

**Brooklyn Borough President Recommendation**

CITY PLANNING COMMISSION  
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**INSTRUCTIONS**

1. Return this completed form with any attachments to the Calendar Information Office, City Planning Commission, Room 2E at the above address.
2. Send one copy with any attachments to the applicant's representatives as indicated on the Notice of Certification.

**APPLICATION**

25 KENT AVENUE – BUSINESS ENHANCING USE – 160124 ZSK, 160125 ZSK, AND 160126 ZRK

In the matter of applications submitted by 19 Kent Acquisition LLC, seeking approval of two Special Permits, and for a text amendment to establish a Special Permit applicable in the M1-2 zoning designation, with the Department of City Planning as co-applicant, to facilitate development of the block bounded by Wythe and Kent Avenues, and North 12<sup>th</sup> and 13<sup>th</sup> streets, in the Williamsburg section of Brooklyn, within the Greenpoint-Williamsburg Industrial Business Zone, in Community District 1.

COMMUNITY DISTRICT NO. 1

BOROUGH OF BROOKLYN

**RECOMMENDATION**

- APPROVE (160124 ZSK and 160125 ZSK)  
 APPROVE WITH (160126 ZRK)  
MODIFICATIONS/CONDITIONS

- DISAPPROVE  
 DISAPPROVE WITH  
MODIFICATIONS/CONDITIONS

SEE ATTACHED

\_\_\_\_\_  
BROOKLYN BOROUGH PRESIDENT

April 8, 2016

\_\_\_\_\_  
DATE

## **RECOMMENDATION FOR – 160124 ZSK, 160125 ZSK, AND 160126 ZRK**

The applicant, 19 Kent Avenue Acquisition LLC, is seeking authorization of two Special Permits, and a text amendment together with the New York City Department of City Planning (DCP) as co-applicant, to facilitate the development of a privately-owned site in the Williamsburg section of Brooklyn, within Community District 1 (CD 1). The site encompasses an entire block, bound by Wythe and Kent avenues, and North 12<sup>th</sup> and 13<sup>th</sup> streets, and is located within the M1-2 zoning district, in the Greenpoint-Williamsburg Industrial Business District (IBZ).

On March 21, 2016, Brooklyn Borough President Eric L. Adams held a public hearing on these applications. There were 13 speakers for this item: five in favor, six in opposition, and two neutral. Organizations represented by these speakers include: Evergreen, Business Outreach Career Network, Friends of Bushwick Inlet Park, Association for Neighborhood and Housing Development (ANHD), Downtown Brooklyn Partnership, Brooklyn Chamber of Commerce, Pratt Center, North Brooklyn Development Corporation, Open Space Alliance, and Madwell.

Speakers in opposition voiced numerous concerns regarding:

- The IBZ's failure to maintain and preserve manufacturing space because of the language in the zoning text, resulting in the continued development of entertainment and hotel venues
- The ongoing displacement of industrial businesses due to rising rents
- The text amendment moving forward without the completion of the North Brooklyn Industry and Innovation Plan
- The lack of outreach and communication done by DCP
- The lack of analysis to support a text change that has the potential to impact a large area
- The low ratio set aside for industrial uses not being favorable to what is actually needed in the IBZ
- The uncertainty of affordability of the proposed industrial spaces
- The lack of proposed monitoring and enforcement of the industrial spaces
- The application of a site-specific formula to a much broader area with potentially different needs
- The fear that once the text is created it will set a precedent and become applicable citywide
- The M1-1 district being left out of the text amendment and missed opportunities for businesses to expand their operations
- The new development attributing to increased traffic congestion
- The developer's lack of commitment to providing high quality jobs and prevailing wages
- The broken promises of the 2005 rezoning, as Bushwick Inlet Park has yet to be completed

Speakers in support voiced numerous comments regarding the development of 25 Kent Avenue:

- Being able to provide a large number of construction and long-term jobs
- Fostering innovation and economic engine to grow much-needed commercial and industrial space in Brooklyn
- Providing the type of design that encourages local employment
- Creating an ecosystem for commercial and industrial uses that benefit from being in close proximity to each other

More testimony was provided subsequent to the hearing, including Greenpoint Waterfront Association for Parks and Planning (GWAPP).

The applicant originally was seeking a rezoning of the development site, from the existing M1-2 zoning district to an M1-5 zoning district. DCP stated that there was concern regarding the types of permissible uses, extent of the requested density, and inadequacy of height restrictions that would be allowed in an M1-5 zoning district. DCP recognizes that the ongoing displacement of industrial and manufacturing space in this area is directly attributed to the continued hotel and entertainment venue construction and conversion. In taking into consideration broader policy implications, DCP developed a text amendment as a means to generally obtain the applicant's intended density with restrictions on use and height, linked to an obligation to ensure the provision of floor area dedicated to light industrial and manufacturing uses. The amendment would establish two Special Permits to permit such buildings on a case by case basis. The text amendment is not intended to be a comprehensive answer to strengthening the industrial sector citywide. It is intended to be a specific and focused tool to allow the applicant to move forward in a way that addressed the policy concerns raised by the applicant's original proposal. DCP has been using this application to learn more about the needs of this industrial business area, and overall understanding of the industrial policy citywide, by utilizing the questions, concerns, and ideas as they arise throughout the process.

The text amendment was limited to only 14 blocks of the M1-2 zoning district, as opposed to the entire IBZ because the ratio and the structure of the Special Permit was specifically created to complement the existing M1-2 zoning district, with the 25 Kent Avenue proposal in mind. DCP stated that the M1-1 zoning district was left out of the proposed text amendment due to the implications associated with increasing density, based on the existing commercial floor area ratio (FAR) of 1.0 and considering the M1-1 zoning district is bordered by residential uses.

Recognizing concerns shared pertaining to hotels, retail, entertainment, and mini-storage being allowed in manufacturing zoning districts, the zoning text amendment contains specific preclusion of now permitted uses as a means to designate floor area for meaningful industrial uses. It was deemed premature to consider a more comprehensive update of the permitted uses, given the narrow scope of this proposal.

DCP stated that accessory retail uses are permitted within the Business Enhancing Uses floor area as long as they are recognized as accessory retail. Prohibiting a retail component of such space may deny a certain synergy between the industrial and retail space that a specific business may have. While it is possible to further refine the text to exclude such uses from the Business Enhancing Use floor area, it may prove challenging as accessory uses could mean different things.

DCP clarified that the ratio of one square foot to 3.5 square feet is used for these applications because 17 percent the floor area equals approximately one floor of industrial space. The ratio is not meant to be the end of the conversion but rather a minimum requirement for the provision of industrial space, which is not a requirement under the existing zoning.

Regarding monitoring and enforcement of the Business Enhancing Uses, and possible considerations for existing precedents set by other districts within the Zoning Resolution, DCP stated that reporting is the most straight forward tool that could be used. DCP is willing

to explore the idea of having a single administering agent but requires a more institutional approach.

With regard to the specificity of requirement for parking garage attendants, DCP stated that the approved drawings for the Special Permit indicate that the parking garage will be an attended facility without regard to specifying the number of attendants on premise. If, during the City Planning Commission (CPC) review, it is concluded that there is a need for further review regarding such details, the New York City Charter permits CPC to introduce changes to the application as part of its recommendation.

In response to Borough President Adams' policy to promote the use of sustainable and renewable energy resources, as well as promoting practices to retain stormwater runoff, the applicant's representative noted that the project incorporates water retention plantings within the plazas and on the roof. Because the site is currently contaminated, there will also be an extensive cleanup of the existing ground contamination.

In response to Borough President Adams' policy to maximize job opportunities for Brooklynites, the representative noted that the developer uses local sourcing and hiring at all sites and will be providing documentation of such efforts subsequent to the hearing. The representative stated that the Industrial and Commercial Abatement Program (ICAP) will be this site's monitoring agent for local hiring efforts. The applicant/developer stated that while the bidding process is not finished, the supplier of the glass, which is extensively used throughout this site's design, would most likely be an MWBE-registered business. The applicant/developer also stated that a lot of the engineers used in past projects have been MWBE-certified and, as part of ICAP, they will continue vetting MWBEs for this project as well.

Subsequent to the hearing, the applicant provided a letter dated March 29, 2016 addressing concerns with regard to the comparisons made between the proposed text amendment and the recently passed zoning initiative in San Francisco, the applicant cautions that not a single square foot of manufacturing space resulted since the initiative was created. San Francisco's own economic feasibility study showed that the 33 percent requirement for development of Production, Distribution, and Repair use spaces was not feasible for most typical projects. The zoning structure intended to create value and recapture some of it to subsidize development of manufacturing space has not worked to date. The applicant committed to providing 29 percent of the newly created commercial use space, or 17 percent of the whole development, for light manufacturing uses and is committed to make this number work within the context of the New York City marketplace.

