



Hudson Square Rezoning - **Approved!** Project Status

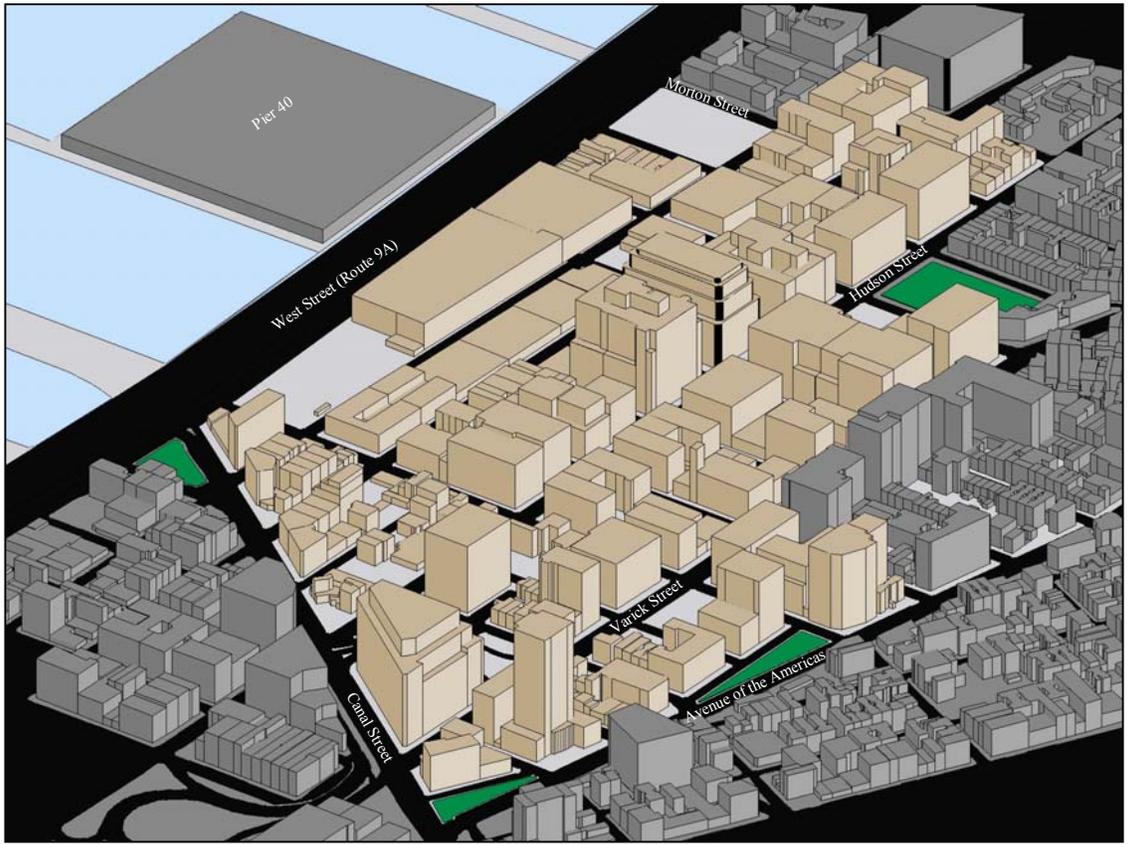
On December 3, 2002, the Department of City Planning certified the Uniform Land Use Review Procedure (ULURP) application for the proposed zoning amendments.

Manhattan's Community Board 2 voted to approve the zoning proposal for the southern rezoning area on March 20, 2003 by a vote of 38 in favor, 0 opposed and 0 abstaining. For the northern rezoning area the Community Board voted to disapprove the zoning proposal by a vote of 21 in favor, 15 opposed and 0 abstaining. The Manhattan Borough President recommended approval of the southern rezoning area and disapproval of the northern rezoning area. The City Planning Commission held a public hearing on May 7, 2003 and voted to approve the proposal on June 18, 2003.

On July 29, City Council proposed a modification to the proposal by removing the northern rezoning area – the area generally bounded by Clarkson, Leroy, West, Morton, Barrow, and Hudson streets – from the rezoning area. City Council adopted the proposal as modified on August 19. The revised zoning is now in effect.

For more information on the Hudson Square rezoning, contact the Manhattan Office of the Department of City Planning at (212) 720-3506.

[Link to Summary of 2002 Hudson Square Rezoning Study](#)



Hudson Square Rezoning

Hudson Square Rezoning



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Executive Summary

The Department of City Planning initiated this study of the Hudson Square area in response to land use changes, increasing development pressure, and a growing number of BSA variance applications to allow residential use. Approximately 34 blocks in size, the study area is bounded by the West Side Highway on the west, Morton and Barrow streets on the north, Sixth Avenue and Hudson Street on the east, and Canal Street on the south. The area is zoned with three manufacturing districts which allow commercial and industrial uses at varying densities ranging from 2.0 to 10.0 FAR, but prohibit new residential uses.

The heart of the area is characterized by large loft buildings which at one time contained a concentration of printing and graphic arts-related firms. Over the last several years, there has been considerable reinvestment in these buildings, and a shift in employment and land uses from printing and manufacturing toward commercial and office-based uses. At the same time, the area continues to contain a number of significant industrial uses, including Federal Express and United Parcel Service (UPS) distribution facilities. With the planned development of the Hudson River Park to the west, as well as the granting of several BSA variances for residential use at the northern and southern edges of the study, the broader area is confronting increasing development pressures and the prospects of significant land use change. This study recommends rezoning to allow residential use and retention of existing manufacturing zoning to guide future land use and development.

Several key land use issues inform the zoning recommendations for the area:

- **A major portion of the existing medium- and high-density manufacturing districts have been developed as a significant commercial office center.** The M1-6 district (high-density) and portions of the M1-5 district (medium-density) generally south of Leroy Street contain full-blockfront, pre-war loft buildings, formerly home to printing and manufacturing firms, and now occupied primarily by commercial offices and graphic arts firms. Substantial investment and job growth have resulted from the upgrading of these large floor plate loft buildings to accommodate commercial office use. The current M1-6 zoning regulations that prohibit new residential development has encouraged reinvestment for commercial and industrial uses in part by ensuring the availability of nonresidential floor space.
- **The northern and southern edges of the study area have an existing residential presence and are also experiencing increased pressures for new residential uses.** Currently zoned for manufacturing and commercial uses, the M1-6 and M2-4 area south of Spring Street (between Hudson, Canal, and West streets) and the area generally north of Leroy Street (M1-5) have been experiencing residential development pressures. The existing zoning designations do not reflect either the current land uses or built character, which are mixed-use and medium-density development. Moreover, these areas have been the subject of several BSA use variance applications that have raised issues of scale, density, and neighborhood character.

The Department's zoning recommendations (Figure 1: Proposed Zoning) provide a balanced plan for the area that is intended to guide future growth and development. These recommendations call for allowing new residential development at moderate densities in the northern and southern portions of the study area, balanced with the retention of the existing manufacturing zoning in the other areas in order to ensure space and opportunities for commercial and light industrial investment and development.

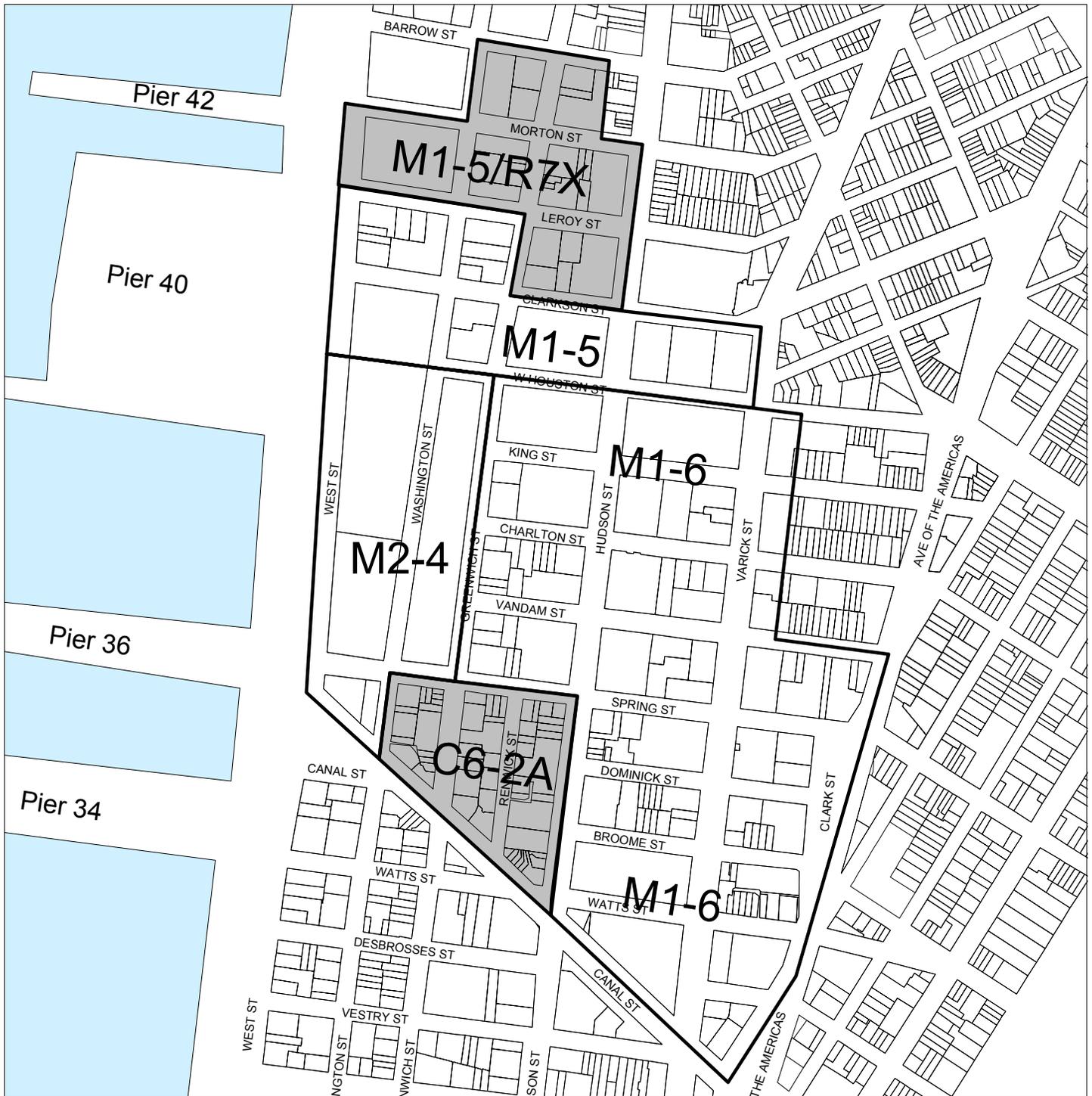


Figure 1: Proposed Zoning

————— Zoning Boundaries

■ Proposed Rezoning Areas

Hudson Square Rezoning

- Rezone to C6-2A the area south of Spring Street (bounded by Hudson, Canal, and Washington streets).** This area is characterized by small and irregularly shaped blocks with small lots and low-scale buildings. The current zoning for most of this area -- M1-6 (10.0 FAR) -- permits a density and scale that is significantly different than the established built character. Rezoning would strengthen the existing mixed-use character by allowing new residential development at a scale and density more appropriate for the area, while continuing to permit a wide range of commercial and light industrial uses. The following three-dimensional image is an example of the bulk form that is possible under the proposed contextual zoning in context.



