* (Released by New York City Department of City Planning in 2002)

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NYSCC	New York Sports and Convention Center
PACB	Public Authorities Control Board
PILOTs	Payments In Lieu of Taxes
REBNY	Real Estate Board of New York
RPA	Regional Plan Association
TCC	Transnational Capitalist Class
TFA	New York City Transitional Finance Authority
TIF	Tax Increment Financing
ULURP	Uniform Land Use Review Process
USOC	United States Olympic Committee

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