



BRONX COMMUNITY BOARD #1

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ECONOMIC DEVELOPMENT-LAND USE & HOUSING

MINUTES

June 14, 2017

Rothkrug, Rothkrug and Spector LLP

Mr. Michael Nacmias said that we have submitted an application to the Board of Standards and Appeals for a special permit pursuant to the New York City Zoning Resolution for to permit Blink Physical Culture establishment (PCE) to occupy portions of an existing commercial building at 570 Melrose Avenue. The site is located on the east side of Melrose at the northeast corner of the intersection of Melrose and East 150th Street and is located within a C4-4 zoning district. The facility was constructed in 1911.

The proposed PCE would occupy portions of the first, second and third floors of the building. The first floor is 460 sq. ft. consisting of the entrance and lobby area located on Melrose Avenue. The second floor consists of 7800.81 sq. ft. and will include the reception desk, an office breakroom, a stretch area the women's locker room and exercise equipment space. The third floor of 7895.02 sq. ft. will include additional exercise equipment areas weight training space and the men's locker room. This facility will be a total of 16,155.83 sq. ft. in area and will have an approved interior fire alarm system and sprinkler system. There will also be elevator access and will be fully ADA compliant. Staff is estimated at 30 including management, sales personnel and front desk personnel.

The proposed Physical Culture establishment will facilities for classes, instruction and programs for physical improvement, body building, weight reduction and aerobics.

Questions and Comments

Bruckner Development LLC/MADD Equities

Mr. William Bollinger said that we were here a while ago to update on 20 Bruckner Blvd and I actually have the owner here Mr. George Madruga. George actually has the Blink Gym on St. Ann's Terrace he's an owner on that project. So we passed around some packets of what the project would look like and here's a map of the area.

To be clear everyone knows the building it has a scaffold around it. So there's years ago used to be Kelly furniture so they had that location and ever since Clyde Kelly left in the 90's it's been nothing all it's been doing is holding up the billboard. So the owner was considering demolishing the building but keeping the

billboard up there but getting rid of the rest of it because it was a real maintenance nightmare. So George convinced him not to demolish the building that it would be a great asset to the community it's a great building. So you go to the last page of that second half you can see some of the interior shots it's amazing since starting construction back in October how this building has progressed it's incredible. It's about 168 thousand sq. ft. of space it was originally an ice house and originally owned by Jacob Ruppert and it was Ruppert Ale House for years and then it had a series of uses and then most recently as I said Kelly Furniture and then it sat there.

So we're here because George is in the process of renovating the building the concept is to do something in the Tech type field. We're applying to the Regional Economic Development Council for funding to help with some of the fit out for that space.

Mr. Jorge Madruga Owner said that I'm the owner of the site basically what happened was I met the gentleman who owned the building he wanted to knock down the building and I told him that I'll maintain the building from now on you don't have to pay a dollar and we did a 99 year ground lease. So I became the owner of the building by a ground lease and he owns the sign up on the roof and we have no ownership of the sign. I am renovating the building to either try to bring a tech office into the Bronx at the location but we have a lot of different interests right now we could have schools we have some tech office space but we're basically building in a building that has been abandoned for many years there were holes a lot of water came in and there was steel damage and structural damage that we had to go through. A lot of what we've been doing is fixing the building to make sure that it stays up and after we finish that then we would go into the next phase that would be for fitting out for a tenant we would be talking to. We plan to have a vanilla box type of building at the end of the year and then start to fit out for a tenant and trying to get a bio-tech tenant. We are right now putting into the building for the vanilla box about \$20 million dollars.

Questions and Comments

New York City Department of City Planning

Mr. Oscar Oliver-Didier said that I'm here to present a Zoning Text Amendment and it involves obtaining a special permit for self-storage facilities. The city understands that self-storage facilities have generated concern among communities and industrial advocates. Like many the city wants to support industrial jobs in Industrial Business Zones or IBZ's as we know them and then proposing to strike a balance in the city's most active industrial areas and the real demand that exists in this city for self-storage which is already limited as to where they can locate in New York City. So where did this come from and where did this proposal originate. In November 2015 just over 1 year ago the Office of the Mayor and the City Council Speaker announced a 10-point Industrial Action Plan that targets New York City's Industrial Business Zones the IBZ's as areas of employment growth and industrial innovation. The Industrial Action Plan has three main objectives one to protect industrial neighborhoods and incentive development which again includes to limit personal storage in IBZ's to support economic growth; number two align city services to help industrial business start, grow; and thrive, and finally to train the city's workforce to meet the need of the sector.

