

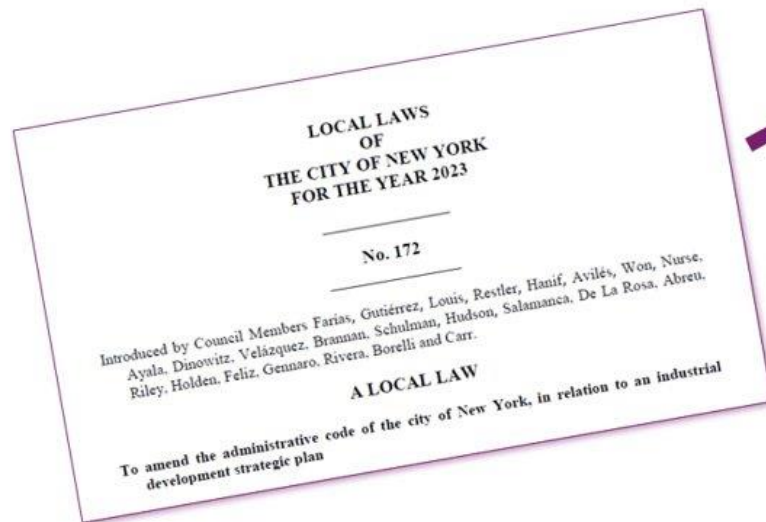
NYC Industrial Plan

May 2025 – Engagement Deck



What is the NYC Industrial Plan?

Required by Local Law 172 passed by the City Council in 2023, the NYC Strategic Industrial Development Plan will offer a comprehensive look at the city's *industrial jobs* and *lands* inclusive of:



- **Research** on conditions, trends and patterns
- **Feedback** from industrial business stakeholders
- Identification of **Primary Industrial Areas**, as a new legislative way to classify predominately industrial areas of the city
- **Recommendations** on incentives, programs, policies and other land use tools

What is the NYC Industrial Plan?

This plan is an interagency effort led by City Planning, EDC and SBS that draws on a wide range of expertise and resources of government agencies:



Where we are in developing the plan:



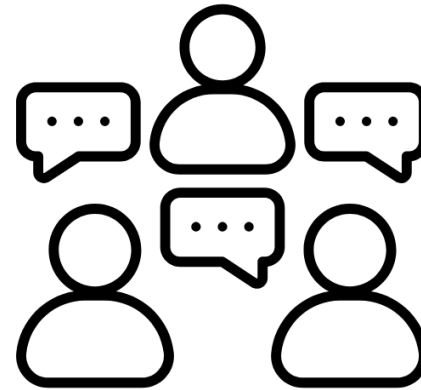
The plan is informed by:



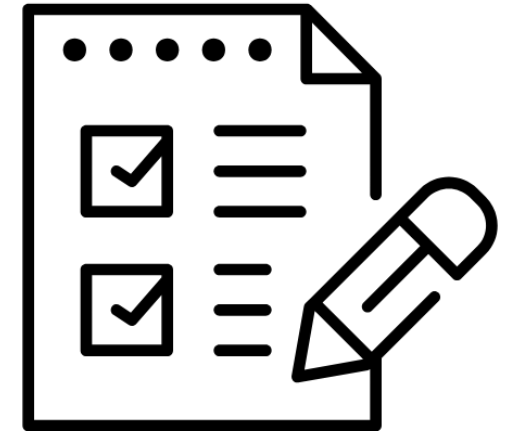
Prior Work of NYC
*and other cities on
planning for
industrial areas*



Quantitative analysis
*using employment, land
use, real estate, and
other data sources*



Interviews, walking tours,
and focus groups *with*
industry experts, local
organizations and
businesses



Citywide Survey of
Industrial Businesses
and Stakeholders

Engagement to Date

- **Industrial Survey**: 500+ responses
- **Walking Tours**: 8 across the city's industrial zones
- **Stakeholder meetings**: Met with 45 organizations representing businesses, residents, property owners, environmental advocates, industrial specialists, civic organizations and other stakeholders
- **Panel Discussions**: Participated in 3 panel discussions with the Trucking association, AIA NY and Business Improvement District organizations.
- **Info Session**: Held a public meeting with 150+ attendees on 4/28. A recording is available on the DCP website.

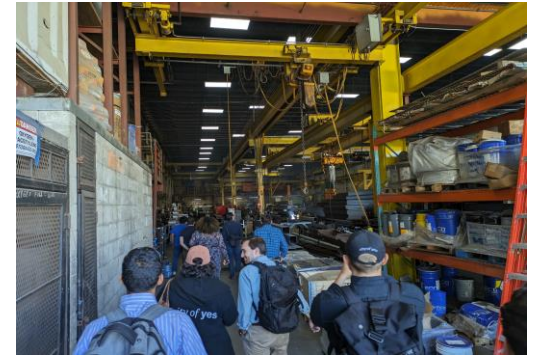


Image sources: NYC Planning

What do industrial businesses do?

Moving



249k jobs

19k businesses

Making



258k jobs

24k businesses

Maintaining



37k jobs

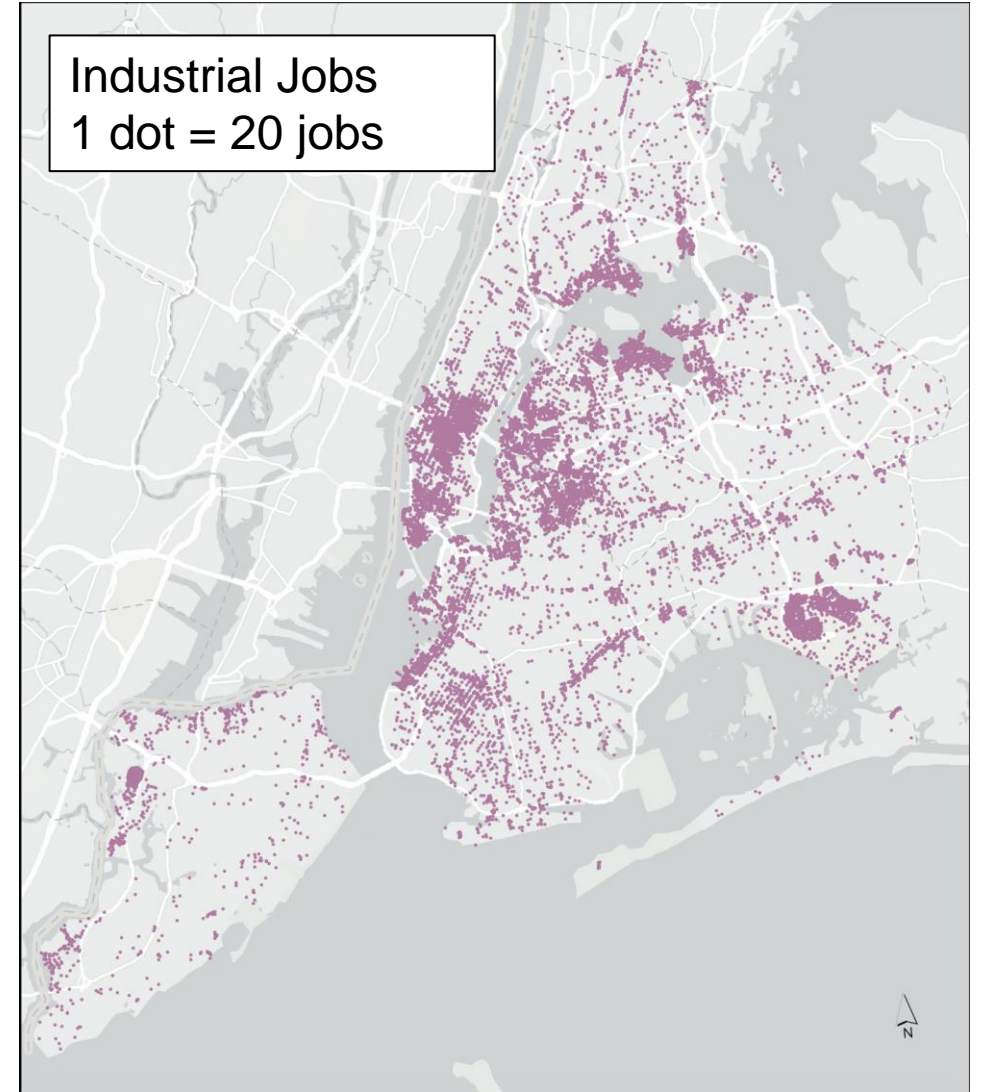
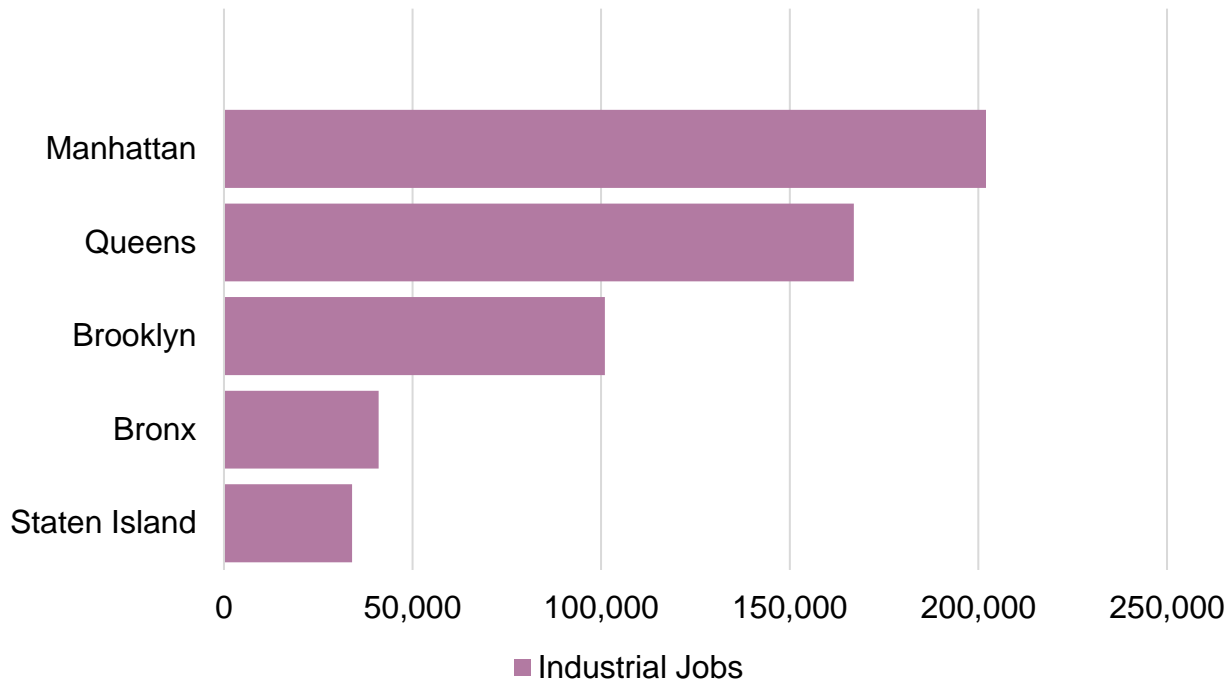
4k businesses

