APPENDIX C

RESPONSES TO COMMENTS ON THE DRAFT SCOPE OF WORK FOR THE DRAFT ENVIRONMENTAL IMPACT STATEMENT FOR THE SELF-STORAGE TEXT AMENDMENT

1. INTRODUCTION

This document summarizes and responds to comments on the Draft Scope of Work, issued on March 1, 2017, for the Self-storage Text Amendment. Oral and written comments were received during the public scoping meeting held by the Department of City Planning (DCP) at Spector Hall, 22 Reade Street, New York, NY 10007 on March 30, 2017. Written comments were accepted through the close of the public comment period, which ended at 5 PM on Monday, April 10, 2017.

Section B lists the organizations and individuals that provided comments on the Draft Scope of Work. Section C contains a summary of these relevant comments and a response to each. These summaries convey the substance of the comments made, but do not necessarily quote the comments verbatim. Comments are organized by subject matter and generally parallel the chapter structure of the Draft Scope of Work. Where more than one commenter expressed similar views, those comments have been grouped and addressed together. All letters and comments submitted by the organizations and individuals to the Department of City Planning are included in Appendix A. Appendix A also includes oral and written comments received at the public scoping meeting.

2. LIST OF ORGANIZATIONS AND INDIVIDUALS THAT COMMENTED ON THE DRAFT SCOPE OF WORK

Elected Officials

1. Councilmember Melissa Mark-Viverito, Council Speaker
2. Councilmember David Greenfield, Chair, Land Use Committee
3. Councilmember Donovan Richards, Chair, Subcommittee on Zoning & Franchises
4. Councilmember Antonio Reynoso
5. Councilmember Rafael Salamanca
6. Councilmember Carlos Menchaca
7. Councilmember Steven Levin
8. Councilmember Brad Lander
9. Brooklyn Borough President Eric Adams

Organizations

10. Steven Russo – Greenberg Traurig
11. Jesse Masyr – Fox & Rothschild
12. Ross Moskowitz - Stroock & Stroock & Lavan LLP
13. Timothy Dietz - National Self-Storage Association

14. Frank Crivello - New York Self-Storage Association
15. Ethan Goodman - Fox & Rothschild
16. Armando Moritz-Chapelliquen – ANHD
17. Mitch Sternbach - Greater Jamaica Development Corporation
18. Alef Tadese - Greenpoint Manufacturing and Design Center
19. Justin Collins - Southwest Brooklyn Industrial Development Corp.
20. Marc Sharinn - Safe N Lock Self-Storage
21. Ari Goldman - Safe N Lock Self-Storage
22. Jeremy Kozin – Greenberg Traurig representing PR III/MD Storage I Holdings, LLC
23. Natasha Payne - Safe N Lock Self-Storage
24. Maeve Marcello - Safe N Lock Self-Storage
25. Stuart Beckerman - Slater & Beckerman
26. Kari Bailey - Pratt Center
27. Varun Sanyal - Brooklyn Chamber of Commerce
28. Thomas J. Grech – Queens Chamber of Commerce
29. Quincy Elly-Cate – BOC
30. Adam Gordon - Madison Development LLC
31. Darryl Hollon - BOC Network
32. Jackie Nicasio – IEH
33. Roman Matthews – A Forum for Life
34. Evergreen
35. Aron Kurlander – Greater Jamaica Development Corporation
36. Jack Guttman - Chelsea Development Group
37. Frank Relf - Frank G. Relf Architect PC
38. Andrew Fishman – SMR Craftworks
39. Mitchell Wimbish – NYC Department of Environmental Protection

3. Comments And Responses On The Draft Scope Of Work

Comment 1: The Notice violates CEQR because it was published in The City Record only twenty-nine (29) days prior to the scheduled Scoping Meeting, one (1) day short of the minimum period of notice required under CEQR. DCP must re-notice the Scoping Meeting because CEQR requires a lead agency to literally comply with its procedural requirements. While DCP may wish to treat this procedural infirmity as harmless error, case law recognizes no such exception. [10]

Response: The Notice does not violate CEQR. DCP provided 30 days public notice, publishing the notice for 30 days from and including the date of publication in The City Record. There was much advance notice of the proposal outside of and long before the official scoping process, providing broad awareness to potentially affected parties. The Mayor publicly announced the intent to create a restriction in November 2015; DCP reached out directly to the self-storage industry in December 2015 and again in December 2016; all Borough Presidents were briefed in January or February 2017 and IBZ service providers were briefed on the proposal January 25 2017. The proposal has been widely reported in the press and in self-storage industry trade association publications, such as *City Restrictions Against Self-Storage Development Create New Barriers to Entry*, included in the Inside Self-Storage

newsletter and posted online on January 26th 2017; and *Special permits for self-storage in IBZs,* posted on the Queens Chronicle website on March 9th 2017. Members of the industry engaged with prior to scoping, and all community boards, were specifically notified of the release of the Draft Scope of Work and the date, time and location of the Scoping Meeting by email or mail from DCP. Moreover, no new issues have been raised regarding concerns beyond those identified at the scoping hearing.

Comment 2: The Draft Scope contains incorrect methodologies and incomplete assumptions, fails to identify important areas of potential impact, and inadequately analyzes alternatives to the Text Amendment. As a result, the public cannot currently meaningfully comment on the Draft Scope in its current form. [10, 22]

Response: The Environmental Assessment, Draft Scope of Work, Final Scope of Work, and Draft Environmental Impact Statement follow *CEQR Technical Manual* guidelines. While impossible to predict the future, an analysis framework was developed to best analyze the Reasonable Worst Case Development Scenario. Based on public comments, additional work was completed and included in the Draft Environmental Impact Statement. This work includes, a more robust Analysis Framework, an Alternatives Chapter, and a Project Description which includes the needs of businesses and the study of Department of Finance Data. A chapter disclosing Unavoidable Adverse Impacts was also included. Comment Noted.

Comment 3: A revised Draft Scope is necessary to analyze alternatives that will enable DCP to both achieve its goal to increase future siting opportunities for industrial, more job-intensive businesses in IBZs while concurrently avoiding or reducing the adverse impacts of the Text Amendment. [10, 22]

Response: Thank you for your comment. Based on public comments and analysis of potential impacts in the DEIS, additional alternatives have been included in the Final Scope of Work and analyzed in the DEIS.

Comment 4: There has been no planning study or other framework document that concludes self-storage has any effect on siting of industrial uses. The DEIS should provide data supporting the assertions underlying the Proposed Action. Such data should, at minimum, include: historical land use changes in non-industrial uses in IBZs; vacant land and industrial vacancy data; changes in land value in IBZs; market conditions; and a quantification of the assertion underlying the special permit findings: that sites near truck routes, highways and transit play an outsized role in the siting of job-intensive industrial uses. Further, the DSOW has failed to establish what the actual space needs - in lot area and building square footage - are for its "lost opportunity" industrial uses. [11, 15]

Response: The DEIS includes a description of the characteristics of the existing industrial properties within the IBZs as well as summaries of preliminary findings from ongoing NYC DCP studies on the needs and siting challenges of industrial businesses.

It should be noted that the proposal derives from the Mayor's November 2015 Industrial Action Plan that identified the City's IBZs as the locations to direct policy that supports the

growth manufacturing, construction, wholesale, transportation, and repair sectors. That plan specifically identified self-storage, which primarily serves residents and provides little direct employment, as a use that is inconsistent with the City's vision to maintain the IBZs employment districts and the loci of industrial activity. A 2016 study the NYC DCP entitled "Employment in New York City's Manufacturing Districts" demonstrated that there is growth in these sectors within the IBZs, and that the IBZs remain the city's most active industrial areas. The predominant uses in IBZs are also gaining employment in M zones citywide: wholesale trade, construction, and transportation. These industries tend to site in facilities located on large, horizontally configured sites accessible to highways and truck routes. Self-storage facilities in IBZs tend to be located disproportionately on sites that are best suited to accommodating these businesses – large, M zoned sites along truck routes and among similar types of businesses.

Furthermore, the DEIS includes an analysis of NYC Department of Finance Detailed Annual Sales data. In studying transactions of industrial properties in M districts between 2010 and 2016, it is clear that the number of transactions, the volume of land that changed hands, as well as the price of land on a per square foot basis, all increased. DCP also studied large industrial properties in M districts that were sold multiple times between 2010 and 2016. 30 properties sold twice within that time span, and three properties sold three times. On average, the nominal price increase between a first and a second sale amounted to 113%, meaning that average nominal prices more than doubled for the same property between 2010 and 2016. On a monthly basis, the average value of these 33 properties increased by a nominal 10 percent. These average increases in land prices are very high and the Department of City Planning sees such upward trends in land prices as an expression of scarcity: Only an increased demand for large, industrial lots in M districts could result in such dramatic price increases over a short time period.

Comment 5: According to the most recent 2016 "CoStar Industrial Statistics for New York Outer Borough Industrial Market* every quarter of 2016 had a negative absorption of industrial space (meaning there is not demand for the space). In fact, since 2017 there have only been 3 years where there has been a net positive absorption of industrial space. The other significant fact from the report is that rents have doubled from $11.56 to almost $19.41 psf. This rise in rents is prohibitive for manufacturing and industrial companies to successfully operate. Therefore they are moving to New Jersey and other areas outside of the New York area. Nothing in this Proposed Action will do anything about that. [36]

Sites redeveloped for self-storage are former manufacturers who chose to leave the city because of high operating costs. The buildings had code violations and were sometimes unoccupied for years. [24]

Response: There has been employment growth of industrial businesses within the IBZs since 2010. While businesses do often cite high rents and operating costs as a reason for leaving the city, for many similar industrial businesses proximity to New York City outweighs the higher costs of doing business here. The DEIS includes describes description of the characteristics of the existing industrial properties within the IBZs as well as summaries of preliminary findings from ongoing NYCDCP studies on the needs and siting challenges of industrial

businesses. As described in the Purpose and Need chapter of the DEIS, the proposal is intended to maintain suitable siting opportunities for these businesses.

Comment 6: In our collective staff experience acquiring and developing sites for more than 12 years, we have never displaced or competed with manufacturing uses on the sites that we develop. [20, 21]

Response: Comment noted.

Comment 7: The rationale for the proposal is flawed, because it doesn't consider the number of jobs indirectly supported by self-storage. Self-storage is a "low-job generating use" is an erroneous claim. A self-storage operator may not directly employ large numbers of people, the facilities act as incubators for the businesses that rely on self-storage. Self-storage actually supports many jobs. [11, 15, 20, 21, 26, 30, 36]

Response: The DEIS notes that on average, according to industry sources, 30 percent of self-storage customers are businesses, so the majority of customers are households. Numbers stated at the scoping hearing reflect this.

Information about the customers of the self-storage industry is proprietary and not available to the Department. Similarly, information about the number of employees working at businesses that rely on self-storage is also information that the Department has no reliable means of collecting. Assumptions about the indirect employment supported by self-storage facilities are highly speculative and even if a reliable method for estimating the indirect employment could be established, there would be no way of ensuring that self-storage would continue to support these businesses over time.

While the DEIS concludes that the Proposed Action would limit future self-storage options for businesses and could lead to rising rental costs for self-storage users, the Proposed Action is, on balance, expected to support needs of businesses. Based on publicly available information, the Department is not aware of any specific industry that depends on self-storage, and DCP has no evidence that any specific category of businesses relies disproportionately on the services provided by self-storage.

It should be noted that the proposal will continue to allow existing self-storage facilities to operate and for new facilities to locate as-of-right within C8 districts and manufacturing zones outside of Designated Areas in M Districts, as well as on appropriate sites within IBZs by Special Permit.

Comment 8: The Text Amendment will impact the entire region's self-storage industry, including, but not limited to, developers, lenders, owners, operators and consumers.

The Text Amendment will have a negative impact on the self-storage industry. NYC is already the most underserved market nationwide. [10, 11, 12, 15, 22, 37, 28, 23, 36]

Response: Comment noted. The effects of the Proposed Action are evaluated in the DEIS.

Comment 9: The Draft Scope of Work affirms that the Proposed Action will fail to meet its own stated purpose and need: to limit the growth of self-storage in IBZs, thereby supposedly facilitating the growth of more job-intensive industrial uses. One must question the wisdom of an action that eliminates as-of-right self-storage on over 10,000 acres of land in New York City, yet results in only nine fewer self-storage facilities on that land over a 10-year period. [10, 11, 15, 22, 36]

Response: The commenter is incorrect. The goal of the Proposed Action is not to reduce the number of self-storage facilities, but to ensure that self-storage is sited appropriately and not in a manner that conflicts with the City's economic development policies for Industrial Business Zones. The Action would establish a framework to conduct a case-by-case, site-specific review process to ensure that the development of self-storage facilities does not occur on sites that should remain available to more job-intensive industrial uses. A case-by-case framework would allow self-storage facilities to locate in Designated Areas in M districts on sites where self-storage facilities are found to be appropriate.

Comment 10: Many vacant, dilapidated and often dangerous sites will remain undeveloped eyesores providing no value to the community. Many sites are a challenge to develop due to location, environmental contamination, poor soil conditions, structural concerns, etc.

Many of the buildings with conversion potential from typical warehouse /manufacturing or industrial use to self-storage serves a greater need for the preservation of existing buildings throughout New York. These buildings have been turn of the century in age for many have difficulty in meeting todays more modern manufacturing space needs. Most often these building have very close structure with large diameter reinforced column concrete spacing and deep beams. Many have been cold with no or little climate controlled. Most are non-sprinklered and have no fire alarm systems throughout. [12, 20, 21, 37, 28, 24, 27]

Response: The purpose and need of this Action is to maintain better siting opportunities for existing and new industrial uses. As described in the DEIS, rising industrial rents, low vacancy rates, and recent industrial job growth is expected to continue to drive demand for industrial uses.

Comment 11: The Action will hurt small businesses, low income and minority owned. Tens of thousands of small business owners, who cannot afford larger warehouse spaces, rely on self-storage as a critical component of their business operations. These small businesses, which are engines for job growth in the City, would face reduced availability of storage, higher prices, and would be at significant risk of displacement. The commercial tenants (50% of all the tenants in the facility) of the storage facility are small companies that are in the freight and logistics business and also want to be on convenient truck routes, close to reliable transportation, accessible off street loading and unloading, and secure storage. This will hurt new start-up businesses. Will hurt e-commerce based home and small businesses. [11, 15, 28, 30, 24, 33, 32, 38, 27, 36]

Response: While the DEIS concludes that the Proposed Action would limit future self-storage options for businesses and could lead to rising rental costs for self-storage users, the Proposed

Action is, on balance, expected to support needs of businesses. The Department has not found any way to independently or reliably verify the amount, type, needs, income, corporate structure, minority status or nature of commercial tenants in self-storage facilities.

Based on publicly available information, the Department is not aware of any specific industry that depends on self-storage and DCP has no evidence that any specific category of businesses relies disproportionately on the services provided by self-storage.

It should be noted that the proposal will continue to allow existing self-storage facilities to operate and for new facilities to locate as-of-right within C8 districts and manufacturing zones outside of Designated Areas in M Districts, as well as on appropriate sites within IBZs by Special Permit.

Comment 12: The proposal will make it more difficult to attract new businesses to Queens, including manufacturers. [28]

Response: As described in the DEIS, existing self-storage will continue to operate and new facilities may continue to site in Manufacturing zones and C8 districts in Queens including appropriate locations in Designated Areas in M districts and will continue to serve businesses and households, as long as demand exists. See also response to comment 7.

Comment 13: Rigor and accuracy of this analysis is undercut by the fact that nowhere does the DSOW identify how a self-storage facility is defined. As such, the very subject of the action has not been determined in the scope, much less defined to the degree of precision needed to specifically identify the locations of existing facilities and project where facilities may locate in the future with and without the Proposed Action. The DSOW and RWCDS provide no information as to how existing facilities have been identified, how mixed buildings containing some self-storage and some other uses are treated, and how certain warehouses or moving/storage offices that may not "advertise" themselves as self-storage would fall into such to-be-determined definition-have been treated in the RWCDS. To complete a RWCDS without defining a self-storage facility is akin to scoping a rezoning action without identifying the maximum FAR and permitted uses. Furthermore, with no defined subject of the action, how can current or prospective owners, developers, or tenants of UG 16D uses determine if this action has any effect on them? [11]

Response: The draft proposed zoning definition was added to the Department's website on March 14th 2017, about two weeks before the Scoping Meeting. More importantly, self-storage is categorized in the North American Industry Classification System (NAICS) and the industry has active trade associations. The DSOW and Environmental Assessment Statement provide a detailed description of self-storage that is based on a commonly understood product and widely accepted industry definition.

DCP's database of self-storage facilities in NYC was compiled based on readily available data using DCP's PLUTO database, which includes DOF Building Classifications, DOB Building Permit applications, and additional desktop research completed by DCP. The

sources were generally described in the DSOW, and the potential for minor data inaccuracies or incompleteness was admitted. DCP used these sources for a general indication of self-storage development trends, since there were no other, more reliable sources. Furthermore, as already described in the DSOW, it is not the intent of the Proposed Action to limit the as-of-right development of commercial warehouses or moving and storage businesses that do not operate under a self-storage model.

A definition of self-storage as a use is included in the proposed zoning text amendment and may be revised in response to public comment as part of the standard land use review process. Any changes would be analyzed according to standard CEQR methodologies outlined in the CEQR Technical Manual.

Comment 14: A defensibly conservative RWCDS cannot assess a With-Action Condition that assumes applicants obtain discretionary relief and must assume special permits pursuant to the Proposed Action are not granted. This proposal is essentially a ban, no developer will apply for a CPC Special Permit.

One way in which the RWCDS artificially minimizes the effects of the action is to assume that every year, one applicant would successfully obtain discretionary approval of a special permit to build a self-storage facility in M-Designated Areas. The DSOW does not provide a sound basis for this conclusion.

The With-Action Condition assumes that past application trends of a Special Permit, similar to the Proposed Action, would be used as a reference. The reference used is the existing City Planning Commission (CPC) Special Permit for large retail stores in certain M districts. Though analysis indicates that for the 10-year timeframe, between 2007 and the end of 2016, fewer than 10 such special permit applications were granted. It is possible that permits were not granted in the Designated Areas, therefore, this might not be a valid RWCDS to assume. [9, 11, 15, 36, 20, 21, 25]

Response: The retail special permits provide a good case study of the potential future use since the additional costs and time associated with the approvals could be expected to be similar or greater, given the complexity of environmental reviews for large retail developments. An assessment of the usage of the retail special permit reveals that there is approximately one per year. As described in testimony at the scoping hearing and published in industry reports, the self-storage industry in New York City is growing rapidly and highly profitable. Since these growth prospects for the sector are even better than for retail, the estimate of one Special Permit per year is sufficiently conservative.

Comment 15: The DEIS must include a detailed analysis of how many viable sites will exist for the as-of-right siting of self-storage facilities subsequent to the action. DEIS must present a substantial analysis that shows the number and availability of development sites outside of the M-Designated Areas subsequent to the action will not be significantly impacted. The DEIS must properly analyze how much of the land that will be zoned to allow self-storage subsequent to the Proposed Action could or would never be developed for self-storage.

- Unbuildable land - streets, parks, playgrounds or open space.

• Publicly-owned land - properties owned by the city, state, federal governments, public authorities, and public utilities. At a minimum, those properties that cannot reasonable be redeveloped without discretionary approvals or within the timeframe of the proposed analysis period, such as rail yards, wastewater treatment plants, utility substations, landfills, etc.

• Rezoned areas - currently DCP is considering or proposing rezoning actions throughout the five boroughs that would eliminate self-storage as a permitted use.

• Physically infeasible development sites - the scope indicates self-storage facilities have, in the past, been built on lots with an average size of 49,500 sf. How much land will meet this criterion subsequent to the Proposed Action? How much land cannot accommodate self-storage development because it is comprised of small or irregular lots, or made up of fully-developed parcels?

• Infeasible market development sites - areas that have strong market conditions, such as SoHo/NoHo in Manhattan, or where residential use is permitted, such as Ml-6 districts in Hudson Square or MX districts.

The study needs to recognize ongoing land use studies that might reduce the quantity of such acreage. In addition, certain land use change might entice property owners to displace existing self-storage tenants for higher earning uses pursuant to rezoning. Such areas include the northern section of the Gowanus Neighborhood Planning Study in Brooklyn Community District 6 (CD 6), blocks in Brooklyn Community District 8 (CD 8) according to the resolution adopted by Brooklyn Community Board 8 (CB 8) known as M-Crown, and blocks along Empire Boulevard in Brooklyn Community District 9 (CD 9) and Utica A venue in both CD 8 and Brooklyn Community District 17 (CD 17) as part of community desired preservation-based rezoning initiatives as areas that might be identified to promote residential development according to the Mandatory lnclusionary Housing (MIH) program. [11, 36, 15, 9]

Response: Per CEQR, "generic actions are programs or plans that have wide application or affect the range of future alternative policies. Usually they actions affect the entire city or an area so large that site-specific descriptions is not appropriate. Examples of generic actions undertaken in the city include text changes to the zoning resolution that may affect a wide area."

In order to provide a generic, “order of magnitude” assessment of the effects on siting of self-storage, the DEIS considers the total area of land where self-storage will continue to be allowed, and removes the estimated area occupied by streets, parks, playgrounds, open space, publicly owned land, rail infrastructure, utilities and some areas in Manhattan. An inventory of irregularly configured sites is not necessary for a generic assessment, since M district bulk regulations are flexible, development of a typical self-storage building remains feasible in many cases and in fact, several self-storage facilities have been built on irregular lots.

Announced rezoning plans with known effects on the siting of self-storage are considered and removed from the potential future universe of self-storage siting options, if applicable. The planning studies mentioned above are currently in the planning phase. No decision has been made to move forward with land use changes and the potential effect of the proposals on the siting of self-storage is unknown. The analysis will be modified pursuant to standard CEQR methodologies if there are publicly announced decisions to move forward with these, or any other, rezoning actions.

DCP also expects that increased demand for self-storage may lead to redevelopment of what today would be considered suboptimal sites, as we see with many other highly profitable developments, such as residential.

Comment 16: Over the last three (3) years the number of self-storage developments has increased significantly, and a larger portion of these development projects are in IBZs. There is clear logic to this trend that the RWCDS dismisses: most of the viable sites outside of IBZs have already been built upon, and the majority of the remaining sites are in IBZs. [11, 15, 37]

Response: The effects of the Proposed Action are analyzed in the DEIS. While the DEIS does not support the commenter's perspective, it should be noted that the determination of the potential for significant impacts would not be affected, were the industry more dependent than the analysis concludes on siting opportunities in Designated Areas in M districts.

Comment 17: Analysis based on the number of facilities only makes practical sense when facilities are generally of standard size. There are significant variations of sizes of such facilities, therefore, the analysis should be based on the actual floor area of these establishments. [9]

Response: Based on patterns of recent self-storage development, siting decisions of self-storage developments are driven mostly by availability of sites large enough to accommodate off-street loading, lobby space, and freight elevators for multi-story developments. Consequently, it is rare that newly constructed facilities locate on sites smaller than 16,000 SF, according to an analysis of DCP's self-storage database. The significant variation in the size of recently developed self-storage is driven more by permitted FAR in the underlying zoning district than it is by the size of the zoning lot since the pattern of development shows that these facilities locate opportunistically on large sites along truck routes or near arterial highways. Therefore, zoning lot size, not FAR, is the more relevant consideration in the assessment of the potential effects of the proposal on future siting opportunities for self-storage.

Comment 18: A revised Draft Scope should identify and specify how DCP intends to assess impacts on environmental justice communities in EJ Areas which already shoulder the outsized burdens of environmental impact in New York City. [10]

Response: Environmental justice analysis is outside of the scope of the *CEQR Technical Manual*.

Comment 19: The DSOW needs to include an assessment of the impact of the Text Amendment on self-storage pricing and capacity and the potential adverse impact on New York City small businesses. Such an impact is not wholly fiscal, but rather has the potential to alter

community character in neighborhoods characterized by small businesses that rely on self-storage as a cost effective storage option. Small businesses, including industrial and commercial businesses and minority- and women-owned business, use self-storage as an essential part of their enterprise. The DEIS must provide a specific quantified analysis of price increases at self-storage facilities inside and outside the M-Designated Areas and the effects on the ability of small business to continue to operate. The overall operating costs for businesses also includes the cost of fuel, tolls, and time lost if they were forced to use self-storage facilities that are further away. Warehousing is a far more expensive, inflexible and logistically complicated option for many businesses. The "on-demand storage" model is not cost effective nor viable for the 67 percent of self-storage business customers that visit their local self-storage unit on a daily or weekly basis. Valet storage businesses target a different audience possessing different needs. [10, 11, 15, 28, 9, 20, 22, 32, 33]

Response: The *CEQR Technical Manual* does not require quantifying the increase in the price of services that may result from the Proposed Action. While the proposal would limit future self-storage options for businesses and could lead to rising rental costs for self-storage users, the proposal is, on balance, expected to support needs of businesses.

It should be noted that the proposal will continue to allow existing self-storage facilities to operate and for new facilities to locate as-of-right within C8 districts and manufacturing zones outside of Designated Areas in M districts, as well as on appropriate sites within Designated Areas in M districts. Neighborhood character will be assessed per *CEQR Technical Manual* guidelines.

Please see also response to Comment 7.

Comment 20: The demand side of the storage issue is an important one and is not reflected in the scoping document. Fully one third of our tenants in urban areas are made up of Baby Boomers and the Greatest Generation, soldiers or students. Single parent households and families in transition. Individuals will also be inconvenienced by placing these facilities nowhere near public transportation and this is not addressed anywhere.

Socioeconomic Conditions analysis should include Indirect Residential Displacement analysis. This section should consider the extent, if any, that a reduction in the growth of the self-storage industry might lead to an increase of rental fees in the With-Action analysis as compared to the No-Action analysis. Such increase in fees should be considered in the context of the extent to which it would increase the degree of rent-burdened status for households that are dependent on self-storage facilities to manage possessions that are not reasonably accommodated in apartment dwellings. [13, 36, 20, 21, 9]

Response: The DEIS concludes that the Proposed Action may cause the price of storing household goods to increase and people may travel further or look for other storage options. The *CEQR Technical Manual* does not require quantifying the increase in the price of services that may result from the Proposed Action. However, maintaining and growing diverse employment opportunities in industrial areas and siting more job-dense activities near transit is an important trade-off that benefits many diverse segments of the city's population. The DEIS also notes that as demand for personal storage continues to grow,

more residential developments may include accessory private storage within buildings, providing more opportunities storage closer to residents. Growing segments of the market -- such as on-demand storage -- could continue to serve these populations as well.

Comment 21: A shift in self-storage development to other M and C8 zones will result in traffic impacts. This additional traffic generation to inconvenient locations and increased traffic on smaller streets and not adjacent to highways has not been adequately addressed by the EAS at all. The adoption of this Text Amendment will "prohibit" self-storage use in the designated area causing facilities to be built in perimeter locations away from arterials and highways causing small street congestion and neighborhood disturbance. [36]

Response: The prototypical analysis in the DEIS considers the potential for traffic impacts.

Comment 22: The DEIS must provide a quantitative analysis of not merely the number of jobs directly generated by self-storage uses, but also of the number of jobs indirectly supported by self-storage. Specifically, how many jobs at how many businesses rely on convenient and affordable access to self-storage? This figure must be compared with the number of jobs that would be generated by the uses the RWCDS concludes would be most likely to replace self-storage. [11, 15, 36]

Response: Information about the customers of the self-storage industry is proprietary and not available to the Department. Similarly, information about the number of employees working at businesses that rely on self-storage is also information that the Department has no reliable means of collecting. Assumptions about the indirect employment supported by self-storage facilities are highly speculative and even if a reliable method for estimating the indirect employment could be established, there would be no way of ensuring that self-storage would continue to support these businesses over time. The DEIS includes a qualitative description of the broad range of businesses likely to occupy sites in the Designated Areas in the Future With the Action that in the No-Action condition would be self-storage.

Comment 23: In identifying the uses that will be assumed as replacement uses for self-storage, this proposal treats all IBZs and all sites within IBZs as exactly the same, when they are all different. North Brooklyn's IBZs are different than those in Eastchester, Jamaica or East New York. Industry trends, further, also vary widely depending on the borough, the surrounding community, the highway and road network and other considerations. The DSOW indicates that the Proposed Action will be analyzed as a "generic action" since it is "difficult to project the universe of sites where development would be affected by the Proposed Action." First, whether or not analysis is difficult is not a determining factor in the level of environmental review conducted pursuant to CEQR. Second, though the Proposed Action is a citywide text amendment, the Proposed Action's geographic scope is narrowly defined. the RWCDS assumes that the Proposed Action would result in a change in land use on a mere total of between five and 14 sites within M-Designated Areas (depending on whether the nine special permits assumed to be granted to self-storage facilities in M-Designated Areas would result in a change of siting or merely codify a previously-targeted site).

Whether the number is five, 14 or a larger number that we believe would more accurately represent the Proposed Action's effects on self-storage siting, DCP should conduct a quantified analysis on a site-specific basis in each Designated Area. Each of the 21 existing IBZs across the four boroughs that are subject to the Proposed Action represent different land use and market conditions. The DSOW already identifies criteria and potential development sites within the proposed M-Designated Areas where DCP believes self-storage would be appropriate and feasible. Based on the DSOW's preliminary siting criteria, it would be fairly easy for DCP to identify specific sites that it believes self-storage would be reasonably precluded and where other land uses would locate. [10, 11, 15, 20, 21, 22]

Response: The Proposed Action is analyzed as a generic action per *CEQR Technical Manual* guidelines. Per CEQR, "generic actions are programs or plans that have wide application or affect the range of future alternative policies. Usually these actions affect the entire city or an area so large that site-specific descriptions is not appropriate. Examples of generic actions undertaken in the city include text changes to the zoning resolution that may affect a wide area."

A representative examples analysis is adequate, since the Department of City Planning cannot predict with certainty the kinds of businesses that may occupy a given site within the Designated Areas, where self-storage would no longer be permitted as-of-right. Although the Designated Areas in M districts are NYC's most active industrial areas, they cover many different neighborhoods in New York City that differ in their real estate market conditions and development trends. A quantitative analysis would require DCP to engage in multiple levels of assumptions: First, to project potential future self-storage sites, when the number of sites that meet "soft site" criteria lies in the thousands, and then to hypothesize the nature of the development that could occur instead of the projected potential self-storage facility, when a very large array of uses are permitted as-of-right in the Designated Areas in M districts. As such, a projection of specific development sites would be unduly speculative and not required by *CEQR Technical Manual* guidelines.

Comment 24: There is no identification of what uses will actually be assumed as replacement uses for self-storage. The Draft Scope is devoid of any specific identification of what manufacturing uses will be studied; rather it only states that "representative examples will be developed". What these representative examples will be and what data will be used to define recent industry trends is not explained. The DSOW provides no rationale for its conclusion that industrial uses would be the most plausible developments for these sites. Without more thorough analysis of land use trends and consideration of the most prominent non-industrial sectors in IBZs, the appropriateness of these industrial uses as the foundation of the RWCDS has not been established. The plausibility of industrial uses is also questionable given that industrial and non-industrial jobs have been growing at the same rate in IBZs in recent years and that some of the largest growth in non-industrial sectors are uses, such as hotels, bars, restaurants, nightlife, retail and office, which would still be permitted as of right under the Proposed Action.

The RWCDS must study a wide range of possible uses that would replace self-storage, and the attendant range of potential significant adverse impact each of those use types may

trigger. The DEIS must also analyze the potential indirect displacement effects of these other (non-self-storage) uses like hotels, restaurants, bars, retail and offices, which would be much more likely to be sited on these newly "available" sites rather than industrial uses which cannot compete with these uses that would still be allowed as of right with the Proposed Action.

This analysis should be quantitative and conducted on a site-specific basis in each individual IBZ where DCP believes this action will have its intended effect. [10,11, 15, 22, 30]

Response: Based on this comment and further analysis of Department of Building's permit data, representative examples included a range of development typical of recent as-of-right development in Designated Areas in M districts, including non-industrial development. While certain non-industrial developments could continue to be developed on some sites suitable for self-storage, these uses also directly support a significant number of jobs and are consistent with the proposal's purpose and need. However, as shown by the analysis of DOB permits issued, industrial uses are seen as the primary competitors for large sites in Designated Areas in M districts and it is expected that the proposal will enable some existing industrial businesses to remain in place, or new industrial businesses to open. Many other permitted as-of-right commercial uses do not directly compete for the same large sites as self-storage. For instance, hotels, which are among the more common types of new construction with in Designated Areas in M districts, tend to locate on smaller sites and in locations away from truck routes and highways. This is confirmed by an analysis of DOB Permit data for new construction between 2010 and the end of 2016 in Designated Areas in M districts, which shows that only 3 out of 21 new hotels were developed on sites larger than 20,000 SF. The market for new office developments, while requiring large sites, is not currently viable in almost all Designated Areas in M districts and is rare due to low FARs and high parking requirements in most of these areas. Future viable office development within Designated Areas in M districts, assuming a market emerges, would likely require future discretionary actions such as increases in FAR or reductions in required parking. Furthermore, zoning already places size limitations on some categories of retail, and bars and restaurants, which have been siting with greater frequency in Designated Areas in M districts, also tend to locate on smaller sites. The DEIS provides examples of the broad range of uses represented by recent development in Designated Areas in M districts.

This DEIS considers the type and location of new development and the placement or retention of businesses, by means of representative examples. This approach was the most appropriate given the myriad of potential scenarios, which exist in Designated Areas in M-Districts in the With-Action Condition. No technical analysis is planned for these representative examples as there is a high level of uncertainty surrounding any potential development in the With-Action condition, which would render any analysis of projected uses and their impacts meaningless. It is reasonable for the Department of City Planning to point to representative examples; however, conducting detailed technical analyses would be highly speculative.

Please see also response to Comment 23.

Comment 25: DCP should utilize the most intense industrial uses (such as a waste transfer station), so that the public can comment on what would be the reasonable worst case scenario resulting from the Text Amendment. [10, 22]

Response: The representative examples took into consideration the likely future development on sites that would be occupied by self-storage in the no-action. The siting of waste transfer facilities is highly regulated by DSNY, which has criteria and a process for locating new facilities. The action is not expected to result in more waste transfer facilities.

The intent of the Proposed Action is to maintain suitable future siting opportunities for existing and new industrial uses, but it is not expected to significantly affect the amount or type of industrial development that would occur in Designated Areas in M districts absent the Proposed Action. In the No-Action, it is expected that some of the more traffic-intensive uses, such as transportation and distribution, would locate on smaller sites without off-street loading, potentially closer to residential populations. In the future with the action, it is expected that more of these uses would instead locate on sites that would have been developed with mini-storage. These larger sites, located closer to truck to routes, could better accommodate off-street loading and parking for industrial businesses. This is consistent with common principles of good planning and would likely result in net reductions in traffic since there would be fewer conflicts and congestion related to on-street loading and vehicle queuing and less traffic directed through local streets, away from truck routes and highways.

Comment 26: By creating an analysis framework that utilizes the last ten (10) years, the Draft Scope minimizes the number of potential sites that would be prime locations for self-storage use, but will potentially be occupied by more intense industrial uses following the Text Amendment. [10, 22]

Response: A ten-year analysis frame is typical of environmental review and is representative of effects that can reasonably be anticipated in the foreseeable future. The intent of the Proposed Action is to maintain suitable future siting opportunities for existing and new industrial uses, but it is not expected to significantly affect the amount or type of industrial development that would occur in Designated Areas in M districts absent the Proposed Action. In the No-Action, it is expected that some of the more traffic-intensive uses, such as transportation and distribution, would locate on smaller sites without off-street loading, potentially closer to residential populations. In the Future With- Action, it is expected that more of these uses would instead locate on sites that would have been developed with mini-storage. These larger sites, located closer to truck to routes, could better accommodate off-street loading and parking for industrial businesses. This is consistent with common principles of good planning and would likely result in net reductions in traffic since there would be fewer conflicts and congestion related to on-street loading and vehicle queuing and less traffic directed through local streets, away from truck routes and highways.

