

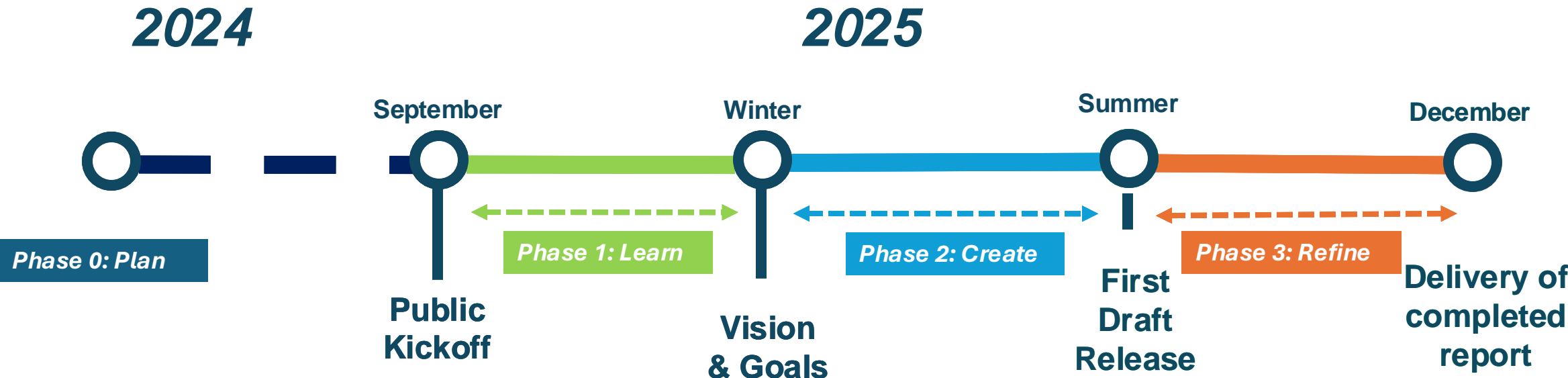
NYC Industrial Plan

NYC
PLANNING

NYC / **EDC**

NYC
Small Business
Services

Project Timeline



Approximate schedule as of September 2024



Why do an industrial plan?



The Bill: In November 2023, the City Council passed "Intro 1012-a" now known as Local Law 172 requiring the city to produce a citywide **industrial development strategic plan**.

Past Work: This mandate builds on decades of work planning for industrial businesses and industrial areas but not in one coherent form

Goal: Understand changing conditions in our industrial economy and consider the city's future needs to support the continued sustainable growth of this critical job sector & areas

What is an industrial plan?

This will be NYC's first Industrial plan, but prior plans, other city's precedents, and Council Legislation paint a roadmap for the plan's contents. It will include:

- **Research:**
 - Detailed data and research on land use conditions and development patterns industrial areas
 - Economic trends and conditions affecting industrial businesses
 - Changes in industrial areas and the geography of industrial work
 - Infrastructure and Environmental Conditions
- **Engagement:** Including a detailed industrial business survey to understand key challenges
- And **recommendations** to grow the sector through government incentives, programs, policies, and land use tools, including defining the city's "Primary Industrial Areas"

This is an important opportunity to raise critical issues and shape industrial policy for the 21st century

