



UNDERSTANDING INDUSTRY CITY'S REZONING PROPOSAL

Working Group Convened by
Council Member
Carlos Menchaca
July 11, 2019

AGENDA

1. Welcome and introductions
2. Goals
3. Framing the process
4. Rezoning 101
5. Industry City today
6. Proposed rezoning
7. Discussion
8. Questions for next time

GOAL FOR THE WORKING GROUP

- Advise CM Menchaca on whether or not a rezoning has potential to be a net benefit for Sunset Park
 - If yes, identify non-negotiables elements of a plan and tools/strategies
 - If no, articulate why

GOALS/EXPECTATIONS FOR TODAY

1. Understand Council Member's framing
2. Understand the working group process
3. Understanding zoning and land use basics
4. Become an expert on the rezoning proposal
5. Prepare for next session

WHY ARE WE HERE?

- Industry City is proposing a rezoning of their private property
- A rezoning requires public review (ULURP)
 - Advisory vote by Community Board
 - Final approval by Council Member Menchaca
- CM Menchaca wants to bring community stakeholders into his technical review BEFORE a ULURP begins

FRAMEWORK FOR ANALYZING MAJOR REZONINGS

VALUES + ENGAGEMENT → VISION

- Community leadership and engagement
- Economic justice
- Social equity
- CB7 Town halls
- Community stakeholder conversations
- 197-a Plan

- 1. Transparent Process**
- 2. Neighborhood affordability**
- 3. Grow manufacturing jobs on the waterfront and connect our community to economic opportunity**
- 4. Mitigate and adapt to climate change**

WORKING GROUP CALENDAR

UNDERSTANDING IC'S PROPOSAL

JULY 11

Understanding the
rezoning proposal

WORKING WATERFRONT

JULY 24

Discuss data, concerns
and solutions around
the working
waterfront and local
workforce

HOUSING AND DISPLACEMENT

JULY 31

Discuss data, concerns
and solutions around
housing affordability
and displacement

BRINGING IT TOGETHER

AUGUST 15

Further develop tools
and finalize a
recommendation

REZONING 101

How ULURP Works For A Private Development

ULURP is the **Uniform Land Use Review Procedure**. It's the process New York City uses to make sure most big land-use proposals get reviewed by the city's elected officials and the public. Here's how it works...and how to get involved!

Before ULURP

The best time for communities to get involved is **before ULURP starts**. That's when proposals are still being shaped, and communities can have more say in shaping them.

🕒 **Total duration: Months–years**

🕒
**TIME
LIMIT**

Information Gathering

No limit

A developer proposes to change the zoning to meet the needs of his or her project.



Environmental Review

No limit,
up to several
months

The developer collects and analyzes info, then starts to form a proposal. He or she might even meet with community members.



30–45 days

The city makes a list of impacts and decides if there should be an environmental study, which requires a Scoping Hearing.

🗣️ **Draft Scoping Meeting**

No limit

The developer does the environmental study, listing impacts of the proposal—this is the Draft Environmental Impact Statement. The developer submits EIS to start ULURP!

During ULURP

This is the official process where the public and different local government representatives, from the neighborhood level to the citywide level, weigh in on the proposal.

🕒 **Total duration: 200–215 days**

Advisory Phase

60 days

COMMUNITY BOARD
makes recommendation

🗣️ **Public Hearing**



30 days

BOROUGH PRESIDENT
makes recommendation



Voting Phase

60 days

CITY PLANNING COMMISSION
votes

🗣️ **Public Hearing**

🗳️ **Public Review Session**



50 days

CITY COUNCIL
votes

🗣️ **Public Hearing**



5 days

MAYOR
can veto

City Council can override Mayor's veto with a 2/3 majority



Implementation

2+ years

Building begins



KEY:

- 🕒 Time Limit
- 🗣️ Public Hearing
- 🗳️ Scope Hearing

KEY POINTS ABOUT ULURP

1. ENVIRONMENTAL REVIEW

- a) Applicant must conduct an analysis of anticipated environmental impacts
- b) NYC provides a detailed scope and methodology for this review (*City Environmental Quality Review Technical Manual*)
- c) Before ULURP, the applicant is preparing an Environmental Impact Statement, which describes the findings of the environmental analysis
- d) When an application is Certified, ULURP begins, and the Draft Environmental Impact Statement (EIS) is made public
- e) If the project is expected to have “significant impact” in any area, the applicant must provide “mitigations” for those specific impacts

KEY POINTS ABOUT ULURP

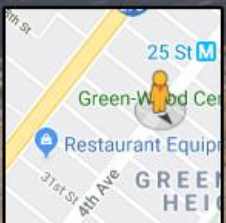
2. THE SCOPE OF AN APPLICATION MATTERS

- a) The application that is approved by City Planning, and the Environmental Review that is conducted, creates a frame for what is possible.
- b) For example, if a school is not included in environmental analysis, a school cannot be added to an application during the ULURP negotiation.

WHY REZONE?

To change how a property can be used

- Change size of what can be built (bulk, density)
- Change what happens on the property (use)







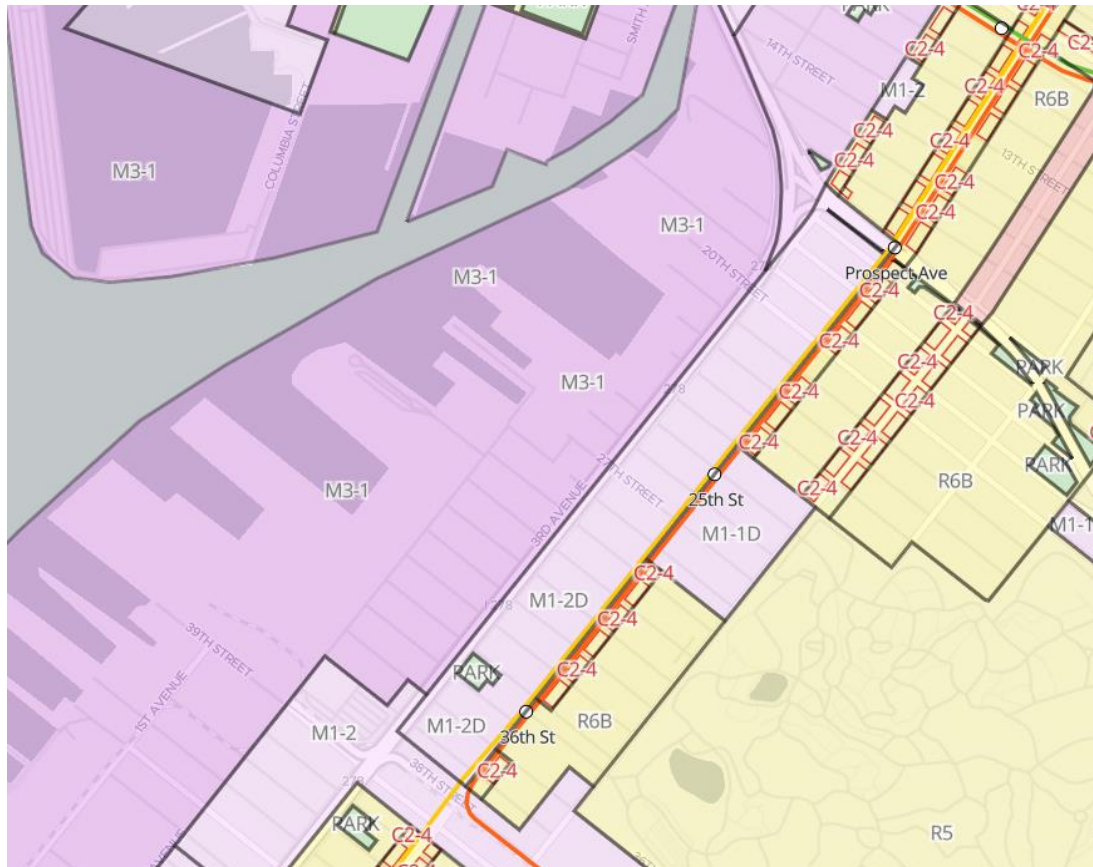
WHAT DETERMINES WHAT IS ALLOWED*?

HOW DO YOU KNOW WHAT IS ALLOWED*?

ZONING!

*Allowed by current zoning = “As-of-Right”(A-O-R)

ZONING MAP



ZONING TEXT

in APPENDIX A (Index of Uses) of this Resolution, for the convenience of those using the Resolution. Whenever there is any difference in the meaning or implication between the text of these Use Groups and the text of APPENDIX A, the text of these Use Groups shall prevail.

Special regulations applying in the #waterfront area# are set forth in Article VI, Chapter 2.

Special regulations applying in the #flood zone# are set forth in Article VI, Chapter 4.