legend: ■ Potential development ■ Study area buildings

Proposed zoning:	C6-2A (R8A equivalent)
Permitted Uses:	Commercial, Residential, Community Facility
Maximum FAR:	6.02
Max. building height:	120'-0"
Streetwall requirement:	60'-0" to 85'-0"

- Rezone to M1-5/R7X north of Leroy and Clarkson streets.** Zoned M1-5 (5.0 FAR), industrial activity in this area is limited, and includes package delivery facilities, food production, and smaller auto-related uses. Several buildings house commercial offices. There is a substantial residential community in the area due in part to previously approved BSA variances to permit residential uses in the northern portion of the M1-5 district, and the close proximity to residential portions of the West Village. Rezoning the M1-5 area generally north of Leroy and Clarkson streets to a special mixed-use district – R7X/M1-5 (5.0 Residential, Community Facility, Commercial, Manufacturing) – would maintain the existing permitted density and uses, allow residential conversions and new residential development as-of-right, and allow expansion of existing industrial and commercial uses. The following three-dimensional image is an example of the bulk form that is possible under the proposed mixed-use zoning in context.



legend: ■ Potential development ■ Study area buildings

Proposed zoning:	M1-5/R7X
Permitted uses:	Commercial, Manufacturing, Residential, Community Facility
Maximum FAR:	5.0
Max. building height:	125'-0"
Streetwall height:	60'-0" to 85'-0"

- **Retain manufacturing zoning in other areas.** The majority of the M1-6, M2-4, and M1-5 zoning districts continue to have a strong industrial and commercial presence. During the 1990s, these areas experienced substantial investment and job growth that was facilitated by the current zoning. The scale and density permitted by the existing zoning is generally consistent with the character of these areas. Retaining the existing zoning, which prohibits residential uses, would continue to allow the widest range of commercial and industrial uses.

Over the next few months, the Department will be discussing these proposals with Community Board 2, civic groups, property owners, and elected officials. As part of this review, the Department will develop a zoning map amendment application and prepare an environmental review prior to initiating the formal public review process later this year.

Introduction

This study analyzes land use and zoning issues in the Hudson Square area of the lower west side of Manhattan. It was initiated in response to land use changes which have been taking place and increasing development pressure and variance applications in the area. Instead of the unplanned, ad-hoc, land use decisions that are products of such variances, this study proposes to institute a rational land use framework for the area.

The study's main objectives are to:

- Evaluate existing zoning and land use trends.
- Identify significant issues related to these trends.
- Establish a land use policy to assess future requests for zoning changes and use variances.
- Recommend specific zoning changes.

Study Area Context

The Hudson Square study area is bounded by the West Side Highway on the west, Morton and Barrow streets on the north, Sixth Avenue and Hudson Street on the east, and Canal Street on the south. The study area, zoned entirely manufacturing, was divided into four subareas – *A*, *B*, *C*, and *D* – that were generally drawn to reflect differences in zoning, built character, and land use (Figure 2: Study Area). The study area is surrounded by three distinct neighborhoods. North of the study area are predominantly residential portions of the West Village. To the east is Soho, which is a manufacturing zone that allows, and is now predominantly occupied with, joint living-working quarters. To the south is northern Tribeca with its mixed-use zoning which allows conversions to residential use as-of-right and by discretionary action of the City Planning Commission (CPC).

In the early 1900s, a portion of the Hudson Square area accommodated one of the largest concentrations of printers serving Midtown and downtown businesses, but in recent years that has given away to commercial tenants. One of the area's largest owners of buildings housing printers was Trinity Real Estate. In the late 1980s and early '90s, Trinity, as well as other owners, began marketing the space in their buildings to advertising agencies, art dealers, publishing, new media, and architectural firms. In recent years, there has been an influx of telecommunication firms to the Hudson Square and West Village areas, such as MCI Worldcom, Level3 Communications, Teligent, and Globix. Proposed development of several new commercial buildings, and renovations of several large existing buildings, such as 1 Hudson Square, highlights this trend toward an increased commercial presence. Employment and land uses have been steadily shifting from industrial/manufacturing toward commercial over the last several years.

In addition to this shift from printing and manufacturing toward commercial uses, in other portions of the study area there has been an increasing residential presence due to a number of BSA variances granted for residential use. These variances were granted primarily in the 1980's, but over the last few years there has been an increase in the number of BSA variance requests. These pockets of legal residential uses are principally in the northern and southern portions of the study area, and are attributable to units that existed prior to the 1961 Zoning, and BSA variances that were granted.

Zoning

The study area contains three manufacturing zoning districts: M1-6, M1-5, and M2-4 (Figure 3: Existing Zoning). Manufacturing districts allow manufacturing and commercial uses, but prohibit new residential uses.

