

From: [Craig Hammerman](#)
To: [Land Use Testimony](#)
Subject: [EXTERNAL] Coney Island Amusement Park Project Plan Amendment, T2021-8271
Date: Tuesday, December 7, 2021 10:47:16 AM
Attachments: [2021-12-07 Coney Island Amusement Park Project Plan Amendment T2021-8271.pdf](#)

Greetings!

Attached please find testimony on the proposed lease term extensions for the Coney Island Amusement District Master Lease and subleases that were the subject of a public hearing on December 2, 2021 before the Council's Subcommittee on Zoning and Franchises.

I regret submitting testimony after the hearing and hope that it can still influence how the City Council, and others, act on this matter moving forward. This matter, like so many other City government matters of late, was not brought to the attention of the Coney Island public, which has become increasingly disenfranchised from projects, programs and policies that directly impact the community.

To be clear, the boardwalk tenants must benefit from the enormous efforts extended to renegotiate their now unrealistic lease terms which were agreed upon at the onset of the COVID-19 pandemic. Kudos to Council Member Treyger for championing their cause. But so too must the broader Coney Island neighborhood benefit from the City's underlying ownership of the boardwalk properties which are the subject of the renegotiation of the Master Lease terms between the City/EDC and Central Amusement International (CAI). All boats must rise with the tide.

Thank you for your attention in this matter.

Best,
Craig Hammerman

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Best, Craig

December 7, 2021

Hon. Francisco P. Moya
Chairperson
Zoning and Franchises Subcommittee
City Council
250 Broadway, Suite 1768
New York, New York 10007

Re: T2021-8271, Coney Island Amusement
Park Project Plan, Third Amendment to the
Special Process Agreement, Brooklyn
(20225010 RSY)

Dear Chair Moya:

Please accept this correspondence as written testimony on the above-referenced matter which would seek to extend the term of the City's agreement from 17 years to 27 years "to promote the development and programming of the lands within the Coney Island Amusement Park for amusement purposes" re-establishing the new expiration dates for the boardwalk property Master Lease between the Economic Development Corporation (the City/EDC) and Central Amusement International Inc. (CAI), and subleases between CAI and the boardwalk businesses (subtenants) to December 31, 2037.

The Coney Island Amusement District suffered tremendous economic losses during its effective 18-month closure due to the COVID-19 pandemic. And leases that were signed between CAI, the City's Master Lease holder, and the subtenants in March 2020 relied on fiscal projections based on 2019 revenues which because of the subsequent 18-month shut-down are now wildly unrealistic and pose a significant hardship to these very business's continued survival.

Kudos to Council Member Mark Treyger for his support of these boardwalk businesses as they worked together to negotiate reduced rent and extended lease terms that would give them a fighting chance to recoup the losses from the pandemic shut-down. His suggestion that the agreed-upon terms reached between the boardwalk subtenants and CAI be transitioned into signed subleases would effectively memorialize these agreements. His further suggestion that these agreements be "baked into" the broader agreements that the City/EDC is negotiating with CAI when considering the Master Lease extension makes perfect sense as a way of protecting the interests of our boardwalk businesses. To be clear, *the subtenants' agreements must be preserved and carried forward for the sake of providing long-term opportunities to rebuild and thrive again.* We love our boardwalk businesses, and believe they all deserve a fighting chance to succeed, including Lola Star the one business which mysteriously was left out of these negotiations altogether.

Since the passage of the City's 2009 Coney Island Rezoning Action community stakeholders have consistently complained of being left out of discussions involving the future of Coney Island. Past discussions of community benefits remain unfulfilled. This has led to divergent economic development trajectories that benefit the few at the expense of the many. Coney Island is more than just an Amusement District. It is a neighborhood with small, independently-owned Mom and Pop businesses, some chain stores, public housing developments, private homes, and an array of social service and non-profit organizations which support the community. While the Coney Island Amusement District is but a subset of the Coney Island neighborhood, Amusement District interests continually overshadow the neighborhood and usurp most of the outside attention, support and resources directed to the community, particularly from government agencies. That needs to change.