### **Consideration**

Community Board 1 (CB 1) disapproved the zoning text change application with several conditions and approved both Special Permit applications. CB 1 recommended that:

- DCP's text amendment be limited to the block of 25 Kent Avenue
- the business enhancing use space be required to lease at 20 percent below current market rate
- there be local nonprofit oversight of the required industrial spaces, including assistance in marketing vacancies and certifying accurate and affordable lease rates (must report to Economic Development Corporation)
- DCP be required to develop a tool to enable industrial businesses in adjacent M1-1 districts to add height and bulk in order to expand their operations without a variance or ULURP
- the applicant be required to provide service jobs with prevailing wages

- the FAR be reduced

The text amendment would create two Special Permits available within a 14-block area of the M1-2 zoning district in the Greenpoint-Williamsburg Industrial Business Zone (Greenpoint-Williamsburg IBZ), generally bounded by Banker Street to the north, North Ninth Street to the south, Kent Avenue to the west, and a line approximately equidistant between, and running parallel with, Berry Street and Wythe Avenue to the east (Enhanced Business Area).

The zoning amendment is an attempt to respond to both the applicant's interest in developing this site, demonstrated by efforts to obtain construction clearance, as well as concerns raised about the uses developed within this IBZ. As for the applicant/developer, in early 2014, approval was granted to begin site clearance for an intended as-of-right 11-story commercial and community facility office building containing 383,040 square feet of floor area and 1,100 parking spaces, permitted by the M1-2 zoning district. That summer, approval was granted to begin construction of the foundations for this building. Near the end of 2014, a new building permit was granted by the New York City Department of Buildings (DOB) to construct to a height of 157 feet above curb level. Site clearance has been completed and 19 Kent Acquisition LLC intends to start excavation, foundation work, and site remediation within the coming weeks, though the intent remains to modify what is built according to the two Special Permit applications.

The zoning text is also an attempt to address once unforeseen as-of-right development trends. The 14-block M1-2 zoning district was rezoned in 2005, as part of the much larger Greenpoint-Williamsburg waterfront area rezoning, to preclude heavy industrial uses as much of the rezoning encouraged residential development nearby. Additionally, a park was designated across Kent Avenue. The rezoned M1-2 zoning district better reflected the types of manufacturing uses that had come to occupy it, and with the intention to ensure that new industrial uses in the area would be fully enclosed and compatible with the nearby residential and mixed use neighborhoods. This was complemented in 2006, as this area was included within the newly established Greenpoint-Williamsburg IBZ, signaling a commitment to land use policies that encourage the retention and growth of such businesses. Subsequently, the IBZ has seen a loss of active industrial uses, particularly in the M1-2 zoning district section, as a preponderance of new nightlife, entertainment, and hotel uses contribute to displacement of manufacturing and industrial uses. This is evidenced by the growing number of hotels, nightclubs, restaurants, and other entertainment venues in the area that have recently opened or are under construction. In the areas that were not transformed, many properties remain largely underutilized. The application cites the M1-1 zoning district section, which comprises the northeastern boundary of the IBZ, as a remaining active industrial area.

Land uses in the area include a mix of industrial, restaurant, entertainment, hotel, open and enclosed storage, and warehouse uses. The uses by zoning lot break down to approximately 49 percent manufacturing or industrial uses, 20 percent commercial office or retail uses, 12 percent hotel or eating/drinking establishment uses, two percent residential uses, and 16 percent currently under construction for a hotel, eating/drinking establishment, or medical office use. However, the already developed, and still under development, construction floor area is much more characterized by hotel use. In addition, there has been a trend of office development, including Amazon's conversion of 35 Kent Avenue, a one- and two-story manufacturing building adjacent to the development site on North 12<sup>th</sup> Street, from manufacturing to office and photography studio space.

While new development in the IBZ has tended toward entertainment and nightlife uses, there has also been office development that appears to be reflective of the resurgence of Brooklyn's office base. A spike in demand from the media, tech, and creative industries has led to very low inventory of available commercial space in Downtown Brooklyn, DUMBO, and Williamsburg. Commonly cited reasons given for this demand include the desire of tenants to occupy converted loft-spaces, and the attraction of operating in close proximity to the communities in which their workforces reside.

The text amendment provides an opportunity to leverage the potential rental income from office development while providing financially viable alternatives to hotel, retail, and entertainment uses, leveraging permanent space of the majority of manufacturing listed zoning uses. By allowing commercial uses and light manufacturing uses to occupy floor area beyond what is permitted by the M1-2 use limitations, the text amendment seeks to diversify the economic base within the proposed Enhanced Business Area and increase employment opportunities. The intent of the text amendment is to protect and preserve the manufacturing base in the IBZ while simultaneously allowing a limited amount of commercial office development. According to the application, the section of the IBZ zoned as an M1-1 zoning district, has not experienced the degree of manufacturing and industrial displacement that the proposed Enhanced Business Area has. Therefore, a development-inducing mechanism was not deemed appropriate in the context of stabilization, preservation, and growth of the IBZ's manufacturing and industrial base.

The text amendment would allow, through grant of two new Special Permits by the City Planning Commission (CPC), a change of use from the as-of-right 4.8 community facility FAR to a 4.8 FAR for certain commercial and manufacturing uses. The text amendment allows such a use change by creating three categories of uses. The first category is uses permitted as-of-right in the underlying M1-2 zoning district, which are permitted at a maximum 2.0 FAR as-of-right (Permitted Uses). The second category is uses permitted in the underlying M1-2 zoning district, with the exception of hotels, moving and storage facilities, and certain other uses (Incentive Uses). By grant of Special Permit, in addition to the as-of-right 2.0 FAR for certain commercial and manufacturing uses, up to an additional 2.0 FAR may be used for Incentive Uses. The third category is an even more narrowly tailored list of Permitted Uses that comprises certain light industrial uses (Business Enhancing Uses). To achieve the 2.0 additional FAR for certain commercial and manufacturing uses, a minimum of 0.8 FAR must be provided for Business Enhancing Uses. Buildings utilizing the Special Permit would be capped at a maximum 4.8 FAR.

Though the built context of the area surrounding the site is characterized primarily by one- and two-story manufacturing and storage buildings occupying large lots, the zoning envelope of the M1-2 zoning district permits very tall construction. This is represented by the nine-story Wythe Hotel, located one block south, and the taller hotel buildings that are presently in the construction pipeline. The William Vale Hotel will rise to a height of 250 feet; the Hoxton Hotel will rise to a height of 96 feet as a nine-story hotel; and, another hotel will be eight-stories. In response, the proposed Special Permit would cap height at 110 feet unless the development contains plaza space, which would allow up to 135 feet.

DCP identified recordation, a Notice of Restrictions, the form and content of which would be satisfactory to the CPC, as part of the proposed zoning text as the mechanism to ensure appropriate use of the Business Enhancing Use spaces. Specifically, for developing floor area pursuant to the Enhanced Business Area Special Permit, use restrictions or requirements, as applicable, would be according to ZR Section 74-962(d). It would mandate a recording requirement against the subject tax lot in the Office of the City Register or, where applicable, in the County Clerk's office, in the county where the lot is located. The filing and

recording of such Notice of Restrictions would be a precondition to the issuance of any building permit utilizing the provisions set forth in Section 74-962(d). The recording information would be referenced on the first certificate of occupancy to be issued after such notice is recorded, as well as all subsequent certificates of occupancy, for as long as the restrictions remain in effect.

The applicant's two Special Permits, pursuant to the zoning text amendment, would facilitate development of an 80,000 square foot city block composed of a privately-owned assemblage of lots. The site is bounded to the north by North 13<sup>th</sup> Street, to the south by North 12<sup>th</sup> Street, to the west by Kent Avenue, and to the east by Wythe Avenue. Historically, the site has been used for manufacturing and industrial purposes. The site was partially occupied by four one- and two-story buildings of approximately 20,000 square feet of floor area, consisting of storage uses that were demolished and cleared in 2005. Subsequent uses included open temporary parking and a construction equipment rental operation.

