

MINUTES OF COMMUNITY BOARD #16 – AUGUST 4, 2020

Attendance

David Alexander	Rosa O’Neill (A)
Lorenzo Andrews (A)	Deidre Olivera
Cynthia Bannister	Busayo Olupano (A)
Margaret Brewer	Ariel Perry-DeCamp (A)
Dr. Cleopatra Brown	Anita Pierce (A)
Kaseem Clark-Edwards (A)	Marie Pierre (A)
Adrainer Coleman	Linda Rivera
Norman Frazier (A)	Shaneek Samuel (A)
Danny Goodine (A)	Joann Sexton
Chanel Haliburton	Dr. Sonia Smith
Sarah Hall	Keturah Suggs
Balinda Harris (A)	Beverly Tatham
Zalika Headley	Rev. Eric Thompson (A)
Michael Howard	Brenda Thompson-Duchene (A)
Carl Joseph (A)	Christopher Toomer (A)
Leticia Knowles (A)	Ernestine Turner (A)
Dr. Bettie Kollock-Wallace	Rev. Miran Ukaegbu (E)
Charles Ladson (A)	Deborah Williams
Digna Layne (A)	Pat Winston (A)
Kelly Lee-McVay (A)	Viola D. Greene-Walker, District Manager
Albion Liburd (A)	Jimmi Brevil, Community Assistant
Deborah Mack	Hon. Alicka Ampry-Samuel
Yolanda Matthews	Hon. Inez Barron
John McCadney, Jr.	Melvin Faulkner for Hon. Charles Barron
Andrew McCoy (A)	Malcolm McDaniel for Hon. Eric Adams
Melanie Mendonca	Nicholas Perry for Hon. Scott Stringer
Shemene Minter	Shawna Melius for Hon. Yvette Clarke
Genese Morgan	Frieda Menos for Hakeem Jeffries

PUBLIC MEETING VIA WEBEX

Chairperson Genese Morgan called the meeting to order at 7:07 p.m. and thanked everyone for taking the time to be present for this meeting.

She stated that the proposed project came out about a year and a half to two years ago and the project is moving forward. It is a project that is as-of-right. It does not necessarily require rezoning. It is important for the community to know as much about this project from the ground up so that we can give a proper input and make other agreements with the developer with regards to community benefits such as employment, etc.

Although the Board is in recess, we do not know what September is going to entail, given the current climate. While things are a bit calm, it is important that we just go ahead and review this project and get the dialogue started so that we can continue to be engaged with the development team as things move on and make sure that this project really gets completed with the best interest of the community.

The roll was called by District Manager Viola Greene-Walker and failed to yield a quorum.

Mr. Ricky DaCosta introduced himself as Director of the Government and Community Relations team at EDC. He apologized for having to meet under these circumstances, but obviously there is a lot going on in the world and he appreciates everyone making time for them to come out and speak tonight. As Chairperson Morgan mentioned, they are here to talk about a project that is an as-of-right development. It is a unique project from their perspective because it is not one where they started out with a particular location in mind.

His colleague, Lauren Wolf, will walk through the timeline and some of what the project was about, but this was one where they kind of put out a call to developers to put forward spaces in the general vicinity of East New York or Brownsville for a city agency to relocate their office, and in the process, create an opportunity for some commercial development to get financed in a place where there is an obvious need for economic development, many people are looking for

job opportunities. This project is one that is going to create opportunities for commercial space that should be job generating. Construction will start in 2023 and should be completed by 2025.

Ms. Lauren Wolf stated that she is a senior vice president in the real estate group at EDC. This site at 2440 Fulton Street is the first in EDC's Office Anchor Strategy (OAS) and the anchor office they are using is the Human Resource Administration (HRA) as the city agency which needed office space. When the OAS started, HRA was seeking to relocate their offices from 250 Livingston Street and 275 Bergen Street and a procurement was released in late 2019, looking anywhere in Eastern Brooklyn. In this initiative, they were looking at as-of-right sites and the reason is that they want it to be in line with the city's regular leasing process as much as possible. They lease twenty-two million square feet of space across the city of which most of the community boards are the beneficiaries as the city leases space for different community boards.

