

SUBCOMMITTEE ON ZONING AND FRANCHISES

1

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CITY COUNCIL
CITY OF NEW YORK

----- X

TRANSCRIPT OF THE MINUTES

Of the

SUBCOMMITTEE ON ZONING AND
FRANCHISES

----- X

November 15, 2018
Start: 10:02 a.m.
End: 2:57 p.m.

HELD AT: Committee Room - City Hall

B E F O R E: Francisco Moya
Chairperson

COUNCIL MEMBERS:

Costa G. Constantinides
Barry S. Grodenchik
Rory I. Lancman
Stephen T. Levin
Antonio Reynoso
Donovan J. Richards
Carlina Rivera
Ritchie J. Torres

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

A P P E A R A N C E S

Raymond Levin
Slater and Beckerman Land Use Council

David Velez

Matthew Feldman
CP VI Crown heights LLC

Dale Ferdinand
Harlem American Supplier

Sam Pierre
Brooklyn Borough Director

Rabbi Eli Cohen
Executive Director of Crown Heights

Alicia Boyd
Crown Height

David Cohen
New York Real Estate Community

Sakia Fletcher
Medgar Evers College

Jennifer Sun
Co-Executive Director of Asian Americans for
Equality

Geoffrey Davis

Demitralis Hakins

Richard Label
Brownsville

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Genevieve Michael
Associate Director of External Relations

Lisa Gomez
L&M Development Partners

Joshua Weisstuch
L&M Development Partners

Clovis Thorn
Director of Development

Zamir Khan
32BJ

Cyrus Smith
Brownsville Think Tank Matters

Dylan Sandler
NYC Department of City Planning

Cecilia Kushner
NYC Department of City Planning

Edith Hsu-Chen
Manhattan Borough Office

James Patchett
President and CEO of NYCEDC

Michelle Feinberg
Owner and Designer at New York Embroidery Studio

Tom Block
499 7th Avenue

Steve Boxer
Consulting Pachyderm

1
2 William Silverman
3 Otterbourg Properties
4
5 Andi Udis
6 ABS Partners Real Estate
7
8 Brian Weber
9 MCB4 Manhattan Community Board 4
10
11 Elizabeth Goldstein
12 Municipal Arts Society
13
14 Joanna Crisp
15 On Behalf of Susan Chin
16 Design Trust for Public Space
17
18 Marc Benqualid
19 Ownership
20
21 Kenneth Fischel
22 Renaissance Properties
23
24 Barbara Blair
25 Garment District Alliance
26
27 Matt Coudert
28 George Comfort & Sons
29
30 James Lloyd
31 Manhattan Borough Presidents Office
32
33 Ginny Louloudas
34 Executive Director of the Alliance of Resident
35 Theaters
36
37 Michelle Feinberg
38 Owner and Designer at New York Embroidery Studio
39
40 Dan Dilmanian
41 George Comfort & Sons

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Jessie Bodine
Manhattan Community Board 4

Joe Restuccia
Manhattan Community Board 4

Wally Rubin
Manhattan Community Board 5

Adam Friedman
Pratt Center for Community Development

Phil Lavoie
Gotham Organization

Chris Jaskiewicz
Gotham Organization

Paimaan Lodhi
REBNY

Jonathan Bowles
Center for an Urban Future

Eric Gural
GNA Garment District Alliance

Yeohlee Teng
Yeohlee

Steven Epstein
IATSE

Casandra Diggs
CFDA

Angela Sung Pinsky
Association for a Better New York

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Susan Chin
Design Trust for Public Space

Elizbeth Goldstein
MASNYC

Samuel Friedfeld
Olmstead Properties

Zach Bommer
AAFE

1
2
3 CHAIRPERSON MOYA: Good morning and oh, I'm
4 sorry. [GAVEL] Good morning and welcome to the
5 meeting of the Subcommittee on Zoning and Franchises.
6 I am Council Member Francisco Moya. The Chairperson
7 of this subcommittee and we are joined today by
8 Council Members Levin, Richards, and Grodenchik.

9 If you are here to testify on projects that are
10 on our calendar for which the hearing was not already
11 closed, please fill out a white speaker slip with the
12 sergeant at arms in the back and indicate the name or
13 you LU number of the application you wish to testify
14 on the slip.

15 We will now start our hearings. Our first
16 hearing is on L.U. 262 an application pursuant to
17 Section 20-226 of the Administrative Code by 931
18 Manhattan Café LLC d/b/a Citroen, for a new revocable
19 consent to maintain, operate and use and unenclosed
20 sidewalk café located at 931 Manhattan Avenue in
21 Council Member Levin's district in Brooklyn.

22 I now open the public hearing on this
23 application and I want to turn it over to Council
24 Member Levin for some remarks.
25

1
2 COUNCIL MEMBER LEVIN: Thank you very much Mr.
3 Chairman. We appreciate your working with the
4 applicant in my office as well as Land Use staff
5 Jerry Levin[SP?] and Amy Levitan to make a compromise
6 possible on this application and I will read this
7 into the record. This is from the applicant 931
8 Manhattan Café LLC at 931 Manhattan Avenue. This is
9 an application for a sidewalk café and the letter
10 reads.

11 Dear Honorable Chairperson Salamanca, Council
12 Member Levin and members of the Council. Please
13 accept this letter. Its confirmation of our
14 agreement with Council Member Levin. There shall be
15 no more than three tables and six chairs, and all
16 such tables and chairs shall be arranged parallel to
17 and flush against the building. No table or chair
18 shall be placed more than 24 inches from measured
19 perpendicular to the building wall.

20 No more than two tables and four chairs may be
21 placed on the south side of the restaurant door and
22 no such table or chair shall occupy more than 18
23 inches measured along the building wall.

24 No more than one table and two chairs may be
25 placed on the north side of the restaurant door and

1
2 no such table shall exceed 24 inches measured along
3 the building wall.

4 If anything, else is required, please contact my
5 representative. And its signed by Craig Kaftan,
6 member of 931 Manhattan Café LLC. We think this is
7 an appropriate compromise.

8 The application was for five tables and ten
9 chairs that would have jutted out further into a very
10 busy pedestrian walkway along the sidewalk of
11 Manhattan Avenue, and this will allow the business to
12 have some outdoor seating particularly during warmer
13 weather but we believe wont impede pedestrian traffic
14 and so, we find it to a an appropriate compromise and
15 thank you very much for your time.

16 Thank you and I'll turn it back over. Thanks.

17 CHAIRPERSON MOYA: Thank you Council Member
18 Levin. We've also been joined by Council Member
19 Rivera. Are there any members of the public who wish
20 to testify on this issue?

21 Seeing none, I now close the public hearing on
22 this application. Our next hearing is on L.U. 260 an
23 application pursuant to Section 20-226 of the
24 Administrative Code from By the Glass INC for renewal
25 of a revocable consent to maintain, operate and use

1
2 an unenclosed sidewalk café located at 1486 2nd
3 Avenue in Council Member Kallos's district in
4 Manhattan.

5 I now open the public hearing on this
6 application. Are there any members of the public who
7 wish to testify on this application?

8 Seeing none, I now close the public hearing on
9 this application. Our next hearing is on L.U. 261,
10 an application pursuant to Section 20-225 of the
11 Administrative Code from the Three Decker Restaurant
12 limited for the renewal of a revocable consent to
13 construct and or maintain operate and use an enclosed
14 sidewalk café located at 1746 2nd Avenue in Council
15 Member Kallo's district in Manhattan. And I now open
16 up the public hearing on this application. Are there
17 any members of the public who wish to testify on this
18 application?

19 Seeing none, I now close the public hearing on
20 this application.

21 Our next hearing is on L.U. 263 an application
22 pursuant to Section 20-226 of the Administrative Code
23 from 27 East Restaurant Holdings LLC, Fleming Le
24 Bilboquet, for a revocable consent to construct
25 and/or maintain, operate, and use an unenclosed

1
2 sidewalk café located at 27 E 62nd Street in Council
3 Member Power's district in Manhattan.

4 I know open the public hearing on this
5 application. Are there any members of the public who
6 wish to testify?

7 Seeing none, I now close the public hearing on
8 this application.

9 Our next public hearing is on L.U.'s 270 and 271
10 the 1451 Franklin Avenue Seacrest Rezoning.

11 Applicant Cornell partner seeking rezoning of the
12 western side of Franklin Avenue. Bounded by the
13 midpoint between President Street and Carroll Street
14 on the north and Montgomery Street on the south and
15 the south train tracks on the west to an R8X and an
16 R8X C2-4 District. The designation of the mandatory
17 inclusionary housing area of the proposed R8X, zoning
18 would permit up to 17 stories and a 7.2 FAR and would
19 facilitate the development of approximately 518
20 apartments of which 378 would be market rate and 140
21 would be affordable under the MIH Option 1. The
22 property affected is located in Majority Leader
23 Cumbo's District in Brooklyn and I now open the
24 public hearing on this application and I would like
25 to call Ray Levin, David Velez, and Matthew Feldman.

1

2

I now ask the Council to please swear in the panel.

3

4

5

6

7

8

9

COUNCIL: Before responding please state your name into the microphone and make sure the red light is lit. Do you each swear or affirm that the testimony that you're about to give will be the truth, the whole truth, and nothing but the truth and to answer all questions truthfully?

10

RAYMOND LEVIN: I do.

11

COUNCIL: And just please state your name.

12

RAYMOND LEVIN: Raymond Levin.

13

MATTHEW FELDMAN: I'm Matthew Feldman, I do.

14

DAVID VELEZ: David Velez, I do.

15

CHAIRPERSON MOYA: You can begin, thank you.

16

17

18

19

20

RAYMOND LEVIN: Good morning. I am Raymond Levin with the firm of Slater and Beckerman Land Use Council to CP6 Crown Heights LLP an entity created by Carmel Partners represented here by Matthew Feldman, Vice President.

21

22

23

24

25

The CP6 Crown Heights LLP is a successor applicant for a zoning map amendment for the area bounded by Montgomery Street to the south Franklin Avenue to east line midway between Crown and

1
2 Presidents streets to the north and the Franklin
3 Avenue Subway cut to the west.

4 CP6 owns vacant property at 46 Crown Street and
5 is the agent for Cornell Reality Management, owner of
6 vacant property at 931 Carroll Street.

7 If you look at the image, the property outlined
8 in red to the north is whats owned by Cornell. The
9 property outlined in red to the south is CP6. The
10 property in the middle of this rezoning area is
11 Tivoli Towers, a project that was built in the
12 1970's.

13 The two properties are currently zoned are 6A,
14 which is a residential zoning district which allows
15 development of approximately 280 apartments in
16 buildings up to 70 feet in height. The apartments
17 developed pursuant to the As of Right are 6A
18 Regulations would not be subject to any of the city's
19 inclusionary housing income leasing or rent
20 restrictions.

21 Next one please. The proposed R8X District
22 would allow development of an additional 240
23 apartments. Of which, pursuant to the proposed
24 Mandatory Inclusionary Housing area designation, 140
25 of which would be income targeted.

1
2 All of the apartments, inclusionary and market
3 rate, would be subject to rent stabilization with
4 mandatory lease renewals and rent increases
5 controlled by the rent guidelines board. As you can
6 see on this chart, it outlines the development of the
7 two properties and the number of units in each
8 bedroom category that would be developed.

9 The proposed buildings are located in a 33
10 Tivoli Towers -

11 CHAIRPERSON MOYA: Can you just go back to that
12 last line number 20? Okay, thank you. I just needed
13 to -

14 RAYMOND LEVIN: Oh, okay. The proposed
15 buildings are located amid the 33 story Tivoli Towers
16 which you can see in this image in the upper center.
17 The proposed buildings are 16 stories, so that's
18 proposed, and they are on either side of Tivoli
19 Towers, sort of looking orangey.

20 The 26 story Evers Field Towers which are just
21 to the south in the lower left-hand corner of this
22 image, across the street from the proposed project is
23 an undeveloped parking lot that's part of Medgar
24 Evers College and between the project and the
25 Brooklyn Botanic Gardens are basically six story

1
2 apartment buildings. I guess, close to our apartment
3 buildings.

4 Next, we've reached out to our neighbors, had
5 meetings with most, have also engaged with the
6 broader Crown Heights community over the last four
7 years, making everyone aware of the project. We have
8 letters of support from the Asian American Council,
9 Tivoli Towers Tenants Association, Crown Heights
10 Jewish Community Council, Brothers in Growth, and
11 Saint Francis de Sales for the Deaf on East and
12 Parkway, and we can provide those letters to the
13 Council.

14 This image just shows the same as the last image
15 except from the other direction, from looking at it
16 from the west, you can see Tivoli Towers in the
17 center. The two proposed buildings on either side
18 and the six story apartment buildings between the
19 Towers and the Gardens. At this point, there is a
20 12-story building being built As of Right between the
21 building on Montgomery Street – proposed building on
22 Montgomery Street and the Gardens on a piece of
23 property that the Garden sold a couple years ago.

24

25

1
2 The next image, this shows the building on the
3 Crown site looking from Medgar Evers College with
4 Tivoli Towers on the right-hand side of this slide.

5 Next please, the proposed 40 Crown Street
6 Building, you can see here this is a – the lower
7 level has parking and some retail or community space,
8 first floor as the entrances, which there are two
9 entrances, one on Montgomery and one on Crown and
10 space for either retail or community facility.

11 On top of the parking, there's open space
12 available to all units in the development and this
13 just shows how those go up. The site is wider than a
14 normal city block and given the contextual zoning, it
15 pushes the development to the street wall.

16 One of the reasons we asked for the R8X, which
17 has a little more height is because of that. Because
18 the center of the site really doesn't accommodate
19 itself to a building footprint.

20 Next please. This is on the site, the Carroll
21 Street site. Its in the middle of the block, parking
22 below, entrances off of Crown Street and apartments
23 above. There is open space available to all the
24 tenants on the northern part of the site above the
25 garage.

1
2 Next please. And the building just goes
3 straight up. So, the building on Crown Street is 390
4 units, 105 of which would be inclusionary, 190
5 parking spaces in that garage and on the **[inaudible**
6 **22:24]** Street Building, 128 units, 35 inclusionary,
7 64 parking spaces. Both buildings will be broken
8 down with five percent studios, 40 percent one
9 bedroom, 35 percent two bedroom, and 20 percent three
10 bedrooms.

11 In summary, the proposed rezoning and MIH
12 designation will allow buildings containing
13 approximately 518 apartments, 140 of which will be
14 income limited.

15 Next slide please. As shown here, you can see
16 the monthly rents depending on the size of the unit
17 in the different AMI categories. So, you can you
18 know, see that someone who wants a two-bedroom unit
19 who earns 60 percent of AMI, there are so many units
20 available for that family. So, its kind of a mix and
21 match is how MIH works, but this is the breakdown and
22 then on the bottom it shows how many units in each
23 category would be part of this project.

24 An environmental review was prepared by
25 **[Inaudible 24:02]** Associates of which Mr. Velez here

1
2 represents, and it was prepared in accordance with
3 the **[Inaudible 24:13]** methodology and a negative
4 declaration was issued by the Department of City
5 Planning stating that no significant negative effects
6 on the environment were found.

7 Thank you very much. Matt can speak a little
8 bit about Cornell and who they are and then we're
9 certainly here to answer any questions you may have.

10 COUNCIL MEMBER MOYA: Great, thank you. Just
11 before we go into that, we just need to go into a
12 quick vote here.

13 Okay, I now call for a vote to approve L.U.'s
14 260, 261, 262, and 263. The local members are in
15 support. Council, please call the role.

16 COUNCIL: Moya?

17 CHAIRPERSON MOYA: I and all.

18 COUNCIL: Levin?

19 COUNCIL MEMBER LEVIN: I.

20 COUNCIL: Reynoso?

21 COUNCIL MEMBER REYNOSO: I and all.

22 COUNCIL: Richards?

23 COUNCIL MEMBER RICHARDS: I and all.

24 COUNCIL: Rivera?

25 COUNCIL MEMBER RIVERA: I and all.

1

2

COUNCIL: The Land Use are approved by a vote of five in the affirmative, zero negative and no extensions and referred to the Committee and – oh, Council Member Grodenchik?

6

COUNCIL MEMBER GRODENCHIK: I.

7

8

COUNCIL: The Land Use items are approved by a vote of six in the affirmative, no negatives and no extensions and we'll leave the vote open.

9

10

11

12

13

CHAIRPERSON MOYA: Thank you and I also want to acknowledge that we have been joined by Majority Leader Cumbo and now we can proceed with the rest of the testimony.

14

15

16

17

18

MATTHEW FELDMAN: Thank you. In addition to what Ray said, I just want to highlight some additional project benefits that this project can offer to the community in addition to the 140 apartments, income targeted at 60 percent of AMI.

19

20

21

22

23

24

25

In addition, we have met with Impact Brooklyn and discussed sponsoring workshops for the community to make sure that applicants can be prepared when the community preference apartments become available and to make sure people have their required information ready for the lottery and that people can get help filling out the applications if required.

1
2 We also plan on meeting MWBE goals that can as
3 if this was an HPD finance project. We also will
4 commit to union staffing post completion if this
5 project is up zoned and we will also, even though it
6 wasn't on the plans, include a community facility on
7 the project that can be rented to community groups
8 either below market or free depending on their needs.

9 In addition, you'll hear from the opposition
10 that has attended prior public hearings. Most of the
11 opposition is being concerned with shadow studies on
12 the Botanical Gardens. I just want to say that the
13 Botanical Gardens issued a letter on October 11th,
14 stating this project has no impact and that they have
15 no objections and with that, I'll be happy to answer
16 questions.

17 CHAIRPERSON MOYA: Okay, thank you. Thank you,
18 just a couple of questions in regards to this in
19 particular – can we just go over what the proposed
20 unit's size and mix again is going to be?

21 RAYMOND LEVIN: Let me get my – I can't read
22 that from here, so give me a second. Okay, you want
23 apartment sizes?
24
25

1

2

CHAIRPERSON MOYA: Yeah, right, what is the — you gave the breakdown before, if you could just over that again.

5

6

RAYMOND LEVIN: Yeah, the targeted apartment sizes are studios at 400 square feet, one bedroom at 575, two bedrooms at 775, and three bedrooms at 950.

8

9

10

11

CHAIRPERSON MOYA: Okay, so have you had conversations to partner with some local and non-profit organization to be the administrating agent for the affordable housing?

12

13

14

15

MATTHEW FELDMAN: Yes, as I said, we've met with Impact Brooklyn to discuss workshops and assuming we proceed with the up zoning, we assume that they're going to also be the local administrative agent.

16

17

18

19

20

CHAIRPERSON MOYA: Got it, and do you think that its important for members of the Crown Heights areas to have good jobs? And if so, are there concrete commitments that you're willing to make here regarding that?

21

22

23

24

MATTHEW FELDMAN: Yes, as I've said, for both local hiring and for subcontracting, we will adhere to the HPD guidelines as if this was an HPD sponsored project.

25

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

CHAIRPERSON MOYA: And what is your policy around responsible contracting for building service workers? And if you have one, can you make it publicly available to us?

MATTHEW FELDMAN: So, if this project gets up zoned, we'll commit to union staffing.

CHAIRPERSON MOYA: And you have been in conversations with -

MATTHEW FELDMAN: Yes, and we've let 32BJ know that if this project gets up zoned, we will commit.

CHAIRPERSON MOYA: And what are the conversations that you have had with the Brooklyn Botanical Gardens - I know you have mentioned that briefly in your presentation, but regarding the possibility of shadows?

MATTHEW FELDMAN: So -

RAYMOND LEVIN: We've reached out to Gardens over the last several years. We haven't had direct conversations with them. They have been a little reticent over time. They seem mostly concerned with a project that's being proposed to the south of ours and they issued the letter, which we can provide the Committee with indicating that they reviewed our shadow studies that were prepared and agree with them

1
2 and also agree that the shadows cast by the proposed
3 project will not have an impact on the Gardens and
4 the plantings within the Gardens.

5 CHAIRPERSON MOYA: And one last question is, why
6 do you think 17 stories is an appropriate height for
7 this block when the city established a 7-story height
8 limit back in the 1991 rezoning?

9 RAYMOND LEVIN: A lot of things have changed
10 since 1991. MIH came in which the city is supporting
11 the development of affordable housing and is part of
12 market rate housing. So, that's one element that
13 leads to higher height because we intend to
14 participate in that program.

15 The buildings that we're proposing by the way,
16 we could build 17 under the zoning, we're only
17 proposing 16. Part of that has to do with as I
18 explained, the site configurations and the
19 implications of the contextual zone, which pushes the
20 development out to the edges of the property.

21 Next to us is a 33-story building, a block away
22 are Ebbets Field houses which are 25 stories. Next
23 to us on the other side of the cut closer to the
24 Gardens, that 1991 rezoning allowed 12 story
25 buildings closer to the Gardens, so its hard to

1
2 understand that allowing 12 stories across the street
3 from the Gardens and 7 stories a block away, was done
4 because of the Gardens.

5 What was done in 1991 was they took the existing
6 zoning districts and made them all contextual,
7 basically taking an R8 and making an R8A, taking an
8 R6 and making an R6A. So, that was the major
9 impetuous for the zoning although they do mention the
10 Gardens as well, but as I said, 12 stories are
11 permitted closer to the Garden and these are further
12 away. So, the combination of existing development,
13 site conditions, MIH, are what led us to request this
14 R8X zone.

15 CHAIRPERSON MOYA: Thank you. I now want to
16 turn it over to Majority Leader Cumbo for some
17 questions.

18 MAJORITY LEADER CUMBO: Thank you, Chair Moya.
19 I thank you all for being here today. This
20 particular proposal has attracted significant
21 concerns from the Crown Heights Community as well as
22 the elected officials who are feeling the pressure of
23 development.

24 Every year, every month, every week, more and
25 more new developments are coming in with market rate

1
2 apartments far above what our community can afford to
3 pay, and we wanted to have this particular hearing to
4 gain a greater understanding of this proposal as
5 there have been many changes and many shifts since
6 this original proposal was introduced and certified.

7 So, I want to ask some key quick questions in
8 terms of – that are just number questions and then I
9 want to dive deeper. Chair Moya asked a few of these
10 but I just want it to be on the record.

11 So, without this proposed rezoning, what would
12 the size of the development be? So, if this doesn't
13 happen, what would the size of the development be at
14 this time?

15 RAYMOND LEVIN: If this doesn't happen, the As
16 of Right would allow us to build 7 stories I guess, 7
17 story buildings and those 7 story buildings could
18 accommodate approximately 280 apartments, which could
19 be condominiums without any rent renewal or any other
20 sort of governmental controls.

21 MAJORITY LEADER CUMBO: Could be or would be
22 condominiums?

23 RAYMOND LEVIN: I'd have to turn that over –

24 MATTHEW FELDMAN: Right, I mean it could be,
25 based on market conditions at the time we start

1
2 development, financing available, the determination
3 will be made, what makes the most economic sense at
4 that time. We prefer that the up zone is approved to
5 require the Mandatory Inclusionary Housing, so we can
6 develop 140 units for the community.

7 MAJORITY LEADER CUMBO: What is the market rate
8 for what we would call, market rate/luxury
9 condominiums in this particular community? What
10 would be the going rate for one-bedroom luxury
11 condominium in Crown Heights?

12 MATTHEW FELDMAN: As I understand the Crown
13 Heights market right now, condominiums would sell for
14 approximately \$1,200 a square foot.

15 MAJORITY LEADER CUMBO: Do the math for me.

16 MATTHEW FELDMAN: It's just short of \$900,000 for
17 a one bedroom.

18 MAJORITY LEADER CUMBO: How much?

19 MATTHEW FELDMAN: Just short of \$900,000 for a
20 one bedroom.

21 MAJORITY LEADER CUMBO: \$900,000 for a one
22 bedroom.

23 MATTHEW FELDMAN: Short of that yeah.

24 MAJORITY LEADER CUMBO: Short of that. So, you
25 would be building approximately 280 apartments which

1
2 on average would be bringing in approximately 900
3 people, 3 people in an apartment, some will be
4 studios, some will be three bedrooms to, just a
5 guestimate. So, 900 people would be coming in that
6 would be purchasing on average, on the low end, a
7 \$900,000 condominium or one bedroom?

8 MATTHEW FELDMAN: It could right. That's the
9 way this could go, yes.

10 MAJORITY LEADER CUMBO: What impact do you think
11 that that will have on the Crown Heights Community?

12 MATTHEW FELDMAN: I mean to a point - we
13 understand your concern Majority Leader, this is not
14 the direction that we want. Gentrification is an
15 issue throughout the city and its our goal to develop
16 this project under Mandatory Inclusionary to make
17 that there's apartments affordable at every income
18 level. Both incomes targeted for 40 AMI, 60 AMI, 100
19 AMI, and of course, the market rate units that are
20 subsidizing these income targeted units.

21 However, if the up zone does not happen, we have
22 to develop this project as its best economic use
23 which at this time could be condo's, even if that has
24 a detrimental effect on the character of the
25 neighborhood.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

MAJORITY LEADER CUMBO: I'm going to put on my Dr. Phil hat for a second. How do you feel about that? How do you feel about the fact that you potentially could be building 280 luxury condominiums in a gentrifying community where the character is changing, and displacement is happening rapidly? How do you feel about that?

MATTHEW FELDMAN: As I said, our goal is to develop -

MAJORITY LEADER CUMBO: No, your feelings?

MATTHEW FELDMAN: I'm telling you my feelings are based on my goal to develop affordable housing.

MAJORITY LEADER CUMBO: Hmm, hmm.

MATTHEW FELDMAN: That's our preference. A former mentor of mine used to say that if landlords want to get rid of rent stabilization, they should build, build, build, get the vacancy over 5 percent so its sunsets all by itself and that'll automatically drive pricing down. That's the reality. The more housing, we build, the more we can safe communities and that's part of what Mandatory Inclusionary was allowing for.

MAJORITY LEADER CUMBO: Have you seen that in anywhere in New York City actually happen?

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

MATTHEW FELDMAN: There is still income restraints. I mean, there's still vacancy restraints at this time.

MAJORITY LEADER CUMBO: Okay, let me just go on with the math and I'll get back to your feelings afterwards.

Now with the proposed rezoning, how many units, how many affordable units, and how many stories? Now, I know you answered that question, but I just want it on the record. So, with the proposed rezoning, how many units?

RAYMOND LEVIN: Total?

MAJORITY LEADER CUMBO: Yeah.

RAYMOND LEVIN: Total units approximately 518.

MAJORITY LEADER CUMBO: 518. How many affordable?

RAYMOND LEVIN: 140.

MAJORITY LEADER CUMBO: And that would bring the building to how many stories?

RAYMOND LEVIN: The building as proposed are 16 stories.

MAJORITY LEADER CUMBO: 16 stories. How many — okay, so we can do the math there. Would all of

1
2 these units be permanently affordable, or would they
3 expire at some point?

4 RAYMOND LEVIN: A Mandatory Inclusionary Housing
5 is permanent.

6 MAJORITY LEADER CUMBO: How do you define
7 permanent?

8 RAYMOND LEVIN: Under the zoning, I mean, your
9 going to do an agreement with HPD. I believe that
10 permanent is permanent.

11 MAJORITY LEADER CUMBO: As long as the buildings
12 are standing.

13 RAYMOND LEVIN: Yeah.

14 MAJORITY LEADER CUMBO: Permanent has different
15 definitions, just like affordable. We'll come back
16 to that.

17 What is the proposed unit - the bedroom mixed.
18 You spoke about that for Council Member Moya, but if
19 you could just do it for me again, that would be
20 appreciated.

21 RAYMOND LEVIN: Sure, the bedroom mix, the
22 currently proposed, studios 5 percent, one-bedroom 40
23 percent, two-bedroom 35 percent, three-bedroom 20
24 percent.

1

2

3

4

5

6

7

8

9

10

11

MAJORITY LEADER CUMBO: Can you talk to me a bit
- one of the things that we have all been in
discussion with and I know that we left off with
conversation about this which I'm very interested in
is where your negotiations are currently with AFI.
In terms of the ability to include a not for profit
partner into the project for my purposes to increase
the level of affordability but also to reduce the
density. Where are you all with those particular
negotiations?

12

13

14

15

16

RAYMOND LEVIN: Well, going back in history, a
little over three years ago, there was a memorandum
of understanding that was circulated with AFI who
owns that out parcel. In fact, we met in your office
to discuss the contours of that proposal.