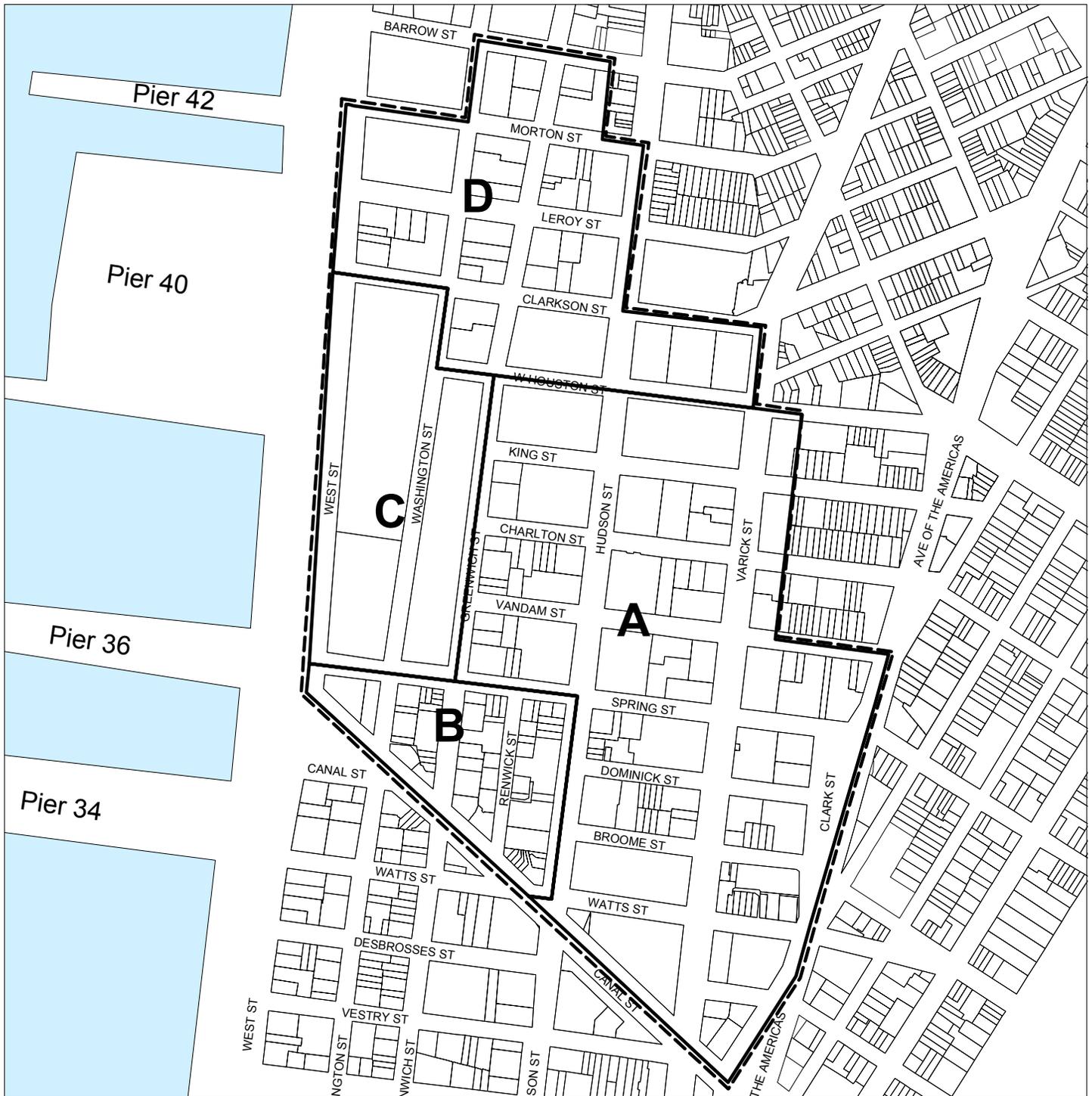


Figure 2: Study Area

- - - - - Study Area Boundary
 _____ Subarea Boundary

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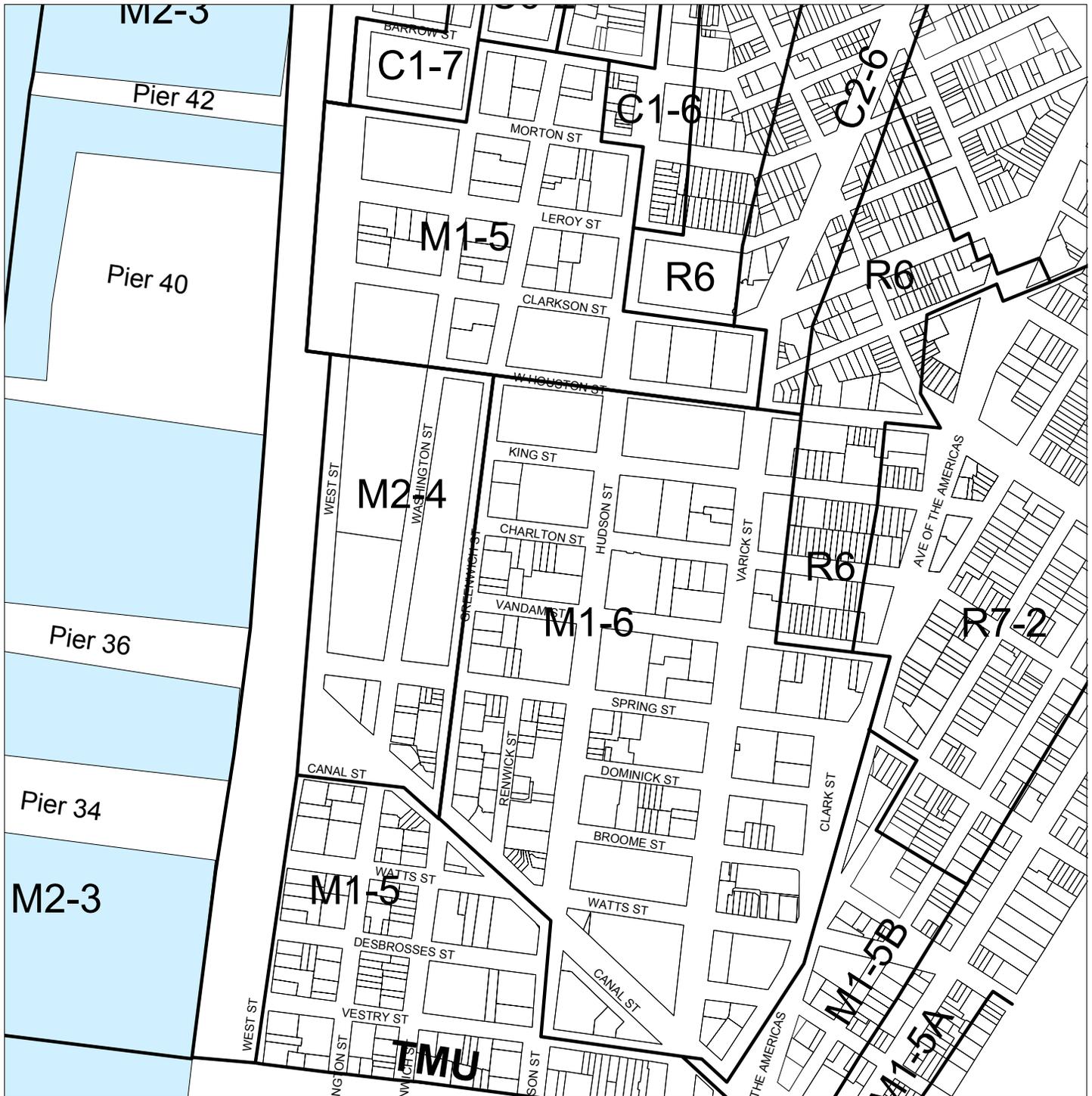


Figure 3: Existing Zoning

————— Zoning Boundaries

Hudson Square Rezoning

Table 1: Existing Zoning Districts

Zoning District	Max FAR
M1-6	10.0 Mfg/Comm (12 Bonus)
M1-5	5.0 Mfg/Comm
M2-4	5.0 Mfg/Comm

The M1-6 district, covers almost 60 percent of the study area. It permits manufacturing and commercial development at 10.0 FAR (bonusable to 12.0 FAR). This designation reflects the densely built character of full lot, pre-war loft buildings that predominate along the area's principal thoroughfares, Hudson and Varick streets. Within the M1-6 district, a two-block area south of Spring Street and centered around Renwick Street is distinct from the other portions of the M1-6 district. The blocks in this area include lots which are typically smaller than average for the area and contain significantly smaller structures.

The M1-5 district located at the northern edge of the study area, allows a maximum FAR of 5.0 for commercial and light manufacturing developments. The area is characterized by blocks developed with full lot, pre-war, loft buildings and one- to two-story garages. The land uses include freight and trucking, manufacturing, commercial, industrial and residential uses. In 1999, an application was submitted, but later withdrawn, for a two-block rezoning to C6-2 at the northern edge of the zone, adjacent to the West Village.

The M2-4 zone, covering four blocks on the western edge of the study area between Canal and Houston streets, is a 5.0 FAR medium-intensity manufacturing zone. The former Saint John's Freight Terminal building, now containing commercial tenants, a United Parcel Service (UPS) distribution facility, and a Department of Sanitation (DOS) garage are within this district.

Land Use

The Department analyzed the land uses based on the 1999 RPAD data and field surveys. This analysis was divided into four distinct subareas to provide a more detailed assessment of the activities in each of these specific areas (Figure 4: Primary Land Use). Subarea A, generally bounded by Canal, Hudson, West Houston, and Avenue of the Americas, is zoned M1-6 and is the largest subarea with approximately 1.2 million square feet of lot area. It contains a preponderance of commercial, industrial, and parking/vehicle storage uses. This area, once the heart of the printing industry, has undergone a transition and significant reinvestment from industrial and manufacturing dominated uses to commercial uses. Subarea B is located in the southwestern portion of the study area, generally bounded by Canal, West, Spring, and Hudson streets. This subarea is zoned M1-6 and M2-4, and contains roughly one-fifth of the study area's residential, transportation and utility, and parking/vehicle storage uses. This subarea has also been the subject of numerous BSA variance applications to allow residential use. Subarea C is located on the western edge of the study area, generally bounded by Spring, West, Clarkson, and Greenwich street. This subarea is zoned M2-4 and contains one-third of the study area's industrial uses, and roughly one-quarter of the commercial and parking uses. Subarea D is situated at the northern portion of the study area, generally bounded by West Houston, West, Morton/Barrow, and Hudson streets. This subarea is zoned predominantly M1-5 and is the second largest subarea. It contains a mix of uses including industrial (new Federal Express Facility), commercial, residential, vacant land, and public facilities and institutions. This area has also been the subject of BSA variance applications to allow residential use.

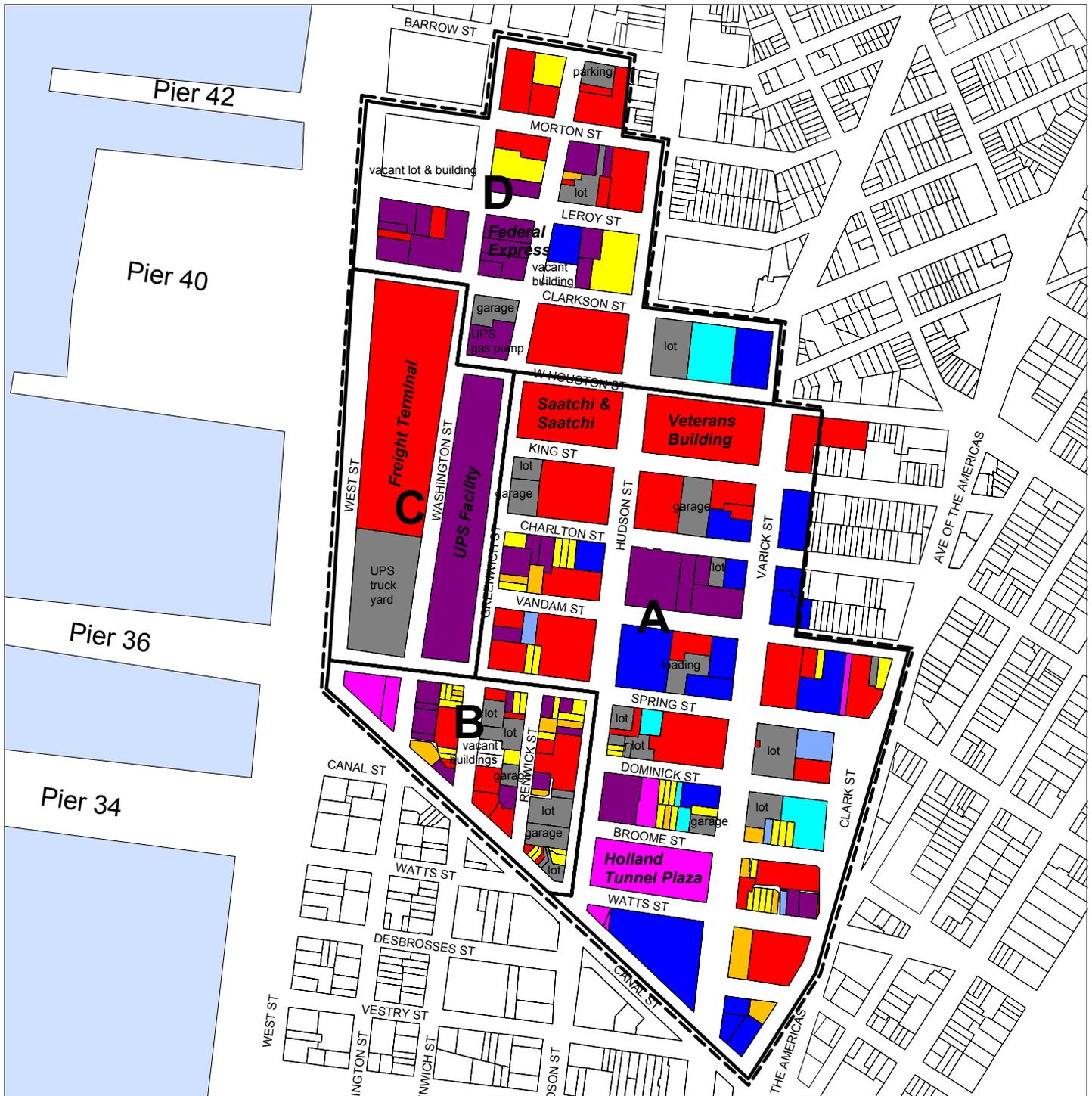


Figure 4: Primary Land Use

----- Study Area Boundary
 _____ Subarea Boundary

- Commercial
- Industrial & Manufacturing
- Mixed Industrial/Commercial
- Mixed Industrial/Commercial/Residential
- Mixed Residential/Commercial
- Parking/Vehicle Storage
- Public Facilities & Institutions
- Residential
- Transport & Utility
- Vacant Land & Buildings

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Table 2: Subarea A Land Use

Land Use Type	Number of Lots	Lot Area	% of Total Lot Area
Residential	25	52,850	4%
Residential/Commercial	8	32,956	3%
Commercial	23	530,580	42%
Industrial & Manufacturing	11	123,479	10%
Transportation & Utility	5	86,746	7%
Public Facilities & Institutions	4	33,530	3%
Parking/Vehicle Storage	13	119,876	10%
Vacant Land & Buildings	1	253	0%
Industrial/Commercial	15	250,843	20%
Industrial/Commercial/Residential	4	22,020	2%
Total	109	1,253,133	100%