Source: NYC Planning analysis of NYS DOL QCEW, private sector, Q3 2024 (preliminary).

Where are industrial businesses?

All 5 boroughs – both in “traditional” industrial spaces and more traditional business centers, and even at small scales in residential areas.

Industrial jobs by borough

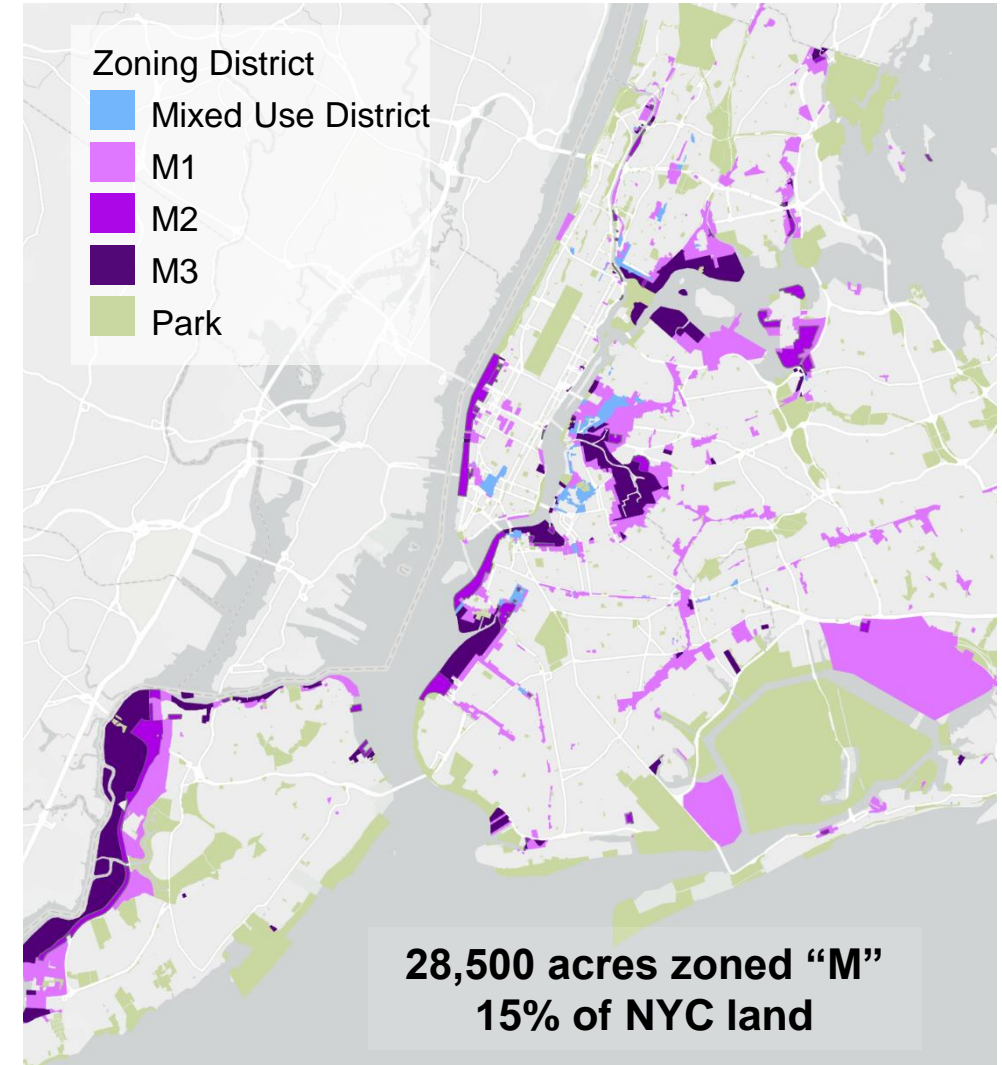


Source: NYC Planning analysis of NYS DOL QCEW, private sector, Q3 2024 (preliminary).

Where can they locate?

Zoning rules set the context under where and how industrial businesses can locate in NYC.

- **Manufacturing (M) districts** are zones that allow for a wide range of business types, including industrial businesses, but do not allow residential uses. M districts M1-M3 vary the level of industrial activity permitted.
- **MX districts** are M districts that also allow housing to be built. MX districts impose additional environmental rules on industrial uses when collocating with homes.
- **C districts** allow for general business types, like office and retail uses, and as a result of recent City of Yes zoning changes, also allow for some industrial uses.



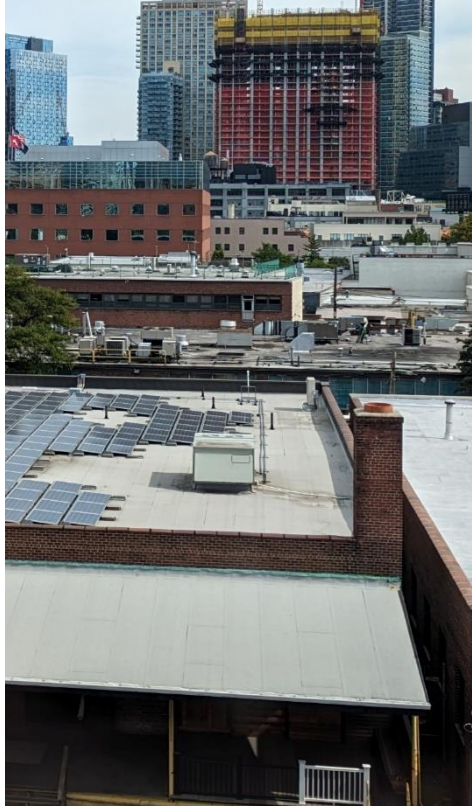
Source: NYC Planning analysis of Zoning District shapefiles (NYZD), 2023.

