2

Land Use, Zoning and Public Policy

This chapter considers the potential for the proposed action to result in effects on land use, zoning and public policy. Under the guidelines of the 2014 *City Environmental Quality Review (CEQR) Technical Manual*, this analysis evaluates the uses in areas that may be affected by the proposed action and determines whether the proposed action is compatible with and would affect those uses. The analysis also considers the proposed action's compatibility with zoning regulations and other applicable public policies, including the City's Waterfront Revitalization Program (WRP).

The New York City Department of City Planning (DCP) proposes a zoning text amendment to establish a City Planning Commission special permit (the CPC special permit) for new hotel development in M1 districts citywide, excluding MX or paired M1/R districts, areas that are airport property, areas adjacent to airports that are predominantly non-residential and M1 districts with existing hotel special permit provisions. The CPC special permit would be required for transient accommodations including hotels, motels and boatels. This would allow for more balanced neighborhood growth, thus facilitating the growth of viable industrial businesses in core industrial areas while encouraging growth of other kinds of commercial and, in limited instances residential, uses in other light manufacturing districts.

Chapter 1, "**Project Description**," provides a description of the existing zoning regulations—including the definition of transient hotels and less common forms such as motels, tourist cabins and boatels—and the likely effects of the proposed action on future development.

The proposed action would be a citywide action that would be generically applicable. However, for the purpose of environmental analysis, a reasonable worst-case development scenario (RWCDS) of seven prototypical development sites, representative of where hotel development would be likely to occur throughout the city as a result of the proposed action, were analyzed. This chapter considers the proposed action's potential effects on land use, zoning and public land use policies, including the WRP.

Principal Conclusions

Analyses conducted <u>on the prototypical sites</u> to assess land use, zoning and public policy as it pertains to the shift, resulting from the proposed action, from non-hotel use (i.e., a residential or different commercial use) in the No-Action condition to commercial hotel use in the With-Action condition <u>concluded</u> the <u>proposed action</u> would not have the potential to significantly affect land use, zoning or public policy.

Land Use and Zoning

By introducing a CPC special permit, the DCP proposes a case-by-case, site-specific review process to ensure that hotel development occurs only in appropriate locations, based on reasonable considerations regarding opportunities for the future siting of a permitted use on the site and the achievement of a balanced mix of uses in the area. In actively industrial M1-zoned areas, the proposed action would reduce the occurrence of incompatible land uses and land use conflicts resulting from hotel development. In more mixed-use M1-zoned areas, it is expected that various other uses that may better serve the mixed-use community would be developed in the place of hotels.

The proposed action would change the existing zoning in M1 districts to permit hotels by special permit only. Otherwise, zoning under the future With-Action condition is not expected to change from the future No-Action condition.

Public Policy

The proposed action is a result of the 10-Point Industrial Action Plan policy initiative, as one of the stated action items was to create a new special permit for tourist hotel development. In addition, the proposed action would not hinder the achievement of the NYC Waterfront Revitalization Program policies. Overall, the proposed action would be consistent with all applicable policies.

Methodology

Consistent with CEQR Technical Manual guidelines, the proposed action is analyzed as a "generic action," because the specific sites where hotel development would occur as a result

of the proposed action cannot be identified with certainty. According to the *CEQR Technical Manual*, generic actions are programs and plans that have wide application or affect the range of future alternative policies. Usually these actions affect the entire city, or an area so large that site-specific description or analysis is not appropriate. To produce a reasonable analysis of likely effects of the proposed action, the following land use, zoning and public policy assessment presents existing conditions and the future No-Action and With-Action conditions, including a general description of the zoning framework and land area for hotel development as well as an analysis of the hotel and tourism industries.

The CEQR Technical Manual also notes that for some actions, where the build-out depends on market conditions and other variables, the build year cannot be determined with precision. In these cases, a build year of ten years is considered reasonable, as it captures a typical cycle of market conditions and generally represents a timeframe within which predictions of future development may be made without a high degree of speculation. Therefore, an analysis year of 2028 has been identified for this environmental review.

The proposed action is not development-inducing as its principal effect would be to affect the location, but not the amount or type, of future hotel development in the City. The purpose of the proposed action is to ensure that the appropriateness of hotel development can be considered in M1-zoned areas. The future With-Action and No-Action conditions therefore identify the location of development that is expected to occur by the 2028 analysis year with and without the proposed action, respectively. The incremental difference between the two conditions serves as the basis for the analyses.

As described in **Chapter 1**, "**Project Description**," the proposed action will be analyzed in this environmental review as a generic action. The introduction of a CPC special permit for new hotels in M1 districts could result in shifting hotel development from M1 districts to other locations where they will continue to be permitted as-of-right, but would not otherwise change any rules regulating development in these locations. Thus, the possible effects of a shift in some hotel development from M1 districts in the future No-Action and With-Action conditions will be considered by means of a prototypical analysis. However, since the proposed action would not change any rules regulating as-of-right development outside of M1 districts, the prototypical sites are assessed to describe the possible effects of shifting from one use (such a different commercial or residential use) in the No-Action condition to a hotel use in the With-Action condition.

Detailed Assessment

Existing Conditions

Land Use and Zoning

M1 Districts

The NYC Zoning Resolution defines three types of manufacturing districts: M1, M2 and M3. These are distinguished, principally, by the intensity (or performance standards) of allowable industrial activities permitted, and by the range of non-industrial activities permitted. M1

districts, or Light Manufacturing Districts, are designated for areas with light industries and a wide range of manufacturing, other industrial, commercial and community facility uses. With relatively high performance standards for their allowed industrial activities, M1 districts in some cases act as transition areas between residential areas and heavier manufacturing uses. M1 districts currently permit hotel development as-of-right, as they have since manufacturing districts were established in 1961.

M1 districts are mapped across nearly nine percent of the city (including streets and John F. Kennedy and LaGuardia airports). Excluding airport areas, M1 districts are mapped across six percent of the city. Although more than one-quarter of the city's M1-zoned tax lots are in the Manhattan Central Business District, most of the land area that is zoned M1 is in the other boroughs.

The density of industrial uses in manufacturing districts varies by location. While most of the city's manufacturing districts retain some industrial activity, these districts are increasingly diverse in the types of businesses and development occurring. As described in **Chapter 1**, "**Project Description**," approximately 43 percent of the city's M1 districts, excluding airports, were classified as "active" industrial areas, generally defined for the purposes of this analysis as having a high concentration of industrial uses, limited pre-existing residential development, primarily one- and two-story modern industrial buildings, are proximate to highways and have a large number of properties appropriate for siting land- and truck-intensive industries. The remaining 57 percent of M1 districts, excluding airports, are typically more mixed-use in character, with many non-industrial activities, generally smaller lot sizes and adjacency to active commercial or residential uses. The distribution of active and mixed use M1 districts is shown in **Figure 2-1**.

