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## Project Description

### 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.

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 (NYC 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 in IBZs. However, comprehensive planning efforts are equally necessary to determine whether other M zones outside of IBZs, and particularly many M1 zones, may be better suited for the expansion of commercial and institutional uses—and in certain instances new housing development—to meet the needs of a growing city.

The Department of City Planning (DCP), as part of its strategic objectives, 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. M1 districts require relatively little off-street parking for hotels, and the height and setback regulations work well for the tall, slender hotels that have become more common in the city. Hotels also benefit from a business model that can maximize the value of permitted height and floor area ratios in M1 districts. Consequently, hotels have proven flexible enough to develop on more readily-available smaller or constrained sites, potentially precluding other types of development that may rely on assemblages to create development sites that comply with zoning requirements and provide a viable, marketable building.

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 may be inappropriate because they create land use conflicts, 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, careful thought about hotel development in these areas is appropriate.

Accordingly, the DCP proposes a zoning text amendment to establish a City Planning Commission special permit (the CPC special permit) for new hotel development in M1 districts citywide. The CPC special permit would be required for transient accommodations including hotels, motels and boatels. This would allow for more balanced neighborhood growth, 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).

## **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 proposed action is classified as Type I, as defined under 6 NYCRR 617.4 and 43 RCNY 6-15, and is subject to environmental review in accordance with CEQR guidelines. An Environmental Assessment Statement (EAS) was completed on September 25, 2017. A Positive Declaration, issued on September 25, 2017, established that the proposed action may have a significant adverse impact on the environment, thus warranting the preparation of an Environmental Impact Statement (EIS). A Draft Scope of Work was also published on September 25, 2017 and set forth the analyses and methodologies that to be used to prepare the EIS. Those interested in reviewing the Draft Scope of Work (Draft Scope) were given the opportunity to comment on the Draft Scope, either in writing or orally, at a public scoping meeting held on Thursday, October 26<sup>th</sup> at Spector Hall, 22 Reade Street, New York, New York 10007. Comments received during the Draft Scope’s public hearing and written comments received until 5:00 pm on Monday, November 6<sup>th</sup>, 2017 were considered and

incorporated as appropriate into the Final Scope of Work (Final Scope), which was published on April 23, 2018. The Draft EIS (DEIS) was then prepared in accordance with the Final Scope

Once the lead agency was satisfied that the DEIS was complete, the document was made available for public review and comment; the DCP, acting on behalf of the CPC, issued a Notice of Completion for the DEIS on April 23, 2018. A public hearing was held on the DEIS in conjunction with the CPC hearing on the land use applications to afford all interested parties the opportunity to submit oral and written comments; the hearing was held on July 25, 2018 at the Department of City Planning, 125 Broadway, New York, NY. The record remained open for ten days after the public hearing to allow additional written comments on the DEIS. Following the close of the public review period on August 6, 2018, this Final EIS (FEIS) was prepared incorporating all substantive comments made on the DEIS, along with any revisions to the technical analysis necessary to respond to those comments. The FEIS will be used by the decision makers to evaluate CEQR findings, which address project impacts and proposed mitigation measures, in deciding whether to approve the requested discretionary actions, with or without modifications.

## **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 in order to foster diverse, livable neighborhoods with mixed-income housing and supporting services (DCP, 2017). 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. 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). 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>1</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.

Neighborhood rezonings have the potential to “unlock” additional development rights through increasing maximum allowable floor area or loosening bulk controls. Rezoning over the past decades—such as Astoria; Greenpoint/Williamsburg; and areas included in the more recent PLACES studies (DCP, 2017), such as East New York and Jerome Avenue—aimed to create opportunities for additional residential growth where appropriate, and in some cases rezoning M1 districts to facilitate new housing.

### **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>2</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 construction. Long Island City has seen new Class A office space but not as much

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<sup>1</sup> New York Metropolitan Transportation Council 2050 SED Forecasts, <https://www.nymtc.org/DATA-AND-MODELING/SED-Forecasts/2050-Forecasts>

<sup>2</sup> “Preparing for the Future: A Commercial Development Strategy for New York City,” Group of 35 Final Report, June 2001



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. For example, the city rezoned Manhattanville in 2007 to facilitate the expansion of Columbia University and create more opportunities for operations associated with the university. Between 2008 and 2015, private sector employment in this area grew by nearly 29 percent, from 1,644 to 2,119 employees (Bureau of Labor Statistics, QCEW). Hutchinson Metro Center in the Bronx was repurposed from a former state institution into a commercial office and healthcare complex that includes the city's 911 backup facility, on approximately 32 acres of property zoned M1. Between 2008 and 2015, private sector employment increased by 2,357 jobs, many of these in the healthcare and social-assistance sectors, as well as many office-based uses in the professional, scientific and technical services sector (Bureau of Labor Statistics, QCEW). New office conversion markets have been emerging in manufacturing districts adjacent to residential neighborhoods with educated workforce populations, including in North Brooklyn, Fulton Ferry in DUMBO and Long Island City.

### **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 (DCP, 2016). As discussed later in this chapter, 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. As shown in **Table 1-1** below, 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.

**Table 1-1 Land Use Lot Area by Zoning District**

<b>Zoning District and Land Use</b>	<b>Percent of Lot Area</b>
<b>Commercial (excl. Commercial Overlays)</b>	<b>4.34%</b>
One & Two Family	1.95%
Multi-Family Walk-Up	2.49%
Multi-Family Elevator	5.14%
Mixed Residential & Commercial	14.39%
Commercial & Office	32.54%
Industrial & Manufacturing	2.61%
Transportation & Utility	5.14%
Public Facilities & Institutions	13.56%
Open Space & Outdoor Recreation	6.87%
Parking Facilities	5.19%
Vacant Land	9.36%
No data	0.77%
<b>Manufacturing</b>	<b>13.66%</b>
One & Two Family	1.03%
Multi-Family Walk-Up	0.58%
Multi-Family Elevator	0.33%
Mixed Residential & Commercial	0.85%
Commercial & Office	7.09%
Industrial & Manufacturing	20.49%
Transportation & Utility	44.65%
Public Facilities & Institutions	2.51%
Open Space & Outdoor Recreation	1.31%
Parking Facilities	4.72%
Vacant Land	13.56%
No data	2.88%

<b>Zoning District and Land Use</b>	<b>Percent of Lot Area</b>
<b>Mixed Use (MX)</b>	<b>0.35%</b>
One & Two Family	4.52%
Multi-Family Walk-Up	7.81%
Multi-Family Elevator	10.74%
Mixed Residential & Commercial	16.34%
Commercial & Office	11.74%
Industrial & Manufacturing	21.58%
Transportation & Utility	4.51%
Public Facilities & Institutions	5.92%
Open Space & Outdoor Recreation	0.10%
Parking Facilities	7.77%
Vacant Land	7.07%
No data	1.89%
<b>Residential</b>	<b>57.85%</b>
One & Two Family	46.68%
Multi-Family Walk-Up	12.05%
Multi-Family Elevator	8.49%
Mixed Residential & Commercial	4.24%
Commercial & Office	2.70%
Industrial & Manufacturing	0.51%
Transportation & Utility	1.57%
Public Facilities & Institutions	10.00%
Open Space & Outdoor Recreation	5.53%
Parking Facilities	0.97%
Vacant Land	6.95%
No data	0.32%
<b>Other (Park, BPC, etc)</b>	<b>23.79%</b>
<b>Grand Total</b>	<b>100.00%</b>

SOURCE: DCP PLUTO 16v2

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 (see **Table 1-1**), 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. With relatively high performance standards for their allowed industrial activities, M1 districts in some cases act as transition areas between residential areas and heavier manufacturing uses. M1 districts currently permit hotel development as-of-right.
- › 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 John F. Kennedy and LaGuardia airports). Excluding airport areas, M1 districts are mapped across 6 percent of the city.

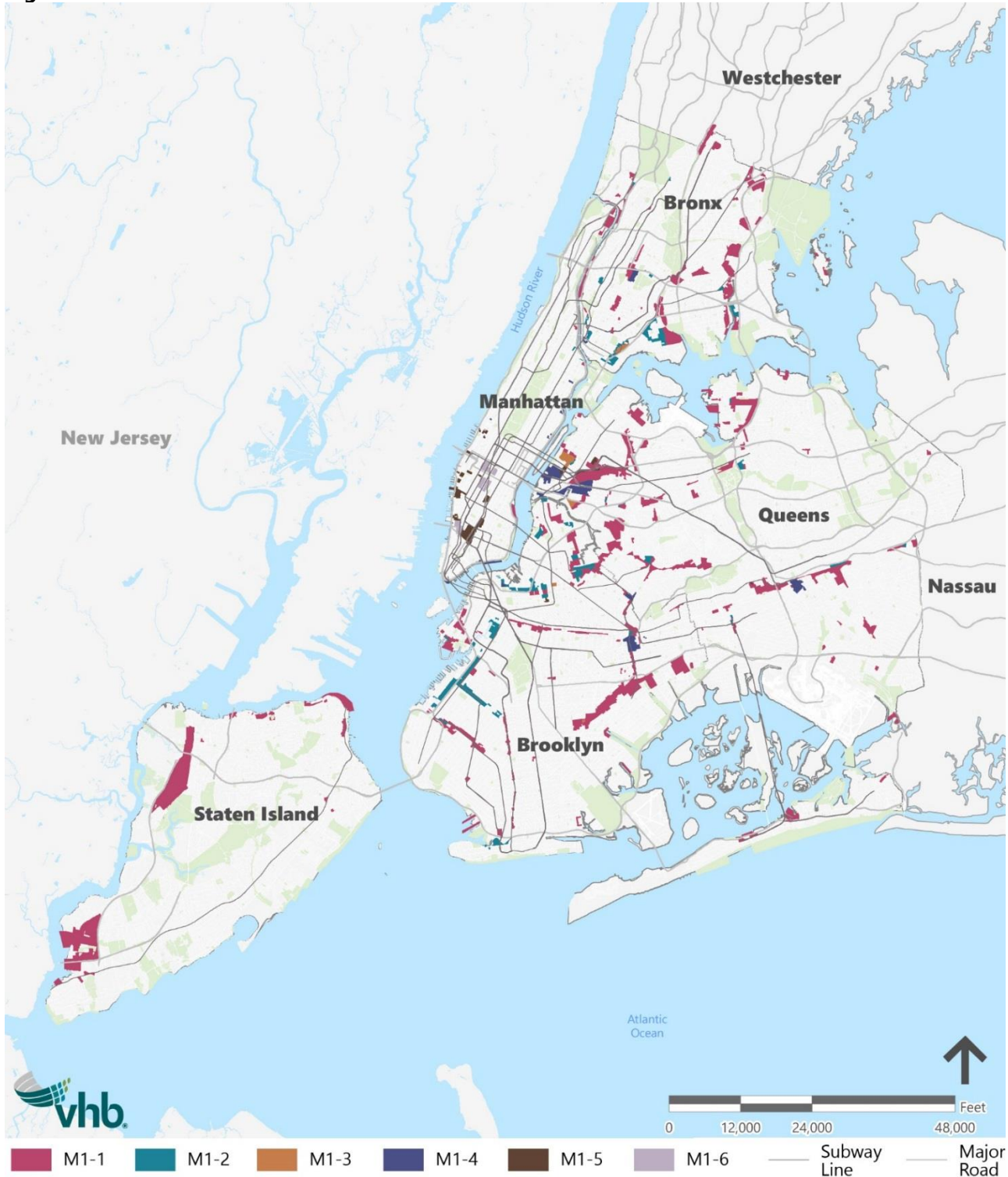
### **Light Manufacturing Districts as NYC's Areas of Opportunity**

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. One such area is the Flatlands section of Brooklyn. 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, as shown in **Figure 1-1** below. Other M1 areas include the "Inner Ring"—a collection of transit-rich neighborhoods in Upper Manhattan, the Bronx, Western Queens and Brooklyn.

**Figure 1-1 Affected M1 Districts and Transit Access**



## 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—allow 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 (DCP, 2016). 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 (DCP, 2016). 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<sup>3</sup> (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.<sup>4</sup> 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<sup>5</sup> (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 employment in the TAMI sectors in particular is expanding rapidly. Office space trends also include increasing demand for co-working spaces for small startups and self-employed entrepreneurs.

Industrial employment<sup>6</sup> 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 (DCP, 2016). 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.

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<sup>3</sup> See Attachment A for detailed definition of office-based sector.

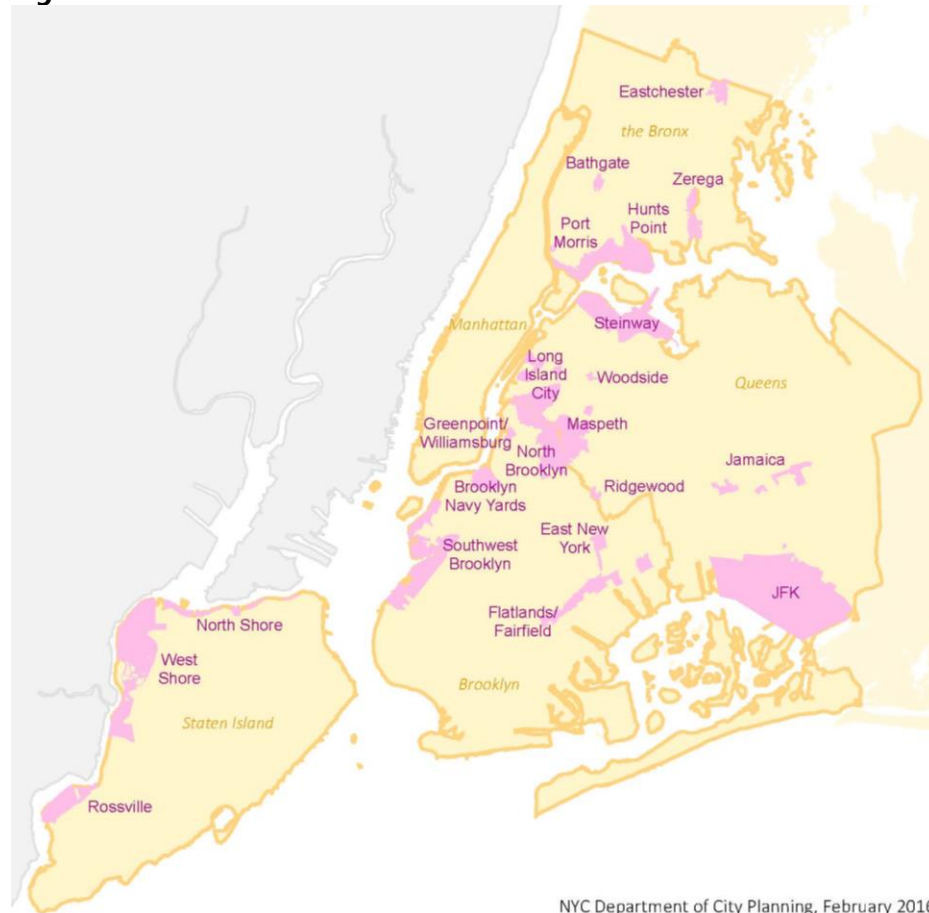
<sup>4</sup> See Attachment A for detailed definition of TAMI sector.

<sup>5</sup> See Attachment A for detailed definition of office-based sector.

<sup>6</sup> See Attachment A for detailed definition of industrial sector.

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 (see **Figure 1-2** for geographical reference). 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.

