



Co-working Space on 3rd Street

# Economic and Job Development

A central goal of the neighborhood planning study is to promote economic development, increase access to jobs and workforce development opportunities, align land use strategies with a vision that balances a mix of uses and remove barriers in zoning that limit the growth of businesses.

Industry and manufacturing are interwoven with the Canal's history as a former hub of maritime-based industrial use and one of the first planned industrial districts in the country. Over the past century, manufacturing around the Canal has steadily declined, part of a broader economic and land use trend occurring across New York City and elsewhere. Along the Canal, many industrial manufacturing businesses have closed, downsized or relocated, leaving several large lots vacant or used primarily for storage, parking or open storage.

Despite this trend, parts of Gowanus are thriving with light-industrial and commercial activity characterized by a mix of new and long-standing businesses. Many former industrial warehouses and loft-style buildings have been adaptively reused and repurposed into artist studios, offices and small-scale “artisan” manufacturers. Today, Gowanus is home to a diverse mix of uses, which contribute to the neighborhood's character—often where offices and art studios exist side-by-side with metal welders and custom furniture makers. Gowanus is also home to specific clusters of uses, including warehousing and distribution, material reuse, and artists and artisan-based businesses. From a citywide lens, Gowanus has emerged as an employment node distinct from nearby central business districts in Downtown Brooklyn and Lower Manhattan, becoming a neighborhood where people have the opportunity to live in close proximity to where they work.

## Employment and Business Clusters

Certain neighborhood features and assets have made Gowanus more attractive for businesses, including the neighborhood's proximity to residential areas and efficient access to the Brooklyn Queens Expressway (BQE), with truck routes on 3rd and 4th avenues. While Gowanus contains a diverse mix of industrial and commercial uses, the amount of activity varies considerably by block and street frontage. Some areas—the blocks west of the Canal by 4th and Hoyt streets and the mid-blocks between 3rd and 4th avenues—are concentrated with businesses and clusters of activity. Other areas—such as the properties abutting the Canal—consist mainly of open storage and truck parking. Meanwhile, the area south of 3rd Street and to the west of 3rd Avenue is part of the Southwest Brooklyn IBZ, a hub of industrial and commercial uses.

**“This area is great for galleries and artisans. Could be interesting to further develop as an artisan hub. Possibly incorporating a housing component for Artist/Artisans.”**

Comment from PlanGowanus.com

## Industry and Economic Development Working Group

To better understand the issues and needs of businesses, DCP, together with other City agencies, convened working group meetings in the spring of 2017. During those meetings, a major concern expressed by business and property owners was uncertainty around the neighborhood's future land use and zoning, and what the potential effects might be on businesses.

## Recent Employment Trends

Recent employment data shows an overall increase in the number of jobs and firms (i.e., business establishments) between 2000 and 2016 at 72% and 73%, respectively (3rd Quarter of Quarterly Census of Employment and Wages, 2016). Much of this growth can be attributed to commercial uses, such as eating and drinking establishments and retail trade, and the health care and social assistance sector. While manufacturing has declined, the construction and wholesale and trade sectors remain an important base of the local economy.



First Industry and Economic Development Working Group Meeting – February 2017



68 3rd Street, recently renovated for offices

**“The area north of 3rd Street should be zoned to allow a mix of affordable housing, market rate housing, commercial, event space and artist space, 1 block to the west of the canal and 1-2 blocks east of the canal.”**

Comment from PlanGowanus.com

## Goal 1: Promote clusters of active industrial and commercial uses

### No new residential use in certain areas

Restricting residential use in appropriate locations can support business retention by reducing potential for redevelopment and displacement, and lessening compatibility, safety and operational concerns.

- In response to concerns heard by businesses and community members about development pressure and the desire to maintain the neighborhood’s mixed-use character, certain areas have been identified where residential use would not be appropriate and should remain prohibited.
- While the IBZ is not being studied for land use actions, the framework reaffirms the position that new residential use would not be supported in this area.

### Promote and incentivize non-residential uses in new mixed-use developments to enhance and complement the “Gowanus mix”

Many lots or ownership parcels located along Thomas Greene Playground, the upper portion of the Canal and 3rd Avenue represent opportunities for future redevelopment with active ground floor uses that serve local retail and service needs, along with uses that build upon the neighborhood’s character of creative professionals, small-scale manufacturers, artists and artisans.

