

Date: October 22, 2019

To: Sunset Park Community Stakeholders

From: Ad Hoc Steering Committee for a Community Benefits Coalition

Re: Invitation to a meeting exploring possible CBA with Industry City Associates

Dear neighbor,

You are invited to a meeting of a coalition-in-formation of Sunset Park individuals and organizations (temporarily known as ‘Sunset Park Benefits Coalition’) to explore, negotiate, and potentially commit to a Community Benefits Agreement (CBA) with Industry City Associates. This potential CBA would be part of a more comprehensive response to the proposed rezoning of the Industry City campus.

We are a small group of community members and organizations who care deeply about the impacts of development at the Industry City campus on the Sunset Park neighborhood—either with or without a rezoning. We have learned a great deal about the rezoning proposal over the last several months and are reaching out to our neighbors, asking those who are interested to join us in coalition to consider negotiating an agreement that would mitigate detrimental impacts of development. Saying “no” to the proposed rezoning does not prevent continued, rapid conversion of manufacturing space of the type that is already occurring at Industry City. Therefore, this coalition would develop and weigh how the terms of a CBA could help ensure that the benefits of a rezoning outweigh its potential impacts, as well as the impacts of taking no action at this time.

We know many of our neighbors are deeply reluctant to collaborate with Industry City Associates, and many of us share those concerns. We hope to continue the conversation with all about the merits of this process. To be clear, exploring and negotiating a CBA does not commit us to move forward. If negotiated terms inadequately address community concerns, the coalition can decide to walk away--and if there is no signed CBA, the Council Member has said he will vote “no” on Industry City Associates’ application if it comes before the City Council. Moreover, the Council Member and our Community Board have committed to continued and significant engagement with community members on the overall rezoning proposal. If you have questions about this engagement, we encourage you to reach out to the Council Member directly.

On September 16, 2019, Council Member Menchaca presented his response to Industry City Associates' rezoning proposal. The Council Member made it clear that he does not support the current proposal. He also shared his concern that the site's existing "manufacturing" zoning allows for a wide array of non-manufacturing uses, including: unlimited office uses, event space, gyms, as well as restaurants, bars and retail. These "as-of-right" uses drive up rents in the neighborhood, so Council Member Menchaca has decided to investigate a more comprehensive alternative rezoning in order to address this challenge.

The alternative offered by Council Member Menchaca includes a number of actions that he, Industry City Associates, and the City of New York would take to mitigate impacts and address neighborhood needs. If this alternative is pursued, Council Member Menchaca would shepherd all the elements that are part of the official rezoning public approval process, or ULURP, as well as negotiate investments to be made by city agencies.^[i]

The alternative also contemplates a set of additional actions to be taken by Industry City Associates directly.^[ii] Negotiation of those actions and any resulting agreement must be led and enforced by a neighborhood-based coalition, not the Council Member. A negotiated, legally enforceable contract between Industry City Associates and the Sunset Park community would be referred to as a "Community Benefits Agreement" or CBA. We recognize that there are significant concerns with CBAs, and we know we need more information and support from legal experts. But we believe there is enough evidence to suggest that a successful CBA is possible, and we want to explore the possibility.

There are two reasons why we plan to explore a legally enforceable contract with Industry City Associates. First, we believe the ownership group should contribute directly to our neighborhood's challenges, and a contract allows us to negotiate these contributions and hold them legally accountable. Second, the contract would bind any future owner of the complex, which means that if Industry City Associates one day sells their property, that new ownership group would be bound by the terms of the contract.

After many months of conversation with people in the neighborhood, including Sunset Park residents, community-based organizations, nonprofits, and small business owners, the Council Member developed an initial agenda of actions for a potential CBA. We believe that this agenda addresses some of the most pressing concerns we face as a neighborhood, from housing instability to loss of manufacturing jobs to underemployment. As a result, we are generally supportive of these ideas as a baseline for further exploration and negotiation. However, we also recognize that there may be other actions or agreements that a CBA should include; we are eager to engage in that discussion. We believe that the pursuit of a CBA does not preclude, and might also advance, long-term planning for Sunset Park's working waterfront.