The following chart sets forth the Use Groups permitted in the various #Manufacturing Districts#:

USE GROUPS PERMITTED IN MANUFACTURING DISTRICTS

Districts	Use Groups									
	#Community Facility#	Retail & #Commercial#								
	3	4	5	6	7	8	9	10	11	
Light Manufacturing M1		x	x	x	x	x	x	x	x	x
Medium Manufacturing M2						x	x	x	x	x
Heavy Manufacturing M3						x	x	x	x	x

Districts	Use Groups							
	Recreation				Gen. Ser-vice	#Manufacturing#		
	12	13	14	15	16	17	18	
Light Manufacturing M1	x	x	x		x	x		
Medium Manufacturing M2	x	x	x		x	x		
Heavy Manufacturing M3	x	x	x		x	x	x	

(10/13/10)

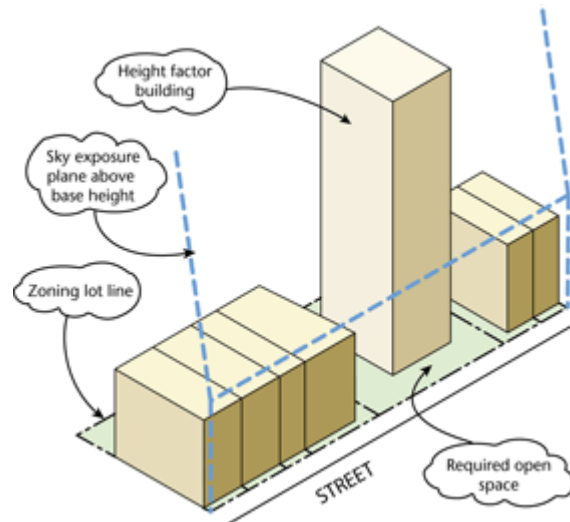
ZONING REGULATES:

USE

- Apartments
- Car wash
- Grocery store

“BULK”

- Maximum height
- Sky exposure plane
- Set back requirement



DENSITY

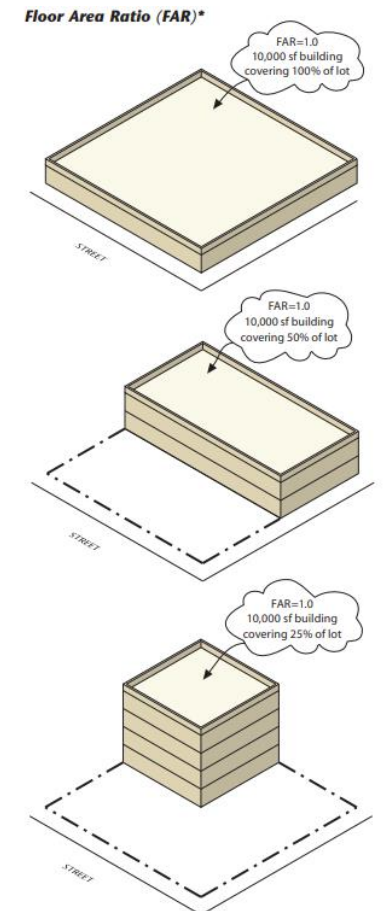
- Floor Area Ratio (FAR)
(i.e. 1.0, 3.4)

Example:

1,000 sf lot:

@ 1.0 = 1,000 sf

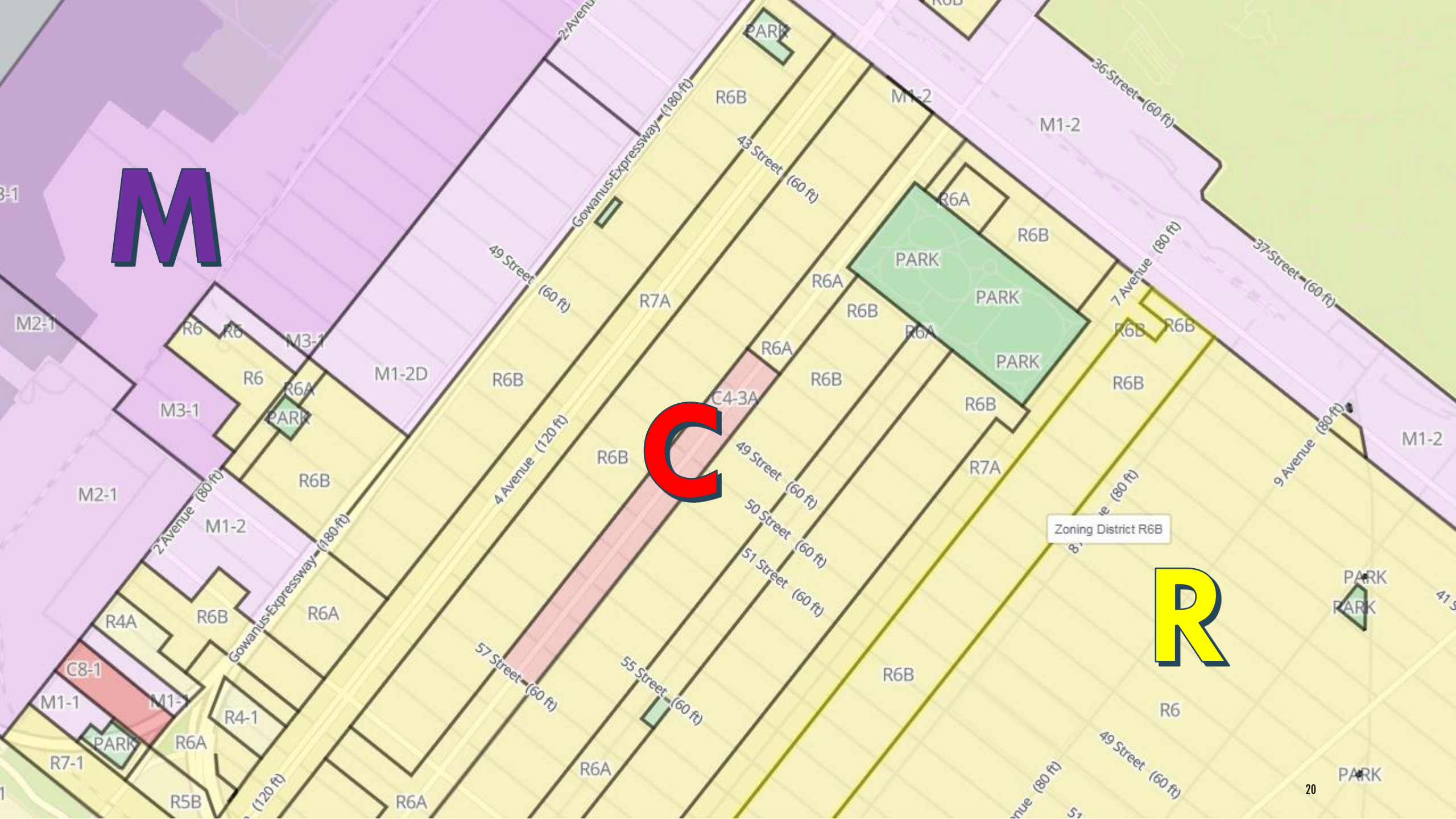
@ 3.4 = 3,400 sf



M

C

R



Zoning

vs

Use



Manufacturing
1-2 (light use, medium density)
D (design requirements)

Residential
6 (mid density)
B (design requirements)



School
Apartment building
Office building



INDUSTRY CITY TODAY

WHO AND WHAT IS INDUSTRY CITY?