Please see also Response to Comment 23.

Comment 27: Draft Scope must be revised to account for the potential indirect business and institutional displacement. Non-self-storage industrial uses located within Designated Areas that would be adversely impacted by the introduction of more intense, environmentally impactful industrial uses. [10, 22]

Response: The Proposed Action is not in itself expected to induce development. Numerous factors influence the kind of uses that are developed in any given area, which remain beyond the scope of the Proposed Action, and which the Department of City Planning has no control over. These include real estate markets, business conditions within a particular industry, the obtaining of financing, the adequacy of transportation and other infrastructure, the circumstances of individual businesses and other factors. Although not a direct effect of the action, the occurrence of development on sites can never be excluded. Sites that may have become self-storage facilities in the No-Action Condition, in the With-Action Condition may be developed for another use instead. Alternatively, an existing use may be more likely to remain in a location that would be redeveloped with self-storage in the No-Action.

While DCP expects industrial uses to either remain in place or be developed in Designated Areas, based on the fact the proposed Designated Areas in M districts are NYC's most active industrial areas and that the majority of new building permits issued by the DOB are for industrial uses, certain non-industrial developments could continue to be developed on some sites suitable for self-storage. The DEIS includes an analysis of representative examples. This approach was the most appropriate given the myriad of potential scenarios, which exist in Designated Areas in M-Districts in the With-Action Condition.

Please see also responses to Comments 23, 24, 25 and 26.

Comment 28: More industrial uses in IBZs will introduce more environmentally impactful uses to residential areas that are in the immediate vicinity of the Designated Areas. [10, 22]

Response: The intent of the Proposed Action is to maintain suitable future siting opportunities for existing and new industrial uses, but it is not expected to significantly affect the amount or type of industrial development that would occur in Designated Areas in M districts absent the Proposed Action. The proposed text amendment would allow for the siting of more job-intensive industrial businesses in locations where there are public policies to support them and where there are generally fewer conflicting commercial or residential uses.

The representative examples take into consideration the likely future development on sites that could potentially be occupied by self-storage in the No-Action. In the No-Action, it is expected that some of the more traffic-intensive uses, such as transportation and distribution, would locate on smaller sites without off-street loading, potentially closer to residential populations. In the Future With-Action Condition, it is expected that more of these uses would instead locate on sites that would have been developed with self-storage. These larger sites, located closer to truck to routes, could better accommodate off-street loading and parking for industrial businesses. This is consistent with the purposes of manufacturing zones and principles of good land use planning.

Please see response to Comment 24.

Comment 29: The DSOW needs to consider that residential population and business community are growing, and so demand for self-storage is growing. [28, 20, 21]

Response: As noted in the DEIS, the Proposed Action will continue to allow existing self-storage facilities to operate and for new facilities to locate as-of-right within C8 districts and manufacturing zones outside of Designated Areas in M districts, as well as on appropriate sites within Designated Areas in M districts.

Comment 30: The Special Permit as proposed focuses on whether the zoning lot is appropriate for other industrial uses. And these are industrial uses that the self-storage industry has no knowledge of. Findings are very vague and open to multiple interpretations. [25]

Response: Comment noted. Applicants for discretionary land use actions typically employ professionals who are able to address Special Permit findings.

Comment 31: The findings of the Special Permit are not stringent enough. Our concern lies with the factors that will shape the required findings for granting a special permit to develop a self-storage facility in a "Designated Area" in an M district. The City Planning Commission will be empowered to grant special permits to applicants when the site in question is not optimal for "modern-day" industrial uses. In other words, if a site is deemed "optimal," a special permit for self-storage won't be granted. "Optimal" is the wrong standard. The list of criteria for characterizing a site as optimal is long and difficult to meet. It includes lot size; the design and arrangement of the site; proximity to highways, truck routes, and local streets that are configured so that truck traffic leads directly to the site; proximity to public transportation; a low potential for future industrial uses to conflict with other nearby uses; and minimal investment in nearby industrial uses. More appropriate criteria would be ones that demonstrate that the area is viable for industrial uses such as low vacancy rates in the area and rising land costs, two indicators of demand for industrial space. [18, 26, 19].

Response: The EAS and DSOW described the proposed Special Permit findings and illustrated their intention, by using the term "optimal". This phrasing was descriptive and does not correspond to the language of the proposed zoning text, which postulates as a finding that the industrial use of a lot or building would be "impractical".

The proposed Findings reflect the rationale driving the proposed Zoning Text Amendment. The Findings have been written to differentiate between sites, where industrial, more job-intensive uses would likely locate in the future, and sites that would prove unlikely or inadequate for future industrial business locations. While it is true that industrial businesses may in some instances operate i.e. on small lots, lots with inadequate truck access, or lots located in areas where there is a potential for land use conflicts with other uses, those are not the kind of sites the Department of City Planning sees as needing to remain available to industrial businesses in the future. Such locations represent the kind of sites where self-storage facilities may be appropriate, since they would not reasonably be detracting from future siting opportunities for more job-intensive industrial businesses.

Comment 33: The applicable area currently leaves out the 65th Street Rail yard and 2nd-3rd Avenue between 63rd and 65th St in Sunset Park. This area is part of the IBZ and should certainly be included in the proposal. [6]

It appears that the proposed Designated Area is not fully inclusive of the Southwest Brooklyn IBZ. The areas of the Southwest Brooklyn IBZ that appear to have been excluded are: the block bounded by 3rd Street, 3rd Avenue, the Gowanus Canal, and the 4th Street Turning Basin, and a segment of 14th Street between 2nd and 3rd Avenues. IBZs represent the most active industrial areas in New York City, and the proposed "Designated Area" in the 39th Council District should be as inclusive of the Southwest Brooklyn IBZ as possible. [8]

Council land use staff has identified a number of geographies to DCP staff that require more careful discussions – portions of IBZs that have been left out as well blocks within core industrial areas that are not included. We look forward to discussing these areas more carefully but are concerned by predominately industrial blocks that are in the IBZ but not included in the scope of this zoning proposal. [1, 2, 3]

Need to include entirety of North Brooklyn IBZ. [4, 7, 34]

Response: Specific areas within IBZs that were identified to the NYCDCP have been incorporated into the proposed Designated Areas in M districts.

Comment 34: DCP must revise the Draft Scope to include a larger study area alternative, as members of the public, as well as elected officials, have asked DCP to increase the number of Designated Areas and/or expand the boundaries of the existing Designated Areas. [10, 22]

Response: Neither a revised Draft Scope nor a larger study area alternative are necessary, because the Proposed Action, as publicly announced by the Mayor and the City Council Speaker on November 3rd 2015, applies to all Industrial Business Zones. While at the time of the scoping meeting, draft Designated Areas in M districts were posted on the NYCDCP's website, those were meant to generally represent the proposed Designated Areas in M districts, notwithstanding potential minor and unsubstantial changes to be based on oral and written comment submitted in response to the DSOW.

Comment 34: Just across the Bronx River from the Hunts Point IBZ is an area of M1 zoning that includes several large sites that have significant potential for industrial or perhaps other future types of development. Two large lots in this immediate area have already been developed as CubeSmarts in the past few years. The site I am most concerned about is the former "ABC Carpet" site at 1055 Bronx River Avenue. [5]

There are six blocks of industrial Red Hook between Van Brunt, Columbia Street, Seabring Street, and Verona Street that were for some reason not included within the IBZ despite being heavily industrial and home to numerous large sites and businesses. [6]

Response: The proposal is intended as part of the Mayor's Industrial Action Plan, which specifically identifies the IBZs as the locations to advance land use policies supportive of industry. This

area is outside of the current IBZ. Including it would be contrary to the proposal's Purpose and Need.

Comment 35: Permit self-storage in certain commercial zoning districts. C4 commercial districts, for example, are commercial districts within which large, regional commercial establishments are permitted. [10, 22]

Response: The Department has not found that additional siting opportunities exist for self-storage in other commercial districts. The proposed Alternative is not considered consistent with the Proposed Action's objectives, which are to create an appropriate land use framework for self-storage.

Comment 36: Alternative that either excludes certain smaller sites that would be unfit for large industrial operations. That excludes certain smaller and/or unsuitable sites that, but for their location within an IBZ, would be unsuitable for large industrial operations and thus should continue to permit self-storage use without a special permit. DCP should more specifically identify siting requirements for its targeted industrial uses (for both new development and conversion) in the DSOW and DEIS and limit the special permit to areas and sites that meet those requirements, while continuing to allow self-storage as-of-right elsewhere. The DEIS should analyze an alternative that more effectively tailors the regulatory framework to the underlying planning rationale. An as-of-right alternative should be considered in the Designated Areas where self-storage facilities might be permitted to occupy sites below a certain lot size, beyond a specified distance from arterial highways, designated truck routes, and bus and/or rail transit. [9, 10, 11, 15, 22, 25, 30]

Response: The DEIS includes an alternative that allows self-storage as-of-right in Designated M Areas on smaller sites.

Comment 41: Smaller study area alternative that either excludes certain portions of IBZs [10, 20, 21]

Response: The proposal is intended to support IBZs as industrial employment zones. Excluding certain IBZs would be inconsistent with the Purpose and Need.

Comment 42: Prohibit self-storage uses on the ground floor of a building (excluding a lobby) within the proposed Designated Areas. This concept of mixed-use has been used very successfully in places like Seattle and Portland.

Allow for a complementary, cohesive existence of manufacturing/commercial uses and their reliance on self-storage facilities. We suggest that DCP establish an exception to the requirement of the proposed special permit that will exempt proposed self-storage developments that also provide uses permitted in the underlying manufacturing district. [10, 12, 22, 30]

Response: The DEIS includes an alternative that analyzes the effect of allowing self-storage as-of-right in Designated Areas above the ground floor in buildings that include an industrial use on the ground floor.

Comment 43: With stated rationale, warehousing should also be subject to Special Permit, because it is not job-intense. Alternative should expand the scope of the text amendment to include

warehouse uses. By excluding warehouses from the Special Permit, the proposal widens the viability gap between small businesses and large businesses. Limiting self-storage will make competition tilt in favor of large businesses. [10, 22]

Response: Subjecting other types of Use Group 16 D uses such as warehouses to the proposed Special Permit would be contradictory to the Purpose and Need of the Proposed Action. Other types of warehouses, commercial storage spaces and moving companies provide not only storage but other essential services, such as moving, distribution, logistics and/or supply chain management services. Accordingly, warehouses generally tend to hire a greater number of employees per establishment. As stated in the EAS, employment data from the Quarterly Census of Employment and Wages, collected by the New York State Department of Labor, supports this: According to 2015 3rd quarter QCEW data, there were 386 Warehousing and Storage (NAICS code: 4931) and Used Household and Office Goods Moving (NAICS code: 48421) establishments in New York City. On average, each establishment employed 17.8 workers, more than 3.5 times the number for self-storage.

Comment 44: DCP should include an Alternative that permits the as-of-right enlargement of existing self-storage facilities above and beyond the current maximum permitted FAR in the proposed M-Designated Areas and other areas where the use is allowed as of right AND/OR allow as-of-right enlargement of nonconforming self-storage uses outside of the M-Designated Areas above and beyond the existing and current maximum permitted FAR. [11, 15]

Response: The DEIS analyses a reasonable range of alternatives that would result in reduced significant impacts, compared with the Proposed Action. This proposed Alternative would appear to present the potential for significant impacts with respect to neighborhood character and is not analyzed in the DEIS.

Comment 45: The text does not address whether existing self-storage facilities should benefit from the New York City Department of City Planning's (DCP) anticipated zoning amendments that might increase the allowable floor area in IBZs. There needs to be consideration of whether such added zoning rights might be leveraged as a marketplace inducement to return properties being used as self-storage facilities to a use consistent with the intent of IBZs. [9]

Response: Such a text amendment is not currently proposed. The Proposed Action does not waive a future property owner’s right to pursue a zoning change or limit the powers of future Planning Commissioners or City Councilmembers to approve changes to zoning.

Comment 46: The proposal should include an outright prohibition of self-storage facilities in IBZs. [1, 2, 3].

Response: This comment reflects a potentially higher-impact alternative to the Proposed Action, which would increasingly impact the self-storage industry, by not including a discretionary approval process upon which self-storage development may be permitted. In the Department of City Planning's view, a ban would represent an unnecessarily restrictive measure. The Special Permit is a case-by-case framework that would still allow self-storage facilities to locate in Designated Areas in M districts on sites where self-storage facilities

are found to be appropriate. While self-storage should not occupy sites in IBZs that could provide siting opportunities for industrial, more job intensive businesses, there is evidently a strong demand for storage in NYC. It is known self-storage can present a storage solution for both households and businesses, and as such, should be permitted either as-of-right or by Special Permit in some areas of NYC.

Comment 47 The RWCDS reaches the unsupported conclusion that the Proposed Action would result in the development of a mere five fewer self-storage facilities in New York City over the next 10 years (with just four more outside of the Proposed Designated Areas in M Districts ("M-Designated Areas") and nine fewer inside of the M-Designated Areas). As such, if one accepts the RWCDS as valid, then the scope of environmental review and its eventual conclusions have essentially already been determined: the Proposed Action would have very little quantified effect on development either inside or outside M-Designated Areas, and thus very moderate environmental impact. [11, 15]

Response: Comment noted.

Comment 48: In NYC, self-storage facilities are used by business owners and demand for space is at an all-time high. We strongly believe that convenient access to available, affordable self-storage facilities are necessary for the growth of small businesses, both commercial and industrial in nature. [12, 20, 21, 28]

Response: Comment noted.

Comment 49: Tens of thousands of small business owners, who cannot afford larger warehouse spaces, rely on self-storage as a critical component of their business operations. These small businesses, which are engines for job growth in the City, would face reduced availability of storage, higher prices, and would be at significant risk of displacement. Small businesses rely on local, easily accessible self-storage facilities for equipment, paperwork, and other items. Self-storage is a more affordable option than traditional warehouses. [10, 11, 12, 13, 14, 15, 20, 21, 22, 27, 28, 32, 33, 38]

Response: Comment noted.

Comment 50: I support the spirit of the self-storage special permit and its intentions to directly preserve important industrial space and IBZs and help combat a portion of speculative real estate pricing. However, I'd like to note that this is not the only use that should be limited in the zoning amendment, and I can only hope that this is just a start which will lead to including the limiting of other encroaching uses that negatively impact IBZs.

While restricting self-storage is a helpful first step in reforming manufacturing zoning, more action is needed to stanch the flow of real estate speculation and non-industrial commercial businesses into our IBZs. The greatest priority is the restriction on hotels, which being so similar to residential uses in their impact, are the most disruptive use currently allowed as-of-right in our M zones. The hotel special permit must be fast-tracked in order to preserve the integrity of our industrial zones for the industrial businesses that are so important to our economy. [4, 6, 7, 16, 29]

Response: Comment noted.

Comment 51: The Special Permit is a step towards the realization of the 10 Point Industrial Action Plan (2015) to grow 21st Century industrial and manufacturing jobs in NYC. [1, 2, 3, 5, 6, 7, 8, 16, 26, 31]

Response: Comment noted.

Comment 52: Self-storage facilities employ fewer people than a manufacturing business. Fewer than four employees work at each self-storage facility, whereas industrial and manufacturing uses generate one employee per 500 square feet. A 100,000 square foot self-storage facility may have five employees, whereas a manufacturing center would have upwards of 100. [1, 2, 3, 4, 5, 6, 7, 17, 18, 19, 35]

In the Flatlands/Fairfield IBZ, a storage facility occupies four times the space of the previous manufacturing/industrial businesses, but only employs 25%, on average, of the previous businesses. [31]

Industrial businesses provide middle-class jobs and present opportunities for minorities, immigrants, and those without a college degree to earn a living wage. [1, 2, 3, 5, 31, 34]

Response: Comment noted.

Comment 53: The Proposed Action does not prohibit the development of new self-storage facilities anywhere; it creates community oversight for new self-storage developments in specific industrial and manufacturing neighborhoods. The Proposed Action will have minimal impact on the projected development of new self-storage facilities over the next ten years. [16]

Response: Comment noted.

Comment 54: The Proposed Action establishes a solid foundation for much-needed broader use group reform. Particularly, there are incompatible uses that should be restricted within the very broad M-zone use groups. The special permit is a crucial step in ensuring that manufacturing zoned land continues to be used for this purpose. [16]

Response: Comment noted.

Comment 55: New York is not the first city to consider restricting self-storage development in order to retain siting opportunities for job-generating industrial uses. The three cities regarded as the "best practices" standard for industrial zoning – San Francisco, Chicago, and Portland, OR – all already restrict or are actively considering restrictions on self-storage in core industrial districts. [1, 2, 3]

Response: Comment noted.

Comment 56: DEP is unclear what is meant by a prototypical analysis in the case of Air Quality for this project. [39]

Response: Comment noted.

Comment 57: DCP must revise the Draft Scope to include a larger study area alternative, as members of the public, as well as elected officials, have asked DCP to increase the number of Designated Areas and/or expand the boundaries of the existing Designated Areas. [10, 22]

Response: Neither a revised Draft Scope nor a larger study area alternative are necessary, because the Proposed Action, as publicly announced by the Mayor and the City Council Speaker on November 3rd 2015, applies to all Industrial Business Zones. While at the time of the scoping meeting, draft Designated Areas in M districts were posted on the NYCDCP's website, those were meant to generally represent the proposed Designated Areas in M districts, notwithstanding potential minor and unsubstantial changes to be based on oral and written comment submitted in response to the DSOW.

THE CITY OF NEW YORK

DEPARTMENT OF CITY PLANNING

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RE: Self-Storage Text Amendment Draft Scope of Work for an Environmental Impact Statement

Public Scoping Meeting

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22 Reade Street

Spector Hall

New York, New York

March 30, 2017

10:05 a.m.

B E F O R E:

ROBERT DOBRUSKIN, Director
Environmental Assessment and Review Division
New York City Department of City Planning

Reported By:

Nicole Ellis

A P P E A R A N C E S:

New York City Department of City Planning:

Robert Dobruskin - Director, Environmental Assessment and Review Division

Amanda Eyer - Lead Planner, Housing Economic and Infrastructure Planning Division

Lisa Blake - Project Manager, Environmental Assessment and Review Division

Eric Kober - Director, Housing Economic and Infrastructure Planning Division

Jennifer Gravel - Planner, Housing Economic and Infrastructure Planning Division

SPEAKERS:

Lacey Tauber - Councilman Antonio Reynoso

Timothy Dietz - National Self-Storage Association

Frank Crivello - New York Self-Storage Association

Ethan Goodman - New York Self-Storage Association

Armando Moritz-Chapelliquen - ANHD

Ryan Monell - Councilman Rafael Salamanca

Jack Guttman - Storage Owners

Mitch Sternbach - Great Jamaica Development Corp.

Alef Tadese - Greenpoint Manufacturing and Design Center

Justin Collins - Southwest Brooklyn Industrial Development Corp.

Marc Sharinn - Safe N Lock Self-Storage

Ari Goldman - Safe N Lock Self-Storage

Jeremy Kozin - PR III/MD Storage I Holdings, LLC

Frank Relf - Frank G. Relf Architect PC

Natasha Payne - Safe N Lock Self-Storage

Maeve Marcello - Safe N Lock Self-Storage

Stuart Beckerman - Slater & Beckerman

Kari Bailey - Pratt Center

Varun Sanyal - Brooklyn Chamber of Commerce

Quincy Elly-Cate - BOC

Adam Gordon - Madison Development LLC

Darryl Hollon - BOC Network

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MR. DOBRUSKIN: Good morning, everyone, and welcome. This is the public scoping meeting for the Self-Storage Zoning Text Amendment Proposal.

For the record, let me note that the City Environmental Quality Review application number for the proposal is 17DCP119Y.

Today's date is March 30, 2017 and the time is now 10:05 a.m.

My name is Robert Dobruskin and I'm the director of the Environmental Assessment and Review Division of the New York City Department of City Planning and I'll be chairing the scoping meeting.

The Department is acting on behalf of the City Planning Commission as the lead agency for the proposal's environmental review. As lead agency, the Department will be responsible for overseeing the preparation and completion of the Draft Environmental Impact Statement, or DEIS, that will be prepared for the Self-Storage Zoning Text Amendment Proposal.

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So joining me this morning are several of me colleagues from the Department of City Planning:

At the far end on my left is Amanda Eyer, who is a planner in the Housing Economic and Infrastructure Planning Division of the Department, and she's the lead planner for the proposal.

Sitting next to her is Eric Kober, he's the director of the Housing Economic and Infrastructure Planning Division.

Sitting next to Eric is Jennifer Gravel. Jen is a planner in the Housing Economic and Infrastructure Planning Division.

And to my right is Lisa Blake, who's the senior environmental review project manager in the Environmental Assessment and Review Division, and she's the environmental review project manager for the project.

Sitting next to Lisa is Sammy Mirielli (phonetic), who is a project manager in the Environmental Assessment

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and Review Division, and he's going to be in charge of the bell today. He will let you know when your three minutes of speaking time have ended.

So together we're all here to receive your comments on the Draft Scope of Work for the Self-Storage Zoning Text Amendment Proposal. The Draft Scope of Work describes all the subjects that will be analyzed in the upcoming DEIS and describes how the studies will be conducted.

For those of you who might not have seen the Draft Scope yet, we do have copies available at the sign-in desk outside of this room, along with the agenda for today's meeting and the protocol for scoping. And you can also view those materials on the Department of City Planning's website.

The purpose of scoping is to allow for public participation in the preparation of the DEIS at the earliest stage possible, and toward that end we'll

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have an opportunity today to receive comments on the Draft Scope from elected officials, Community Board representatives, government agencies and members of the public. In addition to the comments that we will hear today, we'll also be receiving written comments and you can either give us your written comments today or send them in for the next ten days. The comment period is going to end on Monday, April 10th.

At the end of the public comment period, the Department, as lead agency, will review all of the comments that we've received; those that we hear today as well as the written comments, and we'll then decide what changes, if any, need to be made to the Draft Scope of Work.

We'll then issue a Final Scope of Work, and it's the Final Scope of Work that will serve as the basis for preparing the DEIS.

The meeting is going to be divided into three parts. During the first part

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we'll hear a brief presentation describing the proposal and also summarizing the Draft Scope of Work.

During the second part of the meeting we'll receive comments, if any, from elected officials, government agencies, and Community Board representatives.

During the third part of the meeting we'll be receiving comments from the members of the general public.

If you wish to speak today you will need to fill out a speaker's card, those are available at the sign-in desk.

Speaking time is limited to three minutes, and we ask that you direct your comments to the subject of the Draft Scope of Work itself. Again, we're really looking for your input on the Draft Scope; tell us what subjects you'd like us to analyze, tell us how you'd like us to analyze them, let us know if you agree with the contents of the Draft Scope or not. We're seeking your input.

So now I'm going to turn things over

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to Amanda, who will make a brief presentation describing the proposal.

(Whereupon, a presentation was given at this time.)

MR. DOBRUSKIN: Thank you, Amanda.

So that concludes the presentation and also ends the first part of our meeting.

We're now going to move on to the second part of meeting, and that's comments from elected officials, Community Board representatives and government agencies.

Our first speaker will be Lacey Tauber representing Council member Reynoso.

MS. TAUBER: Good morning. My name is Lacey Tauber, I'm legislative director for Council member Antonio Reynoso, who represents the 34th District; parts of Williamsburg and Bushwick in Brooklyn and Ridgewood in Queens. So I'm going to deliver this testimony on his behalf.

Thank you for the opportunity to

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speak today on this important issue related to preservation of our City's industrial base. As I'm sure you're aware, my district contains a large part of the third largest Industrial Business Zone in the City, the North Brooklyn IBZ, as well as a smaller IBZ in Ridgewood, Queens.

I'm here to express support for the City-wide special permit for self-storage facilities, but also to raise some related concerns about the continued encroachment into our IBZs by non-manufacturing uses.

As I've discussed with DCP many times during the ongoing North Brooklyn IBZ, study I believe that our Industrial Business Zones should remain true to their name and remain industrial. My constituents face the pressures of a hot real estate market, gentrification, and possible displacement every day, and they depend on manufacturing jobs that provide relatively high wages with low barriers of entry in order to keep themselves and

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their families in their communities.

Self-storage facilities are not a job-intensive use. According to the City's analysis, self-storage facilities generate only five jobs. In contrast, an industrial business of the same size would likely create 50 to 100 jobs, meaning that self-storage is simply not the right use for a zone to foster job creation and development.

The supporters of self-storage will tell you these facilities are an ancillary use to the manufacturing zone because their units are primarily used by small, local businesses. However, when my office asked for data to provide this claim, they did not provide any.

While self-storage uses have not proliferated too much in the North Brooklyn IBZ yet, I understand that they are a major issue for other IBZs in the City. So I appreciate that DCP is considering creating special permits which for us will be a pre-emptive measure that

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will keep these spaces from taking over the area moving forward.

However, I want to take this opportunity to express my disappointment that the special permit proposals for hotels is not moving forward on the same time frame. While self-storage remains somewhat scarce in North Brooklyn, it feels like we're constantly seeing new hotel construction in the IBZ. The Greenpoint/Williamsburg IBZ to the north of my district is nearly gone, turned into a hotel and nightlife district. This will be the future of the North Brooklyn IBZ unless we take action now.

Additionally, more than one hotel in my district has been or is currently being used as a homeless shelter. Speculators are building these hotels knowing that the City will pay top dollar to house the homeless there. I, of course, want to do my part to help the City address our homelessness crisis, but I don't think this should happen at the expense of land

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that should support the kind of jobs our families need in order to stay out of the shelter system.

If DCP is truly committed to keeping industrial land for industrial jobs, as is implied by the self-storage special permit, fast-tracking the hotel special permit and strengthening use restrictions in the industrial core should be obvious solutions.

Finally, I want to address the fact that as part of proposal, the IBZ boundaries will now be codified into the zoning text as designated areas and manufacturing zones. This is an important step that creates a frame work for us to use to take further actions to protect these important areas citywide. Uses like nightlife, athletic facilities, large retailers, and office development are also taking important sites that would otherwise be used for industrial development. As the Council argued in the Engines of Opportunity Report, I believe

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these uses should also be restricted in the IBZs.

However, I'm deeply concerned that DCP has not included complete IBZ areas within its proposed designated areas in manufacturing zones, and that DCP proposed these incomplete boundaries with no consultation with the local elected officials; the industrial business solution providers, who provide support to the businesses in the IBZs; or with the businesses themselves.

The proposed boundary in North Brooklyn leaves out hundreds of jobs at critical business that are currently part of the IBZ, such as Won Ton Foods, which employees 250 people. The proposed boundaries in Ridgewood also leaves out many IBZ lots. I'm strongly in favor of including all IBZ areas in this proposal and will not be able to support it moving forward if this change is not made.

Thank you very much for your time and I look forward to continuing to work with

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DCP on policies that support and strengthen manufacturing in New York City. Thank you.

MR. DOBRUSKIN: Thank you very much for your testimony.

Are there any other elected officials, Community Board representatives or government agency reps who wish to speak at this time?

(No response.)

MR. DOBRUSKIN: If not, we're going to move on to the third part of the meeting, comments from the members of the general public.

Just to let you know, if any elected officials do arrive we'll probably call them as they arrive.

As I mentioned earlier, speaking time is limited to three minutes. We'll be timing your testimony and we'll indicate when it's over by ringing the bell. If we ring the bell, we kindly ask you to conclude your remarks.

The first speaker will be Timothy

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Deitz followed by Frank Crivello and then Ethan Goodman.

MR. DEITZ: Thank you very much for having me.

My name is Tim Deitz, I'm the president and CEO of the National Self-Storage Association. We represent everyone from the smallest one-property owners to the largest multi-property owners in the biggest cities.

I appreciate the opportunity to speak about this issue. Previous to the 2015 announcement about this idea of special treatment for hotels and self-storage, and now apparently only self-storage, we were not meaningfully engaged about our sector by the City. It appeared to our industry, having not been involved, that a solution was offered before a problem was adequately identified. If there are misconceptions, I hope can I dispel those ideas today or through a more considered approach.

Self-storage has always been a

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convenient, nimble alternative to traditional warehousing, where there are more barriers to commerce. It's less expense and less complex, does not require a bailment relationship; care, custody and control. Terms can be one month or several years.

Our studies indicate that the most important features for these customers, who are looking for self-storage, is convenience, specifically self-access and location to their work and/or home, both unique distinctions from traditional warehousing.

Our customers tend to visit their rental space often. Limiting storage expansion in your city, expecting them to go elsewhere, disrupts the lives of these consumers and businesses, and is an added financial burden for both.

What are the businesses storing? Businesses and consumers who are in transition have come to depend on self-storage. Many of the needs are more

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permanent. About a third say they're storing documents that they're statutorily required to retain, due to government compliance and legal situations. So they're compelled to maintain control, but they'll have to either pay higher rents nearby, due to the natural order of supply and demand, or incur greater expenses to travel further. Our business consumers are storing inventory in places where those goods can be conveniently accessed and distributed to their own customers. It's a one-mile business, not a go-somewhere-else business.

I certainly understand that access to affordable self-storage is important to our business customers, but I also believe you should consider consumers of self-storage. Fully one-third of our tenants in urban areas are made up of baby boomers or the greatest generation; in other words, many are retired or transitioning into retire. Fifty percent are soldiers or students. Single-parent

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households and families in transition also make up a large segment of our clients. Often times these are members of our community in the most vulnerable parts of their lives.

This issue deserves greater scrutiny. For example, all research into current self-storage inventory indicates a current supply of less than half the amount of self-storage space here per capita than the availability nationwide.

Thank you. I look forward to a more considerable approach.

MR. DOBRUSKIN: Thank you very much for your testimony.

Our next speaker is Frank Crivello and, again, he'll be followed by Ethan Goodman.

MR. CRIVELLO: Good morning. Thank you for allowing me the opportunity to speak with you this morning.

My name is Frank Crivello, I'm the chairman of the New York State Self-Storage Association.

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The NYSSA is a state organization made up of several hundred developers, owners and operators of self-storage facilities, including here in New York City. We're also an affiliate of the National Storage Association.

Today I will be brief, because I'm going to be followed by our land-use counsel that will provide additional testimony. But I felt it was important to say that self-storage facilities provide a critical resource for business and other uses across the City.

In the IBZs, self-storage complements many manufacturing and industrial businesses that are unable to access traditional warehouse and storage for multiple reasons. Small businesses in particular need the affordability and flexibility that self-storage provides, as 60 percent of them access their space daily. Businesses need to be close to the facilities where their materials, tools and supplies are to run their businesses

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effectively.

This zoning proposal will have a negative impact on small businesses across the City, but particularly in the IBZ zones. It's more likely to harm than support these industrial businesses.

The City's proposal will also negatively impact the self-storage facilities across New York City, which are run by small, local, regional operators. As you know, self-storage is already extremely limited by zoning where it can locate, but this proposal will eliminate major portions of the city where self-storage is permitted by zoning, and where there are feasible development sites.

City Planning must thoroughly study this impact of its proposal on the self-storage industry. And one final note, we believe that the City zoning proposal is ultimately flawed and should not move forward at all, because the Draft Scope itself states that the proposed

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action is not anticipated to induce industrial development, which directly contradicts the City's stated rationale for the proposal.

A zoning restriction that does not achieve its goal, and negatively impacts the self-storage industry that helps businesses, is not a sound proposal.

I'd like to thank you for the opportunity to address you. Thank you.

MR. DOBRUSKIN: Thank you.

Our next speaker is Ethan Goodman and he'll be followed by Armando Moritz-Chapelliquen.

MR. CRIVELLO: Good morning. My name is Ethan Goodman, I'm a planner from Fox Rothschild. We represent the New York Self-Storage Association, and next week we'll be submitting detailed written comments on the Draft Scope of Work. My remarks here today represent a brief summary of those comments.

The NYSSA believes this proposal to ban the development of as-of-right

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self-storage facilities on the majority of currently available development sites in the city will be wholly infective in projecting or spurring industrial development and creating jobs. We believe it will actually significantly impact existing small businesses, as well as the self-storage industry as a whole, thereby imperiling jobs not creating jobs.

Tens of thousands of small business owners, who cannot afford larger warehouse spaces, rely on self-storage as a critical component of their business operations. These small business, which are engines for job growth in the City, would face reduced availability of storage, higher prices, and would be at significant risk of displacement. Furthermore, the self-storage industry could potentially face a crippling reduction in site availability and be unable to continue to grow to meet the City's growing population needs.

But if you read the Draft Scope and

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its analysis framework, you would come to a completely different conclusion. According to the Draft Scope, the action would actually have very little effect on self-storage the city. The Draft Scope includes that banning as-of-right self-storage in over 10,000 acres of land across the city would result in the development of only nine fewer self-storage facilities on that land over a ten-year period. Given there are 21 IBZs in the city, this means more than half of the IBZs will see absolutely no reduction in self-storage. And if that's the case, how could there possibly be significant adverse impact through this proposal.

But the flip side of this is, if the ten year affects of this proposal are so minimal, how could it ever have its intended affect of protecting sites for supposed job intense and industrial uses?

You can't have it both ways. Either the proposal will have little to no effect

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on the location of self-storage, its customers and the industry as a whole and be a complete policy failure, as the scope seems to imply. Or perhaps it will succeed, if not in spurring industrial uses or jobs, at least in significantly straining self-storage uses. We don't believe the Draft Scope can assume the action will be a complete policy failure in order to avoid a thorough quantitative assessment of its potential impacts.

So specifically we recommend that one, the analysis framework must be revised to arrive at a more realistic and conservative assessment of how many sites will be affected by the action. Its current conclusion that more than half of the IBZs will not see any reduction in self-storage over ten years as a result of action, just does not withstand a hard look;

Two, the EIS must provide a quantified analysis of impact at sample sites in every IBZ where this may change

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the use of land. An qualitative assessment is insufficient as is the scope's statement that essentially we don't know where the changes might occur so we can't assess specific sites and must be generic;

Third, the EIS must more rigorously and accurately analyze whether self-storage will continue to be able to operate in the City of New York. The scope implies self-storage will only be restricted on 42 percent of currently permitted land, but that assumes you can site facilities in places like Sunnyside Yards, Aqueduct Race Track and Riker's Island. What's the true reduction in availability of sites?

The DEIS must provide a more realistic assessment of how this will affect the thousand of business customers of self-storage, many of whom rely on it as a critical part of their business operations. How will availability be reduced, prices rise, how many jobs will

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be lost.

And finally, the EIS must rigorously analyze what uses will really replace these relatively quiet, benign and non-polluting self-storage uses. Would it really be heavier industrial uses? Which may be louder, more polluting, and result in more truck traffic. Or perhaps, more realistically, would it be hotels, offices or nightclubs? Which may have other negative impacts in the surrounding communities. Both must be studied.

Thank you very much.

MR. DOBRUSKIN: Our next speaker is Armando Mortiz-Chapelliquen followed by Jack Guttman and then Mitch Sternbach.

MR. MORITZ-CHAPELLIQUEN: Good morning, everybody. My name is Armando Mortiz-Chapelliquen, as was mentioned before, I'm with the Association for Neighborhood and Housing Development, also known as ANHD. And as part of the Industrial Jobs Coalition, a citywide alliance of industrial policy advocates,

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community groups, and business service providers, we're here to strongly support the City's proposal to restrict the self-storage in the designated M-Districts, more specifically in the IBZs.