So what are we asking of you? Joining a coalition with this purpose will require a significant commitment. While there is no established time period, ULURP is a seven-month process that we expect will begin within the coming months. Beyond that, we just ask that you be willing to join in a good-faith effort to explore whether an effective and robust agreement can be reached for the benefit of our community. We do not ask that you abandon your concerns or ability to critique Industry City Associates' proposal, only that you are willing to engage the question at hand. If that is something you are not able or willing to do, then we encourage you to stay engaged in the process through other venues and coalitions.

If you are interested in learning more and potentially getting involved, please attend an information session on Saturday, November 16th from 10am to noon (location TBD). Please respond to sunsetparkbkcoalition@gmail.com to RSVP.

Signed,

Ad Hoc Steering Committee for a Community Benefits Coalition

Jimmy Li, community member
Steve Mei, community member
Opportunities for a Better Tomorrow
Julio Peña III, community member
Neighbors Helping Neighbors
Sunset Park Business Improvement District
Southwest Brooklyn Industrial Development Corporation
Cesar Zuniga, community member

ⁱ Council Member Menchaca's alternative proposal includes three areas that require City Council or City Administration action. These are:

1. Modifying the proposal to require manufacturing uses on site, remove hotel approval, and restrict retail;
2. New legislation requiring the City to monitor and count jobs at the complex; and
3. Increased City investment in Sunset Park's housing, workforce, and employment needs.

ⁱⁱ The Council Member's initial recommendations for community benefits from Industry City:

- Providing funds to support and expand residential anti-displacement efforts including tenant organizing, education and advocacy efforts in Sunset Park;
- Establishing a manufacturing hub to be managed by a mission-driven non-profit, ensuring manufacturing businesses—including those focused on climate resilience and adaptation—have long term access to space and support in Sunset Park;
- Establishing a public technical high school and adult education center at Industry City, modeled after the STEAM Center at Brooklyn Navy Yard;
- Expanding and enhancing the Innovation Lab employment center to connect more Sunset Park residents to jobs and bridge programming opportunities, support worker cooperatives, and provide training and research around green manufacturing;
- Promoting existing Sunset Park businesses through Industry City's tenanting process and establishing programs to incentivize Industry City tenants to source locally; and
- Providing Industry City's roof space to expand the Sunset Park Solar Cooperative.

Frequently Asked Questions

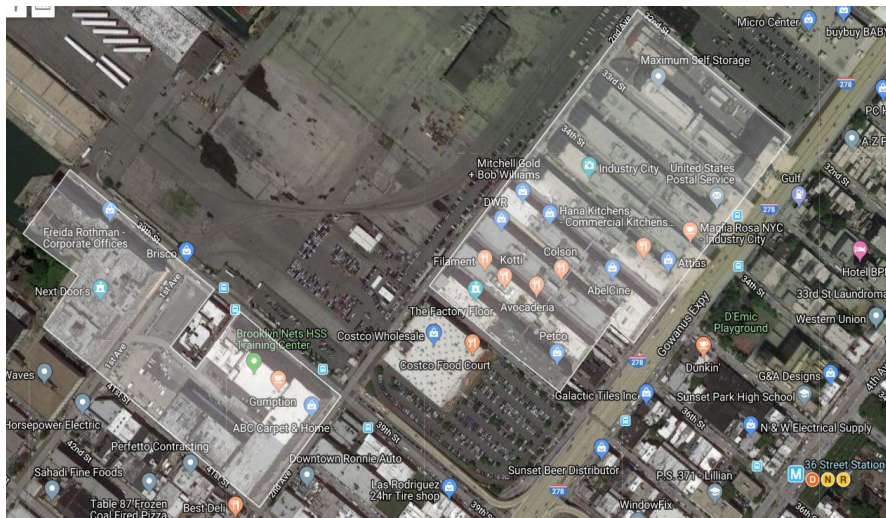
Who is the “Steering Committee-in-Formation”?

