

MANHATTAN COMMUNITY BOARD FIVE

Vikki Barbero, Chair

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July 13, 2018

Hon. Marisa Lago
Chair of the City Planning Commission
22 Reade Street
New York, NY 10007

Re: *Application by the Department of City Planning (DCP) and the Economic Development Corporation to amend the zoning text for the Garment District*

Dear Chair Lago:

At the regularly scheduled monthly Community Board Five meeting on Thursday, July 12, 2018, the following resolution passed with a vote of 31 in favor; 1 opposed; 1 abstaining:

WHEREAS, The Department of City Planning (DCP) and the NYC Economic Development Corporation (EDC) propose to change zoning requirements to the Special Garment Center District (SGCD) which is located generally from West 35th Street to West 40th Street (south/north) and from Broadway to just east of 9th Ave (east/west); and

WHEREAS, The SGCD is further subdivided into subdistricts P-1 and P-2, with subdistrict P-1 located within the borders of Community District Five, and subdistrict P-2 located entirely within Community District Four; and

WHEREAS, The 1916 Zoning Resolution established what is now known as the Garment District, and was amended in 1987 to establish the Special Garment Center District due to concerns that Manhattan real estate pressures would accelerate manufacturing job losses in the Garment District; and

WHEREAS, The primary purpose of the amendment was to slow the conversion of manufacturing space into office space on side streets in the district; and

WHEREAS, The conversion to office use in the special district's "preservation" area was prohibited unless an equivalent amount of floor area was set aside for designated preferred uses; and

WHEREAS, The conversion to office use requires certification by the chair of the CPC and a deed restriction on the preserved space; and

WHEREAS, Since the establishment of the SGCD in 1987, there have been ten certifications for conversion of approximately 180,000 SF of space total; and

WHEREAS, Few property owners have conformed to the preservation requirements applicable to the conversion of new office space; and

WHEREAS, Of the 9.9 million SF in the preservation area, currently 900,000 SF is manufacturing space, 560,000 SF is warehouse space, and 1.6 million SF is showroom use, with about 2.76 million SF either not documented, vacant or retail use); and

WHEREAS, Currently, 4 million SF out of the 9.9 million SF of the preservation area are non-conforming office space; and

WHEREAS, The buildings that are a part of this 4 million SF still have certificates of occupancy for factory and warehousing uses, and therefore cannot obtain building permits for major capital renovations because they have not complied with zoning ordinances; and

WHEREAS, The proposed change would allow many current buildings owners to update the Certificates of Occupancy for their existing buildings after failing to comply with city requirements; and

WHEREAS, The proposed zoning changes would reinstate M1-6 zoning specifications for the A-1 subdistrict and lift the existing manufacturing preservation requirements; and

WHEREAS, The proposal would modify height and setback regulations for A-1 subdistrict buildings by requiring buildings to have their street wall on the street line; and

WHEREAS, These modifications would allow for denser buildings with more shadows at street level and does not provide a maximum height restriction; and

WHEREAS, Existing M1-6 regulations would be replaced by new rules similar to height and setback rules found in M1-6D districts, which are more in keeping with the existing context of loft districts in Manhattan; and

WHEREAS, M1-6 zoning permits commercial, manufacturing and community facility uses having a maximum base FAR of 10 and maximum bonus FAR of 12 through the provision of a public plaza; and

WHEREAS, The proposal would subject the entire SGCD to C6-4 zoning restrictions on sign regulations; and

WHEREAS, The proposal would subject the entire SGCD to permit a building to operate a new Hotel Use only by City Planning Commission Special Permit (a modified ULURP procedure); and

WHEREAS, The proposed Hotel Special Permit would not apply to Transient Facilities operated for a Public Purpose and would require the City Planning Commission to find whether or not a proposed hotel in the A-1 subdistrict would “facilitate a diverse business district”; and

WHEREAS, The EDC with their subsidiary, the Industrial Development Agency (IDA), propose to support the fashion ecosystem by providing rent stability to fashion manufacturers and to continue and bolster the Made in NY fashion programs while giving new priority to Garment District businesses; and

WHEREAS, Fashion manufacturers include companies that transform raw materials into fashion-related products on-site and companies that provide a service along the supply chain of garment production; and

WHEREAS, IDA is instituting a new tax abatement program for building owners in the Garment District who choose to participate that would cap the rent of fashion manufacturers in program-buildings to a maximum of \$35 per square foot gross rent, mandate fashion manufacturers to exercise lease options for at least 15 years, and the fashion manufacturers and the building owner must comply with visits and an annual review by IDA; and

