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Gale A. Brewer, Borough President

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Recommendation on the Garment Center Text Amendment
Application No. N 180373 ZRM
by the New York City Department of City Planning and
the New York City Economic Development Corporation

BOROUGH PRESIDENT'S COMMENTS

The Garment Center has been one of my top priorities for almost two years. When the plan to lift the zoning restrictions first circulated in 2017, I was – to be honest – horrified. The garment and fashion industry is an iconic cornerstone of our city, an irreplaceable part of our history, and the lifeblood of a variety of other related industries. Its dynamism and creativity animate a unique part of our borough, where young men and women carry rolls of fabric through the streets at all hours of the day while navigating within a rich, interdependent ecosystem of designers, suppliers, and manufacturers. The Garment Center is a truly distinctive neighborhood in a time when economic pressures are making our neighborhoods more and more the same.

The 2017 plan called for a lifting of the zoning restriction requiring property owners to preserve one square foot of garment manufacturing space for each square foot converted in return for little more than some relocation assistance for manufacturing firms that could no longer afford to stay in the district. There was nothing else to support and bolster the industry against mounting real estate demands, which were only likely to increase with the lifting of the preservation restrictions. Besides my deep personal aversion to this, there were also tremendous doubts about the potential relocation of such an intricate and complicated industry. The central position of the Garment Center in mid-Manhattan near major regional transportation hubs and related, dependent uses such as the Broadway theaters seemed integral to its competitiveness and viability. This ecosystem, which developed naturally over the course of decades, seemed fantastically complex, and we did not think that the City's plan adequately took into account this complexity.

My office spoke first to dozens, and then over time to hundreds of businesses and workers from the Garment District. They told us over and over that the proximity and concentration of related uses in the Manhattan Garment Center were fundamental to their operations. They stressed to us that transportation options to potential relocation sites such as Sunset Park in Brooklyn simply did not work for them and for their employees. We came to firmly believe that keeping a long-term core of manufacturing firms in the Garment Center was essential to preserve the foundation of New York's garment and fashion industry. This core in Manhattan would be the hub, and while there can and should be spokes in other parts of the city, the hub should remain in the Garment Center.

I insisted on the formation of a pre-planning "Garment Center Steering Committee," together with Council Speaker Corey Johnson, the other elected officials, the relevant community boards, EDC, representatives of manufacturers, unions, real estate and experts in order to come up with a set of recommendations that would stabilize and strengthen the garment and fashion industry in the Garment Center. What followed was one of the most complicated and nuanced initiatives that I have undertaken during my Borough Presidency, as we worked hard throughout the original three-month duration of the Steering Committee process and far beyond to advance a comprehensive plan.

We quickly came to appreciate the difficulties of prognosticating for an industry that has undergone massive global change over the past few decades. While there are property owners who have rented to garment and fashion manufacturing uses all this time, and are enthusiastic about continuing to do so in the future, it seems sensible that they be afforded some degree of flexibility over the long term.

Meanwhile, it has never been clear how we should evaluate the effects of the zoning restrictions given their inadequate and negligent enforcement. According to DCP, there are more than 4 million square feet of non-conforming office use in Preservation Areas P1 and P2. One can say that zoning is a blunt and imperfect tool, and that it was wholly inadequate against the global forces that transformed the industry. However, coming in as policymakers after the fact, it would have nevertheless been significantly more helpful if the rules in place had actually been enforced.

However, the driving force for us is the continued difficulties facing garment manufacturers and businesses. A year has passed since the start of the Steering Committee process, during which time the lifting of the zoning restrictions were put on hold as EDC staff worked diligently on alternate ways to preserve long-term manufacturing space. I had hoped that stopping the zoning change might somewhat stabilize the situation in the Garment Center, but I continued to hear anecdotally of firms having difficulty renewing leases, and rising rents forcing firms out of the Garment District. I started to believe that the status quo – even with the zoning restriction in place – was not going to work.

All of this brings us to the task at hand. Working with Steering Committee members and taking into account our recommendations, the Administration has presented a significantly improved plan for the Garment Center. Rather than just providing relocation assistance for businesses to leave the Garment Center, this new plan includes thoughtfully negotiated incentives to keep garment manufacturing in place in Manhattan, and significant City capital investment to acquire permanent space for the industry.

