

## **Description of Project**

### **Industry City, Brooklyn 32<sup>nd</sup> to 37<sup>th</sup> Streets between Second and Third Avenues**

### **39<sup>th</sup> to 41<sup>st</sup> Streets between Second Avenue and NY Harbor**

**Revised September 12, 2019**

#### **Introduction**

The co-applicants, 1-10 Bush Terminal Owner LP and 19-20 Bush Terminal Owner LP (collectively, the “Applicant”), propose to redevelop and re-tenant the Industry City complex and certain additional parcels proposed for acquisition (collectively, the “Development Site”) with a mixed-use project containing manufacturing, commercial, retail, hospitality, academic and other community facility uses that would, in combination, establish a center for the innovation economy in Sunset Park (the “Proposed Project”). This application seeks a number of discretionary actions to facilitate the Proposed Project on the Development Site. Those actions would predominantly affect the Development Site, but would also affect certain additional parcels immediately adjacent to the Development Site, which, along with the Development Site, would comprise the Project Area.

The Project Area is located in the Sunset Park neighborhood of Brooklyn, in Community District 7, in an area generally bounded by 41<sup>st</sup> Street to the south, 32<sup>nd</sup> Street to the north, Third Avenue to the east and the Brooklyn waterfront to the west. The Project Area is coterminus with the area proposed to be rezoned, and includes:

- The Industry City complex (Block 679, Lot 1; Block 683, Lot 1; Block 687, Lot 1; Block 691, Lot 1 and 44; Block 695, Lots 1, 20, and 43; Block 706, Lots 1, 24, and 101; and Block 710, Lot 1);
- Certain adjacent properties that the Applicant plans to acquire, including: Block 695, Lots 37–42 (which, along with Block 695 Lot 43, comprises the parcel hereinafter known as the “Gateway Parcel”); and Block 706, Lot 20 (hereinafter known as the “Lot 20 portion of Parcel 21”);
- Two tax lots on Block 691 (Lots 45 and 46), and an approximately 2,000 sf portion of Block 662, Lot 1 which are neither owned by the Applicant, nor does the Applicant plan to acquire.

The Applicant is requesting the following discretionary actions to facilitate the project (collectively, the “Proposed Actions”):

1. A Zoning Text amendment to establish the Special Industry City District (“SICD”), and also modify the following sections of the Zoning Resolution:
  - a. Section 11-122: Districts Established
  - b. Section 12-10: Definitions
  - c. Section 14-44: Special Zoning Districts Where Certain Sidewalk Cafes are Permitted
  - d. Section 62-13: Applicability of District Regulation (w/in Special Regulations Applying in the Waterfront Area;
2. A Zoning Map amendment to map the SICD on the entirety of the Project Area and to change the portion of the Project Area currently zoned M3-1 (Block 679, Lot 1; Block 683, Lot 1; Block 687, Lot 1; Block 691, Lot 1, 44, 45 and 46; Block 695, Lots 1 and 20; Block 706, Lots 1, 20, 24, and 101; Block 710, Lot 1; and a small portion of Block 662, Lot 1) to an M2-4 zoning district (“M2-4/IC”); the portion of the Project Area currently zoned M1-2 (Block 695, Lots 37-43) would be included in the boundaries of the SICD but would remain zoned M1-2 (“M1-2/IC”) (collectively, the above-referenced parcels comprise the “Rezoning Area”)

3. A Special Permit to modify use, bulk and other requirements pursuant to findings and a site plan, for an area comprising Block 679, Lot 1; Block 683, Lot 1; Block 687, Lot 1; Block 691, Lot 1 and 44; Block 695, Lots 1, 20, and 37-43; Block 706, Lots 1, 20, 24, and 101; and Block 710, Lot 1 (the “Large Scale Development”)<sup>1</sup>. The Special Permit proposes to modify the following sections of the Zoning Resolution:
  - a. Sections 11-42 & 11-43: Lapse/Renewal of Authorization or Special Permit
  - b. Section 42-10: Uses Permitted As-of-Right
  - c. Sections 42-272 & 42-275: Performance Standards
  - d. Section 43-10: Floor Area Regulations
  - e. Section 43-20: Yard Regulations
  - f. Section 43-40: Height and Setback Regulations

In conjunction with the Special Permit, additional restrictions and requirements will apply, with respect to off-street parking. Specifically, the maximum size of a permitted accessory group parking facility may be increased to 500 spaces provided the Commissioner of Buildings makes certain determinations, and accessory off-street parking spaces may be located on zoning lots other than the same zoning lot as the use to which they are accessory.

Additionally, as a separate but related ULURP action that is required to facilitate the Proposed Development, a change to the City Map is proposed to demap 40th Street between First Avenue and Second Avenue (pursuant to a concurrent but separate ULURP application #160146MMK)

Overall, the Proposed Actions would facilitate full utilization of approximately 5.12 million square feet (sf) of existing structures to remain and the development of up to approximately 1.45 million sf in new construction within what is currently projected to be up to three new buildings: the Gateway Building, Building 11, and Building 21, as defined below. In total, the Proposed Actions could result in a mixed-use complex consisting of a combination of manufacturing, commercial, and community facility uses totaling up to approximately 6.58 million sf (4.97 FAR).

While the applicant owns the majority of the land on which the Proposed Project is anticipated to be developed, two parcels of land important to the goals and objectives of the project are not currently owned in full by the applicant, but are planned to be acquired subsequent to project approval. One of these parcels is the “Gateway Parcel”, comprised of seven tax lots along Third Avenue between 36<sup>th</sup> and 37<sup>th</sup> Streets, only one of which the applicant currently owns. The second parcel is the “Lot 20 Portion of Parcel 21”, located along the south side of 39<sup>th</sup> Street between First and Second Avenues.

Since the order in which these parcels may be acquired is currently undetermined, this application seeks approval for four different assemblage options for the Large Scale Development special permit, each of which would cover a different Large Scale Development area:

- Assemblage A: Including only property currently owned by the applicant (Block 679, Lot 1; Block 683, Lot 1; Block 687, Lot 1; Block 691, Lot 1 and 44; Block 695, Lots 1 and 20; Block 706, Lots 1, 24, and 101; and Block 710, Lot 1) totaling 1,287,806 sf (5.0 FAR). Assemblage A would include approximately 5.12 million square feet in existing structures to remain and approximately 1.2 million sf in new construction within two new buildings: Building 11, proposed at Second Avenue between 32nd and 33rd streets; and Building 21, proposed for the portions of Parcel 21 excluding the Lot 20 Portion of Parcel 21.

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<sup>1</sup> The Large Scale Development configuration and Special Permit area will include four different assemblage options, based upon properties that are envisioned to be acquired in the future by the applicant, as discussed further below. The lots listed here include the maximum potential future extent of the Large Scale Development area.

- Assemblage B: Including property currently owned by the applicant and the Gateway Parcel, which is comprised of Block 695, Lots 37-43.<sup>2</sup> Assemblage B would total 1,303,174 sf (4.96 FAR). Assemblage B would include approximately 5.12 million square feet of existing structures to remain and approximately 1.34 million sf in new construction within three new buildings: Building 11; the Gateway Building, proposed for the Gateway Parcel; and Building 21, proposed for the portions of Parcel 21 excluding the Lot 20 Portion of Parcel 21.
- Assemblage C: Including property currently owned by the applicant and Block 706, Lot 20 (which, combined with Lots 101 and the portion of Lot 24 east of First Avenue, comprise Parcel 21). Assemblage C would total 1,309,457 sf (5.0 FAR). Assemblage C would include approximately 5.12 million square feet of existing structures to remain and approximately 1.27 million sf in new construction within two new buildings: Building 11; and a larger Building 21 on the entirety of Parcel 21.
- Assemblage D: Including property currently owned by the applicant, the Lot 20 Portion of Parcel 21, and the Gateway Parcel. Assemblage D would total 1,324,825 sf (4.97 FAR). Assemblage D would include approximately 5.12 million square feet of existing structures to remain and approximately 1.45 million sf in new construction within three new buildings: Building 11; the Gateway Building; and the larger Building 21 on the entirety of Parcel 21.

If the proposed actions are approved, the Large Scale Development special permit for Assemblage A would be in effect. Upon the acquisition of ownership or control of either the Gateway Parcel and/or the remainder of Parcel 21, the applicant would seek a Certification from the Chairperson of the City Planning Commission pursuant to newly-created Section 129-21(d)(1) of the Zoning Resolution to replace the applicable Large Scale Development plans with plans associated with Assemblage B, Assemblage C or Assemblage D, depending on the property acquired.

## **Background**

The Project Area is located in the Sunset Park neighborhood of Brooklyn, Community District 7 (CD 7).

### *History of Industry and Employment*

Post-WWII, as heavy manufacturing and large-scale warehouse distribution began a decades-long decline, Brooklyn's three major industrial complexes—Industry City and the Brooklyn Army Terminal (BAT) in Sunset Park and the Brooklyn Navy Yard (Navy Yard) up the East River—fell into disuse and disrepair. Construction of the elevated Gowanus Expressway further fueled this decline, separating industrial from residential sections of Sunset Park and other Brooklyn neighborhoods. In 1950, approximately 120,000 workers arrived every day at businesses located in Industry City (then known as Bush Terminal), BAT, and the Navy Yard, many coming from the surrounding residential neighborhoods. Over the next 40 years, with the decline of the industrial and manufacturing industry, employment collapsed to fewer than 10,000 jobs across the three sites by the mid-1990s.

Bush Terminal is comprised of the Industry City structures and eleven additional structures to the south of Industry City between 40<sup>th</sup> and 51<sup>st</sup> Streets, Second Avenue to the waterfront. Its rise and fall as an industrial and employment center parallels that of BAT and the Navy Yard. In 1928, Bush Terminal alone employed 35,000 people and was so large that it had its own court system, police force and fire department. Bush Terminal operated as a multi-modal facility at this time and primarily housed warehouse/distribution uses. These uses received goods by rail (that originally arrived via barge) via rail sidings that entered into its present-day courtyards. Goods were hoisted up into the rear of the buildings, processed and/or stored, and eventually moved out via truck for distribution to the rest of the City. In the mid-50's it still employed 25,000 workers working for over 100 companies. However employment began a slow and

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<sup>2</sup> While the applicant currently owns Tax Lot 43 within the Gateway Parcel, this lot would only be included in Assemblages that include the Gateway Parcel.

steady decline between the 50's and 2012, at which time Bush Terminal (much of which had been renamed as Industry City) employed fewer than 2,500 people.

By the end of this period of decline, sprouts of optimism and new employment had begun to emerge as traditional and heavy manufacturing evolved through the use of new technologies that allowed for small-scale production and niche manufacturing that blended with industries not generally associated with manufacturing, such as film and television production, design, engineering and fashion.<sup>3</sup>

This new blend of commercial activity has commonly become known as the “Innovation Economy” with “Innovation Districts” emerging across the country and world.<sup>4</sup>

As described in a 2015 Brookings Institution report: “Tech driven industries most likely to be found in Innovation Districts include: high-value, research-oriented sectors such as applied sciences and the burgeoning “app economy”; highly creative fields such as industrial design, graphic arts, media and architecture; and highly specialized, small batch manufacturing.”<sup>5</sup>

In a recent report on urban manufacturing, the Pratt Center captures this changing landscape well: “While economists regularly report on the demise of manufacturing in New York City, and at the same time trumpet the growth of tech, design, entertainment and media, and arts and culture, the fact is that many of the companies in these sectors are doing some manufacturing. Lines between sectors are rapidly blurring, driven by technological advances that shrink the size of manufacturing equipment and make that equipment easier to use. 3-D printers, other additive equipment, and Computer Numerical Control (CNC) machines are making small batch and niche manufacturing ever more affordable and accessible.”<sup>6</sup>

The Innovation Economy has been a catalyst for investment in Brooklyn’s industrial waterfront, driving local job creation. However until recently, much of that investment has bypassed Industry City, occurring to the south and north despite Industry City being similarly situated with respect to geography, urban form and zoning: Based on their success attracting Innovation Economy and modern manufacturing tenants, the Navy Yard and BAT, both City-owned facilities, have benefitted from massive public investment in basic infrastructure and deferred building maintenance that has leveraged significant private investment and job growth.<sup>7</sup> The rehabilitation of Industry City represents the first time that the private sector has attempted to redevelop an industrial complex of this scale and without massive public subsidies in deferred maintenance available to publicly owned facilities like the Navy Yard and BAT. Other multi-story, privately owned industrial building clusters, like the former industrial buildings in the DUMBO neighborhood, have relied on housing to drive the economics of their rehabilitation. The Proposed Actions seek to facilitate the privately-funded Industry City revitalization without the use of either public subsidies or cross-subsidies such as residential use.

Recent and current land use actions that have affected the Project Area include the recently-adopted self-storage Text Amendment and M1 Hotels Text Amendment, both of which seek to limit certain uses in certain portions of the City.

#### *Current & Prior CPC Actions*

#### Citywide and Areawide Actions Pertaining to the Project Area

- C 030527 POK (2003) – First Avenue Rail Easement, for acquisition of a rail easement within the roadbed of First Avenue between 39<sup>th</sup> and 41<sup>st</sup> Streets. The easement permitted a realignment of a portion of the First Avenue Rail Line, a freight rail line that links the South Brooklyn Marine Terminal and the Brooklyn Army Terminal with the 65<sup>th</sup> Street Rail Yard.

<sup>3</sup> <https://nycfuture.org/research/making-it-here-the-future-of-manufacturing-in-new-york-city>

<sup>4</sup> <https://nycfuture.org/research/creative-new-york-2015>

<sup>5</sup> <http://aa61a0da3a709a1480b1-9c0895f07c3474f6636f95b6bf3db172.r70.cf1.rackcdn.com/content/metro-innovation-districts/index.html>

<sup>6</sup> [http://prattcenter.net/sites/default/files/industrial-policy\\_issue-brief\\_final.pdf](http://prattcenter.net/sites/default/files/industrial-policy_issue-brief_final.pdf)

<sup>7</sup> <http://prattcenter.net/research/brooklyn-navy-yard>

- N 080396 NPK (2009) - Community Board 7 “New Connections/New Opportunities – Sunset Park 197-a Plan” for a comprehensive framework for the revitalization of the Sunset Park waterfront as an economically viable and environmentally sustainable resource.
- N 170425(A) ZRY (2017) – Self-Storage Text Amendment, adopted on December 19, 2017, eliminated the ability to develop new self-service storage facilities in Industrial Business Zones (“IBZs”) such as the Southwest Brooklyn IBZ in which the project is located. The amendment created a special permit for the development of new self-storage facilities within these areas.
- N 180349 ZRY (2018) - The M1 Hotels Text Amendment, adopted on December 20, 2018, amended the zoning text to establish a new special permit under the jurisdiction of the City Planning Commission for new hotels, motels, tourist cabins, and boatels in light manufacturing (M1) districts citywide.

#### Site-specific Actions Pertaining to the Project Area

- C 940216 PCK (1995) - application submitted by the Kings County District Attorney's Office and the Department of General Services pursuant to Section 197-c of the New York City Charter for site selection and acquisition of property located at 892 Third Avenue (Block 683, Lot 1) for use as a warehouse.
- I 980168 PCK (1997) – application for combination acquisition and site selection by City (Municipal Archives) at 247 41<sup>st</sup> Street (Block 706, Lot 1 and Block 712, Lot 28) (Withdrawn)
- C 970094 PCK (1997) –application by Department of Records and Information Services, Department of Finance (“DOF”) and Department of Citywide Administrative Services (“DCAS”) for acquisition of property located at 148-19 39<sup>th</sup> Street (Block 706, Lot 1) for continued and expanded use as a warehouse (Municipal Archives – Finance Warehouse)
- C 970062 PCK (1997) – application by Human Resource Administration (“HRA”) and DCAS for acquisition of privately-owned property located at 4014 First Avenue (Block 706, Lot 24 and Block 710, Lot 1) for continued use as a printshop and warehouse (HRA Printshop & Warehouse)I 020085 PCK (2002) – application for combination acquisition and site selection by City (Bush Terminal Support Services) at 52-54 39<sup>th</sup> Street (Block 706, Lot 24) (Withdrawn)C 030527 PCK (2003) - application by Department of Small Business Services (“SBS”) for the acquisition of property located at 4023 First Avenue and 80 39<sup>th</sup> Street (Block 706, Lots 24 and 101) for a rail easement within the roadbed of First Avenue between 39<sup>th</sup> and 41<sup>st</sup> Streets (First Avenue Rail Line Easement).
- C870329ZMK (1998) - an amendment of the Zoning Map changing from an M3-1 District to an M1-2 District property constituting the blockfront bounded by 36<sup>th</sup> Street, a line 100 feet west of Gowanus Expressway and Gowanus Expressway (Third Avenue), 37<sup>th</sup> Street, (Third Avenue), in order for the blockfront to more closely reflect the mixed-use character of existing development and relate to the adjoining M1-2 District to the east and south

#### Site-specific Actions Pertaining to the Surrounding Area

- Turning Point (968 Third Avenue) (1988)
  - I 860375 HAK - an application by HPD for a rezoning from M3-1 to M1-2, Urban Development Action Area & Project Designation and Disposition of city-owned property located on the northwesterly corner of the intersection of Third Avenue and 37<sup>th</sup> Street (Tax Block 695, Lot 46) to facilitate the rehabilitation of a four-story mixed-use building into a youth dormitory
- Davidson Shopping Center (1996)

- C950319ZSK - special permit pursuant to Section 74-922 of the Zoning Resolution to allow the development of a retail establishment in excess of 10,000 square feet of floor area on property bounded by Second Avenue, 37th Street, Third Avenue and the relocated right-of-way of the South Brooklyn Railway (Block 699, Lot 1) to facilitate construction of an approximately 151,000 square foot development in an M1 District.
- N 950320 ZAK - authorization pursuant to Section 42-462 (b) of the Zoning Resolution for the size and configuration of a zoning lot to permit development within a permanently discontinued railroad right-of-way as part of a general large scale development.
- C 100204 PPK (2010) - application submitted by the New York City Department of Small Business Services (“SBS”), for disposition to the New York City Economic Development Corporation (“EDC”) of one (1) city-owned property, generally bounded by 39th Street (First and Second Avenues) and the western portion of Second Avenue, from 37th to 29th streets (Block 662, p/o Lot 1), in the South Brooklyn Marine Terminal (SBMT) for a long-term lease for parking and accessory uses
- C 150305 PCK (2015) – application to obtain a leasehold interest in real property to facilitate a NY County District Attorney Storage Facility at 4312 Second Avenue (Block 726, Lot 1);
- C 150188 PCK (2016) – application to obtain a leasehold interest in real property to facilitate a NYC Police Department Evidence Storage Facility at 4312 Second Avenue (Block 726 Lot 1).

#### *Current & Prior BSA Actions*

83-15-A through 86-15-A (2015): application to allow the redesign of pedestrian walkways and loading docks on 34th, 35th and 36th Streets between Second and Third Avenues, in Brooklyn, parts of which lie within the bed of mapped streets, some of which are privately owned by the applicant, contrary to General City Law (“GCL”) § 35

- 254-12-BZ (2014): 850 Third Avenue (“Liberty View”), Block 671, Lot 1. Application for a variance pursuant to ZR 72-21 to permit Use Group 10A uses on the first and second floors of an existing eight-story building, contrary to use regulations in an M3-1 zoning district.

