

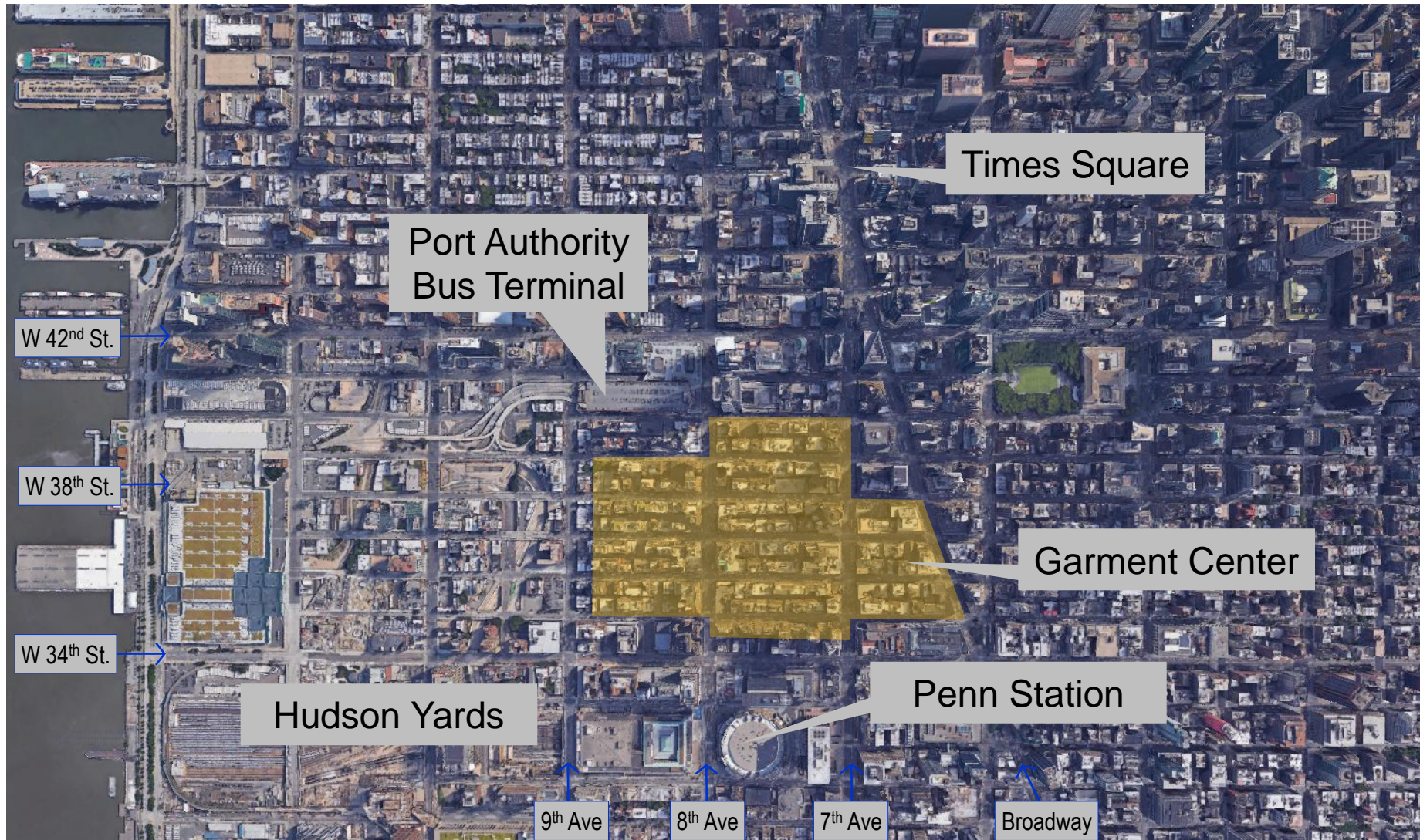


SPECIAL GARMENT CENTER DISTRICT PROPOSED TEXT AMENDMENT

City Planning Commission Review Session
June 11, 2018



Special Garment Center District

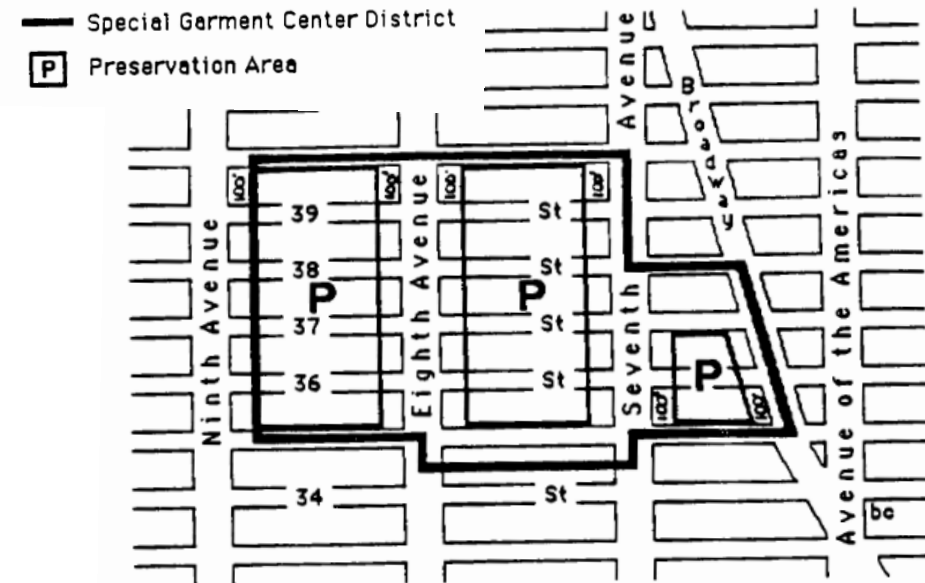


Garment Center History



Garment Center History – 1987

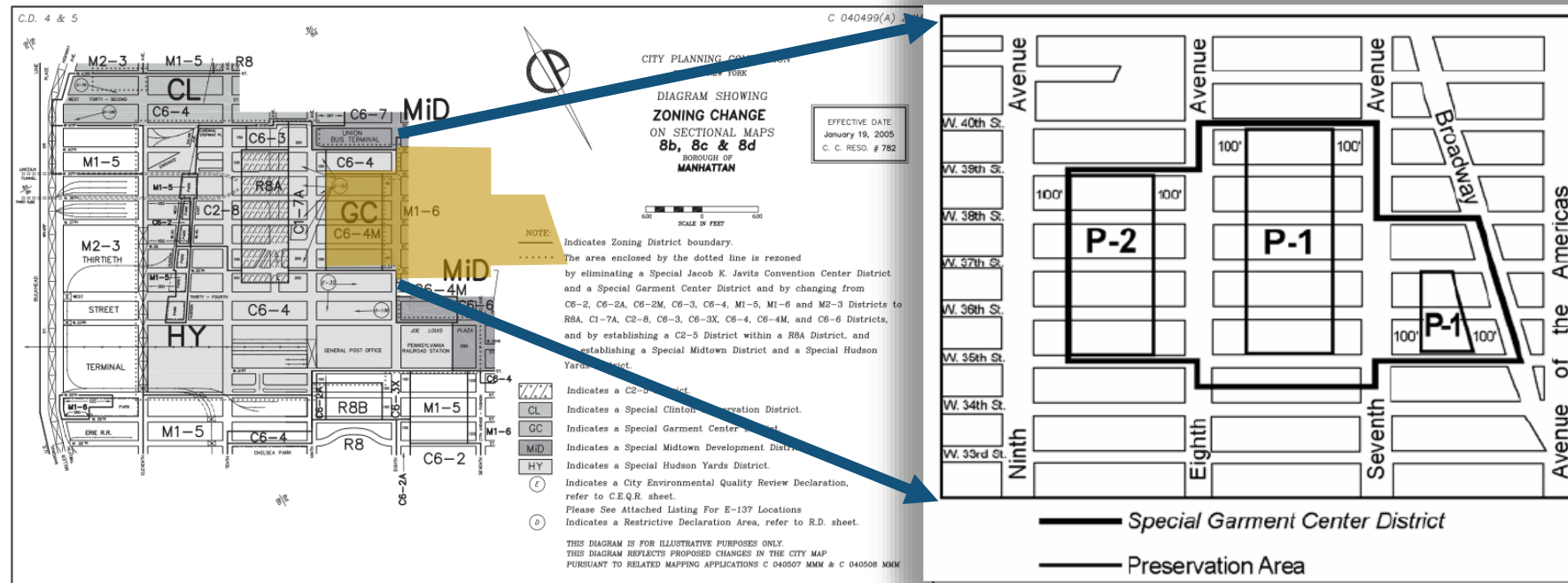
- By mid-1980s, industry groups grew concerned about the conversion of manufacturing space to office
- At the time, the Garment Center contained ~5,000 businesses (61,000 jobs) in the fashion industry
- 41% of these jobs were in the manufacturing sector.
- Special Garment Center District established in 1987:
 - Preservation Area created on side street blocks that restricted uses to manufacturing, wholesale showroom, or retail
 - Office conversions in Preservation Area allowed only with Chair certification and a restrictive declaration preserving another space for manufacturing or warehouse