What we must do now is to properly address this commendable new plan, to work diligently toward every benchmark, and to make sure that the promise contained herein is fully realized. The current zoning restrictions, however imperfect, represent a decades-long attempt to support this iconic industry and unique neighborhood. The lifting of these restrictions should be done in conjunction with the proposed preservation programs. The de Blasio administration and EDC have kept their commitments to remain on schedule, and I will continue working to ensure that these vital components of the plan come to fruition.

NYCIDA Garment Center Program

A key recommendation of the Garment Center Steering Committee report was to establish a custom NYC Industrial Development Agency (IDA) program to retain long-term garment production space in the Garment Center. Such a program would abate property taxes for Garment Center landlords to incentivize long-term affordable leases for garment manufacturers and other supportive services in the garment production supply chain.

Along with the reintroduction of the text amendment to lift the zoning restrictions earlier in May of this year, EDC announced that they have secured the commitment of 300,000 square feet over four different properties into the IDA program through executed term sheets. According to the latest update from EDC, two of the executed term sheets, representing about 200,000 square feet of space will be ready to be heard and voted on by the IDA Board in September.

Approximately 180,000 square feet of space in the preservation areas were preserved in accordance with the requirements of the current zoning restriction. However, it is my understanding that as of today, most of this space is not currently used for garment manufacturing. If it were, this would be a great boost to the effort to preserve a substantial core of manufacturing space in the Garment Center and provides further evidence of the deleterious effects that the lack of enforcement has had. EDC and the Administration should make up for this loss in their efforts to preserve additional space for manufacturing.

In addition, since certification of the current text amendment, EDC has persistently re-engaged with additional property owners who might opt into the program, including a few owners who were slightly below the 25,000 square feet threshold originally set by the program. As a result of these continuing efforts and increased flexibility, EDC tentatively estimates that it has a 50 percent or better chance of obtaining some level of space commitment to the IDA program from an additional four buildings.

The program would require property owners to offer 15-year leases with a maximum gross rent of $35 per square foot, which includes utilities and other expenses, and are subject to a penalty schedule and annual compliance review, including substantial clawback provisions during the first five years.

In exchange, the participating property owners will receive discretionary tax benefits from the IDA that increase with the amount of manufacturing space preserved with an additional $1 in per square foot benefit per 25,000 square feet preserved. Thus a 25,000 square foot space would receive $1.00 per square foot in benefits and a 100,000 square foot space would receive $4.00 in benefits per square foot of manufacturing space preserved.

In terms of the timeline of approval for the IDA program, the information package for the public hearing for the first two applications comprising approximately 200,000 square feet, will be prepared and posted to the IDA website by August 30th. The projects for approval would be sent to the IDA Board of Directors during the week of September 3rd, the public hearing will be on September 13th, and the projects would officially be up for approval at the IDA Board meeting on September 19th.

Building Acquisition

The Garment Center Steering Committee agreed on the necessity of an IDA program. However, most members including myself believed that the IDA alone was not enough. Early this spring, Speaker Corey Johnson and I met with the President of EDC. The Speaker was instrumental in conveying the need for an additional way to secure affordable space through the purchase of a building. We viewed this as even more important because the 15 year lease requirements contained in the IDA program – while necessary because owners would not commit to longer given the trends in garment manufacturing – were not as long as we would have liked. Recognizing this as well, EDC agreed to provide up to $20 million to facilitate the purchase of a Garment Center building with a non-profit partner to operate and manage as permanent, dedicated garment production space.

EDC plans to release a Request for Expressions of Interest (RFEI) to identify the nonprofit partner, who would leverage the City funding and additional equity in order to obtain debt financing. According to the latest update, EDC is in the midst of performing due diligence and drafting language with the intent of releasing the RFEI in September 2018.

