



DEPARTMENT OF CITY PLANNING  
CITY OF NEW YORK

ENVIRONMENTAL ASSESSMENT AND REVIEW DIVISION

Marisa Lago, *Director*  
Department of City Planning

October 5, 2018

**NOTICE OF COMPLETION  
FINAL ENVIRONMENTAL IMPACT STATEMENT**

**M1 Hotel Text Amendment**

**Project Identification**

CEQR No. 18DCP042Y  
ULURP Nos. N 180349 ZRY and N 180349(A) ZRY  
SEQRA Classification: Type I

**Lead Agency**

City Planning Commission  
120 Broadway, 31<sup>st</sup> Floor  
New York, New York 10271

**Contact Person**

Olga Abinader, Acting Director (212) 720-3493  
Environmental Assessment and Review Division  
New York City Department of City Planning

---

Pursuant to City Environmental Quality Review (CEQR), Mayoral Executive Order No. 91 of 1977, CEQR Rules of Procedure of 1991 and the regulations of Article 8 of the State Environmental Conservation Law, State Environmental Quality Review Act (SEQRA) as found in 6 NYCRR Part 617, a Final Environmental Impact Statement (FEIS) has been prepared for the action described below. The proposal involve an action by the City Planning Commission and Council of the City of New York that is subject to review under Section 200 of the City Charter and the City Environmental Quality review (CEQR) process. A public hearing on the FEIS was held on July 25, 2018, in conjunction with the City Planning Commission's citywide public hearing pursuant to Section 200 of the City Charter. The public hearing also considered modifications to the proposed actions (the modified zoning text amendment pursuant to land use application number N 180349(A) ZRY). Written comments on the DEIS were requested and were received by the Lead Agency until August 6, 2018. The FEIS incorporates responses to the public comments received on the DEIS and updated analysis conducted subsequent to the completion of the DEIS.

**A. INTRODUCTION**

As New York City's population and employment numbers hit record highs, competition for scarce buildable land is growing especially strong. Light manufacturing zoning districts (M1 zones) have emerged as areas of opportunity, presenting some of the city's last reservoirs of buildable land, and rules regulating land use and development in these districts have changed little since the city was comprehensively rezoned in 1961.

Olga Abinader, *Acting Director*  
120 Broadway 31<sup>st</sup> Floor, New York, NY 10271-3100  
(212) 720-3493  
oabinad@planning.nyc.gov

The Department of City Planning (DCP) needs to ensure that sufficient opportunities to support industrial, commercial, residential and institutional growth remain, and believes it would be beneficial to revisit the zoning framework for M1 districts. In this context, the proliferation of hotels in M1 districts is seen as problematic. Hotels are currently permitted as-of-right in M1 districts, and hotel development in M1 districts has accelerated significantly since 2010. A combination of rapid growth in tourism in New York City (“NYC” or the “city”) and the current zoning framework, which in M1 districts work well for hotels, have contributed to a significant increase in new hotel development in M1 districts, particularly in areas near transit.

Accordingly, the DCP is proposing a zoning text amendment to establish a City Planning Commission special permit (the CPC special permit) for new hotel development in M1 districts citywide. The CPC special permit would be required for transient accommodations including hotels, motels and boatels. By introducing a CPC special permit, DCP 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. This would allow for more balanced neighborhood growth and prevent conflicts with viable industrial businesses in core industrial areas, while supporting the growth of other kinds of commercial uses and, in limited instances, residential uses in other light manufacturing districts (the proposed action).

Since the issuance of the DEIS, DCP filed an amended zoning text amendment (land use application number N 180349(A) ZRY); the amended text amendment addresses issues raised during the public review process. The amended text amendment modifies the geographic applicability of the proposed action such that it would include the M1 districts immediately surrounding John F. Kennedy (JFK) and LaGuardia Airports. The amended zoning text amendment is analyzed as the Airport Areas Inclusion Alternative in the EIS.

## **B. REQUIRED APPROVALS AND REVIEW PROCEDURES**

The proposed zoning text amendment encompasses a discretionary action that is subject to review under Section 200 of the City Charter and the City Environmental Quality review (CEQR) process.

The zoning text amendment, as proposed by DCP, would require a CPC special permit for new hotels, motels, tourist cabins and boatels in M1 districts citywide. The proposed CPC special permit would apply to all M1 districts, excluding MX or paired M1/R districts, except for:

- M1 districts that include airport property and areas adjacent to airports that are predominantly non-residential. These M1 districts have a unique economic function in NYC and provide essential airport services, and options for accommodations are among those necessary services.
- M1 districts with existing hotel special permit provisions, since appropriate controls for hotel development have already been implemented for these areas.

By introducing a CPC special permit, DCP 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.

## **C. PURPOSE AND NEED**

### **COMPETITION FOR BUILDABLE LAND**

#### *ACCOMMODATING RESIDENTIAL DEMAND*

The Mayor’s Housing New York plan emphasized the need for additional housing to meet the demands of a growing population (NYC Office of the Mayor, 2014). Released in 2014, the plan sought to create or

preserve 200,000 units of affordable housing through the development of several key policies and programs, including identifying opportunities for affordable housing in all five boroughs and the reformation of zoning, building and housing codes and other regulations to lower costs and unlock development opportunities. To this end, the Department of City Planning's PLACES studies (Planning for Livability, Affordability, Community, Economic Opportunity and Sustainability) examine and address key land use and zoning issues in neighborhoods to foster diverse, livable neighborhoods with mixed-income housing and supporting services. Recommendations resulting from these studies respond principally to needs around affordable housing preservation and development, economic development and investments in infrastructure and services. Two recently adopted PLACES proposals, the Special Jerome Corridor and Special East Harlem Corridor Districts, also include hotel special permit provisions. Other PLACES proposals, including LIC Core, Gowanus, Bay Street and Bushwick, are under consideration—including whether or not regulatory mechanisms affecting hotel development are warranted.

Growth, however, is constrained by a limited supply of developable land, and balancing the land use needs for housing and businesses is more difficult than ever before, as both jobs and population are at record highs—outpacing early assumptions regarding the city's population capacity.<sup>1</sup> In fact, both the numbers of residents and jobs as well as the locations where people live and work have expanded significantly. As of July 2016, the U.S. Census Bureau has estimated New York City's population at over 8,500,000, and the city is expected to continue to grow—exceeding 9.16 million residents by 2050, according to New York Metropolitan Transportation Council (NYMTC) projections.<sup>2</sup> Most of the city is residentially zoned and occupied by residences or active community facilities; thus, there is scarce usable residentially-zoned vacant land, and what land is available tends to come at a high cost and face development constraints.

#### *ACCOMMODATING COMMERCIAL DEMAND*

A growing population generates an increased need for a wide range of commercial establishments and other businesses and services. These uses include critical retail outlets like grocery stores, drug stores and banks; service establishments including doctors' offices, medical facilities and day care facilities; other types of shops including clothing stores, book stores, coffee shops and restaurants; institutions such as schools and office buildings; recreational facilities such as gyms, nightclubs and music venues; and critical infrastructure components including gas stations, school bus parking and auto repair shops.

NYC's employment base has also expanded and is expected to continue to grow. As highlighted in *New York Works*, Mayor De Blasio's 2017 plan for workforce expansion, the city's economy is thriving (NYC Office of the Mayor, 2017a). More than 300,000 jobs have been created since 2014, and unemployment is as low as 4 percent. These unprecedented employment increases have occurred through a more intensive use of existing office space and the creation of new space, but there continues to be demand for additional commercial square footage.

However, commercially-zoned land is limited in its ability to facilitate business growth, particularly regarding both Class A and Class B office space. Class A office space is concentrated in Manhattan's Central Business Districts, but as early as 2001 the Group of 35 report<sup>3</sup> recognized that few sites were available for development of Class A office space in areas where Class A office space traditionally existed. The Group of 35 report (2001) recommended rezoning Downtown Brooklyn, Long Island City in Queens, and Hudson Yards in Manhattan for future needed Class A office space, and the city subsequently rezoned all three areas. Downtown Brooklyn and Long Island City had unanticipated high levels of residential

---

<sup>1</sup> In 1958, the Voorhees Walker Smith & Smith report that preceded the 1961 Zoning Resolution estimated a total maximum city population of 8,340,000 persons by 1975 and concluded "that the future land requirements of New York City will be determined less by overall growth than by internal re-distribution of existing people and jobs." (Voorhees Walker Smith & Smith, 1958, p.5).

<sup>2</sup> New York Metropolitan Transportation Council 2050 SED Forecasts, <https://www.nymtc.org/DATA-AND-MODELING/SED-Forecasts/2050-Forecasts>

<sup>3</sup> "Preparing for the Future: A Commercial Development Strategy for New York City," Group of 35 Final Report, June 2001

construction. Long Island City has seen new Class A office space but not as much as forecasted; only Hudson Yards has been successful as a growth area for Class A office space. In 2017, the city rezoned East Midtown to facilitate the creation of additional new Class A office space.

The supply of Class B office space, suitable for growing more price-sensitive sectors such as media and technology, is also limited. Regional C4 commercial districts are limited in their extent. Accordingly, businesses and institutions are increasingly looking to M zones, particularly those near public transit or highways.

#### *ACCOMMODATING INDUSTRIAL DEMAND*

Over several decades, M zones have experienced an industrial decline, particularly reflected by a drop in employment in the manufacturing sector. But recently, as the city's population and employment have recently hit record highs, many M districts have emerged as important economic generators themselves. Since the year 2010, M districts outside Manhattan experienced an overall gain in firms and employees. Industrial growth has occurred since 2010—along with significantly larger growth in non-industrial employment—in the context of a healthy economy and an increase in population. The growing industrial sectors are tied to the local economy and not to national or global markets.