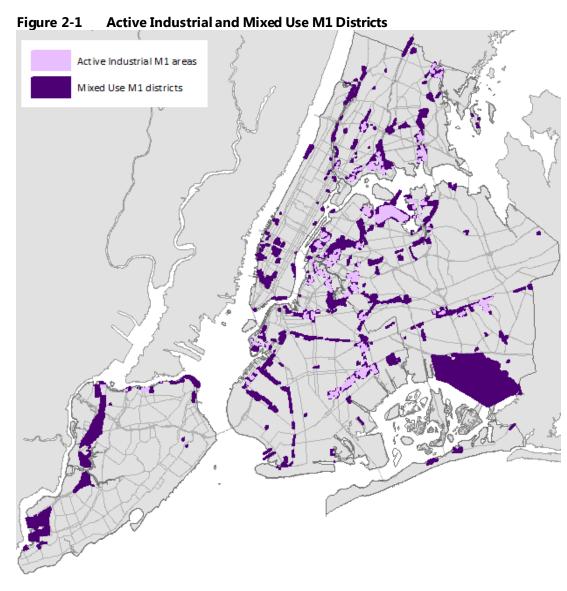


Table 2-1 provides the breakdown of land uses within M1 districts in the city. As shown, predominant land uses in these zoning districts include transportation and utility, industrial and manufacturing, and commercial and office. Transportation and utility uses include John F. Kennedy and LaGuardia airports, which partially accounts for the high lot area in that land use category. Approximately 9.5 percent of the lot area in M1 districts is vacant.

Table 2-1 M1 District Lots and Lot Area by Land Use

Land Use	Percen of Lots	Percen of Lot Area
 One & Two Family	12.86%	1.34%
•	12.00%	1.54/0
Multi-Family Walk-Up	8.23%	0.77%
Multi-Family		
Elevator	1.16%	0.31%
Mixed		
Residential &		
Commercial	7.46%	1.09%
Commercial & Office	11 0 40/	0.200/
	11.04%	8.38%
Hotel	0.85%	0.47%
Industrial &	26.600/	16 210/
Manufacturing	26.60%	16.31%
Transportation & Utility	4.45%	51.41%
Q Unity Public Facilities	4.45%	31.41%
& Institutions	2.23%	2.27%
Open Space &	2.2370	2.2770
Outdoor		
Recreation	0.32%	1.52%
Parking Facilitic	13.18%	4.94%
Vacant Land	8.42%	9.51%
No data	4.04%	2.15%
Total SOURCE: DCP PLUTO 17v1	100.00	100.00

M1 districts are broken into a number of individual districts that denote floor area ratio (FAR) and parking requirements based on the accompanying numerical suffix. Lots zoned M1-1 make up about one half of all lots with M1 zoning in the city. These districts have a maximum Floor Area Ratio (FAR) of 1.0. M1 districts generally permit light industrial uses, with relatively high performance standards as mentioned, as well as most commercial uses. This includes Use Groups 4 through 14, 16 and 17.

M1-2 and M1-4 districts represent areas where two- to four-story industrial buildings predominate, with a maximum permitted FAR of 2.0, permitting more density than M1-1 districts. M1-4 districts are generally found close to transit, such as in East New York in Brooklyn, while M1-2 districts are found farther from transit, such as in Hunt's Point in the Bronx. Both districts are generally mapped in older, more dense parts of the City. Similarly, M1-3 and M1-5 designations denote denser industrial areas with varied access to transit, with maximum permitted FARs of 5.0. M1-5 districts are mainly found along the western edge of Manhattan, while M1-3 districts are found in the other boroughs, such as

Ravenswood in Queens. M1-6 districts permit an FAR of 10.0 and are mainly found in central areas of Manhattan where multi-story manufacturing buildings originally developed.

Building height and setbacks are controlled by a sky exposure plane which may be penetrated by a tower in certain districts. Commercial and community facility buildings can be constructed as towers in M1-3 through M1-6 districts as long as the lot coverage requirement is met. No side yards are required, except along district boundaries. Rear yards of at least 20 feet are required, except within 100 feet of a corner.

Parking and loading requirements vary by district and use. M1-1, M1-2 and M1-3 districts are subject to parking requirements based on the type of use and size of the building. For example, a warehouse in an M1-1 district requires one off-street parking space per 2,000 square feet of floor area or per every three employees, whichever would be less. Boatels require one off-street parking space per 2 guest rooms or suites, and motels require one off-street parking space per guest room or suite. Hotels require one parking space per 8 guest rooms or suites (for M1-1 through M1-3 only, otherwise not required) for the floor area used for sleeping accommodations. Parking is generally not required in M1-4, M1-5 and M1-6 districts. Requirements for loading berths of specified dimensions differ according to district, size and type of use.

An analysis of PLUTO data shows that lots in manufacturing districts are generally underbuilt. According to the analysis, 75 percent of lots in M1 districts are built to less than 0.5 FAR, regardless of their total permitted FAR. Many of these underbuilt lots are proximate to a subway station; 13 percent of total M1 lot area built to less than 0.5 FAR (excluding airports) is within one-quarter mile of a subway station.

Hotel Development Trends

As detailed in the Consultant Report and in **Chapter 1**, "**Project Description**," hotel development has accelerated significantly in M1 districts (and in New York City as a whole) since 2010, largely in the context of a rapid growth in tourism in the city and an associated increase in demand for hotel rooms. Between 2010 and 2087, over 31,900 new hotel rooms have been delivered through 200 new hotel properties. This represents an increase of 36 percent in the number of hotel rooms in New York City, with another 20,200 rooms in 140 hotels under construction as of June 2018. While the majority of these new hotel rooms are in Manhattan, the recent supply growth has also been characterized by a very significant increase in hotel development outside of Manhattan. Citywide, 13 percent of existing hotel rooms are in M1 districts, whereas 30 percent of hotel rooms in the pipeline are slated to be developed in M1 districts. And since 2008, nearly one quarter of all new hotel rooms citywide have been developed in M1 zones. Outside of Manhattan, nearly 37 percent of new hotel rooms have been development in M1 zones during that timeframe.