- DCP will explore appropriate zoning tools and mechanisms to support this goal, with the necessary flexibility to account for varying site conditions and market forces that may affect business operations. As part of the citywide *Industrial Action Plan*, there is also an ongoing proposal to create a special permit for hotel uses in M1 zoning districts citywide. (Hotels are restricted in M2 and M3 districts.)

### Rightsize parking requirements and adjust loading regulations to allow more flexibility for business redevelopment and expansion

Current parking and loading regulations in manufacturing districts have not changed in over half of a century and reflect the high rates of automobile and truck use of a different era. Since that time, business operations have evolved along with the commuting patterns of customers and workers.

- Due to the proximity to public transit and adjacent residential areas, a growing number of workers and customers do not drive, but instead walk or ride a bike, which is not reflected in today’s high parking requirements.
- The framework seeks to reduce the costs of providing parking, which can significantly increase the cost of development and enlargements.
- In consultation with business advocacy partners, DCP seeks to craft parking and loading regulations to better reflect site constraints, the neighborhood’s transit-oriented character and the operational needs of businesses.

## Create “contextual,” “mid-density” building envelope in commercial and industrial areas, along with increases in allowable density

In manufacturing zoning districts, height limits are controlled by the sky exposure plane, which can result in tall, out-of-context buildings that are set back far from the street. In addition, there is no district that permits a Floor Area Ratio (FAR) between 2 FAR and 5 FAR, which leaves a “mid-density” gap for emerging commercial and industrial areas.

- In areas where residential uses will not be allowed, the framework would seek to increase allowed industrial and commercial density that is appropriate to the context and adjacency to transit.
- A special contextual building envelope would be created with height and setback requirements that fit the local scale and promote an industrial loft-style building character.

## Leverage City-owned sites to meet specific goals of job-generating uses

Large sites under City control where higher density redevelopment is proposed, such as Public Place and the NYCHA Wyckoff Gardens Next Gen project, are opportunities to leverage specific mixed-use goals as part of the land disposition process.

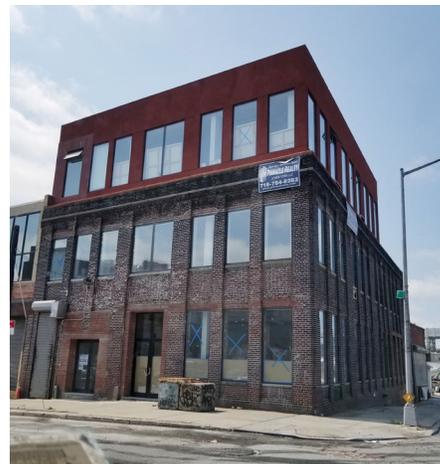
- The City will seek to work with community stakeholders and development teams to identify goals and work to accommodate space for certain uses, such as supermarkets, neighborhood services and community facilities that also play a part in job-generation.

## Goal 2: Promote workforce development and job training opportunities

### Identify business needs through the Industry Partnerships initiative

Businesses in Gowanus offer a range of employment at varying skill levels, presenting opportunities for local residents to connect with employers seeking specific skills.

- In partnership with community-based organizations, the City will work to identify the training and workforce needs of local businesses.
- Through the NYC Department of Small Business Services (SBS) Industry Partnerships Initiative, the City works with public and private partners to define employer needs, develop training and education models to meet these needs, and scale solutions. Through industry engagement, SBS is able to identify gaps in the labor market and develop new training models that can be replicated by



Enlarged building at the corner of 4th Street and Hoyt Street

providers throughout the city. The goal of the Industry Partnerships is to address the systemic issues, which have prevented some New Yorkers from participating in growing economic sectors. To date, Industry Partnerships have been launched for the healthcare, technology, industrial, construction and food service sectors. The Industry Partnerships Initiative works with many Gowanus-based partners who can contribute to this local dialogue.