By taking this necessary first step at restricting incompatible uses in core industrial areas, the City is beginning to follow through on the commitments that it's mad as part of its 2015 Industrial Action Plan. But more than that, the proposed action is taking decisive action to preserve the viability of the industrial and manufacturing sector. A sector that's historically provided access to good paying jobs with low barriers to entry. And it's really these kind of jobs that make it possible for people to live in the five boroughs. So the City is doing the right thing by using one of its tools of zoning to make sure that those jobs have a future here in New York City.

And as we discuss the proposed action

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I think it's really critical to maintain two key points of contact, both for today, as well as over the months of ULURP, if it's to be certified, which we hope it is.

But first the proposed the action does not prohibit self-storage across the city, it creates community oversight via a special permit in specific parts of the city, specifically the designated M-Zones or IBZs.

And second, as was brought up a couple times already, by the City's own analysis, this proposed special permit would only reduce the total number of special permits by nine in the designated M-Districts. And if I recall correctly, it's only going to be 81 or 82 self-storage facilities in the designated M-Zones. But outside of that, you're going to see four more.

So really when we're talking about how this is going to hurt the industry, we're only talking about five facilities. And given the fact that there's very low

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job creation -- unique job creation in each of these facilities, the impact on the facility, which is still able to go up as-of-right in other parts of the city, is really very minimal.

So like I mentioned before, the proposed action stops as-of-right development, restricts it, in the designated M-Districts, but it does something much more significant than that. Specifically, it finally adds zoning protections to the Industrial Business Zones. That's a really big deal. We're happy about that, we think it's a major step forward for use to perform here in the city, it's something we've been talking about for years, we're happy to partner with the City on this.

Granted we have some concerns, some questions, about certain details in this proposal, specifically on the criteria of how the special permits will be allocated, as well as some of the maps. But we're very confident that we can reach consensus

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on those points through a dialogue with the City, as well as making sure the community partners are engaged in this process.

So we're really happy with this proposal in the -- foundationally in the thinking of it, specifically, we think it's a really crucial step forward and it sets a really firm foundation for moving forward the conversation on industrial policy, as well as on use to perform more broadly.

And any questions, feel free to reach out, but thank you for opportunity to testify.

MR. DOBRUSKIN: Thank you very much for your comments.

We're going to go a little out of order. I think I mentioned earlier that as elected officials arrive, we'll be calling them.

So our next speaker will be Ryan Monell, speaking on behalf of Council member Salamanca.

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MR. MONELL: Good morning. I'm Ryan Monell, policy director for Council member Rafael Salamanca junior, who represents District 17 in the South Bronx, including the Hunts Point and Port Morris IBZs. He also serves as chair on the subcommittee on Planning Dispositions and Concessions.

I want to thank you all today for allowing me to provide testimony. While we certainly understand both sides of this issue, it is important to us that we do what we can to maintain the ability for both the Hunts Point and Port Morris communities that have historically been centers of industry, incubators for both small and large business growth and job creation to continue to grow and thrive in those ways. That is why the Council member is in support of the IBZ.

As you know, prior to his time as a Council member, in 2014 the City Council's Engines of Opportunity Report called for creation of industrial employment districts, to strengthen manufacturing

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zones where uses such as hotels, large-scale retail and office use, restaurants, bars, entertainment venues and self-storage would be no longer allowed as-of-right.

In 2015, the Mayor and Council stood together to announce the Ten-Point Industrial Action Plan to grow 21th century industrial and manufacturing jobs in New York City, a plan that included new restriction on hotel and self-storage in manufacturing zones. Today's scoping hearing on this proposal to restrict self-storage in the Industrial Business Zones is the first step on implementing these important initiatives.

Council member Salamanca supports industrial businesses in the district because he recognizes the value of these middle-class jobs to the community. The average industrial job pays over $50,000 -- and I want to remind every that the AMI for the South Bronx is about $21,000 -- and the industrial workforce is

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80 percent minority and 60 percent foreign-born. These jobs provide opportunities for many New Yorkers, especially recent immigrants and those of that with college degree, to earn a living wage and raise a family in dignity, providing an opportunity for the next generation to advance.

While self-storage facilities have been popping up on industrial land throughout the Bronx, they produce very few jobs. We should not allow storage facilities to gobble up industrial sites that could otherwise be used for must more job-intensive businesses.

While Councilman Salamanca supports this proposal overall, he is concerned about a specific area in the manufacturing zoning in his district that he believes should be included. Just across the Bronx River from the Hunts Point IBZ, is an area of M-1 zoning that includes several large sites that have significant potential for industrial or perhaps other future types

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of development. Two large lots in this immediate area have already been developed as CubeSmarts in the past few years.

The site he is most concerned with is a former ABC Carpet site at 1055 Bronx River Avenue. This site is enormous, over five acres large, and there have been rumors that it could be developed as self-storage instead of potential job generating in industrial or commercial uses. It is right across in the Hunts Point IBZ and has good access to the highway network.

We should include this site within the proposed designated areas in manufacturing districts in order to ensure we don't lose the opportunity to develop this site with good jobs for the people of the Bronx.

Thank you.

MR. DOBRUSKIN: Thank you very much.

Our next speaker is Jack Guttman and he'll be followed by Mitch Sternbach.

MR. GUTTMAN: Good morning. My name

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is Jack Guttman, I'm a real estate developer and I've also developed some self-storage properties.

I'm here in opposition to this text amendment. I believe since this is an environmental review, I think your fundamental basis for your review is flawed, inaccurate and incomplete. You have a premise right here in your attachment project description that says it' a low job generating use that primarily serves household uses rather than businesses.

Have any of you been to a self-storage facility in New York City? Well I'm giving you a few of what a self-storage facility does in New York City.

I think the planning part may have done a survey nationally of what the national average is, but the national average doesn't apply to New York City. If you look at the photographs and the list of tenants I've just given you, I

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just took one of my random self-storage properties. In that facility, 45 percent of our tenants are commercial and it's growing. The premises that it's not job creating, wrong. The premises that it's primary residential, wrong. Maybe in suburban Milwaukee or Philadelphia or Tampa, but not New York City.

And the other thing to remember here is that there are many commercial tenants that you're looking to find that will -- industrial tenants that will occupy sites, already occupy these self-storage properties. It is you look at the photographs and the list of tenants, you'll see that LuLu Lemon, you'll see that industrial companies that distribute -- pharmaceutical reps are there. The premises that you're working on for constricting self-storage in this area is a hundred percent wrong for New York City.

By the way, if you take the maps that you've created and you look at the 240

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self-storage properties and you look at the square footage they occupy, compared to the square footage of all industrial zones, I think you're talking about 1 percent of the gross square footage that's out there. So is it really massively disproportionate in the area? Sure some of are visible, but how much space does it really occupy?

The other thing I would ask, there wasn't a report here, is how many new industrial buildings? You're forgetting the fact that self-storage is being built, tell me the last time in the last 20 years an industrial factory building was built in an IBZ? What makes you think that constricting self-storage is going to automatically encourage new industrial buildings to get built? I don't get it, if they haven't been built in 20 years, by restricting these, how is it going to work?

You're statistics don't quite jive. New York City has the lowest supply of

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self-storage in the country. The country demand is about seven square feet per person.

MR. DOBRUSKIN: If you have written comments, we welcome them. There's no limit on the length of written comments.

One final concluding sentence.

MR. GUTTMAN: I just think your statistics are flawed. I think you're wrong in that this doesn't create jobs. And I think the uses -- I would say that we are the WeWork for industry right now. And you're constricting the WeWork for industry, just like office space, you're constricting us and the potential businesses that want to grow, they have no place to go. They start here and then they go to bigger places.

That's what I would say, you're a hundred percent flawed on your environmental review.

MR. DOBRUSKIN: Thank very much for your comments.

Our next speaker is Mitch Sternbach

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followed by Alef Tadese.

MR. STERNBACH: Good morning. My name is Mitch Sternbach, I'm from Greater Jamaica Development Corporation. I'm a standing here for Aron Kurlander, who's director of Business Services of Greater Jamaica Development Corporation. She's ill today and doesn't wish to infect us.

Thank you for the opportunity to speak with you today. Greater Jamaica has been a frontline economic development organization with day-to-day contact with manufacturing and industrial firms for over 40 years. In that time we've administered many of the City's local, industrial assistance programs, including the Industrial Park Program, IBZ Program, and more recently the Industrial Business Solutions Provider.

Our work for industrial and manufacturing firms in Southeast Queens are focused on creating, retaining and attracting jobs in the community. The IBZs of Queens, East Jamaica and JFK have

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seen their best available sites that historically were used by industrial firms with significant on-site employment, some sites even with hundreds of employees on-site, being repurposed as self-storage facilities.

Now as manufactured zone sites become available in the IBZ, they're priced out of reach for local businesses that provide good paying jobs for community members. So instead of an industrial company purchasing the site for intensive uses, self-storage facilities are built. Self-storage facilities have a very low employee count. According the City's environmental assessment, on average self-storage facilities have five jobs. That's five jobs in buildings that often exceed 100,000 square feet. In addition, local businesses have advised us that self-storage facilities offer them limited to no benefit.

So we're here today to strongly support the administration, City Council's

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commitment to eliminate new self-storage facilities in the IBZ, thereby reestablishing an affordable, industrial expansion model that will allow businesses to stay and create well paying jobs in Southeast Queens.

Thank you.

MR. DOBRUSKIN: Thank you.

Our next speaker is Alef Tadese followed by Justin Collins.

MR. TADESE: Good morning. My name is Alef Tadese, I'm here on behalf of the Greenpoint Manufacturing and Design Center, the City's premiere nonprofit developer of industrial property.

To date, GMDC has completed seven industrial redevelopment projects, comprising more than 700,000 square feet of space. GMDC currently owns and manages five of these properties in North Brooklyn, three of which are in the IBZ. Our tenants include woodworkers, makers of home furnishing, display makers, metal workers and a variety of artisanal trades

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and artists who all together provide over 600 quality jobs to New York City residents.

GMDC has played a vital role in providing quality jobs to New York City residents by helping meet the City's needs for affordable, flexible production experience for small and medium sized manufacturers, and for the past 25 years GMDC has dedicated itself to doing so. In order to continue our mission in creating and retaining manufacturing jobs in the manufacturing areas of New York City, we want to share our concerns regarding self-storage facilities in the M-Zones.

Recently GMDC has found itself competing with self-storage companies who are seeking to purchase industrial in valuable M-Zones from Long Island City to Crown Heights to East New York. The proliferation of self-storage facilities in M-Zones has resulted in a loss of potential development projects, which is also a loss of space for manufacturing

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businesses and manufacturing jobs. A 100,000 square foot self-storage facility may have five jobs within its walls, where a manufacturing center would have upwards of 100. Self-storage is another use that can pay a higher price per square foot than the small and medium sized manufacturer, that is the M user in our buildings. And the loss of quality manufacturing jobs is the result of this.

A special permit will limit self-storage development projects where specialized spaces are needed for industrial and manufacturing businesses that provide essential services for New York City and quality jobs for our residents. GMDC develops buildings that most would consider non-optimal under the criteria laid out for consideration today, and enhanced criteria would be necessary because optimal or not optimal is a poor judge of the ultimate use of a building. However, GMDC would prefer to see a tightening of the zoning text protecting

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M-Zones for true industrial uses. This would go further in ensuring the City's goal of protecting good paying jobs for New Yorkers from encroaching nonindustrial uses.

GMDC wants to ensure its industrial space is primarily preserved for industrial and manufacturing uses that result in good paying jobs and limit the amount of speculation that drive up rents in these same manufacturing areas.

Thank you.

MR. DOBRUSKIN: Thank you very much.

Our next speaker is Justin Collins followed by Marc Sharinn and followed by Ari Goldman.

MR. COLLINS: Good morning. Thank you for the opportunity to speak.

My name is Justin Collins and I'm the director of Strategic Partnerships and Development for the Southwest Brooklyn Industrial Development Corporation, also know as SBIDC, we manage the Southwest Brooklyn areas Industrial Business Zone

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and run the Brooklyn Workforce1 Industrial and Transportation Career Center.

As both industrial advocates and workforce development professionals, we have serious concerns about the proliferation of self-storage facilities and other incompatible uses in the City's manufacturing zones and IBZs.

Self-storage facilities pose a major threat to Brooklyn's industrial economy for a few main reasons. They're significantly less job intensive than the industrial uses they often replace. They often take up large plots of land that could instead house multiple industrial business, and they encourage real estate speculation.

In the neighbors where we work, there are currently eight self-storage facilities located in M-Zones or within the IBZ. Four of these facilities are less than a year old or are currently under construction, including all three of the facilities in Sunset Park. What I'm

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saying is that the number of self-storage facilities in M-Zones and the Southwest Brooklyn IBZ has doubled in the past year and doesn't seem to be slowing down.

As operators of Brooklyn's only Workforce1 center dedicated solely to industrial and transportation jobs, we know well the value that industrial jobs provide. These jobs offer strong opportunities for good wages and benefits, as well as career pathways that could lead to real economic mobility, particularly for individuals who have barriers preventing them from accessing other sectors.

When a self-storage facility takes the place or a large industrial employer or multiple industrial employers, it creates a loss of jobs, as self-storage only often requires a small crew of workers on a large piece of property.

The presence of self-storage facilities in other nonindustrial uses, like hotels, often lead to real estate

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speculation, with developers believing they have a better chance of putting a nonindustrial use on to a nearby property. This creates further pressure on local industrial businesses, often tenants themselves, and can ultimately push them out, again, contributing to the local job loss.

The proposed special permit requirements, under which a self-storage facility will be allowed in any M-Zone that is not optimal for, quote, modern day industrial uses, is not nearly stringent enough. Under the Department of City Planning's current definitions, some of the City's most prominent industrial facilities, including the Brooklyn Navy Yard, GMDC's facility in North Brooklyn, and the Bush Terminal Complex in Sunset Park, would not be considered optimal. It doesn't make sense for self-storage facilities to be allowed on a similar privately-owned site.

New York City's industrial community

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plays a critical role in our local economy. It provides good jobs and in many respects keeps the City running. We need far stricter regulations to protect these industrial uses and industrial jobs. Slowing down the proliferation of self-storage facilities in our M-Zones is essential.

Thank you very much for the opportunity to speak.

MR. DOBRUSKIN: Thank you.

Our next speaker is Marc Sharinn followed by Ari Goldman.

MR. SHARINN: Good morning, my name is Marc Sharinn and I'm one of the owners of Safe N Lock Self-Storage, a self-storage developer that employees 20 people at our headquarters on Eastchester Road in the Bronx.

According to an August 2016 report by CBRE, the New York Metropolitan area is the number one under-supplied area for self-storage in the United States. New York City projects an additional 1 million

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people and thousands of new businesses over the next several years. In this rapidly growing city, where residents and businesses, including manufacturers, need easier access to affordable and flexible self-storage, the City has put forth a proposal that would stunt its growth.

Make no mistake about what's being proposed here, the time consuming, unpredictable, and discretionary nature of this special permit process makes it virtually impossible to secure financing or to provide investors with an accurate timeline for construction. Capital providers have already walked away from deals chilled by the prospect of this proposal. This is an outright ban on self-storage in the IBZs, and since IBZs represent the vast majority for developable land for self-storage, it is a de facto band for all of New York City.

This is an arbitrary ban, which singles out self-storage, and only self-storage, based on no evidence,

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whatsoever, that doing so will create jobs or attract manufacturing firms to IBZs. In fact, the exact opposite will likely occur.

Businesses need affordable, flexible and local self-storage. With existing self-storage facilities already near capacity, eliminating competition will hurt businesses and residents and will likely result in sharp price speaks. I would like to dispel some misconceptions about self-storage.

In our collective staff experience acquiring and developing sites for more than 12 years, we've never displaced or competed with a manufacturing use on the sites that we develop. More often than not we're remediating a contaminated site that's been left vacant and we're building a facility that brings value to local businesses and residents. Self-storage represents less than 2 percent of the land in IBZs, and further development will have little, if any, impact on other uses.

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The demand-side of storage issue is an important one and is not reflected in the scoping document. While our industry is made up of large colorful buildings in highly visible areas, the reality is that demand is at an all-time high. With more than 90 percent occupancy in storage facilities across the City, we build where local businesses and residents need our services.

Another erroneous claim in the scoping document, is that self-storage is a low job generating use. This could not be further from the truth. While a self-storage operator may not directly employ large numbers of people, our facilities act as incubators for the scores of businesses that rely on self-storage.

MR. DOBRUSKIN: If you could conclude your remarks.

MR. SHARINN: In a recent survey of self-storage facilities and IBZs across New York City, we learned that 30 percent

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or more of self-storage customers are job-generating businesses; manufacturers, construction firms, retailers, nonprofit organizations. From the five boroughs, 40 percent of these businesses are minority or woman-owned.

My partner will pick up where I left off. Thank you for your time.

MR. DOBRUSKIN: Thank you very much.

Our next speaker is Ari Goldman followed by Jeremy Kozin then followed by Frank Relf.

MR. GOLDMAN: My name is Ari Goldman and I'm an owner of Safe N Lock Self-Storage. I'm going to pick up where Marc left off.

City planning predicts that as a result of the proposal, there may be a certain shift in customer demand. Businesses may increasingly lease warehousing space instead of self-storage units and the on-demand storage model may become probable.

While there is an marginal difference

between a number of direct employees at warehouse than a self-storage facility, warehousing is far more expensive, inflexible, logistically complicated option for many businesses. For these reasons, many businesses have gravitated towards more affordable, flexible self-storage.

Furthermore, the on-demand storage model is not cost effective nor viable for the 67 percent of self-storage business customers that visit their local self-storage unit on a daily or weekly basis. Valet storage businesses target a different audience possessing different needs.

Finally, I would like to note that this proposal is sadly lacking any attempt at creative compromise. There's no reason why self-storage cannot continue to co-exist with manufacturers and other uses in IBZs, as has been the case for many years. This proposal treats all IBZs and all sites with an IBZ as exactly the same,

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when they're all different. North Brooklyn's IBZs are different than those in Eastchester, Jamaica or East New York.

Safe N Lock Self-Storage will not revise this proposal. Moreover, the proposal will hurt local businesses, local residents, and the local economy. It will make it harder, not easier, for manufacturers to thrive in this already difficult business environment.

Additionally, working-class and middle-class New Yorkers who rely on self-storage as an only affordable storage option in this space-constrained city will pay more and travel farther. There are multiple reasons for manufacturers leaving New York City, but self-storage is not one of them.

We truly hope that City Planning rethinks this proposal, and we invite to you to work with the industry on real solutions.

Thank you for your time.

MR. DOBRUSKIN: Thank you for your

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comments.

Our next speaker is Jeremy Kozin followed by Frank Relf and then Natasha Payne.

MR. KOZIN: Good morning. My name is Jeremy Kozin, I'm a land use and environmental attorney at the law firm of Greenberg Traurig. We represent PR III/MD Storage I Holdings LLC. Our client is developer of self-storage properties throughout New York City and has significant concerns with the proposed text amendment.

We maintain that the Draft Scope contains deficiencies, such that it is currently impossible to meaningfully comment on the technical areas that will be included in the DEIS, and we request City Planning revise and reissue the Draft Scope.

First, the Draft Scope does not provide any alternative beyond the statutorily required no-build alternative, this is inadequate. An alternative that

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permits self-storage in certain commercial zoning districts should be considered. C4 commercial districts, for example, a lower density common outer borough district, where self-storage could be permitted as permitted uses within C4 Districts generate similar environmental impacts and are geographically similar as well.

An alternative that expands the scope of the text amendment to include warehouse uses should also be considered. Unlike self-storage facilities that are frequently utilized by small business owners and community residents, warehouses are typically owned and/or operated by large businesses, and often require few jobs as well. With technological advances in robotics and automation, the need for warehouse jobs only decreases. This alternative is reasonable, follows a clear planning rationale and should be considered.

Further, an alternative that includes a larger study area must also be

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considered, as we've heard today that some members of the public, as well as elected officials, have asked to increase the number of designated areas and/or expand the boundaries of existing areas, this alternative must be included in the revised Draft Scope.

The Draft Scope also does not address socioeconomic and community character concerns. A revised Draft Scope must consider these impacts on small business who make up a significant portion of self-storage customer base. By excluding warehouses, this text amendment widens the viability gap between small businesses and large businesses that rely on self-storage facilities to store excess goods and equipment, and restricts the development of self-storage facilities will only make the competition tilt in favor of large businesses.

The Draft Scope's analysis framework is also inadequate. The Draft Scope states that as part of the "With Action"

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condition, the DEIS will analyze the potential environmental impacts of those manufacturing uses that will occupy sites that would have otherwise been developed with self-storage facilities. The Draft Scope, however, is devoid of any specific identification of what manufacturing uses will be studied, rather it only states that representative examples will be developed, broadly lists a few types of industries that may be analyzed, and concludes by stating that the businesses analyzed will be based on recent industry trends within New York City. The Draft Scope does not contain any further information regarding what these representative examples will be or the data that was used for the recent industry trends that will be used and relied upon.

It is implausible to as the public to comment of the Draft Scope when the Draft Scope fails to mention a critical component of the DEIS. The potential environmental impacts of certain

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industrial uses that will replace self-storage uses in the designated areas. At a minimum, DCP should utilize the most intense industrial uses so that the public can comment on what would be the "Reasonable Worst Case Scenario" resulting from the text amendment.

And lastly, the text amendment's environmental review process has already revealed some shortcomings which will be included in our written comments as well, and the details set forth in the Draft Scope is certainly wanted. DCP should not act in haste, and must take the time necessary to ensure that the text amendment's environmental review complies with the letter and spirit of CEQR and SEQRA. For these reasons, we respectfully submit that the DCP revise the Draft Scope and reissue it in draft form to allow for meaningful comment and review.

MR. DOBRUSKIN: Thank you very much. We look forward to reading your testimony.

Our next speaker is Frank Relf to be

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followed by Natasha Payne and then Maeve Marcello.

MR. RELF: Good morning. My name is Frank Relf, I'm an architect involved in the design and engineering for projects throughout both non-IBZ and IBZ zones. I'm a member of the New York State Self-Storage Association, as well as the national association, and speak regularly on codes, building-related issues, and zoning impacts to self-storage throughout the country.

What I would like to address the board in is some of the statistics that you have for the amount of facilities that represent the percentages in non- and IBZ-related zones.

In the last 12 years our firm was responsible for 45 projects throughout the New York Metro area. Of those 45 projects, 28 of them were non-IBZ zones and 17 were within the IBZ zone, representing basically a 62 percent versus a 38 percent ratio that has been for a

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combination of the last 15 years.

And in terms of what was new development projects, there were 15 new developments in non-IBZ and 10 in the IBZ zone. And conversion of the existing buildings in non-IBZ was 13 and within IBZ we had 7. So in total, you have 28 percent -- or I should say 28 buildings that were new developments and 17 which were conversions of existing buildings.

For IBZ-related projects, you have a ratio which is 59 percent new construction versus 41 percent conversions of existing buildings. One of the key reasons that most of our developers are within the IBZ zones and not new industrial buildings, of the 17 projects that are within the IBZ, six of them had E-Designations, four of them needed major asbestos and led paint removal, five of them had soil that were non-buildable unless we added all types of structural improvements to make the soil able to withstand any kind of loading within them.

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And seven of the buildings, principally the conversion buildings, which stored existing stock throughout the boroughs, and involved major structural repairs, facade replacements and restoration, sidewalk improvements, the planting of street trees, and overall restored older building stock to new uses for the self-storage industry. And most of these were all new vibrant areas --

MR. DOBRUSKIN: We're working off the same timer. Your three minutes are up.

MR. RELF: So lastly, of these buildings that were converted, what it did was improve the building's stock by virtue of turning unusable facilities into usable facilities. Many of them are the turn-of-century warehouse-type facilities, re-enforced concrete, mushroom-packed columns that have very, very tight structural spacing. Self-storage industry is made up of very small units and a variety of units and are perfect reuses of these facilities for that type of building

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occupancy.

MR. DOBRUSKIN: Thank you very much for your comments, and if you have written testimony, we encourage you to submit it.

Our next speaker is Natasha Payne followed by Maeve Marcello and then Stuart Beckerman.

MS. PAYNE: Good morning, everyone. My name is Natasha Payne and I am the bookkeeper at Safe N Lock Storage located in the Bronx. I am also a resident of the Bronx.

I'm here to express my concerned oppositions to propose text amendment on self-storage in designated areas. I have been an employee at S&L for two years and worked for another self-storage company for 12 years before that. I started as a sales associate with a newly-opened self-storage company in the Bronx in 2003 and worked my way up to administrative assistant with the construction group.

When I left the company in 2015, I had the opportunity to take a position

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with Safe N Lock Storage Company as a bookkeeper. This upward improvement in both my location and salary would be very difficult outside the storage industry.

Saying that very few people work at the self-storage facilities is not painting a true picture of the economic activities created by the self-storage, nor addresses the opportunities associated with the self-storage industry which my career with storage will attest.

I'm concerned that if a proposal is passed, Safe N Lock Storage and other communities may be in jeopardy. I believe the City should -- I don't believe the City should try to boost one industry at the expense of another. This proposal is bad for business and for everyday New Yorkers, like myself, working in the self-storage business.

Thank you.

MR. DOBRUSKIN: Thank you very much for your testimony. Thank you for coming.

Our next speaker is Maeve Marcello to

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be followed by Stuart Beckerman and then Kari Bailey.

MS. MARCELLO: Good morning. My name is Maeve Marcello, I'm a construction manager in Safe N Lock Self-Storage, which is located in the Bronx. I'm also a current resident of the Bronx, and I've also lived in Jamaica, Queens, one of the areas mentioned in the presentation, for over 20 years. Based on that I'm expressing my concerned opposition against this particular proposal.

I've work at S&L for two years, and prior to that I worked at a steel production company in East New York, Brooklyn, another company of manufacturing in the one of the IBZs in Brooklyn. Based on that, with that past in manufacturing, this is causing the issue with those small businesses to effectively help them grow and continue manufacturing in New York City.

Manufacturing is squeezed by cost release, is having them to downsize their

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employees which have forced me to move on to other companies in the City to keep financially stable. You have retailers affecting them, also hospitality with the surge of hotels here.

Also living in Jamaica, Queens, I've seen the change of Queens from the past in the '90s to now. And having those areas cornered off for strictly industrial use, they're not actively being pursued. These properties are sitting and waiting for someone to use them. And I've seen them sit, that area in Jamaica 186-02, that area has been barren for some time. Just basic in and out from adjacent properties and that area was dangerous to the community, it's a blight in other areas of Brooklyn as well.

It's disappointing to see the City single out storage as one of the causes of stifling manufacturing, it's not the sole cause. And with housing increasing, it's also hurting manufacturing as well. There has to be some kind of balance between the

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two, it's not solely self-storage.

Lastly, being an employee as Safe N Lock for the last two years has really helped my career, stabilized my financial situation, and also continued to have construction projects to work on.

I strongly recommend that this proposal is withdrawn, it doesn't help the City, doesn't help the employees that are working at self-storage facilities, and the people that are employed by the construction of these facilities, and the resulting businesses that are getting additional funding and storage -- cheap storage options for their companies.

That's my testimony. I hope that helps with changing your idea of how this is working out.

Thank you.

MR. DOBRUSKIN: Thank you very much for coming, we appreciate your testimony.

Next speaker is Stuart Beckerman and he'll be followed by Kari Bailey and then Varun Sanyal.

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MR. BECKERMAN: Good morning. I'm Stuart Beckerman from the law office of Slater & Beckerman. I'm actually here representing myself as a zoning lawyer. I have had and I do have some self-storage clients, but that's not why I'm here. And I'm going to focus on the special permit itself as described in the scoping document.

You know, a regular part of what I do is people come to me and they -- during their due diligence period, they ask me to assess a property, to do a full zoning and land use analysis. And I can tell you just based on what's been described in the scoping document, I just can't imagine any self-storage company buying a piece of property that's subject to this special permit.

I question the basis for the prediction that 11 special permits will be sought, at least under the text as described. A special permit, by definition, reflects a legislative

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determination that the proposed use is appropriate at that particular location. But because of potential impacts, an additional level of review is required to ensure that the use is -- that any impacts are mitigated, and that ultimately the special permit will be granted. That generally is the case, I know there may be some exceptions. But I think those are special permits that you don't generally see people pursuing.

So rather than dealing with the impacts of self-storage use, this particular special permit as proposed focuses on whether the zoning lot is appropriate for other industrial uses. And these are industrial uses that the self-storage industry has no knowledge of. So now they're going to have to prove that these sites are not appropriate for uses that they don't understand.

So, you know, the criteria that, at least, have been laid out or the factors that have been laid out as eventually

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becoming the basis for the findings that the City Planning Commission will have to make are very vague, and they're open to multiple interpretations.

So I just, again, I don't even know how to assess the likelihood of success on a special permit here. How do I advise a client whether they can meet these vague findings? So going through these factors that were listed, the first was that the size is not -- is appropriate for industrial development. And I saw that in one of the examples given, they give a 10,000 -- the City Planning gives a 10,000-square foot lot as an example of a lot they say is very small for industrial business. If that's the case, are you saying that even in an IBZ, that sites of a certain size will always be allowed for or should be allowed for uses other than industrial uses? That's unclear. If that's the case, then maybe it should be made clear under what circumstances these uses can locate here as-of-right.

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MR. DOBRUSKIN: If you could wrap up, please.

MR. BECKERMAN: I think, you know, again, you know, hooking at -- you have to look at potential for conflicts for future industrial uses. With existing uses, the level of investment or disinvestment over a five-year period. You know it's like a two-and-a-half-year period just to file for a special permit. No one, I can imagine, will buy a piece of property that's subject to special permit.

That's basically it. Thank you very much.

MR. DOBRUSKIN: Thank you. And if you have written testimony, we do encourage you to submit it.

Our next speaker is Kari Bailey to be followed by Varun Sanyal and then Quincy Elly-Cate.

MS. BAILEY: Hi. My name is Kari Bailey and I'm a graduate at the Pratt Center for Community Development. Thank you for this opportunity to weigh in on

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this important topic. And I'm delivering this testimony on behalf the Adam Freidman, who is our executive director and cannot be here today.

As a long time advocate for the land use and zoning policies that advance the needs of industrial businesses across the City, Pratt Center is very pleased that this important piece of Mayor de Blasio's Industrial Action Plan is being codified through zoning regulations. This special permit requirement represents an important step in the effort to ensure that the City's shrinking supply of manufacturing-zoned land is less vulnerable to the as-of-right, nonindustrial uses that threaten to erode the industrial integrity of the M-Zones.

Our concern lies within the factors that will shape the required findings for granting a special permit to develop self-storage facilities in a designated area in an M-District. The City Planning Commission will be empowered to grant

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special permits to applicants with the site in question that is not optimal for modern day industrial uses. In other words, if a site is deemed optimal, a special permit for self-storage won't be granted. Optimal is the wrong standard.

If you look at some of the City's most successful industrial projects, such as the Brooklyn Navy Yard or the Manhattan Avenue Building GNDC's, none of them would meet the optimal standard. The City is about to invest $136 million in the Bush Terminal as the center of the garment production, a building that is clearly not optimal with the definition offered by the City Planning and the Draft Scope of Work.

The list of criteria for characterizing a site as optimal is long and difficult to meet. It includes lot size, the design and arrangement of the site, proximity to highways, truck yards and local streets that are not configured so that traffic leads directly to the site, proximity to public transportation,

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a low potential for future industrial uses to conflict with other nearby uses, and minimal investment in nearby industrial uses.

There are few development sites in the proposed areas that will meet all of these criteria for optimal. And many industrial businesses across the City are currently thriving under conditions that do not reflect these criteria. Therefore, many sites will meet the findings for a special permit and, in effect, render this a weak and infective policy.

More appropriate criteria will be ones that demonstrate that the area is viable for industrial uses, such as low vacancy rates in an area and rising land costs, two indicators for demand for industrial space.

In summary, the Pratt Center supports the administration's effort to restrict uses that may undermine industrial activities. Given the real estate market trends, the need to protect industrial

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areas from self-storage and other nonindustrial as-of-right uses is likely to grow.

Underscoring the importance of encroaching and acting this important policy to ensure that the policy accomplishments stated in objective, we urge DCP to tighten the criteria so as to only grant a special permit for self-storage when a site is genuinely not viable for future industrial use.

Thank you and we look forward to working with you more. And I have plenty of copies of this to give you to right now.

MR. DOBRUSKIN: Thank you very much.

The next speaker is Varun Sanyal to be followed by Quincy Elly-Cate and then Adam Gordon.

MR. SANYAL: Good morning, everyone. I'm Varun Sanyal and I serve at the director of Economic Development and Policy at the Brooklyn Chamber of Commerce, and today I'm testifying on

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behalf of our president and CEO Andrew Hoan.

The Brooklyn Chamber of Commerce is a membership-based, business assistance organization that represents over 2,100 members in the Borough of Brooklyn. Implementing thoughtful industrial policies and land use measures that will lead to innovation, as well as preserving and creating new jobs, means taking a comprehensive approach to IBZs in New York City. Through our various initiatives, the Brooklyn Chamber is committed to both starting and operating industrial businesses in the borough, and we're keen on working with the City of New York to promote a strong business economy in the Borough.

While the Brooklyn Chamber supports the goal of the Mayor's Industrial Action Plan, we believe that creating a special permit process for self-storage facilities is not the best solution. Many small businesses right here in Brooklyn turn to

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self-storage as an inexpensive alternative to warehousing their inventory. This includes manufactures and artisans who see self-storage as complementary to their sectors.

Considering costs of real estate, the access to self-storage allows small businesses to minimize expenses. Furthermore, we've already seen evidence of self-storage developments in Brooklyn being shelved due to the uncertainty surrounding this special permit process. Ultimately, this could leave the borough and the City with more vacant lots and derelict properties that are not actively pursued by other buyers.

There's no data or evidence presented in the scope that suggests our manufacturers are moving to these sites. Across Brooklyn, blighted sites include vacant lots, tow pounds and extensively damaged buildings that have been improved by the presence of new self-storage facilities, that are properly maintained

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and secured.

We view self-storage and industrial business as complementary, not competitive. We urge the City to reconsider their approach to reforming IBZs through a special permit of self-storage and to take a more comprehensive approach to promoting manufacturing across the City of New York.

Thank you for the opportunity to testify today.

MR. DOBRUSKIN: Thank you very much.

The next speaker is Quincy Elly-Cate to be followed by Adam Gordan and then Darryl Hollon.

MR. ELLY-CATE: Good morning. My name is Quincy Elly-Cate I work at the Business Outreach Center Network and I'm the industrial business provider for Central Queens, which includes the IBZs of Steinway, Ridgewood, Woodside and Maspeth. I'm also the coordinator for the Maspeth Industrial Business Association.

In the Maspeth IBZ alone, there are

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over 850 industrial businesses which provide over 15,000 jobs. Most of these businesses are small, local businesses and 75 percent of them have fewer than 20 employees. Many of these businesses have been operating in the areas for generations, and at times employ whole families. These are businesses that care for their employees and their employees care for the businesses.

To be noted, manufacturing jobs in New York City pay workers an average of $50,000 per year, twice as much as what those same workers would earn in the service industry in New York City.

So as I walk our IBZs and meet the businesses that have been operating in these designated zones for decades, and which are critical components of the City's economy, I'm saddened and frustrated each time we hear about another long-time member of the community shutting its doors for good or relocating out of state after the landlord has doubled the

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rent because there's suddenly a possibility for a quick profit and an alternative use.

