



OFF POINT:

THE DESTRUCTION OF IMMIGRANT-OWNED
SMALL BUSINESSES AND LOW-WAGE JOBS
IN THE WILLETS POINT SECTION OF QUEENS

URBAN
JUSTICE

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THE DESTRUCTION OF IMMIGRANT-OWNED SMALL BUSINESSES AND
LOW-WAGE JOBS IN THE WILLETS POINT SECTION OF QUEENS

A REPORT RELEASED BY THE COMMUNITY DEVELOPMENT PROJECT
& HUMAN RIGHTS PROJECT OF THE URBAN JUSTICE CENTER

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ABOUT THE ORGANIZATIONS

COMMUNITY DEVELOPMENT PROJECT OF THE URBAN JUSTICE CENTER

Founded in 2001, the Community Development Project of the Urban Justice Center provides legal, technical, and policy assistance to grassroots community groups working for positive social change in low-income communities. We strive to support such groups in the following areas: grassroots community organizing, affordable housing and tenant organizing, sustainable economic development, technical assistance for not-for-profits, workers' rights, environmental justice, access to healthcare, consumer rights, and immigrant rights.

HUMAN RIGHTS PROJECT OF THE URBAN JUSTICE CENTER

The Human Rights Project of the Urban Justice Center works to hold the government accountable to human rights standards and norms in addressing social and economic inequality particularly for groups most vulnerable to discrimination and poverty. HRP's methods include assessing and proposing solutions to policies, practices and structures that create and sustain inequality in New York City. We inform our work through research, peer education and organizing with local advocacy groups and community members, and share our lessons with other human rights groups around the country through trainings and public education.

ACKNOWLEDGEMENTS

This report is dedicated to the workers and small business owners in Willets Point, whose hard work, perseverance and entrepreneurial spirit have made this section of Queens a regional economic engine providing sustainable family wealth to numerous families, often new to this country, and an affordable alternative for automobile owners looking to repair their vehicles.

This report was produced in partnership by the Community Development Project and the Human Rights Project of the Urban Justice Center. It was authored by Edward W. De Barbieri of the Community Development Project, with additional editing support from Harvey Epstein and Alexa Kasdan of the Community Development Project, and Ejim Dike and Tatiana Bejar of the Human Rights Project. David Dodge and Jessica Heckler of the Community Development Project provided support with mapping city-wide development activity. Cover photo by Edward W. De Barbieri. Special thanks to Katya Pronin for granting permission to use her photos.



I. INTRODUCTION

Redevelopment plans have the potential to be positive aspects of economic development in urban areas. However, in New York City, the process of designating urban renewal areas under Mayor Bloomberg has been flawed and tainted with mayoral abuse of power. The direct result of these redevelopment plans is the displacement of vulnerable populations, generally low-income, predominantly immigrant communities and communities of color.

In the case of the redevelopment plan for Willets Point in northern Queens, the displaced population includes businesses, primarily auto repair services, 95% of which are Latino-owned. These businesses employ an estimated 1,700 workers, 98% of which are immigrants, who earn anywhere from \$80 to \$140 daily.¹ While the goal of redevelopment plans like the one in place in Willets Point is to generate jobs, the Willets Point redevelopment plan highlights how such plans often destroy small business – a vital aspect of economic recovery and growth. Moreover, the uneven, harmful impact of the redevelopment plan on immigrant communities comprised of racial minority populations, the undemocratic process of arriving at the redevelopment plan, and the consequent displacement of small business tenants and workers may violate both federal, state and local law, and the human rights of the displaced.