The Coney Island neighborhood has been left further and further behind since the rezoning. This current action while helping the Amusement District does nothing to further the neighborhood's interests as the neighborhood's economy also struggles to recover from the pandemic. While Council Member Treyger suggests that the final deal reached here must be a win-win so that CAI and the subtenants benefit alike, others believe that since the City is the underlying owner of the Amusement District properties that it has an affirmative obligation to ensure that the whole Coney Island community prospers along with the Amusement District. Win-win isn't good enough. The neighborhood must win too. All boats must rise with the tide. We need a win-win-win.

The people of Coney Island are experiencing a pattern of disenfranchisement and disengagement by the City. Recently, the Department of Parks & Recreation (DPR) outlined its plans for an \$11 million boardwalk reconstruction project at W24-W27th Streets without consulting the community first, in violation of the spirit and intent of the City Charter which provides that Capital projects require the involvement of the public in their planning and development. A second, larger, \$114.5 million boardwalk reconstruction project was also recently announced and its scope of work shared in the form of a press release issued by DPR again before they had reached out to discuss it with the community. But perhaps the most glaring act in recent times was when EDC surreptitiously changed its mind about where to site the Coney Island ferry landing, unilaterally choosing to relocate it from the oceanside of the peninsula as they had announced to much acclaim in the community in 2012, only to return to the community in 2018-19 to announce their intention to construct it at the Coney Island Creek, a water body so highly contaminated that it is currently under consideration for Superfund listing by the US Environmental Protection Agency. The City of New York has repeatedly left the Coney Island community out of the equation when it comes to the planning of projects and programs affecting the neighborhood. Sadly, it has followed the same approach in this instance once again by excluding the neighborhood from the discussion about the Master Lease between the City/EDC and CAI. This is still publicly-owned property and the public has a right to participate in discussions about its highest and best use.

In terms of the Master Lease, myself and others thought that we had 6 more years to begin the process of engaging the City/EDC to see how we can constructively insert

ourselves into these conversations to ensure that the benefits of these publicly-owned lands would inure to its host community. But because the news of this action was never shared with the community we are once again at a significant disadvantage and unable to have the type of robust dialogue that this subject would otherwise merit. Nonetheless, there are several broad themes of need which have been reflected consistently over time anecdotally and by the Community Board in both their Statement of Needs and submitted Capital and Expense Budget Requests which do provide a basis that the City/EDC was in a position to respond to. Simply put, it is imperative that the City/EDC consider the following areas of local need in conjunction with their ongoing negotiation with CAI over the Amusement District Master Lease:

- 1) **Job Creation and Retention.** It's not enough to say that jobs will be created or are available. Local residents need proper job training in retail, hospitality and tourism support services and must be given an advantage when new positions at the Amusement District become available. In Red Hook the neighborhood was able to negotiate with the IKEA a job training program administered by the South Brooklyn Industrial Development Corporation one-year prior to the store's opening so that when the store finally opened Red Hook residents had the skills to fill the positions. Residents of the host 11231 zip code were given a 3-week head start to apply to available job postings before these positions were opened up to the public. Over time, the promotion of neighborhood-specific job postings helped ensure that new hires came predominantly from Red Hook to fill positions as they turned over. We need hard employment targets and regular reporting to promote long-term accountability. Targets, training/placement programs and reporting can be built into the terms of the Master Lease.
- 2) **Entrepreneurial Opportunities.** While there are traditional brick-and-mortar storefronts on the boardwalk, there are also opportunities for pop-up businesses and vendors on the boardwalk and the street ends adjacent to the Amusement District. Currently it is a "Wild West" situation particularly since the police have made it known that they are not responsible for regulating business activity on the boardwalk. If properly planned and regulated, these boardwalk spaces and adjacent street ends are valuable real estate to enterprising entrepreneurs. Preferences could be given to MWBE and veteran-owned businesses and local entrepreneurs. Without a plan our community will continue to suffer both in terms of lost opportunities and in terms of the quality-of-life impacts from the current unregulated business activity. Such a plan could either be built into the Master Lease if CAI is ultimately responsible for the regulation of the boardwalk and street end spaces, or it can be a supplemental commitment by the City/EDC to work with the community to develop this concept further.
- 3) **Support for Local Non-Profits.** Coney Island has some wonderful non-profit organizations that focus on social services, economic development, environmental stewardship and many other areas which serve the broader community. Many of these organizations are well-equipped to do more to help the social and economic health of the community if they had access to additional resources. Providing mental health and addiction services, beautification projects, regular clean-up activities, recreational and cultural programming and other programmatic supports