In addition to the rapid growth in the tourism and hotel markets citywide, another factor fueling hotel development in M1 Districts is the competitive advantage for hotels over other uses under the current zoning framework. M1 districts require relatively low parking and loading requirements for hotels compared to other permitted as-of-right uses, such as industrial or supermarket uses. Hotels are also able to use the entirety of their permitted FAR on small lots, unlike many industrial uses that can only be accommodated on extremely large lots. As mentioned, certain M1 districts allow for tower development.

Hotels benefit from a business model that can maximize the value of permitted height and FARs in M1 districts, giving such development an additional advantage over other uses such as offices, warehouses, retail and ambulatory health care. Consequently, hotels have developed on more readily available smaller or constrained sites, outbidding other types of development that rely on assemblages to create sites that support a zoning-compliant development and provides a viable and marketable building. For these reasons, hotel development can detract from opportunities for other kinds of development, including industrial, residential, institutional and other commercial uses, by occupying vacant or underdeveloped sites that could have been available to other uses. **Chapter 1**, "**Project Description**," provides further details demonstrating the competitive advantage of hotels over other uses in M1 districts (see "Hotels in M1 Zones – A Competitive Advantage").

In addition, hotels can be an incompatible use in manufacturing districts, particularly in active industrial areas. Visitors to hotels are often inappropriate at sites adjacent to heavy truck use and industrial loading activities. In addition, industrial businesses generate noise, truck traffic, pollution and other irritants. Meanwhile, hotels produce increased foot and automobile traffic and nuisance-generated complaints. While these direct conflicts are not as prevalent in more mixed-use industrial areas, hotel development in those areas may cause some indirect conflicts, such as the elimination of siting opportunities for other uses that might better serve the surrounding community.

The Consultant Report evaluated hotel development and tourism in New York City, distinguishing geographic submarkets, generally based on major existing tourism markets, or in the cases of Brooklyn and Queens, where recent hotel development clusters have arisen (see Figures 1-6 through 1-8 in Chapter 1, "Project Description,"). The differentiation into the various geographic submarkets was completed in order to better understand existing hotel markets and to facilitate the analysis of the potential effects of the proposed action. These submarkets include Manhattan Below 59th Street, Manhattan Uptown, the Bronx, Brooklyn Downtown/Gowanus/Red Hook, Northern Brooklyn, Southern and Eastern Brooklyn, Long Island City, LGA/Flushing/North Queens, Jamaica/JFK/South Queens and Staten Island. Hotel development outside of Manhattan has resulted in the creation of relatively small, though well-established, hotel submarkets in Brooklyn and Queens, of which the most dominant include Long Island City, La Guardia/Flushing, Jamaica/JFK, Downtown Brooklyn/Gowanus and Williamsburg/Greenpoint (Northern Brooklyn). Combined, these five submarkets account for 70 percent of the hotels and 82 percent of the hotel rooms outside of Manhattan. **Table 2-2** below provides a breakdown of hotel rooms citywide and in M1 districts by geographic submarket.

Table 2-2 NYC Hotel Rooms in M1 Zones and Citywide by Submarket, 2018

Borough and Sub-market	Hotel Rooms in M1 Zones	Hotel Rooms, Total	M1 Rooms as Percent of Total	
Manhattan	<u>10,005</u>	<u>99,552</u>	<u>10.1%</u>	
Below 59th Street	<u>10,005</u>	<u>93,515</u>	<u>10.7%</u>	
Uptown	0	6,037	0.0%	
Bronx	392	1,088	36.0%	
Brooklyn	2,150	<u>6,306</u>	<u>34.1%</u>	
Downtown/Gowanus/Red Hook	670	<u>3,230</u>	<u>20.7%</u>	
North Brooklyn	544	<u>1,163</u>	<u>46.8%</u>	
Southern and eastern	936	<u>1,913</u>	<u>48.9%</u>	
Queens	3,123	<u>12,598</u>	<u>24.8%</u>	
Long Island City	1,159	<u>3,088</u>	<u>37.5%</u>	
LGA/Flushing/ <u>113xx Zip Codes</u>	702	<u>4,909</u>	<u>14.3%</u>	
Jamaica/JFK/ <u>114xx Zip Codes</u>	1,262	<u>4,601</u>	<u>27.4%</u>	
Staten Island	639	<u>778</u>	<u>82.1%</u>	
New York City, Total	<u>16,309</u>	120,322	<u>13.6%</u>	

SOURCE: STR. 2017

Other As-of-Right Districts

Transient hotels are classified as Use Group 5 and, in addition to M1 districts, are permitted as-of-right in C1 (except for C1-1, C1-2, C1-3 or C1-4 Districts), C2, C4, C5, C6 and C8 districts. Hotels are also permitted in Mixed Use districts (MX) and paired M1/R districts. Motels, tourist cabins and boatels are classified as Use Group 7 and, in addition to M1 districts, are permitted in C6 and C8 districts, and in C2 districts within a 1,000-foot radius of the entrance/exit of a limited-access expressway. These districts are referred to henceforth as the "other as-of-right districts." Although the proposed action would apply only to M1 districts, it would likely shift a portion of future hotel development from M1 to areas where hotel development could still occur as-of-right, and so the other as-of-right districts are analyzed in this chapter.

The NYC Zoning Resolution defines eight types of commercial districts: C1 through C8 (though C3 and C7 districts do not permit hotel development). The commercial districts are generally distinguished by the type and intensity of permitted commercial uses. C1 and C2 districts are predominantly residential in character, and generally mapped within residence districts and along major commercial thoroughfares. C4 districts are general commercial districts, often mapped in regional commercial centers that are outside of the central business districts. C5 and C6 districts include central commercial uses; C5 provides for continuous retail frontage intended for offices and retail establishments, while C6 districts

¹ In C2-1 through C2-4 Districts, transient hotels may be located only within a 1,000 foot radius of the entrance/exit of a limited-access expressway.

permit a wider range of high-bulk commercial uses such as department stores and large hotels. C8 districts bridge commercial and manufacturing uses and provide for automotive and other heavy commercial serves. Mixed Use and paired M1/R districts permit both light industrial and residential uses.