The proposed development site would contain approximately 380,000 square feet of floor area, 275 attended accessory parking spaces and 150 bicycle parking spaces, in a parking garage located in the cellar, three accessory loading docks, and two public plazas totaling 14,400 square feet. The proposed building would contain the three categories of uses within the existing maximum FAR of 4.8. These categories include nearly 160,000 square feet (42 percent) of Permitted Uses, approximately 63,700 square feet (17 percent) of Business Enhancing Uses, and more than 156,500 square feet (41 percent) of Incentive Uses.

In addition to bike and car accommodations, access to the development would be supported by two subway stations, including the G line, at Nassau and Bedford avenues, and L line at Bedford Avenue and North Seventh Street, both approximately a seven- to eight-minute walk from the site. Several bus lines — the B32 directly, and B24, B39, B46, B60, B62, Q54, and Q59 by connection — also serve this area.

The proposed building design utilizes brick and glass, as well as 16-foot floor to ceiling heights and open floor plates, to reflect the character of the Greenpoint-Williamsburg industrial past. The public plazas would be linked by a 40-foot wide partially covered pedestrian walkway located at grade, approximately midway between North 12<sup>th</sup> and North 13<sup>th</sup> streets, as an additional route to connect the neighborhood to the waterfront park. This pedestrian walkway further serves as the primary point of access to the proposed development and would include ground floor retail spaces and lobbies serving upper floors.

It is Borough President Adams' policy to support land use actions that broaden economic opportunity within the permitted floor area through actions that facilitate utilization of such floor area for occupancy of a wider range of job generating uses as a means to provide much needed employment opportunities for varied skill sets. Borough President Adams supports the development of floor area for manufacturing use groups and for added density of office uses, in sections of Brooklyn where it supports innovation, creative, and maker economies. He further supports such actions that establish reasonable height limits, more need-based car parking and truck loading berth requirements, and that promote developments that incorporate amenities serving a benefit to the neighborhood.

The development of this entire city block would transform substantially underutilized land to facilitate a mix of commercial and light industrial uses that would support the economy and create a substantial number of construction and permanent jobs. This development provides dedicated space that assures light manufacturing use group establishments would be operating in a manufacturing zoning district. Such development assures retention of the

City's industrial sector as a means to retain and create good jobs for those without degrees from institutions of higher learning. The industrial sector has long been an avenue leading to equitable economic opportunity for immigrant populations, people of color, and low income communities. Borough President Adams supports the preservation of Industrial Business Zones for the creation of jobs that serve as pathway to the middle class. With low barriers to entry and real career pathways, industrial and manufacturing jobs — whose average wages are twice that of the retail sector — are a crucial avenue of opportunity and equitable economic development for low-income communities.

Borough President Adams supports the concept of encouraging development of industrial and manufacturing space through incentivizing commercial office and retail uses and creating an ecosystem for a mix of light industrial and commercial spaces in close proximity to the workforce. Such office space is in great demand in certain neighborhoods and the choice is not whether or not such innovation, creative, and/or maker office space belongs in traditional office districts or to what extent in manufacturing zoning districts. The choice is whether growth can adequately be accommodated where the industries want to locate in New York City as opposed to other regions of the United States and in the global community.

It is Borough President Adams' sustainable energy policy to promote opportunities to utilize solar panels and/or blue/green/white roofs, as well as Passive House construction. He encourages developers to coordinate with the Mayor's Office of Sustainability, New York State Energy Research and Development Authority (NYSERDA), and/or New York Power Authority (NYPA) at each project site. Such modifications would reduce the development's carbon footprint and increase energy efficiency. Furthermore, as part of his flood resiliency policy, Borough President Adams also encourages developers to incorporate permeable pavers and/or establish bioswales that advance the Department of Environmental Protection's (DEP) green-water/stormwater strategies. Blue/green roofs, permeable pavers, and bioswales would deflect stormwater from entering the City's water pollution control plants. According to the NYC Green Infrastructure 2014 Annual Report, green infrastructure has a critical role in addressing water quality challenges and provides numerous environmental, social, and economic co-benefits.

The development is consistent with Borough President Adams' policy regarding sustainability design. Borough President Adams acknowledges the applicant's pursuit of sustainable and resilient rooftop and plaza features. This includes using the building's roof for a combination of blue, green, and/or white roof improvements. The required Builders Pavement Plan and the site's paved plaza surface areas provide opportunities to incorporate permeable pavers and bioswales as well as blue and/or green roofs. Such efforts could help advance DEP green-water/stormwater strategies, enhancing the operation of the Newtown Creek Water Pollution Control Plant during wet weather. Such bioswales have the added benefit of serving as a streetscape improvement.

It is also appropriate for the developer to engage government agencies such as the Mayor's Office of Sustainability, NYSERDA, and/or NYPA, to give consideration to government programs and grants that might offset costs associated with enhancing the sustainability and resiliency of this development site. One such program is the City's Green Roof Tax Abatement (GRTA), which provides a reduction of City property taxes by \$4.50 per square foot of green roof, up to \$100,000. DEP's Office of Green Infrastructure advises property owners and their design professionals through the GRTA application process. Borough President Adams encourages the developer to reach out to his office for any help opening dialogue with any of the aforementioned agencies and further coordinating on this matter.

As further clarified in the March 29, 2016 letter from the applicant's representative, it is the applicant's intent to have stormwater collected on-site, which would also be diminished by the incorporation of rain/gardens and green roof areas. The gardens would recharge stormwater into the ground rather than directly to the City's combined sewer system. The green roof would contribute to the stormwater retention while protecting the roof from solar heat gain. The applicant is also committed to achieving the maximum sustainability practicable through installation of fixtures aimed at reducing the consumption of energy throughout the building, as well as incorporation of a monitored ventilation system.

Borough President Adams is concerned that too many Brooklyn residents are currently unemployed or underemployed. It is his policy to promote economic development to create more employment opportunities. According to averaged data from 2008 to 2012, double-digit unemployment remains a pervasive reality in many of Brooklyn's neighborhoods, with more than half of our community districts experiencing poverty rates of 25 percent or greater. Prioritizing local hiring would assist in addressing this employment crisis. Additionally, promoting Brooklyn-based businesses and including those that qualify as MWBE and LBE is central to Borough President Adams's economic development agenda. This site provides opportunities for the developer to retain Brooklyn-based contractors and subcontractors, especially those who are designated LBEs, consistent with section 6-108.1 of the City's Administrative Code, and MWBE establishments, as a means to meet or exceed standards per Local Law 1 (no less than 20 percent participation). It was estimated that this project has the potential to provide, on average, approximately 175 daily construction jobs over the 18-month period of construction.

Borough President Adams encourages responsible development and good practices by contractors and subcontractors. He believes that workers should be able to work in a non-threatening environment while promoting his agenda for achieving employment for Brooklynites through discretionary land use actions.

Borough President Adams believes that such standards would be met by the developer of 25 Kent Avenue, according to the clarification in the March 29, 2016 letter from the applicant's representative. It is the applicant's intent to seek the construction workforce for this project in conformance with the requirements of the ICAP program, which includes outreach to MWBE firms and submission of Employment Reports to the Division of Labor Services. It is also the applicant's intent to seek a goal of 20 percent for MWBE involvement and put forth commercially reasonable efforts to hire Brooklyn residents and Brooklyn-based subcontractors.

The March 29, 2016 letter further notes that the owner will cooperate with the Department of Transportation (DOT) should they explore the possibility of locating Citi Bike stations adjacent to the property. In addition, the developer shares Borough President Adams' interest in promoting car-share utilization in the neighborhood and is committed to accommodating, to the extent reasonably possible, space for a car-sharing program within the parking garage.

The applicant also commits to report, on an annual basis, to Borough President Adams, Council Member Stephen Levin, and other interested parties, the names of and amount of square feet occupied by the tenants in the manufacturing component of the building.

Though Borough President Adams is generally supportive of the proposed zoning text amendment as it establishes the two Special Permits to enable the development of 25 Kent Avenue, he believes the text should incorporate a few modifications now and be further amended in the future through follow-up action by DCP. Immediate modifications should

pertain initially to the extent of site applicability, enhancement of regulatory oversight, the list of business enhancing uses, and clarifying size of accessory retail use within the business enhancing floor area. In addition, he believes the City should promote non-profit ownership of the Business Enhancing Uses. Furthermore, DCP should take proactive steps to promote development within the entire Greenpoint-Williamsburg IBZ, including: upzoning the remaining M1-1 zoned blocks to M1-2 where appropriate; and, expanding the Enhanced Business Area to include both M1-1 and M1-2 zoned blocks in the IBZ, with applicability to all zoning lots — including recognition of outdated parking and loading berth standards. Borough President Adams also has recommendations pertaining to expanding the area's Citi Bike network, prevailing wages for building service workers, North Sixth Street ferry service, and funding toward completing the acquisition and construction of Bushwick Inlet Park.