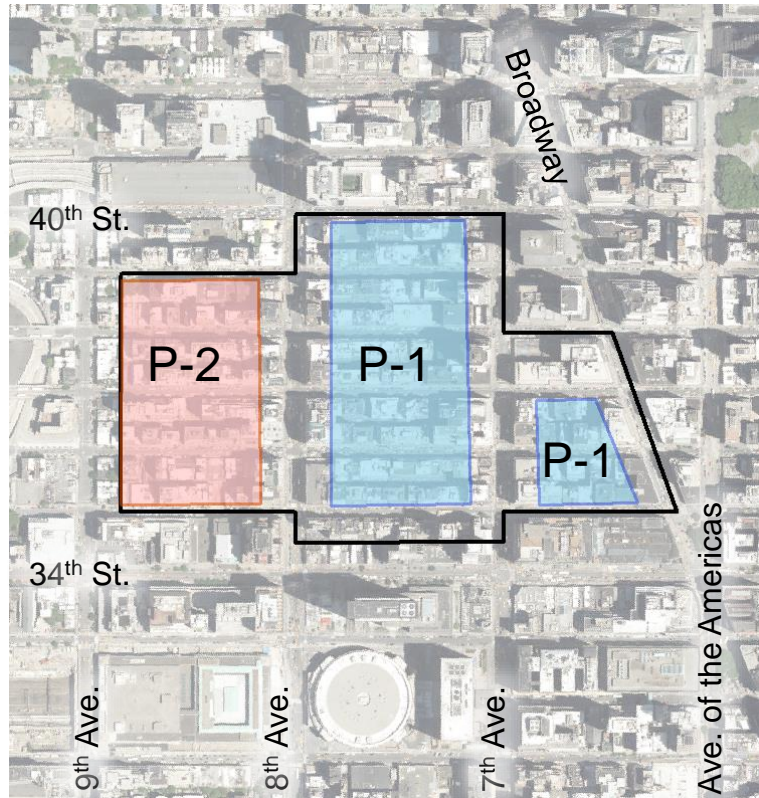
Garment Center History – 2005

In conjunction with Hudson Yards rezoning, several amendments were made to the Special Garment Center District in 2005:

- Preservation Area divided into P-1 (unchanged) and P-2.
- P-2 permitted new residential and conversion of smaller buildings (<70,000 sf)
- P-2 permitted conversion of buildings >70,000 sf to office, hotel, or residential only if an equivalent amount of manufacturing or warehouse space was preserved.



Existing zoning was designed to protect apparel manufacturing through preservation requirement



Avenues (M1-6)

- Office and manufacturing uses permitted
- Residential is not permitted

P-1 Area (M1-6)

- Manufacturing, retail, and showroom/wholesale (protected uses) allowed as-of-right
- Conversion to office only allowed with permanent preservation of production or warehouse uses

P-2 Area (C6-4M)