17

18

19

20

21

22

23

24

25

That at a point, AFI withdrew from those
discussions and recently, we've reengaged them. We
reached out to them on a number of occasions and
finally had a discussion with them within the last
several days, where they were going to look at how
from their prospective, we might come to some
agreement. They were going to get back to us, they
haven't as of yet. There were some impediments in
the short term because there are restrictions on the

1
2 AFI site that - deed restrictions that HPD put on
3 that site when they sold it a number of years ago.
4 So, that -

5 MAJORITY LEADER CUMBO: Can you give me an
6 example of what those would be? Like, what would
7 prevent them from -

8 RAYMOND LEVIN: Well, there was accelerated UDAP
9 as we understand it that was done to sell it to
10 actually a predecessor to AFI and they limit the
11 number of units at the time that that sale went
12 forward. There were buildings on the property and
13 basically at that time, they were an intent on
14 rehabbing those for one reason or another, which I'm
15 unaware of. The buildings were taken down and the
16 site was transferred from that owner that bought it
17 directly from HPD to AFI. I believe that under the
18 current Deed Restriction, something in the area of 16
19 units could be developed.

20 MAJORITY LEADER CUMBO: That's it?

21 RAYMOND LEVIN: I believe so. Going back again
22 to three years ago, when we were working with AFI and
23 HPD, HPD prepared a draft of an ULURP application to
24 remove those restrictions and the notion was that
25 they would put different restrictions on the site

1
2 that AFI would develop at that time, but as I said,
3 those discussions evaporated. So, now, in terms of
4 the discussions with them, we are waiting to hear
5 back as to what they think. It seemed from the
6 discussion that they were concerned about their
7 independence, I guess is how I would say it.

8 MAJORITY LEADER CUMBO: Fair.

9 RAYMOND LEVIN: And that they believe that with
10 the rezoning and with HPD's concurrence, they believe
11 that 50 units could be developed on their property
12 under those conditions and we talked to them about
13 squaring off properties, about additional properties.
14 We discussed a number of things in a relatively short
15 telephone conversation with them the other day, and
16 their going to get back to us. So, we will see where
17 it goes.

18 MAJORITY LEADER CUMBO: And so, if the zoning
19 that you're looking for today were to be allowed on
20 AFI's site, they would potentially be able to build
21 100 percent affordable units. 50, 100 percent
22 affordable units?

23 RAYMOND LEVIN: They are mission driven, not for
24 profit, which they believe - we'll have to see, but
25

1
2 they believe that they've had discussions with HPD
3 where HPD would fund an affordable housing project.

4 MAJORITY LEADER CUMBO: Okay, let me just say
5 the partnership where the AFI is very important to
6 me. So, I would like for you all to continue to
7 invest the time, energy, and resources to
8 understanding what an AFI partnership would actually
9 look like and HPD lifting those restrictions, so that
10 we could understand what a partnership would look
11 like from my perspective, to increase the
12 affordability but also to decrease the total density
13 of the entire project. That's my goal. You all have
14 your goals, that my goal.

15 Can you talk a bit about the Borough Presidents
16 recommendation? So, the Borough President
17 recommended that a portion of the commercial space be
18 set aside for local not for profit organizations.
19 Such as arts or cultural organizations at below
20 market lease terms. Have you considered this
21 recommendation? Integration of local business and
22 not for profit organizations into new development is
23 an important priority of mine but is often overlooked
24 by developers and city agencies.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

So, the community has been looking at opportunities for more and for myself as well, space for not for profits, ground floor affordability, also with the dynamics that we're seeing with so much of our particularly institutions and businesses of color have closed with much of the development that's happening. Is there an opportunity to have below market rate leases for not for profits as well as local business in the area?

MATTHEW FELDMAN: Yes Majority Leader, as I said in my statement, the designs are being further refined for the building from the designs we showed here and at this time, we are including 1500 square feet on the first floor of community facility that can be given to community groups either at below cost or for free depending on the use and how many groups are sharing the space.

In terms of the retail, we believe that for the neighborhood character, we would strive to find a local business and to the extent that doesn't affect our ability to get construction or permanent financing for the project. We'll be using best efforts to set aside space for that purpose.

1

2 MAJORITY LEADER CUMBO: Set aside space at below
3 or low costs?

4 MATTHEW FELDMAN: For local community businesses
5 akin to - a community facility, yes below cost or for
6 free.

7 MAJORITY LEADER CUMBO: Now, let me just say
8 1,500 square feet is very small. That's about the
9 size of a standard store front space. So, that would
10 only be like one space. So, that's not really
11 impactful. We're talking about impact.

12 MATTHEW FELDMAN: This again, I mean all these
13 questions sort of come down to where the zoning falls
14 out. We would want to maximize the space as we can
15 within the constraints of the zoning.

16 MAJORITY LEADER CUMBO: So, 1,500 potentially
17 for community facility or a not for profit
18 organization and what is the square footage for the
19 retail that would be remaining?

20 RAYMOND LEVIN: The overall square footage of
21 retail is 15,000 square feet on the ground floor.

22 MAJORITY LEADER CUMBO: Now we're talking 15,000
23 square feet.

24

25

1

2

RAYMOND LEVIN: On the ground floor and in the basement. So, its split because the site has a big slop to it.

4

5

6

7

8

9

10

MAJORITY LEADER CUMBO: So, have you thought of any - from the conversations that you've had, and I understand that you've had multiple conversations with community leaders in the neighborhood. Have you thought about how to program or to curate that 15,000 square feet?

11

12

MATTHEW FELDMAN: Its up to 1,500 right now, the basement is not being fully -

13

RAYMOND LEVIN: 15,000.

14

15

16

MATTHEW FELDMAN: 15,000 right. Its not - I believe its 7,000 at grade and up to 7,000 below grade if the building gets constructed that way.

17

18

19

RAYMOND LEVIN: Okay, in terms of our discussions with community groups, immediate neighbors and others, that issue hasn't come up.

20

21

MAJORITY LEADER CUMBO: The issue has not come up in terms of community needs?

22

23

RAYMOND LEVIN: In terms of curating the space for specific users, no.

24

25

MAJORITY LEADER CUMBO: Okay, so the next time that we're in this space together, I would like to

1
2 have a further understanding of how your going to
3 program that and how its going to be a representation
4 of the needs of the community. You have Medgar Evers
5 College, A Stone Throws Away. You have over 10,000
6 families in Ebbets Field. You have Tivoli Towers,
7 you have many different services that need to be
8 fulfilled there. Anything from healthy food options
9 to senior centers, to daycare centers, to retail
10 components to better service, let's say. Medgar
11 Evers College, there's only maybe one or two and I'm
12 just saying two because I'm not familiar with what
13 the second one might be, but there's only one sit
14 down restaurant in that area. So, there's a need for
15 different programs and services in the community and
16 would like know everting from Pediatricians to
17 different specialties that could be a program there
18 would certainly like to see that.

19 Can you describe for me your plans for local
20 hiring?

21 MATTHEW FELDMAN: So, for during the
22 construction period as I said, will be following the
23 MWB guidelines as if this was a similar financed HPD
24 project. I can't speak particularly to how the
25 mechanics of the local hiring, but we will hire a

1
2 consultant to work with our general contractor to
3 ensure that the guidelines are followed to use best
4 efforts for local hiring.

5 MAJORITY LEADER CUMBO: Have you had any
6 experience doing local hiring in New York City?

7 MATTHEW FELDMAN: I personally have not hired
8 for construction jobs.

9 MAJORITY LEADER CUMBO: I know.

10 MATTHEW FELDMAN: I personally do not, no.

11 MAJORITY LEADER CUMBO: Because this is a huge
12 issue particularly in the Crown Heights community.
13 If you look at Ebbets Field, if you look at Tivoli
14 Towers, unfortunately there are dozens of young
15 people, predominantly African-American men who are
16 unemployed in that community and a project like this
17 has the potential to be able to train, hire, employ,
18 and give the expertise that many of them would need
19 in order to work on this job as well as many others.

20 So, to not have a plan at this stage is
21 problematic. So, I would certainly want to see moving
22 forward a plan of action in terms of what local
23 hiring is going to look like, because that is a
24 critical component to development in our area.
25 Making sure that there is real affordability, making

1
2 sure that there are real jobs that are happening,
3 that there's training, that there's a pipeline to
4 take people out of many of the circumstances of
5 unemployment that many are facing.

6 And as Council Member Moya talked about, is
7 there a commitment to good jobs and prevailing wage
8 for future property service and maintenance workers
9 after the project is completed?

10 MATTHEW FELDMAN: Yes, if the rezoning is
11 approved then we will commit to union labor for
12 project staffing post completion.

13 MAJORITY LEADER CUMBO: Okay, and you're willing
14 to put that writing?

15 MATTHEW FELDMAN: Absolutely.

16 MAJORITY LEADER CUMBO: As part of a contract?

17 MATTHEW FELDMAN: Yes.

18 MAJORITY LEADER CUMBO: Okay, the other aspect
19 that - if you could talk to me a bit about the
20 transition from Cornell Reality to your company
21 Carmel as well as the interests that the previous
22 developer maintains in this project?

23 MATTHEW FELDMAN: I'm not sure exactly what your
24 question is. We purchase the site from Cornell, who

1
2 had started this process, it was at arm's length at
3 market purchase.

4 MAJORITY LEADER CUMBO: And what was that
5 purchase price?

6 MATTHEW FELDMAN: I don't recall at the top of
7 my head. I wasn't involved in the purchase.

8 MAJORITY LEADER CUMBO: That's very problematic.
9 Well, while we're still here at the hearing, text
10 someone and find out that information because there's
11 got to be somebody that has that information, and
12 we'll wait.

13 But in the interim also, I am also very
14 interested because it hasn't been made clear to me,
15 the interest that the previous developer still
16 maintains in this project, because I haven't been
17 able to figure out but somehow you all are still
18 connected through all of this.

19 MATTHEW FELDMAN: Well, as you know, there is
20 two sites covered by this rezoning. The prior owner
21 still controls the smaller site to the north.

22 MAJORITY LEADER CUMBO: So, how do they plan to
23 benefit if this rezoning happens? How do they
24 benefit or do not benefit if this rezoning does or
25 does not happen?

1

2 MATTHEW FELDMAN: Well, their site - did you
3 want to?

4

5 RAYMOND LEVIN: Well, their site would be
6 rezoned, and they would be subject to MIH and they
7 could build 93 market rate units and 35 units would
8 be inclusionary totaling 128. That's what they could
9 build if this rezoning were to be approved.

9

10 MAJORITY LEADER CUMBO: And would you have an
11 interest or a stake in their development?

11

12 MATTHEW FELDMAN: No, we own our site, they own
13 their site.

13

14 MAJORITY LEADER CUMBO: Okay, and if the
15 development does not happen - excuse me, if the
16 rezoning does not happen, how does that impact
17 Cornell?

17

18 RAYMOND LEVIN: Hold on one second - I will get
19 you that answer.

19

20 MAJORITY LEADER CUMBO: No problem and I hope
21 we're looking for the other answer. I hope someone's
22 texting someone feverishly.

22

23 RAYMOND LEVIN: Okay, I'm sorry, okay, so let's
24 see, the other site without the rezoning - no action.
25 69 apartments.

25

1
2 MAJORITY LEADER CUMBO: Okay, and to my other
3 question.

4 MATTHEW FELDMAN: Sure, so the purchase price
5 for the As of Right for the larger site was \$40.5
6 million. If the sites get rezoned up to the R7X, the
7 purchase price for the large site becomes \$64
8 million.

9 MAJORITY LEADER CUMBO: So, \$64 million if the
10 rezoning does happen?

11 MATTHEW FELDMAN: Correct.

12 MAJORITY LEADER CUMBO: Okay, those are all the
13 questions that I have. I think I've been very clear
14 in terms of what my interests are. What I want to
15 see, I'll just reiterate as well. I definitely want
16 to continue to see how the partnership with AFI
17 unfolds. I want to understand what your real local
18 hiring plan is going to be and how it will be
19 executed and what partners you plan to utilize for
20 that. I would like to understand and have a better —
21 in writing, understanding of how hiring will happen
22 post the completion of the project and how you will
23 work with our unionized workforce in order to make
24 that happen. I want to have a real understanding of
25 how the AFI partnership will increase affordability

1
2 and to reduce the height of the buildings and I want
3 to have a real understanding of how the commercial
4 and retail space will be utilized for not for profits
5 as well as local businesses in the area in a way that
6 is both affordable as well as permanent as it relates
7 to the entire project. Thank you.

8 MATTHEW FELDMAN: Thank you Majority Leader, we
9 look forward to talking with you about this.

10 RAYMOND LEVIN: And we'd like heat next time
11 we're here.

12 MAJORITY LEADER CUMBO: It keeps you awake and
13 alert.

14 CHAIRPERSON MOYA: Thank you, thank you for your
15 testimony. I want to call up the next panel Dale
16 Ferdinand, Sam Pierre, Eli Cohen.

17 MAJORITY LEADER CUMBO: Excuse me before the
18 previous panel leaves, if you all could leave a
19 representative to hear at least the first two panels,
20 that would be effective so that you could take this
21 information back. Okay, I just want to make sure.
22 Thank you.

23 CHAIRPERSON MOYA: Thank you so you have two
24 minutes and we're going to start on this side, you
25 name? You have to push the button.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

SAM PIERRE: Thank you. Sam Pierre.

CHAIRPERSON MOYA: Thank you Sam, you may begin.

SAM PIERRE: Thank you. Good morning Council Members and the Community. I'm very excited to be here. My name is Sam Pierre. I am the Executive Director of the Asian-American Caucus, also the Chairman of the Asian-American Supply Diversity Taskforce and I just want to be very brief about the points that we have on this project.

We are actually in support of this project. This is the first time that the Asian Community has actually been brought to the table with a developer on an opportunity to do an affordable housing project in addition to helping with the management of the community space that will be developed. Yes, we do understand that there is a large opposition against this project; however, we have yet to hear what are the recommendations or the solutions from the opposition.

We have sat at the table with the developers and understand that this is an opportunity to bring 140 affordable housing units to our community. You know, we've gone back and forth, and we said okay, we always have fights. We have conversations about

1
2 bringing affordable housing but there's no other
3 solutions. I've spoken to, and our organization has
4 spoken to so many different community partners and
5 everyone has told us that yes, they have concerns and
6 we should have concerns and we need to keep the
7 developers' feet to the fire; however, this is an
8 opportunity to bring affordable housing to our
9 community.

10 The Asian Community has lived in Crown Heights
11 for a very long time. Many of them cannot come back.
12 After the students graduate and go away to school,
13 they can't come back because they can't afford it.

14 Having affordable housing and market rate
15 housing would be a great way for members of the Asian
16 community to come back and live in Crown Heights.

17 The last point I also want to make is that the
18 Asian who supplied the Rescue Taskforce is going to
19 be sitting with them. Is going to be sitting with the
20 developer so that we can hold their feet to the fire
21 to make sure that they actually do what they say.

22 Many of times, the opposition, we say we don't want
23 it, but we never sit with the developers through the
24 lifeline of the project. We're committed to doing
25 that and I understand I might be divinized **by the**

1
2 **community but I'm not afraid. We're going to fight.**
3 **We're holding strong and we want to make sure that**
4 **our community has access to 140 affordable housing**
5 **units. Thank you.**

6 CHAIRPERSON MOYA: Thank you. Dale, just state
7 your name and you may begin.

8 DALE FERDINAND: My name is Dale Ferdinand.

9 CHAIRPERSON MOYA: Just go from there.

10 DALE FERDINAND: My name is Dale Ferdinand. I
11 am a small business owner and also, a member of the
12 Asian-American Suppliers Diversity Taskforce and I'll
13 be real brief.

14 I'm actually hear today as a proud Asian-
15 American. A proud lifelong resident of Crown Heights
16 and also a proud servant of the needs in my
17 community.

18 I know firsthand living in Crown Heights that
19 rent has gone up dramatically. Where a lot of my
20 peers were forced to like, move down south because
21 you know, they couldn't simply afford it. I was
22 actually in the situation where I was unable, and I
23 had to make a decision whether to pay my rent or to
24 buy groceries to feed my daughter.

1
2 So, I'm a firm believer that if anyone doesn't
3 understand the needs of our community, there's no
4 reason for them to be there. And so, as a community,
5 being from Crown Heights that we refuse to have our
6 needs ignored. We refused to have our concerns
7 thrown on the backburner and we also refuse to not
8 have a seat at the table. Taken all of this into
9 consideration, actually speaking with the developers,
10 this is why I and the members of my community also
11 agree that this rezoning proposal should be approved.

12 I do also know that this Committee and the City
13 Council has also made a lifetime worth of good
14 decisions and choosing to approve this rezoning
15 proposal will be yet another good decision that they
16 can add to the list of good decisions that they make.

17 And with that that's the rest of my time.

18 CHAIRPERSON MOYA: Thank you.

19 RABBI ELI COHEN: Good morning Council Members,
20 especially our own Council Member Cumbo who is here.
21 I'm Rabbi Eli Cohen and I'm the Executive Director of
22 the Crime Streets Community Council and we're also
23 coming to speak in favor of the project and I'm
24 assuming this goes for all of the projects that are
25 under current consideration under this rezoning.

1
2 So, the real benefit that we see to the
3 community is that housing. We speak to everybody,
4 all our clients. If their African-American,
5 Caribbean-American, Jewish-American, whatever,
6 whoever. The primary concern that everybody has is
7 the housing and anything that can replenish the
8 housing stock and bring more housing to the floor is
9 to be appreciated. Of course, most of our community
10 residents are not able to afford the market rate
11 housing, but having the inclusionary housing being
12 part of the mix and a pretty decent affordability
13 rates and upgrade, but some of the younger people who
14 are going into going the professions, who are able to
15 afford these and we do see in some of the other
16 projects that have been built recently on Franklin
17 Avenue and the one that's being built on Bedford and
18 also, in the southeast quadrant sort of towards
19 Council Member Samuels district, there's been some
20 building over there and our clients of all different
21 races and creeds are finding housing.

22 So, its not hundreds of people but it's taking
23 the pressure off. There is stuff out there for
24 people to look for and find and I think that's the
25 biggest benefit.

1
2 I certainly support the Council Members attempts
3 to get the maximum benefit to the community that we
4 can, and I think that's good. Obviously, the
5 developer stands to benefit and some of that benefit
6 would be great if it could be shared with the
7 community and the availability of other amenities
8 like, community space etc., I think is also a
9 positive thing. So, moreover, I think - oh, I just
10 want to say one more thing and that is to some of the
11 negative that's been said about the height and the
12 density and so on, I live right across the street
13 from Carrol Gardens which is a very similar building
14 to Tivoli Towers. It's the best neighbors you could
15 have. Its calm, its quiet, it has parking, it really
16 gives the ability for us to enjoy our standard of
17 living which is better than the neighborhood around.

18 CHAIRPERSON MOYA: Thank you.

19 MAJORITY LEADER CUMBO: I just have a follow up
20 question for both of you - all three of you. Mr.
21 Pierre, if you could in terms of your question, could
22 you explain to me more clearly in terms of what your
23 relationship or your organizations relationship will
24 be with this development project with more clarity?
25 And then for all three of you, what is in this - what

1
2 is not in this project that you would like to see
3 moving forward? What is an element of this project
4 that would improve this project, or would make it
5 more appropriate for the community?

6 I'll start with your Mr. Pierre.

7 SAM PIERRE: Thank you Majority Leader. So, we
8 are in communication serving as their housing
9 advocacy group, so that we can consolidate a lot of
10 the different housing non-profit organizations that
11 are looking for affordable housing opportunities for
12 their clients, or for the constituents.

13 So, we are in communications with different
14 housing organizations all over Brooklyn and bringing
15 them to the table because one of the biggest issues
16 that they have is that if their clients are looking
17 for affordable housing, if they don't have projects
18 where they're in partnership, right? With the
19 developers and they don't have a list to even offer
20 their clients.

21 So, we're trying to create a relationship where
22 okay, there's 140 potential affordable housing units
23 that are going to be available. We have
24 organizations such as an HS who have hundreds of
25 clients who are looking for affordable housing. How

1
2 do we bring them to the table and say, okay, here is
3 a project that's available for you to apply for?

4 We understand that there's no preference, right,
5 it's a lottery we understand that but we're bringing
6 an opportunity to the table which is what we should
7 be doing.

8 MAJORITY LEADER CUMBO: How will you work with
9 Medgar Evers College to achieve those goals?

10 SAM PIERRE: We'd love to work with Medgar Evers
11 College. We've already had a few conversations with
12 Medgar Evers College and we will see what their needs
13 are as well, because I'm sure Medgar Evers College
14 and their students, they have lists of folks who are
15 looking for affordable housing. So, serving as the
16 housing advocate, we would definitely bring everyone
17 to the table and show them how that they can apply
18 for this and show them that there's a real
19 opportunity.

20 We have people who come to us and say that
21 affordable housing is an issue and there's no
22 affordable housing opportunity. We want to be able
23 to give them that opportunity.

24 MAJORITY LEADER CUMBO: Thank you and something
25 that's not in this project that you would like to see

1
2 that would make it more applicable to the community
3 would be what?

4 Something I'd like to see is like a tech center.
5 We all understand that technology is a new wave and
6 having like a tech center there for the community, so
7 they can learn about coding, they can learn about
8 stem, the can learn about different things like that
9 I think would be great because now the community can
10 benefit and learn a skill that they can actually use
11 right away.

12 So, that's one of the key things that Supplier
13 Diversity Taskforce is doing, the MWBE piece, right?
14 We are going to be working directly with the
15 developer to ensure that on our taskforce. We have
16 MWBE consultants that will ensure that all the
17 suppliers that are on there, right that they've gone
18 through the MWBE checks. So, this is an opportunity
19 for us to be able to work on a real project and get
20 real results.

21 MAJORITY LEADER CUMBO: Thank you.

22 DALE FERDINAND: As to something I would like to
23 see included in this project in particularly - well,
24 speaking for you know, the members of my community.
25 There are really two things. The first thing kind of

1
2 addressed is making sure that the affordable housing
3 units are actually affordable because speaking from
4 experience as many members in my community as well.
5 Like, rent is like a very, very big burden. And the
6 developers are actively working to make sure that
7 these units are actually affordable.

8 So, that's the first part. The second part,
9 also to see that there are actual programs that allow
10 the members of the community to enhance this so that
11 they can potentially and gain employment or create
12 new opportunities for themselves.

13 So, the first part would definitely be, make
14 sure that the affordable housing is actual affordable
15 for the members of the community and then the second
16 thing is to implement programs that sharpen the
17 skills of the members of the community.

18 MAJORITY LEADER CUMBO: Thank you, thank you.

19 SAM PIERRE: So, to answer the question, I think
20 that the first part is that the fact that there was
21 an outreach done by the developers which we didn't
22 see in other projects. To come and meet and find
23 community partners I think is encouraging. I think
24 if there is some kind of mechanism that could you
25 know, sort of enforce that kind of relationship or at

1
2 least to memorialize it as something that we can
3 refer back to in the future that could be useful. I
4 think your ideas about – and to specifically focus on
5 the local groups you know, we have housing projects
6 that we have currently from an earlier period and we
7 have a beautiful mix of different races and
8 nationalities living in that housing and its really a
9 very positive thing that I think can be a model of
10 living together.

11 So, that's something that we would want to
12 propagate and work on. And to that end, I think – I
13 don't know if it was mentioned here but the idea of a
14 community set aside for Board 9, if that's possible
15 to do that. I know there's some legal question about
16 it, but a community set aside would be something that
17 we would like to see. Plus, some of the things you
18 spoke about in your questioning about community –
19 availability of community space and other facilities
20 and amenities that could be brought into the mix.

21 MAJORITY LEADER CUMBO: Thank you. No further
22 questions.

23 CHAIRPERSON MOYA: Thank you, Majority Leader
24 and thank you all for your testimony. I'm going to
25 be calling the next panel but before I do, I just

1

2 want to recognize that we have Chair Salamanca who
3 has joined us today as well.

4 Alicia Boyd, David Cohen, and Sakia Fletcher.

5 And we can start with Sakia.

6 SAKIA FLETCHER: Good morning. My name is Sakia
7 Fletcher. I am currently a student at Medgar Evers
8 College.

9 CHAIRPERSON MOYA: Move the mic closer, yeah,
10 thank you.

11 SAKIA FLETCHER: Hello, good morning. My name
12 is Sakia Fletcher. I am currently a student at
13 Medgar Evers College. I'm a public administration
14 student and I'm here today in opposition of this
15 project and I'm also the President of the Public
16 Administration Club and I stand with my members that
17 we are also in strong opposition of this project.

18 So, just to speak about the project, so as you
19 can see from right here, our colleges, this location
20 that's adjacent to it in the front, just the impacts.
21 So, the developer spoke about impacting and he gave a
22 lot of numbers but I want to speak on the perspective
23 of the students and the children, and the park, and
24 the schools that are in the neighborhood and mostly
25 the emotional, mental, and impact of the people

1
2 within the community, especially the community that
3 represents largely single mothers and I also
4 represent a single mother household.

5 140 affordable housing as the developer has
6 proposed is bar minimum to what is needed. The
7 Borough President came to our college and actually
8 broke down the current laws that are going on. So,
9 right now under the current laws, the developer gets
10 to pick who he wants to be in the development. From
11 my own self, I've been rejected for over eleven
12 applications.

13 There's a lot of discrimination going on in
14 particularly if you are a woman of color. Even more,
15 if you're a woman of color with children. So, they
16 get that preference of who they want to come into the
17 building even if you have the income. Even if you
18 meet all income levels and also, just to talk about
19 the emotional and just the affect of the projects,
20 when you see projects like this coming into an area,
21 it's very disheartening because it shows you that
22 they're basically pushing you out of your area and
23 just really - just telling you blatantly in your face
24 that this area is not for you. When you go and fill
25 out the applications, when you talk to them, they're

1
2 very rude and the project is way to big, its way to
3 tall. You have a playground that's right in front of
4 it that is going to really impact the children that
5 is playing in that playground and also a Charter
6 School that's right in front of it and as a student,
7 the affect that it has on the Franklin Avenue
8 Station.

9 So, the station already is packed. People, new
10 people influx of people that have to use that
11 particular station. This station will primarily
12 probably be the only station that is used because its
13 right down the block. It just has a very impact with
14 the influx of people and I'm definitely opposed to
15 this.

16 CHAIRPERSON MOYA: Thank you.

17 ALICIA BOYD: Hi, my name is Alicia Boyd. I'm a
18 resident long time Brooklyn Knight. I represent the
19 movement to protect the people. I'm flat **[inaudible**
20 **1:30:43]** levels against corruption.

21 I have presented to you a document from the
22 State Senators Office; do you have that in front of
23 you? This document was written and sent to Laurie
24 Cumbo and a whole set of other elected officials. It
25 concerning the fact that we have been documenting

1
2 through the entire process that Cornell Reality
3 Application has violated the State Environment
4 Quality Review Laws.

5 They are Laws Council people and as a City
6 Council Agency, you are obligated to adhere to the
7 state laws and these state laws are very specific
8 about environmental consequences.

9 So, Senator Parker – this development is in
10 Senator Parker's Jurisdiction, so his letter should
11 hold some weight when it comes to any decisions that
12 the Council is going to make but I will just read
13 some of the paragraphs for the audience.

14 Cornell Reality Environmental Assessment
15 Statement that is required by the New York State Law
16 SEQOR, there appears to be gross errors and a serious
17 misrepresentation of the facts in the statement.
18 This in turn has prevented the application from being
19 subject to an environmental impact analysis to
20 determine the negative environmental consequences to
21 the community, the garden, our water and sewage
22 facilities.

23 On the second page, fourth paragraph. Pursuant
24 to Section 6 NYCRR 617.7 and .8 State Environmental
25 Quality Review, a lead agency must check to ensure a

1
2 proper analysis is done to determine if an
3 environmental impact statement must be conducted in
4 the New York City Department of City Planning is the
5 lead agency.

6 Thus, he requested that Cornell Realities
7 Application be reviewed for accuracy to determine if
8 the EAS had been conducted appropriately and that he
9 be kept informed and also, that the department of
10 City Planning was supposed to then provide a
11 description of the rationale and the qualitative data
12 that informed the agency's determination.

13 None of this was done. The main issue yes -

14 CHAIRPERSON MOYA: We have to wrap it up.

15 ALICIA BOYD: The main issue is that on Cornell
16 Realities Application, there is a section in the
17 Environmental Assessment statement what asks very
18 clearly, is your development going to make more than
19 400 residential units? Cornell Reality said no. As
20 a result of that, and that's on the second -

21 CHAIRPERSON MOYA: We have to keep it to two
22 minutes. Just wrap it up.

23 ALICIA BOYD: What they did is they stated no
24 and as a result of them stating no, they did not do

1
2 an Environmental Assessment Statement on the water
3 and sewage.