However, I'm not just sad for these businesses, but I'm sad for the City as a whole. What will be the long-term implications to vitality of this city if we don't protect the areas that have been its economic engine and created quality employment opportunities for New Yorkers for generations. The City has prominently displayed its support for affordable housing, but was considered affordable if you don't have a job.

Ultimately, I support the spirit of the self-storage special permit and its intentions to directly preserve important industrial space and IBZs and help combat a portion of speculative real estate pricing. However, I'd like to note that this is not the only use that should be limited in the zoning amendment, and I can only hope that this is just a start which will lead to including the limiting of

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other encroaching uses that negatively impact IBZs.

Thank you for your time.

MR. DOBRUSKIN: Thank you.

Our next speaker is Adam Gordon followed by Darryl Hollon.

MR. GORDON: Good morning. I'm, first and foremost, fourth-generation New Yorker, with deep roots everywhere from Bensonhurst to the Lower East Side. I've only come up to speak in front of public hearing twice in over 30 years of active development, the first time while waiting to speak I met my wife. So I'm quite optimistic about speaking with you all today.

I support protection of industrial jobs and the preservation of manufacturing districts. I also support the creation and operation of non-white and low-income small business and homeowners to rely on self-storage. That's why we develop residential, we develop self-storage, we develop retail and industrial, and are

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active in Manhattan, Brooklyn, Bronx and Queens currently.

I believe there are areas of compromise. You've heard a lot of testimony, I'd like to pose five questions to consider before moving forward on these restrictions.

First, can self-storage be accommodated largely on the second floor and basement in manufacturing zones to reserve ground floor space for manufacturing use? This concept of mixed-use has been used very successfully in places like Seattle and Portland;

Second, will prohibition hunt self-storage accelerate the development of hotels and trojan horse homeless shelters? Any restriction on self-storage must be accompanied by similar hotel restricts;

Third, does the Planing Commission recognize the potential against non-white and low-income small businesses that will be displaced by the text amendment as written? Self-storage facilities right

now serve as the home for many of these businesses. The growth of jobs to regional and national companies with workers commuting to jobs in larger manufacturing facilities are not the same jobs that remain in our communities;

Number four, does the text amendment distinguish between on-site and off-site job creation? Has an analysis been done of the jobs created inside the facilities by the small businesses that occupy space there?

And finally, how can the boundaries be designated in a more comprehensive way than they are currently?

Thank you very much.

MR. DOBRUSKIN: Thank you very much for your testimony.

Our next, and I believe final, speaker is Darryl Hollon.

MR. HOLLON: Thank you, Commission, for giving me the opportunity to speak.

My name is Darryl Hollon, I'm an industrial business service provider for

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Brooklyn East, which is a BOC network, which includes the Flatlands Fairfield Industrial Business Zone and the East New York business zone. My testimony is a little different from my colleagues because it comes from practical experience.

The 335,000-square foot and 3,600 unit storage facility at 5601 Foster Avenue in the Flatlands Fairfield IBZ, is a strong example of the displacement storage facilities create for small industrial slash manufacturing businesses, and one of the defining reasons that special permits to erect the storage facilities. And any one of the cities 21 IBZs is paramount to the preservation and growth of the industrial community as we progress in the 21st century.

I stand here today as a previous industrial business service provider from 2006 to 2011 for the Flatlands Fairfield IBZ. And since March 1st of this year, I am currently, again, the industrial

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business service provider for the Flatlands Fairfield IBZ. 5601 Foster Avenue was once three locations, which included one on East 56th Street address, Preston Court address, and one on Foster Avenue.

These photos attached denote two of these three locations, down 5601 Foster Avenue. During my previous tenure at FF IBZ, this location housed two steel fabricators on Foster Avenue and East 56th Street, a commercial distributor and a commercial shipping company on Preston Court. The four companies employed 20-plus living wage jobs for local residents and most raising a family, a salient point.

This storage facility occupying four times the space of the previous tenants only employs 25 percent on average of the employees that manufacturing slash industrial businesses carried. Storage facility jobs are not middle-class, living-wage income jobs. And on the other

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hand, the average wage of the manufacturing is nearly 52,000 and is more likely to provide crucial benefits to health care.

Limiting these storage facilities in the IBZs are part the City's 2015 industrial plan to preserve the integrity of the industrial areas. Unnecessary pedestrian foot traffic and higher rents are a few of the unwelcome byproducts of industrial areas due to presence of big-box companies storage facilities in the IBZs.

Requiring a special permit with stringent guidelines for storage facilities and IBZs who will persuade the encroachment of any nonindustrial manufacturing concern in a designated New York City Industrial Business Zone, this is a start.

Thank you.

MR. DOBRUSKIN: Thank you very much.

Is there anyone else who wishes to speak today?

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(No response.)

MR. DOBRUSKIN: If not, we're going to close.

Before we do, I just want to thank everyone for coming today and for participating. I especially want to thank those of you who did speak today.

I'd like to encourage everyone who has any thoughts about our Draft Scope of Work to provide us with comments in writing. Again, the written comment period will remain open until 5:00 p.m. Monday, April 10th.

Again, thank you for coming and we're now going to close the scoping meeting.

(Time noted: 11:41 a.m.)

C E R T I F I C A T E

STATE OF NEW YORK)
: ss.:
COUNTY OF QUEENS)

I, NICOLE ELLIS, a Notary Public for and within the State of New York, do hereby certify:

I reported the proceedings in the within-entitled matter, and that the within transcript is a true record of such proceedings.

I further certify that I am not related to any of the parties to this action by blood or by marriage and that I am in no way interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set my hand this 10th day of April 2017.

_____
NICOLE ELLIS

GT GreenbergTraurig

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russos@gtlaw.com
(212) 801-2155

VIA ELECTRONIC MAIL AND HAND DELIVERY

April 10, 2017

New York City Department of City Planning
Environmental Assessment and Review Division
Attn: Robert Dobruskin, AICP – Director
120 Broadway
New York, New York 10271

Re: Comments of PR III/MD Storage I Holdings, LLC on the Draft Scope of Work for a Draft Environmental Impact Statement for the Self-Storage Text Amendment (CEQR No. 17DCP119Y)

Dear Mr. Dobruskin:

This firm represents PR III/MD Storage I Holdings, LLC ("PR III") in relation to the Department of City Planning's ("DCP") proposed Self-Storage Text Amendment (the "Text Amendment"). DCP, acting on behalf of the City Planning Commission ("CPC") as lead agency under the City Environmental Quality Review ("CEQR") determined that a Draft Environmental Impact Statement ("DEIS") is required for the Text Amendment. On March 1, 2017, DCP, pursuant to CEQR Section 5-07 and 6 NYCRR 617.8 (New York State Environmental Quality Review or "SEQR"), published notice in The City Record of a public scoping meeting scheduled for March 30, 2017 in connection with DCP's preparation of the DEIS (respectively, the "Notice" and the "Scoping Meeting").[1]

On March 1, 2017, and in advance of the Scoping Meeting, DCP released a Draft Scope of Work for the DEIS (the "Draft Scope"). These comments are being submitted on

[1] A copy of the Notice is annexed hereto as Exhibit A.

behalf of PR III in response to the Draft Scope. They are not intended to supersede or replace any comments separately made by PR III, its representatives, or this firm at the Scoping Meeting.

Introduction

The breadth of the Text Amendment is significant, and PR III is deeply concerned that the Draft Scope contains numerous deficiencies such that it is currently impossible to *meaningfully* comment on the technical areas that would be included in the DEIS.

The Text Amendment will impact the entire region's self-storage industry, including, but not limited to, developers, lenders, owners, operators and consumers. The Text Amendment also has citywide impact, as it targets "Designated Areas" (i.e., areas within manufacturing zoning districts which largely coincide with Industrial Business Zones ("IBZs")) throughout Queens, Brooklyn, Staten Island and the Bronx. Due to the Text Amendment's scale and scope, PR III, as well as the entire self-storage industry will undoubtedly suffer from the adverse impacts of the Text Amendment.

PR III maintains that the Draft Scope inadequately (i) describes the analyses to be undertaken in the DEIS; (ii) excludes certain essential areas of analysis; and (iii) is the product of a violation of lawful procedure. The deficiencies in the Draft Scope indicate that the environmental review of the Text Amendment will be lacking, hasty and reach predetermined outcomes. If the affected business community, elected officials, and the public-at-large are not able to meaningfully comment on the environmental review process because DCP did not properly outline the technical areas of analysis necessary for a proper

environmental review in the Draft Scope, than the legitimacy of DCP's efforts, and its substantive findings as lead agency will be legally invalid.

Accordingly, PR III requests that DCP prepare and put out for public comment a revised Draft Scope that both incorporates the comments below, as well as fully and completely describes the proposed action, the assumptions that will be used in the DEIS, and its potential adverse effects.

DCP's Improper Notice Violates CEQR

The Notice does not meet the strict procedural requirements set forth in CEQR, and accordingly must be reissued properly or the Text Amendment's environmental review process would be rendered infirm and subject to challenge. CEQR Section 5-07(b) states:

> Upon issuance of the draft scope and ***not less than thirty nor more than forty-five days prior to the holding of the public scoping meeting***, the lead agency ***shall publish in the City Record*** a notice indicating that a draft environmental impact statement will be prepared for the proposed action and requesting public comment with respect to the identification of issues to be addressed in the draft environmental impact statement.[2]

New York State General Construction Law Section 20 (which applies to CEQR) sets forth that a "day" for computation purposes is "exclusive of the calendar day from which the reckoning is made. . . In computing any specified period of time from a specified event, the day upon which the event happens is deemed the day from which the reckoning is made. The day from which any specified period of time is reckoned shall be excluded in making the reckoning."[3]

[2] 62 RCNY 5-07(b) (emphasis added).

[3] N.Y. GEN. CONSTR. LAW § 20 (McKinney 1988).

The Notice was published in The City Record on March 1, 2017.[4] The Notice clearly states that the Scoping Meeting is scheduled for March 30, 2017. Accordingly, the Notice violates CEQR because it was published in The City Record only twenty-nine (29) days prior to the scheduled Scoping Meeting, one (1) day short of the minimum period of notice required under CEQR. DCP must re-notice the Scoping Meeting because CEQR requires a lead agency to literally comply with its procedural requirements.[5]

Based on the foregoing, it is evident that the Notice is deficient, and as lead agency, DCP failed to meet the procedural obligations of CEQR. DCP must re-notice the Scoping Meeting, and in turn, hold a new public scoping meeting "not less than thirty days nor more than forty-five days" from the date of DCP's new notice in The City Record. While DCP may wish to treat this procedural infirmity as harmless error, case law recognizes no such exception.

The Draft Scope Is Deficient

As you are no doubt aware, the Draft Scope is the first instance in which the lead agency advises the public of the important issues that the agency believes must be analyzed as part of the environmental review process. The Draft Scope also should fully set forth the underlying action's purpose, need, type and weight of impacts, alternatives considered,

[4] A copy of the applicable pages of the March 1st City Record is annexed hereto as Exhibit B.

[5] See, e.g., Williamsburg Around the Bridge Block Ass'n v. Giuliani, 223 A.D.2d 64, 644 N.Y.S.2d 252, 258-59 (1st Dep't 1996) (affirming lower court's decision to enjoin the City because the City did not comply with the procedural public comment mandates of SEQRA and CEQR); Rye Town/King Civic Ass'n v. Town of Rye, 82 A.D.2d 474, 442 N.Y.S.2d 67, 70-71 (2d Dep't 1981) (mandating "literal compliance" and not merely "substantial compliance" with SEQRA's regulations); Civic Ass'n of Utopia Estates, Inc. v. City of New York, 175 Misc.2d 779, 669 N.Y.S.2d 800, 802 (Sup. Ct. Queens Cnty. Feb. 17, 1998) (same). See also E. End Prop. Co. No.1, LLC v. Kessel, 46 A.D.3d 817, 851 N.Y.S.2d 565, 569 (2d Dep't 2007) ("[L]iteral compliance is required because the Legislature has directed that the policies of the State and its political subdivisions shall be administered to the fullest extent possible in accordance with SEQRA.") (external citations omitted).

methodologies and assumptions relating to timing and the study area.[6] The New York State Department of Environmental Conservation, in its SEQR Handbook, has observed that Scoping permits the lead agency to "reduce criticisms that an EIS is inadequate and reduce future challenges to EIS adequacy by involving the public in developing the specifications for the content of the EIS."[7]

As discussed below, the Draft Scope contains incorrect methodologies and incomplete assumptions, fails to identify important areas of potential impact, and inadequately analyzes alternatives to the Text Amendment. As a result, PR III and the public cannot currently meaningfully comment on the Draft Scope in its current form, thereby depriving it of the opportunity to meaningfully participate in this important first step in the environmental review of the Text Amendment.

The Draft Scope's Analysis Framework Is Inadequate

There are two (2) primary areas in which the Draft Scope's "Analysis Framework" is insufficient and precludes meaningful input.

First, the Draft Scope states that as part of the "With-Action Condition" the DEIS will analyze the potential environmental impacts associated with self-storage facilities moving from Designated Areas to areas that are not impacted by the Text Amendment.[8] The Text Amendment does not alter the existing manufacturing district zoning underlying these Designated Areas, so the DEIS must analyze the impacts of those manufacturing uses that will

[6] See CEQR Technical Manual at § 232. See also Develop Don't Destroy Brooklyn v. Empire State Dev. Corp., 31 A.D.144, 816 N.Y.S.2d 424, 427 (1st Dep't 2006) (noting that scoping "will determine the issues, and the methodologies for analyzing those issues, to be addressed in the EIS.").

[7] NYSDEC SEQR Handbook, Chapter 5 § (B)(6) (3d ed. 2010).

[8] Draft Scope at 10-11.

occupy sites that would have otherwise been developed with self-storage facilities. The Draft Scope, however, is devoid of any specific identification of what manufacturing uses will be studied; rather it only states that "representative examples will be developed" and broadly notes that:

> [t]he type of industrial development that ***may*** be analyzed include: wholesale trade; construction; transportation and warehousing; manufacturing; repair and maintenance; telecommunications and motion picture and sound recording industries; waste management and remediation services; gasoline stations and motor vehicle and parts dealers; utilities. The exemplary businesses ***will be*** selected based upon recent industry trends within New York City.[9]

The Draft Scope does not contain any further information regarding these "representative examples" or the data for the "recent industry trends" that will be used and relied upon. This lack of information makes it impossible for the public to comment on the proposed approach in a meaningful way. The potential environmental impacts associated with these uses vary significantly. A waste transfer station, for example, contains certain transportation, air quality, community character and hazardous material impacts that are wholly unlike a warehouse use, utility station or gasoline station. It follows that it is impossible to meaningfully comment on the scope of the Text Amendment's environmental review when there is no identification of what uses will actually be assumed as replacement uses for self-storage.

Industry trends, further, also vary widely depending on the borough, the surrounding community, the highway and road network and other considerations (e.g., "fair share"

[9] See Draft Scope at 10-11 (emphasis added).

criteria). Figure 2 of the Environmental Assessment Statement for the Text Amendment (the "EAS") contains a chart specifying the "Industrial Employment Trends" in manufacturing districts outside Manhattan. This chart, however, does not provide (nor does it ostensibly show) the basis for the selection of the "representative examples." Rather, the EAS only pays lip service to "[r]ecent DCP research, which will be discussed in further detail in the DEIS, [that] indicates several trends in industrial areas."[10] The EAS then cites one purported industry trend-- the lack of appropriate areas for industrial businesses in truck-intensive areas, but does not add if/how this would alter the selection of the "representative examples." Again, the Draft Scope makes it impossible for the public to assess the data that the lead agency will rely upon to select representative examples to be studied in the DEIS, or to comment on the appropriateness and reliability of such data.

It is implausible to ask the public to comment on a DEIS scope when the Draft Scope fails to mention a critical component of the DEIS: the potential environmental impacts of certain industrial uses that will replace self-storage uses in the Designated Areas. At minimum, DCP should utilize the most intense industrial uses (such as a waste transfer station), so that the public can comment on what would be the reasonable worst case scenario resulting from the Text Amendment.

Second, the Draft Scope assumes future conditions based on the "continuation of the rate of self-storage development in the last ten (10) years (2007-2016)." This amounts to 8.5 new self-storage developments per year.[11] The Draft Scope, however, irrationally does not

[10] See EAS at 18-19.

[11] See Draft Scope at 31.

take into account the fact that over the last three (3) years the number of self-storage development has increased significantly, and that a large portion of these development projects are in IBZs. By creating an analysis framework that utilizes the last ten (10) years, the Draft Scope minimizes the number of potential sites that would be prime locations for self-storage use, but will potentially be occupied by more intense industrial uses following the Text Amendment. This framework is deficient because it does not properly account for the development patterns and impacts associated with those development patterns that are more likely to occur in the future and thus understates the potential significant adverse impacts caused by the Text Amendment..

The Draft Scope Must Contain Additional Alternatives

The Draft Scope must define reasonable alternatives for avoiding or reducing project related significant adverse impacts, and must specify possible mitigations measures (if they can be identified).[12] The Draft Scope, however, does not provide any alternative beyond the statutorily required "no build alternative."

A revised Draft Scope is necessary to analyze alternatives that will enable DCP to both achieve its goal to increase future siting opportunities for industrial, more job-intensive businesses in IBZs while concurrently avoiding or reducing the adverse impacts of the Text Amendment. Alternatives that should be considered in a revised Draft Scope include:

[12] See, e.g., Webster Assoc. v. Town of Webster, 59 N.Y.2d 220, 464 N.Y.S.2d 431, 433-34 (1983) (assessment of "reasonable" alternatives to proposed action is necessary as part of the environmental review of a proposed project); Coal. for Responsible Planning, Inc. v. Koch, 148 A.D.2d 230, 543 N.Y.S.2d 653, 657 (1st Dep't 1989) (holding that one of the major purposes of the environmental review process is to "suggest and discuss alternatives to the proposed action so as to aid the public and governmental bodies in assessing the relative costs and benefits of the proposal").

Self-Storage Permitted In Lower Density Commercial Zoning Districts

If the goal of the Text Amendment is to spur industrial job growth in IBZs, and DCP recognizes that self-storage uses are low intensity uses and allegedly "primarily serve household" storage needs, a revised Draft Scope should include an alternative that permits self-storage in certain commercial zoning districts.[13] C4 commercial districts, for example, are commercial districts within which large, regional commercial establishments are permitted. C4 districts are located outside of main central business areas and are typically found in the outer boroughs. C4 districts often include large shopping malls, department stores and other regional uses that likely generate analogous (or less) environmental impacts. This alternative is reasonable, and should be considered.

Larger Study Area

DCP must revise the Draft Scope to include a larger study area alternative, as members of the public, as well as elected officials, have asked DCP to increase the number of Designated Areas and/or expand the boundaries of the existing Designated Areas.[14] A revised Draft Scope is necessary to analyze this already existing proposed alternative. This alternative may, for example, expand the Text Amendment to all manufacturing districts, resulting in significant cumulative impacts as well as impacts that are dissimilar to what would be studied as part of the Text Amendment's environmental review.

[13] Draft Scope at 3-4.

[14] At the Scoping Meeting, representatives of both Councilman Antonio Reynoso (District 34) and Councilman Rafael Salamanaca Jr. provided oral testimony imploring DCP to expand the boundaries of the Designated Areas. Councilman Reynoso's representative further testified that while Councilman Reynoso was generally supportive of the Text Amendment, Councilman Reynoso was upset that the proposed Text Amendment did not require hotel uses in Designated Areas to obtain a special permit as well.

Smaller Study Area

DCP must revise the Draft Scope to include a smaller study area alternative that either excludes certain portions of IBZs and/or certain smaller sites that would be unfit for large industrial operations. The Draft Scope states that industrial businesses "tend to require sites large enough to accommodate horizontal operations, off-street loading and vehicle fleet parking."[15] Certain sites located within the proposed Designated Areas, however, are not large enough to provide such accommodations. A revised Draft Scope should include an alternative that excludes certain smaller and/or unsuitable sites that, but for their location within an IBZ, would be unsuitable for large industrial operations and thus should continue to permit self-storage use without a special permit.

Allow Self-Storage On Upper Floors

DCP must revise the Draft Scope to include an alternative that prohibits self-storage uses on the ground floor of a building (excluding a lobby) within the proposed Designated Areas. This would enable industrial uses to proliferate within the proposed Designated Areas, but would also allow for self-storage- a use that small, local businesses depend on- to continue to serve the existing industrial/commercial communities in and around the proposed Designated Areas. A revised Draft Scope should include this reasonable alternative that both achieves the Text Amendment's stated purpose of spurring the City's economic development objectives and concurrently allowing, where appropriate, the self-storage industry to continue to provide its complimentary service to the local business community.

[15] Draft Scope at 4.

The Draft Scope Does Not Address Environmental Justice Concerns

The majority (if not all) of the Designated Areas coincide with New York State Department of Environmental Conservation's "Potential Environmental Justice Areas" ("EJ Areas").[16] However, the Draft Scope does not mention any consideration of the impact of the Text Amendment, and the new, more intense industrial uses that will be located within EJ Areas. A revised Draft Scope should identify and specify how DCP intends to assess impacts on environmental justice communities in EJ Areas which already shoulder the outsized burdens of environmental impact in New York City.

The Draft Scope Does Not Address Socioeconomic And Community Character Concerns

The Draft Scope fails to include any discussion of two (2) adverse socioeconomic conditions that will result from the Text Amendment. First, the Text Amendment will introduce more environmentally impactful uses to residential areas that in the immediate vicinity of the Designated Areas. These residential areas will likely experience a diminution in the value of their collective properties, as removing self-storage—an environmentally negligible use—and adding new industrial uses would result in significant environmental impact that would deter individuals and families from living in these affected communities. DCP must revise the Draft Scope to identify and specify how the DEIS will study the impact the Text Amendment on the property values of residential communities that neighbor Designated Areas.

Second, the Draft Scope must be revised to account for the potential indirect business and institutional displacement that would result from the Text Amendment. The Draft Scope

[16] Maps showing the applicable NYSDEC Potential EJ Areas are annexed hereto as Exhibit C.

incorrectly states that "[T]he Proposed Action is not anticipated to cause adverse impacts with respect to . . . indirect business and institutional displacement."[17] While the Draft Scope adds that this area will be analyzed in the DEIS, a revised Draft Scope is required to discuss the need for the DEIS to specifically study the Text Amendment's impact on non-self-storage industrial uses located within Designated Areas that would be adversely impacted by the introduction of more intense, environmentally impactful industrial uses.

In addition, given the documented reliance of small businesses on self-storage, a revised Draft Scope should include an assessment of the impact of the Text Amendment on self-storage pricing and capacity and the potential adverse impact on New York City small businesses. Such an impact is not wholly fiscal, but rather has the potential to alter community character in neighborhoods characterized by small businesses that rely on self-storage as a cost effective storage option. The Draft Scope recognizes that "approximately 20-30 percent of self-storage units" are leased by small businesses."[18] This figure is likely even greater in New York City because of high rents, and limited supply of proximate storage space. Self-storage is integral to the viability of many small businesses, and without it these small businesses will either be forced to move outside of New York City or close all together. A revised Draft Scope is required to discuss the need for the DEIS to analyze the indirect and direct socioeconomic and community character impacts on these small businesses.

[17] Draft Scope at 34.

[18] Draft Scope at 22.

Conclusion

The Text Amendment's environmental review process has already revealed serious shortcomings in terms of procedure, and the detail set forth in the Draft Scope. DCP should not act in haste, and must take the time necessary to ensure that the Text Amendment's environmental review complies with the letter and spirit of CEQR and SEQR. For these reasons, we respectfully submit that DCP revise the Draft Scope and reissue it in draft form to allow for meaningful comment and review.

Respectfully Submitted,

Steven C. Russo

EXHIBIT A

DEPARTMENT OF CITY PLANNING
CITY OF NEW YORK
ENVIRONMENTAL ASSESSMENT AND REVIEW DIVISION

Department of City Planning

March 1, 2017

PUBLIC NOTICE OF A SCOPING MEETING
DRAFT ENVIRONMENTAL IMPACT STATEMENT
SELF-STORAGE TEXT AMENDMENT
(CEQR No. 17DCP119Y)

Notice is hereby given that pursuant to Section 5-07 of the Rules of Procedure for Environmental Review (CEQR) and 6 NYCRR 617.8 (State Environmental Quality Review) that the New York City Department of City Planning (DCP), acting on behalf of the City Planning Commission (CPC) as CEQR lead agency, has determined that a Draft Environmental Impact Statement (DEIS) is to be prepared for the Self-Storage Text Amendment project (CEQR No. 17DCP119Y).

The CEQR lead agency will hereby prepare a Draft Environmental Impact Statement (DEIS) in accordance with 6 NYCRR 617.9(b) and Sections 6-08 and 6-12 of Executive Order No. 91 of 1977 as amended (City Environmental Quality Review).

A public scoping meeting has been scheduled for March 30, 2017, at 10:00 am and will be held at the New York City Department of Planning, Spector Hall, 22 Reade Street, New York, New York, 10007. Written comments will be accepted by the lead agency until the close of business on Monday, April 10, 2017.

The Department of City Planning proposes a citywide zoning text amendment to establish a Special Permit under the jurisdiction of the City Planning Commission (CPC) for all new self-storage development in the proposed "Designated Areas." The proposed Designated Areas, all located in Manufacturing (M) districts, would largely coincide with Industrial Business Zones and would be established as text maps. A Special Permit is a discretionary action by the City Planning Commission that may modify use regulations if certain conditions specified in the Zoning Resolution are met.

Self-storage typically occupies large sites near Designated Truck Routes, which could provide potential siting opportunities for future industrial, more job-intensive businesses. The primary intent of this proposal is to establish a framework to conduct a case-by-case, site-specific review to ensure that the development of self-storage facilities does not occur on sites that should remain available to more job-intensive industrial uses. Additionally, a case-by-case framework would allow self-storage facilities to locate in Designated Areas in M districts on sites where self-storage

Robert Dobruskin, AICP, *Director*
Olga Abinader, *Deputy Director*
120 Broadway, New York, N.Y. 10271
(212) 720-3423 FAX (212) 720-3495
rdobrus@planning.nyc.gov

facilities are found to be appropriate. The measure would significantly advance the City's economic development objectives for Industrial Business Zones by preserving adequate sites for industrial businesses. However, numerous factors influence the kind of uses that are developed in any given area, and it is understood that the Proposed Action alone will not in itself induce industrial development, which are already permitted as-of-right in M districts. This action solely aims to improve future siting opportunities for industrial businesses in NYC.

The proposed Designated Areas (the areas that would be directly affected by the proposed text amendment) in M districts are New York City's most active industrial areas, encompassing 10,254 acres and portions of 27 Community Districts across Brooklyn, Queens, Staten Island and the Bronx. All of the proposed Designated Areas are zoned for M1, M2 and M3 with FARs of 1, 2 or 5, respectively. Within the proposed Designated Areas, there are 65 self-storage facilities, representing about one quarter of all self-storage facilities in NYC.

It is expected that the likely effects of the proposed text would be to affect the amount and location of future self-storage facilities. Specifically, the proposed text amendment may result in a slight decrease in the number of self-storage facilities that would be developed in the foreseeable future, decreasing the projected amount from 86 to 81 in the foreseeable future. For the purposes of this analysis, the foreseeable future is defined as a ten-year period resulting in an analysis year of 2027.

Based on past and current development trends, it is projected that in the future without the proposed text amendment, there would be a total of 86 self-storage facilities developed in NYC. Of these 86 facilities, 20 are projected to be located within the areas proposed to be Designated Areas and 66 would be developed in M and C8 districts outside of the Designated Areas, where these uses are currently permitted. In the future with the proposed text amendment, there are projected to be 81 self-storage facilities, with 11 facilities located within the areas proposed to be Designated Areas and 70 facilities proposed to be developed in M and C8 districts. In total, there could be five fewer self-storage facilities overall by 2027, with nine fewer in Designated Areas, and four more in M and C8 districts outside of the Designated Areas.

Digital copies of the DEIS may be obtained from the Environmental Assessment and Review Division, New York City Department of City Planning, 120 Broadway, 31st Floor, New York, New York 10271, Robert Dobruskin, Director (212) 720-3423; or from the Mayor's Office of Environmental Coordination, 253 Broadway, 14th Floor, New York, NY 10007, Hilary Semel, Director (212) 676-3290; and on the New York City Department of City Planning's website located at http://www1.nyc.gov/site/planning/applicants/eis-documents.page.

EXHIBIT B

THE CITY RECORD

Official Journal of The City of New York

THE CITY RECORD U.S.P.S.0114-660
Printed on paper containing 30% post-consumer material

VOLUME CXLIV NUMBER 40 | WEDNESDAY, MARCH 1, 2017 | Price: $4.00

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THE CITY RECORD
BILL DE BLASIO
Mayor

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Commissioner, Department of Citywide Administrative Services

ELI BLACHMAN
Editor, The City Record

Published Monday through Friday except legal holidays by the New York City Department of Citywide Administrative Services under Authority of Section 1066 of the New York City Charter.

Subscription $500 a year, $4.00 daily ($5.00 by mail). Periodicals Postage Paid at New York, N.Y. POSTMASTER: Send address changes to THE CITY RECORD, 1 Centre Street, 17th Floor, New York, N.Y. 10007-1602

Editorial Office/Subscription Changes: The City Record, 1 Centre Street, 17th Floor, New York, N.Y. 10007-1602 (212) 386-0055

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PUBLIC HEARINGS AND MEETINGS

See Also: Procurement; Agency Rules

BOROUGH PRESIDENT - BROOKLYN

■ PUBLIC HEARINGS

NOTICE IS HEREBY GIVEN that, pursuant to Sections 197-c and 201 of the New York City Charter, Brooklyn Borough President Eric L. Adams will hold a public hearing on the following matters in the Courtroom of Brooklyn Borough Hall, 209 Joralemon Street, Brooklyn, NY 11201, commencing at 6:00 P.M. on Thursday, March 2, 2017.

Calendar Item 1 — 1350 Bedford Avenue (170070 ZMK and 170071 ZRK)
Applications submitted by Bedford Arms, LLC, pursuant to Section 197-c and 201 of the New York City Charter, are seeking zoning map and zoning text amendments for the property, located at 1350 Bedford Avenue, in the Crown Heights section of Brooklyn Community District 8 (CD 8). The zoning map amendment would rezone the existing R6A district to an R7D district, and the zoning text amendment would designate the property, a Mandatory Inclusionary Housing (MIH) area. Following the approval of the proposed actions, as well as the New York City Board of Standards and Appeals (BSA) special permit to waive the number of accessory parking spaces required for the existing six-story Section 8 housing building, an application for a tax lot subdivision will be submitted to subdivide Tax Lot 28 into Tax Lots 28 and 127. Such amendments and subsequent actions would facilitate the development of the existing underutilized parking area with an 80,088 square-foot, nine-story residential building, consisting of 48 units for households earning up to 80 percent of area median income (AMI) and 46 units for households earning up to 130 percent of AMI.

Accessibility questions: Olga Chernomorets, (718) 802-3751, ochernomorets@brooklynbp.nyc.gov, by: Thursday, March 2, 2017, 5:00 P.M.

f24-m2

BOROUGH PRESIDENT - MANHATTAN

■ PUBLIC HEARINGS

The Manhattan Borough Board will conduct a Public Hearing on Uniform Land Use Review Procedure (ULURP) applications (N 170186 ZRM and C 170187 ZMM) for Greater East Midtown Rezoning at 6:00 P.M., Thursday, March 2, 2017, at Guttman Community College, Ground Floor InfoCommon, 50 West 40th Street, New York, NY.

f24-m2

BOROUGH PRESIDENT - QUEENS

■ PUBLIC HEARINGS

NOTICE IS HEREBY GIVEN that a Public Hearing will be held by the Borough President of Queens, Melinda Katz, on **Thursday, March 2, 2017,** at 10:30 A.M., in the Borough President's Conference Room, located at 120-55 Queens Boulevard, Kew Gardens, NY 11424, on the following items:

CD Q02 – BSA #2016-4148 BZ
IN THE MATTER OF an application submitted by Eric Palatnik, P.C. on behalf of Universal Church, pursuant to Section 72-21 of the NYC Zoning Resolution, for a bulk variance from height, rear yard, and distance of window regulations to allow construction of a proposed community facility (Use Group 4) in an R5D/R6 District, at **68-03 Roosevelt Avenue,** Block 1223, Lot 1, Zoning Map no. 9d, Woodside.

CD 01 – BSA #2016-4467 BZ
IN THE MATTER OF an application submitted by Davidoff Hutcher & Citron LLP on behalf of Winston Network, Inc., pursuant to Section 72-21 of the NYC Zoning Resolution, for a variance to legalize an existing indirectly illuminated advertising sign in an R4 District, at **69-25 Astoria Boulevard,** Block 1001, Lot 21, Zoning Map no. 9c, Astoria.

CD Q01 – BSA #2016-4469 BZ
IN THE MATTER OF an application submitted by Davidoff Hutcher & Cintron LLP on behalf of Winston Network, pursuant to Section 72-21 of the NYC Zoning Resolution, for a variance to legalize an existing indirectly illuminated advertising sign in an R4 District, at **49-23 Astoria Boulevard,** Block 1000, Lot 19, Zoning Map no. 9c, Astoria.

NOTE: Individuals requesting Sign Language Interpreters should contact the Borough President's Office, (718) 286-2860, or email planning@queensbp.org no later than FIVE BUSINESS DAYS PRIOR TO THE PUBLIC HEARING.

Accessibility questions: Jeong-ah Choi, (718) 286-2860, jchoi@queensbp.org, by: Tuesday, February 28, 2017, 2:00 P.M.

f27-m2

CITY PLANNING

■ MEETING

PUBLIC NOTICE OF A SCOPING MEETING
DRAFT ENVIRONMENTAL IMPACT STATEMENT
SELF-STORAGE TEXT AMENDMENT
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Self-Storage typically occupies large sites near Designated Truck Routes, which could provide potential siting opportunities for future industrial, more job-intensive businesses. The primary intent of this proposal is to establish a framework to conduct a case-by-case, site-specific review to ensure that the development of Self-Storage facilities does not occur on sites that should remain available to more job-intensive industrial uses. Additionally, a case-by-case framework would allow Self-Storage facilities to locate in Designated Areas in M districts on sites where Self-Storage facilities are found to be appropriate. The measure would significantly advance the City's economic development objectives for Industrial Business Zones by preserving adequate sites for industrial businesses. However, numerous factors influence the kind of uses that are developed in any given area, and it is understood that the Proposed Action alone will not in itself induce industrial development, which are already permitted as-of-right in M districts. This action solely aims to improve future siting opportunities for industrial businesses in NYC.

The proposed Designated Areas (the areas that would be directly affected by the proposed text amendment) in M districts are New York City's most active industrial areas, encompassing 10,254 acres, and portions of 27 Community Districts across Brooklyn, Queens, Staten Island and the Bronx. All of the proposed Designated Areas are zoned for M1, M2 and M3 with FARs of 1, 2 or 5, respectively. Within the proposed Designated Areas, there are 65 Self-Storage facilities, representing about one quarter of all Self-Storage facilities in NYC.

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Digital copies of the DEIS may be obtained from the Environmental Assessment and Review Division, New York City Department of City Planning, 120 Broadway, 31st Floor, New York, NY 10271, Robert Dobruskin, Director (212) 720-3423, or from the Mayor's Office of Environmental Coordination, 253 Broadway, 14th Floor, New York, NY 10007, Hilary Semel, Director (212) 676-3290, and on the New York City Department of City Planning's website, located at http://www1.nyc.gov/site/planning/applicants/eis-documents.page.