#### **Description of the Surrounding Area**

The Project Area consists of approximately 30 acres of land in the Sunset Park neighborhood of Brooklyn, in Community District 7, generally bounded by 41<sup>st</sup> Street to the south, 32<sup>nd</sup> Street to the north, Third Avenue to the east and the Brooklyn Waterfront to the west. Immediately surrounding the Project Area is a predominantly industrial neighborhood with commercial and some residential uses as well.

#### *Land Uses and Built Form*

West of the Project Area is South Brooklyn Marine Terminal (SBMT). SBMT is a city-owned terminal located between Industry City and the waterfront. The site, which is 88 acres in total, extends from 29<sup>th</sup> to 39<sup>th</sup> streets, Second Avenue to the waterfront. It has in the past been used for vehicle processing, storage, and/or surface parking for adjacent commercial development. In its existing condition, the site is largely vacant, paved, unimproved, and underutilized. Recently the City selected a joint venture of Red Hook Container Terminal and Industry City to reactivate SBMT as a shipping hub for the import and export of materials.

On the northern portion of SBMT, specifically the 29th Street Pier, is a recycling facility operated by SIMS Municipal Recycling. The facility processes the majority of New York City’s recyclable material. Along with the traditional method of using trucks to transport waste, the facility utilizes maritime transportation to bring a sizeable portion of the recyclables to the

facility, reducing vehicle miles, while increasing cost efficiency and the sustainability of waste management.

There is an active rail line that extends south from SIMS, through SBMT, west along 39<sup>th</sup> Street and south along First Avenue, connecting SIMS to the 65<sup>th</sup> Street float bridge and additional rail lines. This rail line sporadically carries materials to be recycled, with between one and two trains through SBMT each week, each containing between four and ten cars.

North of the Project Area is a large parking facility serving the Liberty View mixed-use development, an approximately 1.1 million sf, eight-story development containing retail uses on first and second floors and a mix of commercial and industrial uses above. This parking area occupies the majority of the Block between Second Avenue and Third Avenue, 31<sup>st</sup> Street to 32<sup>nd</sup> Street. At the southwest corner of this block is a property owned by General Services Administration of the federal government that currently contains a vacant building and a parking area for municipal vehicles. Just north of Liberty View is the Metropolitan Detention Center on 29<sup>th</sup> Street, a federal facility holding approximately 1,000 inmates awaiting arraignment or trial at Federal Court. North and west of 29<sup>th</sup> Street are predominantly heavier industrial uses such as SIMS and the Gowanus (electric) Generating Station.

East of the Project Area is the elevated Gowanus Expressway that runs above Third Avenue separating the heavy industrial uses to the west from lighter industrial uses and a mix of commercial and residential uses that run along the east side of Third Avenue. In addition to uses along Third Avenue, a mix of light industrial, residential and commercial uses are located between Third Avenue and Fourth Avenue. Two significant community facility uses are also situated east of the Project Area between Third and Fourth avenues: Sunset Park High School is located between 34<sup>th</sup> and 45<sup>th</sup> Streets, and PS371 is located between 36<sup>th</sup> and 37<sup>th</sup> Streets.

Just south of the Project Area is a Costco, a two-story big box retail store that along with its parking lot, spans an entire super block between 37<sup>th</sup> and 39<sup>th</sup> Streets and Second and Third Avenues.

The blocks south of the Project Area between the waterfront and Second Avenue from 41<sup>st</sup> Street southward are comprised predominantly of small- to mid-scale warehouse, industrial and auto-related uses. In addition, a portion of Bush Terminal—the 200-acre industrial complex comprised of multiple warehouses, factory loft buildings, and piers—is located south of and within 600' of the Project Area. The development of the City-owned and EDC-managed proposed Made in NY Campus at Bush Terminal is intended to help synergize creative manufacturing uses and provide affordable, industrial facilities for garment manufacturing in Phase I by 2021, and film and media production, and related services and industries by the completion of Phase II. Made in NY builds on the City's Industrial Action Plan, which includes substantial investments in City-owned assets to support thousands of good-paying industrial jobs.

Although industrial and manufacturing uses are concentrated west of Third Avenue and by the waterfront, they are scattered throughout other portions of the neighborhood as well. While these uses are generally clustered together south of the Project Area, they are also present to a lesser extent east of the Project Area, between 29<sup>th</sup> and 37<sup>th</sup> Streets and between Third and Fourth Avenues, as they are replaced with residential, commercial, community facility, parking and vacant land uses.

Residential uses in the neighborhood are generally two- to three-story multi-family apartment buildings. Residential uses between Third and Fourth Avenues also include ground floor retail. East of Fourth Avenue and south of 39<sup>th</sup> Street is the Sunset Park Historic District, which has some of the oldest cooperative apartment housing stock in the country.

Commercial uses are scattered throughout the neighborhood, generally in the form of retail buildings or ground floor retail on street corners along the avenues and in scattered locations between avenues. Turning Point Shelter (at 968 Third Avenue) is a community facility use located on the north corner of 37<sup>th</sup> and Third Avenue.

There is a limited amount of open space within the Surrounding Area. D'Emic Playground is located immediately across Third Avenue from the Project Area, between 34<sup>th</sup> and 35<sup>th</sup> streets. Gonzalo Plasencia Park is at the southeastern portion of the Surrounding Area, on Third Avenue

between 40<sup>th</sup> and 41<sup>st</sup> streets. Just outside the Surrounding Area to the south is Bush Terminal Piers Park, large waterfront park between 44<sup>th</sup> and 50<sup>th</sup> Streets. Outside the Surrounding Area to the east are two large open spaces beginning on the east side of Fifth Avenue: Greenwood Cemetery between 20<sup>th</sup> and 37<sup>th</sup> streets, and Sunset Park between 41<sup>st</sup> and 44<sup>th</sup> streets.

### *Transportation*

The Project Area and Surrounding Area are well-situated with respect to vehicular access. The elevated Gowanus Expressway (I-278), runs immediately adjacent to the Project Area with an exit that discharges southbound car and truck traffic to what is essentially the center point of the Project Area at 39<sup>th</sup> Street and Second Avenue, with a northbound exit at 38<sup>th</sup> Street just west of Fourth Avenue. Underneath the Gowanus is Third Avenue—a major vehicular artery and truck route with a mapped width of 180 feet that is the preferred route of travel from local points south and north and to Gowanus Expressway on-ramps at Prospect Avenue to the north and 62<sup>nd</sup> Street to the south.

First Avenue (mapped at 80 feet wide), Second Avenue (80'), Fourth Avenue (100'), and Fifth Avenue (75') also provide vehicular connectivity in a north-south direction: Fourth and Fifth avenues extend all the way from Bay Ridge to Atlantic Terminal; Second Avenue extends from Bay Ridge (via Ridge Boulevard) to 28<sup>th</sup> Street; and First Avenue extends from 58<sup>th</sup> Street to 39<sup>th</sup> Street.

In an east-west direction, 39<sup>th</sup> Street (mapped at 80 feet wide west of First Avenue and 100 feet wide east of First Avenue) is the primary vehicular artery, providing access from the waterfront easterly to 16<sup>th</sup> Avenue in Borough Park. In addition, 32<sup>nd</sup> through 41<sup>st</sup> Street (each 60' with the exception of 39<sup>th</sup> Street) connect the Project Area to the Sunset Park residential neighborhood to the east. It should be noted that, while 32<sup>nd</sup> through 35<sup>th</sup> Streets between Second and Third Avenues are not mapped city streets, they are typically open to public vehicular and pedestrian traffic.

The District is also well-situated with respect to access to mass transit. One avenue east of the Project Area, at 36<sup>th</sup> Street and Fourth Avenue, is an express stop on D/N/R subway station (to and from which Industry City provides a shuttle bus). Public bus service is provided via the B37 line, which runs along Third Avenue and provides service to/from points north (Atlantic Avenue) and south (Bay Ridge); the B70 line, which terminates at Industry City on 39<sup>th</sup> Street and provides service to Dyker Heights via 39<sup>th</sup> Street and Eighth Avenue; and the B35 line, which runs along 39<sup>th</sup> Street and provides service from Industry City east through the heart of Brooklyn along 39<sup>th</sup> Street and Church Avenue to Brownsville.

### *Landmarks*

The Project Area is within the State/National Register-eligible Bush Terminal Historic District. In its totality, the Bush Terminal Historic District comprises 200 acres. The Project Area comprises entire blocks of the historic district bounded between Second and Third Avenues from 32<sup>nd</sup> to 37<sup>th</sup> Streets with the exception of the buildings fronting Third Avenue between 36<sup>th</sup> and 37<sup>th</sup> Streets (Lots 37-43 on Block 695) and three properties at the northwest corner of Third Avenue and 36<sup>th</sup> Street (Lots 44-46 on Block 691); and entire blocks between Second Avenue and the waterfront from 39<sup>th</sup> to 41<sup>st</sup> Street.

In addition, Bush Terminal Historic District also includes land to the south of the Project Area, comprising entire blocks between 41<sup>st</sup> and 44<sup>th</sup> Street, First Avenue to the waterfront, and south of 44<sup>th</sup> Street between Second Avenue and the waterfront. The district also includes those streets that contain inactive railway infrastructure, such as First and Second Avenues.

### *Zoning*

The neighborhood west of the Project Area and south of the Project Area west of Second Avenue is zoned M3-1. The neighborhood south of the Project Area between Second and Third Avenue is zoned M1-2. And the neighborhood east of the Project Area between Third and Fourth Avenue is zoned M1-2D (north of the centerline between 37<sup>th</sup> and 38<sup>th</sup> Street) and M1-2 (south of the centerline between 37<sup>th</sup> and 38<sup>th</sup> Street),

Both M3 and M1 districts are industrial manufacturing zoning districts and do not permit residential uses as-of-right. M3 districts are usually located near the waterfront and are buffered from residential areas. M3 districts permit a limited range of retail uses (Use Group [“UG”] 6A, 6C, 7B, 8B, 9A, 12B, 12B, 14A and 16A) including, to name a few, hardware stores, drug stores, stationary stores, food stores under 10,000 square feet, and restaurants and nightclubs. Other uses permitted in M3 districts include UG 6B office uses and UG 16, 17 and 18 storage, wholesale and manufacturing uses.

With respect to bulk regulations, M3-1 districts have a maximum FAR of 2.0 with a maximum base height before setback of 60 feet, sky exposure plane requirements above 60 feet, and no overall height limit. New developments or enlargements in M3-1 districts require accessory parking at varying rates depending on use. Parking requirements in M3-1 districts range from a high of one space per 200 square feet of floor area for food stores over 2,000 square feet, to a low of one space per 2,000 square feet of floor area for warehouse & storage uses. Office uses must be parked at one space per 300 square feet of floor area while most manufacturing uses must be parked at one space per 1,000 square feet of floor area.

M1 districts are often buffers between M2 or M3 districts and adjacent residential or commercial districts, and are characterized by one- or two-story warehouses. M1 districts typically include light industrial uses, such as woodworking shops, repair shops, and wholesale service and storage facilities, but do not allow residential uses. Offices, hotels (pending adoption of the current M1 Hotels Text Amendment discussed above), and many retail uses are also permitted as-of-right, as well as certain community facilities, such as houses of worship.

With respect to bulk regulations, M1-2 districts allow 2.0 manufacturing and commercial FAR, and 4.8 FAR for community facility uses. Height and setback regulations in M1-2 districts permit a maximum base height before setback of 60 feet, sky exposure plane requirements above 60 feet, and no overall height limit. New developments or enlargements in M1-2 districts require accessory parking at varying rates depending on use. Parking requirements in M1-2 districts are generally the same as in M3-1 districts, as discussed above.

M1-2D districts additionally permit residential uses on sites meeting certain criteria upon authorization by the City Planning Commission.

### *Public Policy and Other Zoning Considerations*

#### Sunset Park 197-a Plan

The City Charter, in Section 197-a, authorizes community boards and borough boards, along with the Mayor, the City Planning Commission (the Commission), the Department of City Planning (DCP), and any Borough President, to sponsor plans for the development, growth, and improvement of the city, its boroughs and communities. Once approved by the Commission and adopted by the City Council, 197-a plans guide future actions of city agencies in the areas addressed in the plans.

In December of 2009, CB7’s decade-long effort to create a 197-a plan for Sunset Park came to fruition, with the City Council adopting the “New Connections/New Opportunities: Sunset Park 197-a Plan”, within which the Project Area is located. The plan focuses on the Sunset Park waterfront area in Brooklyn Community District 7, which is generally bounded by 15th Street, Third Avenue/Gowanus Expressway, 65th Street, and the pierhead line/Upper New York Bay. The plan also includes some recommendations for the entire CB7 area, which is bounded by 15th Street, Ft. Hamilton Parkway/8th Avenue, 65th Street, and the pier head line/Upper New York Bay.

This 197-a plan sets forth a comprehensive framework for the revitalization of the Sunset Park waterfront as an economically viable and environmentally sustainable resource that is closely related to, and serves the needs of, adjacent upland communities. The plan is built upon a vision of the Sunset Park waterfront as a sustainable mixed-use neighborhood that promotes regional and local economic development, fosters a healthy living and working environment, and reconnects upland residential communities in CD7 to the water’s edge.

The goals of the 197-a plan are as follows: (1) To promote industrial redevelopment and job creation in Sunset Park while retaining existing industrial jobs; (2) to maximize waterfront access and open space opportunities in combination with industrial and waterfront redevelopment; (3) to preserve existing industrial, commercial and residential uses and fabric in the area east of First Avenue; (4) To encourage development that places a minimal environmental burden on adjacent residential communities; and (5) To preserve and celebrate Sunset Park's rich maritime and industrial heritage.

In order to achieve those goals, the 197-a plan further identifies a number of major recommendations, many of which are applicable to the project area and are further discussed below in "Description of Proposed Development."

#### Southwest Brooklyn Industrial Business Zone

In 2006, the City created sixteen Industrial Business Zones (IBZ) across the City where expanded business services are available for industrial and manufacturing businesses. These IBZs were established to protect existing manufacturing districts and encourage industrial growth citywide. Located along the waterfront from Atlantic Avenue to Shore Road, the Southwest Brooklyn IBZ is spread over a number of Brooklyn neighborhoods including portions of Cobble Hill, Carroll Gardens, Red Hook, Gowanus, South Park Slope, and Sunset Park. The IBZs are supported by tax credits for relocating within them, zone-specific planning efforts, and direct business assistance from Industrial Providers of NYC Business Solutions Industrial and Transportation.

#### Waterfront Revitalization Program

The Project Area is located within the boundaries of New York City's Coastal Zone, which is managed through the City's Waterfront Revitalization Program ("WRP"). The WRP establishes a broad range of public policies for the City's coastal areas.

The guiding principle of the WRP is to maximize the benefits derived from economic development, environmental conservation, and public use of the waterfront, while minimizing the conflicts among these objectives.

#### Vision 2020 Comprehensive Waterfront Plan

The Project Area is located within one of Vision 2020 Comprehensive Waterfront Plan's 20 neighborhood reach areas. As detailed in Vision 2020, the strategies outlined for Brooklyn Upper Bay South are to facilitate open space improvements at street-ends in coordination with approved plans and zoning regulations for adjacent sites; and support the appropriate alignment of the Brooklyn Waterfront Greenway Master Plan, guiding the creation of a 14-mile waterfront path between Newtown Creek and the Shore Parkway Greenway.

Vision 2020 also designates certain waterfront areas as Significant Maritime and Industrial Areas (SMIAs). These zones are designated to encourage the clustering and concentration of heavy industrial and infrastructure uses, such as international shipping, domestic shipping and barging, ship construction and repair, and related uses. The Project Area is located within the Sunset Park SMIA, an approximately 600 acre area, extending from the Erie basin to Owls Head. The area is characterized by water-dependent facilities, concentrations of industrial activity, well-buffered manufacturing districts, vacant sites and brownfields.

#### Brooklyn Waterfront Greenway Master Plan

The Brooklyn Waterfront Greenway Master Plan guides the creation of a 14-mile waterfront path between Newtown Creek and the Shore Parkway Greenway. A stretch of the Brooklyn Waterfront Greenway, called the Sunset Park North Brooklyn Waterfront Greenway is planned but not yet completed. A small portion that runs through Bush Terminal Piers Park is currently complete, but the remaining portions, including a portion of Second Avenue adjacent to the Project Area, are yet to be completed. The Sunset Park North Brooklyn Waterfront Greenway improvements to Second Avenue include the following: the widening of the west sidewalk between 29th Street and 39th Street to incorporate a two-way bike path alongside a wider pedestrian sidewalk; at the intersections between 29th Street and 38th Street, the extension of the

west sidewalk further into the intersection and the creation of a neck down area to decrease the pedestrian crossing distance; the restriping of the avenue (northbound and southbound) as one travel lane with parking in each direction; and the installation of pedestrian ramps at the corners of each intersection. Concurrent with the Proposed Project, the applicant is coordinating with the New York City Department of Transportation (“DOT”) and EDC to extend a portion of the Brooklyn Waterfront Greenway from 39<sup>th</sup> Street, through Building 25, to Piers Park and points south, as discussed further below.

### FRESH Food Store Tax Incentive Zone

FRESH (or Food Retail Expansion to Support Health Program) Zones provide discretionary tax and zoning incentives through the New York City Industrial Development Agency to encourage the development and retention of accessible stores that provide fresh foods. The Project Area is eligible for tax incentives under this program but not zoning incentives.

### **Description of the Proposed Project Area and Rezoning Area**

The Project Area and Rezoning Area includes the property currently owned by the Applicant, certain property that is planned for acquisition by the Applicant, and three additional tax lots or portions thereof. Specifically, the Project Area contains the following properties, which are also detailed in Table 1:

- The Industry City complex (Block 679, Lot 1; Block 683, Lot 1; Block 687, Lot 1; Block 691, Lot 1 and 44; Block 695, Lots 1, 20, and 43; Block 706, Lots 1, 24, and 101; and Block 710, Lot 1). With the exception of Block 695, Lot 43, Assemblage A of the Large Scale Development would include this property comprising the Industry City Complex.
- Certain adjacent properties that the Applicant plans to acquire:
  - Block 695, Lots 37–42, that, in addition to Block 695, Lot 43, which the Applicant owns, collectively form the “Gateway Parcel”. The Gateway Parcel is included in Assemblages B and D
  - Block 706, Lot 20, that, in addition to Block 706, Lot 101 and the portion of Lot 24 east of First Avenue which the Applicant owns, collectively form “Parcel 21”. Parcel 21 in its entirety is included in Assemblages C and D).
- Two tax lots on Block 691 (Lots 45 and 46) and a small portion of Tax Lot 1 on Block 662, which are neither owned by the Applicant, nor does the Applicant plan to acquire. These lots would be included in the rezoning area, as they fall within the contiguous area of Industry City with rational boundaries, but would not be included in any of the Large Scale Development assemblages as there are no plans to acquire them or include them in the Proposed Project. Lot 45 is a one-story building containing the retail site of door manufacturer; Lot 46, the corner lot, is a two-story building containing a sandwich shop and an office unit above. The portion of Lot 1 within Block 662 included in the rezoning area is vacant City-owned land immediately adjacent to Block 706, Lot 24.