It is true that urban renewal projects can be good for the community if they meet certain requirements, such as: meaningful involvement of the community slated for urban renewal; fair and adequate compensation for any temporary or permanent displacement of community members; legal protections and remedies for community members should their rights be violated through the process. Furthermore, small businesses operated by immigrants and other minority populations have the possibility for continuing to be engines for economic recovery. Indeed, research indicates that small business ownership is at the crux of economic development efforts that build wealth and raise the overall standard of living in areas of poverty.²

The purpose of this Report is to draw attention to critical issues facing commercial tenants in New York City who are forced to relocate because of urban renewal projects, and to draw a spotlight on the fact that the majority of tenants and workers who are forced to move come from immigrant groups and minority populations. These vulnerable populations, less represented in the overall community because of their racial background, bear an unequal burden when these types of redevelopment plans are initiated. Furthermore, commercial tenants are often the most vulnerable parties in a new development plan because they lack the property rights of landowners, and typically have less legal protections than residential tenants. The particular redevelopment addressed in this report is the one currently proposed in the Willets Point section of Queens, adjacent to the new Citi Field where the Mets Baseball team plays.

II. BACKGROUND

Willets Point is an industrial business district set on a triangular piece of land approximately 62 acres in size located in northern Queens. Northern Boulevard borders the area to the north, 126th Street and the new Citi Field to the west and the Van Wyck Expressway on the east. Willets Point is an active commercial zone with about 225 businesses providing over 1,800 jobs, supporting mostly immigrant and minority entrepreneurs and workers in skilled auto repair jobs and some service jobs such as food preparation.

In addition to the economic activity that businesses in Willets Point generate, Willets Point provides an affordable option for residents and businesses in the New York, New Jersey and Connecticut area to have their cars fixed. A study released in 2006 by the Hunter College Center for Community Planning and Development found that Willets Point is a unique regional destination for auto parts and repairs, and few other business districts provide a similar variety of services concentrated in one area accessible to highways.³ Proximity to major highways, including the I-678, I-495, the Whitestone Expressway, and the I-95 corridor via the Whitestone Bridge, makes Willets Point a convenient area for drivers in need of repair services. Moreover, Willets Point businesses are excellent customer service providers because of the variety of services offered in one location, such as glass, auto body, auto painting, used auto repair parts.

Willets Point businesses have continued to be successful and have contributed their share of city property taxes through the years despite frequent attempts by New York City to condemn the area and deliver it to developers. As part of this effort, the City has starved Willets Point of vital infrastructure, including storm and sanitary sewers, paved roads, gutters, fire hydrants, winter snow or municipal trash removal. In the winter, cars and even FDNY firefighters and their vehicles are stranded on Willets Point streets.



A. HISTORY

The first efforts to condemn Willets Point occurred in the 1960s when Robert Moses, who called the area an “eyesore and a disgrace to the borough of Queens,” sought to turn much of the area into a parking lot for the old Shea Stadium and the 1964 World’s Fair. Local landowners, with the help of a young lawyer named Mario Cuomo, fought this plan and the City eventually backed down.

In the 1990s, former Queens Borough President Clare Shulman came up with another unsuccessful proposal to develop Willets Point. What is common about these development proposals is the promise of increased economic activity and new jobs. Without these developments going forward, and in spite of the City-caused neglect and blight, the businesses currently operating in Willets Point have supported themselves, their families and all the families of the workers who labor there for the past 40 years.