to the broader community creates an improved overall environment within which the economic activity of Coney Island can thrive. A portion of the revenues generated by the Amusement District need to cycle back into the community to provide the resources through which the neighborhood's economic and social challenges can be overcome. These terms could easily be built into the terms of the Master Lease and administered by the Alliance for Coney Island or some other entity that can act as a local fiscal conduit for a neighborhood non-profit fund.

- 4) **Coney Island Regional Traffic Study.** Part of the Alliance for Coney Island's basic mission is to increase visitorship to Coney Island. The Amusement District is not only a regional attraction, but a global one. The neighborhood continues to experience an incredible seasonal surge of traffic that overwhelms the community. For years we have been asking for a traffic study. Congestion doesn't serve anyone's best interests. In approaching the planning for the Barclays Center, Sam Schwartz, the gifted and talented traffic consultant hired for the project explained that if the traffic wasn't working for the neighborhood, then it wouldn't work for the Barclays Center either. He did wonders straightening out the traffic by making significant adjustments to the local street grid and curbside regulations, improving the operation and scheduling of public transit and encouraging more aggressive marketing by Barclays and its promoters to encourage and incentivize people to visit the area and leave their cars at home. The Amusement District relies on visitor volume to be successful. We want them to succeed. But we need a traffic study to determine how we could use the existing street grid and curbside regulations more efficiently and effectively, and what additional intermodal opportunities exist to reduce reliance on privately-owned vehicles visiting the peninsula which is the single greatest cause of congestion in the neighborhood. Residents pay the ultimate price for the congestion. They do not benefit from it and are only being hurt by it. And the businesses that rely on the traffic could benefit even more if there were congestion mitigation strategies and improvements put in place that would allow even greater volumes to circulate through the neighborhood. The Alliance for Coney Island, CAI, and/or the City of New York are the primary beneficiaries of the traffic volume and should be footing the bill for a neighborhood traffic study which the community must be fully engaged in. This too could be a Master Lease term, or even a supplemental commitment by the City of New York.

If the City/EDC were to say that they are committed to working to overcome these critical hurdles to local economic development, that would represent a significant turnaround and give the Coney Island neighborhood reason to be hopeful. The City of New York owns the land that generates the wealth in the Amusement District. The neighborhood can no longer be left out of the future enjoyment of that prosperity. I implore you to consider how to hold the City/EDC's feet to the fire and get them to meaningfully address the neighborhood's needs, not only the Amusement District's needs. So many other neighborhoods where EDC does business are able to negotiate amenities, like new public parks, or employment programs, or infrastructure improvements, but this deal seems to have excluded the Coney Island neighborhood entirely and is something we will all have to live with for the next 16 years. We can do better. We must do better. Please help us.

Thank you for your attention in this matter.

Sincerely,

Craig Hammerman
craighammerman@gmail.com

cc: Hon. Bill de Blasio
Hon. Eric Adams
Hon. Antonio Reynoso
Hon. Mark Treyger
Hon. Ari Kagan (elect)
Hon. Inna Vernikov
Hon. Mathylde Frontus
Hon. Diane J. Savino
Hon. Hakeem Jeffries
Hon. Rafael Salamanca, Jr.
Members of the City Council Land Use Committee
President Rachael Loeb, EDC
Alessandro Zamperla, CAI
Alexandra Silversmith, Alliance for Coney Island
Brooklyn Community Board 13

An open letter to the New York City Council:

Hello. My name is Melody Sarrel, and I am the owner of Ruby's Bar & Grill, the oldest continuously running business on the Coney Island Boardwalk — a Coney tradition since 1934. We've been a family-owned and -operated business since my father, Ruby Jacobs, took over ownership in 1972, and my son Matthew is now actively involved in running the business.