**Figure 1-2 NYC Industrial Business Zones**

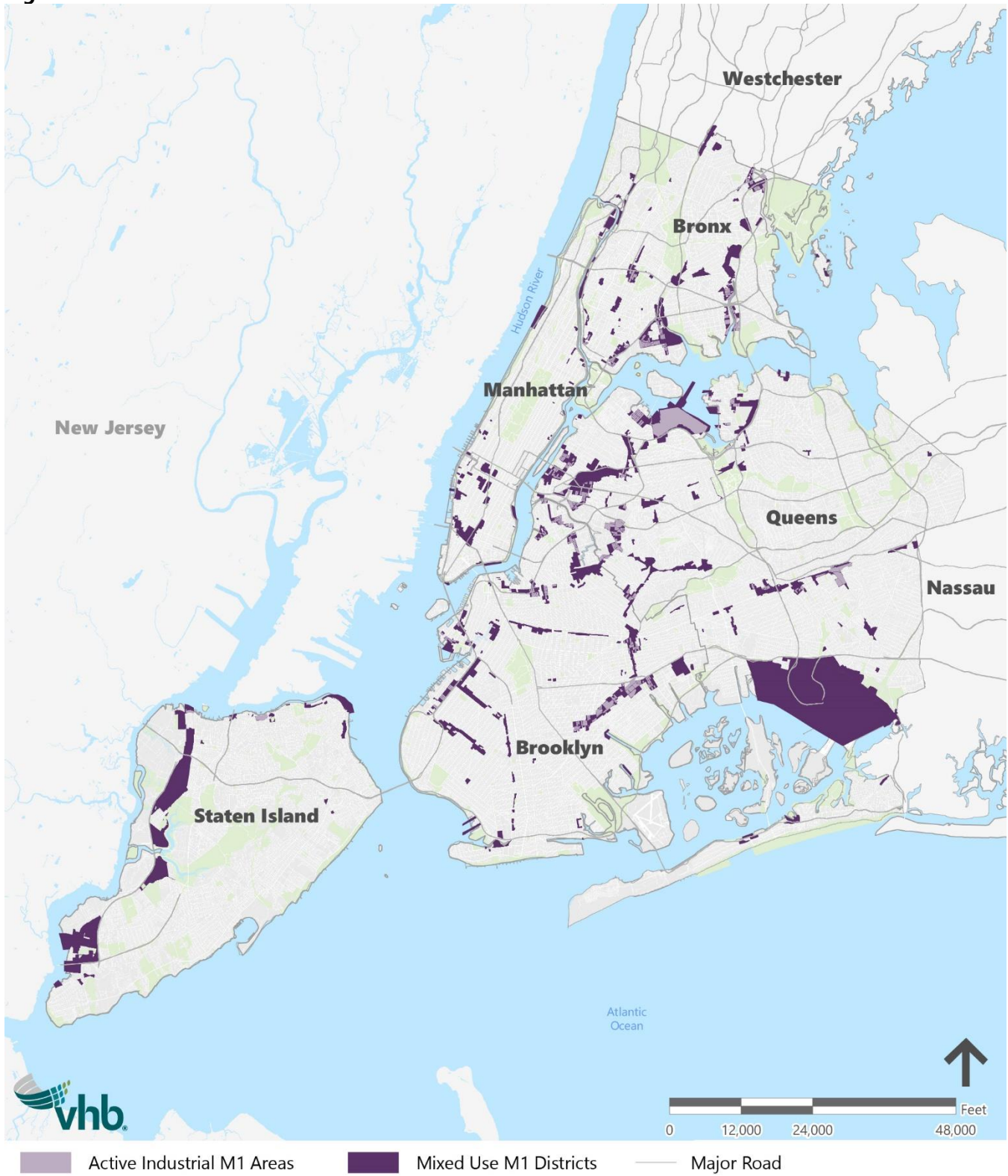


### **M1 Districts: Areas with Varied Characteristics**

As shown by the designation of Industrial Business Zones, 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 (see **Figure 1-3**).



**Figure 1-3 Active Industrial and 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 in Section C1), 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.

The Department of City Planning 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 in these areas is appropriate.

## Hotel Development in M1 districts

### Growth of Tourism

The New York City Department of City Planning (DCP) engaged a socioeconomics 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 has been posted on the DCP's website, on the project page for the proposed action and is also found in **Appendix A.1**, along with the amendment.

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.

### 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:

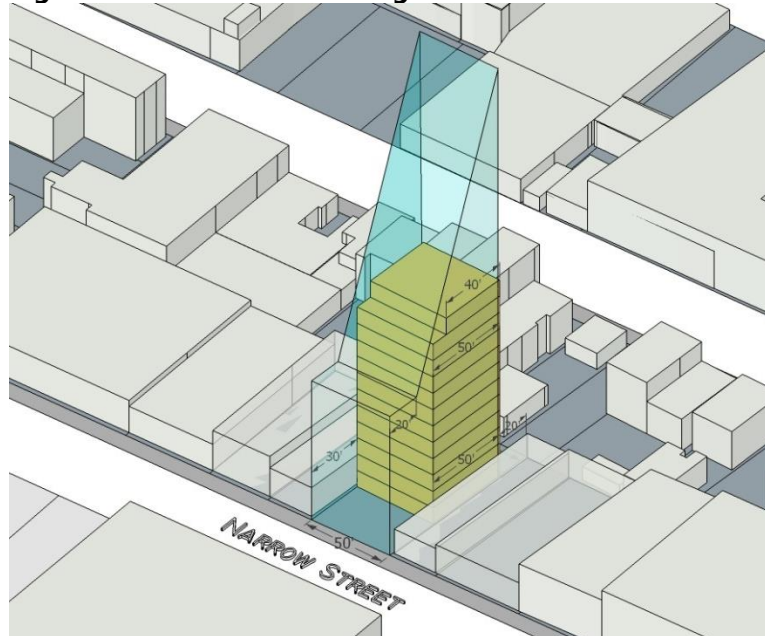
- › There are few uses allowed in M1 districts that are able to use the entirety of their permitted FAR on small lots; most industrial uses can be accommodated by zoning but cannot achieve their full FAR except on extremely large lots. However, unlike traditional manufacturing and industrial uses, hotels 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 (see **Figure 1-4**) 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.

**Figure 1-4 Modeled As-of-Right Hotel**



**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 1-2** and **Table 1-3**. 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 1-2 Percentage of Hotel Rooms by Zoning District, All Inventory 2018**

	<b>M1</b>	<b>Other</b>
Citywide	<u>13.6%</u>	<u>86.4%</u>
Manhattan	<u>10.1%</u>	<u>89.9%</u>
Other boroughs	<u>30.4%</u>	<u>69.6%</u>

Source: STR, 2018

**Table 1-3 Percentage of Hotel Rooms by Zoning District, Inventory Built 2008-2018**

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

Source: STR, 2018

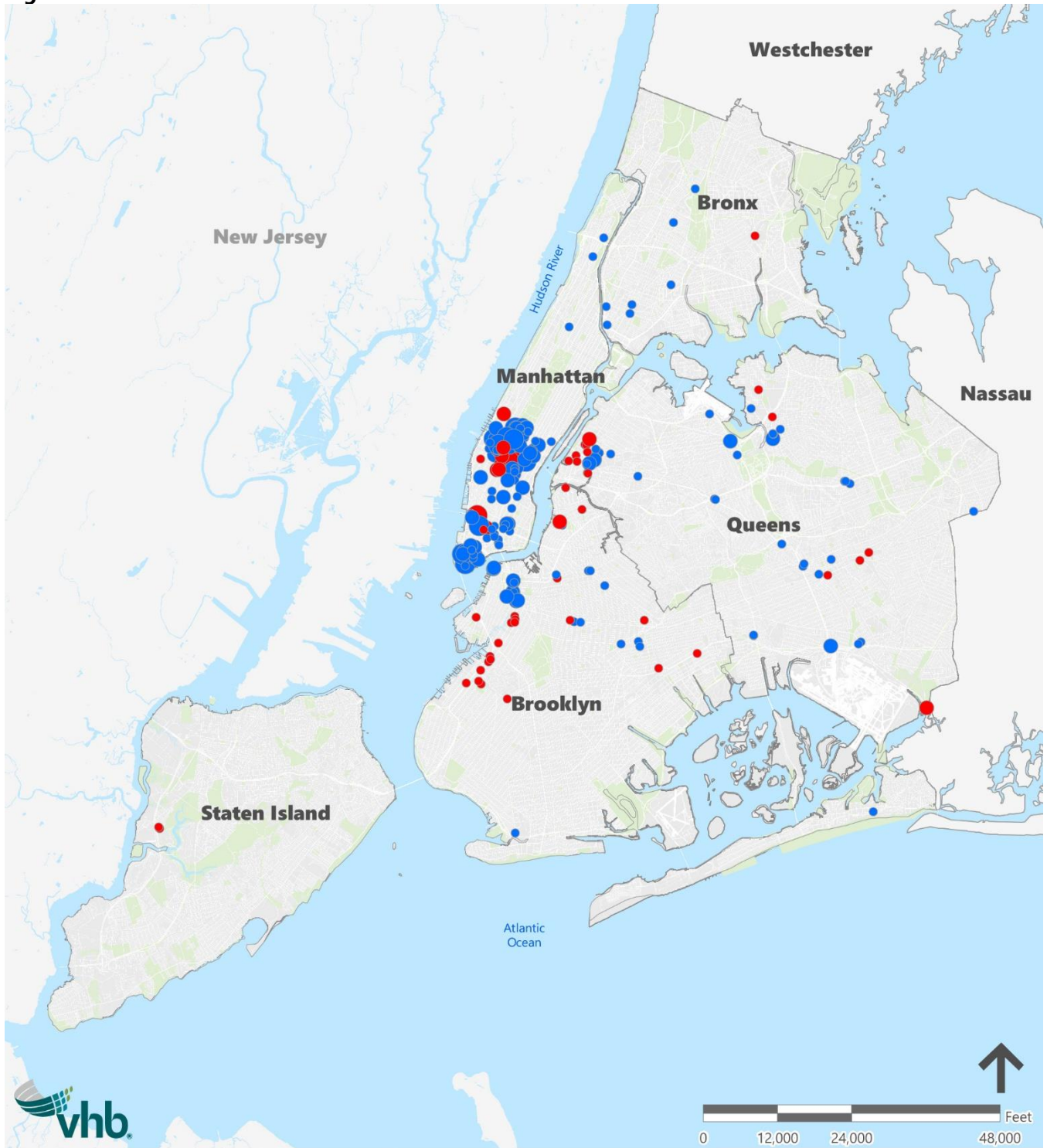
Since the end of the recession in 2010, nearly one quarter of all new hotel rooms citywide have been developed in M1 zones (see **Figure 1-5**). In total, about 154 hotels operate in M1 districts today, with a total of 15,100 rooms.

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, as depicted in **Figure 1-5**. On Staten Island, all three hotels built since 2010 have been built in M1 zones in the borough's West Shore neighborhood.



**Figure 1-5 New Hotels in NYC: 2010-2017**



**Hotels Opened Since 2010, by Zoning District and Number of Rooms**

In M1 Districts: 69 hotels

In Other Districts: 183 hotels

- 0-155 Rooms
- 156-348 Rooms
- 349-713 Rooms
- 0-155 Rooms
- 156-348 Rooms
- 349-713 Rooms

Note: This Figure has been updated for the FEIS.



## 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. The Department of City Planning 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, as shown in **Figure 1-2**. 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.

The images below demonstrate the potential for conflicts surrounding a hotel in an actively industrial M1 district in the Long Island City IBZ (see **Figure 1-6**). This hotel 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.

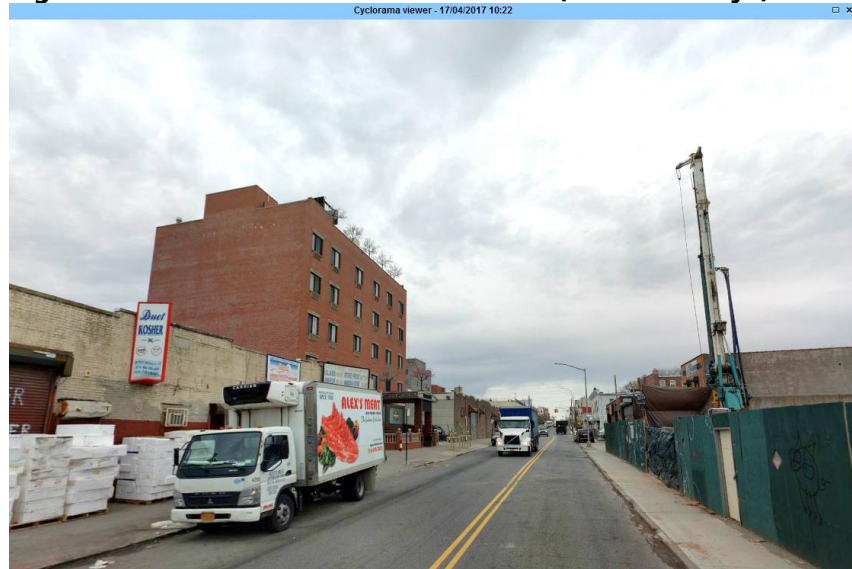
**Figure 1-6 Hotel in Active Industrial Area (LIC)**



Source: ©2017 cyclomedia.com

Another example (see **Figure 1-7** and **Figure 1-8**), a hotel at 820 39<sup>th</sup> Street in Brooklyn, 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.

**Figure 1-7 Hotel in Active Industrial Area (South Brooklyn)**



Source: ©2017 cyclomedia.com

**Figure 1-8 Hotel in Active Industrial Area (South Brooklyn)**



Source: ©2017 cyclomedia.com

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.

In **Figure 1-9**, 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.

**Figure 1-9 Concentration of Hotels**

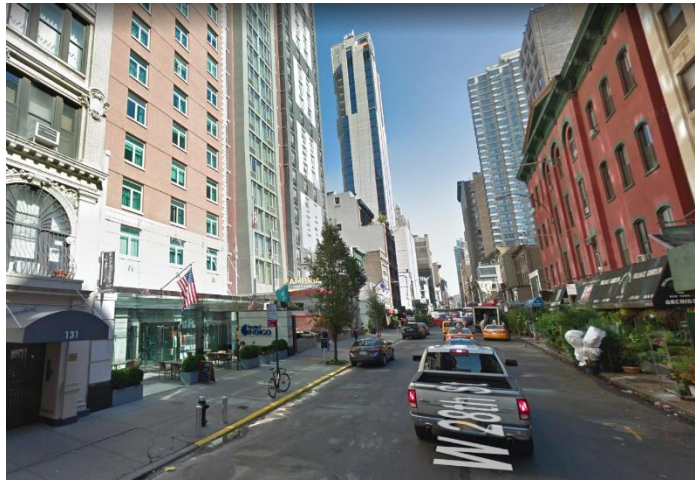


Photo source: Google Streetview

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.

## **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, motels and boatels, except for areas that are airport property or non-residential areas adjacent to airports.

## **Current Zoning Regulations**

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.

Permitted accessory uses include restaurants, cocktail lounges, public banquet halls, ballrooms, or meeting rooms.

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, C4, C5, C6, C8 and M1. Hotels are also permitted in Mixed Use districts (MX) and paired M1/R districts. The map



in **Figure 1-10**, depicts the areas in NYC where hotel development may currently occur as-of-right.

**Figure 1-10 Current Zoning Framework for Hotel Development (As-of-Right)**



In several areas in NYC, as shown in **Figure 1-11**, 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.

**Figure 1-11 Areas with Existing Hotel Special Permit Provisions**



Note: This Figure has been updated for the FEIS.

Other forms of transient accommodations defined in the NYC Zoning Resolution are motels, tourist cabins and boatels. These uses are classified as Use Group 7. 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.

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.

Motels, tourist cabins and boatels are permitted in C6<sup>7</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 (see **Figure 1-12** and **Figure 1-13**). By introducing a CPC special permit, the Department of City Planning proposes a case-by-case, site-specific review process to ensure that hotel development<sup>8</sup> 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.

A CPC special permit would allow for the consideration of appropriateness of hotel development<sup>9</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 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 non-residential areas 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

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<sup>7</sup> Except in C6-1A

<sup>8</sup> The proposed action also subjects motels, tourist cabins and boatels in M1 districts to the proposed special permit. The zoning definition of "motel or tourist cabin" requires that each sleeping unit have an exterior entrance, and the definition of "boatel" requires water access for boats. 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 EAS will use the term "hotel", but will by implication also refer to these other transient accommodations.

<sup>9</sup> See above footnote.



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 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.

**Figure 1-12 M1 Areas Exempt from Proposed M1 Hotel 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 (see **Figure 1-11**).

**Figure 1-12** illustrates the M1-zoned areas, which are exempt from the proposed action and where the proposed M1 hotel special permit would not apply. **Figure 1-13** illustrates the M1 districts where the proposed M1 hotel special permit would apply.

**Figure 1-13 Proposed Hotel Special Permit Areas of Applicability**



## **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. Based on various neighborhood considerations and planning objectives, two of DCP's PLACES studies include hotel special permits in commercial districts, such as the Special Jerome Corridor and the Special East Harlem Corridor Districts. Both of these rezonings have been adopted.

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. 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.

