



The Valley of Ashes

New York City's
Next Great Neighborhood?



TOPIC

Urban redevelopment

SUBTOPICS

Large-Scale Master Planning, Brownfield Redevelopment, Gentrification, Social Equity

TIMEFRAME

2005–2018

LEARNING GOALS

- Understand the various formal and informal institutions and stakeholders and the competing interests that are involved in large-scale redevelopment decisions.
- Apply critical thinking to the kinds of challenges that large, publicly funded redevelopment projects can encounter.
- Analyze and evaluate existing conditions, stakeholder interests, financial viability, and other considerations that factor into policy and planning recommendations for redevelopment proposals.

PRIMARY AUDIENCE

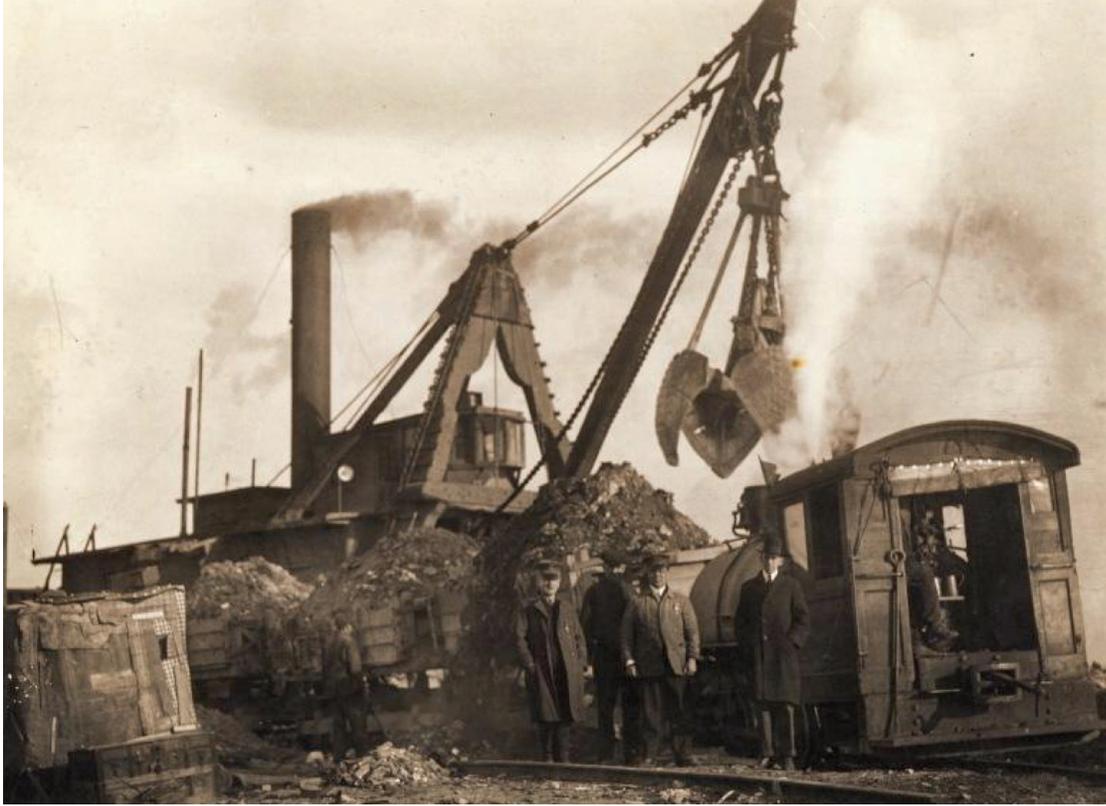
Graduate students in urban planning, real-estate development, business, economic development, and public policy.

PREREQUISITE KNOWLEDGE

Basic understanding of the urban development and urban planning process.

SUMMARY

Willets Point is a 61.4-acre industrial neighborhood in New York City that has been a target of multiple city-led redevelopment efforts over many decades. Beginning in 2010, Mayor Michael Bloomberg began the most aggressive effort yet to purchase the land and remake it into a vibrant, mixed-use neighborhood. Millions have been invested in the project and the city has slowly acquired much of the land that it needs to begin redeveloping the site. However, significant community opposition to these plans, including legal challenges, have continually stalled these efforts, and debates continue over what should be built on the land and what the city's role should be in that development.

