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Gale A. Brewer, Borough President

August 27, 2014

Recommendation on ULURP Application No. C 140330 ZSM – 130 Prince Street

PROPOSED ACTION

Prince Street-SOHO LLC¹ (“the applicant”), seek a special permit pursuant to Section 74-711 of the Zoning Resolution (“ZR”) to modify use regulation 42-14D(2)(a) to allow a Use Group 6 (retail) on the ground floor and cellar of an existing building at 130 Prince Street, Block 501, Lot 15, (The Project Site), located in an M1-5A zoning district in the SoHo-Cast Iron Historic District, in Community Board 2, Manhattan.

Pursuant to ZR § 74-711, applicants may request a special permit to modify the use regulations of zoning lots that contain landmarks or are within Historic Districts as designated by the Landmarks Preservation Commission (“LPC”). In order for the City Planning Commission (“CPC”) to grant use modifications, the applicant must first meet the following conditions:

- 1) LPC has issued a report stating that the applicant will establish a continuing maintenance program for the preservation of the building and that such modification or restorative work will contribute to a preservation purpose;²
- 2) The application shall include a Certificate of Appropriateness, other permit, or report from LPC stating that such bulk modifications relate harmoniously to the subject landmark building in the Historic District³;
- 3) The maximum number of permitted dwelling units is as set forth in ZR § 15-111.⁴

Further, in order to grant a special permit, the CPC must find that:

- 1) The modifications shall have minimal adverse effects on the structures or open space in the vicinity in terms of scale, location and access to light and air;
- 2) Such modifications shall have minimal adverse effects on the conforming uses within the building and in the surrounding area.

PROJECT DESCRIPTION

The applicant proposes to convert 11,490.4 SF of existing non-conforming ground floor retail and

¹ Prince Street-SOHO LLC is a subsidiary of Invesco Ltd., an independent investment management company

² The LPC issued a report on April 24, 2013.

³ The LPC issued a Certificate of Appropriateness on February, 22 2013 (amended March 28, 2013 and November 8, 2013)

⁴ No dwelling units are being proposed in this application.

10,129.7 SF of cellar space to Use Group 6 retail. The building has continuously housed five non-conforming ground floor retail stores since a previous owner altered and expanded the building in 1989. The applicant's proposal does not include any change to the height or bulk of the building. The Building sits within the SoHo-Cast Iron Historic District. The LPC designated the SoHo-Cast Iron Historic District in 1973, citing it as the largest collection of intact and partial cast iron facades. The special permit pursuant to § 74-711 requires the applicant enter into a Restrictive Declaration with the LPC and establish a continuing maintenance program for the preservation of the building.

Area Context

The project site is located in an M1-5A zoning district in the SoHo-Cast Iron Historic District, in Community Board 2, Manhattan. Nearby neighborhoods include NoHo and the West Village. There is a R7-2 residential district to the west, a C1-7 district to the north, M1-5B to the east, and C6-2A to the south. There is a subway station for the N and R lines at the corner of Prince Street and Broadway, three blocks from the project site.

Over the last thirty years, the area's land use has shifted from light manufacturing to a mix of retail, office space, multi-family residential buildings, joint live-work quarters for artists, and community facilities. The area is evolving into a retail destination and there has been a trend toward larger national and international retail chains along Broadway and Houston Street and high end retailers on the side streets. Within a 600 foot radius, 85 percent of the properties along Prince Street and Wooster Street have existing ground floor retail.

Site Description

The Project Site is a five story brick building built in 1925, with a concrete addition that was built adjacent to the east side of the building in 1989. It is located at 130 Prince Street (Block 501, Lot 15) in an M1-5A zoning district. M1-5A districts permit a maximum floor area ratio (FAR) of 5.0, with 6.5 for community facilities. Buildings are allowed a front wall height of 85 feet, after which buildings must setback 20 feet. In M1-5A zoning districts, only use groups 7, 9, 11, 16, 17A, 17B, 17C or 17E (generally wholesale, warehousing, and light industrial uses) are permitted below the second story.