4 CHAIRPERSON MOYA: Okay.

5 ALICIA BOYD: This is a direct violation.

6 CHAIRPERSON MOYA: Thank you, thank you.

7 ALICIA BOYD: Additionally, additionally –

8 CHAIRPERSON MOYA: Thank you, we have other
9 people here to testify.

10 ALICIA BOYD: I understand that, but you gave a
11 lot of other people a lot more time past the two
12 minutes.

13 CHAIRPERSON MOYA: Actually, I've been giving
14 everyone the same amount of time and I've extended it
15 for you –

16 ALICIA BOYD: Also, the shadow study. I would
17 like to make one more statement about the shadow
18 study. The shadow study that they had performed did
19 not include the Bulkhead.

20 CHAIRPERSON MOYA: Thank you.

21 ALICIA BOYD: This is a violation of the SEQ
22 laws.

23 CHAIRPERSON MOYA: Thank you for your testimony.

24 DAVID COHEN: Good morning Chairs. Majority
25 Leader Cumbo, Council Member Barron. My name is

1
2 David Cohen, I represent 32BJSEIU. 32BJ represents
3 over 80,000 people who clean and maintain buildings
4 throughout the city.

5 I'm going to speak about good permanent jobs.
6 We're here to express our concerns about this
7 rezoning CPVI Crown Heights LLC, an affiliate of
8 Carmel Partners and the Lead on the ULURP has failed
9 to give sufficient assurances that building service
10 jobs at this site will come with job protections,
11 prevailing wages and other responsible employment
12 practices like job training and safety standards.

13 Recent experience at another project owned by
14 Carmel Affiliate gives us great pause at 19 Dutch, a
15 rental project owned by that affiliate. The
16 contractor at the building committed to paying
17 prevailing wage was terminated and most of the
18 existing workers lost their job. We find this
19 alarming particularly given that building service
20 jobs are typically filled by local residents and
21 we're concerned about what that means for the project
22 before you folks today.

23 The rezoning is not just about the building that
24 the developer has proposed, it would change three
25 blocks in Crown Heights and has a potential to expand

1
2 the footprint of other property owners who have been
3 accused of mistreating tenants and violating rights.

4 These concerns extend to Carmel Partners itself,
5 an affiliate of which reportedly has a history of
6 evicting students and families in California from
7 affordable housing in order to build luxury condos.

8 40 seconds, okay. We believe that these are
9 compelling reasons to keep the zoning in this area as
10 it is rather than allowing landlords and developers
11 with questionable track records to expand. Its also
12 worth noting that if this rezoning is not approved,
13 new residential construction that happens As of
14 Right, may use the 421A tax credit. If this occurs,
15 affordable housing could be created without MIH and
16 without a rezoning that would add additional market
17 rate units to the neighborhood.

18 We know there's a lot of development happening
19 in Crown Heights and we believe that any project that
20 is being proposed should deliver serious benefits.
21 We have about - in and around the project, we have
22 about 1,000 of our members live there.

23 CHAIRPERSON MOYA: You can wrap it up.

24 DAVID COHEN: So, additionally we think the
25 developer is seeking a change. The neighborhood

1
2 should make a meaningful effort to address community
3 concerns. This application is substantially similar
4 to a previous one withdrawn in 2017 and once again,
5 the rezoning was unanimously rejected by the
6 Community Board, disapproved by the Borough President
7 and we believe it's a problematic precedent for
8 development in Crown Heights without those strong,
9 good job commitments. We urge you to vote against
10 it.

11 CHAIRPERSON MOYA: Thank you.

12 MAJORITY LEADER CUMBO: I just want to say I'm
13 very impressed that you are here today representing
14 Medgar Evers College and speaking on behalf of the
15 student body and as you stated also, as a single mom.

16 I just wanted to ask you, just from the
17 testimony that you heard today, what are your
18 thoughts in terms of the opportunity – the
19 opportunities, if you would call them that, of
20 building either a seven story building with 280
21 luxury apartments that will be going – lets say for
22 an average of \$1 million each or the ability to
23 create 518 units with 140 of those units being
24 affordable. The options are with this particular
25

1
2 development project which are so difficult is that
3 something will be built there regardless.

4 Once as it was stated, someone spends \$40
5 million on property, they want to see something
6 realize there. So, what are your thoughts in terms
7 of either a luxury building of 280 units with no
8 affordability or the option to have 140 units?
9 Because this is what is my every day challenge.

10 And I'd like to propose the same to question to
11 you Mrs. Boyd as well. Absent of the technicalities
12 that are very real around the ULURP process and how
13 things were adhered to or not. But I would like to
14 start with the young lady first.

15 SAKIA FLETCHER: So, in particular, those two
16 options are actually not even good options either
17 way, when you say affordable, as you said, that word
18 has been hijacked and is no longer affordable. Our
19 incomes are in that particular area and in boroughs
20 such as the Bronx and other areas, we've been mixed
21 in with Nassau County and people who make more high
22 income.

23 MAJORITY LEADER CUMBO: Correct.

24 SAKIA FLETCHER: So, even the affordable as we
25 call it affordable, is still not a feasible option

1
2 especially when the developers have all of the — they
3 have all of the chips and all of the marbles because
4 they have the option of setting the AMI. They also
5 have the option of saying who applications are
6 approved. When you go in and even if your
7 application is approved based on income, which they
8 base it on income, when you go in for the interview,
9 they have the option of saying whether they want to
10 move forward with your application or not.

11 MAJORITY LEADER CUMBO: Let me ask you this
12 question because you also stated that you had been
13 rejected eleven times. Have you made it to the
14 interview process?

15 SAKIA FLETCHER: Yes, I have, four times.

16 MAJORITY LEADER CUMBO: Four times and what
17 happens at that interview process? Are you explained
18 as to why you were not able to move forward because
19 we do hear this particular issue come up quite
20 frequently?

21 SAKIA FLETCHER: So, the first time when I was
22 rejected, I made it to the process of being able to
23 actually have a sit-down interview and they told me,
24 you know what, this project is not for you. The
25 preference actually is not set for you. So, they

1
2 also have the option of saying which preference –
3 well, your zip code doesn't fall within the
4 preference. So, you meet the income level but
5 because of the preference, you don't fall within the
6 preference that they set for that particular project.

7 So, that was one of them. Another one, they
8 didn't give me a definite why I don't meet it. The
9 only thing that they said, we're going to further
10 review your application and based on I think, they
11 only set – it maybe either 100 – so, let's use this
12 project for example. If they say 140, you have one
13 bedroom. I'm a single mother, I live by myself Head
14 of Household in my category, it might be only four.
15 Four, four person that meets single one person, head
16 of child, it might only be four actual apartments for
17 my particular – because then you're narrowed down
18 also.

19 So, if those four apartments are gone, then even
20 though you meet the income level, you're out. You
21 don't meet any other. So, that's the way they set it
22 down. They cut it even more based on also, the
23 component who's in your household – how many people
24 are in your household.

1
2 So, its not only income, but household
3 composition also.

4 MAJORITY LEADER CUMBO: So, just in closing,
5 both options on the table. Both are horrible
6 options?

7 SAKIA FLETCHER: Yes.

8 MAJORITY LEADER CUMBO: Which option do you
9 chose?

10 SAKIA FLETCHER: I definitely don't choose to
11 raise it to 17 feet, that's definitely out.

12 MAJORITY LEADER CUMBO: So, you chose the luxury
13 condominiums?

14 SAKIA FLETCHER: I don't chose either option but
15 if that was on the table, so if that was on the table
16 as you stated, there is going to be something on the
17 table, that we go back into the negotiation in
18 particular with Medgar Evers College, seeing that if
19 they wanted to put another application instead of
20 those condominiums, maybe adding a component that
21 would even be a higher benefit to the people that's
22 in the community.

23 MAJORITY LEADER CUMBO: I hear you. Alright,
24 thank you very much. Ms. Boyd.

1
2 ALICIA BOYD: First and foremost, that area is
3 rezoned to protect the garden and the shadows studies
4 that were produced by the City in 1991 stated that
5 anything past 13 stories will be detrimental to the
6 garden.

7 So, now we're proposing 17 stories because we
8 want a few affordable housings, which is never
9 affordable to us when we look at the AMI of \$104,000
10 where our AMI is \$40,000. So, we know the affordable
11 category does not apply to us. It actually applies
12 to a community that will come into the community.
13 So, I don't buy the affordable and I do not think
14 that we need to be endangering our public green
15 spaces for a few crumbs of affordable housing.

16 This developer wanted to build affordable
17 housing, there are lots of pieces of land all over
18 Brooklyn that they could buy, have affordable housing
19 and not impede upon our green spaces but they don't
20 do it because they want affordable housing. They do
21 it because they want park views and that's why
22 they're doing it and we all know that. This is about
23 park views and getting as much money as they possibly
24 can because of those park views.

1
2 So, no, I do not take the option and like my
3 colleague said, they'll be looking for the 421A tax
4 break, you can bet your bottom dollar on that one.
5 They'll be putting aside some affordable units, so
6 they can get some money from that and so, no.

7 In 1991, the city said we're going to protect
8 the garden. We're going to put height limits in this
9 community because there three major places that could
10 be developed. The land, the sky, the sun has not
11 moved. We still have the same ecosystems. We still
12 have the same impacts.

13 We have produced documents that show that
14 Cornell Reality lied on their EAS, that they failed
15 to apply to the state and city regulations and yet,
16 everybody that we have went in front of refuses to
17 pay attention to that. Just like you will not pay
18 attention to that. What you will say when you
19 approve this plan, because we know this is what you
20 will do. You will say that 135 affordable units is
21 great for our community and we just need to have that
22 because we have an affordable housing crisis,
23 completely ignoring the fact that it will have a
24 detrimental effect on our public green spaces and
25 also have a detrimental affect on our community.

1

2 Because we will wind up with 500 units that are not
3 affordable to our community and we'll have about 16
4 apartments that somebody in our community will be
5 able to purchase.

6 Cornell Reality bought that piece of property
7 with the six to seven story height limited zone.
8 They knew what they were getting into. Let them
9 build As of Right.

10 MAJORITY LEADER CUMBO: Thank you very much Mrs.
11 Boyd. We are going to call up the next panel.

12 Council Member Barron has questions.

13 CHAIRPERSON MOYA: We'd like to recognize
14 Council Member Barron.

15 COUNCIL MEMBER BARRON: Thank you very much.
16 Just briefly, your representing the student body of
17 Medgar. Are you a part of the student government
18 there or just a student there interested in this
19 project?

20 SAKIA FLETCHER: And so, I'm the President of
21 the Public Administration Club.

22 COUNCIL MEMBER BARRON: Oh, great.

23 SAKIA FLETCHER: So, I also sit on the SGA in
24 leadership of my department.

25

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

COUNCIL MEMBER BARRON: Good. I'm glad to hear that because I am the Chair of the Committee on Higher Education and I'm always pleased to see that students are involved and raising their voices. So, I just wanted to clarify that and in terms of Ms. Boyd, your position of inaccuracies, in the application. The application then said that they would not go beyond a designated number of apartments and now the project is beyond what they had said they would do?

ALICIA BOYD: Yes, I can show it to you. If you look at page - this is the second document that I produced to you.

COUNCIL MEMBER BARRON: Okay, the clerk will give it to me -

ALICIA BOYD: And on page seven of that document - did the clerk give it to you?

COUNCIL MEMBER BARRON: He'll give it to me afterwards.

ALICIA BOYD: Okay, underneath the water and sewage infrastructure it asks, does this project produce more than 400 residential units? And they checked no.

1
2 As a result of them checking the no, they did
3 not have to take a look at the water and sewage
4 analysis that's required by the city and the state.

5 COUNCIL MEMBER BARRON: Okay.

6 ALICIA BOYD: So, that means is that we will
7 have 565 residential units that will be putting
8 strain on our water and sewage systems which are out
9 of compliance as it is with the federal government
10 and not having the developer take a look at that and
11 talk about how they can litigate that.

12 COUNCIL MEMBER BARRON: Okay, and finally, I'm
13 very concerned about density all across the city and
14 we had a project in my district that - I don't
15 remember the proposed number of stories, but it was
16 across the street from a garden and the city at that
17 time tried to say the garden was not protected but as
18 God would have it, we had someone do some research
19 and find documents that attested to the fact that the
20 city had at some point conducted that property as a
21 garden.

22 So, we were able to get the garden protected and
23 preserved because the city was not going to keep it.
24 And a part of that requirement was that they had to
25 do the shadow analysis for the entire year, and show

1
2 what the impact was on that particular garden and
3 based on that information, we did have them reduce
4 the height and we did have them enter in agreement
5 with the gardens that would give them benefits for
6 the duration of the time that they're there.

7 So, I'm very much concerned about gardens and
8 protecting them and not loosing open space and we
9 look forward to further investigation to find out if
10 in fact, there was some misrepresentation or change
11 from the document that was initially submitted.

12 And if there's change, then they need to comply
13 with the requirements of the change.

14 ALICIA BOYD: Well, what we did is we conducted
15 two independent studies that we have given to this
16 ULURP application and both of our studies showed that
17 the potential impact on the garden would be negative
18 based upon Cornell Realities Application.

19 So, we have provided that documentation. It is
20 a part of the ULURP process records and so, we will
21 move forward with challenging anything that the City
22 Council does because we're basically saying that we
23 have proof that this development will have a
24 detrimental effect.

1
2 COUNCIL MEMBER BARRON: Okay, thank you. Thank
3 you, Mr. Chair.

4 CHAIRPERSON MOYA: Thank you. Thank you all for
5 your testimony today. I'd like to call up the next
6 and last panel Geoffrey Davis, Demitralis [SP?]
7 Hawkins and Jennifer Sun.

8 MAJORITY LEADER CUMBO: I just want to say or to
9 add to the record, just so that those that are
10 watching or viewing at home, the proposed units for
11 the affordability, the permanent units would be
12 approximately 52 units at 40 AMI. So, 52 units
13 "affordable" at 40 AMI for a family of four would be
14 a combined household income of \$41,720. So, there
15 would be 52 units set aside for a family of four
16 making \$41,720 a year. There would be 26 units at 60
17 AMI and that would be for a family of four \$62,580,
18 and there would be 52 units at 80 AMI, which would be
19 \$83,440.

20 So, right now, minimum wage is \$31,200 a year.
21 So, one person making — working at let's say, a fast
22 food industry, a restaurant, a McDonalds or a Wendy's
23 in the near by area, making \$31,200 would qualify. A
24 couple together, both making minimum wage, would
25 qualify at the 60 AMI and potentially for the 80 AMI,

1
2 that would be maybe an early childcare worker and a
3 partner potentially at the \$83,440 area.

4 So, that's what's being proposed here. So, I
5 just want people to understand what the
6 "affordability" is. Again, for a family of four
7 we're looking at 52 units at \$41,720 for a family of
8 four. 26 units for a family of four, its \$62,580 and
9 52 units at 80 AMI for a combined household family of
10 four at \$83,440.

11 CHAIRPERSON MOYA: Thank you. We're going to
12 start with Jennifer.

13 JENNIFER SUN: Good morning Chair, Council
14 Member Cumbo and Council Member Barron. Thanks for
15 the opportunity to submit testimony. I'll read an
16 abbreviated version, but you do have a fuller version
17 of our testimony there.

18 So, my name is Jennifer Sun and I am the Co-
19 Executive Director of Asian Americans For Equality
20 AAFE. I apologize at the other Co-Executive Director
21 Thomas Yu can not be here. He actually leads our
22 affordable housing development work at AAFE.

23 We are an established 45-year-old non-profit
24 organization providing social services, community
25 development, small business lending, and affordable

1
2 housing development for New York City's Asian
3 Americans, as well as for low income communities from
4 all background in needs of our services.

5 I'll also note that we're an experienced non-
6 profit affordable housing developer. We've developed
7 and preserved about 600 units of affordable housing
8 and almost 40 buildings primarily in lower Manhattan.

9 We are the owners of a parcel of land located at
10 141 Montgomery Street in Brooklyn. This is adjacent
11 to 40 Crown Street. This is within the rezoning area
12 adjacent to the applicant's property. We had
13 purchased the parcel at a nominal fee from Enterprise
14 Community Partners several years ago, for the
15 purposes of long-term affordable housing development.
16 The land comes with deed restrictions that require
17 consent from New York City Housing Preservation and
18 Development for development, and it has always been
19 our mission and intent to create fully affordable
20 housing.

21 Over the years, we have attempted negotiations
22 with our neighbor. First Cornell Reality, and now
23 Carmel Partners, to see if there was an opportunity
24 for partnership to increase the number of affordable
25 units and positive community impact. Unfortunately,

1
2 we have not reached terms that were agreeable to our
3 organization's non-profit mission, and no partnership
4 was ever realized. We have followed the series of
5 public hearings and events over the past weeks and
6 have heard the concerns raised by the local
7 community. AAFE does not wish to become a wedge
8 during this contentious process, and through careful
9 internal deliberation with our board, we have come up
10 with the following guidelines whereby we would be
11 receptive to a partnership with Carmel Partners.

12 You have those guidelines there, so I won't read
13 them.

14 MAJORITY LEADER CUMBO: I would like to hear
15 them. That's pretty critical.

16 JENNIFER SUN: So, those guidelines include that
17 1. Carmel, via a land swap or land contribution to
18 our site, contributes to a doubling of affordable
19 units built under the proposed R8X rezoning, more
20 than what is possible under the current lot
21 configuration and current R6A zoning.

22 2. Carmel must also fulfil their minimum
23 Mandatory Inclusionary Housing requirements and not
24 count the affordable units created by AAFE towards
25 the required MIH affordable unit number.

1
2 3. AAFE and Carmel would commit to direct
3 public input with the local community board, elected
4 officials, and local residents to determine the ideal
5 bedroom types, unit types, and AMI bands.

6 4. To the greatest extent possible, the design
7 and massing of the new larger development should have
8 no shadow impact on the Botanical Gardens.

9 5. The affordable units on both AAFE and
10 Carmel's sites should have the maximum local community
11 preference in the housing lottery allowable by the
12 Fair Housing Law.

13 36. All affordable units generated from this
14 rezoning will be affordable in perpetuity and fully
15 enforceable by City deed covenant and regulatory
16 agreements.

17 We thank you for your attention and allowing us
18 to submit our testimony.

19 MAJORITY LEADER CUMBO: Thank you, I have one
20 additional question. I am extremely pleased that you
21 are here today. Is part of your partnership or idea,
22 and when you talk about massing, is it to combine the
23 properties to build let's say, one development or
24 that your thought process would be to keep the spaces
25 separate?

1
2 JENNIFER SUN: I guess, on one hand it would be
3 sensitive to the developer and the fact that they're
4 in the middle of this land use review process.
5 Presumably, they would not want their project to be
6 delayed.

7 So, from a practical perspective, assuming that,
8 I think we're envisioning a scenario where they might
9 contribute other property that would then allow us to
10 build a larger project and therefore produce more
11 affordable units and ensure that all of those units
12 are permanently affordable.

13 MAJORITY LEADER CUMBO: Thank you very much and
14 I look forward to having further conversation
15 following this hearing and hoping that the
16 negotiations continue to move forward with the
17 recommendations that you've put forward.

18 JENNIFER SUN: We are looking at development
19 scenarios and so, we look forward to the opportunity
20 to share that with you and with Carmel.

21 MAJORITY LEADER CUMBO: Thank you.

22 JENNIFER SUN: Thank you.

23 MAJORITY LEADER CUMBO: District Leader Geoffrey
24 Davis.

1

2

CHAIRPERSON MOYA: One second, one second. We are also joined by Zach Bohmer [SP?], you're also part of AAFE. Are you here to? Alright.

5

ZACH BOHMER: I don't need to speak.

6

7

GEOFFREY DAVIS: You don't need to speak Zach if you don't want to.

8

CHAIRPERSON MOYA: Just turn on your mic.

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

GEOFFREY DAVIS: Okay, thank you. Good afternoon, good morning, good afternoon everyone. Alright, Geoffrey Davis. A long-time resident of Crown Heights, 50 years or so. 25 years activists improving central Brooklyn, particularly Crown Heights. 15 years as a victim/survivor of violence and four years as democratic district leader in this particular area. So, I got a handle on whats going on in this particular area.

We're faced with a project of As of Right. As of Right, 200 or so apartments whether we engage or not, but their willing to do affordable housing with some extra apartments that we can benefit from.

I'm for it because there is a housing crisis. People need a place to live. Simple as that. If their willing to give more apartments for this particular community to have a place to live, that's

1
2 wonderful. Right down the block is a shelter that we
3 fought for to have permanent affordable housing as
4 opposed to temporary housing. This gives an
5 opportunity for the people in the shelter to
6 transition to permanent affordable housing which is
7 right down the block. They get a chance to stay in
8 this particular area. I am a supporter of the
9 garden. Brooklyn Botanic Garden, I do a lot of
10 things there over the years and we have a letter from
11 the president stating that it has no impact. This
12 particular project has no impact on the garden.

13 So, the garden says, not this project but other
14 projects, they'll be testifying for but not this
15 particular project. So, they did their study and
16 they submitted a letter to city planning and it said
17 that it has zero impact, this particular project on
18 our garden. So, I'm comfortable with that. We need
19 affordable housing if 25 percent from this project,
20 25 percent from the other project, 25 percent from
21 the other projects, collectively that's 100 percent
22 and people have a place to live.

23 Now, yes, training programs are extremely
24 important. My thing is training programs in the
25 healthcare field. Personal care assistant, home

1
2 health aids and scholarships. We will continue to
3 address violence in this area through partnering with
4 developers with scholarships, training programs,
5 healthcare programs and the like, and people from the
6 neighborhood when they do construction and so forth
7 jobs. Thank you.

8 CHAIRPERSON MOYA: Thank you.

9 DEMITRALIS HAKINS: Hello, my name is Demitralis
10 [SP?] Hakins. I was a resident of the Crown Heights
11 community. I'm now living in a shelter in Manhattan
12 and I think this project would help us out a lot
13 because it would help us to get permanent housing
14 with low income.

15 We've been in a shelter for awhile now and it
16 would just be a good thing just to have our own place
17 and be able to afford the apartment. So, I think
18 this project would be very helpful for us.

19 MAJORITY LEADER CUMBO: Let me ask you a
20 question. Have you - during the time that you have
21 been in shelter, have you been assisted or supported
22 in applying for any of our housing lotteries?

23 DEMITRALIS HAKINS: There is very little
24 assistance, but there's a website that you can go on
25 and if you're connected to the website, they send you

1
2 all the different apartments that you're able to
3 apply for. The apartments for lottery and different
4 housing.

5 MAJORITY LEADER CUMBO: But where you are in
6 Manhattan and shelter, is there a system set up where
7 you're constantly able to have access to support to
8 individuals, to people that can help you along the
9 way throughout the application process, whether its
10 helping to fill out the forms, whether its helping to
11 create an application that makes you eligible?

12 DEMITRALIS HAKINS: There are people, but I
13 don't think there's enough. I think they need help
14 in that area.

15 MAJORITY LEADER CUMBO: Okay, I'd love to talk
16 with you more about that.

17 DEMITRALIS HAKINS: Okay.

18 MAJORITY LEADER CUMBO: But thank you. Chair
19 Moya.

20 CHAIRPERSON MOYA: Councilwoman Barron has a few
21 questions.

22 COUNCIL MEMBER BARRON: Thank you Mr. Chair. I
23 have a question for Ms. Sun, and you say in your
24 testimony that you purchased the parcel at 141
25 Montgomery Street. How much did you pay for it?

1

2 JENNIFER SUN: I don't know the purchase price,
3 but I can find out.

4 COUNCIL MEMBER BARRON: Okay, when did you
5 purchase it?

6 JENNIFER SUN: A few years ago. So, I have to
7 apologize, I was appointed COED in July and I am just
8 learning about our real estate portfolio in terms of
9 the details, but again, I'm happy to follow up with
10 the information.

11 COUNCIL MEMEBR BARRON: And where are you in
12 your project to develop housing – affordable housing.
13 How far along are you in that goal?

14 JENNIFER SUN: For this particular site or just
15 in general?

16 COUNCIL MEMBER BARRON: That site.

17 JENNIFER SUN: For this site, we have not been
18 actively looking at redeveloping this site. We were
19 interested in seeing how this process might unfold
20 before pursuing it further.

21 COUNCIL MEMBER BARRON: Okay, so what is your
22 position on the project as it currently exists?

23 JENNIFER SUN: I think we share the community's
24 concerns about the amount of affordable housing that
25 would develop as a result of this rezoning.

1

2

COUNCIL MEMBER BARRON: And what about the density, the height of the project?

3

4

JENNIFER SUN: I think also we're sensitive to the community's concerns about the impacts that it might have with the surrounding community and the garden.

5

6

COUNCIL MEMBER BARRON: Okay, thank you very much.

7

8

JENNIFER SUN: Your welcome.

9

10

CHAIRPERSON MOYA: Thank you. Thank you to the panel. Are there any other members of the public who wish to testify?

11

12

Seeing none, I now close the public hearing on this application and it will be laid over. Thank you.

13

14

Our next public hearing is on L.U.'s 272, 273, 274, 275, 276, 277, the Marcus Garvey Village rezoning L&M Development Partners seek a zoning map amendment to change portions of the existing R6 zoning district to an R72 and R72 C24 districts, a zoning text amendment to establish a mandatory inclusionary housing area. A special permit to modify allowable lot coverage, height set back in distance between buildings and a special permit to

15

16

17

18

19

20

21

22

23

24

25

1
2 wave parking requirements in order to facilitate the
3 development of seven new, mixed used buildings with
4 approximately 676 affordable housing units on unused
5 portions of the existing Marcus Garvey Village
6 Housing Development in Brownsville.

7 NYC HPD is the applicant for this position of
8 city owned property to allow L&M to require and
9 incorporate two small pieces of city owned vacant
10 land into two of the development sites and the NYC
11 DPR is the applicant for site selection and
12 acquisition approval for a 5,200 square foot parcel
13 located across Bristol Street from Betsy Head Park to
14 become a community garden.

15 Folks, if you could please close the door or
16 keep it down.

17 The proposed new, mixed, used development will
18 create seven new seven to eight story buildings to be
19 built in at least three phases with approximately 676
20 affordable dwelling units. The property affected is
21 located in Council Member Barron's district and in
22 Council Member Ampry-Samuel's district in Brooklyn.

23 I now open the public hearing on this application and
24 I will call up - well, before I do that, Council
25 Member do you have any remarks before we begin?

1
2 We will call up the first panel. Richard Label,
3 Joshua Weisstuch, Genevieve Michael, and Lisa Gomez.

4 Council, if you could please swear in the panel.

5 COUNCIL: Before responding, please state your
6 name, making sure that the red light is on, on the
7 mic. Do you each swear or affirm that the testimony
8 that you're about to give will be the truth, the
9 whole truth and nothing but the truth and to answer
10 all questions truthfully?

11 RICHARD LABEL: I do.

12 GENEVIEVE MICHAEL: Genevieve Michael, I do.

13 LISA GOMEZ: Lisa Gomez, I do.

14 JOSHUA WEISSTUCH: Josh Weisstuch, I do.

15 CHAIRPERSON MOYA: You may begin.

16 RICHARD LABEL: Thank you Chair Moya, Council
17 Members. I am Richard Label from **[Inaudible 15:54]**
18 Label and I'm joined by L&M in Development Partners
19 with regards to the Marcus Garvey Extension.

20 Briefly this proposal involves a series of
21 zoning actions which require us to go through ULURP,
22 which include rezoning of parcels from R6 and R72C23
23 as well as a large-scale general development and in
24 addition, certain other zoning actions including a
25

1
2 text amendment to map the area with a Mandatory
3 Inclusionary Housing designated area.

4 So, I would turn this over to Josh who will run
5 through the presentation and the panels available to
6 answer any questions.

7 JOSHUA WEISSTUCH: Thanks Richard. So, I'll
8 give a brief history first. Between 2014 and 2016,
9 L&M rehabilitated the 625-unit complex. It spans 10
10 city blocks known as Marcus Garvey Village.

11 Since completing the rehab, the near 100 vacant
12 units which are one of many symptoms of the disrepair
13 at the complex in 2014, is now over a one-year wait
14 list. Safety enhancements across the sites with
15 security cameras and increased staffing has
16 significantly decreased crime and overall quality of
17 life for residents is improved.