Key issues for NYC Industrial Plan

Evolving Industry



Demand for Space



Public Realm Quality



Congestion and Trucks

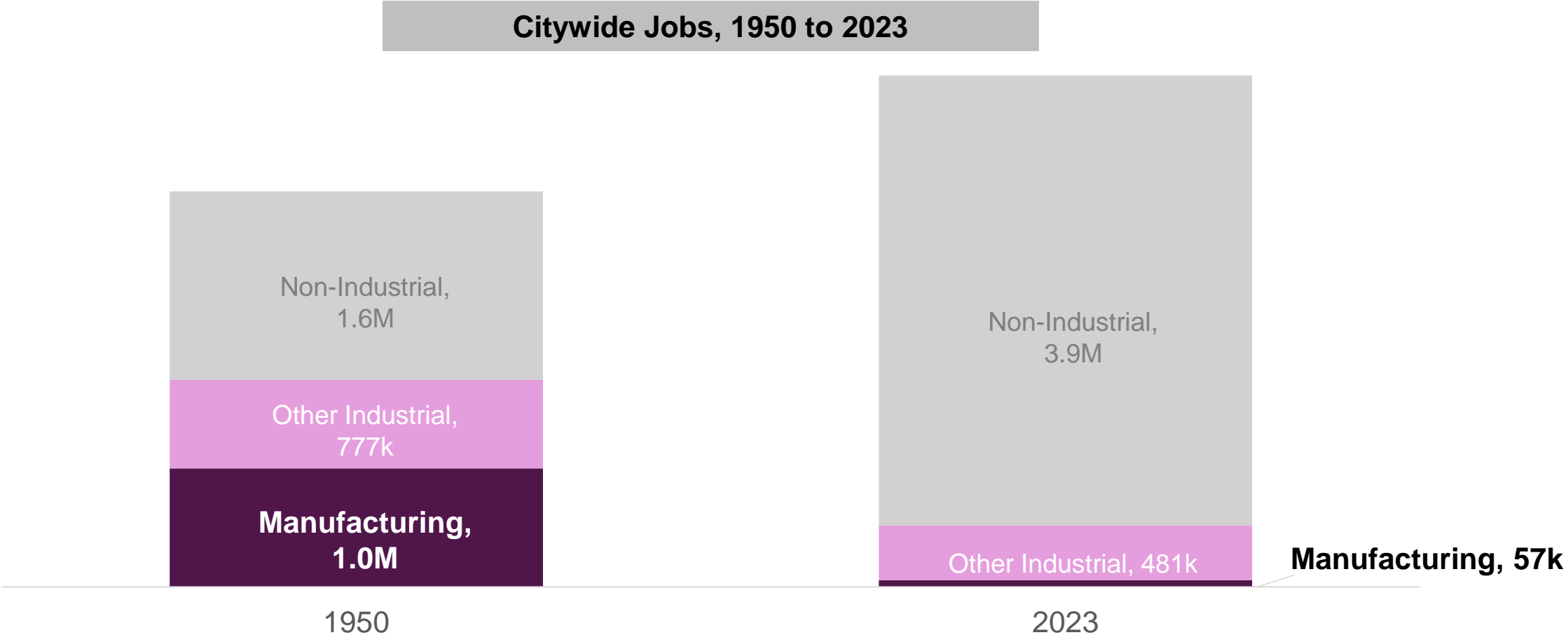


Climate Threats



Image Sources: NYC Planning, NYC EDC and NYCEM

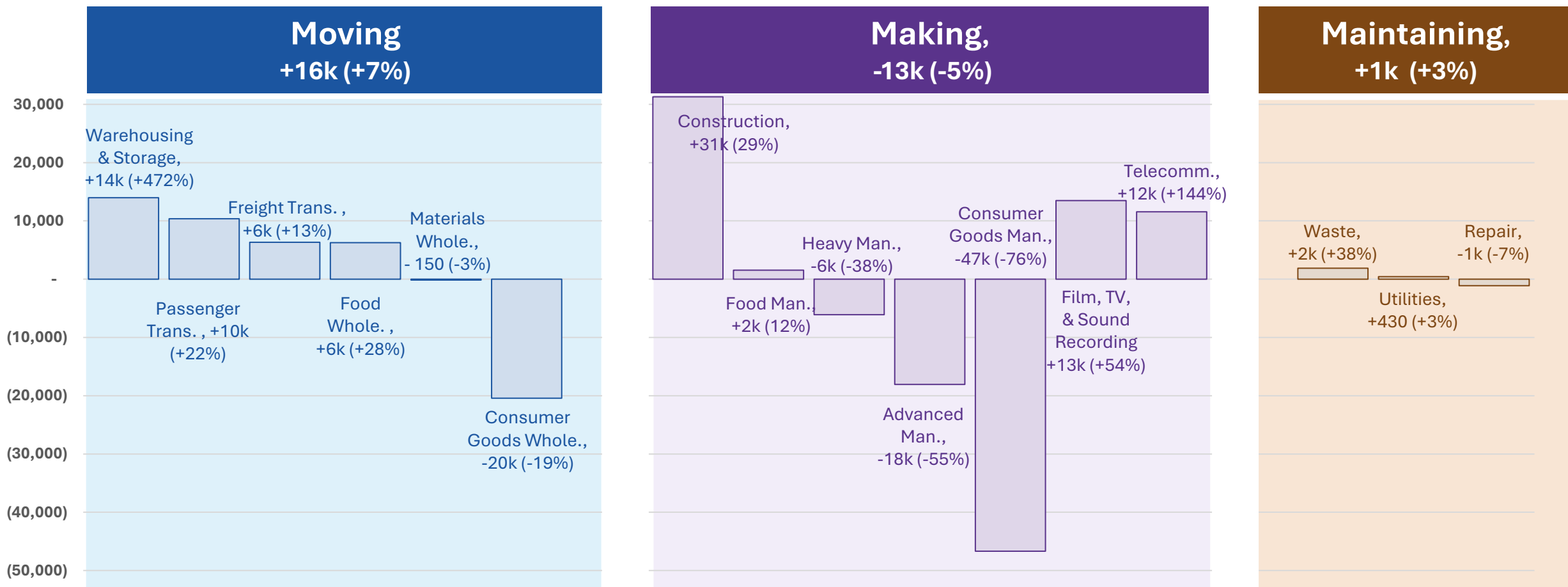
NYC's economy has grown over the last 70 years and become less reliant on industry



Sources: NYC Planning, Jobs in Transition, 1966; NYC Planning analysis of NYS DOL QCEW, all ownerships, annual averages, 2023.
Note: Other Industrial and Non-Industrial may not align perfectly between 1955 and 2023 due to changes in industry classifications.

Certain sectors are robust and growing

Industrial Employment Change, 2003 to 2023



Source: NYC Planning analysis of NYS DOL QCEW, private sector, annual averages 2003 and 2023.

Goal 1:

Enable industrial businesses to evolve, innovate, and transition to green technologies