### **Appropriate Lot Size of Applicability**

While Borough President Adams seeks for Brooklyn to reap the economic benefits associated with the development of 25 Kent Avenue, he believes that more comprehensive zoning changes should be in place before a significant number of properties would be eligible to pursue the transformation of permitted community facility floor area to commercial floor area. Borough President Adams seeks assurances that certain oversight and use restrictions are in place along with regulations that provide economic equity for both zoning lots of all sizes and where the present M1-1/M1-2 zoning district boundary appears arbitrary. He believes that without providing the opportunity to smaller lots and the M1-1 zoning district would render these properties vulnerable to conversion, from traditional manufacturing use groups to entertainment and retail use groups, for economic gain. As there is no known interest to apply for the Special Permits where DCP has defined eligibility, Borough President Adams believes that it is important to advocate for all subsequent property owners, as equally as practical, to maximize future floor area regulated for business enhancing uses. Until such modifications are in place, eligibility to pursue the Special Permits should be defined by a substantial amount of zoning lot size. Such practice is consistent with other Special Permits incorporated into the Zoning Resolution. Recently, there was a newly-adopted zoning text to establish a Special Permit for the Special Sheepshead Bay District, which became the latest example of a Special Permit to specify a minimum zoning lot size for enabling applicability.

Borough President Adams believes that the Special Permit text should be amended to initially limit applicability of the Special Permit to lots of at least 80,000 square feet. Therefore, he encourages the City Planning Commission or the City Council to initiate such an amendment to the text prior to granting its approval.

### **Regulatory Oversight of Business Enhancing Use Floor Area**

The proposed zoning text amendment identifies recordation as the mechanism to ensure the integrity of Business Enhancing Use space. Recordation is absent of ongoing oversight and, therefore, has limitations as a regulatory tool. The Zoning Resolution provides other examples of methods to encourage compliance with the Zoning Resolution that are worth investigating. These include reporting requirements, such as those required according to the Special 125<sup>th</sup> Street District and the Inclusionary Housing Program, and visual displays, such as those drawn from the City's Plaza Program, which provides signage placed in prominent areas of a plaza that identifies required elements.

Borough President Adams believes that, in addition to the recordation requirement, more stringent enforcement and monitoring tools should be implemented, as a means to adequately provide regulatory oversight of Business Enhancing Use floor area. The zoning

text proposal should require both the establishment of monitoring and reporting procedures, as well as signage, as additional conditions prior to permitting legal occupancy of the business enhancing and incentive use floor area.

The Special Permit should require oversight to be pursuant to a regulatory agreement obligating reporting to an agency such as the New York City Department of Small Business Services (SBS) to receive notification of compliance with each new occupancy as well as providing for annual reporting, pursuant to a regulatory agreement, that each lease or condominium space is occupied in compliance with the regulatory agreement at initial occupancy and upon each subsequent vacancy.

The zoning text should include definition terms such as administering agent and regulatory agreement. The responsibilities of the administering agent should be defined in a manner modeled to that in the Inclusionary Housing text. The regulatory agreement should be defined as an agreement between SBS and the owner of the Business Enhancing Use space that requires compliance with the approved Special Permit(s).

The administering agent should be approved by SBS, with the agency having the authority to revoke such status at any time, before or during the regulatory period. The administering agent should be a non-profit entity and should not be, or be an affiliate of, an owner or managing agent unless SBS approves such entity to serve as the administering agent upon determination that there are adequate safeguards to ensure compliance with the regulatory agreement. This section of Brooklyn has three non-profit organizations — Evergreen, Greenpoint Manufacturing and Design Center (GMDC), and North Brooklyn Development Corporation — which serve industrial providers. These non-profit organizations should be considered as candidates to serve in such oversight capacity of the Business Enhancing Use floor area. The administering agent should be made responsible to maintain all records, setting forth the facts that form the basis of any affidavit submitted to SBS. The administering agent should maintain such records, and such other records as SBS may require, at the offices of the administering agent or at such other location, as may be approved by SBS. The administering agent should make such records, and all facets of the operations of the administering agent, available for inspection and audit by SBS upon request.

The regulatory agreement should require that SBS be provided with documentation including, but not be limited to, plans approved pursuant to the Special Permit according to ZR 74-962. Submitted information should indicate the zoning floor area calculations and zoning references, as well as floor plans delineating Business Enhancing Use floor area. The regulatory agreements should be recorded against all tax lots comprising the portion of the zoning lot within which the Business Enhancing Use floor area is located. Additionally, the regulatory agreements should set forth the obligations, running with such tax lots, of the owner and all successors interested in providing Business Enhancing Uses, in accordance with the adopted Special Permit.

Such requirements should apply to tenanted Business Enhancing Use space, specifying that upon initial occupancy and any subsequent vacancy, Business Enhancing Use space would only be leased to and occupied by Business Enhancing Uses, as applicable. No lease or sublease of a Business Enhancing Use space would be executed, and no tenant or subtenant would commence occupancy without prior approval of the administering agent. After initial occupancy, in the month specified in the regulatory agreement, the administering agent should submit an affidavit to SBS attesting that each lease or sublease of a Business Enhancing Use floor area or renewal thereof during the preceding year

complied with the list of permit Business Enhancing Uses at the time of execution of the lease or sublease or renewal thereof.

In tandem with the reporting requirement, Borough President Adams believes that properly displayed signage can be a deterrent to non-conformance with the zoning use regulations. The two plazas of the proposed development would already be regulated in such a manner. According to the City's Plaza Program, each plaza will contain a mounted sign depicting the type and number of amenities including hours open to the public, linear square feet of seating, the number of movable tables and chairs, light poles, drinking fountains, and bike racks. Such signage also provides a phone number for any associated complaints.

As a means to adequately provide additional regulatory oversight of Business Enhancing Use floor area, Borough President Adams believes it is appropriate to mandate signage depicting the Business Enhancing Uses on the floor plans. Such signage should be placed opposite elevators leading to such spaces, in the corridors upon entering such spaces, and within the building lobby. This should be achieved by amending the proposed text to require visible plaques depicting floor plan representation of Enhanced Business Area Required Use floor area, consistent with Special Permit application drawing Z-072, Zoning Plan Levels 02 and 03. Mounting requirements should specify wall-mounted placement within each building lobby entrance, on walls both opposite elevator doors, and along corridor boundary entering/exiting the Business Enhancing Use area.

Therefore, Borough President Adams encourages the CPC or the City Council to initiate such amendments to the text prior to granting its approval in order to adequately provide regulatory oversight of Business Enhancing Use floor area.

#### **Appropriateness of Listed Business Enhancing Uses**

Recent development trends in manufacturing zoned districts, and this IBZ, have primarily resulted in hotels, offices, retailers, eating and drinking establishments — including entertainment venues — and mini storage facilities. Such trends demonstrate that often these tenants are more lucrative for landlords and property investors than uses that are generally restricted to occupancy in such zones. By establishing a list of excluded uses, the Enhanced Business Area zoning text promotes opportunities for such manufacturing listed uses to more effectively compete in the real estate market and secure space in this IBZ.

In reviewing the list of Business Enhancing Uses, Borough President Adams notes that it contains the opportunity to have showrooms for automobile, motorcycle, trailer, or boat sales. Such uses, when not supported by a service department, might be more financially lucrative as tenants and, as a result, deny other listed Business Enhancing Uses from occupying floor area achieved through the Special Permit. Reportedly, an upscale showroom would be occupying space in the Banker Street section of the IBZ and it is possible that other dealers might follow if an appropriate opportunity was presented. In addition, technological improvements have transformed certain traditional manufacturing space into office-like space. Certain firms now limit production to the digital format product supported by desktop computer work stations, similar to office space, and often are able to compete with more traditional office uses when renting floor area. In order to guarantee the quality of the 17 percent of the building's floor area to be set aside for Business Enhancing Uses, the uses identified about should not be allowed to qualify for floor area set aside through the Special Permit.

Therefore, Borough President Adams believes it is appropriate to modify the ZR Section 74-961 definition of Business Enhancing Uses to exclude automobile, motorcycle, trailer, or

boat sales from Use Group 16A, and processes limited exclusively to digital format product from Use Group 17B in order to keep the integrity of such spaces to serve the businesses most in need. He encourages the City Planning Commission or the City Council to initiate such an amendment to the text prior to granting its approval.