### **Improve job access for NYCHA residents by identifying talent gaps and training needs and promoting employment opportunities**

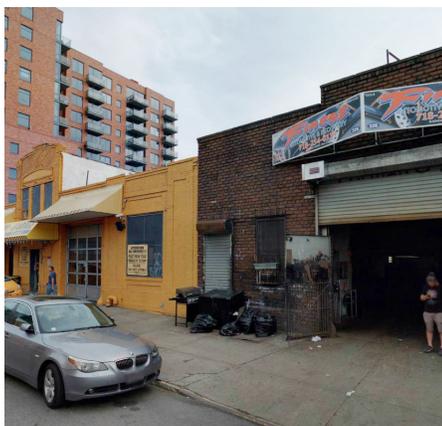
Improving job access for NYCHA residents at Wyckoff Gardens, Gowanus Houses and Warren Street Houses is of critical importance for the community. Current businesses and ongoing/future projects within the neighborhood are valuable sources of potential employment to which NYCHA residents should have increased access.

- To better connect residents to available jobs, the City will continue to connect with local organizations to discuss the existing talent and skills gaps for NYCHA residents to promote career pathways, particularly for government-sponsored projects and jobs generated by local businesses and development.

The City will continue to engage a network of community-based organizations and key agencies, including NYCHA's Office of Resident Economic Empowerment & Sustainability (REES), to connect their constituents and clients to career services, trainings and job opportunities offered through SBS's Workforce1 Career Center system. Workforce1 is also available to refer jobseekers in need of additional services to community-based organizations for resources to overcome barriers to employment, such as adult literacy and basic education, computer skills, and English as a Second Language (ESL) support. SBS's Mobile Outreach Unit is another resource available to visit Gowanus NYCHA campuses and provide an on-site setting for residents to learn more and connect with Workforce1 services.

### **Partner with community-based organizations to promote customized job training and apprenticeship programs**

Many jobs in industrial areas demand specialized training and skills. To help residents gain access to these jobs, the City will continue to partner with SBIDC, the Brooklyn Workforce 1 Industrial & Transportation Career Center, and employers to promote SBS's tailored training opportunities such as On-the-Job Training and Customized Training to meet the needs of the growing industrial sector within Gowanus.



Active uses along Butler Street between 3rd and 4th avenues

## Goal 3: Reinforce the IBZ as a center for industrial and other job-generating uses

### Support planned and new infrastructure projects

To help strengthen the IBZ and make the area more attractive to businesses, the City will continue to support existing projects, such as a major drainage upgrade on 9th Street between Smith Street and 2nd Avenue, as well as explore new infrastructure and service improvements related to transportation and sanitation.

### Explore improvements to high-speed commercial internet access

Many businesses within the IBZ and throughout Gowanus have substandard access to broadband internet service, which can negatively affect relationships with customers and daily business operations. The City will work with local stakeholders and businesses to identify the current needs and develop strategies to improve the speed and reliability of broadband service. In addition to this effort, other strategies are being explored as part of a citywide study.

### Restrict self-storage facilities and hotels as part of a citywide effort to strengthen industrial areas

As part of the *Industrial Action Plan*, in December 2017, the New York City Planning Commission and New York City Council adopted the self-storage text amendment, a zoning change that requires a discretionary approval process for new self-storage facilities to locate in the Southwest Brooklyn IBZ and additional IBZs across the city. A requirement for a special permit for hotels in light-manufacturing districts is currently under public review.

### Partner with community-based organizations to identify the needs of businesses in the Gowanus IBZ

The City will engage with businesses and community-based stakeholders to assess the needs of businesses and study the area's land use and economic trends to produce a vision for the area's future. In the IBZ, the City will draw upon new and evolving zoning tools for similar industrial districts and explore the potential for land use, infrastructure and workforce development initiatives to support the expansion of industrial businesses and other job-generating uses.

Large portions of Gowanus lie within the 100-year flood plain. During Hurricane Sandy, many businesses experienced significant flooding and property damage. In an effort to support industrial businesses vulnerable to flooding, DCP's *Resilient Industry* report identifies strategies and recommendations to save costs and minimize damage from future storms.

“Invest in workforce training and education of adults, particularly members of the community.”

