

## The *Queen Mary 2* Sails into the Brooklyn Waterfront Wars

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### ◆ SUMMARY ◆

Red Hook, Brooklyn, represents both New York's past and its future. An old maritime, industrial, mixed-use neighborhood, Red Hook declined for most of the second half of the twentieth century. But today, its superb location on the South Brooklyn waterfront—which offers spectacular views of Lower Manhattan, the Statue of Liberty, Governors Island, and the Verrazano Bridge—makes its real estate prime for both economic and residential development. After shrewdly siting its new \$56 million Brooklyn Cruise Terminal there, the Bloomberg administration was rewarded by Carnival and the Norwegian Cruise Lines, two of the world's largest, both of which committed to Brooklyn as their exclusive Northeastern ports of call through 2017. But Red Hook is enduring a war between residential development and industrial protection advocates that threatens to impede its natural return to the thriving mixed-use neighborhood it had once been. Indeed, on disembarking, cruise ship passengers immediately see two hulking concrete warehouses whose conversion to residential has been halted by a lawsuit by advocates. Will the Bloomberg administration settle Brooklyn's real estate wars productively, allowing mixed-use development inland, while protecting, insofar as is needed, heavy maritime users, like barges?

The Bloomberg administration is spectacularly right about one thing on the Brooklyn waterfront. It's a good place for a cruise ship.

When the *Queen Mary 2* sailed serenely into New York Harbor before dawn on Saturday, April 15, she became the first ship to berth at her new home, the \$56 million Brooklyn Cruise Terminal. As her captain turned her around to face the Verrazano Bridge, readying her to head back to England that evening, her passengers were treated to extraordinary views of the Statue of Liberty, Governors Island, and the New York skyline, as well as close-up views of the gritty Red Hook waterfront.

The *QM2* was in Red Hook in part because the Royal Caribbean Line has been berthing its ocean liners in Bayonne, New Jersey—having angrily defected from the deteriorating New York Cruise Terminal on Manhattan's West Side in 2003. Scrambling to save what it could of New York's \$600 million cruise industry and its 3,300 jobs, the Bloomberg administration proposed a master plan that included a \$150 million upgrade in Manhattan in addition to the new Brooklyn terminal.

The plan worked. Both Norwegian Cruise Lines and Carnival—two of the world's largest—have committed to New York as their exclusive Northeastern port of call through 2017. Their contract requires that they bring at least 13 million passengers to New York, and pay more than \$200 million in port charges over the next 11 years. In return, each line gets preferential berths on specific piers. (Only Cunard and Princess, both owned by Carnival, plan to make Brooklyn their home port.) The New York Economic Development Corporation expects 1.5 million passengers will be arriving annually by the end of the contract.

## BROOKLYN'S A GOOD IDEA, BUT . . .

A travel industry columnist waiting to board the *QM2* said she didn't think Brooklyn was in and of itself a problem. After all, cruise ships sailing to London actually berth in Southampton or Dover, and ships to Paris berth in Le Havre. Still, it took nerve for the administration to build a new terminal in Brooklyn, with its maze of local roads—and a tunnel—between passengers and Manhattan. Indeed, disembarking passengers might well wonder whether Brooklyn knew they were coming. Many of the

tour buses that were supposed to be waiting were hours late; some had been caught in traffic, others had become lost. A hardy few of the 2,600 passengers and 1,300 crew members, willing to walk around, discovered that the Brooklyn tourist desk in the terminal had run out of Brooklyn maps and guides.

More important, Brooklyn officials didn't think to clean up the immediate neighborhood. So even though Red Hook's excellent restaurants, shops, and galleries on Van Brunt Street were all spruced up and ready for new customers, many of the sidewalks passengers would be walking were filthy, covered in broken glass, trash, and dog droppings.

All these shortcomings can be overcome in time for the *QM2*'s return on April 29, so long as officials pay attention. A more fundamental problem, however, isn't going to change anytime soon.

