

**Statement of Carolyn Grossman Meagher, New York City Department of City Planning
Director of Economic Development and Regional Planning before the Land Use and Economic
Development Committees of the City Council**

29 June 2023

Good afternoon, Chair Salamanca, Chair Farías, and members of the Land Use and Economic Development Committees. My name is Carolyn Grossman Meagher, and I am the Director of Economic Development and Regional Planning at the New York City Department of City Planning (DCP). Thank you for the opportunity to be here today to discuss Industrial Policy and Intro 1012. I am joined here by Kitty Chan of the Department of Small Business Services (SBS), Neil Padukone of the Office of Talent and Workforce Development, Jennifer Sun of the New York City Economic Development Corporation (NYCEDC), and Lindsay Greene of the Brooklyn Navy Yard. They represent agencies and organizations that also play a critical role in shaping the administration's economic policy.

This administration is committed to smart, innovative, and equitable strategies to grow the city's industrial sector.

I'd like to start by summarizing recent interagency collaboration around planning for the industrial sector, share a bit of background research, and, specifically, what we believe constitutes the "industrial" economy. A data booklet with key statistics I'll mention today, as well as more detailed definitions, are attached to this testimony. We would be happy to follow up with members interested to learn more about the facts and figures.

From our perspective, the industrial sector represents three big categories of activity: businesses and workers who **make things**, businesses and workers who **move things**, and businesses and workers that provide industrial services or **support** other types of activity.

- The businesses that **make things** include our construction industry -- with 139,000 New York City jobs, the manufacturing industry -- with 57,000 New York City jobs, and the production of information and media -- with 64,000 jobs.
- The businesses that **move things** include everything related to transportation and logistics -- with 125,000 NYC jobs, as well as the wholesale trade industry, which employs 121,000.
- And lastly the businesses that **support** and provide services, which includes the 43,000 workers at our utility companies, waste management, auto repair, and other industrial service businesses.

Altogether, that's 550,000 people employed in 48,000 industrial businesses, representing 14% of the city's total private sector employment.

From 2012 to 2022, the city gained 40,000 private sector industrial jobs and grew by 8%. However, that growth was slower than the citywide average of 18%, slower than the 20% growth of office-based jobs, and much slower than the 38% growth in education and healthcare jobs over the same period.

Within the industrial economy, there was a varied picture of growth and decline. Over that decade we saw job gains in construction, production of film and media, telecommunications, transportation and warehousing that all outpaced the city average job growth of 18%. At the same time, other industrial subsectors, primarily manufacturing and goods wholesale, declined – a continuation of a decades-long pattern.

Despite its slow growth, the industrial sector remains an important source of good jobs that are accessible to a wide range of New Yorkers. 30% of jobs in the city that do not require a bachelor's degree but pay more than \$50,000 a year are in the industrial sector. We also know that 70% of industrial workers are persons of color, and 52% are foreign born, skewing higher than the average for all other industries. This sector punches above its weight in helping the city maintain an economy that is diverse and inclusive.

It's also very important to note that it's not just about jobs and job growth. The industrial sector also houses our critical infrastructure -- which in many cases just isn't that job dense. Think about a power plant, or a bus depot. These uses may not significantly contribute to job growth, but they are extremely important to the basic functioning of the city. It's integral that these businesses have somewhere to locate, and that we enable them to operate safely and successfully.

Building on this baseline understanding of the industrial sector, our goal as an administration is to retain and expand the industrial job base that is critical to the functioning and growth of our city, as well as to help the sector modernize and evolve along with the city, and to ensure that our workforce is well positioned to meet and benefit from the emerging needs of this sector. Along these lines, I'd like to turn to the work being done to support the industrial sector in New York City. Multiple administrations have developed a range of tools that seek to support our industrial businesses, through tax programs that support operational and capital challenges, programs to catalyze and support the growth of particularly promising subsectors, workforce programs that provide training and pipelines to good jobs, and land use policies that seek to enable businesses to meet their space needs.

TAX PROGRAMS

The primary tools that we have to support industrial businesses are tax programs that provide operational and capital support, workforce development programs that create pipelines to support businesses and land use reforms that allow us to create space for our growing economy.

The city offers a range of tax incentives geared towards preserving and growing industrial businesses and jobs. These include the Industrial & Commercial Abatement Program (ICAP) which supports the modernization, expansion, and physical improvements of industrial and commercial buildings; the New York City Industrial Development Agency (NYCIDA) awards funding which supports business growth, relocation, and expansion by lowering the cost of capital investment; the Industrial Business Zone Credit Program; the Energy Cost Savings Program (ECSP); and the Relocation and Employment Assistance Programs (REAP).

In 2005 the city created the Industrial Business Zones program, which makes the IBZ Relocation Tax Credit available to 21 priority geographic areas which cover about half of our existing manufacturing zones. This program also created funding for dedicated business assistance via 9 Industrial Business Service Providers (IBSPs) contracted through SBS. These IBSPs connect businesses to resources they need to remain competitive in NYC - such as the financing and incentives programs mentioned above, as well as state and federal resources, helping to navigate government rules and regulations, and recruit and train employees.

WORKFORCE DEVELOPMENT

On workforce development, SBS is leading the way on helping businesses modernize, training workers and providing employers with newly trained, skilled labor they need to thrive in a post-COVID 19 economy.

In fact, FY 2023 saw SBS serve more than 84,000 people at their 18 Workforce1 Career Centers. During that same period, SBS enrolled just under 5,500 individuals in trainings.

In the coming years, the City will be working to enact the Mayor's moonshot goal of connecting 30,000 New Yorkers with apprenticeships by 2030, ensuring that more New Yorkers can access fulfilling careers while earning while they learn. The industrial sector, with its large supply of jobs that are largely accessible even to those without formal college credentials while paying wages higher than many other similar sectors, is a particularly opportune industry for expanding the apprenticeship model. To that end, NYC Talent and SBS will be expanding upon the work of the ApprenticeNYC for Advanced Manufacturing program to build additional industry-wide talent training pipelines in key, vital occupations.

Pathways to Industrial and Construction Careers (PINCC), meanwhile, a program supported by the US Economic Development Agency's Good Jobs Challenge, will help place nearly 2,300 low-income New Yorkers on the trajectory to careers in two high-growth sectors of the city's economy over the next three years. PINCC is not only developing new industrial career trainings and matching in sectors that are key to a resilient supply chain but is nesting those trainings with social services provided by the Human Resources Administration to ensure that non-technical elements of workforce development support job retention and career growth in the industrial and construction sectors. PINCC will provide a model for a holistic workforce development model that we hope can inform programming citywide.

EMERGING SECTORS

Looking to the future, NYC is leading the way in multiple emerging sectors of the economy, including sectors within the Industrial economy.

NYCEDC is taking bold actions to help achieve the city's nation-leading climate goals while advancing green economic opportunities. The Green Economy represents industries and workers that are contributing to the city's decarbonization and environmental goals. There were at least ~140,000 New Yorkers employed in the Green Economy in 2021, and that number is expected to grow to over ~230,000 by 2030 as we create new jobs specifically to meet the needs of the green economy and evolve traditional jobs into green jobs. The Green Economy also creates new opportunities for Minority and Women Owned Business Enterprises (MWBE) that are dedicated to green retrofitting, green construction, and manufacturing. EDC's ConstructNYC started in 2016 and is designed to connect small-to-mid-sized minority/women owned and otherwise disadvantaged business enterprises with exclusive opportunities to work on NYCEDC construction projects.

Within this burgeoning Green Economy, there is particular opportunity in the offshore wind sector. Over the next 15 years, the city will make the investments in our industrial waterfront required to attract offshore wind operations.

The city also supports the growth of film and television production through sector specific tax incentives, which account for thousands of living wage industrial jobs.

The city has a strong commitment to reducing barriers to siting and developing new Life Sciences facilities and is investing over \$1 billion in research and development related innovation through LifeSciNYC.

Additionally, EDC's asset management portfolio includes many properties which are located within IBZs. These assets (or tenants) include hundreds of businesses which reflect a range of industrial businesses such as food wholesale at Hunts Point, film and TV production, light manufacturing at Sunset Park and advanced manufacturing at Brooklyn Navy Yard. EDC is investing over half a billion dollars in these critical assets including nearly \$300M in the Made in New York Campus which will be home to a 500,000 square foot film and tv production hub, over \$50M in the South Brooklyn Marine Terminal which will be transformed into a leading offshore wind hub, and we have worked with City, State, and Federal partners to secure nearly \$400M in public funding to modernize and green the Hunts Point Produce Market.

The city has invested heavily in the Brooklyn Navy Yard since the early 2000s, with a lot of investment coming since 2015 in particular. The city invested over \$140M to leverage 1.2x that in private financing to create or renovate over 1.5 million square feet of modern industrial space to support over 4,300 jobs at over 200 companies, with more jobs expected as additional spaces complete work. Additionally, the city has committed over \$200 million as partial down-payment for BNY's first new construction Master Plan development project along Kent Ave.

This is on top of the millions BNY receives every few years to assist with upgrades to their base building and in-ground infrastructure, keeping a state of good repair for the 550+ tenants that call the Yard home.

LAND USE

Now I'll talk a little about land use, which is important because our rules set the stage for how our businesses can physically locate and grow.

Representing 28,500 acres of land – an area the size of the City of Boston – our Manufacturing zoned, or “M zoned” land is one of the city’s precious resources. With 14% of our land allowed for industrial uses, New York City falls somewhere in the middle among our peer cities. We have proportionally less industrially zoned land than Detroit, Philadelphia, or Baltimore, but considerably more than Washington D.C., Boston, or San Diego. And in the last decade, we’ve largely preserved our manufacturing areas, rezoning less than 2% of M-zoned land to non-M uses since 2012.

Despite the name, New York City’s “Manufacturing” zones have historically allowed for a wide range of uses, which include but are not exclusive to manufacturing. Today, our M Zones are home to 20% of all New York City jobs, representing a diverse range of businesses. That includes half of the city’s 550,000 industrial jobs, like the 57,000 construction, 33,000 manufacturing, and 87,000 transportation and warehousing jobs that are registered to businesses located in M zones.

Our M Zones also house nearly half a million non-industrial jobs, including 230,000 office-based jobs and 137,000 jobs in supporting retail, food, and services businesses. This diversity means that industrial businesses are surrounded by a supportive economic ecosystem, and it also means our M zones have been among the most flexible in accommodating a range of commercial, recreational, and other uses that have historically been locked out of other areas of the city due to perceived conflict with residences.

That flexibility is the reason we saw significant job growth in M Zones over the last decade. Employment in M Zones grew by 7% for industrial businesses and by 34% for non-industrial businesses. However, we also know that flexibility contributes to a perception of competition for space among different kinds of businesses, especially those that can’t locate in other areas – which frankly means we just need more space.

One of the reasons there’s not enough space in M areas is because they are very low density. 96% of our M zones allow only up to 2 FAR. (For those who are not familiar – FAR, or floor area ratio is the primary means by which zoning regulates building densities in the city. So, for instance, a site that is 10,000 square feet in size and has an FAR of 2 can have a building of a maximum 20,000 square feet). Additionally, they suffer from a whole host of other zoning challenges that make facility expansion and modernization prohibitively difficult to execute for

most space users. They simply can't build bigger or build up, and that means we're not adding new space even as we add more businesses to these areas.

As many of you are aware, DCP is working on proposals for three citywide text amendments to support a more inclusive, equitable, "City of Yes." The second, *City of Yes for Economic Opportunity*, while born of and primarily focused on recovery in our commercial main streets and central business districts, is also able to help address the challenges of industrial businesses and industrial areas in a few really critical ways:

First -- this proposal would include a range of new higher density M district zoning options to be deployed in future rezoning areas. These tools would allow for businesses to locate and expand at higher densities and relieve all the physical challenges we typically see in developing a building in an M area. Imagine a 4-story loft building sitting alone in one of our Industrial areas, surrounded by surface lots or 1-story buildings. Likely, the zoning in place does not allow a business to replicate that building, but our new zoning tools would. These new zoning tools would need to be mapped as part of future rezonings, but they will give us and the Council tools to work with and we look forward to working with you to shape them.

City of Yes for Economic Opportunity will also seek to fix a range of other physical problems that make it challenging to build the kinds of spaces businesses want. Imagine a film studio that wants to build a soundstage, only to discover that rear yard requirements or setbacks make it impossible to build the high ceilings and open interior spaces required. *City of Yes for Economic Opportunity* will create a pathway in zoning to allow businesses to seek limited bulk relief that would enable this kind of construction.

Imagine next, a 3D printing company that wants to reuse an old loft building, only to discover that loading requirements mean that you must cut a hole in the side of the building to add 3 or 4 truck berths just to be able to tenant the space. *City of Yes for Economic Opportunity* will propose changes that ensure loading requirements still apply to new buildings, but don't stand in the way of re-tenanting existing space.

Also worth noting that as important as M Zones are today, of the 550,000 Industrial jobs in NYC, 284,000 are registered to locations that are NOT zoned for manufacturing. How can this be? We think in many cases, an industrial business may not be doing "industrial business" on their headquarter site. Consider, for instance, that for construction jobs, the "site" of production is the construction of a building, which might be in a residential area, or for a transportation company, a moving truck on a street instead of in the confines of a building. In other cases, we may see industrial businesses stretching the zoning rules governing what they can do in a commercial area -- and we think that we need to embrace that stretch, because the idea that all makers need to be far away from residential parts of the city is antiquated. *City of Yes for Economic Opportunity* will embrace this idea and will for the first time, legalize industrial uses in all of our commercial zones.

Imagine a shop that can now sell and manufacture tortillas in the same space, or a bakery that can expand into the next storefront as its business increases instead of moving out of the neighborhood. Industrial uses would still have environmental regulations to make sure they're compatible with areas that have residents, but we think it will be a huge win for businesses to just get zoning out of the way and allow for a much wider range of businesses to occur – not to mention a huge opportunity given vacant storefronts, and office buildings.