**Table 1**  
**List of Block and Lots in the Project Area/Rezoning Area**

Tax Block	Tax Lot	Ownership	Assemblage	Building #'s	Lot Size (gsf)	Predominant Use	Existing GSF	Existing FAR (est)
<b>Finger Buildings</b>								
695	1	Industry City	A, B, C, D	1	72,212	Commercial/Industrial	259,032	3.58
695	20	Industry City	A, B, C, D	2	48,000	Commercial/Industrial	267,162	5.57
695	43	Industry City	B, D	Gateway	4,283	Parking/loading	0	0
691	1	Industry City	A, B, C, D	3, 4	149,279	Commercial/Industrial	619,412	4.15
691	44	Industry City	A, B, C, D	n/a	2,000	Office	1,900	0.95
687	1	Industry City	A, B, C, D	5, 6	172,762	Commercial/Industrial	656,460	3.80
683	1	Industry City	A, B, C, D	7, 8	178,131	Commercial/Industrial	655,824	3.68
679	1	Industry City	A, B, C, D	9, 10	180,562	Commercial/Industrial	567,715	3.14
695	42	To be Acquired	B, D	Gateway	1,671	Retail/Residential	2,660	1.59
695	41	To be Acquired	B, D	Gateway	1,633	Retail/Residential	3,808	2.33
695	40	To be Acquired	B, D	Gateway	1,663	Retail/Residential	2,695	1.62
695	39	To be Acquired	B, D	Gateway	1,663	Retail/Residential	2,905	1.74
695	38	To be Acquired	B, D	Gateway	1,737	Retail/Residential	1,559	0.89
695	37	To be Acquired	B, D	Gateway	2,446	Retail	2,425	0.99
691	45	Private	None	n/a	2,000	Retail/Light-industrial	2,000	1.00
691	46	Private	None	n/a	2,020	Retail	4,000	1.98
<b>Total for Area Encompassing Finger Buildings</b>					<b>822,062</b>		<b>3.03M</b>	
<b>39th Street Buildings</b>								
662	p/o 1	City of New York	None	n/a	2,000	Vacant	0	0
706	1	Industry City	A, B, C, D	19, 20	223,376	Commercial/Industrial	1,134,938	5.08
706	101	Industry City	A, B, C, D	21	51,643	Vacant land	0	0
706	20	To be Acquired	C, D	21	21,651	Industrial	43,750	2.02
706	24	Industry City	A, B, C, D	21, 22, 23, 24, 25	153,640	Vacant building	705,372	4.59
710	1	Industry City	A, B, C, D	26	56,210	Vacant building	394,464	7.02
<b>Total for Area Encompassing 39th Street Buildings</b>					<b>523,520</b>		<b>2.28M</b>	
<b>Sources:</b> Lot sizes, GSF from S9 Architecture and survey; DCP Zoning Database 2019								

*Industry City (Assemblages A, B, C and D)*

The property owned by Industry City would be included in all Large Scale Development Assemblages of the Proposed Project.<sup>8</sup> Industry City is an approximately 30-acre complex of buildings containing two major building clusters and containing approximately 5.3 million square feet of floor area built to an overall combined FAR of 3.9. Since the current ownership group took over Industry City in 2013, they have invested hundreds of millions of dollars into renovating, rehabilitating and re-tenanting the complex, successfully growing its workforce from 1,900 workers to approximately 7,000 workers at more than 450 companies doing business in a wide variety of industries, ranging from traditional manufacturing, to artisanal and small-scale manufacturing, media production and post-production, engineering, art, design, fashion, technology, food, research & development, retail, and many other businesses.

More than two million sf (approximately 40 percent) of existing development at Industry City is industrial, manufacturing and office uses, which often occur together in a single firm’s premises. Existing manufacturing tenants at Industry City are estimated to comprise more than one million sf and include food producers, garment producers, and producers of specialty goods such as guitars. Light and artisanal manufacturing tenants are estimated to comprise over 500,000 sf of space and include, among others, artists, home decor designers, and fashion workshops, as well as television, film and photo production and post-production studios. Office and technology tenants are also estimated to comprise over 500,000 sf of space include private firms and nonprofits, web-designers, coders, architects, interior designers, and other professional services.

An even greater proportion of space at Industry City—approximately 2.7 million sf, or 51 percent of existing overall sf—is either vacant or occupied by low-job-density storage uses. Of this total, approximately 1.4 million sf is used for storage/warehousing, and approximately 1.3 million sf is vacant.

Retail use at Industry City is limited by the uses that are permitted by the M3 zoning district regulations. There are currently a number of eating and drinking establishments, food markets, repair shops and variety stores, as well as furniture warehouse and repair establishments that

<sup>8</sup> Tax Lot 43 on Block 695 is the only Industry-City owned property in the project area that would not be included in all assemblage. As it comprises a portion of the Gateway Parcel, this lot would only be included in Assemblages B and D that include the Gateway Parcel.

contain a significant accessory retail component, which together make up much of the existing approximately 72,000 sf of retail space at Industry City. This space comprises between one and two percent of existing sf at Industry City.

A small but important use at Industry City is the Innovation Lab, which, along with a number of other training centers at Industry City would be considered a Use Group 9A Trade School. The Innovation Lab at Industry City provides a wide range of workforce development and vocational programs to local residents, with a particular focus on Sunset Park. Services include job placement, training, internships, small business support services and entrepreneurship. The Lab is a unique public-private partnership that includes Industry City, Opportunities for a Better Tomorrow, Brooklyn Workforce Innovations, Center for Family Life, CUNY City Tech, and Southwest Brooklyn Development Corporation. To date, the Lab has provided services to more than 1,600 people, connecting hundreds to jobs at Industry City and elsewhere.

There is also a variety of other uses including a Brooklyn Nets training facility, event space and vertical circulation and mechanical space, as further detailed in Table 2<sup>9</sup>.

**Table 2**  
**Existing Condition at Industry City Properties (in estimated GSF)\***

Use (Industry City Complex)	Existing Condition
Retail <sup>1</sup>	71,835
Commercial Event Space	10,000
Storage/Warehousing	1,386,886
Manufacturing	1,029,177
Artisanal Manufacturing & Studio <sup>2</sup>	514,589
Office	514,589
Brooklyn Nets Training Facility	74,824
Vertical Circulation/Mechanical	358,782
Vacant	1,342,114
Accessory Parking Spaces	127
<b>Total</b>	<b>5,302,796</b>
<b>Notes:</b> *As of April, 2017 <sup>1</sup> Includes all space that has the trip-making characteristics generally associated with retail uses <sup>2</sup> Includes art/design/creative studios and photo, film & television production and post-production	

The two clusters of buildings at Industry City can generally be grouped as the Finger Buildings, between 32<sup>nd</sup> and 37<sup>th</sup> Streets, Second to Third avenues; and the 39<sup>th</sup> Street Buildings, between 39<sup>th</sup> and 41<sup>st</sup> Streets, Second Avenue to the Brooklyn Waterfront.

Industry City Finger Buildings: The cluster of structures known as the Finger Buildings is composed of 10 large buildings numbered 1 through 10 and a powerhouse structure, collectively situated on six tax lots extending from 32<sup>nd</sup> to 37<sup>th</sup> Streets (Block 679, Lot 1; Block 683, Lot 1; Block 687 Lot 1; Block 691, Lot 1; and Block 695, lots 1 and 20). In addition, adjacent to building 1 is a small tax lot along Third Avenue between 36<sup>th</sup> and 37<sup>th</sup> Streets (Block 695, Lot 43). The Finger Buildings collectively include 807,229 sf of lot area.<sup>10</sup> These buildings sit on two zoning lots: Zoning Lot 1 includes properties between 32<sup>nd</sup> and 36<sup>th</sup> streets on blocks 679, 683, 687 and 691; Zoning Lot 2 includes properties between 36<sup>th</sup> and 37 streets on Block 695

For the purposes of applying height and setback regulations, the Proposed Actions will divide the Finger Buildings into five “Zoning Envelopes”, each consisting of one block:

- The portion of Zoning Lot 1 comprising Block 679 between 32<sup>nd</sup> and 33<sup>rd</sup> Streets would be Zoning Envelope A (and include existing Buildings 9 and 10)
- The portion of Zoning Lot 1 comprising Block 683 between 33<sup>rd</sup> and 34<sup>th</sup> Streets would be Zoning Envelope B (and include existing Buildings 7 and 8)
- The portion of Zoning Lot 1 comprising Block 687 between 34<sup>th</sup> and 35<sup>th</sup> Streets would be Zoning Envelope C (and include existing Buildings 5 and 6)

<sup>9</sup> Note most of the current buildings do not have certificates of occupancy detailing use groups for existing uses, thus the uses listed are approximations.

<sup>10</sup> Excludes the portions of the Finger Buildings property located in the bed of mapped streets.

- The portion of Zoning Lot 1 comprising Block 691 between 35<sup>th</sup> and 36<sup>th</sup> Streets would be Zoning Envelope D (and include existing Buildings 3 and 4)
- Zoning Lot 2, comprising Block 695 between 36<sup>th</sup> and 37<sup>th</sup> Streets would be Zoning Envelope E (and include existing Buildings 1 and 2)

The Finger Buildings are situated between 80-foot-wide Second Avenue and 180-foot-wide Third Avenue and extend between 32nd Street and 37th Street. While 36<sup>th</sup> Street and 37<sup>th</sup> Street are mapped City streets, 32<sup>nd</sup>, 33<sup>rd</sup>, 34<sup>th</sup> and 35<sup>th</sup> Streets are only mapped for a short distance west of Third Avenue, and continue through to Second Avenue as unbuilt-upon driveways owned by the applicant. All of these “streets” are approximately 60 feet wide, are generally open to vehicular and pedestrian traffic, and are for the purposes of this Description of Project, termed streets.

Finger Buildings 1 and 2 (on Zoning Lot 2 within Zoning Envelope E), 3 and 4 (on Zoning Lot 1 within Zoning Envelope D), 5 and 6 (on Zoning Lot 1 within Zoning Envelope C), 7 and 8 (on Zoning Lot 1 within Zoning Envelope B), and 9 (on Zoning Lot 1 within Zoning Envelope A) are six-story structures rising to approximately 85 feet in height, which have central courtyards open to Second Avenue and are connected at Third Avenue (forming a long U-shape, or “finger”). Building 10 (on Zoning Lot 1 within Zoning Envelope A) is 12 stories tall and rises to 170 feet. Also included in the cluster of buildings associated with the Finger Buildings is the historical powerhouse structure (on Zoning Lot 1 within Zoning Envelope A), which formerly provided electricity to Industry City. This structure, located on the corner of 32nd Street and Second Avenue, is decommissioned. Two active transformers, housed in a concrete structure, are located adjacent to the powerhouse, mid-block between Second and Third Avenues. These transformers currently distribute power to all of the Finger Buildings via catenary that extends over the buildings and across the streets between the buildings. This Finger Buildings cluster also includes Block 691, Lot 44 (on Zoning Lot 1 within Zoning Envelope D), which is a 2,100 square foot lot containing a two-story building along Third Avenue adjacent to building 3; and Block 695, Lot 43, which is a parking/loading area.

In addition to the buildings discussed above, there are publicly-accessible open courtyards located between Finger Buildings 1 and 2, 3 and 4, and 5 and 6. Each of these courtyards is approximately 34,000 sf and together they contain seating areas, passive recreational uses, trees and other landscaping, and seasonal programming such as temporary musical stage.

The Finger Buildings were constructed between 1906 and 1910 and currently contain a mix of uses ranging from ground-floor retail including stores and eating establishments, to innovation economy uses (including traditional manufacturing uses, artisanal manufacturing, art/design/creative studios, film & television production and post-production firms, and office uses), event space, warehousing uses (including self-storage) and vacant space.

With the recent construction of elevated sidewalks/loading berths along 34<sup>th</sup>, 35<sup>th</sup> and 36<sup>th</sup> streets, Finger Buildings 1 through 7 are now loaded via approximately 39 loading berths parallel to the buildings, which permits trucks to load without blocking through traffic. Finger Buildings 8 and 9 are still loaded via approximately 15 raised angled loading berths along 33<sup>rd</sup> Street, which often results in trucks blocking free flow of vehicles and pedestrians down the street. Building 10 is loaded via five traditional off-street loading berths accessed from 32<sup>nd</sup> Street.

Industry City 39<sup>th</sup> Street Buildings: The cluster of structures known as the 39th Street Buildings is located in the area bounded by 39th Street to the north, 41st Street to the south, Second Avenue to the east, and the waterfront and Bush Terminal to the west. The cluster includes two structures and a vacant lot on three tax lots or portions of lots between First and Second Avenues at 39th Street (Buildings 19 and 20 on Lot 1 and vacant Lot 101 and portion of Lot 24 east of First Avenue) (collectively Zoning Lot 3 and Zoning Envelope F). This cluster also includes four structures on two tax lots or portions of lots between First Avenue and the waterfront (Buildings 22/23, 24 and 25 on the portion of Tax Lot 24 west of First Avenue, and Building 26 on Tax Lot 1) (collectively Zoning Lot 4 and Zoning Envelope G). The 39th Street Buildings are eight-story structures, 115 feet in height. Two exceptions are the central portion of Building 19, which rises eight stories with a height of 140 feet (due to a recent rooftop expansion for the Brooklyn Nets

training facility) and Building 25, which is a two-story structure approximately 30 feet in height. The 39<sup>th</sup> Street Buildings collectively include 484,860 sf of lot area.<sup>11</sup>

For the purposes of applying height and setback regulations, the Proposed Actions will divide the 39<sup>th</sup> Street Buildings into two “Zoning Envelopes”:

- The portion of Block 706 east of First Avenue, which encompasses the land between 39<sup>th</sup> and 41<sup>st</sup> Streets, First to Second Avenues, would be Zoning Envelope F (and include existing Buildings 19 and 20)
- The portion of Block 706 west of First Avenue and Block 710, which encompasses the land between 39<sup>th</sup> and 41<sup>st</sup> Streets, First Avenue to the waterfront, would be Zoning Envelope G (and include existing Buildings 22-26)

The 39<sup>th</sup> Street Buildings were constructed between 1911 and 1926 and currently contain a mix of uses similar to the uses within the Finger Buildings, but with a substantially higher proportion of space that is either vacant or used for warehousing purposes and with little-to-no true retail space. While Buildings 19 and 20 are substantially occupied with innovation economy uses and lighter-intensity uses such as warehousing, Building 24 is entirely vacant and uninhabitable in its current condition. Buildings 22, 23 and 26 along First Avenue contain a limited amount of innovation economy space and a high proportion of storage and vacant space. The two-story Building 25 is currently vacant.

In regards to loading, Building 19 is currently loaded via seven street-fronting loading docks along 39<sup>th</sup> Street, while Building 20 is loaded via five off-street berths along 41<sup>st</sup> Street. Building 22/23 is loaded via seven off-street loading berths along 39<sup>th</sup> Street, while Building 26 is loaded via seven off-street loading berths along First Avenue. While buildings 24 and 25 were historically loaded via a number of berths along 39<sup>th</sup> Street west of First Avenue, these buildings are currently vacant and these berths are inactive.

Parking: There are a limited number of parking spaces currently provided within the Industry City complex, totaling approximately 127 spaces. These spaces include 30 spaces in the central courtyard behind Buildings 19 and 20, 45 angled-parking spaces within the property line along the north side of 37<sup>th</sup> Street, a total of approximately 14 spaces within privately-owned portions of 33<sup>rd</sup>, 34<sup>th</sup> and 35<sup>th</sup> Streets between Second and Third Avenues, and approximately 38 spaces within the property line along the south side of privately-owned 32<sup>nd</sup> Street. In addition, Industry City has a leasehold interest in city-owned land containing approximately 473 parking spaces outside the Project Area on the west side of Second Avenue.

Elevations and Floodplain: The existing Base Flood Elevation (BFE) for the majority of the Project Area ranges from 11 to 13 feet North American Vertical Datum of 1988 (NAVD88) and falls within Zone AE (an area of high flood risk subject to inundation by the 1 percent annual-chance flood event).

The ground floor elevations of the Finger Buildings (which are typically “dock high” and elevated approximately four feet above street grade) are all either just above the existing floodplain elevations, a foot or two below floodplain elevation. The ground floor elevations of Buildings 19, 20 and 25 are entirely above the floodplain. The ground floor elevations of Buildings 22/23 and 26 are between one and two feet below floodplain elevation. Building 24 is closest to the waterfront and is the one building at Industry City that is significantly below floodplain, with the ground floor elevation of approximately seven feet below floodplain.

#### *Adjacent Properties*

Also within the Project Area are several smaller parcels that are not currently controlled by the Applicant (Block 695, Lots 37–42, totaling 11,085 sf; and Block 706, Lot 20, totaling 21,651 sf) but are anticipated to be acquired by the Applicant to facilitate the proposed development. Lot 37

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<sup>11</sup> Excludes the portions of the 39<sup>th</sup> Street Buildings property located in the bed of mapped First Avenue, but includes the portions located in the bed of mapped 40<sup>th</sup> Street, which is proposed to be demapped in conjunction with the Proposed Project. Also excludes Tax Lot 706, Lot 20, which is discussed below, under “Adjacent Properties”

on Block 695 is a single-story deli and café. The other lots on Block 695 (Lots 38–42) are three-story mixed residential and commercial parcels, containing residential on their upper floors and ground-floor retail currently occupied by a deli, two adult DVD stores, a gentleman’s club, a hair salon and a pawn shop. Block 706, Lot 20, is the site of a three-story industrial and warehouse structure occupied by a molded plastics products manufacturer.

#### *Other Rezoning Area Lots*

The Applicant does not control lots 45 and 46 on Block 691 or the portion of Block 662 Lot 1 within the Rezoning Area, and has no future plans to acquire them. While lots would be rezoned to M2-4 subsequent to the proposed actions, and would become part of the SICD as they form contiguous and rational boundaries with the Industry City property and the existing M3-1 zoning. They would not, however, be part of the Large Scale Development and thus would not be subject to the special permit and are not expected to be redeveloped as a result of the Proposed Actions due to their small size and the fact that the property immediately adjacent to them is already developed with sizeable buildings that are anticipated to remain

#### *Lots Outside the Project Area*

Immediately west-adjacent to the unbuilt-upon portion of Industry-City-owned land west of Building 24 (on Block 706, Lot 24) is an unbuilt-upon City-owned portion of land on a portion of Block 662, Lot 1. This City-owned portion vacant land is considered a part of SBMT, even though it is separated from SBMT by 39<sup>th</sup> Street. Both the Industry City and the City-owned portions of this unbuilt-upon land are immediately-adjacent to the water, but are in dilapidated condition and not currently suitable for public access. However, there is in the future the potential for development of these two portions of the land, as discussed further below in “Description of the Proposed Development”.

## **Description of the Proposed Development**

### *Summary and Goals*

“Innovation Economy” represents a broad range of businesses involved in every step of the “making” process, from research and development to design and engineering, as well as the actual manufacturing of products. Innovation Economy businesses make products that fall into a variety of sectors, which include, but are not limited to art and design, film and television, retail products, fashion, technology, and food. From the perspective of zoning use groups, Innovation Economy uses fall into a wide range of use groups or portions thereof including UG’s 6, 9, 10, 11, 16, 17 and 18.

To continue to attract Innovation Economy uses, and to provide businesses with the ecosystem and resources they need in order to thrive in Sunset Park, the Applicant seeks to create what has become commonly known amongst economists and policy makers as an “Innovation Economy District.” This district is critical for Innovation Economy firms, particularly entrepreneurs and small business owners, as they identify opportunities for cross-collaboration, inspiration, and business growth. Innovation Economy firms want to be integrated into mixed-use communities with other like-minded makers, with ready access to a workforce with diverse skills and experiences as well as places where business partners can stay and meet while in town. Employees, in turn, need access to research and training opportunities, along with places to eat and buy goods. The Applicant is seeking zoning actions that broaden the permitted use and bulk at Industry City to allow for this collaborative district to grow at Industry City.