The City's 10-Point Industrial Action Plan, announced by Mayor de Blasio in November 2015, aims to support industrial job growth in Industrial Business Zones (IBZs), the city's most active manufacturing zones (Office of the Mayor, 2015). The Plan's proposals included the creation of a new special permit for hotels, to preserve opportunities for industrial and manufacturing businesses. Industrial businesses provide essential services such as building construction and maintenance; food and beverage distribution; bus, taxi and air transportation; freight management; and waste disposal and recycling services, which are generally considered to be incompatible with other businesses or housing and thus permitted only in the city's manufacturing districts. At the same time, a shifting economy away from manufacturing towards "lighter" and less noxious industrial uses, and greater competition for developable space for uses directly serving nearby residents, are changing the development demands in the city's M districts – especially those closest to growing residential districts and thriving commercial corridors.

#### **LIMITED SUPPLY OF BUILDABLE LAND**

With the city's thriving employee and residential populations, competition for scarce buildable land is growing especially strong. NYC land area is zoned into residential, commercial, manufacturing and mixed-use districts. Residence Districts are the most prevalent zoning districts in New York City, accounting for almost 60 percent of the city's buildable land, or lot area, which excludes impediments including streets and water. Residential districts do not permit new commercial or industrial uses, although some of these uses do exist as relics of pre-1961 (or more recent) zoning changes.

New York City's housing needs are substantial, as outlined in the Administration's housing plan (NYC Office of the Mayor, 2014), and there is an unwillingness to risk displacement of existing housing or residents to accommodate growing demand for other uses.

The city's commercial districts today permit a wide range of uses, including residences and community facilities. However, commercially-zoned land represents only 4 percent of the city's lot area. Moreover, commercial districts are increasingly densely developed; only 43 percent of lot area in commercial districts is built to less than 0.5 FAR, as compared to 75 percent in manufacturing districts, according to an analysis of PLUTO data. This indicates that there may be less available opportunity in commercial districts to accommodate the demand for new business development generated by the needs of a growing population. Accordingly, manufacturing districts, representing almost 14 percent of the city's lot area, have emerged as areas of opportunity, presenting some of the city's last reservoirs of buildable land.

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

- M1 – Light Manufacturing Districts. M1 districts are designated for areas with light industries, a wide range of manufacturing, other industrial, commercial and community facility uses, and have relatively high performance standards for their allowed industrial activities. M1 districts currently permit hotel development as-of-right.
- M2 – Medium Manufacturing Districts. While generally regulated similarly to M3 districts, M2 districts have higher performance standards than M3 districts in some cases. Although not widely mapped, M2 districts are usually found in or near waterfront areas. These districts do not permit new hotels.
- M3 – Heavy Manufacturing Districts. Designed to accommodate essential heavy manufacturing uses and facilities such as power plants and foundries, which generate high amounts of noise, traffic and pollutants. Open industrial uses such as recycling facilities are usually found in M3 districts. These districts do not permit new hotels.

Manufacturing districts today represent the largest expanse of total land area with development opportunities for a wide array of commercial and industrial uses. M1 districts specifically are mapped across nearly 9 percent of the city (including streets, and including John F. Kennedy and LaGuardia airports). Excluding airport areas, M1 districts are mapped across 6 percent of the city.

### **LIGHT MANUFACTURING DISTRICTS AS NYC’S AREAS OF OPPORTUNITY**

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. M1-1 Districts are widely mapped in areas of all boroughs except for Manhattan that have one-story industrial buildings. These districts have a maximum Floor Area Ratio (FAR) of 1.0.

M1-2 and M1-4 Districts represent areas where two- to four-story industrial buildings predominate. 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. Similarly, M1-3 and M1-5 designations denote denser industrial areas with varied access to transit. 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, which permit FARs of 10.0, are mainly found in central areas of Manhattan where multi-story manufacturing buildings originally developed.

Although more than one-quarter of the city’s M1-zoned tax lots are in the Manhattan Central Business District, most of the M1-zoned tax lot area is in the other boroughs. Other M1 areas include the “Inner Ring”—a collection of transit-rich neighborhoods in Upper Manhattan, the Bronx, Western Queens and Brooklyn.

### ***HISTORICAL CONTEXT***

“Unrestricted Zones” were the precursors in the 1916 Zoning Resolution to present-day M zones. They permitted all uses and evolved to contain a mix of commercial and industrial uses, often with worker housing. In 1961, Manufacturing zones were established and codified today’s separation of uses. The city largely mapped M1, M2 and M3 zones over existing Unrestricted Zones, designating the most noxious uses and the areas farthest from residences as M2 and M3 zones. M1 districts had a greater mix of uses and often buffered residence districts from M2 and M3 areas. All three M zones continued to allow a broad range of commercial uses.

As manufacturing declined drastically in the city and as other sectors of the economy grew, advocates for industry sought use restrictions as a means of keeping land costs affordable for industrial businesses. To that end, zoning was amended in 1974, placing size limitations and special permit requirements on certain retail and community facility uses in M zones. Other amendments, however, have responded to different economic and cultural forces, including the restoration of houses of worship as an as-of-right use in M1 districts in 2005, and the allowance of full-line grocery stores of up to 30,000 sq. ft. as-of-right in designated areas with poor access to food stores in 2009.

The creation of mixed-use districts, including Northside, Franklin Street, and Coney Island in Brooklyn, Hunter's Point in Queens, and Manhattan's Soho/Noho in the 1970s, Loft Zoning in 1981, M1-D districts in 1989, and the Special Lower Manhattan Mixed Use District (now Tribeca) in 1998, allowed for the coexistence of light industrial and residential uses within the same building. Elsewhere, neighborhood rezonings have replaced M districts with residential or commercial districts, enabling the expansion of housing and office development across the city.

However, little has changed about the way Manufacturing districts themselves are governed with respect to their underlying use, bulk, parking and loading regulations since the designation of M1, M2 and M3 districts in 1961. In addition to the zoning amendments discussed above, an important modification to the city's approach to industrial areas has been the designation of Industrial Business Zones (IBZs). Established in 2006, IBZs function as key industrial areas that accommodate and encourage a range of industrial jobs and activities, as well as other permitted business uses, and the IBZ boundaries define eligibility for certain tax incentives (NYC Office of the Mayor, 2005). Industrial and manufacturing businesses in IBZs are served by City-selected nonprofit organizations and may be eligible for tax incentives, financing tools, and workforce development programs. While, up to this point, no specific land use regulations have been tied to IBZs, the Bloomberg and de Blasio administrations committed to not rezoning these areas to permit residential use.

In November 2015, Mayor de Blasio announced a 10-point Industrial Action Plan (NYC Office of the Mayor, 2015), which aims to strengthen core industrial areas, invest in industrial and manufacturing businesses, and advance industrial-sector training and workforce development opportunities for New Yorkers. The Plan's proposals included zoning changes, infrastructure investments, loans and grants for mission-driven developers, and the establishment of an Advanced Manufacturing Center. The Plan also included the creation of a new special permit for hotels, to preserve opportunities for industrial and manufacturing businesses. However, as work on the hotel special permit for Industrial Business Zones progressed, it became evident that a regulatory mechanism regarding hotel development was needed also in other, more mixed M zones outside of IBZs.

#### *USES AND EMPLOYMENT IN M1 DISTRICTS*

As of 2014, the city's M districts supported an estimated 314,000 jobs in 17,000 firms. A substantial share of these jobs are in non-industrial sectors like food services, healthcare and retail. While M districts experienced an overall gain in firms and employment since the year 2000, non-industrial jobs grew consistently and at a higher rate than industrial employment. The three fastest growing sectors in M districts between 2010 and 2015, include professional, scientific, and technical services; accommodation and food services; and information, none of which represent industrial-sector jobs.

More recent employment trends in M1 districts, most notably in North Brooklyn and Long Island City, point to the development of office-based sectors (Bureau of Labor Statistic, QCEW). These include traditional office users such as financial services, legal services, real estate, as well as other high-growth sectors that depend heavily on human capital and creativity, including technology, advertising, media, and information, often referred to with the acronym TAMI. As is the case in many areas of Brooklyn and Queens, many companies in the TAMI sectors have chosen to locate in converted industrial buildings. This

includes many mid-stage companies seeking affordable spaces, short-term leases, and floorplates that provide physical flexibility as the company matures.

Within M districts, employment in office-based firms increased by 17,000 jobs between 2010 and 2015, a 13 percent increase (Bureau of Labor Statistics, QCEW). Jobs in companies within the TAMI sectors increased by approximately 16,000 during this same period, a 46 percent increase (Bureau of Labor Statistics, QCEW). These trends suggest that office-based jobs comprise a significant amount of employment growth in M districts citywide, and in particular, employment in the TAMI sectors is expanding rapidly. Office space trends also include increasing demand for co-working spaces for small startups and self-employed entrepreneurs.

Industrial employment is still relevant, however, especially in IBZs. The distribution and density of industrial jobs varies across the city, with a greater share of industrial sector employment found in IBZs: over 68 percent of private sector jobs in IBZs and 46 percent in M districts beyond IBZs are industrial. This difference is mainly a consequence of how the IBZ boundaries were drawn; IBZs were created to encompass core industrial areas in New York City (NYC Office of the Mayor, 2005). The industrial sectors experiencing the greatest growth since 2010 include Specialty Trade Contractors, as mentioned, and Grocery and Related Product Merchant Wholesalers, which together amount to 26 percent of all industrial employment in IBZs.

Comparing 2008, the last peak in the economic cycle, with 2014 data from DCP's Employment in New York City's Manufacturing Districts report, most IBZs gained both industrial and non-industrial employment. Since 2008, industrial employment has grown the most in the Long Island City, JFK (excluding airport property) and Zerega IBZs, all gaining over 1,200 industrial employees. Meanwhile, industrial jobs declined substantially in the Flatlands/Fairfield IBZ (-1,440), and to a much lesser extent in the Jamaica, Ridgewood IBZs and the Southwest shore of Staten Island (Rossville IBZ). Non-industrial employment grew most in the Long Island City IBZ (+5,467), followed by Southwest Brooklyn, Zerega, and JFK (excluding airport property). A few IBZs lost non-industrial employment between 2008 and 2014; however, the job losses are quite moderate and do not exceed 250 jobs in any IBZ.

#### *M1 DISTRICTS: AREAS WITH VARIED CHARACTERISTICS*

The density of industrial uses in Manufacturing districts varies by location. While most of the city's M districts retain some industrial activity, these districts are increasingly diverse in the types of businesses and development occurring. For the purposes of this study, the city's M1 districts have been defined as either active industrial or mixed-use areas.