They wanted to spur office development and general commercial activity in areas that are traditionally underserved by office development and sought people with land that could do it without rezoning to effectuate it. OAS really looks to create investment in under-activated markets while providing office and retail space for non-city tenants.

They displayed a diagram showing how they see this process working. The idea is that EDC works with the Department of Citywide Administrative Services, who handles the city leasing, to identify a tenant (the tenant being the city agency - in this case HRA) who has a space requirement with a lease expiration that aligns with the time needed to bring new construction to a site.

For this first project, they worked with HRA who had a lease that was expiring in 2025 and that was helpful to us. Because if the lease is expiring too soon, there is not enough time to build a building for them to occupy. Similarly, if it's too far in the future, it would not work because the city cannot be obligated to being in two spaces at once.

EDC brings the prospect of leasing space to HRA to the market by releasing a procurement which they did in December 2019 and required in their RFP that the proposed sites include spaces for private market tenants. Meaning that proposals received through the procurement, both respond to the city's need for the office space for the agency while also contemplate the creation of new office space and retail space market tenants.

When they released the procurement for a site in Eastern Brooklyn, they got back nine responses to the RFP. They ultimately selected the Leser Group with their property at 2440 Fulton Street. They can deliver 340,000 square feet of retail and office space which includes 225,000 square feet for office space for HRA, office space for non-city tenants yet to be identified, and ground for retail tenants yet to be identified. This will be office space for 1,000 HRA employees and create new private sector jobs, both in construction and by the tenants who will occupy this space. Additionally, just having the HRA employees here could encourage ancillary development in the surrounding area.

They are here today because every city lease goes through a Section 195 process. Whether it is a brand-new development or if the lease is in a building that is already constructed. They are seeking to do this in September. This is because they need to have the lease signed in January, 2021 in order for the developer to start construction of the building. They must build the building in time for HRA to move out of the space where they are presently. Otherwise, there are penalties to the city. This puts them on a tight timeline to make it all happen. It may seem crazy because they are not going to move until November 2024, however, that is how long it takes to build a building of this magnitude.

September 2020 is when they are seeking to have a Section 195 hearing and then execute a lease in 2021 with construction starting later that year, HRA moving at the end of construction, which would be in November 2024.

Mr. Ross Moskowitz, Counsel for the Leser Group, stated that as was mentioned by Chairperson Morgan, this is an as-of-right project and they know that the community is very interested in this project. This is their first opportunity to present to the Board and to have this dialogue. The project is a public-private partnership. They think this is unique opportunity and are happy that they have been chosen. They understand the process and that this is somewhat of an informational meeting and know that they will be back in September.

One of the goals that they have as a project team tonight is to not only present the vision and the program that they are looking to do here on behalf of the city, but also to get feedback and to take commentary so that they can be responsive.

Slides were displayed showing photographs of the site as it now exists. The existing building is a two-story building on a 77,000 square foot site at Fulton Street and Van Sinderen Avenue. The site is zoned C4-5D with an E5 overlay. From a basic zoning context, it has a 100-foot height limit and a setback requirement at 85 feet. Neither of which were maxed out an effort to bring the scale of the building down on the site.

One of the most interesting things Jonathan Marvel found when they first started looking at the site is transit access to the city or downtown Brooklyn and how it afforded the project community and in this case city employees, immediate access to other hubs because of the access to transit.

Photographs of existing structures in the community that gave inspiration to their design were shown. Conceptual views of the design showing how they brought those elements into the design. They were sensitive to the nearby park and the low scale of the neighborhood and even though zoning would allow a higher building, they did their best to accommodate a commercial program and that made real offices and real retail spaces without necessarily pushing the limits. Both the setback level and the roof level are lower than the maximum height allowed.

An elevation of the building as it would be seen facing the southwest corner of Van Sinderen Avenue and Fulton Street was displayed. They want to have the side of the building activated as well because Van Sinderen Avenue serves as a path for pedestrians traveling between the Long Island Railroad East New York and the Broadway Junction stations.

Looking at the full elevation along Fulton Street, you see the substantial facade of the site. Here the building could have gone with greater heights end to end, however, they held back on the right hand side to minimize the length of the building while allowing the retail to expand as far as possible to keep Fulton Street active as possible.