## **Analytic Framework**

### **Executive Summary**

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, the Department of City Planning (DCP) expects fewer hotels in M1 districts in the foreseeable future. The proposed action would result in a reduction of 45 percent of the lot area, where as-of-right hotel development is permitted, and a reduction of 25 percent in terms of the permitted floor area. Because the proposed action introduces a discretionary approval process via a CPC special permit for hotel development within M1 districts, DCP projects less hotel development in M1 districts under the With-Action condition than the No-Action condition. 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.

## Analytic Framework

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 takes existing conditions and adds to it known or projected changes in order to arrive at a reasonable estimate of future conditions in both the No-Action and With-Action conditions.

The first step in constructing the RWCDs for the proposed action is to estimate projected hotel development in the future without the proposed text amendment (No-Action condition) for both the directly affected areas and indirectly affected areas. For this proposal, the directly affected areas are the City's M1 districts, where a new CPC special permit would be required for new hotel development. The indirectly affected areas are all zoning districts that would continue to allow new hotels as-of-right. For the purpose of this analytic framework, these areas will be referred to as "as-of-right areas". The citywide perspective allows for an assessment of the hotel industry in a comprehensive manner, including the wider implications of the proposed zoning text amendment, which may have environmental effects beyond the directly affected 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.

The proposed action would establish a new CPC special permit for new hotels<sup>10</sup> in M1 districts citywide (with a few exceptions, as described in the Project Description). The proposed action exempts transient hotels operated for a public purpose from the special permit requirement.<sup>11</sup> 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.

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<sup>10</sup> The proposed action also subjects motels, tourist cabins and boatels in M1 districts to the proposed special permit. The zoning definition of "motel or tourist cabin" requires that each sleeping unit have an exterior entrance, and the definition of "boatel" requires water access for boats. 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 document will use the term "hotel", but will by implication also refer to these other transient accommodations.

<sup>11</sup> Hotels being operated for a 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 in all M1 districts to ensure it has sufficient capacity to meet the census demand for temporary accommodations. Since hotels being operated for a public purpose are as-of-right under the current zoning and will remain as-of-right with the proposed action, the future No-Action and With-Action conditions for these facilities would be the same. The Administration recently released a plan to address homelessness in the City, called "Turning the Tide," and the proposed special permit for hotels would not affect the demand for or supply of temporary accommodation for the homeless in transient hotels in M1 districts. Analysis of the Use Group 5 transient accommodations that are not affected by the proposed action is thus not warranted.

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, as detailed below, based on existing trends and reasonable projections for the future.

The proposed action is not development-inducing as its principal effect would be to affect the location, but not the amount or type, of future hotel development in the City. The proposed action solely aims to ensure that the appropriateness of hotel development can be considered in areas, where hotels and existing uses are potentially incompatible. The proposed action would also still allow for hotels to serve the needs of the tourism industry when appropriate.

This analytic framework describes the parameters of the analysis, and then presents existing conditions and the No-Action and With-Action conditions in detail. The perspective in each of these conditions is two-pronged. First, the zoning framework and land area for hotel development under each condition is considered; second, the hotel and tourism industries are analyzed. This serves as the basis for the identification of the prototypical sites for analysis.

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's 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 will be 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.

### **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)

In order to understand future conditions in the hotel and tourism industries, DCP first completed an analysis of existing conditions, and that information helped to develop the RWCDs. DCP engaged a socioeconomics 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** in this document. The **Consultant Report** is available under the Plans/Studies section of the DCP's website<sup>12</sup>, and this document section contains some of the report's findings where appropriate. 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.

## Existing Conditions

### Zoning Framework and Land Area for Hotel Development

The zoning text amendment, as proposed, would create a new CPC special permit for new hotels, motels, tourist cabins and boatels within light manufacturing (M1) districts. The proposed action would not apply to special mixed-use (MX) districts or paired light manufacturing/residential (M1/R) districts, or to M1 districts that include airport property and non-residential areas adjacent to airports, as described in the proposed action. For details, please see the above section titled "Description of the Proposed Action."

In order to determine the proposed action's impact on hotel siting opportunities, a siting analysis was completed that took into account the actual reduction in land where hotels could potentially locate as-of-right. The analysis is not a soft site analysis, meaning that it does not consider the extent to which there are existing buildings on any given lot, but just considers zoning and excludes 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.

All selected tax lots are currently zoned to allow hotel development as-of-right or by a special permit. In order to provide a more realistic assessment of land where hotels could potentially locate, certain tax lots were excluded from this analysis:

- › Unbuildable land, such as parks and transportation infrastructure and other utilities, since those tax lots do not reasonably present development opportunities.

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<sup>12</sup> <http://www1.nyc.gov/site/planning/plans/proposals-studies.page>



- › All publicly-owned tax lots and other fully tax-exempt property, based on ownership code or owner name, since those tax lots also do not usually present development opportunities.

As illustrated in **Table 1-4**, almost 496 million square feet (11,400 acres) in NYC are currently zoned to permit as-of-right hotel development. Another 8.7 million square feet (200 acres) allow hotel development by special permit<sup>13</sup>. The permitted floor area calculation takes into account the permitted commercial Floor Area Ratio (FAR), which is multiplied by the zoning lot area, to show the hypothetical permitted floor area that is zoned to allow for hotel development in NYC. This is relevant because the permitted density, rather than lot area, usually determines the size of hotels. This influences the room count and the extent to which sites can satisfy demand. In terms of the overall permitted floor area for hotel development, a theoretical 1.4 billion square feet are as-of-right and another 97 million by special permit only.

**Table 1-4 Zoning Framework and Land Area for Hotel Development (sf, in thousands)**

Existing Conditions	As-of-Right	by Special Permit <sup>14</sup> :
Lot area	496,166	8,679
Permitted floor area	1,440,274	97,451

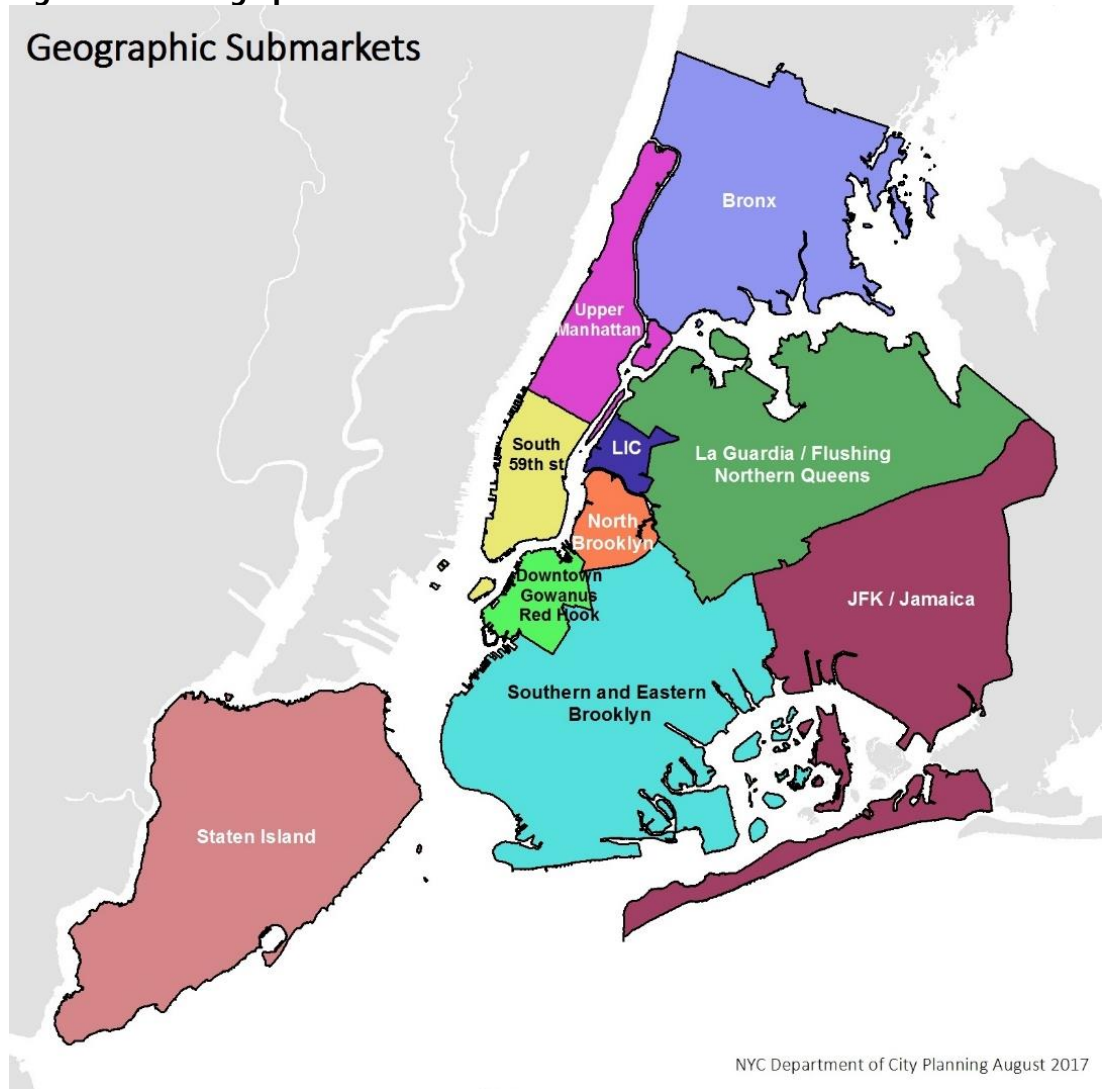
The analysis shows that a large portion of the City permits hotel development as-of-right compared to the area where hotels are only permitted by special permit. **Figure 1-10** illustrates the areas where hotel development is as-of-right in NYC.

The **Consultant Report** evaluated hotel development and tourism in New York City as a whole and in each of the five boroughs individually. Manhattan, Brooklyn and Queens were furthermore distinguished into geographic submarkets, generally based on major existing tourism markets, or in the cases of Brooklyn and Queens, where recent hotel development clusters have arisen (see **Figure 1-14**). The differentiation into the various geographic submarkets was completed in order to better understand existing hotel markets and to facilitate the analysis of the potential effects of the proposed action.

<sup>13</sup> This existing conditions analysis framework does not take into account two DCP PLACES proposals that were recently adopted and which included hotel special permit provisions.

<sup>14</sup> See above footnote.

**Figure 1-14 Geographic Submarkets**



In Manhattan, two geographic submarkets were defined, consisting of the areas above and below 59th Street. In Brooklyn, one submarket was defined as being Downtown/Gowanus/Red Hook (Community Districts 2 and 6), a second as North Brooklyn (Community District 1), and a third comprised the southern and eastern portions of the borough. In Queens, one submarket was defined as Long Island City (LIC), a second comprised Northern Queens—including LaGuardia and Flushing—and a third was Southern Queens with Jamaica and JFK.

**Table 1-5** below shows the lot area where hotel development can currently occur as-of-right by each of the above geographic submarkets and by zoning district, following the same methodology as described for **Table 1-4**.

**Table 1-5 Geographic Submarkets and Zoning Permitting**

<b>Submarket/Zoning District</b>	<b>Lot Area (sf in thousands)</b>	<b>Permitted Floor Area (sf in thousands)<sup>15</sup></b>
<b>Manhattan – Below 59th Street</b>		
C	71,735	531,553
M1	11,043	74,390
MX	57	286
<b>Manhattan - Uptown</b>		
C	32,059	112,269
M1	1,219	1,820
<b>Bronx</b>		
C	35,859	87,399
M1	35,184	50,131
MX	4,445	11,013
<b>Brooklyn – Downtown/Gowanus/Red Hook</b>		
C	6,341	45,142
M1	9,204	13,938
MX	1,721	3,206
<b>Brooklyn – North</b>		
C	5,404	14,649
M1	14,438	22,301
MX	6,823	13,645
<b>Brooklyn – Southern and Eastern Brooklyn</b>		
C	30,469	74,483
M1	43,823	56,025
MX	1,584	3,026
<b>Queens – Long Island City</b>		
C	1,629	5,935
M1	15,633	39,882
MX	7,252	32,227
<b>Queens – LGA/Flushing/Northern Queens</b>		
C	21,981	59,423
M1	43,661	49,436
MX	304	607

<sup>15</sup> The permitted floor area calculation takes into account the permitted commercial Floor Area Ratio (FAR), which is multiplied by the zoning lot area, to show the hypothetical permitted floor area that is zoned to allow for hotel development in NYC. This is relevant because the permitted density, rather than lot area, usually determines the size of hotels.

<b>Submarket/Zoning District</b>	<b>Lot Area (sf in thousands)</b>	<b>Permitted Floor Area (sf in thousands)<sup>15</sup></b>
<b>Queens – Jamaica/JFK/Southern Queens</b>		
C	15,643	41,991
M1	18,932	22,493
<b>Staten Island</b>		
C	26,371	38,265
M1	33,283	34,604
<b>Grand Total</b>	<b>492,524</b>	<b>1,432,736</b>

Note: MX stands for special mixed-use districts or paired M1/R districts

Source: PLUTO 16v2 and DCP.

### **Hotels and Tourism Citywide and by Geographic Submarket**

As is explained in more detail in the **Consultant Report**, in 2016 the City received 60.7 million visitors, an increase of nearly 30 percent over the previous nine years. According to current figures in the **Consultant Report Amendment**, there are over 650 hotels across the five boroughs with nearly 120,300 hotel rooms between them. Hotel development outside of Manhattan has resulted in the creation of relatively small, though well-established, hotel submarkets—in Brooklyn and Queens, primarily. The five most dominant submarkets are (1) Long Island City, (2) La Guardia/Flushing, (3) Jamaica/JFK, (4) Downtown Brooklyn/Gowanus, and (5) Williamsburg/Greenpoint. Combined, these five submarkets account for 70 percent of the hotels and 82 percent of the hotel rooms outside of Manhattan.

A significant share of the recent surge in hotel development has occurred in M1 districts. Currently, there are 15,100 hotel rooms in M1 districts across the City, which amounts to more than 13 percent of all hotel rooms (see **Table 1-6**). Hotel development in these districts has increased citywide over the last decade, most notably in areas outside of Manhattan. Since 2010, approximately one-quarter of new hotel rooms citywide have occurred in M1 districts. If Manhattan is excluded, the percent increase in the number of rooms added in M1 zones is nearly 50 percent.

As seen in **Table 1-6**, in Manhattan, only 10 percent of existing hotel rooms are in M1 districts, which are all located below 50th Street. Across Brooklyn, 34 percent of hotel rooms are in M1 zones. Twenty-five percent of Queens's hotel rooms are in M1 districts, with the largest numbers in M1 districts in Long Island City and Jamaica/JFK (38 percent and 27 percent of hotel rooms, respectively). On Staten Island, 82 percent of hotel rooms are in M1 districts. There are only a handful of hotels on Staten Island, but they are highly concentrated on the West Shore. In the Bronx, 36 percent of hotel rooms are in M1 districts, but there are no specific concentrations.

**Table 1-6 M Zone Hotel Rooms as a Percent of Total Rooms by Submarket, 2018**

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

Source: STR. 2018

As described in **Table 1-7**, there are currently 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.

**Table 1-7 Hotel Pipeline – Pipeline Hotels by Submarket and Zoning**

Borough and Sub-market	Hotel Rooms Under Construction			Hotel Rooms in Pre-Construction		
	M1 Districts	Total	% M1	M1 Districts	Total	% M1
<b>Manhattan</b>	<u>3,052</u>	<u>11,015</u>	<u>27.7%</u>	<u>805</u>	<u>5,630</u>	<u>14.3%</u>
Below 59th Street	<u>3,052</u>	<u>10,808</u>	<u>27.7%</u>	<u>805</u>	<u>4,975</u>	<u>14.3%</u>
Uptown	<u>0</u>	<u>117</u>	<u>0%</u>	<u>0%</u>	<u>656</u>	<u>0%</u>
<b>Bronx</b>	<u>267</u>	<u>811</u>	<u>32.9%</u>	<u>365</u>	<u>1,218</u>	<u>30%</u>
<b>Brooklyn</b>	<u>1,308</u>	<u>3,089</u>	<u>42.3%</u>	<u>1,785</u>	<u>3,705</u>	<u>48.2%</u>
Downtown/Gowanus/ Red Hook	<u>194</u>	<u>537</u>	<u>42%</u>	<u>795</u>	<u>1,130</u>	<u>70.4%</u>
North Brooklyn	<u>661</u>	<u>1,454</u>	<u>37.8%</u>	<u>213</u>	<u>846</u>	<u>25.2%</u>
southern and eastern	<u>453</u>	<u>1,098</u>	<u>41.3%</u>	<u>777</u>	<u>1,729</u>	<u>44.9%</u>
<b>Queens</b>	<u>2,665</u>	<u>4,802</u>	<u>55.5%</u>	<u>2,192</u>	<u>6,264</u>	<u>35%</u>
Long Island City	<u>2,093</u>	<u>2,573</u>	<u>81.3%</u>	<u>1,299</u>	<u>2,485</u>	<u>59.5%</u>
LGA/Flushing/ <u>113xx Zip Codes</u>	<u>196</u>	<u>973</u>	<u>20.1%</u>	<u>248</u>	<u>537</u>	<u>46.2%</u>
Jamaica/JFK/ <u>114xx Zip Codes</u>	<u>376</u>	<u>1,256</u>	<u>29.9%</u>	<u>645</u>	<u>3,242</u>	<u>19.9%</u>
<b>Staten Island</b>	<u>461</u>	<u>489</u>	<u>94.4%</u>	<u>180</u>	<u>241</u>	<u>74.7%</u>
<b>New York City, Total</b>	<u>7,753</u>	<u>20,206</u>	<u>38.4%</u>	<u>5,327</u>	<u>17,058</u>	<u>31.2%</u>

Sources: New York City Department of Buildings, 2018; New York City Planning Department, 2018; NYC & Co., 2018; BAE, 2018.