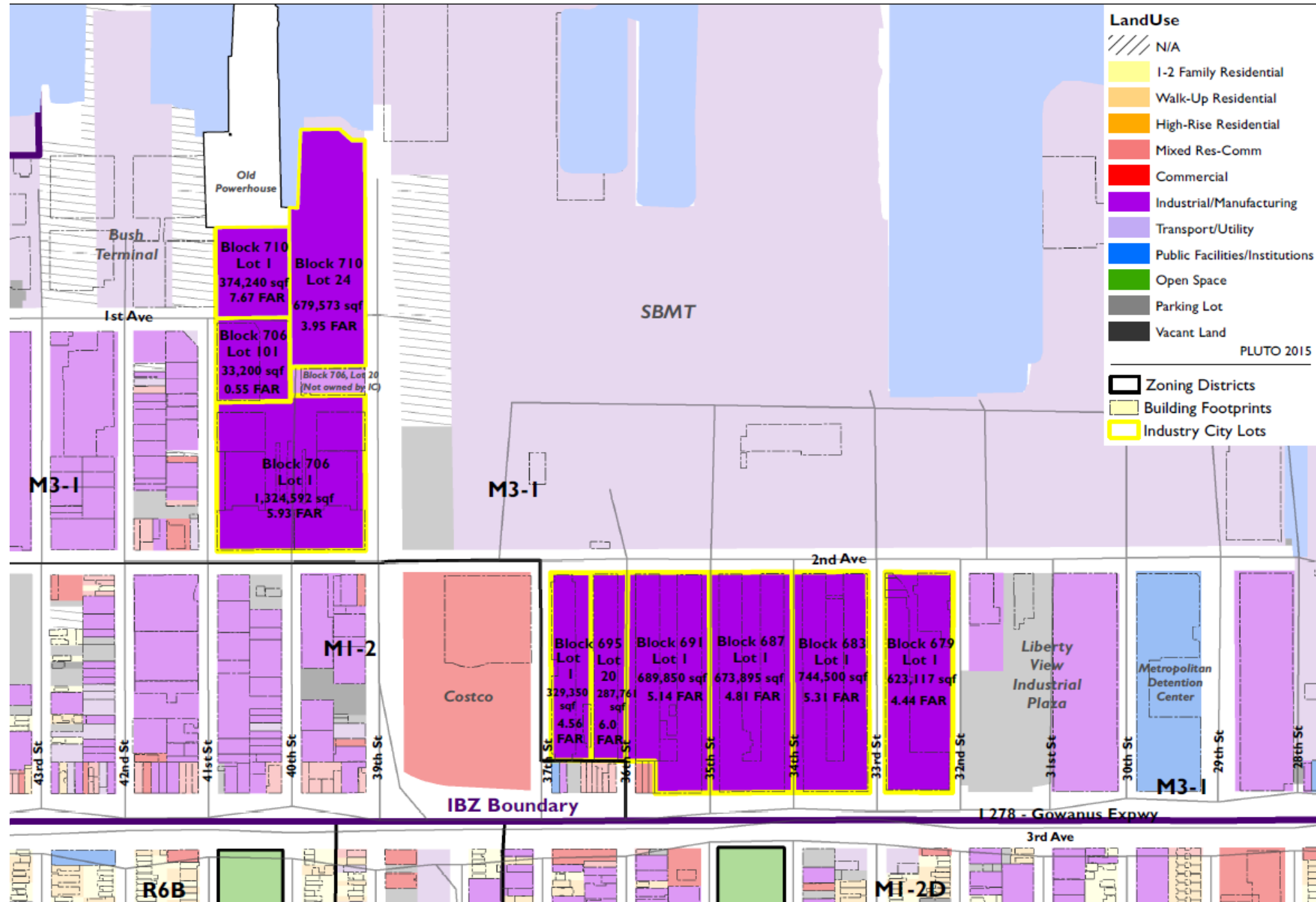
- Private, for-profit business and 5.3 million square foot complex
 - Business formed in 2013 to purchase properties now known as “Industry City”
- Property owner and property developer: rehabs/renovates property for lease to tenant businesses
 - **In other words, the landlord, not the tenant**
- Co-owned by Jamestown Properties, Belvedere Capital, Angelo, Gordon & Co., Cammeby’s International and FBE Limited

INDUSTRY CITY'S PROPERTIES



Industry City -- Zoning & Land Use

0 0.05 0.1 miles










CONTEXT

- Industrial Business Zone/Significant Maritime Industrial Area
- South Brooklyn Marine Terminal
- Liberty View
- Made in NY Campus (Bush)
- Brooklyn Army Terminal



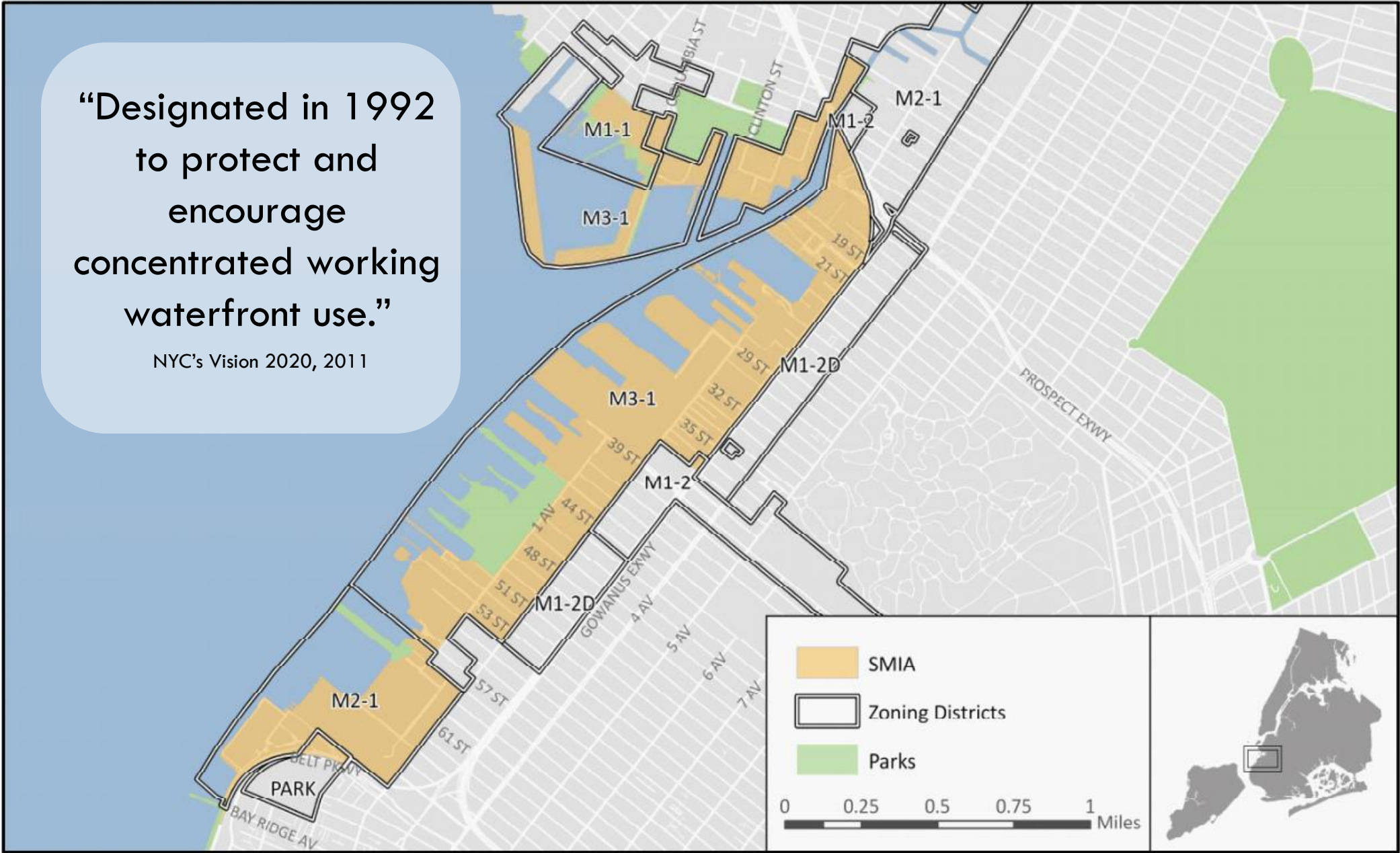
SOUTHWEST BROOKLYN INDUSTRIAL BUSINESS ZONE

Industrial Business Zones (IBZs) were established to protect existing manufacturing districts and encourage industrial growth citywide

Sunset Park Significant Maritime and Industrial Area, Brooklyn

“Designated in 1992
to protect and
encourage
concentrated working
waterfront use.”

NYC’s Vision 2020, 2011



Source: NYS Department of Labor, Quarterly Census of Employment and Wages, 2000 & 2008

SBMT

Liberty View Plaza

Costco

Made in NY Campus (Bush)

Industrial Business Zone

Brooklyn Army Terminal

SIZE AND SCALE

- 16 buildings
- Currently built 5.3 million sf = 20% of Sunset Park's working waterfront
 - Brooklyn Army Terminal = 4 million sf
 - One World Trade = 3 million sf
- Buildings are 85-170' tall
- 500 businesses*
 - +/- 2,000 businesses in Southwest BK IBZ today
- 7,500 jobs*

*March 2019 letter Andrew Kimball to Council Member Menchaca and Cesar Zuniga



CURRENT USES

CURRENT USES



CURRENT USES + TENANTS (SELECTED)

- Manufacturing
- Retail
- Storage
- Artist Studios
- Restaurant, food court
- Grocery
- Office
- Advanced Manufacturing
- Furniture Making
- Events/Theater
- Workforce Development Center

AECOM
Essence Magazine
M Factory
Japan Village
Pet Co
ABC Carpet
CondeNast
CAMBA
Car2Go
West Elm
Egg Collective
+ hundreds more

NUMBERS

- \$300 million purchase, 2013
- \$400 million investment in complex
- \$196 million loan, 2017
- Asking rents \$15-40/sf

Industry City Floor Area and Rent by Use (2019)

Use*	Floor Area (SF)	% of total complex	Rent range (\$/SF) **
Warehouse/storage	1,100,000	20%	10-15
Manufacturing	1,400,000	26%	15-20
Retail	130,000	2%	35
Film/photo studio	300,000	6%	25-35
Office	900,000	17%	25-40
Vacant	1,600,000	29%	0
Total	5,430,000		

*Categories provided by IC

* IC self reported numbers adjusted with press reporting

WHAT CAN WE EXPECT WITH **NO** REZONING?