18 Additionally, we exceeded state, local, and WB
19 hiring goals during the rehab work. L&M makes every
20 effort to engage with residents. Marcus Garvey's
21 family day is back, as a result of their strong TA
22 and ownership listening to residents.

23 Residents continue to pay rents no greater than
24 60 percent AMI as governed by the state low income
25

1
2 housing tax credit and Michell Lama regimes. And the
3 project will remain affordable for 40 years.

4 L&M involved other organizations at Marcus
5 Garvey. A needs survey was conducted by the
6 **[inaudible 2:18:14]** group that provided helpful
7 information of what residents would like to see at
8 the site.

9 In response, we brought on Project **Deets** that
10 has provided the community with affordable fresh
11 produce and now has a fresh juice café.

12 There is a summer camp and after school program
13 in the community room at Marcus Garvey provided by
14 Grand Street Settlement and BCJC built and now runs a
15 youth club house and center in response for the need
16 for youth programming.

17 While the Marcus Garvey project is running well,
18 we aim to further enhance the neighborhood and
19 facilities and activate the Brownsville community
20 with the council's approval of this proposal.

21 So, one of the actions – Richard just went
22 through a few of them. Essentially, we are adding a
23 commercial overlay to the existing residential
24 district to allow retail along Livonia Avenue. There
25 is a zoning text amendment to establish Mandatory

1
2 Inclusionary Housing to ensure affordability. We're
3 looking to increase the open space and green space
4 and add density for the open space and green space
5 and create efficient buildings.

6 So, to that end, there's a special permit to
7 blend law coverage throughout the development. We
8 both are in agreement with the green thumb from the
9 Department of Parks. They have a site that's 3,000
10 square feet adjacent to one of the developments and
11 we're swapping that with a 6,000 square foot site
12 owned by the applicant. So, there doubling in size
13 and they have a space - its actually closer to the
14 operator, the MHDA Academy.

15 There's a disposition acquisition of the HPD
16 owned vacant lot adjacent to site E and a special
17 permit to wave the existing parking requirements.

18 So, here's a site plan. The dark grey, seven
19 dark grey buildings are the development sites. A, B,
20 C, D, and E go up and down along Livonia on either
21 side. F and G are at either ends on the left and
22 right of the T-shape of the development. The lighter
23 grey and green are the existing Marcus Garvey.

24 What are the benefits to the Brownsville
25 residents? This project will maximize opportunities

1
2 for affordable housing, generate ground floor retail
3 in community facility. There are jobs generated both
4 in the construction ongoing maintenance and generate
5 also by the occupants of the retail and community
6 facility. Will eliminate underutilized space from
7 the lots and inherent with the development, there's
8 improved security and lighting along Livonia and the
9 project includes youth and senior programing and
10 other opportunities for resources to be used by the
11 community.

12 Here's a rendering of the site going down
13 Livonia. You've got - we're not saying that these are
14 going to be the uses but its just a rendering to
15 activate the corridor along Livonia.

16 Numerous versions of this plan that started with
17 a twelve-story development a couple years ago, now
18 tops out at eight stories at the two outer buildings
19 F and G and seven stories at the rest.

20 Don't bother squinting your eyes, this diagram
21 is for illustrative purposes and I'll detail them in
22 a moment. The point is after meeting with the
23 Council Members and we've made many cuts to the
24 building massing's, we have increased parking in an
25

1
2 effort to achieve a development that works for the
3 community.

4 Based on our conversations with the Council
5 Members, we worked with the Community Boards Equity
6 Planning Committee on an MOU. We agreed to
7 incorporate 32 BJ as part of the ongoing maintenance
8 of the site once its completed and we've reached out
9 to tenants with backyards facing the development
10 sites.

11 So, the development includes between 625 and 627
12 units of affordable housing across seven buildings to
13 be built over the next six or so years. As mentioned
14 in the prior side, city planning certified a denser
15 development. Efforts were made to reduce bulk and
16 increase parking at the costs of community facility
17 space. We now have financeable buildings that max
18 out at eight stories.

19 To exemplify the cuts have pulled out to typical
20 conditions. One, is along Livonia, this is a
21 building that we pushed the rear wall away from the
22 existing Marcus Garvey Building and we introduced a
23 setback at that same location at the request of the
24 Council Members and at buildings G and F, an example,
25 building G, we've eliminated the top floor. So, its

1
2 now eight stories high and we've decreased the street
3 walls to five stories.

4 The large-scale plan consists of buildings
5 similar to other city sponsored sites and
6 developments along Livonia. Both in size and AMI
7 levels.

8 This is the projected unit distribution, it will
9 conform to the available term sheets, or city or
10 state term sheets at the time and as far as
11 distribution, we're assuming something like this;
12 it's in line with the Council Members in that there's
13 a healthy mix of two- and three-bedroom units.

14 There has been discussion of a senior building
15 which would skew the mix somewhat to the studio one-
16 bedroom sizes and we continue talks with city and
17 state agencies on available funding for senior
18 housing.

19 The project will have rents as low as \$215 for
20 studio units and have AMI levels tiered at 60 percent
21 and below for 80 percent of the units. The balance
22 of the units will be between 60 and 80 percent AMI.
23 The projects will be funded phase one, we're
24 anticipating HCR's shop term sheet and then phase two
25 would be HPD and HDC's LL term sheet.

1
2 So, at the beginning of the ULURP process, we
3 signed on MOU with the Community Board Equity
4 Planning Committee which highlights working together
5 to identify retail and community facility operators,
6 maximize affordability, increase parking, which
7 you've already done, and we strive to hire local and
8 MWBE entities.

9 Should we receive a green light to move forward,
10 we anticipate closing on phase one at the end of
11 2019. So, construction would anticipate starting in
12 early 2020. Phase 2 potentially mid-2020 and phases
13 three and four would stagger between a start date of
14 2021, 2022 with an estimated completion in 2024.

15 So, thank you for your time and we look forward
16 to questions. Oh, I'm sorry, maybe not questions.

17 GENEVIEVE MICHAEL: So, L&M spoke about the
18 project as a whole, I want to just quickly speak to
19 the city's actions. My name is Genevieve Michael
20 from HPD. So, as you heard the project area consists
21 of private sites as well as city owned property
22 located at block 3287, lot 27 and block 3588, lots 32
23 through 36.

24 The city owned property accounts for
25 approximately 5,517 square feet of the development

1
2 area or approximately four percent of the project
3 area. The city owned lots were once designated Urban
4 Renewal sites as part of the Marcus Garvey Urban
5 Renewal Plan URP which was approved in 1968.
6 Although the URP expired in 2008, the city owned
7 sites will be developed with residential uses as
8 originally envisioned to briefly summarize a portion
9 the ULURP action in which HPD is a co-applicant. We
10 are seeking approval of disposition pursuant to 197 C
11 of block 3587, Lot 27 and block 3588, Lots 32 through
12 36 in order to convey the land to the sponsor,
13 Brownsville, Livonia, south housing development fund
14 corporation currently block 3588, lots 32 through 36
15 are a green thumb garden currently under the
16 jurisdiction of Department of Parks and Recreation.
17 And block 3587, lot 27 is an unimproved vacant lot
18 under the jurisdiction of HPD.

19 The sponsors proposing to develop the project
20 under HPD is extremely low and low affordable program
21 under the other program sponsor purchase city owned
22 or privately-owned sites and construct multi-family
23 rental housing affordable to low income families with
24 a range of incomes from 30 percent to 80 percent of
25 the area median income. Projects may include a tier

1
2 of units with rents affordable to households earning
3 up to 100 percent of AMI and subject to project
4 underwriting up to 30 percent of the units maybe
5 rented to formally homeless families and individual.

6 The buildings that will be developed on the city
7 owned sites and adjacent privately-owned lots on
8 development sites C and E will have a mixture of unit
9 types which L&M spoke to.

10 Additionally, the Department of Parks and
11 Recreation and the Department of City Wide
12 Administrative Services are co-applicants for the
13 site selection and the acquisition of the property
14 located at 3559 Part of lot 1, given the city will be
15 conveying the existing garden site, which measures
16 approximately 3,000 square feet to the sponsor, the
17 acquisition, and site selection by the city of the
18 5,236 square feet acquisition and the 892 square feet
19 easement area for use as a community garden.

20 The new community garden on the acquisition site
21 and easement area will be approximately 6,128 square
22 feet. More than twice the size of the existing,
23 approximately 3,000 square feet community garden.

24 And now, I think we can open it up to questions.
25

1

2

3

4

5

6

7

8

9

CHAIRPERSON MOYA: Thank you. I just want to acknowledge that we have been joined by Council Member Ampry-Samuel. Just a few questions before I turn it over to my colleagues. I know that you had mentioned in the presentation the modifications to the setbacks, are those in line with the recommendations from the local members and the borough president?

10

11

12

13

14

15

16

17

18

LISA GOMEZ: Basically yes, we've met with the Council Members I guess, ten days ago, two weeks ago and reviewed them. There were some discrepancies between what the borough president and the council members calculations, but I think they're in the spirit of what the borough president was recommending. We did speak to the borough presidents land use staff and let him know that we were in discussions with the Council Members.

19

20

21

CHAIRPERSON MOYA: Okay, for the sites on Lavonia Avenue, how will the project mitigate the noise from the elevated subway tracks?

22

23

24

25

LISA GOMEZ: So, we built a number of buildings along subway tracks pursuant to SEQR and other environmental regulations. Windows have to be double and triple glaze. We're going to minimize the amount

1
2 of windows that we need to put along Livonia for
3 example, if you're at a corner facing Chester and
4 Livonia, we'd have a blank wall on the Livonia side.

5 There are a number of projects up and down
6 Livonia that have been built in this fashion.

7 CHAIRPERSON MOYA: Okay, and this is a large-
8 scale project with you know, seven development sites
9 and I know you touched a little bit about senior
10 housing, but can you go into a little bit deeper of
11 those conversations in regards to bringing in senior
12 housing to this project?

13 LISA GOMEZ: So, we know that there is a need in
14 many, many communities across the city for aging
15 populations and aging in place. There are not a ton
16 of available funding programs and we certainly can't
17 say that anyone's committed to funding it. We know
18 it's an interest. It's something we're going to
19 pursue and hopefully with the help of the community
20 and the elected will be successful. You know, we're
21 very happy to do it, we think it would be great for
22 the neighborhood, but we cannot represent that anyone
23 has committed to fund it yet.

24

25

1

2

3

4

CHAIRPERSON MOYA: Got it and what resiliency and sustainability measure our plan for this project, Solar panels, rain gardens?

5

6

7

8

9

10

11

12

13

14

15

16

RICHARD LABEL: We always consider solar panels in all our rehab and new construction at the existing Marcus Garvey, we brought in a 500-kilowatt solar grid as well as a fuel cell, the first in the city that produces electricity for natural gas and we also have a battery that helps shave peak loads and get off of comets grid during peak hours. So, there is potential to actually tap into some of that existing. Structure at the existing Marcus Garvey and of course we'll do enterprise green communities and fixtures and LED lights in the suite of available efficiencies for the new buildings.

17

18

19

20

21

CHAIRPERSON MOYA: Great, I'm also very glad to hear that there's been a commitment to good jobs on this project. I think that's, a great way to start and the last question is, can we just go back to the AMI breakdowns and the size of each unit.

22

23

LISA GOMEZ: Did you have a specific question, or did you want us to review it?

24

25

CHAIRPERSON MOYA: Yeah.

LISA GOMEZ: Okay, just review it.

1
2 JOSHUA WEISSTUCH: Okay, so this is the rent
3 range for the typical studio, the three-bedroom based
4 on the AMI's of 30 to — I believe that's for 60
5 percent AMI and —

6 CHAIRPERSON MOYA: The three bedroom is at what?

7 LISA GOMEZ: Well it depends on the different
8 AMI's.

9 JOSHUA WEISSTUCH: So, 60 percent AMI — do you
10 want rents or incomes?

11 CHAIRPERSON MOYA: Incomes.

12 JOSHUA WEISSTUCH: Okay, so incomes would be for
13 30 percent for a single person \$21,900 for a family
14 of four. It goes up to \$31,000 and then at the max
15 for 60 percent its \$43,800 for a single person up to
16 \$62,580 for a family of four.

17 CHAIRPERSON MOYA: Got it.

18 JOSHUA WEISSTUCH: And as far as the tiering for
19 the 60 percent and below, we're going to work with
20 the agencies to meet their term sheet and also make
21 sure that we can finance the buildings.

22 CHAIRPERSON MOYA: Great, thank you very much.
23 I'm now going to turn it over to Council Member
24 Barron for a few questions.

1

2

COUNCIL MEMBER BARRON: I'll defer to my
colleague because she's still in her hearing.

4

5

CHAIRPERSON MOYA: Oh, we will now turn it over
to Council Member Ampry-Samuels.

6

7

8

9

10

COUNCIL MEMBER AMPRY-SAMUEL: I appreciate that.
First, I want to say, thank you so much. We've had a
lot of meetings over the past several months and I
appreciate the back and forth and making every
attempt to incorporate our ideas and feedback.

11

12

13

14

15

16

17

18

19

20

21

22

23

I have a question about the local hiring piece.
Can you just describe the conversations that you've
had with local groups or residents related to the
hiring with this project as well as opportunities for
folks in the community to be employed on other
projects that you have throughout the city because
you are working on a good number of development
projects throughout New York and I just feel like a
Good Faith gesture or a way to really be able to
partner with the community is seeing if there are
opportunities right now today on some of your other
sites. So, can you just speak to the conversations
that you have had?

24

25

LISA GOMEZ: Absolutely, I'll take them in
pieces, so we maintain a team of folks within our

1
2 company whose job is to handle outreach, make
3 connections, and help companies becomes certified,
4 MWBE companies. We are required to – when we do a
5 state job, we must use state certified companies.
6 The city's more flexible, the state's less flexible.

7 So, we have already begun to attend local job
8 fair – sorry, hiring fairs. We've been to LDC New
9 York, I think we've been to three so far and we know
10 our job is fairly far out. So, we haven't done a
11 ton. Usually those get going probably nine months or
12 so before we actually start bidding our work, but we
13 have made some of those connections. We have built
14 in this neighborhood before, so we do have some of
15 those relationships. I'm very proud of our MWBE
16 hiring record. We've hired – we spent this year
17 alone, we spend about \$400 million to MWBE companies
18 throughout all of our projects, not just on any given
19 project and that represents about 20 – I'm not sure
20 exactly where we are in the overall denominator but
21 plus 20 percent of our total spend.

22 On the local hiring phase, we work primarily
23 through building skills, which is a city-wide non-
24 profit that helps connect people to training and
25 jobs. We fund some of the training, the OSHA

1
2 training and that's available. We'd love to talk
3 more about that. We're happy to refer people now,
4 even though we don't have a job, we can certainly
5 help with referrals of neighborhood residents into
6 the building skills program.

7 We also work with green city forests where we've
8 had a really great track record. We started with
9 them on the NYCHA buildings. Some of my favorite
10 stories are when somebody comes in as a youth who is
11 underemployed or unemployed, goes through a training
12 program, works in construction and gets a job. We
13 have some working in the building and building
14 services and then works his or her way up and we do
15 have a number of those success stories.

16 Another of our partners, Grand Street Settlement
17 has worked with us, both in the lower east side and -

18 COUNCIL MEMBER AMPRY-SAMUEL: So, not to cut you
19 off, just in the interest of time. So, we have
20 organizations that are currently working right there
21 in Brownsville.

22 LISA GOMEZ: We will work with them.

23 COUNCIL MEMBER AMPRY-SAMUEL: We work directly
24 with MAN- so have you had direct conversations and
25 worked directly with young people, young men and

1
2 women who are in their programs and said, okay, can
3 you send me a list of folks that have this particular
4 skill set and we can get them employed on this
5 particular site in the Bronx or this particular site
6 -

7 LISA GOMEZ: So, we have had conversations - I
8 think Brownsville- is here as his grand street. I
9 can answer if we've gotten anyone employed. I will
10 find out the answer to that for you. We have these
11 conversations with every elected in every
12 neighborhood in which we work. Everyone wants their
13 folks in.

14 COUNCIL MEMBER AMPRY-SAMUEL: The reason why I
15 ask that question is because I had conversations in
16 the past with you all and I remember having the
17 conversation about building skills and when I went to
18 the website, I saw that there was - I want to say
19 maybe in August, there was an opportunity for a job
20 fair and dug deeper into the number of positions that
21 were available and at that time, it was 74 positions
22 that were available and they listed the type of jobs
23 and they were all, if you have a OSHA 30, if you have
24 you know, a license or a certificate as a plumber and
25 these were all jobs that when I looked around the

1
2 community, you know, folks have that skill set and
3 then the conversation turned into, well, if you
4 submit the names of folks, then we can get them
5 hired. So, we sent our people to the fairs and
6 whatever this particular fair was with building
7 skills, and no one was hired. So, I'm just trying to
8 figure out if there's some like conversations being
9 had with the organizations and maybe the people that
10 we sent directly just weren't connected or not part
11 of the network because they didn't know that they
12 were coming from our office or coming from our
13 community. So, I'm just trying to get some kind of
14 concrete -

15 LISA GOMEZ: I don't know, I can't speak to that
16 -

17 COUNCIL MEMBER AMPRY-SAMUEL: And I don't want
18 to take up too much time but -

19 LISA GOMEZ: I'm happy to follow up afterwards
20 and figure out forensically what happened there and
21 if that process broke, we'll fix it.

22 COUNCIL MEMBER AMPRY-SAMUEL: Okay, alright, and
23 the last thing, I see on - that's part of phase one,
24 sites B and D that sit on my side of the tracks, my
25 district literally. That's with shopping state

1
2 funding and there's also support of housing included
3 with these developments. So, can you just speak to
4 the populations that are going to be targeted within
5 the support of housing and is there a set aside for
6 homeless families or individuals -

7 LISA GOMEZ: So, I think that's something we
8 want to - it's something we heard sort of both sides
9 of throughout the conversations with the community in
10 terms of concerns as well as opportunities. So, I
11 think before we sort of settle on a population, I
12 think we would want to talk with you all about sort
13 of what makes sense as well as providers who make
14 sense.

15 So, I think that's a conversation that you know,
16 we'll want to engage with you all and probably others
17 a little bit more deeply.

18 COUNCIL MEMBER AMPRY-SAMUEL: Okay, so you have
19 not had these conversations?

20 LISA GOMEZ: No, we have not had these
21 conversations. The states not even going to talk to
22 us until early in the new year, so I think we've got
23 time. You know, we're probably over a year away from
24 closing.

1

2

3

4

5

6

7

COUNCIL MEMBER AMPRY-SAMUEL: And this is really my last. We mentioned like our goal to make sure that there's real ownership in our community and everyone has a part of the process and have a piece of the pie. Can you speak to your ideas around community land trusts?

8

9

10

11

12

13

14

15

LISA GOMEZ: Sure, as we've talked about in over the past few months, its an idea we're more than willing to explore. We've spoken to folks at HPD as well as some academics. I think there needs to be some further work done. I think the industry is nascent. There isn't a community land trust group in the neighborhood yet. We remain open to that conversation and we will help to work on it.

16

17

I know you've had more recent conversations with HPD, I think?

18

19

20

21

22

23

24

25

JOSHUA WEISSTUCH: Yeah, there are city efforts to kind of get this thing off the ground and moving and we're happy to stay plugged in, but this is something that comes from the community. The community develops the community land trust and then works with the developer. So, we are open to working with a local community land trust.

1

2

LISA GOMEZ: I think there's also some technical assistance providers, Genevieve can you speak to that a little?

3

4

5

GENEVIEVE MICHAEL: I can't speak in depth because I am certainly not the HPD Community Land Trust expert, but I know that folks are definitely working on it. We've heard you know, I think loud and clear from several council members that there is an interest in strengthening community land trust and figuring out a way to make it work. So, certainly happy to continue those conversations and I can you know, help push to help make sure that that's happening the way that it should be.

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

JOSHUA WESSTUCH: If I could add one more thing. Timing of developing that is - there is a long lead time, but this is something that you know, we will remain open to, its not something that has to get set in stone when we close. So, we're willing to be flexible.

COUNCIL MEMBER AMPRY-SAMUEL: Thank you so much Chair Moya for your leadership and thank you so much for allowing me the time Council Member Barron.

1

2

CHAIRPERSON MOYA: Thank you Council Member.

3

Now I turn it over to Council Member to follow up

4

with questions.

5

COUNCIL MEMBER BARRON: Thank you Mr. Chair and

6

thank you to the panel for coming and its been a

7

battle, struggle getting here but I want to echo the

8

comments of my colleague that we've had a very good

9

working relationship in terms of making adjustments

10

to the plan that was originally presented, perhaps

11

some three years ago or their bouts. So, I do

12

appreciate that, and I also want to acknowledge the

13

improvements that have been made at the existing

14

Marcus Garvey Village and that you now have 100

15

percent occupancy and waiting lists for people to get

16

in, so we want to make sure that that's on the

17

record.

18

As many people probably know, you know, my

19

target is six stories and you came with twelve, which

20

was twice as much as what I have but I do appreciate

21

the fact that you went back, made modifications, and

22

reduced the height to eight and seven story buildings

23

and that has not gone unnoticed. We do thank you for

24

that. We also want to acknowledge the fact that you

25

did respond to the request to increase parking -I

1
2 don't know if that came up earlier in our discussion
3 and that is a very critical issue. When you're
4 talking about bringing in 600 more units, we
5 certainly need to recognize the fact that there's
6 going to be parking that's needed. I want to
7 acknowledge you have reduced the bulk, as we talked
8 about and also that your history talks about MWBE
9 local hires and we're looking to make sure that that
10 same record that you have brought continues. I
11 believe in looking at people's history, looking at
12 their past. You can make all kinds of promises about
13 what will go on in the future, but your past speaks
14 to me as what I can expect to go forward, to see in
15 the future going forward. I do have other questions.

16 So, in terms of the AMI bands, I see your chart
17 here which talks about affordability and which talks
18 about the rent range and a studio apartment ranging
19 from \$215 to \$837 that's important to me because in
20 our community as you know, the AMI is about \$34,000.
21 That's the median income basically in my community.
22 So, that speaks to recognizing I'm not supporting
23 shifting the people who have gone through the hard
24 times and not have an opportunity to participate in

25

1
2 new – not luxury but well apportioned properties to
3 be able to benefit from that and to apply for that.

4 What is the size of the studio apartment?

5 LISA GOMEZ: We know that you don't like small
6 studios, but our plan is to follow the HPD design
7 guidelines which is a minimum studio size of 400
8 square feet.

9 COUNCIL MEMBER BARRON: 400, okay, and in terms
10 of your commitment to 80 percent of the housing at or
11 below 60 percent of the AMI, I would still want to
12 know what were the income bands? How many at 30, at
13 40, at 60, at 70? I would like to know what you're
14 projecting to be the number of apartments at each of
15 those bands?

16 LISA GOMEZ: So, I think its – without sort of
17 having the financing nailed down, it's a little bit
18 difficult to tell you specifically by building. I
19 think we have it for B and D, right? Do you have it
20 for B and D?

21 JOSHUA WEISSTUCH: Yeah, its – again, its based
22 on what the conversations are with the state. So, we
23 can discuss where we are today with B and D, and
24 again, there's always new term sheets that come out,
25 so we'll be subject to those in the future.

1

2

LISA GOMEZ: Everyone sort of follows the same term sheets and the agency sort of prescribe the different levels. Do you have the shop term sheet?

3

I think we have the shop term sheet.

4

5

I know you ran these numbers. So, we'll come back to you. We have a better breakdown for B and D then we do the rest because that's further along in the conversations.

6

7

COUNCIL MEMBER BARRON: Okay, so we'll look to see what it is for A, C, and E which as has been noted is on my side of the tracks and we mean that literally for those people who are not familiar because there is a train track. The number three train goes along Lavonia and the northern part belongs to my colleague and her district and the southern part is in Council District 42.

8

9

10

11

12

13

14

15

16

17

18

19

20

LISA GOMEZ: So, on A, C, and E, which would theoretically HPD and HDC tell us, remember we haven't committed to you yet, the term sheets read at 10 percent at 30, 10 percent at 40, 10 percent at 50 and the remaining units up to 60 is the current term sheet.

21

22

COUNCIL MEMBER BARRON: 10, 10, 10, for 30, 40, 50.

1

2

LISA GOMEZ: And 10 for formally homeless.

3

4

COUNCIL MEMBER BARRON: 10 for formally homeless.

5

6

LISA GOMEZ: So, that's basically 40 percent below 60, with the remainder being at 60.

7

8

COUNCIL MEMBER BARRON: Okay, and the other questions that I have regard the senior building.

9

10

Where are we in terms of getting a firm determination on the senior building?

11

12

13

LISA GOMEZ: We won't be able to sort of have those financing conversations until early in the New Year with either the state or the city.

14

15

COUNCIL MEMBER BARRON: Okay. So, phase one will include which sites?

16

17

LISA GOMEZ: B and D.

18

19

20

21

22

23

COUNCIL MEMBER BARRON: B and D. And we had spoken about additional community benefits in terms of an agreement that your company might offer, so that the community will not just get the opportunity to have these beautiful new apartments but also, other general community benefits. So, where are you in that kind of discussion?

24

25

LISA GOMEZ: So, as we mentioned, we will continue some of the programming that we've done at

1

2 Marcus Garvey in terms of after school, youth, anti-
3 violence work. We will work with a subcommittee of
4 the community board to advise us on ground floor
5 uses, be the community facility or retail along
6 Livonia. We will continue dialog with the community
7 board in terms of making sure their updated-on
8 progress, as we have been and if there are other sort
9 of specific things that folks are interested in,
10 we're more than willing to engage.

11 COUNCIL MEMBER BARRON: In terms of phase three,
12 do you expect that that same affordability will be
13 applied in phase three as in the other phases?

14 LISA GOMEZ: Generally, yes.

15 COUNCIL MEMBER BARRON: And the larger buildings
16 that are a part of phase three, we had talked about
17 more than just two elevators based on the fact that
18 these are the long buildings, have we talked about
19 adding additional elevators so that people don't get
20 up in the middle and have to walk long distances?

21 LISA GOMEZ: So, we haven't really massed those
22 buildings beyond you know, really what we've shown
23 you. As we get further in development, we will study
24 how those units break out and we'll elevator them
25 appropriately.

1
2 COUNCIL MEMBER BARRON: And the commercial space
3 that's going to exist - I'm really excited about the
4 project. I think that it reflects what our community
5 is entitled to in terms of having nice, new
6 construction and it reflects the population that
7 currently lives there which as I said, has an income
8 of about \$34,000 for a family of three.

9 In terms of the commercial space on the ground
10 floor, have you given it consideration to having
11 affordable rental fees for the commercial activity
12 that will take place there?

13 LISA GOMEZ: I think we're very open to
14 understanding how we could make that happen. I think
15 its pretty tough for affordable housing to cross
16 subsidize commercial space, so I think we're open to
17 creative ideas. I think we'll apply to the state for
18 what they call **Sit [SP?]** funds which is commercial
19 revitalization funds that help sort of buy down the
20 cost of construction. There are not a ton of
21 resources out there for commercial stuff, but I think
22 we're all ears and would be eager to work with you
23 and Council Member Samuel in terms of identifying
24 other ones.

1

2

COUNCIL MEMBER BARRON: Thank you, I just want to again, commend you for all of the accommodations that you've made to the requests and concerns that my colleague and I have had and look forward to coming to the conclusion. Thank you, Mr. Chair.

7

8

CHAIRPERSON MOYA: Thank you, Council Member Barron. Thank you for the panel, thank you for your testimony today. We're going to now resume the vote and I just want to acknowledge Council Member Torres and Council Member Powers have joined us today, thank you.

10

11

12

13

COUNCIL: This is a continued vote to approve Land Use items 260, 261, 262, and 263. Torres?

14

15

TORRES: I vote I.

16

17

COUNCIL: The land use items are approved by a vote of seven in the affirmative, no negatives, and no abstentions and referred to the full land use committee and we'll leave it open again.

18

19

20

CHAIRPERSON MOYA: Thank you, I will call up the next panel now. Clovis Thorn, Zamir Khan, Cyrus Smith. The last name Smith.

21

22

23

Let's start with Zamir. Just turn on your microphone. State your name and you may begin.

24

25

1
2 ZAMIR KHAN: My name is Zamir Khan. Good
3 afternoon Chairman Moya and members of the
4 subcommittee. I am here speaking on behalf of local
5 32BJ. I'm a doorman from the upper east side of
6 Manhattan. I've been working with 32BJ for the past
7 nine years. I'm here representing the members of our
8 union and our 19 union brothers and sisters who are
9 porters and handymen at the Marcus Garvey apartments.