These active industrial areas generally:

- have a high concentration of industrial employment, with more than 75 percent of block-level employment in industrial sectors;
- have limited pre-existing residential development;
- are comprised primarily of 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 industry.

Approximately 43 percent of the city's M1 districts, excluding airports, may be considered "active" industrial areas. DCP considers these areas as prime locations for the expansion of industrial uses. The remaining 57 percent of M1 districts, excluding airports, are typically more mixed-use in character. To a certain extent, the relatively mixed-use character of these areas is due to the historic roots of M districts: many were mapped in what were previously called "Unrestricted Zones" (as explained above), while others, especially in Manhattan, were business districts before being mapped for industrial uses and still retain

many non-industrial activities. However, many other factors result in those Light Manufacturing districts often being desirable to other permitted, non-industrial uses. These include:

- smaller lot sizes;
- proximity to a non-industrial labor force;
- adjacency to active commercial or residential uses;
- development costs;
- access to transit;
- the presence of multistory buildings that can be converted to other uses; and
- availability of development sites.

A qualitative assessment of NYC's M1 districts, completed by DCP, resulted in an even wider differentiation between the various M1 areas, ranging from active industrial areas as described above, to a variety of mixed-use areas, to neighborhoods with a commercial or even partially residential orientation.

#### *AREAS OF OPPORTUNITY*

As the character of the city's M1 districts vary, so, too, do development pressures. Manufacturing districts represent some of the last areas of the city with undeveloped or underbuilt land, with over 13 percent of total lot area zoned for manufacturing classified as vacant (as compared to approximately 7 percent for all other zoned land). These districts also tend to be relatively underbuilt when compared to the city's residential and commercial districts. An analysis of PLUTO data shows that 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.

As the city and national economy shifted away from traditional manufacturing towards a more service-oriented economy, the demands on land in M zones changed, and recent development trends reflect these changes. However, since the designation of M1, M2 and M3 districts in 1961, little has changed about the way manufacturing districts themselves are governed with respect to their underlying use, bulk, parking and loading regulations.

The City must ensure that adequate building opportunities exist for commercial and industrial sectors, and others experiencing more modest growth, while also acknowledging the strength of non-industrial sectors and the desire for these businesses to locate proximate to workers and residents. In conjunction with the strengthening of the city's highest-performing industrial centers, comprehensive and in-depth planning efforts are required to determine whether some manufacturing zones may be better suited for the expansion of commercial uses or, in certain instances, housing development.

As described in New York Works, the Administration's June 2017 plan to grow jobs in the city (NYC Office of the Mayor, 2017), certain outdated zoning regulations must be addressed to relieve unnecessary barriers to new commercial development or to allow for the expansion of existing businesses in manufacturing districts and elsewhere. Along with taking a closer look at M1-zoned areas, the Department has identified the need to:

- clarify and modernize use categories in certain districts to allow more flexible siting options for growing and evolving sectors;
- create new mid-density (2-5 FAR) zoning districts that accommodate loft-like nonresidential buildings but do not allow housing;
- modify height and set back rules to better accommodate new buildings;



- reduce parking requirements for employment-generating business uses in certain districts; and
- update loading requirements, so new buildings can accommodate modern trucks and existing buildings can more easily expand.

DCP believes it is necessary to reevaluate the existing zoning framework for M1 districts to ensure that sufficient opportunities to support commercial, residential, industrial and institutional growth remain. In this context, the proliferation of hotels in M1 districts is seen as problematic. Hotels may directly or indirectly 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 better equipped to fulfill neighborhood development objectives and needs, or by driving the expansion of other tourism-oriented uses. Given the disparate characteristics of the city's M1 districts, the increasingly diminishing stock of buildable land in NYC and M districts' position as NYC's last land reservoirs, more careful thought about hotel development is appropriate.

## **HOTEL DEVELOPMENT IN M1 DISTRICTS**

### *GROWTH OF TOURISM*

DCP engaged a socioeconomic consultant team to produce a market analysis of the City's hotel conditions in both the past, current, and future context. This report is generally referred to as the Consultant Report, and most of the DCP's insights into the hotel and tourism industry in New York City stem from it. In July 2018, an Amendment to the Consultant Report was compiled after the consultant team received updated hotel market data ("Consultant Report Amendment") from STR that is current up to the end of Quarter 2 of 2018. The report and its amendment has been posted on the DCP's website, on the project page for the proposed action<sup>4</sup>.

Alongside an increase in residential and commercial development, historically low crime rates and investments in cultural and recreational amenities, the number of tourists visiting New York City is at an all-time high. An unprecedented 60.7 million tourists spent time in New York City in 2016 (NYC & Co, 2017), representing a 30 percent increase over 2007. With this rise in tourism comes an increase in the number of hotel rooms to meet the demand.

While Manhattan's position as a global business and cultural center makes it one of the largest and most dynamic hotel markets in the world, the hotel markets of Brooklyn, Queens, and to some extent the Bronx and Staten Island are characterized by spillover demand, proximity to Manhattan, access to public transportation, lower room rates, and proximity to other specialized demand drivers (including airports, major transport hubs and institutions, a growing residential population, vibrant retail sectors, and business centers).

Over the past decade and especially since the end of the recession in 2010, the New York City hotel market has been in the midst of a substantial growth in supply. Between 2010 and 2018, 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 over 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. Since 2010, there has also been rapid increase in hotels in M1 districts, particularly in areas near transit. Citywide, 14 percent of existing hotel rooms are in M1 districts, whereas 38 percent of hotel rooms in the pipeline are slated to be developed in M1 districts.

---

<sup>4</sup> <http://www1.nyc.gov/site/planning/plans/proposals-studies.page>

### *HOTELS IN M1 DISTRICTS*

Light manufacturing districts have been instrumental in facilitating the expansion of hotels across New York City. Today, hotels represent one of the most competitive uses allowed in M1 districts and are thus flourishing in several of the city's M1-zoned areas – sometimes at the expense of other needed uses, or to the extent of generating conflicts with surrounding industrial uses.

Hotels may be developing in M1 districts because they are one of the uses that provide developers with the highest rate of return. Hotels compete with office, retail, mini-storage, ambulatory care, entertainment, industrial and several other use types for developable land. However, developers are typically unwilling to undertake these non-hotel developments due to several reasons, including high cost of construction, higher risk, and low demand for non-hotel uses. For example, developers are typically hesitant to take on office projects without an anchor tenant and may be required to contribute greater equity due to the perceived higher risk of this development program. In addition, many uses are not able to take advantage of permitted development rights, and as such, hotels are one of the highest-return uses for M1 sites. This is particularly true because parking requirements for hotels are generous relative to other uses and smaller sites developed as hotels can take advantage of bulk requirements and other favorable land use regulations.

Hotels have been a permitted as-of-right use in M1 districts since manufacturing districts were established in 1961. Moreover, hotels were initially also permitted in M2 and M3 districts. But in 1974, a zoning text amendment revised use regulations in M districts and eliminated certain non-manufacturing uses (such as hotels) and allowed others by special permit only, intending to protect manufacturing districts and ensuring that non-industrial establishments wouldn't impair the essential character or the future use of or development of the area (CPC report: CP 22683).

While hotels are also permitted in most commercial districts, several factors relating to the M1 zoning regulations result in advantages toward hotel development:

- There are few uses allowed in M1 districts that are able to use the entirety of their permitted FAR on small lots; most industrial uses can be accommodated by zoning but cannot achieve their full FAR except on extremely large lots. However, unlike traditional manufacturing and industrial uses, hotels may operate successfully with very small footprints – often on lots as small as 5000 sq. ft – because zoning allows for them to build tall, slender buildings. On the other hand, based on a review of recent building applications, other uses often seek larger footprints of at least 10,000 sq. ft. and thus usually require assemblages of multiple sites to be feasible. The smaller footprint works well for hotels despite setback or yard requirement, and the ability of hotels to develop on smaller infill sites has enabled them to maximize the value of their floor area.
- Although not intended, low parking and loading requirements for hotels provide another advantage for hotels. Where a factory in an M1-1 district would require 1 parking space for every 1,000 square feet or 3 employees, whichever is greater, and a supermarket in an M1-1 district would require one parking space per 200 sq. ft. of store area, a hotel only requires 1 space per 8 rooms. With a conservative average hotel room size of 300 square feet, this amounts to a much lower parking ratio per buildable floor area – about 1 space per 2,400 square feet – even before accounting for hotel common areas for which there is no parking requirement.

The analysis below illustrates how hotels are uniquely suited to the M1 zoning envelope by modeling a development scenario for a prototypical 5,000 square foot site (50' x 100') zoned M1-3, with a maximum allowable FAR of 5.0.

Hotels, which can operate more efficiently with smaller footprints, are better able to take advantage of the sky exposure plane governing these districts, and the hotel below maximizes the allowable 5.0 FAR under a usable floorplate and setback to provide parking within the front yard. The parking requirements for a hotel is 1 space per 8 guest rooms; in this case, 11 spaces would be required, but the hotel is able to fit 13

spaces in the front yard. The resulting hotel development scenario, though permitted as-of-right by the underlying zoning district, is out-of-context with the surrounding development in most M1 districts.

*HOTEL DEVELOPMENT TRENDS IN M1 DISTRICTS*

Over the past ten years in New York City, there has been a marked trend of increased hotel development in M1 districts, as illustrated in Table 1-1 and Table 1-2. This is particularly true in the boroughs other than Manhattan, where 34 percent of the hotel rooms that have come online have been located in M1 districts. A much larger portion of new hotel development in Manhattan has been developed in light manufacturing districts than in previous years as well.