Known

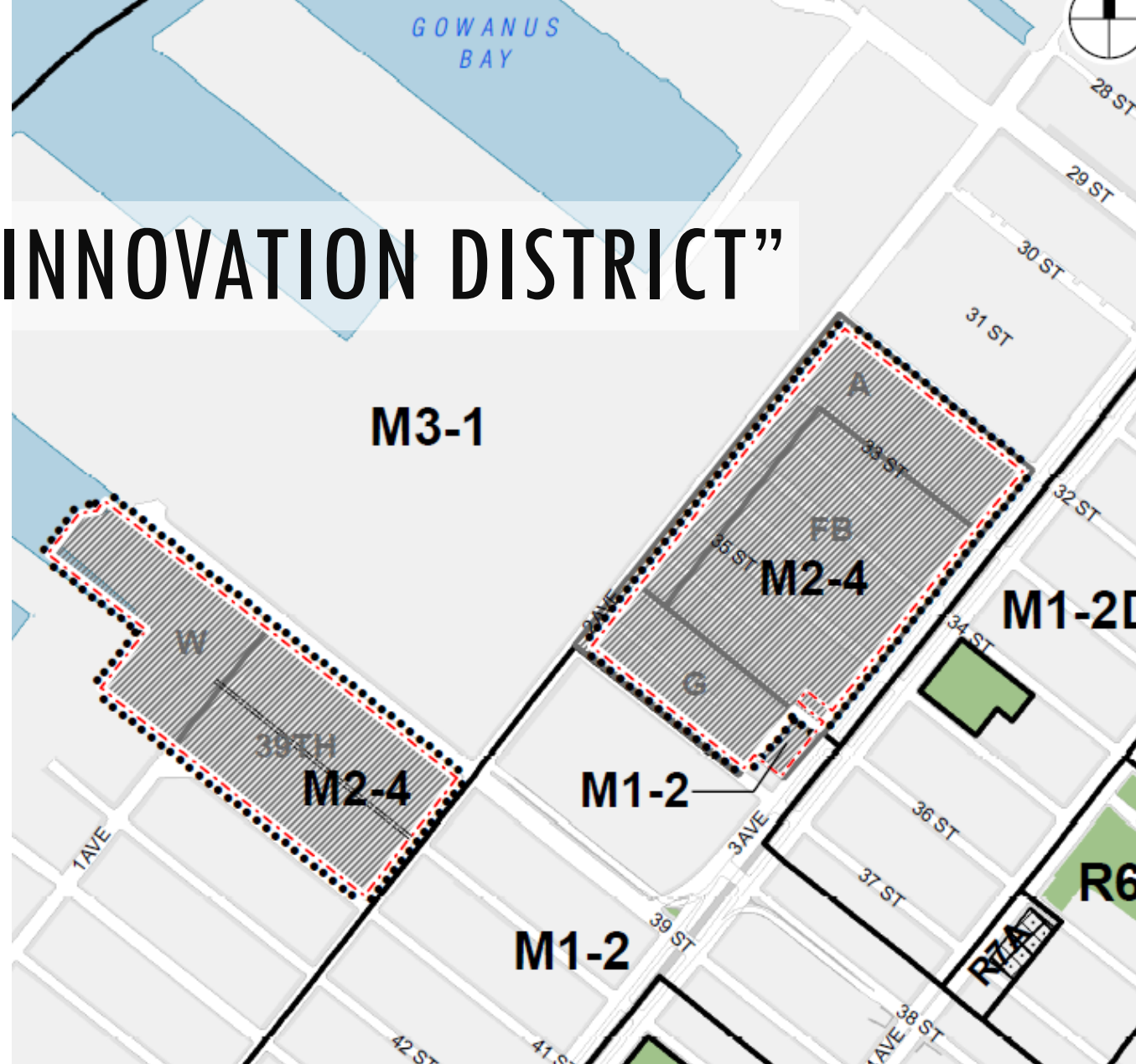
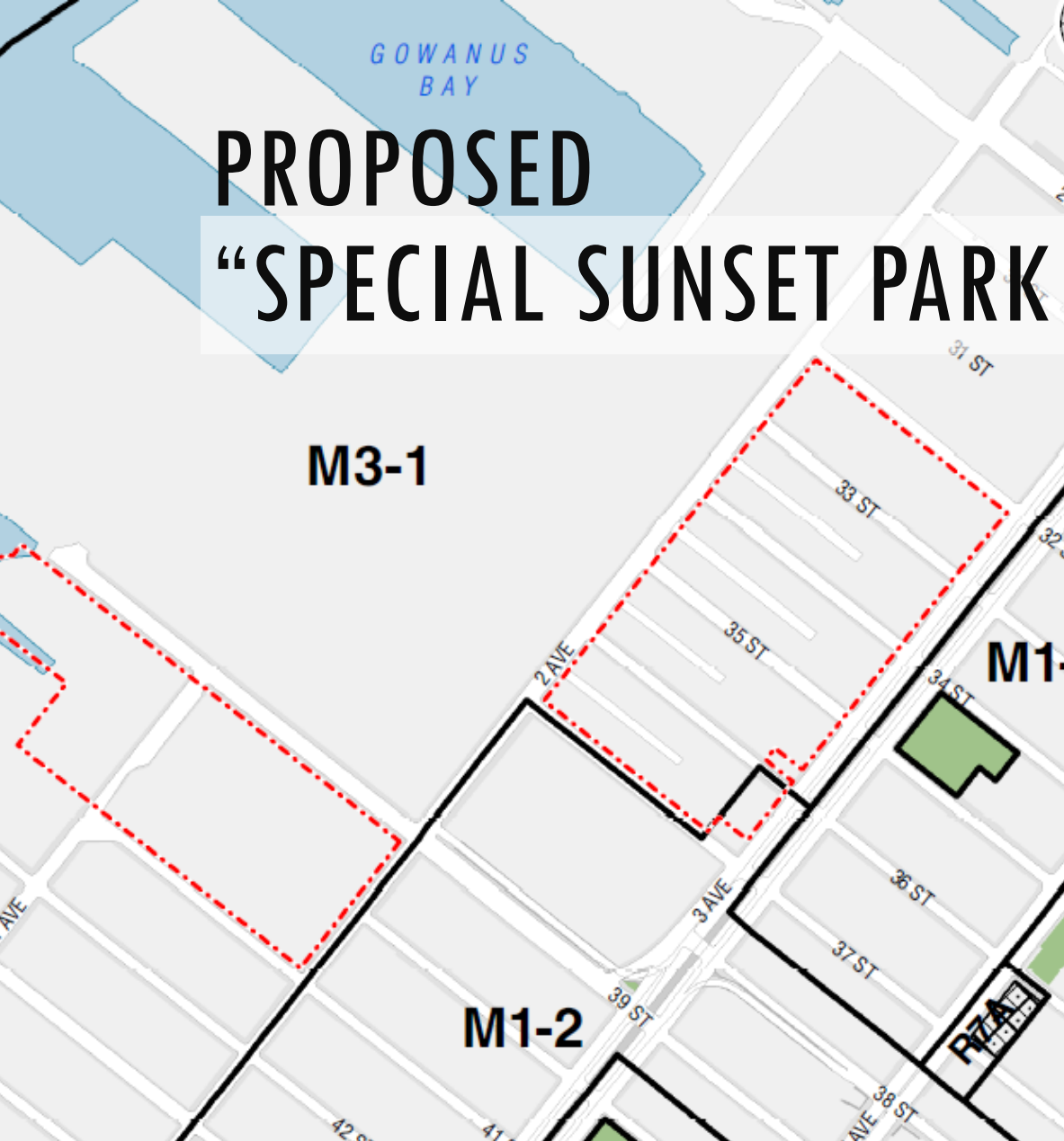
- IC will likely continue to develop the site
- IC projects slower job growth
- Allowed uses under current (M3) zoning
 - Unlimited office
 - Certain types of retail uses
 - Restaurants and bars
 - Small grocery/supermarkets
 - Entertainment uses, like theater, nightclub, bowling alley
 - Heavy (more 'noxious') manufacturing

Unknown

- Exact mix of future uses
 - Majority office? Majority small retail? Majority vacant? Majority warehouse and delivery? Majority manufacturing?
- Will existing businesses at IC be negatively impacted?