2005 NYC Industrial Policy Report

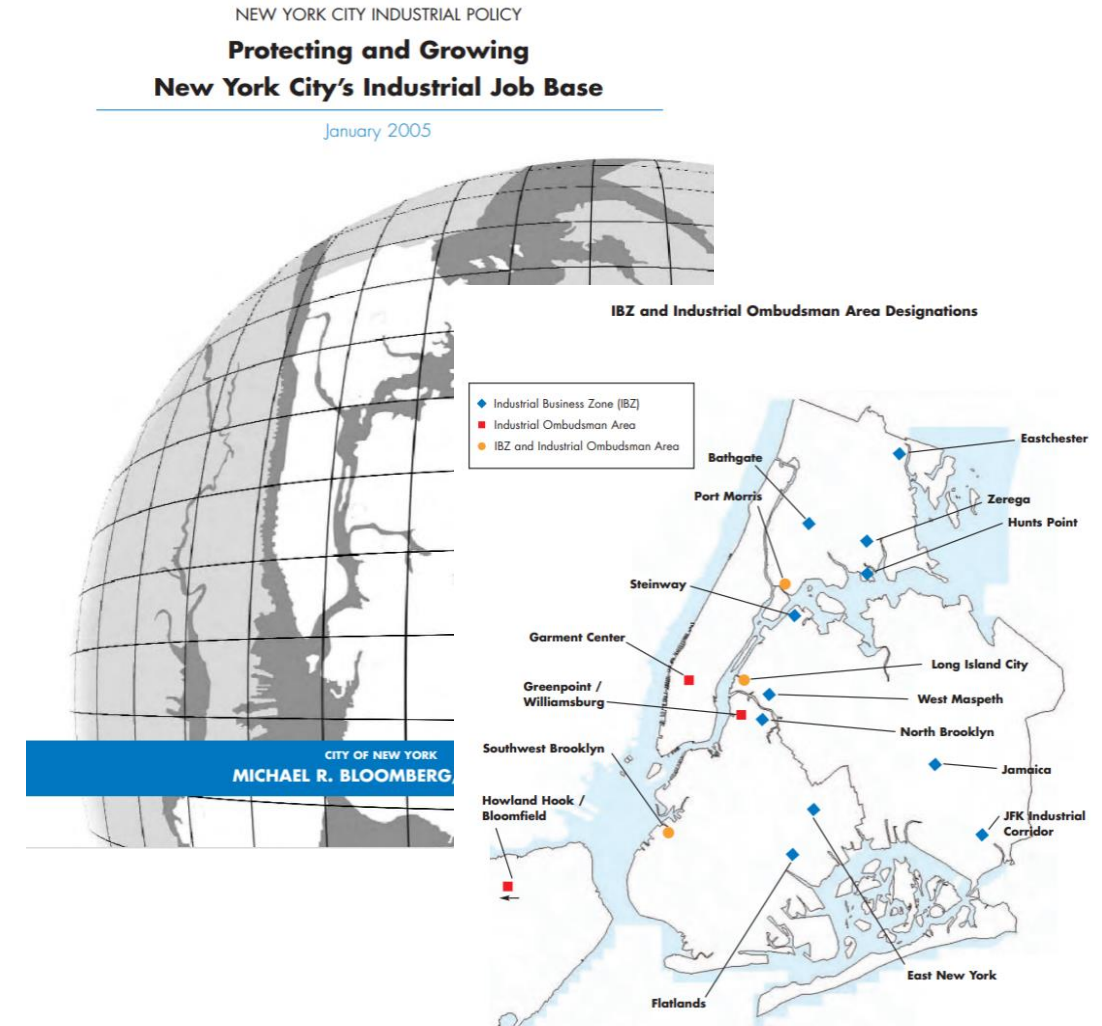
The city released a citywide industrial policy which established policies to grow and retail industry citywide. Among the policies it included were:

Creation of Industrial Business Zones (IBZs) - key areas where the city offers tax incentives, streamlined permitting processes, and land use protections to encourage the retention and growth of industrial businesses in the city. City policy has been to not allow new residential zoning or development within IBZs

Creation of industrial service providers to provide local support for businesses

And creation of new incentives and other supports

Released almost 20 years ago, this report was the last comprehensive and formal look at industry policies



Since 2005, the City and the State have made major investments in the industrial economy

The City and the State are making major investments in the city's industrial future.

- Financial incentive programs have provided hundreds of millions of dollars to invest in new and expanding industrial businesses.
- The City supports a network of Industrial Business Service Providers that assist with financing, recruitment and training support; help navigate government; and connect industrial businesses to public incentives.
- The City is incubating industrial businesses at a range of EDC managed assets inclusive of Brooklyn Navy Yard, Bush Terminal, Brooklyn Army Terminal, East New York Sackman Building, Brooklyn Marine Terminal, Hunts Point and more