### **Extent of Accessory Retail as part of a Business Enhancing Use**

There has been a trend for certain uses listed within Use Groups 11A, 16, 17 and 18 — beverages, alcoholic, or breweries — where a small accessory section is set-aside for retail or eating and drinking establishments. For example, the Chelsea Market has an interior retail street, where one can purchase freshly-baked goods from a small accessory retail section off the main baking production area. There are also breweries that contain accessory beer halls and/or restaurants. With the ongoing trend of artisanal food and beverage production, an accessory sales component often provides important synergy and financial viability. However, other manufacturing uses, such as metal fabricating and woodworking, do not lend themselves to accessory retail. This puts such uses at a disadvantage because the permitted uses profiting from accessory retail, or eating and drinking, components would likely be able to pay more rent. In addition, if such accessory retail and/or eating and drinking floor space was of excessive size, it would seem to undermine the spirit of the intent of establishing Enhanced Business Areas. The proposed zoning text does not specify whether such accessory operations occupy part of the 17 percent, meant to be set aside for Business Enhancing Use.

Therefore, Borough President Adams seeks to more clearly define the extent that floor area would be allotted for supporting such accessory operations. He believes that it is appropriate to modify ZR Section 74-961 to limit Business Enhancing Use accessory retail operations, specifically for Use Groups 6A, 6C, 7B, 7D, 8B, 8C, 10A, and 12, by permitting up to 100 square feet without regard to the size of the Business Enhancing Use floor area, though not more than 1,000 square feet based on not being more than 10 percent of floor area per establishment. Where such business plan supports an accessory use, in excess of such size limitation, such floor area should be designated as permitted use floor area and be delineated as such on the floor plans filed with the DOB.

Borough President Adams encourages the City Planning Commission or the City Council to initiate such an amendment to the text prior to granting its approval.

### **Encouraging Non-Profit Ownership of Business Enhancing Use Floor Area**

Borough President Adams supports the Mayor's commitment to preserve and expand the City's industrial sector, which plays an important role in ensuring equitable economic development. Recently, the New York City Economic Development Corporation (EDC) has released an important new tool to achieve this vision by issuing a Request for Proposals for a Not-for-Profit Industrial Developer Fund. This fund aims to increase the capacity of non-profit organizations to develop industrial real estate and support the growth of a more robust mission-driven industrial development ecosystem. A comprehensive industrial policy is a crucial piece of the puzzle in the City's effort to reduce income inequality and develop safe, vibrant, and affordable neighborhoods.

Non-profit ownership has resulted in affordable rents for industrial establishments, shielding such tenants from rent increases based on real estate speculation. In addition, such entities are able to be selective of potential tenants to ensure that sub-sectors of uses are adequately accommodated. Mission-driven focus allows such entities to take into account displacement trends as opposed to settling for users that would pay the most rent.

Brooklyn's portfolio of mission-driven non-profit space includes the Brooklyn Navy Yard and multiple sites owned by Evergreen and GMDC.

The EDC fund will allocate up to \$41 million of City capital — and \$150 million of total support — for non-profit developers that plan to acquire, construct, and/or renovate industrial real estate in the City. Mission-driven, non-profit developers are uniquely positioned to use the Fund to increase the supply of affordable industrial real estate with the intention to maximize the number of quality jobs for those in the community that depend on such job availability to enhance their quality of life. The Fund's goal is to catalyze private-sector financing by providing three financing tools: City capital, a credit-enhancing guarantee backed by EDC, and a low-interest subordinate loan from EDC. The importance of putting space in the hands of non-profit, mission-driven developers has been seen time and time again in the development of affordable housing.

Borough President Adams believes it is appropriate for the City to award a portion of the \$41 million Not-for-Profit Industrial Developer Fund to enable the sale of the Business Enhancing Use floor area to local non-profit organizations. Therefore, Borough President Adams encourages the Mayor to allocate a portion of the Not-for-Profit Industrial Developer Fund to stimulate non-profit ownership of Business Enhancing Use floor area.

#### **Amending the Special Permit Parameters to Enhance Utilization**

Borough President Adams believes that the intention behind establishing the Enhanced Business Area is diminished because too many properties within the IBZ would not be eligible for the Special Permits. For such properties, the zoning lot size precludes meeting the requirement of having 5,000 square feet of horizontally contiguous business enhancing use floor space, or the text precludes use for zoning lots in the M1-1 zoning district.

In addition, there is a financial burden imposed upon applicants seeking to rectify archaic car parking and truck loading berth requirements. By maintaining such requirements, DCP is essentially promoting the continuation of the trend to convert property from traditional manufacturing Use Groups to hotel, eating, and drinking establishments — including those serving as entertainment venues, and retail. This trend would likely be magnified by such uses seeking proximity to the disposable incomes of future employees at 25 Kent Avenue if more compelling alternatives are not available to property owners of these smaller lots and lots in the M1-1 zoning district.

Therefore, Borough President Adams believes that in order to improve the attractiveness of the Enhanced Business Area Special Permits to property owners, and to facilitate the enlargement of existing buildings in this IBZ's M1-1 zoning district, in addition to upzoning the M1-1 to M1-2 where appropriate, DCP prepares an application to amend the Zoning Resolution according to the following sections:

#### **Extending Applicability to All Zoning Lots**

As proposed, the Special Permit requires a minimum of 5,000 square feet of horizontally contiguous business enhancing use per floor. This is a deterrent because there are approximately 20 properties within the proposed Enhanced Business District that do not exceed 5,000 square feet of zoning lot size. Therefore, these properties would not be eligible to apply for the additional commercial floor area pursuant to the Special Permit. Borough President Adams believes it is appropriate to reduce the horizontally contiguous floor plate for business enhancing uses to as little as 1,000 square feet as a means to accommodate zoning lots area as small as 2,000 to 2,500 square feet.

Borough President Adams believes that the Special Permits should be applicable to zoning lots without minimum lot size. He also believes that for zoning lots up to 6,000 square feet of lot area, modification of ZR Section 74-962 (b)(1) conditions for minimum amount of business enhancing use floor area to be no less than 1,000 square feet of horizontally contiguous floor area.

#### Parking and Loading Berth Requirements

Under the M1-2 zoning district, parking and loading berth requirements are primarily based on outer-borough car-accommodating policies. Current trends demonstrate the need to accommodate the unique market of creative and innovation offices and light industrial spaces in proximity to the neighborhoods where such workforce resides. This enables the workforce to be much less dependent on a vehicle as a means of transportation, entirely in contrast to the standard requirements of both the M1-1 and M1-2 zoning districts.

Current requirements include a provision (ZR Section 44-22) that is based on the most burdensome use where the developer always has to provide the highest required number of parking spaces just in case of future conversion to a use that might require more parking. The basis for such requirement would allow for eventual return of commercial occupancy to light manufacturing use. ZR Section 44-21 requires one parking space per 300 square feet of floor area. Per the Special Permit, findings are required in order to justify any parking and loading berth reductions. The associated extensive studies and expensive traffic consultant costs make the permit less attractive to owners of smaller businesses and properties. Set standards would make the permit more applicable to other users who may not otherwise be able to afford the costs associated with completing the necessary studies, while allowing the right-sizing of standards.

Borough President Adams believes that in order to appropriately establish parking requirements within the Greenpoint-Williamsburg IBZ for developments approved by the Special Permit for floor area increase pursuant to ZR Section 74-962, ZR Section 74-963 should be modified accordingly. Borough President Adams believes it is warranted to introduce a zoning text change to reduce such parking requirements by incorporating a more reasonable zoning district standard. The most fitting example can be derived from ZR Section 36-21 for C8-3 zoning districts, for Commercial Use Groups 6-16, which requires one parking space per 1,000 square feet of floor area. Furthermore, ZR Section 44-22 should be made inapplicable as it is not logical to suspect that such office development would revert to light manufacturing or warehouse or distribution use.

To alleviate the pressure of providing an excess amount of vehicle parking, and promote a more sustainable form of transportation, Borough President Adams believes it is appropriate to introduce a zoning text change to offset vehicle parking by providing more bicycle parking. Currently, ZR Section 44-60 requires the provision of one bicycle parking space per 10,000 square feet of floor area. Borough President Adams believes that developers providing bicycle parking spaces above and beyond this requirement should permit the offsetting of one vehicle parking space per each such bicycle parking space, for up to 33 percent of the required number of otherwise required car parking spaces.