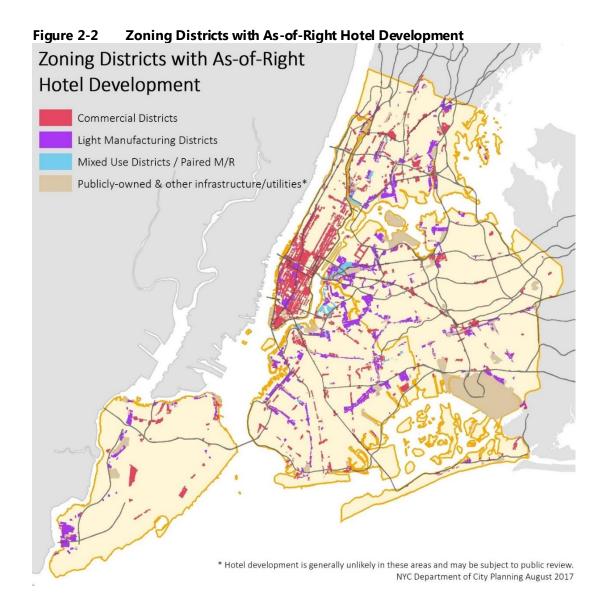
Figure 2-2 below shows the locations where hotel development is permitted as-of-right in NYC. Table 2-3 provides a breakdown of the land uses in the other as-of-right zoning districts. Compared with the light manufacturing districts, the other as-of-right districts are more residential and commercial in character, and less industrial with fewer transportation and utility uses. Commercial uses, largely concentrated in mid and lower Manhattan, compose 33 percent of the lot area within these districts, and mixed residential and commercial uses account for another 16 percent. Public facilities and institutions are also prevalent in these districts, accounting for approximately 14 percent of the lot area. Industrial and manufacturing uses occupy less than five percent of the lot area.

Table 2-3 Other As-of-Right District Lots and Lot Area by Land Use*

Land Use	Percent of Lots	Percent of Lot Area
One & Two Family	6.81%	1.46%
Multi-Family Walk-Up	8.91%	2.56%
Multi-Family Elevator	4.67%	6.01%
Mixed Residential & Commercial	34.07%	16.01%
Commercial & Office	23.46%	33.01%
Industrial & Manufacturing	4.67%	4.16%
Transportation & Utility	1.88%	5.25%
Public Facilities & Institutions	4.19%	13.65%
Open Space & Outdoor Recreation	0.21%	5.68%
Parking Facilities	5.62%	5.96%
Vacant Land	4.56%	5.51%
No data	0.95%	0.76%
Total	100.00%	100.00%

SOURCE: DCP PLUTO 17v1

^{*} Other As-of-Right Districts include C1 (except for C1-1, C1-2, C1-3 or C1-4 Districts), C2, C4, C5, C6 and C8 districts, mixed-use districts and paired M1/R districts.



There are certain exceptions to the other as-of-right districts described above, including several Special Purpose Districts that place restrictions on hotel development. For example, the recently adopted rezoning in East Harlem, Greater East Midtown and the Special Jerome Avenue District create special permit or other regulatory frameworks for the construction or conversion of hotels within the special district. Other areas with geographic restrictions on hotels include, but are not limited to, TriBeca, Hudson Square and Clinton.

Prototypical Analysis

Chapter 1, "Project Description," details the methodology through which the prototypical sites were developed. Descriptions of the prototypical sites are provided, along with site locations in **Figures 1-24** through **1-30**. Existing conditions for each of the seven prototypical sites are as follows:

Manhattan (Block 895, Lot 73) – The prototypical site is located in a C5-3 zoning district and has a lot area of 1,998 sf. The site currently consists of an approximately

- 45-foot-tall mixed-use building, with 2,049 sf of residential space and 1,000 sf of commercial space. The building is not rent-stabilized.
- Long Island City (Block 431, Lots 15 and 17) The site consists of two lots with a total area of 12,195 sf and is situated within a M1-5/R7-3 zoning district. Lot 17 contains an approximately 16-foot-tall, 6,000-square-foot single-story warehouse and Lot 15 consists of a 27-foot-tall, 8,560-square-foot single-story warehouse and small office building.
- Jamaica (Block 9996, Lots 10, 12, 16 and Block 9995, Lots 7, 18) The three prototypical sites consist of five lots totaling 37,645 sf. Lots 10 and 12 are Site 3a, Lot 16 is Site 3b and Lot 7 and 18 are Site 3c. The three sites are situated within a C6-3 zoning district. The lots contain a mix of warehouses, parking lots and a store building and multi-story retail, with 12,848 sf dedicated to local retail and office space and 25,960 of warehouse space. Heights for the warehouses and store building range from approximately 16 feet to 28 feet.
- South Slope (Block 873, Lot 9) The prototypical site is located within a R6A zoning district and has a lot area of 3,512 sf. There is currently a 3,500-square-foot, one-story retail building occupying the site. The building has a height of approximately 10 feet.
- Downtown Brooklyn (Block 161, Lot 30) The site is situated in a C6-4 zoning district and has a lot area of 4,640 sf. An approximately 28-foot-tall, multi-story retail building totaling 11,904 sf of commercial space currently exists on the site.
- Brownsville (Block 3489, Lots 228 and 230) The site consists of two lots with a total area of 7,500 sf. The lots are in a C4-3 zoning district and contain an approximately 14foot-tall retail building on Lot 228 and a 35-foot-tall mixed-use (retail and residential) building on Lot 230 totaling 9,450 sf of development. The built FAR is 1.0.
- Williamsburg (Block 2334, Lots 1, 3, 50, 45 and 40) The site consists of five lots situated in a M1-2/R6A zoning district with a lot area of 25,000 sf. Each lot contains a warehouse between approximately 18 to 22 feet tall, totaling 25,000 sf of industrial space.

Public Policy

One New York Plan

In 2015, One New York: The Plan for a Strong and Just City (OneNYC) was released by the Mayor's Office of Sustainability and the Mayor's Office of Recovery and Resiliency. OneNYC builds upon the sustainability goals established by the 2007 report PlaNYC: A Greener, Greater New York, and focuses on growth, equity, sustainability, and resiliency. Goals outlined in the report include those related to housing (ensuring access to affordable, highquality housing) and thriving neighborhoods (ensuring that neighborhoods will be wellserved).

Growth: To meet the needs of a growing population at a time of rising housing costs, the City will create and preserve 200,000 affordable housing units and support the creation of 160,000 additional new housing units by 2024, and support the creation of at least 250,000 to 300,000 additional housing units by 2040. The City will also foster job growth, spurring the creation of more than 4.9 million jobs by 2040, and invest in

transportation infrastructure, to ensure that average New Yorkers can reach 1.8 million jobs by transit within 45 minutes by 2040.