Regarding the under-construction pipeline, the majority of rooms scheduled are in Manhattan, followed in descending order by Queens, Brooklyn, the Bronx and Staten Island. Citywide, over 38 percent of hotel rooms under construction are in M1 districts. The projected distribution of hotels in the pipeline is similar to the distribution of existing hotel rooms previously described. The borough where the greatest share of rooms in M1 zones are located is Staten Island, where 94 percent of hotel rooms are located predominantly on the West Shore. 42 percent of Brooklyn's under-construction pipeline is in M1 districts, primarily in North Brooklyn. In Queens, 56 percent of the hotel rooms under construction are in M1 districts, with Long Island City containing the greatest share. 27 percent of the Manhattan hotel rooms under construction are in M1 zones, which are all located below 59<sup>th</sup> Street. In the Bronx, 33 percent of the under-construction pipeline hotel rooms are in M1 districts. These rooms are mostly scattered close to arterial highways across the borough's M1 districts. As previously explained, hotel rooms under construction can generally be regarded as certain to achieve completion within the next few years. Projects in the pre-construction process are less likely to go to completion.

### No-Action Condition

A RWCDs must consider the likely future development scenarios both with and without implementation of the proposed action. In this section, an analysis of likely future conditions

in New York City's hotel market without the implementation of the proposed hotel special permit is provided. As noted earlier, the DCP engaged a socioeconomics consultant team to produce a market analysis of the City's hotel conditions in the past, current and future contexts.

### **Zoning Framework and Land Area for Hotel Development in No-Action Condition**

As seen in **Table 1-8** below, it is projected that by the 2028 build year, 493 million square feet (11,300 acres) in NYC would be available for as-of-right hotel development. Another 12 million square feet (280 acres) are projected to allow hotel development by special permit by the time of the build year<sup>16</sup>. 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. Regarding the zoning framework for as-of-right hotel development, the differences between the existing condition and the No-Action condition are modest and depend only on the adoption of the City's pending neighborhood rezonings, which include hotel special permit provisions and are currently in the public review process.

**Table 1-8 Zoning Framework and Land Area for Hotel Development**

<b>Future – No Action</b>	<b>As-of-Right</b>	<b>by Special Permit<sup>17</sup></b>
Land area	492,524,000	12,255,000
Permitted floor area <sup>18</sup>	1,432,736,000	104,856,000

**Table 1-9** below shows the lot area where in the No-Action condition hotel development could occur as-of-right, by each of the geographic submarkets and by zoning district, following the same methodology as described for **Table 1-4**. Compared to the existing conditions, only the Bronx and the Manhattan Uptown geographic submarkets would see a slight reduction in the as-of-right lot area due to the recent adoption of zoning text amendments that would also only allow hotel development by special permit (i.e., as part of the Special Jerome Corridor and the Special East Harlem Corridor Districts).

<sup>16</sup> The no-action analysis framework takes into account DCP PLACES proposals that were recently adopted and included hotel special permit provisions: these are the Special East Harlem Corridor and Special Jerome Corridor Districts. There may be forthcoming DCP neighborhood rezonings that may include hotel special permit provisions, which are not yet known.

<sup>17</sup> See footnote above.

<sup>18</sup> The permitted floor area calculation takes into account the permitted commercial Floor Area Ratio (FAR), which is multiplied by the zoning lot area, to show the hypothetical permitted floor area that is zoned to allow for hotel development in NYC. This is relevant because the permitted density, rather than lot area, usually determines the size of hotels.

**Table 1-9 Geographic Submarkets and Zoning Permitting – As-of-Right Hotel Development in the No-Action Condition**

<b>Submarket/Zoning District</b>	<b>Lot Area (sf in thousands)</b>	<b>Permitted Floor Area (sf in thousands)<sup>19</sup></b>
<b>Manhattan – Below 59th Street</b>		
C	71,735	531,553
M1	11,043	74,390
MX	57	286
<b>Manhattan - Uptown</b>		
C	30,521	109,047
M1	1,108	1,598
<b>Bronx</b>		
C	34,211	83,993
M1	34,906	49,575
MX	4,445	11,013
<b>Brooklyn – Downtown/Gowanus/Red Hook</b>		
C	6,341	45,142
M1	9,204	13,938
MX	1,721	3,206
<b>Brooklyn – North</b>		
C	5,404	14,649
M1	14,438	22,301
MX	6,823	13,645
<b>Brooklyn – Southern and Eastern Brooklyn</b>		
C	30,469	74,483
M1	43,823	56,025
MX	1,584	3,026
<b>Queens – Long Island City</b>		
C	1,629	5,935
M1	15,633	39,882
MX	7,252	32,227

<sup>19</sup> The permitted floor area calculation takes into account the permitted commercial Floor Area Ratio (FAR), which is multiplied by the zoning lot area, to show the hypothetical permitted floor area that is zoned to allow for hotel development in NYC. This is relevant because the permitted density, rather than lot area, usually determines the size of hotels.



Submarket/Zoning District	Lot Area (sf in thousands)	Permitted Floor Area (sf in thousands) <sup>19</sup>
<b>Queens – LGA/Flushing/Northern Queens</b>		
C	21,981	59,423
M1	43,661	49,436
MX	304	607
<b>Queens – Jamaica/JFK/Southern Queens</b>		
C	15,643	41,991
M1	18,932	22,493
<b>Staten Island</b>		
C	26,371	38,265
M1	33,283	34,604
<b>Grand Total</b>	<b>492,524</b>	<b>1,432,736</b>

### **Hotels and Tourism Citywide and by Geographic Submarket Under No-Action Condition**

In order to project hotel room demand and supply growth across the City, the **Consultant Report** relied on visitation and employment projection data, as well as national tourism demand trends and NYC hotel pipeline information. The analysis hypothesized that in 2028 an equilibrium between hotel room supply and demand would exist, meaning that the supply of hotel rooms in 2028 would match projected demand. The analysis supposed that today's hotel occupancy rates would remain stable.

In summary, the **Consultant Report** and the **Consultant Report Amendment** concluded that the current hotel development boom would not likely continue until the 2028 build year, even without the implementation of the proposed action. Research suggests that the recent surge in hotel development is a result of supply catching up with demand over the past ten years. It is projected that once supply and demand reach an equilibrium, there should be a deceleration in hotel development. New development is expected to be at a slower, more "organic" rate that is similar to U.S. travel growth and based on the traditional hotel demand drivers of leisure and business travel.

The **Consultant Report Amendment** projected demand for over 146,500 rooms in New York City by 2028. Subtracting off the existing hotel supply (see **Table 1-10**) shows the gross unmet demand, or additional supportable rooms above the existing supply (not yet accounting for hotels in the development pipeline).

**Table 1-10 Existing Hotel Supply, 2018**

Borough and Sub-Market	Existing Hotel Supply
<b>Manhattan</b>	<b><u>99,552</u></b>
Below 59th Street	<u>93,515</u>
Uptown	6,037
<b>Bronx</b>	<b>1,088</b>
<b>Brooklyn</b>	<b><u>6,306</u></b>
Downtown/Gowanus/Red Hook	3,230
North Brooklyn	<u>1,163</u>
Southern and Eastern Brooklyn	<u>1,913</u>
<b>Queens</b>	<b><u>12,598</u></b>
Long Island City	<u>3,088</u>
LGA/Flushing/ <u>113xx Zip Codes</u>	<u>4,909</u>
Jamaica/JFK/ <u>114xx Zip Codes</u>	<u>4,601</u>
<b>Staten Island</b>	<b>778</b>
<b>New York City, Total</b>	<b><u>120,322</u></b>

Source: STR, 2018

Accounting for the existing room stock in 2018, the **Consultant Report Amendment** projected that future demand would be able to support approximately 26,200 rooms by 2028 (see **Table 1-11**).

**Table 1-11 Unmet Demand / Additional Supportable Rooms Until Build Year**

Future Room Demand	Existing Hotel Supply	Unmet Demand/Additional Supportable Rooms
<u>146,500</u>	<u>120,300</u>	<u>26,200</u>

Source: New York City Planning Department, 2018; STR, 2018; BAE, 2018

Error! Reference source not found., above, illustrates characteristics of the hotel pipeline. The total pipeline consists of hotels currently under construction, as well as hotels in various stages of pre-construction. Citywide, there are approximately 37,300 rooms either under construction or in the pre-construction phase. The realization of the current hotel pipeline would represent an increase of 33 percent in the number of existing hotel rooms.

Given the projections in the **Consultant Report Amendment** and the hotel pipeline, estimated demand by 2028 and current pipeline are not aligned. There are currently more rooms in the pipeline than there are rooms estimated to be in demand by 2028, as shown in **Table 1-12** below.

**Table 1-12 Estimated Demand by 2028 Versus Current Pipeline**

Unmet demand/ additional supportable rooms	<u>26,200</u>
Hotel Rooms in the pipeline	<u>37,300</u>

Sources: New York City Planning Department, 2018; BAE, 2018.

Since the analysis hypothesized that an equilibrium between hotel room supply and demand would exist in 2028, it is projected that only a portion of the hotel rooms currently in the pipeline would actually be completed by the 2028 build year. Accordingly, it is expected that the projected lower demand for additional hotel rooms by 2028 would result in developers considering new projects as a high-risk investment.

It is plausible to assume that those hotel projects currently under construction (defined as hotel developments with permits issued from the Department of Buildings as of June 2017) would actually be completed and open by the time of the 2028 build year. Error! Reference source not found.7 shows that 20,200 rooms are currently under construction. As such, the pipeline hotel rooms that exceed projected demand by 2028 are all in the pre-construction phase.

The number of hotel rooms in the pre-construction phase amounts to about 17,000 rooms (see Error! Reference source not found.). Since after completion of the rooms under construction, the residual demand for hotel rooms by 2028 would amount to another 6,000 rooms, 11,000 of the 17,000 hotel rooms in the pre-construction phase would not be expected to occur before the 2028 build year (see **Table 1-13**).

**Table 1-13 Calculation for Demand by 2028, No-Action Condition**

Unmet demand/ additional supportable rooms	Rooms under construction	Residual Demand after accounting for rooms under construction	Excess Rooms in Pre-Construction Pipeline (total <u>17,000</u> )
<u>26,200</u>	<u>20,200</u>	<u>6,000</u>	<u>11,000</u>

Sources: New York City Planning Department, 2018; BAE, 2018

**Table 1-13** shows the portion of hotels under pre-construction that are projected to not come to fruition by the 2028 build year. The exact location or hotel development that would occur versus those that would not occur by the time of the build year cannot be determined with certainty. There are no data to indicate that a particular hotel typology, geographic submarket or zoning district would be more likely to develop or not. Many dynamic factors influence whether a hotel project is realized: global, national and local economies affect hotel development decisions, trends in international and domestic tourism, the access to equity, the ease of obtaining financing from institutional or individual investors and debt underwritten by investment banks, capital management firms and traditional lenders and also public policies. All of these factors may ultimately inform the decision to execute a project, and since these factors are dynamic and can change on a case-by-case basis, exact projections cannot be made.

The **Consultant Report** outlines the methodology that was used to project which geographic submarkets and zoning districts hotels would be developed. Based on the geographic distribution of hotel rooms in the pipeline, the proportional share of each borough was calculated and maintained constant to estimate the distribution of the

projected demand of 6,000 rooms across the five boroughs by the build year. DCP further disaggregated these borough-wide demand projections by geographic submarket using the same method (assuming a constant proportion of each geographic submarket within each borough, based on the distribution of hotel rooms in the pipeline). Furthermore, demand projects were further estimated at the zoning district level within each geographic submarket, based on the hotel room market share of M1 districts in the total hotel pipeline (ratio as shown in **Table 1-14**).

**Table 1-14 Proportion of Hotel Rooms in M1 Districts (Total Hotel Pipeline)**

<b>Borough and Sub-Market</b>	<b>Hotel Room Market Share of M1 Districts</b>
<b>Manhattan</b>	<b><u>23.2%</u></b>
Below 59th Street	<u>23.2%</u>
Uptown	<u>0%</u>
<b>Bronx</b>	<b><u>31.1%</u></b>
<b>Brooklyn</b>	<b><u>45.5%</u></b>
Downtown/Gowanus/Red Hook	<u>59.3%</u>
North Brooklyn	<u>38%</u>
Southern and Eastern Brooklyn	<u>43.5%</u>
<b>Queens</b>	<b><u>43.9%</u></b>
Long Island City	<u>67.1%</u>
LGA/Flushing	<u>29.4%</u>
Jamaica/JFK	<u>22.7%</u>
<b>Staten Island</b>	<b><u>87.9%</u></b>
<b>New York City, Total</b>	<b><u>35.1%</u></b>

Sources: New York City Department of Buildings, 2018; New York City Planning Department, 2018; NYC & Co., 2018; BAE, 2018.

**Table 1-15** illustrates by geographic submarket the number of rooms in the pre-construction pipeline, the projected demand after completion of the under-construction pipeline, and the rooms in the pre-construction pipeline that are projected to exceed demand by 2028 and not come to fruition by the build year.

**Table 1-15 Rooms in Pre-Construction, Demand, and Excess, by Geographic Submarket**

Borough and Sub-Market	Rooms in Pre-Construction	Residual Demand after accounting for rooms under construction	Excess Rooms in Pre-Construction Pipeline
<b>Manhattan</b>	<u>5,700</u>	<u>2,800</u>	<u>2,900</u>
Below 59th Street	<u>5,000</u>	<u>2,600</u>	<u>2,400</u>
Uptown	<u>700</u>	<u>200</u>	<u>500</u>
<b>Bronx</b>	<u>1,300</u>	<u>400</u>	<u>900</u>
<b>Brooklyn</b>	<u>3,900</u>	<u>1,200</u>	<u>2,700</u>
Downtown/Gowanus/Red Hook	<u>1,200</u>	<u>300</u>	<u>900</u>
North Brooklyn	<u>900</u>	<u>400</u>	<u>500</u>
Southern and Eastern Brooklyn	<u>1,800</u>	<u>500</u>	<u>1,300</u>
<b>Queens</b>	<u>5,100</u>	<u>1,100</u>	<u>4,000</u>
Long Island City	1,700	500	1,200
LGA/Flushing/North	300	200	100
Jamaica/JFK/South	3,100	400	2,700
<b>Staten Island</b>	<u>300</u>	<u>200</u>	<u>100</u>
<b>New York City, Total</b>	<u>17,600</u>	<u>6,600</u>	<u>11,000</u>

Sources: New York City Department of Buildings, 2018; New York City Planning Department, 2018; NYC & Co., 2017; BAE, 2018.

**Table 1-16** provides an overview of the projected hotel rooms by each geographic submarket and zoning district until the 2028 build year. After completion of the under-construction pipeline, Manhattan still has the largest residual demand with 2,900 rooms, followed by Queens with 2,100 rooms. Residual demand in Brooklyn is projected at 1,300 rooms, whereas both the Bronx and Staten Island are expected to have very little residual demand after completion of all projects currently under construction.