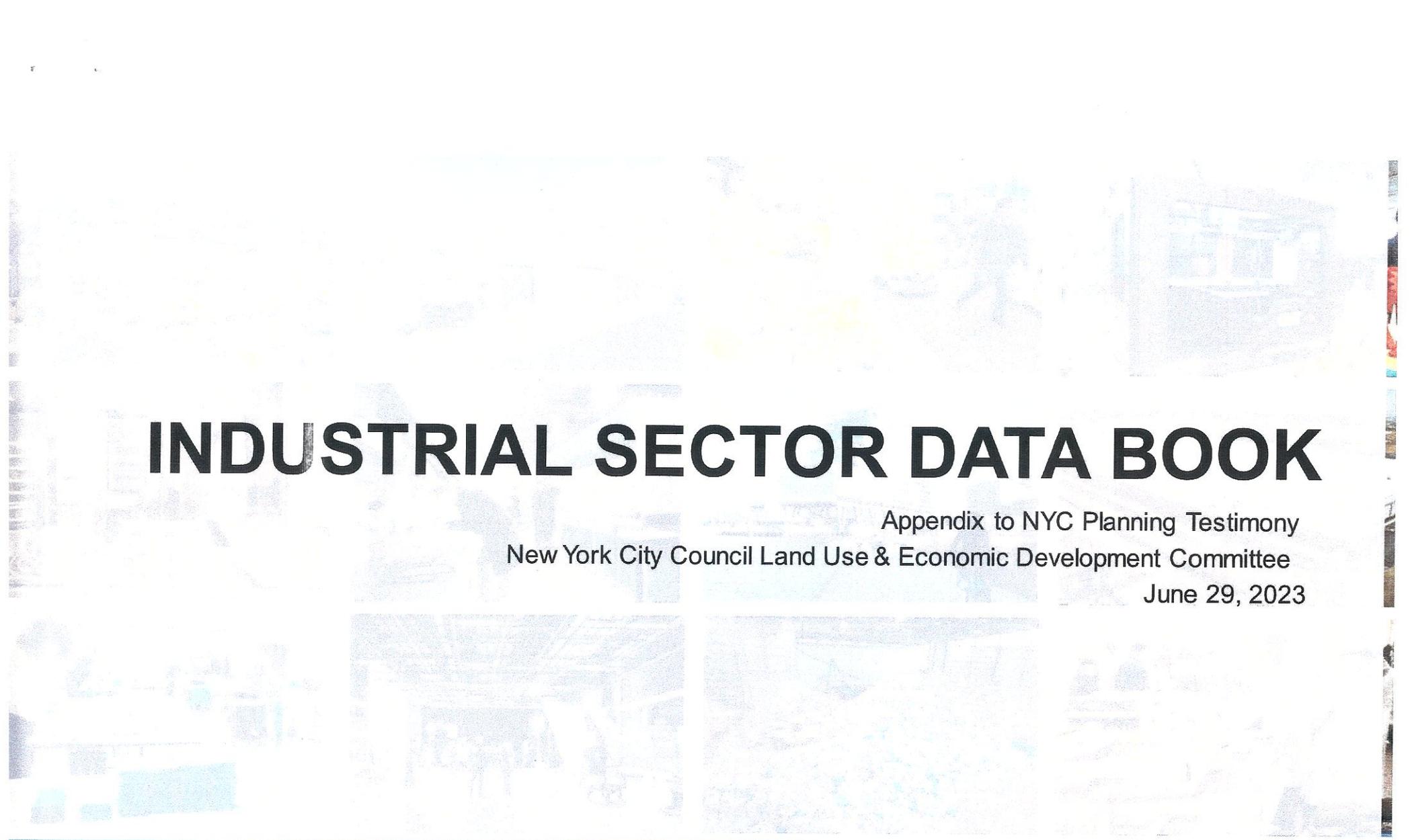
Finally, *City of Yes for Economic Opportunity* will also help industrial businesses because it's helping businesses that today are restricted to manufacturing zones to find a home outside of industrial areas – amusements and nightlife, for example. Amusements have historically only been allowed in Manufacturing areas and Coney Island, which not only is a disservice to communities that may benefit from having more family-friendly entertainment nearby but also means that amusements have nowhere else to go. And our nightlife options have been hampered by outdated zoning rules that prohibit dancing in most areas even as live music is allowed – so without changing the important rules that govern the sizes of establishments, we're making common sense changes to allow dancing and, in that sense, also providing an important relief valve for locating in commercial areas.

Together, we think these changes can help our industrial businesses evolve and meet their needs, and in doing so help us grow this sector. Ultimately, our industrial economy is never going to look like other parts of the country. Consider this: when Micron landed upon exurban Syracuse for their new facility, they picked a site the size of LaGuardia Airport. Modern industrial buildings being built in the national market are on average between 100,000 and 300,000 square feet and set on 10 to 30 acre lots and in that context, NYC is just never going to compete. But for businesses that can thrive in our space-constrained city and take advantage of our incredible talent and our unparalleled customer base, we can make our land use policies work a little better to help businesses locate and expand.

These are all proposed tools, so we look forward to working with you through City of Yes to enact and deploy them effectively.

Finally, turning to the bill, we think Introduction 1012 is timely and we share many of the goals of this bill. We particularly appreciate and agree with the need to make data-informed decisions that incorporate long term, citywide planning into our neighborhood level and project level work, and we think a process like this could prove to be a useful complement to ongoing planning work. We will want to work with you to make the timeframe and scope both achievable and impactful, and we look forward to those follow up conversations.

In conclusion, we very much appreciate the opportunity to testify and welcome further discussions to partner with you on this matter.

The background of the page is a collage of various industrial and urban scenes. It includes images of large industrial buildings, factory interiors with machinery, and aerial views of city streets and industrial zones. The images are faded and layered, creating a textured, semi-transparent effect.

INDUSTRIAL SECTOR DATA BOOK

Appendix to NYC Planning Testimony
New York City Council Land Use & Economic Development Committee
June 29, 2023

What do we mean when we say “Industrial jobs”?

To understand trends in the industrial sector, we analyze employment patterns in “industrial” businesses, which represent and are categorized into the following sectors. Please refer to the Appendix for a complete, detailed list of industries included in this analysis.

CONSTRUCTION	PRODUCTION	DISTRIBUTION	INDUSTRIAL SERVICES
<p>Construction</p> <ul style="list-style-type: none"> Residential and Nonresidential Building Construction Highway, Street, and Bridge Construction Utility System Construction Building Contractors 	<p>Manufacturing</p> <ul style="list-style-type: none"> Advanced Manufacturing Consumer Good Manufacturing Heavy Manufacturing Food Manufacturing <p>Information & Media</p> <ul style="list-style-type: none"> Film & Recording Telecommunications 	<p>Transportation & Logistics</p> <ul style="list-style-type: none"> Passenger Transportation Warehouse & Storage Freight Transportation <p>Wholesale</p> <ul style="list-style-type: none"> Food Wholesale Material Wholesale Consumer Goods 	<p>Waste Management, Utilities & Other Services</p> <ul style="list-style-type: none"> Repair & Other Services Utilities Waste Management

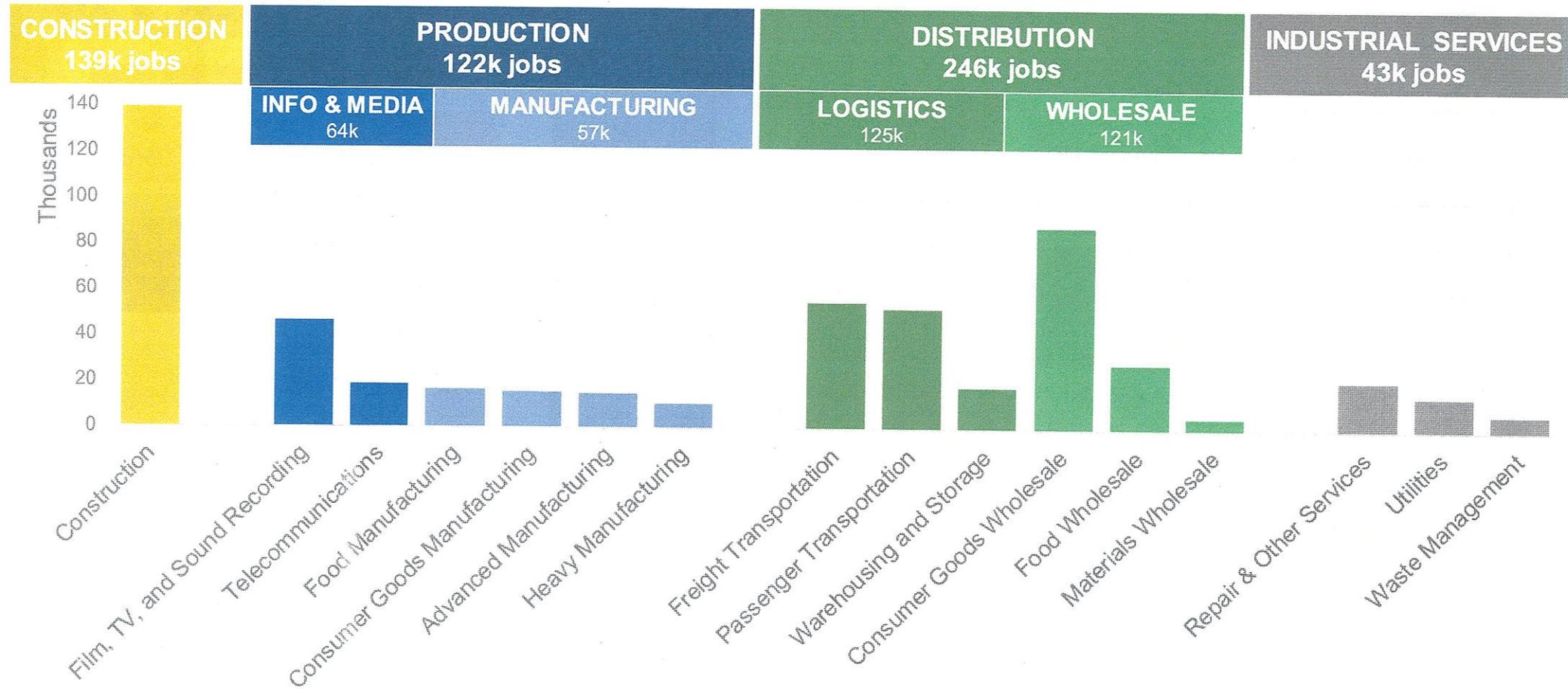
Making stuff

Moving stuff

Supporting stuff

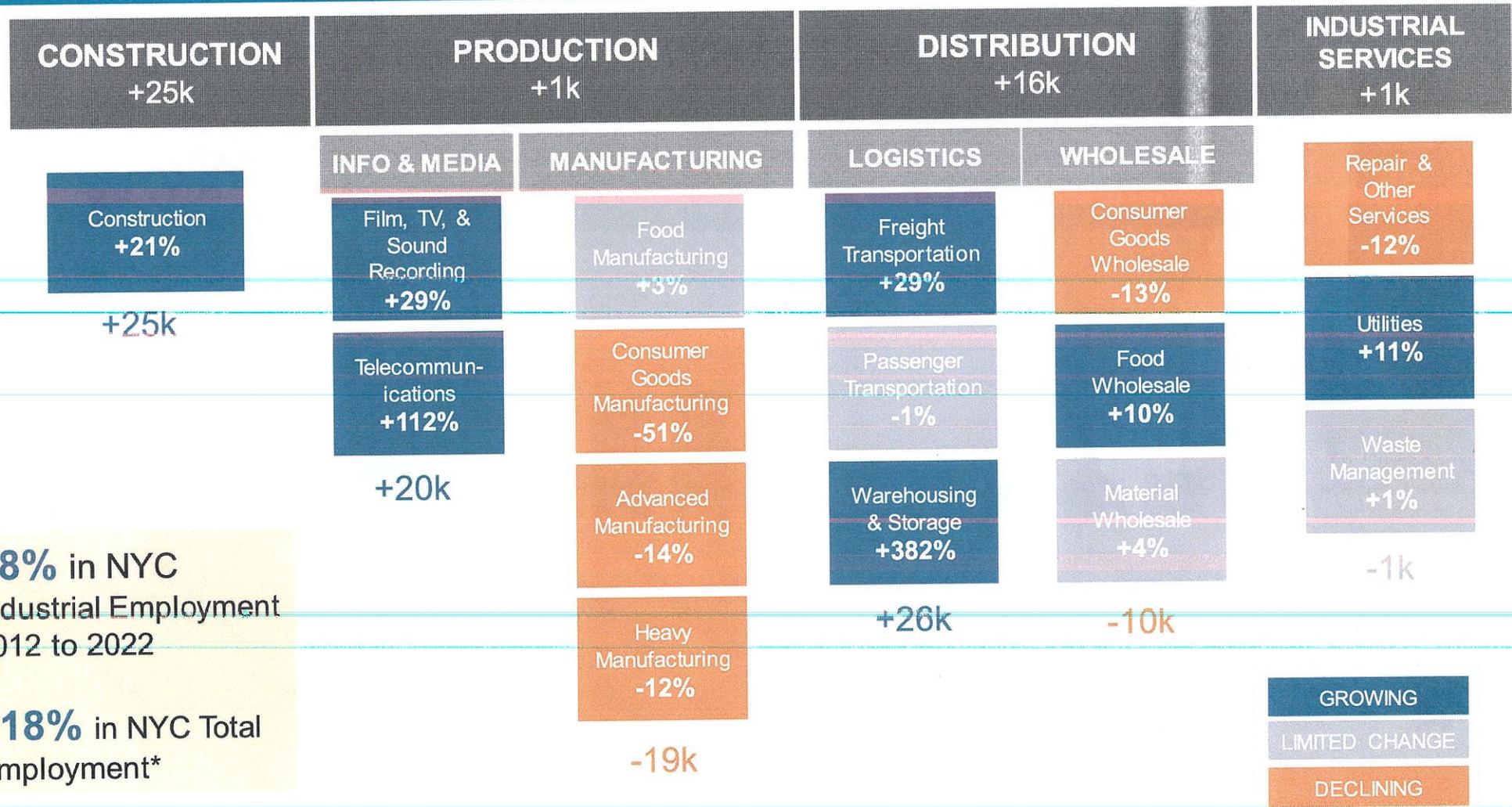
550k Industrial Jobs Represent 14% of 2022 NYC Private Sector Employment