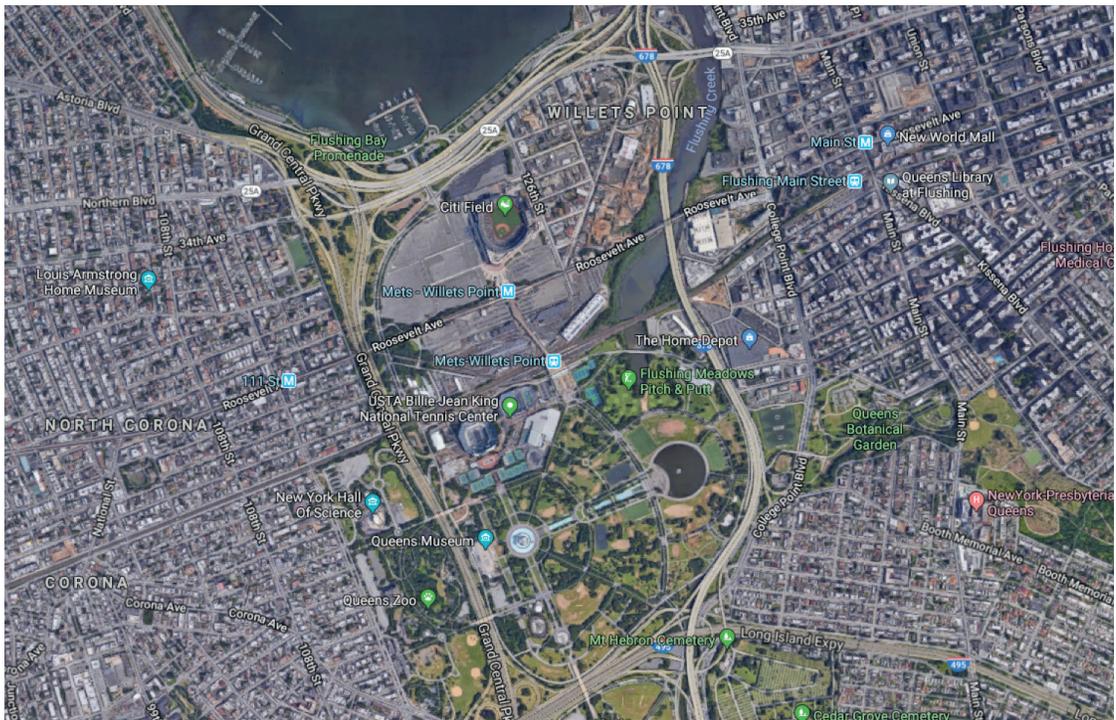


While the photo is undated, it presumably had to have been taken between 1920 (the year the first loco was built) and 1934 (the year the Corona Dump closed). The caption for the photo reads: "Black and white photograph of the landfilling process. Waste was brought to the site by rail. Sanitation workers are posing." Source: Corona Dump, Queens, NY New York University Faculty Digital Archive. <https://discardstudies.com/2013/10/13/a-history-of-new-york-citys-solid-waste-management-in-photographs/#jp-carousel-3810>

BACKGROUND

Willets Point is a 61.4-acre industrial area in the New York City borough of Queens, located just across Flushing Bay from LaGuardia Airport. It was once the Corona Dumps—a rat-infested, smoke-spewing landfill immortalized in F. Scott Fitzgerald's 1925 novel *The Great Gatsby* as "the valley of ashes," which Fitzgerald portrayed as a kind of purgatory on the road between the city and bucolic suburban Long Island. Despite many efforts, budget constraints prevented New York's master builder Robert Moses from acquiring the Dumps for either the 1939 or 1964 World's Fairs, which he organized in nearby Flushing Meadows Corona Park. Because it was buffered from nearby residential neighborhoods by waterways and highways, Willets Point gradually developed as an out-of-the-way location for light industrial uses. Because of its gritty character the area was also known by its nickname, The Iron Triangle.

For most of the twentieth century, Willets Point had only a handful of residents, the last of whom, Joe Ardizzone, died in 2016 after living above his family's Willets Point deli since his birth in 1934. Mostly the area housed more than 200 automobile-repair shops, salvage yards, metalworking shops, construction companies, and distribution warehouses. A 2006 study by Hunter College estimated that the site provided more than 1,400 jobs and typically generated over \$1 million annually in real estate taxes.