10 32BJ as you may know, we represent 80,000
11 building service workers across the city and we're
12 here today to express our strong support for the
13 Marcus Garvey infill project proposed by Brownsville,
14 Livonia Associates LLC, an affiliate of L&M
15 Development Partners. Marcus Garvey Preservation
16 LLC, and the City. We estimate that the infill
17 project will generate about ten new building service
18 jobs that will most likely be filled in the local
19 community. We're hoping that it is filled in the
20 local community.

21 We're happy to report that the applicants of
22 this ULURP have committed that these jobs will be
23 good jobs that pay prevailing wages and give workers
24 dignity. That hits close to home for me because
25 these are the kind of jobs that enabled my father. A

1
2 40-year member of 32BJ to provide for myself and my
3 siblings growing up and now as a 32BJ member, I'm
4 allowed to provide for my two children and my family
5 as well.

6 HPD's commitment to support community objectives
7 around affordable housing and an economic opportunity
8 throughout the Brownsville plan is thoroughly
9 executed by the Marcus Garvey infill project and we
10 at 32BJ believe that the project should be looked at
11 as an example for affordable projects that are
12 subsidized throughout city financing. The creation of
13 724 units of affordable housing and a commitment to
14 good. Prevailing wage jobs sets a precedent for
15 affordable housing projects that uplift working
16 families.

17 For these reasons, we respectfully urge you to
18 approve this project. Thank you for having us.

19 CHAIRPERSON MOYA: Thank you.

20 CYRUS SMITH: Alright good afternoon. My name
21 is Cyrus Smith, I'm a program advisor with the
22 Brownsville Think Tank Matters. We are a local
23 reputable community-based organization. We do
24 receive joint funding for our workforce development
25 in our balance reduction initiatives are from both

1
2 L&M development and a done development. We are
3 currently working the L&M Development and Marcus
4 Garvey residents on those initiatives and we have had
5 great success. To date, we've been able to train
6 over 120 people in public safety careers, that
7 focuses on our security and what that allows is the
8 residents to secure like the eight to sixteen-hour
9 security license and go onto entry-level careers that
10 start paying about \$15 to \$16 an hour. After three
11 months of employment, they go into union positions
12 and their wages go up to about anywhere from \$36 to
13 \$42,000 dollars and we're seeing a great success
14 there.

15 With our OSHA training and certification, we do
16 enjoy a good relationship with our building skills.
17 Our records indicate that we have successful
18 placements with building skills as our participants
19 completed their 30-hour OSHA training. Those who
20 have more experience was able to go through the
21 building skills process and find some employment.

22 However, we do have a lot of resources in
23 community where we do ask residents to build on their
24 social capital. So, once we have our OSHA training,
25 our residents are prepared to go into their own

1
2 network and find employment on their own, but we do
3 use other resources such as Workforce One, the Jobs
4 Plus Center and again, our participants tend to find
5 work in their area.

6 We do support this initiative as we are in
7 community and we feel if you activate those lots with
8 additional housing, it will increase public safety
9 concerns. Thank you.

10 CHAIRPERSON MOYA: Great, thank you.

11 CLOVIS THORN: Thank you, good afternoon. My
12 name is Clovis Thorn. I am with Grand Street
13 Settlement. Grand Street Settlement is a 102-year-
14 old community services provider in New York. We
15 provide inner generational services, everything from
16 Pre-K to senior centers around 10,000 families in New
17 York City a year across the lower east side and
18 Brooklyn at 28 different sites and over half of our
19 sites are in Brooklyn.

20 We've been involved at Marcus Garvey apartments
21 since L&M has been involved as a grantee directly
22 from L&M to an afterschool programs in the community
23 rooms at the apartments. That has proved very
24 successful in fact, it was so highly sought that they
25 gave us an additional grant to add summer programming

1
2 at the apartments. This is just one example of the
3 incredible need in the area for community services.

4 We run several other community centers mostly
5 NYCHA Cornerstone Community Centers in the
6 neighborhood. Nearby in east New York at **[inaudible**
7 **3:11:20]** Plaza our community center is oversubscribed
8 by 200 percent.

9 So, we have waiting lists for these programs.
10 We very much support this project and this expansion.
11 L&M has been a thoughtful partner on this and other
12 projects and we are interested in continuing this
13 partnership to bring high quality community services
14 to families in Brownsville. Thank you for your time
15 today.

16 CHAIRPERSON MOYA: Thank you very much. Thank
17 you very much for your testimony. Are there any
18 other members of the public who wish to testify?

19 Seeing none, I now close the public hearing on
20 this application and it will be laid over. Thank you
21 and we'll resume in a few minutes. Thank you.

22 Okay, thank you. Now for our last hearing,
23 which is on LU269, the Garment Center Text Amendment
24 Department of City Planning and the City's Economic
25 Development Corporation are proposing a zoning text

1
2 amendment to modify the Special Garment Center
3 District to lift manufacturing preservation
4 requirements that exist on side street blocks.
5 Standardized sign regulations modify bulk regulations
6 to ensure conformance to historical context and
7 establish a special for hotels. The property
8 affected is located in Speaker Johnsons district in
9 Manhattan and I now open the public hearing on this
10 application. I just want to make sure we have all
11 the panelists here. Dylan Sandler, Cecilia Kushner,
12 Edith Hsu-Chen and James Patchett. Great, Council,
13 please swear in the panel.

14 COUNCIL: Before responding please make sure the
15 light on your mic is on and also state your name. Do
16 you each swear or affirm that the testimony that
17 you're about to give will be the truth, the whole
18 truth and nothing but the truth and to answer all
19 questions truthfully?

20 JAMES PATCHETT: James Patchett, I do.

21 CECILIA KUSHNER: Cecilia Kushner, I do.

22 EDITH HSU-CHEN: Edith Hsu-Chen, I do.

23 DYLAN SANDLER: Dylan Sandler, I do.

24

25

1

2

CHAIRPERSON MOYA: Great, thank you and now I want to turn it over to Speaker Johnson for some remarks.

4

5

SPEAKER JOHNSON: Thank you Chair Moya for the opportunity to deliver a few brief remarks before we hear from the administration. I want to begin by acknowledging the partnership that we have had with Borough President Gale Brewer, the administration myself and many of the stakeholders and other local elected officials.

11

12

The Borough President has over the course of more than two years, pulled many of us together to debate and develop strategies for preserving the fashion incubator that is the Garment District.

15

16

I also want to recognize the hard work and dedication of many of the participants of the Garment Steering Committee who developed the ideas and recommendations that we now have in front of us and I want to thank the agencies that are with us today.

20

21

The Economic Development Corporation lead by President James Patchett, who has been a great partner in this work and the Department of City Planning for their willingness to accept feedback and to change course when needed and necessary.

25

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

Before we hear from the agencies, I want to offer a few thoughts on the text amendment that is for us today. Many New Yorkers have deep ties to the Garment District. For decades, it was the place where people came from all over the world and found their first job and in many cases, built a company.

A hundred years ago, most women's clothing made in the United States of America was made in the Garment District. The energy of the Garment district created the impetus for Parsons and later FIT and is where the Council of Fashion Designers was born.

There are countless stories here of fashion designers like Ralph Lauren doing their first production run in the Garment district and literally rolling a rack of suits up to the stores like the Bonwit Teller Department Store to sell their first order.

It is a place inextricably linked to our city's history but also, our present and I very much believe our future, which is what brings us to this hearing today. For a variety of reasons like financial realities around Garment production in midtown that have changed and now we have a much smaller collection of Garment Manufacturers than we had 30

1
2 years ago when the zoning we're discussing today was
3 initially put in place. My goal over the course of
4 the next several weeks is to build on the work to
5 date to make sure we have a stable foundation as
6 possible for garment manufacturing if we are to lift
7 the zoning.

8 Based on much of the feedback from the community
9 boards who are here today. I want to thank community
10 boards 4 and 5. I see Wally the District Manager of
11 CB5 here and I see [INAUDIBLE 3:29:49] my friend from
12 Community Board 4 in the back as well and Jesse
13 Bodine, the District manager of CB4. I want to thank
14 the community boards of course our Borough President
15 Gale Brewer and the other Garment stakeholders.

16 We have I believe five goals in mind over the
17 course of the next few weeks as we are in the stage
18 of ULURP, as we prepare to make a final decision here
19 at the council. The first goal, number one, is
20 preserve as much additional square footage for
21 manufacturing space in the Garment district as
22 possible and I know that EDC has been working very,
23 very hard on this in securing as much square footage
24 as possible. Number two, ensure long term and a
25 stable funding stream for Garment support and there

1
2 have been conversations with the city and the bid on
3 maintaining that revenue stream in the future.

4 Number three, explore opportunities for
5 preserving the architectural legacy of the district,
6 which we believe there is an architectural legacy to
7 the Garment district and want to preserve that as
8 much as possible as possible.

9 Number four, we want to make investments to
10 improve the sidewalks and public spaces in and around
11 the Garment district where of course, because of its
12 location it is heavily trafficked and congested. We
13 want to make sure that the public upgrades that are
14 needed are gotten during this process and lastly
15 number five, address a variety of zoning
16 inconsistencies that we believe have been raised by
17 the community throughout this process.

18 Again, I really want to thank everyone for
19 coming today. We have a very, very busy day here at
20 the Council with a multitude of hearings across the
21 street and here in City Hall and I'm going to be
22 going to some of these hearings so, I'll be in an
23 out, but our Land Use staff will be listening
24 closely. I want to apologize to the Committee
25 Council for having to wear a jacket during today's

1
2 hearing because of the temperature in City Hall and I
3 look forward to continuing to work together to make
4 sure we push as hard as we can to achieve the right
5 outcomes for the people who work here and for the
6 broader needs of the fashion industry.

7 You know, this has been a vexing problem for
8 decades now and I believe that that status quo zoning
9 is not an answer for the future. I do not believe
10 its how to actually preserve the existing Garment
11 manufacturing that we have, and so, this has been a
12 sometimes-painful conversation because it's
13 complicated and because there are many different
14 factors at play. I really again, want to commend the
15 borough president who I think took a leadership role
16 about a year and a half ago in saying we need to
17 pause here, look more deeply into this, bring
18 together a steering committee of stakeholders with
19 EDC and the Department of City Planning at the table,
20 and have a more granular in depth conversation about
21 what we can do to preserve the existing space and you
22 know, at the time, I think there were folks that were
23 concerned about taking that pause and wondering if it
24 was really a temporary pause or it was going to be
25 something that ended up killing us being able to have

1
2 a conversation about changing what I think is
3 outdated zoning that exists right now and I believe
4 it was actually very, very positive for all of us to
5 be able to collaboratively work together.

6 Again, I want to thank James Patchett who has
7 shown I think enormous leadership throughout this
8 process and his staff and of course Edith, who I've
9 worked with for many years at the Department of City
10 Planning and Cecilia, who has worked on this before
11 James was President of EDC. She had been on this
12 project and I was having conversations with her about
13 this, I think in my second year as a Council Member.
14 It's been a long road to get here. We are still not
15 done. There are still outstanding questions that I
16 raised in my opening remarks, but I believe that in
17 the good faith negotiations and hard work that we've
18 all put together on this, if we continue that work
19 over the next month, we're going to be able to
20 hopefully get something that is good for the existing
21 manufacturers in the Garment districts supporting
22 them and securing their place in the future and
23 having a conversation about other necessary uses like
24 Class B office space for tenants that need it in that
25 part of town.

1

2 So, again, Chair Moya, I want to thank you for
3 having this hearing. I know it has been a long day
4 at this committee so far and I look forward to
5 hearing the testimony and I'm going to have some
6 questions as well.

7 I also want to thank my colleague Keith Powers
8 whose district is adjacent and shares part of the
9 zoning that we're talking about today and so, I'm
10 glad that he is here to be part of that
11 conversation. Thank you, Chair Moya.

12 CHAIRPERSON MOYA: Thank you speaker and thank
13 you for your words and working so diligently on this
14 project. So, now we'd like to open it up to
15 testimony.

16 JAMES PATCHETT: Thank you. Good morning City
17 Council Speaker Johnson, Chair Moya, and members of
18 the Zoning and Franchises Subcommittee, which in this
19 case is Keith Powers. My name is James Patchett, and
20 I am the president of the New York City Economic
21 Development Corporation.

22 At EDC, it is our goal to make the City the
23 global model for inclusive innovation and economic
24 growth, fueled by the diversity of our people and
25 businesses. We are dedicated to bolstering the

1
2 City's economy, strengthening our neighborhoods, and
3 increasing economic opportunity for New Yorkers.

4 The Garment Center holds a remarkable place in
5 our history and remains a crucial part of our
6 economy. It has been the home of fashion for more
7 than a century, as the speaker said, and has allowed
8 New York to claim the title as fashion capital of the
9 world. It also has offered a critical point of entry
10 to work for generations of immigrants around the
11 world. Still today, fashion manufacturing plays an
12 important role in ensuring the sector continues to
13 thrive in New York.

14 However, there has been a steep decline in
15 fashion manufacturing since 1950. It is important to
16 note that these changes are not unique to New York
17 City, and declining trends are similar to those in
18 the rest of New York State and around the country.
19 Today, people want to spend less on fashion and
20 change clothing more regularly. These systemic
21 trends in the fashion industry, which have coincided
22 with changes in foreign policy and the expansion of
23 globalization, have profoundly affected the sector
24 around the globe and in New York in particular.

1
2 That is why EDC and the City are making historic
3 investments in the sector through a variety of
4 initiatives, including ones that support the industry
5 in the Garment Center and beyond.

6 Today, I will discuss the current state of the
7 fashion industry and garment manufacturing in New
8 York, recent economic trends in the Garment Center
9 and how the City is supporting the industry,
10 background on the history of Garment Manufacturing
11 and finally, the historic package of investments and
12 programs the City unveiled this past June that will
13 support the fashion manufacturing industry.

14 Before I go into more detail, I really want to
15 recognize the leadership of the Speaker, who has been
16 an enormous partner in this process. We would not be
17 where we are today without you and we wouldn't have
18 the fantastic package that we've collectively worked
19 on together and certainly needs additional work.

20 I also want to thank your staff, Jason, Eric,
21 and **[inaudible 3:39:33]** for being really great
22 partners in this. Its been a team effort and I agree
23 with you that Borough President Brewer has been a
24 real leader on this bringing together the members of
25 the steering committee who I'd also like to thank.

1
2 They've all had important ideas. I think many of
3 which are reflected in the comprehensive package that
4 we're discussing today. Its this leadership that has
5 greatly influenced our support for the city and made
6 our proposal stronger.

7 Fashion is an iconic part of our DNA and a
8 critical component of our economy. Fashion Week
9 alone generates tens of millions of dollars in
10 revenue and continues to make New York the fashion
11 capital of the world.

12 Local garment manufacturing is a critical piece
13 of the New York City fashion ecosystem. It makes us
14 competitive by ensuring we can turn around quality
15 items quickly and conveniently. It also supports the
16 entire industry's design and innovation through
17 prototyping and sample making. It provides emerging
18 designers the ability to produce their collections
19 locally in small samples, and to make their name in
20 the competitive industry. It also allows more
21 established designers to make products in real-time
22 for fashion week and other shows, in addition to
23 differentiating their brand by producing locally.

24

25

1
2 Since 2014, the City has heavily invested in
3 education, real estate, and programmatic initiatives
4 to support the industry.

5 Early in the administration, we committed \$74
6 million to build FIT's first new building on the
7 campus in decades.

8 Through a variety of initiatives, the
9 Administration also tripled direct industry
10 investment from \$5 million to \$15 million. Through
11 partnerships, our goal is to create and retain
12 quality jobs, as well as catalyze innovation and
13 support business and entrepreneurial growth.

14 Under the umbrella of the Made in New York brand
15 and promotional campaign, EDC has launched a range of
16 initiatives to support the entire value chain of the
17 fashion industry. Some of the highlights include:
18 the Future Fashion Graduate Showcase, Micro
19 Manufacturing and retail activations, the Fashion
20 Manufacturing Initiatives, one of the largest
21 initiatives which was developed by one of our key
22 partners, the Council of Fashion Designers of
23 America, and over the past five years, FMI has
24 distributed \$2.8 million to 25 factories and is
25 looking to expand its support and investment of

1
2 fashion manufacturers through the next phase of this
3 program.

4 During its heyday in 12950, 90 percent of women
5 fashion garments sold in the US were made in the
6 Garment Center, 90 percent. But the vast majority of
7 New Yorkers today are wearing clothes that were
8 manufactured overseas.

9 In 1987, more than 30,000 garment workers
10 occupied nearly 9 million square feet of production
11 space in the neighborhood, and this was still way
12 after the Garment Center's peak.

13 But today, we are left with only about 4,400
14 employees, who occupy 1.4 million square feet of
15 production space in the district and about half the
16 number in the Preservation Areas. This represents an
17 85 percent decline in employment and a 92 percent
18 decline in square footage I just three decades.

19 The Garment District remains a hub for fashion
20 manufacturing, design, showroom, and wholesale
21 businesses, all of which covet the area for
22 historical cache, proximity industry businesses and
23 great transit access. However, in New York, we have
24 also watched the garment industry declutter and form
25 multiple hubs across the boroughs. This is a take

1
2 advantage of real estate opportunities and labor
3 proximity.

4 Today, Sunset Park represents the second largest
5 cluster of garment manufacturing firms outside of the
6 Garment District, with over 100 companies.

7 The administration is committed to helping to
8 stabilize and grow local garment manufacturing in New
9 York City. One of the most effective and easiest
10 ways for us to achieve that goal is to leverage our
11 assets in existing garment manufacturing clusters.

12 In Sunset Park, we are investing \$136 million at
13 Bush Terminal to transform 200,000 square feet into a
14 dedicated garment manufacturing and film hub. At the
15 Made in New York Campus, we will maximize our double
16 bottom line and offer tenants affordable rents of
17 \$16-25 per square foot; long-term leases, and a range
18 of sizes from 2,000 to 20,000 square feet
19 accommodating both small and large firms. We have
20 already started demolition at the property and are
21 targeting construction completion in 2020.

22 This investment complements those we are making
23 at the Brooklyn Army Terminal, where we already
24 leased over 250,000 square feet of space to fashion
25 tenants. Since last summer, FIT has been providing

1
2 education classes at BAT. We regularly speak to
3 businesses who are interested in moving to these
4 campuses and are excited to continue growing the
5 second largest fashion manufacturing hub in the City.

6 The ability for the city directly provides real
7 estate affordability and stability in the Garment
8 Center is much more complex. We do not own real
9 estate in this neighborhood. On top of the that,
10 manufacturing properties are scattered and often
11 mixed in with office uses in the same building.

12 While the Garment Center remains the largest
13 cluster of garment manufacturing in the city with
14 approximately 700,000 square feet of production,
15 representing 250 firms, left in the Special Zoning
16 District preservation areas. This is also
17 approximately the same amount of square footage
18 located outside of the preservation areas. These
19 firms encompass all subsectors including pattern-
20 making, sampling, jewelry, accessories and wholesale.

21 Additionally, because of its central location in
22 the heart of Midtown, the district has seen a
23 significant increase in hotel construction; there
24 have been more than 5,000 rooms built since 1999.

1
2 For context, that is almost two per block in the
3 Garment district.

4 As the president of EDC, I would be remiss not
5 to address the incredible job growth the district has
6 experienced over the past decade in sectors outside
7 of manufacturing. As the speaker noted, the district
8 has seen an extraordinary influx of new office space
9 in loft buildings, which has led to the creation of
10 thousands of new jobs. This represents a 56 percent
11 increase in jobs from 2000 to 2016. This
12 approximately 12 block area now contains over 66,000
13 jobs. Over half of the employment in the district is
14 now in the creative economy. There are many non-for-
15 profits, education, healthcare, and tech start-ups,
16 and architecture engineering firms that are starting
17 to grow. Many of these jobs are small firms,
18 generally less than 15 employees, and occupying less
19 than 3,000 square feet. In a city that has lost more
20 than 6 million square feet of class B office space
21 into 2000, the Garment district's stock of historic
22 buildings with smaller floorplates has proven
23 attractive to these firms.

24 To respond to these changing economic trends in
25 the Garment Center, and in particular, the continued

1
2 decline in garment manufacturing, Speaker Johnson and
3 Borough President Brewer convened and co-chaired the
4 new Garment Center Steering Committee. It identified
5 non-zoning-based solutions to help stabilize garment
6 manufacturing in this historic home of fashion. The
7 Steering Committee was comprised of a group of
8 stakeholders representing the industry, community
9 boards, advocacy organizations, and real estate
10 interest. The group met for three months during the
11 summer of 2017 and released a report in August of
12 2017, which identified a set of recommendations for
13 three topics: real estate, workforce development,
14 and placemaking.

15 Real estate stability proved to be the Steering
16 Committee's main priority. Real estate stability is
17 critical to any business, but particularly for
18 garment manufacturing, where it helps enable long-
19 term business decisions.

20 Continued programmatic support in workforce
21 development, marketing assistance, and placemaking
22 were also discussed and deemed important for the
23 future of this industry.

24 As I mentioned earlier, given this lack of city-
25 owned real estate in the Garment Center, the Steering

1
2 Committee coalesced around the need to be creative
3 and study the possibility of using other real estate
4 tools, such as the IDA and acquisition, to
5 incentivize and partner with landlords to allow for
6 longer term leases in the Garment Center.

7 One of the first and major initiatives we
8 developed in response was a custom tax incentive
9 program. Through the program, property owners are
10 required to offer long-term leases at a minimum of 15
11 years, capped at maximum of \$35 per square foot.
12 This price includes all utilities and any fees for
13 property management.

14 First and foremost, the program was conceived to
15 support fashion manufacturing. However, the Steering
16 Committee pushed us to think beyond fashion
17 manufacturers and look at every type of business
18 along the fashion production supply chain. So, we
19 expanded the fashion manufacturing definition to
20 include suppliers and costume makers, which are also
21 integral to this ecosystem.

22 Our IDA program will be overseen by a dedicated
23 compliance team in my agency. Annual compliance
24 review under our program includes annual
25

1
2 certifications from both the property owners and the
3 tenants.

4 The IDA program was officially launched in June,
5 with the target of preserving 500,000 square feet.

6 It is important to note that the Program is eligible
7 within the entire Garment Center BID boundary.

8 Zoning preservations are not a predictor of actual
9 location. As I mentioned, half of garment
10 manufacturing occurs outside of the preservation
11 areas.

12 As mentioned, the program currently requires
13 that participating property owners give their tenants
14 long term leases, and under guidance from the Speaker
15 and the Borough President we are looking to extend
16 options to encourage terms beyond 15 years.

17 Starting at 25,000 square feet of fashion
18 manufacturing, property owners will receive a tax
19 abatement for setting aside gross square footage in
20 their building.

21 We are actively working with multiple owners to
22 secure 300,000 square feet of garment manufacturing
23 space. In September, the IDA Board authorized three
24 properties totaling 200,000 square feet of fashion
25 manufacturing space and I believe a few owners

1
2 enrolled in the IDA Program or are with us today.

3 For fashion manufacturing businesses in these
4 buildings, this means considerable real estate
5 security and longevity.

6 We are also in active conversations with
7 property owners to enroll more space into the program
8 and are fully committed to continue aggressively
9 marketing this program. Our goal is to sign up as
10 many buildings as possible and provide long-term
11 stability in the district.

12 Another long-term goal of the Steering Committee
13 was to secure a building in the Garment Center. This
14 was a priority the Speaker made clear. We have made
15 good on our promise to help achieve this goal by
16 releasing a RFEI last month. This will provide up to
17 \$20 million in city capital to acquire a building and
18 secure a non-profit partner.

19 We are confident that the City's historic
20 commitment of \$20 million in funding will enable the
21 acquisition of a sizable building for dedicated
22 garment space.

23 For the RFEI, we purposefully created a
24 procurement process that would allow as much
25 flexibility as possible, considering the variability

1
2 of the real estate market and the need for a strong
3 partnership.

4 At the suggestion of the Steering Committee, we
5 expanded the eligible geographic boundary for the
6 RFEI beyond the Garment Center Special Zoning
7 District and BID boundary. The boundaries are now
8 all the way south to West 26th as far west as 11th
9 avenue and east of 5th avenue. The public benefits
10 for tenants are clear and will match the IDA Program.
11 At minimum, these will be fifteen-year leases capped
12 at \$35.

13 Finally, I'd like to touch on programmatic
14 support, the last element of the committee's
15 recommendations.

16 The City, the CFDA and the Garment District
17 Alliance, which is the BID representing the area,
18 have agreed to fund and deploy a set of programs to
19 support garment manufacturers and designers. This
20 builds upon many years of collaboration between the
21 city and the CFDA. To date, these grants have
22 supported more than 30 businesses. We are currently
23 working with CFDA on a new scope of work that would
24 total \$14 million of direct investments. We are very
25 proud and excited about this collaboration.

1
2 Priority areas have been established as
3 continued technology modernization and workforce
4 development, to support competition and innovation,
5 and to train the next generation of skilled workers.

6 Additionally, the BID was approved by the City
7 Council just yesterday for up to \$2.5 million per
8 year over 10 years, which is a unique commitment from
9 this district to support this critical industry.

10 This suite of programs in addition to custom
11 real estate programs, represents an unprecedented and
12 comprehensive approach to providing stability for and
13 growing the garment industry in the Garment Center.
14 We are proud to be part of this new chapter for this
15 industry and the district.

16 Thank you for your time. Now I'd like to turn
17 it over to my colleague Edith Hsu-Chen, the Manhattan
18 Borough Director of City Planning.

19 EDITH HSU-CHEN: Thank you James. Good afternoon
20 Speaker Johnson and Chair Moya. My name is Edith
21 Hsu-Chen. I am the Director of the Manhattan Office
22 at the Department of City Planning.

23 CHAIRPERSON MOYA: Edith, if you could put the
24 mic a little closer.
25

1

2

3

4

5

6

7

EDITH HSU-CHEN: Oh, excuse me. Thank you, you'd think I would know that by now. Okay, let me repeat a little bit. My name is Edith Hsu-Chen. I am the Director of the Manhattan Office at the Department of City Planning. I am joined here by my colleague Dylan Sandler.

8

9

10

11

12

13

14

15

I'm here to present DCP and EDC's proposal for a zoning text amendment to the Special Garment Center District. Our proposal updates the zoning regulations of the Special district by removing the requirement to preserve manufacturing space. We believe the preservation requirement is not reflective of the land use in the area, which includes the evolved needs of the fashion industry.

16

17

18

19

20

21

22

23

24

25

The Garment Center Special Zoning District was established in 1987 with the goal of preserving apparel manufacturing and fashion related businesses. Within the district, preservation area was created on the side street blocks. Within these areas the uses were restricted to industrial, retail, or wholesale show rooms converting to office use within these preservations areas was permitted only with a CPC Chair Certification and a restrictive declaration

1
2 confirming that an equal amount of space for a
3 manufacturing use was preserved in perpetuity.

4 Along the avenues, the underlying M16 zoning
5 applies which permits commercial office As of Right.

6 You may recall the district was amended in 2005
7 in conjunction with the Hudson Yards rezoning to
8 allow for a broader mix of residential and commercial
9 development west of eight avenue.

10 Despite these zoning efforts to bolster the
11 industry in the Garment Center, apparel manufacturing
12 continued to decline significantly over the next few
13 decades. This is a consistent trend nationally and
14 in New York City and as James noted, the decline was
15 precipitous. In 30 years, the manufacturing
16 decreased 85 percent.

17 As the fashion industry has evolved, a portion
18 of space that was previously occupied by
19 manufacturing has converted to show room and allowed
20 use which has been on the rise over the past few
21 decades. Similarly, there has been an increased
22 demand for office space for fashion related companies
23 within the Garment Center. That has led to some
24 illegal conversions of some previously industrial
25 space.

1
2 Even though Garment Production has declined, it
3 remains an important part of the fashion ecosystem in
4 Midtown Manhattan.

5 The apparel manufacturing companies that remain,
6 tend to be small though with an average size of 5,000
7 square feet and about ten employees per company.
8 Approximately half the space devoted to Garment
9 Manufacturing that remains in the Garment Center is
10 located within the preservation areas and is located
11 outside where there is no preservation requirement.

12 The real estate program is being implemented by
13 EDC are designed to provide affordable space for
14 these types of apparel manufacturing businesses.