Private Sector Industrial Employment, Q3 2022 Avg

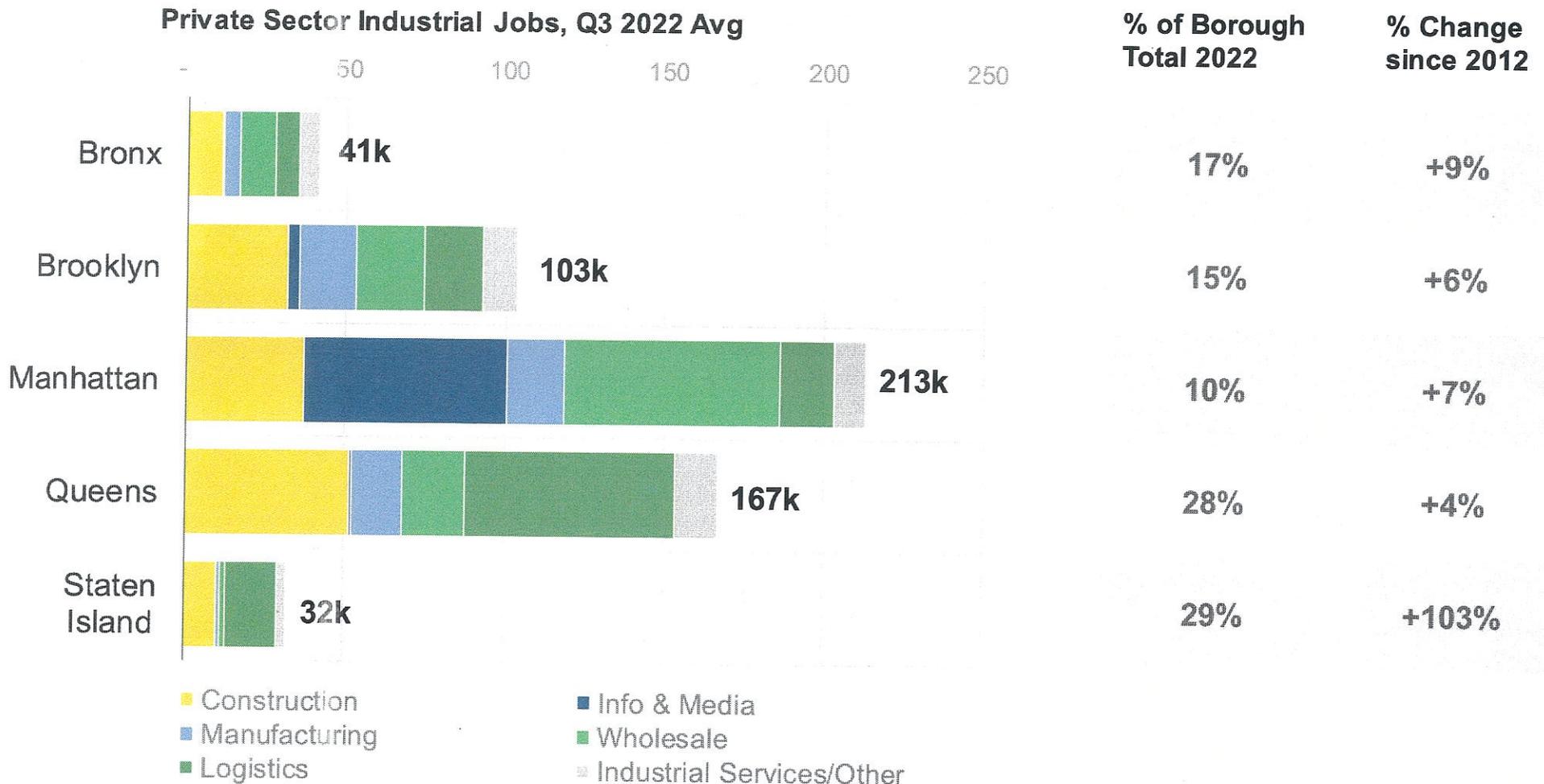


Source: DCP analysis of New York State Department of Labor (NYSDOL) Quarterly Census of Employment and Wages (QCEW), Q3 2022 preliminary release

Change in Private Sector Industrial Employment 2012 to 2022



Private Sector Industrial Employment Trends by Borough



NYC Workers Without a Bachelor's Degree by Earnings Over/Under \$50k, 2021

Share of total
Earning \$50k+

NYC Workers without a Bachelor's Degree, 2021
Thousands

OFFICE
26%



INDUSTRIAL
30%



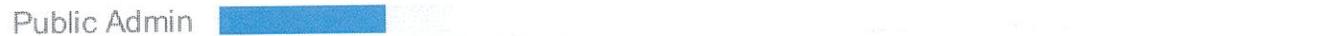
LOCAL SERVICES
14%



INSTITUTIONAL
20%



PUBLIC ADMIN.
10%



Earn \$50k+ Earn <\$50k

NYC Industrial vs. Non-Industrial Workforce Demographics, 2021

		NYC Workers, 2021	
		In Industrial* Businesses	In Non-Industrial Businesses
	% Male	78%	47%
	% w/ less than Bachelors	70%	42%
	% Non-White and/or Hispanic	70%	62%
	% Foreign-born	52%	40%
	% Under Age 55	75%	79%
	% non-NYC resident	22%	15%
	Average Wage	\$62k	\$83k

M Zones | Allow a wide range of non-residential uses (manufacturing, offices, retail etc.)

The original purpose of industrial zoning was to separate noxious externalities from residences.



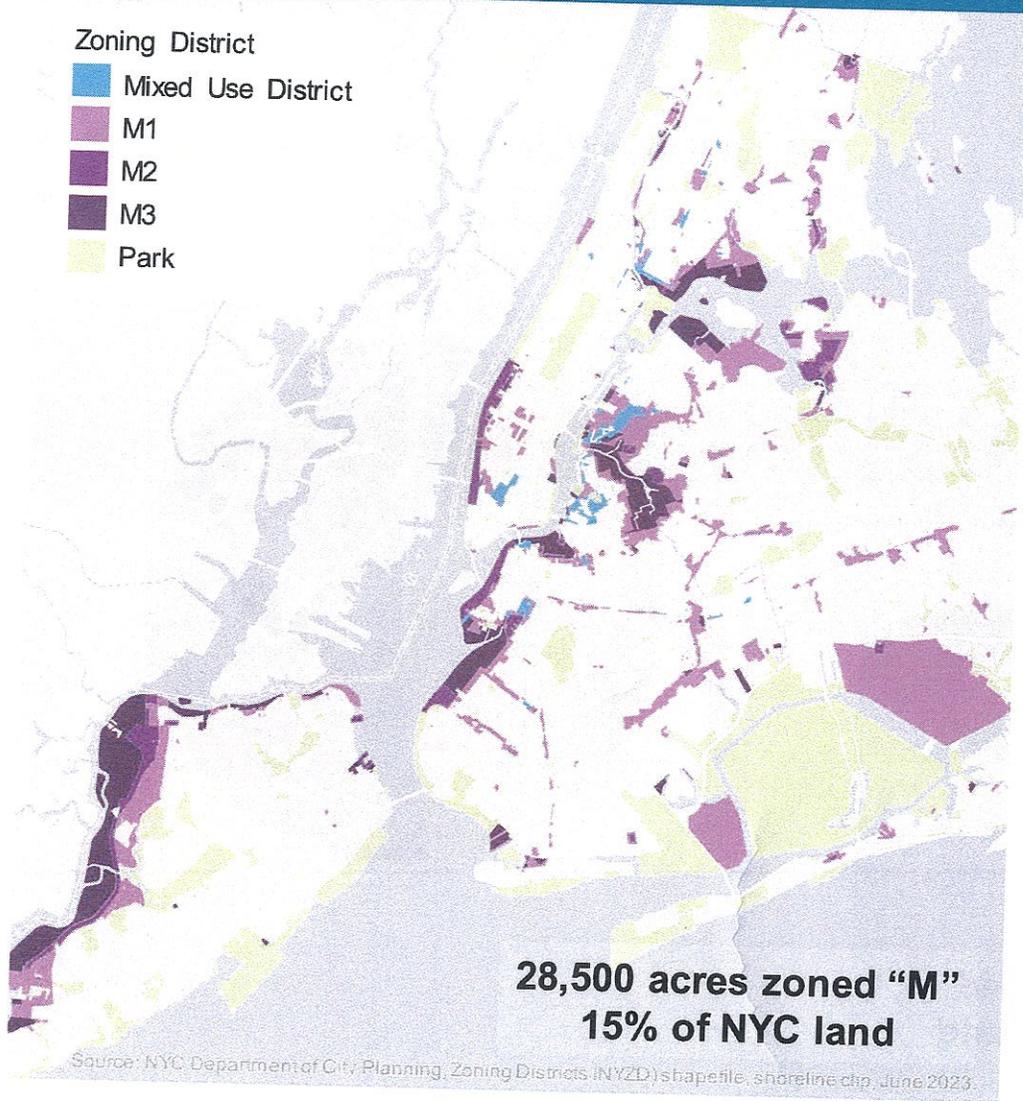
Zoning district	Allowed uses*				
	Industrial	Office	Retail	Hotel	Residential
M3 (Low performance standards)	Yes	Yes	Mostly No	No	No
M2 (Medium performance standards)	Yes	Yes	Mostly No	No	No
M1 (High performance standards)	Yes	Yes	Yes (but big retail needs a special permit)	M1 Special Permit	No**
MX (High performance standards)	Yes	Yes	Yes (but big retail needs a special permit)	M1 Special Permit	Yes
C	Mostly No	Yes	Yes (with some limits)	Special Permit	Yes**
R	No	No			Yes

*Many other uses allowed. See Zoning Resolution. High-level illustrative summary only.

** Exceptions apply

M Zones | 15% of city land is zoned "M"

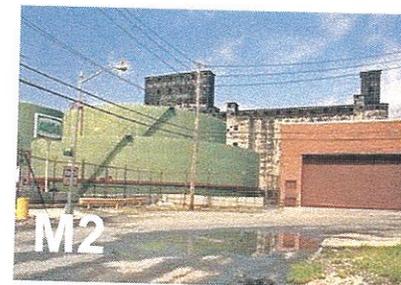
- Zoning District
- Mixed Use District
 - M1
 - M2
 - M3
 - Park



25%
Of "M" acreage



10%
Of "M" acreage



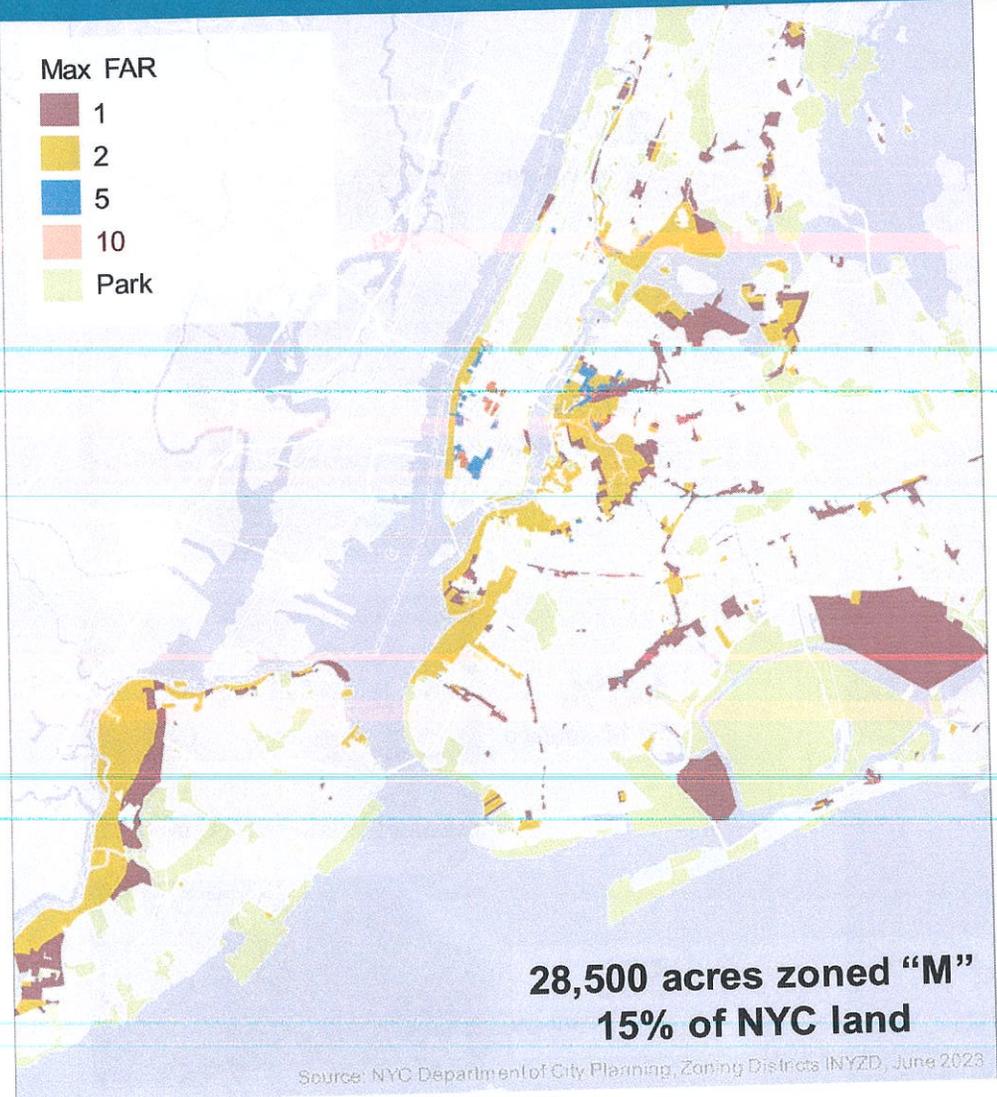
60%
Of "M" acreage



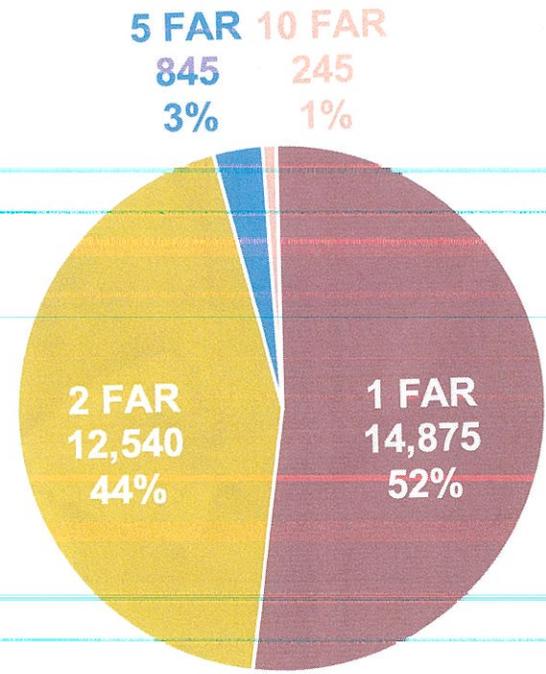
5%
Of "M" acreage



M Zones | 96% of NYC's M Zones allow only up to 2 FAR.