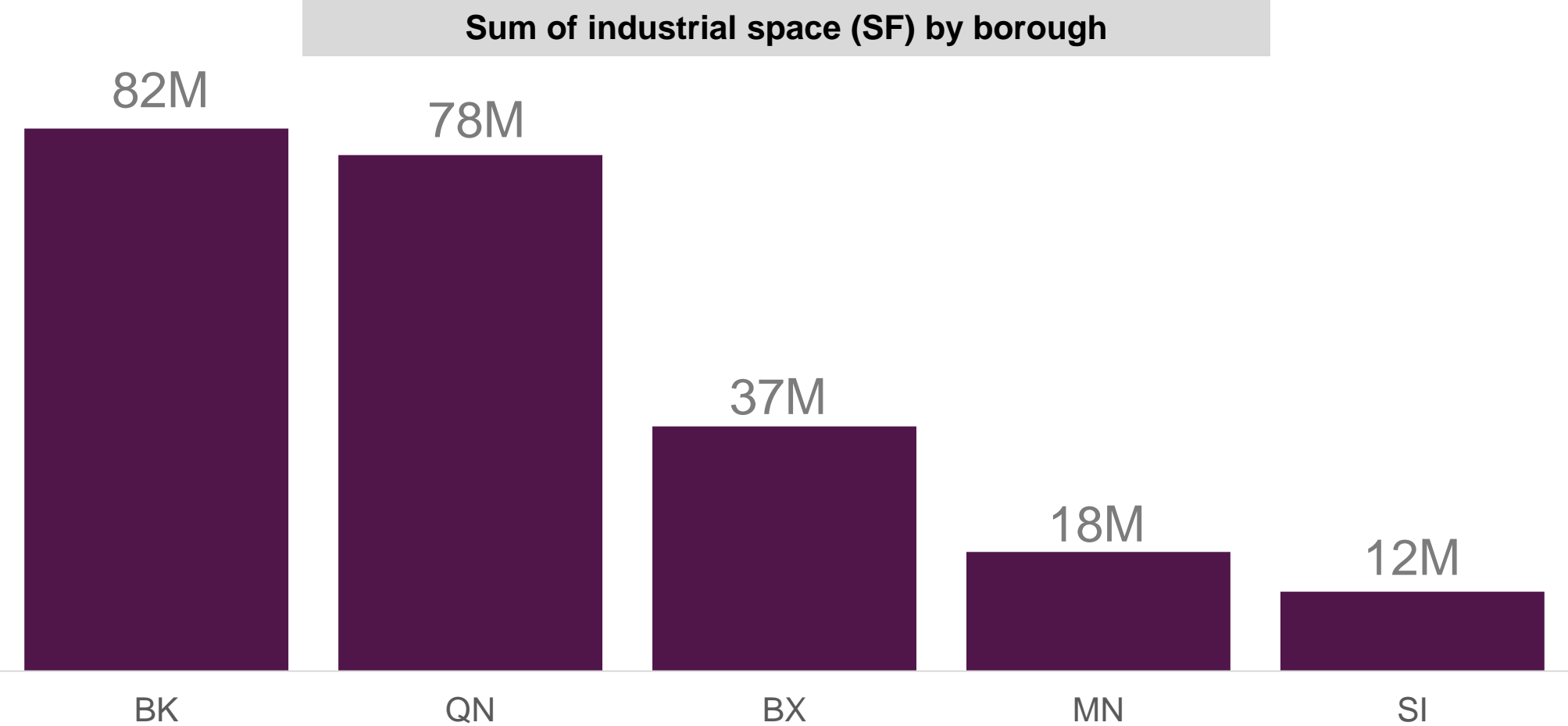
NYC's industrial economy should remain nimble and innovative. It should evolve with a changing business environment, and support the city's transition to a green economy.

Potential strategies:

- ✓ Improve city government's ability to help industrial businesses navigate regulatory and resource challenges
- ✓ Activate industrial sites in support of the green transition
- ✓ Use City-owned sites to incubate and grow industrial businesses
- ✓ Optimize resources available to industrial businesses that seek to grow or transition
- ✓ Ensure workforce development programs support business recruitment needs and prepare workers for jobs in industrial sectors

NYC has over 227M square feet of industrial space

Much of it is located in Brooklyn and Queens:



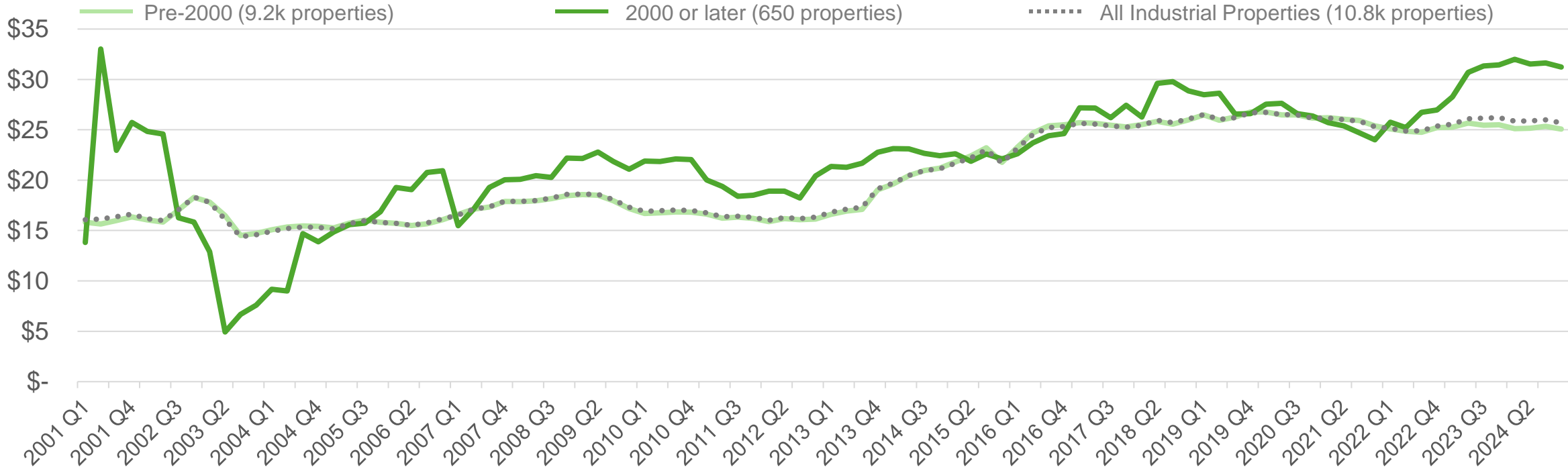
Source: NYC Planning, PLUTO, 24v4.1

Rents are rising, especially for newer space

Average rents for industrial space in the city have **risen from roughly \$15 psf 20 years ago to an average of \$25 psf today.**

However, limited amount of newly constructed industrial space saw **rents rise to over \$30 psf on average** – reflecting both the costs of constructing new space, and the premium attached to these scarce spaces.

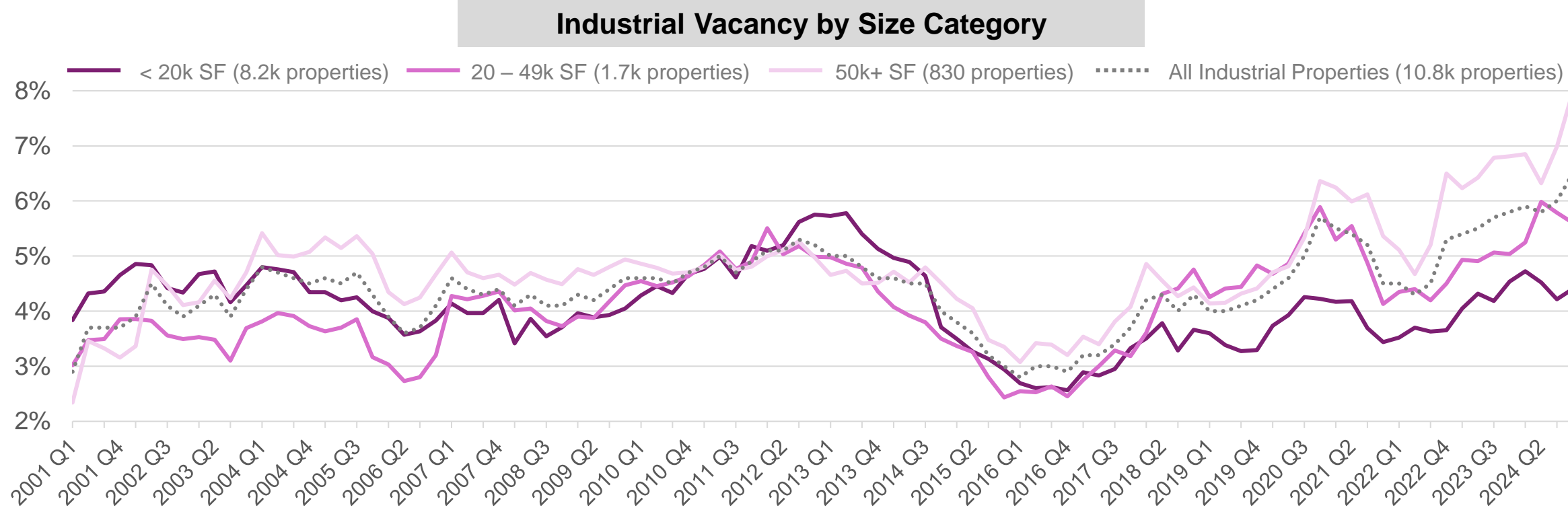
Industrial Asking Rent PSF by Year Built



Source: CoStar, Q1 2001 to Q4 2024. Existing and under construction industrial properties in NYC counties.

