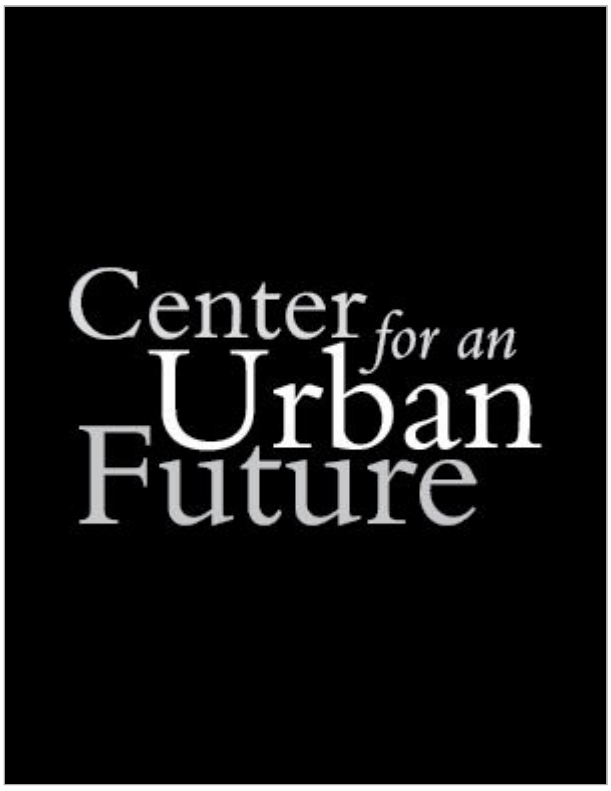


Commentary/Op-Ed - May 2005

Q&A with Neil Pariser: Can the South Bronx be a New Beacon of Growth?

In the fifth in our ongoing series of conversations with leading NYC economic development experts, CUF research director Jonathan Bowles interviews Neil Pariser, Senior Vice President of the South Bronx Overall Economic Development Corporation (SoBRO) about a flurry of development projects on tap in the Bronx.

by Jonathan Bowles

Once a symbol for all that was wrong with New York, the Bronx has created a majority of the new private sector jobs in the city over the past three years. Much of the borough's growth is occurring in the South Bronx, which has attracted significant new retail and industrial development, as well as a growing cluster of artists. With so much going on, the Center for an Urban Future went to speak with Neil Pariser, senior vice president of the South Bronx Overall Economic Development Corporation (SoBRO), to get his thoughts on the borough's future.

CUF: What's changed about the Bronx that most New Yorkers don't yet know about?

NP: We're no longer the same borough they saw back in the '70s when [sportscaster] Howard Cosell talked about the Bronx burning. We have turned a huge corner in the economy. Just recently, the Fulton Fish Market moved to the Bronx. The borough has one of the fastest rising populations in the city and land here is becoming increasingly scarce. We're not the stereotypical South Bronx.

CUF: What's driven all these changes in the Bronx?

NP: I think it starts with location, the fact that the Bronx is still a part of that thing called New York City. We are tremendously blessed by the fact that we have an amazing network of roads that immediately connect us to Westchester, Connecticut, Long Island and New Jersey. We are really the nexus of transportation. On top of that, you have a number of political leaders and community groups that have really put their shoulder to the plow and have made this happen. We have rebuilt this area. Tremendous political will, tremendous civic pride, and it's worked.

CUF: How important is the relocation of the Fulton Fish Market's to Hunts Point?

NP: Number one, it's a national name. It also really puts the Bronx in the center of the food industry. And the food industry is a growth industry. Having had the [city's largest] meat and produce markets, now we've got the fish market. Hunts Point has become the city's supermarket. You have Citarella, which has moved here. You have Baldor Specialty Food. Two of the largest, high-end food purveyors in the city and the tri-state region are now home in the Bronx. That means more jobs for people.

CUF: Over the years there has been a disconnect between the businesses in Hunts Point and the community. Is this still the case?

NP: It's still an issue, but I think people are much more sensitive to it now and I think there's more of a response. When SoBRO was created 30 years ago, one of the things we learned was that, yes, we can help businesses, but if we're not doing something for the people in the community, then what are we doing this for? We started education and employment programs, so that when we kept a factory here or built a distribution facility, we had a mechanism to bring people to those jobs. Is there enough of that? Probably not, but there is certainly a lot more thought on the city side, in terms of making the connections between local industry and local people, and I think it's working.