Now in terms of the IBZ's themselves in the Bronx you see that in the southern end in Port Morris you have an Industrial Business Zone. So and IBZ or Industrial Business Zone are New York City's most active industrial areas with over 68 percent industrial-sector employment; critical for a range of

industries: wholesale, trade, transportation & warehousing, manufacturing and construction; and more importantly since 2010 industrial employment is actually growing in IBZ's. So what the Industrial Action Plan builds is on a series of existing policies tax incentives, service provision, a pledge not to rezone IBZ's for residential use, and again support the economic growth that occur in these business zones.

So the proposed restriction on self-storage makes sense in this context of a clear development policy for IBZ's. So this is how we're sort of calling these areas in the IBZ's where these special permits shall apply. So we're calling them the proposed designated areas in M-Districts one reason we're calling it that way and not an IBZ for the purpose of the Zoning Text Amendment we will call the IBZ Designated Areas. We're giving them a different name because we need to incorporate boundaries into the Zoning Resolution which are based on the mapping conventions of zoning. We want to make sure that the boundaries and the Zoning Resolution are not confused with the existing tax program. That's what an IBZ is it's a Tax Program which will continue to operate in an independent manner the Zoning Resolution does not control tax programs. Again it's a tax program to incentivize industrial jobs in the IBZ's. So again it's just a technicality but I don't want to confuse people where we're calling these areas where the special permit would apply are called the Proposed Designated Areas in Manufacturing. So the boundaries created are created to conform with zoning practices and compared to IBZ's what they do is exclude airports again it's not a place where you have self-storage it actually includes more areas than the IBZ's themselves.

Self-storage itself we all know or we've seen it we kind of know how they operate and even some of the things that we don't like about them. Here's a little background of what these uses area. The industrial goals of the city from IBZ's are either job intensive, innovative, provide utilities and industrial services to and/or support additional economic output. The unregulated development of self-storage detracts from the city's long-term goals for an Industrial Business Zone for three principal reasons one that self-storage does not generate many jobs; secondly it serves primarily households; and finally then tend to occupy very large lots on designated truck routes or highways which often would be more optimal sites for more job intensive industrial uses. In that respect self-storage combines these three characteristics conflicting with the city's economic development goal for industrial business zones. So today's self-storage is permitted in M and C8 districts restricting these facilities in IBZ's is necessary because we see that industrial businesses are having a hard time finding appropriate sites and these large lots are increasingly sparse. Here are a few examples of recent sites in different parts of the city where self-storage development has taken place. We think that in the context of the Economic Development Policy for IBZ's there could have been a more job intensive on sites like this. These lots as you can see here are very large and optimal location for trucks and businesses and the development of self-storage in such locations is regarded as a lost opportunity. So you see there are two Bronx examples here they're not in this district but we just wanted to show these one is in Throgs Neck and the other just north of Co-op City. So you have an idea that this is sort of a citywide problem and a borough wide problem I would add. So currently there are actually 240 facilities across the entity of New York City how they're classified these self-storages currently they're classified as warehouses and currently permitted as-of-right in C8 and all M districts. More importantly is that one quarter of all self-storage facilities are actually in Industrial Business Zones so you see the blue dots so you have sort of a broad idea where the self-storage sites are located and in purple you sort of see citywide where all these IBZ's are. As you can see Community Board 1 and 2 are the most impacted especially 2 but 1 has all the area of Port Morris over here.

So looking in and zooming into the Bronx the most areas of culpability here would apply as follows so the permit affects the areas in purple which is citywide one-third of all conforming facilities are in designated areas in M districts and two-thirds of self-storage facilities have opened outside of IBZ's.