INDUSTRY CITY'S PROPOSAL

PROPOSED “SPECIAL SUNSET PARK INNOVATION DISTRICT”



----- Proposed Special District

FIVE PROPOSED LAND USE 'ACTIONS'

1. Map the Special District and rezone M3-1 to M2-4
2. Create the rules for the Special District
3. Allow hotels through a Special Permit
4. Modify use, bulk, parking and public access requirements through a Special Permit
5. De-map 40th street

FIVE PROPOSED LAND USE 'ACTIONS'

1. Map the Special District and rezone M3-1 to M2-4

2. Create the rules for the Special District

VERY IMPORTANT

3. Allow hotels through a Special Permit

4. Modify use, bulk, parking and public access requirements through a Special Permit

5. De-map 40th street

ZONING MAP CHANGE

- Map the boundaries of the Special District
- Rezone properties within Special District from M3-1 to M2-4

1. Map the Special District and Rezone

M3-1 VS M2-4 VS INDUSTRY CITY TODAY

	M3-1 RULES	M2-4 RULES	INDUSTRY CITY TODAY*
Manufacturing FAR	2.0	5.0	4.5+/-
Parking requirement	1 space per 300 sf of use	None	1 space per 300 sf (for new development)
Base Height before set back	60'	85'	170'

* Industry City does not conform to existing zoning laws because the buildings were constructed during the years 1890-1910, before zoning laws were established

WHAT IS A SPECIAL DISTRICT?

- Customized zoning rules
- Designed “to achieve specific **planning and urban design objectives**”
- Can “Stipulate **zoning requirements** and/or **zoning incentives** tailored to distinctive qualities”

WHAT CAN A SPECIAL DISTRICT REQUIRE?

“Almost anything related to use, bulk, and design that you can think of” – planning expert

- Parking requirements
- FAR by use
- What uses allowed/restricted and where
- Waterfront access
- Set backs, street design
- Can include “subdistricts” with unique rules by location

2. Create the rules for the Special District

WHAT IS INDUSTRY CITY'S PROPOSAL FOR THEIR SPECIAL DISTRICT?

1. All uses must have M1 performance standards
2. Though zoned M2-4, allow uses not permitted in M2-4 zones
 - a. College and university
 - b. Library
 - c. Museum
 - d. Large Scale Retail (more than 10,000 sf establishments)
 - e. Hotel
3. Cap total academic/library uses to 625,000 sf
4. Cap total retail uses to 900,000 sf

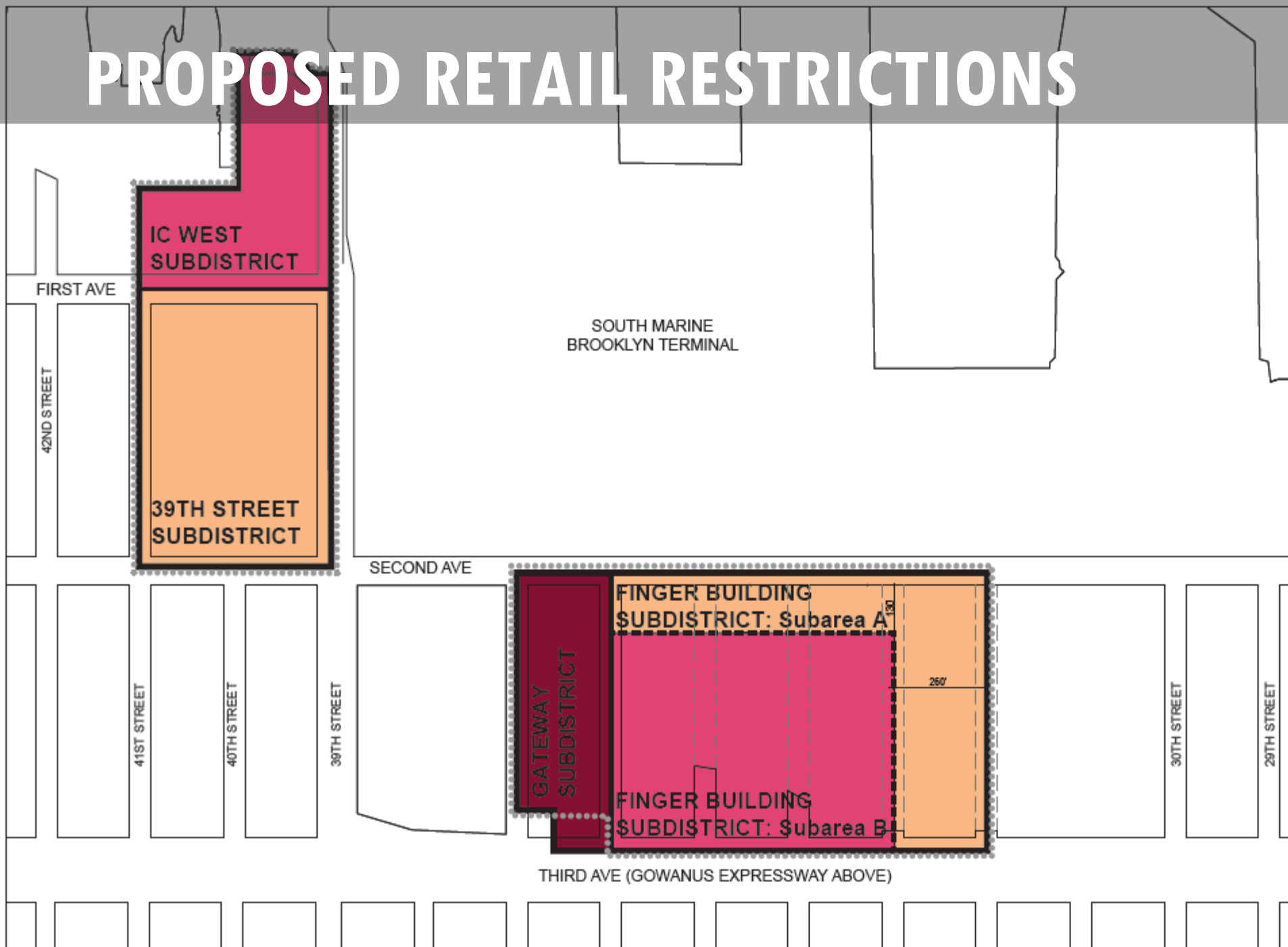
SO, WHAT DOES THIS MEAN?

- Expands allowed uses significantly
 - (hotel, academic, large retail stores not currently in the Southwest Brooklyn IBZ except for the Costco on 39th street)
- Limits total square footages for retail to 900,000 sf (about 14% of total allowed area)
- Limits educational/museum uses to 625,000 sf (about 10% of total allowed area)

RETAIL PROPOSAL

- Limits total square footages for retail to 900,000 sf (.68 FAR maximum)
- M Zone restrictions removed and new restrictions added in the Special District Permit:
- Retail and services allowed on 1st floor of all buildings
- “Subdistricts control retail establishment **sizes** on 1st and 2nd floors (see map on following slide)
- **39th Street Subdistrict and Finger Building Subdistrict: Subarea A** All retail uses on 1st and 2nd floors, no size limit per establishment
- **Gateway Subdistrict** All retail uses on 1st and 2nd floors, 40,000 sf per establishment limit
- **IC West and Finger Building Subdistrict: Subarea B** All retail/service uses on 1st floor, no limit except UG6A, 6C, 10A limited to 40,000 sf per establishment

PROPOSED RETAIL RESTRICTIONS



Retail Restrictions on the Location and scale of Retail/Service:

- IC WEST SUBDISTRICT:** All retail/service establishments permitted on the first floor with UG6A, 6C, and 10A subject to a 40,000sf per establishment size limitation *
- 39TH STREET SUBDISTRICT:** All retail/service establishments permitted on the first and second floors with UG6A, 6C, and 10A subject to a 40,000sf per establishment size limitation *
- GATEWAY SUBDISTRICT:** All retail/service establishments permitted on the first and second floors with UG6A, 6C, and 10A subject to a 40,000sf per establishment size limitation *
- FINGER BUILDING SUBDISTRICT: Subarea A:** All retail/service establishments permitted on the first and second floors with UG6A, 6C, and 10A subject to a 40,000sf per establishment size limitation *
- FINGER BUILDING SUBDISTRICT: Subarea B:** All retail/service establishments permitted on the first and second floors with UG6A, 6C, and 10A subject to a 40,000sf per establishment size limitation *

* Above the floors indicated above, UG6A, 6C, and 10A are limited to eating/drinking establishments up to 10,000sf per establishment; depositories for storage of office records, microfilm, or computer tapes; data processing; photographic or motion picture production studios; and radio or television studios.

- Proposed Zoning Change
- Proposed Special Sunset Park Innovation District
- Subdistricts
- Subareas within subdistricts
- Prolongation of mapped streets

WHAT IS A HOTEL SPECIAL PERMIT?