Table 3: Subarea B Land Use

Land Use Type	Number of Lots	Lot Area	% of Total Lot Area
Residential	18	26,879	12%
Residential/Commercial	4	7,208	3%
Commercial	12	62,453	28%
Industrial & Manufacturing	11	36,461	16%
Transportation & Utility	2	23,075	10%
Public Facilities & Institutions			
Parking/Vehicle Storage	8	57,650	26%
Vacant Land & Buildings	2	8,187	4%
Industrial/Commercial			
Industrial/Commercial/Residential			
Total	57	221,913	100%

Table 4: Subarea C Land Use

Land Use Type	Number of Lots	Lot Area	% of Total Lot Area
Residential			
Residential/Commercial			
Commercial	1	213,650	47%
Industrial & Manufacturing	1	151,425	34%
Transportation & Utility			
Public Facilities & Institutions			
Parking/Vehicle Storage	1	85,450	19%
Vacant Land & Buildings			
Industrial/Commercial			
Industrial/Commercial/Residential			
Total	3	450,525	100%

Table 5: Subarea D Land Use

Land Use Type	Number of Lots	Lot Area	% of Total Lot Area
Residential	3	53,529	10%
Residential/Commercial	1	1,468	0.3%
Commercial	11	170,790	31%
Industrial & Manufacturing	15	134,853	24%
Transportation & Utility			
Public Facilities & Institutions	1	30,000	5%
Parking/Vehicle Storage	4	59,761	11%
Vacant Land & Buildings	2	71,242	13%
Industrial/Commercial	2	38,157	7%
Industrial/Commercial/Residential			
Total	39	559,800	100%

Built Character and Density

The character and density of the study area vary from low-rise buildings to full lot coverage, high-density loft buildings, some rising more than 250 feet in height. Of the lots built to or less than 5.0 FAR, 12 percent are vacant or contain parking/vehicle storage and 21 percent are at 2.0 FAR or below. Thus, nearly one-third of the lot area is significantly underbuilt at less than 50 percent of the maximum FAR. In contrast, 19 percent of the lot area is built to greater than 10.0 FAR. These lots with FAR's above 10.0 are almost exclusively located in subarea A. (See Figure 5: Existing FAR and Figure 6: Building Heights)

Table 6: FARs by Lot Area

FAR range	Subarea A	Subarea B	Subarea C	Subarea D	Total
No buildings	164,014 (13%)	16,740 (8%)	85,450 (19%)	25,000 (5%)	291,204
0.1 to 2	79,832 (6%)	120,304 (54%)	151,425 (34%)	166,548 (30%)	518,109
2.1 to 5	151,033 (12%)	24,795 (11%)	213,650 (47%)	114,343 (20%)	503,821
5.1 to 7.5	213,754 (17%)	51,762 (23%)		26,885 (5%)	292,401
7.6 to 10	200,084 (16%)	8,312 (4%)		191,255 (34%)	399,651
10.1 to 12	259,574 (21%)			35,769 (6%)	295,343
12.1 to 16.1	184,842 (15%)				184,842
Total	1,253,133	221,913	450,525	559,800	2,485,371

Subarea A

Subarea A, an M1-6 district, is the densest subarea with more than 20 percent of the lot area (14 buildings) built to 10.0 FAR or greater. These include large, high lot coverage loft buildings from the 1920s, as well as newer developments such as the full-block Saatchi & Saatchi building and the Employees Union tower at Grand and Sullivan streets. A 10.0 FAR office building is proposed for the block west of Duarte Square and south of the Saatchi & Saatchi building. Nearly one-third of the lot area is built to 5.0 FAR or less. These lots are concentrated below Spring Street. Other underbuilt lots are located in the blocks between Hudson and Varick streets as well as along Greenwich Street.

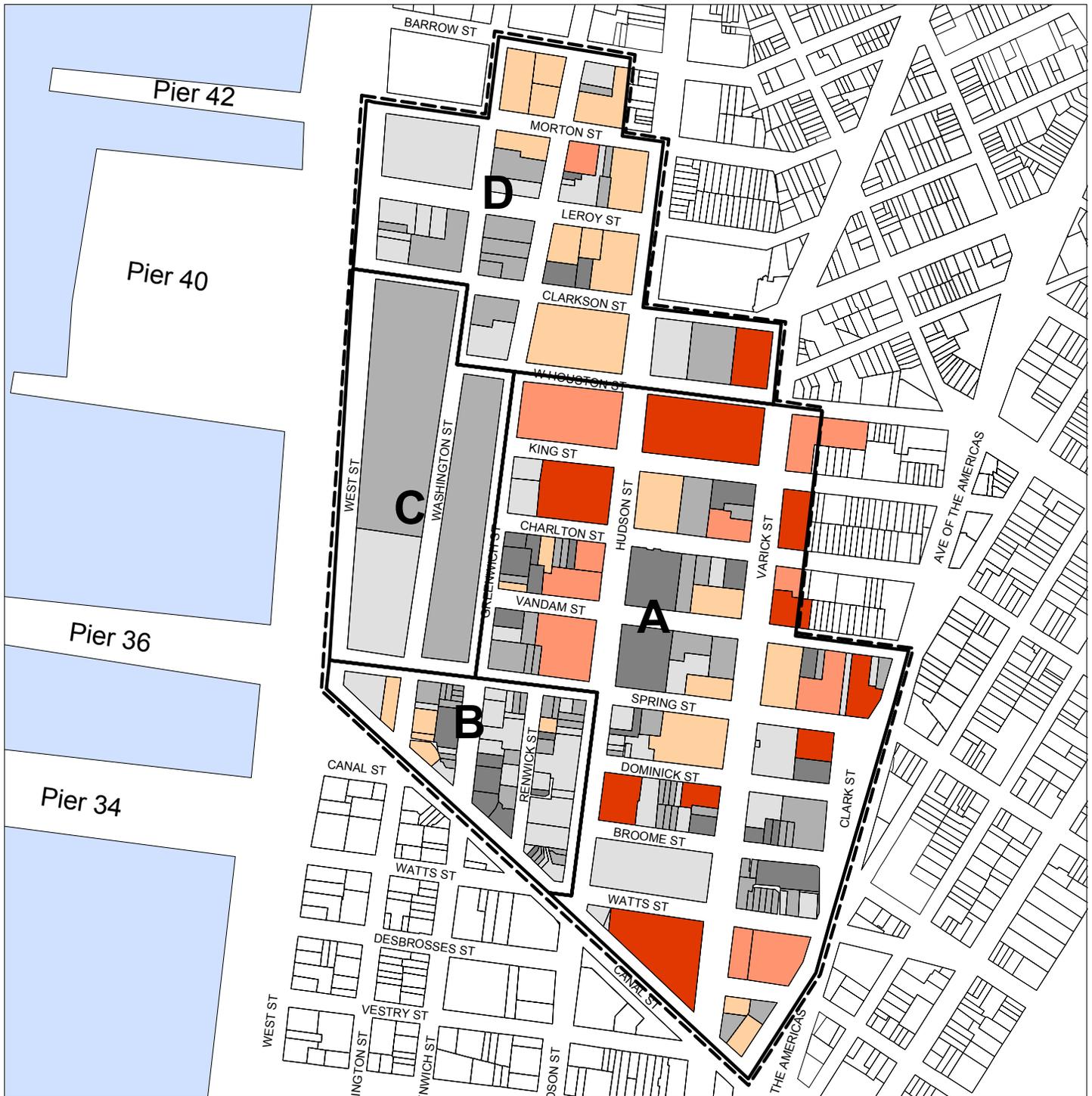
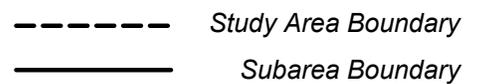
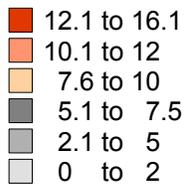


Figure 5: Existing FAR



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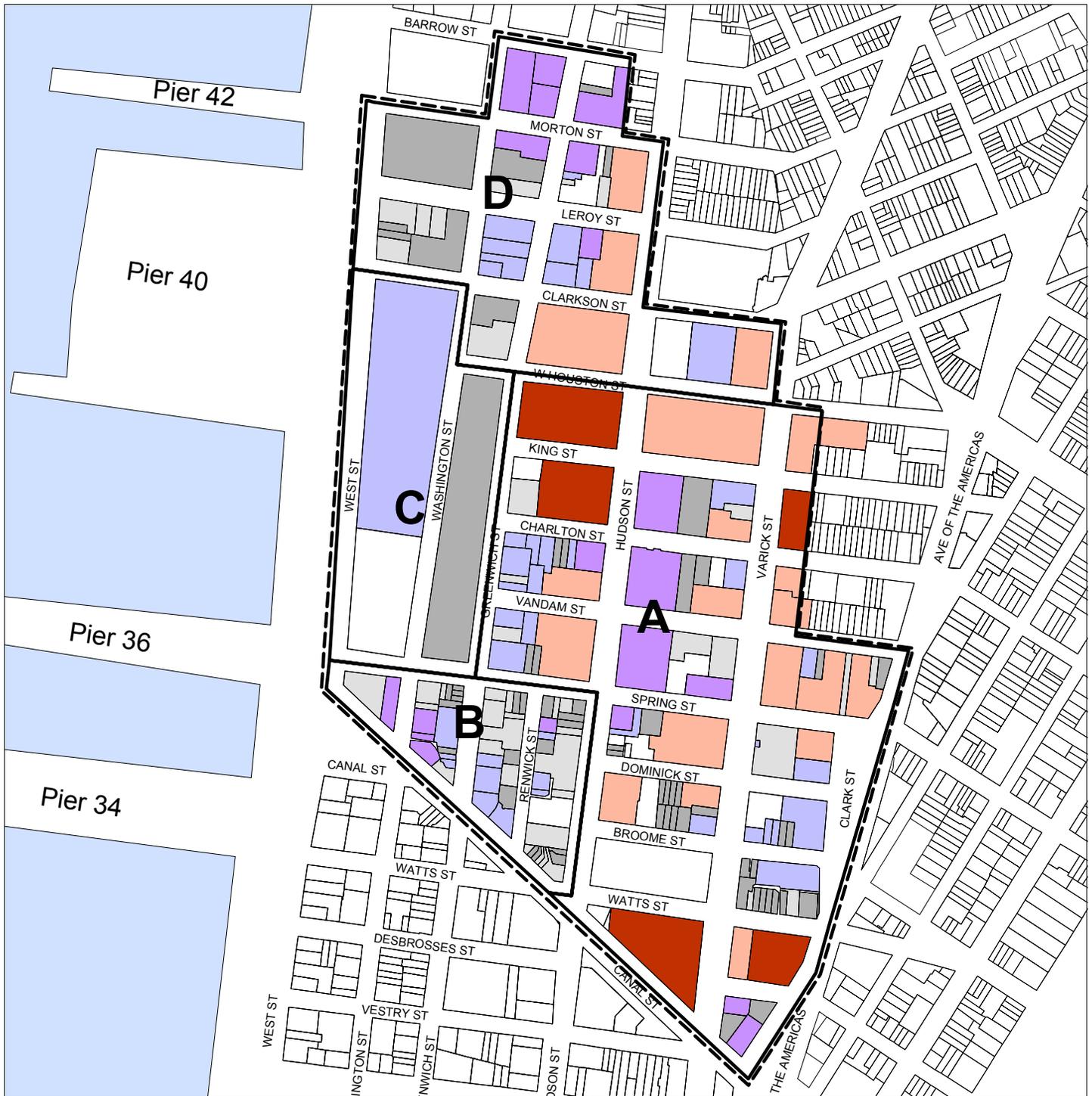