The Proposed Actions thus seeks to introduce a broader range of land uses along the South Brooklyn waterfront, including up to 3.57 million gsf of Innovation Economy uses, 900,000 gsf of retail, and over 700,000 gsf of new academic, hotel and event space, which will generate more than 15,000 on-site jobs and \$5 billion in economic activity at Industry City. These new uses will come together to create a vibrant Innovation Economy District. New classroom, lab, and research facilities within colleges and universities will provide opportunities for academic and professional linkages between students and businesses and provide graduates with direct access to potential employers and workspaces; new hotels will serve new and existing businesses as they grow, enabling them to host prospective workers and global partners on-site; and expanded

retail uses will support the businesses of co-located manufacturers and other Innovation Economy companies, while neighborhood-serving and destination retail will serve as a much-needed amenity for Industry City employees, students, visitors, and Sunset Park residents alike.

The proposed academic use would provide a venue for innovators and scholars to interface on research, design, training, and education, and provide a feeder of educated and trained employees to serve Innovation Economy uses on site and elsewhere in the City.

Hotels in close proximity to businesses can support the success of both budding and established businesses. A hotel at Industry City would help support existing businesses as they grow, providing prospective workers, partners, and visitors with direct access to the companies they are visiting as well as to the greater Innovation Economy uses within the Project Area. The Proposed Actions, would introduce 1-2 purpose-built hotels, representing 127,251 to 271,619 sf of hotel use (197 to 420 keys), depending on the development Assemblage. Of the seven hotels located within a one mile radius of Industry City, all but one, are limited-service establishments and none have meeting or conference facilities. The closest hotels with conference and event space are several miles away in Downtown Brooklyn. The two hotels at Industry City will not compete with existing hotel offerings in the neighborhood, but rather, will fill a gap in the market for business-oriented hotels with meeting facilities. In addition to serving the diverse sectors of the Innovation Economy, such meeting facilities will further provide ample space for conferences and events hosted by potential academic partners.

Industry City would continue to support manufacturing uses within the Project Area, which is located within the Southwest Brooklyn IBZ. The Proposed Actions are anticipated to result in an approximate total of 1.78 million sf of manufacturing within the Project Area (UG 16A, 16B, 17B, 17C, and 18 equivalent). Though modern manufacturing technologies have allowed products that would have once required large factories to be designed, prototyped, and produced in spaces as small as 500 sf, the Proposed Actions would protect manufacturing in the Project Area by expanding the non-storage and warehousing industrial uses within the Industry City complex, increasing the number of manufacturing jobs in the area as a result.

At the same time, enhanced creative office, studio, and art uses will assist in the continued transformation of the campus into a vibrant, mixed-use “Innovation Economy District.” The diversification of uses at Industry City will be accompanied by enhanced support for local workforce development and community-supporting activities, as evidenced by the launch of the Innovation Lab at Industry City in 2016. A catalyst for employment in Southwest Brooklyn, the Lab provides pre-screening and job placement services with the more than 450 businesses based out of Industry City, as well as with other urban manufacturing hubs along the Brooklyn waterfront, including Brooklyn Army Terminal, Liberty View, and Bush Terminal. The Lab plans to implement a variety of continuing education services and technology and vocational programs targeted towards business growth needs going forward. These services will help spur entrepreneurship and provide local residents with the necessary tools to take advantage of the more than 15,000 good-paying innovation jobs expected to be generated through the redevelopment of Industry City.

The Proposed Actions are needed because the Project Area’s current zoning does not provide for the range of uses and flexibility for locating new development necessary to support the re-tenanting and development of the Industry City “Innovation Economy District.” The existing zoning of the Project Area restricts the utilization of the site, as it does not support the development of academic or hotel uses, substantially limits the range of permitted retail uses, and precludes the development of purpose-built new space that certain tenants may require. As a result, Innovation Economy and supporting retail uses currently comprise less than half of the total portfolio at Industry City; the rest of the complex remains largely underutilized—26 percent is occupied by low-employment storage and warehousing and 25 percent is vacant.

The Proposed Actions would not only create a vibrant “Innovation Economy District,” but would also generate the economic return necessary to finance additional capital investment in the portfolio. While capital improvements to-date have been successful in reducing the amount of underutilized space at Industry City—down 12 percentage points since 2013—it is estimated that ownership will have to allocate an additional \$638 million towards capital upgrades for existing buildings and the construction of new facilities in order to achieve full utilization of the site. Such capital investments cannot be financed absent regulatory changes, and deferred

maintenance investments amidst increasing competition from other mixed-use industrial campuses would likely result in static or even declining Innovation Economy utilization at Industry City over the long term. Without land use changes, a majority of the portfolio would remain significantly underutilized or vacant.

*Alignment with Sunset Park 197-a Plan*

With millions of dollars in investments over the past five years, the reactivation of the existing buildings at Industry City has aligned with and supported several of the goals of the 197-a plan. By facilitating the creation of an “Innovation Economy District” at Industry City, the Proposed Actions will allow for substantial continued progress toward advancing the Proposed Project’s goals and objectives, and therefore the 197-a goals and objectives.

While the 197-a plan’s goals provide a broad framework, in order to achieve the plan’s goals, the 197-a plan further identifies a number of major recommendations, many of which are applicable to the project area and supported by the Proposed Actions. These recommendations include:

1. Identify vacant or underutilized...buildings and lots...that may provide opportunities for (a) the development of new industrial businesses and services in Sunset Park; (b) the expansion of existing businesses; (c) the relocation of businesses displaced from other parts of the city; and (d) supportive services such as a vocational training center (potentially through partnership with an academic institution), day-care facilities, local retail facilities, and parking
2. Encourage private development of affordable rental industrial space in Sunset Park through the provision of tax and other financial incentives
3. Explore the possibility of developing a vocational training center on the waterfront (potentially through partnership with an academic institution) to prepare students for jobs in marine, manufacturing, green building and new hi-tech industries;
4. Develop transportation and urban design solutions...to improve conditions along Third Avenue for both pedestrians and cyclists and facilitate access to the waterfront;
5. Encourage other destinations...such as a maritime/industrial museum...cultural/ educational facilities, and a café or restaurant that will draw people down from the upland neighborhoods and help establish sense of place and identity on the waterfront
6. Preserve Sunset Park’s historic infrastructure; Encourage the preservation of privately-owned historic or architecturally significant buildings.

*Recommendation: Identify vacant or underutilized...buildings and lots...that may provide opportunities for (a) the development of new industrial businesses and services in Sunset Park; (b) the expansion of existing businesses; (c) the relocation of businesses displaced from other parts of the city; and (d) supportive services such as a vocational training center (potentially through partnership with an academic institution), day-care facilities, local retail facilities, and parking*

While traditional industrial manufacturing employment continues its steady decline throughout New York City, employment in the Innovation Economy is growing, and with an appropriate zoning framework, Industry City is poised to take advantage of that growth to support job creation.

However, significant efforts to improve Industry City’s competitiveness under current zoning regulations have had only limited success in reducing underutilized space at Industry City since 2013, when the Applicant acquired ownership of Industry City. Under the current zoning framework, underutilized space at Industry City has only been reduced by 12 percentage points between 2013 and 2018. Furthermore, the overbuilt condition of Industry City prevents any new development or enlargements to meet the needs of firms that desire purpose-built space.

Much of these struggles can be attributed to the fact that current zoning in the Project Area does not allow and encourage the range of uses or sufficient floor area necessary to support the re-tenanting and development of the Industry City complex. While the current M3-1 zoning district allows industrial, manufacturing, and office uses, it only allows certain limited retail uses and does not allow complimentary academic and community facilities or hotel use. The limited uses allowed under the existing zoning discourages other investments in portfolio-wide building modernizations, preventing the Industry City complex from further re-tenanting existing

buildings. For example, buildings 22-26, along 39<sup>th</sup> Street between First Avenue and the waterfront, require substantial rehabilitation and upgrading to meet the needs of tenants and account for the resiliency needs of their location. However the limited range of uses currently permitted compromises the economic feasibility of such a rehabilitation project.

The Proposed Actions will allow Innovation Economy firms to be integrated into a mixed-use community with other like-minded makers, with ready access to a workforce with diverse skills and experiences as well as places where business partners can stay and meet while in town. Employees, in turn, will have access to research and training opportunities, along with places to eat and buy goods. This ecosystem is critical for Innovation Economy firms, particularly entrepreneurs and small business owners, as they identify opportunities for cross-collaboration, inspiration, and business growth. Zoning actions that broaden the permitted use and bulk at Industry City are required to allow for this collaborative “ecosystem” to grow and to allow for the retention and growth of industrial jobs in Sunset Park.

*Recommendation: Encourage private development of affordable rental industrial space in Sunset Park through the provision of tax and other financial incentives*

Critical to the development of a successful center for Innovation Economy firms is the creation of affordable incubator space where small manufacturers can become established and grow into larger businesses. While the Proposed Actions will not provide tax or other financial incentives to do this, they will facilitate the development of other economically-viable uses at Industry City such that the Innovation Economy can grow and such that smaller affordable incubator spaces for manufacturers can be provided.

*Recommendation: Explore the possibility of developing a vocational training center on the waterfront (potentially through partnership with an academic institution) to prepare students for jobs in marine, manufacturing, green building and new hi-tech industries;*

The existing Innovation Lab, which has provided services to more than 1,600 people and connected hundreds to jobs at Industry City and elsewhere, will continue to provide entrepreneurship and vocational training opportunities for local residents and facilitate linkages between students and businesses. The new academic uses facilitated by the Proposed Actions, which are anticipated to be comprised predominantly of Colleges and Universities, will build upon this, allowing for the development of closer connections and working relationships between students and Innovation Economy firms, providing a pathway from education to employment for local residents. By supporting the development of both on-site academic institutions and Innovation Economy jobs, the Proposed Actions will lay the groundwork for the continued success of the Innovation Lab.

*Recommendation: Develop transportation and urban design solutions...to improve conditions along Third Avenue for both pedestrians and cyclists and facilitate access to the waterfront;*

The Proposed Actions will establish a zoning envelope that restricts development along the privately-owned 32<sup>nd</sup>, 33<sup>rd</sup>, 34<sup>th</sup> and 35<sup>th</sup> Streets, allowing those streets to be kept open for to pedestrians and cyclists to access points west. Furthermore, Industry City also recently added elevated sidewalks and substantially improved loading operations along many of these privately-owned streets that extend from Third Avenue. Industry City has also partnered with City DOT and the Design Trust to improve lighting and stormwater runoff capture under the Brooklyn-Queens Expressway (“BQE”) at 36<sup>th</sup> Street. Building upon these significant improvements to the pedestrian experience in this area, the Proposed Actions would facilitate further improvements to the surrounding street and sidewalk infrastructure and integration of the Brooklyn Greenway, which is currently anticipated to be routed from 39<sup>th</sup> Street through Building 25 to connect to Piers Park to the south. This will complement further City-initiated efforts to improve the pedestrian experience and expand access to the waterfront.

*Recommendation: Encourage other destinations...such as a maritime/industrial museum...cultural/ educational facilities, and a café or restaurant that will draw people down from the upland neighborhoods and help establish sense of place and identity on the waterfront*

The Proposed Actions will facilitate a broader range of uses at Industry City than are currently permitted by zoning, and that will allow for the fulfillment of this recommendation. Specifically,

current zoning does not permit colleges, universities, libraries, or museums, which the Proposed Actions will permit. Furthermore, the Proposed Actions will facilitate a vibrant center for Innovation Economy firms, allowing for the reactivation of currently underutilized and vacant buildings, and development of cultural and entertainment programming, retail/dining amenities, and dedicated event space for tenants and community users to establish a sense of place on the waterfront. In addition, by facilitating the redevelopment and reactivation of currently-vacant waterfront buildings, the Proposed Actions will allow for the expansion to waterfront buildings of community events along the lines of events that are currently taking place within the Finger Buildings, such as art exhibits and fairs, flea markets, dancing events, sporting-event viewing, and other community gatherings.

*Recommendation: Preserve Sunset Park's historic infrastructure; Encourage the preservation of privately-owned historic or architecturally significant buildings.*

The Proposed Actions will facilitate this redevelopment and job creation within a contextual framework that respects and protects the existing built fabric of the neighborhood, in accordance with the goals of the 197-a Plan. By establishing a framework to support re-activation of vacant and underutilized buildings, and the continued re-tenanting of partially-activated buildings, the Proposed Actions will support the preservation of the vast majority of existing structures at Industry City. In addition, while current zoning regulations place no height limits on buildings, the Proposed Actions will establish a specific development envelope with height limits, within which development may occur. Furthermore, the Proposed Actions will establish urban design controls, including limitations on curb cuts, to support a positive pedestrian environment. Finally, the Proposed Actions will provide for the range of uses and floor area for limited new development to provide the economic support necessary to re-activate and re-vitalize existing vacant historic buildings.

#### *Summary*

While it is anticipated that, absent the Proposed Actions, Innovation Economy uses at Industry City will continue to grow at a steady pace over the coming decade, deferred maintenance investments, amidst increasing competition from other campuses and building clusters also employing a commercial-industrial-academic-retail mixed-use model, would result in declining Innovation Economy and modern manufacturing utilization at the Industry City complex over the long term. Under the current zoning, the majority of new leasing over the short- to medium-term would be comprised of less employment-dense uses, such as storage and warehousing, absent zoning relief, which would severely limit Industry City's potential to become an anchor for the Innovation Economy and modern manufacturing along the Brooklyn waterfront, and constrain Industry City's ability to fulfill the goals of the 197-a plan.

On the contrary, the Proposed Actions will facilitate the continued transformation of a majority-underutilized site—while Industry City currently employs approximately 7,000 people, it still includes approximately 1.3 million square feet of vacant space and 1.4 million square feet of storage & warehousing space—into an active Innovation Economy district with 15,000 on-site jobs and 6.6 million square feet of space, while supporting the continued preservation and restoration of existing structures.

#### *Development Assemblage Options*

While the applicant owns the majority of the land on which the Proposed Project is anticipated to be developed, two parcels of land important to the goals and objectives of the project are not currently owned in full by the applicant, but are planned to be acquired subsequent to project approval. One of these parcels is the “Gateway Parcel”, comprised of seven tax lots along Third Avenue between 36<sup>th</sup> and 37<sup>th</sup> Streets, only one of which the applicant currently owns. The second parcel is the Lot 20 Portion of Parcel 21, located along the south side of 39<sup>th</sup> Street between First and Second Avenues.

Since the order in which these parcels may be acquired is currently undetermined, this application seeks approval for four different assemblage options for the Large Scale Development special permit, each of which would include four zoning lots but would cover a different Large Scale Development area:

- Assemblage A: Including only property currently owned by the applicant, and comprising four zoning lots:
  - Zoning Lot 1 would include Block 679, Lot 1; Block 683, Lot 1; Block 687, Lot 1; and Block 691, Lot 1 and 44;
  - Zoning Lot 2 would include Block 695, Lots 1 and 20;
  - Zoning Lot 3 would include Block 706, Lots 1, 101 and the portion of Lot 24 east of First Avenue; and
  - Zoning Lot 4 would include Block 710, Lot 1 and the portion of Block 706, Lot 24 west of First Avenue.

Assemblage A would include approximately 5.12 million square feet of existing structures to remain and permit approximately 1.3 million sf in new construction within two new buildings: Building 11, proposed at Second Avenue between 32nd and 33rd streets; and Building 21, proposed for the portions of Parcel 21 excluding the Lot 20 Portion of Parcel 21. In this Assemblage, the existing Powerhouse structure, a small one-story portion of Building 9 at Second Avenue and 33rd Street, and a one-story shed at the rear of Building 26 that currently encroaches on NYC property would all be demolished to facilitate development of the Proposed Project.

- Assemblage B: Including property currently owned by the applicant and the Gateway Parcel, which is comprised of Block 695, Lots 37-43.<sup>12</sup> Assemblage B would comprise four zoning lots:
  - Zoning Lot 1 would include Block 679, Lot 1; Block 683, Lot 1; Block 687, Lot 1; and Block 691, Lot 1 and 44;
  - Zoning Lot 2 would include Block 695, Lots 1, 20 and 37-43;
  - Zoning Lot 3 would include Block 706, Lots 1, 101 and the portion of Lot 24 east of First Avenue; and
  - Zoning Lot 4 would include Block 710, Lot 1 and the portion of Block 706, Lot 24 west of First Avenue.

Assemblage B would include approximately 5.12 million square feet of existing structures and permit approximately 1.3 million sf in new construction within three new buildings: Building 11; the Gateway Building, proposed for the Gateway Parcel; and Building 21, proposed for the portions of Parcel 21 excluding the Lot 20 Portion of Parcel 21.

- Assemblage C: Including property currently owned by the applicant and Block 706, Lot 20 (which, combined with Lots 101 and the portion of Lot 24 east of First Avenue, comprise Parcel 21). Assemblage C would comprise four zoning lots:
  - Zoning Lot 1 would include Block 679, Lot 1; Block 683, Lot 1; Block 687, Lot 1; and Block 691, Lot 1 and 44;
  - Zoning Lot 2 would include Block 695, Lots 1 and 20;
  - Zoning Lot 3 would include Block 706, Lots 1, 20, 101 and the portion of Lot 24 east of First Avenue; and
  - Zoning Lot 4 would include Block 710, Lot 1 and the portion of Block 706, Lot 24 west of First Avenue.

Assemblage C would include approximately 5.12 million square feet of existing structures to remain and permit approximately 1.27 million sf in new construction within two new buildings: Building 11; and a larger Building 21 on the entirety of Parcel 21.

- Assemblage D: Including property currently owned by the applicant, of the Lot 20 Portion of Parcel 21, and the Gateway Parcel. Assemblage D would comprise four zoning lots:

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<sup>12</sup> While the applicant currently owns Tax Lot 43 within the Gateway Parcel, this lot would only be included in Assemblages that include the Gateway Parcel.

- Zoning Lot 1 would include Block 679, Lot 1; Block 683, Lot 1; Block 687, Lot 1; and Block 691, Lot 1 and 44;
- Zoning Lot 2 would include Block 695, Lots 1, 20 and 37-43;
- Zoning Lot 3 would include Block 706, Lots 1, 20, 101 and the portion of Lot 24 east of First Avenue; and
- Zoning Lot 4 would include Block 710, Lot 1 and the portion of Block 706, Lot 24 west of First Avenue.

Assemblage D would include the approximately 5.12 million square feet of existing structures and approximately 1.45 million sf in new construction within three new buildings: Building 11; the Gateway Building; and the larger Building 21 on the entirety of Parcel 21.

If the proposed actions are approved, the Large Scale Development special permit for Assemblage A would be in effect. Upon the acquisition of ownership or control of either the Gateway Parcel and/or the Lot 20 Portion of Parcel 21, the applicant would seek a Certification from the Chairperson of the City Planning Commission pursuant to newly-created Section 129-21(d)(1) of the Zoning Resolution to replace the applicable Large Scale Development plans with plans associated with Assemblage B, Assemblage C or Assemblage D, depending on the property acquired.