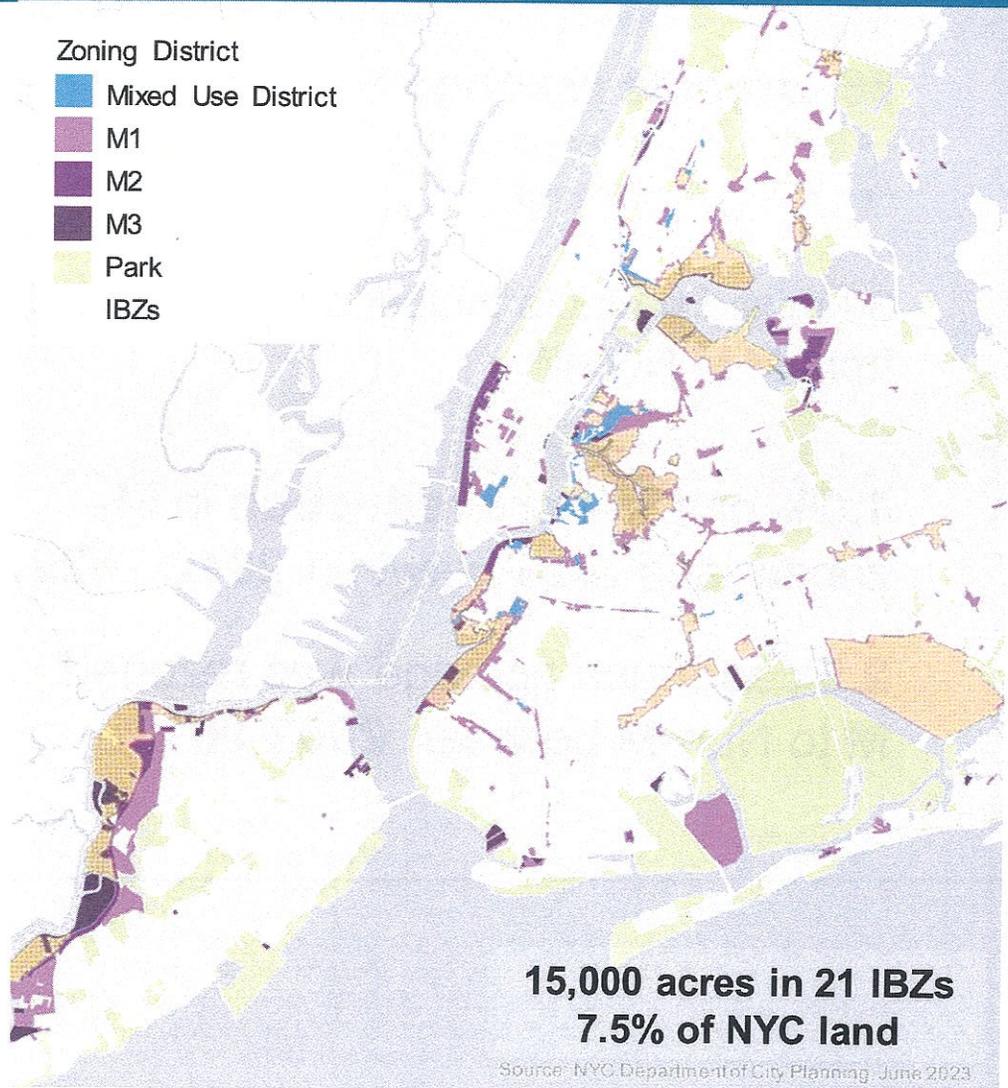


M Zone Area (Acres) by Maximum Allowable FAR

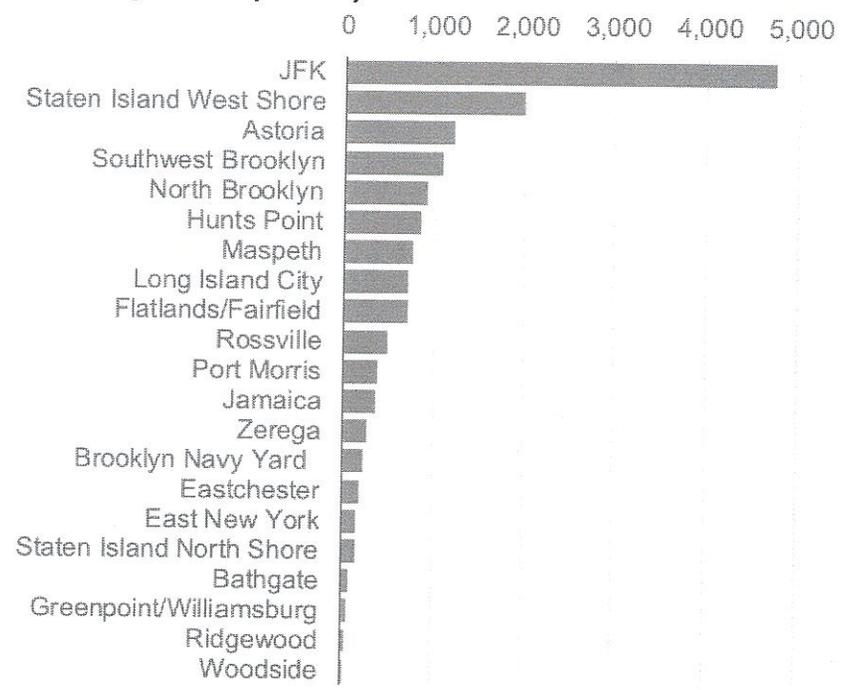


IBZs | 54% of M zoned land is within an Industrial Business Zone

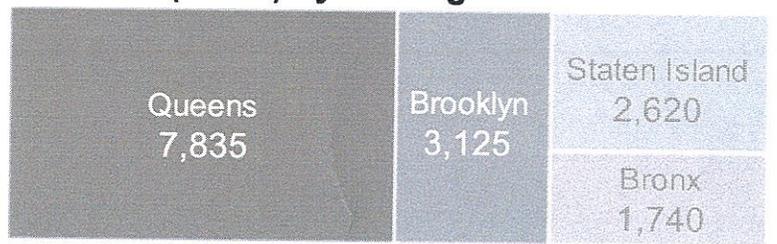
- Zoning District
- Mixed Use District
 - M1
 - M2
 - M3
 - Park
 - IBZs



IBZs by Area (acres)



IBZ Area (acres) by Borough



Please note, there are no IBZs located in Manhattan

Land Rezoned from M to Non-M, 2012 to 2022

 M to Non-M



56 projects rezoned M to Non-M

- 86% private applicants
- 14% government

30 mixed projects included area rezoned from M to Non-M

1.5% or 430-acre reduction in M-zoned land area between 2012-2022

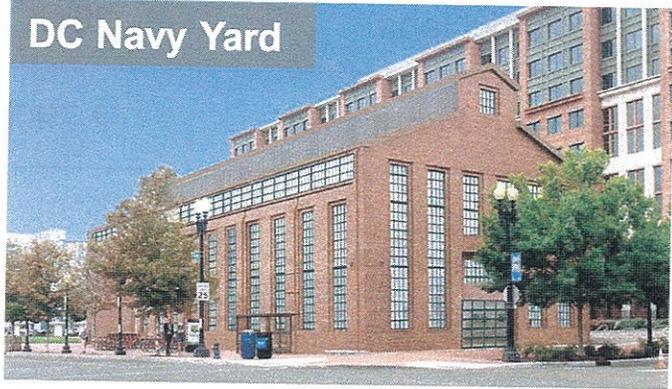
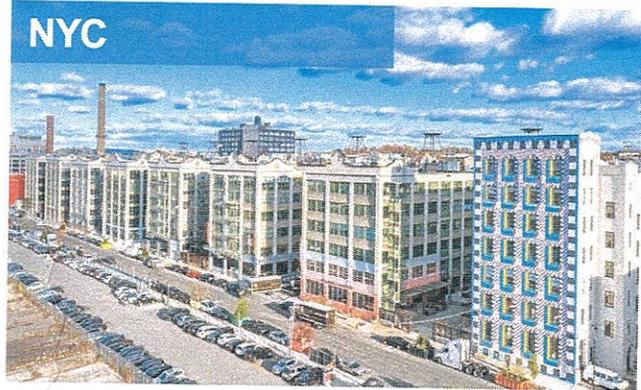
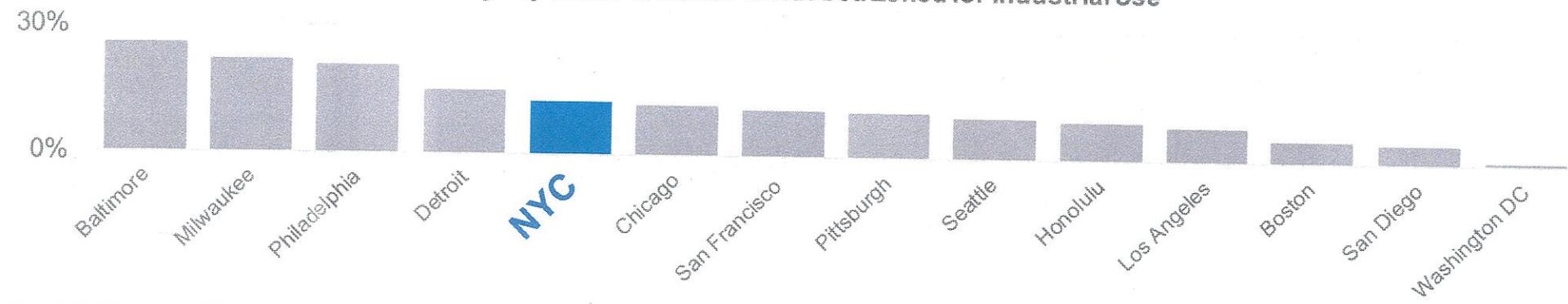
2.5x as much acreage was rezoned M to Non-M between 2002-2012

**Note: Projects refer to zoning map amendments where a M district was changed to a C, R, or commercial overlay. Included are cases where the rezoning was completely M to non-M (e.g., McGuinness Blvd or Halletts North). Additional projects include instances where M district to non-M was one of multiple land use changes within an individual project – such as Gowanus, Innovation Queens, Inwood, East Harlem, etc. This does not include M to MX district changes, which totaled 320 acres – nearly equivalent to M to MU changes from 2002 to 2012 (317 acres). The map reflects both the 56 projects and the M to Non-M portions of the 30 mixed projects. Calculations are approximate and based on best available sources from DCP*

Industrial Land in NYC and Peer Cities

DCP reviewed Industrial plans for peer cities and calculated the below estimates using self-reported data about the amount of industrially zoned land. Please refer to the Appendix for the list of reports.

City-reported Percent of Land Area Zoned for Industrial Use



Industrial Employment in M Zones, IBZs and Elsewhere in NYC

Non-M Zones (Elsewhere in NYC)



Construction sites

Fitzgerald Jewelry – Williamsburg

M Zones



Met Metals – College Point

IBZs

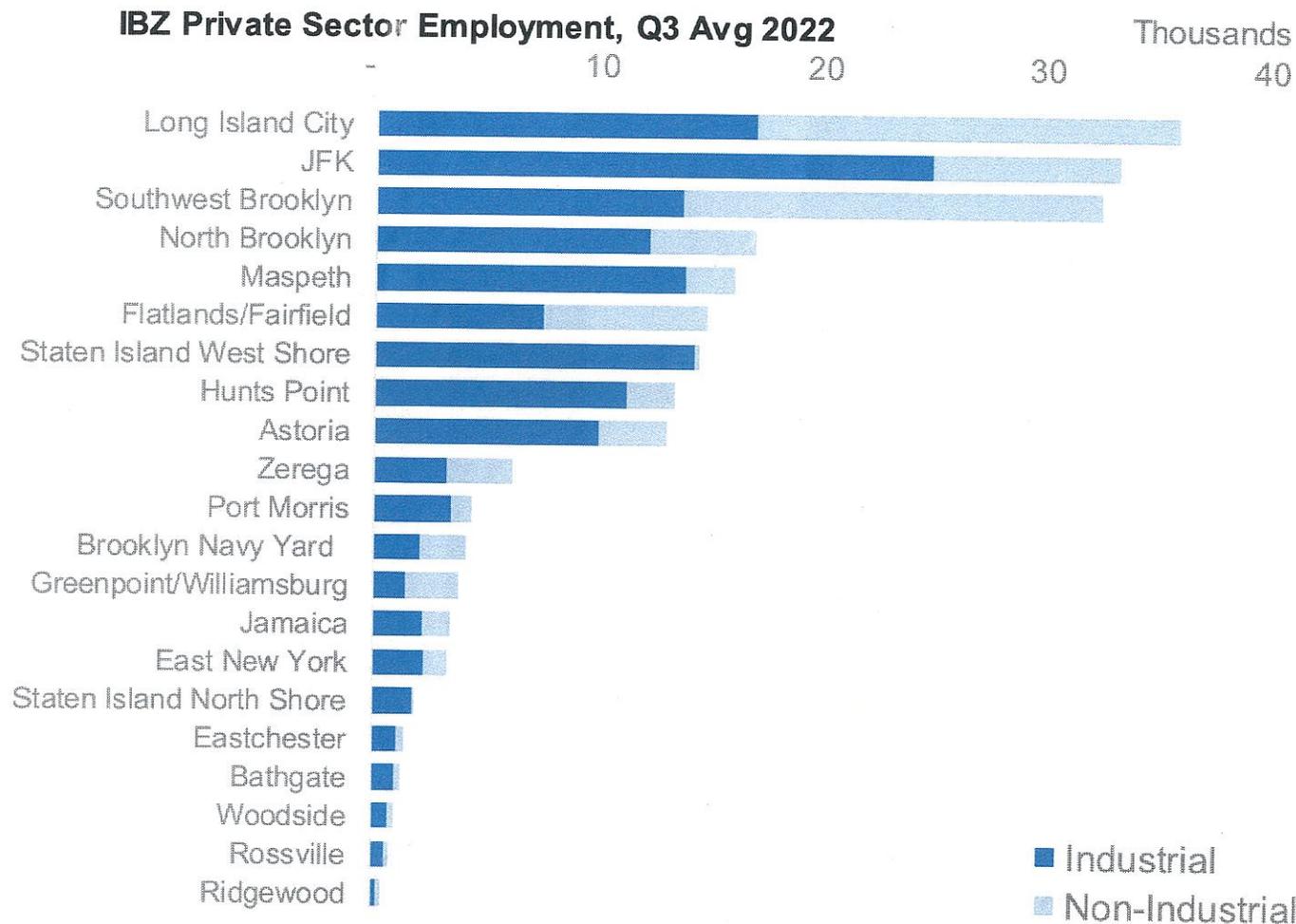


Produce Market – Hunts Point

Industrial jobs	284k	266k	140k
Non-Industrial jobs	2,790k	461k	73k
Land acreage	139k	28k	15k

Jobs are reported at the physical location associated with the business/employer and not necessarily at the site where work is performed. In the case of the Construction industry, for example, Construction jobs generally register with businesses' primary and/or headquarters location and not the temporary site where duties are performed.