Figure 6: Building Heights (in feet)

- 226 and above
- 126 to 225
- 86 to 125
- 61 to 85
- 31 to 60
- 12 to 30
- Less than 12

- Study Area Boundary
- Subarea Boundary

Hudson Square Rezoning



High-density, full blockfront loft buildings along Varick and Hudson streets

The majority of the buildings in this subarea are more than 125 feet in height, with four buildings in the 226-323 foot height range and 17 others in the 126-225 foot height range. These buildings account for over half of the lot area in Subarea A. They line the major streets in the subarea including West Houston, Hudson, Varick and Spring streets. In contrast roughly 13 percent of the lot area contains no buildings or structures rising to 60 feet or less. These lots are concentrated south of Spring Street.

Subarea B

Subarea B is zoned primarily M1-6, with two small blocks zoned M2-4. More than 60 percent of the lot area has built FARs of 2.0 or less. These underbuilt lots are located primarily on the two blocks located in the 10.0 FAR district bounded between Greenwich and Hudson streets. Only two lots have FARs greater than 7.5. Additionally, two BSA variance applications for residential development were approved at 7.7 and 10.0 FAR.



Residential buildings with ground floor commercial along Greenwich & Spring streets

The building heights in subarea B are predominantly low-rise. Nearly 60 percent of the lot area has structures that do not exceed 30 feet in height. These lots are located primarily in the 10.0 FAR district of this subarea. Three lots, one of which is the ventilation building for the Holland Tunnel, have buildings between 86 and 125 feet.

Table 7: Building Heights by Lot Area

Height range (ft.)	Subarea A	Subarea B	Subarea C	Subarea D	Total
No building	155,476 (12%)	14,600 (6%)	85,450 (19%)	46,266 (8%)	301,792
12 to 30	68,234 (5%)	113,054 (51%)		61,938 (11%)	243,226
31 to 60	109,851 (9%)	31,810 (14%)	151,425 (34%)	124,394 (22%)	417,480
61 to 85	154,404 (12%)	45,637 (21%)	213,650 (47%)	91,460 (16%)	505,151
86 to 125	138,508 (11%)	16,812 (8%)		92,105 (16%)	247,425
126 to 225	463,918 (37%)			143,637 (26%)	607,555
226 and above	162,742 (13%)				162,742
Total	1,253,133	221,913	450,525	559,800	2,485,371

Subarea C

Subarea C is zoned primarily M2-4. Two significant buildings occupy most of the area, the former Saint John’s Freight Terminal is built to 4.0 FAR and has a height of 75 feet. The other building is a relatively new UPS facility that is built to 1.8 FAR and reaches a height of 52 feet. The remaining lot in the subarea is used as a UPS parking lot.



Full block warehouses along Washington Street (St. John’s Freight Terminal & UPS)

Subarea D

Subarea D, which is zoned M1-5, contains a mix of low and medium density development. Approximately 40 percent of the lot area contains buildings with FARs of 7.5 or greater, and just under 40 percent of the lot area has FARs of 2.0 or less. The buildings with the higher FARs are located along Morton and Hudson streets. The lots with lower FARs are primarily west of Greenwich Street. The vacant Yellow Freight site, which totals 62,772 square feet, was approved by the BSA during the fall of 2002 for a residential use variance at 6.5 FAR.



New Federal Express facility



Mixed building stock north of Leroy Street

The building heights in subarea D range from low-rise buildings of less than 30 feet to taller buildings rising more than 160 feet. The low rise buildings are located west of Greenwich Street, while the taller buildings are located along Morton and Hudson streets.

Dwelling Units

Based on 1999 RPAD data and field surveys, there are approximately 735 residences in the study area. Residential units are found either in buildings which contained residences prior to the 1961 zoning or in loft buildings converted through BSA variances, Interim Multiple Dwelling (IMD) units, or artists-in-residence (AIR) studios. In small number of cases, the manner in which units in nonresidential buildings were converted could not be determined. Research indicated that of the 735 units, 310 predate the 1961 zoning, 365 were created through variances, 11 were created through IMD regulations, and 49 are undetermined but might be AIRs or small businesses with residential phone listings. Pre-1961 dwelling units in the study area are located primarily in subarea B, and at the southern end of subarea A along Broome, Dominick, and Watts streets. The 275 dwelling units in Subarea D were developed almost entirely from BSA variances. There are also no dwelling units in Subarea C. (See Figure 7: Dwelling Units and Figure 8: Status of Dwelling Units).

Table 8: Number of Dwelling Units

	Subarea A	Subarea B	Subarea C	Subarea D	Total
Pre 1961 Units	227	83	0	0	310
BSA Units	86	8	0	271	365
IMD	0	11	0	0	11
Unknown Units	35	10	0	4	49
Total Residential Units	348	112	0	275	735

** Does not include the variance applications granted by the BSA from 2000 to present.*

BSA's Approved/Proposed

Between 1999 and the present there have been a number of BSA variance applications for residential development that have been approved, as well as several new proposals. These are summarized below.