BID Assessment

Initially the Garment District Alliance had agreed with the de Blasio administration to raise up to $25 million to relocate garment manufacturers elsewhere in the city. After discussions with EDC, the City, and the Garment District Alliance, it has been agreed that funds raised via an additional assessment will be used for technical assistance and other programming that would be available to garment manufacturers, suppliers, and designers in the area.

Fashion Manufacturing Initiative

FMI is a partnership between EDC and the Council of Fashion Designers of America (CFDA) to preserve and strengthen garment production in New York City. The FMI Grant Program is a partial matching fund for acquisition of innovative equipment, advanced technology, workforce training, business consulting services, relocation costs, and capital improvements. Each Grant Recipient must match 33 cents to each dollar of the total investment amount requested. Since 2013, the FMI Grant Program has awarded $2.8 million to 25 different businesses through 34 grants, with an average award amount of $85,000. More than $4 million have been raised for the program by the CFDA and the industry. Grant applications for Year 6 of the Fashion Manufacturing Initiative (FMI) is now live through September 4th.

I strongly believe that this is our last opportunity to meaningfully preserve long-term garment manufacturing space in the Garment Center and to do so with very significant City resources at our disposal. Were I not so strong in this conviction, I would have let the status quo continue with the restriction in place as it has been in the year since the Steering Committee issued its report. While the IDA program is not as long-term as I would have liked, I am convinced that EDC did the best they could do and that owners are being rational in their refusal to sign up for a longer term program given the trends over the last several years. That is why the building purchase is so critical. I have been convinced that EDC has made the success of the building purchase a priority as well, but more progress must be made on this critical step. Having already seen the creation of the custom IDA program with 300,000 square feet of space on its way to approval, witnessed EDC's continuing efforts to sign up additional space and their commitment to a building acquisition to be run by a not-for-profit, I believe that the principal goals of the Steering Committee are being addressed.

BOROUGH PRESIDENT'S RECOMMENDATION

Therefore, the Manhattan Borough President recommends **approval** of Application No. N 180373 ZRM if the following conditions are met:

(1) The administration must show substantial progress toward the acquisition of a Garment Center building. Specifically, EDC must be able to demonstrate that it has or expects to receive one or more credible responses to the RFEI and feasible sites must have been identified or that it is making any necessary changes to the RFEI to accomplish those goals. In order to receive as many responses as possible, EDC should show flexibility in its geography, as suitable buildings may exist near, if not in, the traditional Garment Center. Additionally, EDC should be flexible in terms of what existing uses are in the building, as the best building may be one that already contains a certain amount of garment manufacturing.

(2) The City must also commit to a reasonable amount of additional funding beyond $20 million should that amount prove inadequate.

(3) The IDA must have approved, or have pending before it, applications for the 300,000 square feet of space for which EDC currently has signed letters of intent and EDC with the assistance of the Garment District Alliance must make every conceivable effort to obtain as much additional square footage for the IDA program so that at a minimum, 500,000 total square feet is preserved as per the recommendations of the Steering Committee.

(4) EDC and the Administration should make every effort to preserve an additional 180,000 square feet of manufacturing space in the Garment Center to make up for space preserved under the current zoning restriction, including, but not limited to, seeking to include the portion of the currently preserved space that is still used as manufacturing space in the IDA program.

(5) That EDC, IDA and the City ensure that adequate monitoring and enforcement of the lease terms and tax abatement program is occurring consistently throughout the term of the program.

(6) The IDA program shall be extendable after the 15 year term if the owners agree.

(7) EDC and the City will partner with additional workforce pipelines, institutions and community organizations to increase vocational training, education and job placement in the Garment Center.

(8) EDC should file an A-text to grandfather two sites - containing partially demolished buildings which were erroneously granted demolition permits by DOB - from the SGCD Hotel Special Permit requirement and allow residential use below commercial use at these sites in cases where the owner is providing permanently affordable housing. This A-text should address other issues raised by the community boards, including illuminated signage, mid-block plazas, and refined special permit findings.

(9) The Landmarks Preservation Commission should begin the process of landmark designation by calendaring the following properties as recommended by Community Board 4: 300 West 38th Street, the Manhattan Opera House, the New Yorker Hotel, and the Sloan House Y.