Vacancy varies greatly by property size, with smaller properties experiencing lower vacancy.

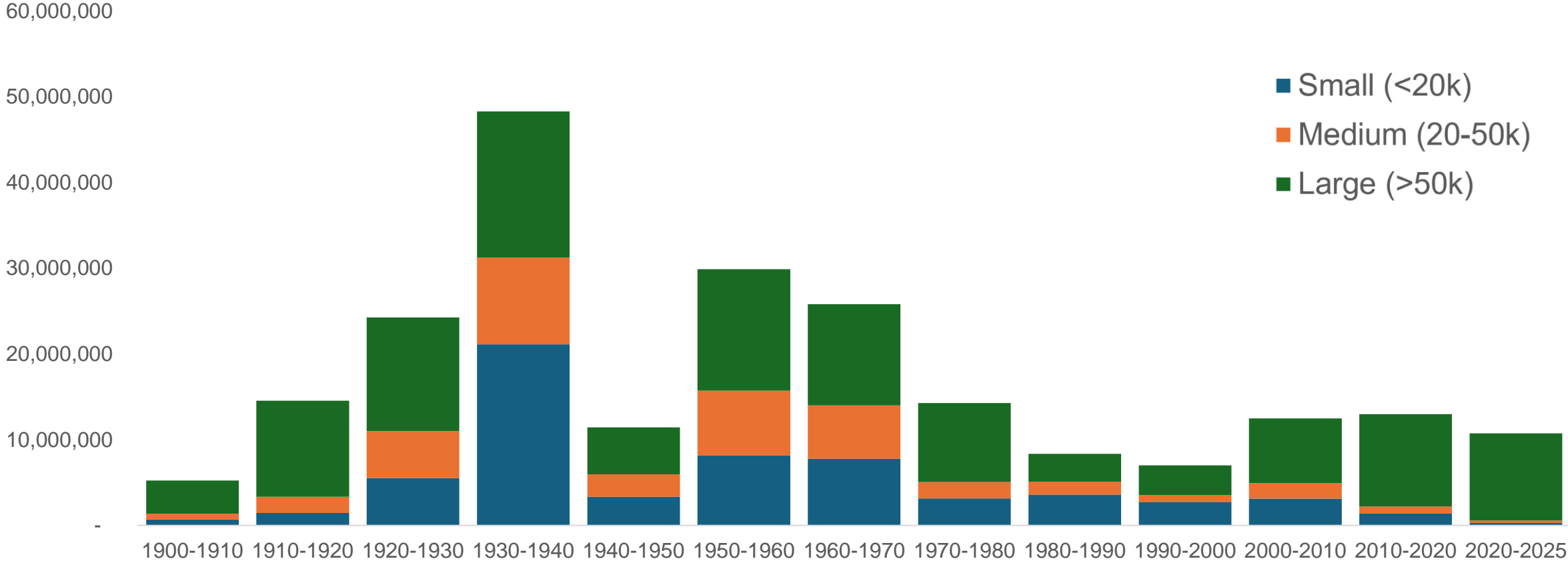
The industrial market has experienced increasing vacancy for the past decade – rising on average from a height of 3% vacant in 2016 to an average of 6.5% vacancy today. That average masks strong differences in the tightness of the market based on the size of properties.



Source: CoStar, Q1 2001 to Q4 2024. Existing and under construction industrial properties in NYC counties.

Most industrial buildings are 80+ years old

SF of Industrial Space built by year built

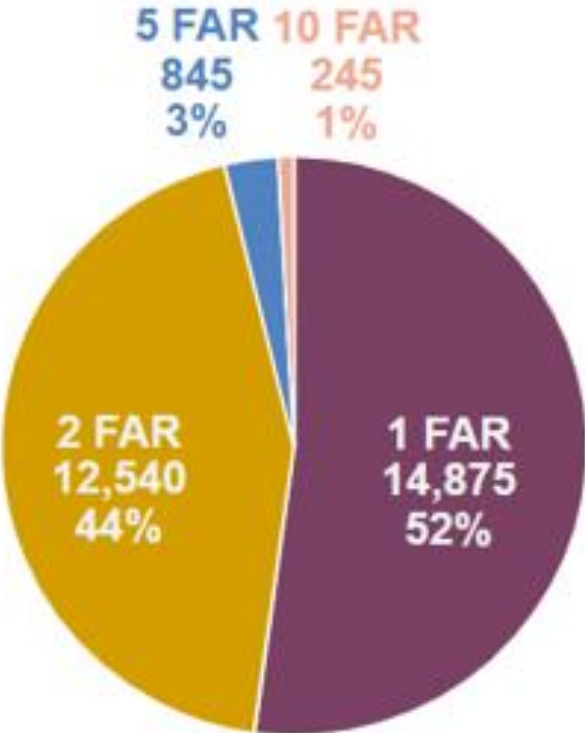


Source: NYC Planning, PLUTO, 24v4.1. Includes M and MX districts and industrial building class codes.

Restrictive and outdated zoning laws have made it more difficult to build new industrial space

96% of the city's M zoned lands have a maximum allowable FAR of 2. Low FARs paired with parking, loading, set back and rear yard requirements make building new in M zones very challenging.

M Zone Area (Acres) by Maximum Allowable FAR



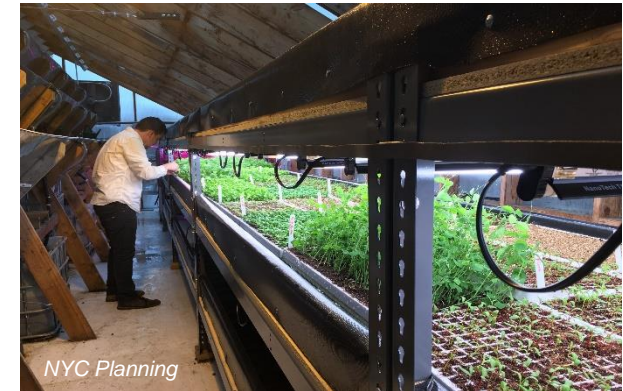
Source: NYC Planning, PLUTO, 23v1.

Light industrial businesses can locate in mixed use settings and structures

Some industrial businesses have compact operations such as specialty food production, custom fabrication, or craft manufacturing and can fit within a range of spaces.

Some businesses benefit from proximity to customers, such as microbreweries, bakeries, and custom furniture makers, which combine production with direct sales.

While still rare, some new construction development has sought to create space for **industrial businesses within larger mixed-use projects**.



Source: NYC Planning: Can Mixed Use Buildings Work in New York - 2018

Some industrial uses cannot safely locate near to non-industrial users

Operations involving **heavy machinery, trucks or large-scale production** are **inappropriate next to residents**.

Critical infrastructure and other large industrial sites often **need lots of space, off-street parking, loading and staging**.

Some critical uses also have security considerations that may require space from adjacent uses **and space must be preserved for them to operate**.



Goal 2:

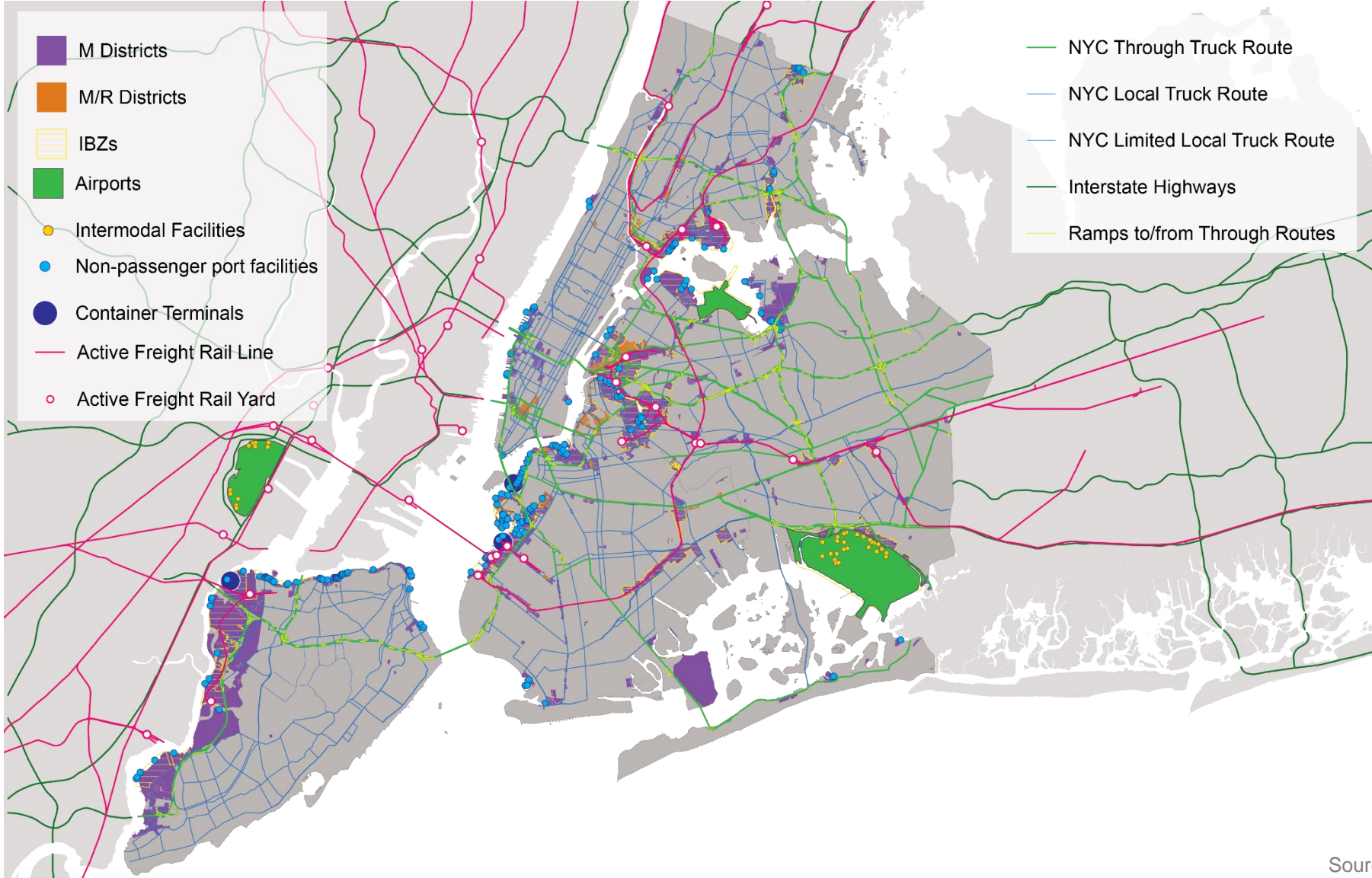
Advance a balanced and coherent land and real estate strategy

City government advances coherent and clear land use policies to guide development and encourage private investment in industrial land that (1) ensure that the city has sufficient space for critical operations and facilities; (2) provide real estate stability for industrial companies to invest in their businesses and remain in NYC; and (3) support the City's population and employment growth.

Potential Strategies may include:

- ✓ Strengthen “primary” industrial areas
- ✓ Make it easier to build new industrial space
- ✓ Leverage mixed-use space for industrial uses
- ✓ Update city processes to make it easier to site industrial operations

NYC has a vast freight transportation network



Source: NYC Planning, 2024

96% of freight is moved by truck and heavily concentrated on select bridges and routes

NYC has a higher rate of freight movement by road than the nation due to limited alternative infrastructure and the nature of goods being moved

Interstate highways are central to the movement of freight in the city and its connection to the region

Concentrated movement on select routes drives issues with congestion and negative environmental impacts on adjacent neighborhoods

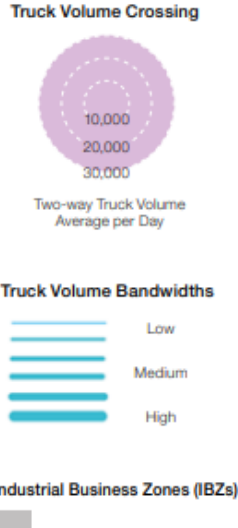
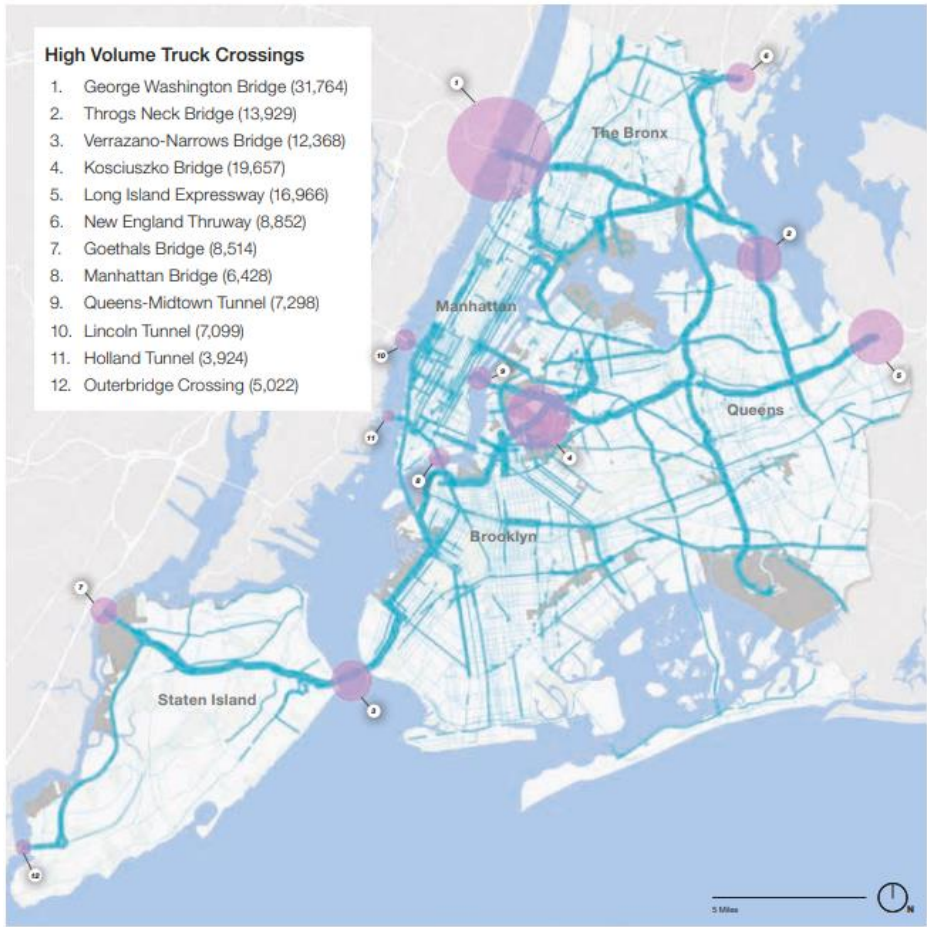


