The 5 Biggest Economic Development Projects In The Bronx

By Frank G. Runyeon
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In April 2013, then-mayor Michael Bloomberg announces plans to turn Kingsbridge Armory into the world's largest indoor ice facility, a project which has since stalled.

Photo Credit: Ed Reed/ Office of the Mayor

With New York's highest unemployment rate, at 8 percent, and the unwelcome distinction as the one of the country's poorest areas, few places are better candidates for economic development projects than the Bronx.

And it's seen quite a few of them.

In the last five years, Gov. Andrew Cuomo has put over $1 billion of state funding into development projects in the borough.

Cuomo extolled the results of the state's investment in the borough at an opening ceremony for Silvercup Studios North this August. "This exciting project is yet one more reason why the Bronx is back," the governor said. "I'm so proud to see the progress this borough is making. The arrows are all in the right direction."

And there is some reason to celebrate, said James Parrott, chief economist at the Fiscal Policy Institute. "There's been relatively strong job and income growth in the Bronx. So that suggests something positive is happening."

But experts surveyed by City & State cast a skeptical glance at many of the area's development projects, questioning what economic benefits the community will actually receive after taxpayer dollars are spent and wondering who will hold funding recipients accountable for the promises made to Bronx residents.

There are key questions that must be asked, said Maria Doulis, vice president of the Citizens Budget Commission. "How are you going to be tracking the results and what are the ways in which you are going to judge whether those results are actually deemed successful? ... It's nice to get money in, but the bigger question is: What's the strategy?"

A 2014 report by the Citizens Budget Commission highlighted core economic development goals, including promoting job growth, improving residents' access to "quality" jobs that provide adequate wages and benefits, diversifying economic activity and maintaining the city's position as a regional leader in the global economy.
But beyond those goals, said Marlene Cintron, president of the Bronx Overall Economic Development Corporation (BOEDC), a central concern is less about dollars and more about health. “A good economic development project is one that, first and foremost, has a positive impact on the environment,” Cintron said. “We have more asthma here in the Bronx than any other place. So that’s a big deal for us.”

Bettina Damiani, the former longtime director of Good Jobs New York, said part of getting any desired outcome is involving Bronx residents in the project planning. “The value of the project has a direct correlation to the type of engagement the community had in helping develop that project,” Damiani said. “In some instances, it happened more than others.”

New York, however, has no standardized method to evaluate economic development projects. “There’s no cut-and-dried or universal metric that can be used, but by analyzing the situation and by comparing the results to how it was billed initially, you can say something,” Parrott said. “That does argue for a more systematic approach to evaluating economic development.”

Because there is no official measure of success for economic development projects, at least for now, City & State asked a group of experts how well the Bronx would be served by these five high-profile efforts.

Fresh Direct

DESCRIPTION: A bidding war with New Jersey netted the grocery direct-delivery service over $100 million in public subsidies to relocate to the Bronx from Long Island City. FreshDirect successfully navigated protests and lawsuits from neighborhood groups and city politicians who
complained about unfair subsidies, as well as the prospect of increased air pollution and traffic from the trucks entering and exiting the facility. In late 2014, FreshDirect officially broke ground at the Harlem River Yards location in the South Bronx.


**COST**: $128 million in city subsidies.

**ECONOMIC IMPACT**: The site will create 1,000 jobs over 10 years and “many of those positions will be filled by Bronx residents,” according to the Bronx borough president’s office.

**EXPERT OPINION**: “There's a handful projects over the years that I've worked on at Good Jobs New York, and FreshDirect still scars me. It was not great on a practical level or a wise investment of tax dollars. It was negative in the way it engaged community groups and people that live in the neighborhoods.

“FreshDirect got a gaggle of subsidies. They announced the deal was done before they put out the notice for the public hearing. When it seems like there is all the sudden tons of money and public space on a waterfront, you would think that public officials would want to engage people in what the future should look like and how we should invest our resources. That really didn't happen.”

– Bettina Damiani, former longtime director of Good Jobs New York

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**Trump Golf Links**

![Image of a golfer on a course]

*Photo Credit: Office of the Borough President*
DESCRIPTION: It’s been tallied among the most expensive public golf courses to build, costing well over $200 million, and virtually every dollar that went into developing the land and the course on it came from New York City coffers. Initially proposed as a golf course in the early 1990s during the Giuliani administration, the landfill at the base of the Bronx-Whitestone Bridge sat undeveloped for decades. After years of delays, Donald Trump put in a bid to complete and operate the luxury-style public course that stands today, agreeing to foot the bill for an as-yet-uncompleted $10 million clubhouse. Just a year ago, Borough President Ruben Diaz Jr. praised the project at its opening, but he’s changed his tune – a statement from Diaz’s office reads: “Given the hateful rhetoric that has spewed from the mouth of the operator of this golf course in his quest for our nation’s highest office, the borough president will not play there.”

STATUS: The course is open. A new clubhouse is still under construction.