Recommendations 1, 2, and 3 must be accomplished prior to approval of the zoning text amendment by the City Planning Commission.

Gale A. Brewer

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Manhattan Borough President

APPENDIX

PROPOSED ACTIONS

The New York City Department of City Planning (DCP) and the New York City Economic Development Corporation (EDC), together as the “applicants,” are seeking a **zoning text amendment** to certain regulations governing the Special Garment Center District (SGCD), set forth in Article XII, Chapter 1 of the New York City Zoning Resolution (ZR). The application includes six modifications to the SGCD zoning text:

1. Lifting of Preservation Requirements Text Amendment
2. C6-4M Conversion Text Amendment
3. Hotel Special Permit Text Amendment
4. Contextual Bulk Text Amendment
5. Use Group 18 Prohibition Text Amendment
6. Sign Text Amendment

These modifications will be discussed in greater detail below under Project Description.

In evaluating the text amendment, this office must consider if the proposed language meets the underlying premise of the Zoning Resolution of promoting the general health, safety and welfare of the city and whether the developments it will facilitate would be appropriate to the neighborhood.

BACKGROUND

Special Garment Center District

The garment industry was the largest industry in New York City for decades and a major economic engine throughout the first half of the twentieth century. It has historically been concentrated in midtown Manhattan. Known as the Garment Center, this area was formalized in 1987 through the establishment of the Special Garment Center District, with boundaries that stretch roughly from 35th Street to 40th Street and from Broadway to Ninth Avenue.

By the 1980s, global economic forces had irrevocably changed the garment industry. From 1967 to 1982, employment in the sector fell by 18 percent nationally, while Manhattan’s employment fell by 45 percent. Additionally, Manhattan’s share of national apparel wholesale sales dropped from over 60 percent of the national total to 45 percent. Concurrently, demand for commercial office space from other sectors such as services, finance, and communications increased dramatically, as a variety of companies were drawn by the central location of the district and its access to transportation.

The establishment of the SGCD in 1987 aimed to slow the conversion of manufacturing space into office space on the side streets of the district. In these Preservation Areas, conversion to office use was prohibited unless an equivalent amount of floor area was set aside for designated preferred uses that were related to the industry. This preservation would be pursuant to a CPC Chair's Certification and would require a deed restriction on the space. Alternatively, building could be converted without the preservation requirement if the building had been vacant for 3 years, pursuant to a CPC Authorization. At that time, the Garment Center employed approximately 61,000 workers in the garment industry in approximately 20 million square feet of space, with approximately 25,200 workers in manufacturing in approximately eight million square feet of space.

In 2005, as part of the Hudson Yards Rezoning (040499A ZMM), the midblocks west of Eighth Avenue within the SGCD were rezoned from M1-5 to C6-4M. Under a related text amendment (040500A ZRM) this portion of the special district was designated Preservation Area P2 with as-of-right residential, commercial, and community facility conversions allowed in buildings with less than 70,000 square feet of floor area. Conversion of existing buildings larger than 70,000 square feet was also permitted provided the one-for-one preservation requirement of the original SGCD regulations was met.

Ever since the establishment of the preservation requirements, there has been little success with properly enforcing and administering the rules. Since the establishment of the SGCD in 1987, there have been ten certifications for conversion and preservation of approximately 180,000 square feet, with the two most recent approved in 2003 and 2011, and one authorization for conversion without the preservation approved in 2009. According to DCP, there is now over 4 million square feet of non-conforming office use in Preservation Areas P1 and P2. So it appears that an amount equal to roughly 22 times the square footage of space lawfully converted has been converted in violation of the zoning restrictions.

Proposed 2017 Changes

In March of 2017, EDC proposed a package of changes to the SGCD that included text amendments to lift the manufacturing preservation requirements of the SGCD in order to provide more flexibility for office space development. The other major component of the plan involved funding to help facilitate the relocation of garment manufacturing businesses to Sunset Park, Brooklyn, where the City had significant land holdings and where there was also a cluster of garment manufacturing businesses.

