

□ DISTRICT OFFICE

4417 4th AVE
BROOKLYN, NY 11220
TEL: (718) 439-9012
FAX: (347) 599-0604

□ CITY HALL OFFICE

250 BROADWAY, SUITE 1728
NEW YORK, NY 10007
TEL: (212) 788-7372
FAX: (212) 788-7768



THE COUNCIL
OF
THE CITY OF NEW YORK

CARLOS MENCHACA

COUNCIL MEMBER
38th DISTRICT, BROOKLYN

CHAIR

IMMIGRATION

COMMITTEES

ECONOMIC DEVELOPMENT

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August 12, 2020

Dear Colleagues,

Before the pandemic and our current economic crisis, we knew that millions of working families faced daily uncertainty and hardship in our city. Most of us also knew, and more understand now, that among these families it is Black, Latinx, and immigrant New Yorkers who bear the greatest burden even while performing our most essential work. That is why despite our policy differences, we have spent our careers championing these New Yorkers.

One of our greatest powers in this fight for justice and equity is encouraging investment and development in our communities through the land use review process. When effectively used, investment and development make our City more just, fair, and resilient. But without care, it excludes our most vulnerable neighbors from the economy, denies them access to housing and jobs, and makes them even more susceptible to the growing threat of climate change.

Knowing our power, we are used to private developers pitching us plans that promise our communities jobs and other benefits in exchange for our support. But like me, I know all of you care more about proof than promises. Without accountability, developers can offer the moon, but it means nothing. That is the case with Industry City.

The scale of Industry City's property and proposal are staggering. Since 2013, Industry City has used City tax abatements and private investment to transform 5 million square feet of industrial waterfront into a luxury retail mall with some manufacturing. Their investment has facilitated the arrival of 7,000+ jobs, some of which are new, while many are drawn from other parts of New York. In 2017, they proposed a rezoning that would facilitate another 1 million square feet of development, all of which could be retail, office, and hotels under the new zoning rules.

This may sound good on paper, but Industry City sits in the heart of Sunset Park's active, growing Industrial Business Zone, where manufacturers and their essential workers find relatively affordable

rents in one of our last remaining industrial strongholds, and which the City has prioritized for these uses. Yet nothing in Industry City's rezoning proposal would obligate them to promote the City's vision, let alone invest in green manufacturing and green jobs that are the best chance working class families have to participate in our new climate economy.

Industry City argues that this transformation is a win for the neighborhood, and that jobs are accessible to their Sunset Park neighbors. But there is scant evidence to support this claim. On the contrary, Industry City's presence has fueled speculation and coincided with a dramatic increase in residential and commercial rents, which has displaced mostly immigrant working class families - a vicious cycle of increasing inequity many of you are familiar with in your districts.

Moreover, Industry City recently stated that it does not need a rezoning to continue facilitating job growth, which raises the question: why do they need a rezoning? Why should the City undergo an unprecedented change to an Industrial Business Zone, that has the potential to exacerbate the displacement and economic uncertainty they have already contributed to, with zero accountability built-in if they fail to deliver on their promises?

So, after a year of reviewing this application, with a diverse working group of Sunset Park organizations, planning experts, and residents, and through conversations with my constituents in over ten public town halls organized by the Community Board, **I concluded that if Industry City wanted a rezoning it needed to be done Sunset Park's way.**

I announced three conditions for my support: Industry City had to modify the rezoning proposal substantially by eliminating hotels and setting aside a large amount of space for manufacturing. Second, the City, through the Mayor, had to invest in affordable housing and promote job access through education, as is done in other comparable rezonings with citywide impacts. Finally, Industry City had to negotiate a Community Benefits Agreement with their Sunset Park neighbors to ensure direct accountability, which our working families need now more than ever.

To their credit, Industry City publicly promised to make changes and negotiate with their neighbors. But the Mayor, already reluctant to help pre-COVID, has no interest in helping Sunset Park, despite my repeated attempts. The Mayor acknowledges that Industry City will have citywide impacts but denies any responsibility to intervene because the rezoning is a "private application." This is a contradiction befitting the Mayor but leaves our most vulnerable neighbors in Sunset Park at the mercy of the rezoning's worst effects.

Moreover, although Industry City agreed to negotiate with their neighbors, their actions prevented any meaningful negotiation from getting off the ground. The coalition of Sunset Park organizations, experts, and residents who arose to negotiate on behalf of the community had to find legal counsel strong enough to negotiate with a developer backed by billionaire global investors. Despite Industry

City initiating ULURP before they were ready, their efforts were herculean, but after COVID-19 struck, became impossible.

Because the City chose not to protect and invest in Sunset Park at a critical moment and because there is no legally binding contract to ensure Industry City delivers on their promises, offsets the rise in rents and displacement that a rezoning would exacerbate, or protect the manufacturing and green job potential of the waterfront, I cannot support their application.

Now, although I laid out conditions and stuck to them consistently, Industry City is spending extraordinary amounts of money peddling the narrative that my conditions are unreasonable and will hurt the City's economy. But as legislators supported by a very capable Land Use Division, we know better. Zoning is a legal framework only. There is nothing in the zoning laws that obligates landowners to deliver on any of the plans they offer.

This distinction between plans and their accountability is critical. Accountability is what separates serious projects from gambles on our constituents' homes, jobs, and lives. Without meeting my conditions, Industry City will have free reign to promise whatever they want but be under no obligation to deliver.

Rezoning Industry City without accountability is not the solution, or even a solution, to help our most vulnerable neighbors overcome the devastation and loss that COVID-19 has wrought. And it would be a major blow to our credibility if we wrote a blank check to a developer based on big promises alone. But if we approve this application, that is exactly what we will do.

I am asking you to trust your fellow New Yorkers in Sunset Park. I am asking you to trust a two-year process led by the Community Board, local organizations, and the thousands of New Yorkers who analyzed, organized, and debated this proposal. My position is the culmination of their work. Let their work and response to this rezoning proposal, which has been incredible even during the COVID-19 pandemic, be the final word.

In solidarity,



Carlos Menchaca
Chair of the Committee on Immigration
New York City Council, District 38