**Table 3  
Development Assemblage Summary**

	Assemblage A		Assemblage B		Assemblage C		Assemblage D	
<b>Assemblage Characteristics</b>								
# of Tax Lots	11		18		12		19	
Lot Area*	1,287,806		1,303,174		1,309,457		1,324,825	
Proposed FAR	4.94		4.96		4.94		4.97	
Maximum Overall Floor Area	5.0		4.96		5.0		4.97	
<b>Projected Use Breakdown</b>								
Uses	sf	FAR	sf	FAR	sf	FAR	sf	FAR
Innovation Economy:	3,595,377	2.79	3,465,745	2.66	3,703,632	2.83	3,574,000	2.70
<i>Manufacturing (UG 16A, 16B, 17A, 18)</i>	<i>(1,797,689)</i>	<i>1.40</i>	<i>(1,732,873)</i>	<i>1.33</i>	<i>(1,851,816)</i>	<i>1.41</i>	<i>(1,787,000)</i>	<i>1.35</i>
<i>Artisanal Mfg/Design/Studio (UG 10A, 11A)</i>	<i>(898,844)</i>	<i>0.70</i>	<i>(866,436)</i>	<i>0.66</i>	<i>(925,908)</i>	<i>0.71</i>	<i>(893,500)</i>	<i>0.67</i>
<i>Office (UG 6B)</i>	<i>(898,844)</i>	<i>0.70</i>	<i>(866,436)</i>	<i>0.66</i>	<i>(925,908)</i>	<i>0.71</i>	<i>(893,500)</i>	<i>0.67</i>
Storage/Warehouse (UG 16D)	415,000	0.32	415,000	0.32	415,000	0.32	415,000	0.31
Academic (UG 3A)	398,400	0.31	398,400	0.31	398,400	0.30	398,400	0.30
Retail (UG 6A, 6C, 7B, 8B, 9A**, 10A**, 12B, 14A)	894,060	0.69	894,060	0.69	894,060	0.68	894,060	0.67
Hotel (UG 5A)	127,251	0.10	287,619	0.22	127,251	0.10	287,619	0.22
Event (UG 9, 13)	43,000	0.03	43,000	0.03	43,000	0.03	43,000	0.03
Nets Training Facility (UG 12A)	75,000	0.06	75,000	0.06	75,000	0.06	75,000	0.06
Mechanical/Circulation	435,000	n/a	419,000	n/a	435,000	n/a	419,000	n/a
Parking (spaces)	1,811-2,111	0.70	1,811-2,111	0.68	1,811-2,111	0.68	1,811-2,111	0.67
Total Proposed	6,355,997	4.94	6,462,950	4.96	6,471,068	4.94	6,578,021	4.97
Total Maximum Permitted	6,439,030	5.0	6,469,766	4.96	6,547,285	5.0	6,578,021	4.97
* Excluding area of privately-owned mapped streets to remain (32nd through 37 <sup>th</sup> Streets and First Avenue); Including area of 40 <sup>th</sup> Street between First and Second Avenue, to be demapped								
** With certain exceptions								
Sources: Lot sizes from S9 Architecture and survey; DCP Zoning Database 2017.								

### Assemblage A

As a result of the proposed actions, which are discussed in more detail below under “Actions Necessary to Facilitate the Project”, it is anticipated that Assemblage A of the Proposed Project will include a maximum of approximately 6.44 million square feet of zoning floor area, comprised predominantly of Innovation Economy Uses and also including hotel, community facility, retail, event and potentially some residual storage/warehouse uses.

While the majority of the square footage anticipated to result from the Proposed Actions is currently permitted, the Actions would allow for certain additional uses not currently permitted. These uses include: colleges and universities and libraries, museums and non-commercial art galleries (limited to a maximum of 625,000 square feet of floor area in aggregate); retail uses including large retail establishments (limited to a maximum of 900,000 square feet of floor area); and hotels (limited to a maximum of 127,251 square feet of floor area in Assemblage A).

### Existing Buildings and New Development

Assemblage A of the Proposed Development would be spread among 18 buildings, 16 of which currently exist and are built to a combined approximately 5,302,796 square feet. The existing Powerhouse structure, a small one-story portion of Building 9 at Second Avenue and 33rd Street, and a one-story shed at the rear of Building 26 that currently encroaches on NYC property would be demolished to facilitate development of the Proposed Project, resulting in approximately 5.12 million square feet to remain. Two new buildings would be constructed to accommodate an additional approximately 0.9 FAR, or 1,161,459 square feet of floor area for a total proposed floor area of 6,355,997.<sup>13</sup> The proposed maximum FAR in Assemblage A would be 5.0 and the maximum overall floor area that would be permitted would be 6,439,030.

The 5.12 million square feet of existing development to remain would break down as follows:

- 2.97 million square feet exist within ten “Finger Buildings”—nine 6-story industrial buildings, as follows:
  - Seven buildings containing approximately 2.44 million square feet on Zoning Lot 1 (within Zoning Envelopes A, B, C, D)
  - Two buildings containing approximately 526,000 square feet on and Zoning Envelope and E comprising Zoning Lot 2) that extend from Second Avenue to Third Avenue between 32<sup>nd</sup> and 37<sup>th</sup> streets and rise to heights of approximately 85 feet, and Building 10, which rises to 170 feet at Third Avenue and 32<sup>nd</sup> Street.<sup>14</sup>
- 1.13 million square feet exist within Buildings 19 and 20 on Second Avenue between 39<sup>th</sup> Street and 41<sup>st</sup> Street (within Zoning Envelope F on Zoning Lot 3).
- 1.02 million square feet exist within Buildings 22-26, between First Avenue and the waterfront, 39<sup>th</sup> Street to 41<sup>st</sup> Street (within Zoning Envelope G on Zoning Lot 4). These buildings rise to heights of approximately 115 feet with the exception of Building 25, which is a narrow two-story building. Buildings 22, 23 and 26 are currently occupied by Innovation Economy uses, storage/warehouse uses and vacant space. Buildings 24 and 25 are currently entirely vacant.

In addition, 1,161,459 square feet of new development in Assemblage A is anticipated to be constructed in the following two new buildings:

- An approximately 495,162 sf, 13-story “Building 11” along Second Avenue between 32<sup>nd</sup> Street and 33<sup>rd</sup> Street (within Zoning Envelope A on Zoning Lot 1). This building is currently envisioned to include an academic institution on upper floors—which is likely to have space needs that would benefit from new construction—with retail on its lower two floors and a three-story self-park parking garage containing between 334 and 384 spaces on the third-through-fifth floors. The 13-story portion of Building 11 would be limited to an area within 130 feet of Second Avenue. A five-story portion of Building 11—including retail and parking uses—would extend along 32<sup>nd</sup> Street east of 130 feet from Second Avenue.
- An approximately 666,297 sf, 10-story, L-shaped “Building 21” along First Avenue between 39<sup>th</sup> Street and 41<sup>st</sup> Street (within Zoning Envelope F on Zoning Lot 3). This building is currently envisioned to include two floors of mid-sized to large-format retail use, a four-story parking garage with between 1,350 and 1,600 self-park and attended parking space, and a 197-room hotel above the 39<sup>th</sup> Street wing of the building and extending down the First Avenue frontage approximately halfway towards 41<sup>st</sup> Street.

In addition to or in place of the proposed new buildings, some or all of the maximum permitted floor area could be constructed atop one or more of the existing Finger Buildings or 39<sup>th</sup> Street

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<sup>13</sup> The existing Powerhouse structure, a small one-story portion of Building 9 at Second Avenue and 33<sup>rd</sup> Street, and a one-story shed at the rear of Building 26 that currently encroaches on NYC property would all be demolished to facilitate development of the Proposed Project.

<sup>14</sup> The Second Avenue frontage of Building 1, and certain mechanical bulkheads on Buildings 1-9 exceed 85 feet in height

Buildings, subject to the same height and setback limitations as for new buildings, as discussed below.

The Assemblage A development would not entail the demolition of any occupied Industry City Building, but it would entail the demolition of the former powerhouse structure at Second Avenue and 32<sup>nd</sup> Street and a small one-story portion of Building 9 at Second Avenue and 33<sup>rd</sup> Street (p/o Block 679, Lot 1) to facilitate construction of Building 11, and a one-story shed at the rear of Building 26 that currently encroaches on NYC property.

In addition, the development may in the future include the re-routing of a portion of the planned Brooklyn Greenway from First Avenue to a route through Building 25. The route would connect this bike and pedestrian path from 39<sup>th</sup> Street on the north, through the ground-floor of Building 25, to waterfront land to the south. Such a re-routing would likely require additional discretionary actions in the future.

#### *Assemblage B*

Assemblage B of the development would include all Assemblage A properties plus acquisition of properties comprising Block 695, Lots 37-42 and also inclusion of Applicant-owned Lot 43 for development of a new Gateway Building on Block 695, Lots 37-43 along Third Avenue between 36<sup>th</sup> and 37<sup>th</sup> Streets (within Zoning Envelope E on Zoning Lot 2). The 12-story, approximately 182,400-sf Gateway Building is currently envisioned to include a 223-room hotel with ground-floor retail. The five 3-story buildings and one 1-story building on Lots 37-42 would be demolished to facilitate construction of the Gateway Building. In total, Assemblage B is anticipated to include 5.12 million square feet (4 FAR) of space in existing structures and 1.34 million square feet of space (1 FAR) in new buildings for a total proposed floor area of 6,462,950. The maximum overall floor area that would be permitted would be 6,469,766.

#### *Assemblage C*

Assemblage C of the development would include all Assemblage A properties plus acquisition of Block 706, Lot 20 for inclusion in the development of a larger Building 21 on Lot 20 along with Lot 101 and a portion of Lot 24 (within Zoning Envelope F). The 10-story, approximately 781,368-sf Building 21 that includes Lot 20 is currently envisioned to include a 197-room hotel with two floors of mid-sized to large-format retail use, four floors of attending parking garage totaling between 1,350 and 1,600 spaces, and innovation economy uses. The 3-story building on Lots 20 would be demolished to facilitate construction of Building 21. In total, Assemblage C is anticipated to include 5.12 million square feet (4 FAR) of space in existing structures and 1.27 million square feet of space (1 FAR) in new buildings for a total proposed floor area of 6,471,068. The maximum overall floor area that would be permitted would be 6,547,285.

#### *Assemblage D*

Assemblage D of the development would include all Assemblage A properties plus both Block 706, Lot 20 and the Gateway Parcel, and include a total of three new buildings (the Gateway Building, Building 11, and the larger Building 21), all as described above. In total, Assemblage D is anticipated to include 5.12 million square feet (3.9 FAR) of space in existing structures and 1.45 million square feet of space (1.1 FAR) in new buildings for a total proposed floor area of 6,578,021. The maximum overall floor area that would be permitted would be 6,578,021.

#### *Proposed Uses*

With respect to the breakdown of anticipated uses, it is envisioned that the proposed buildings would include:

**Retail:** Retail uses would include a maximum of 900,000 square feet of zoning floor area comprised of maker retail, which supports the businesses of local manufacturers, as well as neighborhood-serving and destination retail, which would also create an amenity for innovation workers, students, visitors, and local residents but which is not currently permitted in the existing or proposed zoning district. Retail uses would include both retail and service establishments in Use Groups 6A, 6C, 7B, 8B, 9A, 10A, 12B and 14A, with exceptions for non-retail uses within

these use groups.<sup>15</sup> Local retail is anticipated to be oriented along Third Avenue, closer to the existing Sunset Park residential community, while destination retail is anticipated to locate in areas that could potentially accommodate larger retail footprints, such as in new Building 11, new Building 21, and existing Buildings 19 and 20. By limiting the overall amount of permitted retail to 900,000 square feet of zoning floor area (approximately 14 percent of the Proposed Development, or 0.7 FAR), a predominance of non-retail uses can be assured with retail serving as a secondary use rather than a primary use. Pursuant to the special permit, retail uses may also be augmented with gyms (aka Physical Culture Establishments, or “PCEs”). PCEs will give the many workers at Industry City the exercise and recreation opportunities that are important to any large center of commerce.

With the exception of eating and drinking establishments up to 10,000sf per establishment, the aforementioned retail uses will generally be restricted in their location within the Special District to the first and/or first and second floors of buildings. Retail size and location restrictions will be as follows:

- Between 32<sup>nd</sup> and 33<sup>rd</sup> streets from Second to Third avenues, between 33<sup>rd</sup> and 36<sup>th</sup> streets within 130 feet of Second Avenue, and between 39<sup>th</sup> and 41<sup>st</sup> Streets from First to Second avenues: retail establishments will be limited to the first and second floors of buildings with no limitation on size per establishment.
- Between 36<sup>th</sup> and 37<sup>th</sup> streets, Second to Third avenues: retail establishments will be limited to the first and second floors of buildings and be capped at a maximum of 40,000 square feet of zoning floor area per establishment.
- Between 33<sup>rd</sup> and 36<sup>th</sup> streets beyond 130 feet of Second Avenue, and between First Avenue and the Waterfront: retail establishments will be limited to the first floor of buildings and be capped at a maximum of 40,000 square feet of zoning floor area per establishment.
- Above the floors indicated above, the following UG 6A, 6C, 9A and 10A uses may be also be located: Eating and drinking establishments up to 10,000 square feet of zoning floor area per establishment; depositories for storage of office records, microfilm, or computer tapes; data processing; art, music, dancing and theatrical studios; photographic or motion picture production studios; and radio or television studios.

These restrictions on location of retail use will ensure the compatibility of retail with adjacent uses and the local community. The restrictions will direct retail towards the areas where it can be most impactful in activating the streetfront and creating a pedestrian-friendly environment, and away from the uses in the upper floors of buildings which are less well suited to higher levels of transient visitor activity.

Specifically, by limiting retail to the first floor only along most of Third Avenue and west to within 130 feet of Second Avenue, the practical size of retail establishments will be limited closest to the mixed-use and residential areas of Sunset Park to the east. This is intended to guide retail development toward neighborhood-serving local retail in these areas.

Along Second Avenue and along 39<sup>th</sup> Street between First and Second avenues, larger retail, up to two stories in height and not limited as to size per establishment will allow for select larger retail establishments to locate in areas distant from surrounding uses and the adjacent Sunset Park community.

Academic: New lab, classroom, and research facilities under the proposed academic use would provide both a venue for innovators and scholars to interface on research, design, training, and education, and provide a feeder of educated and trained employees to serve Innovation Economy uses on site and elsewhere in the City. In addition to traditional college and university uses, associated libraries and museums will also play an important role in supporting such research and education.

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<sup>15</sup> The following uses would not be subject to the 900,000 sf cap: UG9A Art, music, dancing or theatrical studios; and UG10A Depositories for storage of office records, microfilm or computer tapes, or for data processing; Photographic or motion picture production studios; and Radio or television studios.

The goal of the envisioned academic programs at Industry City is to build upon the work of the existing Innovation Lab, which provides training and job placement services connecting local community residents with jobs at Industry City businesses while providing a range of services to small business owners. The expanded program would provide additional training opportunities to prepare workers for a range of positions within the Innovation Economy firms at Industry City while further enabling entrepreneurs to begin their own businesses within the sector. By offering a range of degree and non-degree programs (e.g., certificate, Associate's degree, Bachelor's degree, advanced degrees, and/or continuing education), the academic space could provide businesses at Industry City with access to a diverse pipeline of talented students ranging from entry-level workers to managers and entrepreneurs.

Existing workers at Industry City could also benefit from direct access to higher education programs with which to advance their careers in the Innovation Economy. Potential academic tenants would offer people-based services, such as workforce development and entrepreneurship and small business support to benefit emerging businesses and new workers, and partner with local businesses to provide shared facilities such as incubator space, co-working space, and advanced equipment that would support businesses at Industry City as they grow and further develop their products.

The academic component at Industry City could produce an integrated academic-business environment where new research and prototypes could be translated into viable products, new businesses, and new career pathways. Small-scale examples of this already exist at Industry City in the form of business/trade schools (UG 9A or 13B equivalents), such as NYU-Tandon's Veteran Entrepreneurship Lab and CUNY City Tech's technology training classroom in the Innovation Lab. Each of these programs provides technical training to local residents as well as ready linkages to on-site employers looking for skilled employees.

Hotel: The two anticipated hotels will be located in the Gateway Building along Third Avenue between 36<sup>th</sup> and 37<sup>th</sup> Streets (Assemblages B and D only), and in Building 21 along the east side of First Avenue between 39<sup>th</sup> and 41<sup>st</sup> Streets (in all Assemblages). The hotels would not be located in the same building as, or share a common wall with, any heavier industrial use pursuant to the special permit regulations discussed further below.

The hotels will contribute to the success of both budding and established businesses. These hotels are primarily intended to accommodate the travelers transacting business with the many employers projected to operate at Industry City. The hotels will also provide critical conference and meeting room space.

As demonstrated through discussions with its existing tenants as well as stakeholders from innovation districts across the country, demand for hotel and meeting space is high among Innovation Economy tenants and users anticipated to locate at Industry City. The two hotels at Industry City would support existing businesses as they grow, enabling firms to host prospective workers, partners, and visitors. For example, visitors would be able to stay in hotels on-site and have direct access to the companies they are visiting, as well as to the greater Innovation Economy uses within the Project Area. Meeting facilities within the hotel will offer space for events that foster cross-collaboration among the diverse sectors of the innovation economy and could provide additional meeting space for a proposed academic partner. Hotels will also be an incentive to attract new firms to locate at Industry City.

Nearby hotels in the Sunset Park neighborhood would not be able to provide the necessary connections to the Innovation Economy District due to their inability to provide the on-site capabilities that an Industry City hotel (as envisioned) could provide. Specifically, existing hotels in Sunset Park lack the business and meeting amenities needed by the innovation economy. Of the seven hotels located within a one mile radius of Industry City, all but one are limited-service establishments and none have meeting or conference facilities. The closest hotels with business conference facilities are two miles away in Park Slope/Boerum Hill, requiring a 20 minute trip on public transit. The two hotels at Industry City will not compete with existing hotel offerings in the neighborhood, but rather, will fill a gap in the market for mid and upscale select-service hotels with meeting facilities.

Innovation Economy: As discussed in detail above, modern manufacturers are redefining the traditional typologies of production workspaces, often occupying a mix of manufacturing spaces, studio spaces for artists and designers, ancillary retail spaces for makers to sell their products, and supportive office uses. These are currently as-of-right uses that are anticipated to occupy the majority of space at Industry City, replacing much of the vacant, storage and warehousing uses that currently exist. Innovation Economy uses are anticipated to be the primary job generating uses in the Project Area, and would include uses in UGs 6B, 9A, 10A [non-retail], 11A, 16A, 16B, 17B, 17C, and 18.

Event Space: A small portion to Industry City is anticipated to comprise one or two event spaces intended primarily to host small and large events for tenants and businesses at Industry City.

Storage and Warehousing: These uses are typically lower density with respect to job creation will be de-emphasized at Industry City as a result of the Proposed Actions. However it is nonetheless anticipated that a small percentage of the overall space at Industry City will include storage of City records for a number of City agencies that have long-term leases at Industry City.

Parking: The parking needs of employees and visitors to Industry City would be accommodated primarily within two parking garages that are currently anticipated to be located within newly-constructed buildings. These garages are anticipated to be located just above the retail floors within new Building 11 and both above and below the retail floors in new Building 21. Building 11 is currently anticipated to include between 334 and 384 parking spaces in a three-level self-park garage, while Building 21 is currently anticipated to include between 1,350 and 1,600 parking spaces in a four-level combination self-park and attended garage or fully-attended garage, depending on the development assemblages. Assemblages C and D, which envision a larger Building 21 footprint, would include a three self-park levels above grade and one attended level below grade. Assemblages A and B, which envision a smaller Building 21 footprint, would include three attended levels above grade and one attended level below grade.