**Table 1-1 Percentage of Hotel Rooms by Zoning District, All Inventory - 2018**

	<b>M1</b>	<b>Other</b>
Citywide	13.6%	86.4%
Manhattan	10.1%	89.9%
Other boroughs	30.4%	69.9%

Source: STR, 2018

**Table 1-2 Percentage of Hotel Rooms by Zoning District, Inventory Built - 2008-2018**

	<b>M1</b>	<b>Other</b>
Citywide	24.3%	75.7%
Manhattan	21.2%	78.8%
Other boroughs	34.3%	65.7%

Source: STR, 2018

Since the end of the recession in 2010, nearly one quarter of all new hotel rooms citywide have been developed in M1 zones. In total, about 154 hotels operate in M1 districts today, with a total of 15,100 rooms.

Hotel clustering in M1 districts in boroughs other than Manhattan is noteworthy. Almost 72 percent of the hotel rooms built in M1 districts outside Manhattan in the past ten years are located in just four clusters, excluding JFK Airport. These M1 hotel clusters are 1) Long Island City (Queens), 2) Jamaica (Queens), 3) North Brooklyn and 4) Gowanus (Brooklyn). While it is true that zoning in these areas facilitates the development of hotels, through lower parking requirements and height and setback regulations suited to hotels, developers are choosing to locate in these submarkets for multiple reasons, including their proximity to transportation, business centers and access to Manhattan.

Many of the largest new clusters of hotels in neighborhoods outside of Manhattan, such as Long Island City, Jamaica, Flushing, Gowanus, and Sunset Park, are within M1 or mixed-use zoning districts. Downtown Brooklyn, another significant hotel submarket outside Manhattan, does not include M1 zones, but the M1 corridors extending from Downtown, along Atlantic Avenue and 4th Avenue, have developed noteworthy clusters of hotel development. On Staten Island, all three hotels built since 2010 have been built in M1 zones in the borough's West Shore neighborhood.

## **CONFLICTS POSED BY HOTEL DEVELOPMENT**

As discussed above, given that DCP needs to ensure that sufficient opportunities to support industrial, commercial, residential and institutional growth remain, and believes it would be beneficial to revisit the zoning framework for M1 districts, the proliferation of hotels in M1 districts is seen as problematic. Hotels in M1 districts have the potential to impede the growth and development of other uses, firstly by occupying sites that could be otherwise developed to better achieve neighborhood development goals and objectives, and secondly by changing neighborhood character. The clustering of hotels in light manufacturing districts adjacent to residential and commercial districts may be problematic if, for example, they shift the local economy towards other businesses that cater to tourists and business travelers rather than local residential and workforce needs. In M1 districts that are designated as IBZs, there may be a greater potential for land use conflicts between the more active industrial uses that are common in IBZs and visitors and employees of hotels.

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. The development of hotels in both active and mixed-use industrial neighborhoods is often controversial because hotels are seen as interruptions to the purpose-built aesthetic of many industrial uses or in conflict with the urban design principles governing other types of development. DCP completed a brief urban design analysis of three hotels that are generally representative of the types of hotels being developed in M1 districts. Some of the conclusions of the urban design analysis are as follows:

- Unaligned street wall negatively impacts the pedestrian street experience.
- Proximity to active industrial businesses and truck traffic creates unsafe pedestrian crossings and vehicular conflicts.
- Hotel frontage parking and setback creates unsafe situations for pedestrians.
- Non-transparent ground floor creates unpleasant streetscape, particularly in the more mixed-use areas.

Moreover, the proposed action would facilitate the discussion of permitted and desirable uses in active, more mixed-use M1 districts across the city, where the city may want to direct growth towards other growing employment sectors such as healthcare or retail or, in limited instances, housing.

### *HOTELS IN ACTIVE INDUSTRIAL AREAS*

About one dozen hotels are located in areas classified as “active” industrial areas – IBZs and other industrial areas where at least 75 percent of jobs at the block-level are in industrial sectors. In these areas, hotels and active industrial uses are potentially incompatible. The development of hotels and the visitors they draw are often inappropriate at sites adjacent to heavy truck use and industrial loading activities. Industrial businesses generate, to varying degrees, noise, truck traffic, pollution and other irritants. These potentially conflict with hotels and their guests. Hotels produce increased foot and automobile traffic and nuisance-generated complaints, which have the potential to harm the activity and productiveness of industrial and manufacturing businesses.

An example of the potential for conflicts surrounding a hotel in an actively industrial M1 district can be found in the Long Island City IBZ. A hotel located in this IBZ is physically out of context with the surrounding neighborhood, since it is able to take advantage of bulk regulations that work for a hotel. The hotel is set among auto repair shops and other single story industrial uses that may present conflicts for visitors unfamiliar with the area.

Another example is a hotel at 820 39<sup>th</sup> Street in Brooklyn that illustrates potential conflicts between hotels and adjacent industrial uses. Heavy truck activity, sidewalk loading and storage, and open industrial uses

create hazardous pedestrian conditions and present safety concerns—particularly for non-residents who may be unprepared for or unaware of the mix of uses to be expected nearby.

Site-specific concerns vary by location in industrial areas. The proposed action to allow hotels only by special permit in M1 districts would ensure that unique conditions associated with individual sites adjacent to or near active industrial uses are considered with each development.

#### *HOTELS IN MIXED-USE M1 DISTRICTS*

Most hotels in M1 districts are located in more mixed-use M1 districts, with moderate or even no industrial activity. These districts often have active non-industrial uses, including retail, office, and residential uses. The proliferation of hotels, and the visitors they draw, may not present the same direct land use conflicts with the surrounding neighborhood as do hotels in active industrial areas, but their development may be at the expense of other uses that could better serve the surrounding community.

Many of the hotels in mixed-use industrial areas are located in Manhattan or other areas with a predominantly commercial character, despite their industrial zoning. These areas may be better suited for local services, offices, health care, education, as well as residences. In these neighborhoods, which are often dense, pedestrian-oriented areas that lack the lower-scale industrial feel of most M1 districts, clusters of hotels may also result in pedestrian and vehicular traffic and neighborhood character.

The remaining mixed-use M1 areas are typically found in Brooklyn, Queens and the Bronx, in neighborhoods that have evolved to meet the growing retail, office, and entertainment needs of the adjacent residential districts.

In these areas, the proposed action would facilitate a discussion around broader community needs and may result in a hotel design that includes elements that are more in context with the surrounding neighborhoods. In some cases, comprehensive study of certain neighborhoods may identify specific barriers to the development of other permitted and necessary uses, such as office, retail or housing. In certain M1 districts in Brooklyn and Queens, there is increased activity in the office market; however, sites need to be available and zoning regulations aligned to support office development. Modifying zoning regulations to support office development, for example, may unlock the potential for existing sites to meet the needs of a growing commercial sector. Absent modifications, hotel development in these areas may result in a concentration of tourism-related uses in neighborhoods that could support a broader mix of uses, depriving the surrounding area of the diversity of business uses that may better serve the community.

Under the proposed action, the city and community would have an opportunity to determine whether a hotel makes the most sense at a particular location, or whether the underlying M1 zoning should be reconsidered to allow for additional types of development. Given the growing population and workforce in the vicinity, and the development of at least several recent hotels in the surrounding M1 districts, site-specific review would allow for more careful consideration of desirable uses on the limited development sites that remain. There is a need for diverse business uses in the neighborhood, and, absent the proposed action, a risk of creating an unduly uniform character of tourist uses in an area that should support a broader mix.

A trio of hotels on West 28<sup>th</sup> street between Sixth and Seventh Avenues in Manhattan illustrates an example of hotel development in an M1 district characterized by commercial and other non-industrial uses. New development is constrained by existing zoning, limiting the range of uses likely to be introduced to the neighborhood as buildings and vacant sites are redeveloped over time. The proposed action would ensure that these districts would not be overwhelmed by hotel development, while the city considers whether underlying M1 zoning regulations remain appropriate in certain areas.

In contrast, some commercially-zoned neighborhoods like the Upper East Side of Manhattan and Downtown Brooklyn demonstrate a more harmonious mix of uses, including hotels, where non-industrial

zoning regulations provide for a use, bulk, and parking framework that supports the development of a variety of uses.

## **D. DESCRIPTION OF THE PROPOSED ACTION**

DCP is proposing a zoning text amendment to require a CPC special permit for new hotels in M1 districts citywide. The CPC special permit would be required for transient accommodations—including hotels,<sup>5</sup> motels<sup>6</sup> and boatels,<sup>7</sup> except for areas that are airport property or non-residential areas adjacent to airports.

Transient hotels are classified as Use Group 5 and are permitted as-of right in the following zoning districts: C1 (except for C1-1, C1-2, C1-3 or C1-4 Districts), C2<sup>8</sup>, C4, C5, C6, C8 and M1. Hotels are also permitted in Mixed Use districts (MX) and paired M1/R districts.

In several areas in NYC, hotels are permitted only by special permit. This is the case in R10-H Districts and several Special Purpose Districts. Special Purpose Districts have been established by the city to achieve specific planning and urban design objectives in defined areas with unique characteristics. While most Special Purpose Districts do not have specific controls regarding hotels, there are some exceptions. Hotel special permits exist in parts of Clinton, Hudson Square, Tribeca, and the Vanderbilt Corridor in Midtown. The Garment Center Special District prohibits conversion of hotels in what is known as Preservation Area 1, east of Eighth Avenue. In Preservation Area 2, between 35th and 40th Streets and Eighth and Ninth Avenues, new hotel construction is permitted though conversion of larger buildings to hotel use is permitted only by authorization of the City Planning Commission.

Motels, tourist cabins and boatels are permitted in C6<sup>9</sup>, C8 and M1 districts, in C2 districts within a 1,000-foot radius of the entrance/exit of a limited-access expressway, and in C3 districts by special permit. Neither motels, nor tourist cabins or boatels, are very common in NYC.

### **PROPOSED REGULATORY MECHANISM**

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. By introducing a CPC special permit, DCP proposes a case-by-case, site-specific review process to ensure that hotel development<sup>10</sup> 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 and jobs in the area.

A CPC special permit would allow for the consideration of appropriateness of hotel development<sup>11</sup> in both the actively industrial M1-zoned areas, where hotels and existing uses are potentially incompatible, and the more mixed-use M1-zoned areas, where the City may want to direct growth towards various other

---

<sup>5</sup> In the NYC Zoning Resolution, transient hotels are defined as a building or part of a building in which: living or sleeping accommodations are used primarily for transient occupancy, and may be rented on a daily basis; one or more common entrances serve all such living or sleeping units; and twenty-four-hour desk service is provided, in addition to one or more of the following services: housekeeping, telephone, or bellhop service, or the furnishing or laundering of linens.