Comment from Working Group Summit – July 11, 2017

## Goal 4: Connect businesses, property owners and nonprofits with programs and services that support entrepreneurship and businesses growth

### Promote city-sponsored grant and loan programs for businesses and property owners

There are currently several programs and initiatives administered by SBS, Department of Finance (DOF), the New York City Industrial Development Agency (NYCIDA) and the NYC Economic Development Corporation (EDC) that offer subsidies, loans and tax benefits to commercial and industrial businesses and property owners. These include the Industrial and Commercial Abatement Program, Industrial Business Zone Relocation Tax Credit, Commercial Expansion Program, Relocation and Employment Assistance Program, Industrial Developer Fund, and numerous energy cost saving programs.

### Support grants and targeted investments for community-based organizations to implement marketing and revitalization projects

The City currently offers competitive grants to Community Based Organizations (CBO) to conduct commercial revitalization programs, such as business attraction and retention, placemaking, merchant organizing, and district marketing. Nonprofits that serve Gowanus are welcome to apply to conduct these types of business services.

### Promote and incentivize non-residential uses in new mixed-use developments to enhance and complement the “Gowanus mix”

Many lots or ownership parcels located along Thomas Greene Playground, the upper portion of the Canal, and 3rd Avenue represent opportunities for future redevelopment with active ground floor uses that serve local retail and service needs, along with uses that build upon the neighborhood’s character of creative professionals, small-scale manufacturers, artists and makers.



Mixed arts, commercial and industrial building at 6th Street between 2nd and 3rd avenues



# Industrial Business Zone (IBZ)

A portion of Gowanus is part of the Southwest Brooklyn IBZ, one of the 16 most active industrial areas designated as IBZs. An IBZ is a non-zoning designation that demonstrates a commitment to land use and public policies that encourage the retention and growth of industrial businesses, including special financial incentives and an affirmation not to support new residential uses in these critical industrial areas. As part of a recent effort, the City Council recently approved a zoning text amendment to require a special permit for self-storage uses in IBZs. A requirement for a special permit for hotels in light-manufacturing districts is currently in public review.

The portion of Gowanus within the IBZ boundary is generally located south of 3rd Street, west of 3rd Avenue and east of the Canal. While the IBZ is not being studied for land use actions, the City would like to explore infrastructure and service improvements related to transportation, internet access and sanitation that support business retention and growth. In addition, the City seeks to work with existing organization and business service providers to develop specific economic development and job training strategies. The information below highlights strategies from individual sections of the framework that are especially relevant to the IBZ.

## Resiliency and Sustainability

### Update regulations to reduce risk of damage to homes and businesses in the floodplain

As part of the City's ongoing climate resiliency initiatives, DCP is working with coastal communities to update the special zoning regulations that apply in the floodplain. These regulations promote flood-resistant building design.

- The proposed updates to the Zoning Resolution will include requirements and allowances to support flood-resistant construction in M-zoned areas.

### Improve waste collection

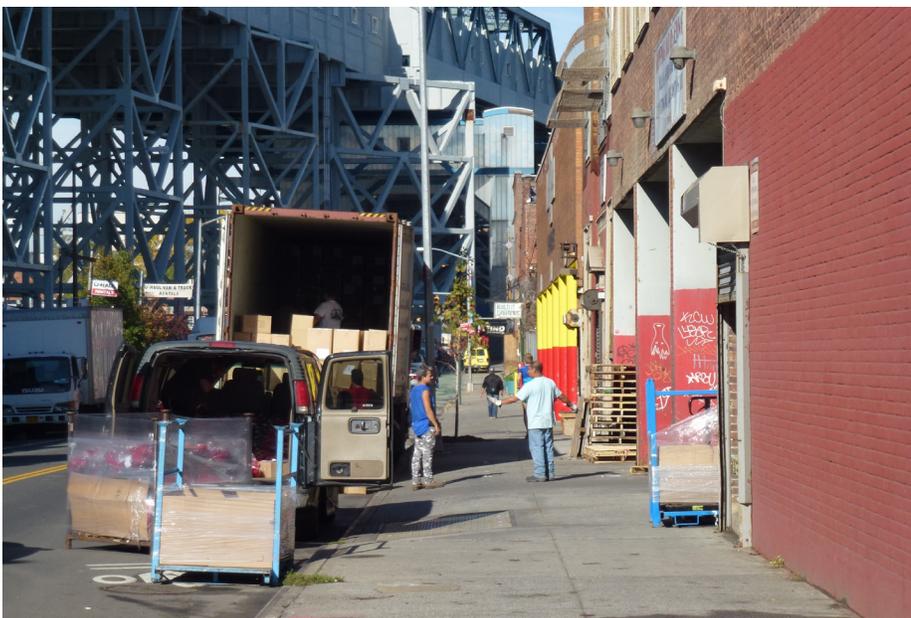
The City will monitor the need for sanitation services and opportunities to adjust service schedules.