Garment Center Steering Committee

The Proposed 2017 Changes were met with a strong negative reaction from this office, other elected officials' offices, Community Boards 4 and 5, and numerous industry stakeholders including union representatives and individual designers and manufacturers. Following this backlash, the City agreed to the formation of the Garment Center Steering Committee (GCSC) to engage stakeholders in the Garment District and New York's fashion and garment industries.

The GCSC was formed by Manhattan Borough President Gale A. Brewer, Council Member Corey Johnson, and Deputy Mayor for Housing and Economic Development Alicia Glen. The GCSC participated in six Steering Committee meetings over a three-month period, during which committee members discussed, developed and debated a set of guiding principles and recommendations to inform the City's strategy. EDC and DCP provided technical support to the Steering Committee and attended every meeting. The GCSC was formed to deliberate and develop recommendations focused on and for the garment industry in the Garment Center in Manhattan and purposefully did not discuss recommendations pertaining to the industry at large or for other areas outside of the Garment Center. The GCSC, facilitated by Celeste Frye of Public Works Partners with independent consultant Ben Margolis, established a strong commitment, expressed by all committee members, to support the garment industry and specifically garment manufacturers to maintain a core presence in mid-Manhattan. This core—defined as a critical mass of garment-related businesses serving as a hub for the industry citywide—will serve as a vital part of the garment and fashion ecosystem, which is needed for garment-related businesses to produce garments from concept through to design and ultimately finished product in New York City.

The GCSC released the Garment Center Steering Committee Report on August 18, 2017. This report articulated eleven recommendations grouped into three sections, and then two areas for further exploration:

Section I. Real Estate

1. Create a custom NYCIDA program to retain long-term garment production space in the Garment Center;
2. Advance a framework for a public-private building purchase for dedicated garment production space in mid-Manhattan;
3. Create a mechanism in the zoning text to phase out the Preservation Requirements in sub-areas P-1 and P-2 of the Special Garment Center District with the condition that some space continues to be preserved for garment manufacturing;
4. Institute hotel restrictions in the Garment Center as part of the Special Garment Center District zoning changes;

5. Support the role of nonprofit partner(s) in efforts to preserve a core of garment manufacturers in mid-Manhattan;

Section II. Workforce Development and Business Support

6. Support and develop new and existing talent pipelines for the garment-related workforce in mid-Manhattan;
7. Support business planning and marketing among garment manufacturers;
8. Develop communications platform to elevate garment manufacturers;

Section III. Placemaking

9. Enhance neighborhood and commercial circulation and streetscape in the Garment Center;
10. Strengthen visibility of garment businesses and their workforce in the Garment Center;
11. Preserve the Garment Center's unique identity;

Section IV. Further Areas to Explore

12. Develop a multilingual approach across programs to preserve a core of garment production and support the larger garment ecosystem in mid-Manhattan; and
13. Support the garment-related retail presence in the Garment Center.

In the first Steering Committee Meeting, GCSC members agreed to strive for consensus when discussing proposed recommendations. Consensus was defined as broad agreement, which may not consist of 100% unanimity among Committee members. The level of consensus and specific areas of dissent were noted within the recommendations to reflect an accurate picture of the Steering Committee's nuanced discussions, including when unanimity was not achieved as the GCSC evaluated recommendations. By far the biggest area of disagreement was recommendation 3 of the Real Estate section, which called for a mechanism to phase out the Preservation Requirements that was tied to the securing of long-term affordable manufacturing space. While elected officials, representatives of the Community Boards, businesses, designers and unions supported this recommendation, members representing property owners strongly objected to the square footage approach, citing concerns over predictability and feasibility of achieving such a goal.

The recommendations of the GCSC helped inform the Proposed Actions that are currently before us, which includes some significant differences from the Proposed 2017 Changes.