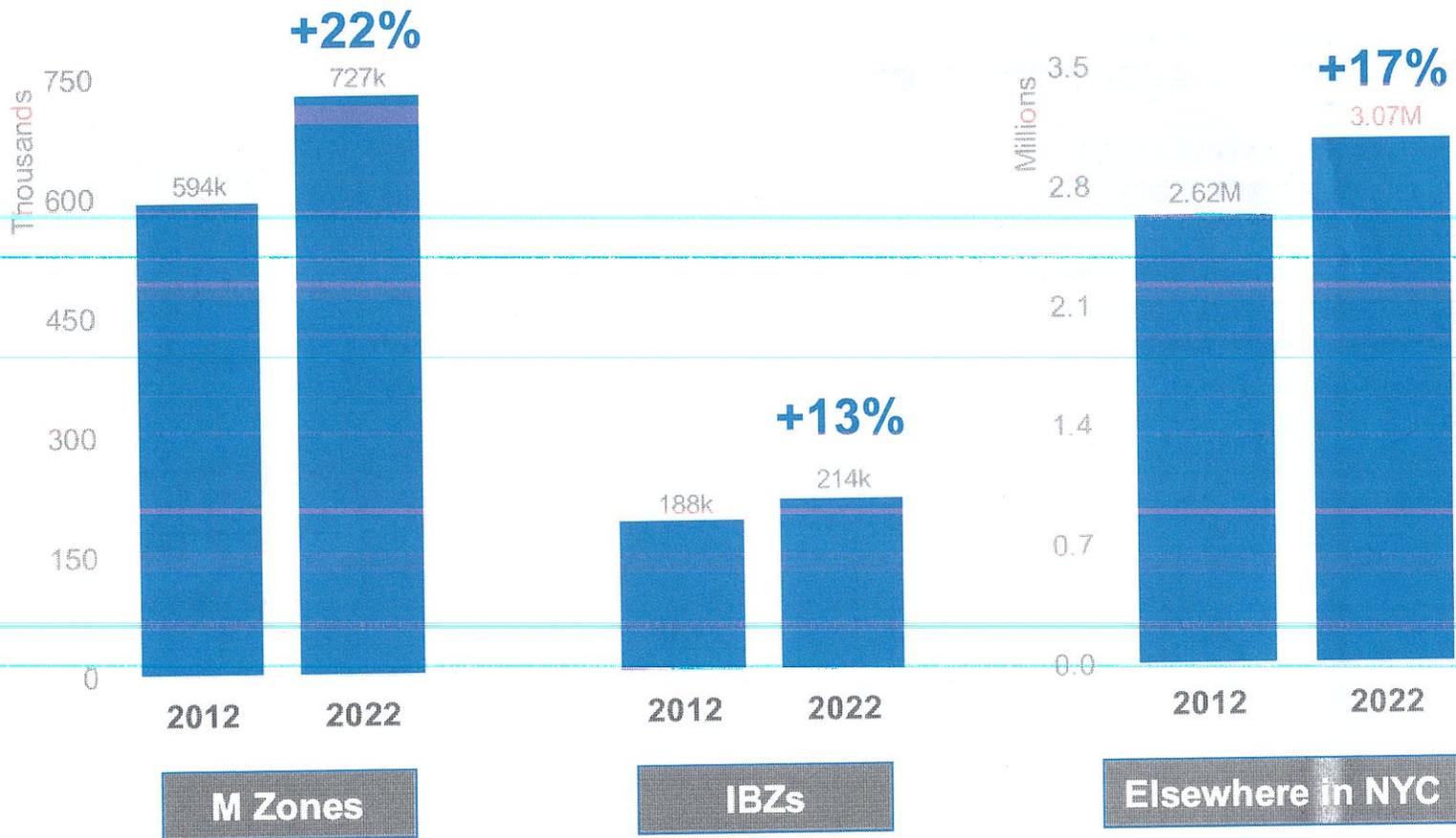
Industrial and Non-Industrial Employment in IBZs, 2022



- **213k** private sector jobs in **IBZs** citywide
- **14 jobs/acre** on average
- **66%** of those jobs are **industrial**. That share varies by IBZ.

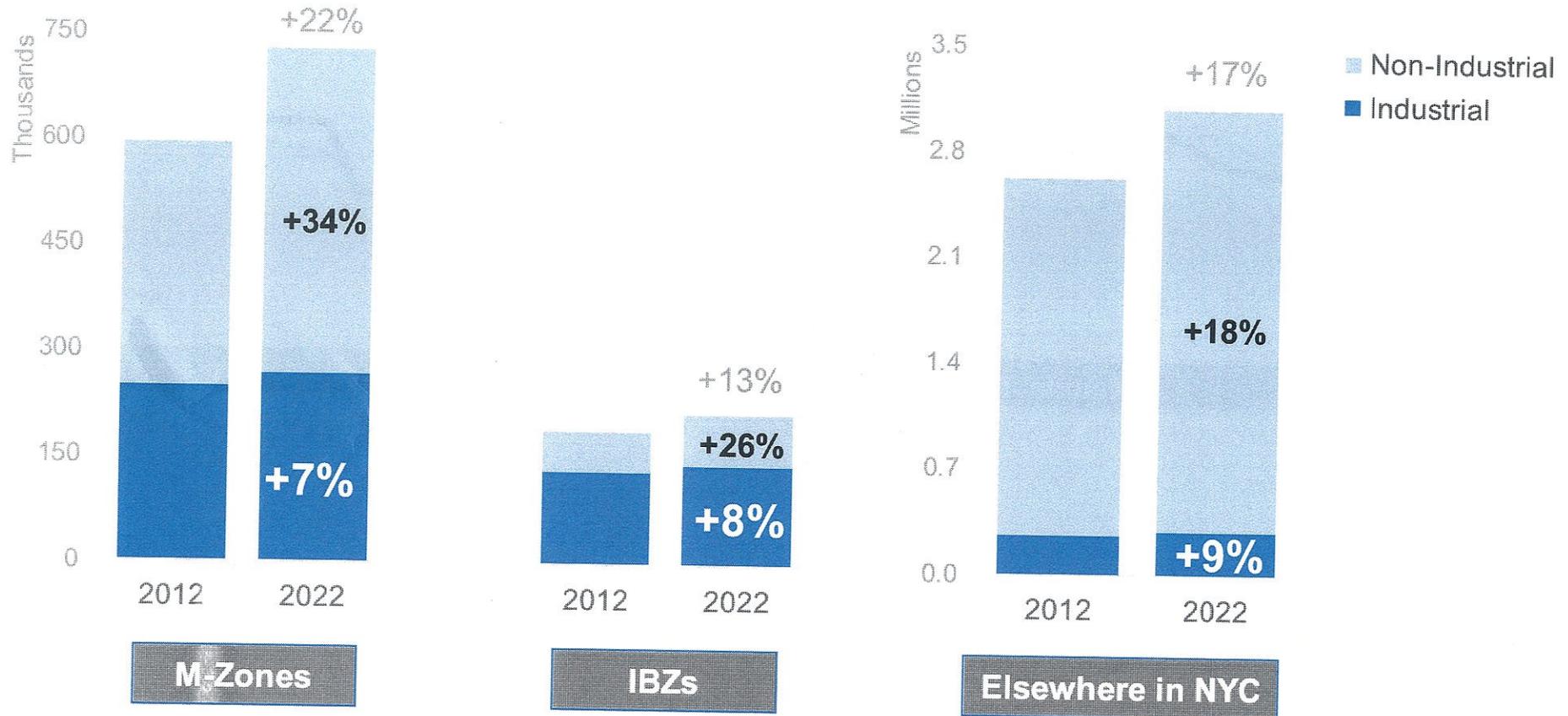
Private Sector Employment in 2012 vs. 2022 in M Zones, IBZs, and Elsewhere

Private Sector Employment in 2012 vs. 2022



Industrial and Non-Industrial Employment in 2012 vs. 2022 in M Zones, IBZs, and Elsewhere

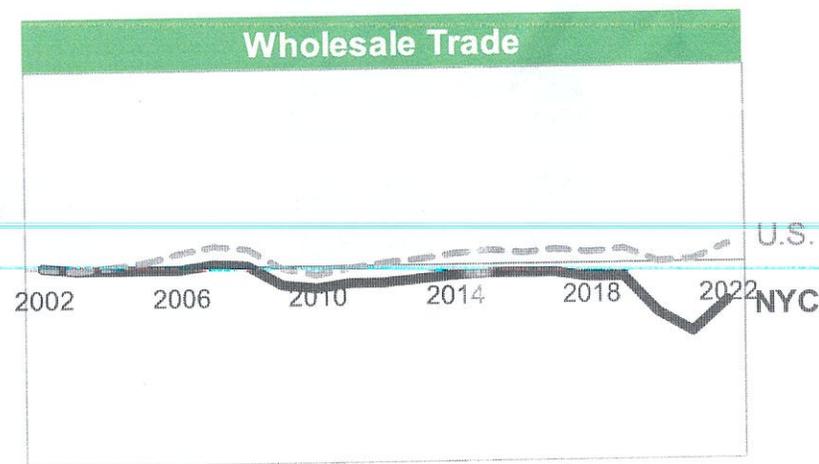
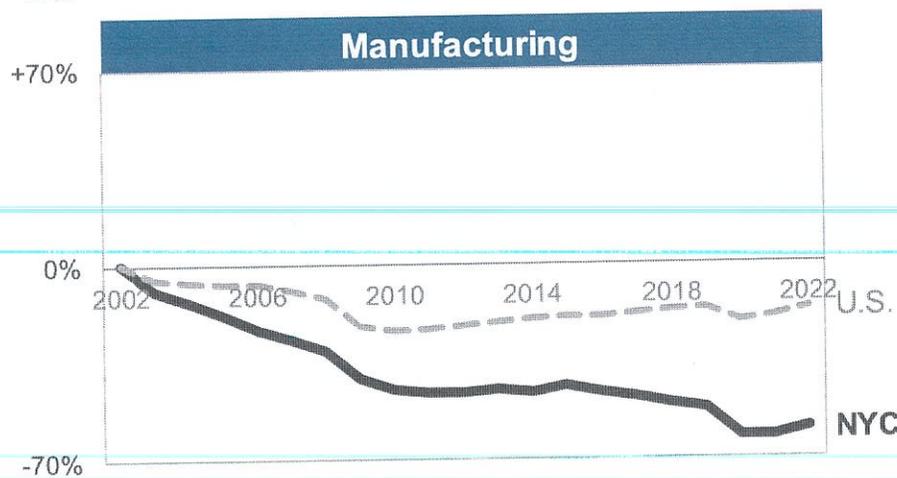
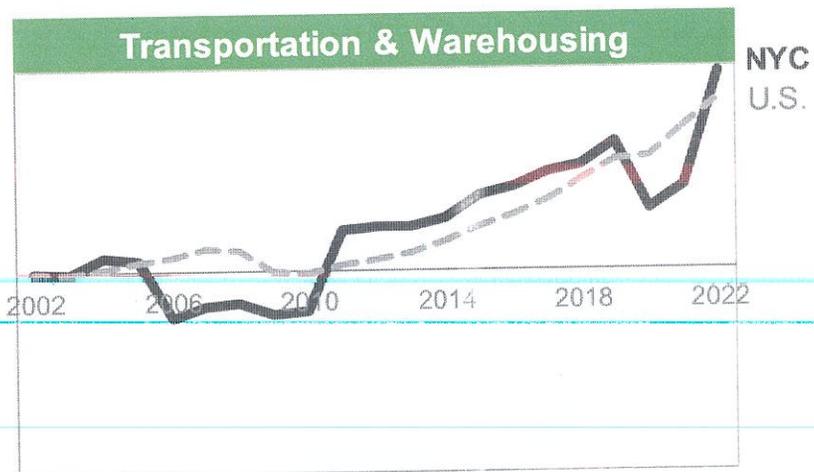
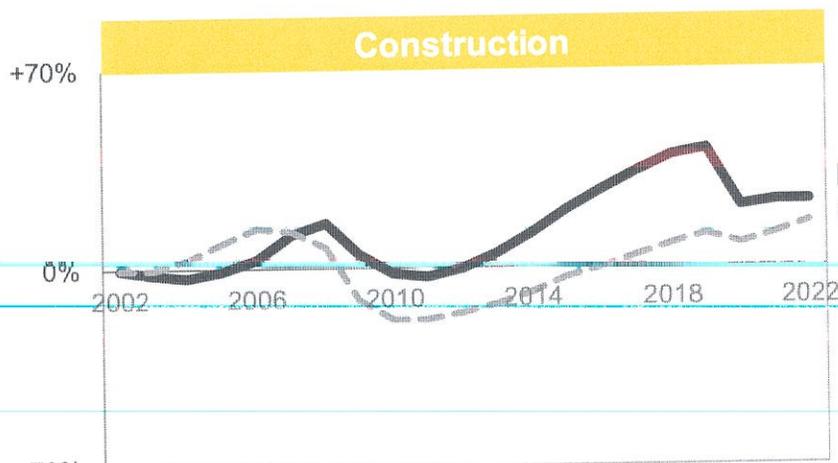
Industrial and Non-Industrial Private Sector Employment in 2012 vs. 2022



Source: DCP analysis of NYSDOL QCEW Q3 2012 and Q3 2022 average, preliminary release; private sector employment only

Industrial Employment Trends in NYC vs. U.S.

Private Sector Employment in NYC vs. U.S., Indexed to 2002



Appendix | Links to Peer City Reports

Cities individually define the industrially zoned areas, and each city has unique use allowances in each. Figures on land zoned for industrial use were derived from each city's definition.

- **Baltimore** - City of Baltimore. "Industrial Opportunity Report." August 17, 2015. P 1.
- **Boston** - City of Boston. *Boston 2030*. March 2016. P 113.
- **Detroit** - Detroit Future City. "2012 Detroit Strategic Framework Plan" May 2013. P 59.
- **Philadelphia** - PIDC. "An Industrial Market and Land Use Strategy for the City of Philadelphia" September 2010. P 48.
- **Honolulu** - DCP analysis of Honolulu Zoning Map with Nearmap overlay. Accessed February 14, 2022.
- **Milwaukee** - City of Milwaukee. "City of Milwaukee Industrial Land Analysis" August 2021. P 13.
- **Chicago** - City of Chicago. "North Branch Industrial Corridor Report – North Branch Framework" May 18, 2017. Page 14
- **San Francisco** - San Francisco Planning Department. "Industrial Land in San Francisco: Understanding Production, Distribution and Repair" July 2002. P 34.
- **Pittsburgh** - Kathleen Oldrey. "Pittsburgh Zoning Districts – RIV Overview" Accessed February 16, 2022.
- **San Diego** - City of San Diego. "Industrial Element" Accessed February 17, 2022. P 111.
- **Los Angeles** - Los Angeles Department of City Planning. "Los Angeles' Industrial Land: Sustaining A Dynamic Economy" December 2010. P 10.
- **Washington DC** - Washington DC Office of Planning. "Chapter 3 Land Use – Washington DC Comprehensive Land Use Plan". August 21, 2021. P 47.

Appendix | Industrial Sector Definition

To size and analyze trends in the “Industrial” sector, DCP used the attached list and categorizations of North American Industry Classification System (NAICS) 6-digit industry codes developed in partnership with sister agencies and participants in the Industrial Working Group.

This list of codes and complementary categorizations, subcategorizations, and detailed subcategorizations were used to perform analyses using New York State Department of Labor (NYSDOL) Quarterly Census of Employment and Wage (QCEW) data received through an agreement between DCP and NYS DOL.

Employment data represent unemployment insurance covered jobs. Employment data are revised on a rolling basis with subsequent releases.

**Testimony on Industrial Development Action
Plans Legislation (Intro 1012) from The
Association for Neighborhood & Housing
Development (ANHD)
6/29/23**



Thank you for the opportunity to testify. ANHD is a membership organization of NYC neighborhood-based housing and economic development groups: CDCs, affordable housing developers, supportive housing providers, community organizers, and economic development service providers. Our mission is to ensure flourishing neighborhoods and decent, affordable housing for all New Yorkers. As a key part of our work, we convene and participate in the Industrial Jobs Coalition, a citywide alliance of policy advocates, community organizations, and industrial business service providers fighting to protect, preserve, and grow the industrial sector in NYC.

A focus on equity must be at the center of any economic development strategy for New York City and we commend Speaker Adams, Council Members Farias and Gutierrez, and all the co-sponsors, for taking this approach.

Industrial jobs offer high wages, low barriers to entry, and opportunity pathways for a diverse workforce. Preserving and growing these jobs lies at the heart of a true equitable economic development strategy.