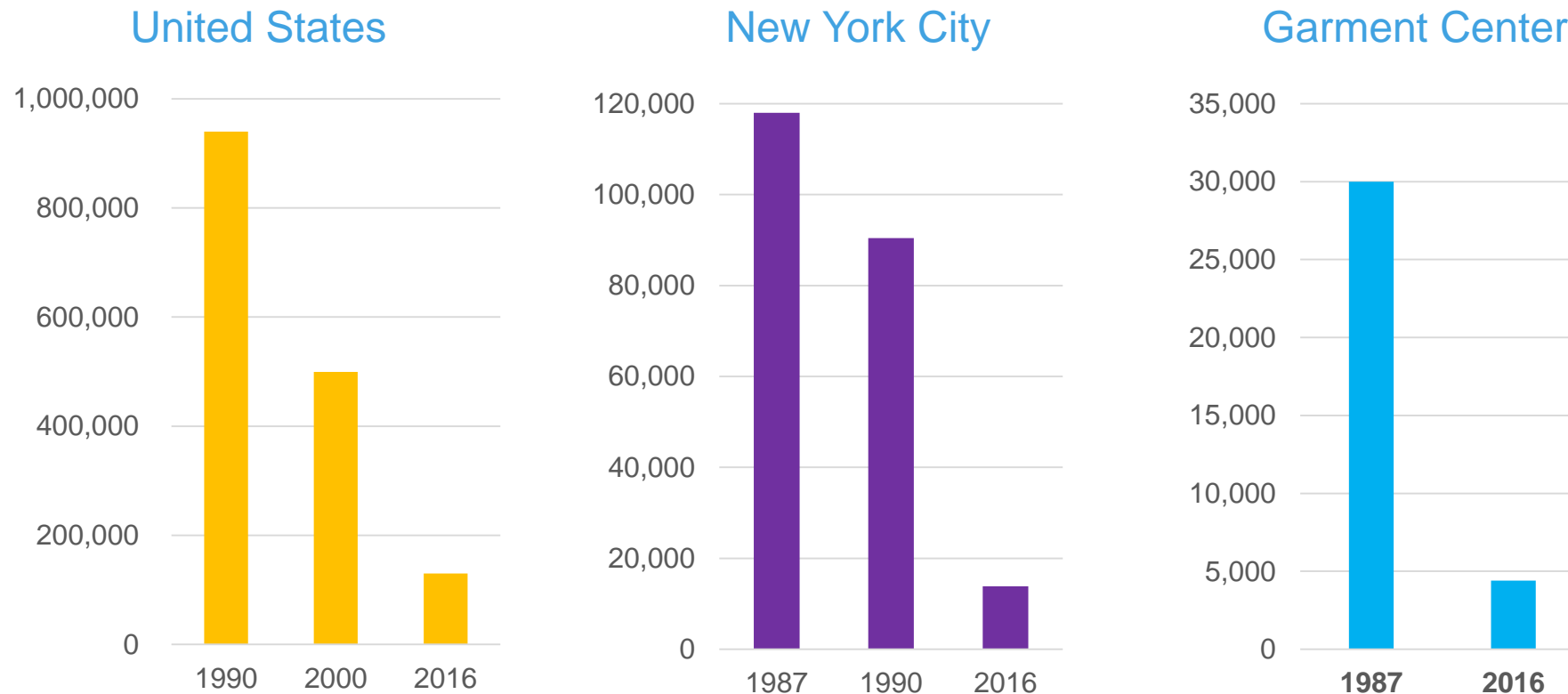
- New residential buildings permitted
- Existing buildings larger than 70,000 sf cannot convert to office, hotel or residential without manufacturing preservation or CPC authorization

Decline in Apparel Manufacturing



Globalization contributed to a decline in garment production nationally, in New York City, and in the Garment Center

Apparel Manufacturing Jobs



Source: U.S. and New York City: NYSDOL QCEW, 1987-2016 (annual average); Garment Center: CPC survey (1987) and NYSDOL QCEW, 2016.

Fashion remains a major industry in NYC and Garment Center

- Despite the decline in garment manufacturing, the fashion industry thrives in NYC.
- NYC has more fashion showrooms and trade shows than any other city in the world.
- ~900 fashion companies are headquartered in NYC.
- Fashion-related companies represent 43% of all tenants in the Garment Center BID.