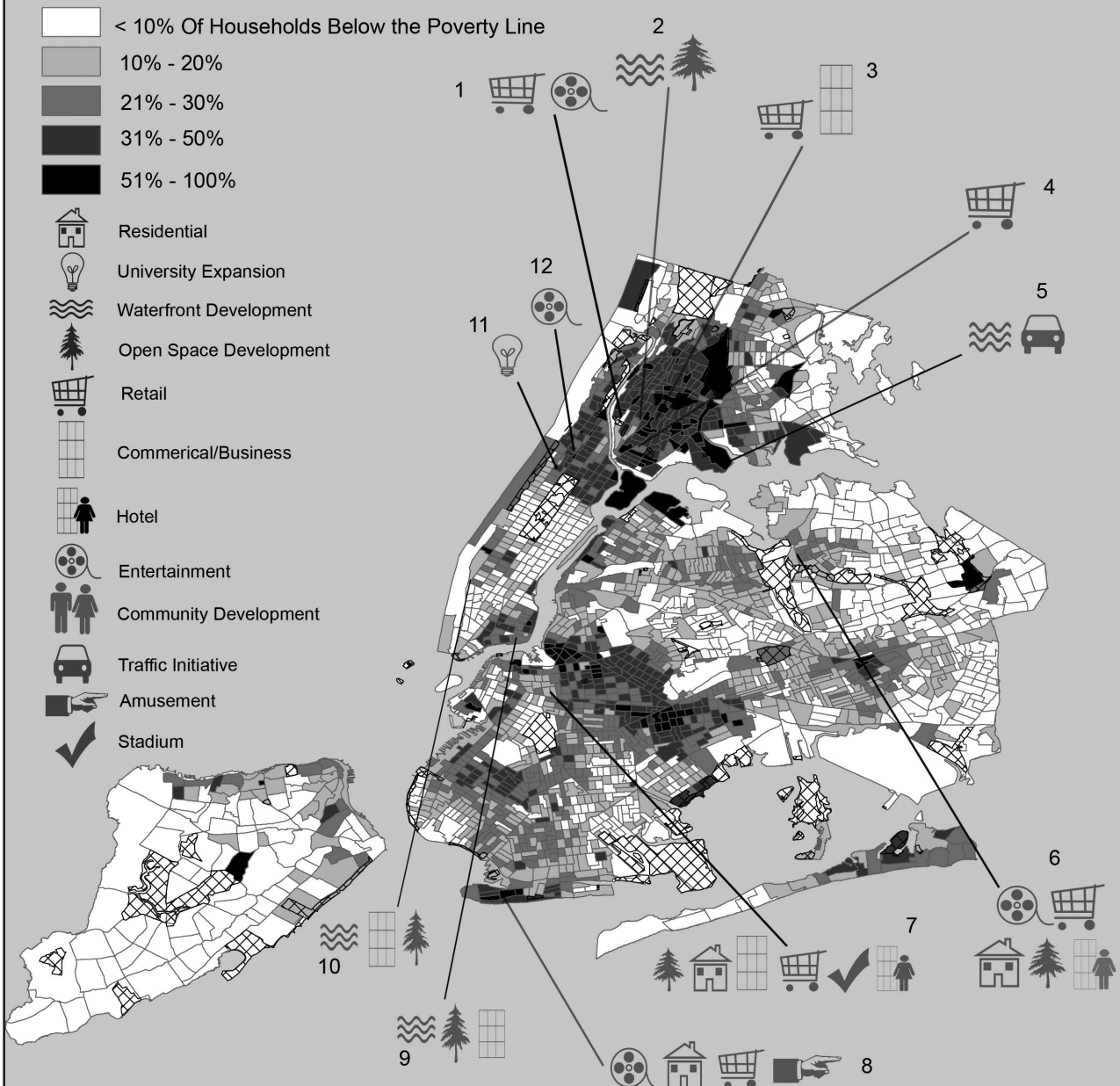
B. PlaNYC 2030

The Redevelopment of Willets Point also figures prominently in the Mayor’s PlaNYC 2030, the Bloomberg administration’s initiative to guide the city through the next twenty years of growth and development. PlaNYC 2030 has several key components, including particular attention to land, water, transportation, energy, air and climate change issues. However, achieving results on these ambitious issues has required a great deal of control and direction from the Mayor’s office to the exclusion of community groups. Moreover, many community-based organizations with large memberships of working New Yorkers have observed that this plan has not adequately addressed many of the issues most pressing to low-income communities. In addition, these groups have commented that PlaNYC does not include any significant role for communities to play in implementing these economic development plans, resulting in community opposition to the redevelopment plans.