- Industrial businesses are the second largest private sector employer in NYC
- Average annual manufacturing salaries pay nearly \$20,000 more than retail, and nearly twice as much as food/beverage annual salaries.
- Industrial jobs pay higher wages and offer more career opportunities to a workforce that is 80% people of color and 50% immigrant.
- The industrial sector is essential to the functioning of New York City's services and infrastructure and is critical to climate resiliency and our transition to a green economy.

Despite the importance of the industrial sector in ensuring a strong, equitable, and green local economy, our current zoning and planning practices are failing the industrial sector. Outdated zoning regulations allow competing uses like big-box retail, entertainment and night-life, and non-industrial offices, many of which create fewer jobs and pay lower wages, but often yield higher rents, putting real estate out of reach for new and growing industrial businesses. In addition, current zoning rules make it difficult to build new industrial space, limiting the ability of businesses to expand and grow in place. Lastly, there has been a pattern of city government neglecting capital investments in industrial areas, where infrastructure (ex: lighting, public space), public services (ex: transit, sanitation), and financial incentives are sorely needed.

The proposed Industrial Development Action Plan (IDAP) legislation seeks to address these issues and would serve as a crucial step in ensuring coordinated, comprehensive planning for the industrial sector in NYC - including around economic incentives, workforce development, land use policy, and infrastructure

investment. This type of planning is imperative given the vital role the industrial sector plays in our city's ecosystem and an equitable economy and the numerous challenges it faces to survive and grow.

While we whole-heartedly support the goals of the IDAP legislation, we need to ensure that the Industrial Development Action Plans coming out of this bill are focused on expanding and retaining industrial businesses, and do not put their interests and viability at risk - as such we need to strengthen the bill by:

- ***Removing the growth districts and transition areas from the land use framework for IBZs***
 - The point of IBZs is to preserve and grow industrial uses; a primary focus of the IDA planning effort must be on ensuring that core industrial districts are mapped in IBZs wherever industrial businesses preponderate
 - In addition to its current language, the IDA legislation's definition of "core industrial" should include an area with a high concentration of active industrial businesses regardless of lot size or proximity to transit
 - Instead of including the growth and transition areas, the legislation's definition of "land use framework" could include language on recommendations for additional changes to the Zoning Resolution that further the goal of retaining and expanding the industrial sector
 - There are M zones outside of IBZs, including along their periphery, where mapping transition and growth districts may be appropriate, and the IDA legislation can indicate as much
- ***Making EDC the sole lead entity for the IDA planning process (not DCP)***
 - We believe EDC would be the most mission-aligned agency to lead this planning process towards an outcome of ensuring the expansion and retention of industrial businesses
- ***Identifying IBSPs as lead partners in the planning process***
 - IBSPs sustain invaluable support networks for industrial businesses and city agencies and have an acute understanding of the needs of the industrial sector.
 - We appreciate IBSPs being named in the legislation - their role could be further clarified by stating that they should provide support both in the analysis of citywide industrial sector economic trends, growth opportunities, and challenges, and in identifying goals and the strategies to achieve them
- ***Including a goal of optimizing and growing industrial incentives***
 - Current economic development incentives at the city and state level do not adequately address the struggles of industrial businesses seeking to remain in place and offer good jobs to working-class New Yorkers in the face of speculation.
 - The IDA's economic development strategies must include a goal of optimizing and growing industrial incentives to transform the outdated eligibility criteria, application processes, and metrics of incentives so that they are accessible, transparent and flexible - ensuring more equitable access to them from BIPOC and disadvantaged communities.

- ***Strengthening further potential levers for requiring or encouraging implementation or integration with other planning***

- This bill must be strengthened to ensure its recommendations are enacted and adhered to across City agencies, including:
 - Mandating that any ULURP proposals in IBZs identify how they are in compliance with IDA Plans
 - Regular reporting from the City outlining what actions they have taken to advance IDA goals

It is also worth emphasizing how IDAP will lay the groundwork to advance proposals coming out of DCP's City of Yes Economic Opportunity Text Amendment to address and update zoning issues that have long hampered industrial growth.

- The City of Yes Economic Opportunity Text Amendment will be an opportunity for DCP to create new types of zoning districts that clarify and redefine what uses and building types should be permitted in different areas.
- It is essential that these new zoning districts include a "core industrial district" that increases industrial density and limits competing non-industrial uses. We would urge the Council to focus their advocacy on this issue throughout the City of Yes process.
- Once these new districts - including "core industrial" - are created through City of Yes, the IDAP planning process - as outlined in this legislation - will help determine where these districts are most appropriate to be mapped in IBZs, as part of the larger planning goals of expanding and supporting the industrial sector.

We're excited to work with the Council to ensure this planning bill truly protects and reimagines the City's industrial business zones, allowing industrial businesses to remain and grow while enhancing the capacity of Industrial Business Service Providers to advance economic equity and opportunity for every New Yorker.

My name is Brian Coleman, and I am the CEO of Greenpoint Manufacturing and Design Center, the City's premier non-profit industrial real estate developer of affordable manufacturing space. We purchase industrial buildings and redevelop them for occupancy by small manufacturing businesses. The organization has developed over 700,000 SF of industrial space in Brooklyn and Queens. We currently own and manage six buildings which are home to over 730 manufacturing jobs amongst 126 companies. Our tenants include woodworkers, cabinetmakers, display makers, metal workers, and a variety of artisanal trades and artists.

As a member of the Industrial Jobs Coalition, GMDC is a part of a network of industrial sector advocates, service providers, and developers, collaborating to protect and preserve the manufacturing sector in New York City. The Industrial Development Action Plan put forth by the Council seeks to advance economic equity and opportunity for every New Yorker.

Industrial businesses comprise the second largest private sector employer in New York City. In GMDC's six buildings alone, our small business tenants generate annual revenues exceeding \$101 million. Additionally, the average annual salary in GMDC's buildings is \$54,500, nearly twice as much as traditional retail and food service jobs. Industrial jobs offer high wages, low barriers to entry, and opportunity pathways for workers of non-traditional backgrounds, including a workforce that is 80% people of color and 50% foreign-born.

In every borough and in every IBZ, we find examples of innovative businesses that contribute to tens of thousands of industrial and manufacturing jobs. The Industrial Development Action Plan seeks to solidify these core industrial districts with use-group restrictions and increased industrial FAR that would ensure that existing industrial businesses, otherwise at risk of displacement, continue to have a long-term future in New York City. We think the growth districts and transition areas should be removed from the planning framework to signal that the industrial areas of the city are for industrial businesses.

We also recommend that the current economic development incentives must include a goal of optimizing and growing industrial incentives to transform the outdated eligibility criteria, application processes, and metrics so that they remain accessible and applicable to today's industrial businesses. As a matter of compliance and to ensure that these goals are met, we encourage the City to stipulate that any applicants proposing a ULURP in existing IBZs must identify how their zoning plan aligns with the land-use goals of the IDAP.

This is a critical moment to jumpstart comprehensive reform to the City's existing Industrial Business Zones and to ensure the longevity of the manufacturing sector for years to come. We appreciate that the Council has provided this critical moment by crafting an Industrial Development Action Plan and we urge the Council to adopt a strengthened version of the plan.



New York City Council
Committees on Economic Development and Land Use

June 29, 2023

Testimony on Industrial Development Action Plans

My name is Charles Yu, VP of Economic Development at the Long Island City Partnership (LICP). I am here to speak in support of the Industrial Development Action Plans (IDAP). The plans represent crucial steps in protecting and reimagining the city's industrial business zones, ensuring that industrial businesses can thrive while advancing economic equity.

LICP is the neighborhood development organization for LIC. Our mission is to advocate for economic development that benefits the area's industrial, commercial, science and technology, cultural, tourism, and residential sectors. The goal is to attract new businesses to LIC, retain those already here, engage residents and visitors, and promote a vibrant and authentic mixed-use community. LICP operates the LIC Business Improvement District and Industrial Business Zone (IBZ).

The industrial sector plays a pivotal role in creating a more equitable city. As the second-largest private sector employer in NYC, industrial businesses provide middle-class jobs that offer opportunity pathways for our diverse workforce. These jobs pay nearly \$20,000 more annually than retail positions and nearly twice as much as those in the food and beverage industry. Moreover, they contribute to economic mobility for our workforce, with 80% of workers being people of color and 50% being immigrants.

We are very happy to see that the Council is taking a major step now to promote the interests and viability of industrial businesses. To ensure the success of the action plans, we urge the Council to consider the following recommendations to help strengthen the bill:

1. Identify Industrial Business Service Providers (IBSPs) as lead partners in the planning process to leverage their on-the-ground expertise.
2. Remove growth districts and transition areas from the planning framework and treat all IBZs as core industrial districts.
3. Protect ground-floor industrial spaces in IBZs to preserve affordability.
4. Include a goal of optimizing and growing industrial incentives to retain and attract industrial businesses and ensure equitable access to industrial space.
5. Designate the Economic Development Corporation (EDC) as the lead entity for the IDAP planning process to help coordinate inputs from all partners.
6. Strengthen integration with other planning efforts and agencies to meet the challenges in the IBZs today, such as zoning, building regulations, and transportation planning.

By placing a priority on the retention and growth of industrial businesses, we have the opportunity to create valuable job opportunities and pathways for our diverse workforce, supporting the development of a thriving middle class. We deeply appreciate the Council's proactive role in championing this cause. With a shared commitment, let us work together to bring a bright and sunny future for the industrial sector in our city.

Microgrid Networks, LLC Testimony
Committee on Economic Development
Int 1012 – Industrial development action plans
June 29, 2023

Good afternoon, Madam Chair, members and staff of the committee.

My name is Tim Dumbleton and I am the Chief Operating Officer of Microgrid Networks, LLC. Our company is building and operating Energy Storage Facilities in New York City. We are committed and aligned with the state and city's policy for decarbonization.

Currently, the clean energy industry in New York City suffers from a lack of government coordination, planning and policy, which jeopardizes New York City's chance of meeting ambitious state goals for decarbonization which include the deployment of 6,000 MW of Energy Storage roughly half of which should be installed in the 5 boroughs. In the last 4 years the city has installed less than 1% of the 2030 goal and we only have 7 years left.

This lack of coordination and planning risks further damage to the climate, as well as delaying the benefits of the clean energy economy for all New Yorkers. We believe that creating an action plan that incorporates economic development and industrial policy around clean energy, will maximize benefits both inside and outside of the Industrial Business Zones.

Today, I would like to share with you, key points on the importance of energy storage and the role that IBZs play in deploying this critical technology, now, and in the future:

Energy Storage, is a cutting edge technology, engineered to the highest standards, which uses UL tested, FDNY approved and 24/7 monitored batteries, on a large scale, to absorb electricity, during the night, from our electrical grid, store it locally – and then inject it back to the grid when LOCAL demand is high. This process has 4 direct benefits to the average New Yorker.

First it enables our current grid to carry more electricity which means fewer expensive upgrades and less disruption caused by those upgrades.

Second, energy storage increases network resiliency by reducing the likelihood of local outages caused by overloads

Third it improves city air quality by reducing the need to run polluting and expensive Peaker-plants in designated environmental justice areas.

Fourth – it allows more cheap clean energy from upstate solar and offshore wind to enter the local congested grid and be used by New Yorkers. NYSERDA has calculated that Energy Storage installation will save ratepayers \$2B.

Put simply, Energy Storage reduces cost of energy, makes it cleaner, and makes it more reliable. What's not to like.

New York City's electrical grid is made up of 70 smaller grids, each served by a substation, some more stressed than others. The electrification of every building in NYC under Local Law 97, the increased use in electrical vehicles, and the increasing

reliance on intermittent renewable energy like wind and solar will only exacerbate the network capacity issues we are facing today. There is no alternative plan to increase the capacity of those networks without building a massive amount of energy storage all over the city – in each of those 70 electrical grids. It is critical to our city and state goals for electrification that this gets built out quickly and well.

While it is clear that NYC should be pushing and prioritizing and also planning for the deployment of Energy Storage, there are many obstacles in our way:

1. Permitting review times are extremely long
2. Siting large scale energy storage is challenging even in IBZs where 100% of our sites are currently located, as-of-right, due to competition with other more lucrative uses, and city level incentives do not exist.
3. There is no centralized planning to help locate Energy storage where it's most needed.

The impact of Energy Storage deployment in IBZs can benefit the city as a whole:

Energy Storage will directly improve the functionality and capacity of the grid. In IBZ's for example, utility infrastructure is substantially lacking compared to core business and residential districts. In fact, the primary complaint that we hear from our IBZ administrators is that companies cannot get enough reliable power for their operations. Asking our city's employers to slow down their production in the industrial sector is not a solution to energy use and not good business practice. Siting energy storage facilities in these neighborhoods improves the network capacity and can open up the option of more power for heavy industrial users.

Energy storage is a critical component for clean electricity adoption. Increased demand for electricity to power our cars and homes will create substantial changes to the grid, which can only be solved by placing energy storage facilities throughout the city. The IBZs can support a significant amount of this infrastructure, improving the lives of all New Yorkers.

The City of Yes for Carbon Neutrality Proposal, introduced by the Administration, is an excellent example of forward progress and comprehensive planning, and we would strongly urge you to vote in support of that proposal. However, it is not enough - Energy Storage should be a major component of industrial policy and economic development policy which can act as a cohesive voice and guidance for our permitting departments. We are in support of this bill and we look forward to working with this committee and city agencies on an industrial development action plan for the critical role IBZ's play in the clean energy industry.

In closing I would like to welcome you all to visit and tour our energy storage facility in the North Brooklyn IBZ which is the largest and newest such facility in New York.

Thank you for listening, I yield my time.



June 30, 2023

Re: Industrial Development Action Plans

Dear City Council Members,

The Newtown Creek Alliance is a community based non-profit dedicated to restoring, revealing, and revitalizing Newtown Creek - an industrial waterway that borders the North Brooklyn, Long Island City, and Maspeth Industrial Business Zones (IBZs).

Our organization works to clean the creek of historic toxins and ongoing pollution sources, as well as reconnect surrounding communities with this inaccessible waterway. Additionally, we seek to preserve the surrounding areas as industrial and manufacturing zones that are providing accessible blue collar jobs and essential services that make the nation's largest city function.

We support the City Council's effort to begin examining ways to improve the function and productivity of our IBZ, but are here today to speak specifically to opportunities for upgrading our IBZs to better address environmental justice issues, mitigate climate change related impacts, and better incorporate use and restoration of, as well as access to local waterways adjacent to IBZs. We urge the council to fully consider how our IBZs can be more than just economic engines, but hubs for greener and more sustainable uses and opportunities.

The following are specific issues and recommendations that should be examined in achieving more resilient and environmentally positive IBZs:

Green Infrastructure

IBZs typically suffer from a number of severe environmental justice impacts, many of which are increasing in severity with climate change. These include:

- Extreme heat and urban heat island effects;
- Increased rainfall, more intense storms, and local flooding;
- Lack of wildlife habitat and biodiversity; and
- Poor air quality

These issues are compounded by the physical makeup and composition of the built environment within IBZs, namely high concentrations of impervious surfaces such as asphalt and concrete parking lots, extensive sidewalks with little to no tree canopy, and non-landscaped rooftops - which all do very little to absorb heat and rain.