PROJECT DESCRIPTION

The amendment to the text of the SGCD consists of modifications in six areas:

Lifting of Preservation Requirements – the zoning text amendment to ZR 121-10 would lift the SCGD's preservation requirements by removing restrictions on the conversion of manufacturing and warehousing uses to office uses. The existing zoning in area P1 and in buildings of more than 70,000 square feet in area P2 requires that before a space in existing buildings can be converted to office use, an equal amount of space must be permanently preserved exclusively for industrial use elsewhere in the special district. This reserved space must be certified by the Chair of the City Planning Commission and requires a deed restriction on the preserved space. The proposed action would remove the requirement to preserve industrial space through a deed restriction and Chairperson's Certification. Likewise, a rule in area P2 allowing conversion without preservation, pursuant to a zoning authorization, if a manufacturing, wholesale, or showroom space has been vacant for three or more years, would also be eliminated. It would restore the underlying zoning which allows office uses as-of-right. Manufacturing uses and wholesale showroom spaces would continue to be permitted by the special district. This would allow properties with non-conforming office conversions, presently subject to existing preservation requirements, to obtain updated Certificates of Occupancy, address outstanding violations, and facilitate future improvements pursuant to a building permit.

C6-4M Conversion

Under the current zoning, properties of more than 70,000 square feet can be converted from manufacturing use to residential, hotel, or office uses per a Chairperson's Certification if an equal amount of floor area is permanently preserved for industrial uses elsewhere in the special district. With the lifting of the Preservation Requirements, there would no longer be a need for a one-for-one replacement of manufacturing for the conversion of buildings of 70,000 square feet or more in area P2, and therefore the P2 designation would be eliminated. Instead, this portion of the SGCD would be designated as Subdistrict A-2. In order to maintain the larger buildings as locations for office and manufacturing use, Subdistrict A-2's special regulations would be amended to prohibit the conversion of manufacturing and warehousing space in buildings of 70,000 square feet or larger to residential or dormitory facility use.

Hotel Special Permit

A provision of the proposed zoning text amendment to the SGCD would make hotels no longer allowed as-of-right, but instead would create a new discretionary mechanism, namely a City Planning Commission special permit for Transient Hotels. The special permit would be applicable to the entire special district and would require the City Planning Commission to consider if the proposed sites of new, expanded, and converted hotels would be appropriate. Consistent with City policy, transient hotels operated by or for the City or State for a public purpose, including facilities that provide temporary housing assistance or shelter to homeless individuals and families and related transient occupancy social services facilities, would continue to be permitted in the special district as-of-right.

Contextual Bulk Changes

Presently, new buildings in M1-6 districts may choose a number of massing options, with some requiring a streetwall to rise up to a certain height without setback, and a tower option that allows setback from the street line given a certain lot coverage and a certain building size. These existing M1-6 regulations would be replaced by new rules similar to height and setback rules found in M1-6D districts. Buildings would be required to have their street wall on the street line. On wide streets, buildings would be required to rise from 125 to 155 feet before a setback of 10 feet, with flexibility to go higher depending on the height of the adjacent street walls. These wide street base height regulations may be applied along intersecting narrow streets to a depth of either 50 or 100 feet from the wide street. Along any portion of a narrow street which is not subject to wide street regulations, buildings would be required to rise to a height between 85 and 135 feet before a setback of 15 feet.

It is proposed that new buildings on eligible sites would be permitted to use the existing bonus for a privately owned public space, pursuant to ZR 43-13. However, these public spaces would not be permitted within 100 feet of a wide street. The existing Floor Area Bonus for arcades is proposed to be removed (ZR 43-13, ZR 43-14).

Use Group 18 Prohibition

The SGCD would specifically prohibit Use Group 18 uses in Subdistrict A-1. Use Group 18 consists of heavy industrial uses that are considered incompatible with high density commercial areas such as the Garment Center. The underlying C6-4M prohibition of Use Group 18 uses would remain in effect in Subdistrict A-2.

Sign Regulations

Presently, the SGCD is subject to multiple sign regulations. The proposed amendment would standardize those regulations by creating the following provisions for signs:

- Both illuminated and non-illuminated signs are allowed to be up to five times street frontage, but no more than 500 square feet per sign.
- No sign may be more than 40 feet in height.
- No signs are permitted on roofs except that a vertical sign attached to a wall no more than 28 inches wide may extend no higher than 15 feet above roof level.
- Advertising signs are not permitted.

In addition, existing regulations pertaining to marquees, flags, and pennants on wide streets within the special district would be removed under the proposal.