Accessibility questions: Dana Cohen, (212) 720-3650, dcohen@planning.nyc.gov, by: Thursday, March 16, 2017, 5:00 P.M.

m1

CITY PLANNING COMMISSION

■ PUBLIC HEARINGS

NOTICE IS HEREBY GIVEN that resolutions have been adopted by the City Planning Commission, scheduling public hearings on the following matters, to be held at Spector Hall, 22 Reade Street, New York, NY, on Wednesday, March 8, 2017, at 10:00 A.M.

BOROUGH OF THE BRONX
Nos. 1 & 2
600 EAST 156TH STREET
No. 1

CD 1 **C 170140 ZMX**
IN THE MATTER OF an application submitted by 600 Associates LLC, pursuant to Section 197-c and 201 of the New York City Charter for the amendment of the Zoning Map, Section No. 6c by changing from an M1-1 District to an R8A District property, bounded by Eagle Avenue, 156th Street, Cauldwell Avenue, and a line 100 feet southwesterly of 156th Street, as shown on a diagram (for illustrative purposes only) dated November 14, 2016.

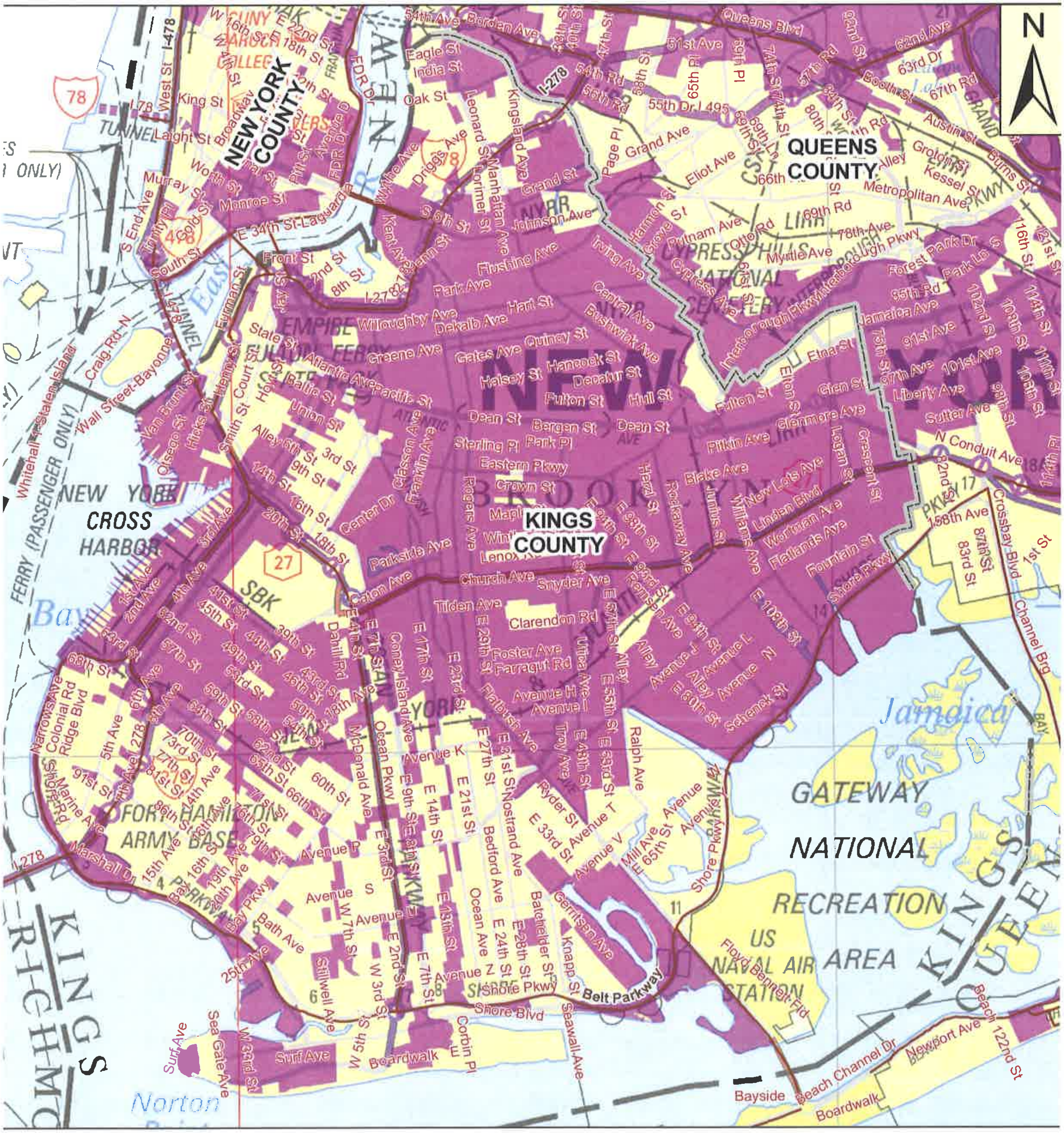
No. 2

CD 1 **N 170141 ZRX**
IN THE MATTER OF an application submitted by 600 Associates LLC, pursuant to Section 201 of the New York City Charter, for an amendment of the Zoning Resolution of the City of New York, modifying Appendix F for the purpose of establishing a Mandatory Inclusionary Housing area.

Matter underlined is new, to be added;
Matter ~~struck out~~ is to be deleted;
Matter within # # is defined in Section 12-10;
* * * indicates where unchanged text appears in the Zoning Resolution

EXHIBIT C

Potential Environmental Justice Areas in Kings County, New York
Click on any Potential EJ Area outlined in blue for a detailed map



Legend	
(purple)	Potential EJ Area
-----	County Boundary

0 0.5 1 1.5 2 Miles

SCALE: 1:90,000

Exhibit C
1 of 27

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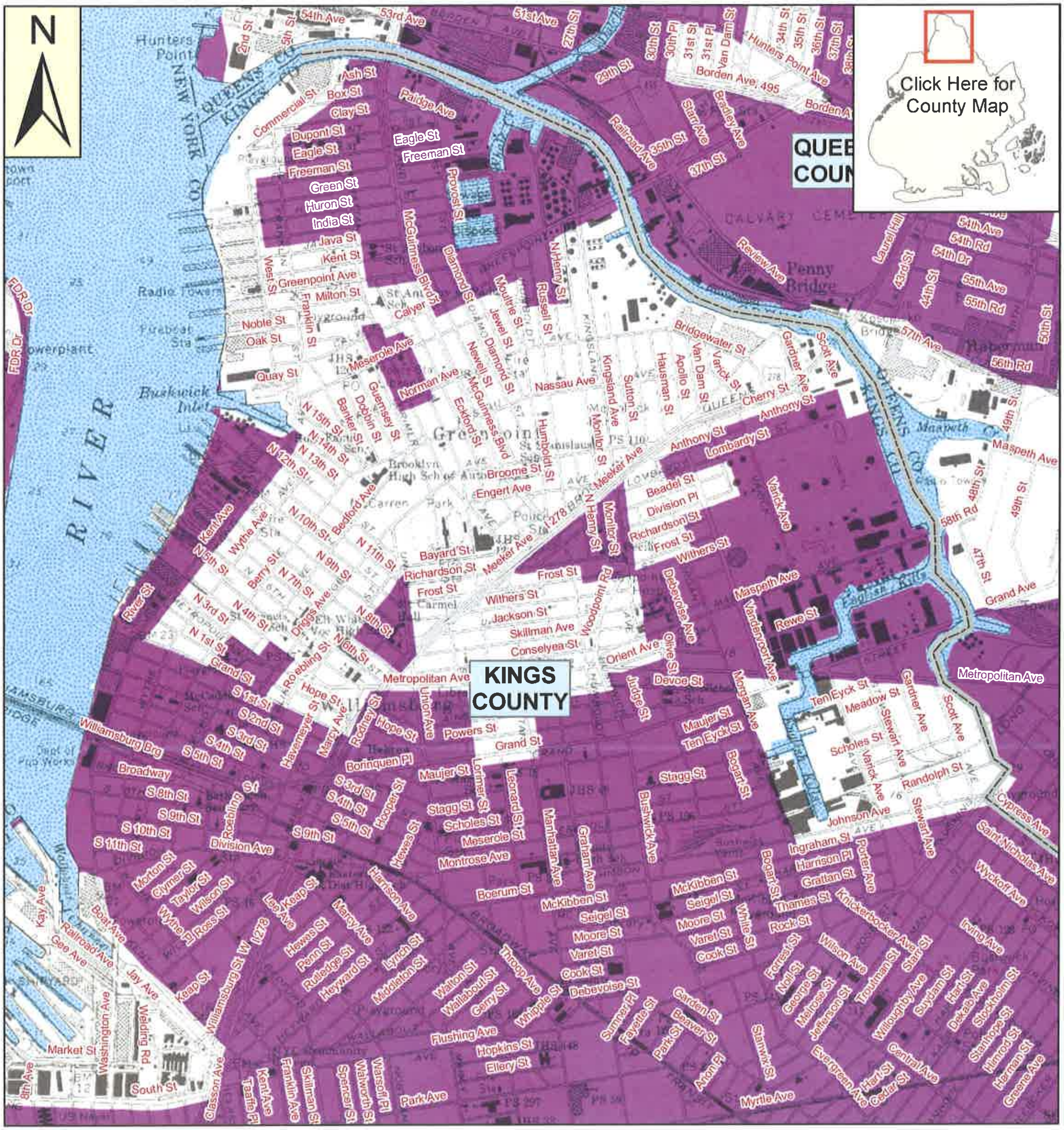
Data Source for Potential Environmental Justice Areas:
U.S. Census Bureau, 2000 U.S. Census

For questions about this map contact:
New York State Department of
Environmental Conservation
Office of Environmental Justice
625 Broadway, 14th Floor
Albany, New York 12233-1500
(518) 402-8556
ej@gw.dec.state.ny.us

Potential Environmental Justice Areas in Northern Brooklyn, Kings County, New York



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Data Source for Potential Environmental Justice Areas: U.S. Census Bureau, 2000 U.S. Census

Legend

- Potential EJ Area
- County Boundary
- Waterbodies

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Albany, New York 12233-1500
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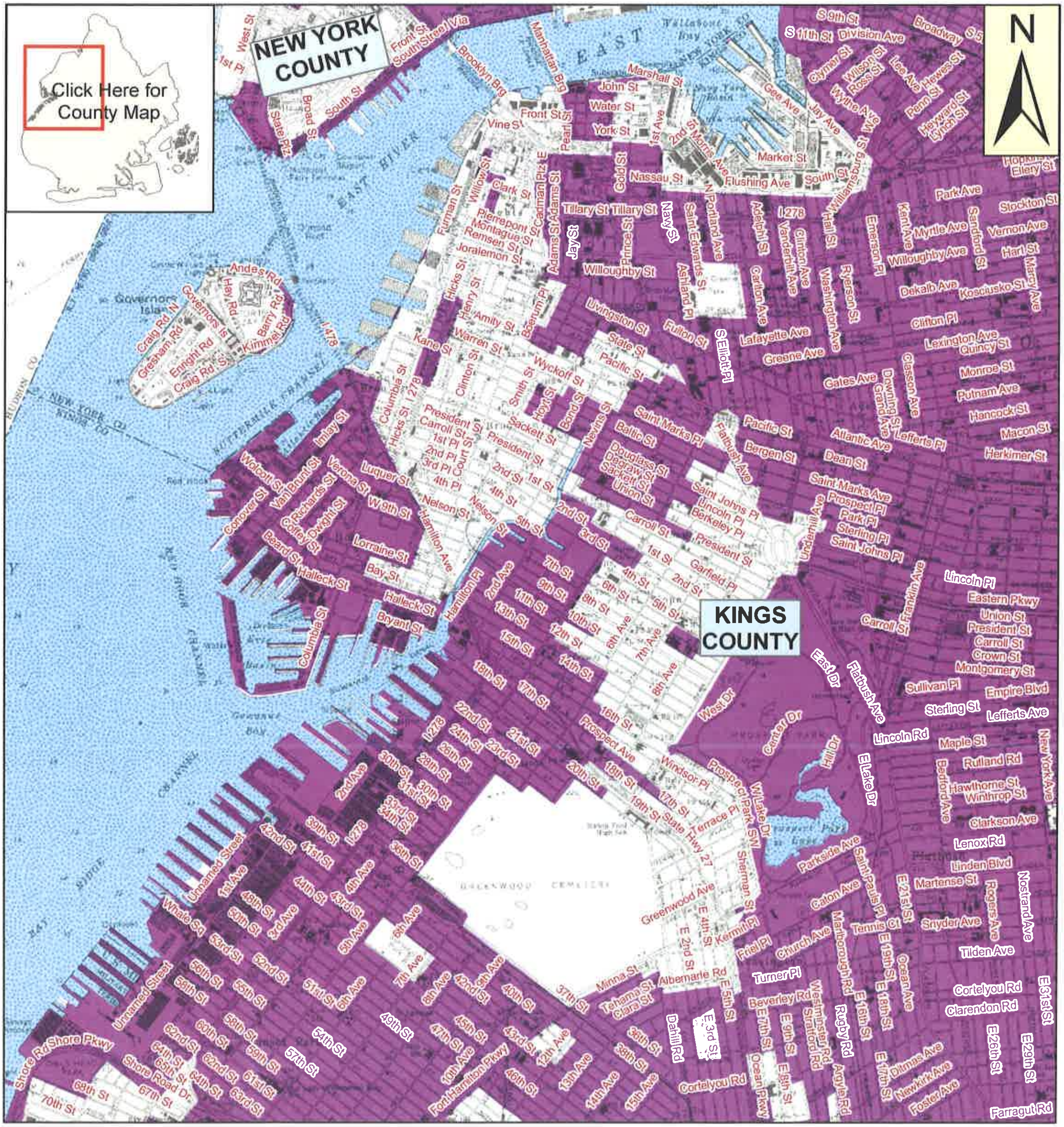
Potential Environmental Justice Areas in Northwest Brooklyn, Kings County, New York



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Legend

- Potential EJ Area
- County Boundary
- Waterbodies

Miles
0 0.2 0.4 0.6 0.8 1

SCALE: 1:40,000

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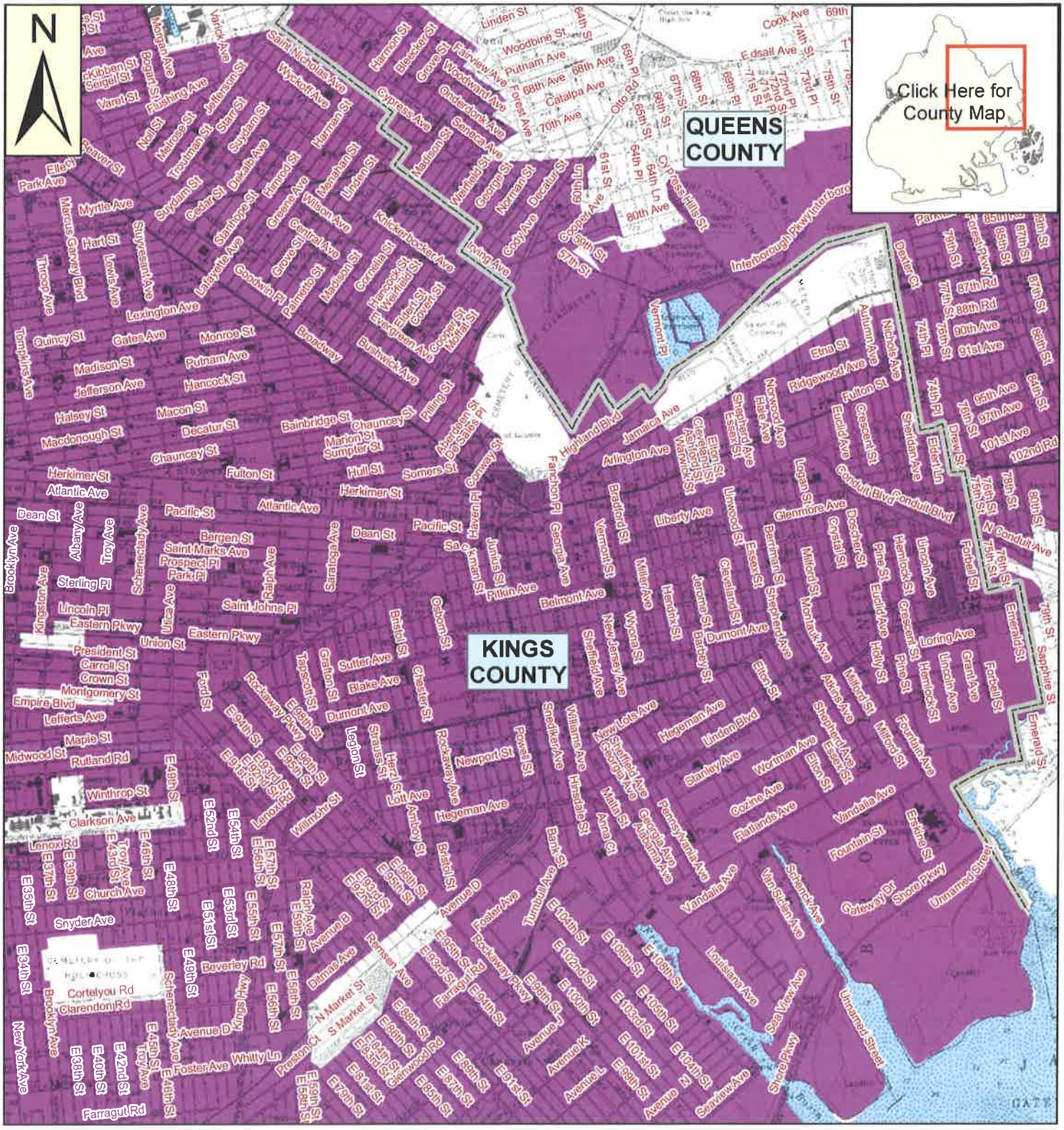
Potential Environmental Justice Areas in Northeast Brooklyn, Kings County, New York



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Legend

- Potential EJ Area
- County Boundary
- Waterbodies

Miles
0 0.2 0.4 0.6 0.8 1
SCALE: 1:40,000

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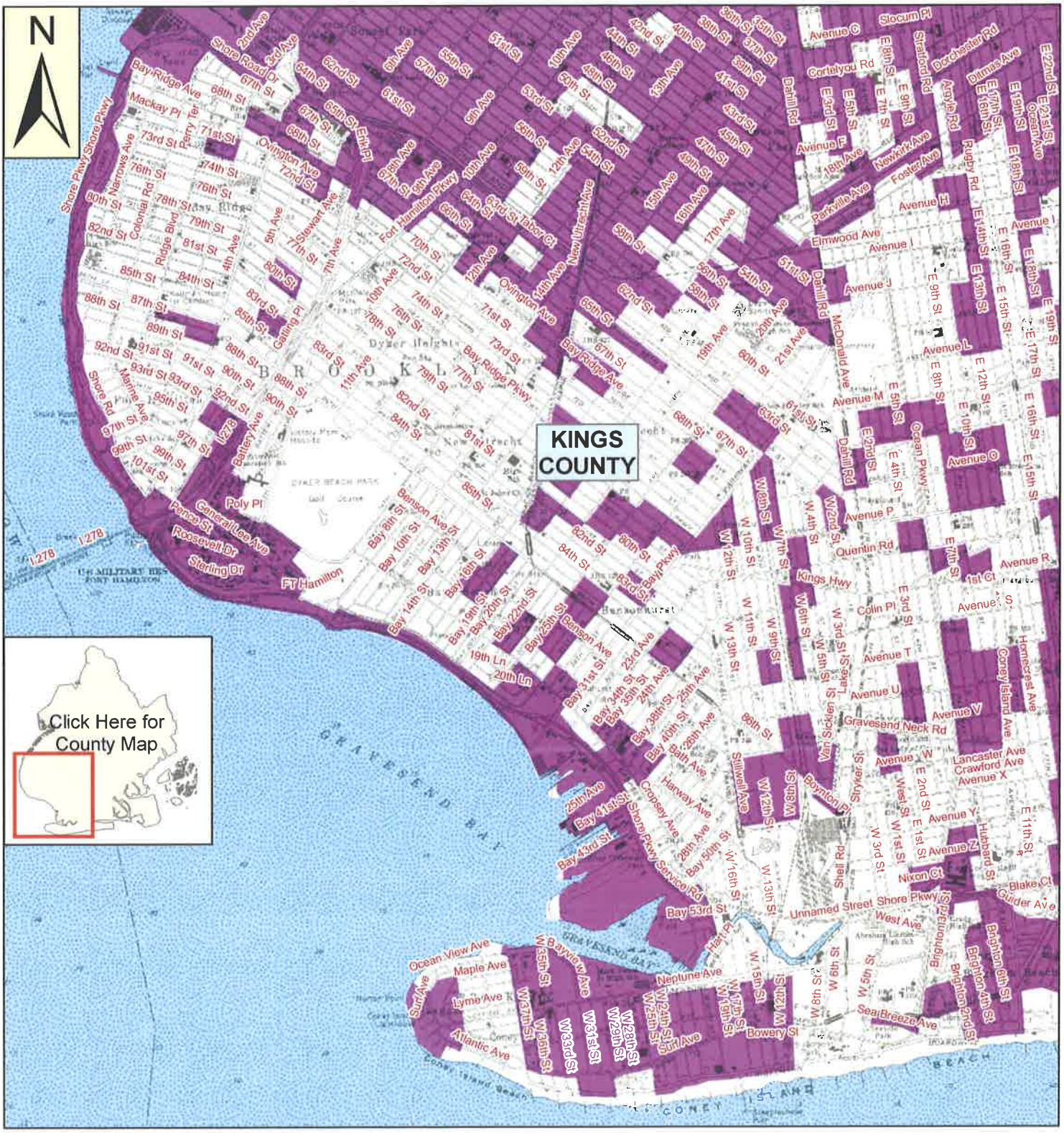
Potential Environmental Justice Areas in Southwest Brooklyn, Kings County, New York



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Legend

- Potential EJ Area
- County Boundary
- Waterbodies

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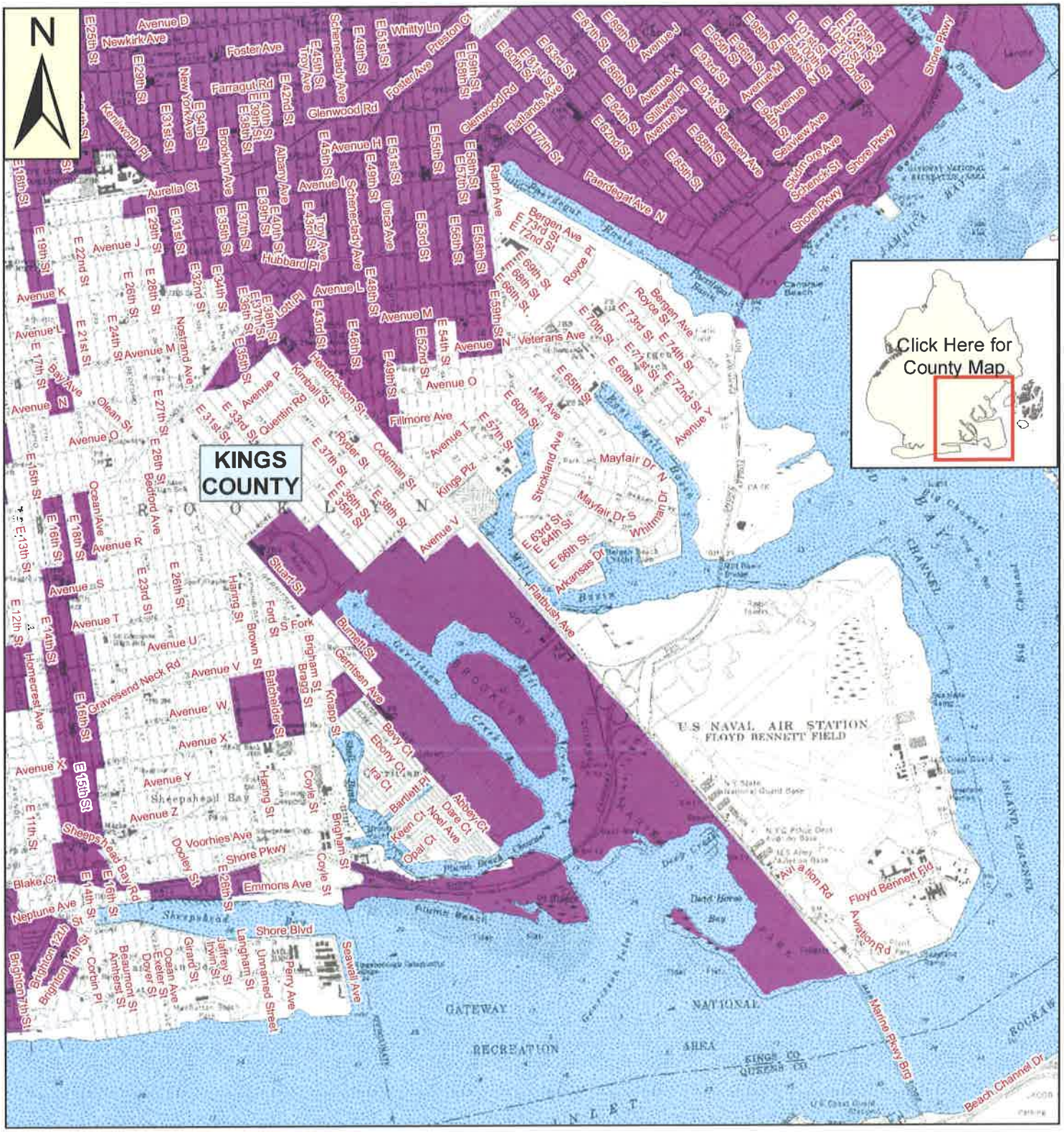
Potential Environmental Justice Areas in Southeast Brooklyn, Kings County, New York



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Legend

- Potential EJ Area
- County Boundary
- Waterbodies

Miles
0 0.2 0.4 0.6 0.8 1
SCALE: 1:40,000

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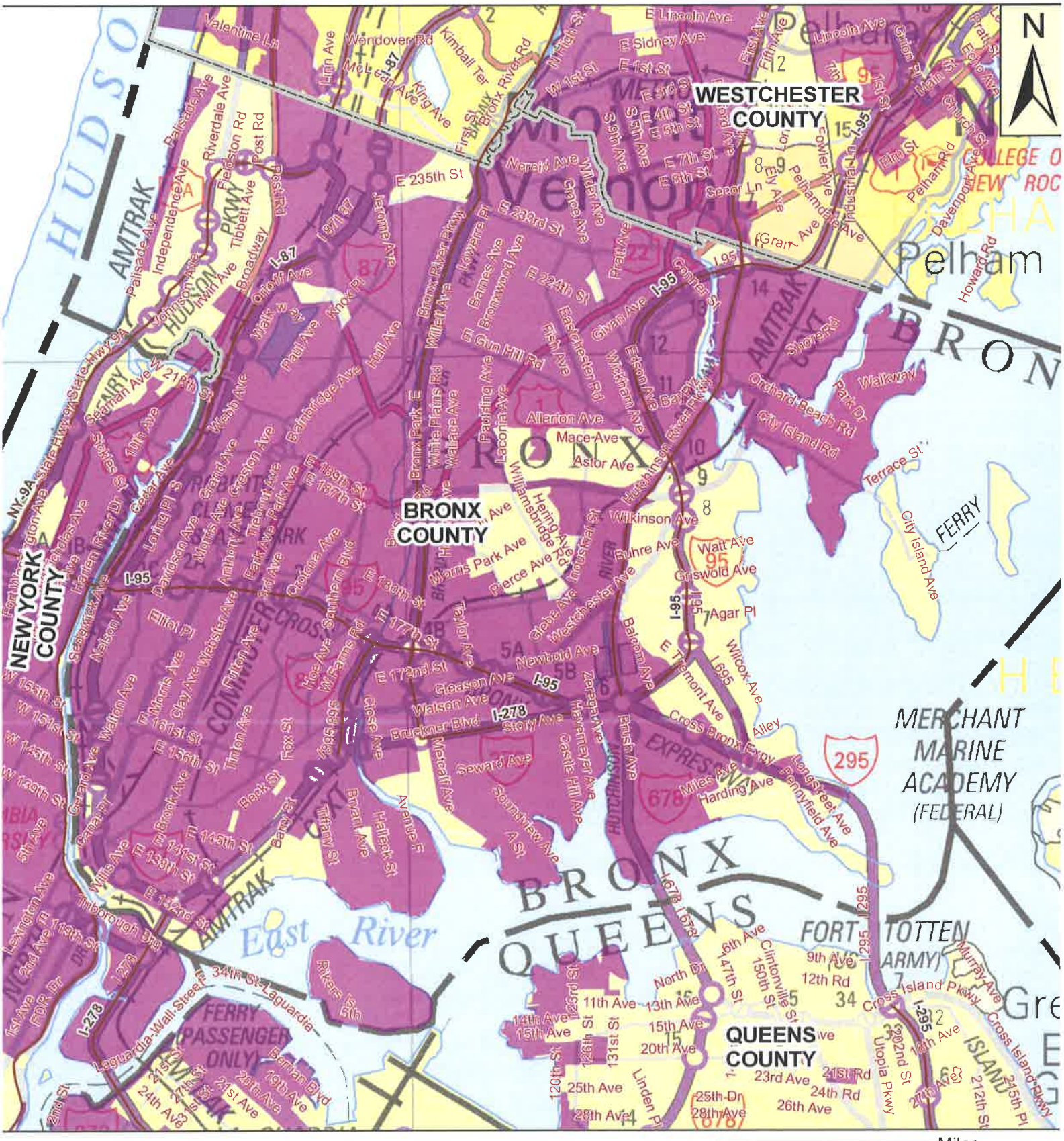
Potential Environmental Justice Areas in Bronx County, New York

Click on any Potential EJ Area outlined in blue for a detailed map



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Data Source for Potential Environmental Justice Areas: U.S. Census Bureau, 2000 U.S. Census

Legend

- Potential EJ Area
- County Boundary

Exhibit C
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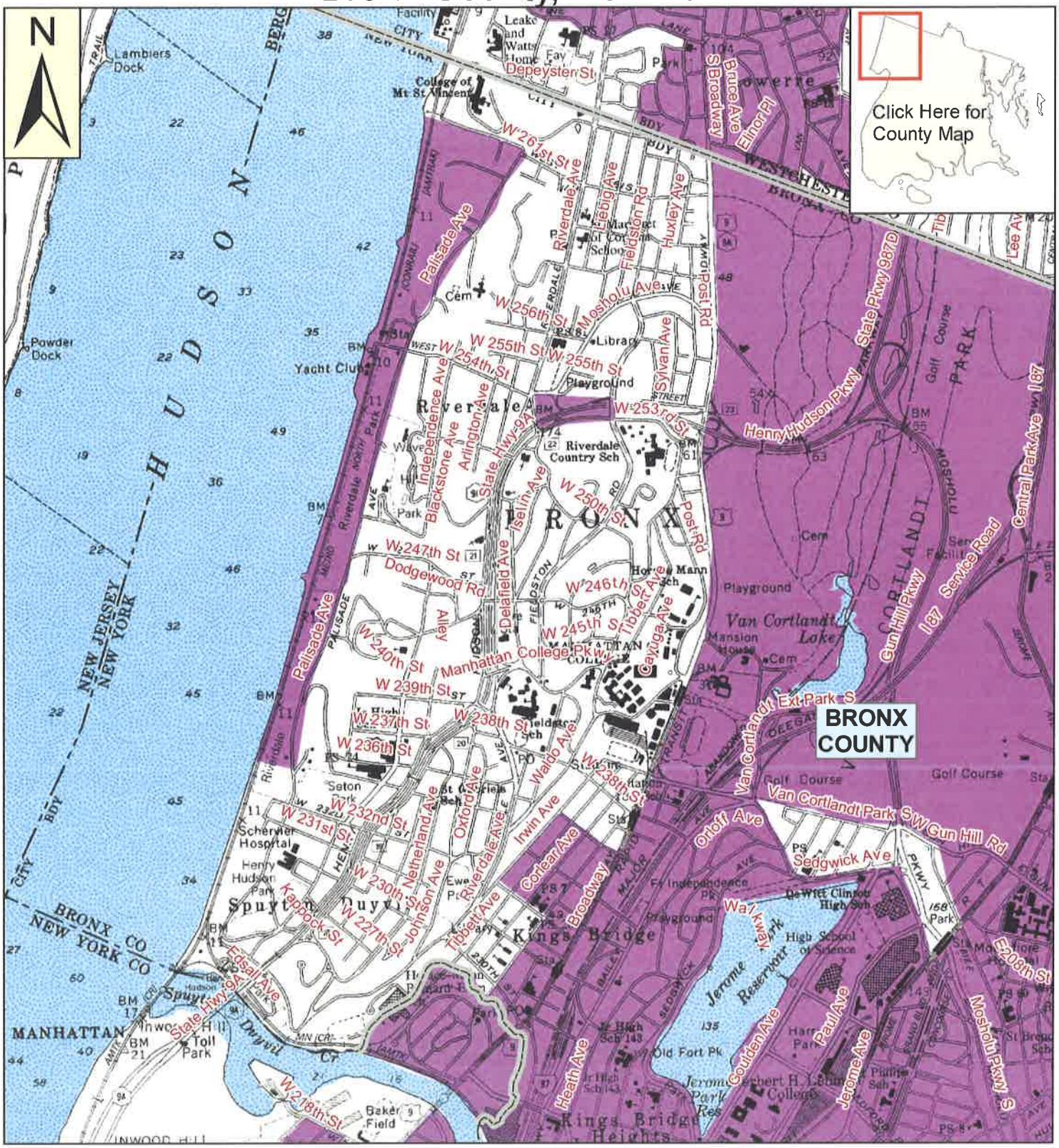
Potential Environmental Justice Areas in Northwest Bronx County, New York



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Data Source for Potential Environmental Justice Areas:
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Legend