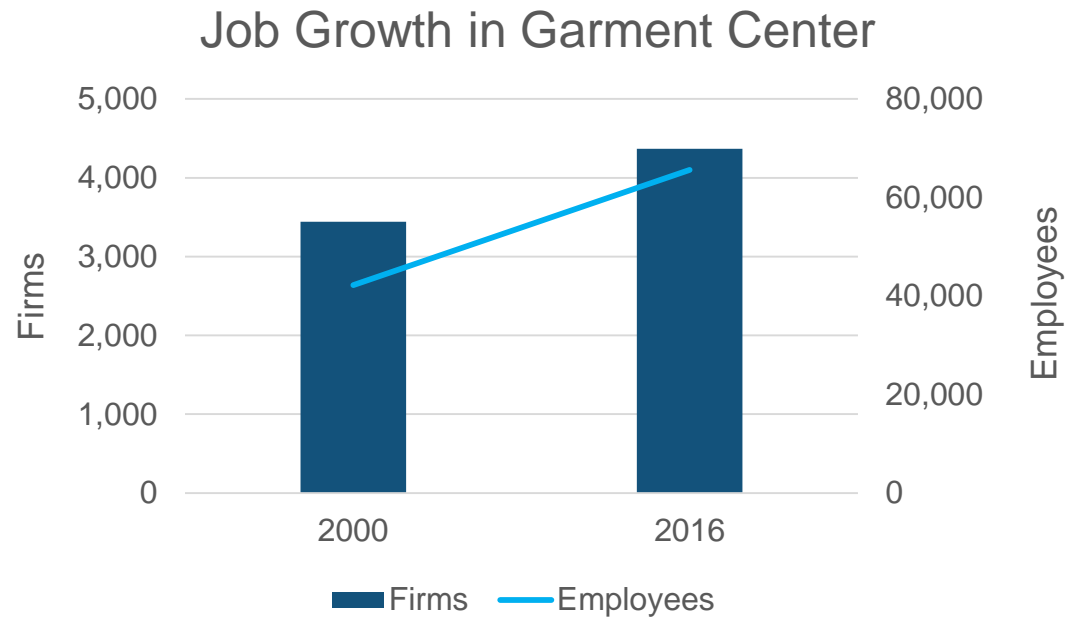
The Garment Center BID



Land use and employment trends in the Garment Center

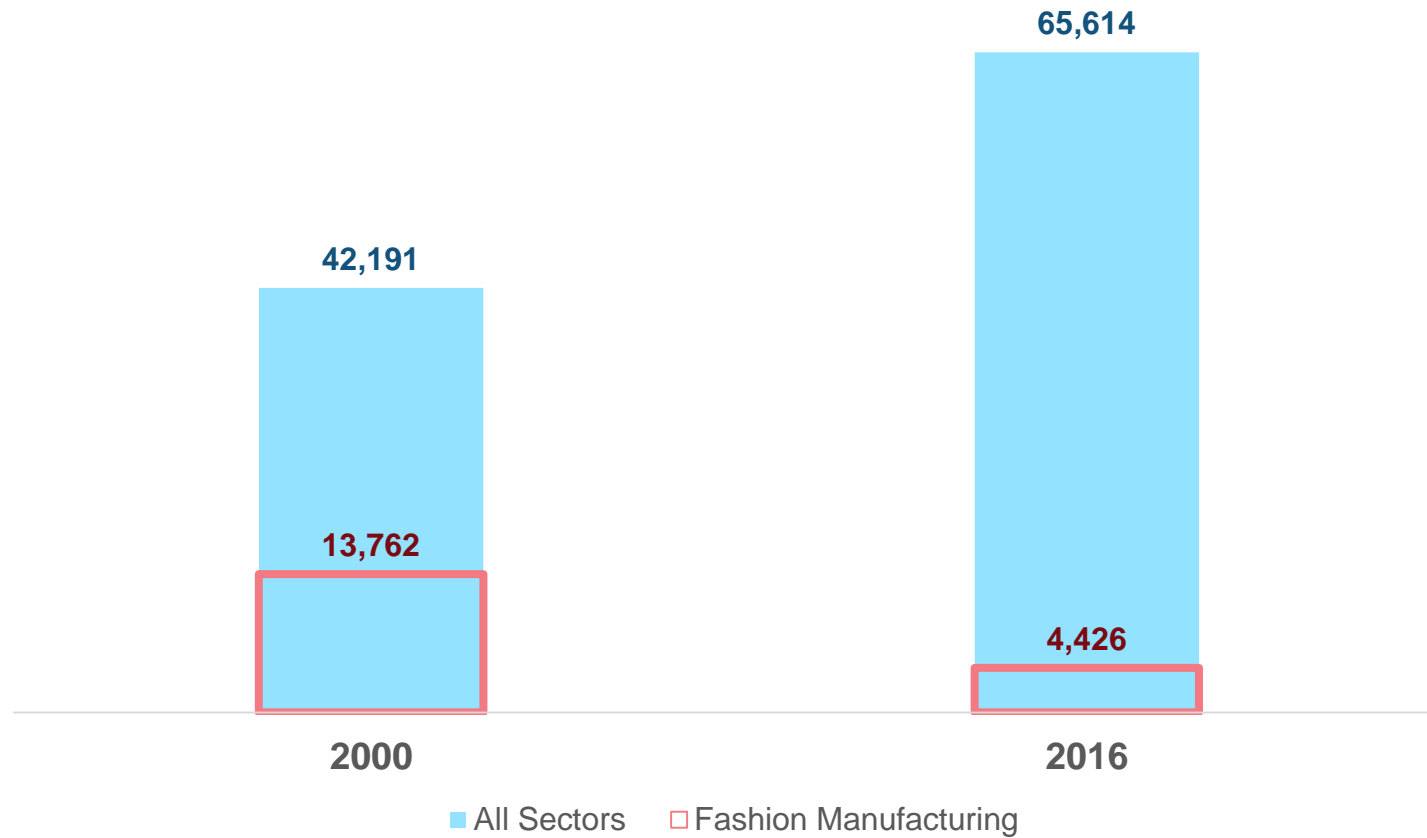


- Between 2000 and 2016, the Garment Center **added 23,000 jobs** (56% growth).
- The area has changed from a manufacturing center to an active class B and C office district with many restaurants and hotels.
- The Garment Center has over **5,000 hotel rooms**. 21 hotels are either in operation or under construction.



Employment Trends in Garment Center

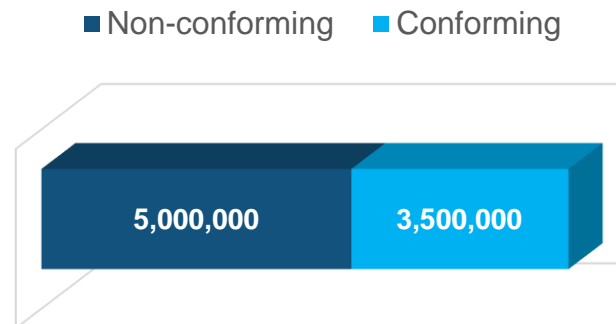
Employment Change In Garment Center:
All Sectors vs. Fashion Manufacturing



Current zoning incompatible with land use

- As the Garment Center economy has shifted, non-conforming office uses have proliferated.
- Within P-1 and P-2 areas where office uses are limited by zoning, 59% of total floor area is a non-conforming office use.
- Since enactment of the SGCD, 180,000 of 8.5 million sf in the Preservation Areas has been formally preserved for manufacturing.
- 67% of preserved space does not actually have a manufacturing use today.

SQUARE FOOTAGE OF NON-CONFORMING USES (P-1 AND P-2)



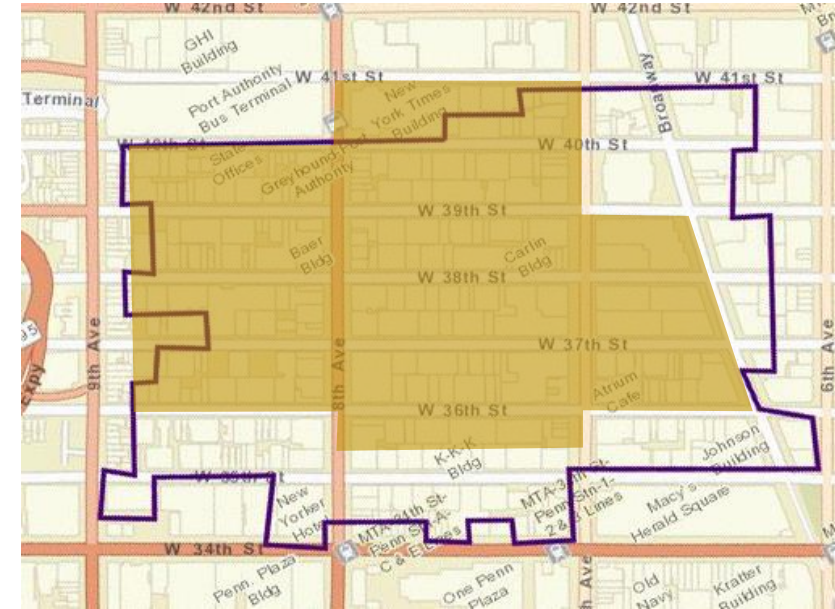
— Special Garment Center District

— Preservation Area

Source: Garment Center BID Survey (2017)