### RED HOOK'S REAL PROBLEM

An ongoing war between residential development and industrial protection is halting Red Hook's natural and desirable evolution into a

thriving, mixed-use neighborhood. That is what it was until the Depression, and that's what neighborhood activists hope to make it once more.

*QM2* passengers venturing into the neighborhood could not avoid confronting two immense, vacant, hulking six-story warehouses, with the name of the original owner—New York Dock Co.—chiseled high into the pale concrete. Today, these two conspicuous landmarks are the target of a bitter dispute between Douglas Durst, scion of one of New York's best known real estate families, and Bruce Batkin, a principal in the partnership that bought the buildings in 2000.

Durst, who has made an offer to buy one building, says he believes both buildings should house light manufacturing. Batkin, who owns them, wants to convert one building to residential use on the upper floors, with mixed retail and commercial below. He calls it "basic, middle-class New York housing with luxury views." He wants the second building to house restaurants, shops, and a hotel. Clearly, it is in the long-term interest of the cruise terminal to have attractive shops, restaurants, and a hotel nearby. (The closest suitable hotel is a \$15 cab ride away.)

Shrouded in black construction netting, the first building, 160 Imlay Street, looks "like a building in mourning," says Batkin. He began rehabilitating the building in June 2004, having received a zoning variance from the Board of Standards and Appeals to permit residential construction. The variance, however, triggered a lawsuit by a shadowy group of businesses, organized as the "Red Hook-Gowanus Chamber of Commerce." The group, unlisted in the phone book, argued that the variance was "arbitrary and capricious." Brooklyn judge Yvonne Lewis halted construction in December 2004. Two years of litigation followed, while the building stood empty and open to the elements. Recently the decision got kicked back down to Judge Lewis on procedural grounds. It now sits, unresolved, in her court.

Meanwhile, since his building was bleeding money, Balkin looked around at various ostensible opponents in the community, and concluded that little of their opposition made economic sense. A new ferry service, for example, called New York Water Taxi, which was headquartered in Red Hook, sent its cute little yellow boats empty into Manhattan every morning. They needed customers, and Batkin's building would help supply them—or so he wrongly thought. New York Water Taxi, owned by Durst, was one of the businesses fighting the conversion of 160 Imlay.

"I called Douglas up, and said that it made no sense that his company was fighting the project. But I never got a straight

The *Queen Mary 2* berthed at the Brooklyn Cruise Terminal April 15.



On disembarking, *QM2* passengers immediately gaze upon two concrete warehouses whose rehabilitation has been halted.



Thor Equities is proposing a large mixed-use project on the old Revere Sugar site on Erie Basin.



answer, just the party line: ‘We think your buildings should be industrial.’ ” Durst says that Batkin proposed selling the second building to him if he withdrew the suit. Batkin adamantly denies this, saying he never contemplated for one minute selling either building, much less at the price offered by Durst, which he says is well below his mortgage. Nor does he believe that Durst would actually convert such valuable property to industrial uses. Meanwhile the buildings stand ugly, vacant, and unused. “This is an abuse of public policy,” says zoning lawyer Howard Goldman. “The opponents are using the flag of public policy to further their own individual economic interests.”

## ZONING THE WATERFRONT INDUSTRIAL

City Hall has weighed in on the side of industrial protection, even though most industry seems to have long ago fled the Brooklyn waterfront. The Bloomberg administration has outlined most of the waterfront as an Industrial Business Zone (IBZ), which means it will be “protected” from rezoning. The Mayor’s Office for Industrial and Manufacturing Businesses says that Red Hook is home to 38 food industry companies, 15 glassworking companies, 38 woodworking and carpentry shops, 22 media and entertainment firms (including set production, specialty film equipment rentals, and publishing), 25 maritime or maritime related firms, 50 transportation companies (including school and coach bus companies), and well over 100 construction/industrial service firms (concrete, large contractors, demolition).

What’s more, argue city officials, 70 percent, or about 8,000, of Red Hook’s residents live in public housing—Red Hook Houses are the second largest housing development in New York—and need the jobs provided by industrial development.