MAKING FLAGS - BROOKLYN NAVY YARD

320-3

1. A changing industrial economy



Brooklyn Navy Yard, early 20th Century

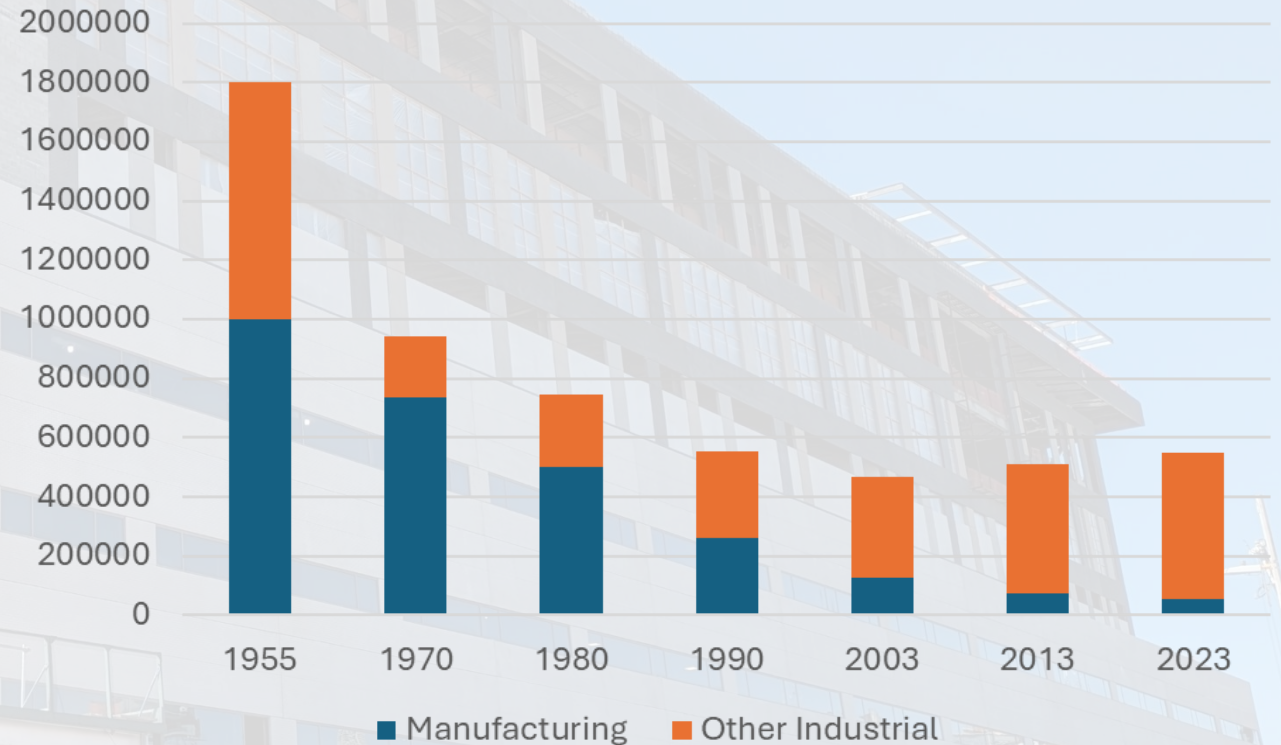
1. A changing industrial economy

The city's industrial base has changed dramatically and continues to change

In 1955, NYC economy was 50% industrial

1 million of the city's 1.8 million industrial jobs were Manufacturing

Industrial Employment in NYC (1955-2022)