Non-conformance limits use of Historic Tax Credits

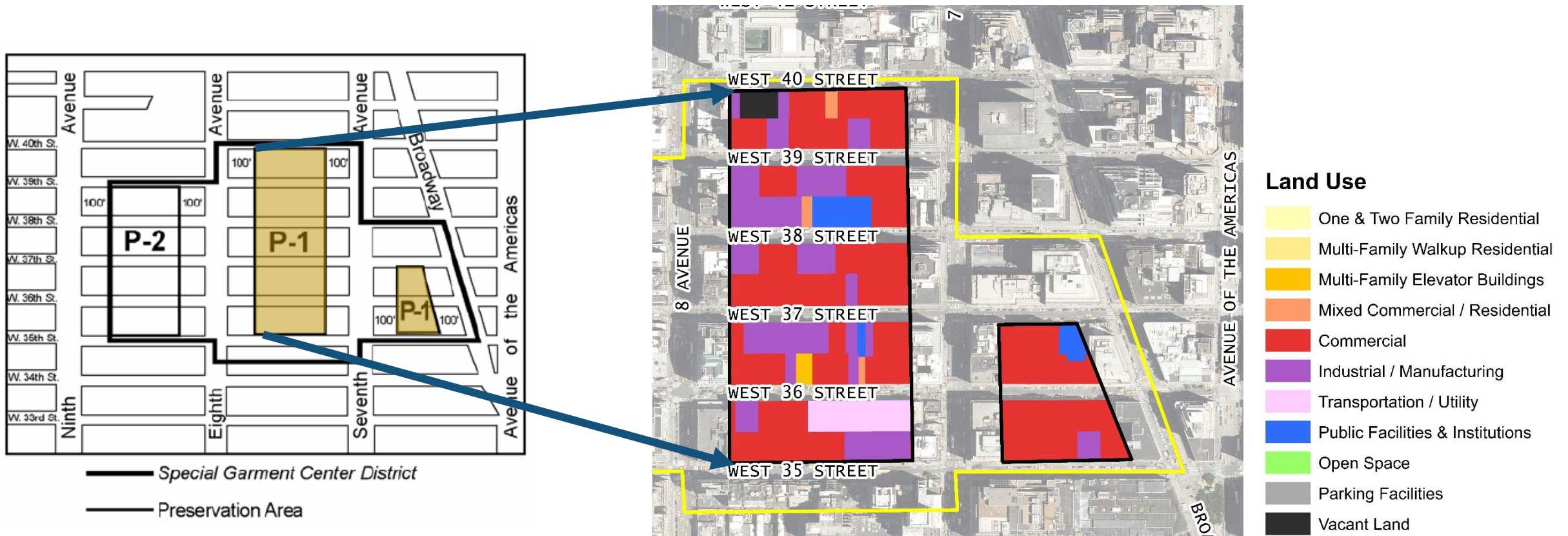
- Most of the Special Garment Center District is designated as a state historic district.
- Inability to get proper building permits makes property owners ineligible for Federal Historic Tax Credits, reducing the likelihood that historic buildings will be maintained.



- Garment Center Historic District
- Special Garment Center District

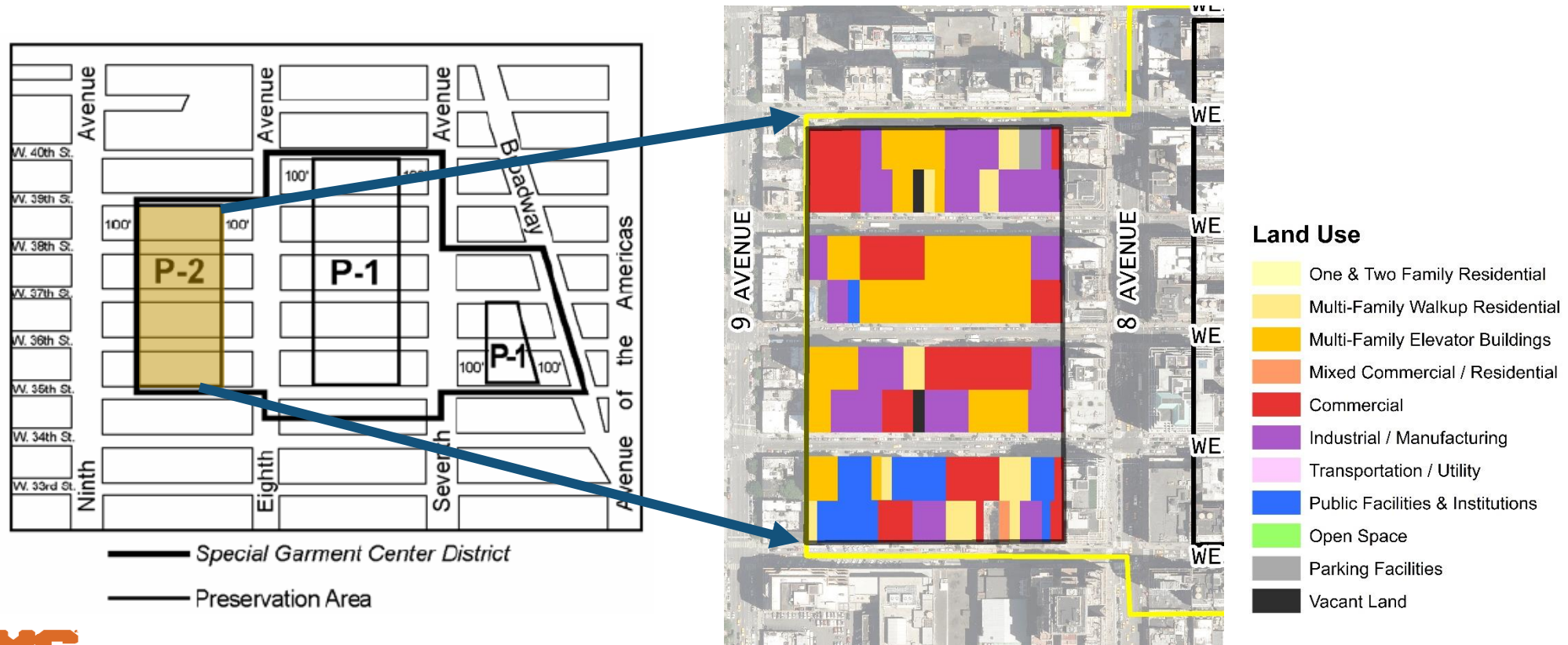
Land Use in Garment Center – Area P-1

- Most buildings are 10-12 stories, built before 1930
- High lot coverage with 10 ft. rear yards
- Predominantly office uses in converted manufacturing space
- Approximately 16 underbuilt buildings, mostly on small lots