Additionally, to simplify the burden of parking requirements on smaller developments, Borough President Adams believes it is appropriate to introduce a zoning text change to regulate an automatic waiving of required parking according to ZR Section 36-232 for C8-3 zoning districts. ZR Section 36-232 for C8-3 zoning districts precludes applicability of parking requirements to commercial uses if the total number of accessory off-street parking spaces required for all such uses on the zoning lot is fewer than 40. Any applicant of the Special Permit pursuant to ZR Section 74-963 would still have the option of exceeding the automatic

standard reductions upon provision of supportive studies, ultimately dependent on CPC approval.

#### Parking Attendants

Earlier this month, DOT Brooklyn Borough Commissioner Keith Bray and Council Member Stephen Levin stated that the City will begin a comprehensive study to look at traffic and transportation in the rapidly-growing North Williamsburg and Greenpoint sections of Brooklyn. The study will be used to evaluate transportation and traffic congestion, and develop recommendations to mitigate congestion and enhance mobility and safety for the area. Borough President Adams recognizes that traffic congestion and parking are growing concerns for this neighborhood, as acknowledged by the anticipated DOT study.

It has become more common to utilize stacked parking lifts in combination with horizontal parking of vehicles within new parking garages. Stacked parking necessitates the provision of parking attendants in order to move and rearrange parked vehicles. The efficiency and adequacy of such a parking garage determine its appeal, as opposed to promoting a culture of double-parking or searching area streets for limited on-street parking. Double parking can disrupt movement of traffic and can shift traffic patterns to residential streets. The search for street parking might bring vehicles to residential blocks and results in added competition with those already residing or working in the area who have been dependent on the adequacy of the availability of street parking. Therefore, the operation of the garage directly reflects quality-of-life impacts within the community.

In accordance with ZR Section 74-963, the proposed zoning text provides for CPC to prescribe appropriate conditions and safeguards to minimize adverse effects on the character of the surrounding area. Borough President Adams believes that this section should explicitly note that CPC give consideration to determining a minimum number of parking attendants based on hour of day and day of the week according to the intended hours of operations of the establishments within the building. Additionally, the Zoning Resolution's provision regarding accessory parking pursuant to Article 4 Chapter 4 does not provide any use restrictions for the development's parking spaces. Therefore, with proper management of this attended parking resource, Borough President Adams believes this garage would serve as a fee-based community amenity for area residents and employees.

#### Loading

ZR Section 44-54 requires that 50 percent of the floor area be subject to loading berth requirements for manufacturing use, for buildings with both manufacturing (Business Enhancing) and Commercial (Permitted/Incentive) floor area. For manufacturing floor area between 140,000 square feet and 220,000 square feet, the requirement is five loading berths. The remaining floor area is subject to the requirement of five loading berths for commercial floor area between 120,000 square feet and 200,000 square feet. Such onerous loading berth requirements are just as archaic as the parking requirements for the intended predominant commercial use and to require consultant analysis could potentially deter property owners from engaging in the Special Permit process. Borough President Adams believes that off-street loading berth requirements under ZR Section 36-92, per C8-3 zoning district, are appropriate for such Special Permit-driven, incentive-use development.

According to C8-3 zoning district standards pursuant to ZR Section 36-92, no loading berths are required for manufacturing use within development not exceeding 8,000 square feet and for retail up to 25,000 square feet and office use up to 100,000 square feet. For example, one loading berth is required for manufacturing and retail use within a development of up to 40,000 square feet, and for office use of up to 200,000 square feet. Two loading berths are required for manufacturing use within developments of up to 80,000

square feet, for retail of up to 100,000 square feet and office use of up to 500,000 square feet. Three loading berths are required for manufacturing use within developments of up to 160,000 square feet, for retail of up to 250,000 square feet and office use up to 800,000 square feet. Borough President Adams believes that, in lieu of ZR Section 44-54, it is appropriate for minimum off-street loading berth requirements for truck loading to be applicable to ZR Section 36-92 per C8-3 zoning district standard.

Borough President Adams urges DCP to follow-up this proposed text change with a corrective action amendment of the Special Permit in order to improve the attractiveness of the Enhanced Business Area Special Permits to more property owners.

### **Facilitating Investment in the M1-1 Zoning District in the Greenpoint-Williamsburg Industrial Business Zone**

The M1-1 zoning district appears to have been initially established to reflect pre-dated building height. The adjacent then-M3-1 zoning district appears to have been established to reflect more noxious uses. The boundary between the M1-1 and M3-1 zoning districts was generally established to allow for a 400-foot buffer from residential districts, as well as McCarren Park. The M3-1 zoning district permitted double the commercial floor area, as did M1-1, though building heights were generally comparable to what exists on the M1-1 designated properties. As part of the 2005 rezoning, all but one M3-1 zoned blocks were rezoned to M1-2 to replicate the commercial floor area permitted by the M3-1 district. It was beyond the scope of the 2005 rezoning to consider economic opportunity of the overall industrial pocket. Though, during the public review process, the New York Industrial Retention Network and the North Brooklyn Alliance recommended that blocks in manufacturing zoning districts with 1.0 FAR, be increased to 2.0 FAR on the premise that real estate conditions will be more favorable to preserving and encouraging businesses. The Brooklyn borough president in office during 2005 noted that there should be a rezoning to maximize the density of the manufacturing zoning district.

As a result, examining the boundary between the M1-1 and M1-2 districts reveals that there is no longer a valid basis to support the boundary as it is today. These remaining M1-1 zoned blocks include a number of existing light industrial and manufacturing businesses, property owners of which have stated that it would be beneficial to enlarge their buildings. Changing the zoning to M1-2, where appropriate, whether or not in tandem with filing for the Special Permit, would provide a means for businesses to be enlarged within their existing buildings. This would enable the expansion of business operations, providing increased employment opportunities, as well as economic growth citywide. The economic feasibility, through a DCP sponsored rezoning, might encourage these property owners to resist the temptation to convert their developments to eating and drinking establishments — including those serving as entertainment venues, hotels, mini-storage, and retail use. Therefore, Borough President Adams believes it is appropriate for DCP to undertake a zoning study for the purposes of determining where it is appropriate to change the M1-1 zoning to M1-2 and then file an application to amend the zoning map and a text amendment to expand the Enhanced Business Area.

The proposed text amendment identifies the Enhanced Business Area as a 14-block area within the Greenpoint-Williamsburg IBZ, just a few blocks short of encompassing the entire IBZ. The few blocks left out of the proposal are primarily zoned M1-1 and may include some properties that might not be appropriate to rezone to M1-2, yet may include a number of existing light industrial and manufacturing businesses in which property owners have stated that it would be beneficial to enlarge their buildings. Expanding the applicability of the Special Permit would provide another means for businesses to be enlarged within their

existing buildings to achieve expansion of business operations. In addition, the availability of the Special Permit might induce these property owners to resist temptation to have their developments converted to eating and drinking establishments — including those serving as entertainment venues, hotels, mini-storage, and retail use. Therefore, Borough President Adams believes it is appropriate to expand the applicability of the proposed permits to the properties within the M1-1 zoning district of this IBZ.

In concert with the requested DCP ULURP application to change M1-1 zoned blocks to M1-2, it should prepare an application to amend ZR Section 74-96 to make the Special Permit applicable to the remaining M1-1 zoned properties in the IBZ with customized regulations reflecting that such zone permits half of the floor area of what a M1-2 zoning district permits. Such regulations should include: modification of ZR Section 74-962, with regard to the M1-1 floor area increase standard, to be consistent with the M1-1 maximum community facility floor area of 2.4 FAR; and, modification of ZR Section 74-962 (b)(3) to require maximum permitted street wall height be 60 feet, or where a public plaza is provided, maximum height may be 75 feet. The amendment noted for the M1-2 zoning district would otherwise be applicable to the M1-1 zoning district. As a result, parking waiver standards for zoning lots under 18,000 square feet would be eligible for a waiver of parking requirements.

Borough President Adams urges DCP to follow-up this proposed text change with corrective action amendments to properly map the M1-1 designated blocks and, where not appropriate, to have the Enhanced Business Area Special Permit made applicable in order to facilitate appropriate investment in the existing M1-1 designated blocks.