But how real is the industrial development in need of protection in Red Hook? Yes, there are many small crafts manufacturers—puppets, furniture, glass—but they can generally get along with (and often even prefer) mixed-use developments as neighbors. Much of the rest of the city’s data seem dubious. Huge swaths of property are vacant, surrounded by chain-link fences. Dozens of acres have been leased to what the city calls “transportation companies,” which mostly means parking lots.

Red Hook, to be sure, hosts legitimate manufacturers that the city rightly wants to retain and encourage. Linda Tool & Die recently relocated to handsome new space, and Atair Parachute is expanding. But these companies require only a few highly skilled employees to operate their laser machinery. The glory days of highly paid unskilled labor on the Brooklyn waterfront are gone.

The one clear exception is the Erie Basin Bargeport, home to some 200 barges and oceangoing vessels. Erie Basin is the epicenter of the real estate storms—both because of the extraordinary views it affords of the harbor, the Statue of Liberty, and downtown Manhattan, and because the Bargeport’s owners are adamantly opposed to residential development. The first thing luxury condo owners will do, says principal Robert J. Hughes, is “sue us.”

The Bargeport is a noisy, dirty, 24-hour-a-day operation that Hughes feels is compatible with commercial and retail but incompatible with residential development. Truth be told, the narrow entrance for barges into Erie Basin from Upper New York Bay is not only treacherous in bad weather, mandating loud warning horns, but is directly opposite a proposed residential development on the old Revere Sugar plant. This site is one of only two on the southern Brooklyn waterfront exempted by the city from the IBZ boundaries. The second waterfront site not in the IBZ is the Fairway site, which had been zoned MX.

This doesn’t really make sense from anybody’s point of view. If Bob Hughes is right, residential development will destroy his business. If residential advocates are right, everybody should be able to live side by side peaceably, as they do in many other cities, ranging from Oakland to Rotterdam. Standing in the way of peace is the quick-on-the-draw, litigious character of disputes in New York. Just as one group of neighborhood industrialists has sued to block residential development on Imlay Street, so new residents on the waterfront may in turn sue industrialists at the first sign of a dispute.

The Erie Basin Bargeport houses some 200 vessels, including barges and tugs. ▼



Preservationists hope to save the remnants of Red Hook’s industrial legacy, which is crumbling into the basin. ▼



Barges are the cheapest and most efficient transport for moving heavy goods, especially construction materials, around the city. ▼

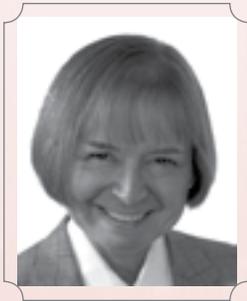


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Vitullo-Martin holds a Ph.D. in political science from the University of Chicago.

WHAT'S NEXT

The last time the city made a major investment in its piers, during the Koch administration, the cruise industry promptly tanked, leaving the city high and dry. Today's situation is eerily similar. A spate of high-profile problems on the high seas, fears of hurricanes, and weak demand for Caribbean sailings have led cruise companies to offer fire-sale discounts, as the *Wall Street Journal* recently noted. This season, says the *Journal*, is the "most challenging" for the industry since 2003.

Still, if the Bloomberg administration's run of luck continues, these trends will hurt the Royal Caribbean, berthed across the river in Bayonne, while leaving the *QM2* untouched. While the Royal Caribbean sails south, where fewer tourists seem to want to go these days, the *QM2* sails east to London, still immensely popular.

The larger question is: Will the Bloomberg administration settle Brooklyn's real estate wars productively, allowing mixed-use development off the waterfront in areas like Imlay Street, while protecting, insofar as is needed, heavy maritime users, like the Bargeport?



Red Hook's working-class heritage is reflected in its austere, simple buildings, which are only now being restored in large numbers. ▲



The shrouded, concrete warehouse on Imlay Street stands open to the elements, thanks to a lawsuit halting its renovation. ▲

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