The garages are sited at each end of the Industry City complex in order to distribute vehicular activity and serve tenants and visitors to all buildings. The Building 11 garage would have a single entrance/exit at the northern end of Industry City property along 32<sup>nd</sup> Street between Second and Third Avenue. In all Assemblages the Building 21 garage would have two separate entrances: one from First Avenue providing access to the above-grade levels, and a second from 41<sup>st</sup> Street providing access to the below-grade levels. In this way, the Building 21 garage would essentially operate as two separate and distinct facilities.

In addition to these two garages, an additional approximately 127 existing spaces would remain at street level throughout the area owned by the Applicant. The Large Scale Development special permit will require retail square footage in excess of an aggregate amount of 120,000 square feet (which accounts for existing retail uses in the Project Area) to provide parking spaces at a rate of one space per 500 square feet. As such, it is currently anticipated that these garages will be sized to accommodate peak weekend demand for projected retail uses. However, in practice they will also serve to accommodate parking demand for non-retail tenants and visitors to Industry City, which peaks during the week rather than the weekend. As such, the retail parking requirement is anticipated to accommodate parking demand for all projected development at Industry City.

### *Building Envelopes, Height and Setback*

As discussed in more depth below in “Actions Necessary to Facilitate the Proposed Development”, the actions would introduce maximum building height limits where none currently exist and require building setbacks above certain heights. These regulations would memorialize the existing built form of most of the 16 buildings to remain and permit limited rooftop enlargements to those buildings to accommodate tenants that may need higher ceiling heights than the existing buildings provide. While there is no specific plan to enlarge existing buildings, the special permit would permit maximum building heights of generally 25 feet higher than the existing 85-foot-high Finger Buildings (within the majority of Zoning Envelopes A, B, C, D and E on Zoning Lots 1 and 2) and approximately 35 feet higher than the existing 115-foot-height of the majority of the 39<sup>th</sup> Street Buildings (within Zoning Envelopes F and G on Zoning

Lots 3 and 4).<sup>16</sup> Building 10 (within Zoning Envelope A) would not be permitted to enlarge above its current height of approximately 170 feet. It should be noted that portions of existing Finger Buildings and 39<sup>th</sup> Street buildings exceed existing heights of 85 and 115 feet, respectively, typically to accommodate mechanical bulkheads and/or elevator overrides. These conditions would also be memorialized in the proposed height & setback envelopes, but these areas of the existing buildings would not be permitted to be enlarged to the same degree as the portions rising to only 85 and 115 feet.

The height and setback regulations would also limit the height of rooftop mechanicals to a maximum of 25 feet above the roof slab at the Finger Buildings and 40 feet above the roof slab for 39<sup>th</sup> Street Buildings, which is more restrictive than the underlying regulations set forth in Zoning Resolution Section 43-32.

#### *Driveways, curb cuts, and loading docks*

The special permit would introduce additional restrictions on the permitted location of new curb cuts accessing the Development Site, as discussed below in “Actions Necessary to Facilitate the Proposed Development”. Specifically, while underlying zoning regulations permit curb cuts in most locations beyond 50 feet from an intersection, the special permit would further limit the location of curb cuts to ensure compatibility with pedestrian activity and support a pedestrian-friendly environment. While the special permit would provide for flexibility to place curb cuts in a number of locations, the predominantly built-out nature of the Special District is such that most of the curb cuts associated with the project, discussed further below, either currently exist or can be anticipated with a fair degree of accuracy.

The Applicant recently completed the construction of elevated walkways/loading docks along 36<sup>th</sup> Street, 35<sup>th</sup> Street and 34<sup>th</sup> Street, and anticipates future construction of similar walkways/loading docks along 33<sup>rd</sup> Street. Thus, in the future with the proposed actions it is anticipated that there will be very few individual curb cuts directly accessing the Finger Buildings between 32<sup>nd</sup> and 36<sup>th</sup> Streets. It should be noted that the majority of 33<sup>rd</sup>, 34<sup>th</sup> and 35<sup>th</sup> streets between Second Avenue and Third Avenue are not mapped city streets, but rather private driveways owned and operated by the Applicant. As such, the access to these driveways from Second and Third avenues are technically curb cuts as well. Along 37<sup>th</sup> Street, there will be a curb-cut zone along much of the north side of the street, as elevated sidewalks are not currently anticipated to be constructed here, and future use of Building 1 may require one or more loading docks on this street frontage at locations not currently specified. It should be noted that much of this frontage is currently built without a sidewalk, angled parking spaces are located along the frontage, and the street grade typically runs flush to the building.

The new Gateway Building is expected to have loading access via either the elevated walkway/loading docks along 36<sup>th</sup> Street (should loading through Building 2 into the Gateway Building prove feasible) or via a loading dock directly off 36<sup>th</sup> Street in the location of an existing curb cut approximately 75 feet west of Third Avenue. Existing Buildings 9 and 10 are expected to have loading access via the proposed elevated walkway/loading docks on 33<sup>rd</sup> Street. The new Building 11 is expected to have loading access from a curb cut on 33<sup>rd</sup> Street in proximity to Second Avenue and vehicular access to the parking facility from 32<sup>nd</sup> Street, in approximately the same location as the existing curb cut for the existing loading docks serving Building 10.

With respect to the 39<sup>th</sup> Street buildings, most access for trucks and vehicles is intended to be shifted off 39<sup>th</sup> Street in favor of access via 41<sup>st</sup> Street and First Avenue. This will allow 39<sup>th</sup> Street to operate as a pedestrian street with fewer curb cuts and other pedestrian interruptions.

Specifically, loading access to Buildings 19 and 20 is expected to be achieved from a series of existing curb cuts (approximately 190 feet wide in total) accessing loading docks along 41<sup>st</sup> Street and via two existing curb cuts (each approximately 30 feet wide) at the western edge of Building 19/20 from 39<sup>th</sup> Street and 41<sup>st</sup> Streets accessing loading docks in the building’s rear courtyard. Since 41<sup>st</sup> Street is intended to be a primary loading and service street serving

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<sup>16</sup> The roof of Building 19 was recently raised to a height of approximately 140 feet to accommodate a training facility for the Brooklyn Nets basketball team, thus the maximum building height would be only 11 feet higher than this portion of Building 19.

Buildings 19, 20 and 21 (with minimal pedestrian activity), a curb cut zoning has been established along much of this frontage. Existing 39<sup>th</sup> Street loading berths serving Buildings 19 and 20 are anticipated to be discontinued and converted to a raised walkway providing pedestrian access to ground floor retail and lobbies of the building.

Loading access to the new Building 21 would be achieved via up to three loading berths off 41<sup>st</sup> Street (each approximately 30 feet wide), while vehicular access to Building 21 would be provided from both First Avenue (via a 30 foot wide curb cut) and 41<sup>st</sup> Street (via a 30 foot wide curb cut). Vehicular access to Building 21 is not anticipated to occur from 39<sup>th</sup> Street.

Loading to Buildings 22-26 would be achieved primarily from First Avenue (via the series of existing curb cuts). However, some existing curb cuts from 39<sup>th</sup> Street may be retained to provide loading access to westernmost Building 24 in the event loading to Building 24 cannot be achieved through a combination of Buildings 22, 23, 25 and/or 26. While the series of historical curb cuts providing access to Building 24 are currently approximately 84 feet wide, this width is anticipated to be reduced in the future. Loading docks accessing Building 26 from 39<sup>th</sup> Street are anticipated to be discontinued in favor of access from First Avenue.

### *Public Open Space*

The publicly-accessible courtyards at Industry City between buildings 1 and 2, 3 and 4, and 5 and 6—each approximately 34,000 square feet—are anticipated to continue to be open to and useable by the public subsequent to the Proposed Development. Furthermore, while the Proposed Development does not contemplate opening the Building 24 apron to the public as part of the Proposed Development, the Restrictive Declaration that would be recorded against Industry City properties in conjunction with the Large Scale Development special permit (discussed further below) would require the development of a publicly-accessible open space should certain conditions be met. Specifically, should Industry City: 1) convert Building 24 to a predominantly non-industrial use which would be compatible with public access, and 2) obtain site control of the City-owned portion of the apron, then the development of the combined Industry-City and City-owned portions of the apron as publicly-accessible open space would be required. The Applicant's current plans do not meet these two requirements.

### *Floodplain and Resiliency*

All renovated and newly constructed buildings would proactively include flood proofing measures to reduce the risks of current and future flooding. Based on anticipated flood depths, buildings would be either dry or wet flood proofed, as required. Dry flood proofing measures, such as installation of aluminum shielding and flood gates and/or other appropriate methods would be incorporated into Buildings 22/23 and 26 as well as buildings upland of 1st Avenue. Such work would be incorporated at the time of construction and in accordance with all applicable codes. The uses proposed for the ground floor of Building 24 would be of temporary nature with the ability to be relocated in the event of flooding. All proposed new mechanical, electrical, and plumbing equipment would be elevated and located out of the floodplain, in compliance with Appendix G of the New York City Building Code.

### *Alternate Assemblages B, C and D*

The Proposed Development is ultimately anticipated to include two parcels of land not currently under the ownership of the applicant: the Gateway Parcel at Third Avenue between 36<sup>th</sup> and 37<sup>th</sup> streets (on which the Gateway Building is proposed for development) and a portion of Parcel 21 on 39<sup>th</sup> Street between First and Second avenues (on which Building 21 is proposed for development).<sup>17</sup>

As such, the Proposed Development could potentially be somewhat larger than identified in Assemblage A discussed above. To account for scenarios in which the applicant acquires one or both of these parcels, three additional assemblages have been identified. Below is a discussion of the changes to the Proposed Development that would result under each of these assemblages:

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<sup>17</sup> The applicant does currently own one tax lot within the Gateway Parcel (Block 695, Lot 43), however this lot would only be included in the Proposed Project in scenarios that include the Gateway Parcel in full.

Assemblage B: Under this assemblage, the un-owned portion of the Gateway Parcel (comprising Block 695, Lots 37-42) would be acquired and the Proposed Development would include the Gateway Building. The Proposed Development under Assemblage B would differ from the Proposed Development under Assemblage A as follows:

- The overall lot area would increase to 1,303,174
- The overall maximum blended FAR would be 4.96
- The overall maximum permitted floor area would increase to 6,469,766;
- The 12-story, 182,400 sf Gateway Building would be constructed on the Gateway Parcel. It would rise to a height of 170' (at the eastern portion of Zoning Envelope E) and contain retail uses on the first floor and 223 hotel rooms above.

Assemblage C: Under this assemblage, the un-owned Lot 20 Portion of Parcel 21 (comprising Block 706, Lot 20) would be acquired by the applicant and the Proposed Development would include Building 21 at a larger size. The Proposed Development under Assemblage C would differ from the Proposed Development under Assemblage A as follows:

- The overall lot area would increase to 1,309,457
- The overall maximum FAR would remain 5.0
- The overall maximum permitted floor area would increase to 6,547,285;
- The existing 3-story industrial building on Lot 20 would be demolished
- The 10-story Building 21 would be constructed on Lots 20, 101 and the portion of Lot 24 east of First Avenue (within Zoning Envelope F). It would occupy a larger footprint than under Assemblage A, and contain additional floor area totaling approximately 781,368 sf. It would rise to a height of up to 150' and contain retail uses on the first and second floors, an attended parking garage in the cellar and a self-park facility on floors 3-5, and a 197-room hotel as well as Innovation Economy uses above.

Assemblage D: Under this assemblage, both the un-owned portion of Parcel 21 (comprising Block 706, Lot 20) and the un-owned portion of the Gateway Parcel (comprising Block 695, Lots 37-42) would be acquired by the applicant and the Proposed Development would include both Building 21 at a larger size and the Gateway Building. The Proposed Development under Assemblage D would differ from the Proposed Development under Assemblage A as follows:

- The overall lot area would increase to 1,324,825
- The overall maximum blended FAR would be 4.97
- The overall maximum permitted floor area would increase to 6,578,021;
- The existing 3-story industrial building on Block 706, Lot 20 would be demolished
- The 10-story Building 21 would be constructed on Lots 20, 101 and the portion of Lot 24 east of First Avenue (within Zoning Envelope F). It would occupy a larger footprint than under Assemblage A, and contain additional floor area totaling approximately 781,368 sf. It would rise to a height of up to 150' and contain retail uses on the first and second floors, an attended parking garage in the cellar and a self-park facility on floors 3-5, and a 197-room hotel as well as Innovation Economy uses above.
- The five 3-story buildings and one 1-story building on Block 695, Lots 37-42 would be demolished
- The 12-story, 182,400 sf Gateway Building would be constructed on the Gateway Parcel (at the eastern end of Zoning Envelope E). It would rise to a height of 170' and contain retail uses on the first floor and 223 hotel rooms above.

## **Actions Necessary to Facilitate the Project**

The Proposed Project requires discretionary approvals from the CPC, including a Zoning Map amendment, a zoning text amendment, a change to the City Map, and a special permit to modify use, bulk and other requirements. Below is a detailed description of the actions required to facilitate the proposed project, as well as the land use rationale for those actions.

The Applicant is requesting the following discretionary actions:

1. A Zoning Text amendment to establish the Special Industry City District (“SICD”), and also modify the following sections of the Zoning Resolution:
  - a. Section 11-222: Districts Established
  - b. Section 12-10: Definitions
  - c. Section 13-44: Special Zoning Districts Where Certain Sidewalk Cafes are Permitted
  - d. Section 63-13: Applicability of District Regulation (w/in Special Regulations Applying in the Waterfront Area;
2. A Zoning Map amendment to map the SICD on the entirety of the Project Area and to change the portion of the Project Area currently zoned M3-1 (Block 679, Lot 1; Block 683, Lot 1; Block 687, Lot 1; Block 691, Lot 1, 44, 45 and 46; Block 695, Lots 1 and 20; Block 706, Lots 1, 20, 24, and 101; Block 710, Lot 1; and a small portion of Block 662, Lot 1) to an M2-4 zoning district (“M2-4/IC”); the portion of the Project Area currently zoned M1-2 (Block 695, Lots 37-43) would be included in the boundaries of the SICD but would remain zoned M1-2 (“M1-2/IC”) (collectively, the above-referenced parcels comprise the “Rezoning Area”)
3. A Special Permit to modify use, bulk and other requirements pursuant to findings and a site plan, for an area comprising Block 679, Lot 1; Block 683, Lot 1; Block 687, Lot 1; Block 691, Lot 1 and 44; Block 695, Lots 1, 20, and 37-43<sup>18</sup>; Block 706, Lots 1, 20<sup>19</sup>, 24, and 101; and Block 710, Lot 1 (the “Large Scale Development”). The Special Permit proposes to modify the following sections of the Zoning Resolution:
  - a. Sections 11-42 & 11-43: Lapse/Renewal of Authorization or Special Permit
  - b. Section 42-10: Uses Permitted As-of-Right
  - c. Sections 42-272 and 42-275: Performance Standards
  - d. Section 43-10: Floor Area Regulations
  - e. Section 43-20: Yard Regulations
  - f. Section 43-40: Height and Setback Regulations

In conjunction with the Special Permit, additional restrictions and requirements will apply, with respect to off-street parking. Specifically, the maximum size of a permitted accessory group parking facility may be increased to 500 spaces provided the Commissioner of Buildings makes certain determinations, and accessory off-street parking spaces may be located on zoning lots other than the same zoning lot as the use to which they are accessory.

In addition to the above actions, which are the subject of this land use application, the Applicant is also concurrently seeking a change to the City Map to demap 40th Street between First Avenue and Second Avenue pursuant to a separate application (#160146MMK).

### *Zoning Text Amendment*

A zoning text amendment is proposed to create the SICD and to modify certain other sections of the Zoning Resolution as a result of the creation of the SICD. The new special district would establish regulations that both modify the underlying zoning district regulations and establish a special permit to allow further modification of use and bulk regulations.

The establishment of the special district and special permit will facilitate a number of goals that would be unable to be accomplished with merely a change to the zoning district designation. Broadening the range of uses typically permitted in the Project Area pursuant to the proposed M2 zoning district and allowing to modify certain bulk provisions will support the development of an Innovation Economy district in this area, fostering a sustainable business environment and creating a local and regional employment center. At the same time, subjecting the use and bulk relief to an approved site plan will protect and preserve the built form of the neighborhood, support a pedestrian-friendly environment, and strengthen connections to the broader Sunset Park neighborhood.

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<sup>18</sup> Assemblages B and D only.

<sup>19</sup> Assemblages C and D only

As discussed above, the success of Innovation Economy districts require a range of uses that are not currently permitted in any single zoning district (e.g. industrial, office, academic, retail and hotel). As such, any change to the zoning district designation must be accompanied by a supplemental regulatory framework to foster a sustainable business environment where substantial job creation can occur. Furthermore, in order to preserve and protect the existing built form of Industry City while supporting a pedestrian-friendly environment, a specifically-tailored special permit is required, as discussed further below.

The text amendment will also specifically limit the relief that may be granted by the special permit. In addition, in order to help ensure the compatibility of all uses that may be developed pursuant to the zoning text's special permit, the text will subject all manufacturing uses to M1 performance standards, which are the most stringent manufacturing district standards. In consideration of the fact that a special permit may modify use, bulk and parking regulations, and that only a small inaccessible portion of the Project Area is unbuilt-upon waterfront land, the text will also make inapplicable most of the provisions of Article VI, Chapter 2 (Special Regulations Applying in the Waterfront Area) should a Special Permit be granted.

The details of the SICD modifications are as follows:

Applicability of Waterfront Regulations: While the Industry City complex is located close to the Sunset Park waterfront, the majority of land within the SICD is not waterfront land or on a waterfront block. Only a very small, approximately 40-foot-long portion of Block 706, Lot 24 contains unbuilt-upon land adjacent to the waterfront. As such, the standard use, bulk and parking regulations set forth for waterfront blocks and lots would not be appropriate in the SICD for projects that include substantial non-waterfront portions. Furthermore the small waterfront portion of land on Block 706, Lot 24 is currently inaccessible from any public street or publicly-accessible area. This renders the standard waterfront public access and visual corridor requirements unsuitable for this condition. As such, the SICD would waive the provisions of Article VI, Chapter 2: Special Regulations Applying in the Waterfront Area for special permit applications that contain waterfront blocks and non-waterfront blocks.<sup>20</sup>

Applicability of Performance Standards: Given the potential for the development of a wider range of uses within the Project Area pursuant to the 129-10 special permit (discussed below)—including more sensitive uses such as hotels and academic institutions—the SICD would require all developments, enlargements, conversions or changes of uses established after the adoption of the SICD that are subject to performance standards, to comply with M1 District performance standards of Section 42-20.

Applicability of Off-Street Parking Regulations: Given the desire to establish a uniform set of parking regulations for all uses within the Project Area that are subject to special permit relief, within an area that is subject to a special permit pursuant to Section 129-21 (discussed below), the SICD would apply the underlying parking regulations of an M2-4 district within an M1-2 district.

