



The Kingsbridge Armory Redevelopment Alliance

103 East 196th Street
Bronx, NY 10468
Ava Farkas - 646-533-5454
www.ourarmory.org

To: Members of the New York City Council

From: The Kingsbridge Armory Redevelopment Alliance (KARA)

Date: December 1, 2009

Re: Living Wages

Last week we sent a letter to you responding to false claims made by The Related Companies' lawyer Jesse Masyr regarding Bronx Borough President Ruben Diaz's demand for a Community Benefits Agreement at the Kingsbridge Armory that includes living wage jobs, a labor peace agreement, and more. We support Diaz's call for responsible development. As you deliberate over whether or not to give Related permission to develop the Armory, we want to provide you with additional information to support our position on the issue of living wages.

Related's plans call for the creation of 1,200 Full Time Equivalent jobs with no guarantee of making more than the federal minimum wage, or \$7.25/hr. That's \$290 a week for full-time work -- before taxes, with no benefits -- or \$15,080/yr. The federal poverty level for a family of four is \$22,050. Our demand is for a living wage, which in New York City is defined by Local Law 38 of 2002 as \$10.00 per hour with health benefits, or \$11.50 an hour without benefits. Contrary to what most people believe, the majority of retail workers in NYC are adults, not teenagers, and 30% of retail workers are their family's sole provider.

* **Full-time living wage jobs** for local residents in the Northwest Bronx will benefit individual workers and their communities. Higher wages will fuel the commerce of the neighborhood. A stronger community will also result when family members do not have to work at two or three jobs.

* **Businesses can afford to pay living wages.** The population density of NYC ensures that retailers make money. For instance, the Target stores in the Bronx and The Atlantic Terminal Market are very profitable. One of the most profitable Malls in America is the Queens Center Mall

* **Related can afford to guarantee living wages for permanent jobs at the Armory.** The developer stands to gain tens of millions of dollars in tax breaks and to purchase the Armory for \$5 million when it is valued at \$20 million. To pay a living wage Related can lower its rents to allow tenants to pay a decent wage.

* **Economic development subsidies should create good jobs.** When the city subsidizes poverty-level wages, it pays twice. First, taxpayer dollars are diverted from schools, infrastructure, and other city needs. Second, taxpayer dollars must also go towards programs such as Medicaid, food stamps, housing assistance, and other social services.

* **If Related provides 1,200 part-time poverty-wage jobs then the Kingsbridge Armory Redevelopment Project will accomplish nothing for the community.** This project must be developed in a way that strengthens the community, and not just enrich the developer. In fact, the City's own Request for Proposal (RFP) indicated that the City was looking for a developer that would maximize living wage jobs. Related has excluded this goal in its development plans.

* **Creating living wage jobs is possible, other cities have, we should too.** Minneapolis, for example, requires that subsidy recipients create a certain number of living wage jobs. If those jobs aren't created, the recipient must pay the money back with penalty. And in Los Angeles, the law requires that all City development projects pay living wages.