CUF: What else has changed in the South Bronx?

NP: There's been this huge turnaround in the Bruckner Boulevard area, which was the site of Tom Wolfe's Bonfire of the Vanities. [In the novel,] Sherman McCoy got lost, got into trouble, and it was on Bruckner Boulevard in Port Morris. You go to Port Morris today and it's a thriving antique center. Zoning now allows a mix of industrial, commercial and residential uses, and it's booming. If Sherman got lost today, he'd end up buying a painting.

CUF: Are you at all concerned about the permanent loss of industrial space from the market in a place like Port Morris?

NP: It's a two-bladed sword. Yes, there is a concern. I think the difference with Port Morris is that the area had a huge number of non-conforming residential buildings that were zoned as manufacturing many years ago. And the area was crying out for release from these oppressive zoning restrictions. And, so, we changed the zone from an M -1 which is strictly industrial to this new thing called MX1 [a mixed use zoning designation that allows for both industrial and residential uses], and we've been able now to rebuild quite a bit and give the area very nice cachet. Have we lost industrial space? We've lost potential industrial space, yes. But the largest building thus far that has been transformed is something called the Clock Tower building. The last active use for the building was probably 10, 15 years ago. It was a piano factory. We haven't built a piano in the Bronx in 50 years. So, the building, for 50 years, has been marginally used.

Today, it houses a different kind of residential: live-work. So, maybe you don't have a manufacturer. But you have a different kind of business. It's the person that lives in their apartment. Maybe they're an artist, maybe they're an architect, maybe they're an engineer. They're using Internet, because we brought fiber-optic down there. So, it's not like we created apartments. What we created was live-work spaces. We've taken these antiquated, no longer economically viable structures, and we've given them a different kind of life. We should not rampantly take land that is ripe for industrial development. That's not what this is about. But we should really ask: "look, we have buildings that clearly have no economic viability in today's industrial sector; what do we do with them?' And I think the change to this live-work space is working here, on a limited basis.

CUF: One of the most controversial projects is the Bloomberg administration's plan to redevelopment Bronx Terminal Market into a shopping mall. I understand that the prior owners were running the market into the ground, but many have criticized the city for evicting the two-dozen remaining companies. Does a mall really make the most sense here?

NP: My opinion: I'm delighted that the Bronx Terminal Market, which has been a difficult issue for this borough for many years, is finally being addressed. Is it the right project? I need to know more about it. I'm not in the position right now to comment yea or nay. I think the feeling is that the right thing is being done and I'm hopeful that this borough will accommodate those merchants that are in the Bronx Terminal Market.

CUF: This isn't the only development project around the city that involves displacement of small businesses. Do you have any concern that we're running out of places for small businesses to locate?

NP: No one wants to displace any businesses. Every plan, whether it's the urban renewal back in the 50s or [the Bronx Terminal Market] of 2005, you're going to have some displacement. It's the nature of any project. Look at Bruckner Boulevard, which benefited from a development in Harlem. Why? A number of the antique dealers were displaced [from there]. We went to them and said: “Welcome to the Bronx.” That's what created the antique district in the Bronx. For those that are displaced, there needs to be somebody working with them and moving them. But we only have so much land and development must happen. New York City is never going to be finished. We know that. We're going to be rebuilding it every day. The question is trying to minimize the damage and maximize the beneficial construction.

CUF: The City Council recently voted against allowing BJ's Wholesale Club to build a big box store in the Throgs Neck section of the Bronx, and that seems to be part of a larger backlash against national retail chains coming into the city. What is your take on all this?

NP: I say bring them on. I'd love to see some of the larger retail chains here in the Hub. I know the Hub local business development district would love that. We want that. I think part of the visceral reaction against big chains has always been the Wal-Mart syndrome, where Wal-Mart comes in and you close down local supermarkets and small stores next to them. I think we would welcome it, because it is a diversification of the retail character of our borough. So, I don't think we've had that same reaction. Target recently opened in the Bronx and it's done wonderfully. We're looking forward to more Targets. So, I think we're a little different in this borough. We want that, and we're not turning those [stores] away.

CUF: Is the Bronx still is underserved by retail?