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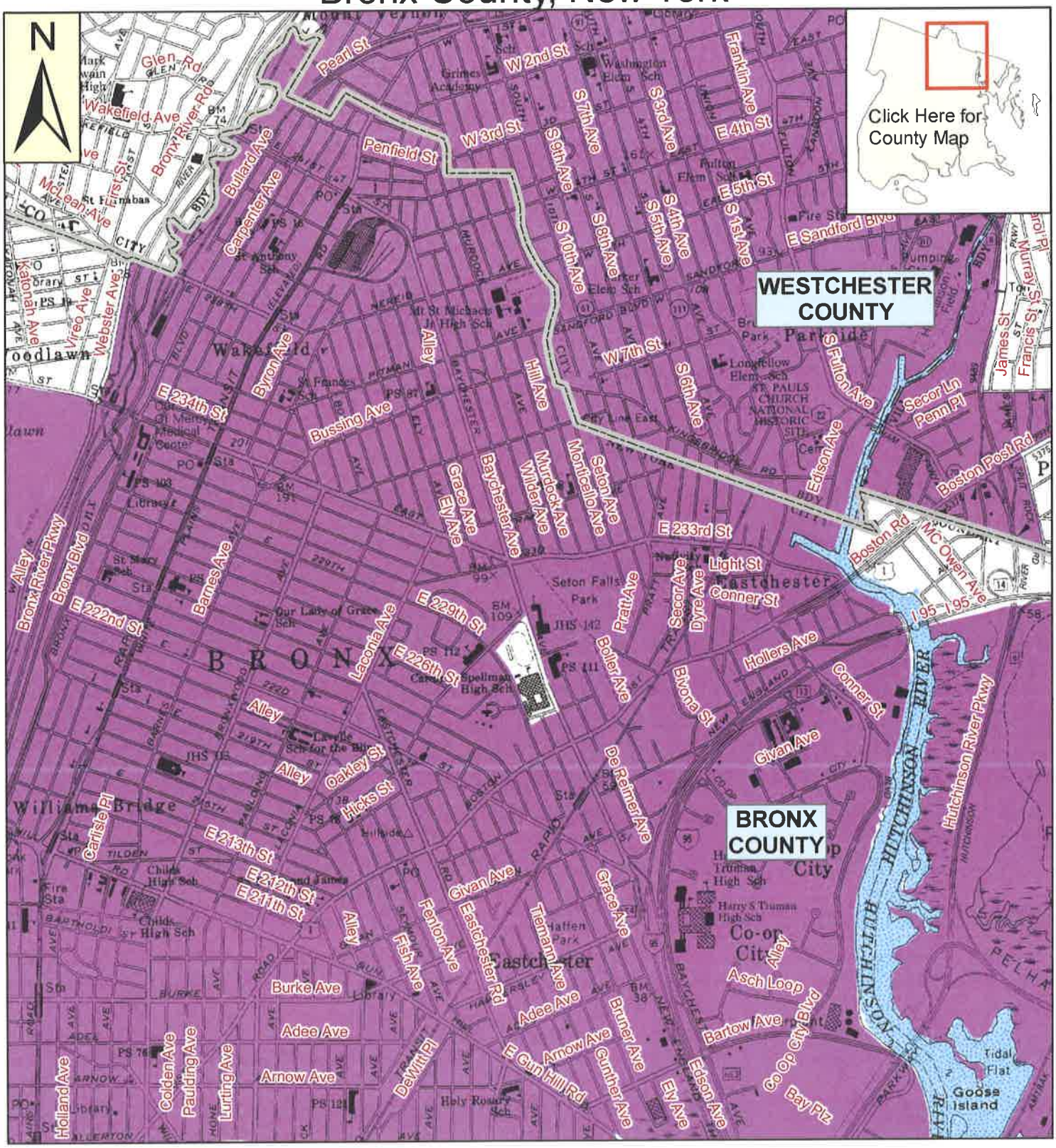
Potential Environmental Justice Areas in North Central Bronx County, New York



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Data Source for Potential Environmental Justice Areas:
U.S. Census Bureau, 2000 U.S. Census

Legend

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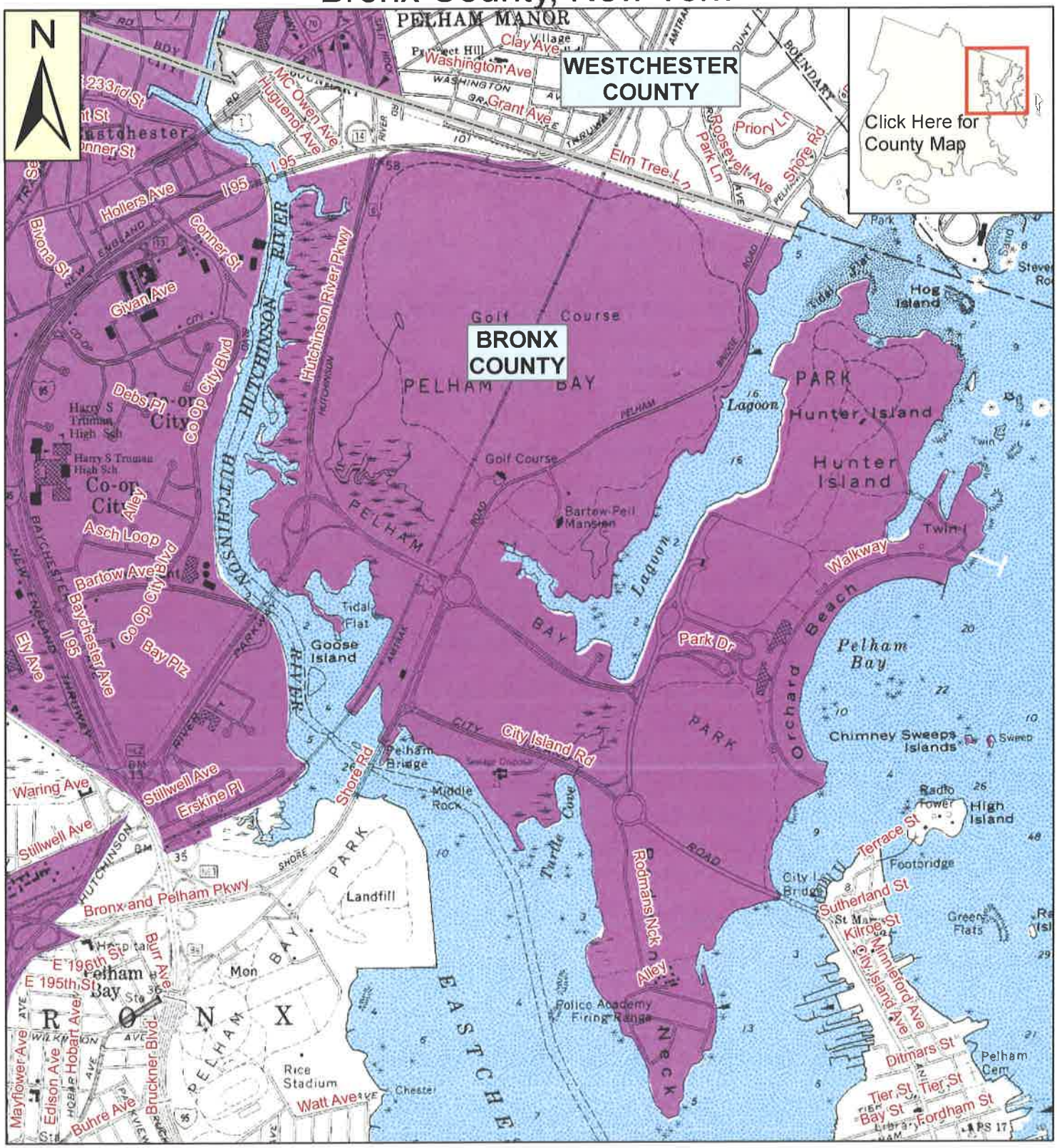
Potential Environmental Justice Areas in Northeast Bronx County, New York



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Data Source for Potential Environmental Justice Areas: U.S. Census Bureau, 2000 U.S. Census

Legend

- Potential EJ Area
- County Boundary
- Waterbodies

Exhibit C
10 of 27

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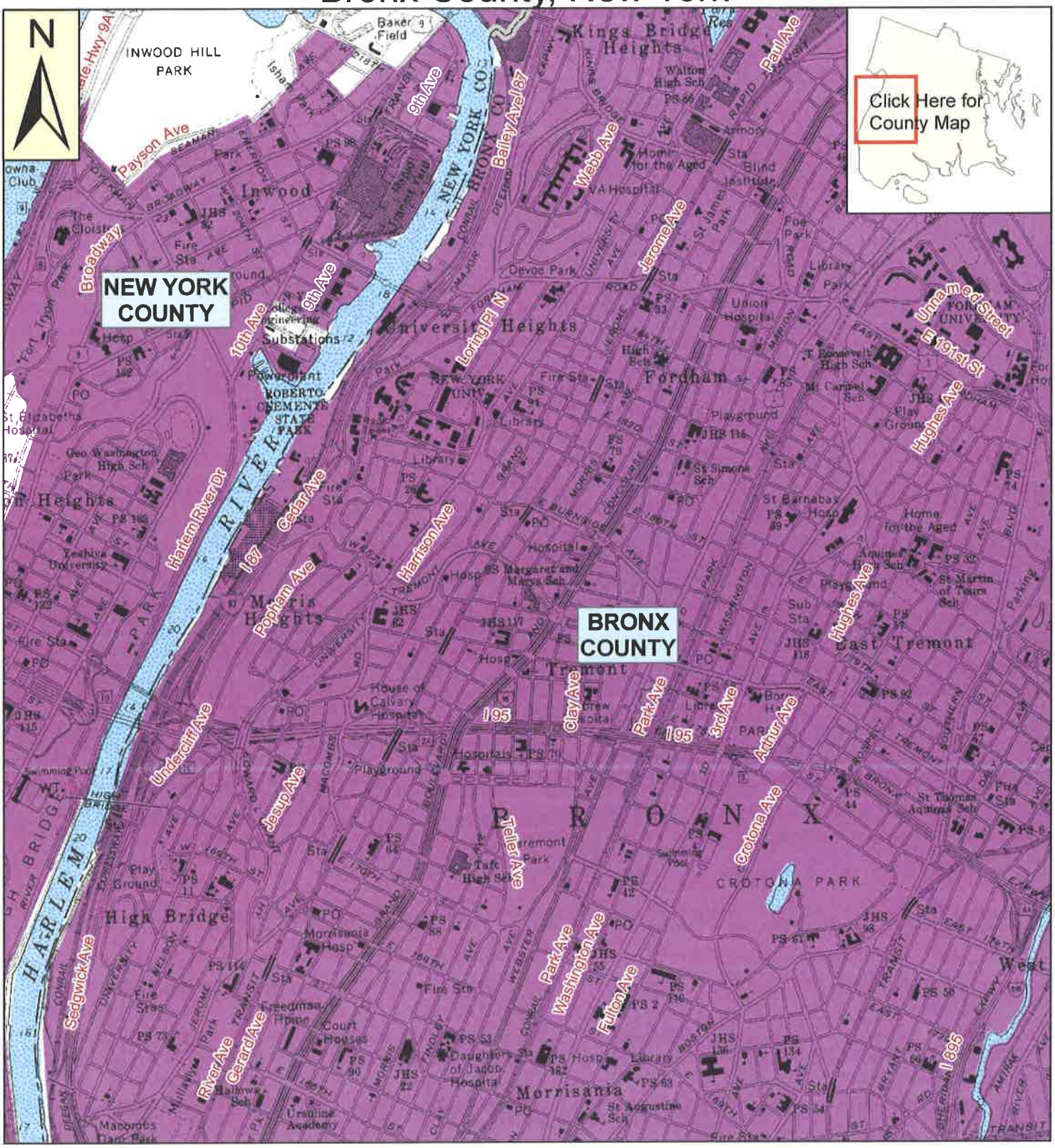
Potential Environmental Justice Areas in East Central Bronx County, New York



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Data Source for Potential Environmental Justice Areas:
U.S. Census Bureau, 2000 U.S. Census

Legend

- Potential EJ Area
- County Boundary
- Waterbodies

Miles
0 0.2 0.4 0.6 0.8 1

SCALE: 1:24,000

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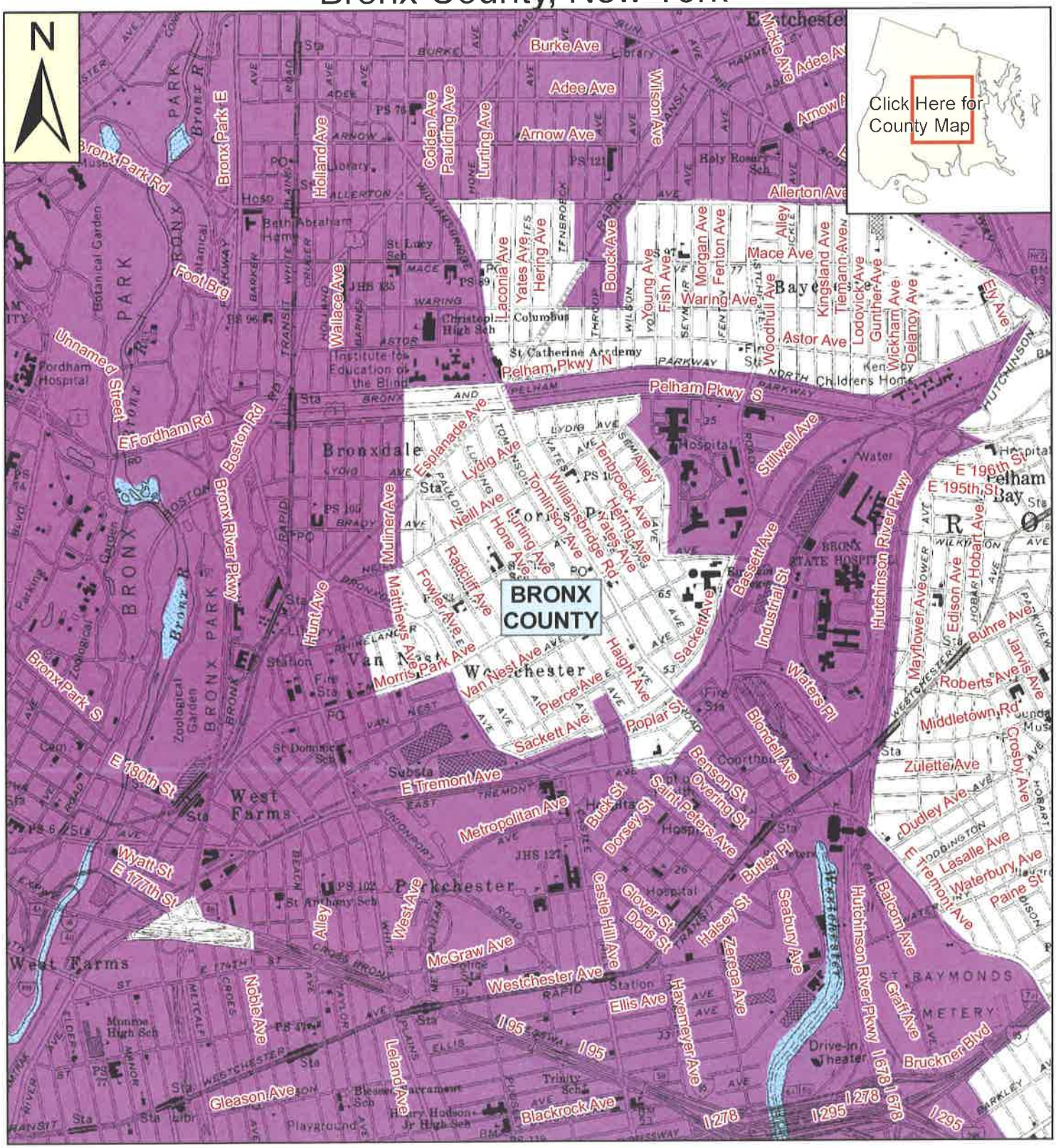
Potential Environmental Justice Areas in East Central Bronx County, New York



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U.S. Census Bureau, 2000 U.S. Census

Legend

- Potential EJ Area
- County Boundary
- Waterbodies

Miles
0 0.2 0.4 0.6 0.8 1

SCALE: 1:24,000

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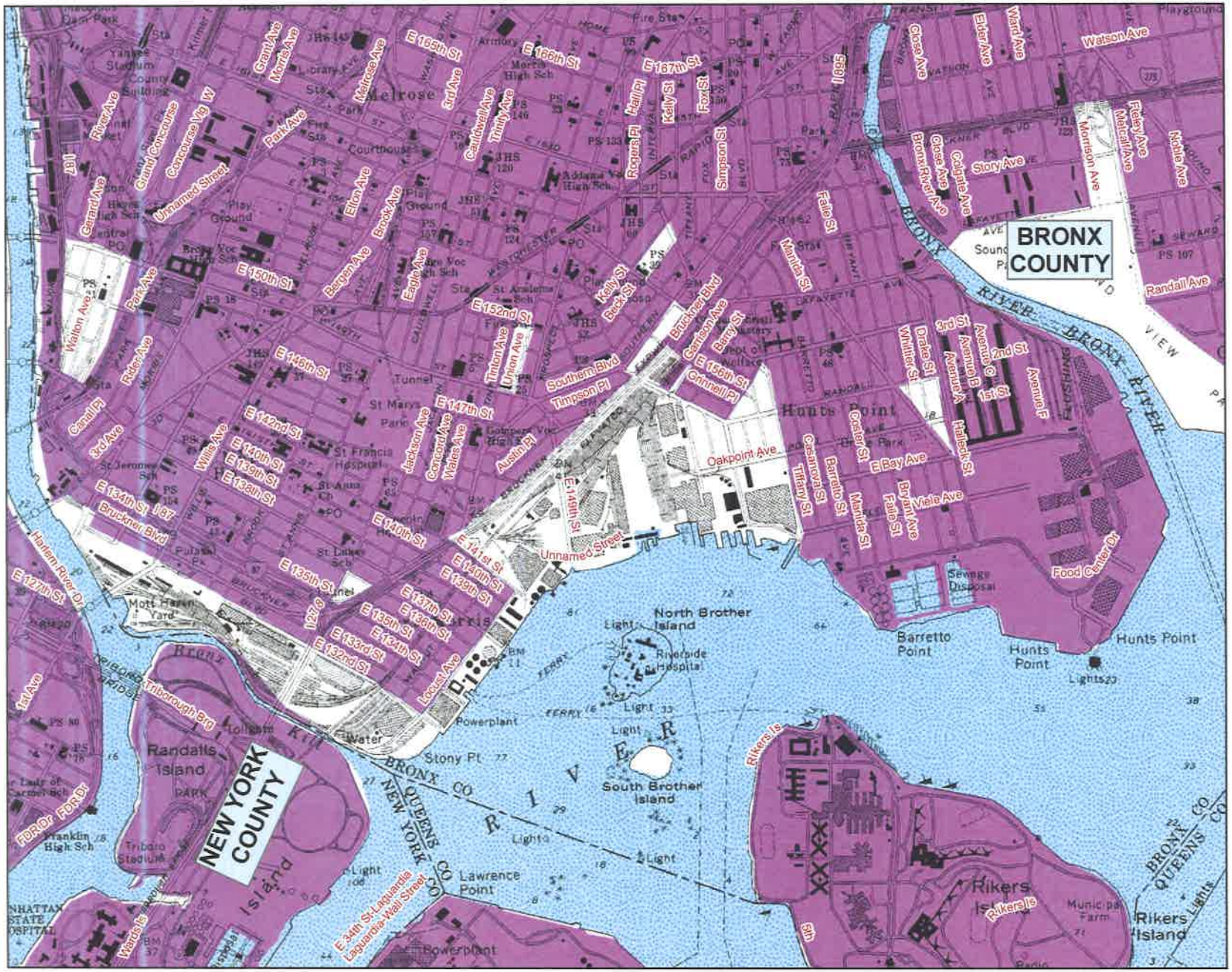
Potential Environmental Justice Areas in Southwest Bronx County, New York



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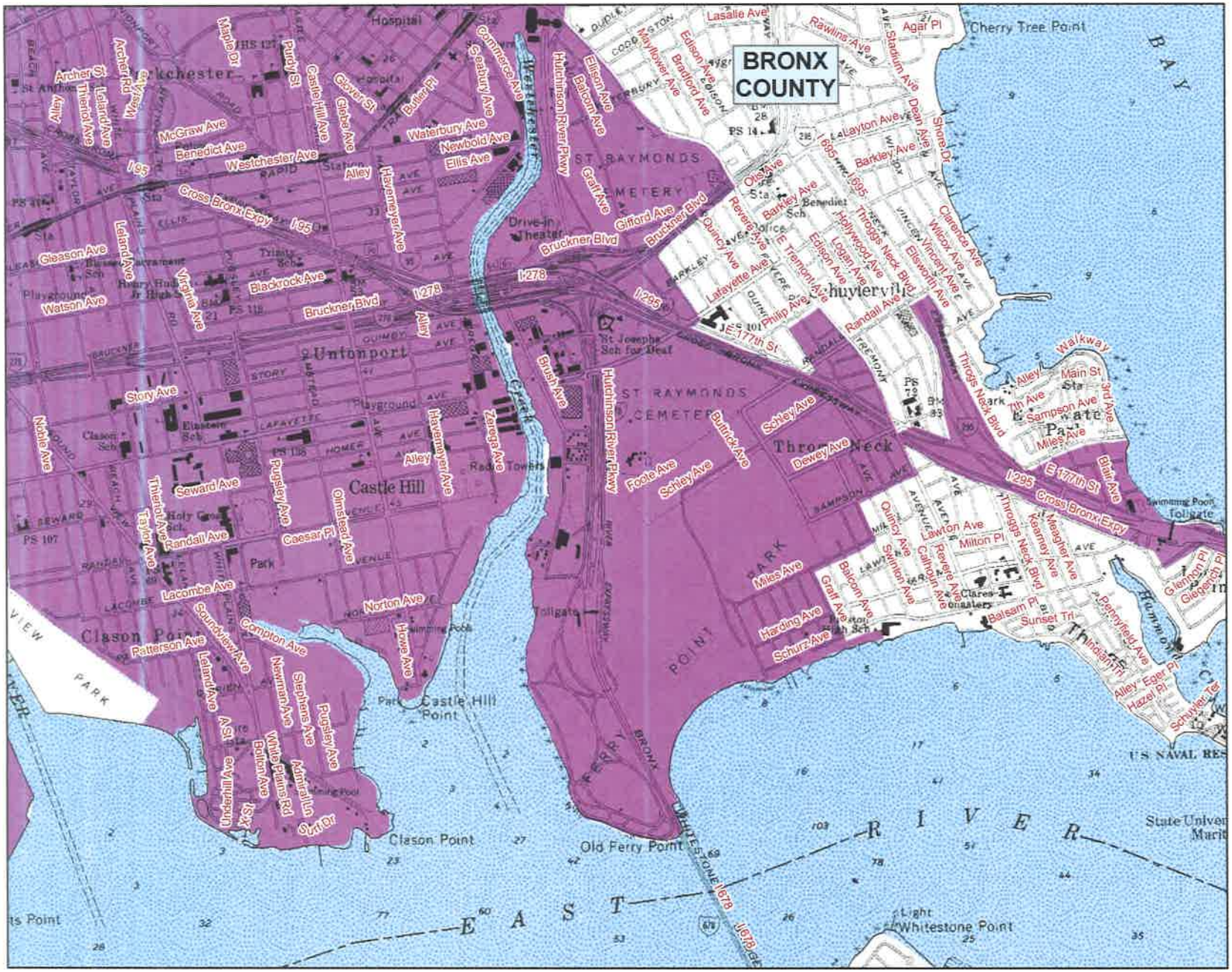
Potential Environmental Justice Areas in Southeast Bronx County, New York



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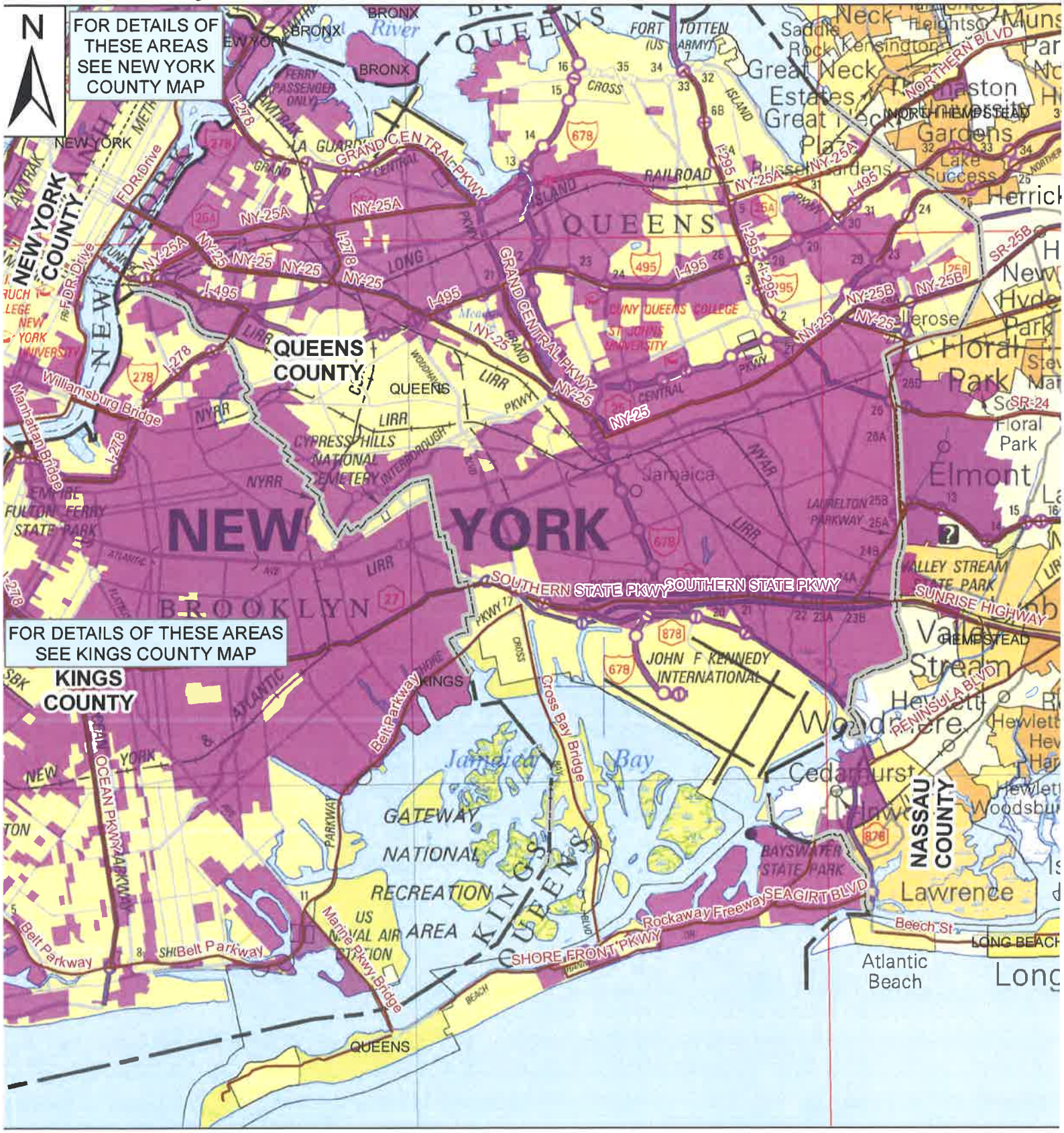
Potential Environmental Justice Areas in Queens County, New York
Click on any Potential EJ Area outlined in blue for a detailed map



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Data Source for Potential Environmental Justice Areas:
U.S. Census Bureau, 2000 U.S. Census

Legend

Potential EJ Area

County Boundary

Miles
0 1 2 3 4 5

SCALE: 1:130,000

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Albany, New York 12233-1500
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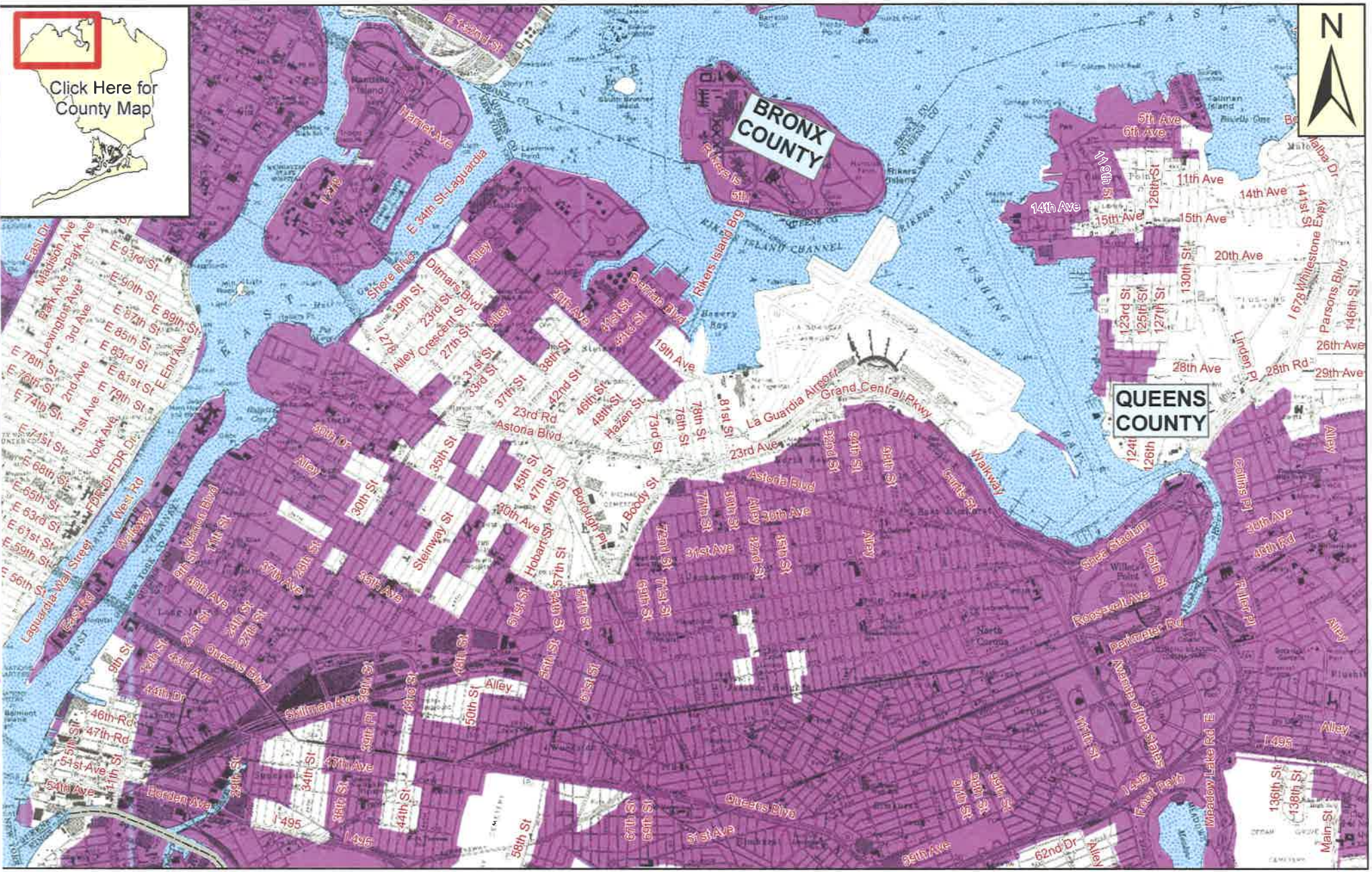
Potential Environmental Justice Areas in Northwest Queens County, New York



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Data Source for Potential Environmental Justice Areas:

Legend

- Potential EJ Area
- County Boundary
- Waterbodies

Miles
0 0.2 0.4 0.6 0.8 1
SCALE: 1:45,000

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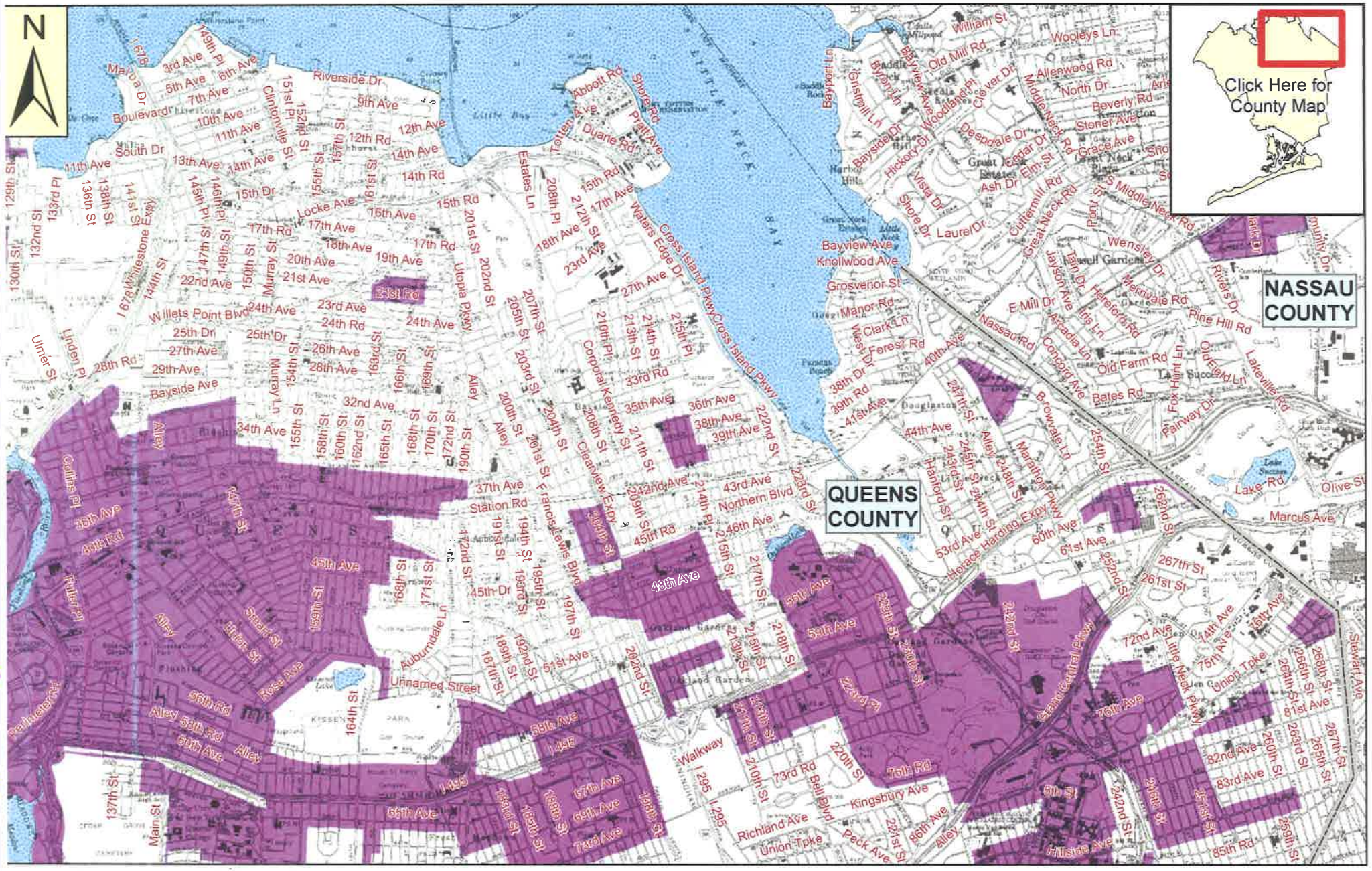
Potential Environmental Justice Areas in Northeast Queens County, New York



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Legend

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- County Boundary
- Waterbodies