<sup>6</sup> Motels or tourist cabins are defined as a building or group of buildings which: contain living or sleeping accommodations used primarily for transient occupancy; and have individual entrances from outside the building to serve each such living or sleeping unit. These uses are classified as Use Group 7.

<sup>7</sup> Boatels are defined as a building or group of buildings which: contain living or sleeping accommodations used primarily for transient occupancy; and are immediately accessible by boat. These uses are classified as Use Group 7.

<sup>8</sup> 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.

<sup>9</sup> Except in C6-1A

<sup>10</sup> The proposed action also subjects motels, tourist cabins and boatels in M1 districts to the proposed special permit. Since there are very few motels, tourist cabins or boatels in NYC, and because of these limiting factors, few if any are expected to be developed in the future, this EIS uses the term “hotel”, but will by implication also refer to these other transient accommodations.

<sup>11</sup> See above footnote.

employment sectors, such as healthcare or retail. A CPC special permit would also still allow for hotels to serve the needs of the tourism industry when appropriate, such as areas that are airport property or adjacent to airports.

Any hotel existing within M1 districts on the date of adoption of the proposed action would be considered a conforming use, and could be rebuilt and returned to hotel use if the hotel is damaged or destroyed. However, if the hotel becomes vacant for more than two years, it would lose its conforming status and would need a special permit to be returned to hotel use. Enlargements or extensions of an existing hotel would be permitted so long as the enlargement is less than 20 percent. Larger enlargements or extensions would require the proposed special permit. Moreover, hotel developments with a building permit or partial permit lawfully issued by the Department of Buildings before the CPC referral date of the proposed action would be permitted to start and/or continue construction as long as they complete their construction and obtain a certificate of occupancy (including a temporary certificate of occupancy) within three years of the date of adoption of the proposed action.

#### *EXEMPTION FOR TRANSIENT HOTELS OPERATED FOR A PUBLIC PURPOSE*

Transient hotels operated for a public purpose by the City of New York or organizations under contract with the City will be exempt from the special permit requirement. Hotels operated for public purpose are primarily used to provide temporary housing assistance, or shelter, to homeless individuals and families. It is a legal obligation of the City to provide shelter to all eligible persons within the five boroughs, and the City must maintain the existing flexibility in zoning that permits temporary housing for the homeless in all M1 districts to ensure it has sufficient capacity to meet census demand for temporary accommodations. This is in line with the Administration's recently-released plan to address homelessness in the City, called "Turning the Tide," which involves a borough-based approach to shelter siting, as the City seeks to end shelter programs in cluster apartments and commercial hotels (NYC Office of the Mayor, 2017b).

Any hotel operated for a public purpose that exists within M1 districts on the date of adoption of the proposed action would be permitted to cease its public function and return to operating as a commercial hotel without seeking the proposed special permit.

#### *GEOGRAPHIC APPLICABILITY*

The proposed CPC special permit would apply to all M1 districts, excluding MX or paired M1/R districts, except for:

- M1 districts that include airport property and non-residential areas adjacent to airports. These M1 districts have a unique economic function in NYC and provide essential airport services, and options for accommodations are among those necessary services.
- M1 districts with existing hotel special permit provisions, since appropriate controls for hotel development have already been implemented for these areas.

#### **ONGOING NEIGHBORHOOD PLANNING EFFORTS**

The proposed action is one proposal to regulate hotel development in NYC. There are, however, other ongoing efforts that either include hotel special permit provisions in commercial districts or are studying the feasibility of pursuing such efforts. PLACES proposals, including LIC Core, Gowanus, Bay Street and Bushwick, are under consideration, including whether or not regulatory mechanisms affecting hotel development are warranted. Should any neighborhood rezonings with hotel special permits enter the public review process throughout the completion of the environmental review of the proposed action, the environmental analyses of the proposed action will be updated. This initiative has a citywide purpose and need with respect to M1 districts that some neighborhood studies may not have considered as part of their specific objectives and, for developing studies, may not be considering. The proposed action, therefore, would apply to such areas.

## **E. ANALYSIS FRAMEWORK AND REASONABLE WORST-CASE DEVELOPMENT SCENARIO (RWCDS)**

Developing the analytic framework for the proposed action begins with identifying existing conditions regarding the zoning framework for as-of-right hotel development and the accommodations and tourism industries in New York City (NYC). Existing conditions then serve as the baseline to project hotel development in the foreseeable future of a No-Action condition and With-Action condition, when it can be expected that the full effects of the proposed action will be realized, resulting an analysis year of 2028. The increment between the No-Action and With-Action conditions provides the basis for the environmental assessment.

The principal effect of the proposed action is to affect the location, but not the amount or type, of future hotel development. Because the proposed zoning text amendment introduces a discretionary approval process via a CPC special permit for new hotels within M1 districts, DCP expects fewer hotels in M1 districts in the foreseeable future. Generally, it is projected that the proposed action would restrain the development of some of the hotel rooms slated for M1 districts that are currently in the pre-construction process, and would result in a shift of hotel development to areas where hotel development could still occur as-of-right, in commercial and mixed-use districts within the same geographic submarket.

### **ANALYSIS YEAR**

CEQR requires analysis of the project's effects on its environmental setting. For those projects that would be implemented in relatively short order following approval, the current conditions would be the appropriate environmental setting. However, proposed projects typically are completed and become operational at a future date, and therefore, the environmental setting is the environment as it would exist at project completion and operation. Therefore, future conditions must be projected. This prediction is made for a particular year, generally known as the “analysis year” or the “build year,” which represents when a proposed project would be substantially operational.

For some generic 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 (10) years in the future is considered reasonable, as it captures a typical cycle of market conditions and represents a timeframe within which predictions of future development may be made without a high degree of speculation. This is a typical time frame for area-wide rezonings not associated with a specific development, since it is assumed to be the length of time over which developers would act on the change in zoning and the effects of the proposed action would be experienced. Therefore, an analysis year of 2028 will be used for this environmental review.

### **REASONABLE WORST-CASE DEVELOPMENT SCENARIO (RWCDS)**

A Reasonable Worst-Case Development Scenario (RWCDS) is broadly defined as the potential development under both the future No-Action and With-Action conditions that is used to as the basis for analysis of the change in permitted development created by a discretionary action. The RWCDS is constructed by first estimating the projected hotel development in the future without the proposed text amendment (No-Action condition) for both the directly affected areas and indirectly affected areas. The directly affected areas are the City's M1 districts, where the new CPC special permit would be required, and the indirectly affected areas are all zoning districts that would continue to allow new hotels as-of-right (“as-of-right areas”).

After the future absent the proposed zoning text amendment is determined, the future conditions with the proposed zoning text amendment are estimated (With-Action condition). The RWCDS then compares the No-Action condition to the With-Action condition, and the increment between the two provides the basis



of the environmental assessment. This framework is intended for analytical purposes and cannot precisely capture the character or totality of future hotel development, which is to a large extent unknown.

Since the proposed action is a citywide action and has broad applicability, it is difficult to predict the universe of sites where development would be affected by the proposed action. For this reason, the proposed action is analyzed in this environmental review as a generic action. Generic actions are programs and plans that have wide application or affect the range of future alternative policies.

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. DCP cannot predict with certainty where hotels will locate in the future. Hotels and the zoning districts that permit them are relatively dispersed throughout NYC, and the siting of hotels is demand-driven. As such, this is a generic, city-wide action and the potential impacts of hotel development in the future No-Action and With-Action conditions will be analyzed by means of a prototypical analysis based on existing trends and reasonable projections for the future.

DCP completed an analysis to determine the locations where a shift in hotel development from M1 to commercial or mixed-use districts is most likely. The siting analysis took into account the actual reduction in land where hotels could potentially locate as-of-right. The analysis was not a soft site analysis, meaning that it did not consider the extent to which there are existing buildings on any given lot, but instead considered zoning and excluded certain types of ownership and uses. The analysis was based on Primary Land Use Tax Lot Output (PLUTO 16v2) data, which consists of extensive land use, geographic and zoning data at the tax lot level derived from data files maintained by several New York City agencies. The analysis was performed in an ArcGIS environment and incorporated information from the Consultant Report.

There are currently nearly 37,200 hotel rooms in the hotel pipeline. The pipeline consists of hotel projects that are (1) currently under construction and (2) in pre-construction, with hotels in pre-construction encompassing both those projects that have filed an application with the Department of Buildings and those that are in pre-application. Hotels under construction (defined as hotel developments with permits issued from the Department of Buildings as of June 2018) are assumed to complete construction within the 2028 build year of the proposed action. Completion of projects in the pre-construction process is less certain, even when applications are filed, since several dynamic factors (global, national and local economies, trends in international and domestic tourism, obtaining of financing, etc.) may ultimately inform the decision to execute a project. Thus, not all rooms currently in the pre-construction pipeline are accounted for in the No-Action condition or would be completed by the 2028 build year.

The No-Action condition projects an addition of about 27,300 rooms by 2028 to NYC's already extensive hotel stock. About 10,000 of these hotel rooms are expected to be located in M1 districts. Of the projected 10,000 hotels rooms in M1 districts, approximately 7,800 are already under construction. Another 2,100 hotel rooms from the pre-construction pipeline are projected to be realized by the time of the 2028 build year. This also means that many hotel projects in the current pre-construction pipeline are expected to be delayed beyond the build year or changed for other developments, due to the low projected demand for additional hotel rooms after completion of the under-construction pipeline, accompanied by changing market conditions, the high costs of hotel development and the difficulty of obtaining financing.

Based on this analysis, DCP identified that generally, it is expected that the proposed action would result in a shift of hotel rooms to areas where hotel development could still occur as-of-right (commercial and mixed-use districts). Overall, such a shift would amount to approximately 2,000 hotel rooms: these are the number of rooms in the pre-construction pipeline slated for M1 districts that would not be developed in M1 districts due to the proposed action, and is subsequently the number that could be expected to be developed in as-of-right areas instead.