Many virtues of the redevelopment of Willets Point have been touted by the Mayor’s office and city agents. For instance, the New York City Economic Development Corporation (“NYCEDC”), the organization that oversees how a majority of the city’s economic development budget is spent, estimates that the redevelopment of Willets Point will yield 18,000 construction jobs, and 5,000 permanent jobs,⁴ and the PlaNYC Progress Report 2009 estimates that 3,000 new affordable units will be created at Willets Point.⁵ However, PlaNYC does not factor in or address the number of current jobs that will be lost as a direct result of the redevelopment plans.

The displacement of workers caused by the Willets Point redevelopment project could result in the loss of livelihood for poor, low-wage workers who had previously earned a sustainable living for themselves and their families. It is also worth noting that in other cities and towns across the United States, small businesses and their workers have generally not profited as much as well-capitalized developers and corporations for these types of redevelopment projects, disparately affecting the community economic wealth and employment rates of already poor populations and communities of color.⁶

Location of Proposed Major Development Projects and Poverty in New York



This map shows examples of large scale development projects across New York City. Each project meets the following criteria: it is located in a neighborhood that has recently been rezoned and it has been publicly promoted by the NYC Economic Development Corporation or the Empire State Development Corporation. The map shows that many of these projects are located in low-income communities of color and include high end commercial uses that will not be affordable to those who live in the community.

- 1 Gateway Center at Bronx Terminal Market
- 2 South Bronx Greenway
- 3 South Bronx Initiative
- 4 Melrose Retail Strategy
- 5 Hunt's Point Vision Plan
- 6 Willet's Point Redevelopment
- 7 Atlantic Yards Project
- 8 Coney Island Redevelopment
- 9 Pier 36 Basketball City
- 10 Pier 57
- 11 Columbia Manhattanville
- 12 125th Street in Harlem Project

C. REZONING

On November 13, 2008, the City Council approved the plan to create the Willets Point Urban Renewal Area and authorize the redevelopment of the area. These resolutions did the following:

- (1) amended the City map and the Zoning map;**
- (2) established a special district in Community District 7, designated certain properties as the Willets Point Urban Renewal Area;**
- (3) approved the acquisition of properties in the area; and,**
- (4) provided for the disposition of properties in the area.**

These resolutions authorize the City to use eminent domain to acquire properties in Willets Point, although the City has yet to take any land by eminent domain. In addition, property owners whose property is set to be taken by eminent domain must be served with the notice required by Eminent Domain Procedure Law § 204(C).