- Equity: The City aims to lift 800,000 New Yorkers out of poverty or near poverty by 2025 by raising the minimum wage and launching high-impact initiatives to support education and job growth. The City also seeks to reduce premature mortality by 25 percent by ensuring that all New Yorkers have access to physical and mental healthcare services and by addressing hazards in homes.
- Sustainability: The City's sustainability goals include reducing greenhouse gas emissions by 80 percent by 2050 (relative to 2005 levels), sending zero waste to landfills by 2030, having the best air quality among all large U.S. cities by 2030, and reducing the risk of stormwater flooding in most affected communities. Contaminated land will be cleaned up to address disproportionately high exposures in low-income communities and convert land to safe and beneficial use, and major investments will be made to ensure that underserved New Yorkers have more access to parks.
- Resiliency: The City seeks to eliminate long-term displacement from homes and jobs after shock events by 2050. City neighborhoods will be made safer by: strengthening community, social and economic resiliency; upgrading private and public buildings to be more energy efficient and resilient to the impacts of climate change; adapting infrastructure systems to withstand severe weather events; and strengthening coastal defenses against flooding and sea level rise.

BIDS

Business Improvement Districts (BID) are geographical areas where local stakeholders oversee and fund the maintenance, improvement and promotion of their commercial district. BID services often include street cleaning and maintenance, public safety, marketing, capital improvements, beautification and business development. There are approximately 75 BIDs that serve different business districts across New York City. The prototypical sites fall within two BIDS: the Pitkin Avenue BID and the Fulton Mall Improvement Association.

10-Point Industrial Action Plan

The 10-Point Industrial Action Plan, announced in November 2015, aims to support industrial job growth in Industrial Business Zones (IBZs), New York City's most active manufacturing zones. The Plan was enacted to help achieve three major goals: to protect and strengthen core industrial areas; invest in the long-term development of industrial and manufacturing businesses; and prepare New York's labor force for future industrial and manufacturing jobs. One of the Plan's action items supporting these goals is to limit new hotels and personal storage in core industrial areas, and specifically outlines the City's intention to create a new special permit for tourist hotel development, to preserve opportunities for industrial and manufacturing businesses in those zones.

Waterfront Revitalization Program

None of the prototypical development sites are within the City's Coastal Zone, as designated by New York State and City. However, because the proposed action would be applicable to all M1 zoning districts, and because there are existing other as-of-right districts within the Coastal Zone which may be affected, the proposed action is subject to the Coastal Zone

management policies of both the City and the State. The WRP is the City's principal coastal zone management tool. As originally adopted in 1982 and revised in 2016, it establishes the City's policies for development and use of the waterfront. Revisions to the WRP were adopted by the City Council in 2013, and were then approved by the New York State Secretary of State in February 2016. The WRP contains ten major policies, each with several objectives focused on: improving public access to the waterfront; reducing damage from flooding and other water-related disasters; protecting water quality, sensitive habitats (such as wetlands) and the aquatic ecosystem; reusing abandoned waterfront structures; and promoting development with appropriate land uses. All proposed actions subject to CEQR, Uniform Land Use Review Procedure (ULURP), or other local, state, or federal agency discretionary actions that are situated within New York City's designated Coastal Zone Boundary must be reviewed and assessed for their consistency with the WRP.

Future No-Action Condition

This section provides an analysis of the likely future conditions in M1 districts, the other asof-right districts and NYC's hotel market absent the proposed action (the "future No-Action condition".

Land Use and Zoning

M1 Districts

As described in Chapter 1, "Project Description," since the year 2010, manufacturing districts outside Manhattan have experienced an overall gain in firms and employees. This industrial growth has occurred along with significantly larger growth in non-industrial employment, in the context of a healthy economy and an increase in population. The land use characteristics of M1 districts are expected to follow recent patterns of employment, continuing the mix of uses similar to existing conditions described above. Hotel development patterns are also anticipated to continue in M1 districts, as described in the next section.

Chapter 1, "**Project Description**," also outlines the zoning framework and land area for hotel development in the future No-Action condition. It is projected that by the 2028 analysis year that approximately 493 million square feet (11,300 acres) in NYC will be available for as-of-right hotel development. Another 12 million square feet (280 acres) are projected to allow hotel development by special permit by the time of the build year. In terms of the overall permitted floor area for hotel development, a theoretical 1.4 billion square feet would be as-of-right and another 105 million by special permit only (see Table 1-8 in Chapter 1, "Project Description,")

The zoning framework and land area for as-of-right hotel development in the future No-Action condition is expected to remain as described in the existing conditions section above.

Hotel Development Trends

Chapter 1, "Project Description," and the Consultant Report detail the future No-Action conditions in terms of hotel demand and supply within New York City and its geographic submarkets. As explained in the "Analysis Framework," it is difficult to project with certainty the number and location of hotels that will be developed by the 2028 analysis year. For the purposes of environmental review, the Consultant Report was reviewed to estimate anticipated hotel development in M1 districts under the future No-Action condition.

In summary, the **Consultant Report** concluded that the current hotel development boom would not likely continue until the 2028 analysis year. Given the projections in the Consultant Report and factoring in the hotel pipeline, estimated demand by 2028 and the current hotel pipeline are not aligned. There are currently more rooms in the pipeline than there are rooms estimated to be in demand by 2028. Therefore, it is projected that only a portion of the hotel rooms currently in the pipeline would actually be completed by the 2028 analysis year. While it is relatively certain that projects under construction will finalize, it is less likely that projects in the pre-construction stage will go to completion. Specifically, the **Consultant Report Amendment** estimates that there are approximately <u>20</u>,200 hotel rooms under construction and provides a conservative estimate of 17.000 hotel rooms in the Pre-Construction phase of the existing hotel pipeline that are likely to be constructed and 11.000 excess hotel rooms currently in the Pre-Construction phase that are not likely to be completed.

Based on existing conditions and recent development trends in the hotel market, the Consultant Report projected the anticipated distribution of the approximately 28,100 hotel rooms currently under construction or in the Pre-Construction pipeline by each geographic submarket and zoning district until the 2028 analysis year, as detailed in **Table 2-4** below. About 8,550, or 30 percent, of these hotel rooms are expected to be located in M1 districts.