General location of Willet's Point. Source: Google Maps



General location of Willet's Point. Source: Google Maps

But Willets Point was no ordinary industrial zone, either. It had no paved streets—forcing cars to drive on pothole-ridden dirt roads—and no traffic signals, sidewalks, storm sewers, sanitary sewers, or streetlights, and only minimal city services. Most Willets Point businesses were housed in deteriorating buildings, many without adequate heat or plumbing. While the area provided valuable living-wage jobs for its mostly immigrant workforce, its soils and adjacent waters had been contaminated by decades of illegal dumping, industrial solvents, and leaking septic systems. As the *New York Observer* once noted, “squint, and you’re liable to think it’s a set from *Mad Max*.”¹

Despite its post-apocalyptic character, the area nonetheless had some significant assets that made it an enticing redevelopment opportunity. The large site was easily accessible by public transit, with its own station on the Number 7 subway line located less than half a block from Willets Point’s southern tip. The waterfront location was ringed by two major expressways and bordered to the south by the 1,255-acre Flushing Meadows Corona Park and to the east by Flushing, a neighborhood that has experienced significant new development and economic activity in the last decade. It was also located just across 126th Street from Citifield, the home of Major League Baseball’s New York Mets, which built the \$600 million ballpark in 2009.

THE BLOOMBERG PLAN

Willets Point had been a focus of multiple development schemes over the decades, including a National Football League (NFL) stadium proposed by developer Donald Trump in 1985 with support from Mayor Ed Koch and Governor Mario M. Cuomo. In 2004, it was earmarked as the site of a broadcast center in New York City’s failed 2012 Olympics bid. In 2007, under the auspices of the city’s quasi-nonprofit Economic Development Corporation (EDC), Mayor Michael Bloomberg’s administration announced redevelopment plans for Willets Point that included proposing a special zoning district, creating an urban renewal zone, and unveiling a master plan for a mixed-use neighborhood to be financed and built by private developers at an estimated cost of \$3 billion. The plan included 1.7 million square feet of retail space, 500,000 square feet of offices, 700 hotels rooms, a convention center, a public school, an eight-acre park, and 5,500 units of mixed-income housing. The city’s goal was to substantially increase municipal tax revenue and to remake an area long considered blighted—thus creating New York’s “next great neighborhood,”² depicted in EDC renderings as an upscale, modern urban oasis.

Despite the area’s infamy as a dilapidated industrial wasteland, however, Willets Point business owners and tenants quickly organized to oppose the city’s plans, decrying the proposed redevelopment as a racist and classist attempt to force out immigrant-owned small businesses and taxpaying private-property owners in favor of corporations and

¹ “New York Observer Staff (2007) Bloomberg’s Bossist Approach to Willets Point. The New York Observer. August 27, 2007. <http://observer.com/2007/08/bloombergs-bossist-approach-to-willets-point/>

² Bagli, Charles V. (2018) Rising from the Ashes, Willets Point Redevelopment Will Go Forward, City Says. The New York Times. February 5, 2018. <https://www.nytimes.com/2018/02/05/nyregion/willets-point-redevelopment-de-blasio.html>

wealthy condominium buyers. At the same time, low-income resident advocacy groups in the surrounding diverse, working-class neighborhoods sensed an opportunity to address the city's housing affordability issues and organized in support of the project—provided it included permanently designated affordable housing. Bowing to these grassroots efforts, the city eventually committed to designating 35 percent of the planned housing (i.e., 1,920 units) as city-subsidized affordable housing for residents making less than the area median income. The city also agreed to provide relocation assistance for existing businesses. The New York City Council approved this plan in November of 2008.

In 2010, the city issued a formal Request for Qualifications for developing the first 23 acres on Willets Point's southwestern tip; in May of 2011, it issued a Request for Proposals (RFP) for the project to 29 prequalified developers. The city also began a \$50 million project to install the area's first-ever storm sewers and sanitary sewers, with Mayor Bloomberg claiming, "This major investment in infrastructure will create jobs, catalyze private-sector investment, and lay the groundwork for New York City's next great neighborhood...These investments mark the first physical steps—after years of planning and working together with local leaders—in reimagining Willets Point as a vibrant commercial and residential community."³

While the city hoped to generate significant tax revenue with the project, Bloomberg also hoped that it would help cement his legacy as a leader who had, during his 12 years in office, thoroughly reshaped New York into a thoroughly modern city far removed from its recent dilapidated past. But acquiring and preparing all 61.4 acres of Willets Point for development was going to be expensive, even with state Brownfield Cleanup Program tax credits, so the city hoped to minimize further expenditures. As the project RFP stated, "Respondents creating the largest net gain for the City with the least City Capital, if any, will be viewed most favorably."

In June 2012, Bloomberg announced the winning proposal from the Queens Development Group (QDG), a partnership between Sterling Equities and the Related Companies. Related was at the time one of the largest real-estate developers in the world, while Sterling Equities was owned by the same family that owned the New York Mets, the professional baseball team that played across the street from Willets Point. For its part, the city agreed to sell the 23 acres to the QDG for one dollar and to provide a \$99,990,000 grant to offset remediation and construction costs.