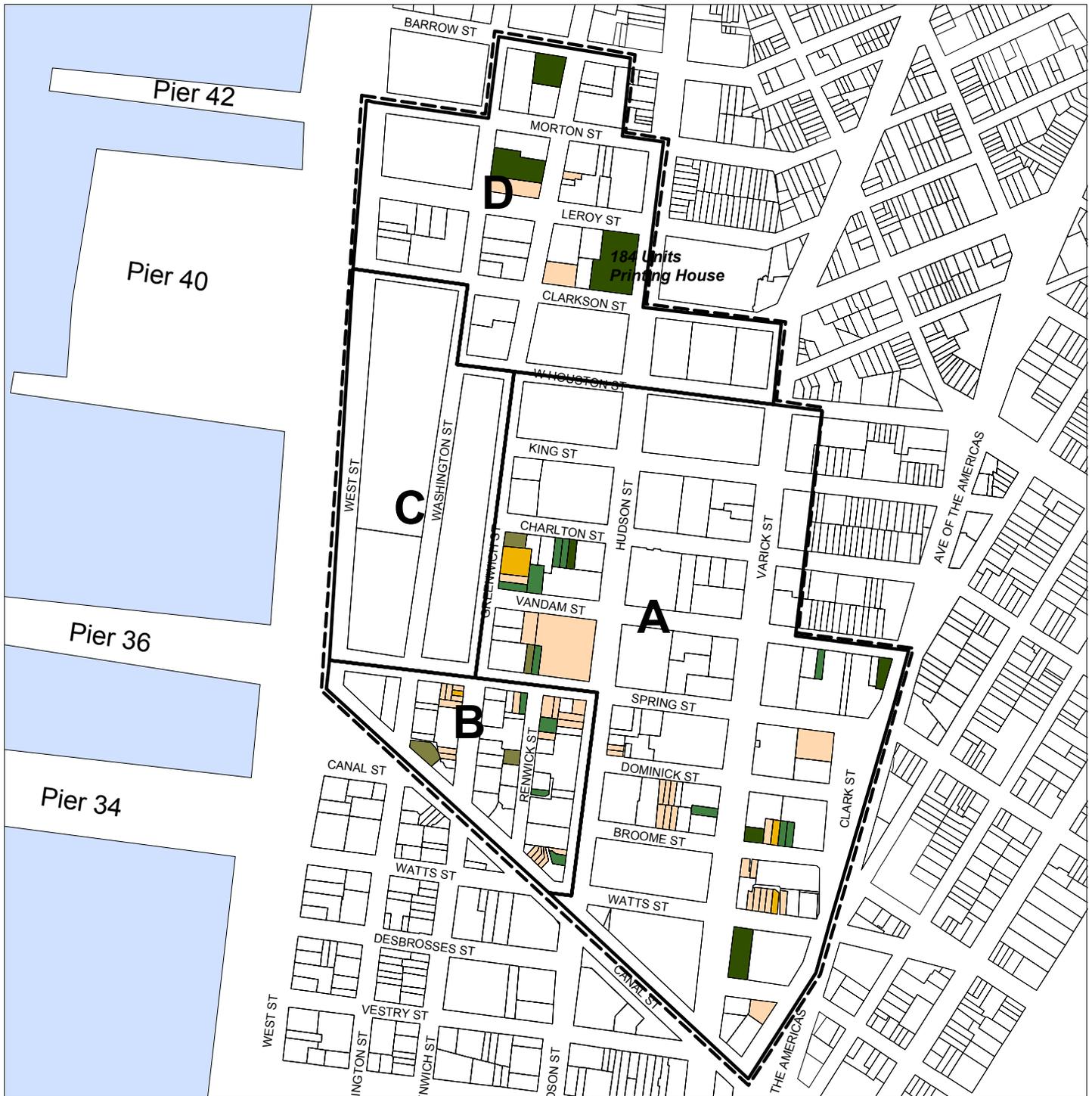


Figure 7: Dwelling Units

- 21 or more
- 11 to 20
- 8 to 10
- 6 to 8
- 1 to 5
- No Units

- Study Area Boundary
- Subarea Boundary

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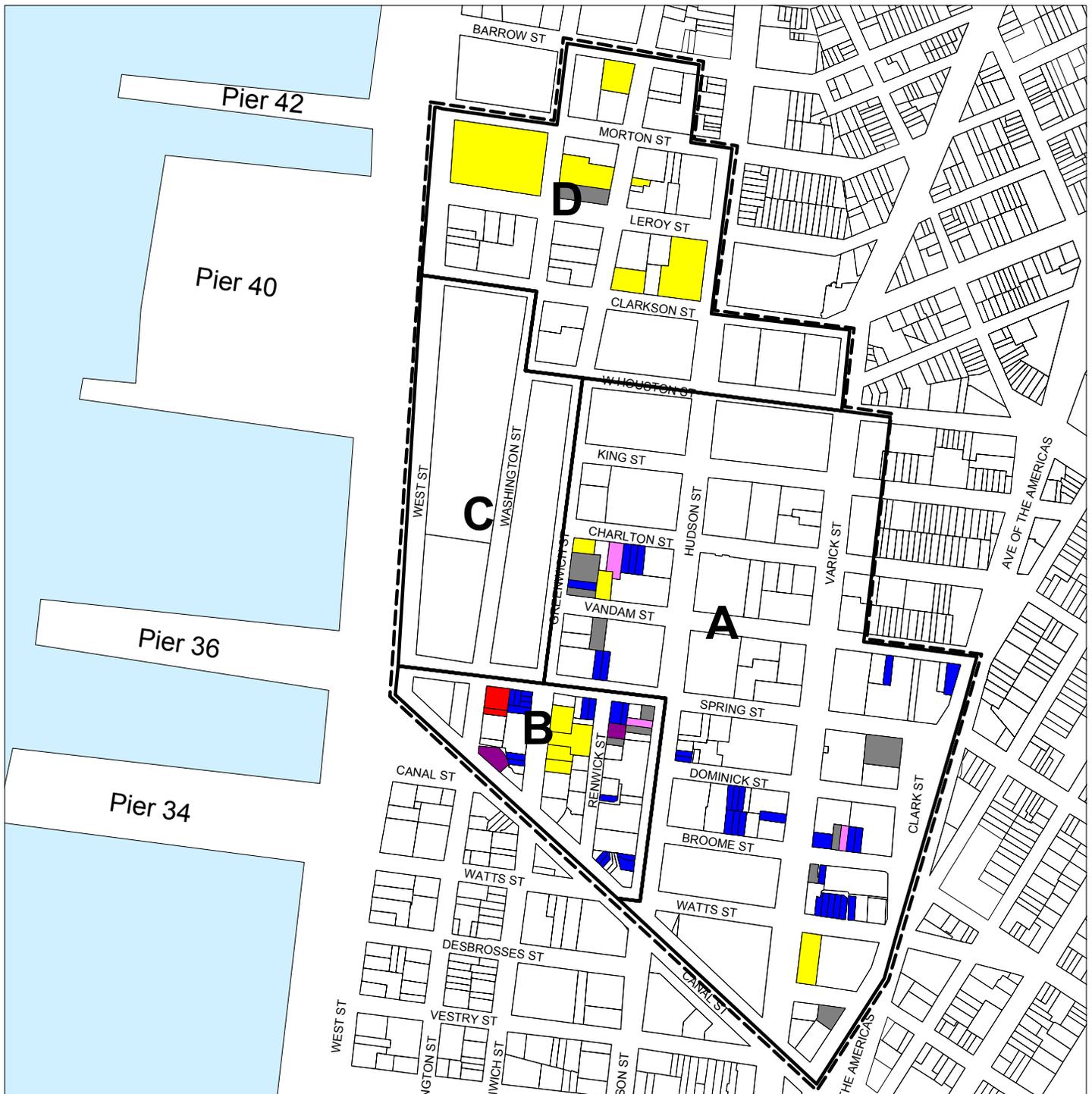


Figure 8: Status of Dwelling Units

- BSA Approved
- BSA Filed
- BSA Proposed
- IMD
- Pre-1961
- Unknown

----- Study Area Boundary
 _____ Subarea Boundary

Hudson Square Rezoning

Table 9: Status of BSA Variance Applications

Location	BSA Status	FAR	# of Residential Units
600 Washington St. (Yellow Freight Site)	Approved	6.5	341
491-497 Greenwich St.	Approved	7.7	26
499 Greenwich St.	Approved	10.0	205
603 Greenwich St.	Approved	5.0	3
328 Spring St. (Phillip Johnson)	Proposed	7.82	35
104 Charlton St. (Warehouse to Res. conversion)	Proposed	10.0	14
287 Hudson St. (Office to Res. conversion)	Proposed	10.0	1

Employment

The economic analysis identified and examined trends in industrial and non-industrial business activity within the study area from 1991 through 2000. The analysis from 1991 to 1997 was based on third quarter ES-202 data from the U.S. Department of Employment and Labor and the 2000 data on surveys by the Department of City Planning. ES-202 provides data on private companies, but not on government agencies. 1997 was the latest year for which ES-202 data was available. This analysis identified which industries grew, declined, or remained constant, leading to general conclusions about the area's industrial and non-industrial sectors.

1991 to 1997

Data collected for the six-year period (1991 to 1997) shows a trend, consistent with other industrial areas of Manhattan, of a significant increase in non-industrial jobs (40 percent or 4,924 jobs), which is attributable to a transition from labor-intensive manufacturing activities to less-intensive, high-skilled commercial and service activities. Finance, insurance, and real estate (FIRE) jobs, including business services and security and commodity brokers, led the increase, followed by an increase in retail trade (restaurants and clothing stores) and services (advertising, architects and engineers, health centers, theater production companies, and educational institutions). These jobs were primarily concentrated in Subareas A and D. In contrast, industrial jobs – such as printing, graphic arts, contractors, and courier services – increased by a smaller margin (17 percent or 1,416 jobs) and were concentrated in Subareas A, B, and C.

Table 10: Comparison of 1991 & 1997 Firms and Jobs

	1991 Firms	1997 Firms	% Change	1991 Jobs	1997 Jobs	% Change
Industrial	404	418	3%	8,457	9,873	17%
Construction	37	28	-24%	1,157	925	-20%
Manufacturing	275	290	5%	5,248	5,914	13%
TCPU	31	39	26%	1,057	1,969	86%
Wholesale Trade	61	61	0%	995	1,065	7%
Non-Industrial	353	486	38%	12,424	17,348	40%
Retail Trade	53	60	13%	375	1,027	174%
FIRE	45	55	22%	591	3,506	493%
Services	246	366	49%	11,426	12,792	12%
Nonclassifiable	9	5	-44%	32	23	-28%
Total	757	904	19%	20,881	27,221	30%

1997 to 2000

Subsequent to 1997 many of the larger loft buildings, which housed printing-related and other manufacturing jobs, have been renovated and marketed for commercial office uses that are able to pay higher rents than many of the manufacturing firms. These new commercial uses include architecture and engineering firms, business services, and an influx of telecommunication firms into Subareas A and D. These new tenants had been attracted by large floor plates and lower rents than comparable space closer to Manhattan's central business districts.

1997 Employment by Subarea

(See Figure 9: 1997 Jobs per Block)

Table 11: Comparison of 1997 Firms & Jobs by Subarea

	Subarea A		Subarea B		Subarea C		Subarea D	
	Firms	Jobs	Firms	Jobs	Firms	Jobs	Firms	Jobs
Industrial	319	7,109	27	510	NR	598	65	1,656
Non-Industrial	369	13,959	38	221	NR	NR	68	2,261
Total	688	21,068	65	731	NR	598	133	3,917

Subarea A

In 1997, 77 percent of the study area's total jobs were in subarea A. The industrial sectors increased and continued to represent about one-third of the total jobs (7,109 out of 21,068). Industrial sector growth occurred in manufacturing, TCPU, and wholesale trade businesses B such as commercial printers, graphic arts, catering, construction contractors, electricians, local trucking companies, and courier services. The non-industrial sector jobs increased by 22 percent to a total of 13,959 jobs. The greatest firm and job growth occurred in the services sector, although retail jobs increased as well. The non-industrial sector includes businesses such as local unions, architects and engineers, health centers, consultants, and educational institutions. Between 1997 and 2000 there was a significant transition from manufacturing and printing to commercial-related firms and jobs, specifically in the large, full-block loft buildings along Hudson and Varick streets.

Subarea B

In 1997 subarea B had only 2.7 percent of the study area jobs (510). Overall there was a 7 percent (8 jobs) decrease in the number of industrial sector firms; whereas, the jobs increased (92 new jobs), specifically related to an increase in the number of construction jobs. All of the firms showed a decline due the economic shift from an industrially based economy to a retail and services-based economy. The types of industrial sector firms within this subarea were masonry, commercial printing, graphic arts, catering, and parking. The non-industrial sector accounted for about one-third of the total number of jobs in this subarea. The greatest job growth occurred in the retail sub-sector. The largest firm growth was in FIRE. The non-industrial businesses within this subarea consisted of consultants, theater production companies, and educational institutions. During the three-year period between 1997 and 2000 the non-industrial sectors experienced growth.