In the United States, more Americans die from heat waves every year than from all other extreme weather events combined. According to the [2022 New York City Heat-Related Mortality Report](#), approximately 370 New Yorkers die each year from heat related fatality (nearing the previous year's homicide total of 433). As is often the case, the Heat Vulnerability Index created by NYC to identify communities that suffer the most from extreme heat pulls largely from census/demographic data that reflects where people live, not work. Additionally, while the Cool Neighborhoods NYC¹ report does not mention industrially zoned areas in text, the thermal imagery included in the report shows a clear correlation between the warmest areas of the City and current industrial and manufacturing zoning.

In addition to urban heat island effects, impervious surfaces create other issues related to rainfall. For one, increasing rainfall and more intense storm events are now posing larger flooding hazards than previously experienced in the City. Impervious surfaces force stormwater into sewer pipes which are not designed to handle the volumes of rainfall that storms like Henri and Ida produced in 2021. Additionally, NYC suffers from over 20 billion gallons of combined sewage overflow each year (CSO) - where untreated sewage is dumped directly into our waterways during rain events. The cause of CSO is stormwater runoff flooding the system and overwhelming our wastewater treatment plants. Many of the most impacted waterways from sewage overflow are tributary waterways that are near industrial zones, such as Newtown Creek, Gowanus Canal, Flushing Creek, the Bronx River, and Westchester Creek. Given the size of large industrial lots, there is a significant opportunity to better manage and absorb stormwater onsite, helping protect not just the surrounding neighborhoods from costly and deadly flooding, but also protecting waterways from the onslaught of untreated sewage.

NYC's Green Infrastructure program has created over 11,000 curbside rain gardens across the City, mostly in high priority watersheds. A current, proposed modification under the NY State Consent Order will allow the City to expand the Green Infrastructure program to non-combined sewer areas, known as MS4, where many IBZs are located. However, we believe that proposed changes to current zoning should specifically address the need for more green infrastructure and pervious surfaces in the IBZs.

In addition to stormwater management and extreme heat mitigation, green infrastructure can also be an effective tool to address a major environmental issue present in our industrial areas: poor air quality. Diesel fueled trucks, proximity to highways, and citing of air fouling operations like concrete and asphalt plants, metal recycling yards, and fuel storage facilities negatively impact air quality that affects local workers and surrounding environmental justice communities. Increased tree canopy and planted areas can help mitigate air quality through absorption of particulate matter, and production of oxygen.

Of course, the most effective way to improve air quality and reduce pollutants emanating from IBZ related operations is for the City to implement tighter restrictions and measures to prevent point

¹ https://www.nyc.gov/assets/orr/pdf/Cool_Neighborhoods_NYC_Report.pdf

source emissions. To this end, and in ensuring healthier, greener, and more productive IBZs, we ask that the city implement the following measures to address air quality:

- Revisit and implement recommendations from the 2014 Open Industrial Uses Study Draft, as well as addressing and incorporating stakeholder feedback;²
- Pass the proposed city zoning text amendments to restrict the proliferation of last mile distribution facilities;
- Create an extensive air quality monitoring program to identify point sources for airborne pollutants including VOCs and Particulate Matter and work with NYS DEC to strengthen standards on permissible air pollutants

We feel addressing these numerous environmental burdens present in IBZs is necessary not just from a moral perspective in protecting human health, but also through an economic lens as health impacts and climate related damage have direct financial costs associated with them.

Access and Use of Waterways

Many of the City's IBZs border public waterways, like Newtown Creek. However, many of the industrial operations that have waterfront properties along Significant Maritime Industrial Areas, do not actually use these waterways for commercial purposes. Newtown Creek has 11 miles of shoreline, but of the over 100 private waterfront properties located here, only nine facilities currently import or export materials by water. The vast majority of these shorelines are not using the water for commerce, nor are they creating waterfronts that provide any ecological or public benefit. The ongoing trend of industrial businesses literally turning their back on public waterways needs to be addressed.

Currently, developments within industrial zones do not trigger waterfront public access requirements. We believe that the City is past due in updating these requirements and should implement baseline requirements to create public waterfront access and/or resilient and ecologically productive shorelines for any industrial site that is being redeveloped and not utilizing their waterfront for maritime purposes. The 2022 NYC Comprehensive Waterfront Plan acknowledges the need to update industrial zoning tools to incorporate public access and resilience needs:

“Where industrial uses do not trigger waterfront public access requirements, consider limiting construction for non-water dependent uses within the area adjacent to the shoreline, to ensure that near-term improvements do not foreclose future opportunities for public access and support long-term flood resiliency planning.”³

As with green infrastructure projects, waterfront public access projects require not just capital investments but ongoing maintenance. These should be the responsibility of the property owners with

²

https://www.nyc.gov/assets/planning/download/pdf/plans-studies/open-industrial-uses/oius_draft_report.pdf

³ <https://www.waterfrontplan.nyc/waterfront-public-access>

an option to contract with a city agency or community based organization to perform specific work in ensuring that spaces are accessible, clean, safe, and properly functioning from a horticultural and ecological perspective.

In closing, we look forward to ongoing conversations about how to better utilize our IBZs not just for economic benefits, but community and environmental improvements as well. In addition to our recommendations, there is a real need for a more concerted effort to define and pursue the actual elements and allowable uses within a green industrial economy. What are the types of industrial and manufacturing operations that the City wants to incentivize? How do they both reduce environmental justice harms and build towards a more sustainable and resilient future that both our planet and elected leaders are demanding? One example is the opportunity to transition away from the numerous fuel storage and production facilities that exist in our IBZs and promote opportunities for renewable energy storage and production that can reduce carbon emissions and help our overburdened energy grids during the coldest and hottest days of the year. This is a critical opportunity and we ask that changes to our IBZs not be solely focused on increasing development rights and FARs - but consider the social, public health, and environmental benefits that can also be gained through smart and comprehensive planning.

Thank you for your time and consideration.

Sincerely,



Willis Elkins

Executive Director

Newtown Creek Alliance

t: 347-504-6701

e: welkins@newtowncreekalliance.org

www.newtowncreekalliance.org



**Southwest Brooklyn
Industrial Development
Corporation**

241 41st Street, 2nd Floor
Brooklyn, NY 11232
718-965-3100 fax: 718-577-5858
www.sbidc.org

Jesse Solomon
Executive Director

BOARD OF DIRECTORS

Jeff Lee Romero, *Chair*
Karp Strategies

Susan Fermisco, *Treasurer*
Lee Spring

Howard Smith Jr., *Secretary*
Virginia Dare Extract Company, Inc..

Irina Constantine
GoExpress

Samara Daly
Daly Gonzalez

Elizabeth Demetriou
LISC

Mike DiMarino
Linda Tool

Mark Foggin

Paul Gevertzman
Anchin, Block & Anchin LLP

Stephen Giumenta
Architectural Grille

Christopher Murtha
Wells Fargo

Alan Petrilli

JP Morgan Chase & Co.

Michael Jeffrey Spinner
Spinner Industries

David J. Sweeny
PDS Development

Eileen Thornton
Key Bank

Blake Tomnitz
Five Boroughs Brewing Co.

June 28, 2023

Re: Industrial Development Action Plan (Intro 1012-2023)

Dear Chair Farías, Chair Salamanca Jr., and Committee Members,

My name is Brady Meixell and I represent the Southwest Brooklyn Industrial Development Corporation (SBIDC).

SBIDC is a local economic development corporation whose mission is to create equal opportunity that helps the people, businesses, and community of Southwest Brooklyn grow. We serve over 1,500 businesses across Sunset Park, Gowanus and Red Hook. **SBIDC urges passage of Intro 1012-2023 which establishes Industrial Development Action Plans (IDAPs).**

We want to thank the Committees for considering this legislation, which we believe is an important step towards reinvigorating industrial policy and planning in New York City, and helping to ensure our industrial sector is protected, expanded, and continues to thrive. By encouraging the retention and growth of industrial jobs, the City can uphold the livelihoods of the hundreds of thousands of New Yorkers who rely on these well-paying quality jobs which are accessible across educational backgrounds and provide pathways into the middle class.

Historically, with the notable exceptions of Gowanus and North Brooklyn, the City has neglected thoughtful long-term planning around Industrial Business Zones (IBZs). With this in mind, we are excited to see the City considering proactive efforts to comprehensively plan for its industrial areas. We believe it is crucial to study the IBZs because from a policy perspective, we need to understand the growth trajectory of these sectors if we are to effectively train our workforce for them.

We believe that IDAPs can help to further unlock the economic potential of industrial uses in Southwest Brooklyn and throughout the city by:

1. Supporting the City's industrial business service providers (IBSPs) to ensure that they can continue to provide the free high-quality services that businesses in our areas depend upon. IBSPs are the conduit by which SBS provides supportive services to industrial businesses, underscoring their critical role.
2. Examining dated zoning regulations that currently hinder the ability of industrial businesses to grow; and
3. Recommending needed infrastructure improvements and updates to industrial incentives.

Over time, we've experienced the slow erosion of areas where industrial work can be done in this city. Any future study should leave no room for further reduction or de-emphasis. The entirety of the IBZs should prioritize industrial and manufacturing uses. Currently the legislation allows for portions of the IBZs to be classified as transition areas or growth districts, which could promote more office or other commercial use. **We believe that, instead, the full area of each Industrial Business Zone should be mapped as Core Industrial Areas,** allowing for these districts to utilize all newly made available tools and continue to be fully protected as the nerve center of our city's vital industrial sector. Growth districts and transition areas should be reserved for M Zones that fall outside of IBZs.

This is important legislation and we look forward, along with the other members of the Industrial Jobs Coalition, to being a continued partner in your efforts to sustain and grow New York City's industrial sector.

Sincerely,

A handwritten signature in black ink that reads "Brady J. Meixell". The signature is written in a cursive style with a large initial 'B' and 'M'.

Brady Meixell
Government Relations & Business Services Manager, SBIDC



EVERGREEN

Your North Brooklyn Business Exchange

Testimony of Evergreen to NYC Council Committees on Economic Development June 29, 2023

Evergreen Inc.: Your North Brooklyn Business Exchange is a membership organization that champions manufacturing, creative production, and industrial service businesses in North Brooklyn and beyond. We are testifying in support of Int. 1012, creating Industrial Action Plans (IDAP) for all NYC Industrial Business Zones. This legislation requires DCP, SBS, and EDC to collaborate on a citywide Industrial Development Action Plan to support industrial development, expand and retain industrial businesses and jobs, and ensure coordinated planning for city infrastructure, green energy needs, and the efficiency and resiliency of supply chains for essential goods and services.

In 2022 Evergreen staff served 185 individual businesses. Business clients looked to Evergreen for a wide variety of services; the most frequently requested services were business planning and assistance accessing financing and incentives. Evergreen was able to help six local firms apply for 23 different incentives. Twenty-nine firms sent 32 attendees to our informational workshops and multi-week seminars. One hundred forty-two firms received one-on-one assistance from Evergreen staff on over 198 issues. Evergreen helped 47 businesses qualify for 47 loans and grants for a total of \$525,000 in financing, predominantly for ongoing pandemic recovery and working capital. Since 2007, our staff has helped local businesses obtain \$62,122,523 in financing. In 2022 Evergreen helped 23 Brooklyn businesses with 24 real estate inquiries. Additionally, Evergreen's most recent development at 500 Stagg Street, a 10,000 square foot industrial warehouse building in East Williamsburg, became fully tenanted. Evergreen advocated for safer streets on issues like truck routes and bike lanes, and advocated on behalf of individual businesses on a variety of issues such as permits, tickets, graffiti removal, illegal dumping, utilities and signage. Overall, we helped 28 businesses navigate government agencies 32 times resulting in 22 successful outcomes.

In addition to directly serving individual businesses, Evergreen serves as the voice for businesses in industrial North Brooklyn. We represent their interests at public hearings and community meetings. We bring elected officials, like the membership of your City Council committees, to meet our businesses and their employees so you can really understand the impact of the policies you develop. We advocate with City, State and Federal officials to help them understand the impact of the Superfund process on the local economy, and we educate the local businesses about how the process might affect them. We continue to serve as the connection between the business and residential community for a variety of issues such as vehicle safety and truck routes.

Evergreen's programming meets the needs of North Brooklyn's underserved small industrial businesses, particularly manufacturers helmed by minorities and women. Our community needs the good-quality, industrial jobs that these firms provide. Nearly 40% of the North Brooklyn industrial workforce lives in the local area. These jobs, on average, pay residents 73% more than local retail establishments. Additionally, over 60% of manufacturing jobs offer benefits, compared with 30% of service jobs. Also, these jobs frequently do not require English proficiency or advanced education. Fifty-five percent of the local industrial workforce is foreign born and 65% is non-white. Considering 20% of our local residents do not speak English, 31% live at or below the poverty line, and nearly 37% are on some form of public assistance, these jobs offer the best path to economic security for our community residents.



EVERGREEN

Your North Brooklyn Business Exchange

We're excited to work with the Speaker and the Council to ensure this bill truly protects and reimagines the City's Industrial Business Zones (IBZs), allowing industrial businesses to remain and grow while enhancing the capacity of Industrial Business Service Providers (IBSPs) to advance economic equity and opportunity for every New Yorker. We want to ensure that the Industrial Development Action Plans created with this legislation are focused on expanding and retaining industrial businesses. To that end we recommend the following improvements:

- Removing the Growth districts and Transition areas from the planning framework for IBZs until Core area protections are established;
- Making EDC the sole lead entity for the IDA planning process;
- Identifying Industrial Business Solutions Providers (IBSPs) like Evergreen as lead partners in the planning process;
- Including a goal of optimizing and growing industrial incentives;
- Strengthening further potential levers for requiring or encouraging implementation or integration with other planning, such as ULURP actions in individual IBZs; and
- Requiring regular reporting from the City outlining what actions they have taken to advance IDAP goals

We believe that creating Industrial Action Plans for each Industrial Business Zone every 5 years can inform NYC and each Industrial Business Service Provider of local trends in each unique area and can ensure that services and program offerings are tailored to current business needs.

Local industrial businesses will benefit from the wide-ranging interagency coordination required by the Industrial Action Plans. At present, businesses deal with contradicting regulations from different agencies resulting in confusion and fines. A more coordinated approach will improve regulatory function, and create a more fertile environment for businesses to grow. The legislation requires the various relevant city agencies to assess current city policies to support and grow the industrial sector, analyze trends, growth opportunities and challenges it faces, and identify citywide goals and strategies to support the sector's development and address its challenges. This is an opportunity to coordinate a more unified policy focused on industrial business growth.

Finally, we believe that this ongoing attention to the state of industrial businesses will help elevate the importance of these businesses and the high-quality working-class jobs they provide. NYC cannot function without the goods and services that industrial businesses provide. Whether it's concrete, cabinetry and metalwork for new buildings, fresh bread delivered daily to hotels and restaurants or processing recycling waste created by NYC residents, these functions are essential to the existence of our city. Ongoing study into the unique intricacies of each Industrial Business Zone will be informative and will remind New Yorkers how important these functions are to our collective existence. Ultimately it will galvanize support to preserve them and develop policies to nurture their growth over the long term.