The QDG proposal was not without controversy; among other items, it included a proposed 54 percent reduction in the previously agreed-upon number of affordable housing units. The most contentious aspect, however, was the inclusion of a 1.4 million-square foot mall called Willets West, to be built across the street from Willets Point in the Citifield parking lot. This land was technically city parkland, controlled by the Mets under a long-term lease dating from the 1961

³ City of New York (2011) Mayor Bloomberg Breaks Ground On \$50 Million In Infrastructure Improvements At Willets Point, Laying Groundwork For Future Development And Creation Of Thousands Of Jobs. December 1, 2011. <http://www1.nyc.gov/office-of-the-mayor/news/428-11/mayor-bloomberg-breaks-ground-50-million-infrastructure-improvements-willets-point-#/6>



"Mount Corona" ash heap located in or near Willets Point, circa 1934. Source: https://www.nycgovparks.org/sub_about/parks_history/before_parks_imgs/flushing_meadows_corona_park_1_lg.jpg

construction of Citifield's precursor, Shea Stadium. The QDG and the city's Law Department argued that this preexisting lease exempted the mall project from needing state legislative approval to "alienate" the parkland—that is, to remove its parkland designation—and that the revenue from the mall project was necessary to finance the environmental remediation of Willets Point, even taking into account the almost \$1 billion grant the city was providing to the developers. The city also designated this plan as a "minor revision" of the 2008 version approved by the City Council, which required only an amendment instead of new formal land-use review process.

Many Willets Point landowners still had no desire to sell their property and continued to oppose the plan. Meanwhile, the QDG proposal also generated new opposition: housing advocates who had previously supported the redevelopment plan felt betrayed when their 2008 affordable-housing agreement was abandoned. The area's State Senator, Jose Peralta, argued in the *New York Daily News* that, "if City Hall put a wrecking ball to 2,000 units of affordable housing to make room for a shopping mall, it would be front-page news and there would be no end to the outrage. That's essentially what's happening at Willets Point."⁴ Park advocates now also decried what they portrayed as a giveaway of parkland to a wealthy developer without legally mandated alienation proceedings. Other residents raised concerns that the project—and especially the mall—would over-burden local roads and transit and spur gentrification in surrounding working class and immigrant communities. Finally, all of these affected groups felt that the city was being disingenuous by arguing that the 2012 plan was only a minor revision of the 2008 precursor, given the vast differences between the two proposals and was effectively cutting the public out of any discussion about the project.

Despite this vigorous opposition, the QDG plan was nonetheless approved by the City Council in October 2013 after all-night negotiations with the area's City Council member at the time, Julissa Ferreras, concluded only minutes before the vote. State Senator Tony Avella, whose district included a very narrow slice of Willets Point, promptly filed suit in New York State Supreme Court, claiming that constructing Willets West on parkland without legislative alienation violated state law. The project remained in limbo for three years while Avella's case made its way through state courts; finally, the New York State Court of Appeals issued a 5-1 decision in June 2017 that upheld a lower-court ruling in favor of Avella's suit, preventing the Bloomberg plan from proceeding and effectively killing the proposal for the mall. Throughout this long process the city had continued to proceed with its plans by negotiating with landowners, purchasing land, and razing existing buildings.

By the time of the Court of Appeals decision, Bloomberg's successor Bill de Blasio had inherited the project after taking office on January 1, 2013. The cornerstone of de Blasio's first mayoral campaign was correcting inequities that he termed "A Tale of Two Cities," with a specific focus on building or permanently preserving 200,000 units of affordable housing in the city within ten years of his taking office. Though the 2013 Willets Point plan had been nullified by the courts, by 2017 the city had purchased land from dozens of owners and evicted most of their tenants, displacing about half of the area's 200 small businesses. After public pressure, the city had begun working with a cooperative formed by 45 of these businesses, helping them to relocate en masse. After the expenditure of \$7.5 million in city funds, that project collapsed in late 2017 due to relocation cost overruns that the city was unwilling to subsidize.