**Table 1-16 Projected Residual Demand After Accounting for Rooms Under Construction, by Geographic Submarket and Zoning District**

Borough and Sub-market	M1 Districts	Other Districts	Total
<b>Manhattan</b>	<u>400</u>	<u>2,500</u>	<u>2,900</u>
Below 59th Street	<u>300</u>	<u>2,300</u>	<u>2,600</u>
Uptown	<u>100</u>	<u>200</u>	<u>300</u>
<b>Bronx</b>	<u>100</u>	<u>300</u>	<u>400</u>
<b>Brooklyn</b>	<u>600</u>	<u>700</u>	<u>1,300</u>
Downtown/Gowanus/Red Hook	<u>200</u>	<u>100</u>	<u>300</u>
North Brooklyn	<u>100</u>	<u>300</u>	<u>400</u>
Southern and Eastern Brooklyn	<u>300</u>	<u>300</u>	<u>600</u>
<b>Queens</b>	<u>900</u>	<u>1,200</u>	<u>2,100</u>
Long Island City	<u>500</u>	<u>400</u>	<u>900</u>
LGA/Flushing/North	<u>200</u>	<u>200</u>	<u>400</u>
Jamaica/JFK/South	<u>200</u>	<u>600</u>	<u>800</u>
<b>Staten Island</b>	<u>100</u>	<u>100</u>	<u>200</u>
<b>New York City, Total</b>	<u>2,100</u>	<u>4,800</u>	<u>6,900</u>

Sources: New York City Planning Department, 2018; BAE, 2018.

### No-Action Projections

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 (see **Table 1-17**). Of the projected 10,000 hotels rooms in M1 districts, 7,753 are already under construction (see **Table 1-7**). Another 2,100 hotel rooms from the pre-construction pipeline are projected to be realized by the time of the 2028 build year (see **Table 1-16**). 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.

**Table 1-17 Rooms Projected to Come Online in the No-Action Condition (Rounded)**

<b>Borough and Sub-Market</b>	<b>M1 Districts</b>	<b>Other Districts</b>	<b>Total, All Districts</b>
<b>Manhattan</b>	<b><u>3,500</u></b>	<b><u>10,500</u></b>	<b><u>14,000</u></b>
Below 59th Street	<u>3,400</u>	<u>10,200</u>	<u>13,600</u>
Uptown	<u>100</u>	<u>300</u>	<u>400</u>
<b>Bronx</b>	<b><u>400</u></b>	<b><u>800</u></b>	<b><u>1,200</u></b>
<b>Brooklyn</b>	<b><u>1,900</u></b>	<b><u>2,500</u></b>	<b><u>4,400</u></b>
Downtown/Gowanus/Red Hook	<u>400</u>	<u>500</u>	<u>900</u>
North Brooklyn	<u>800</u>	<u>1,100</u>	<u>1,900</u>
Southern and Eastern Brooklyn	<u>700</u>	<u>900</u>	<u>1,600</u>
<b>Queens</b>	<b><u>2,730</u></b>	<b><u>3,570</u></b>	<b><u>6,300</u></b>
Long Island City	<u>3,600</u>	<u>3,400</u>	<u>7,000</u>
LGA/Flushing/North	<u>400</u>	<u>1,000</u>	<u>1,400</u>
Jamaica/JFK/South	<u>600</u>	<u>1,500</u>	<u>2,100</u>
<b>Staten Island</b>	<b><u>600</u></b>	<b><u>100</u></b>	<b><u>700</u></b>
<b>New York City, Total</b>	<b><u>10,000</u></b>	<b><u>17,300</u></b>	<b><u>27,300</u></b>

Sources: New York City Planning Department, 2018; BAE, 2018.

### **With-Action Condition**

The proposed action in this RWCDs is being analyzed as a generic action because the specific sites where hotel development would occur, as a result of the special permit, cannot be identified with certainty. Generic analyses must employ a methodology that identifies typical cases and a range of conditions, which this section seeks to do. This With-Action condition builds on the No-Action condition and describes in detail the analytical choices that are made to arrive at projections for the With-Action condition. The zoning framework for as-of-right hotel development in the No-Action condition and the With-Action condition are compared, as well as existing and projected demand and supply for hotel rooms. The With-Action condition recognizes that demand projected until 2028 would partially be met by future hotel construction in M1 districts. The RWCDs describes the parameters guiding the choice of prototypical sites used to assess the potential impacts of the proposed action.

The proposed action introduces a discretionary approval process by CPC special permit for hotel development within M1 districts. CPC special permits generally present a disincentive to development that previously was as-of-right, since obtaining the special permit can add significant time, costs and uncertainty to a project. Accordingly, it is reasonable to assume that the proposed CPC special permit would have the effect of slowing the rate at which hotels would be developed in M1 districts and increasing the rate at which they would be developed in the areas of the City that hotels would remain as-of-right.

### Zoning Framework and Land Area for Hotel Development in With-Action Condition

In the future with the proposed action, as seen in **Table 1-18**, 273 million square feet (6,300 acres) in NYC would be available for as-of-right hotel development by the 2028 build year. With the implementation of the proposed action, another 232 million square feet (5,300 acres) are projected to allow hotel development by special permit by the time of the build year. In terms of the overall permitted floor area for hotel development, 1.08 billion square feet would remain as-of-right and 462 million square feet would be by special permit only.

**Table 1-18 Zoning Framework and Land Area for Hotel Development in the Future With-Action Condition**

	As-of-right (sf, in thousands)	by Special Permit (sf, in thousands)
Future With-Action		
Land area	272,802	231,976
Permitted floor area <sup>20</sup>	1,075,116	462,476

Source: PLUTO 16v2 and DCP. Method excludes publicly owned lots (ownership=c, m, o or x), other institutional ownership such as LIRR, MTA, AMTRAK, and parkland

Compared to the No-Action condition (see **Table 1-19**), the proposed action would entail a 45 percent reduction in available lot area for as-of-right hotel development (irrespective of whether a site can be considered soft for development) and a 25 percent reduction in permitted floor area for hotel development. The lot area where hotel development would be permitted only by special permit increases from 232 million square feet in the No-Action condition to 462 million square feet in the With-Action condition.

**Table 1-19 As-of-Right Zoning for Hotel Development, Comparison of the Future With and Without the Action**

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

Source: DCP 2018, analysis of PLUTO 16v2

**Table 1-20** below shows the lot area where, in each of the geographic submarkets and zoning districts, hotel development could occur as-of-right in the With-Action condition. Since the proposed action applies to all M1 districts—with the exception of areas that are airport property or non-residential areas adjacent to airports, such as two geographic submarkets in Queens—the areas remaining as-of-right are either commercial or mixed-use.

<sup>20</sup> The permitted floor area calculation takes into account the permitted commercial Floor Area Ratio (FAR), which is multiplied by the zoning lot area, to show the hypothetical permitted floor area that is zoned to allow for hotel development in NYC. This is relevant because the permitted density, rather than lot area, usually determines the size of hotels.



**Table 1-20 Geographic Submarkets and Zoning Permitting, As-of-Right Hotel Development in the With-Action Condition**

	Lot Area (sf, in thousands)	Permitted Floor Area <sup>21</sup>
<b>Manhattan - Below 59th Street</b>		
C	71,735	531,553
MX	57	286
<b>Manhattan - Uptown</b>		
C	30,521	109,047
Bronx		
C	34,211	83,993
MX	4,445	11,013
<b>Brooklyn - Downtown/Gowanus/Red Hook</b>		
C	6,341	45,142
MX	1,721	3,206
<b>Brooklyn - North</b>		
C	5,404	14,649
MX	6,823	13,645
<b>Brooklyn – Southern and Eastern Brooklyn</b>		
C	30,469	74,483
MX	1,584	3,026
<b>Queens - Long Island City</b>		
C	1,629	5,935
MX	7,252	32,227
<b>Queens - LGA/Flushing/Northern Queens</b>		
C	21,981	59,423
M1	1,054	1,054
MX	304	607
<b>Queens - Jamaica/JFK/Southern Queens</b>		
C	15,643	41,991
M1	5,255	5,568
<b>Staten Island</b>		
C	26,371	38,265
<b>Grand Total</b>	<b>272,802</b>	<b>1,075,116</b>

Note: MX stands for special mixed-use districts or paired M1/R districts. Source: PLUTO 16v2 and DCP

<sup>21</sup> See footnote above.

**Figure 1-15** through **Figure 1-19** illustrate the table content and show the areas where hotel development would still be allowed as-of-right, versus the areas affected by the proposed action. Compared to the No-Action condition, all geographic submarkets would see a substantial reduction in the as-of-right lot area (see **Table 1-21**). All geographic submarkets outside of Manhattan, with the exception of Jamaica/JFK, would see a reduction of about 50 percent or more in the lot area available to hotel development. In Northern Queens and Long Island City, the reduction is especially high, amounting to about 65 percent.

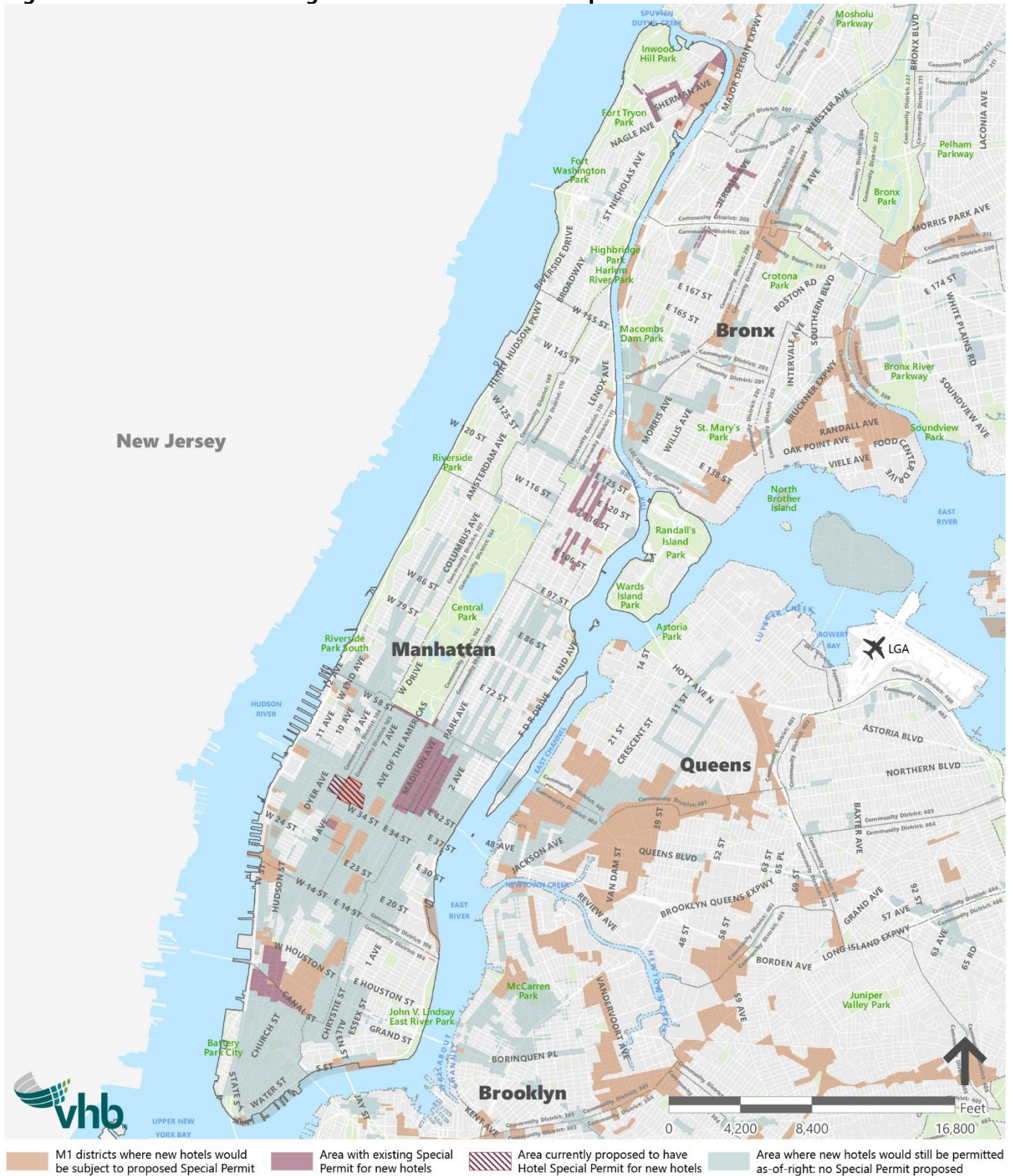
**Table 1-21 Reduction in As-of-Right Development Area due to the Proposed Action, by Geographic Submarket**

Geographic Submarket	Net Reduction of Lot Area	Net Reduction of Permitted Floor Area	Percent Reduction in Lot Area	Percent Reduction in Permitted Floor Area
Manhattan - Below 59th Street	11,043	74,390	13%	12%
Manhattan - Uptown	1,108	1,598	4%	1%
Bronx	34,906	49,575	47%	34%
Brooklyn - Downtown/Gowanus/Red Hook	9,204	13,938	53%	22%
Brooklyn - North	14,438	22,301	54%	44%
Brooklyn – Southern and Eastern Brooklyn	43,889	56,158	58%	42%
Queens - Long Island City	15,633	39,882	64%	51%
Queens - LGA/Flushing/Northern Queens	42,607	48,382	65%	44%
Queens - Jamaica/JFK/Southern Queens	13,677	16,925	40%	26%
Staten Island	33,283	34,604	56%	47%
<b>Grand Total</b>	<b>219,788</b>	<b>357,753</b>	<b>45%</b>	<b>25%</b>

Source: PLUTO 16v2 and DCP

In terms of permitted commercial floor area, the percent reduction is generally much smaller. Many geographic submarkets in Queens, Brooklyn and Staten Island however still see a relative reduction of more than 40 percent in the floor area permitting as-of-right hotel development due to the proposed action. Many of these submarkets, however, have a relatively modest hotel presence.

**Figure 1-15 Manhattan Zoning Framework for Hotel Development: With-Action Condition**



Note: This Figure has been updated for the FEIS.



**Figure 1-16 Bronx Zoning Framework for Hotel Development: With-Action Condition**



Note: This Figure has been updated for the FEIS.



Figure 1-17 Brooklyn Zoning Framework for Hotel Development: With-Action Condition





**Figure 1-18 Queens Zoning Framework for Hotel Development: With-Action Condition**



Note: This Figure has been updated for the FEIS.

**Figure 1-19 Staten Island Zoning Framework for Hotel Development: With-Action Condition**





### **Hotels and Tourism Citywide and by Geographic Submarket Under With-Action Condition**

Because the proposed action introduces a discretionary approval process via a CPC special Permit for hotel development within M1 districts, DCP projects less hotel development in M1 districts under the With-Action condition than the No-Action condition. It is reasonable to assume that a CPC special permit would have the effect of slowing the rate at which hotels would be developed in M1 districts and increasing the rate at which they would be developed in the areas in which they would remain as-of-right.

The number of hotel facilities developed under the proposed action cannot be precisely determined. While there are areas with existing hotel special permit provisions in NYC, most of those provisions have been adopted relatively recently, and no applications for special permits have been processed in those cases. However, the lack of applications for those existing hotel special permits may not be relevant to this case. The proposed action covers a much broader area, and certain developments—particularly large projects near tourist attractions or in mixed use settings—would likely not be deterred by the existence of the hotel special permit. However, since this type of hotel development occurs relatively rarely, particularly in M1 districts, it is expected that only a few hotel special permits would be sought by the build year.

In terms of as-of-right development, it is expected that the proposed action would not affect all hotel developments in the pipeline, but only a certain proportion of them. Firstly, the proposed action proposes a hotel special permit only in M1 districts, meaning that hotels in the pipeline process in commercial or mixed-use (MX and M1/R) districts would not be affected. Furthermore, it is not expected that the proposed action would affect hotels currently under construction. Hotels with building permits issued at the Department of Buildings (referred to as “under construction”) are either already well under construction, or are expected to begin construction and complete foundations before the adoption of the proposed action<sup>22</sup>. Although DCP cannot generally determine how much time may occur between obtaining permits and the completion of foundations, since many hotels have relatively singular trajectories that do not depend on public processes, it is likely that projects with issued permits would complete foundations. Accordingly, hotel projects with permits issued or under construction would most likely not be affected by the proposed action. As previously explained, the number of hotel rooms under construction amount to more than 20,000 rooms (see **Table 1-7**).