Subarea C

Subarea C, the smallest subarea, showed a 40 percent decline in industrial sector firms in 1997, although there was a 57 percent increase in the number of industrial sector jobs. This increase can be attributed to

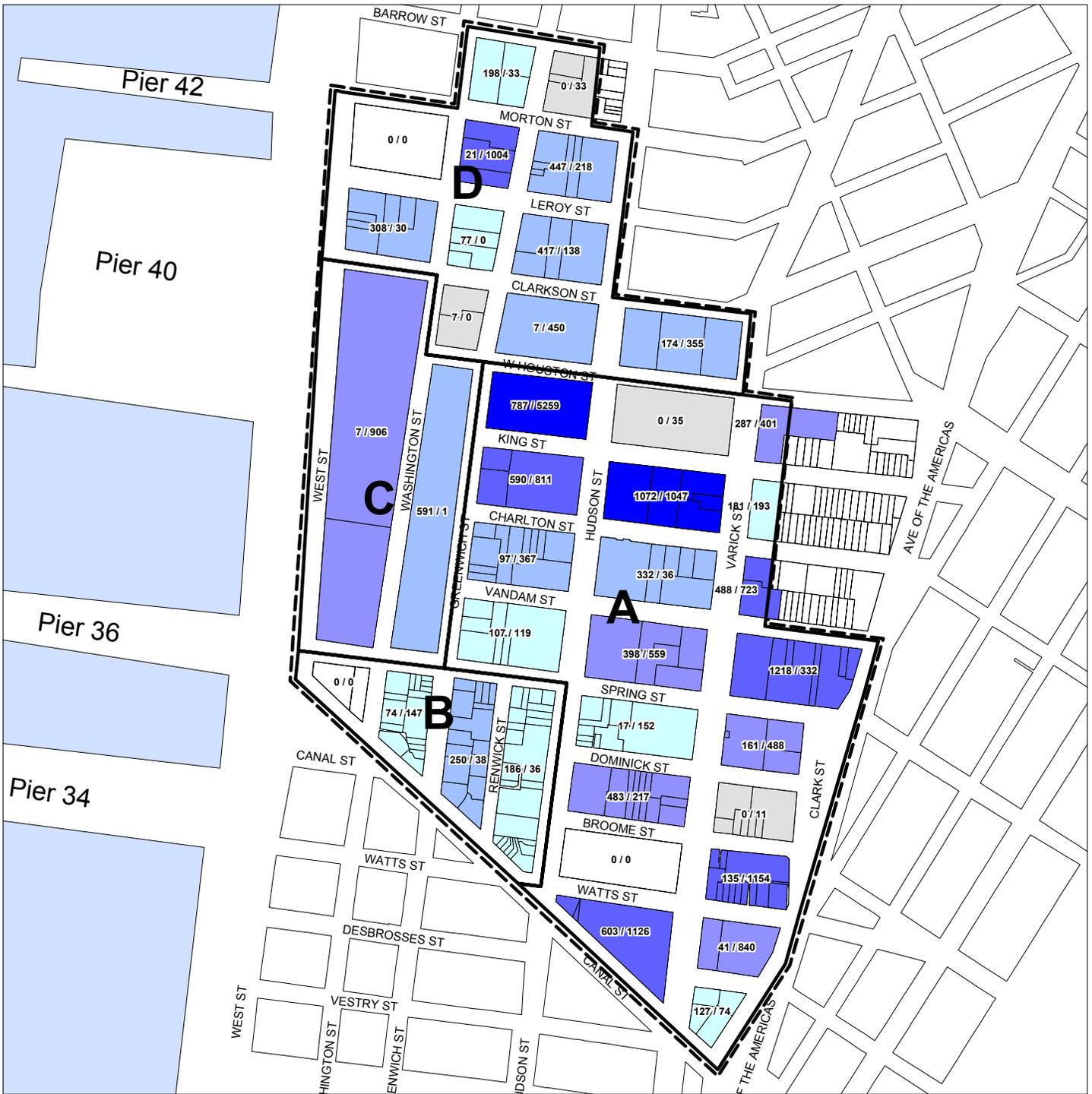


Figure 9: 1997 Jobs per Block
(Industrial / Nonindustrial)

----- Study Area Boundary
 _____ Subarea Boundary

- Total Jobs:**
- 2,000 - 6,046
 - 1,000 - 1,999
 - 600 - 999
 - 250 - 599
 - 50 - 249
 - 1 - 49

Hudson Square Rezoning

TCPU businesses which consisted of parcel delivery services and telephone communications companies. Although there was no increase in the number of non-industrial sector firms, there was a significant increase in the number of service sector jobs with approximately 900 new jobs. There was no significant economic growth in this area between 1997 and 2000.

Subarea D

In 1997 the jobs in subarea D accounted for 14 percent of all study area jobs (3,917). Within this subarea there was a 7 percent decline in the number of industrial sector firms. Only the firms related to wholesale trade (warehouses for paper supplies, meats, and tobacco) showed growth (17 percent). Industrial sector jobs had a 4 percent increase, specifically due to growth in the printing and publishing related manufacturing jobs. The non-industrial sector firms accounted for approximately 51 percent of the total firms (73 firms), with growth occurring in the services and FIRE sectors. The non-industrial job growth had a staggering increase of 189 percent. There was a large increase in the number of services jobs and a significant increase in the number of miscellaneous jobs reported. The non-industrial firms within this subarea consisted of policy research institutions, architects and engineers, health services, art studios, and educational institutions. This pattern of non-industrial sector growth continued between 1997 and 2000.

Issues

The Hudson Square area is experiencing increasing residential and commercial pressures in certain portions of the study area. The greatest change is in the high-density loft buildings along Hudson and Varick streets (subarea A) that have been or are being repositioned from manufacturing to commercial office uses, although this trend is also taking place to a lesser extent in Subarea D. There is also pressure for more residential uses throughout the area, but particularly at the northern edge near the West Village (subarea D), and south of Spring Street near Tribeca (subarea B).

Subarea A

Subarea A, an M1-6 district, is the most densely built subarea and contains high lot coverage loft buildings occupied primarily by commercial offices, graphic arts firms, and a decreasing number of printing firms. The area is becoming a significant business center and several major commercial developments have been proposed. Part of the success of this area is due to the significant physical building stock and the M1-6 zoning, which prohibits new residential uses.

Subarea B

These blocks are experiencing increasing pressure to allow residential use, in part due to their proximity to residential neighborhoods and existing mixed-use character. There is a strong residential presence in this area (112 units in 23 buildings), as well as garages and trucking-related uses, industrial type uses, and ground floor restaurant and retail uses. There have also been several BSA variances approved for residential use in this area. Unlike subarea A, this subarea does not contain a significant presence of loft buildings, and there are fewer opportunities for reinvestment and growth with the existing building stock. Existing buildings tend to be low-rise or have smaller lots and there is a concentration of one- and two-story structures and vacant land. The area is substantially underbuilt relative to the allowable 10.0 FAR zoning, and the M1-6 zoning does not reflect the current uses or built character of the area.

Subarea C

This subarea, the M2-4 district, encompasses two blocks that contain the four-story former Saint John's Freight Terminal building (occupied by commercial uses) and a United Parcel Service (UPS) distribution facility. The existing zoning is generally consistent with existing uses and scale of development.

Subarea D

Subarea D is an M1-5 (5.0 FAR) district encompassing nearly 11 blocks, and located at the southerly edge of the residential West Village. The land uses in this area have shifted toward more of mixed-use character primarily as a result of BSA variance applications for residential use granted during the 1980s and 1990s. Existing zoning no longer reflects the current land use and cannot accommodate new housing development.

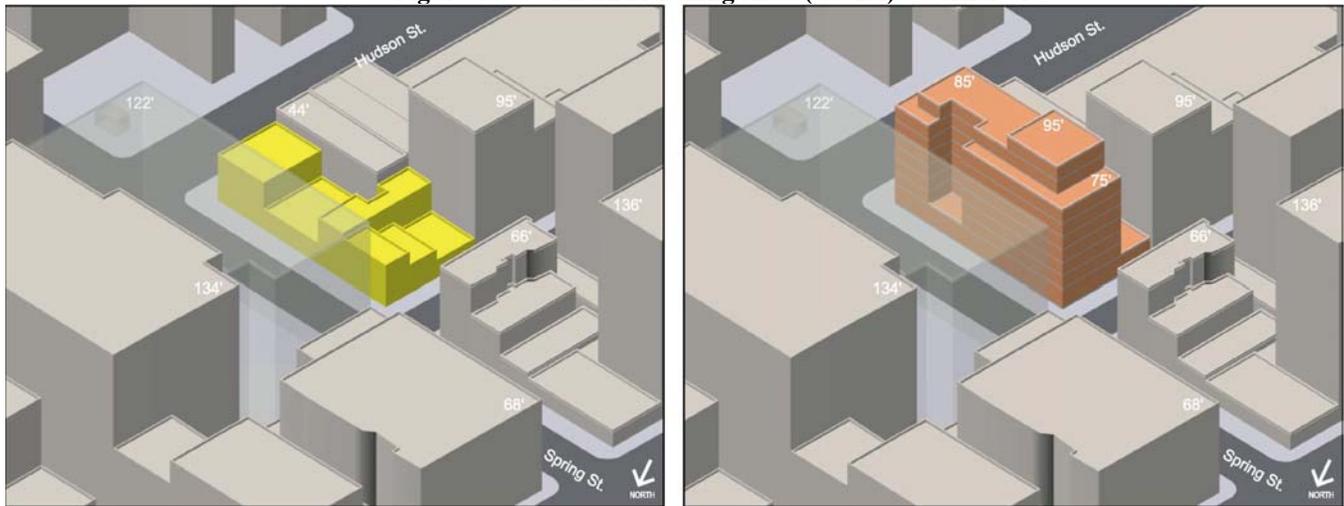
Recommendations

The Hudson Square study area from Barrow Street south to Canal Street contains zoning designations which, in some cases, do not reflect the land use trends or the built character in the area. As a result there has been a number of BSA applications for use and bulk variances resulting in land use change on a case by case basis as opposed to development pursuant to an overall plan. The Department’s zoning recommendations (Figure 1: Proposed Zoning) seek to provide a balanced approach that promotes new housing and mixed-use development in certain areas while retaining the existing manufacturing zoning in other areas.

Rezone to C6-2A the area south of Spring Street (between Hudson, Canal, and Washington streets).

The built character and commercial activity in this subarea differs substantially from that in the M1-6 zoning district. Located in proximity to Canal Street and the Holland Tunnel entrance, this area is characterized by small and irregular-shaped blocks with small lots and low-scale buildings, and a mix of residential, commercial, and manufacturing uses. The current M1-6 zoning (10.0 FAR) is inconsistent with the prevailing character. Instead, this area presents an opportunity to strengthen the existing residential uses by allowing new residential and mixed-use development at a scale and density appropriate for the area. The potential development sites in this area between Spring, Washington, Canal, and Hudson streets are smaller and better suited for residential development. Given the existing scale and uses in this area, allowing FAR’s in the range of 6.0 and requiring contextual development is recommended. A C6-2A district (6.02 Residential, 6.50 Community Facility, 6.0 Commercial), while decreasing the permitted floor area, would continue to permit a wide range of commercial and light industrial uses, as well as provide new opportunities for residential development at an appropriate scale and density. Developments would be required to have streetwalls with a maximum height limit of 85 feet, and overall building heights would be limited to 120 feet. Figures 10 and 11 are three-dimensional illustrations portraying the potential bulk form of the proposed contextual zoning for a corner and midblock site.