Table 2-4 Rooms Projected to Come Online in the No-Action Condition (Rounded)

Borough and Sub-Market	M1 Districts	Other Districts	Total, All Districts
Manhattan	<u>3,500</u>	<u>10,500</u>	<u>14,000</u>
Below 59th Street	<u>3,400</u>	10,200	13,600
Uptown	<u>100</u>	300	400
Bronx	<u>400</u>	<u>800</u>	<u>1,200</u>
Brooklyn	<u>1,900</u>	<u>2,500</u>	<u>4,400</u>
Downtown/Gowanus/Red Hook	<u>400</u>	<u>500</u>	<u>900</u>
North Brooklyn	<u>800</u>	<u>1,100</u>	<u>1,900</u>
Southern and Eastern	<u>700</u>	<u>900</u>	<u>1,600</u>
Queens	<u>3,600</u>	<u>3,400</u>	<u>7,000</u>
Long Island City	<u>2,600</u>	<u>900</u>	<u>3,500</u>
LGA/Flushing/North	<u>400</u>	<u>1,000</u>	<u>1,400</u>
Jamaica/JFK/South	<u>600</u>	<u>1,500</u>	<u>2,100</u>
Staten Island	<u>295</u>	<u>55</u>	<u>350</u>
New York City, Total	<u>10,000</u>	<u>17,300</u>	<u>27,300</u>

These developments would potentially occupy sites that could have been developed with more appropriate industrial uses in the active industrial areas or uses that better serve the needs of the more mixed-use industrial areas in New York City. This would affect the land use conditions within M1 districts, as a significant share of new hotel development would be located in these districts, crowding out other more appropriate uses and providing the potential for creating an unduly uniform character of tourist uses in an area that should support a broader mix, or an area that needs further study to determine if hotel development is appropriate. The continued trend toward hotel development would also increase the occurrence of land use conflicts in active industrial areas.

Other As-of-Right Districts

As detailed under Existing Conditions, land uses in the other as-of-right districts tend to include a greater mix of uses, including residential, commercial and community facility uses, with a high occurrence of mixed residential and commercial buildings.

There are both public and private applications in the pre-certification pipeline concerning rezonings from the other as-of-right districts to different zoning districts. None of these potential rezonings relate in their purpose or need to the proposed action. Generally, it is expected that recent hotel development trends would also continue in the other as-of-right districts, as outlined in Table 2-4 above.

Prototypes Analysis

The seven prototypes were developed to analyze the potential environmental effects that could occur as a result of the proposed action. In the future No-Action condition, the seven selected sites would generally be developed with residential, commercial, retail and community facility uses with some off-street parking, as follows:

- > Manhattan (Block 895, Lot 73) Under the future No-Action condition, the site would be developed with an approximately 45-foot-tall building consisting of 2,049 sf of residential space, 2,000 sf of community facility space and 762 sf of local retail. The built FAR would be 2.4.
- Long Island City (Block 431, Lots 15 and 17) Under the future No-Action condition, the site would be developed with a 60,975-square-foot office building with a height of 105 feet and would have a built FAR of 5.0.
- Jamaica (Block 9996, Lots 10, 12, 16 and Block 9995, Lots 7, 18) Under the future No-Action condition, each site would be developed with a residential building containing retail space – a 145-foot-tall building on Site 3a, a 135-foot-tall building on Site 3b and a 230-foot-tall building on Site 3c. In total, the built FAR would be 8.0 and there would be 278,512 sf of residential space (279 market rate units, 70 voluntary affordable units), 22,648 sf of retail space and 260 parking spaces.
- South Slope (Block 873, Lot 9) Under the future No-Action condition, the site would be developed into a 50-foot-tall, mixed-use building with 9,186 sf of residential space (11 market rate units, 3 voluntary affordable units), 1,350 sf of local retail and 14 parking spaces. The built FAR would be 3.0.
- Downtown Brooklyn (Block 161, Lot 30) Under the future No-Action condition, a 205-foot-tall, 55,598-square-foot (66 units) residential building would be developed. The built FAR would be 12.0.

- Brownsville (Block 3489, Lots 228 and 230) The site consists of two lots with a total area of 7,500 sf. The lots are in a C4-3 zoning district and contain an approximately 14foot-tall retail building on Lot 228 and a 35-foot-tall mixed-use (retail and residential) building on Lot 230 totaling 9,450 sf of development. The built FAR is 1.0. There would be no change between the existing and future No-Action conditions.
- > Williamsburg (Block 2334, Lots 1, 3, 50, 45 and 40) Under the future No-Action condition, the site would be developed into a 75-foot-tall, 75,000-square-foot residential building containing 78 units and 47 parking spaces. The built FAR would be 3.0.

The development anticipated under the future No-Action condition is generally consistent with the uses and densities that are typical of the other as-of-right districts.

Public Policy

The future No-Action condition would generally be consistent with applicable policies detailed under Existing Conditions, except for the 10-Point Industrial Action Plan.

One of the Plan's action items is to limit new hotels and personal storage in core industrial areas, and specifically outlines the City's intention to create a new special permit for tourist hotel development, to preserve opportunities for industrial and manufacturing businesses in those zones. Therefore, the future No-Action condition would be contrary to the goals of the 10-Point Industrial Action Plan.

Future With-Action Condition

As detailed in **Chapter 1**, "**Project Description**," DCP is proposing a zoning text amendment to require a CPC special permit for new hotels, motels, tourist cabins and boatels in M1 districts citywide (the "future With-Action condition"). By introducing a CPC special permit, the Department of City Planning proposes a case-by-case, site-specific review process to ensure that hotel development occurs only on appropriate sites, based on reasonable considerations regarding opportunities for the future siting of a permitted use on the site and the achievement of a balanced mix of uses and jobs in the area. The proposed action would not apply to special mixed-used (MX) districts or paired light manufacturing/residential (M1/R) districts, or to M1 districts that include airport property and non-residential areas adjacent to airports.

Land Use and Zoning

M1 Districts

The proposed requirement of a CPC special permit under the future With-Action condition would present a disincentive to hotel development in M1 districts, where hotels are currently permitted as-of-right, since obtaining the special permit could add significant time, costs and uncertainty to a project. Therefore, it is likely that the proposed action would have the effect of slowing the rate at which hotels would be developed in M1 districts and increasing the rate at which they would be developed in the other as-of-right districts.

The proposed action is not development-inducing as its principal effect would be to affect the location, but not the amount or type, of future hotel development in the city. The existing employment growth and development demands for industrial businesses and other employment sectors, including the tourism industry, are expected to continue in the future With-Action condition, except that sites suitable for industrial uses would be more likely to be redeveloped with non-hotel uses or maintained in their present use.

The proposed action is also expected to promote more appropriate neighborhood growth. In actively industrial M1-zoned areas, the proposed action would reduce the occurrence of incompatible land uses and potential land use conflicts resulting from hotel development, supporting the future growth of industrial and manufacturing sectors. In the more mixed-use M1-zoned areas, it is expected that potential development sites would be able to be analyzed and, where appropriate, preserved for various other uses such as offices, healthcare or retail or additional housing that may better serve the mixed-use community.