Moreover, while for the pre-construction pipeline, the expectations are much less certain, the proposal includes a provision which would allow hotel developments without a special permit if they have a building permit or a partial permit lawfully issued by the Department of Buildings before the CPC referral date of the proposed action 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. While it is possible that a project currently in the pre-construction pipeline could receive a building permit before adoption of the proposed action and receive a certificate of occupancy in three years, it would not be reasonable to assume these circumstances across the entire pre-construction

<sup>22</sup> The completion of foundations before a Zoning Action becomes effective usually determines whether a project vests.



pipeline of hotel development. Many hotels have relatively singular trajectories, which are often more dependent on the availability of financing than the permitting process at the Department of Buildings.

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 hotels rooms are expected to be located in M1 districts (see **Table 1-17**). Of the 10,000 hotel rooms in M1 districts, 7,753 are already under construction, and would not be affected by the proposed action, as explained above (see **Table 1-7**). As shown by **Table 1-16**, another 2,100 hotels rooms from the M1 pre-construction pipeline are projected to be realized by the time of the 2028 build year.

Accordingly, in the With-Action condition, the proposed action would affect those hotel rooms in the pre-construction phase that are slated for M1 districts and that would be completed in the No-Action condition (see **Table 1-22**, column "M1 Districts").

**Table 1-22 Projected No-Action Supply, After Accounting for Rooms Under Construction by Geographic Submarket and Zoning District**

Borough and Sub-market	M1 Districts	Other Districts	Total
Manhattan	425	1,475	1,900
Below 59th Street	425	1,425	1,850
Uptown	0	50	50
Bronx	0	150	150
Brooklyn	300	400	700
Downtown/Gowanus/Red Hook	130	110	240
North Brooklyn	80	150	230
southern and eastern	90	140	230
Queens	380	720	1,100
Long Island City	290	210	500
LGA/Flushing/North	20	180	200
Jamaica/JFK/South	70	330	400
Staten Island	45	5	50
<b>New York City, Total</b>	<b>1,150</b>	<b>2,750</b>	<b>3,900</b>

Sources: New York City Planning Department, 2018; BAE, 2018.

Since opportunities for as-of-right hotel development still exist in all geographic submarkets (see **Figure 1-15** through **Figure 1-19**, and **Table 1-20**) and hotels are relatively flexible in terms of their siting requirements, it is expected that those hotel rooms originally slated for M1 districts would instead be developed elsewhere.

Hotels are flexible in the sense that they can be developed on many different lot sizes and configurations: hotels have been built on lots ranging from 1,300 sf to 100,000 sf. For small lots, hotel developers can often outbid other types of permitted development, because they do not rely on assemblages to create viable, complying and marketable buildings. Hotels also benefit from a business model that can maximize the value of permitted height and

floor area ratios, giving such development an additional advantage over some other permitted uses that rely on ground floor space, such as retail. Due to hotels' flexibility regarding lot size and configuration, it is projected that hotel developers will also find development opportunities in areas where hotels would remain as-of-right in the With-Action condition. As such, a portion of the hotels that would be developed in M1 districts in the No-Action would instead develop in commercial and mixed-use districts in the With-Action condition.

Generally, it is expected that the proposed action would result in a shift of hotels and hotel rooms to areas where hotel development could still occur as-of-right (many commercial and mixed-use districts). Overall, such a shift would amount to approximately 1,150 hotel rooms: these are the number of rooms slated for M1 districts that would not be developed in M1 districts due to the proposed action, as shown in **Table 1-22**, and is thus the number that could be expected to be developed in as-of-right areas instead, since demand for these hotel rooms is still projected to exist.

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. Therefore, it is projected that an increase in hotel development due to the proposed action may be expected in commercial and mixed-use districts in those geographic submarkets with more than 50 rooms slated for M1 districts in the No-Action condition.

- › Manhattan South of 59th street
- › Brooklyn - Downtown Brooklyn
- › Brooklyn - Williamsburg
- › Brooklyn - Southern and Eastern Brooklyn
- › Queens - Long Island City
- › Queens - Jamaica/JFK

### **With-Action Projections**

Overall, it is expected that the proposed action would not so much change the number of hotel rooms in NYC or in the geographic submarkets as it would result in a shift of a portion of future hotel development from M1 to commercial or mixed-use districts. **Table 1-23** illustrates that in the No-Action Projection, the construction of a total of 27,300 rooms is expected by the 2028 build year and that this number is the same in the With-Action condition. However, the zoning districts where those hotel rooms are expected to be completed shifts to a certain extent from M1 to commercial or mixed-use districts. In the No-Action condition, about 10,000 new hotel rooms were expected in M1 districts, whereas in the With-Action condition, this number amounts to about 8,000 rooms. As such, the total shift affects approximately 2,000 rooms. As previously explained, the geographic submarkets where such a shift is expected to be somewhat more pronounced are the following:

- › Manhattan South of 59th street
- › Brooklyn - Downtown Brooklyn
- › Brooklyn - Williamsburg

- › Brooklyn - Southern and Eastern Brooklyn
- › Queens - Long Island City

**Table 1-23 Comparison of No-Action and With-Action Projections**

Borough and Sub-Market	No-Action Projection			With-Action Projection		
	M1 Districts	Other Districts	Total	M1 Districts	Other Districts	Total
<b>Manhattan</b>	<u>3,500</u>	<u>10,500</u>	<u>14,000</u>	<u>3,100</u>	<u>10,700</u>	<u>13,800</u>
Below 59th Street	<u>3,400</u>	<u>10,200</u>	<u>13,600</u>	<u>3,100</u>	<u>10,400</u>	<u>13,500</u>
Uptown	<u>100</u>	<u>300</u>	<u>400</u>	<u>0</u>	<u>300</u>	<u>300</u>
<b>Bronx</b>	<u>400</u>	<u>800</u>	<u>1,200</u>	<u>300</u>	<u>900</u>	<u>1,200</u>
<b>Brooklyn</b>	<u>1,900</u>	<u>2,500</u>	<u>4,400</u>	<u>1,400</u>	<u>2,900</u>	<u>4,300</u>
Downtown/Gowanus/Red Hook	<u>400</u>	<u>500</u>	<u>900</u>	<u>200</u>	<u>700</u>	<u>900</u>
North Brooklyn	<u>800</u>	<u>1,100</u>	<u>1,900</u>	<u>700</u>	<u>1,200</u>	<u>1,900</u>
Southern and Eastern	<u>700</u>	<u>900</u>	<u>1,600</u>	<u>500</u>	<u>1,100</u>	<u>1,600</u>
<b>Queens</b>	<u>2,730</u>	<u>3,570</u>	<u>6,300</u>	<u>2,700</u>	<u>4,000</u>	<u>6,700</u>
Long Island City	<u>3,600</u>	<u>3,400</u>	<u>7,000</u>	<u>2,100</u>	<u>1,300</u>	<u>3,400</u>
LGA/Flushing/North	<u>400</u>	<u>1,000</u>	<u>1,400</u>	<u>200</u>	<u>1,100</u>	<u>1,300</u>
Jamaica/JFK/South	<u>600</u>	<u>1,500</u>	<u>2,100</u>	<u>400</u>	<u>1,700</u>	<u>2,100</u>
<b>Staten Island</b>	<u>600</u>	<u>100</u>	<u>700</u>	<u>500</u>	<u>200</u>	<u>700</u>
<b>New York City, Total</b>	<u>10,000</u>	<u>17,300</u>	<u>27,300</u>	<u>8,000</u>	<u>18,700</u>	<u>26,700</u>

DCP has recognized that hotels in M1 districts have the potential to impede the growth and development of other uses, firstly by occupying sites that could be available to other uses better equipped to fulfill neighborhood development objectives, and secondly by changing neighborhood character. Since the proposed action is projected to prevent the completion of 1,150 rooms in M1 districts, and instead redirect this development to zoning districts that would still permit hotel development as-of-right, the Purpose and Need of the proposed action would largely be achieved.

### Analytical Approach

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 1,150 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, as shown in **Table 1-22**, 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).

However, beyond the general selection of areas that fulfill the above criteria, the exact location of future hotel rooms cannot be projected. This depends on many factors outlined below, which could not be anticipated by DCP. Firstly, the size of hotels and the number of rooms they contain varies significantly. While the **Consultant Report** included averages and medians for the number of rooms by hotel typology and borough, most geographic submarkets contain a variety of hotel types and hotels of many different sizes. The analysis could not project the exact hotel type and size for each geographic submarket that would be developed in the With-Action condition, since this would be excessively speculative. Since the size of hotels cannot precisely be estimated, the number of potential hotel development sites can also not exactly be projected. Furthermore, areas where hotel development could occur in the With-Action condition are large and dispersed, and the number of potential development sites for hotels is very high. For these reasons, DCP cannot predict with certainty where hotels will locate in the future. Given the numerous possibilities for future development of hotels, a detailed, quantitative analysis of these potential developments and their environmental impacts in a site-specific manner would be very speculative. 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, which will be based on existing trends and reasonable projections for the future.

Subsequent to publication of the Draft Scope of Work, DCP completed an analysis for the geographic submarkets and to determine the locations where a shift in hotel development from M1 to commercial or mixed-use districts is most likely; based on this analysis, DCP identified the following prototypical sites:

- › Manhattan (See **Figure 1-21**) – 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 (See **Figure 1-22**) – 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 (See **Figure 1-23**) – 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 (See **Figure 1-24**) – 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 (See **Figure 1-25**) – 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 (See **Figure 1-26**) – 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 (See **Figure 1-37**) – 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 representative of the various different options that could occur; generic prototypical sites were identified in the geographic submarkets to illustrate the possible impacts of this potential shift. Each 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 potential impacts 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 of the potential environmental impacts that could result from a hotel development in a M1 district pursuant to the special permit is needed. 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 will be 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 (see **Chapter 23, “Conceptual Analysis”**).

DCP identified one conceptual site, which would be located in 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.

**Table 1-24 Prototypical Development in the Future No-Action and With-Action Conditions**

Borough and Neighborhood (Block, Lot)	Zoning District	Description	No-Action			With-Action				
			Size (sf)	Height (feet)	FAR	Number of Rooms	Hotel Size (sf)	Hotel Height (feet)	FAR	
<b>Manhattan</b>										
Below 59th Street (Bl: 895, L: 73)	C5-3	Mixed-use Residential/Retail & Community Fac.	4,811	45	2.4	91	30,000	355	15	
<b>Queens</b>										
Long Island City (Bl: 431, L: 15 & 17)	M1-5/R7-3	Office	60,975	105	5	203	60,975	75	5	
Jamaica (Block 9996, Lots 10, 12, 16 and Bl: 9995, L: 7 & 18)	C6-3	Mixed-use Residential/Retail	301,160	135 - 230	8	753	225,870	125 - 155	8	
<b>Brooklyn</b>										
South Slope (Bl: 873, L: 9)	R6A	Mixed-use Residential/Retail	10,536	50	3	23	7,024	30	2	
Downtown Brooklyn (Bl: 161, L: 30)	C6-4	Residential	55,598	205	12	155	46,400	30	2	
Brownsville (Bl: 3489, L: 228 & 230)	C4-3	Retail	9,450	14 - 35	1	85	25,500	85	3.4	
Williamsburg (Bl: 2334, L: 1, 3, 50, 45, & 40)	M1-2/R6A	Residential	75,000	75	3	167	50,000	55	2	

**Table 1-25 Conceptual Site in the Future No-Action and With-Action Conditions**

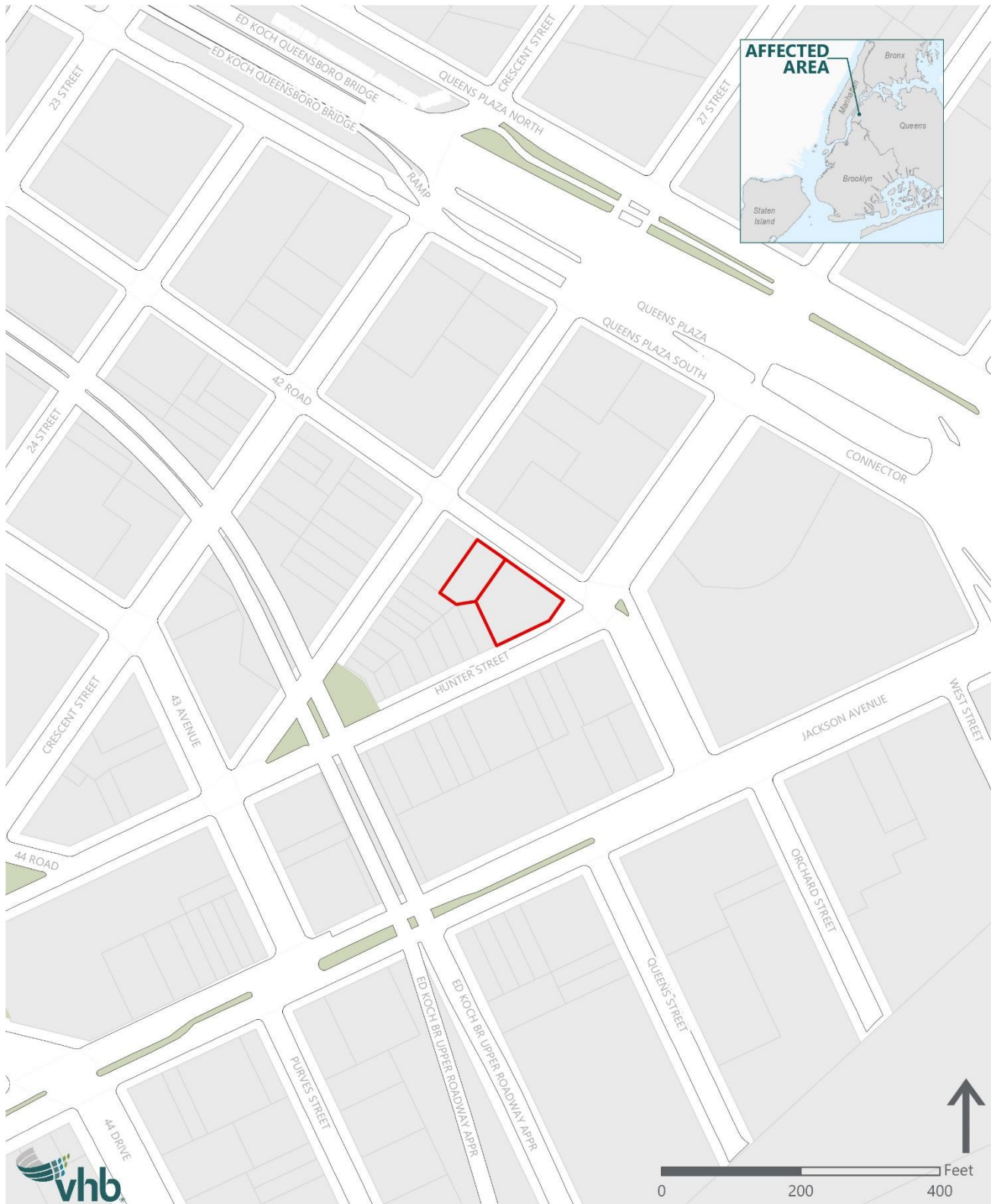
Manhattan Union Square (Bl: 844, L: 35)	M1-5M	Parking Lot	N/A	N/A	0	139	46,000	95	5	
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Figure 1-20 Manhattan Prototypical Site Location Map