### Improve capacity of existing infrastructure to meet increased drainage demand during storms

Increased storm frequency and sea level rise due to climate change will increase demand on urban drainage systems and risk of local flooding during storms.

- The City will invest nearly \$34 million on projects in the IBZ to upgrade and replace critical sewer infrastructure to increase drainage capacity and reduce flooding during storms. The projects include sewer upgrades along 9th Street and 2nd Avenue and planned replacement of water mains on 7th Street between 3rd and 4th avenues, set to start in 2019 (see Sustainability and Resiliency, page 23).

The City is **investing in the IBZ** to help reinforce it as a vibrant place to work and do business. Investments include nearly \$34 million toward critical sewer infrastructure to increase drainage capacity and reduce flooding during storms. Additional investments will support high-speed commercial internet access, upgrades to Ennis Playground and rehabilitation of the Department of Sanitation (DSNY)'s Brooklyn 6 Garage, to serve the community for decades to come.



Industrial business loading along 9th Street

## Community and Cultural Resources

### Develop approaches to historic interpretation that honor and celebrate the neighborhood's industrial history

- Analyze opportunities to revive the vacant public space under the subway tracks on 10th Street and Third Avenue, known as the Under-the-Tracks Playground, and finding space to display the iconic Kentile Floors sign.
- Encourage opportunities for the inclusion of public art, murals and cultural programming in the neighborhood's open spaces, while working with the community to identify short-term opportunities for temporary art installations.

### Invest in open spaces and support new green infrastructure

- Complete the \$3 million project with funds to renovate Ennis Playground, which is anticipated to start in mid-2018 and take 12 months to complete.
- Partner with the NYC Department of Environmental Protection (DEP) and community-based organizations to support the installation of bioswales and other green infrastructure features that align with sustainability and resiliency strategies.

## Transportation

### Enhance mobility for roadway users and connectivity

The Gowanus area is reliant on trucks for the operation of industrial and commercial uses. Conflicts with truck movement is an issue and has contributed to unsafe conditions and reduced mobility.

- As a first step, it is important to understand how trucks use the street network, which can inform future safety measures at locations of conflict and allocation of needed loading zones.
- Second, coordination with relevant City agencies to reduce the impact of truck operations is essential. Gowanus is a good focus area to investigate freight mobility initiatives and loading innovations to be explored in NYC DOT's *Smart Truck Management Plan*, expected in summer 2018.

### Improve pedestrian safety and access

- A key element of the City's Vision Zero initiative is pedestrian safety. One way to address safety and mobility concerns in Gowanus is by reducing street user conflicts at problematic locations. This action includes analyzing conditions that lead to crashes and developing treatments and traffic calming measures that make the neighborhood more walkable, especially as it grows.

## Economic and Job Development

### Maintain prohibition of new residential uses

Restricting residential use can support business retention by reducing potential for redevelopment and displacement and lessens compatibility, safety and operational concerns. The City reaffirms its commitment not to support land use changes that would allow new residential use within the IBZ. While the IBZ is not being studied for land use actions, the framework reaffirms the position that residential use would also not be appropriate in this area.

### Support planned and new infrastructure projects

To help strengthen the IBZ and make the area more attractive to businesses, the City will continue to support existing projects, such as a major drainage upgrade on 9th Street between Smith Street and 2nd Avenue, as well as exploration of new infrastructure and service improvements related to transportation and sanitation.

### Explore improvements to high-speed commercial internet access

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The City currently offers competitive grants to CBOs to conduct commercial revitalization programs, such as business attraction and retention, placemaking, merchant organizing, and district marketing. Nonprofits that serve Gowanus are welcome to apply to conduct these types of business services.

- Increase permeable surfaces and install street trees for all new, non-industrial developments, along with landscaping for mixed-use developments setback from the street line.