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 other zoning districts would occur within the same geographic submarket. Certain general locational criteria can be projected, based on general hotel development drivers that have been outlined in the Consultant Report, which are:

- Proximity to Midtown and Downtown Manhattan
- Access to direct subway service
- Presence of services and amenities
- Existing clusters of hotels

It is likely that this Action would shift hotel development to certain commercial and mixed-use areas with the above qualities, emphasize existing concentrations of hotels, where existing market conditions already demonstrate demand for hotel development, and perhaps create new concentrations in certain geographic submarkets (Long Island City, Jamaica, South Slope, Downtown Brooklyn, Brownsville, Williamsburg, and below 59<sup>th</sup> Street in Manhattan). While the exact location of future hotel rooms cannot be projected and DCP cannot predict with certainty where hotels will locate in the future, for purposes of environmental review, DCP completed an analysis for the geographic submarkets to determine the locations where a shift in hotel development from M1 to commercial or mixed-use districts is most likely to occur, such that the potential impacts of hotel development in the future No-Action and With-Action conditions could be analyzed by means of a prototypical analysis based on existing trends and reasonable projections for the future.

DCP identified the following prototypical sites:

- Manhattan – 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. Under the 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. Under the 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 – 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. Under the 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. Under the 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 – 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. Under the 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. The 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 – 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. Under the 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. Under the 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 – 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. Under the 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. In the With-Action condition, a 30-foot-tall, 46,400-square-foot hotel would be developed (155 rooms, 2 parking spaces). The With-Action FAR would be 2.0.
- Brownsville – 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 14-foot-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 No-Action conditions. The 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 – 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. Under the 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. Under the With-Action condition, the existing buildings would be converted into a 55-foot-tall, 50,000-square-foot hotel with 167 rooms and 21 parking spaces. The With-Action FAR would be 2.0.

The prototypical sites are assessed to describe the possible effects of this shift in hotel development and disclose the differences between one use (such as a residential or different commercial use) in the No-Action condition and a commercial hotel use in the With-Action condition. Since the proposed action would not change any rules regulating as-of-right development outside of M1 districts, such effects or differences would not be evaluated as or considered to be significant adverse impacts under CEQR.

Each prototypical site varies in terms of the hotel type, site size and zoning district analyzed. These three variables are understood as key variables that define the attributes of a hotel development and its potential impacts. Generally, the proposed variables have been differentiated as follows:

- Hotel type is either economy, midscale, or upscale and the type has implications for the number of rooms, number of employees, number of guests, parking requirements, and traffic conditions.
- Site size is either considered small (development site at or less than 5,000 sf), medium (5,001 to 14,999 sf), or large (greater than 15,000 sf). This size distribution was determined by analyzing the MapPLUTO database and hotel pipeline data based on Department of Buildings permit filings, which determined the smallest site in the pipeline of 240 projects to be 1,350 sf and the largest as 109,000 sf.
- Zoning district conditions will have a fair amount of variation. For example, FAR ranges between two and ten depending on the geographic submarket. Parking requirements vary from zero to one

per a prescribed number of guest rooms with many at zero (either outright or by waiver). In limited cases, there would be additional parking requirements for hotels with meeting spaces or restaurants.

The prototypical sites have attributes to reflect the diversity of the above variables and ensure that the possible effects of any development are entirely understood and analyzed.

In addition, as the proposed action would create a new special permit to allow new hotels within M1 districts, an assessment is needed of the potential environmental impacts that could result from a hotel development in a M1 district pursuant to the special permit. However, because it is not possible to predict whether a special permit would be pursued on any one site in the future, the RWCDS for the proposed action does not include consideration of specific development that would utilize the new special permit. Instead, a conceptual analysis is provided to understand how the new special permit could be utilized and to generically assess the potential environmental impacts that could result from a hotel development in a M1 district pursuant to the special permit. DCP identified one conceptual site, which would be located a M1-5M zoning district in Manhattan's Union Square area. The site (Block 844, Lot 35) is currently used as a parking lot and has a lot area of 9,200 sf. There would be no change between the existing and No-Action conditions. Under the With-Action condition, a 95-foot-tall, 46,000-square-foot hotel would be developed, which would contain 139 rooms and have a FAR of 5.0.

For purposes of evaluating both the prototypical and conceptual development sites, analysis methodologies will be in accordance with *CEQR Technical Manual* guidelines as detailed in the Final Scope of Work for this EIS.

## **F. PRINCIPAL CONCLUSIONS OF ENVIRONMENTAL ANALYSES**

### **LAND USE, ZONING, AND PUBLIC POLICY**

Analyses conducted on the prototypical sites 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 concluded the proposed action 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.

## **SOCIOECONOMIC CONDITIONS**

The proposed action is not projected to have a significant adverse impact on the hotel industry in New York City. As the analysis and Consultant Report and Consultant Report Amendment shows, growth in the tourism sector and hotel development is strong and expected to continue into the future. Nevertheless, the current rapid pace of hotel development is not expected to continue at the same rate as the recent past.

The hotel market is believed to be approaching a saturation point with growth expected to slow as the current hotel development pipeline of projects exceeds projected future demand through 2028. That demand, however, is not spread evenly throughout the city. Certain submarkets are expected to drive more demand for hotels than others.

Absent the proposed action, it is expected that much of the residual hotel demand will be met in M1 districts with strong demand drivers. Since future projects may be discouraged by the time and costs associated with the public approval process, it is therefore expected that there will be less hotel construction in M1 districts as a result of the proposed action, particularly in sub-markets with strong demand drivers and some of this development may shift to nearby commercial or mixed use districts to meet residual demand for hotel rooms. Consequently, this shift in the production of certain hotel products could potentially affect the availability and cost of accommodations in certain submarkets. Because substantial areas of the City will continue to be available for hotel development on an as-of-right basis, it is expected that new hotels will continue to be developed and that the City will be able to accommodate the demand of visitors. Given the robust pipeline for development, the continued opportunities for redevelopment throughout the city, and the substantial increase and diversification of the hotel market in NYC in recent years, the proposed action is not expected to significantly and adversely affect business conditions, impair the economic viability, or substantially reduce employment in the hotel industry in NYC.

## **COMMUNITY FACILITIES**

Analyses were conducted on the prototypical sites to assess community facilities and services pertaining to the shift 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. The proposed action does not warrant a detailed analysis for indirect effects on community facilities and services and would not directly displace an existing community facility or service.

## **OPEN SPACE**

Analyses were conducted on the prototypical sites to assess open space as it pertains to the shift 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. None of the prototypical sites identified in the analysis framework warranted the need for detailed analysis.

## **SHADOWS**

Analyses conducted on the prototypical sites to assess shadows as they pertain to the shift 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 conclude that there would be no significant incremental shadows on sunlight sensitive resources. However, because the location and height of any future hotels developed outside M1 zones, as resulting from the proposed action, is not known, the proposed action could result in shadows cast on sunlight-sensitive resources.

## **HISTORIC AND CULTURAL RESOURCES**

### *ARCHAEOLOGICAL RESOURCES*

Analyses were conducted on the prototypical sites to assess archaeological resources as they pertain to the shift from non-hotel use (i.e., a residential or different commercial use) in the No-Action condition to a commercial hotel use in the With-Action condition.

The extent of effects on historic resources are unknown because it is a generic action, and it is not possible to conclude exactly where and to what extent additional in-ground disturbance might occur. As such, the possibility of effects on archaeological resources cannot be eliminated.

### *ARCHITECTURAL RESOURCES*

Analyses were conducted on the prototypical sites to assess architectural resources pertaining to the shift from non-hotel use (i.e., a residential or different commercial use) in the No-Action condition to a commercial hotel use in the With-Action condition.

The proposed action is not expected to induce development. In total, it is anticipated to result in fewer hotel developments in M1 zones and would shift hotels to areas where hotel development could still occur as-of-right, in commercial and mixed-use districts within the same geographic submarket. Privately owned properties that are NYCLs or in New York City Historic Districts would continue to be protected under the New York City Landmarks Law that requires LPC review and approval before any alteration or demolition can occur. However, as discussed below, eligible historical resources that are not protected by local, state or national designations may be affected by the proposed action. Since the exact location or configuration of development is uncertain, it is not possible to predict with any certainty what the possible effects of the proposed action would be on architectural resources. Such effects are thus possible, since the proposed action would not govern the exact placement of hotels within existing as-of-right commercial districts containing historic resources or resources that may become eligible or landmarked in the future. Therefore, an assessment of the prototypical sites was conducted to describe some of the possible effects on development near historic resources.

The introduction of CPC special permit for new hotels in M1 districts could have the effect of 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.

Privately owned properties that are NYCLs or in New York City Historic Districts would continue to be protected under the New York City Landmarks Law that requires LPC review and approval before any alteration or demolition can occur. However, as discussed, there could be possible effects on eligible historical resources that are not protected by local, state or national designations due to the proposed action as new as-of-right hotels may be located in close proximity to an architectural resource, in such a way that could affect the resource.

## **URBAN DESIGN AND VISUAL RESOURCES**

Analyses were conducted on the prototypical sites to assess urban design and visual resources pertaining to the shift from non-hotel use (i.e., a residential or different commercial use) in the No-Action condition to a commercial hotel use in the With-Action condition. The special permit may result in a change in the geographic distribution of where hotels could site in the city. However, it would not promote new development that is inconsistent with existing uses, density, scale and bulk, and would not result in buildings or structures that would be substantially different in character or arrangement than those that currently exist in the neighborhood.

## **NATURAL RESOURCES**

Analyses were conducted on the prototypical sites to assess natural resources pertaining to the shift from non-hotel use (i.e., a residential or different commercial use) in the No-Action condition to a commercial hotel use in the With-Action condition. In accordance with the methodology outlined in the *CEQR Technical Manual*, a screening analysis was conducted to assess the potential of the proposed action to affect natural resources. The analysis concluded that, although the proposed action is anticipated to shift development to locations outside of M1 zoning districts, the proposed action itself would not induce development on sites where natural resources exist and where development would not have otherwise been possible. Furthermore, the proposed action would not eliminate and/or change the existing state or local protections already in place for natural resources.