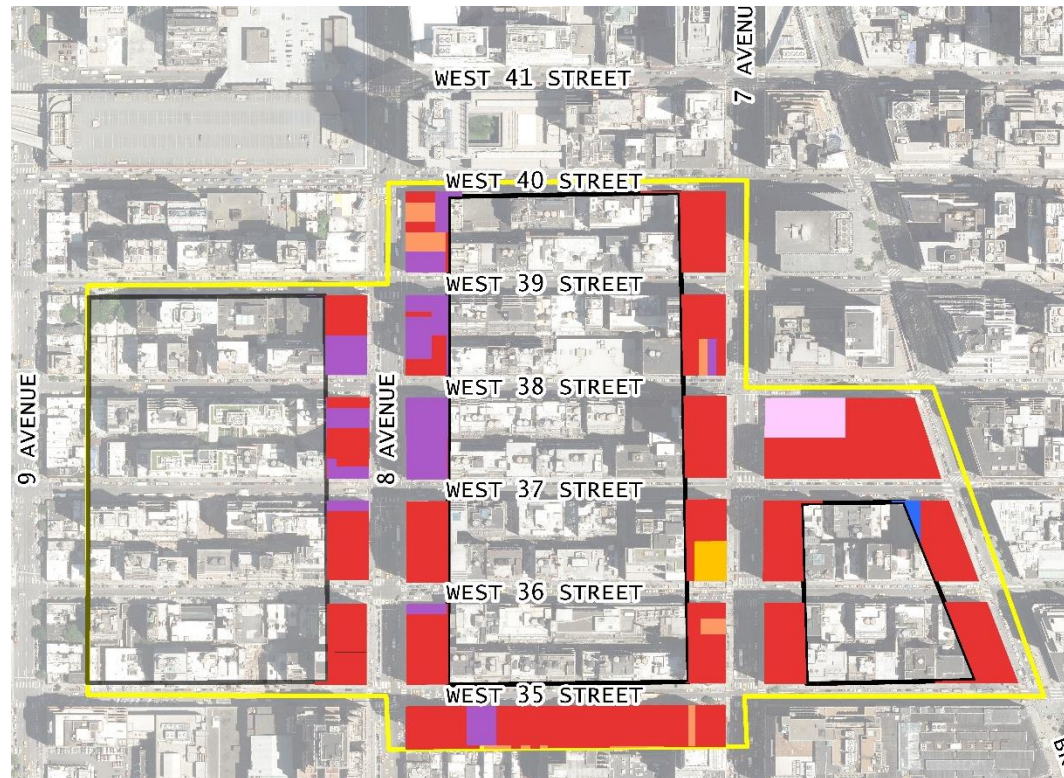
Land Use in Garment Center – Area P-2

- P-2 area is a mix of loft buildings, hotels, and residential
- Hudson Yards rezoning resulted in significant hotel development
 - 14 projects: 7 in operation and 7 under construction
 - Approximately 3,000 rooms
- P-2 area contains 3 large residential buildings with 975 units and 500 additional pre-existing dwelling units



Land Use in Garment Center – Avenues

- Larger loft buildings previously used for showrooms and production
- Most production buildings converted to Class B office space
- Limited new development opportunities



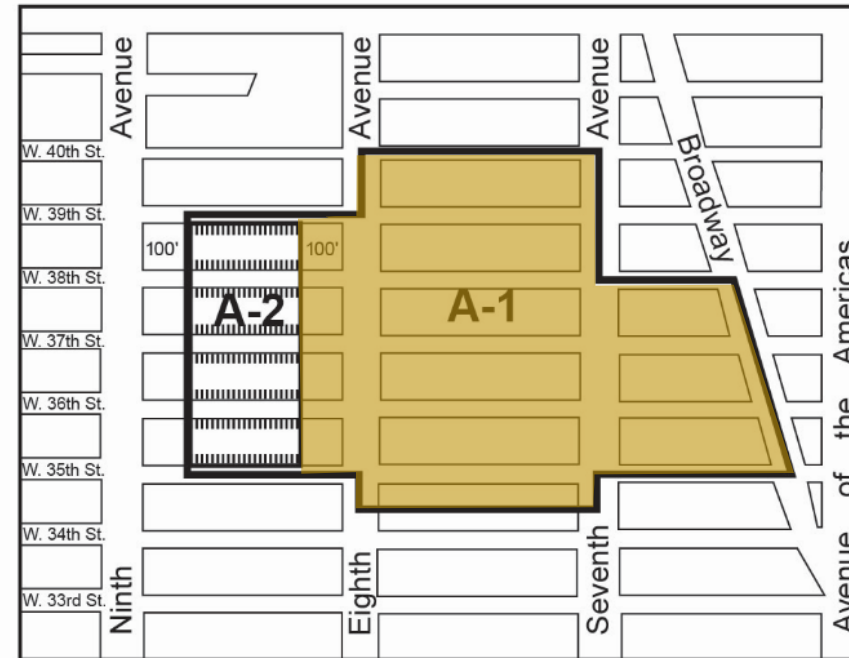
Land Use

- One & Two Family Residential
- Multi-Family Walkup Residential
- Multi-Family Elevator Buildings
- Mixed Commercial / Residential
- Commercial
- Industrial / Manufacturing
- Transportation / Utility
- Public Facilities & Institutions
- Open Space
- Parking Facilities
- Vacant Land

Proposed Zoning Changes in A-1

A-1 Area:

- Retain M1-6 zoning
- Lifting manufacturing preservation requirements
- Modify height and setback regulations in M1-6 to create a better envelope for offices while reinforcing existing neighborhood character