Miles
0 0.2 0.4 0.6 0.8 1
SCALE: 1:45,000

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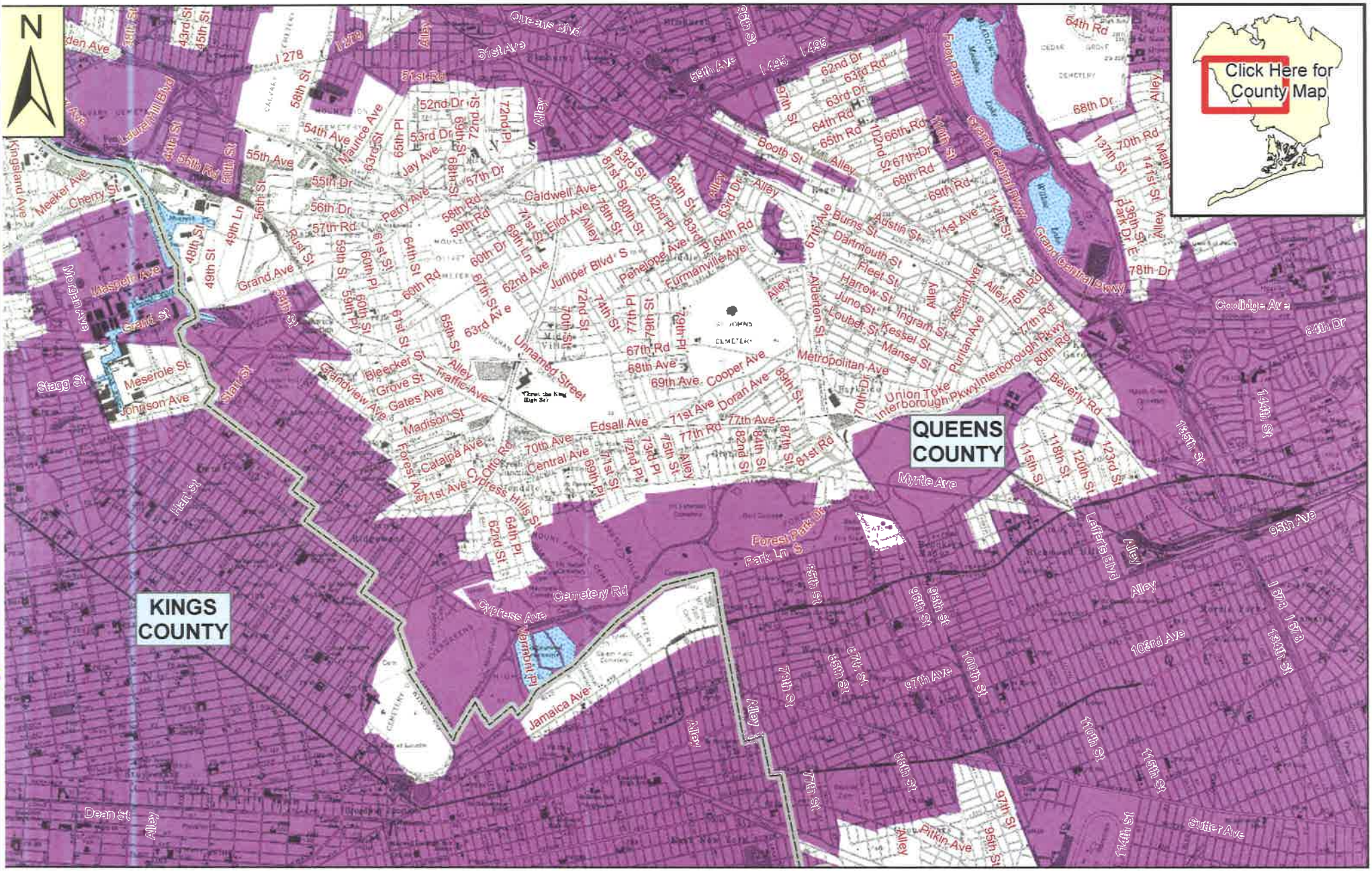
Potential Environmental Justice Areas in West Central Queens County, New York



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Legend

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- County Boundary
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0 0.2 0.4 0.6 0.8 1 Miles

SCALE: 1:45,000

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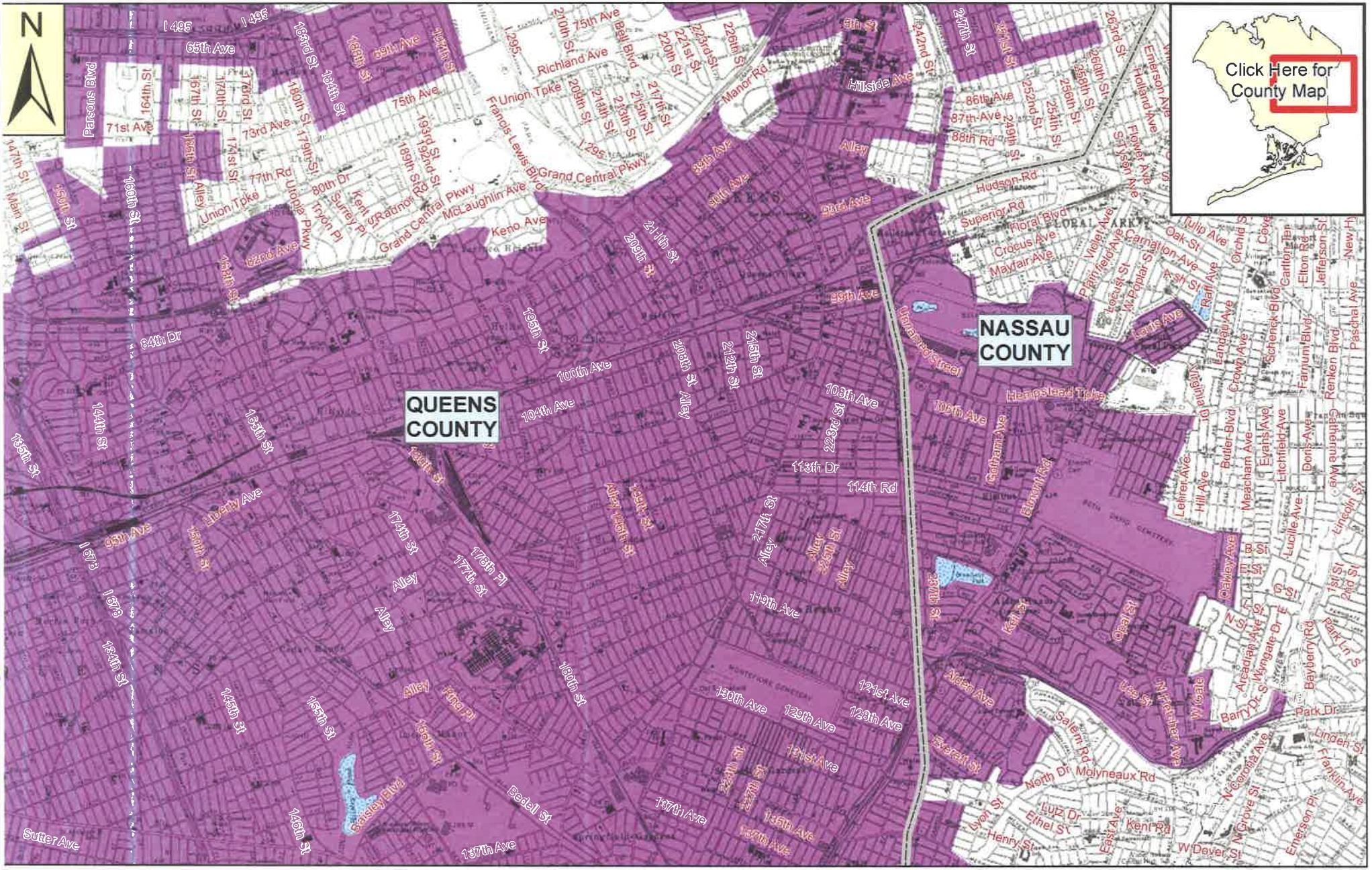
Potential Environmental Justice Areas in East Central Queens County, New York



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Legend

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- County Boundary
- Waterbodies

0 0.2 0.4 0.6 0.8 1 Miles

SCALE: 1:45,000

Exhibit C
19 of 27

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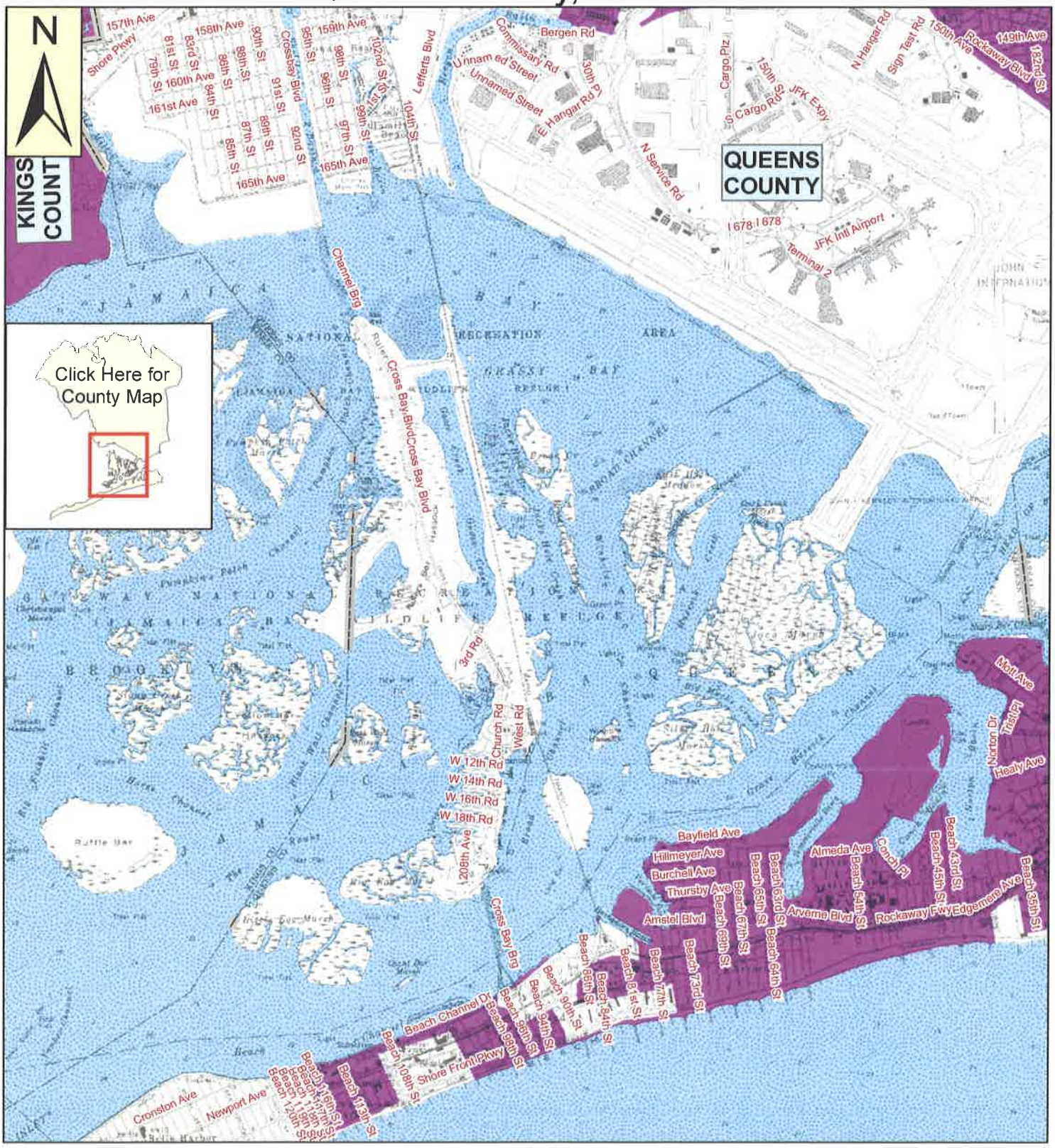
Potential Environmental Justice Areas in Southern Queens County, New York



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Data Source for Potential Environmental Justice Areas: U.S. Census Bureau, 2000 U.S. Census

Legend

- Potential EJ Area
- County Boundary
- Waterbodies

Miles

0 0.2 0.4 0.6 0.8 1

SCALE: 1:45,000

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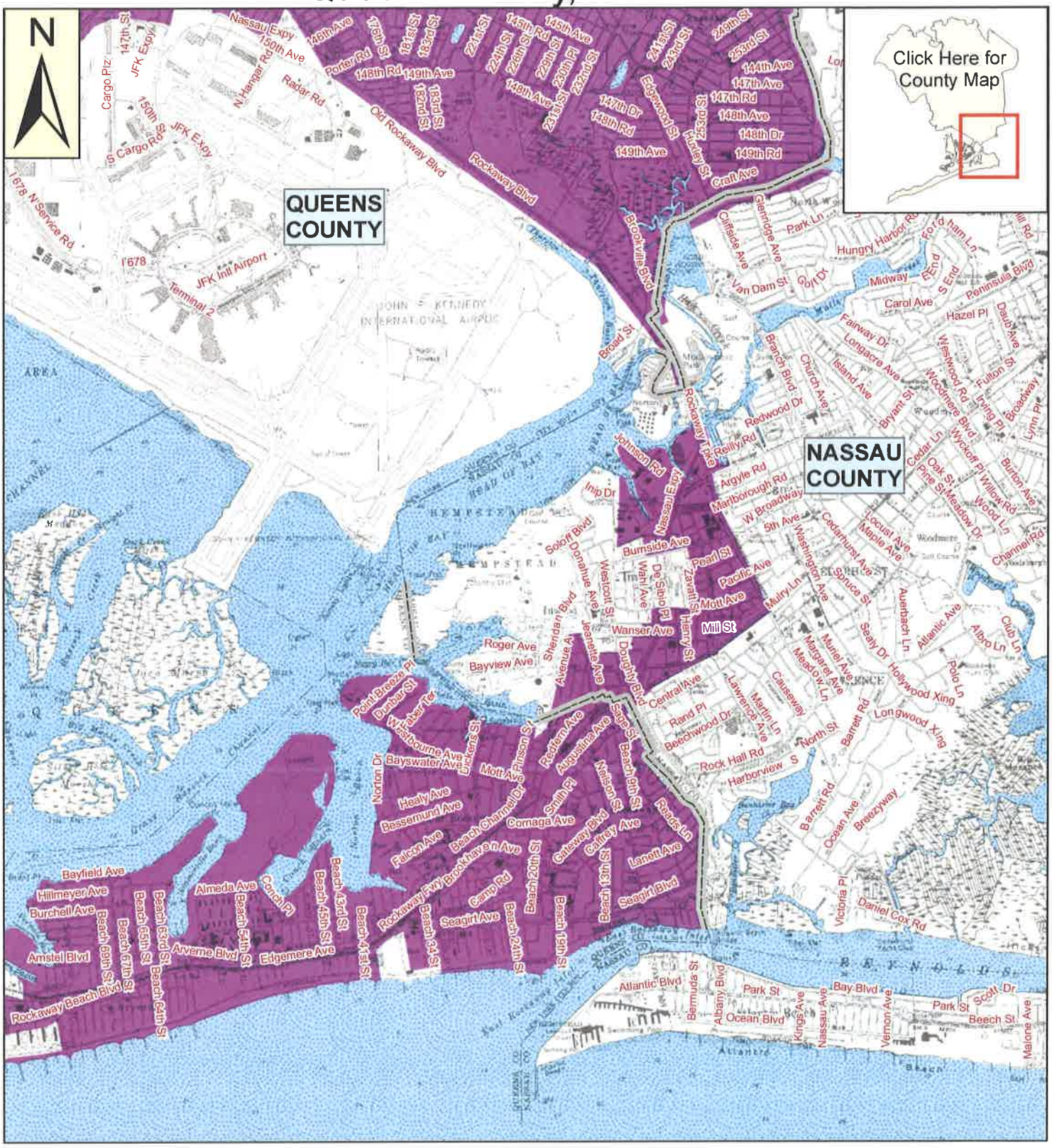
Potential Environmental Justice Areas in Southern Queens County, New York



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Legend

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- County Boundary
- Waterbodies

Miles
0 0.2 0.4 0.6 0.8 1
SCALE: 1:45,000

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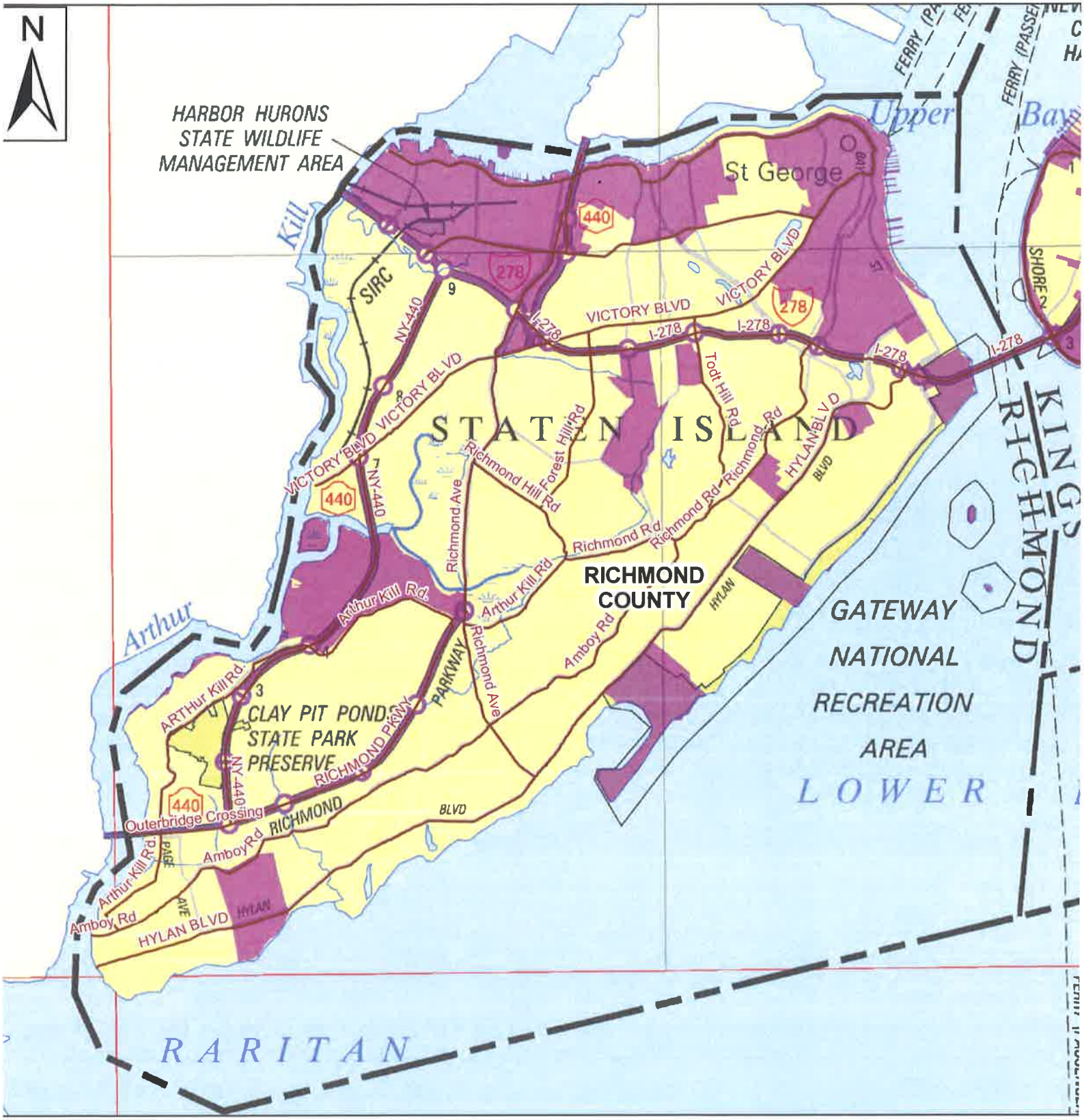
Potential Environmental Justice Areas in Richmond County (Staten Island), New York

Click on any Potential EJ Area outlined in blue for a detailed map



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Legend

- Potential EJ Area
- County Boundary

Miles
0 0.5 1 1.5 2
SCALE: 1:100,000

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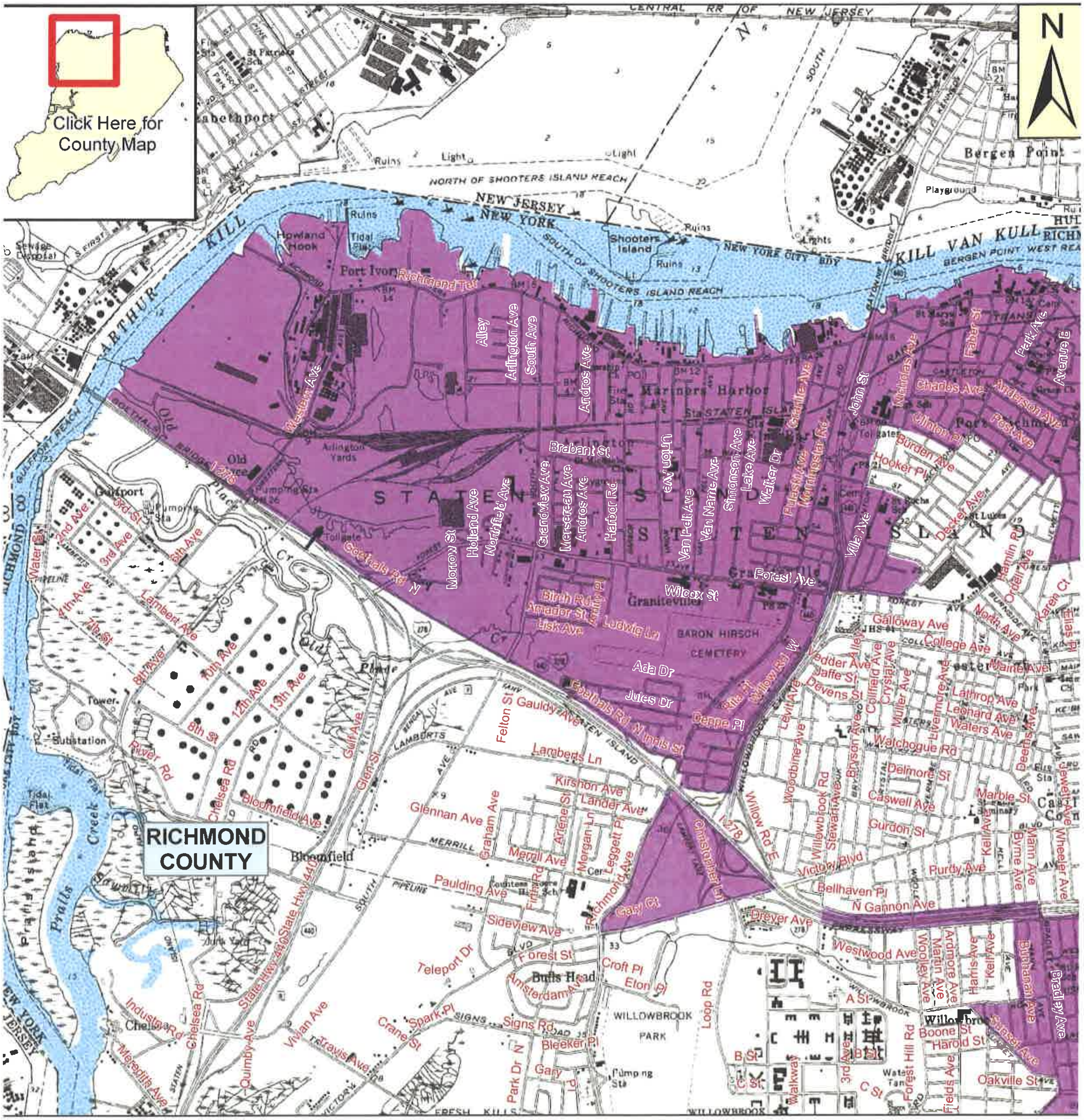
ej@gw.dec.state.ny.us

Potential Environmental Justice Areas in Northwest Richmond County (Staten Island), New York



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Data Source for Potential Environmental Justice Areas:
U.S. Census Bureau, 2000 U.S. Census

Legend

- Potential EJ Area
- Waterways

Miles: 0 0.2 0.4 0.6 0.8 1

SCALE: 1:30,000

For questions about this map contact:
New York State Department of
Environmental Conservation
Office of Environmental Justice
625 Broadway, 14th Floor
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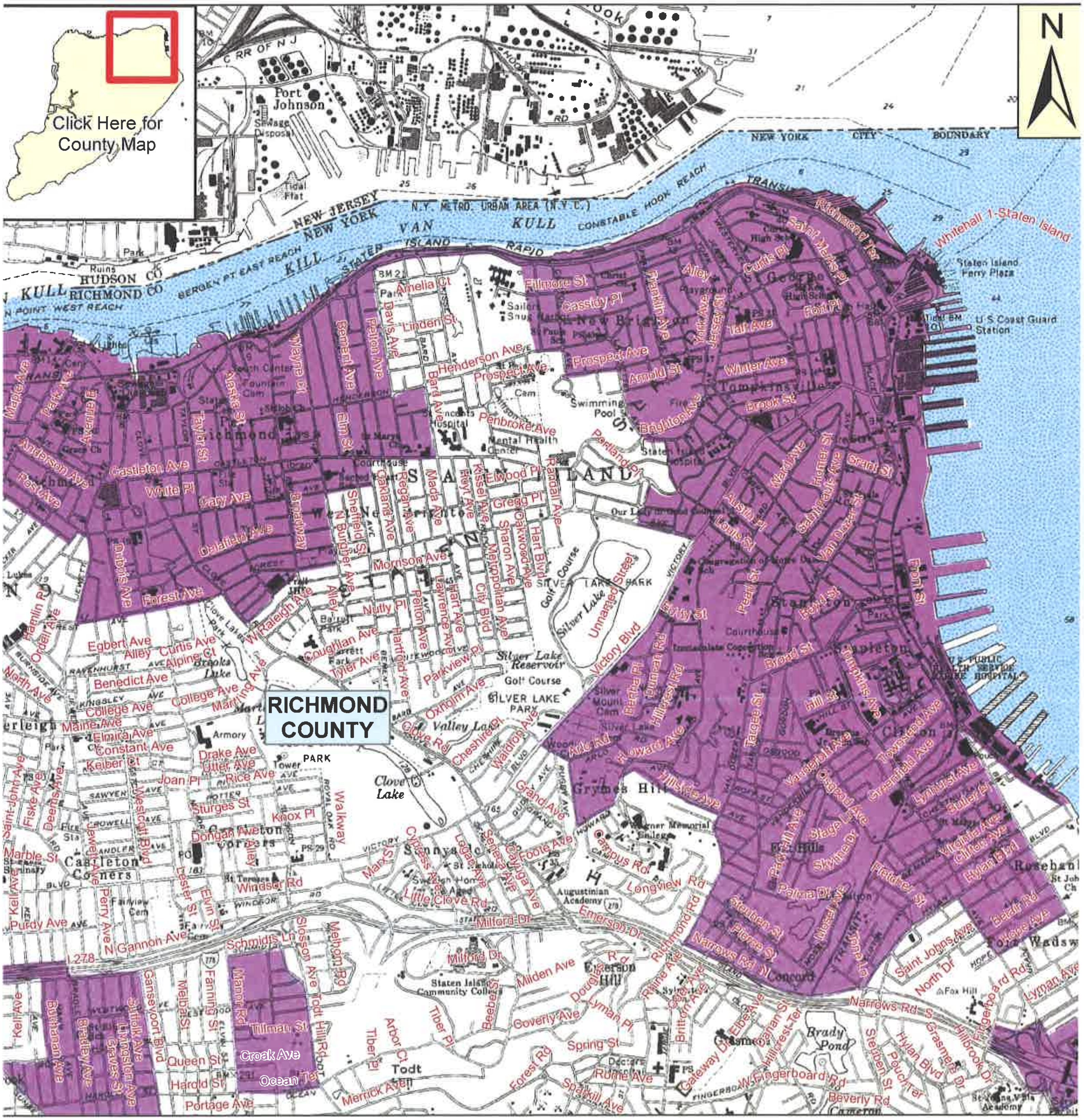
(518) 402-8556
ej@gw.dec.state.ny.us

Potential Environmental Justice Areas in Northeast Richmond County (Staten Island), New York



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Legend

Potential EJ Area

Waterways

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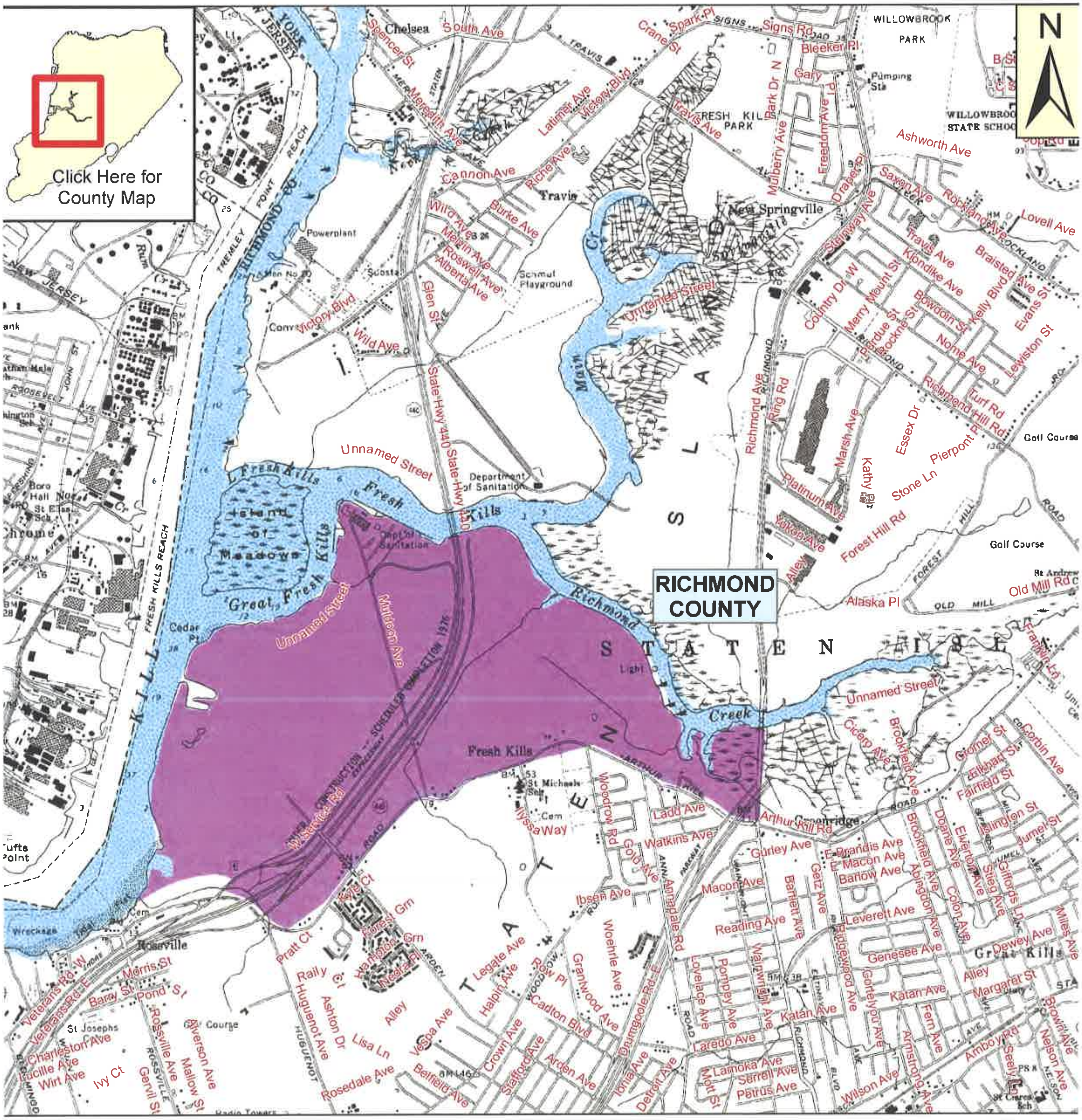
Potential Environmental Justice Areas in West Central Richmond County (Staten Island), New York



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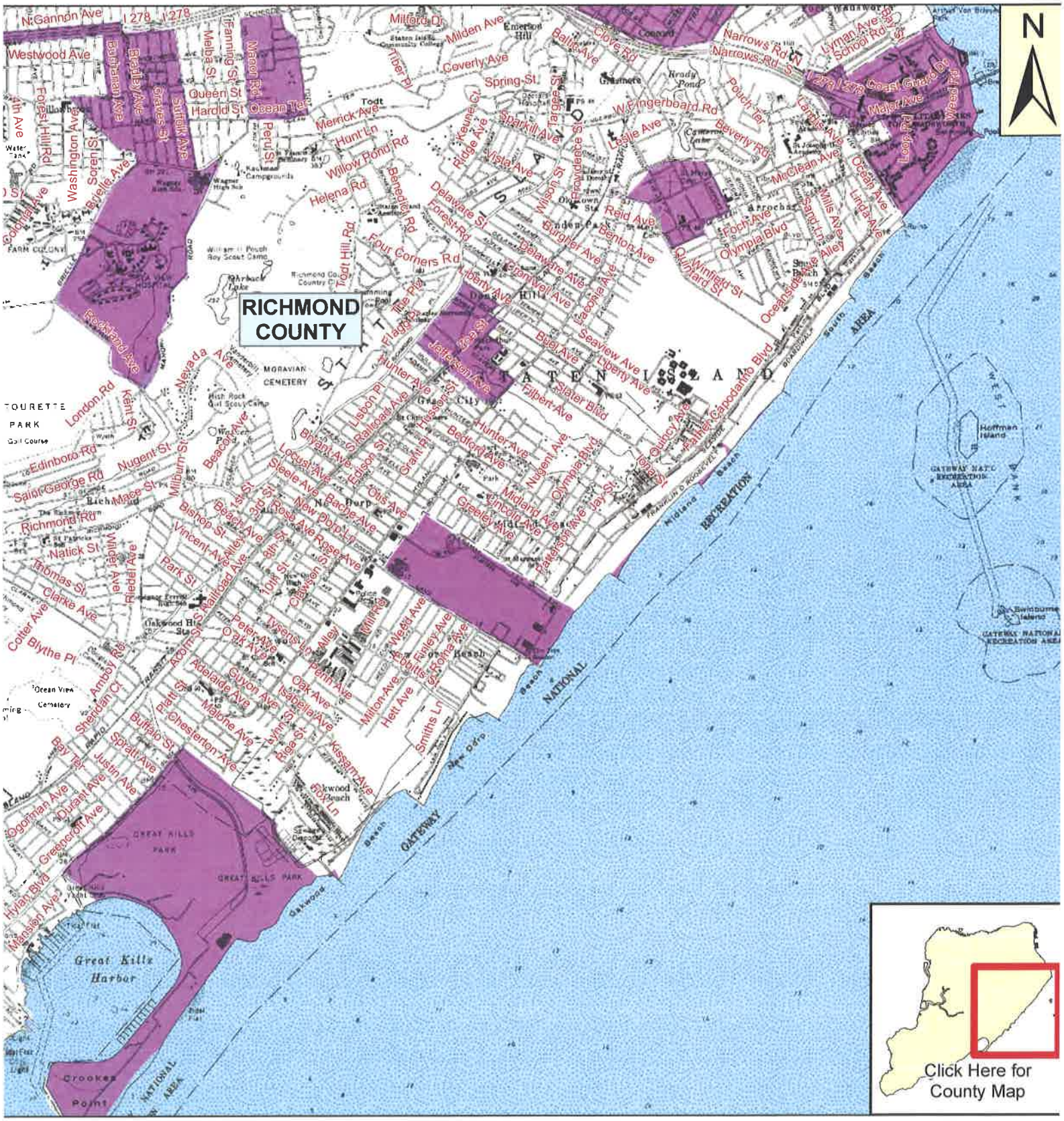
Potential Environmental Justice Areas in East Central Richmond County (Staten Island), New York



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Legend

- Potential EJ Area
- Waterways

Miles
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SCALE: 1:40,000

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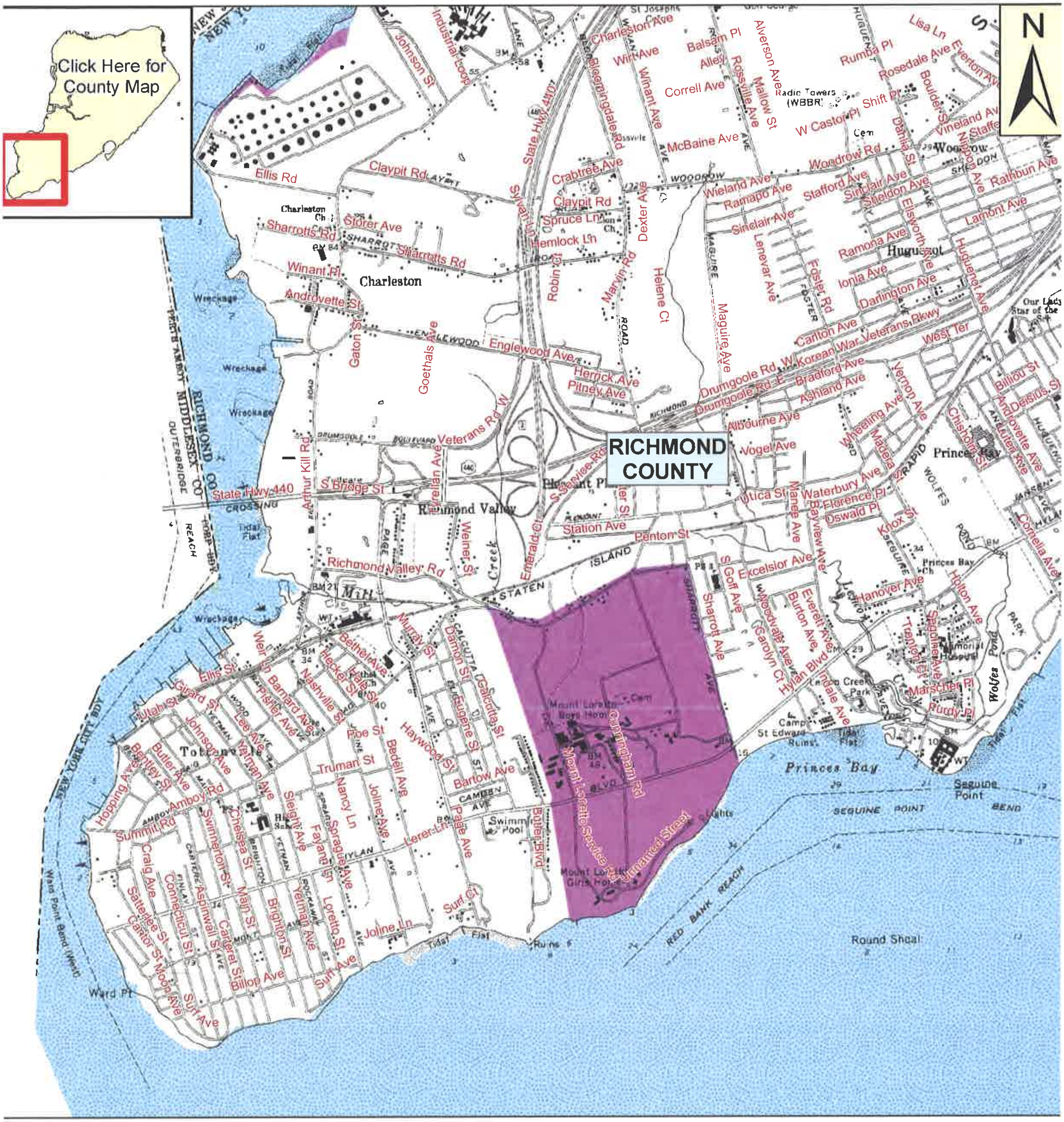
Potential Environmental Justice Areas in Southern Richmond County (Staten Island), New York



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Potential EJ Area

Waterways

Miles 0 0.2 0.4 0.6 0.8 1

SCALE: 1:30,000

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April 10, 2017

Robert Dobruskin, Director
Environmental Assessment and Review Division
New York City Department of City Planning
120 Broadway, 31st Floor
New York, NY 10271

Re: Comments on Draft Scope of Work for Self-Storage Text Amendment CEQR #17DCP119Y

Dear Mr. Dobruskin:

I write to you as counsel to the New York Self-Storage Association ("NYSSA"), an organization comprised of several hundred developers, owners and operators of self-storage facilities throughout the State of New York, including New York City, and an affiliate of the national Self Storage Association.