## **HAZARDOUS MATERIALS**

Analyses were conducted on the prototypical sites to assess hazardous materials pertaining to the shift from non-hotel use (i.e., a residential or different commercial use) in the No-Action condition to a commercial hotel use in the With-Action condition.

The results of the hazardous materials analysis revealed that hazardous materials may be present at each prototypical site which would be encountered under a hotel redevelopment where ground disturbance would be involved. Contaminants could be encountered in on-site soils, groundwater and soil vapor. Based on the review of historical resources and EDR database reports, the specific type of contamination encountered would be largely contingent on the overall density and specific current or historical uses neighboring properties (particularly those located hydraulically upgradient with respect to assumed groundwater flow), as well as site-specific history. Specific on-site and nearby uses identified in the prototypical analyses that were determined to represent environmental concerns included rail spurs and former freight yard uses, registered active/historic dry cleaning facilities, hazardous waste generator database listings, gasoline filling stations, underground storage tank registrations, New York State Department of Environmental Conservation (NYSDEC) spill incidents, industrial/manufacturing uses or previous uses that would attribute to suspected urban fill materials, (E) Designated parcels and high density development.

In summary, the assessment concluded that the proposed action could result in additional in-ground disturbance that could occur on sites where hazardous materials exist. The extent of this additional ground disturbance would be limited, as the proposed action itself is not expected to induce development on sites where development would not have otherwise been possible. Furthermore, the city's prevalent urban form and density means there is a history of previous ground disturbance occurring throughout the city. 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.

## **WATER AND SEWER INFRASTRUCTURE**

Analyses were conducted on the prototypical sites to assess water and sewer infrastructure pertaining to the shift from non-hotel use (i.e., a residential or different commercial use) in the No-Action condition to a commercial hotel use in the With-Action condition. In order to assess the possible effect of the proposed action, a screening analysis was conducted.

The screening analysis concluded that the effects of the proposed action would not be great enough to warrant a preliminary analysis of water supply. The preliminary assessment shows that the incremental development that may occur at any one prototypical development site would fall below the CEQR guidance thresholds.

## **SOLID WASTE AND SANITATION SERVICES**

Analyses were conducted on the prototypical sites to assess solid waste and sanitation services pertaining to the shift from non-hotel use (i.e., a residential or different commercial use) in the No-Action condition to a commercial hotel use in the With-Action condition. In accordance with the methodology outlined in the *CEQR Technical Manual*, a screening analysis was conducted to assess the potential of the proposed action to affect demand for solid waste and sanitation services.

The analysis conducted found that none of the prototypical sites would result in a net increase of more than 50 tons of solid waste per week. As such, the proposed action would not affect solid waste and sanitation services.

## **ENERGY**

Analyses were conducted on the prototypical sites to assess energy demand pertaining to the shift from non-hotel use (i.e., a residential or different commercial use) in the No-Action condition to a commercial hotel use in the With-Action condition. The screening analysis concluded that the incremental development that may occur at any one prototypical development would not affect energy systems in the city.

## **TRANSPORTATION**

Analyses were conducted on the prototypical sites to assess traffic, transit, pedestrians, vehicular and pedestrian safety and parking pertaining to the shift 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

### *TRAFFIC*

A detailed traffic analysis would not be warranted for the prototypical sites in Manhattan below 59th Street, South Slope, Brownsville and Williamsburg, and significant effects on traffic conditions would be unlikely for these areas. The proposed action could affect traffic conditions for the prototypical sites in the Long Island City, Jamaica and Downtown Brooklyn areas:

- For the prototypical site in Long Island City, the proposed action could result in effects on traffic conditions at one intersection during the weekday midday peak hour.
- For the prototypical site in Jamaica, the proposed action could result in effects on traffic conditions at five intersections during the weekday a.m. peak hour, four intersections during the weekday midday peak hour, five intersections during the weekday p.m. peak hour and three intersections during the Saturday midday peak hour.
- For the prototypical site in Downtown Brooklyn, the proposed action could result in effects on traffic conditions at one intersection during the weekday midday and p.m. peak hours.

### *TRANSIT*

The proposed action's incremental subway/rail trips would not exceed the *CEQR Technical Manual* analysis threshold of 200 peak-hour trips at any station in the weekday a.m. or p.m. peak commuter hours.

Similarly, the proposed action's incremental bus trips would not exceed the *CEQR Technical Manual* analysis threshold of 50 peak-hour bus trips on a single route in one direction.

### *PEDESTRIANS*

The proposed action's incremental pedestrian trips would not exceed the *CEQR Technical Manual* analysis threshold of 200 peak-hour walk trips at any single pedestrian element, and therefore a detailed pedestrian analysis is not warranted.



### *VEHICULAR AND PEDESTRIAN SAFETY*

Crash data for the traffic study area intersections were obtained from the New York City Department of Transportation (DOT) for the most recent three-year period in which data were available (January 2014 through December 2016). A review of the crash data identified five intersections at high-crash locations (defined as those with 48 or more total reportable and non-reportable crashes or five or more pedestrian/bicyclist injury crashes occurring in any consecutive 12 months of the most recent three-year period for which data are available):

#### *Long Island City Prototypical Site*

- Queens Boulevard and Jackson Avenue/Queens Plaza East

#### *Jamaica Prototypical Site*

- Jamaica Avenue and Sutphin Boulevard
- Archer Avenue and Sutphin Boulevard
- 94th Avenue/Atlantic Avenue and the Van Wyck Expressway East Service Road

#### *Downtown Brooklyn Prototypical Site*

- Flatbush Avenue/Flatbush Avenue Extension and Fulton Street

With the proposed action, these intersections could be projected to experience low to moderate increases in project-generated vehicles making turns that could conflict with pedestrians in crosswalks. All of these intersections lie within a priority area of the NYC Vision Zero Program. As part of its Vision Zero initiatives, the City will explore additional measures for potential implementation at these high-crash locations and others in the study area to enhance traffic and pedestrian safety.

### *PARKING*

As a detailed traffic analysis would not be warranted for the prototypical sites in Manhattan below 59th Street, South Slope, Brownsville and Williamsburg, a detailed parking analysis would not be needed for these areas. The parking demand generated by the proposed action at the prototypical sites in the Long Island City and Downtown Brooklyn areas could be accommodated at off-street parking facilities within a quarter-mile radius.

For the prototypical site in Jamaica, the parking demand generated by the proposed action during the weekday midday peak period could be accommodated at off-street parking facilities within a quarter-mile radius. Although there could be a shortfall of 330 parking spaces during the weekday overnight period, the proposed action would slightly reduce the parking shortfall identified for the No-Action condition, and if some of the existing public parking facilities that are currently closed during the weekday overnight period (which have a combined capacity of 729 spaces) were to open in the future, this would sufficiently address it. Although the proposed action and the surrounding area's inability to accommodate the project's future parking demand would be considered a parking shortfall, there are many available alternative modes of transportation, as indicated in the *CEQR Technical Manual*, for proposed actions located in Manhattan or other CBD areas.

### **AIR QUALITY**

Air quality analyses were conducted on the prototypical sites to assess the key air quality issues pertaining to the shift from non-hotel use in the No-Action condition to commercial hotel use in the With-Action condition. Based on a screening analysis, it was demonstrated that the proposed action would not generate significant emissions from mobile sources, and a detailed analysis was not warranted.

The stationary HVAC analysis found that emissions from the proposed HVAC system at prototypical site 2 could result in exceedances of applicable criteria thresholds for certain air pollutants at an adjacent existing building of greater height. It also indicated that cumulative emissions from the proposed HVAC systems associated with three buildings at prototypical site 3 could result in exceedances of applicable criteria thresholds for certain air pollutants at nearby existing buildings of greater heights. However, the configurations and context of these prototypical sites analyzed here are unique. The proposed action is a citywide action and has broad applicability; the availability of development sites that would be located adjacent to receptor buildings of similar or greater height, or development sites that would allow for hotel development with multiple buildings in close proximity to one another, is relatively low. Additionally, the analysis was conducted based on conservative assumptions with regard to building envelopes, emissions calculation, stack location and stack height, etc. It is anticipated that as specific information on actual development becomes available in the future, with more realistic assumptions and appropriate restrictions on stack parameters, exceedances of applicable criteria thresholds might be eliminated. Further, there would be no air quality effects at the ground level.

Additionally, emissions of air toxics released from existing industrial sources would not result in an exceedance of applicable criteria thresholds for each analyzed pollutant. Furthermore, the cumulative hazard risk assessment also demonstrated that combined emissions of multiple air toxic contaminants from existing industrial sources would not result in air quality impacts. Lastly, no air quality impacts would be anticipated to result from existing major or large sources.

### **GREENHOUSE GASES AND CLIMATE CHANGE**

A screening analysis for GHG emissions and climate change was conducted on the prototypical sites pertaining to the shift 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. Since the proposed action would not facilitate development greater than 350,000 gsf on a single development site at any of the seven prototypical development sites, or involve other energy intense projects, the proposed action would not affect GHG emissions or climate change conditions and would be consistent with the City's GHG and climate change goals.

### **NOISE**

A noise assessment was conducted on the prototypical sites as it pertains to the shift 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. Increased traffic volumes would be generated at several of the prototypical development sites in the With-Action condition (see "Transportation"), however the increase would not be sufficient to double the existing passenger car equivalent values. Both the No-Action and With-Action conditions have the potential to introduce new source receptors near existing sensitive receptors. Overall, the proposed action would not have significant adverse impacts on noise.

### **PUBLIC HEALTH**

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. 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 non-hotel use (i.e., a residential or different commercial use) in the No-Action condition to a commercial hotel use in the With-Action condition. Accordingly, such effects or differences would not be evaluated as, or considered to be, significant adverse impacts under CEQR guidelines. Therefore, no further analysis of public health is warranted.