- Until December 2018, hotels were allowed as-of-right in M1 zones
- Industrial/manufacturing advocates see hotel development in M zones as deteriorating the quality of manufacturing districts (North BK, eg.)
- City Council passes new rules in December 2018 requiring special permit for hotel development in M1
 - **Hotel is not allowed—even by special permit—in M2 or M3**

HOW DO YOU QUALIFY FOR A HOTEL SPECIAL PERMIT?

Applicant must demonstrate that

- a) The site plan incorporates elements that are necessary to address any potential conflicts between the proposed use and adjacent uses
- b) Hotel will not cause undue vehicular or pedestrian congestion on local streets
- c) Hotel will not impair the essential character or future use or development of the surrounding area

3. Allow hotels through a Special Permit

ARE THERE PRECEDENTS FOR APPROVING A HOTEL SPECIAL PERMIT?

No applications have started ULURP as of July 2019

DEMAP A PORTION OF 40TH STREET

- “Demapping” means removing a street from New York City’s official street map
 - Some streets are currently “mapped” but don’t exist as streets
 - Some streets (either mapped or real) are part of a privately owned parcel. In other words, not all streets are publically owned
- Even if privately owned, development is not allowed on a mapped street
- Demapping a street, therefore, enables development

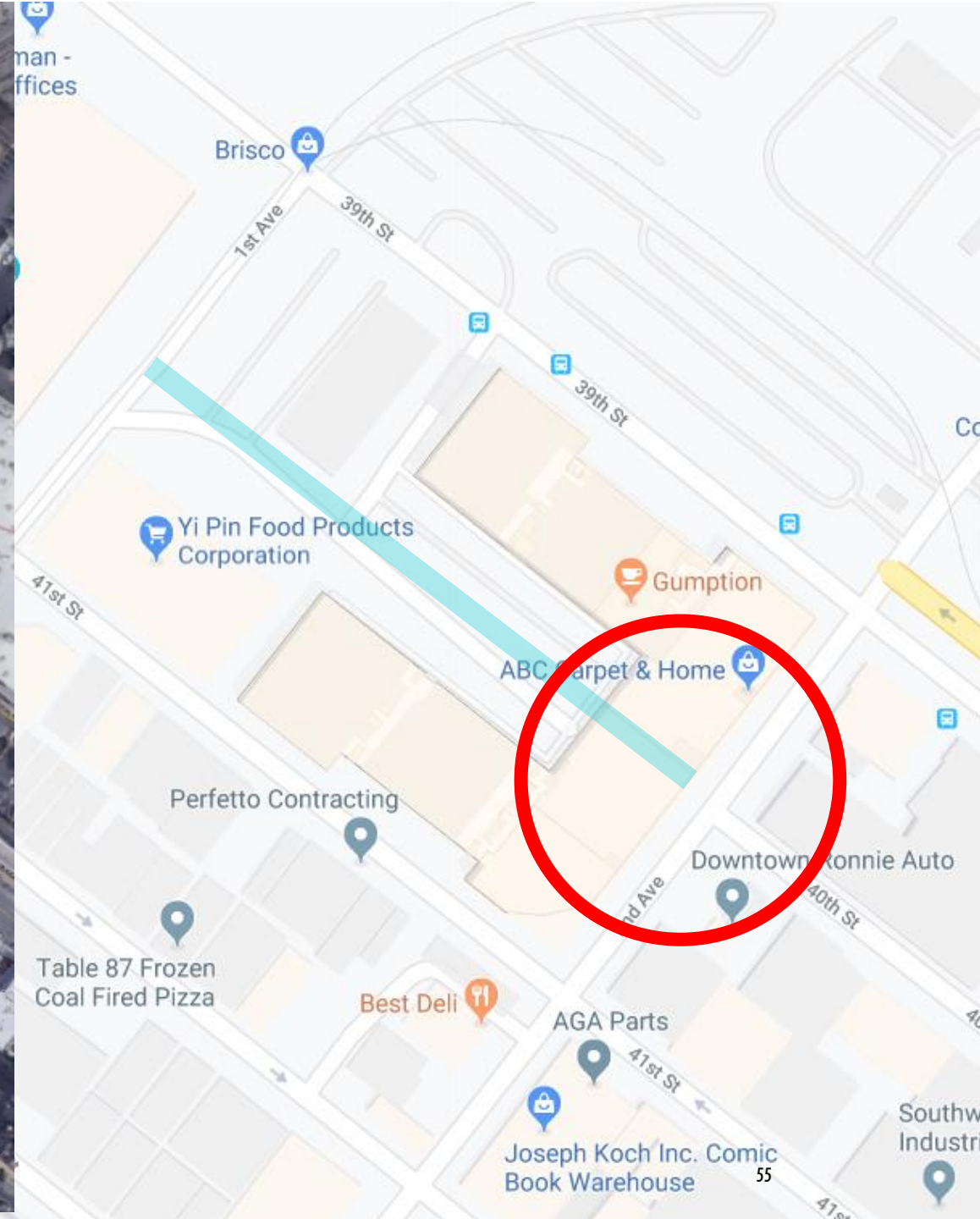
5. Demap 40th Street

1st Ave

39th St

41st St

2nd Ave



5. Demap 40th Street

2nd Ave @ 39th St, looking south

Location of 40th street



1st Ave @ 40th St, looking east

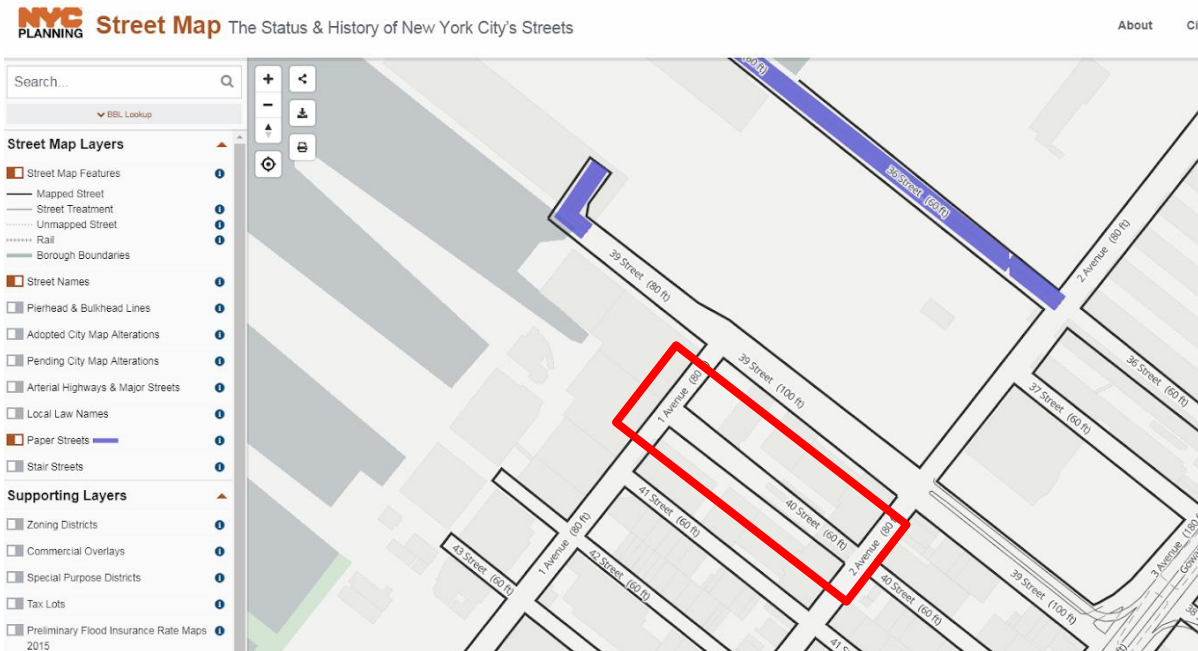


Location of 40th street

4. Demap 40th Street between 1st and 2nd Avenues

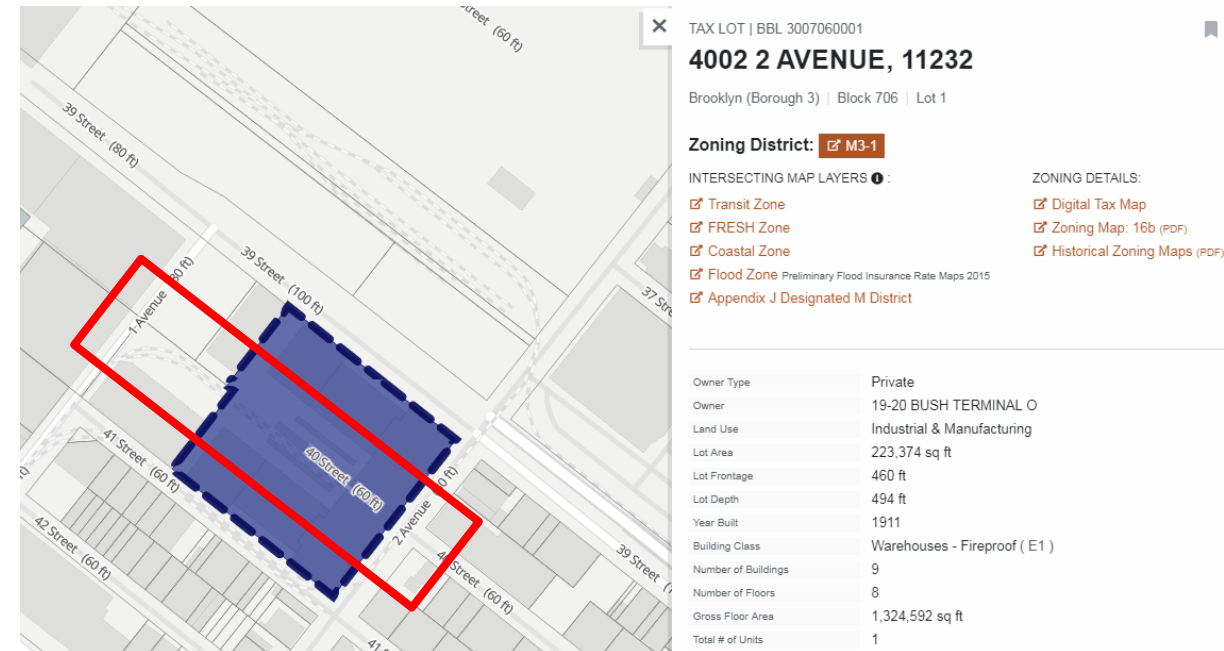
40th st. between 1st and 2nd Avenues is mapped, but does not exist as a street and is privately owned by Industry City

Official NYC Street Map shows 40th street



streets.planning.nyc.gov

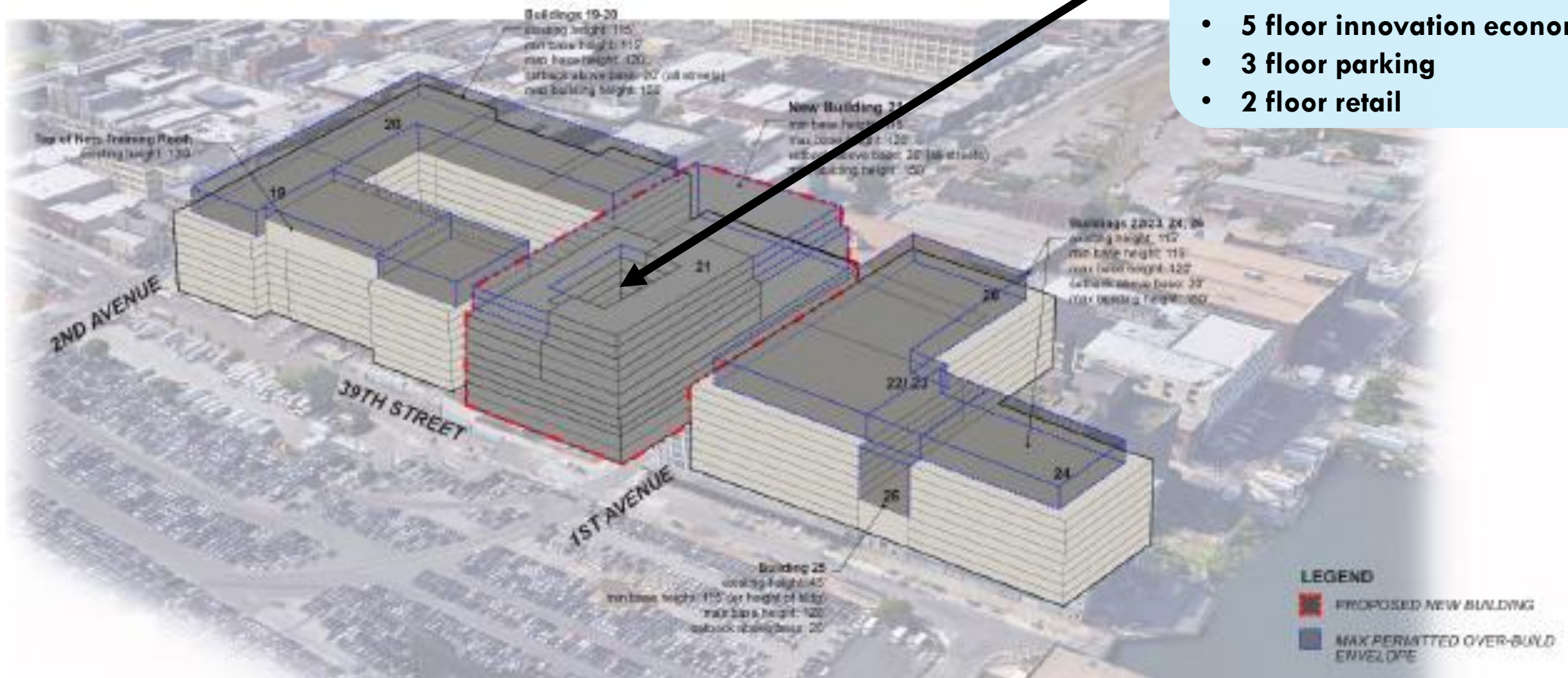
NYC parcel map shows Industry City owns Block 706 Lot 1, which covers the mapped street