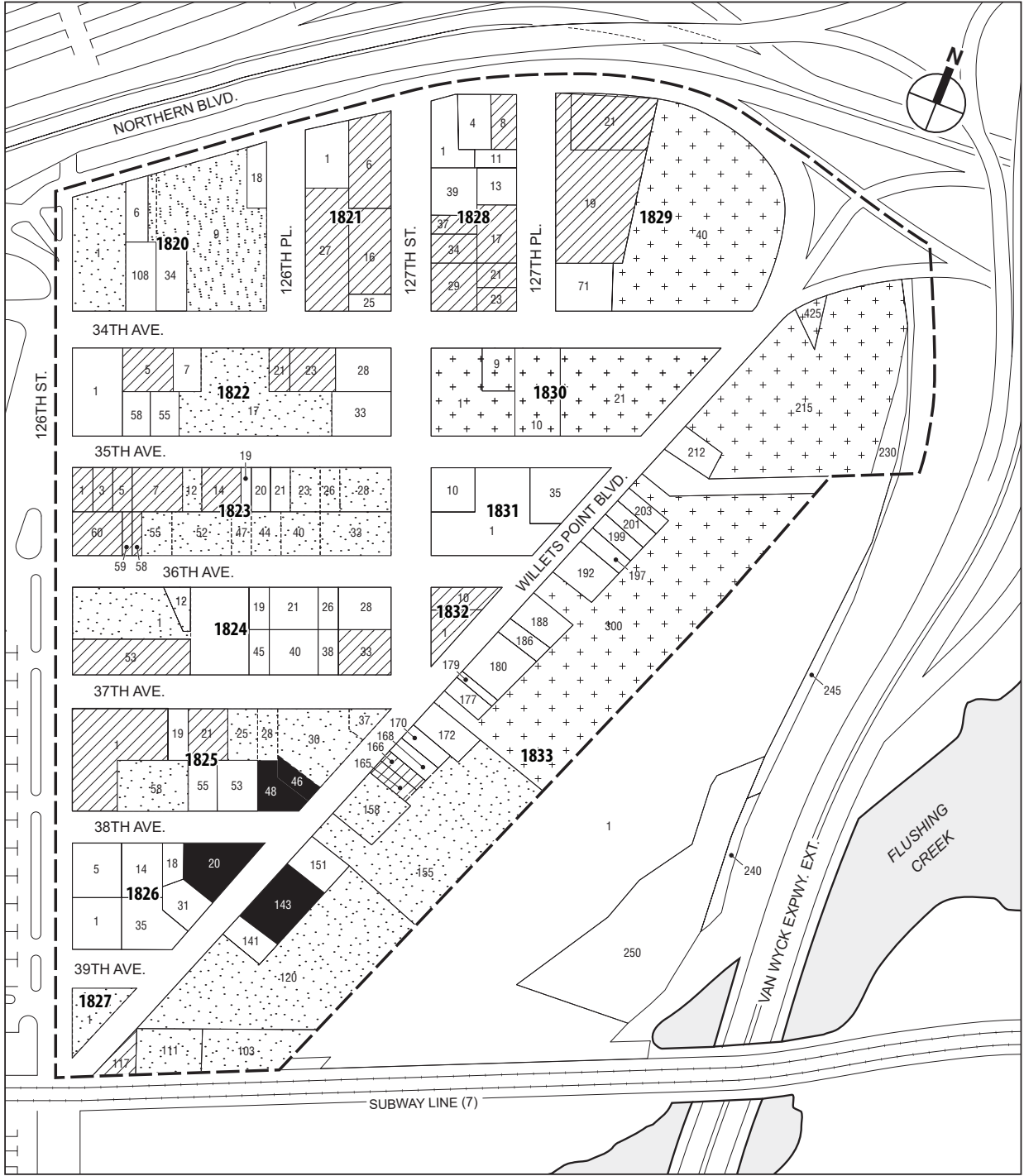
III. OUR WORK

The Urban Justice Center has been working with tenant business owners and workers in Willets Point since August 2008. The Human Rights Project first began assisting organizers in the area around the issue of displacement. Following the City Council vote to rezone the area in November, the Community Development Project started counseling and advising tenants on their rights around the redevelopment and relocation, and started advocating for a relocation plan for the businesses operating in Willets Point.

The Willets Point Defense Committee is an association of about 60 small business tenants and workers in Willets Point. The Defense Committee became organized leading up to and following the rezoning of Willets Point to give a voice to the tenants and workers who are going to be impacted by the redevelopment and displacement. The Committee members are involved in the auto repair business, with several restaurant tenants as well.



Data courtesy of Willets Point United Against Eminent Domain



--- Development District Boundary

1826 Block Number

14 Lot Number



Will sell to developer



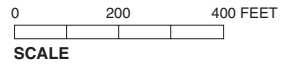
Have deals in place



Willets Pt. United Members



Businesses closed by city buildings department



WILLETS POINT DEVELOPMENT PLAN

IV. CITY ACTION TO CLOSE MANY SMALL BUSINESSES FOLLOWING APPROXIMATELY 40 YEARS OF NEGLECT BY CITY SERVICES

On January 27, 2009, the Department of Buildings issued a peremptory vacate order⁷ on a property owned by a landowner who is currently seeking to halt the proposed redevelopment of Willets Point on the grounds that the city did not follow state and local environmental review processes.⁸

On April 2, 2009, several New York City agencies including the Police Department, Fire Department, Department of Buildings, and Department of Environmental Protection engaged in a joint effort that resulted in the closure of three properties and 11 small businesses in Willets Point.⁹ Citing a variety of building structural defects, the Department of Buildings used vacate orders and Environmental Control Board violations to close buildings owned by landlords who we believe have not yet sold their property to the city in an area slated for a multibillion dollar redevelopment project.¹⁰ Properties that already have sold to the city, or have deals in place to sell in the future, however, were not issued any vacate orders or violations.