## **NEIGHBORHOOD CHARACTER**

An analysis of neighborhood character evaluated the prototypical sites to assess expected changes resulting from the shift 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 in the following technical areas that comprise the elements that make up neighborhood character: land use, open space, historic and cultural resources, urban design and visual resources, shadows, socioeconomic conditions, transportation and noise. The proposed action would not result in significant adverse impacts to socioeconomic conditions nor result in adverse effects to the other technical areas that contribute to neighborhood character. Therefore, the proposed action does not have the potential for significant adverse impacts on neighborhood character, and no further analysis is warranted.

## **CONSTRUCTION**

Analyses were conducted on the prototypical sites to assess the possible effects related to construction activities as they pertain to the shift from non-hotel use (i.e., a residential or different commercial use) in the No-Action condition to a commercial hotel use in the With-Action condition.

Based on *CEQR Technical Manual* guidelines, where the duration of construction is expected to be short-term (less than two years) a construction assessment is not warranted. Based on the screening assessment, the proposed action is not expected to result in construction on the prototypical sites that would last in excess of two years—with the exception of the Jamaica Prototypical Sites—and further analysis of these sites was not warranted. Therefore, a preliminary analysis was conducted only for the Jamaica sites.

As explained in the preliminary analysis, if the sites are built as three separate buildings, construction at the sites would last a little over three years. However, the heavy construction phases of these buildings would not occur consecutively allowing for demobilization and remobilization of construction work, and include breaks where the main construction work would be conducted on the building's interiors. Therefore, even though there would be a longer overall construction duration, it would not be continuously disruptive to the surroundings.

It should be noted that construction at all prototypical sites would be subject to the government regulations and oversight detailed above in Construction Regulations and General Practices and would employ the general construction practices described therein. In addition, any designated NYCL- or S/NR-listed historic buildings located within 90 linear feet of a projected or potential new construction site would be subject to the Department of Building's (DOB's) Technical Policy and Procedure Notice (TPPN) #10/88, which would ensure the protection of historic resources.

## **G. MITIGATION**

### **PROTOTYPICAL ANALYSES**

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. Since it is not possible to evaluate the impacts of any specific development as the specific location of future development projects is unknown, the various EIS analyses are based on prototypical sites.

The prototypical sites are assessed to describe the possible effects of shifting from non-hotel use (i.e., a residential or different commercial use) in the No-Action condition to a commercial hotel use in the With-Action condition. Since the proposed action would not change any rules regulating as-of-right development outside of M1 districts, such effects or differences would not be evaluated as or considered to be significant adverse impacts under CEQR guidelines. As a consequence, no mitigation measures are warranted.

## **CONCEPTUAL ANALYSIS**

The conceptual analysis identified the potential for significant adverse impact could occur at the conceptual development site for historic resources, hazardous materials, and air quality. Mitigation measures to address the potential historic resources impacts cannot be identified at this time as the measures are dependent on site-specific conditions. Hazardous materials and air quality impacts could be avoided by the adoption of an E-designation at the time the hotel special permit was approved.

No significant adverse impacts related to land use, zoning and public policy or urban design and visual resources could be realized as a new hotel development seeking a special permit to operate in an M1 district under the proposed action would need to be to meet the findings of this special permit.

Although the conceptual analysis did not identify a potential for a significant adverse impact in the other impact categories, the potential for impacts in those categories cannot be ruled out for a new hotel development at another location within M1 districts. As such, any application for a special permit hotel development would need to assess and, if warranted, disclose significant adverse impacts and possible mitigation measures would be considered pursuant to a separate environmental review.

## **H. ALTERNATIVES**

A summary of the principal conclusions for the No-Action, M1-6 Exemption Alternative, and Airport Areas Inclusion Alternative alternatives are described below.

### **NO ACTION ALTERNATIVE**

The No Action Alternative examines future conditions, but assumes the proposed action—the proposed zoning text amendment to establish a CPC Special Permit for new transient hotel development in M1 districts citywide—is not adopted. Under the No Action Alternative, existing zoning provisions would remain in the area affected by the proposed actions, and new hotels could continue to develop as-of-right within M1 zoning districts.

Under the proposed action, by the 2028 build year, 481 million square feet (11,020) acres in NYC would be available for as-of-right hotel development. 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. For the No Action Alternative, the existing zoning framework for as-of-right hotel development would be the same as the No Action condition under the proposed action.

Although the No Action Alternative would potentially eliminate the effects of future new hotels that may relocate in other zoning districts where hotel development would continue to be permitted as-of-right over M1 zoning districts, this alternative would not meet the proposed action's objective to allow for more balanced neighborhood growth and prevent conflicts with viable industrial businesses in core industrial areas, while supporting the growth of other kinds of commercial uses.

### **M1-6 EXEMPTION ALTERNATIVE**

The M1-6 Exemption Alternative considers modifications to the geographic applicability of the proposed action that would continue to allow new hotel developments to be built as-of-right in M1-6 districts. As the result, this Alternative would be less restrictive than the proposed action and it would be expected that there would be more hotel development in M1-6 zones than would be experienced under the proposed action.

The implementation of the M1-6 Exemption Alternative would not reduce the possible effects identified under the proposed action's prototypical analysis. Furthermore, while M1-6 zones tend to be denser and less industrial which makes potential land use conflicts less pronounced than in other M1 districts, there remains a need to evaluate the appropriateness of hotels in M1-6 zones within the context of their neighborhood. The proposed action would allow for considerations on the appropriateness of a hotel

development on a case-by-case basis, ensuring there is a more balanced mix of uses. Therefore, an alternative that would allow as-of-right hotel developments in M1-6 districts would not be fully consistent with the proposed action's purpose and need to minimize potential land use conflicts as well as to ensure a balanced mix of uses.

### **AIRPORT AREAS INCLUSION ALTERNATIVE**

The Airport Areas Inclusion Alternative considers modifications to the geographic applicability of the proposed action that would include the M1 districts immediately surrounding John F. Kennedy (JFK) and LaGuardia Airports consistent with the amended zoning text amendment (under application number N180349(A)/ZRY) filed by DCP in response to issues raised during the public review process. As the result, under this alternative, any new hotel development in M1 districts adjacent to JFK and LaGuardia would be subject to the proposed M1 Hotel text amendment and would be required to apply for a CPC Special Permit. As a consequence, this Alternative would likely diminish hotel production in the M1 zones immediately surrounding the airports as compared to the proposed action.

Given the importance of the aviation industry to the City this alternative could potentially limit the appeal of the airports as a destination, costing the aviation industry business and resulting in fewer jobs for City residents. Furthermore, the analysis finds that current hotels near airports are actively serving the aviation industry and that this trend will likely continue.

The implementation of the Airport Areas Inclusion Alternative would not reduce the possible effects identified under the proposed action's prototypical analysis.

## **I. CONCEPTUAL ANALYSIS**

The proposed action would create a new special permit to allow new hotels within M1 districts. The conceptual analysis, conducted on a representative conceptual development site to determine the potential for significant adverse impacts that could result from a new hotel development pursuant to the special permit, identified significant adverse impacts with respect to historic resources, air quality, and hazardous materials.

Because the potential for significant adverse impacts is dependent on site-specific conditions, it is difficult, in the absence of specific applications, to predict the full scope of potential impacts. It's not possible to predict whether discretionary actions would be pursued on any one site in the future, and each action would require its own ULURP approvals. Any time a discretionary action is applied for, including the special permit created under this proposed action, it would be subject to its own environmental review.

## **J. UNAVOIDABLE SIGNIFICANT ADVERSE IMPACT**

A conceptual analysis was conducted to understand how the new special permit could be utilized and to generically assess the potential environmental impacts that could result from a hotel development in a M1 district pursuant to the special permit. The conceptual analysis did identify the potential for significant adverse impacts in a number of impact categories. It should be noted that any application for a CPC special permit facilitating hotel development pursuant to the proposed zoning text amendment for hotels in M1 districts would necessitate a separate environmental review that would assess and, if warranted, disclose significant adverse impacts, define mitigation to reduce or eliminate the impacts, and/or identify those significant adverse impacts that would be unavoidable.

## **K. GROWTH-INDUCING ASPECTS OF THE PROPOSED ACTION**

The *CEQR Technical Manual* indicates that an analysis of the growth-inducing aspects of a proposed action is appropriate when an action:

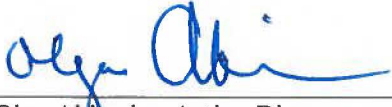
- Adds substantial new land use, new residents, or new employment that could induce additional development of a similar kind or of support uses, such as retail establishments to serve new residential uses; and/or
- Introduces or greatly expands infrastructure capacity.

The proposal would create a special permit for hotels, motels and boatels within M1 districts and is anticipated to change the geographic distribution of some of these facilities. The proposed action is not anticipated to directly induce development and consequentially, would not add substantial new land use, new residents or new employment that could induce additional development. Likewise, the proposed actions would not introduce or greatly expand infrastructure capacity.

## **L. IRREVERSIBLE AND IRRETRIEVABLE COMMITMENTS OF RESOURCES**

The proposed action is a generic action and there are no specific development sites at this time. The proposed action itself is not expected to induce development, however, it may result in different geographic distribution of hotels.

The proposed action also constitutes an irreversible and irretrievable commitment of potential development sites as a land resource, as it thereby renders land use for other purposes infeasible.



---

Olga Abuhader, Acting Director  
Environmental Assessment and Review Division  
New York City Department of City Planning

cc: Marisa Lago, Chair  
City Planning Commissioners  
All Borough Presidents  
All Borough Boards  
All Community Boards  
Raju Mann, City Council  
Terrell Estesén, DEP  
Owen Wells, DPR  
Naim Rasheed, DOT  
Gina Santucci, LPC  
Anita Laremont  
Sarah Goldwyn  
Jennifer Gravel  
Christopher Hadwin  
Claudia Herasme  
Edith Hsu-Chen

Beth Lebowitz  
Steven Lenard  
Hannah Marcus  
Michael Marrella  
Diane McCarthy  
Carol Samol  
Jack Schmidt  
Howard Slatkin  
Jacquelyne Sunwoo  
Vikram Viswanathan  
Winston Van Engel  
John Young  
Mehdi Amjadi  
Pat Bussey  
Mauricio Garcia  
Susan Wong