WHEREAS, Landlords of four Garment District buildings comprising a total of nearly 300,000 square feet have already been identified as willing to enter into this tax abatement program with NYCIDA; and

WHEREAS, The City will release a competitive procurement for a new Public-Private partnership in September 2018, committing up to \$20 million in city capital for a non-profit developer to purchase, operate, and manage a building located in the Garment District for the purpose of preserving garment manufacturing in the Garment District; and

WHEREAS, EDC has committed \$15 million over ten years through their Fashion Manufacturing Initiative, public-private partnerships, apprenticeship grants, business grants, planning assistance, and industry events and EDC will now prioritize Garment District businesses for these programs; and

WHEREAS, CB5 participated in the 2017 Garment Center Steering Committee co-chaired by Borough President Gale Brewer and current Council Speaker Corey Johnson and CB5 continues to support all of the Steering Committee's Report Recommendations; and

WHEREAS, CB5 is highly concerned about the enforcement of landlord and manufacturer compliance and public oversight of NYCIDA because of the acknowledged neglectful and ineffective enforcement history by Department of Buildings under the current Garment District zoning; and

WHEREAS, Although the EDC maintains that a detailed assessment of the proposed action's potential direct and indirect impacts on the apparel manufacturing industry and the broader fashion industry is warranted, a specific analysis of impact to the current apparel manufacturing industry supply chain has not been performed including, but not limited to, wholesalers, notions, and fabric suppliers; and

WHEREAS, The proposal's inclusion of a new Workforce Development Program, which is stated to include "business plan development" and "technical assistance" to businesses in the garment industry, while admirable in the abstract, is not specific in regard to the mechanism for public input into the most critical needs facing small businesses, or the eligibility requirements for businesses who seek to gain support; and

WHEREAS, Community Board Five believes that robust outreach to small businesses, individual designers, seamstresses and workhouses that serve other small businesses is absolutely mandatory and must be an explicit part of the proposal, including efforts to overcome language barriers, in order to help that part of the ecosystem and supply chain not only survive but thrive; and

WHEREAS, CB5 is supportive of any efforts by public or private entities to work with community stakeholders to maintain a robust fashion manufacturing ecosystem in the Garment District; and

WHEREAS, As CB5 is fully aware that the Garment District's manufacturing model is based on high quality, not high volume, we support the training of highly skilled garment production specialists, craftsmen, and artisans; and

WHEREAS, CB5 is extremely concerned about unintended consequences of restricting hotel development through a Hotel Special Permit, and that the City Planning Commission could formulate a metric for evaluating hotel development without sufficient deference to the opinions of the community board regarding new hotel projects; and

WHEREAS, CB5 has considerable concern about proceeding with the rezoning prior to the new protections and programs being put into place; therefore, be it

RESOLVED, Community Board Five **denies** the proposed rezoning for the Special Garment Center District **unless**:

1. Real-time easily-accessible data are made available to the public to see and tabulate that NYCIDA is reviewing leases and enforcing compliance under the terms of the public-private partnership and the tax-abatement program;
2. The lease renewal options for fashion manufacturers in the tax abatement program are permanent, just as it is in the public-private partnership for the acquisition of a building devoted to garment industry use;
3. The city makes a concerted effort to find additional building owners who will agree to be a part of the tax-abatement program so that *at least* 500,000 square feet of permanently affordable fashion manufacturing space will remain in the Garment District;

4. Greater efforts by EDC and IDA to partner with additional workforce talent pipelines, educational institutions, and community organizations for vocational training, job recruitment, and continuing education through multiple languages;
5. Any increase to the permitted height of the street wall be implemented in concert with a cap on the maximum height of buildings in the area;
6. The proposed language in section 121-32 (a) of the SGCD allows buildings with a public plaza to not have to abide by the street wall requirements be revised to prohibit the creation of midblock plazas;
7. The proposed language in section 121-30 of the SGCD regarding the prohibition of flashing lights be revised to include Subdistrict A2;
8. More detailed and clear parameters be established to determine whether a hotel development seeking a special permit in the special district enhances the diversity of businesses in the area;
9. The application process before the IDA proceed at the timeline presently stated by the EDC, namely, that the application appear before the board of the IDA at the September 2018 public hearing, with the board's vote to take place on September 18, 2018.

Thank you for the opportunity to comment on this matter.

Sincerely,



Vikki Barbero
Chair

Charles Jordan
Chair, Land Use, Housing & Zoning Committee