Mr. Moskowitz stated that there were certain goals and objectives that the city had. A key goal was to provide quality economic space for a city agency. Another goal and objective is to create an economic development area to provide retail in this area of the community. Something that is not always articulated, but worth saying it is also to create what economist call a multiplier effect wherein having a thousand workers coming into the community. Those workers will need services while in the neighborhood and therefore, create job opportunities, both direct and indirect.

He further stated that this is a very special project and is something that everyone can be proud of and it can be a linchpin for the area.

Ms. Deidre Olivera stated that she did not see much opportunities for parking and as a community resident, when she sees the scope of the building and thinks about 1,000 HRA employees as well as non-city tenants plus the retail component and she would like to know has there been any sort of partnerships with transit to increase the number of trains or buses that are going to go through the area? She believes there will be a lot of congestion. Are there any parking allotments?

Mr. Nebil Gokcebay stated that on the Herkimer Street side of the building, there will be 26 street level parking slots and an additional 300 slots in the cellar of the building.

He cannot speak for the MTA New York City Transit, but last he heard, they still have plans on doing accessibility improvements at Broadway Junction to help with some of the issues with egress. We are in a moment now where MTA is cash strapped as are many agencies across the city and state.

He does not know what the status is, but believes that between the parking, and ideally, the transit access that does exist at the station, knowing that it needs improvements, it should cover the issue.

Ms. Olivera stated that she does not think that 300 spaces is nearly enough for 1,000 employees, plus non-city employees and people that will be patronizing the retail spaces. She thinks that there needs to be a larger component for parking.

She thinks that it is a beautiful thing that our neighborhood is continuing to grow and expand, as well as provide different services. However, it should be done in a meaningful way. To say 300 spaces would be satisfactory for so many different types of retail and city employees and customers maybe deserves a second look.

Mr. Gokcebay stated that one of the things he did not mention earlier is that part of the reason HRA had a desire to set up an office in this part of the borough is that they have a number of their employees who would be working here who also live nearby. So hopefully, that will also help with the issue.

Ms. Keturah Suggs asked to know the development costs, are there any city, state, or federal subsidies for this project and also is it possible to get an organizational chart?

Mr. Moskowitz stated that in terms of the public private partnership, it exists because it is a city agency and the private developer. In terms of subsidies, they are contemplating a real estate tax abatement called the Industrial Commercial Abatement Program (ICAP). It is a as-of-right program and is still being analyzed as to the value of it because it can be very helpful in terms of the economics of constructing the building. But in terms of subsidies is no. If that program is accessed by the owner, it comes with a bunch of requirements in terms of prevailing wage and things along those lines. They will be in better position when they come back to the Board in September.

Ms. Suggs asked if they know what type of the commercial tenants that will occupy the spaces?

Mr. Moskowitz stated that the owner has been doing a series of market studies. Hopefully, they will have more information when they come back to the Board.

Ms. Page Best-Hardy, representing the Office of School District #23 Superintendent, asked if there will be any charter school or early childhood center moving into the building, as it will have an impact on the school district.

Mr. Moskowitz stated that he is not aware of any.

Chairperson Morgan asked when will their design be completed? With regard to the no-commercial tenant, will the developer do improvements to all the spaces to be “move in ready” or will the tenant build out the space at their expense?

Mr. Moskowitz stated that it will depend on the tenancy during lease negotiations.

Chairperson Morgan asked where are they in the process of hiring a general contractor and issuing an RFP?

Mr. Moskowitz stated that the project is being cost estimated. They have not chosen a general contractor. Construction start is about 1 ½ years away.

Chairperson Morgan stated that the Board be in close communication with the general contractor to ensure that that proper relationships are established so that the community can support the hiring process so that local residents can be prepared to participate in the project. This conversation needs to be ongoing.

Ms. Olivera asked if consideration was given to a set aside for residents who would like to occupy retail space?

Mr. Moskowitz stated that there has not been a set aside. With retail in flux, it is difficult to say what that would look like. He can take it back for discussion with the Leser Group.

Chairperson Morgan asked if there has been any outreach with the homeowners in the area?

Mr. Ricky DaCosta stated that there has not been any conversation beyond the conversation with the Broadway Junction Work Group.

There being not further business, a motion was made by David Alexander, seconded by Deborah Williams and carried to adjourn the meeting.