Due to the COVID pandemic, our business has suffered greatly, and we've fallen behind on some of our financial obligations, making us fearful of what the coming years will bring. This has left us sorely in need of a lease extension. We fear that if this extension is not granted, we will not be able to maintain our business, and a nearly 90-year Coney Island legacy will be forced to close.

We respectfully ask that the City Council approve the request for a lease extension for Ruby's, an establishment that has been employing and serving the Coney Island community for three generations and for almost nine decades, and for other affected businesses.

In the beginning of the pandemic, when it was clear how devastating the impact would be and that federal relief programs would fall short, Ruby's — along with Paul's Daughter, the Brooklyn Beach Shop and Tom's Coney Island — formed a coalition and approached Councilman Mark Treyger to secure further relief. Councilman Treyger secured a rent abatement from the EDC, which was passed on to us from CAI.

However, given the magnitude of the losses and the uncertainty of when recovery would begin, it was clear that a one-time relief solution would not be enough to stabilize our businesses. We needed structural relief over the long term if we were to survive.

With Councilman Treyger's office facilitating renegotiations of our leases with CAI, we were able to reach agreements that provide us more sustainable terms and give us an extension to 2037, which would be coterminous with the extension given to CAI. This extension is imperative for our survival.

Councilman Treyger's office has been instrumental in empowering us to secure these changes, and I thank Councilman Treyger for his involvement and personal help with this matter. He is clearly involved in the Coney Island community that he represents and takes great pride in trying to make it a better place to live. Now we need the City Council to get us over the finish line.

The businesses affected by this extension are all longtime family-owned businesses with over 200 years of combined history:

- Ruby's is a female-run family business with almost a 90-year history in Coney Island.

- Paul's Daughter is a family business that has been owned by women for over 70 years.
- Deno's Wonder Wheel Amusement Park has been a family-owned Coney Island staple for over 50 years.
- The Brooklyn Beach Shop is a female-owned business with over 30 years of Coney Island history.
- Tom's of Coney Island is a family-owned business that's been in operation for over 70 years.
- Luna Park is a family-owned amusement park that has generated tremendous excitement in Coney Island for the past two decades.

These are the places most affected by the pandemic. A lease extension for our businesses will enable us to further invest in making the community better. Denying this extension would have no positive community impact; in fact, it would sadly put our family-owned small businesses in jeopardy, irreparably harming Coney Island.

In past years, we have worked with the Coney Island community to help create job opportunities for the people who live in the area. Over 75% of our employees live within a 3-mile radius of Coney Island. It would be a shame if these employment opportunities disappeared.

I, along with many other boardwalk business owners, have personally experienced the highs and lows of Coney Island. We lived through the blight of the 1970s and 1980s and the resurgence of the 1990s, when New York City invested in infrastructure to create a stadium, comfort stations/bathrooms on the boardwalk, and a renovated Coney Island subway station. Little by little, Coney Island started coming back to life and thriving, catapulted in the 2000s by Luna Park's new and exciting amusement park.

Thanks to decades of positive change, Coney Island officially became a premier destination for both locals and tourists reminiscent of its heyday in the early to mid-1900s.

Unfortunately, all of this momentum came to a screeching halt and started moving in reverse when COVID arrived, causing tremendous business loss for Ruby's and other establishments in the community.

If the City Council were to approve this much-needed extension, it would allow Ruby's and other boardwalk tenants to continue investing in Coney Island's rise. Without this extension, the future of small businesses like Ruby's would surely be grim, and the well-being of Coney Island as a whole greatly compromised.

Please approve this extension so that the Coney Island community can flourish again, solidifying Coney Island as a beloved destination for generations to come.

Respectfully,
Melody Sarrel
Proud owner of Ruby's Bar & Grill
Coney Island, NY