We are a small group of residents and mission-driven organizations who care deeply about the future of Sunset Park’s rich communities and working waterfront. We have committed significant time over the last months to learn about Industry City Associates’ rezoning proposal, review the significant housing concerns facing our community, and understand the forces shaping our working waterfront. We now feel that the risk of what Industry City Associates can do ‘as-of-right’ is enough to explore an alternative, and want to invite our community to join us in this exploration.

We are not representing the Council Member’s office or the Community Board, though some of us are members of the Board. And we believe that the pursuit of a CBA does not preclude, and might also advance, long-term planning for Sunset Park’s working waterfront.

What is Industry City?

Industry City is the name of a 5.3 million square foot complex of 16 buildings constructed between 1890 and 1920 on Sunset Park’s waterfront. The complex sits between 32nd and 41st Streets between Third Avenue and the water. In 2013, five investing partners purchased the complex, with Jamestown Properties becoming the majority owner. In 2015, the owners (Industry City Associates) announced a plan to redevelop the properties to create an “innovation economy” ecosystem. This redevelopment plan envisioned the complex being leased to other businesses or public entities for manufacturing, office, retail, academic, and hotel uses.



Currently, Industry City’s ownership is renovating the complex and leasing space to a variety of private businesses. [The properties are now home to many design, engineering, media, and manufacturing businesses, as well as restaurants, bars, and event space.](#) There is also significant vacant space that has yet to be leased or renovated.

Map of Industry City’s Properties

What does Industry City Associates want?

Not all of the proposed redevelopment plan is possible given the rules that currently govern the Industry City property. These “zoning” rules dictate what—and how much—can be built on a property, as well as the kinds of things that can happen in those buildings. Industry City Associates is seeking a “rezoning” to be able to realize their full development plan. They [have filed their proposal \(called an “application”\) with the NYC Department of City Planning](#). The major elements of the proposed rezoning plan are:

- More—and larger—retail spaces
- Hotels
- Space for college classrooms
- Building new buildings

Here is a [link to the 2017 letter](#) outlining the official land use “actions” being requesting.

What is a Community Benefits Agreement (CBA)?

A Community Benefits Agreement is the generic term for a legally binding contract between private, community-based groups and a private developer or owner. This contract enables communities to negotiate benefits from a private owner in exchange for allowing the development project to proceed. If the developer or owner fails to follow through with the terms of the agreement, the co-signers of the agreement can pursue legal enforcement of the terms.

Why are we talking about a “CBA” with Industry City Associates?

In order to “rezone”, Industry City Associates must receive public approval of the proposal, which culminates in a City Council vote to approve or deny the rezoning. Council Member Menchaca has expressed opposition to the proposal as it stands. But he is also concerned about the ability of Industry City Associates to dramatically change the character of the waterfront under the current zoning. (All of the changes at Industry City to this point have occurred under the current zoning and can legally continue.) The Council Member has offered an alternative plan that seeks to ensure the future of manufacturing jobs and job pipelines in Sunset Park, while also addressing serious neighborhood challenges around housing affordability and climate resilience. This plan has three components:

- Changing Industry City’s rezoning proposal;
- Bringing additional neighborhood investments from the City of New York, such as enhanced funding for tenant organizing and workforce development resources;
- Negotiating a contract—a Community Benefits Agreement, or “CBA”—between Industry City Associates and neighborhood organizations to require the property owner to contribute directly to our neighborhood’s challenges.

Council Member Menchaca is concerned about the current zoning, but recognizes that any rezoning should be combined with additional community investments and strategies to address our most pressing needs. A CBA is one such strategy. The Council Member has stated that without an effective CBA, he will vote down a rezoning of Industry City if it comes to the floor of the City Council.

Do CBAs work?