### **City Bike Station Expansion**

Citi Bike has expanded in popularity as it offers a cheap and environmentally-friendly option for mobility around the City. Currently, Citi Bike is in the midst of a rapid expansion, with the promise of 700 stations and 12,000 bikes by 2017. So far, 33 new stations have been installed around Williamsburg. With the intended development at 25 Kent Avenue, Borough President Adams believes that it is appropriate for DOT to take this added destination into consideration to best serve Citi Bike members, as well as to encourage membership growth. He calls on DOT to investigate the feasibility of establishing one or more Citi Bike stations along the perimeter of the development block in order to accommodate the users of the proposed building and its tenants. Additionally, Borough President Adams calls on DOT to undertake an assessment of the existing Citi Bike stations, in coordination with the affected industrial property owners and in consultation with CB 1, to determine the appropriateness of adding more bike docks. Similarly, consideration should be given to removing bike docks that have hindered business operations of the adjoining industrial uses.

### **Prevailing Wages for Permanent Jobs for Building Service Workers**

The industrial sector has long been an avenue leading to equitable economic opportunity for immigrant populations, people of color, and low-income communities. Jobs within the industrial and building service sector serve as a pathway for lower-income earning individuals toward middle class living. With low barriers to entry and real career pathways, industrial, manufacturing, and building service jobs, according to prevailing wage standards, often provide average wages twice that of the retail sector, and often result in local hiring. Such jobs are crucial avenues of opportunity and equitable economic development for those having to manage households based on very-low and low-income wages.

Borough President Adams believes that it is appropriate to leverage public discretionary actions that result in significantly increased economic potential to create pathways toward

securing sufficient income-enabling families to remain in their neighborhoods and lead an adequate quality-of-life, without rent burden. He believes that building service employment often results in locally-based employment. He also believes that whenever there is increased increment of development rights — significantly improving the economic viability of a property — it is appropriate to link prevailing wages to discretionary approvals. Converting a significant amount of community facility floor area to uses such as offices is an example of such discretionary benefit that should trigger prevailing wage requirements for building service workers. Borough President Adams believes that it is worth investigating a legislative approach to achieve such an outcome.

Therefore, Borough President Adams encourages collaboration between himself, the City Administration, and City Council in order to introduce legislation mandating provision of prevailing wage salaries for building service workers where discretionary land use actions have realized an increase (e.g. of at least 100,000 square feet) of floor area without market restrictions.

### **Maintaining East River Ferry Service**

Borough President Adams has concerns regarding the potential disruption in ferry service after the release of an article earlier this month, in POLITICO New York, regarding the New York Water Taxi announcement that it would terminate East River ferry service, ceasing all operations by the end of 2016. New York Water Taxi has a location within walking distance of the proposed site under consideration.

Borough President Adams is concerned that any disruption in ferry service will have direct negative impacts on economic growth and quality of life for Brooklynites who depend on a variety of transportation modes. The continued rapid population growth, both residential and workforce, in coastal areas such as Williamsburg, needs to be supported by multiple reliable modes of transportation. Such service would also be of benefit to those working at 25 Kent Avenue — whether commuting or attending outside meetings. Therefore, Borough President Adams urges the City Administration to ensure continued uninterrupted ferry service at North Sixth Street.

### **Furthering Development of Bushwick Inlet Park**

The adopted rezoning for the waterfront sections of Williamsburg and Greenpoint was anticipated to ultimately result in the creation of more than 50 acres of new parkland along the East River waterfront. Due to unanticipated circumstances, the CitiStorage section of Bushwick Inlet Park remains unfunded for both acquisition and construction. Borough President Adams shares the community's concerns regarding the delay in development of the park. He is aware that, even with ICAP status, the City would ultimately be rewarded with a significant real property increase from this tax lot being developed adjacent to the park. This presents an opportunity for the City to investigate committing a portion of the realized post-occupancy real property tax increment to secure bond financing for the acquisition and development of the remaining sections of the Bushwick Inlet Park, instead of directing the full amount into the general fund. Borough President Adams urges the City Administration to immediately take steps to identify funding sources to secure the completion of promised new parkland along the East River waterfront. The City Administration should explore setting aside the tax increment earned from the development of 25 Kent Avenue to secure bond financing for the acquisition and development of the remaining sections of the Bushwick Inlet Park.

## **Recommendation**

Be it resolved that Brooklyn Borough President Eric L. Adams, pursuant to section 197-c of the New York City Charter and Article 16 of General Municipal Law for New York State, recommends that the City Planning Commission and City Council approve the land use action requested according to the following conditions pertaining to the zoning text amendment:

That the City Planning Commission or City Council amends the proposed text for ZR 74-96 as follows:

1. Initially limit applicability to zoning lots of at least 80,000 square feet
2. In addition to ZR 74-962 (d) Recordation requirement, as a means to adequately provide regulatory oversight of business enhancing use designated area:
  - a. Require oversight be pursuant to a regulatory agreement obligating reporting to the New York City Department of Small Business Services by an administering agent that shall be consistent with ZR 23-961 (c)(3) and (c)(4)
    - i. That defined terms in ZR 74-961 include:
      1. An administering agent, and that such agent be the entity responsible for ensuring, pursuant to the regulatory agreement, that each lease or condominium space is for occupancy in compliance with such regulatory agreement at initial occupancy, at annual reporting and following each subsequent re-occupancy, and
      2. A regulatory agreement, and that such agreement is an agreement between the Department of Small Business Services and the owner of the required Business Enhancing Use floor area requires compliance with all applicable provisions of the Special Permit
    - ii. The administering agent shall be governed by DSBS consistent with ZR 23-96 (e)(1), (e)(2)(ii) and (e)(3), with removal consistent with ZR 23-961 (e)(1)
    - iii. The regulatory agreement shall be consistent with ZR 23-96 (f)(1), (f)(2) and (f)(3)
    - iv. The administering agent shall play a role in the occupant selection process to confirm for business enhancing use consistent with ZR 23-961 (a)(1)
  - b. Require plaques depicting floor plan representation of Enhanced Business Area Required Use area consistent with Special Permit application drawing Z-072 Zoning Plan Levels 02 and 03 to be required to be wall-mounted at each building lobby entrance, walls opposite elevator doors, and corridor boundary entering/exiting from Enhanced Business Area Required Use area

3. That ZR 74-961 definition for Business Enhancing Use exclude automobile, motorcycle, trailer, or boat sales from Use Group 16, and manufacturing processes in Use Group 17 where limited to product exclusively of digital format
4. That ZR 74-961 Business Enhancing Use accessory retail use (Use Groups 6A, 6C, 7B, 7D, 8B, 8C, 10A, and 12) be limited by permitting up to 100 square feet without regard to the size of the Business Enhancing Use floor area, though not more than 1,000 square feet based on not being more than 10 percent of floor area per establishment

Be it further resolved that:

1. The City awards from its \$41 million non-profit industrial allocation to such non-profits that enable the purchase of Business Enhancing Use floor area from willing developers
2. The Department of City Planning, in order to improve the attractiveness of the Enhanced Business Area Special Permits to property owners, prepares an application to amend Zoning Resolution Section 74-96 as follows:
  - a. That the Special Permits be applicable to zoning lots without any minimum lot size
  - b. That for zoning lots up to 6,000 square feet of lot area, modification of 74-962 (b)(1) conditions for minimum amount of Business Enhancing Use floor area to be not less than 1,000 square feet of horizontally contiguous floor area
3. That in order to appropriately establish parking and loading berth requirements for developments approved by the Special Permit, within the Greenpoint-Williamsburg Industrial Business Zone, for floor area increase pursuant to ZR 74-962, ZR 74-963 shall be modified as follows:
  - a. Shall regulate Commercial Use Groups 6-16, according to ZR 36-21 for a C8-3 zoning designation, and that ZR 44-22 be made inapplicable
  - b. Shall permit every bike space provided above and beyond the requirement of ZR 44-60 to reduce automobile parking by one space for up to 33 percent of the required number of automobile parking spaces
  - c. Shall regulate an automatic waiving of required parking according to ZR 36-232 for a C8-3 zoning designation
  - d. Shall specifically note that the City Planning Commission may prescribe to require a set standard for a number of parking attendants as an additional condition and safeguard to minimize adverse effects on the character of the surrounding area
  - e. Shall regulate minimum off-street loading berth requirements for truck loading to be applicable to ZR Section 36-92 instead of Zoning Section 44-54, per the C8-3 District