NP: I think the Bronx could use more diversification of retail, absolutely. For instance, I would love to see in the HUB morefull-line department stores. We don't have that. But I do feel that we want to have the retail that services that pent-up consumer demand, because if we don't, people are going to go to the Target somewhere else. They're going to leave the borough. They're going to go on the George Washington Bridge and not pay sales tax. They’re going to go to Manhattan. We want to keep them in our borough. That's what’s going to grow [the Bronx economy]. If we don't diversify, and if we don't take some risks and do these developments, we're going to lose out.

CUF: Some people say the jobs don't pay very well, it's not worth putting emphasis on bringing these companies in when they pay $8 or $10 an hour. What do you think?

NP: There still is a career path through these companies, and you need to get a foothold somewhere. We have a labor force here, a lot of young people. We need to find them jobs and we need to find them at every level. Should it be a lifelong career at $10 an hour? No.

CUF: You're saying that it's like the first rung on the career ladder?

NP: Absolutely. And we need that.

CUF: The Bronx still has its share of problems. The unemployment rate, for instance, is the highest in the city. What else needs to happen?

NP: We need to make this borough Internet-smart. We are antiquated when it comes to broadband access. It's a problem for our businesses that can't get into e-commerce. That's going to drag us down. I also think that we need to address some issues surrounding moving our young people from school into the workplace ethic. I think we need to work more closely with the school system, preparing young people for what's the next step. Hopefully college, but if not, then what? We can't have a population of young people who aren't trained in the manner that businesses need them to be trained. So, we need to make alliances between businesses and our school systems. We've always talked about it and we've given it lip service, but that's all we've given it. We need to really make it happen, because that's going to determine whether a business stays in the Bronx over the next 15, 20 years.

CUF: How is the broadband gap holding back businesses? How is it hurting the Bronx?

NP: We don't have sufficient Internet access. In Hunts Point, as an example, some companies still rely on dial-up. So ifyou're an international company that must buy fruit in Guatemala, or in South America and you don't have broadband access on a fast turnaround, you're in big trouble. Today the government puts out all their procurement opportunities electronically. If you're not Internet-savvy and don't have access to high-speed Internet, you're never going to get those RFPs [Requests for Proposal]. To download a PDF file under dial-up could take you hours, whereas broadband you do it in two seconds. There's a lot of companies that need to learn about how to function in the electronic marketplace. Our people aren't doing that, because they don't have access to fiber optics or to DSL. It's ridiculous and it's going to hurt us. The winners in this global economy will be the ones that are in touch with the rest of the world, not with their neighbors across the street.

CUF: What do you think about the work the Bloomberg administration has been doing on economic development?

NP: I'm going to put the [proposed] West Side [football] stadium on the side, and say that I think they've done very well. Igive them high marks. I have never seen, under any administration, commissioners in charge of business services, like Rob Walsh [Commissioner of the Department of Small Business Services], come to the Bronx. I was blown away when Rob Walsh came here. I absolutely have to commend them for trying to get out there and deal with issues at a local level. The mayor has been here to talk about economic issues, which is remarkable in and of itself. I'm also glad to see that for the first time in many years there is an industrial policy. We haven't had an industrial policy in this city for 15 years. We now have that. It may not be the quintessential policy, but we have a policy. I admire that. I wish we had more resources. I wish the city had unlimited dollars. They don't. So, we're always scrambling around trying to make the best out of what we've got. It's never enough. But I think there's been a good honest attempt to rationalize things. I'm very happy to see that. The Economic Development Corporation, which was at one time very removed from communities, is really trying to get out there and work with everyone. The same with the Department of Small Business Services.

CUF: What still needs to happen?

NP: We need to be more creative in the city in how we address financing industrial growth. We don't have that many toolsout there. We've got IDA, which is a great vehicle, but we're limited. Our options were much greater years ago. We need this city to come up with some more creativity, in terms of financing deals, and getting the state and the feds on board. We need more rationality in the flow of dollars to spur business development. It's sort of backwards maybe it should start with the feds and work its way down, but that's not going to be the case. It's got to start with the mayor, forcing them, as we go up the chain, to say: look, we need to address how we take block grant money and get it out to that entrepreneur in a rational and quick

fashion. We need to be more sensitive to the everyday cash flow needs of that manufacturer and that retail person. That's part of what they're going to have to learn.



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