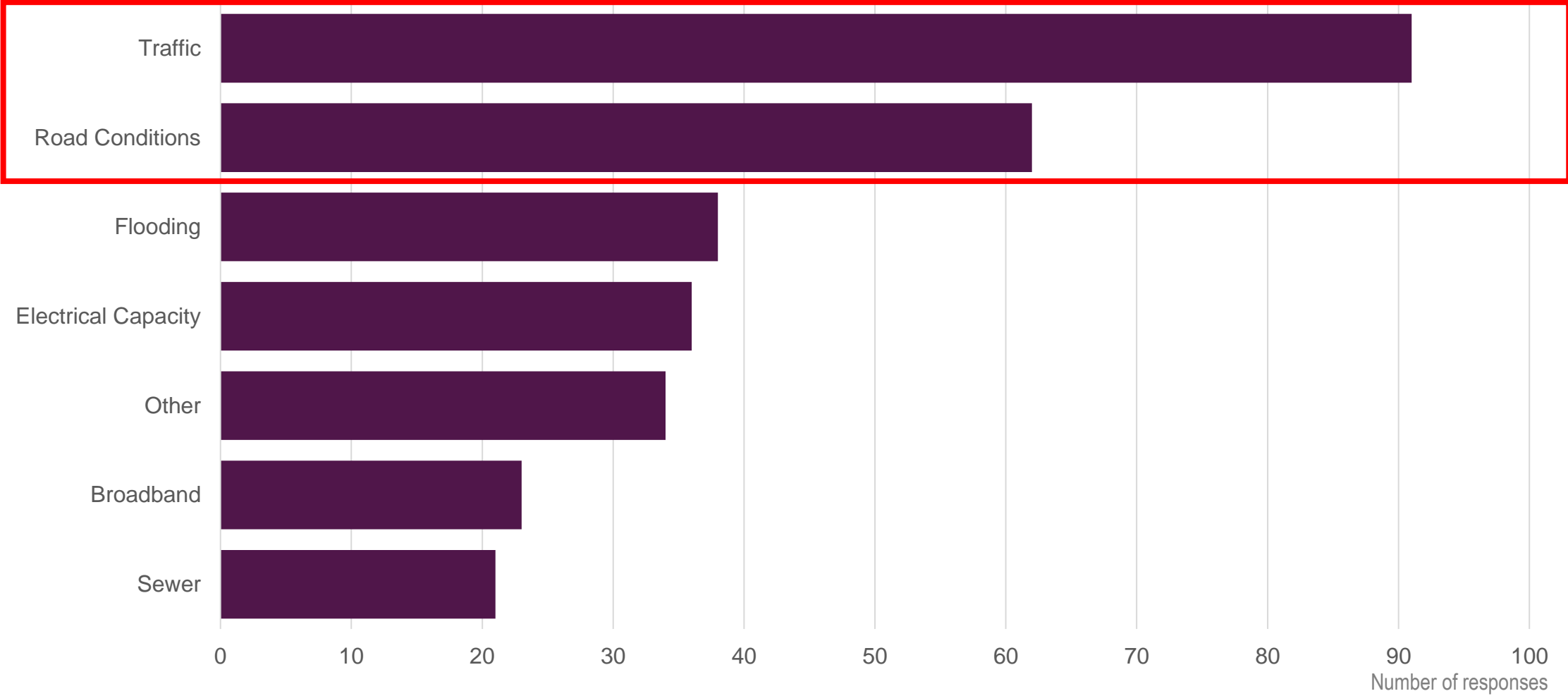
Figure 1: Average Daily Citywide Truck Volume and Crossings



Source: NYC Department of Transportation, Delivering New York, 2021.

91% of businesses surveyed cited traffic & road conditions as major infrastructure challenges

Industrial businesses cited the following infrastructure challenges



Source: NYC Planning analysis of NYC Industrial Plan Survey, February 2024

Goal 3:

Support modern and efficient freight movements

New York City moves a greater share of its freight via alternative modes of transportation including maritime, rail, and micromobility and enhances the safety, efficiency, and sustainability of freight traffic operations.

Potential Strategies may include:

- ✓ Support the expansion of the maritime freight network
- ✓ Support the expansion of the rail freight network
- ✓ Facilitate and encourage the adoption of micromobility for cargo
- ✓ Maximize the efficiency of truck traffic operations
- ✓ Invest in the decarbonization of truck fleets and other freight vehicles

Businesses and residents comment on poor public realm quality

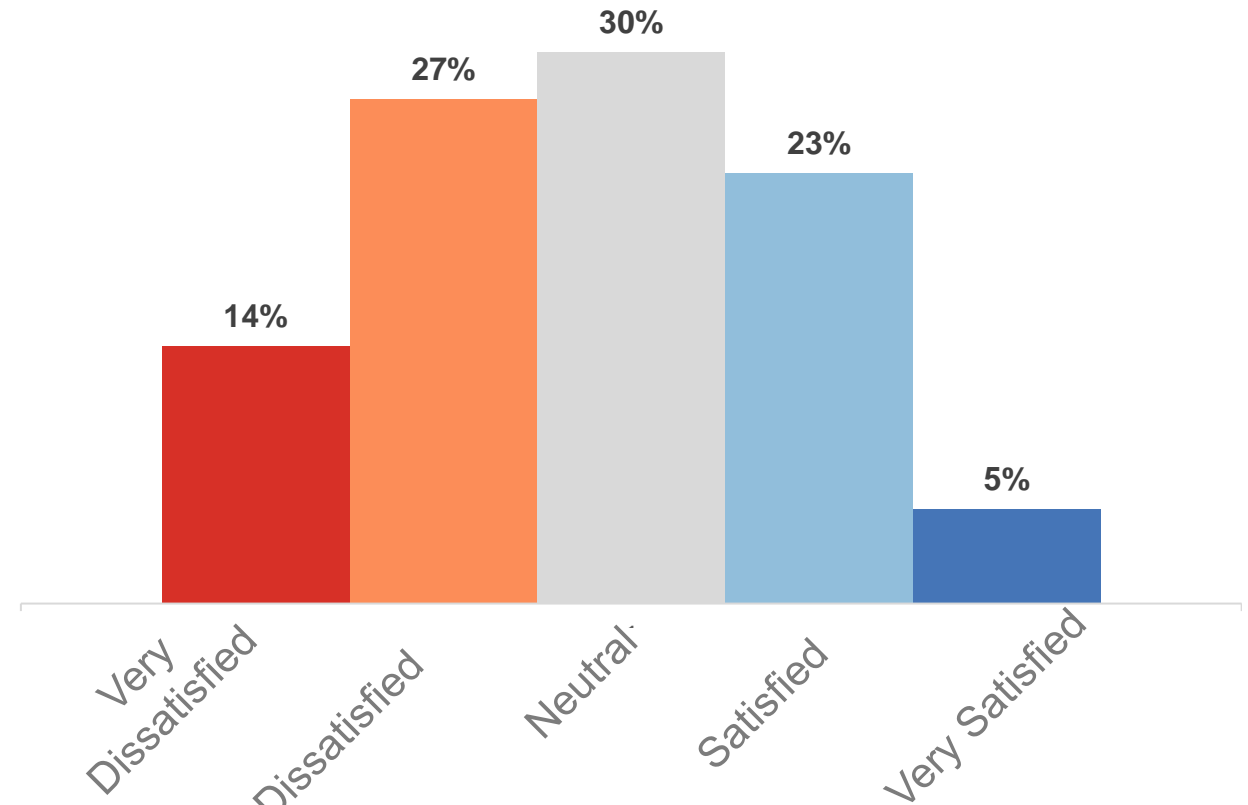
Selected quotes from industrial businesses about the conditions of their industrial areas

“Improve the infrastructure and pedestrian safety in the surrounding neighborhood. More well lit streets & well maintain landscape, less litter on the street and most importantly more security for daily commuter & customers.”

“Provide better street lighting and street signs. Monitor neighboring business that conduct majority of their business out on the public street.”

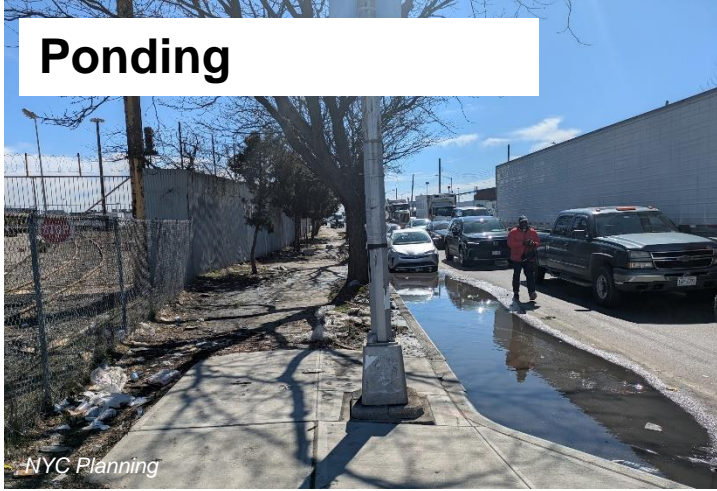
“Tow buses and trucks clogging the roads near our facility. It is a constant problem and has led to accidents. Tickets aren't even issued let alone towing these repeat parking violators.”

How residents and workers rate the conditions of their industrial areas



Source: NYC Planning analysis of NYC Industrial Plan Survey, February 2024

Other quality of life and public realm challenges result from maintenance and enforcement challenges



Goal 4

Promote clean and safe industrial areas

New York City takes pride in its urban industrial communities and makes the investment needed to make them safer, healthier, cleaner, and more appealing places to work and locate an industrial business.