Special Permit for Use and Bulk Modification: The SICD would establish a special permit pursuant to Section 129-21 that permits the CPC to allow modifications to the underlying use and bulk regulations otherwise applicable within the SICD. Specifically, the special permit would allow the CPC to modify:

- Use Regulations to allow:
  - Use Group 3A schools, with no living or sleeping accommodations
  - Use Group 3A colleges or universities, including professional schools; and libraries, museums or non-commercial art galleries; limited to an aggregate total of 625,000 sf of floor area
  - Use Group 5 and 7A transient hotels
  - Retail and service establishments listed in Use Group 6A, 6C, 7B, 8B, 9A, 10A, 12B and 14A, limited to an aggregate total of 900,000 sf of floor area, and

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<sup>20</sup> Should the applicant obtain site control of the adjacent waterfront land owned by the City of New York, and develop Building 24 with predominantly non-industrial uses, a public access area on the waterfront would be created on the applicants land in conjunction with the City's land pursuant to a separate agreement

provided retail floor area in an aggregate amount exceeding 120,000 sf is parked at a ratio of one space per 500 sf of floor area.<sup>21</sup>

- Physical culture or health establishments (i.e. gyms), which shall be considered Use Group 9A uses
  - Distilleries, as listed in Use Group 18A as an alcoholic beverage manufacturing establishment, with all distilleries established by the Special Permit, and the Class III materials they manufacture, store, handle and use, subject to the design, installation, operation and maintenance requirements of the New York City Fire Code and rules, including occupancy group restrictions, floor restrictions, storage limitations, and facility and equipment requirements.
- Bulk Regulations to allow modifications to all underlying bulk regulations other than the maximum permitted floor area ratio.

The SICD would set forth certain additional restrictions and requirements in conjunction with the grant of a 129-21 special permit. These restrictions and requirements would give an applicant flexibility to acquire parcels of land in the future to meet the goals and objectives of the Proposed Project, would protect more sensitive land uses from potentially heavier industrial uses within the special permit area; would permit the development of parking spaces in advance of the uses to which they are accessory and in a wider range of locations in order to ensure the provision of sufficient parking spaces; and would allow for the vesting of the relief granted under a special permit without necessarily requiring the applicant to construct new buildings:

- Any development, enlargement, conversion or change of use pursuant to the special permit, must be on a tract of land that is under the sole control of the applicant at the time of application for this special permit. However, alternate site plans may be provided for approval by the CPC which include zoning lots within the boundaries of the SICD which are not under the sole control of the applicant. Any such alternate site plans would be subject to a future Certification by the Chair of the CPC that confirms the applicant has obtained sole control of such additional zoning lot or lots that were not under their sole control at the time of application for the special permit.
- Where a building contains a use permitted in Use Groups 3A, 5 or 7A through this special permit, such uses may locate in a building, or share a common wall with a building, containing commercial uses, or manufacturing uses, other than those listed in Use Group 18, upon certification by a licensed architect or engineer to the Department of Buildings that any such use listed in Use Group 16 or 17:
  - does not have a New York City or New York State environmental rating of "A", "B" or "C" under Section 24-153 of the New York City Administrative Code for any process equipment requiring a New York City Department of Environmental Protection operating certificate or New York State Department of Environmental Conservation state facility permit; and
  - is not required, under the City Right-to-Know Law, to file a Risk Management Plan for Extremely Hazardous Substances.
- The maximum number of permitted parking spaces in an accessory group parking facility pursuant to Section 44-12 (Maximum Size of Accessory Group Parking Facilities) may be increased to 500 spaces, if the Commissioner of Buildings determines that each such facility:
  - has separate vehicular entrances and exits, located not less than 25 feet apart;
  - is located on a street not less than 60 feet wide and has adequate reservoir space at the vehicular entrance to accommodate either 10 automobiles or five percent of the total parking spaces provided by the use, whichever amount is greater.
- Accessory off-street parking spaces may be located on zoning lots other than the same zoning lot as the use to which they are accessory, provided they are located within the boundary of the special permit area.

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<sup>21</sup> The following non-retail uses in UG9A and UG10A may be exempted from the aggregate floor area limit and parking requirement: depositories for storage of office records, microfilm or computer tapes, or for data processing; photographic or motion picture production studios; radio or television studios; and art, music, dancing or theatrical studios.

- For the purposes of applying the provisions of Sections 11-42 (Lapse of Authorization or Special Permit Granted by the City Planning Commission Pursuant to the 1961 Zoning Resolution) and 11-43 (Renewal of Authorization or Special Permit) to any special permit granted under 129-21, substantial construction shall, in addition to having the meaning set forth in Section 11-42, also mean the issuance by the Department of Buildings of a temporary or permanent certificate of occupancy, or an equivalent, for any use not permitted by the underlying district regulations.

Sidewalk Café Regulations and Waterfront Regs: In addition to the creation of the SICD, the zoning text amendment would modify the Sidewalk Café Regulations of Section 14-44 such that unenclosed sidewalk cafes continue to be permitted in the SICD. In addition, the zoning text amendment would modify the regulations of Section 62-13 to allow the SICD to modify waterfront regulations as discussed above.

### *Zoning Map Amendment*

The Applicant proposes to map the SICD (to be denoted as “IC” on the Zoning Map) over the entirety of the Project Area, including:

- Block 679, Lot 1;
- Block 683, Lot 1;
- Block 687, Lot 1;
- Block 691, Lots 1, 44, 45, and 46;
- Block 695, Lots 1, 20, and 37-43;
- Block 706, Lots 1, 20, 24, and 101; and
- Block 710, Lot 1
- A portion of Block 662, Lot 1

The Applicant also proposes to rezone the portions of the Special District that are currently zoned M3-1, to M2-4 (Block 679, Lot 1; Block 683, Lot 1; Block 687, Lot 1; Block 691, Lots 1, 44, 45, and 46; Block 695, Lots 1 and 20; Block 706, Lots 1, 20, 24, and 101; Block 710, Lot 1; and a portion of Block 662, Lot 1). The portion of the Special District that is zoned M1-2 (Block 695, Lots 37–43) will remain zoned M1-2.

Due to the size and place-defining character of the existing Industry City complex, and the fact that most properties beyond the boundaries of Industry City are characterized by a different context and urban form, the boundaries of the SICD would be drawn largely to coincide with the Industry City complex and immediately-adjacent properties anticipated to be acquired by Industry City. Two exceptions would be two properties at the northwest corner of Third Avenue and 36<sup>th</sup> Street (Block 691, lots 45 and 46), and a small portion of Block 662, Lot 1 that the Applicant does not control and has no future plans to acquire. These lots would be rezoned from M3-1 to M2-4 subsequent to the proposed actions, and would also become part of the SICD as they form contiguous and rational boundaries with the Industry City property and the existing M3-1 district. They would not, however, be part of the Large Scale Development and thus would not be subject to the special permit and are not expected to be redeveloped as a result of the Proposed Actions.

The change to the zoning map will increase the maximum permitted FAR from 2.0 to 5.0, better reflecting the existing built condition of the Project Area, which is built to an overall FAR of approximately 3.9, and allowing for limited development of new structures on underutilized land and/or enlargements to existing buildings. The change will also reduce the permitted manufacturing intensity in the Project Area from M3 to M2, better reflecting the lack of heavy or noxious industrial or manufacturing activities occurring on site today. The lower parking requirements of the M2-4 district as compared to the existing M3-1 district better reflects to location of Industry City, which is close to multiple public transit options.<sup>22</sup> In addition to replacing the M3-1 district with an M2-4 district, the mapping action will map the SICD to ensure goals for the neighborhood are met, as discussed above.

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<sup>22</sup> Note that the proposed SICD and special permit will impose parking requirements on all new or converted retail uses, as discussed under “Special Permit” below

### *Special Permit*

The Applicant also seeks a special permit pursuant to proposed ZR Section 129-21 to modify certain use, bulk and parking provisions. Since two of the three sites projected to contain new buildings as a result of the proposed actions are not currently owned or controlled in full by the Applicant—as discussed above—and are not anticipated to be owned or controlled in full by the Applicant prior to approval of the proposed actions, the special permit will allow for the acquisition of remaining portions of these parcels subsequent to the approval of the proposed actions, as described further below.

The Special Permit seeks to modify the following use, bulk and parking regulations that would otherwise be applicable to the Proposed Development:

- a. Sections 11-42 & 11-43: Lapse/Renewal of Authorization or Special Permit
- b. Section 42-10: Uses Permitted As-of-Right
- c. Sections 42-272 and 42-275: Performance Standards
- d. Section 43-10: Floor Area Regulations
- e. Section 43-20: Yard Regulations
- f. Section 43-40: Height and Setback Regulations

The initial special permit approval would apply only to property owned or controlled by the Applicant (Assemblage A). This special permit approval may be expanded to include one (Assemblages B or C) or both (Assemblage D) additional parcels acquired by the Applicant, provided the Chair of the CPC certifies that the Applicant has obtained site control of the entire parcel or parcels prior to the grant of a building permit by the New York City Department of Buildings (“DOB”). Prior to such certification, such parcel(s) would not be able to be developed pursuant to the relief granted by the special permit, and would be subject to the underlying regulations of the applicable zoning district as modified by the SICD.

At the time of approval of the initial set of proposed actions, all four sets of special permit drawings would be approved, but only the set representing Assemblage A would be in effect. At the time of the grant of a certification affirming Applicant site control of the entirety of the Gateway Parcel only (not including Parcel 21), the set representing Assemblage B would be in effect. At the time of the grant of a certification affirming Applicant site control of the Lot 20 portion of Parcel 21 only (not including the Gateway Parcel), the set representing Assemblage C would be in effect. At the time of the grant of a certification affirming site control of both the entirety of the Gateway Parcel and Parcel 21, the set representing Assemblage D would be in effect.

### Modifications to Sections 11-42 & 11-43: Lapse/Renewal of Authorization or Special Permit

Section 11-42 of the Zoning Resolution requires “substantial construction” to be completed pursuant to a special permit granted by the CPC within four years from the effective date of such special permit in order to avoid a lapsing of the relief granted under the special permit. This period may be extended through renewals to a maximum of ten years from the effective date of the special permit. The Zoning Resolution further defines “substantial construction” for sites permitting multiple buildings as the substantial construction of one building.

Given the proposed special permit will permit a number of modifications beyond the right to construct new buildings, and given the Applicant may not construct a new building pursuant to the special permit but may nonetheless avail itself of substantial other relief pursuant to the special permit, the SICD will additionally define “substantial construction” as the issuance by the Department of Buildings of a temporary or permanent certificate of occupancy (TCO or PCO), or an equivalent, for any use not permitted by the underlying district regulations. For example, should the Applicant obtain a TCO or PCO or equivalent for a hotel use, or college/university use, or retail use not otherwise permitted, the special permit would vest.

### *Use Regulations*

Critical to the goal of creating a vibrant Innovation Economy district is the broadening of the range of uses permitted in the Project Area, which will permit the requisite collaborative “ecosystem” to grow at Industry City. Towards that end, this special permit application proposes

to allow, in addition to the uses permitted as-of-right in the proposed zoning district, certain additional uses subject to limitations.

Modification of Section 42-10: Uses Permitted As-of-Right:

These uses will include: colleges and universities, and libraries, museums and non-commercial art galleries in UG 3A; hotels in UG5, and retail uses generally not otherwise permitted in the underlying district. These retail uses include large retail establishments in UG10A, as well as other retail establishments in UG's 6C, 7B, 8B and 12B, and Physical Culture Establishments (gyms).

These additional uses will allow Innovation Economy firms, particularly entrepreneurs and small business owners, to take advantage of opportunities for cross-collaboration, inspiration, and business growth.

Understanding that this range of uses must be controlled as to size and location to ensure compatibility with other existing and proposed uses at Industry City and in the surrounding area, the special permit will place the following limitations on such uses:

- All Retail/service establishment uses (6A, 6C, 7B, 8B, 9A, 10A, 12B and 14A<sup>23</sup>) will be limited to a maximum of 900,000 square feet of floor area (approximately 0.68-0.70 FAR depending on Assemblage).
- These retail/service establishments will be limited as to location within buildings as follows:
  - Certain portions of the Project Area further from the local neighborhood are more appropriate to larger and potentially multi-story destination retail establishments, as they have the potential to draw a greater intensity of pedestrians and visitors from potentially further away. Between 32<sup>nd</sup> and 33<sup>rd</sup> streets from Second to Third avenues (within Zoning Envelope A), between 33<sup>rd</sup> and 36<sup>th</sup> streets within 130 feet of Second Avenue (within Zoning Envelopes B through D), and between 39<sup>th</sup> and 41<sup>st</sup> Streets from First to Second avenues (within Zoning Envelope G): retail establishments will be limited to the first and second floors of buildings with no limitation on size per establishment.
  - Situated directly across from the 2-story Costco large-retail establishment, retail uses in Buildings 1 and 2 are appropriate on the first and second floors, but a size limitation is also appropriate given their closer proximity to the local neighborhood. Between 36<sup>th</sup> and 37<sup>th</sup> streets, Second to Third avenues (within Zoning Envelope E): retail establishments will be limited to the first and second floors of buildings and be capped at a maximum of 40,000 square feet of zoning floor area per establishment
  - Portions of the Project Area in closer proximity to the local neighborhood, along the mid-block portions of the Finger Buildings, and in closer proximity to the waterfront are more appropriate for somewhat smaller ground-floor retail uses. Between 33<sup>rd</sup> and 36<sup>th</sup> streets beyond 130 feet of Second Avenue (within Zoning Envelopes B through D), and between First Avenue and the Waterfront (within Zoning Envelope G): retail establishments will be limited to the first floor of buildings and be capped at a maximum of 40,000 square feet of zoning floor area per establishment.
- Given the potential for retail/service establishments to draw customers from further away and on more often via private automobile, parking at the rate of one space for every 500 square feet of such establishments will be required once the Project Area contains an aggregate total of 120,000 square feet of retail/service floor area (which accounts for existing retail uses).

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<sup>23</sup> The following UG 9A and 10A uses would not be subject to the 900,000 sf cap: Art, music, dancing or theatrical studios; Depositories for storage of office records, microfilm or computer tapes, or for data processing; Photographic or motion picture production studios; and Radio or television studios.

- All UG3A college and universities; and libraries, museums and non-commercial art galleries will be permitted to a maximum of 625,000 square feet of floor area (approximately 0.47-0.49 FAR, depending on Assemblage). The 625,000 square foot limitation on UG3A uses will ensure academic and other permitted uses (libraries, museums and non-commercial art galleries) serve as a supportive use in order to foster a sustainable business environment, rather than a primary use that would displace or replace commercial businesses at Industry City.
- Acknowledging the public policy concern about the proliferation of hotels that may not best serve the needs of neighborhoods in which they're located, a maximum of 287,619 square feet of hotel (UG5 and/or 7A) floor area may be developed, limited as to location within the Special District and provided it can be demonstrated that hotel use is appropriate to the needs of businesses in the SICD. Specifically, Hotel use will be limited to the Gateway Building and/or Building 21. Assemblages A and C, which exclude the Gateway Building, would be limited to 127,000 square feet of hotel floor area in the area of proposed Building 21.
- Certain uses will be restricted from locating in proximity to other potentially heavier, noxious uses. Specifically, the above uses listed in UG3A (colleges and universities, and libraries, museums and non-commercial art galleries) and UG5/7A (hotels) will be restricted from locating in proximity to heavier commercial and manufacturing uses. UG3A and UG5/7A will not be able to locate in the same building as, or share a common wall with uses that:
  - have a New York City or New York State environmental rating of "A," "B," or "C" under Section 24-153 of the New York City Administrative Code for any process equipment requiring a New York City Department of Environmental Protection operating certificate or New York State Department of Environmental Conservation state facility permit;
  - Are required, under the City Right-to-Know Law, to file a Risk Management Plan for Extremely Hazardous Substances; and
  - Are UG 18.

These regulations would also work in the reverse: heavier, noxious uses meeting the criteria set forth above will be restricted from locating in proximity to UG3A and UG5A/7A uses.

These use modifications will allow for a broader range of uses in the Project Area, reflecting the land use needs of contemporary Innovation Economy firms and allowing for the development of a high-job-generating district. The modifications will also allow for retail uses in only appropriate lower-floor locations and protect sensitive uses in the district, such as hotels and academic uses, from the potentially adverse effects of manufacturing uses in the district.

#### Modification of Sections 42-272 & 42-275: Performance Standards:

The existing M3 district does not prevent the manufacture of Class III materials, which are a required component of distilleries. However the proposed M2/IC district would prohibit the manufacture of Class III materials as it would subject all Use Group 18A uses to M1 performance standards. In order for Industry City to retain the ability to locate distilleries in the Project Area, the special permit will seek modifications to the performance standards for distilleries, as listed in Use Group 18A as an alcoholic beverage manufacturing establishment, as follows. In lieu of Sections 42-272 (Classifications) and 42-275 (Regulations applying to Class III materials or products), all distilleries established by the Special Permit, and the Class III materials they manufacture, store, handle and use, shall be subject to the design, installation, operation and maintenance requirements of the New York City Fire Code and rules, including occupancy group restrictions, floor restrictions, storage limitations, and facility and equipment requirements. An application demonstrating compliance with the New York City Fire Code and rules shall be made to the Fire Department for approval. No distilleries shall be permitted to open or receive a Certificate of Occupancy by the Department of Buildings and no existing distilleries shall be allowed to expand except with Fire Department approval.

Distilleries currently exist at Industry City as an important manufacturer of products. This modification will allow them to locate and grow their businesses at Industry City to the same extent they are permitted to under the existing regulatory framework, while ensuring they operate in a safe manner as overseen by the New York City Fire Department.

### *Bulk Regulations*

The existing built condition of the Project Area—which these actions seek to protect and preserve—in conjunction with the proposed new development, would not comply with the bulk regulations of the (M1-2 and M2-4) zoning districts applicable to the Project Area subsequent to the zoning map change. Specifically, while the Proposed Development in aggregate would not exceed the overall maximum floor area permitted within the district, development on certain of the zoning lots within the proposed development would exceed the maximum floor area permitted on that zoning lot.

Furthermore, many existing Industry City buildings rise without setback to heights higher than permitted by the underlying height & setback regulations. At the same time, the existing height and setback regulations place no specific height limit on developments, provided such developments are sufficiently set back from the street line. Finally, a number of existing buildings encroach upon otherwise required rear yards.

In order to memorialize the existing built condition of Industry City and to facilitate development that is contextual to that condition, the special permit would permit certain waivers of underlying bulk regulations, and establish certain additional regulations, as follows:

#### Modification of Section 43-10: Floor Area Regulations:

Currently, each and every non-vacant Industry City tax lot is built to an FAR well above the maximum permitted 2.0 FAR. Current FARs range from a low of approximately 3.1 on Block 679, Lot 1 (which contains buildings 9, 10 and the Powerhouse structure) to a high of approximately 7.0 on Block 710, Lot 1 (which contains building 26).

Upon rezoning to an M2-4 district with a maximum FAR of 5.0 and the combination of a number of individual tax lots into larger zoning lots, three of the four proposed zoning lots would be built to an FAR of less than 5.0 (Zoning Lot 4 comprising Buildings 22-26 west of First Avenue would be built to an FAR of almost 6.0). However, with respect to new developments or enlargements, it is exceedingly difficult to predict the needs of businesses far into the future, and thus to predict exactly on which zoning lot development may occur.

Given the underlying regulations of Section 43-10 sets forth a maximum permitted floor area for each individual zoning lot, as a means of ensuring the ability to develop suitable space as and where needed in the future, this special permit application seeks to modify the provisions of 43-10 to allow the maximum permitted floor area to be transferred between and among zoning lots within the Special District without regard to zoning lot lines. This will permit required flexibility to accommodate future tenant needs, which are difficult to accurately predict at this time. For example, existing tenants may wish to expand their footprint via an enlargement to an existing building, or a new business or academic institution may require purpose-built space in a new building. As such, while the overall FAR will still be limited to 5 FAR in the special permit area (in Assemblages A and C—Assemblage B will have a blended maximum of 4.96 and Assemblage D will have a blended maximum of 4.97), one or more zoning lots may be built to an FAR of greater than 5 FAR (or the applicable blended maximum of 4.96/4.97, as the case may be).<sup>24</sup>

#### Modification of Section 43-20: Yard Regulations:

Given the Project Area would include all or substantially all property within most of the subject blocks, required rear yards are limited for the Proposed Development. Certain rear yards that would otherwise be required would be waived, as follows:

- Zoning Envelopes A, B and C (within Zoning Lot 1) would not require yard modifications
- Zoning Envelope D (within Zoning Lot 1): a required 20-foot rear yard equivalent at the east end of Building 3, adjacent to parcels that would be rezoned but not included in the

<sup>24</sup> In Assemblages B and D, which include the Gateway Parcel, zoned M1-2 with a maximum FAR of 2.0, the overall maximum permitted FAR in the special permit area will be slightly less than 5.0 FAR.