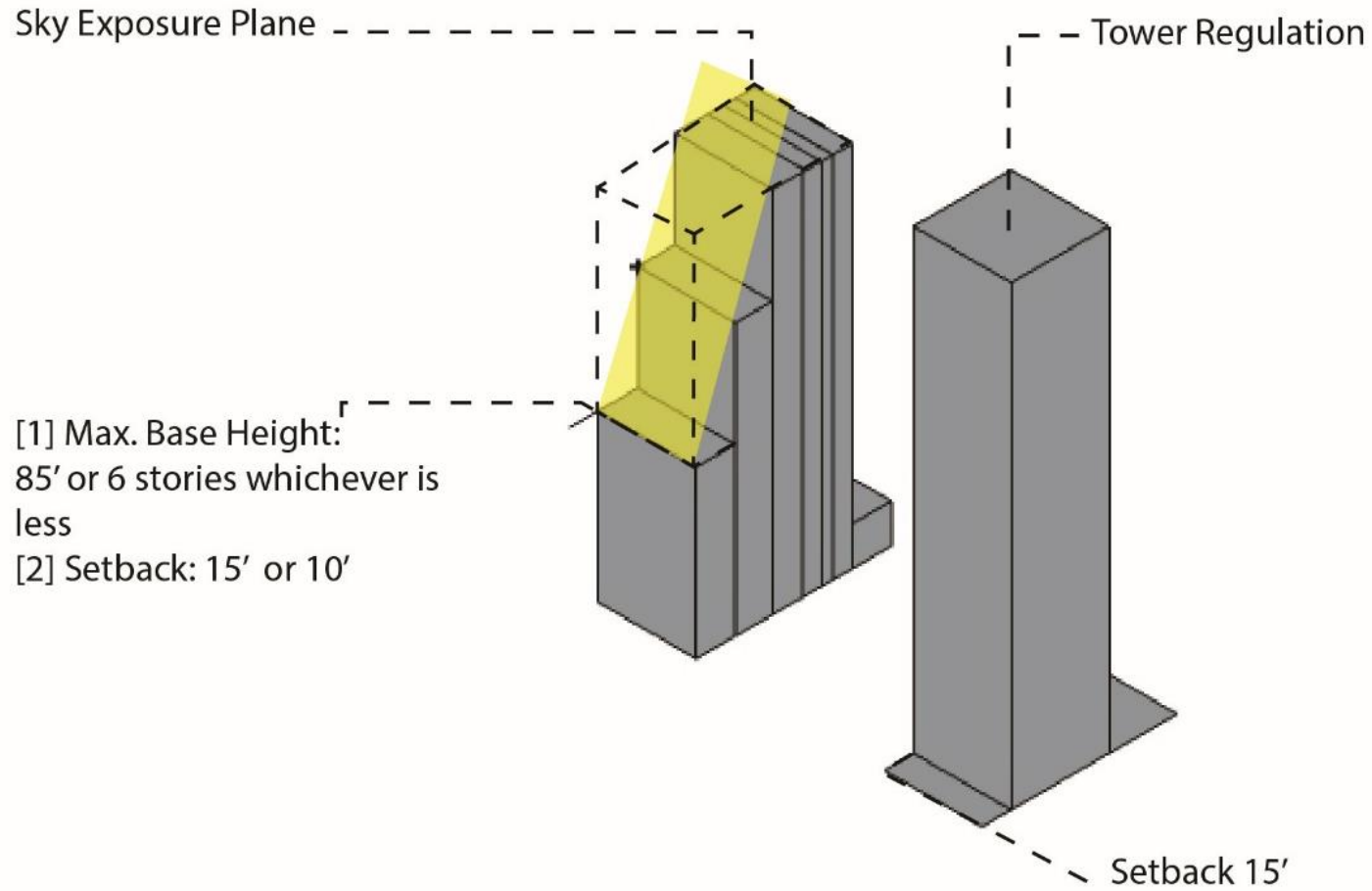


- #Special Garment Center District#
- A-1 Garment Center Subdistrict A-1
- A-2 Garment Center Subdistrict A-2
- ▨ #Street Wall# required pursuant to 121-42 (a)

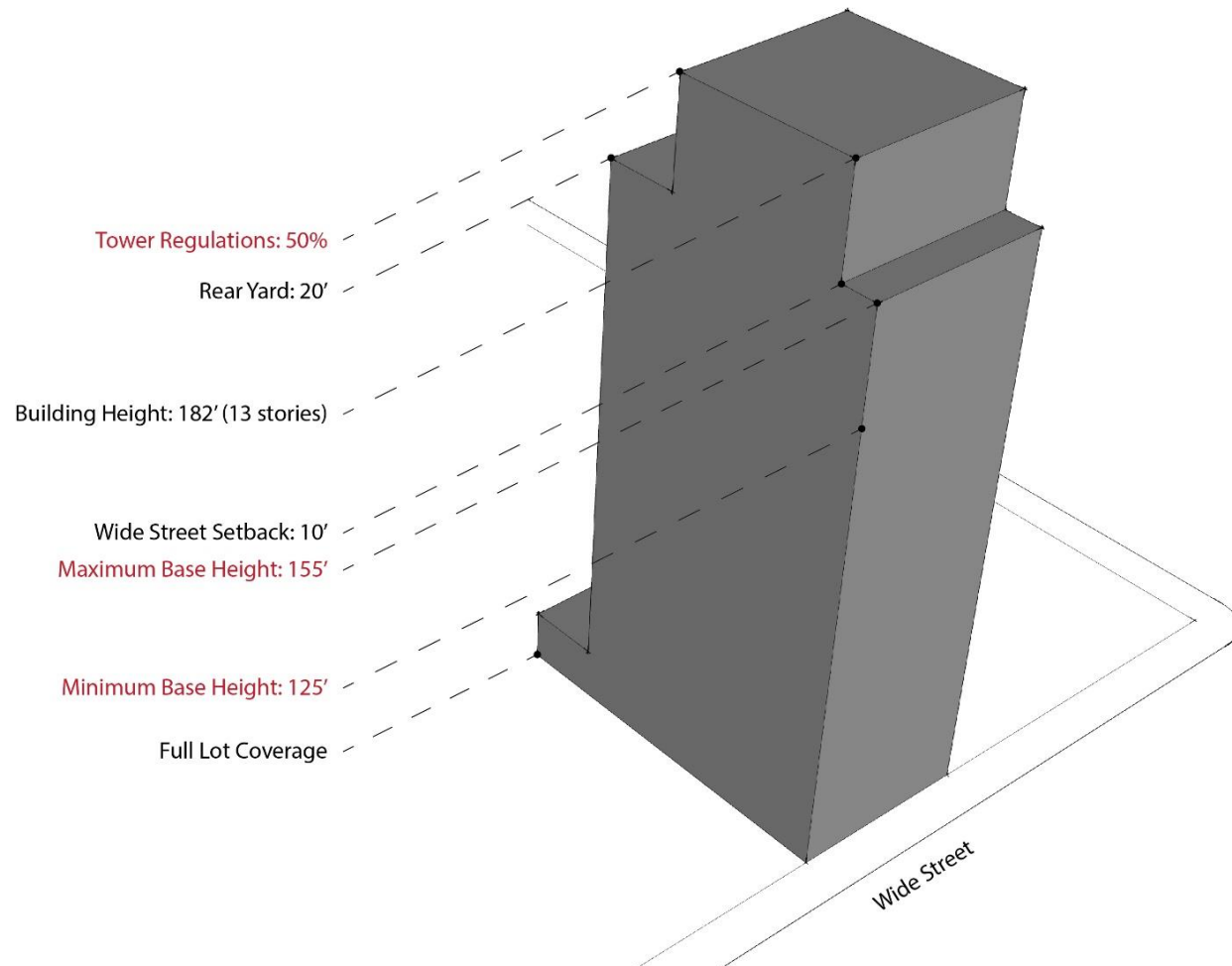
Existing Conditions: Bulk Envelope

Existing M1-6 Bulk Regulations

Plaza Bonus



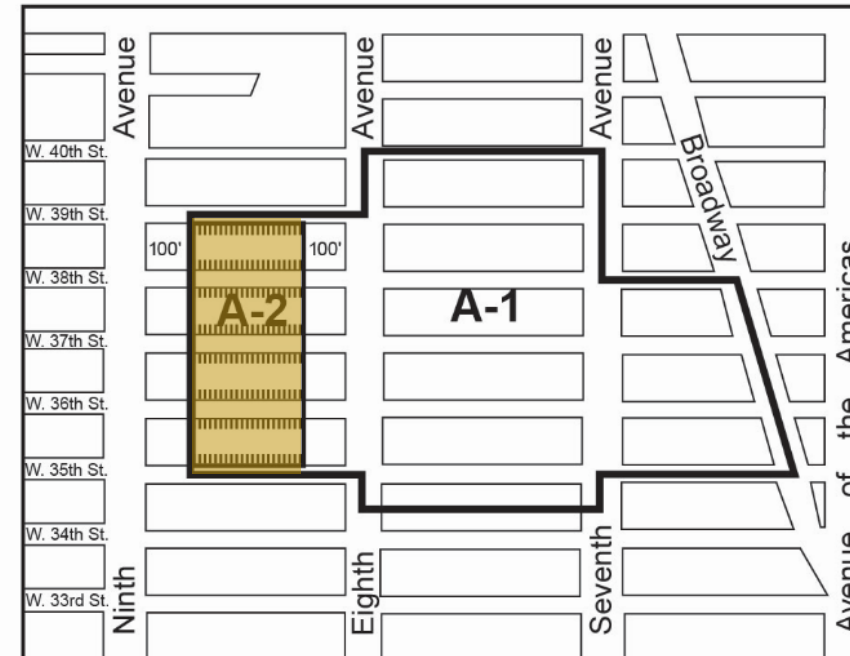
Proposed M1-6 Height and Setback Changes