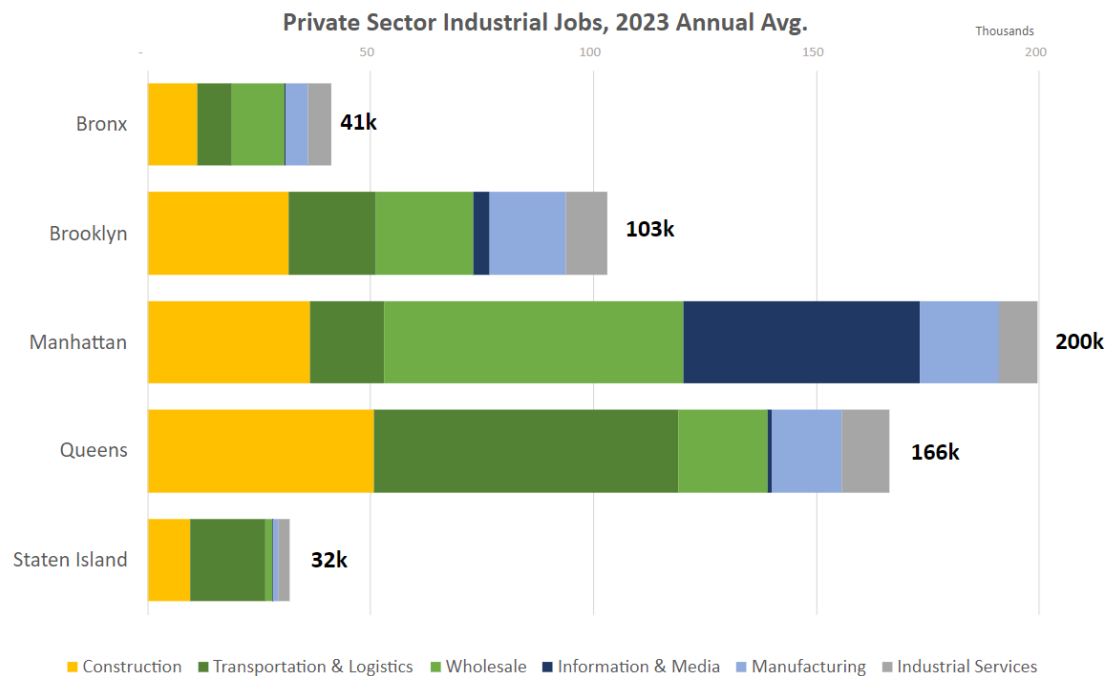


2. NYC's industrial jobs

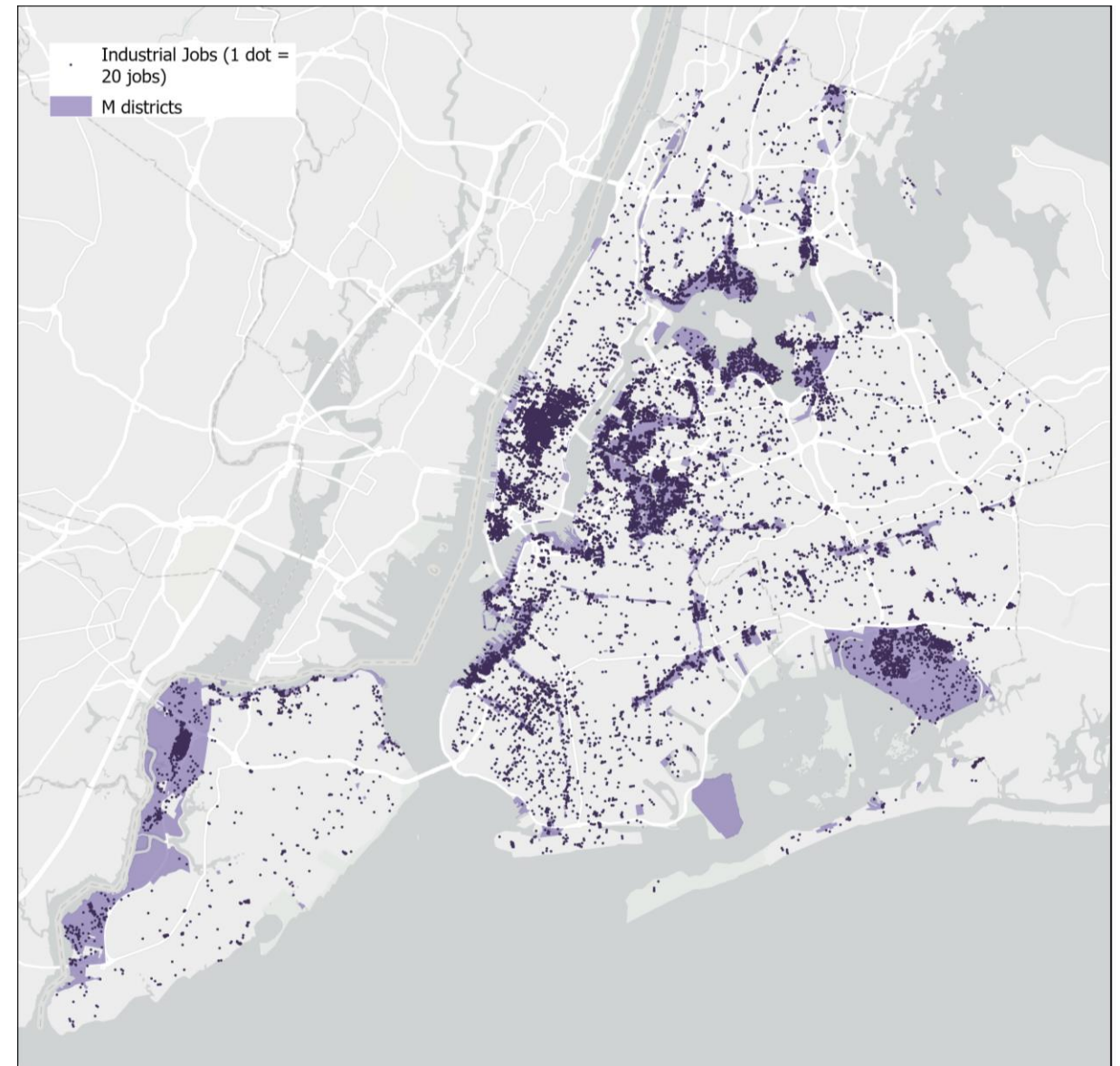


Source: DCP analysis of NYS DOL QCEW, 2023 annual average.

2. NYC's industrial jobs



- M districts: 15% of land area
- 24% (727k / 3.07M) of jobs
- C districts: 5% of land area and many of the remaining jobs



3. Industrial businesses remain critical to the city's equitable and sustainable future



Barone Steel, Sunset Park Brooklyn

3. NYC Workers Without a Bachelor's Degree by Earnings Over/Under \$50k, 2021

Share of total earning \$50k+

NYC Workers without a Bachelor's Degree, 2021
Thousands

OFFICE
26%

- Admin, Waste Mgmt, Mgmt Service
- Professional & Business Services
- Real Estate & Rental
- Finance & Insurance
- Information

INDUSTRIAL
30%

- Transportation & Warehousing
- Construction
- Manufacturing
- Wholesale
- Utilities