Special Permit on Third Avenue and 36<sup>th</sup> Street. Existing Building 3 currently encroaches the full 20 feet into this rear yard up to a height of 85 feet.

- Zoning Envelope E (Zoning Lot 2): a required 20-foot rear yard equivalent at the east end of Building 1 (and building 2 in Assemblages A and C, which do not include the Gateway Parcel), adjacent to parcels not within the Project Area on Third Avenue and 37<sup>th</sup> Street (waived for the full height of the building). Existing buildings 1 and 2 currently encroach the full 20 feet into the portion of these rear yards adjacent to Tax Lots 37, 38, 39, 40, 43, 44 and 45 on Block 695, up to a height of 85 feet.
- Zoning Envelope F (Zoning Lot 3): Assemblages C and D, which include the Lot 20 Portion of Parcel 21, would not require rear yard relief. Assemblages A and B, which do not include Lot 20, would require relief from a 20-foot rear yard setback adjacent to the southern and eastern lot lines of Block 706, Lot 20, and a 12-foot rear yard equivalent adjacent to the western lot line of Lot 20. This relief would allow the remaining portion of proposed Building 21 to rise without setback to the full permitted height of the building at the common lot lines between Lot 20 and adjacent Lot 101 and Lot 24. There are no existing encroachments into these required rear yards.
- Zoning Envelope G (Zoning Lot 4): a required 20-foot rear yard in the rear (water-facing) portion of the base of Building 26 to a height of 120 feet, west of First Avenue. Existing Building 26 currently encroaches the full 20 feet into this rear yard up to a height of 115 feet.

#### Modification of Section 43-40: Height and Setback Regulations:

The current and proposed zoning districts in the Project Area place no specific height limits on developments and could, in theory, permit a development to rise to height substantially higher than the existing built context of the Project Area. At the same time, the current and proposed zoning districts in the Project Area also mandate setbacks from the street line at heights that are frequently lower than the existing built context of the Project Area. In order to prevent development that rises to heights substantially higher than existing development, but allows certain limited enlargements to existing buildings to account for future needs of tenants, the special permit will set maximum building heights that are generally no more than 25 feet (Finger Buildings within Zoning Envelopes A, B, C, D and E) to 35 feet (39<sup>th</sup> Street Buildings within Zoning Envelopes F and G) higher than existing buildings.

There will only be two exceptions to this, for the proposed new Gateway Building (within Zoning Envelope E in Assemblages B and D only) and the proposed new Building 11 (within Zoning Envelope A). While development in these two locations would be permitted to rise up to 85 feet higher than existing adjacent structures, these two locations form anchor points at the northwest and southeast corners of the Finger Buildings area that are intended to match the taller Building 10 anchor point at the northeast corner of the area. Together, these three buildings would anchor three corners of the Finger Buildings area.

In addition, in order to permit new buildings to be built to the streetline to heights similar to existing building heights, the special permit will also grant relief from the sky exposure plane regulations of the underlying district(s).

Currently, Finger Buildings 1-8 (within Zoning Envelopes A, B, C, D and E) rise to 85 feet without setback along Second Avenue, Third Avenue and portions of mapped 33<sup>rd</sup> through 37<sup>th</sup> Streets, and Finger Building 10 (within Zoning Envelope A) rises to a height of 170 feet without setback, all in a district that requires setbacks at the lesser of 60 feet or four stories. The same is true for the 39<sup>th</sup> Street buildings: Buildings 19, 20, 22/23, 24 and 26 (within Zoning Envelopes F and G) all rise to heights of at least 115 feet without setback, which is well above the permitted 60 foot height of front walls. For the area to be rezoned from M3-1 to M2-4, portions of these buildings would be in greater compliance with height and setback regulations, but still require relief for other existing and permitted portions:

Zoning Envelope A (M2-4 district): M2-4 districts permit a maximum height at the street line of the lesser of 85 feet or six stories, before setbacks are required. Within Zoning Envelope A (beyond 130 feet from Second Avenue and 126 feet from Third Avenue), above 85 feet, a 20-foot setback would be required from a narrow street and a 15-foot setback would be required from a wide street. Finger building 9 and the midblock portion of proposed Building 11 would comply with these base requirements and setback requirements and not require relief. Building

10, within 126 feet of Second Avenue rises to a height of 170 feet without setback from the street, and the portion of new Building 11 within 130 feet of Second Avenue is proposed to do the same. (There would additionally be a 5-story portion of Building 11 in the midblock along 32<sup>nd</sup> Street, which would rise to a complying height of approximately 60 feet.) As such, relief is requested to bring Building 10 into compliance and permit new Building 11 to encroach upon the required front setback area and sky exposure plane. This relief would waive the requirement for a setback of at least 15 feet from a wide street and 20 feet from a narrow street at a maximum height of 85 feet. This relief would also waive compliance with a sky exposure plane of 5.6-to-1 above, in order to allow these two buildings to rise to 170 feet without setback. At its full height of 170 feet, Building 10 would require approximately 32 feet of relief from sky exposure plane regulations along 32<sup>nd</sup> Street and 33<sup>rd</sup> Street, and 11 feet of relief from sky exposure plane regulations along Third Avenue. At its full height of 170 feet, Building 11 would require approximately 15 feet of relief from sky exposure plane regulations along Second Avenue.

Zoning Envelopes B, C and D (M2-4 district): Within Zoning Envelopes B, C, and D, above 85 feet, a 20-foot setback would be required from a narrow street and a 15-foot setback would be required from a wide street. Finger buildings 3-8 comply with these base requirements, but would provide a setback of only 10 feet from a Second and Third avenues (wide streets) and 15 feet from the mapped portions of 33<sup>rd</sup>, 34<sup>th</sup>, 35<sup>th</sup> and 36<sup>th</sup> streets (narrow streets) for an enlargement above their existing roofs.<sup>25</sup> These setbacks would require a maximum of 5 feet of relief from 5.6-to-1 sky exposure plane requirements along Second and Third avenues; a maximum of 5 feet of relief from 2.7-to-1 sky exposure plane requirements along the north sides of mapped 34<sup>th</sup>, 35<sup>th</sup> and 36<sup>th</sup> streets; and a maximum of 10 feet of relief from the 2.7-to-1 sky exposure plane requirements along the south sides of mapped 34<sup>th</sup>, 35<sup>th</sup> and 36<sup>th</sup> streets. Finger Building 3 (within Zoning Envelope D) also has small additional mechanical bulkhead portions that rise above 85 feet at the street line. These portions would require relief of up to 15 feet from 36<sup>th</sup> Street streetwall height requirements between 85 feet and 101 feet in height.

Zoning Envelope E (M2-4 district): Within the M2-4 portion of Zoning Envelope E, above 85 feet, a 20-foot setback would be required from a narrow street and a 15-foot setback would be required from a wide street. Finger buildings 1 and 2 generally comply with these base requirements, but would provide a setback of only 10 feet from a Second Avenues (a wide streets) and 15 feet from 36<sup>th</sup> and 37<sup>th</sup> streets (narrow streets) for an enlargement above their existing roofs. These setbacks would require a maximum of 5 feet of relief from 5.6-to-1 sky exposure plane requirements along Second Avenues and 2.7-to-1 sky exposure plane requirements along the 36<sup>th</sup> and 37<sup>th</sup> streets. Finger Buildings 1 and 2 also have small additional mechanical bulkhead portions that rise above 85 feet at the street line. These portions would require relief of up to 10 feet from Second Avenue streetwall height requirements between 85 feet and 101 feet in height, and 15 feet from 36<sup>th</sup> and 37<sup>th</sup> Street streetwall height requirements between 85 feet and 101 feet in height.

Zoning Envelope E (M1-2 district, applicable to Assemblages B and D only): M1-2 districts permit a maximum height at the street line of the lesser of 60 feet or four stories. Above 60 feet, a 20-foot setback would be required from a narrow street and a 15-foot setback would be required from a wide street. The new Gateway Building (at the eastern end of Zoning Envelope E)—which is the only development proposed in the M1-2 district—is proposed to rise to a maximum height of 170 feet without setback from the street (similar to existing Building 10 and the portion of proposed Building 11 on Second Avenue). As such, relief is requested to permit the Gateway Building to encroach upon the required front setback area. This relief would waive the requirement for a setback of at least 15 feet from a wide street and 20 feet from a narrow street at a maximum height of 60 feet. This relief would also waive compliance with a sky exposure plane of 5.6-to-1 (along Third Avenue) and 2.7-to-1 (along 36<sup>th</sup> Street) above, in order to allow this building to rise to 170 feet without setback. At its full height of 170 feet, the Gateway Building would require a maximum of approximately 20 feet of relief from sky

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<sup>25</sup> It should be noted that portions of existing Buildings 2, 4 and 6 encroach approximately five feet into the right-of-way of the mapped portions of 35<sup>th</sup>, 34<sup>th</sup> and 33<sup>rd</sup> Streets, respectively. These encroachments range from 201 feet in length (Building 2 at 35<sup>th</sup> Street) to 130 feet in length (Building 4 at 34<sup>th</sup> Street) to 33 feet in length (Building 6 at 33<sup>rd</sup> Street) While these encroachments are expected to continue in the Proposed Development, Zoning Envelopes B, C and D will require any future new building or building enlargement in this area to respect the mapped street line and set back a minimum of 10 feet from the mapped street line above a height of 85 feet.

exposure plane regulations along Third Avenue and 41 feet of relief from sky exposure plane regulations along 36<sup>th</sup> Street.

Zoning Envelopes F and G (M2-4 district): M2-4 districts permit a maximum height at the street line of the lesser of 85 feet or six stories, before 15 foot setbacks are required from wide streets and 20 foot setbacks from narrow streets. The 39<sup>th</sup> Street buildings (within Zoning Envelopes F and G) would be permitted to rise to maximum heights of 150 feet, with minimum setbacks above a 120-foot maximum base of 20 feet from all surrounding street lines and waterfront frontages: 39<sup>th</sup> Street (wide street), 41<sup>st</sup> Street (narrow street), First Avenue (wide street), Second Avenue (wide street), and the NY Harbor Inlet. The 39<sup>th</sup> Street Buildings generally rise to higher heights than the Finger buildings, yet are generally set back further from the street. As a result, along 39<sup>th</sup> Street, First Avenue and Second Avenue, these buildings would encroach up to the full 15/20 feet into the required 15-/20-foot initial front setback distance from narrow/wide streets, respectively, from a height of 85 feet to a height of 120 feet. The buildings would not, however, encroach upon the required sky-exposure-plane above a height of 120 feet along 39<sup>th</sup> Street, First Avenue or Second Avenue due to their required 20-foot setback from surrounding wide street lines. Along 41<sup>st</sup> Street, the buildings in Zoning Envelope F would encroach up to a maximum of approximately 4 feet into the required 2.7-to-1 sky-exposure-plane from a narrow street at its maximum height of 150 feet.

Rooftop Mechanicals: In addition to these modifications, the special permit would place additional limits on rooftop mechanicals beyond those set forth in Section 43-42. Specifically, rooftop mechanicals would be limited to:

- a maximum of 25 feet above the roof slab of buildings where the maximum height is limited to less than 120 feet (Zoning Envelopes A through E on Zoning Lots 1 and 2, except in locations of existing Building 10 and proposed Gateway Building and Building 11 w/in 130 feet of Second Avenue); and
- 40 feet above the roof slab of buildings where the maximum height is 120 feet or greater (Zoning Envelopes F and G on Zoning Lots 3 and 4, respectively, and the portions of Zoning Envelope A on Zoning Lot 1 within 130 feet of Second Avenue and 126 feet of Third Avenue, and the portion of Zoning Envelope E on Zoning Lot 2 within 100 feet of Third Avenue) at the Finger Buildings and 40 feet above the roof slab for 39<sup>th</sup> Street Buildings, which is somewhat more restrictive and less flexible than the underlying regulations set forth in Zoning Resolution Section 43-32.

#### *Additional Restrictions/Requirements in Conjunction with the Requested Special Permit*

##### Maximum Size of Accessory Group Parking Facility

In conjunction with the grant of the Special Permit, the maximum number of permitted parking spaces in an accessory group parking facility may be increased to a maximum of 500, upon on determination from the Commissioner of Buildings at the time of construction that each such facility: (1) has separate vehicular entrances and exits located not less than 25 feet apart; and (2) is located on a street not less than 60' wide and has adequate reservoir space at the vehicular entrance to accommodate the greater of 10 automobiles or five percent of the number of parking spaces in the facility.

This will allow the applicant to construct an accessory parking facility in excess of the maximum permitted 150-spaces in advance of the retail development or conversion to which it is accessory, and also allow for greater flexibility to build a parking facility somewhat larger than what is required by the retail requirement should the need arise in the future. For example, as currently envisioned, the parking garages in Buildings 11 and 21 will contain a total of approximately 1,811 to 2,111 spaces, however the maximum parking requirement for retail development in the Proposed Project will be 1,560 spaces. In order to facilitate two parking facilities that in total provide between 251 and 551 spaces more than the maximum required, the special permit will allow a greater number of permitted spaces than the underlying regulations apply.

##### Accessory Off-Street Parking Spaces

The proposed M2-4/IC zoning district would not contain parking requirements for the proposed uses, nor would the proposed M1-2/IC zoning district for property that is the subject of a 129-21 special permit. However, in conjunction with the grant of the retail use modifications in the Special Permit, the special permit would require the provision of accessory parking spaces at the rate of one space per 500 square feet of floor area for all retail and service establishment uses (Use Groups\_6A, 6C, 7B, 8B, 9A, 10A, 12B and 14A<sup>26</sup>) in excess of a total of 120,000 square feet of floor area (to account for existing retail uses).

These waivers are appropriate given the fact that the non-retail uses at Industry City are expected to have a significantly lower parking demand than the retail uses and require parking at different times of the week than retail uses. As such, it is currently anticipated that these garages will be sized to accommodate peak weekend demand for projected retail uses. However, in practice they will also serve to accommodate parking demand for non-retail tenants and visitors to Industry City, which peaks during the week rather than the weekend. In this way, the retail parking requirement is anticipated to accommodate parking demand for all projected development at Industry City.

#### Restrictions on Location and Use of Accessory Off-Street Parking Spaces

The Proposed Development envisions two large parking garages sited at each end of the Industry City complex in order to distribute vehicular activity and serve tenants and visitors to all buildings. While these garages are anticipated to meet the parking needs of tenants and visitors to all buildings at Industry City, the accessory spaces within them will not necessarily be located on the zoning lot containing the primary use to which they are accessory. In conjunction with the grant of the Special Permit, and to allow these two garages to serve all zoning lots at Industry City, accessory parking spaces will be permitted to be located on a zoning lot other than the same zoning lot as the use to which they are accessory, provided that they are located within the boundary of the Special Permit area.

#### *Certification for Inclusion of Additional Properties (Assemblages B, C, D)*

Pursuant to Section 129-21(c) of the SICD, any development, enlargement, conversion or change of use pursuant to the special permit, must be on a tract of land that is under the sole control of the applicant at the time of application for this special permit. However, alternate site plans may be provided for approval by the CPC which include zoning lots within the boundaries of the SICD which are not under the sole control of the applicant. Any such alternate site plans would be subject to a future Certification by the Chair of the CPC that confirms the applicant has obtained sole control of such additional zoning lot or lots that were not under their sole control at the time of application for the special permit.

Subsequent to the approval of the initial special permit plans including property currently owned by the Applicant (i.e. Assemblage A), should the applicant then obtain site control of the entirety of the Gateway Parcel only, application would be made for this Chair Certification to replace the approved Assemblage A special permit plans with the approved Assemblage B special permit plans.

Subsequent to the approval of the initial special permit plans, should the applicant obtain site control of Block 706, Lot 20 only, application would be made for this Chair Certification to replace the approved Assemblage A special permit plans with the approved Assemblage C special permit plans.

And subsequent to the approval of the initial special permit plans, should the applicant obtain site control of the entirety of the Gateway Parcel and Block 706, Lot 20, application would be made for this Chair Certification to replace the approved Assemblage A special permit plans with the approved Assemblage D special permit plans.

Since it is not known in what sequence and to what extent the Applicant may acquire either or both of the Block 706, Lot 20 Parcel and the Gateway Parcel, there is the potential that the

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<sup>26</sup> With the exception of art, music, dancing or theatrical studios in UG9A; and depositories for storage of office records, microfilm or computer tapes, or for data processing; Photographic or motion picture production studios; and Radio or television studios in UG10A.

Applicant may seek up to three separate certifications from the Chair to replace the initially-approved set of special permit plans with subsequent assemblages.

### *Change to the City Map*

Concurrent with this application, the Applicant has applied for a change to the City Map involving the elimination, discontinuance and closing of 40th Street, between First and Second Avenues (ULURP application #160146MMK). 40th Street between First and Second Avenues is currently in private ownership and has never been open or in use as a street. In fact, portions of Building 19 and Building 20 have for over a century been constructed within the bed of mapped 40th Street. Given the substantial existing buildings that would preclude this street from ever being constructed, and the long-standing street network configuration that excludes a street in this location, this change is both appropriate and will facilitate construction of new Building 21 on private (non City-owned) property in the Proposed Project. At a dimension of approximately 60 feet wide by 700 feet long, and with a proposed maximum FAR of 5.0, this demapping will facilitate an increase of approximately 210,000 square feet of zoning floor area development in the Proposed Project.

### **Conclusion**

To provide businesses with the ecosystem and resources they need in order to thrive in Sunset Park, and to ensure Industry City continues to develop a sustainable business environment that supports local and regional employment, the Applicant seeks to introduce a broader range of land uses and greater flexibility for new development along the South Brooklyn waterfront, including up to 3.57 million gsf of commercial, industrial and manufacturing uses; 900,000 gsf of retail; and over 700,000 gsf of new academic, hotel and event space; which will generate more than 15,000 on-site jobs and \$5 billion in economic activity at Industry City. These new uses will come together to create a vibrant employment center. New classroom, lab, and research facilities within colleges and universities will provide opportunities for academic and professional linkages between students and businesses and provide graduates with direct access to potential employers and workspaces; two new hotels will serve new and existing businesses as they grow, enabling them to host prospective workers and global partners on-site; and expanded retail uses will support the businesses of co-located manufacturers and other Innovation Economy companies, while neighborhood-serving and destination retail will serve as a much-needed amenity for Industry City employees, students, visitors, and Sunset Park residents alike.

The Proposed Project aligns with the goals of CB7's 197-a Plan and would transform a majority-underutilized site into an active center of commercial and industrial employment with 15,000 on-site jobs; support the continued preservation and restoration of existing structures; facilitate linkages between students and businesses; enliven the pedestrian experience and continue to establish a sense of place in the neighborhood; all within a contextual framework that respects and protects the existing build fabric of the neighborhood and ensures that land use conflicts internal to and adjacent to the Proposed Project are minimized.