Proposed Zoning Changes in A-2

A-2 Area:

- Maintain existing C6-4M
- Remove manufacturing preservation requirements
- For existing buildings > 70,000 sf:
 - Eliminate CPC authorization for conversion
 - Not allow conversions to residential use
- Flashing signs will no longer be permitted



— #Special Garment Center District#

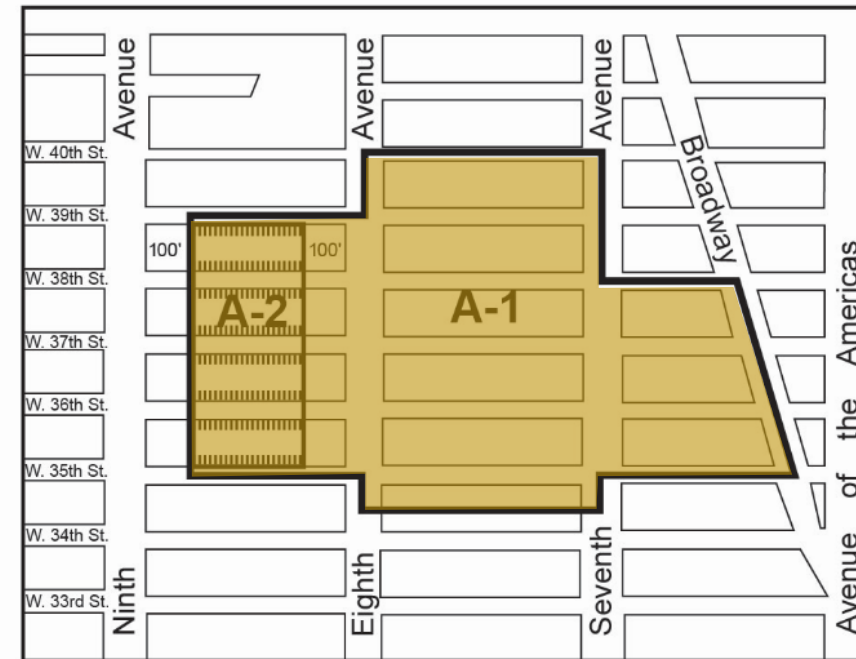
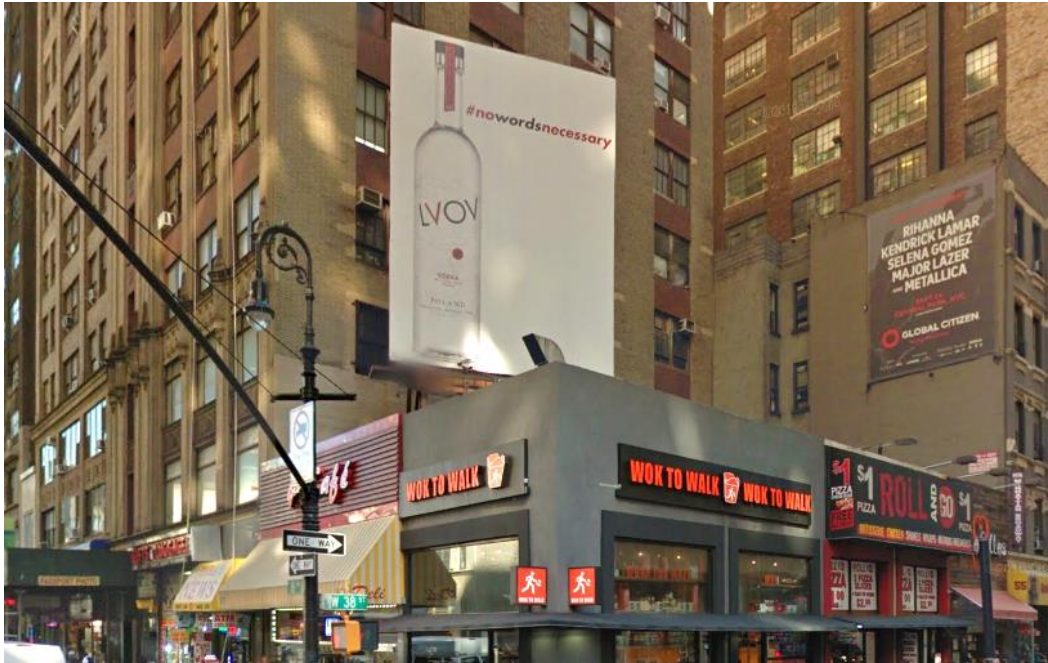
A-1 Garment Center Subdistrict A-1

A-2 Garment Center Subdistrict A-2

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Proposed Zoning Changes in the Entire District

- Apply C6-4 sign regulations to entire district. However, in A-2, flashing signs are not permitted.
- Permit new hotels only by CPC Special Permit.



— #Special Garment Center District#

A-1 Garment Center Subdistrict A-1

A-2 Garment Center Subdistrict A-2

----- #Street Wall# required pursuant to 121-42 (a)



- Remaining developable sites are mostly small and would likely be developed as hotels in the absence of a Special Permit.
- Special Permit would attempt to ensure that remaining sites would be developed with a diverse mix of uses.
- Transient facilities operated for a public purpose would continue to be permitted within the district as-of-right.

Zoning District	CPC Special Permit Finding
M1-6	The proposed hotel is consistent with facilitating a diverse business district
C6-4M	The proposed hotel is consistent with a diverse mix of residential and commercial uses

Non-Zoning Strategies to Support Garment Production

Garment Center Steering Committee released a report in August 2017 with recommendations for non-zoning solutions to retain and promote a garment manufacturing hub in the Garment Center.

Building off of these recommendations, a range of strategies have been developed by the City to support the garment manufacturing industry:

- Real estate solutions
 - Garment Center IDA program
 - Funding for building acquisition by a nonprofit
- Programmatic Business Support
 - Technical assistance
 - Investment in technology
 - Workforce development

Report GARMENT CENTER STEERING COMMITTEE & Recommendations



Questions?