- f. Shall restrict City Planning Commission findings (a) - (d) for applications seeking to exceed such automatic reductions
4. That in order to facilitate the enlargement of existing buildings in the M1-1 zoning district in the Greenpoint-Williamsburg Industrial Business Zone, Department of City Planning:
- a. Undertake a study of the M1-1 blocks to determine to what extent they would be appropriate for upzoning to M1-2 and then to implement such a rezoning
  - b. Prepare an application to amend Zoning Resolution Section 74-96 to make the Special Permit applicable to M1-1 properties in the Greenpoint-Williamsburg IBZ and to include:
    - i. An M1-1 floor area increase standard modification of ZR 74-962 consistent with the M1-1 maximum community facility floor area of 2.4 FAR
    - ii. Modification of ZR 74-962 (b)(3) conditions of maximum permitted street wall height be 50 feet, maximum height be 60 feet, though where a public plaza is provided, maximum height may be 75 feet
5. That Department of Transportation investigates feasibility of adding one or more stations to the 25 Kent Avenue development block and review existing Citi Bike stations to determine appropriateness of adding bike docks, as well as reducing, where they have hindered business operations, in coordination with the affected industrial property owners and in consultation with CB 1.
6. That, in collaboration with Borough President Adams, the City, and City Council, legislation shall be introduced mandating provision of prevailing wage salaries for building service workers where discretionary land use actions have realized an increase (e.g. of at least 100,000 square feet) of floor area without market restrictions.
7. That the City:
- a. Ensure uninterrupted ferry service at North Sixth Street in response to New York Water Taxi's announcement of terminating service
  - b. In lieu of directing the full amount of the post-occupancy real property taxes in the general fund, the City Administration should explore setting aside of the tax increment earned from the development of 25 Kent Avenue to secure bond financing for the acquisition and development of the remaining sections of the Bushwick Inlet Park

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March 29, 2016

Honorable Eric Adams  
Brooklyn Borough President  
209 Joralemon Street  
Brooklyn, NY 11201

Re: 25 Kent Avenue (C 160124 ZSK; C 160125 ZSK; N 160126 ZRK)

Dear Borough President Adams:

We are land use counsel to 19 Kent Acquisition LLC, applicant for the referenced matters. This letter responds to requests and questions presented at the public hearing held March 21st at Borough Hall.

As proposed, 25 Kent is a transformative development that will continue the entrepreneurial tradition of Williamsburg, create approximately 1,000 construction jobs and approximately 1,500 long-term employment opportunities, and generate upwards of \$75 million in new public revenue during the first 20 years. Moreover, for the first time in decades, new manufacturing space and office space for the city's growing creative and technology sectors will be created in Brooklyn without any public investment.

Development of the proposed building will start with the clean-up of the contaminated soil pursuant to the State's voluntary Brownfield program. The owner is aiming to achieve a LEED Gold certification. All water fixtures that are owner installed will be low flow and tenants will be required to do so as well. The energy consumed in the building, through various means, including LED lighting fixtures, is expected to be 15% less than a similar building built to current New York City Building Code standards. Low VOC paints, adhesives and flooring will be used throughout. While "Passive House" requirements are only applicable to residential buildings, this commercial building will incorporate a ventilation system that will be constantly monitored to ensure it is operating efficiently. In these ways the building demonstrates environmental consciousness and achieves the maximum sustainability practicable. Storm water run-off will be slowed with planted areas both on the building roof and in the plazas at either end of the block. These initiatives address the environmental sustainability concerns raised at the hearing.

The construction workforce for the project will be sought in conformance with the requirements of the ICAP program which includes outreach to MWBE firms and submission of Employment Reports to

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March 30, 2016

Page 2 of 2

the Division of Labor Services. A goal of 20% for MWBE involvement in the project will be sought. Commercially reasonable efforts will be made to hire Brooklyn residents and Brooklyn-based subcontractors.

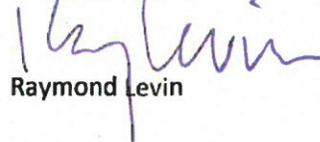
The owner will cooperate with the Department of Transportation should they desire to locate a CitiBike docking station adjacent to the property. The owner will also accommodate, to the extent reasonably possible, space for a car sharing program within the garage.

The owner intends to make this building, the first ground up speculative building with space reserved for light manufacturing tenants, an exemplary citizen of the city incorporating systems and operating procedures that are sustainable and consistent with environmentally sympathetic practices. The building will also be a superior architectural example for the neighborhood.

On an annual basis the owner will report to the Borough President, Council Member and other interested parties the names of and amount of square feet occupied by tenants in the manufacturing component of the building.

We respectfully request a favorable recommendation on the referenced applications.

Sincerely Yours,



Raymond Levin

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March 29, 2016

Honorable Eric Adams  
Brooklyn Borough President  
209 Joralemon Street  
Brooklyn, NY 11201

Re: 25 Kent Avenue (C 160124 ZSK; C 160125 ZSK; N 160126 ZRK)

Dear Borough President Adams:

We are land use counsel to 19 Kent Acquisitions, applicant for the referenced matters. We write today to clarify statements made at the public hearing held on March 21<sup>st</sup> at Borough Hall on the referenced matters. There has been an attempt to compare the proposed text amendment that would allow the development of 25 Kent Avenue, and other potential developments that successfully secure special permits, to a recent zoning initiative passed in San Francisco. A closer examination of the San Francisco program offers a cautionary example for Brooklyn inasmuch as in the years since the zoning was instituted, not a single development has been started, and only one proposal has been reviewed. Therefore, while pointed to as a great success, not a single square foot of manufacturing space, as of this date, has been created.

In early 2009, San Francisco rezoned many of its "M" (Manufacturing) Districts with more restrictive "PDR" (Production, Distribution and Repair) Districts. The former "M" Districts allowed a wide array of uses, including office, residential and retail uses, along with typical industrial uses. The new PDR zoning effectively allowed only industrial uses, along with limited amounts of retail and institutional uses. Office and housing uses were generally prohibited. An Integrated PDR or "IPDR" use category was one exception to the general rule against office use in PDR District. The IPDR category allowed for individual businesses comprised of 2/3 office space and 1/3 PDR space to locate in PDR Districts.

We have been informed that due to the relatively low rents associated with the uses permitted in PDR Districts, along with relatively high construction and regulatory costs, no large-scale new construction occurred on PDR-zoned land in San Francisco between 2009 and 2014, nor were applications for it filed. While the IPDR use allowed for hybrid office/PDR businesses that could theoretically absorb the high cost of new construction, no such unicorn ever appeared: no applications for IPDR use were received in San Francisco and not one IPDR use was established.

SLATER & BECKERMAN PC

March 29, 2016  
Page 2 of 2

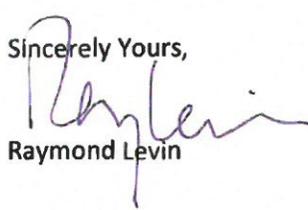
In June 2014 the San Francisco Planning Code was amended with an Inclusionary PDR designation, with the stated goal of making construction of new PDR space economically viable by utilizing the value of other uses, such as office uses to subsidize the PDR space. This new allowance applies only to largely vacant sites over 20,000 square feet that currently did not contain PDR uses. On eligible parcels, 1/3 of the total space developed must be dedicated to PDR uses; the remainder may be office or other permitted uses in the PDR District. Unlike the IPDR designation, which was eliminated by the 2014 amendment, the Inclusionary PDR designation does not require the office and PDR uses to be part of a single integrated business.

Sixteen parcels were identified as meeting the criteria and the new zoning designation was enacted with a 3 year sunset provision ending the mixed-use PDR text on June 1, 2017 unless extended by the Board of Supervisors. To date, only one project (Hundred Hooper) has been advanced using the Inclusionary PDR zoning.

A critical part of the economic rationale for the Inclusionary PDR designation was that it enhanced land value and development feasibility by allowing high-value office use where it was otherwise prohibited. However, San Francisco's own economic feasibility study showed that the 33% PDR space requirement was not feasible for most prototypical projects. This finding is borne out by the low volume of applications (1) for Inclusionary PDR in the midst of San Francisco's unprecedented building boom.

The San Francisco zoning structure intended to create value and recapture some of it to subsidize development of manufacturing space has not worked. The proposed New York zoning text, which requires 29% of the newly created commercial use space to be set aside for light manufacturing uses is an experiment that, within the context of the New York marketplace, our client is committed to make work. In the simplest terms, the text should not be changed mid-stream. The 25 Kent project has the financial resources to proceed as currently conceived and will provide real manufacturing space, not an illusion, starting later this year upon approval of the text and the special permits it allows. We urge you to recommend approval of these applications.

Sincerely Yours,



Raymond Levin

cc: Hon. Stephen Levin, Councilmember, 33<sup>rd</sup> Council District  
Hon. Carl Weisbrod, Chair, City Planning Commission