The proposed action would not generate new land uses that would be incompatible with surrounding areas in M1 districts, but would rather promote the availability of sites for land uses and businesses that typically locate in both active and mixed-use M1 districts. Therefore, land uses that would result in the future With-Action condition represent a continuation of currently established land uses. In addition, under the proposed action, the City and local communities would also have an opportunity to examine whether the underlying M1 zoning should be reconsidered to allow for additional and appropriate land uses.

The Consultant Report provides estimates on the effect of the proposed action on the location of future hotel development. As described in Chapter 1, "Project Description," in the future With-Action condition, 273 million square feet (6,300 acres) in NYC would be available for as-of-right hotel development by the 2028 analysis year. With the implementation of the proposed action, another 232 million square feet (5,300 acres) are projected to allow hotel development by special permit by that time. In terms of the overall permitted floor area for hotel development, 1.08 billion square feet would remain as-of-right and 462 million square feet would be by special permit only.

Table 2-5 presents a comparison of the as-of-right zoning lot area and permitted floor area under the future No-Action and With-Action conditions. As shown, the proposed action would result in a reduction of 45 percent in the available lot area for as-of-right hotel development and a 25 percent reduction in permitted floor area for hotel development. The lot area where hotel development would be permitted subject to special permit would increase from 232 million square feet in the future No-Action condition to 462 million square feet in the future With-Action condition.

Table 2-5 As-of-Right Zoning for Hotel Development, Comparison of the Future **No-Action and With-Action Conditions**

	Lot area (sf, in thousands)	Permitted floor area (sf, in thousands)
Future No-Action	492,524	1,432,736
Future With-Action	272,802	1,075,116
Difference in square feet	-219,721	-357,620
Difference in percentage	-45%	-25%

SOURCE: DCP 2018, analysis of PLUTO 16v2

Figures 1-13 through 1-16 and Table 1-21 in Chapter 1, "Project Description," illustrate the areas where hotel development would still be allowed as-of-right, versus the areas affected by the proposed action. Compared to the future No-Action condition, all geographic submarkets would see a sizable reduction in the as-of-right lot area.

The proposed action would change the existing zoning in M1 districts to permit hotels by special permit only. Otherwise, zoning under the future With-Action condition is not expected to change from the future No-Action condition. In addition, any hotel existing within M1 districts on the date of adoption of the proposed action would be considered a conforming use. Therefore, the proposed action would not add to the number of nonconforming buildings in M1 districts.

Hotel Development Trends

As described above and in detail in **Chapter 1**, "**Project Description**," it is expected that the proposed action would not affect all hotel developments in the pipeline, particularly those hotels in the pipeline process in commercial or mixed-use districts and hotels currently under construction. Under the future No-Action condition, an additional 27.300 rooms are projected to come online by 2028, and of those, about 10,000 are expected to be located in M1 districts (see Table 2-4). Of the 10.000 hotel rooms in M1 districts expected to come online, 7,753 are already under construction and would not be affected by the proposed action. Another 2.100 hotels rooms from the M1 pre-construction pipeline are projected to be realized by 2028.

Hotels are flexible in the sense that they can be developed on many different lot sizes and configurations. Due to this flexibility, it is expected that those 2.100 hotel rooms originally slated for M1 districts under the future No-Action condition would instead be developed in the other as-of-right districts under the future With-Action condition. The demand for these hotel rooms is still projected to exist.

Opportunities for as-of-right hotel development would still exist in all geographic submarkets under the future With-Action condition. Since geographic location plays an important role in driving hotel development, it is expected that any shift in development that would occur from M1 to the other as-of-right zoning districts would occur within the same geographic submarket.

Table 2-6 illustrates that in the future No-Action condition, the construction of a total of 27,300 rooms is expected by the 2028 build year and that this number is 26,700 in the future With-Action condition. **Table 2-6** also demonstrates the shift of approximately 2.000 rooms from M1 districts to other as-of-right districts. The geographic submarkets where this shift is expected to be more pronounced include those areas where existing market conditions already demonstrate demand for hotel development, including Long Island City, Jamaica, below 59th Street in Manhattan and the Brooklyn submarkets.

<u>Table 2-6</u> Comparison of No-Action and With-Action Projections (Rounded)

	No-Action Projection		With-Action Projection			
Borough and Sub-Market	M1 Districts	Other Districts	Total	M1 Districts	Other Districts	Total
Manhattan	<u>3,500</u>	<u>10,500</u>	<u>14,000</u>	<u>3,100</u>	<u>10,700</u>	<u>13,800</u>
Below 59th Street	<u>3,400</u>	<u>10,200</u>	<u>13,600</u>	<u>3,100</u>	<u>10,400</u>	<u>13,500</u>
Uptown	<u>100</u>	<u>300</u>	<u>400</u>	<u>0</u>	<u>300</u>	<u>300</u>
Bronx	<u>400</u>	<u>800</u>	<u>1,200</u>	<u>300</u>	<u>900</u>	<u>1,200</u>
Brooklyn	<u>1,900</u>	<u>2,500</u>	<u>4,400</u>	<u>1,400</u>	<u>2,900</u>	<u>4,300</u>
Downtown/Gowanus/Red Hook	<u>400</u>	<u>500</u>	<u>900</u>	<u>200</u>	<u>700</u>	900
North Brooklyn	<u>800</u>	<u>1,100</u>	<u>1,900</u>	<u>700</u>	<u>1,200</u>	<u>1,900</u>
Southern and Eastern	<u>700</u>	<u>900</u>	<u>1,600</u>	<u>500</u>	<u>1,100</u>	<u>1,600</u>
Queens	<u>3,600</u>	<u>3,400</u>	<u>7,000</u>	<u>2,700</u>	<u>4,000</u>	<u>6,700</u>
Long Island City	<u>2,600</u>	<u>900</u>	<u>3,500</u>	2,100	<u>1,300</u>	<u>3,400</u>
LGA/Flushing/North	<u>400</u>	<u>1,000</u>	<u>1,400</u>	<u>200</u>	<u>1,100</u>	<u>1,300</u>
Jamaica/JFK/South	<u>600</u>	<u>1,500</u>	2,100	<u>400</u>	<u>1,700</u>	<u>2,100</u>
Staten Island	<u>600</u>	<u>100</u>	<u>700</u>	<u>500</u>	<u>200</u>	<u>700</u>
New York City, Total	<u>10,000</u>	<u>17,300</u>	<u>27,300</u>	<u>8,000</u>	<u>18,700</u>	<u>26,700</u>

Other As-of-Right Districts

As mentioned, overall, it is expected that the proposed action would not change the number of hotel rooms in NYC or in the geographic submarkets but instead would result in a shift of a portion of future hotel development from M1 districts to areas where hotel development could still occur as-of-right (commercial and mixed-use districts). Thus, the proposed action would still allow for hotels to serve the needs of the tourism industry.