What is particularly unique about this recent wave of violations is that it coincided with a renewed effort by EDC to negotiate acquisition of land in the southwestern portion of Willets Point, which is precisely where the closures occurred.¹¹ The timing of these mass closures with a renewed effort to acquire private land for a public redevelopment is questionable and it also may be illegal.

V. IMPLICATIONS OF CITY ACTIONS & MISUSE OF GOVERNMENT POWER

The government is not like the typical property buyer. Since the city has the authority to close businesses and condemn buildings, and can use these powers of the government during negotiations with private landowners, the use of government power during negotiations raises a suspicion of improper governmental power. When the government enters into negotiations to acquire private land for an urban renewal plan like the type that has been authorized at Willets Point, there is a danger that any unequal or improper city action will be seen as an attempt to influence or coerce private landowners to sell their land. The actions taken by the city in the past few months are questionable at best, illegal at worst.

It is unreasonable to expect that private property owners are able to obtain a fair price for their land when the government negotiates to purchase land for a development project and when eminent domain is authorized. The bargaining power of the respective parties is unequal. The government has the threat of eminent domain to wield in negotiations. Moreover, the government has the power of the state that it can bring down on private property owners via the threat of force through police, fire, and other city agencies that can close businesses and cause a diminished value in private property.

The City should be in the business of protecting the rights of New Yorkers, particularly groups made more vulnerable to abuse because they generally lack social and economic power; in this case, communities of color and immigrants. The disproportionate effect of redevelopment projects and the threat of eminent domain on these communities not only continues an historical pattern of abuse, but results in the violation of basic human rights to work and earn a livelihood. But Willets Point is not the only instance of the misuse of government power to negatively impact poor people and minorities. The NAACP, AARP, and Hispance Alliance have protested the way that use of eminent domain powers has harmed already vulnerable people, those who are least likely to recover quickly from forced relocation.¹²

VI. LEGAL CHANGES & RECOMMENDATIONS

This report recommends that several changes be made to state and local laws to ensure that the city does not abuse its police and eminent domain powers when it negotiates with private landlords to impermissibly coerce private landowners to sell their land.

1. The mayor's office should create relocation plans for small businesses in redevelopment areas.

Small businesses located in urban renewal areas or eminent domain tracts face several serious issues. First, uncertainty about when they will have to move. Second, how much they will be able to sell their property for, in the case they own their land, or how much their rent will fluctuate in the case of tenants. Third and most important, small businesses must live with the uncertainty of whether their businesses can withstand the difficult process of relocating to a new space. Not only is finding a new space challenging, but there are also costs associated with moving, building and letting customers and business partners know about the new location.

Current state and local laws do not protect small businesses that face these challenges. Small businesses should have to be relocated to a suitable space before urban development plans are allowed to go forward. New state laws should be introduced that require compensation to businesses that cannot be relocated properly.

The production of community impact reports, as proposed by City Council Int. No. 801, introduced in 2008 by Council Member Vann, could go a long way to ensuring proper plans are in place to address issues facing commercial tenants forced to relocate because of a redevelopment plan. Therefore, the City Council should pass Int. No. 801 as soon as possible.