15 The Garment Center has also seen a growth in
16 office space sectors including fashion companies,
17 non-profits, architecture, software companies and
18 others. The proposed text amendment is intended to
19 ensure that zoning is reflective of the mix of uses
20 in the Garment Center which includes thousand of
21 office space tenants.

22 So, to our zoning proposal, the proposed text
23 amendment would reinstate the underlying M16 zoning
24 district and the preservation area between Broadway
25 and 8th Avenue creating what we now call A1.

1
2 This would eliminate the manufacturing
3 preservation requirements and allow many existing
4 property owners that are currently non-performing
5 office uses to receive the proper certificate of
6 occupancy and to cure outstanding use violations.

7 We are also proposing modifications to create
8 bulk envelopes that better match existing buildings
9 and neighborhood character.

10 The preservation area between eighth and ninth
11 avenues would now be called A2 and the underlying
12 C64M Hudson Yards Regulations will continue to apply.

13 However, in the A2 area existing regulations
14 that restrict office and residential conversions of
15 buildings greater than 70,000 square feet would be
16 modified so that these larger buildings could be
17 converted to office use.

18 Residential conversion in these existing large
19 buildings will continue to be disallowed. And then
20 across the entire district, we are proposing sign
21 regulations that are consistent with C64 districts,
22 which is more restrictive than the underlying M16.

23 This would reduce the allowable height and size
24 signs. Within A2 where there are more residences, we
25 propose that flashing signs be restricted.

1

2

3

4

5

6

Finally, the proposed text amendment would also create a zoning special permit for hotel use within the district and this would be consistent with the proposed M1 Hotel Special Permit. Thank you very much.

7

8

CHAIRPERSON MOYA: Thank you. I know want to turn it over to Speaker Johnson.

9

10

11

SPEAKER JOHNSON: Thank you Chair Moya. Thank you for your testimony today and a few questions that I think we can get through pretty quickly.

12

13

14

15

16

17

As you know, and as you acknowledged James, the Borough President and I and almost in the entirety of the Steering Committee pushed very hard at the beginning of this process for the city to do everything in our power to acquire a permanent home for Garment Manufacturing.

18

19

20

21

22

23

You mentioned the RFEI went out, can you talk a little bit more about the process, the timeline, and any reassurance you can provide us that we're making progress on finding a permanent home and dedicated building for Garment Manufacturing within the district that you outlined in your testimony.

24

25

JAMES PATCHETT: Absolutely, so the RFEI went out last month as a result of your and Borough

1
2 Presidents advocacy for this. We committed \$20
3 million as a part of this. So, we've looked at the
4 financials of this. The average building in the
5 Garment district area is between \$75,000 and \$100,000
6 square feet. Prices per square foot range from \$500
7 to \$700 per square foot. What that means is that a
8 price for a building could be anywhere from \$40
9 million to \$70 million. \$20 million as a portion of
10 that from the City is an enormous down payment on
11 that, because it would be married with some
12 investment from the purchasers as well as that
13 financing.

14 We're very confident that the finances of this
15 pan out and at the same time, I'll tell you, you
16 know, as we have discussed, it is not uncommon for
17 people to put proposals in that have funding gaps and
18 we regularly work with them to resolve those between
19 ourselves and the parties who are bringing the
20 proposals. Members of the Steering Committee even
21 express an interest in partnering with us on this.
22 They were only a little more than a month into the
23 RFEI, so we would not have expected any responses
24 yet, but we're keeping this open for an extended
25

1
2 period of time and we're committed to getting a
3 resolution and are confident that we can.

4 SPEAKER JOHNSON: How long will the RFEI process
5 be open for?

6 JAMES PATCHETT: So, the RFEI is open for one
7 year and we started accepting submissions beginning
8 at the beginning of this month. We did not expect
9 anyone to be able to put together a proposal within
10 30 days, but we're in conversations with some folks
11 and we're hoping to see a proposal early next year.

12 SPEAKER JOHNSON: But you are committed to over
13 the next year working with potential respondents and
14 being creative and thoughtful and strategic with them
15 to find a building to ensure that any issues that
16 come up around financing on a potential building,
17 you're going to work with them because you all
18 support finding this building?

19 JAMES PATCHETT: We support this. I think it
20 was a critical concept to preserving the industry
21 overall. We support it, we will work with them to
22 resolve this. We know it's a critical priority of
23 yours and we're committed to working with respondents
24 to getting a result that is a permanent home for the
25 Garment District in this neighborhood.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

SPEAKER JOHNSON: You also mentioned in your testimony the progress that's been made on the IDA front, in securing currently 200,000 square feet of manufacturing space that we preserved through the IDA program. There was an aspirational goal through the Steering Committee to try to get up to 500,000 square feet, though I think people acknowledge that that was going to potentially be difficult to get to that number, but I think there was a level of expectation and hope that we get to 300,000, 400,000 square feet.

Can you talk a little bit more about - in a more specific detail, about some of the challenges that has presented itself on getting additional square footage through IDA and what you all are doing over the next month in ULURP to continue to try to get folks to participate in the IDA program to preserve additional existing manufacturing space?

JAMES PATCHETT: Absolutely. So, you know, the challenge is frankly that there are many, many different property owners in this neighborhood. Some of varying levels of sophistication and comfort with working with the city. We know every property owner, we have identified every single property owner that has manufacturing space in this neighborhood and we

1
2 have reached out to all of them. We have knocked on
3 their doors. We have met with any and all of them
4 that will take our meetings. We have done this
5 repeatedly and that's what's resulted in the
6 transactions we have before us and what's resulted in
7 the additional – the 200,000 square foot that we have
8 approved through the IDA and the remaining
9 conversations that we're having.

10 We are in active conversations with a series of
11 property owners. We are going to continue to
12 aggressively pursue those. Ultimately it is up to
13 the property owner to be comfortable with the
14 structure and we are doing everything within our
15 power to encourage them to come to the table, to
16 reach a resolution, and we are committed to getting
17 as close to 500,000 square feet as within the city's
18 power.

19 SPEAKER JOHNSON: Thank you, you know, 200,000
20 is not the number that I want to end up at. I want
21 to end up at a higher number, closer to somewhere
22 between 400,000 and 500,000 square feet. I know, and
23 so I'm not saying this in a critical way of you all,
24 because I know how hard you've worked in engaging
25 property owners to get people to understand the

1
2 benefits of the IDA program and to sign up for the
3 preservation and the benefits that are transferred to
4 them if they do that but we have to sort of redouble
5 our efforts over the next three or four weeks to
6 continue to press folks to understand those benefits
7 and if there is anything that I can do or that other
8 stakeholders, the community boards, the borough
9 presidents, other folks can do, we really want that
10 number to be increased.

11 JAMES PATCHETT: I understand. We will do
12 everything within our power, we're laser focused on
13 this. I have a list of everyone and we're going to
14 work together, and we'll appreciate your offer of
15 assistance and we'll certainly be taking you up on
16 that, thank you.

17 SPEAKER JOHNSON: Thank you. I have a question
18 for DCP, City Planning. I've heard from the local
19 community and to the great community boards who are
20 represented here and who I have the pleasure of
21 working with everyday Wally, and Jesse, and Joe and
22 other folks that maybe here that there are some
23 significant details relating to the location of
24 residential space and commercial space. I don't want
25 to get into all the details here, but successfully

1
2 resolving some of the issues that have been brought
3 by these community boards is very, very important to
4 me and I've mentioned this to the president of EDC,
5 to James, that these are not in my estimation hugely
6 complicated or significant issues that shouldn't be
7 able to be resolved with some thoughtful
8 collaboration between the community boards, the
9 Department of City Planning, and the Department of
10 Buildings. I think these are things that should be
11 able to be resolved pretty quickly. So, I wanted to
12 see if you've heard of some of these concerns and
13 what's being done to address these concerns over the
14 next few weeks in ULURP?

15 EDITH HSU-CHEN: Thank you Speaker Johnson.
16 Yes, we've heard of these concerns and we are happy
17 to continue to work with the community and with
18 property owners to come up with a solution for the
19 issue that you speak of. So, we'll be in close touch
20 with the community boards in particular.

21 SPEAKER JOHNSON: So, we need to get this done.
22 This is important to me, it's important to the
23 community boards, it's related to residential and
24 commercial space for projects that I don't think are
25 crazy or their asking for anything special. It's kind

1

2 of minor stuff that because of the outdated zoning
3 that exists in this area, has been difficult for the
4 community boards to get through projects that have
5 community support. So, its really important to me
6 that we resolve these issues and I hope Edith, you
7 and your team with Danielle can sit down over the
8 next couple weeks with the community boards and with
9 the Department of Buildings to figure these issues
10 out.

11 EDITH HSU-CHEN: Yes, will do. Thank you.

12 SPEAKER JOHNSON: Thank you, and then under the
13 zoning that is in place today, some property owners
14 have converted their manufacturing space to
15 commercial space and they've enjoyed the benefits of
16 legal conversion. Can you tell us how much space in
17 the preservation areas have been legally, not
18 illegally? Legally converted and how much space has
19 restrictive declarations on it that governs the
20 preservation of manufacturing space?

21 EDITH HSU-CHEN: Yes, 180,000 square feet of
22 space was legally converted in the preservation areas
23 and those properties also do have the restrictive
24 declarations.

25

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

SPEAKER JOHNSON: 180,000 have been legally converted to – for manufacturing the commercial space and all of that space has restrictive declaration on it?

EDITH HSU-CHEN: Yes, the conversions required a CPC Chair Certification as well as a restrictive declaration.

SPEAKER JOHNSON: So, why would we not keep these restrictions in place?

EDITH HSU-CHEN: Well, frankly, we believe that the underlying zoning that created the preservation requirements are no longer appropriate and Speaker Johnson, I appreciate your blunt language when you talked about the ineffectiveness and the outdated zoning in your introductory remarks. We don't think its good policy to continue to hold the property owners to the requirements that we think are inappropriate and this policy is consistent with precedent when we illuminated the preservation requirements in Chelsey, around 23rd street a number of years ago.

SPEAKER JOHNSON: So, one of the issues that we ran into in this entire conversation and that I really think showed the inadequacy and

1
2 ineffectiveness of the existing zoning was that there
3 were millions of square feet that was out of
4 compliance on preservation that was happening every
5 single day, every single year, and that number kept
6 growing. Has DCP checked to see whether building
7 owners who did the legal conversion that they're
8 complying with jurisdictions that they've recorded
9 against their properties?

10 DYLAN SANDLER: I'm Dylan Sandler at Department
11 of City Planning. So, there are 100,000 square feet
12 of space that have restrictive declarations
13 preserving them as manufacturing. Those were mostly
14 preserved in the early to mid-90's, and for a time,
15 did have manufacturing space but a large portion of
16 those actually have converted to - illegally
17 converted to office. We think it's about 60,000 is
18 currently manufacturing and 120,000 is currently
19 office. We did look at the certificates of occupancy
20 of those spaces and they do note the restrictive
21 declarations and many of them have been issued
22 violations and penalties for illegally converting,
23 but the property owners chose to go ahead and
24 illegally convert. And I guess, one other thing to
25 add is that the enforcement is complaint based, so

1
2 presumably some properties did convert and if there
3 were no complaints there was no recourse that would
4 immediately happen from that conversion.

5 JAMES PATCHETT: I think that any of this speaks
6 to why the IDA program that the you and the Steering
7 Committee and the Borough President have advocated
8 for makes so much sense. The IDA program is an
9 incentive-based system with specific financial
10 penalties and is a proactive reporting requirement
11 from not just the landlords, but also the tenants.
12 We have to receive every year a certification from
13 the tenants that their landlord is complying with the
14 terms of the IDA agreement. So, that is a
15 significantly greater bar and a much higher level of
16 certainty that we'll know specifically whats
17 happening and know the moment that anyone steps out
18 of line with the regime that's set-in place.

19 SPEAKER JOHNSON: So, I just want to go back.
20 That's very helpful and I agree with you James. So,
21 I just want to go back Dylan, so its complaint driven
22 but the building owners who have done these
23 conversions with the restrictions, with the
24 restrictive decks that have been recording the
25 properties, are we proactively going and checking on

1
2 that square footage and making sure that they are
3 complying with the restrictive declarations?

4 DYLAN SANDLER: No, that is not a part of the
5 process. So, because the restrictions came about
6 through a zoning application, its technically – it's
7 a zoning violation, and so it's on the Department of
8 Buildings in the same way that they typically enforce
9 noncomplying properties. Its on the Department of
10 buildings to inspect and issue violations when there
11 is a complaint, but there isn't a system to
12 proactively go out and monitor those spaces, like
13 there would be with the IDA program.

14 SPEAKER JOHNSON: Should there be a system in
15 place that –

16 DYLAN SANDLER: I don't think I can respond to
17 that.

18 SPEAKER JOHNSON: Okay. Well, I'm grateful that
19 we're having this hearing today. There are a lot of
20 very important stakeholders that are in this room
21 today that were really an incredibly important part
22 of this process over these last many years who I
23 think again were able to mold the proposal we see in
24 front of us today into a much better product and so,
25 I would ask of course that as City Planning and EDC

1
2 that some of the folks from the agency stay and
3 listen to the folks that are here that may have other
4 concerns that we're going to try to be responsive to
5 over this last phase of ULURP and I look forward to
6 working with all of you. I look forward to working
7 with all of you to hopefully get this done, but
8 again, we want to help secure that permanent home
9 over the next year through the RFEI and we want to
10 push that number up from 200,000 to somewhere between
11 400,000 and 500,000. We want to respond to the
12 community concerns that are not really part of this
13 but are tangled up in some of the zoning around this
14 and I look forward to resolving all of that with you.

15 I have one final question which is, I know it
16 was part of the presentation that was given, what is
17 the current status of where things stand on Sunset
18 Park and Bush terminal and how that compliments the
19 proposal that's before us today?

20 JAMES PATCHETT: So, the status of that is that
21 we're currently in demolition of the buildings to try
22 and advance them to construction completion in 2020.
23 To us, it's a critical component of the overall plan.
24 Its in the aggregate 200,000 square feet, which will

25

1
2 accommodate both fashion manufacturing tenants as
3 well as film tenants.

4 I think its really important to have a sort of
5 complimentary solution to this. We recognize that
6 even with all of the programs that we have and our
7 collective efforts to strengthen the Garment Center.
8 Your \$35 per square foot will still be to expensive
9 for some businesses which is why having them in city
10 owned property in Sunset Park can help to strengthen
11 the industry overall. In no way do we see this as a
12 replacement for the Garment Center. WE see this as
13 complimentary ensuring that the industry and the city
14 collectively is stronger. We think that they can
15 function effectively together preserving both as a
16 part of a city-wide strategy.

17 SPEAKER JOHNSON: And there was already a
18 significant migration of manufacturers from the
19 Garment District to Brooklyn and the neighborhoods
20 that we're talking about. There was a migration to
21 some neighborhoods in Queens. We've seen some of the
22 light manufacturing areas which has been important to
23 Council Member Reynoso in his district and preserving
24 some of that manufacturing. So, some of this
25 migration was happening on its own even before we had

1
2 fully contemplated and gotten to all the details of
3 the proposal before us today.

4 JAMES PATCHETT: Absolutely.

5 SPEAKER JOHNSON: How much has been set aside in
6 the City's budget for the Bush Terminal and the money
7 associated with Sunset Park?

8 JAMES PATCHETT: \$136 million.

9 SPEAKER JOHNSON: That's a lot of money, \$136
10 million, and how much money do we think is it going
11 to cost through the IDA program on the issues that
12 we've talked about today as part of the preservation
13 in the Garment Center?

14 JAMES PATCHETT: So, the IDA program alone, we
15 don't have a specific estimate because you know, we
16 don't know the extent of it but its tens of millions
17 of dollars for the IDA program, just the buildings
18 alone that we currently have approved and so, we
19 could expect it to hopefully be significantly higher
20 than that. We have the \$20 million investment in the
21 building the city has prepared to make. The \$14
22 million collectively in funding for programs through
23 CFTA, over \$70 million we invested in FIT as a part
24 of this effort to expand as well as the commitment as
25

1
2 a part of the bid efforts to invest in another \$25
3 million in the industry.

4 SPEAKER JOHNSON: And would you categorize those
5 programs as incentive programs, subsidy programs, how
6 would you categorize the programs that we're talking
7 about today?

8 JAMES PATCHETT: It's a variety of things. Just
9 so setting aside the investment of the building,
10 which is investment in real property as it relates to
11 the other efforts, you know, we see them as a
12 combination of incentives to encourage people to
13 preserve businesses as well as investments in
14 businesses to strengthen them. So, its to improve
15 the - you know, to give technical assistance to
16 businesses, to help them invest in modern
17 manufacturing equipment so they can be more
18 successful over time, to help them market and
19 advertise, investments in workforce development, all
20 of those are a critical part of the plan.

21 SPEAKER JOHNSON: And the vast majority of the
22 businesses that are taking advantage of these
23 programs are small manufacturers?

24 JAMES PATCHETT: Absolutely, in the Garment
25 District.

1

2 SPEAKER JOHNSON: Within the average of how many
3 employees?

4 EDITH HSU-CHEN: Yeah, I think [inaudible
5 4:27:01], there is a range but there are a lot of
6 small factories in the Garment Center where you have
7 15, 20 employees. So, a lot of the businesses that
8 have been helped through the FMI grant program for
9 example, the last 30 businesses that we helped with
10 two and half million dollars through the CFDA where
11 generally small firms. So, for them to be able to
12 receive a half a million to a million dollars of new
13 equipment, which is equipment that they would never
14 be able to purchase themselves is a really tremendous
15 direct benefit to their firm and it really translates
16 into being able to produce more garments and being
17 able to sometimes to hire someone that otherwise they
18 wouldn't be hired. So, direct programing and direct
19 funding given to manufacturers is really, a really
20 important compliment to the real estate stability for
21 IDA.

22 SPEAKER JOHNSON: Well, I'm really glad this is
23 going through ULURP. I think the public review is
24 very important.

25 JAMES PATCHETT: I understand.

1

2

SPEAKER JOHNSON: Its important that we have public review of land use projects that involve a significant amount of money and investment and subsidy which I think has been a good process.

6

JAMES PATCHETT: I understand.

7

SPEAKER JOHNSON: And I think we've gotten to a good place through the process, which I think is completely counter to what we're reading about in the news and this is not a personal attack on you James. You and I have a great relationship and I have deep respect for you but this process has showed what you can do when you engage stakeholders, elected officials, when public dollars are involved compared to a cloaked, secretive, in the dark process, that cuts out the public charter mandated review of the City Council and again, these are not exactly the same things, nothing is but we're talking about tax payer dollars. We're talking about a significant geographic area. We're talking about a complicated issue that involves multiple neighborhoods and stakeholders. We're talking about infrastructure. We're talking about all these things which is what we should be talking about in Long Island City. Its what the Council should be talking about in Long

25

1
2 Island City. Its what public review is for. It was
3 not your decision to go through the general project
4 plan process, but I think it is a very stark contrast
5 that today after multiple years of conversation,
6 we're able to get to a place that is going to benefit
7 small businesses, not multibillion dollar or trillion
8 dollar evaluated companies for the good of the city.
9 For the job market of the city, for the ecosystem of
10 the city and we're going to get a lot of benefit out
11 of it compared to - I think, a deal that I understand
12 of course, we disagree on this, but you know, there's
13 a pretty broad disagreement on you know what the
14 potential benefits are. So, today's not about Amazon
15 but I think its important to give the comparison
16 between when land is involved, and dollars are
17 involved, the important of a transparent process. I
18 think that is sorely lacking and what we're seeing in
19 Long Island City, but I'm grateful we've had that
20 here today.

21 JAMES PATCHETT: Thank you.

22 SPEAKER JOHNSON: Your welcome. Thank you,
23 Chair Moya.

24 CHAIRPERSON MOYA: I couldn't agree with you
25 more Mr. Speaker. Thank you so much and thank you

1

2 for the panel for your testimony today. Before we go
3 to the next panel. I just want to open up the vote.
4 We are joined by Council Member Rory Lancman.
5 Council.

6 COUNCIL: To approve 260, 261, 262, and 263,
7 Lancman?

8 COUNCIL MEMBER LANCMAN: I.

9 COUNCIL: The Land Use items are approved by a
10 vote of eight in the affirmative, no negative and no
11 abstentions and referred to the full Land Use
12 Committee.

13 CHAIRPERSON MOYA: Thank you. The next panel,
14 I'd like to bring up James Lloyd from Manhattan
15 Borough Presidents Office as well as Ginny Louloudas,
16 Michelle Feinberg and Dan Dilmanian.

17 Ginny? Michelle?

18 MICHELLE FEINBERG: Yeah, I'm Michelle.

19 CHAIRPERSON MOYA: And Dan. So, we're going to
20 start with James Lloyd. James you can take your time
21 because you're here on behalf of the Borough
22 President. I just want to remind everyone that we
23 have a two-minute timeframe for your testimony.

24 JAMES LLOYD: Good afternoon Chair Moya and
25 members of the Subcommittee. My name is James Lloyd,

1
2 Deputy director of Land Use for Manhattan Borough
3 President Gale A. Brewer, and I am here to make a
4 statement on her behalf in support of our plan for
5 preserving a significant core of garment
6 manufacturing in the Borough Manhattan.

7 The application for a zoning text amendment to
8 the Special Garment Center District before you today
9 are a component of our plan. However, the success of
10 the Garment Center depends on the success of all the
11 components, including the purchase of a building for
12 permanent manufacturing use, an IDA tax abatement
13 program, and significant financial commitments from
14 the Garment District Alliance and the Council of
15 Fashion Designers of America.

16 I call the plan our plan because the Garment
17 Center Steering Committee, formed by Speaker Johnson
18 and the Borough President, has played an instrumental
19 part in the proposal before you today. I would like
20 to thank all the elected officials, Community Boards
21 4 and 5, the New York City Economic Development
22 Corporation and representatives, manufacturers,
23 designers, unions, and real estate for their
24 continued efforts. Their recommendations have
25 provided valuable guidance for addressing the needs

1
2 of the garment industry. Through their collective
3 efforts, we have come a long way from the original
4 proposal to lift the zoning restrictions and not
5 provide any accompanying assistance for the garment
6 industry and specifically manufacturers, located in
7 Manhattan's historic Garment Center.

8 The EDC programs that accompany the rezoning are
9 a result of the Steering Committee recommendations,
10 which prioritize the preservation of manufacturing
11 space in the Garment Center through a tax incentive
12 program and building purchase. I would not be
13 supporting this application to lift the current
14 reservation requirement if there were no assurances
15 that manufacturing space would be maintained through
16 these methods. These EDC programs, which incentivize
17 the provision of affordable manufacturing space, are
18 available only within the general Garment Center
19 area. An Industrial Development Agency incentive
20 will provide property tax abatements for landlords
21 who sign 15-year-leases with manufacturing tenants.

22 A second program designed to assist in the
23 acquisition of a garment manufacturing building will
24 benefit from \$20 million in City funding. Both
25

1
2 initiatives will provide garment production space at
3 affordable rates of \$35 or less per square foot.

4 Together, the building acquisition and IDA
5 program will provide stability to the garment
6 companies that have recently had to deal with
7 escalating rents and evictions resulting from so many
8 landlords illegally converting their buildings into
9 offices. Without these two commitments, the future
10 of the Garment Center will be greatly at risk. My
11 office has been hearing from firms that are having
12 difficulty renewing their leases and are facing
13 rising rents.

14 Additionally, financial commitments from the
15 Garment District Alliance and the Council of Fashion
16 Designers of America will provide valuable support to
17 the manufacturers themselves. Such commitments
18 involve incentives to produce in the city as well as
19 programming to foster the fashion industry in the
20 Garment Center.

21 In my official recommendation dated August
22 20,2018, I noted that the following three conditions
23 must be accomplished prior to approval of the zoning
24 text amendment: 1. EDC must demonstrate that it has
25 or expects to receive one or more credible responses

1
2 to the RFEI and feasible sites must be having been
3 identified or EDC must be making any necessary
4 changes to the RFEI to accomplish those goals. 2.
5 The City must also commit to a reasonable amount of
6 additional funding beyond \$20 million should that
7 amount prove inadequate. 3. The IDA must have
8 approved or have pending before it, applications for
9 the 300,000 square feet of space for which EDC
10 currently or then, had signed letters of intent.
11 Additionally, EDC, with the assistance of the Garment
12 District Alliance, must make every conceivable effort
13 to obtain as much additional square footage for the
14 IDA program so that at a minimum 500,000 total square
15 feet is preserved.

16 On September 18th, the IDA Board approved
17 Participation of three buildings in its program.
18 These buildings total 200,000 square feet. I know
19 that EDC staff are working very hard and they are
20 currently in talks with landlords in the area to get
21 those 300,000 total square feet. We absolutely need
22 to preserve as much manufacturing square footage as
23 possible, and that requires participation, not just
24 from the City and the Garment District Alliance, but
25 the real estate industry as well.

1

2 EDC released its RFEI in October, which is a
3 crucial step towards securing affordable garment
4 manufacturing space. But if it appears that the \$20
5 million committed by the City may not be sufficient,
6 or that other forms of support or flexibility are
7 required to make the building acquisition a reality,
8 we need to be committed to pursuing such support or
9 flexibility. I remain hopeful that the City will
10 make additional resources available as necessary to
11 secure the acquisition of a garment manufacturing
12 building.

13 I strongly encourage everyone to work together
14 To ensure that the fashion industry, which brings
15 Incredible vitality and economic activity to our
16 City can stay in the Garment Center. We very much
17 need participation from the area's landlords in both
18 the IDA program and the RFEI, as we need to secure
19 more affordable garment manufacturing space to bring
20 this plan to fruition. The Council of Fashion
21 Designers of America and EDC are partnering to commit
22 millions of dollars to incentivize local
23 manufacturing and we look forward to seeing their
24 programs take off.

25 Additionally, as we stated yesterday to the

1
2 Finance Committee as it considered an assessment
3 increase for the Garment District Alliance, the BID
4 must make a reasonable long-term commitment to
5 collect and spend \$2.5 million each year to improve
6 economic conditions for all businesses in its
7 catchment area, particularly garment manufacturing
8 businesses, provided that there continues to be
9 demand for such assistance. Moreover, we have
10 requested that the BID commit to working with our
11 office and the Speaker's office to ensure that we
12 design programs that will prove effective.

13 The core of the fashion industry has long been
14 Manhattan's Garment Center, and it must remain that
15 way. In speaking with members of the Steering
16 Committee and hundreds of garment manufacturers and
17 employees, it became clear that without the central
18 ecosystem of businesses that exists in the Garment
19 Center, the New York City fashion industry is at
20 risk.

21 After a thorough process that involved extensive
22 engagement and input from stakeholders, we have
23 arrived at a proposal that lifts the old zoning
24 requirements while addressing the needs of the
25 garment industry. We need the EDC programs and the

1
2 CFDA and BID programs to be successful for the sake
3 of the New York City fashion industry and the city as
4 a whole. I urge that in the remaining month of the
5 land use clock: the landlords in the Garment Center
6 step up to participate in the IDA program, all
7 stakeholders work together to ensure the highest
8 likelihood of a successful building acquisition and
9 that the Garment District Alliance commits to working
10 with us on programs to benefit businesses and
11 especially garment manufacturers over the next ten
12 years in order to foster the continue health of the
13 garment industry.

14 Again, the Borough President would like to thank
15 the staff of EDC particularly Cecilia Kushner, DCP,
16 the Council Land Use staff and the Speaker staff for
17 their excellent work.

18 Thank you for the opportunity to testify on this
19 important matter.

20 DAN DILMANIAN: Good morning Chairman Moya and
21 member of the Committee. My name is Dan Dilmanian.
22 I am representing George Comfort and Sons, a family
23 owned real estate company now in our 100th year of
24 business. We are the longtime owners of two
25 properties in the Garment District, 498 Seventh

1
2 Avenue and 307 West 38th Street, which is in the
3 Preservation area. Until 1994, we also had a 50-year
4 leasehold interest in 239 West 39th Street, which is
5 also in the preservation area.

6 We support the zoning text amendment and the
7 proposals to provide direct support to the garment
8 manufacturing industry because we believe these
9 actions take a fair approach to all the interests
10 involved and we believe that the outcome will be good
11 for all of us in the Garment District and for New
12 York City.