John V. Santore - Testimony - Int. 1012-2023

Submitted on 6.29.23

johnvsantore@gmail.com

My name is John V. Santore, and I live in Sunset Park, Brooklyn. I support the goals of Int. No. 1012-2023 because I believe the New York City government should engage in more long-term, transparent, and inclusive planning concerning the city's industrial assets. I believe a lack of such planning results in insufficient democratic engagement concerning redevelopment policy in Sunset Park, numerous open questions regarding the city's redevelopment decisions in the neighborhood's industrial zone, and private developers pursuing goals contrary to stated city priorities. Furthermore, without consistently updated planning documents, past planning guidance is unable to respond to new challenges and opportunities. This undermines the relevance of proposals such as [Sunset Park's 197-A plan](#) or NYCEDC's "core four" tenancing strategy.

I believe and take seriously the expertise and intentions of city planners and those involved in economic development. But I think the very act of producing regularly updated planning guidance forces the city to publicly explain what it wants to do, why it wants to do it, and how effectiveness will be measured. This, in turn, gives the public a chance to help set development goals, and establishes specific benchmarks against which future activities can be measured.

The following are specific examples I have collected concerning the Sunset Park and Red Hook waterfront. I believe they show the consequences of a lack of clear, inclusive, and unified industrial zone planning.

(1) There is currency a lack of publicly available data concerning projects in the IBZ, including city-led projects:

Data collected by city agencies concerning local economic development is not released to the public. The public is not involved in designing data-collection methods for projects. The data collected is limited and does not provide an adequate picture of the local economic impact of city projects and programs.

- Example: [SBS data](#) on the ITC Workforce1 Center (the most detailed data set available) is private. Data released at meetings of the Sunset Park Task Force is selective and superficial compared with the data available (see page 33 of the [latest SPTF presentation](#) compared with data available from the [actual data set](#)).
- Example: EDC's data on Brooklyn Army Terminal is private. The data does not include information on local employment at the site or the quality of jobs produced; the methodology is unclear; response rates for pre-2022 surveys are unclear (see: [2022 data](#), [data from 2011-2019](#)). This makes it impossible to evaluate EDC statements concerning leasing at the property, such as this statement from slide 31 of the latest [SPTF presentation](#): "Of BAT's approximately 4,000,000 SF of space, 3,676,860 SF is leasable, and of that, 3,508,069 SF is leased (95%)."

- Example: [MOME's data](#) on the Post Production Training Program and PA Training Program has traditionally been private. Past information obtained via FOIL request suggests BWI did not collect data as regularly as was required by an MOU signed with the city, and shows the programs had reached few Sunset Park residents. (Note: [This recently released study](#), produced by Bloomberg Philanthropies and BWI, provides additional detail on the Production Assistant Training Program, and could serve as a model for future data disclosure.)
- Example: [Meat Market tenaning data sets](#) are private, and do not contain employment data.

(2) Major redevelopment initiatives are taking place without meaningful public involvement in their design.

Example 1: [The Made in NY Campus](#)

- MiNY was named, announced, and designed without the involvement of the public or elected officials (see: related [quote](#) from Carlos Menchaca in July, 2019 and [statement](#) from Rep. Velazquez's office in March, 2022). NYCEDC and the Mayor (first Bill de Blasio and now Eric Adams) are therefore using Sunset Park assets to promote specific industries without public discussion or debate.
- In 2017, five local elected officials [asked the Mayor](#) for more public engagement regarding the project, but those officials never commented on whether that engagement happened to an adequate degree. (Also, [NYCEDC responded](#), not the Mayor.)
- Since 2017, MiNY has expanded significantly in size and cost.
 - [2017 size and cost](#): 300,000 square feet, \$136 million in public money
 - 2022 size and cost:
 - [\\$323 million](#) in public money (see: [funding source is Mayoral capital funding](#)), plus \$320 in private money from Steiner Studios (total: \$643 million)
 - Unit A = 211,000 square feet, and Unit C = 160,000 square feet ([total of 371,000 square feet](#))
 - Steiner Studios = [900,000 square feet](#)
 - Unit D (Eastern Effects) = [70,000 square feet](#)
 - Pier 6 = [226,500 square feet](#)
 - Total size: 1,567,500 square feet,
- Neither the public nor its representatives have been able to influence the size and scope of this project.

Issues concerning the South Campus (Steiner Studios Sequel project)

- There is a [lack of public evidence](#) supporting job projections. Steiner Studios [does not have data](#) on the workforce operating within its studios at the Brooklyn Navy Yard, and [neither does NYCEDC](#).
- There is [no public plan](#) for monitoring local job training and hiring.
- There is [no public discussion](#) concerning the related high school training program or nonprofit space (these CBA elements were created without public discussion)

- The physical design of the Steiner Studios Sequel project has changed significantly multiple times with insufficient public discussion (see [these PDC documents](#), [this recent commentary](#) from Steiner Studios, and [this updated design document](#) shared with PDC.)

Issues concerning the North Campus

- The use of Building C is unclear (How much will be light industrial? How much will be fashion?)
- Leasing has taken place without public involvement. For example, the Slow Factory lease was [announced in February, 2022](#) without prior notice, and was canceled in 2023 without prior notice (CB7 was [told in April, 2023](#) that the lease has been canceled, but this was stated during Q&A, and was not included in the slideshow presented that day to the Board). NYCEDC has provided [minimal public comment](#) as to why the Slow Factory lease was canceled. NYCEDC also says that new
- There is no public discussion concerning Pier 6 (see: [\\$2.5 million contract](#) for Pier 6 engineering study), Building B, the Round House, the Power House, or the 51st Street Rail Yard.

Example 2: The 65th St. Rail Yard and the IBX:

- Gov. Hochul's January, 2022 [press release](#) on the IBX included support from State Senator Andrew Gounardes and Brooklyn Borough President Antonio Reynoso, but not from other local elected officials.
- In January, 2023, Gov. Hochul [announced](#) that the IBX project "will move forward."
- The [IBX feasibility study](#) mentioned Sunset Park, but there has been minimal local public discussion of the project. In fact, there has yet to be a local meeting on the IBX discussing its impact on the community or IBZ properties, such as the Brooklyn Army Terminal.

(3) Even relatively democratically designed projects are poorly understood by the public, and there is a lack of documentation concerning how these projects connect to larger state and federal industrial policy goals.

Example: The Equinor project at South Brooklyn Marine Terminal

- The way this project came together between 2015 and the present is poorly understood by the public, making the process less likely to be repeated (assuming it should be). Was the process transparent, inclusive, and democratic? How and why was the project pivoted from earlier proposals (see: [2006 agreement](#) and [pre-2015 strategy](#)) to its current use?
- The role of the [Sunset Park Task Force](#) in this process is poorly understood. How did the SPTF influence the creation of [the RFP that led to this project](#), and the selection of the RFP from Equinor? (Note: The Task Force itself, though [created](#) to help democratize local planning, has lacked democratic legitimacy for some time. It met in an off-the-record capacity for [six years](#), and currently suffers from minimal public awareness and engagement.)

- The SBMT project has already brought major political officials to the neighborhood, such as [Senate Majority Leader Chuck Schumer](#) and [Secretary of Energy Jennifer Granholm](#), but the public doesn't understand how it might be tied to state and national energy goals, such as those supported by the Inflation Reduction Act.
- How will this project impact Sunset Park going forward? How will jobs be monitored? What other manufacturing activity might it be linked to?
- Job projections linked to the project have not been publicly substantiated. Consider the following:
 - [9.27.21 – NYSERDA withholds data on SBMT job projection from 2021 State of the State address](#)
 - [6.22.21 – Governor's FOIL office does not have information supporting SBMT job projection; suggests contacting NYSERDA](#)
 - [5.22.21 – Equinor provides comment re: SBMT job projections, but has not substantiated or clarified numbers shown to CB7](#)
 - [5.22.21 – No response from EDC to questions re: SBMT job projections shown to CB7 in January, 2021](#)
 - [5.6.12 – Doc: EDC's investigation of Equinor's SBMT job projections started with call and email in September, 2019](#)

(4) Without a public planning vision, those with power will make decisions on their own - and these decisions may primarily benefit private investors.

Example 1: Last-mile warehouses

- Within just the last few years, millions of square feet of industrially zoned space in Sunset Park and Red Hook have been transformed by developers into last mile warehouses - facilities that increase local traffic, reduce air quality, lack job density, pay poorly, and are run by vehemently anti-union companies, such as Amazon.
 - [6.14.21 – Distribution center information from Rep. Nydia Velázquez's office](#)
 - [22-8.14 – Report: New last-mile distribution center planned for 5714 1st Ave.](#)

Example 2: The local impact of NYC's Amazon HQ2 bid

- Along the Sunset Park and Red Hook waterfront, private developers offered huge amounts of space to Amazon for what was at that time the nation's highest profile office project. This shows how willing private interests are to further deindustrialize the city's industrial areas when given a profitable chance to do so.
 - Industry City [offered Amazon](#) 4,000,000 square feet
 - Liberty View (Liberty Bklyn) [offered Amazon](#) 1,000,000 square feet
 - Thor Equities [offered Amazon](#) 794,777 square feet
 - Madison Realty Capital [offered Amazon](#) 511,000 square feet in the Whale Building, located at 14 53rd St.
 - Madison Realty also [offered Amazon](#) 194,000 square feet in Sunset Yards, located at 341 39th St.
 - In total, the owners of these five properties [offered Amazon 6,499,777 square feet](#) for HQ2.

Hello Chair Farías, Chair Salamanca, and Council Members,

I am JP Coyle, and for the past few years I have had the pleasure of managing Workspace11. We are a design engineering and fabrication company specializing in feature architectural work and fine art fabrication. We were founded by Ruth Shortt and Norman Mooney as a facility for them to realize their personal art projects. Since 2006 they have built a team of skilled artists, artisans, architects, and designers who help us realize large scale sculptural and architectural landmark projects both here and abroad. Ruth and Norman have further opened up their studio with an artists in residency program, Gowanus Projects to help artists both local and international to realize their work through utilizing the facilities at Workspace11. We apply the same principles to tackling a sculptural project as we do with our large scale architectural projects. People come to us with their “hard to solve” problems and look to us for creative solutions. We pride ourselves on being a one- stop-shop for design and value engineering while taking an intuitive, solution oriented approach to fabrication and installation. We have had the pleasure of working on projects like the Perelman Performing Arts Center at One World Trade, Yale's iconic Beinecke library, and the new Powerhouse Arts building in Gowanus. We continue to push ourselves into new, harder to solve, situations which enable us to learn and grow as a collective.

We are encouraged to see City Council actively seeking to support industrial businesses like ours. In recent decades, real estate pressures have made it extremely difficult to sustain an industrial business in the city. As a business in South Brooklyn amidst a time of extreme development, some businesses are being displaced. We are situated on the salt lot in Gowanus, meaning we are one of the businesses that will be relocated as part of the cleanup. We have bounced around Brooklyn a lot for the past 20 years. We started in Dumbo, migrated to Williamsburg, then Greenpoint, and finally landed in Gowanus which we hoped would be our final home. Luckily, after a long search, we have finally found a new location in Gowanus which we will start our move into next week. It was a struggle to accept that we needed to relocate again, but with the growing state of the business we decided to look at it as a positive development opportunity to expand our facilities.

As you consider this legislation, we hope that you think of businesses such as Workspace11. We hope that the industrial development action plan process can create the type of long-term planning across the city that prevents displacement of industrial businesses and allows them to sustain and grow over time. Thank you!

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1012 Res. No. _____
 in favor in opposition

Date: 6/29/23

(PLEASE PRINT)

Name: Kitty Chan

Address: 21 Liberty Plaza

I represent: Small Business Services

Address: _____

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1012 Res. No. _____
 in favor in opposition

Date: _____

(PLEASE PRINT)

Name: JENNIFER SUN

Address: One Liberty Plaza, NYC, NY 10038

I represent: NYCEDC

Address: One Liberty Plaza, NYC, NY 10038

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1012 Res. No. _____

in favor in opposition

Date: 6/29/23

(PLEASE PRINT)

Name: Neil Padukone

Address: 1 Liberty Plaza

I represent: Mayor's Office of Talent and Workforce Dev.

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1012 Res. No. _____

in favor in opposition

Date: 6/29/23

(PLEASE PRINT)

Name: CAROLYN GROSSMAN MEAGHER ("MARE")

Address: _____

I represent: DEPARTMENT OF CITY PLANNING

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1012 Res. No. _____

in favor in opposition

Date: 6/29/2023

(PLEASE PRINT)

Name: LINDSAY GREENE

Address: _____

I represent: BROOKLYN NAVY YARD DEVELOPMENT CORP.

Address: _____

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1012 Res. No. _____

in favor in opposition

Date: 6-28-23

(PLEASE PRINT)

Name: John V Santore

Address: Brooklyn, NY 11220

I represent: _____

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: LEAH ARCHIBALD

Address: _____

I represent: EVERGREEN, INC.

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: 6/29/2023

(PLEASE PRINT)

Name: Rail Rivers

Address: _____

I represent: _____

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

[]

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: 6-28-23

(PLEASE PRINT)

Name: BRIAN COLEMAN

Address: _____

I represent: GREENPOINT MANUFACTURING

Address: 3 DESIGN CENTER

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

[]

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: 6-28-23

(PLEASE PRINT)

Name: QUINCY EY-CAPE

Address: _____

I represent: BUSINESS OUTREACH

Address: CENTER NETWORK

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

[]

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: CHARLES YU

Address: _____

I represent: LONG ISLAND CITY

Address: PARTNERSHIP



Please complete this card and return to the Sergeant-at-Arms



**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. 6

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: BRADY MEYER

Address: _____

I represent: SOUTH WEST BROOKLYN

Address: DEVELOPMENT CORP

Please complete this card and return to the **THE COUNCIL** *Sergeant-at-Arms*
THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: EMILY GOLDSTEIN

Address: _____

I represent: ANHD

Address: _____

Please complete this card and return to the **THE COUNCIL** *Sergeant-at-Arms*
THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: 6-29-23

(PLEASE PRINT)

Name: TIM DUMBLETON

Address: _____ GRAND ST BROOK

I represent: MICROGRID NETWORKS LLC NY

Address: 1074 GRAND ST, BK, NY 11211 11211

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: 6/29/23

(PLEASE PRINT)

Name: Krista Starrett

Address: Green Street, Brooklyn, NY 11222

I represent: Newtown Creek Alliance

Address: 520 Kissland Ave

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: ASHLEY SHUNDERS

Address: AMBER ST

I represent: JEWEL STREETS "THE HOLE"

Address: BROOKLYN - REQUEST TO SPEAK
LAST

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: 6/29/2023

(PLEASE PRINT)

Name: Peter Goldberg

Address: E. 17th St

I represent: _____

Address: Please let us speak last

Please complete this card and return to the Sergeant-at-Arms