LOCAL SERVICES
14%

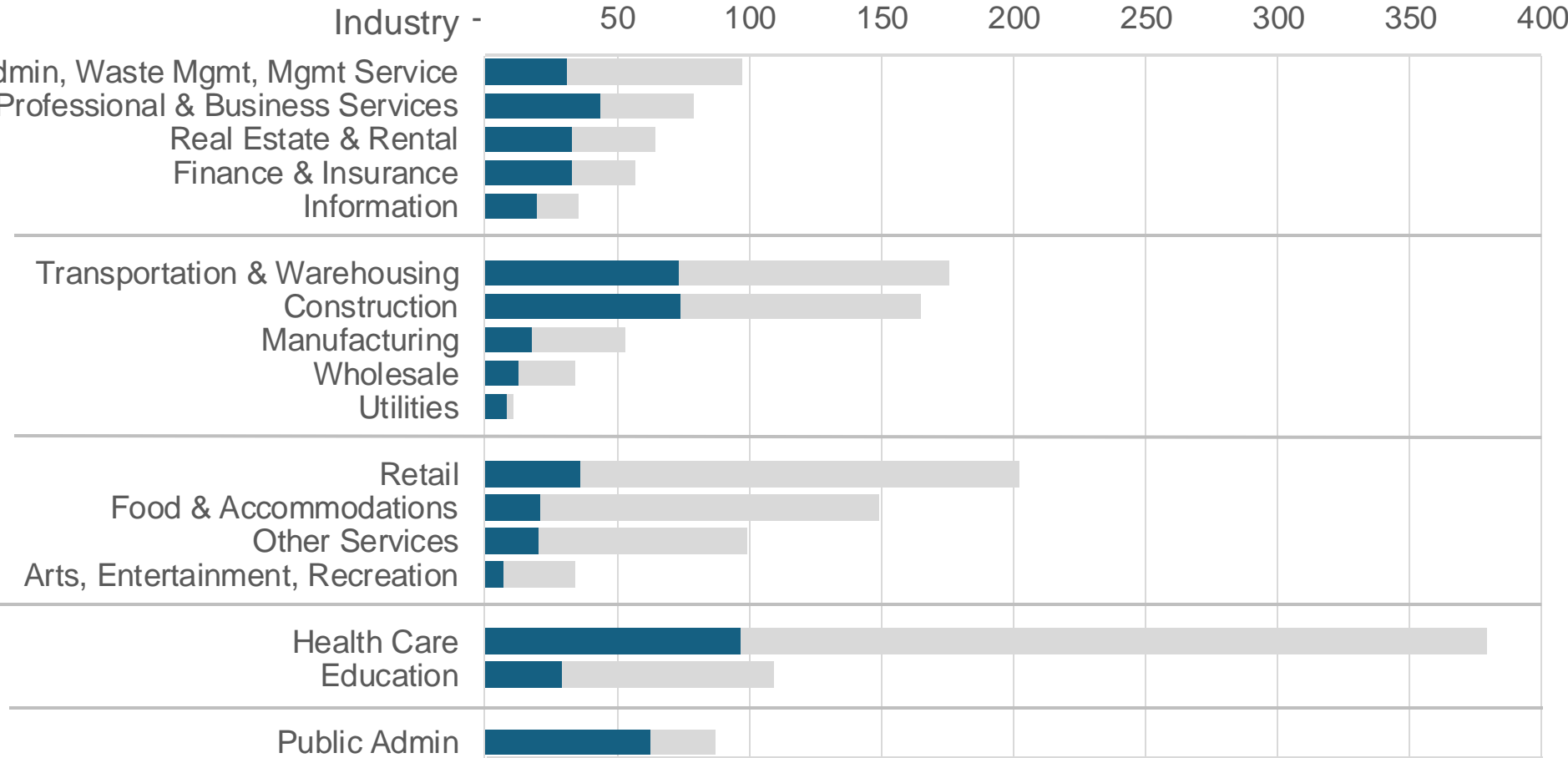
- Retail
- Food & Accommodations
- Other Services
- Arts, Entertainment, Recreation

INSTITUTIONAL
20%

- Health Care
- Education

PUBLIC ADMIN.
10%

- Public Admin



Earn \$50k+ Earn <\$50k

Source: U.S. Census Bureau American Community Survey 1-Year Estimates 2021, Public Use Microdata; industries without statistically reliable data not shown (i.e., Mining, Agriculture). Industrial here does NOT workers in Information & Media, or Repair & Services (captured in "Other Services"). Dollars represent 2021-dollars. NYC Workers represent anyone who works in NYC, regardless of residence location.



4. For industrial businesses, the whole city is the worksite

75% of Industrial jobs are not headquartered to an industrial business zone

Sites for industrial business include:



Office



Job Site



Factory



Garage



Warehouse

5. The space needs of industrial businesses are complex and multifaceted



Increased interest in vertical/expansions



Rise of home-based businesses



Continued dependence on ground level uses



Rise of hybrid and artisanal uses

6. NYC is a challenging place to do business

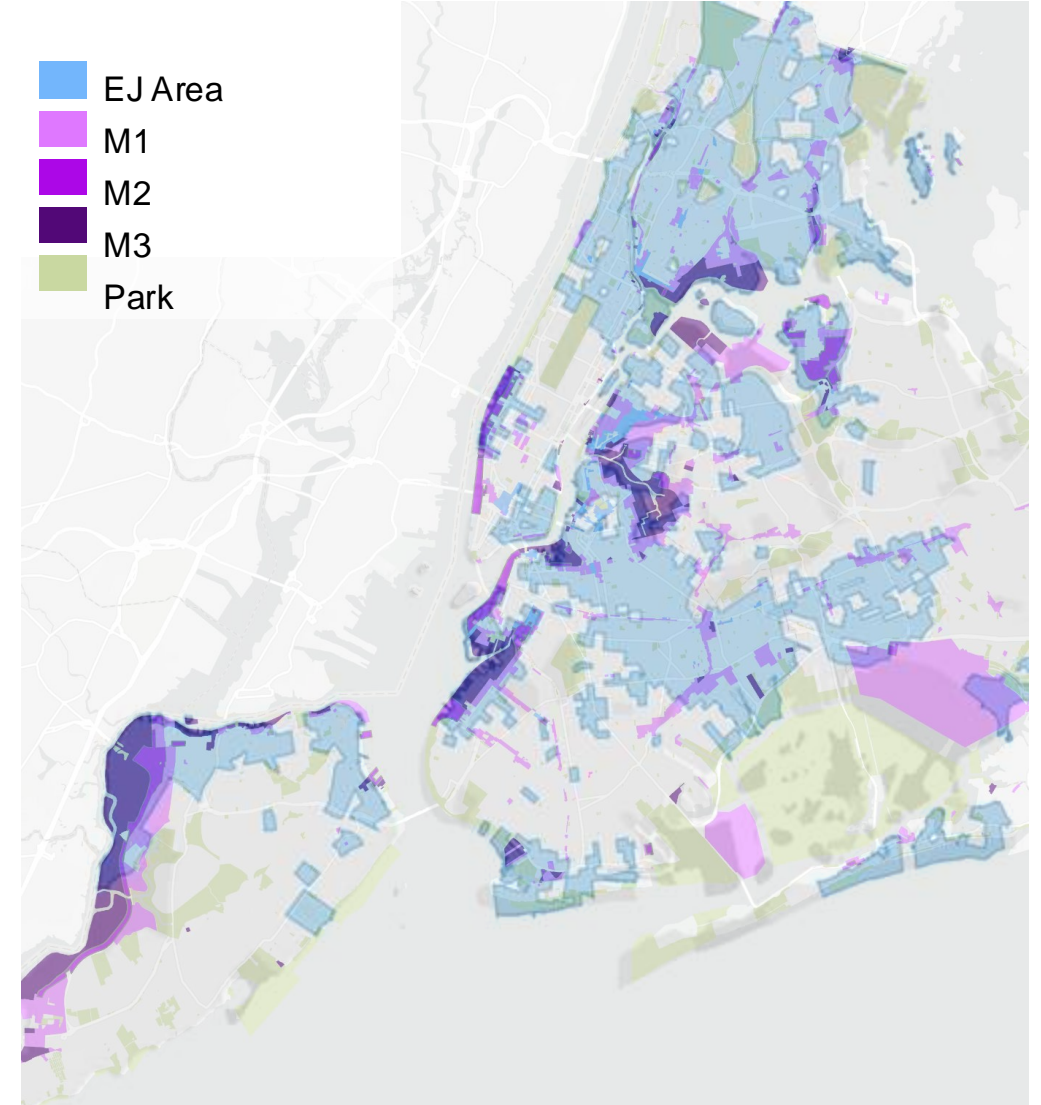


7. Conflicts can arise between industrial business operations and nearby residents



7. Industrial business operations can pose hazards to nearby residents

- "EJ Area" denotes a geographic area that has experienced disproportionate negative impacts from environmental pollution due to historical and existing social inequities without equal protection and enforcement of environmental laws and regulations
- Local Laws and EJNYC planning efforts are providing New Yorkers with an understanding of present-day systemic environmental inequities in the city and developing plans to effectively advance environmental justice and embed equity and environmental justice considerations into the City's decision-making processes.