**Figure 1-21 Long Island City Prototypical Site Location Map**



 Long Island City Prototypical Site

 Tax Lots

Figure 1-22 Jamaica Prototypical Site Location Map

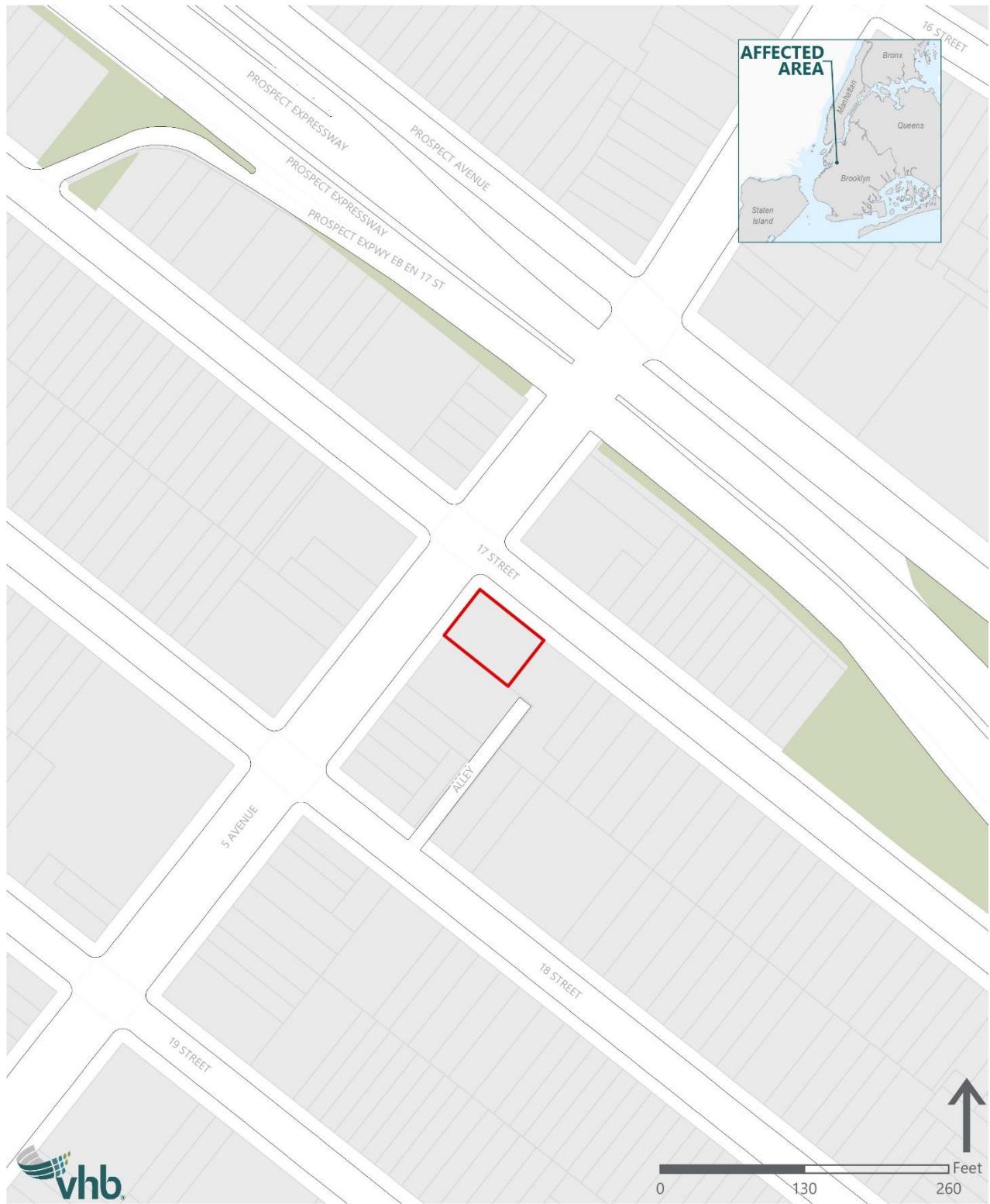


 Jamaica Prototypical Sites

 Tax Lots



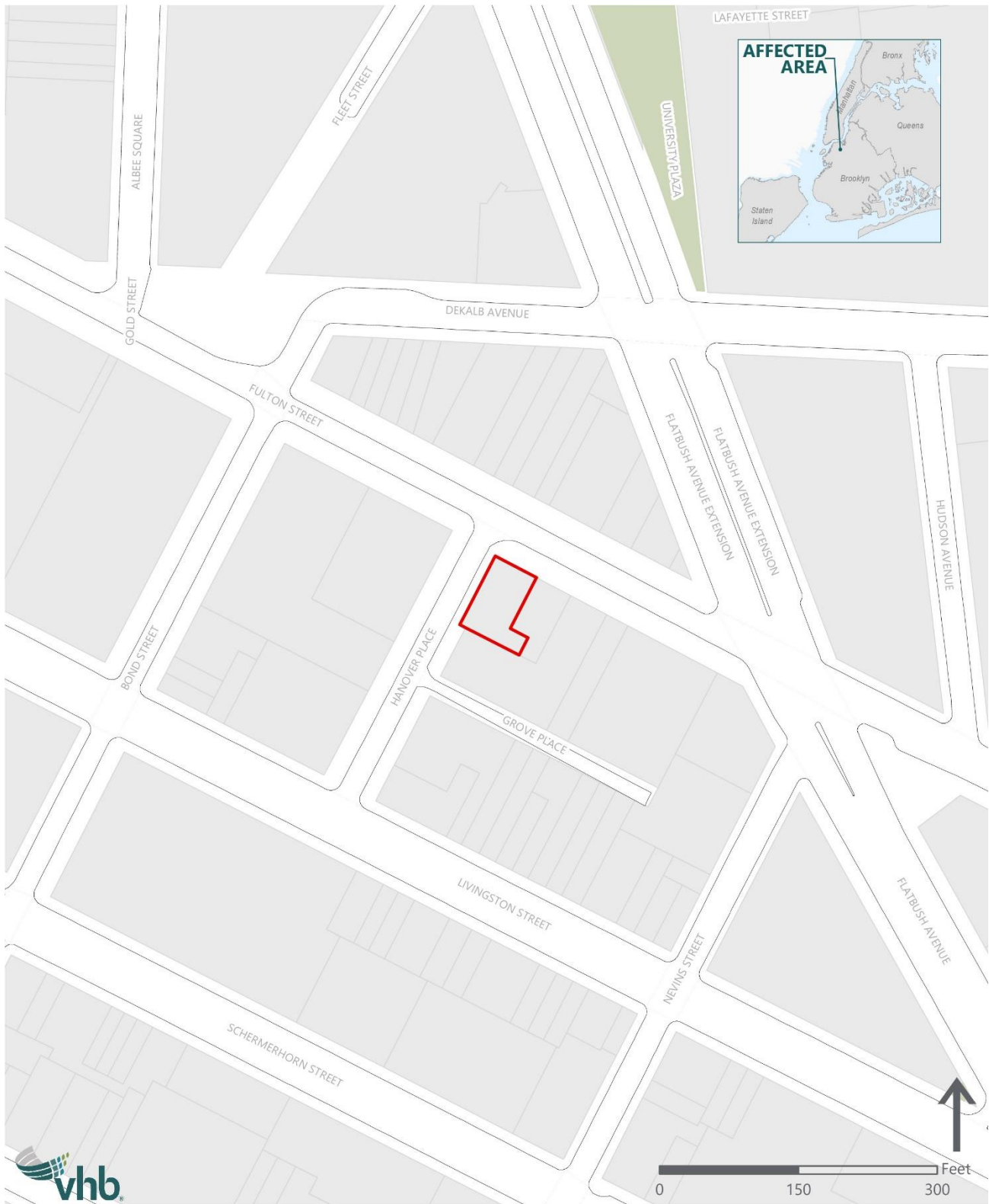
Figure 1-23 South Slope Prototypical Site Location Map



 South Slope Prototypical Sites

 Tax Lots

Figure 1-24 Downtown Brooklyn Prototypical Site Location Map



 Downtown Brooklyn Prototypical Site

 Tax Lots

Figure 1-25 Brownsville Prototypical Site Location Map

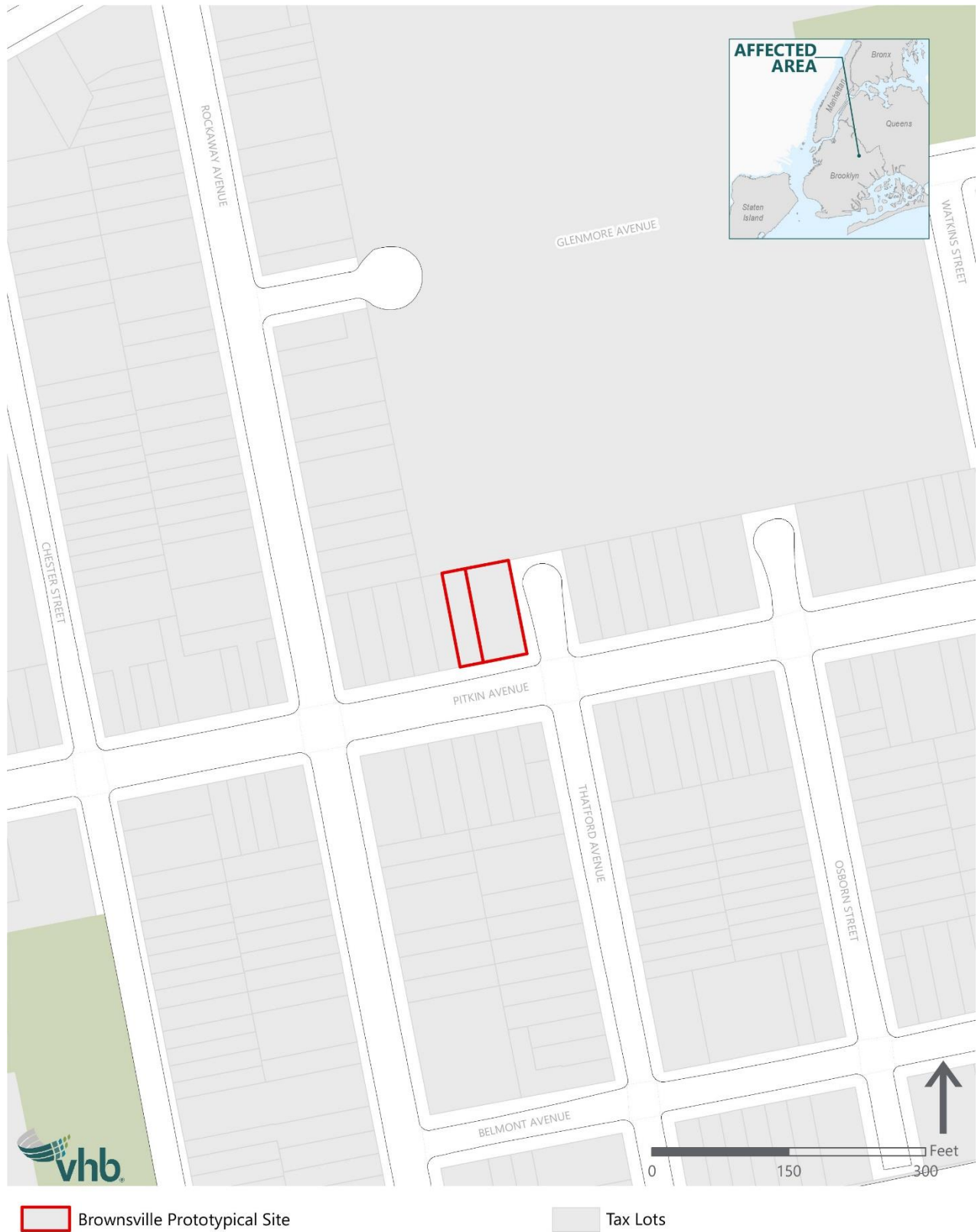
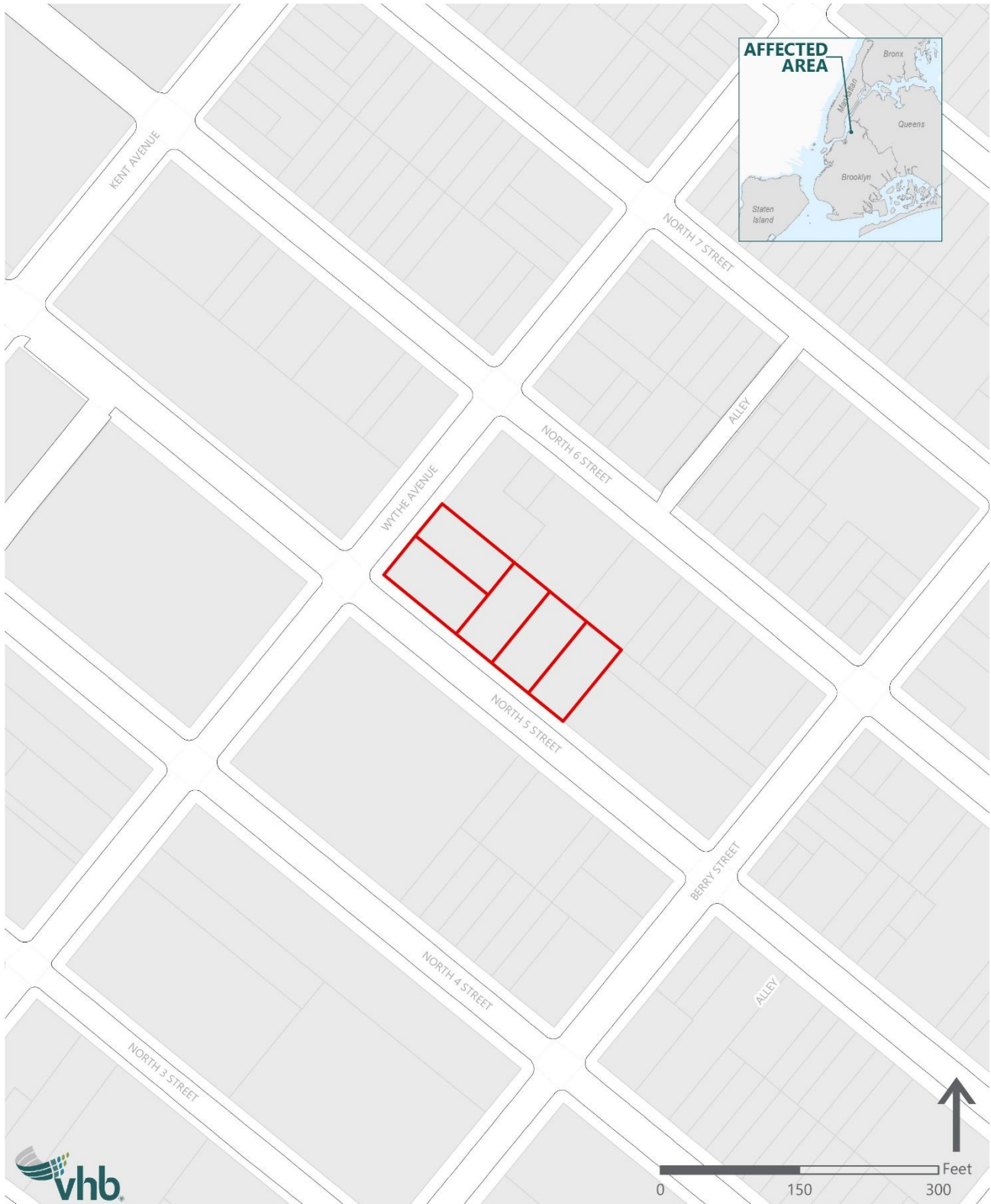