It depends. Many things are required for a contract between a private property owner and community organizations to be effective in the long term. First, it must be drafted by lawyers who know what they are doing--this means including specific, measurable agreements, and ensuring that the agreement applies to any future property owners. Second, it must be signed by appropriate individuals or organizations who are willing and able to enforce the agreement in the long term. If any of these pieces fail, a CBA won't be effective. We recognize that many CBAs have failed to produce the benefits that were promised. We are concerned about this. But it is our understanding that there are examples of successful CBAs around the United States, and the Coalition plans to continue our research to understand if a robust, enforceable CBA is possible with Industry City.

We also believe that the pursuit of a CBA does not preclude, and might advance, long-term planning for Sunset Park's working waterfront.

Who can be part of a CBA?

Anyone can contribute to discussions about a CBA, but there are restrictions and strategic considerations about who should sign the official legal contract. The co-signers of a future CBA have not been determined. Any governmental entity--a Community Board or an elected official--cannot sign a CBA.

What will be expected of me if I join the Coalition?

Joining this coalition effort means collaborating with a group of diverse neighborhood stakeholders in a good-faith effort to explore whether an effective and robust CBA can be reached with Industry City's ownership for the benefit of Sunset Park. For your organization, this might mean helping to shape a detailed agenda for negotiation. It could also mean becoming a co-signer to the CBA and committing to long-term enforcement of its terms. Regardless of your exact role, joining this effort will require significant time over the coming months. Like many new coalitions, we will co-create our process and platform. This will likely not be an easy process at times, but we are excited about the possibilities of a neighborhood-wide collaboration.

Can I join if I know nothing about negotiating or writing contracts?

Yes. You are invited because you are experts in Sunset Park and represent vital parts of our community. The coalition will work with lawyers to negotiate and write a contract based on the work that community stakeholders do together. The legal team will be experienced with CBAs and understand the strengths and weaknesses of existing CBAs.

How long will it take to negotiate the CBA?

There is no set time. If Industry City's rezoning application enters the public process ([called "ULURP"](#)) there will be approximately seven months before a City Council vote. We do not know exactly if or when Industry City's application will enter the ULURP process, so we hope to continue moving the conversation forward in the meantime while understanding that uncertainty.

What if there is no rezoning?

Exploring a CBA does not mean that a rezoning will be approved. If it's not approved--and a CBA isn't signed--our efforts to build a coalition in Sunset Park can still have valuable impacts. The relationships we build--and the agreements we develop--can be a launching pad for other community-wide efforts and longer-term planning.

What if I don't believe that there should be a Community Benefits Agreement (CBA) with Industry City?

If you are interested in having the conversation about a CBA with Industry City Associates, we encourage you to join us. However, if you are not interested in considering the possibility of a CBA, we encourage you to stay engaged but organize in another venue.

Who else has been invited to join this coalition?

We have sent this invitation to a wide range of Sunset Park's community organizations and nonprofits. We also recognize the limits of our reach. If you know organizations not on this list who you think should be invited, please let us know. A list of groups we have contacted to date:

ArtBuilt
Atlas DIY
BioBAT
BRACE
Brooklyn Chinese American Association
Brooklyn Chinese Improvement Association
Center for Family Life
Chinese American Planning Council
Chinese Promise Baptist Church
City Growers
Comite de comunitario
Fifth Avenue Committee
Friends of Sunset Park
Groundswell
Jovita Sosa
Love Trumps Hate
Madine Muslim Community Center
Make Space for Quality Schools
Makerspace
Mixteca
NARS Foundation
Nicholas Azadian
Parent Child Relations /Fujian Senior Organization
Protect Sunset Park

Si Se Puede
Street Soccer USA
Sunset Park High School
Sunset Park Landmarks Committee
Sunset Spark
Sunset Park Tenants United
Trinity Lutheran Church
Turning Point/Brooklyn Community Services
UPROSE
Vision Futuro
Voces Ciudadanes
Yemeni Merchants Association