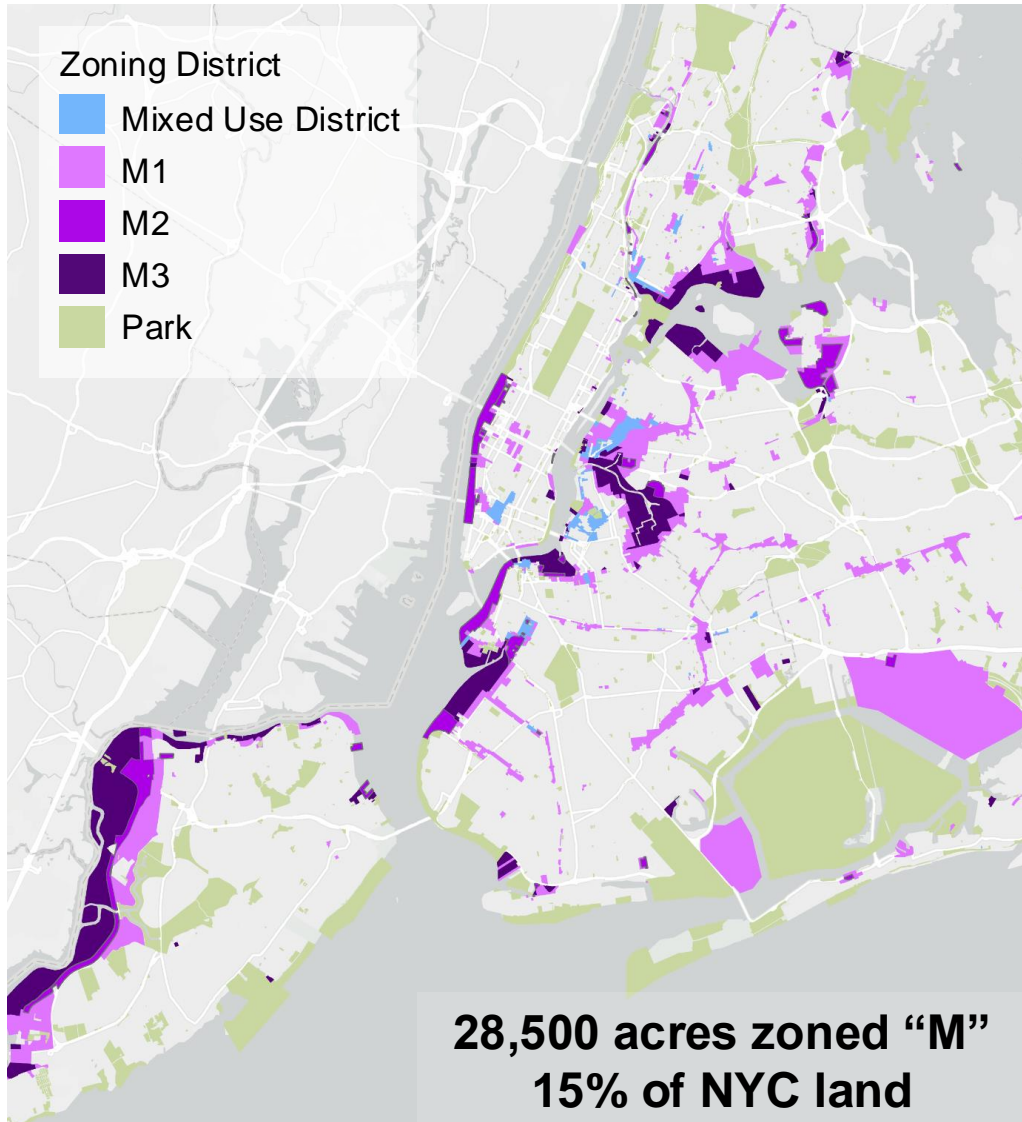


8. Many industrial areas face intense demand for space

The competition for space is intense and only likely to increase as the city grows

- 1.5% reduction in M-Zoned land between 2012-2022
- Vacancy ~5%, up from pre-pandemic but still far below office vacancy
- Rents have increased on average ~20% since pre-Covid

9. What is industrial zoning?



Zoning rules set the context under where and how industrial businesses can locate in NYC.

- M districts are zones that allow for a wide range of business types, but do not allow residential uses.
- The exception to that rule is "MX districts", which were created in the 90s and mapped in neighborhoods since looking to encourage mixed use.

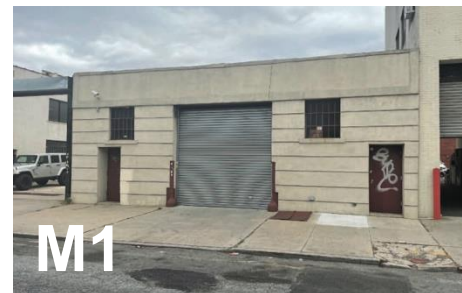
25%
Of "M" acreage



10%
Of "M" acreage



60%
Of "M" acreage



5%
Of "M" acreage



9. City of Yes for Economic Opportunity and new M Zones

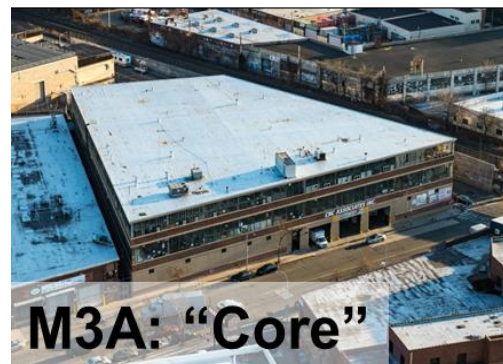
Despite many other zoning changes, M districts have seen little updating since the 1960s. As a result, our M districts only allow low density buildings surrounded by parking. As part of *City of Yes for Economic Opportunity*, the Department of City Planning developed three new zones that support future potential for industrial redevelopment