The Project Site has a lot area of 12,653.6 SF and the building contains 77,440.8 gross SF. The ground floor is a total of 12,653.6 SF with 11,490.4 SF dedicated to five retail spaces and 1,162.6 SF for the entrance and lobby to the upper floors. Floors two through five, including the penthouse, are commercial office space leased to Estée Lauder.

The building was built as a four story brick garage and light manufacturing building in 1925, and remnants of its original façade are still visible. The building operated as a bakery and garage into the 1980's. In 1989 a previous owner built a five story addition that included a penthouse abutting the existing building to the east. Since the addition, there has been common ownership and the buildings are structurally interdependent. The five non-conforming Use Group 6 retail spaces have been in continual use on the first floor, with retail storage in the cellar. The applicant bought the property in 2012, merged the tax lots, and now wished to legalize the non-conforming ground floor retail use.

Proposed Project

The applicant seeks a special permit pursuant to ZR § 74-711 to modify use regulations to allow Use Group 6 (retail use) on the ground floor and cellar in order to permit its current non-conforming retail sale and storage space. This space is divided between four existing tenants and one vacant space. One tenant,

the Samsung Galaxy Studio SoHo currently occupies 5,025 SF of retail sales space, and 4,016 SF of storage space. Their space was previously two separate retail stores, and could revert to that when Samsung Galaxy's lease expires. As part of this special permit application the project will incorporate a renovation of the ground floor streetscape and the upper floor façade pursuant to LPC's regulations as well as a restrictive declaration between LPC and the applicant to ensure continued maintenance of the building.

As described in the approved Certificate of Appropriateness, the renovation of the ground floor streetscape will include but not be limited to removing the existing storefront infill and stone at the ground floor, restoring the façade to match the historic brick, and installing new storefront infill, display windows, lighting, and fixtures.

COMMUNITY BOARD RECOMMENDATION

At its Full Board meeting on July 24, 2014 Manhattan Community Board 2 ("CB2") recommended a conditional denial of this application. CB2 expressed the concern that as SoHo continues to become a popular retail destination there could be an overabundance of eating and drinking establishments and an increase in attempts by developers to create large scale flagship retail establishments that would alter the mixed use environment of SoHo and have a negative impact on the quality of life of residents. CB2 requested that the applicant agree to a permanent ban of eating and drinking establishments and confine the retail space to the ground floor. The Applicant would not agree to permanently banning eating and drinking establishments but did state at a CB2 public meeting that there was language in the retail space leases that barred eating and drinking establishments. The applicant would not agree to permanently confining the retail space to the ground floor. CB2 voted to disapprove the application unless the applicant agreed to these two requests.

BOROUGH PRESIDENT'S COMMENTS

The legalization of non-conforming uses is a corrective action that should be supported in general. In support of CB2's concerns about eating and drinking establishments, the Borough President requested the applicant provided a letter detailing the existing language in the current retail leases that preclude eating and drinking establishments and the applicants intentions of continuing to use the same requirements in future leases, which is enclosed with this recommendation. In addition, in meetings with the Borough President's office the applicant reconfirmed their intention to retain the property as a long term investment and retain the multiple small store design.

The Borough President fully supports CB2's concern about attempts by developers to obtain use modifications allowing additional retail in order to entice flagship chain stores. However, the Borough President believes that in addition to the developers letter which stresses its intent to continue the "present practice of renting to multiple smaller retail establishments on the ground floor and in below grade space," the fact that the zoning resolution would require the developer to apply for another special permit for a large retail establishment in excess of 10,000 SF provides a sufficient safeguard against CB2's concern over use of the space for a large flagship retail store.

With these additional clarifications, the Manhattan Borough President feels confident that the conditions and findings have been met for the requested special permit. The applicant has presented a thorough restoration and maintenance plan for the building. The building envelope is not being enlarged or altered in anyway and the request to legalize the existing Use Group 6 retail is appropriate for the mixed-use environment of the SoHo neighborhood.

BOROUGH PRESIDENT'S RECOMMENDATION

Therefore, the Manhattan Borough President recommends approval of ULURP Application No. 140330 ZSM

A handwritten signature in black ink that reads "Gale A. Brewer". The signature is written in a cursive style with a large, looping initial "G".

Gale A. Brewer
Manhattan Borough President