As described under Existing Conditions above, land uses in the other as-of-right districts are more mixed-use in character than M1 districts, and generally include commercial, residential and community facility uses. The existing development patterns affecting land use conditions within the other as-of-right districts are expected to continue in the future With-Action condition; however, these districts will gain an increasing share of hotel development as a result of the proposed action. As projected by the **Consultant Report Amendment**, that share would include approximately 1,400 more hotel rooms, a six percent increase, citywide compared with the future No-Action condition.

This projected increase is not generally expected to affect land use conditions, especially since hotels are already permitted as-of-right and fit the existing land use mix of the other as-of-right districts. In addition, the increase in hotel development, and associated shift from residential and other types of commercial uses on those particular sites, would be spread throughout the geographic submarkets.

While the other potentially affected as-of-right districts are widely dispersed throughout New York City, and there are many sites where new hotel development could be located, certain locational criteria can be projected based on general hotel development drivers that have been outlined in the Consultant Report. These include proximity to Midtown and Downtown Manhattan, access to direct subway service, the presence of services and amenities and existing clusters of hotels. It is likely that the proposed action would shift hotel development to those other as-of-right commercial and mixed-use areas with these stated qualities. Based on the findings of the Consultant Report, the geographic submarkets most affected would likely include Long Island City, Jamaica, South Slope, Downtown Brooklyn, Brownsville, Williamsburg and below 59th Street in Manhattan. Given that these are areas with already growing concentrations of hotels, the anticipated increase in hotel development would not impact land use conditions.

As mentioned, there are both public and private applications in the pre-certification pipeline at the Department of City Planning, concerning rezonings from the other as-of-right districts to different zoning districts. None of these potential rezonings relate in their purpose or need to the proposed action. Other rezonings may occur but are unknown at this time. Therefore, the zoning framework is not expected to change from the future No-Action condition.

Prototypical Analysis

Table 1-24 in Chapter 1, "Project Description," provides a comparison of the prototypical sites in the future No-Action and With-Action conditions. In the future With-Action condition, the prototypical sites in the other as-of-right districts would be developed as hotels, as follows:

- > Manhattan (Block 895, Lot 73) Under the future With-Action condition, the site would be developed with a 355-foot-tall, 30,000 sf hotel (91 rooms) with an FAR of 15.0.
- > Long Island City (Block 431, Lots 15 and 17) Under the future With-Action condition, the site would be improved with a 60,975-square-foot hotel (203 rooms) with a height of 75 feet and an FAR of 5.0.
- > Jamaica (Block 9996, Lots 10, 12, 16 and Block 9995, Lots 7, 18) The future With-Action condition would result in the development of three hotels totaling 225,870 sf, with 66 parking spaces. Sites 3a and 3b would each consist of a 125-foot-tall hotel development and Site 3c would consist of a 155-foot-tall hotel. The With-Action FAR would be 6.0.
- > South Slope (Block 873, Lot 9) Under the future With-Action condition, the site would be improved with a 30-foot-tall hotel totaling 7,024 sf (23 rooms) and 2 parking spaces. The With-Action FAR would be 2.0.

- > Downtown Brooklyn (Block 161, Lot 30) In the future With-Action condition, a 195foot-tall, 46,400-square-foot hotel would be developed (155 rooms, 0 parking spaces). The With-Action FAR would be 2.0.
- Brownsville (Block 3489, Lots 228 and 230) The future With-Action condition would result in the development of a 85-foot-tall, 25,500-square-foot hotel totaling 85 rooms. The With-Action FAR would be 3.4.
- Williamsburg (Block 2334, Lots 1, 3, 50, 45 and 40) Under the future With-Action condition, the existing buildings would be converted into a 55-foot-tall, 50,000squrae-foot hotel with 167 rooms and 21 parking spaces. The With-Action FAR would be 2.0.

Given the existing mix of land uses in the other as-of-right districts, hotel development is expected to be compatible with the surrounding uses and businesses on each of the prototypical sites. Hotels would remain as-of-right in the other as-of-right commercial and mixed-use districts because hotel development does not typically create land use incompatibilities in those districts.

Public Policy

10-Point Industrial Action Plan

The proposed action is a result of the 10-Point Industrial Action Plan policy initiative, as one of the stated action items was to create a new special permit for hotel development, to preserve opportunities for industrial and manufacturing businesses in those zones. Therefore, the proposed action, which would facilitate a case-by-case, site-specific review process to ensure desired and appropriate development in M1 districts, would fully align with this policy.

One New York Plan

The proposed action would be consistent with the City's goals outlined in OneNYC, particularly those goals related to supporting thriving neighborhoods and ensuring that neighborhoods will be well-served. The proposed action would require specific site considerations for hotel development in M1 districts and allow for the consideration of appropriateness of hotel development in IBZs and other active industrial areas. This action would limit the potential for hotel development to impede the growth and development of other, more well-serving uses, particularly in established mixed-use neighborhoods. In addition, the proposed action would help foster industrial job growth by maintaining the character of active industrial areas and ensuring that site development opportunities remain for industrial businesses. Overall, the proposed action would be supportive of the applicable goals and objectives of OneNYC.

BIDS

The proposed action would directly affect but not alter or conflict with the BID goals, such as two BIDs that overlap with the prototypical sites. The proposed action has been coordinated with the NYC Department of Small Business Services, who oversees and supports BID organizations citywide.

Waterfront Revitalization Program

None of the prototypical sites are located within the City's Coastal Zone. However, because the proposed action would be applicable to all M1 zoning districts, and because there are existing other as-of-right districts within the Coastal Zone which may be affected, the proposed action is evaluated in this section for its consistency with the Waterfront Revitalization Program policies. The NYC WRP Consistency Assessment Form for the proposed action (WRP #17-143, see Appendix A.3), was completed to identify the extent to which the proposed action may promote or hinder the achievement of certain WRP policies. Based on a review by DCP's Waterfront and Open Space Division of the assessment contained within the Consistency Assessment Form, it was determined that, overall, the proposed action would support the applicable policies and is therefore consistent with the NYC Waterfront Revitalization Program.

Conclusion

Analyses conducted to assess land use, zoning and public policy as it pertains to the shift. resulting from the proposed action, from non-hotel use (i.e., a residential or different commercial use) in the No-Action condition to a commercial hotel use on the prototypical sites in the With-Action condition concluded the proposed action would not have the potential to significantly affect land use, zoning or public policy.