So we believe this proposal would be good for IBZ's because optimal industrial sites will be available for more job intensive industrial businesses. Again the area where we would be limiting the growth of more self-storage is actually in the IBZ's area.

So how would it work the proposed self-storage restriction work a CPC or City Planning Commission Special Permit is proposed for the development of self-storage in designated areas in M districts. A case-by-case, site specific review process will ensure that self-storage development doesn't represent a significant lost opportunity for the future siting of an industrial more job intensive business. What it basically means is that it's not that we're prohibiting self-storage in these IBZ's it's just that you have to apply for a Special Permit and the City Planning Commission will look at it on a case-by-case basis. Again if it's a site that would be more appropriate for different reasons for more job intensive industrial use it would not get the Special Permit approved. So the restriction will apply only to self-storage and not to other warehouses or moving businesses because those uses are much more job intensive they usually have more staff. They need to have people driving the trucks moving the materials it's moving the actual elements that's being transported. These are the businesses again that tend to have more employees and serve businesses they are an important part of the functions of the industrial area where as self-storage really isn't.

So the Special Permit has specific criteria on which a Special Permit will be permitted for self-storage development on sites that are not appropriate for conforming industrial uses that the City Planning Commission will evaluate based on such considerations as zoning lot size, lot configuration; proximity to truck route; if the street is narrow or wide; has there been any investment in the area or comparable sites; is there a potential for conflict between potential industrial uses; and finally is this proposed site contaminated and is there a need for environmental remediation. So it's important to also note that existing self-storage facilities will be permitted to remain and extend or enlarge within the original zoning lot as of date of enactment. So existing self-storages will be grandfathered as part of this process. It's not really that the one's we have right now will be driven out or abandoned it's really that you can't build anymore unless you get again this Special Permit.

So this is how this Special Application would work just to understand what your role with this would be and the timing. So the Special Permit if you don't know is a discretionary action subject to full ULURP review so an applicant will have to show that the potential site is adequate for self-storage and impractical for industrial business. So the pre-application process means crafting land use and environmental applications which takes an average of 15 months and afterwards ULURP the Land Review process begins. As you all know the ULURP involves Community Board review, Borough President's review, City Planning Commission review and usually the Council also votes on it. So again as we all know the sort of length of the process for a CPC Special Permit is typically almost two years. So this again is in a scenario where there's actually a site that we feel comfortable with a storage facility popping up because maybe it's an area that's not ideal because it's irregular it's not close to adequate access for trucks and that kind of thing so it's not really useful for industrial use and we don't want to have an empty blighted site so maybe we do feel comfortable with having a self-storage there. But having said that if they want to proceed they would have to go through the full land use review process where's now they don't it's build as-of-right.

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So in terms of this specific Text Amendment we referred this Zoning Text Amendment in May and then we're currently here and then a Borough Board and Borough President review and then we would hold a CPC Public Hearing and City Council would review. It's expected that this would be passed no earlier than November we're looking at a late fall date just so that you have as sense of the timing.

Questions and Comments

The Chairperson called for a motion on a letter of support for BSA Cal. No. 2017-1-BZ 570 Melrose Avenue application to be permitted to open a Blink physical culture establishment (gym) within portions of an existing commercial building located in a C4-4 zoning district.

Motion made to approve letter of support for BSA Cal. No. 2017-1-BZ 570 Melrose Avenue application to be permitted to open a Blink physical culture establishment (gym) within portions of an existing commercial building located in a C4-4 zoning district. Motion duly seconded. Motion called and passed unanimously.

The Chairperson called for a motion for a letter of support on Bruckner Development LLC/MADD Equities request for State Grant Funding for their project located at 20 Bruckner Boulevard from the Regional Economic Development Council.

Motion made to approve a letter of support on Bruckner Development LLC/MADD Equities request for State Grant Funding for their project located at 20 Bruckner Boulevard from the Regional Economic Development Council. Motion duly seconded. Motion called and passed unanimously.

The Committee decided to have the New York City Department of City Planning's present this item the Self-Storage Text Amendment to the Full Board for consideration and vote.

The Chairperson called for a motion to adjourn.

Motion made to adjourn. Motion duly seconded. Motion called and passed unanimously.

Meeting adjourned.