2. Create an independent authority to oversee city or state negotiations to acquire land from private property owners.

This independent authority would review negotiations entered into by the city and private landowners and research and develop a process for negotiations that is fair to private landowner interests as well as city interests. It would be composed of a mix of mayoral appointees, local community groups, and private landowners. It would have the power to investigate city negotiations and subpoena communications between city officials about negotiations, as well as investigate complaints by private landowners about abusive practices by the city.

3. Evaluate whether EDC or the mayor's office is the best agency to negotiate the purchase of private land.

The mayor's office, through the deputy mayor for economic development, should negotiate with private landowners to acquire land for redevelopment. That way, the mayor, who is politically accountable, can take responsibility for these negotiations.

The use of EDC, or other unelected entities, in negotiating the acquisition of private property insulates elected officials from accountability. There is no recourse by the voters should EDC engage in outlandish or abusive negotiations. While the mayor is responsible for appointing the head of EDC, EDC still has a separate board and limited liability as a corporate actor. Moreover, it is not accountable to the people of New York City should they decide that it is exceeding its power in negotiations with private landowners. As a result, we recommend that responsibility for negotiating the acquisition of private land be directed through the mayor's office directly and overseen by an independent authority.

VII. Conclusion

The current process for redeveloping land in New York City is not working. It allows for serious abuses of power to occur, either real or perceived, when the City negotiates to purchase the land from private owners. Moreover, the problem of relocation is still not solved. The government needs to address these problems in constructive ways that involves community members who have to deal with the effects of redevelopments like the plan to redevelop Willets Point.

Endnotes

¹ Halpern, Iris, “Willets Point: Precursory Survey of Regulations Governing Small Businesses Facing Relocation,” Human Rights Project of the Urban Justice Center, December 2008, on file with author.

² *Id.*

³ Hunter College Center for Community Planning & Development, Willets Point Land Use Study, *available at* <http://maxweber.hunter.cuny.edu/urban/resources/reports/willetpoint.pdf>.

⁴ NYCEDC Press Release, July 10, 2008, *available at* www.nycedc.com/PressRoom/PressReleases/Pages/EDC%20Reaches%20Agreement%20With%20Willets%20Point.aspx

⁵ PlaNYC2030 Progress Report 2009, *available at* www.nyc.gov/html/planyc2030/downloads/pdf/planyc_progress_report_2009.pdf.

⁶ Halpern, *supra* note 1; Laurie Hauber, *Promoting Economic Justice Through Transactional Community-Centered Lawyering*, 27 ST. LOUIS U. PUB. L. REV. 3, 10-13 (2007).

⁷ As of this writing, the vacate order is still taped to the property located at block 1825, lot 1, known as 31-11 126 Street.

⁸ Massey, Daniel, “Companies sue to stop city’s Willets Point remake,” *available at* www.crainsnewyork.com/apps/pbcs.dll/article?AID=/20090312/FREE/903129976/1057.

⁹ “Ferrerias blasts ‘systemic attack’ on Willets businesses,” *available at* <http://irontriangletracker.com/2009/04/15/ferrerias-blasts-systematic-attack-on-willets-businesses/>.

¹⁰ Properties included in this sweep are block 1825, lots 46 and 48, known as 126-75 and 126-71 Willets Point Boulevard, respectively; block 1826, lot 20, known as 126-61 38th Avenue, and 126-55 Willets Point Boulevard; and block 1833, lot 143, known as 126-52 Willets Point Boulevard.

¹¹ “City resumes land talks with some, tells others to sit tight,” *available at* <http://irontriangletracker.com/2009/04/16/city-resumes-land-talks-with-some-tells-others-to-sit-tight/>.

¹² These groups submitted *Amici Curiae* briefs in recent U.S. Supreme Court case *Kelo v. City of New London* detailing the often intentional, but at times also unconscious, discriminatory application of eminent domain, documenting the negative impact visited on communities of color and poorer segments of the populations; see Brief of Amici Curiae, No. 04-108, *available at* <http://www.povertylaw.org/poverty-law-library/case/55800/55821/55821a.pdf>.



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