Figure 10: Southern Rezoning Area (C6-2A) - Corner Site

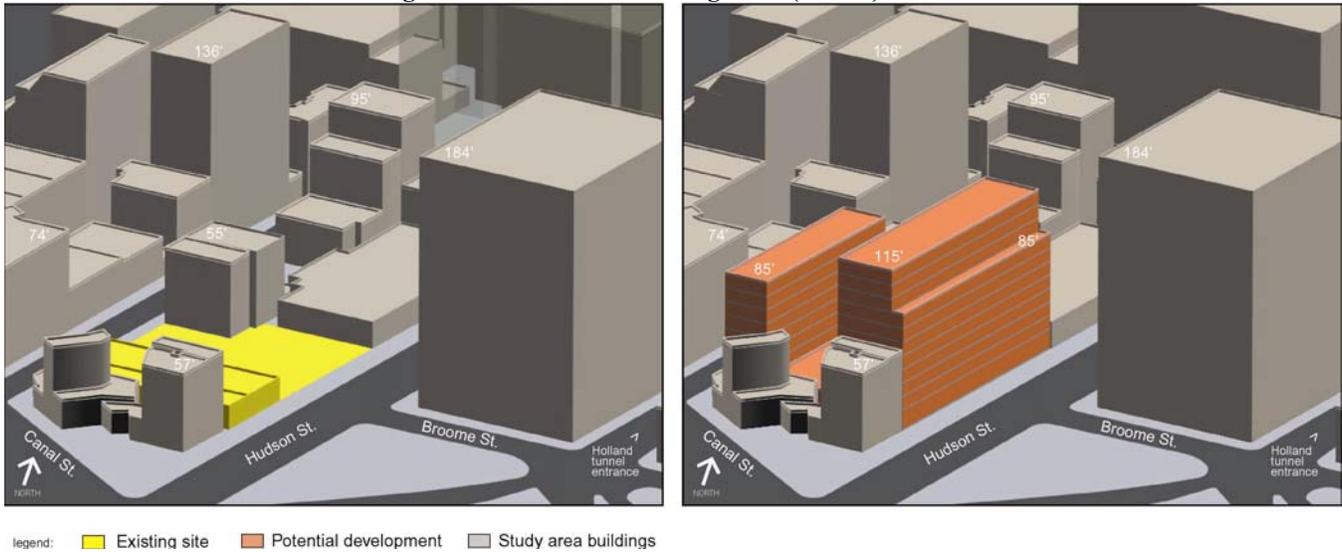


legend: Existing site Potential development Study area buildings

	<u>Existing</u>
Zoning:	M1-6
Permitted uses:	Commercial, Manufacturing, Community Facility
Maximum FAR:	10.0
Max. building height:	None
Streetwall height:	85'-0"

	<u>Proposed</u>
Zoning:	C6-2A (R8A equivalent)
Permitted uses:	Commercial, Residential, Community Facility
Maximum FAR:	6.02
Max. building height:	120'-0"
Streetwall height:	60'-0" to 85'-0"

Figure 11: Southern Rezoning Area (C6-2A) - Midblock Site



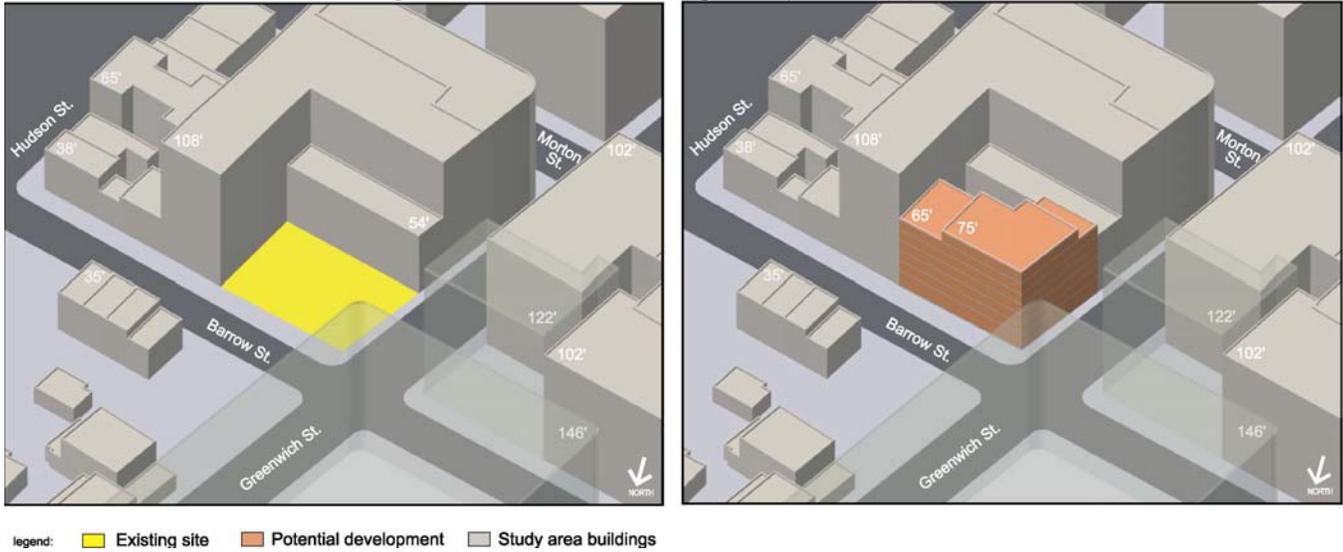
	<u>Existing</u>	<u>Proposed</u>
Zoning:	M1-6	C6-2A (R8A equivalent)
Permitted uses:	Commercial, Manufacturing, Community Facility	Commercial, Residential, Community Facility
Maximum FAR:	10.0	6.02
Max. building height:	None	120'-0"
Streetwall height:	85'-0"	60'-0" to 85'-0"

Rezone to M1-5/R7X North of Leroy and Clarkson streets; Retain M1-5 zoning in the area generally south of Leroy Street

The area is zoned M1-5 (5.0 FAR) and contains a variety of industrial, commercial, and residential uses. The northeastern blocks in this subarea are more closely associated with the blocks north of it in the West Village. There is a substantial residential community in the area due to the BSA variances which were approved in the 1980s to permit residential uses in the northern part of the M1-5 district.

- Rezoning the M1-5 area generally north of Leroy and Clarkson streets to a special mixed-use district, M1-5/R7X (5.0 Residential, Community Facility, Commercial, Manufacturing), is recommended. Rezoning this portion of the subarea would reinforce the neighborhood scale by mandating streetwall development and limiting overall building heights to 125 feet. The special mixed-use zoning district would continue to permit new industrial and commercial uses, while also allowing new residential development. Conversion of existing commercial and industrial floor space to residential use would also be permitted. Last year, an application had been filed to rezone a portion of this area to C6-2. The application was withdrawn after concerns were expressed during the public review process about the potential displacement of existing uses. However, such a rezoning would be appropriate as part of an overall land use plan for the broader area that reaffirms the retention of manufacturing zoning, continues prohibition of residential uses, and discourages BSA applications for use variances. Figure 12 is a three-dimensional illustration portraying the potential bulk form of the proposed mixed-use zoning for a corner site.

Figure 12: Northern Rezoning Area (M1-5/R7X) - Corner Site



	<u>Existing</u>	<u>Proposed</u>
Zoning:	M1-5	M1-5/R7X
Permitted uses:	Commercial, Manufacturing, Community Facility	Commercial, Manufacturing, Residential, Community Facility
Maximum FAR:	5.0	5.0
Max. building height:	None	125'-0"
Streetwall height:	85'-0"	60'-0" to 85'-0"

- South of Leroy Street the blocks continue to have a strong industrial and commercial presence. Retention of the M1-5 zoning is recommended in order to ensure continued space for nonresidential activities and to reduce the potential for conflicts with industrial and other commercial activities.

Retain M1-6 zoning

This area both contains a significant industrial and commercial presence that experienced substantial investment and job growth in the 1990s that had been facilitated by the M1-6 zoning. Retaining the existing zoning would continue to allow a wide range of commercial and industrial uses while prohibiting new residential development. The introduction of significant, new residential uses in this area would have the potential to conflict both with the growth of this area as an emerging business center, and with operations of existing industrial uses.

Retain M2-4

This three-block M2-4 subarea does not raise bulk or use questions as it continues to have appropriate low-scale uses.

Table 12: Comparison of Existing and Proposed Zoning

	Retain M1-6 Zoning		Area south of Spring Street		Retain M2-4 Zoning		North and South of Leroy/Clarkson Streets		
	Existing	Proposed	Existing	Proposed	Existing	Proposed	Existing	Proposed (North of Leroy/Clarkson Streets)	Proposed (South of Leroy/Clarkson Streets)
Zoning	M1-6	No change	M2-4 and M1-6	C6-2A (R8A)	M2-4	No change	M1-5	M1-5/R7X	No change
FAR	10.0 12.0 with bonus		M2-4: 5.0 M1-6: 10.0 12.0 w/ bonus	6.0 Commercial 6.02 Res. 6.50 CF	5.0		5.0	5.0	
As-of-Right Uses	Commercial, Manufacturing		Commercial, Manufacturing	Commercial, Residential, Community Facility	Commercial, Manufacturing		Commercial, Manufacturing	Commercial, Residential, Manufacturing, Community Facility	
Use Groups	4-14, 16-17		4-17	1-12	5-17		4-14, 16-17	1-14, 16-17	
Streetwall Height	<ul style="list-style-type: none"> • Maximum 85 feet or 6 stories • Not required 		<ul style="list-style-type: none"> • Maximum 85 feet or 6 stories • Not required 	<ul style="list-style-type: none"> • 60 to 85 feet • Required 	<ul style="list-style-type: none"> • Maximum 85 feet or 6 stories • Not required 		<ul style="list-style-type: none"> • Maximum 85 feet or 6 stories • Not required 	<ul style="list-style-type: none"> • 60 to 85 feet • Required 	
Height & Setback Regs.	<ul style="list-style-type: none"> • No height limit • Regular height and setback and sky exposure plane • Alternate height and setback and sky exposure plane • Tower regulations (40% max.) 		<ul style="list-style-type: none"> • No height limit • Regular height and setback and sky exposure plane • Alternate height and setback and sky exposure plane • Tower regulations (40% max.) M1-6 	<ul style="list-style-type: none"> • 120 feet max. • Contextual envelope 	<ul style="list-style-type: none"> • No height limit • Regular height and setback and sky exposure plane • Alternate height and setback and sky exposure plane 		<ul style="list-style-type: none"> • No height limit • Regular height and setback and sky exposure plane • Alternate height and setback and sky exposure plane 	<ul style="list-style-type: none"> • 125 feet max. • Contextual envelope 	

Next Steps

The Department has hired a consultant to prepare an Environmental Impact Statement (EIS). We also anticipate that a public scoping session would be held in November 2002 and the Draft EIS (DEIS) would be completed by December. Thereafter, we anticipate beginning the ULURP (public review) process, at which point there will be further opportunities for the public to raise concerns.

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