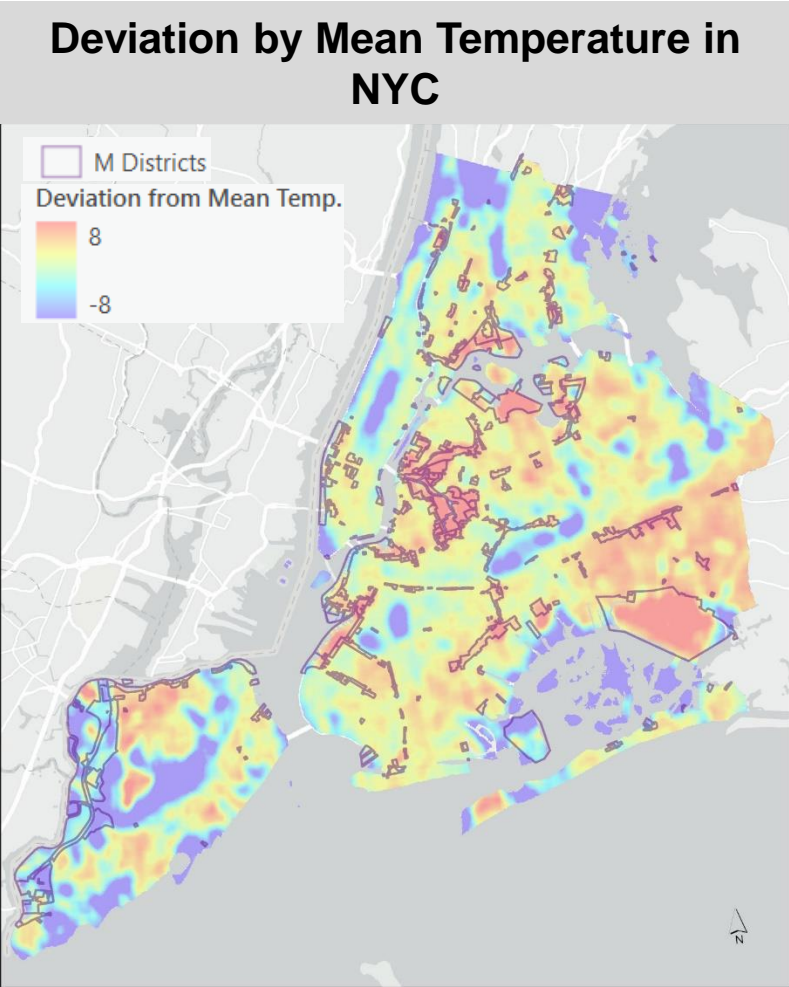
Potential Strategies may include:

- ✓ Develop industrial area design toolkit to better manage public realm conflicts
- ✓ Enhance the appearance and cleanliness of the public realm in industrial areas
- ✓ Improve environmental protections in industrial areas

Industrial areas are typically hotter than other parts of the city, with hardscape, emissions from energy intensive uses, lack of trees contributing to urban heat island effect



Industrial uses are not required to do plantings because of concerns about compatibility with truck access



Source: NYCCAS Air Pollution Rasters, predicted annual average fine particulate matter <2.5 microns, December 2021 – December 2022. Last updated April 2024.

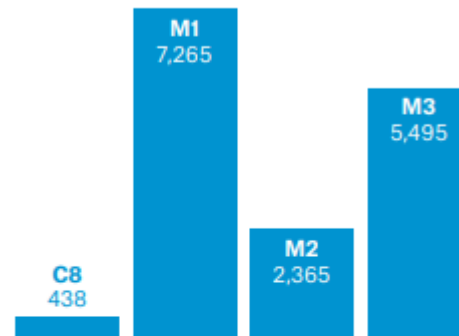
Industrial areas are particularly vulnerable to coastal and stormwater flooding

Many industrial zones are in low-lying, flood-prone areas, increasing their vulnerability to both stormwater and tidal flooding.

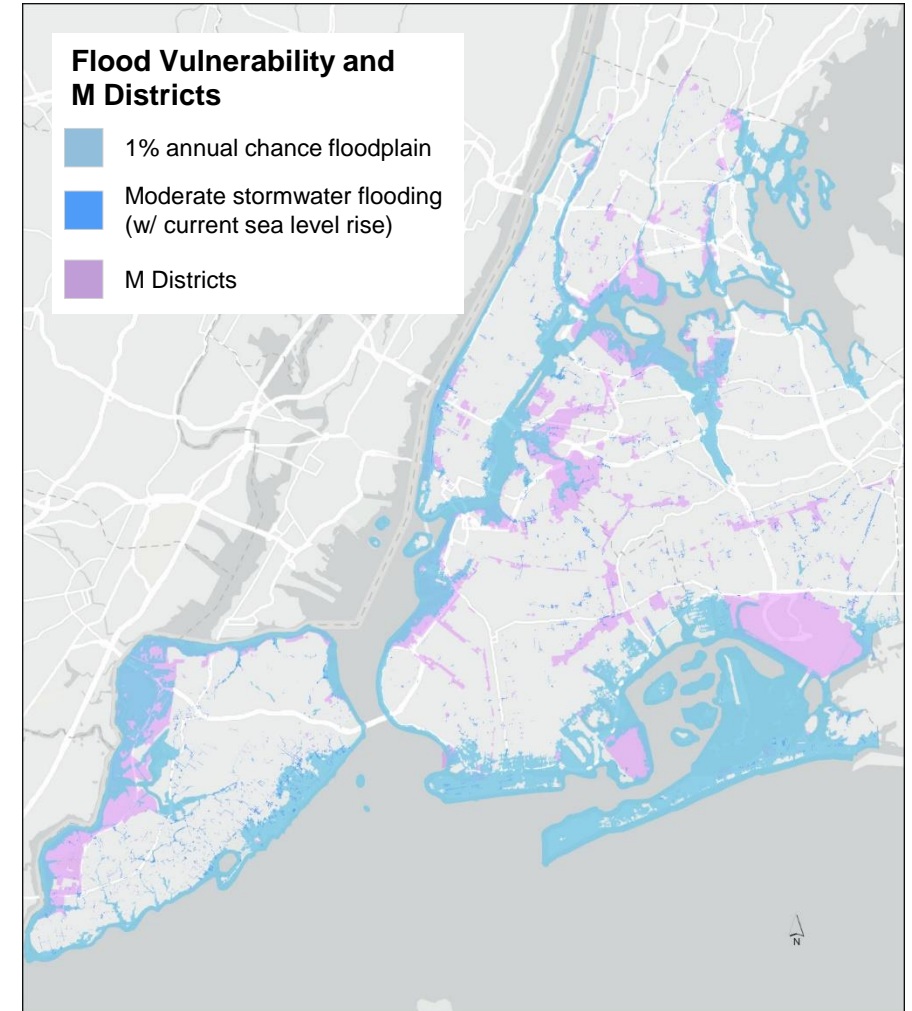
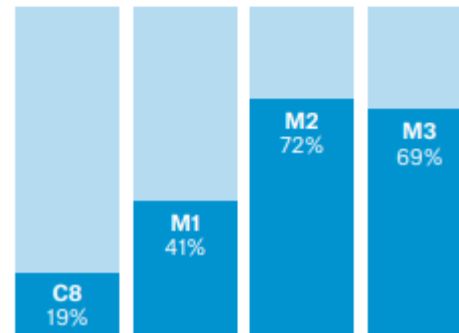
Approximately **half of the city's industrially zoned land falls within the 1% annual chance floodplain**, areas subject to high risk of flooding.

70% of the city's M2 and M3 districts (the heaviest use districts) are in the 1% annual chance floodplain areas at a high risk for coastal flooding

Acres in Floodplain by Zoning District (X, A, V Zones)



Percent of Citywide Manufacturing Districts Located within the Floodplain by Zoning District



Sources: NYC Planning Zoning Districts, PFIRM 2015 100-year, DEP stormwater flood map – moderate with current sea level rise, NYC Planning - Resilient Industry Report, 2018.

Goal 5

Prepare industrial areas for climate threats

City government assesses how climate change could impact industrial land and implements projects, policies, and other interventions that seek to mitigate potential risks and help businesses and neighborhoods adapt.

Potential Strategies:

- ✓ Promote better stormwater management and enhance the flood resiliency of the industrial public realm
- ✓ Enhance flood resiliency of industrial businesses and critical infrastructure
- ✓ Address the urban heat island effect

Get involved

Take the Industrial Plan Survey!

The city will develop analysis and recommendations for the plan, and we want to hear from you! Take the NYC Industrial Plan survey to share how you think we can better plan for the city's industrial businesses and areas:



nyc.gov/IndustrialPlan

industrialplan@planning.nyc.gov