13 Our company has witnessed the decline of garment
14 manufacturing and firsthand, and indeed our business
15 has become impacted by it. Both of our properties
16 within the preservation area were once 100 percent
17 occupied by garment manufacturers or garment related
18 businesses, but, by the late 1980's production had
19 started moving overseas. Our garment business
20 tenants were struggling to pay just \$8 per square
21 foot in rent, and there were frequent business
22 failures and defaults on leases. Despite our good
23 faith efforts, our occupancy by garment tenants
24 declined every year, and by 2000 there were no new
25 garment manufacturing businesses coming in.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

During the 1990's, other types of tenants started gravitating to the Garment District, seeking more affordable rents for a convenient, midtown location. These small businesses included construction companies, packaging companies, and early software outfits. More recently, we have seen creative companies, arts and non-profit organizations attracted by affordable loft spaces and proximity to excellent transportation options.

These alternative uses kept the Garment District from going into steep decline, yet in much of the neighborhood, they remain prohibited. The restrictions should be lifted because it will legitimize these critical tenants and increase our ability to find others and I am also confident that legitimizing this mix of uses will lead to improvements in the neighborhood, and that would be good for everyone who live, works, or does business in Midtown.

But, equally as important, we think the restrictions should be lifted because they didn't work and it seems that the programs and supports that EDC is proposing will work by providing assistance directly to garment manufacturers, through tools that

1
2 address everything from workforce development and
3 equipment to rent guarantees, the City is offering
4 the industry a realistic way to stabilize and
5 modernize within its historic home.

6 I urge you to support both these proposals, as
7 they will benefit everyone in the Garment District.
8 Thank you.

9 MICHELLE FEINBERG: Hi, good afternoon. My name
10 is Michelle Feinberg. I own New York Embroidery
11 Studio. I've been on 36th street for close to 30
12 years. I've been in my current space now for close
13 to 16 years. I've won the FMI grant several times.
14 Its enabled me to invest in technology and investing
15 in the Garment Center has helped keep my business
16 relevant and help it grow. I have new customers, I
17 deal with all the shows in both New York and in
18 Paris. The new equipment has helped keep business
19 domestic that would have had to have been done off
20 shore. We are one of the only factories to have a
21 fiber metal laser. So, the FMI grant has enabled us
22 to bring technology here that otherwise wouldn't have
23 been in New York.

24 The EDC is helping us partnering with my
25 landlord and negotiating a long-term lease for us.

1

2 We'll be able to retain employees and give our
3 current employees a better life.

4 We're hoping to invest in our infrastructure
5 with better electric, power, and possibly even some
6 air conditioning, which would make life a lot better
7 for us in the factories.

8 CHAIRPERSON MOYA: You can walk outside today if
9 you want air conditioning but -

10 MICHELLE FEINBERG: Yeah, heat we have, air
11 conditioning we would like to have, but thank you so
12 much for hearing us.

13 CHAIRPERSON MOYA: Thank you for your testimony.

14 GINNY LOULLOUDAS: Hi, I'm Ginny Louloudas and I
15 am the Executive Director of the Alliance of Resident
16 Theaters New York. This is my testimony, it looks
17 like this.

18 CHAIRPERSON MOYA: I gotcha.

19 GINNY LOULLOUDAS: The service and advocacy
20 organization for New York's nonprofit theaters, we
21 have 400 plus members. I want to thank the City
22 Council Committee on Zoning and Franchise for
23 allowing me to testify at this hearing.

24 A.R.T. New York was founded in 1972. Over
25 the years we've earned a reputation as a leader in

1
2 providing progressive services to our members from
3 shared office, rehearsal and performance space to the
4 nation's only revolving loan fund for real estate, to
5 technical assistance programs for emerging theaters,
6 which have made our organizations an expert in the
7 needs of a non-profit theater communities in New York
8 City.

9 A.R.T. New York supports the initiatives set
10 forth by the Mayor's Office of City Planning and the
11 Office of Economic Development to remove the
12 preservation restrictions in the Garment District and
13 replace it with programs to directly help garment
14 manufacturers.

15 Like New York City's garment manufacturers, New
16 York City's nonprofit theatres have struggled for
17 years to find affordable office rehearsal and
18 performance space. The Off Off-Broadway movement had
19 its origins in the East and West Villages and has
20 traveled to Soho. Hell's Kitchen, the Lower East
21 Side, Tribeca, and now Brooklyn and Queens. Those of
22 us who are fortunate, found homes in the Garment
23 District in the late 1990's. In 2001 A.R.T. New York
24 signed a 20-year lease with Gural Family Properties
25 to transform 36,000 square feet of space at 520

1

2

Eighth Avenue into 20 offices for our member

3

companies as well as seven rehearsal studios. The

4

neighborhood was quite different than it is today.

5

Side streets were dark; and some parts of Eighth

6

Avenue were safer than others.

7

Despite these small inconveniences we loved the

8

area, which was not only adjacent to Broadway but

9

blocks away from Penn Station and Port Authority as

10

well as dozens of Subway lines. We quickly attracted

11

20 companies to rent offices for us and our rehearsal

12

studios have done a brisk business seven days a week

13

from 9 am to 10 pm.

14

I know my timing is coming to an end, so I'm

15

just going to repeat that we completely understand

16

what the garment manufacturers are going through and

17

therefore, we are supportive of these incentives to

18

lift the restrictions, so that you can help ensure

19

the future of the garment manufacturing industry in

20

New York City. Thank you.

21

CHAIRPERSON MOYA: Thank you for your testimony

22

today. I don't have any questions, but I am

23

descended from two people who work in the garment

24

district a long time ago, so — and my brother is an

25

actor, so full disclosure.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

GINNY LOULLOUDAS: Perfect.

CHAIRPERSON MOYA: I'm going to call up the next panel. I want to thank you all for being here today. Get home safely. The next panel is Jesse Bodine, I hope I got that right, from Manhattan Community Board it looks like four or eleven. Four, okay. Joe Restuccia also from Board 4, Wally Rubin from Board 5 and Adam Friedman from the Pratt Center for Community Development.

Jessie, if you'd like to begin.

ADAM FRIEDMAN: I'm Adam.

CHAIRPERSON MOYA: Please turn on your mic. Is the red light on?

ADAM FRIEDMAN: Thank you. We're good to go. I'm Adam Friedman, I'm the Director of the Pratt Center for Community Development. I was also a member of the task forces past, present, into the Garment Industry Development Corporation and I worked on the Board of Estimate when this zoning was originally passed.

I think the zoning was successful and that's why you have this incredibly vibrant ecosystem. I'm just going to do my best to summarize the testimony.

1
2 We support this alternative approach to the
3 zoning, the city is putting in place tax incentives,
4 a non-profit ownership model and a program to improve
5 the competitiveness of the industry and that's the
6 approach we've supported for over a decade. However,
7 there are some really critical issues which have not
8 yet been resolved.

9 First of all, we strongly support the City's
10 efforts to subsidize the acquisition of space by a
11 non-profit that will tenant and curate that space in
12 the industries and interest. Its not going to be
13 cheap. The city has committed \$20 million but I
14 expect another \$40 or \$60 million will have to be
15 added to that to make it reliable. That seems like
16 an outrageous amount of money for the acquisition of
17 a building but let's remember whats behind this.
18 It's the protection of an industry and its also the
19 creation of a new office district. I mean, that
20 piece of the puzzle, that piece of the vision has
21 kind of gotten lost here. The city and the office
22 and the building owners are going to reap a
23 tremendous benefit from what this area evolves into,
24 and they should contribute to the acquisition of this
25 building cost.

1

2

Second, the city needs to get a firm commitment that the BID will provide funding two and a half million a year for the next ten years.

5

6

7

8

9

10

11

12

Third, that funding stream has to be used in the best interest of the industry and we need to come up with a mechanism, the city needs to come up with a mechanism to ensure that is spent in the industries best interests and that there's accountability to the industry and I don't think the BID is the right mechanism for that. There's not even a manufacturer on the BID board.

13

14

15

16

Finally, the IDA needs to ensure that the tenants as they move out will go out of business, that that protected space is re-tenanted by another apparel company.

17

18

CHAIRPERSON MOYA: Are the manufacturers paying into the BID at this time or -

19

20

21

22

23

ADAM FRIEDMAN: I don't think there's a manufacturer on the BID board. Of course, they're paying, their tenants. So, in fact, the BID contribution, a piece of it is actually being paid for by the industry.

24

25

CHAIRPERSON MOYA: Okay, thank you for your testimony.

1

2

3

4

5

6

7

WALLY RUBIN: Thank you for the opportunity to comment today. We've come a long way since this proposal was first announced and we want to thank EDC, DCP, Borough President Brewer, and Speaker Johnson for all they have done to make the proposal a better, more holistic one.

8

9

10

11

12

13

14

15

16

17

Our goal at Community Board Five has always been to preserve the Garment District and its over 5,000 production jobs and tens of thousands of jobs related to and dependent upon those production jobs. These jobs may not pay an average of \$150,000 a year as in some other industries we deem worthy of billions of dollars of subsidy, but they are perhaps even more crucial to New York's economy and certainly to the laborers, many of them immigrants, who depend upon these jobs to feed and clothe their families.

18

19

20

21

22

23

24

25

The Steering Committee that was created to allow all stakeholders a chance to weigh in on this proposal zoning change determined that it was imperative to create a mechanism that would keep a minimum of 500,000 to 700,000 square feet of garment manufacturing space in the district. Without it, the very fabric of the district, pun intended, would unravel and New York would be in danger of losing the

1
2 entire industry. Maybe this won't happen next year
3 or in five years, but with economic in midtown what
4 they are, it was clear that in order to keep the
5 industry in New York, government incentives were
6 necessary, the same situation that applies
7 apparently, to the tech industry.

8 We were encouraged this past summer when we
9 learned that it looked as if 300,000 square feet
10 would likely be saved through an incentive program
11 that EDC had devised. In addition, thanks to the
12 encouragement of Speaker Johnson, the administration
13 announced its willingness to put aside \$20 million
14 toward the acquisition of a building devoted solely
15 to garment industry use.

16 Such a building might preserve an additional
17 100,000 square feet of space, but more importantly
18 this space would be permanent. We were getting
19 closer to our minimum of 500,000 square feet and
20 remained hopeful.

21 Unfortunately, this week we learned that one of
22 the building owners backed out of the IDA incentive
23 program. What looked to be 300,000 square feet was
24 reduced by a third, to only 200,000 square feet of
25 preserved space.

1

2 In addition, it appears that in reality, \$20
3 million may not be enough to allow for the
4 acquisition of building and while a request for
5 expression of interest has been released, there is
6 still a long road to travel before we get anywhere
7 near the goal of acquiring a building, if we ever do.

8 It is unacceptable to Community Board Five for
9 this zoning text amendment to pass and for the real
10 estate industry to get what they came to the table
11 for, while the garment industry and the thousands of
12 workers who rely on it are still at such loose ends
13 and utterly unsure of their future. This is far too
14 one-sided a deal.

15 We implore the Council to come up with some
16 mechanism to ensure that before the current
17 restrictions are removed, we have in place at least
18 the minimum of 500,000 square feet of garment
19 manufacturing space that is needed to preserve this
20 industry. If not, Community Board Five cannot in
21 good conscience support the passage of this text
22 amendment. Thank you.

23 CHAIRPERSON MOYA: Thank you Mr. Rubin.

24 JOE RESTUCCIA: My name is Joe Restuccia and I am
25 the Co-Chair of the Housing Community Manhattan

1
2 Community Board 5 and a member of its land use
3 committee. I like Adam Friedman, was in the room in
4 1984, at City Hall when the Garment Center deal was
5 approved as part of the Time Square Rezoning and then
6 two years later when the actual text was approved.
7 Yes, it has not worked because it has not been
8 enforced, simply that.

9 As the Speaker mentioned, the issues of
10 restrictive deck in a case where manufacturing square
11 footage was preserved, not even those restriction
12 declarations were enforced. That is something that
13 is done all the time. If someone builds a plaza and
14 decides to close that plaza, it is a restricted
15 declaration and its enforced, and its kept open. Not
16 here in the Garment Center. So, I return you first
17 to that issue of 180,000 square feet, that maybe one
18 of our solutions to secure an additional 200,000
19 square feet to bring this number up. Our board only
20 learned yesterday that the number is now down to
21 200,000. We echo Board 5, it is simply not
22 acceptable. If we have to return to the idea of a
23 trigger mechanism, that the portion of the zoning
24 that lifts the restrictions is delayed, unless and
25 until, a certain amount of square footage is put in

1
2 place, that may end up being some sort of compromise
3 solution and further incentivize also EDC and the
4 administration to actually keep this part of the
5 compromise deal. We really are serious about this
6 and feel very strong about it.

7 The next thing is, the Speaker mentioned, we also
8 have not just manufacturing preservation, but in our
9 district, in P2, residential preservation. There are
10 approximately 28 buildings containing 500 apartments.
11 They're all scattered, small five story tenements.
12 These buildings, there is a specific revision put in
13 2005, to prohibit demolition of those residential
14 buildings. The Department of Buildings in Error has
15 issued multiple permits for demolition and we have
16 tried and engaged with both City Planning and the
17 Department of Buildings to make sure not only does it
18 not happen, things get revoked and there are specific
19 ways to figure out to fix this problem and to create
20 affordable units.

21 We have not been able to resolve this and just
22 this week, we learned again, that the Department of
23 Building was indicating the best way to fix it is to
24 have a demolition and build a new building.

1
2 It remains a major issue for us on our Board and
3 we thank you for your help on it.

4 CHAIRPERSON MOYA: Thank you for your testimony.

5 JESSIE BODINE: Greetings Council Member, Speaker
6 Johnson, and members of the zoning Franchise
7 Committee. I am Jessie Bodine the District Manager
8 for Manhattan Community Board 4. I am testifying on
9 CB4's long standing advocacy for garment related
10 manufacturing, residential mixed-use development, and
11 the preservation of the built environment in the
12 Special Garment Center District.

13 CB4 has supported the protections for
14 manufacturing uses in the District since 1985. CB4
15 further strengthened portions of the district by
16 insisting that certain text amendments relating to
17 preserving the mix of residential and manufacturing
18 in the districts were included in Hudson Yards
19 rezoning in 2005. Unfortunately, besides putting
20 these protections in place, the city has done little
21 to enforce neither the manufacturing nor the
22 residential preservation.

23 In March 2017, the Administration presented a
24 plan to lift the manufacturing preservation
25 requirements in the District and incentivize and

1
2 facilitate the relocation of the Garment Center to
3 Brooklyn. Neither Community Boards 4, 5, nor a
4 number of the important Garment Center Stakeholders
5 were included in the creation of that plan. There
6 was a strong negative reaction from the Community
7 Boards, the elected officials, and the Garment
8 Center's business associations, unions, and
9 designers, all of which attended our public meetings
10 on the topic. Thanks to Manhattan Borough President
11 Gale A. Brewer the plan was paused, and the Garment
12 Center Steering Committee was formed to conduct a
13 true planning process. CB4, along with other
14 stakeholders attended semi-monthly two hour meetings
15 over the summer of 2017. The Steering Committee's
16 rigorous debate resulted in a number of
17 recommendations.

18 To the Administration credit, with the help of
19 Borough President Brewer and Speaker Johnson, there
20 has been substantial progress in preserving the
21 exiting manufacturing space in the District and the
22 acquisition of new manufacturing buildings in the
23 District.

24 However, CB4 cannot support a plan that lifts the
25 protections of garment manufacturing uses in the

1
2 district now based on future promises. CB4 stands by
3 the recommendations of the Steering Committee to
4 preserve between 500,000 and 800,000 of existing
5 manufacturing space and to further support the
6 acquisition of the Manufacturing Building and the
7 promotion of affordable residential mixed-use
8 development.

9 If we all agree that the Garment Center is a
10 vital and world-class ecosystem of garment related
11 businesses and preserving a core of the garment
12 manufacturing in the Garment Center is a priority,
13 then we must secure it now before the protections are
14 lifted.

15 CHAIRPERSON MOYA: Thank you very much for your
16 testimonies. I appreciate that and I'm sure Speaker
17 Johnson will as well.

18 Our next panel is Phil Lavoie of the Gotham
19 Organization, Chris Jaskiewicz of the Gotham
20 Organization, Tom Block of 499 seventh Avenue and
21 Steve Boxer of Pachyderm Consulting.

22 Could you just identify yourself, so I know who's
23 here and who's not here?

24 STEVE BOXER: I'm Steve Boxer.
25

1

2 CHAIRPERSON MOYA: Okay, so Chris is not here.

3 So, I'm going to add this panel, Andy Udis, I hope I

4 pronounced your name right. Close enough for

5 government work. He is with ABS Partners.

6 Mr. Boxer, if you'd like to begin.

7 STEVE BOXER: Good afternoon. My name is Steve

8 Boxer.

9 CHAIRPERSON MOYA: Is that microphone, is the red

10 light on.

11 STEVE BOXER: How about now. Much better.

12 CHAIRPERSON MOYA: Perfect.

13 STEVE BOXER: Good afternoon. My name is Steve

14 Boxer, I am the owner of Pachyderm Consulting an IT

15 Consulting Firm located in the heart of the Garment

16 district. I support the proposal to lift the use

17 restrictions of the garment district because I feel

18 we need more office space for companies like mine

19 that are growing in this wonderful neighborhood and

20 have a real need to be located here. I moved to the

21 Garment district in the summer of 2001 because of its

22 central location and excellent transportation network

23 are essential for my business.

24 I and my employees spend our days going back and

25 forth to clients. So, having a garment district

1
2 location makes my business significantly more
3 efficient. In addition, my employees predominantly
4 come from Brooklyn and Queens. The convenience of my
5 location helps me to attract and retain talent in a
6 competitive field. Moving into the garment district
7 was among the best decisions I have ever made for my
8 business. Indeed, several of my clients happen to be
9 in the neighborhood as well. There interesting non-
10 for-profit uses working hard to make the city a
11 better place. Some of these clients were already
12 mine before I came to the district and others,
13 because of my proximity to them.

14 In the time since my offices have been located in
15 the Garment district, I have doubled my number of
16 employees and I'm on my second office in the garment
17 district. I believe that the amount of space
18 currently being restricted has limited the number of
19 places where my business could locate. Over the past
20 17 years, I've seen the changes that have taken place
21 and how this area has slowly become more diversified.

22 We're getting more places to eat, and there is
23 certainly a lot more people on the streets when I
24 leave often late at night. All of these changes
25 should be encouraged, especially in the central

1
2 midtown neighborhood and I believe any reasonable
3 steps to promote or accelerate these positive changes
4 should be pursued. I believe that diversifying the
5 business base and increasing options for all
6 businesses will ensure the future of the neighborhood
7 for everyone and that is why I am here to support the
8 proposal to lift the use restriction in the garment
9 district. Thank you.

10 CHAIRPERSON MOYA: Thank you Mr. Boxer. Just
11 identify yourself.

12 PHIL LAVOIE: Good afternoon. My name is Phil
13 Lavoie, from the Gotham Organization. I am the Chief
14 Operating Officer of the Gotham Organization which is
15 a family owned real estate development firm in its
16 107th year of operation. Gotham developed and owns
17 the Atlas Building in the Garden District located at
18 38th Street and Sixth Avenue and it contains 373
19 apartments in addition to 46,000 square feet of
20 office space on three floors and 16,000 square feet
21 of retail space, with frontage on both Sixth Avenue
22 and 38th Street.

23 The buildings home to approximately 600 residents
24 and over 100 people work there, 15 of whom are
25 directly employed by Gotham. I support the City

1
2 Planning and the EDC initiatives because they
3 represent a fair compromise for all parties. The
4 proposal ensures the continued presence of the
5 Garment Industry in the neighborhood while also
6 allowing the expansion of alternate uses which will
7 create a more dynamic neighborhood for its residents.

8 Many residents in our building have mentioned
9 that they would like to see more diverse uses in the
10 neighborhood, especially those which would activate
11 the streets in the evening hours and provide new
12 privately-owned public spaces for everyone to enjoy.

13 Other uses are growing organically throughout the
14 surrounding neighborhoods and that should be allowed
15 to happen in the garment district as well.

16 As those conditions have changed since the
17 Special Garment Center District was created over
18 thirty years ago. The neighborhood needs to adapt in
19 that intelligent way. I think the Borough President
20 and City Council Speaker put an excellent plan
21 together with EDC and DCP and it really makes sense
22 for all stakeholders to get this approved. Thank you
23 for your time.

24 CHAIRPERSON MOYA: Thank you very much for your
25 testimony. Next.

1
2 ANDY UDIS: Good afternoon. My name is Andy
3 Udis, I am a partner at ABS Partners Real Estate.
4 I'm a leasing and managing agent for over nine
5 buildings in the garment district and I'm speaking
6 here today on behalf and support of the City Planning
7 and Economic Development Initiative to remove the
8 preservation restrictions in the garment district and
9 replace it with programs to help directly help
10 garment manufacturers.

11 The families and owners that I represent have
12 owned these buildings for many years and over time,
13 we have all seen the decline and deterioration of
14 garment manufacturing first hand. We simply don't
15 see the demand in our buildings for the types of
16 garment manufacturing that used to exist.

17 Once production started moving overseas, the
18 pressure on local manufacturers became
19 insurmountable, they could no longer afford the rent.
20 Advances in technology have exacerbated the problem.
21 My clients would like the restrictions lifted because
22 they limit the ability to find tenants. Lifting the
23 restrictions will lead to building improvements.
24 They will be able to reinvest capital in the
25 buildings creating a more inviting garment district.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

Whats good for the garment district is good for New York. I also would like the restrictions lifted because they don't work, and it seems to me and my clients that the programs and supports that EDC is proposing could be providing assistance directly to garment manufacturers through tools that address everything from workforce development to rent guarantees. The city is offering the industry a way to stabilize and modernize that zoning never could.

We urge you to support these proposals because we believe they take a fair approach to all the interest involved and we believe the outcome will be good for all of us and for New York City. Thank you.

CHAIRPERSON MOYA: Thank you very much for your testimony Mr. Udis. Mr. Block?

TOM BLOCK: My name is Thomas Block. I lived my entire life 74 years in New York City. In the last two decades, I bought two commercial buildings in the garment district. One is on Seventh Avenue, 499 Seventh Avenue and its not in the preservation zone. The other one is on West 40th Street, well its in the P1 zone, its not subject to restrictions because it was an office building at the time the Special Restrictions have started over 30 years ago.

1

2

For the last decade, I've been on the Board of the Garment District Alliance and currently a Vice Chairman. As all of you know, there are about 700,000 square feet occupied by garment manufacturing within the P1 and P2 zones and another 700,000 outside within the Garment District Alliance but not in the P1 or P2 zones.

3

4

5

6

7

8

9

10

11

12

13

14

15

The amount required under the current P1 and P2 zone restrictions, devoted to manufacturing at four and a half million. The new proposal drafted by the EDC, and strongly supported by the Garment District Alliance, and improved by Manhattan Borough President, Speaker Johnson, and their staffs, has many benefits.

16

17

18

19

20

It helps manufacturers with support of programs and provides that strong manufactures remain in the buildings and that will have space dedicated to manufacturing in the garment district and does not require anyone to leave.

21

22

23

24

25

The plan opens up space for new and varied industries which will attract more diverse workforce. For those new employees will demand more diverse and vital retail, the whole neighborhood will improve.

1
2 One might say my comments are self-serving and
3 not altruistic. Actually, it works the other way.
4 My tenants at the end of the leases, will have more
5 choices to move within the district than they do now,
6 and because of lifting the P1 and P2 restrictions,
7 I'll have more competition for new tenants.
8 Nevertheless, I support the program because I
9 committed to the neighborhood and I'm dedicated to
10 seeing it continue to evolve and a great place for
11 tenants of all kind to locate. An improved
12 neighborhood will help us all therefore, I strongly
13 support the EDC proposal. Thank you.

14 CHAIRPERSON MOYA: Thank you very much for your
15 testimonies today. We appreciate you being here.

16 The next panel Brian Weber, I think it says MCBY
17 but I'm not sure. Susan Chin - MCB4, okay. Susan
18 Chin from the Design Trust for Public Space and
19 Elizabeth Goldstein from Municipal Arts Society.

20 Elizabeth, you're the first person I've Chaired
21 two separate committees to hear testimony from, so -
22 just three on this panel. I'd say ladies first, but
23 its up to your guys.

24 BRIAN WEBER: Hi and thank you for having me.
25 I'm Brian Weber from Manhattan Community 4.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CHAIRPERSON MOYA: Oh, okay.

BRIAN WEBER: My support is of course predicated on the conditions laid out by Joe Restuccia and Jessie Bodine, and I'm here to address one other facet of preservation. We've talked about preservation of jobs, we've talked about preservation of space, a big concern to the community is preservation of our existing current built environment.

Early Councilman Johnson spoke about the history and legacy of our neighborhood and as part of that we recommend that landmarks commission reviewing calendar the following specific properties to be designated as New York City landmarks. There were seven sites that we identified. Three of them were identified in the ESA done by the DCP in relationship to this rezoning, those were the Manhattan Center at 311 West 34th Street, the New Yorker Hotel at 481 8th Avenue, the Sloan House, YMCA at 360 West 34th Street. We identified four additional sites, and this is all just the tip of the iceberg, but four additional sites that we identified were a commercial building, three story commercial building, 300 West 38th Street, the former New York Edison Company

1
2 Building at 308 West 36th Street. The former Barbour
3 Dormitory at 330 West 36th Street and the Webster
4 Apartments at 419 West 34th Street. Several of these
5 sites are what is currently considered over built in
6 zoning but several of them are also soft sites, these
7 are historical sites for Social Service reasons,
8 cultural reasons and infrastructure reasons and they
9 all merit consideration, its important to the
10 community that should a rezoning occur that we not
11 lose these historical assets in our built
12 environment. Thank you.

13 CHAIRPERSON MOYA: That was pretty good timing
14 there. Ms. Chin?

15 SUSAN CHIN: Good afternoon. My name is actually
16 Joanna Crisp.

17 CHAIRPERSON MOYA: I didn't think you were Susan,
18 but you know, I've seen her name so many times, I
19 don't know if there was - there's another Susan Chin
20 that I do know but she's not here either, so -

21 JOANNA CRISP: I am reading testimony on behalf
22 of Susan today.

23 CHAIRPERSON MOYA: Okay, and your name again?

24 JOANNA CRISP: Joanna Crisp. Thank you for the
25 opportunity to submit testimony for the Garment

1
2 Center Zoning Text Amendment on behalf of the Design
3 Trust for Public Space. Design Trust does not yet
4 have confidence that the City will fulfill its
5 commitment to implement a plan to keep garment
6 manufacturing in Manhattan and bolster this creative
7 industry and distinctive neighborhood.

8 Since 2009, the Design trust has worked with
9 fashion designers, garment manufacturers, suppliers,
10 property owners, government officials and industry
11 leaders to determine the value and interdependence of
12 this core R&D hub and unique business cluster that
13 nurtures fashion start-ups and innovation. Its
14 seminal studies, Made in Midtown and Making Midtown
15 made clear that this is the foundation of our city's
16 creative economy and fading manufacturing sector, and
17 if we do not preserve this complex design and
18 prototyping ecosystem, NYCH stands to lose our
19 standing as a global fashion capital, a \$98 billion
20 business that employs 180,000 people or 6 percent
21 of the city's workforce.

22 The City assured the Garment Center Steering
23 Committee and key stakeholders that lifting the
24 zoning restriction in P1 and P2 would be contingent
25

1
2 upon its Plan to secure at least 500,000 square feet
3 of production space.

4 When the Department of City Planning issued its
5 certification for lifting the Zoning Text Amendment,
6 the City assured key stakeholders that 300,000 square
7 feet of garment manufacturing space had been secured
8 through IDA. Now we learn there's only 200,000
9 square feet.

10 The most critical part of the Plan is to purchase
11 a building which has not yet advanced. And with the
12 specter of lifting the zoning text amendment in this
13 area, will what's now a \$700 per square foot property
14 soon sell at \$3,000 per square foot.

15 The City and GDA's additional investment of \$14
16 million in the Fashion Manufacturing Initiative with
17 CFDA is to be lauded, but the timeframe is vague and
18 must go hand-in-hand with IDA for an entire ten-year
19 period to succeed.

20 So, just quickly, Susan has outlined a few key
21 recommendations. Delaying approval of the text
22 amendment until the components that will preserve the
23 District are in place. Providing additional City
24 capital funding and seeking State and Federal support
25 for a building purchase. Continuing to push the IDA

1
2 tax incentive program. Ensuring that the FMI program
3 is in place for a ten-year period and continuing to
4 work with the Steering Committee to significantly
5 advance the entire Plan. Thank you.