Figure 1-26 Williamsburg Prototypical Site Location Map

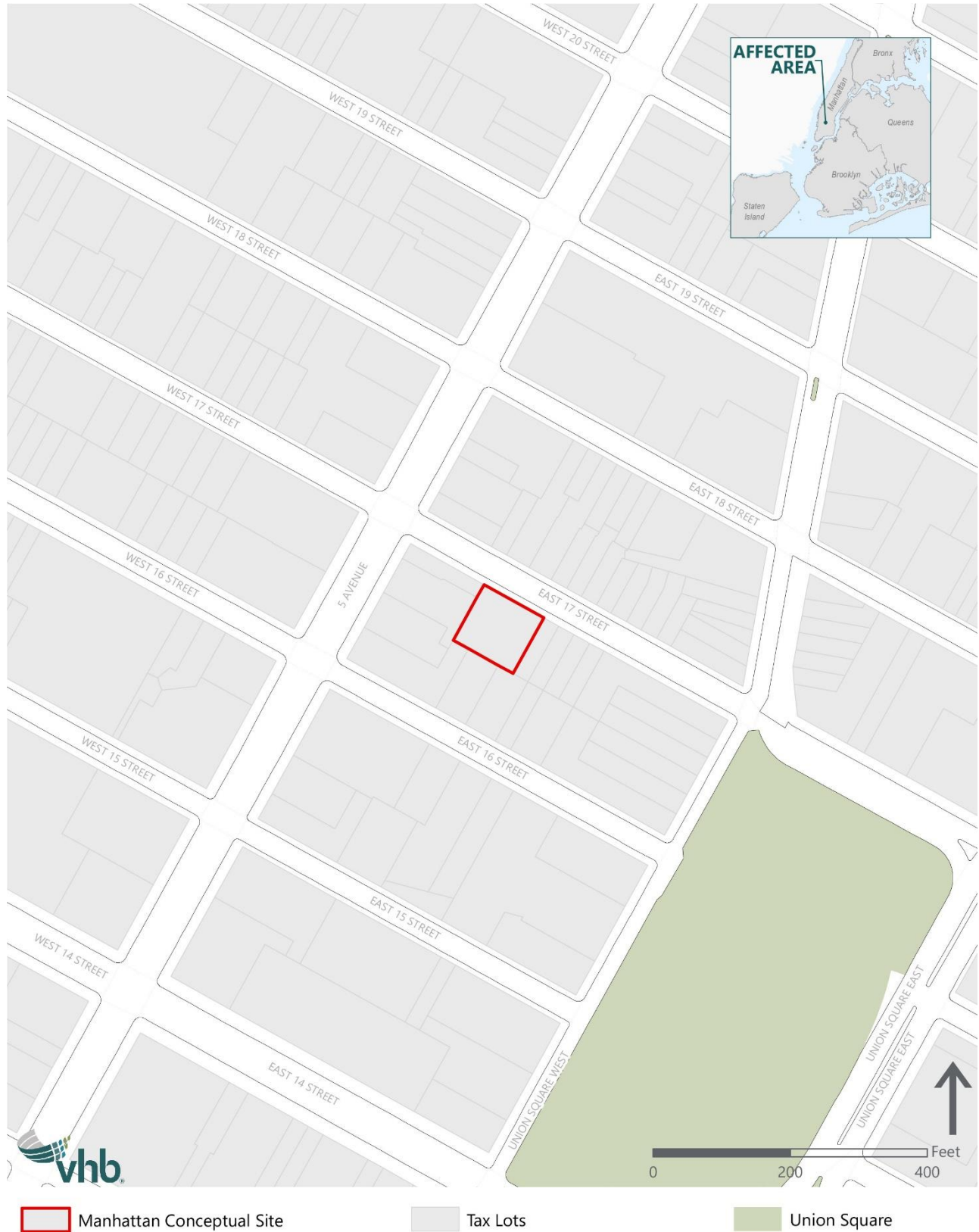


 Williamsburg Prototypical Site

 Tax Lots



Figure 1-27 Manhattan Conceptual Site Location Map





## Public Review Process for the Proposed Action

### Environmental Review

The environmental review process established under State and City rules provides a means for decision makers to systematically consider environmental effects along with other aspects of project planning and design; to evaluate reasonable alternatives; and to identify, and mitigate when practicable, any significant adverse environmental effects. The rules guide environmental review through the following steps:

**Establishing a Lead Agency** – Under CEQR, the “lead agency” is the public entity responsible for conducting the environmental review. Usually, the lead agency is the entity principally responsible for carrying out, funding, or approving the Proposed Action. The CPC is the lead agency for the Proposed Action.

**Determination of Significance** – The lead agency’s first charge is to determine whether the proposed project may have a significant impact on the environment. To do so, it must prepare an Environmental Assessment Statement (EAS). The proposed project was the subject of an EAS that was issued on September 25, 2017. The lead agency determined that the Proposed Action may have a significant adverse effect on the environment and issued a Positive Declaration, requiring that an EIS be prepared.

**Scoping** – Once the lead agency has issued a Positive Declaration, it must then issue a draft scope of work for the EIS. “Scoping,” or creating the scope of work, is the process of focusing the environmental impact analyses on the key issues that are to be studied. CEQR requires a public scoping meeting as part of the process. Such a meeting was held for the Proposed Action and EIS Draft Scope of Work on October 26, 2017, and additional comments were accepted during a 10-day period that followed (thereafter, the City accepted additional comments). Modifications to the Draft Scope of Work were made as a result of public and interested agency input during the scoping process, and a Final Public Scoping Document for the project was issued on April 23, 2018.

**Draft Environmental Impact Statement** – In accordance with the Final Scope of Work, a Draft EIS (DEIS) is prepared. Once the lead agency is satisfied that the DEIS is complete, it issues a Notice of Completion and circulates the DEIS for public review. D.C.P. acting on behalf of the City Planning Commission, issued a Notice of Completion for the DEIS on April 23, 2018.

**Public Review** – Publication of the DEIS and issuance of the Notice of Completion signal the start of the public review period. During this time, which is a period of not less than 30 days, the public has the opportunity to review and comment on the DEIS either in writing or at the public hearing convened for the purpose of receiving such comments. Where the CEQR process is coordinated with another City process that requires a public hearing, such as the CPC Referral Process (described below), the hearings may be held jointly. The lead agency must publish a notice of the hearing at least 14 days before it takes place and must accept written comments for at least 10 days following the close of the hearing. All substantive comments received at the hearing become part of the CEQR record and must be summarized and responded to in the Final EIS (FEIS). The City Planning Commission held a

public hearing on the DEIS at the Department of City Planning, 125 Broadway, New York, NY, on July 25, 2018. The period for the public to submit written comments remained open until August 6, 2018.

**Final Environmental Impact Statement** – After the close of the public comment period on the DEIS, the lead agency prepares the FEIS. The FEIS must incorporate relevant comments on the DEIS, either in a separate chapter or in changes to the body of the text, graphics, and tables. Once the lead agency determines that the FEIS is complete, it issues a Notice of Completion and circulates the FEIS. This means that the CPC must wait at least 10 days after the FEIS is complete to take action on a given application. This document is the FEIS.

**Findings** – The lead agency will adopt a formal set of written findings based on the FEIS, reflecting its conclusions about the significant adverse environmental impacts of the proposed project, potential alternatives, and potential mitigation measures. The findings may not be adopted until at least 10 days after the Notice of Completion has been issued for the FEIS. Once findings are adopted, the lead agency may take its actions.

### **Public Review Process**

The CPC Referral Process, mandated by Section 200 of the New York City Charter, is a process specifically designed to allow public review of a Proposed Action at four levels: Community Board, Borough Board, CPC, and City Council. The procedure sets time limits for review at each stage to ensure a maximum total review period of approximately seven months.

The process begins with certification by CPC that the DEIS is complete, which includes satisfying CEQR requirements (see discussion above). The application is then referred to the affected community boards and borough boards (in this case, all community and borough boards in New York City). The Community Boards will have up to 60 days to review and discuss the Proposed Action, hold a public hearing, and adopt an advisory resolution regarding the actions. Once this is complete, the borough boards will have up to 30 days to review the actions. CPC then has up to 60 days to review the application, during which time a CPC public hearing is held. Following the hearing, CPC may approve, approve with modifications, or deny the application. Comments made with respect to the DEIS are incorporated into an FEIS; the FEIS must be completed at least 10 days before the CPC action.

If the proposal is approved, or approved with modifications, it moves to the City Council for review. Council jurisdiction for zoning map changes is mandatory. The City Council has 50 days to review the application and hold a public hearing on the Proposed Action. In the event the Council proposes to modify the application, the modifications are referred to the CPC for a determination whether they are within the scope of the land use and environmental review; the referral of modifications to the CPC tolls the Council time clock by 15 days. The Council may thereafter act to approve, approve with modifications, or disapprove. The City Council vote is final, unless the Mayor chooses to veto the Council's decision. The City Council can override the Mayoral veto by a two-thirds vote. The mayor has 5 days to veto the City Council's actions, and the City Council may override the Mayoral veto with 10 days.

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## Attachment A

**Table 1-26 DCP Classification of NAICS Codes to Define Industrial Businesses and Uses**

NAICS 3-digit code	Primary Industry	Industry Sub-Sector	Classification
481	Transportation and Warehousing	Air Transportation	Industrial
482		Rail Transportation	Industrial
483		Water Transportation	Industrial
484		Truck Transportation	Industrial
485		Transit and Ground Passenger Transportation	Industrial
486		Pipeline Transportation	Industrial
487		Scenic and Sightseeing Transportation	Industrial
488		Support Activities for Transportation	Industrial
491		Postal Service	Industrial
492		Couriers and Messengers	Industrial
493		Warehousing and Storage	Industrial
511	Information	Publishing Industries (except Internet)	Non-Industrial
512		Motion Picture and Sound Recording Industries	Industrial
515		Broadcasting (except Internet)	Non-Industrial
517		Telecommunications	Industrial
518		Data Processing, Hosting and Related Services	Non-Industrial
519		Other Information Services	Non-Industrial
521	Finance and Insurance	Monetary Authorities-Central Bank	Non-Industrial
522		Credit Intermediation and Related Activities	Non-Industrial
523		Securities, Commodity Contracts, and Other Financial Investments and Related Activities	Non-Industrial
524		Insurance Carriers and Related Activities	Non-Industrial
525		Funds, Trusts, and Other Financial Vehicles	Non-Industrial
531	Real Estate and Rental and Leasing	Real Estate	Non-Industrial
532		Rental and Leasing Services	Non-Industrial
533		Lessors of Nonfinancial Intangible Assets (except Copyrighted Works)	Non-Industrial
541	Professional, Scientific, and Technical Services	Professional, Scientific, and Technical Services	Non-Industrial
551	Management of Companies and Enterprises	Management of Companies and Enterprises	Non-Industrial
561	Administrative and Support and Waste Management and Remediation Services	Administrative and Support Services	Non-Industrial
562		Waste Management and Remediation Services	Industrial
611	Educational Services	Educational Services	Non-Industrial

NAICS 3-digit code	Primary Industry	Industry Sub-Sector	Classification
621	Health Care and Social Assistance	Ambulatory Health Care Services	Non-Industrial
622		Hospitals	Non-Industrial
623		Nursing and Residential Care Facilities	Non-Industrial
624		Social Assistance	Non-Industrial
711	Arts, Entertainment, and Recreation	Performing Arts, Spectator Sports, and Related Industries	Non-Industrial
712		Museums, Historical Sites, and Similar Institutions	Non-Industrial
713		Amusement, Gambling, and Recreation Industries	Non-Industrial
721	Accommodation and Food Services	Accommodation	Non-Industrial
722		Food Services and Drinking Places	Non-Industrial
811	Other Services (except Public Administration)	Repair and Maintenance	Industrial
812		Personal and Laundry Services	Non-Industrial
813		Religious, Grantmaking, Civic, Professional, and Similar Organizations	Non-Industrial
814		Private Households	Non-Industrial
921	Public Administration	Executive, Legislative, and Other General Government Support	Non-Industrial
922		Justice, Public Order, and Safety Activities	Non-Industrial
923		Administration of Human Resource Programs	Non-Industrial
924		Administration of Environmental Quality Programs	Non-Industrial
925		Administration of Housing Programs, Urban Planning, and Community Development	Non-Industrial
926		Administration of Economic Programs	Non-Industrial
927		Space Research and Technology	Non-Industrial
928		National Security and International Affairs	Non-Industrial
999		Unclassified	Unclassified

**Table 1-27 DCP Classification of NAICS Codes to Define TAMI Businesses and Uses**

<b>NAICS Codes</b>	<b>NAICS Title</b>
51	Information
2111	Oil and Gas Extraction
3332	Industrial Machinery Manufacturing
3334	Ventilation, Heating, Air-Conditioning, and Commercial Refrigeration Equipment Manufacturing
5418	Advertising & Related Services
221114	Solar Electric Power Generation
221115	Wind Electric Power Generation
221116	Geothermal Electric Power Generation
221117	Biomass Electric Power Generation
221118	Other Electric Power Generation
221119	Other Electric Power Generation
323115	Digital Printing
325180	Other Basic Inorganic Chemical Manufacturing
325188	All Other Basic Inorganic Chemical Manufacturing
325411	Medicinal and Botanical Manufacturing
325412	Pharmaceutical Preparation Manufacturing
325414	Biological Product (except Diagnostic) Manufacturing
325520	Adhesive Manufacturing
325910	Printing Ink Manufacturing
325998	All Other Miscellaneous Chemical Product and Preparation Manufacturing
326199	All Other Plastics Product Manufacturing
332212	Hand and Edge Tool Manufacturing
332216	Saw Blade and Handtool Manufacturing
332618	Other Fabricated Wire Product Manufacturing
333242	Semiconductor Machinery Manufacturing
333314	Optical Instrument and Lens Manufacturing
333315	Photographic and Photocopying Equipment Manufacturing
333316	Photographic and Photocopying Equipment Manufacturing
333318	Other Commercial and Service Industry Machinery Manufacturing
333319	Other Commercial and Service Industry Machinery Manufacturing
333912	Air and Gas Compressor Manufacturing
333993	Packaging Machinery Manufacturing
333999	All Other Miscellaneous General Purpose Machinery Manufacturing
334111	Electronic Computer Manufacturing

<b>NAICS Codes</b>	<b>NAICS Title</b>
334112	Computer Storage Device Manufacturing
334118	Computer Terminal and Other Computer Peripheral Equipment Manufacturing
334119	Other Computer Peripheral Equipment Manufacturing
334220	Radio and Television Broadcasting and Wireless Communications Equipment Manufacturing
334290	Other Communications Equipment Manufacturing
334310	Audio and Video Equipment Manufacturing
334412	Bare Printed Circuit Board Manufacturing
334413	Semiconductor and Related Device Manufacturing
334416	Electronic Coil, Transformer, and Other Inductor Manufacturing
334417	Electronic Connector Manufacturing
334419	Other Electronic Component Manufacturing
334510	Electromedical and Electrotherapeutic Apparatus Manufacturing
334511	Search, Detection, Navigation, Guidance, Aeronautical, and Nautical System and Instrument Manufacturing
334512	Automatic Environmental Control Manufacturing for Residential, Commercial, and Appliance Use
334513	Instruments and Related Products Manufacturing for Measuring, Displaying, and Controlling Industrial Process Variables
334515	Instrument Manufacturing for Measuring and Testing Electricity and Electrical Signals
334519	Other Measuring and Controlling Device Manufacturing
334611	Software Reproducing
334613	Magnetic and Optical Recording Media Manufacturing
335122	Commercial, Industrial, and Institutional Electric Lighting Fixture Manufacturing
335313	Switchgear and Switchboard Apparatus Manufacturing
335999	All Other Miscellaneous Electrical Equipment and Component Manufacturing
336412	Aircraft Engine and Engine Parts Manufacturing
336413	Other Aircraft Parts and Auxiliary Equipment Manufacturing
339112	Surgical and Medical Instrument Manufacturing
339113	Surgical Appliance and Supplies Manufacturing
443120	Computer and Software Stores
454112	Electronic Auctions
541330	Engineering Services
541420	Industrial Design Services
541511	Custom Computer Programming Services
541512	Computer Systems Design Services
541513	Computer Facilities Management Services



<b>NAICS Codes</b>	<b>NAICS Title</b>
541519	Other Computer Related Services
541710	Research and Development in the Physical, Engineering, and Life Sciences
541711	Research and Development in Biotechnology
541712	Research and Development in the Physical, Engineering, and Life Sciences (except Biotechnology)
561499	All Other Business Support Services
621511	Medical Laboratories
621512	Diagnostic Imaging Centers

**Table 1-28 DCP Classification of NAICS Codes to Define Office-Based Businesses and Uses**

3-Digit NAICS	Primary Industry	2007 NAICS US Title
511	Information	Publishing Industries (except Internet)
515	Information	Broadcasting (except Internet)
518	Information	Data Processing, Hosting and Related Services
519	Information	Other Information Services
521	Finance and Insurance	Monetary Authorities-Central Bank
522	Finance and Insurance	Credit Intermediation and Related Activities
523	Finance and Insurance	Securities, Commodity Contracts, and Other Financial Investments and Related Activities
524	Finance and Insurance	Insurance Carriers and Related Activities
525	Finance and Insurance	Funds, Trusts, and Other Financial Vehicles
531	Real Estate and Rental and Leasing	Real Estate
532	Real Estate and Rental and Leasing	Rental and Leasing Services
533	Real Estate and Rental and Leasing	Lessors of Nonfinancial Intangible Assets (except Copyrighted Works)
541	Professional, Scientific, and Technical Services	Professional, Scientific, and Technical Services
551	Management of Companies and Enterprises	Management of Companies and Enterprises
561	Administrative and Support and Waste Management and Remediation Services	Administrative and Support Services
813	Other Services (except Public Administration)	Religious, Grantmaking, Civic, Professional, and Similar Organizations
921	Public Administration	Executive, Legislative, and Other General Government Support
922	Public Administration	Justice, Public Order, and Safety Activities
923	Public Administration	Administration of Human Resource Programs
924	Public Administration	Administration of Environmental Quality Programs
925	Public Administration	Administration of Housing Programs, Urban Planning, and Community Development
926	Public Administration	Administration of Economic Programs
927	Public Administration	Space Research and Technology
928	Public Administration	National Security and International Affairs