zola.planning.nyc.gov

5. Demap 40th Street

Demapping enables development of proposed new building 21



MAIN TAKE AWAYS

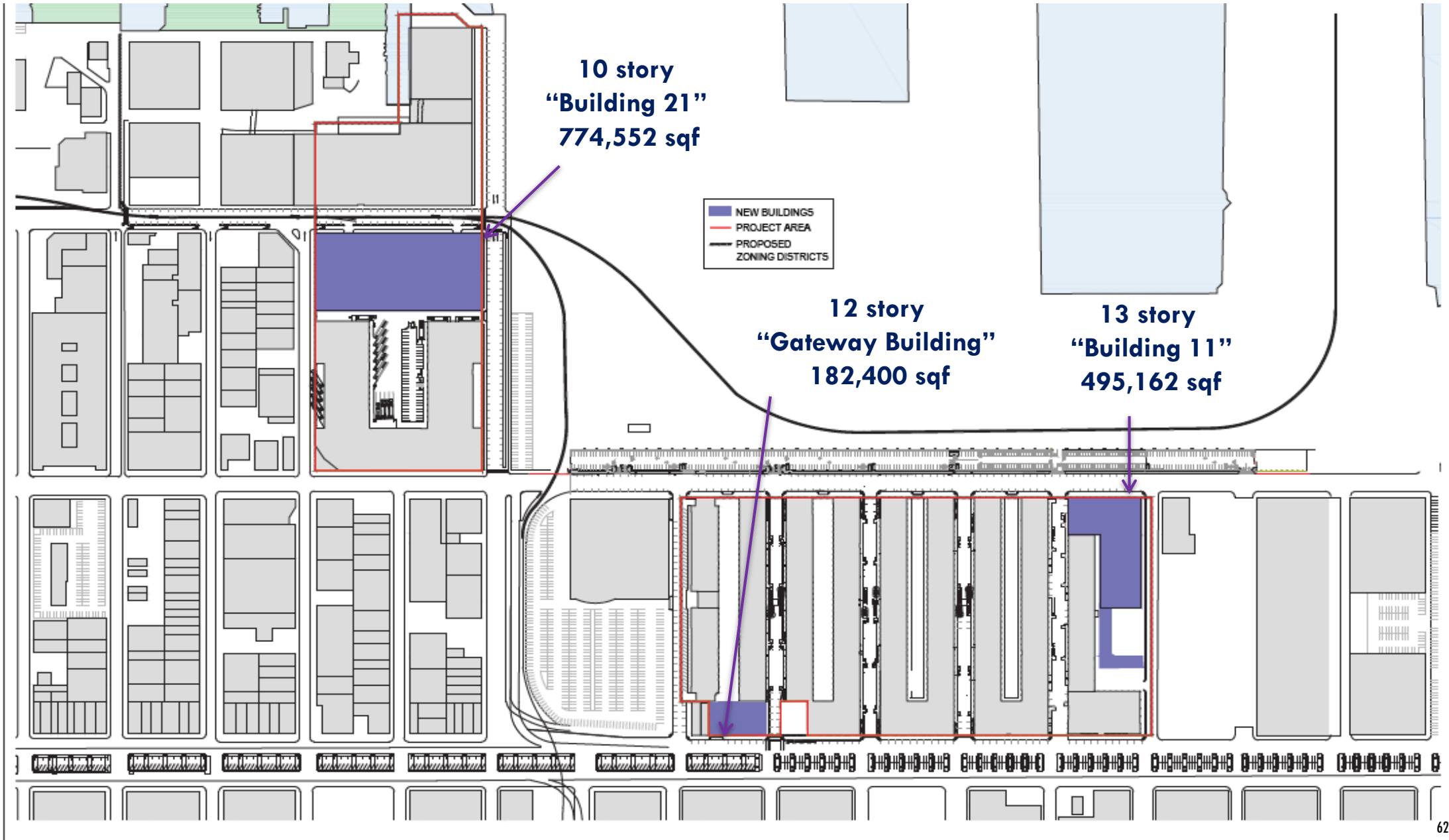
The plan enables

- New construction
- New uses
- New street experience

NEW CONSTRUCTION

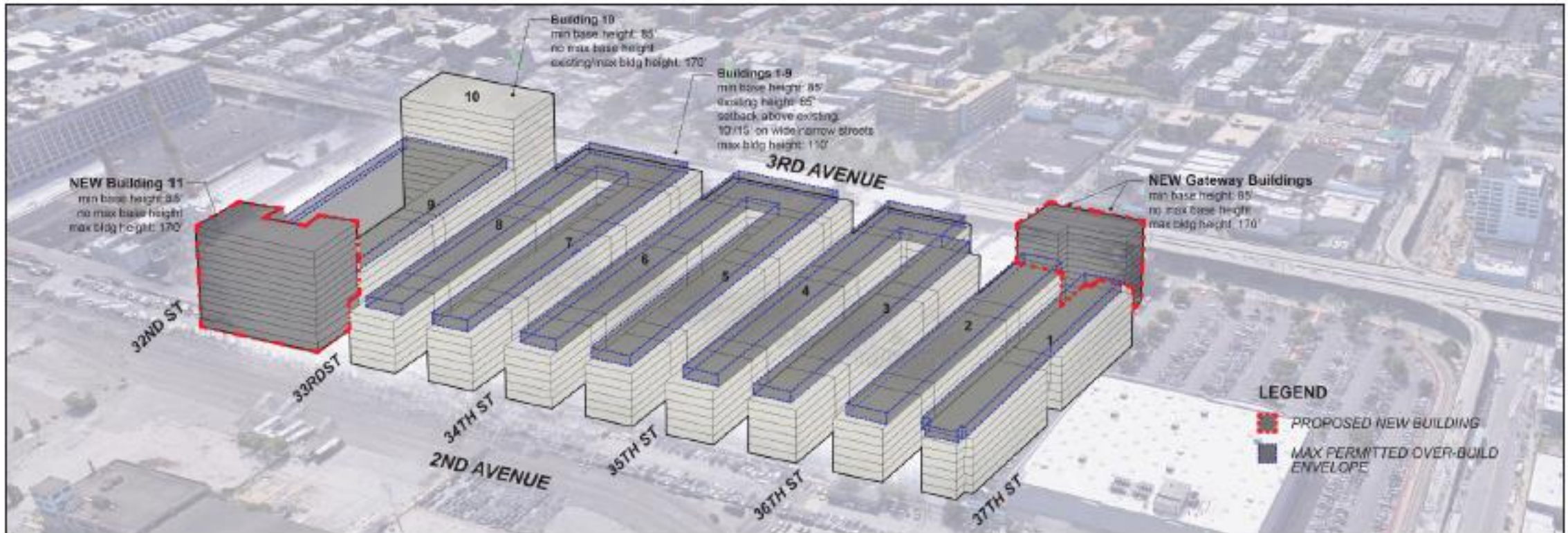
- 3 new buildings
- Additional floor on finger buildings
- 1.3 msf total

PROPOSED SITES OF NEW CONSTRUCTION



PROPOSED ADDITIONAL FLOORS ON FINGER BUILDINGS

New buildings limited to 170'—matching height of existing building on 3rd Avenue and 32nd street



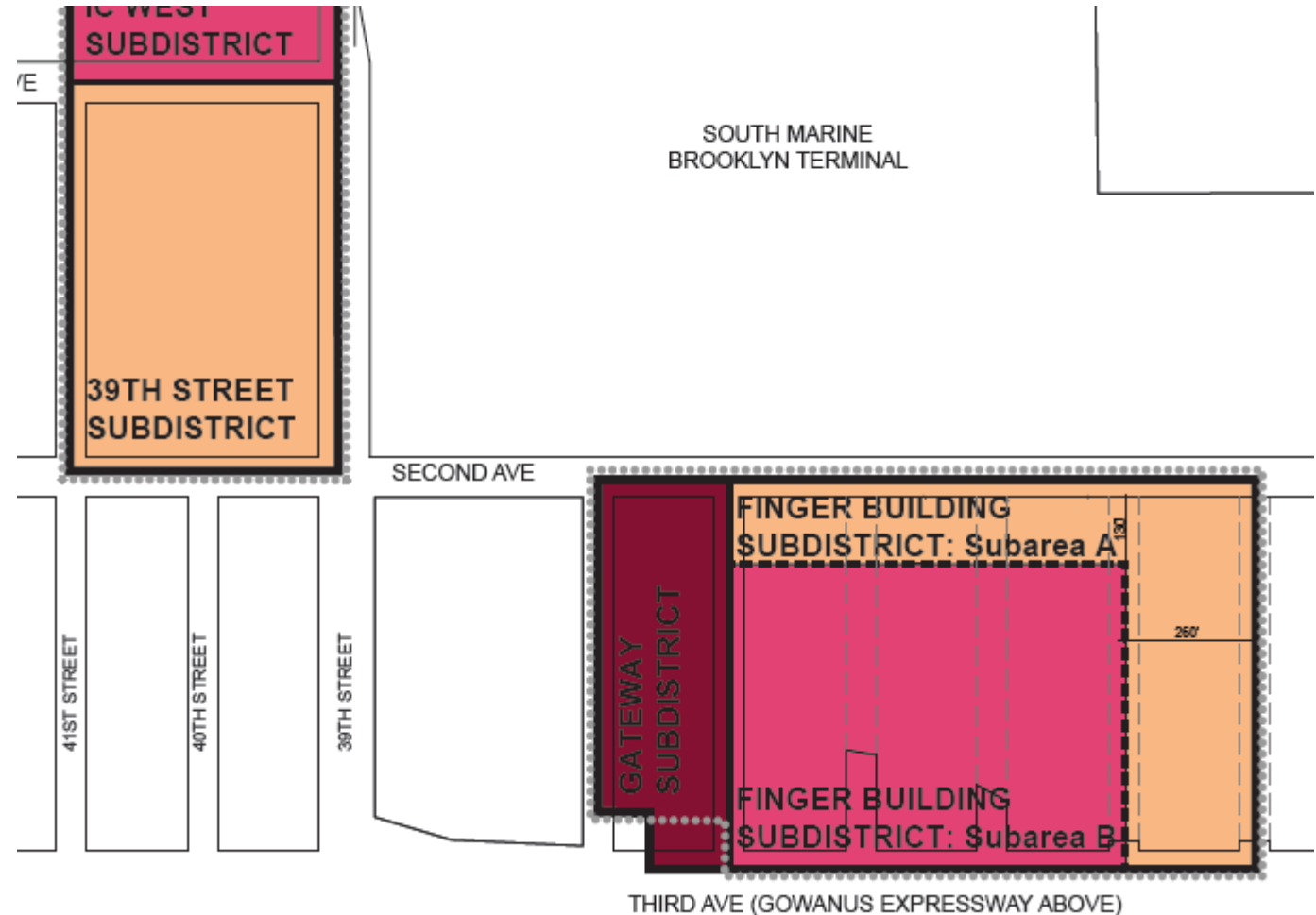
From Industry City Draft Scope of Work 2017

NEW USES

- Large Scale Retail
- Hotel
- College/University/Museum/Library

NEW STREET EXPERIENCE

- Destination retail likely on 2nd Avenue b/w 39th and 41st streets
- For most of 2nd Avenue and 39th Street, proposal allows unlimited retail/service establishment size on first and second floors (yellow areas)



“PLACEMAKING” TO MAKE STREETS MORE PEDESTRIAN FRIENDLY



39th Street and 1st Avenue, looking west. 2019.

WHAT CAN WE EXPECT IF CURRENT PROPOSAL IS APPROVED?

Known

- Significant new construction
- Two new hotels
- New big box retailers
- Greater street level retail
- New parking facilities
- IC projects faster job growth

Unknown Concerns

- Increased pedestrian traffic in the IBZ?
- Job growth at Industry City?
- Increased demand for local housing?
Accelerating increase of residential and industrial rents?
- Increased evaluation of adjacent properties?



DISCUSSION

Questions?