6 CHAIRPERSON MOYA: Your testimony you said this
7 is a \$98 billion business, is that in New York City?

8 JOANNA CRISP: I believe that's the intent.

9 CHAIRPERSON MOYA: Okay, thank you for your
10 testimony. Ms. Goldstein?

11 ELIZABETH GOLDSTEIN: Thank you for this
12 opportunity to speak to you this afternoon. I'm
13 Elizabeth Goldstein, the President of the Municipal
14 Art Society.

15 In the summer of 2017, the Garment District
16 Steering Committee concluded that the District needed
17 a minimum of 500,000 square feet of affordable space
18 protected for manufacturers for the industry to
19 continue to thrive.

20 Today, we are encouraged by the City's commitment
21 to preserve the District through tax abatement;
22 business development programs and an initiative to
23 seek a non-profit partner to purchase and manage a
24 co-o for manufacturing tenants.

1
2 Progress has been made, 200,000 square feet have
3 been secured under the IDA tax incentive program, but
4 the critical mass of 500,000 square feet has not been
5 achieved and the final most critical element of the
6 three-prong strategy: the acquisition of a building
7 to create a permanently affordable space for
8 businesses is encountering some bumps in the road.
9 There is no consensus in the community that the
10 City's investment in such a venture is adequate to
11 make sure that the project actually pencils out.

12 Before you today are the City Council's first
13 step to removing the text amendment that was designed
14 many decades ago to protect garment manufacturing at
15 the core of New York City's garment industry. We are
16 still a very far way away from achieving the minimum
17 square footage recommended by the Steering Committee.
18 This should give the Council pause, it gives MAS
19 pause.

20 You have tools that must be used to ensure that
21 the lifting of the text amendment remains an
22 incentive to achieving the full minimum commitment to
23 manufacturing in the District. You may postpone the
24 date this legislation becomes effective, or you may
25 make this proposal conditional on further progress

1
2 being made towards the purchase of a building and the
3 enrollment of additional landlords in the tax
4 abatement program. Or, you might recommend that the
5 greater City capital commitment be ready should it be
6 required.

7 MAS welcomes the progress towards the
8 preservation of production space in the District.
9 However, we call on this Committee and the City
10 Council more broadly to ensure that we truly hit the
11 mark that we need to ensure a robust future for the
12 Garment District in Manhattan. Thank you.

13 CHAIRPERSON MOYA: Thank you very, very much.
14 Thank you all three of you for your testimony. Ms.
15 Goldstein, if you could come up here, I just want to
16 ask you a question about another matter. In the
17 meantime, - I got her here, I got to ask her another
18 question right, so -

19 Mark Benqualid, I hope I got that right. Kenneth
20 Fischel, Matt Coudert, and Barbara Blair.

21 Good afternoon.

22 MARC BENQUALID: Good afternoon, thank you very
23 much for allowing me to speak members of the
24 committee. My name is Marc Benqualid. We're
25 definitely in favor of the support for the proposal

1
2 before you and we've heard a lot of testimony to now
3 about what should or should not be done but I would
4 like to share a little bit of an anecdote what we see
5 in the Garment District.

6 First of all, my father was in the district. You
7 know, he was a shoe manufacturer. He designed,
8 manufactured and sold shoes. If you remember Tom
9 McCann, Kenny Grant, those were the people that my
10 father did the shoes for.

11 In 1980's and 1990's, you know Taiwan, China came
12 around and he was unable to compete, so he closed
13 that portion of the business, which is the
14 manufacturing and basically had a small office. On
15 the flip side of it, my father-in-law was in the
16 Garment District. He was a Play it Again Sam, Happy
17 Legs, those were the production he had there. Again,
18 he had a lot of manufacturing here but again, when
19 Vietnam, Taiwan, and China came around, he was unable
20 to compete with that and all the manufacturing left
21 the District and again, he just had a small office
22 and eventually sold the business.

23 You know, in terms of having a real estate, you
24 know, we see constantly this in our building. We
25 have people who are in the manufacturing or designers

1
2 that come to us basically saying that we can't
3 maintain the amount of square footage, we give them
4 less square footage. They can't maintain that and
5 basically because of businesses changing, they
6 eventually closed their business or basically are
7 going elsewhere.

8 So, we're definitely, you know, in support of the
9 amendment proposal before you. The restrictions of
10 the zoning that was placed here really did not work
11 and did not satisfy what it intended to do. We think
12 that what is before this committee actually will
13 benefit everybody there and as well the Garment
14 District and I thank you for your time.

15 CHAIRPERSON MOYA: Thank you.

16 KENNETH FISCHER: My name is Ken Fischer. I'm
17 the owner of 264 West 40th Street, which is a 20-
18 story building between 7th and 8th Avenues. Before I
19 talk about the building, I want to talk about me.

20 My father and grandfather started a Sports wear
21 manufacturing company. We made ladies bathing suits
22 and we were the largest supplier to Sears and
23 Montgomery Ward and the Spiegel catalog among many
24 other catalog companies in the 1960's and 1970's. It

1
2 was a business that employed over 100 people. We
3 were a union shop, we had 40,000 square feet.

4 By the mid-1980's the business was not a viable
5 business any longer. We face competition from abroad
6 and we had to close shop and we ended up renting out
7 the space.

8 The next phase of my life was when I purchased
9 264 West 40th Street in 2003. The building had been
10 a scaffold building. There had been a sidewalk
11 bridge in front of the building for over ten years.
12 The facade was crumbling, the building was 50 percent
13 vacant. Nobody wanted the building, it was nothing,
14 but a headache riddled with violations, but I wanted
15 the building because I had faith in New York and I
16 had faith in the garment district. I went in and I
17 repaired the facade, removed the bridge, upgraded the
18 elevators and tried to rent out the space and there
19 were no takers. I tried to comply with the law.

20 So, I faced the possibility of losing the
21 building to the bank for nonpayment of my mortgage
22 because there was insufficient income to cover it or
23 renting to tenants that actually wanted the space.
24 Now, those tenants were not manufacturing tenants. I
25 had to then spend additional money which I really

1
2 didn't want to do to upgrade that space from
3 manufacturing level space to otherwise commercial
4 space and the building rented up and today the
5 building is fully rented. I'd like to say that I
6 support this proposal for on a number of different
7 levels. I support it not only as a property owner,
8 but I support it as a former manufacturer, because I
9 could tell you right now when we were making ladies
10 bathing suits, if these proposals had been in place,
11 chances are we would have been able to retain that
12 business and keep those jobs in New York City.

13 So, I fully support the proposal. Thank you.

14 CHAIRPERSON MOYA: Thank you very much Mr.
15 Fischel.

16 MATT COUDERT: Members of this committee. My
17 name is Matt Coudert, representing George Comfort &
18 Sons and I support the proposal before you today.

19 George Comfort & Sons is a family owned real
20 estate company now in our 100th year of business. WE
21 have owned or had a stake in properties in the
22 Garment District since 1944. Since that time, our
23 company has been our building tenancy shift from 100
24 percent garment related businesses to a diverse mix

25

1
2 of office tenants. Including non-profits, arts
3 organizations, tech and media firms.

4 This shift occurred in response to the dramatic
5 decline in garment manufacturing. Forty years ago, at
6 an accelerating rate, garment production began moving
7 out of New York and ultimately out of the country.
8 This left local manufacturers with too little work.
9 Even the Garment District's below market rents and
10 protective zoning could not keep our manufacturing
11 tenants from going out of business. As their
12 companies failed, often defaulting on their leases,
13 we saw building vacancies rise.

14 Over time, affordable rents and close proximity
15 to transportation drew other uses to the Garment
16 District, preventing this central midtown
17 neighborhood from going into a steep economic
18 decline.

19 We support the zoning text amendment.
20 Legitimizing and encouraging a diverse tenant base in
21 the Garment District make sense for the neighborhood,
22 for Midtown Manhattan and for New York City. This
23 proposal looks to the future of the neighborhood and
24 the concurrent EDC economic development initiatives
25

1
2 will insure that the garment industry retains its
3 place in it.

4 These actions take a fair approach to the
5 interests involved, and we urge you to vote in favor.

6 Thank you for your time.

7 CHAIRPERSON MOYA: Thank you Mr. Coudert. Ms.
8 Blair?

9 BARBARA BLAIR: Good afternoon Council Members.
10 My name is Barbara Blair. I'm the President of the
11 Garment District Alliance. On behalf of the Alliance
12 I thank the Committee for holding this hearing today,
13 Speaker Johnson, Manhattan Borough President Brewer,
14 EDC, DCP, and Industry stakeholders who working with
15 the Steering Committee has brought us to this moment.

16 The Alliance supports the Zoning Text Amendment
17 being proposed. The amendment acknowledges the
18 evolution of the district and addresses the
19 challenges faced by the Garment Manufacturing Sector.

20 From 2000 to 2016, the district lost nearly
21 13,000 manufacturing jobs. In the same time period,
22 there's been a remarkable growth in other job
23 sectors. 60,000 new jobs in the district. The
24 highest employment numbers since 1950, generated
25 across a broad section of business sectors. Apparel

1
2 manufacturing has been declining for 40 years, not
3 only in the garment district but in the city, state,
4 and nation.

5 The Steering Committee Plan asked that in tandem
6 with the Zoning Amendment there be initiatives to
7 mitigate the continued loss of apparel manufacturing
8 in the district. There are four main recommendations
9 we support, and we've been working diligently to
10 advance the IDA program, the purchase of a dedicated
11 building, business development programming to support
12 the manufacturing sector and public realm
13 improvements.

14 We've taken steps to collaborate with industry
15 organizations and academic institutions to identify
16 programs that will help stabilize and promote
17 manufacturing the district within the scope of
18 permissible activities for BIDs and within the BIDs
19 mission.

20 As a show of commitment, the GDA requested and
21 received finance committee approval for two and a
22 half million-dollar assessment increase with
23 authorization going forward. This ongoing increase
24 will enable the BID to potentially fund programming,
25 support the goals of the Steering Committee subject

1
2 to annual BID Board Approval. We've also initiated
3 plans to consider public realm improvements and
4 celebrate the industries heritage in the neighborhood
5 and the neighborhood continues to be identified as
6 the Home of American Fashion. Thank you.

7 CHAIRPERSON MOYA: Thank you very much for your
8 testimony. I appreciate you being here today and
9 waiting to testify. Thank you, I'm going to dismiss
10 this panel. The next panel is Mr. William Silverman
11 from Otterbourg Properties, Samuel Friedfeld of
12 Olmstead Properties, Jonathan Bowles of the Center
13 for an Urban Future. We are also going to call at
14 this time Eric Gural also with the GDA.

15 If you start now, you'll get an extra few seconds
16 because the sergeant at arms isn't ready but go
17 ahead.

18 WILLIAM SILVERMAN: Great I'd like all the time
19 that you'll give me. Good afternoon Committee
20 Members. Thank you for accepting my statement and
21 letting me testify. I am a member of the firm of
22 Otterbourg PC, but I come now as the co-manager of
23 JLJ Bricken LLC, the owner of the Bricken Arcade at
24 225 West 37th Street and 230 West 38th Street which is
25 right in the heart of the Garment Center.

1
2 My family has been in the real estate business in
3 the Garment District for four generations.

4 I submit this statement in support of the City
5 Planning and Economic Development Corporation efforts
6 to eliminate the preservation of existing restrictive
7 zoning in the Garment District and to replace those
8 anachronistic zoning provisions with programs to
9 directly assist garment manufacturers.

10 I was born in New York City in 1942. I am almost
11 77 years old and during that time, I have observed
12 the decline of garment manufacturing in the city.
13 Another branch of the family was involved in garment
14 manufacturing and it was really unsustainable in the
15 City because of costs. I remember the time Hand
16 trucks really carts filled the streets of the Garment
17 Center loaded with garments and fabric. No more.

18 First, in the 1960's garment manufacturing went
19 to the Southern part of the United States where labor
20 and other costs were lower than in New York City. To
21 remain competitive, garment manufacturing moved
22 again, primarily to Central and South America and
23 after that to Asia.

24 It is entirely appropriate to lift the zoning -
25 is my seatbelt unfastened?

1
2 CHAIRPERSON MOYA: No, don't worry, I'll let you
3 know when I've had enough.

4 WILLIAM SILVERMAN: Thank you. It is entirely
5 appropriate to lift the zoning restrictions not only
6 because they are not in step with business reality,
7 but also, because the zoning restrictions limit the
8 ability to attract tenants that want to be in the
9 Garment District and have different businesses that
10 are not involved in garment manufacturing.

11 In addition, the zoning restrictions don't work
12 because market conditions no longer support such
13 artificial restrictions. We certainly don't want to
14 go back to sweat shops where the workers are paid a
15 dollar a day and that would've been competitive now
16 with the markets in Asia. Removing the restrictions
17 will lead to building enhancements and a better more
18 friendly Garment District.

19 I think that the EDC programs that have been
20 proposed would be highly beneficial to the City and
21 its people by providing assistance to garment
22 manufacturers as well as programs that provide for
23 workforce development and rent guarantees, amount
24 other things. The City and the EDC are offering the
25 garment industry support to stabilize and update the

1
2 business of garment manufacturing that zoning or
3 rezoning cannot do effectively.

4 I request that you support these proposals,
5 because I believe that the proposals recognize the
6 realities of the 21st Century and are fair and
7 reasonable for all parties. The proposals of the
8 City and the EDC will benefit the City, its
9 inhabitants and really everyone including the more
10 than 63 million visitors to the City in positive and
11 constructive ways. Thank you very much.

12 CHAIRPERSON MOYA: Thank you for your testimony.

13 SAMUEL FRIEDFELD: Distinguished Members of the
14 Committee. My name is Samuel Friedfeld and I work
15 with Olmstead Properties. I handle leasing and
16 management for 525 7th Avenue. Olmstead Properties
17 has extremely deep ties to the Garment District as we
18 have owned 575 8th Avenue for close to 80 years and
19 525 7th Avenue for 20 years. We also manage and help
20 lease several other properties in the district. As
21 you can see, I have not been around as 575 8th
22 Avenue, but I have been around long enough to see the
23 changes in the neighborhood and understand its true
24 potential.

1

2 At 525, we made a business decision to stay a
3 fashion Showroom building. As time went on, we
4 realized there were less sample and manufacturing
5 tenants and more high fashion and showroom tenants.
6 Some of our tenants include Hugo Boss, Valentino,
7 Nicole Miller and Columbia. None of them have
8 manufacturing components within our building. Can I
9 have a tissue, my nose is running. Sorry, sorry to
10 keep sniffing. Thank you, I appreciate it.

11 At the same time, these companies represent
12 everything that is great about the Districts historic
13 past. I am here today to support the City Planning
14 and Economic Development initiative.

15 I believe lifting the district zoning restriction
16 is critical because it prohibits property owners from
17 investing in the neighborhood. All the adjacent
18 neighborhoods including Bryant Part, Times Square,
19 the soon to be Hudson Yards and Chelsea have
20 benefited from the decade's long uptick in economic
21 activity, but the Garment District has been
22 partially, and in many cases fully, left out of the
23 equation. I believe that all laws are created with
24 good intent in mind, but as time goes on, a law may
25 become less relevant, so much to the point where it

1
2 begins to hurt the people it set out to help. I
3 believe this is the case with the Garment District
4 zoning laws. There is factually no proof that any
5 law has helped keep on manufacturing job in the
6 district, or in the state, or in the country. What
7 there is proof of however, is that new and exciting
8 opportunities in the form of tech, advertising, and
9 media and internet companies are coming to the
10 Garment Center and they are bringing with them new
11 jobs and the potential for investment. I believe
12 these companies are the future of the Garment Center.
13 With current zoning restrictions on the books, I
14 believe we will stall all the potential growth of the
15 TAMI companies. The economic plan that EDC has
16 presented will be the most efficient way to provide
17 support to garment manufacturers.

18 I urge you to support both these proposals
19 because I believe they represent a fair and balanced
20 solution to the problem at hand. Manufacturers will
21 receive a more meaningful form of assistance and the
22 Garment District will finally be able to live up to
23 it's full potential. Thank you.

24 CHAIRPERSON MOYA: Thank you Mr. Friedfeld.

25

1

2 ERIC GURAL: Hi, my name is Eric Goral and I'm
3 the CEO of GFP Properties and I'm one of the owners
4 who are putting in their buildings into the IDA
5 program. We own five buildings in the district and I
6 didn't prepare a statement today because I wanted to
7 come and try to respond to some of the things that
8 have already been said.

9 So, one thing I think is really important as far
10 as treasuring the history of the Garment Center is
11 basically right in front of you on that TV. If we're
12 going to landmark anything, we should landmark the
13 button in the needle. That's the most iconic piece
14 of garment related history in that area and that
15 should be the only thing that's landmarked in the
16 area to show exactly how special it is.

17 These other buildings that these people are
18 talking about have no history going back to the
19 garment related activities in the area more than that
20 does. So, I think that's really important to point
21 out. The other thing, there's generally a
22 mischaracterization of sort of how these things work.
23 So, people think there's two group. There's like a
24 landmark group and then there's a sort of fashion
25 group. There's not, there's four groups. There are

1
2 the landlords who didn't comply and then there's the
3 landlords who did and then there are the fashion
4 people who support the manufacturers and the
5 manufacturers themselves and then there's all the
6 other fashion people who do not. Those groups are
7 not equal. So, the advantage of what this program
8 does is this program connects the two people who have
9 done the right thing. Which are the landlords that
10 comply and the manufacturers and the fashion people
11 who support them. The only benefit should go to
12 them, that's it.

13 What government should be doing here is not
14 drawing the line between us, you should draw a circle
15 around us. Put us together in this program, let us
16 work together. We've been doing it for years, but
17 don't let any of the benefits get outside of the area
18 of those two groups and that's really important.
19 Thanks.

20 CHAIRPERSON MOYA: Thank you Mr. Gural.

21 JONATHAN BOWLES: Good afternoon Council Member
22 Grodenchik. I'm Jonathan Bowles, I run the Center
23 for an Urban Future. We're a think-tank, we publish
24 studies about growing in diverse fine New York's
25 economy and expanding economic opportunity. We've

1
2 written a lot over the years about the importance of
3 manufacturing to New York City's Economy. In fact,
4 in February of 2000, I authored a study about the
5 apparel manufacturing industry, it was called the
6 Empire has no clothes, rising real estate prices and
7 declining city support threatens the future of New
8 York's apparel industry. So, if you would had asked
9 me a couple of decades ago, how to support the
10 apparel manufacturing industry, I would have said we
11 need to protect the Special Garment District. In
12 fact, this report back in 2000, one of our key
13 recommendations was to do just that enforce current
14 zoning laws in the garment center.

15 I think a different approach is needed today.
16 When I authored the report in 2000, I honestly
17 thought that the garment industries job loses were
18 hitting a bottom. I was hopeful but since 2000,
19 since the year we published this report, the apparel
20 manufacturing industry in New York City has lost
21 another 102,000 jobs. This actually represents 99
22 percent of all the manufacturing job losses in New
23 York City during that period and its also a period
24 when the city overall gained 750,000 jobs.

25

1
2 So, I think that the Special Zoning District no
3 longer reflects the realities of today's garment
4 district, but its obviously an important part of our
5 economy. Its long been an entry point to immigrant.
6 Its long been a point where immigrant owners have
7 been able to kind of climb up the ladder. Its
8 important for the boarder fashion industry which is
9 important and that's why I support the plan that's
10 under consideration now. As a couple other people
11 have mentioned today, I think its also important that
12 the Garment Center has increasingly become a place
13 where companies from other industries that can't
14 afford Union Square, Flat Iron District, Chelsea,
15 Architects, Graphic Design Firms, Tech startups.
16 They have been moving to the Garment Center and those
17 are growing industries that we as a city need to
18 support as well and I think this plan does that.
19 Thank you.

20 CHAIRPERSON MOYA: Thank you Jonathan. It's good
21 to see you. I thank you. Get home safely, its
22 snowing out. We have six more people to testify.
23 Marty Frutch, he left, okay. Casandra Diggs, Michael
24 Brady, and Yeolee Teng. And either they have very
25

1
2 similar hand writing our one person filled out all of
3 these, so -

4 Just two? Just two of you here? Well, if that's
5 the case, so, I like things cozy. We're also going
6 to call Angela Sung Pinsky. Pinsky -I've never met a
7 Pinsky, so - I got to get a spokesperson maybe and
8 Steven Epstein from IATSE. He left too? Alright,
9 okay, she's speaking for her. Marty is obviously not
10 here. Casandra you're here?

11 CASANDRA DIGGS: Yeah, I'm here.

12 CHAIRPERSON MOYA: Michael Brady, last call.
13 Yeohlee Teng? Okay, and Ms. Pinsky also has a
14 spokesperson here. Okay, Ms. Diggs why don't you
15 begin.

16 CASANDRA DIGGS: Okay, thank you so much. Good
17 afternoon everyone. My name is Casandra Diggs. I'm
18 the Chief Financial and Operating Officer of the
19 Council of Fashion Designers of America Foundation.
20 On behalf of Steven Kolb, President and CEO of the
21 CFDA, I'd like to read a statement in support of the
22 New York City Economic Development Corps initiatives
23 outlined for your consideration today.

24 As the governing body of the American fashion
25 industry, the CFDA not only supports its 500 plus

1
2 CFDA Members and emerging brands through its robust
3 programming, but also stands as a front line of
4 support for the fashion manufacturers.

5 Through impactful programs such as the Fashion
6 Manufacturing Initiative in partnership with the New
7 York City Economic Development Corp and industry
8 stakeholders like Andrew Rosen of Theory, the Coach
9 Foundation and Ralph Lauren, we have made significant
10 strides to support the local NYC fashion
11 manufacturing sector since 2013.

12 FMI includes the Grant Fund, which has invested
13 \$2.8 million to 25 fashion manufacturers, of which 13
14 have been located in Midtown Manhattan, to invest in
15 advanced technology, as well as manufacturing
16 showcases, collaborations, and workforce development
17 programming. FMI has brought local manufacturing to
18 the forefront of the industry's conversations and
19 helped build crucial relationships between designer
20 and manufacturer which ultimately leads to more
21 economic growth for the city.

22 The CFDA will expand its programming greatly to
23 not only continue to help manufacturers acquire new
24 technology to remain competitive in the global
25 market, but also aim focus at other ways to increase

1
2 local production, enhance the city's fashion
3 manufacturing workforce and market these incredible
4 manufacturers to the fashion industry at large.

5 We believe the future of the industry is a city-
6 wide ecosystem, but we remain committed to supporting
7 factories in Midtown. This is why the CFDA fully
8 support the EDC's ideas put forth, including the IDA
9 program and the building procurement. Mechanisms
10 such as the zoning preservation have been proven to
11 be a lacking system for the fashion manufacturing and
12 we believe these modern ideas will help preserve
13 fashion manufacturing for the New York's Garment
14 Center. These solutions were researched thoroughly
15 in the direct response to the Garment Center Steering
16 Committee this last summer and are viable options to
17 help move the fashion manufacturing sector forward.

18 Thank you.

19 CHAIRPERSON MOYA: Thank you for your testimony
20 Ms. Diggs. Next.

21 MORGAN PEARLMAN: As I covered my name is Morgan
22 Pearlman and I'm speaking on behalf of Angela Pinsky.
23 Good afternoon. Thank you for the opportunity to
24 testify on behalf of an Association for a Better New
25 York ABNY. We're a 47-year-old civic organization

1
2 that promotes the effective cooperation of public and
3 private sectors to improve the quality of life for
4 all New Yorkers. ABNY would like to express our
5 support for the rezoning proposal put forward by the
6 EDC and Department of City Planning.

7 The fashion industry and garment district have
8 been critical components of New York City's economy
9 for hundreds of years. As New York's dynamic economy
10 continues to evolve, it is important to deeply
11 consider the changes taking place from both a land
12 use and economic development perspective. We believe
13 that the rezoning proposal put forth takes a
14 comprehensive look at the future of the garment
15 district and fashion industry at large.

16 The rezoning of the garment district is a project
17 the city has been deeply considering for decades. We
18 believe that this proposal put forth is a product of
19 those years of contemplation, and we appreciate the
20 consideration given to the evolving nature of the
21 fashion industry in New York City, the inclusion of
22 incentives for businesses to remain in the garment
23 district, and resources and support for businesses
24 moving to other parts of the city that also represent
25 opportunities for the fashion industry to thrive.

1

2 While we would have encouraged higher densities in a
3 well transited core of the city, we believe that
4 overall this proposal thoughtfully considers the
5 area's evolving uses and will lead to smart and
6 respectful growth in the garment district.

7

8 We look forward to productive and inclusive
9 discussion of the proposed development and encourage
10 this subcommittee and the New York City community at
11 large to support the project. Thank you for your
12 time, I appreciate the opportunity to testify today.

13

14 CHAIRPERSON MOYA: Thank you. Thank you very
15 much.

16

17 JOANNA CRISP: Hello again. My name is Joanna
18 Crisp and I am reading this statement on behalf of
19 Yeohlee Teng who's a member of the Garment Center
20 Steering Committee and a Fashion Business owner.

21

22 As a fashion company designing and producing in
23 NYC, I assure this Council that the Garment Industry
24 is a vital component of New York's Fashion economy.
25 This is clearly evidence by its continued presence in
the face of an across the board decline in New York's
other manufacturing sectors.

26

27 Our garment companies have relied upon the
28 current zoning text to maintain their presence for

1
2 the industry. To lift that text without first
3 securing the promise space is a disservice to them.
4 The industry and the process that created this
5 agreement. I continue to be in favor of this
6 agreement but strongly ask that the 300,000 square
7 feet be secured first, along with the promised
8 permanent dedicated building. I wholly support the
9 statements made by the Design Trust for Public Space
10 without whose guidance, the zoning text would already
11 be history and the MAS for determining the effects,
12 the proposed changes will have on this industry, and
13 the Steering Committee for their recommendations.
14 The city has made genuine progress in these goals and
15 I ask, what is the harm in waiting a little longer to
16 ensure the spaces in place to secure the industry for
17 another 30 years? Thank you.

18 CHAIRPERSON MOYA: Your last but not least.

19 Yeah, I hope not least.

20 CHAIRPERSON MOYA: Go ahead.

21 PAIMAAN LODHI: Good afternoon. My name is
22 Paimaan Lodhi representing the Real Estate Board of
23 New York. REBNY's here today to support the zoning
24 and Economic Development proposals for the Garment
25 Center.

1
2 EDC has developed a two-part program in response
3 to the communities long standing desire to preserve
4 apparel production in Manhattan's garment district.

5 EDC's first program is the IDA tax abatement
6 program that will generate 15-year leases at
7 reasonable rents for 300,000 square feet of apparel
8 tendency and participating buildings. EDC's second
9 initiative is the commitment of \$20 million for the
10 purchase of a building in partnership of a non-profit
11 entity to provide space for apparel production long
12 into the future. Both of these programs were
13 developed in response to the recommendations of the
14 Garment Center Steering Committee and represent the
15 most meaningful commitment the city has ever made to
16 preserve apparel production in its historic home.

17 In addition, the city will also lift the zoning
18 restrictions set in 1987, that imposed severe
19 restrictions on permitted and expanded commercial
20 uses. This restrictive zoning ultimately proved to
21 be an inadequate tool in aiding the apparel industry
22 as did other manufacturing zoning designations
23 throughout the city. However, these restrictions did
24 nothing to slow the decline of apparel production in
25 the area over the past 30 years, including the first

1
2 five years in which the restrictions had regular
3 enforcement.

4 Zoning is simply an ineffective tool in
5 protecting an industry from the larger and evolving
6 local, national, and global economic forces. The
7 city imposed a unique but well-intentioned burden on
8 midblock buildings to halt the decline of apparel
9 production jobs. However, 30 years of evidence shows
10 that these restrictions did not achieve its goal.

11 Instead, the city has developed a robust economic
12 proposal at the behest of the community and
13 industrial stakeholders which will retain a core of
14 the apparel manufacturing industry in the Garment
15 Center for the long term. This special Garment
16 Center text amendment and the EDC proposal represents
17 our best chance to assist the apparel manufacturing
18 industry and we urge the Council to approve these
19 actions. Thank you.

20 CHAIRPERSON MOYA: Thank you very much for your
21 testimonies today. Anybody else wish to testify that
22 hasn't? Okay, seeing none, I am going to close this
23 hearing now on this application and it will be laid
24 over. This concludes today meeting and I thank the
25 members of the public, my colleagues on the

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Committee, our Speaker, the Council and the Land Use
Staff for attending. This meeting is hereby
adjourned. [GAVEL].

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date April 1, 2018