COMMUNITY BOARD RECOMMENDATIONS

Manhattan Community Board 4

Community Board 4 (CB 4) returned a recommendation of no with conditions on July 25, 2018. Specifically, the Board, while acknowledging its support of the IDA program and building purchase commitments, recommended that certain conditions, including the following, should be met: (1) a total of 500,000 square feet of manufacturing space should be preserved through the IDA tax abatement program; (2) the 180,000 square feet of garment manufacturing space preserved between 1987 and 2011 pursuant to the special district zoning requirements should be maintained as garment manufacturing space; (3) the City should commit to more funding for a building purchase than the previously committed $20 million; and (4) that these conditions should all be accomplished prior to the adoption of the zoning text amendment eliminating the preservation requirement.

In addition, CB 4 included a number of conditions on portions of the text amendment unrelated to the lifting of the manufacturing restriction including additional findings for the hotel special permit that consider impacts such as congestion, neighborhood character and surrounding uses and concentration of hotels; additional restrictions on illuminated signage; the addition of 300 West 38th Street to the eligible historical resources enumerated in the Environmental Assessment Statement; and the designation of 300 West 38th Street, the Manhattan Opera House, the New Yorker Hotel, and the Sloan House Y as New York City Landmarks.

Finally, CB 4 called for an “A-Text” to grandfather two sites - containing partially demolished buildings which were erroneously granted demolition permits by DOB - from the SGCD Hotel Special Permit requirement and allow residential use below commercial use at these sites in cases where the owner is providing permanently affordable housing.

Manhattan Community Board 5

Community Board 5 returned a recommendation of no with conditions on July 12, 2018. Specifically, the Board recommended that certain conditions, including the following, should be met: (1) the City needs to make a concerted effort to sign up more building owners for the IDA program so that at least 500,000 square feet of permanently affordable fashion manufacturing space remains in the Garment Center; (2) the lease renewal options for garment manufacturers in the IDA program should be made permanent so that the preserved space is permanent; (3) real-time accessible data should be made available to ensure adequate monitoring and enforcement of the IDA requirements and leases; (4) EDC and the City should partner with additional workforce pipelines, institutions, and community-based organizations to increase vocational training, education, and job placement in the Garment Center; and (5) that the application process before the IDA proceed at the timeline provided by EDC with a vote of the IDA board to occur on September 18, 2018.

In addition, CB 5 included a number of conditions on portions of the text amendment unrelated to the lifting of the manufacturing restriction including refinement of the findings for the hotel special permit that consider the diversity of businesses in the area; extension of restrictions on illuminated signage; a prohibition on midblock plazas; and a tying of the permitted street wall heights to a maximum height cap.

BOROUGH BOARD RECOMMENDATION

The Manhattan Borough Board held a joint hearing with the Manhattan Borough President and Community Board 5 on June 27, 2018.

The Manhattan Borough Board returned a recommendation of yes with conditions on July 26, 2018. The Borough Board acknowledged the work done by the staff of EDC and their continuing efforts to engage with property owners to get additional space enrolled in the IDA program. However, the Borough Board still recommended that the following conditions be met prior to the adoption of the zoning text amendment: (1) 300,000 square feet of garment manufacturing space should be the subject of approved applications for IDA tax abatements or be the subject of applications for IDA tax abatements awaiting final approval by the IDA; (2) the building purchase should be as close to realized as possible, including a commitment by the City to add a reasonable amount of money above the aforementioned $20 million if necessary; (3) the total garment manufacturing space preserved through the IDA and building purchase should be no less than 500,000 square feet; (4) EDC, IDA, and the City should ensure that adequate monitoring and enforcement of the lease terms and tax abatement program is occurring consistently throughout the term of the program; and (5) EDC and the City should partner with additional workforce pipelines, institutions, and community-based organizations to increase vocational training, education, and job placement in the Garment Center.

Additionally, the Borough Board recommended that the Department of City Planning should work with CBs 4 and 5 on the zoning issues discussed in their respective resolutions, including but not limited to the hotel special permit, demolition and anti-harassment restrictions, illuminated signage requirements, and street wall and building heights.