Allows greatest flexibility for mixed use



Incentivizes industrial uses via higher FAR

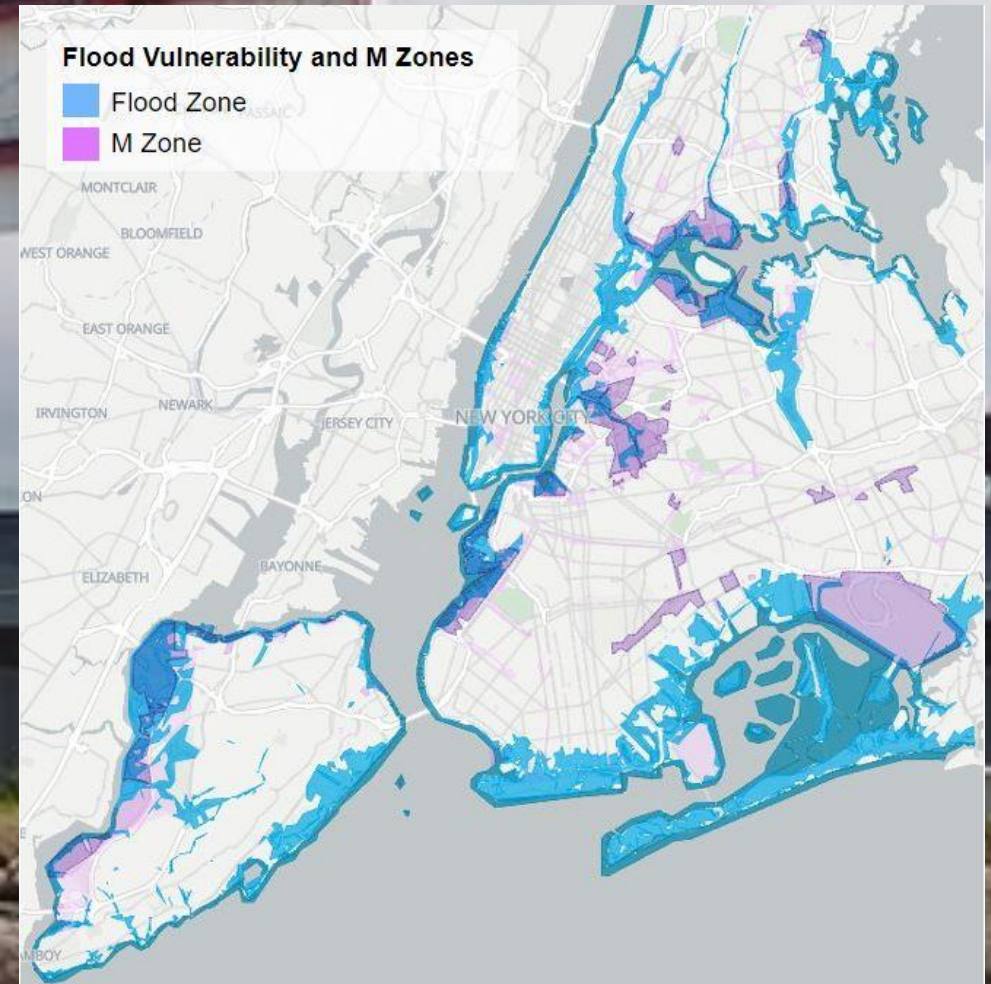


FAR limitations on all non-industrial uses

10. The city's relationship to industrial areas is rapidly changing in the face of climate change

Significant amounts of M zoned land is located within the coastal flood plain

Climate vulnerability is particularly acute in Staten Island, South Brooklyn, Western Queens and the South Bronx



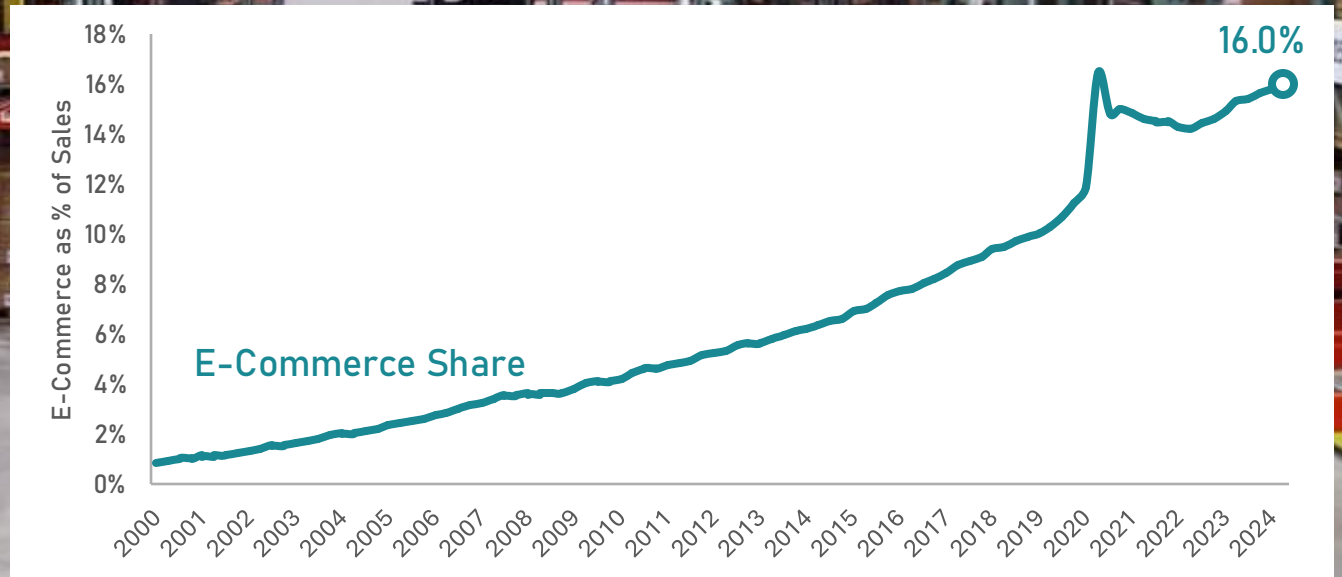
11. The Growth of E-commerce and changing supply chains

E-Commerce is a rapidly growing sector of the economy and is driving industrial job growth.

Employment in the logistics sector grew by 26,000 jobs.

Freight transportation employment grew 29% and Warehousing & Storage employment grew 382%

The growth of e-commerce has complicated implications



How can we support the development of a modern and growing sustainable industrial economy and well utilized industrial areas?



Industrial Planning is an interagency effort

Developing a citywide industrial development strategic plan is a major undertaking.

We are working with our sister agencies and plan to work with non-profit, private-sector groups and the public to understand what is going on in the industrial sector and how we can help it to grow



Get involved

Take the Industrial Plan Survey!

The city will develop analysis and recommendations for the plan, and we want to hear from you! Take the NYC Industrial Plan survey to share how you think we can better plan for the city's industrial businesses and areas:



nyc.gov/IndustrialPlan

industrialplan@planning.nyc.gov