Much of Willets Point has been acquired by the city and the parcels cleared for redevelopment, though some businesses remain.
Source: Donovan Finn

THE CITY'S DILEMMA

At this point, de Blasio had been mayor for four years and faced a daunting dilemma. Although the Willets Point redevelopment deal with the QDG had not been his idea, it was now his responsibility to decide how to proceed. The city had by then been actively pursuing redevelopment of Willets Point for more than ten years. Dozens of businesses had been relocated, others had closed because they could not afford to move, and much of the land had been cleared at the city's expense. Though the site had not yet been remediated, millions of dollars in public funds had been invested in buying land, razing buildings, and relocating businesses, and the city had a fiduciary duty to recoup this investment and create a public benefit.

The general idea of redeveloping Willets Point had support from many residents in surrounding communities who saw the area as a decrepit and polluted eyesore, though some feared that the city's plans would spur gentrification and displacement in neighboring areas. Influential labor unions and Queens boosters foresaw a potential economic windfall from the \$3 billion project. The large site, with its transit accessibility, also seemed like a logical location to make a significant dent in the mayor's much-publicized affordable housing goals. But the appealing waterfront location was also a source of risk, making the project vulnerable to the potential impacts of climate change. The land under Willets Point was full of industrial and automotive toxins, and the neighboring river and bay were polluted from decades of combined sewage overflows (CSOs), so environmental remediation costs were likely to stretch into the tens of millions of dollars. There also remained significant and vocal opposition to existing plans from the few remaining landowners and businesses, as well as anti-gentrification activists and affordable-housing advocates. This opposition and the project's massive costs made it a highly charged political issue.

The 2017 Court of Appeals ruling dealt a severe blow to the city's agreement with the QDG. The city could at that point have declared the deal void, walked away, and started again. But the Related Companies, one of the QDG partners, was a highly capable and well-resourced development firm and wanted to see the project realized. The other partner, Sterling Equities, had a vested interest in seeing Willets Point redeveloped to create amenities that would enhance the neighboring Citifield ballpark, given that its owners also owned the Mets. Furthermore, all the parties involved had already spent many years on the project; starting over completely would add years, perhaps decades, to the final timeline.

NOW WHAT?

You are a Vice President with the NYC Economic Development Corporation. Mayor de Blasio has asked your team to present a solution that will meet all of the city's goals for Willets Point, satisfy as many of the various advocates and stakeholders as possible, and thus allow the project to actually move forward. The city's goals include recouping its investment in the land, substantially increasing the tax base, generating profits for the developers, cleaning up polluted land and adjacent waters, generating some benefits for and minimizing negative impacts on the surrounding working-class neighborhoods, mollifying the remaining Willets Point businesses, addressing the city's affordable-housing shortage, and elevating the mayor in the eyes of the general public.

Here are questions to help guide your thinking about a solution:

1. Given the myriad competing goals for the Willets Point project, what would be the best way to achieve each of them individually? After considering individual solutions, can they all be achieved simultaneously? What, if any, might be some of the conflicts among the various goals? Are there opportunities for compromise solutions that meet most or all of the goals?
2. What are some of the challenges of redeveloping Willets Point as they relate to social equity? Who wins and who loses under the city's approach? Are these tradeoffs worth it for those who will be impacted by the redevelopment?
3. Willets Point was a brownfield consisting of polluted land adjacent to the polluted waters of Flushing Bay. Yet it was also home to many small businesses that had found a way to eke out a living as part of the city's industrial and service economy ecosystems. Cleaning up polluted land is a laudable goal with many good rationales. But what factors outlined in this story make the cleanup of Willets Point particularly complex?
4. The Willets Point plan has proceeded under two very different mayors with very different goals. Former Mayor Bloomberg wanted to remake Willets Point as a centerpiece of his ascendant global city. Mayor de Blasio has aggressively pursued a goal of building subsidized affordable housing across the city as part of his campaign promise to overcome the "Tale of Two Cities." Yet both administrations have taken a very hands-on approach to the master planning of the development, as opposed to letting the private market lead the way. What might be some of the rationales for such an approach in this case, and what are some of the pros and cons of this strategy?

REFERENCES

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2. Bagli, Charles V. 2018. "Rising from the Ashes, Willets Point Redevelopment Will Go Forward, City Says." The New York Times. Published February 5, 2018. <https://www.nytimes.com/2018/02/05/nyregion/willets-pointredevelopment-de-blasio.html>
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ABOUT THE AUTHOR

Donovan Finn is an Assistant Professor of Environmental Planning, Policy and Design in the Sustainability Studies program and the School of Marine and Atmospheric Sciences at Stony Brook University. His research focuses on urban sustainability and resilience policy, disaster recovery and community-based planning. He holds an MUP and a PhD in urban and regional planning from the University of Illinois at Urbana-Champaign.

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PHOTO CREDITS

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KEY ISSUES

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