COST: $237 million in construction costs, according to the Independent Budget Office; regular greens fees cost city residents between $144 and $172

ECONOMIC IMPACT: About 50 jobs for Bronx residents – half the golf course’s employees. In 2010, the city parks department set a goal of 100 construction and maintenance jobs.

EXPERT OPINION: “Impact? None at all,” BOEDC president Marlene Cintron said about the economic benefits the golf course has brought to the community. “It has the ability to be a positive economic impact on the neighborhood, but there has been no effort on the part of the golf course to encourage people to look out. ... What Trump and his businesses are into is sucking everything in. Buy your alcohol here, buy your mediocre food here, and then run back to Connecticut or wherever you came from. It’s a real lost opportunity.”

Kingsbridge National Ice Center

Founded in 1932, the Citizens Budget Commission is a research and watchdog organization devoted to enhancing New York’s competitiveness through promotion of sound state and local budget and management practices.
DESCRIPTION: The developer of this project promised to turn this turreted stone armory, once home to National Guard troops and equipment, into “the world’s largest indoor ice facility,” complete with nine hockey rinks. Unlike past proposals for the armory, like the Bloomberg administration’s failed effort to create a retail center there, the ice center has broad community support. Nevertheless, legal wrangling has left the project frozen. The city’s Economic Development Corporation, which controls the land, is facing off in the courtroom with Kingsbridge National Ice Center Partners LLC, which will construct the expansive new sports center, over whether or not the project has the funding in hand it needs to start construction. A judge proposed a deal earlier this summer, though there’s no sign of a thaw just yet.

STATUS: Stalled in the planning stages, pending litigation

COST: $350 million, mostly in state funding, according to Politico

ECONOMIC IMPACT: Potential for 267 permanent jobs and 890 construction jobs

EXPERT OPINION: “The whole thing is a bit perplexing. A lot of people worked really hard to put this deal together. I know the city is trying to do due diligence on this project, but there have been a lot of projects that have been subsidized by the city that haven’t been subjected to this level of scrutiny. I understand that the city wants to be conservative, but I think this could be a real win politically for the de Blasio administration to get this up and running. And unless they really think that there’s no ‘there’ there … I don’t see why the administration isn’t rushing to embrace this.

“There are politics involved between the mayor and the governor as there is with every issue. That might be part of it. ... Like I said, it’s perplexing and kind of mysterious.”

– Dr. Laura Wolf-Powers, research fellow at the Center for Urban Research, CUNY
DESCRIPTION: Hometown darling Silvercup Studios added its third New York City film production studio this summer in Port Morris. Boasting a track record of hosting successful film and TV productions like “When Harry Met Sally” and HBO’s “Girls,” the studio has been given a warm reception. The hope for the new studio is that bringing Hollywood dollars into the borough can benefit some of the country’s poorest residents.

STATUS: Complete

COST: $1.6 million from New York City Regional Economic Development Council and $35 million in private costs to Silvercup Studios

ECONOMIC IMPACT: Potential for 400 new jobs in film production, 100 jobs created constructing the studio, as well as an economic boost from productions buying local materials, goods and services, according to the Bronx borough president’s office

EXPERT OPINION: “It's a unionized town and most of the companies there are going to be union, so they’ve got their established workforces,” said Greg Leroy of Good Jobs First, commenting on the promises of new production jobs. “Is there enough new work that there is room for apprenticeships and training for new people to enter? Or are things slow enough that the existing workforce is sufficient and there aren't any new positions opening up? I don't know the answer to that, but that would matter a lot.”

Penn Station Access
DESCRIPTION: Once this project is completed, Co-op City, Morris Park, Hunts Point and Parkchester will all have brand-new Metro-North stations on a new "Penn Station Access" line connecting commuter cities in Connecticut with the eastern Bronx, sweeping down into Queens and then across the East River to Penn Station. The new stations will add sorely needed transit options to an underserved area. MTA officials say the line will open for service “several months" after the East Side Access project is completed in December of 2022.

STATUS: $695 million in the 2015-19 capital plan, with more spending anticipated through 2023

COST: Planning stage; passenger rail service is scheduled to begin in early 2023

ECONOMIC IMPACT: Potential for 5,400 new jobs, a $1.15 billion increase in business sales, an increase in residential property values of up to 32 percent and a 150 percent increase in commercial lot values, according to a 2013 report from the Bronx borough president's office

EXPERT OPINION: Transportation projects like this one, several experts noted, are considered classic examples of reliable investments when it comes to spurring economic development. “There’s a lot of potential there, development potential,” said Veronica Vanterpool, executive director of the Tri-State Transportation Campaign. “These stations will be serving areas of the Bronx that could use economic development. ... One of the biggest benefits is it’s going to reduce travel times. So that makes it an attractive travel option to people. Many people might be discouraged from traveling, working or visiting the Bronx because some of these areas – particularly these four areas – could be considered transit deserts. ... Co-op City, the case could be made that it’s a transit desert. It has limited transit service. So, it just makes it a more attractive destination for people.”