We have closely examined the Environmental Assessment Statement ("EAS") and Draft Scope of Work recently published by the Department of City Planning ("DCP"). This letter serves to express a number of concerns as to the proposed Draft Scope of Work ("DSOW"), the methodology by which the DCP has developed the Reasonable Worst-Case Development Scenario ("RWCDS") discussed in the DSOW, and the stated purpose and need of the Proposed Action.

Reasonable Worst-case Development Scenario

The DSOW provides what, at first reading, appears to be a rigorous analysis of the existing and future potential locations of self-storage facilities inside and outside of Industrial Business Zones ("IBZs"). However the rigor and accuracy of this analysis is undercut by the fact that nowhere does the DSOW identify how a self-storage facility is defined. The DSOW acknowledges that self-storage facilities are currently classified in the same Use Group 16D as warehouse and moving/storage offices and indicates that the Proposed Action would "specifically define" self-storage facilities for the purposes of regulating them. Yet the DSOW nowhere provides this

definition[1], nor does the DSOW make any attempt to clarify what DCP considers self-storage to be short of such a specific definition (e.g. when does a warehouse or moving/storage facility become a self-storage facility?).

As such, the very subject of the action has not been determined in the scope, much less defined to the degree of precision needed to specifically identify the locations of existing facilities and project where facilities may locate in the future with and without the Proposed Action. The DSOW and RWCDS provide no information as to how existing facilities have been identified, how mixed buildings containing some self-storage and some other uses are treated, and how certain warehouses or moving/storage offices that may not "advertise" themselves as self-storage—yet would fall into such to-be-determined definition—have been treated in the RWCDS.

These questions are of vital importance to the DSOW and the eventual Draft Environmental Impact Statement ("DEIS") in that the overall impact of the Proposed Action is fundamentally tied to the number and location of existing and future self-storage facilities. To complete a RWCDS without defining a self-storage facility is akin to scoping a rezoning action without identifying the maximum FAR and permitted uses. Furthermore, with no defined subject of the action, how can current or prospective owners, developers, or tenants of UG 16D uses determine if this action has any effect on them?

The RWCDS reaches the unsupported conclusion that the Proposed Action would result in the development of a mere five fewer self-storage facilities in New York City over the next 10 years (with just four more outside of the Proposed Designated Areas in M Districts ("M-Designated Areas") and nine fewer inside of the M-Designated Areas). As such, if one accepts the RWCDS as valid, then the scope of environmental review and its eventual conclusions have essentially already been determined: the Proposed Action would have very little quantified effect on development either inside or outside M-Designated Areas, and thus very moderate environmental impact. We could not disagree more with this conclusion.

Ironically, in its attempt to minimize the potential for significant adverse environmental impacts, the RWCDS included in the DSOW affirms that the Proposed Action will fail to meet its own stated purpose and need: to limit the growth of self-storage in IBZs, thereby supposedly facilitating the growth of more job-intensive industrial uses. One must question the wisdom of an action that eliminates as-of-right self-storage on over 10,000 acres of land in New York City, yet results in only nine fewer self-storage facilities on that land over a 10-year period. Given there are 21 IBZs in New York City currently, the RWCDS acknowledges that the action would

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[1] The Department of City Planning posted a working definition of self-storage facilities on its website in mid-March after the DSOW was released. No reference to this website definition was made in the DSOW, and City Planning's methodology and analytical framework does not make connections to this definition.

have absolutely no beneficial effect for industrial businesses in 12 of those IBZs, which will see no reduction in self-storage facilities.

One way in which the RWCDS artificially minimizes the effects of the action is to assume that every year, one applicant would successfully obtain discretionary approval of a special permit to build a self-storage facility in M-Designated Areas. The DSOW does not provide a sound basis for this conclusion. Additionally, the DSOW acknowledges that the proposed Special Permit would present a disincentive to self-storage development, because special permits "can add significant time, costs and uncertainty to a project." A defensibly conservative RWCDS cannot assess a With-Action Condition that assumes applicants obtain discretionary relief and must assume special permits pursuant to the Proposed Action are not granted.

The DSOW also states that the Proposed Action is not anticipated to induce industrial development, yet will consider the effects of industrial uses occupying these sites since "other uses are relatively uncommon" in the proposed designated areas. The DSOW provides no rationale for its conclusion that industrial uses would be the most plausible developments for these sites. Without more thorough analysis of land use trends and consideration of the most prominent non-industrial sectors in IBZs, the appropriateness of these industrial uses as the foundation of the RWCDS has not been established. The plausibility of industrial uses is also questionable given that industrial and non-industrial jobs have been growing at the same rate in IBZs in recent years and that some of the largest growth in non-industrial sectors are uses, such as hotels, bars, restaurants, nightlife, retail and office, which would still be permitted as of right under the Proposed Action. The RWCDS must study a wide range of possible uses that would replace self-storage, and the attendant range of potential significant adverse impact each of those use types may trigger.

Prototypical vs. Site-specific Analysis

The DSOW indicates that the Proposed Action will be analyzed as a "generic action" since it is "difficult to project the universe of sites where development would be affected by the Proposed Action." First, whether or not analysis is difficult is not a determining factor in the level of environmental review conducted pursuant to CEQR. Second, though the Proposed Action is a citywide text amendment, the Proposed Action's geographic scope is narrowly defined. The Proposed Action would restrict self-storage in 21 discrete areas whose boundaries would be defined by the proposed zoning text itself. Further, the area where self-storage is permitted as of right – the C8 and M districts not in Designated Areas – is extremely limited as well. Third, the RWCDS assumes that the Proposed Action would result in a change in land use on a mere total of between five and 14 sites within M-Designated Areas (depending on whether the nine special permits assumed to be granted to self-storage facilities in M-Designated Areas would result in a change of siting or merely codify a previously-targeted site).

Whether the number is five, 14 or a larger number that we believe would more accurately represent the Proposed Action's effects on self-storage siting, DCP should conduct a quantified

analysis on a site-specific basis in each Designated Area. Each of the 21 existing IBZs across the four boroughs that are subject to the Proposed Action represent different land use and market conditions. The DSOW already identifies criteria and potential development sites within the proposed M-Designated Areas where DCP believes self-storage would be appropriate and feasible. Based on the DSOW's preliminary siting criteria, it would be fairly easy for DCP to identify specific sites that it believes self-storage would be reasonably precluded and where other land uses would locate.

Draft Scope of Work: Categories of Analysis

Purpose & Need; Land Use, Zoning and Public Policy

The Proposed Action is purported to ensure that the development of self-storage uses does not unduly limit future siting opportunities for "industrial, more job-intensive uses." However, there has been no planning study or other framework document that concludes self-storage has any effect on siting of industrial uses. All information that reaches this conclusion is anecdotal and unsupported by any quantitative backup.

A requisite study of the true effects of self-storage development in IBZs would find that the sites within IBZs recently developed for self-storage uses have largely been vacant or underutilized for many years and often many decades, and were never considered viable sites for more job-intensive industrial uses. Further, the DSOW has failed to establish what the actual space needs – in lot area and building square footage – are for its "lost opportunity" industrial uses.

The DEIS should provide data supporting the assertions underlying the Proposed Action. Such data should, at minimum, include: historical land use changes in non-industrial uses in IBZs; vacant land and industrial vacancy data; changes in land value in IBZs; market conditions; and a quantification of the assertion underlying the special permit findings: that sites near truck routes, highways and transit play an outsized role in the siting of job-intensive industrial uses

Socioeconomic Analysis: Adverse Effects on a Specific Industry

The DEIS's analysis of potential adverse effects on the self-storage industry should, as discussed above, be based upon a revised RWCDS that more properly assesses the overall reduction in self-storage facilities that the action will induce.

This analysis must start with a more rigorous assessment of the Proposed Action's impact on self-storage siting opportunities that goes beyond a cursory review of recent self-storage development. While the DSOW provides data on overall acreage currently and proposed to allow self-storage as of right, this data is wholly inadequate to assess the true impacts of the Proposed Action on self-storage siting opportunities. The DEIS must include a detailed analysis of how many viable sites will exist for the as-of-right siting of self-storage facilities subsequent to the action.

The RWCDS uses the history of self-storage siting inside versus outside IBZs as a basis to conclude that most self-storage facilities would, in the future without the Proposed Action, continue to locate outside of IBZs/M-Designated Areas. This conclusion neglects to consider the clear trend over the past few years for a higher proportion of facilities to locate inside IBZs. There is clear logic to this trend that the RWCDS dismisses: most of the viable sites outside of IBZs have already been built upon, and the majority of the remaining sites are in IBZs.

The DSOW seeks to dismiss this growing trend toward self-storage locating within IBZs with a blanket statement that the "trend is not clearly discernible, since the pre-construction pipeline does not follow such a pattern". The "pre-construction pipeline" is a flawed metric to dismiss prior trends, due in large part to the impossibility of accurately assessing all of the potential projects in pre-construction/development that could feasibly be in the 2017 construction pipeline but have yet to file permits. The DSOW also fails to clearly indicate how "pre-construction pipeline" facilities have been identified; however, it appears that DCP has used DOB permit status for projects only as-of January 2017 to characterize the entirety of future growth in 2017 and to dismiss growth trends of recent years.

Even if DCP is unwilling to accept this trend towards IBZ siting at face value, then the RWCDS and DEIS must present a substantial analysis that shows the number and availability of development sites outside of the M-Designated Areas subsequent to the action will not be significantly impacted. The DEIS must properly analyze how much of the land that will be zoned to allow self-storage subsequent to the Proposed Action could or would never be developed for self-storage.

Below are just a few examples of the criteria that must be evaluated to determine if self-storage facilities will continue to be able to find sites outside of the M-Designated Areas:

- Unbuildable land - streets, parks, playgrounds or open space.
- Publicly-owned land – properties owned by the city, state, federal governments, public authorities, and public utilities. At a minimum, those properties that cannot reasonable be redeveloped without discretionary approvals or within the timeframe of the proposed analysis period, such as rail yards, wastewater treatment plants, utility substations, landfills, etc.
- Rezoned areas - currently DCP is considering or proposing rezoning actions throughout the five boroughs that would eliminate self-storage as a permitted use.
- Physically infeasible development sites - the scope indicates self-storage facilities have, in the past, been built on lots with an average size of 49,500 sf. How much land will meet this criterion subsequent to the Proposed Action? How much land cannot accommodate self-storage development because it is comprised of small or irregular lots, or made up of fully-developed parcels?
- Infeasible market development sites – areas that have strong market conditions, such as SoHo/NoHo in Manhattan, or where residential use is permitted, such as M1-6 districts in Hudson Square or MX districts.

A cursory examination of Figure 10 in the DSOW, which shows the remaining land available for as-of-right development of self-storage, would seem to indicate no such assessment has been conducted, as it includes land such as Rikers Island, Flushing Airport, Aqueduct Racetrack, SoHo in Manhattan, Sunnyside Yard, and Owl's Head Wastewater Treatment Plant.

Until a real assessment of sites suitable for the development of self-storage facilities subsequent to the Proposed Action is conducted, conclusions on potential adverse effects on a specific industry cannot be made.

Socioeconomic Analysis: Indirect Business Displacement

The EAS states that "indirect displacement of businesses may occur if a project directly displaces any type of use that…directly supports businesses in the area…" (EAS, P. 52) The Scope also acknowledges that upwards of 30 percent of self-storage customers are businesses (and thus directly supported by self-storage). It is difficult to comprehend how the DSOW concludes that "The Proposed Action is not anticipated to cause adverse impacts with respect to…indirect business and institutional displacement" (DSOW, P. 43).

While the DSOW indicates that "in order to be conservative, these areas will be analyzed" in the DEIS, one can only deduce that DCP has already reached its conclusion: that self-storage facility siting will be so minimally impacted by the Proposed Action so as to render any impact on local businesses insignificant (perhaps based on the RWCDS's false conclusion that the Proposed Action will result in only five fewer new self-storage facilities over a 10-year period). This could not be further from the truth.

Small businesses, including industrial and commercial businesses and minority- and women-owned business, use self-storage as an essential part of their enterprise. Small businesses need self-storage for many reasons: they cannot afford to negotiate for and lease significant amounts of traditional warehouse space; they need the month-to-month flexibility that self-storage provides; and they need to be able to quickly grow or shrink their storage needs along with the rhythms of their business, be it with the seasons or business cycles.

Self-storage facilities in IBZs have a particularly symbiotic relationship with small businesses, as these facilities are often located further from residential neighborhoods and closer to business communities, industrial and otherwise. The proximity of self-storage facilities to small businesses contributes to business efficiency. Self-storage allows small businesses quick and direct access to store and retrieve their inventory, supplies or equipment.

Thus, price increases from a reduced supply of self-storage will affect these small-business customers disproportionately. Smaller businesses would be affected by the Proposed Action to a much greater extent than large business enterprises. Further, women- and minority-owned businesses are often small businesses.

The DEIS must provide a specific quantified analysis of price increases at self-storage facilities inside and outside the M-Designated Areas and the effects on the ability of small business to continue to operate. The overall operating costs for businesses also includes the cost of fuel, tolls, and time lost if they were forced to use self-storage facilities that are further away. The DEIS must study the potential for disproportionate effects on different kinds of small businesses, including minority- and women-owned business enterprises.

Furthermore, since preserving sites for "job-intensive" uses is stated to be one of the primary objectives of the Proposed Action, the DEIS must provide a quantified analysis not merely of the number of jobs directly generated by self-storage uses, but also of the number of jobs indirectly supported by self-storage. Specifically, how many jobs at how many businesses rely on convenient and affordable access to self-storage? This figure must be compared with the number of jobs that would be generated by the uses the RWCDS concludes would be most likely to replace self-storage. While hotel, restaurant, retail or office uses might indeed be much more job intensive than self-storage, would warehouses, distribution centers, or other light industrial uses really generate or support many more jobs?

The DEIS must also analyze the potential indirect displacement effects of these other (non-self-storage) uses like hotels, restaurants, bars, retail and offices, which would be much more likely to be sited on these newly "available" sites rather than industrial uses which cannot compete with these uses that would still be allowed as of right with the Proposed Action.

Noise, Air Quality and Neighborhood Character

The DEIS must consider, for the purposes of its Noise, Air Quality, Neighborhood Character and all other relevant analyses, the potential for significant adverse impacts from both the purported industrial uses that would be sited on parcels no longer permitted for self-storage development and from other non-industrial uses that recent history would show are the true uses that would replace self-storage: hotels, bars, restaurants, nightlife, retail and office uses. This analysis should be quantitative and conducted on a site-specific basis in each individual IBZ where DCP believes this action will have its intended effect.

Alternatives Analysis

Given potential adverse effects on small businesses in IBZs and on the industry as a whole, we believe alternatives to the Proposed Action—and the potential environmental impacts of those alternatives—must be analyzed.

In addition to the standard alternatives typically included in a DEIS, the following alternatives should be considered:

1. An alternative that allows as-of-right enlargement of existing self-storage facilities above and beyond the current maximum permitted FAR in the proposed M-Designated Areas and other areas where the use is allowed as of right, modeled after existing ZR Section

43-121. Given the stated purpose and need of this action is to protect sites that would otherwise be appropriate for job-intensive industrial uses, there would seem to be no reason not to allow existing self-storage facilities more flexibility to enlarge so they could continue to serve the growing local business and residential communities that surround them.

2. An alternative that allows as-of-right enlargement of nonconforming self-storage uses outside of the M-Designated Areas above and beyond the existing and current maximum permitted FAR. This limited broadening of permitted enlargement sites outside of the M-Designated Areas would provide some offset to the substantial restrictions on self-storage inside the proposed M-Designated Areas.

3. An alternative that reduces the scope of the special permit proposed within the M-Designated Areas to more effectively target the sites that DCP truly believes are affected by self-storage development. DCP should more specifically identify siting requirements for its targeted industrial uses (for both new development and conversion) in the DSOW and DEIS and limit the special permit to areas and sites that meet those requirements, while continuing to allow self-storage as-of-right elsewhere. The DEIS should analyze an alternative that more effectively tailors the regulatory framework to the underlying planning rationale.

We thank you for the opportunity to provide these comments on the Draft Scope of Work and hope you will consider them fully and seriously in the Final Scope of Work and the DEIS.

Thank you,

Jesse Masyr, Esq.

STROOCK

By Email

April 10, 2017

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Robert Dobruskin, EAD Director
Department of City Planning
120 Broadway, 31st Floor
New York, New York 10007

Re: Self-storage Text Amendment
CEQR No. 17DCP119Y
Public Comments

Dear Mr. Dobruskin:

We are land use counsel to a number of clients that will be directly affected by the proposed text amendment, special permit and zoning map change that will require self-storage facilities located in "designated areas in manufacturing districts" ("Designated Areas"), to obtain a special permit and no longer be an as-of-right use. While we and our clients understand the importance of the industrial business sector in New York City, we respectfully believe that self-storage facilities are not the cause of the diminished manufacturing/industrial market in NYC, nor are self-storage facilities going to cause a reverse in the recent trend of growth of manufacturing jobs in NYC.

We attended the scoping hearing on March 30, 2017, and the numerous amount of testimony confirmed our own research and knowledge that self-storage facilities do not just serve as household storage in NYC. Rather, in NYC, self-storage facilities are used by business owners and demand for space is at an all-time high. We strongly believe that convenient access to available, affordable self-storage facilities are necessary for the growth of small businesses, both commercial and industrial in nature.

The proposed self-storage text amendment and introduction of a special permit does not clearly demonstrate an ability to help the City's manufacturing and industrial market grow. In addition, the ban on self-storage facilities in the proposed Designated Areas, absent the grant of a special permit, does nothing to encourage manufacturing development on the vacant parcels affected. These parcels are vacant land or vacant,

dilapidated buildings because they are a challenge to develop due to location, environmental contamination, poor soil conditions, structural concerns, etc.

With the knowledge we have gained from the draft scope of work, the Environmental Assessment Statement and the testimony during the scoping hearing, we believe that a ban of self-storage facilities in Designated Areas will not increase manufacturing opportunities. Rather, it will create a challenge for small commercial and manufacturing businesses where some business owners visit their storage facility on a daily basis. Moreover, the vacant, problematic and contaminated parcels will remain undeveloped.

Therefore, we respectfully suggest that DCP consider alternative approaches that will allow for a complementary, cohesive existence of manufacturing/commercial uses and their reliance on self-storage facilities. We suggest that DCP establish an exception to the requirement of the proposed special permit that will exempt proposed self-storage developments that also provide uses permitted in the underlying manufacturing district. These mixed-use developments would enable vacant sites to be constructed for the occupancy of permitted manufacturing and commercial uses. It would also not ban self-storage facilities, which we know are important for the growth of small businesses.

A mixed-use development could require a percentage of square footage to be occupied with a permitted use. For example:

> In Designated Areas developments that contain self-storage facilities would be as-of-right provided that at least 33% of the square footage contains uses permitted in the underlying manufacturing district.
>
> or
>
> In Designated Areas developments that contain self-storage facilities would be as-of-right provided that at least 50% of the frontage contains uses permitted in the underlying manufacturing district.

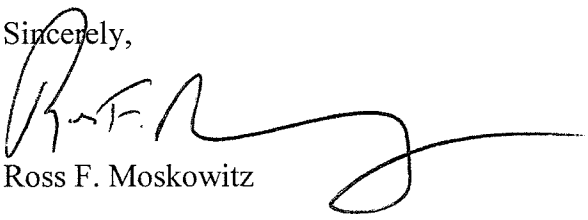
The most important outcome of our suggested mixed-use developments is that it will generate jobs and strengthen manufacturing, which is the goal of Mayor de Blasio's 10-point Industrial Action Plan. Moreover, an exception to DCP's special permit will allow for (1) business owners to continue to rely on access to self-storage, (2) will encourage growth of new small commercial/manufacturing businesses, (3) large,

vacant sites will be cleaned up and occupied with manufacturing and complying uses and (4) jobs will be created.

Therefore, rather than creating a disincentive to develop and subjecting self-storage facility owners to a discretionary review process we suggest that DCP encourage a complementary plan to develop these sites. We respectfully ask that DCP include a mixed-use exemption in its environmental review as part of a "**with action**" analysis.

Thank you for your time and consideration of our concerns and suggested alternatives.

Sincerely,



Ross F. Moskowitz

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April 10, 2017

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Frank Relf – Frank G. Relf Architect, P.C.:

President and Owner in Business for over 30 Years providing professional architectural and engineering services to the self storage industry for site acquisitions and planning, unit mix analysis, zoning and municipal approvals, construction documents, bidding and construction management. Projects include new construction, conversions, remodels, expansions and specialty storage designs. He is a licensed architect in multiple states, a long time member of Inside Self Storage, New York Self Storage Association and Self Storage Association, has lectured on building codes affecting self storage, ways to improve "curb appeal" and has written numerous articles regarding development of storage properties. Presenter for the New York Self Storage Association in Real Estate and Finance Summit in March 2013, Self Storage Association Spring Conference and Trade Show in March 2014 (Speaker for Existing Building Renovations/Additions and New Construction), Inside Self Storage Developers Conference, New York City in June 2014 (Speaker for New Construction) and in January 2015, 2016 and 2017 at New York Self Storage Association Self Storage Investment Forum (Guest Speaker).

The purpose of my presentation is to recap our own experiences with providing professional architectural and engineering services for various developers and operators of self-storage facilities throughout the five boroughs and the relationship to Non-IBZ and IBZ site locations for completed projects.

My firm has had a total of 45 Self Storage projects in the 5 boroughs since 2000. Of those 45 projects 28 (62%) of them were Non-IBZ, and 17 (38%) of the 45 projects were located in the Industrial Business Zone. The specific projects are listed below in Table 1 and Table 2.

Table 1 IBZ			
New Building		**Conversion**	
2006	39-25 21st Street, LIC, Queens NY – *Storage Deluxe*	2004	1125 Wyckoff Avenue, Queens NY – *Storage Deluxe*
2007	2049 Pitkin Avenue, Brooklyn NY – *Storage Deluxe*	2013	30-28 Starr Avenue, LIC, Queens NY – *Storage Post*
2007	464 Stanley Ave, Brooklyn NY – *Storage Deluxe*	2013	4077 Park Avenue, Bronx NY– *Storage Post*

2008	179-26 Jamaica Avenue, Queens NY – *Storage Deluxe*	2013	112 Bruckner Blvd, Bronx NY – *Storage Post*
2013	186-02 Jamaica Avenue, Queens, NY – *SNL* Little "E" Site – File with OER Office of Environmental Remediation	2014	950 Georgia Avenue, Brooklyn NY – *LSC*
2013	29-01 Review Avenue, LIC, Queens NY – *Equator Capital*	2014	Industry City, Brooklyn - *Self Storage*
2014	31-07 20th Avenue, Astoria, Queens NY – *Madison*	2014	1260 Zerega Avenue, Bronx NY – *Madison*
2015	5002 Second Avenue, Brooklyn NY – *Banner Development*		
2015	976 Cypress Avenue, Ridgewood Queens, NY – *LSC*		
2016	4139 Boston Road, Bronx – *SNL*		

Table 2 Non - IBZ			
New Building		**Conversion**	
2000	200 East 135th Street, Bronx NY– *Storage Deluxe*	2001	1880 Bartow Avenue, Bronx NY – *Storage Deluxe*
2005	1810 Southern Blvd, Bronx NY – *Storage Deluxe*	2003	395 Brook Avenue, Bronx NY – *Storage Deluxe*
2006	2990 Cropsey Avenue, Brooklyn NY – *Storage Deluxe*	2004	2887 Atlantic Avenue, Brooklyn NY – *Storage Deluxe*
2006	38-01 47th Avenue, Queens NY– *Storage Deluxe*	2004	1816 Boston Road, Bronx NY – *Storage Deluxe*
2006	255 Exterior Street, Bronx NY – *Storage Deluxe*	2006	945 Atlantic Avenue, Brooklyn NY – *Storage Deluxe*
2006	170 Cromwell Avenue, Bronx NY – *Storage Deluxe*	2006	1220 Broadway, Brooklyn NY – *Storage Deluxe*
2006	955 Bronx River Avenue, Bronx NY – *Storage Deluxe*	2008	98-26 Jamaica Avenue, Queens NY – *Storage Deluxe*
2007	1980 White Plains Road, Bronx NY – *Storage Deluxe*	2013	40 Convent Avenue, Manhattan NY –*LSC* Little "E"
2008	1425 Bruckner Blvd, Bronx NY – *Storage Deluxe*	2013	1157 East New York Ave, Brooklyn – *Safe n Lock*
2013	155 Empire Blvd, Brooklyn NY - *LSC*	2013	468 Kingsland Ave, Brooklyn NY – *Storage Plus*
2014	1320 37th Street, Brooklyn NY - *LSC*	2015	1262 East 14th Street, Brooklyn NY (Avenue M) – *Extra Space*
2015	1200 McDonald Ave, Brooklyn NY - *SNL*	2015	32 Grand Avenue, Brooklyn NY – *Storage Post*
2016	3350 Park Avenue, Bronx -*Madison*	2015	103-39 98th Street, Ozone Park Queens – *Storage Post*
2016	75-28 Queens Blvd, Queens NY – *TVG Partners*		
2016	651 Utica Avenue, Brooklyn NY – *Safe n Lock*		

New Development

Non-IBZ	15	IBZ	10

Conversion

Non-IBZ	13	IBZ	7

For the Non-IBZ projects; 15 (54%) were New Buildings and 13 (46%) were conversions.
For IBZ projects; 10 (59%) were New Buildings and 7 (41%) were conversions

Site Conditions (IBZ)

17 Projects

- 6 projects- "E" Designation
- 4 projects- "Asbestos / Lead Paint
- 5 projects- Poor Soils / Subsurface issues
- 7 projects- Structural repairs / Façade restorations

Many of the buildings with conversion potential from typical warehouse /manufacturing or industrial use to self-storage serves a greater need for the preservation of existing buildings throughout New York. These buildings have been turn of the century in age for many have difficulty in meeting todays more modern manufacturing space needs. Most often these building have very close structure with large diameter reinforced column concrete spacing and deep beams. Many have been cold with no or little climate controlled. Most are non-sprinklered and have no fire alarm systems throughout. Façade / masonry restorations add safety to the streets scape too. Typical of many conversions are the following improvements.

Conversions

- Turn of century buildings with difficult structural grids to work around concrete columns, mushroom caps, close spacing.
- Cold buildings vs climate control
- Sprinkler systems, standpipes and fire alarms
- Energy code improvements
- Façade restorations

New Construction

- New buildings on bad sites that others have no uses for
- Tax benefits, incentives ICIP/ICAX

In Planning Stages / Construction Document

- Non- IBZ: 8 projects located in Manhattan, Staten Island, Bronx.
- IBZ: 5 projects located in Long Island City and Brooklyn.

Thank you.

Sincerely,

Frank G. Relf, A.I.A.
Principal

April 7, 2017

Testimony Regarding the Department of City Planning's Proposed Zoning Text Amendment to Require a Special Permit for Self-Storage Facilities in Industrial Business Zones

I am the Executive Director of the Queens Chamber of Commerce. We represent 1,150 businesses in Queens with more than 90,000 Queens-based employees.

As the host borough of the City's two major airports, several commercial and manufacturing hubs, including seven (7) Industrial Business Zones and a bustling and diverse residential population, Queens plays a crucial role in our City's overall economy. It is therefore very important that our City support policies that enable our businesses to thrive and grow.

We are therefore dismayed by the Department of City Planning's proposed zoning text that would effectively ban self-storage facilities from being built in Industrial Business Zones (IBZs). Queens businesses, including MWBEs, rely on self-storage facilities to store equipment, tools, documents and other business essentials.

Self-storage has become a more affordable and more flexible warehousing option for many small and mid-sized businesses that cannot afford to take on multi-year leases for expensive warehouse spaces. Self-storage facilities are thriving in and near IBZs in Long Island City, Jamaica and Maspeth to name a few areas. We cannot ignore the rising demand for this service among the business and manufacturing community. As Queens grows, both in its residential population and its business community, we need infrastructure like self-storage facilities to accommodate that growth.

There are already very few zoning classes available to self-storage developers – M zones and the C8 zone. IBZs make up a vast majority of available sites for future self-storage development and therefore eliminating IBZs as an option will severely hamper efforts to further meet self-storage demand. As City Planning itself notes in its scoping document, prices will increase and access will decrease.

Making self-storage more difficult to access and more expensive for consumers will be a major economic burden on existing Queens businesses and make it more difficult to attract new businesses to Queens, including manufacturers. We have not seen any evidence that restricting self-storage will help Queens retain or attract manufacturers in IBZs. In fact, we believe that denying manufacturers convenient and affordable ancillary self-storage warehousing for their companies would repel businesses.

Furthermore, we are concerned that if the City blocks self-storage developers from building on sites in the IBZ, many vacant, dilapidated and often dangerous sites will remain undeveloped eyesores providing no value to the community, to Queens or to the City of New York.

We urge the Department of City Planning to rescind its proposal and, instead, to focus on real ways that that City can encourage manufacturing. The Queens Chamber of Commerce is happy to discuss ways that we can ease various business burdens and bring more jobs to the borough.

Sincerely,

Thomas J. Grech

Thomas J. Grech

75-20 Astoria Boulevard, Jackson Heights, NY, 11370 • Phone 718.898.8500 • Fax 718.898.8599 • www.queenschamber.org

Public Scoping Meeting on Self-Storage Text Amendment
New York City Department of Planning
Submitted by Maeve Marcello
Safe N Lock Self-Storage
March 30, 2017

My name is Maeve Marcello and I am the Construction Manager at Safe N Lock Self Storage located in the Bronx. I am also a resident of the Bronx. I am here today to express my concern and opposition to the proposed text amendment on self-storage in designated areas.

I have been an employee at SNL for two years and prior to that, I worked for a steel production company in East New York. As someone who works in the self-storage industry and with a past career in manufacturing, I believe that City Planning's proposal is very problematic.

Manufacturing is being squeezed by many factors in New York City. The need for more housing is squeezing manufacturing, as is retail and hospitality in industrial zones.

My experience working with the steel company showed me that property leases are not the only issue affecting manufacturers in New York City - taxes, labor costs and general operating costs of being in New York City are all significant drivers of whether a manufacturer can survive.

Furthermore, as a construction manager at SNL, I visit sites under development on a regular basis. I often see sites in under built parts of the City or distressed areas. Many of these properties were formerly manufacturers that chose to leave New York City. Those buildings are now filled with violations and are blight on the local community, sometimes unoccupied and on the market for many years.

It is disappointing for the City to attempt to stifle an area of growth. Self-storage is growing because the demand is there and the City's density is increasing – both on the residential and business customer side.

Lastly, Safe N Lock has been an extraordinary career and growth opportunity for me. I am concerned that jobs in the self-storage industry, like mine, are being targeted by this proposal. This is damaging to working class people and to companies like SNL that are serving a growing need in the City.

I recommend City Planning withdraw this proposal.

Submitted by:
Name: Maeve Marcello
Company: Safe N Lock Self Storage
Phone: (646) 780-9133
Email: mm@snlstorage.com

Public Scoping Meeting on Self-Storage Text Amendment
New York City Department of Planning
Submitted by Natasha Payne
Safe N Lock Self-Storage
March 30, 2017

My name is Natasha Payne and I am the bookkeeper at Safe N Lock Self Storage located in the Bronx. I am also a resident of the Bronx. I am here today to express my concern and opposition to the proposed text amendment on self-storage in designated areas.

I have been an employee at SNL for two years and worked for another self-storage company for 12 years before that. I started as a sales associate with a newly opened self storage company in the Bronx in 2003 and worked my way up to a administrative assistant with the construction group. When I left this company in 2015 I had the opportunity to take a position with SNL Storage as a bookkeeper. This upward improvement in both my vocation and salary would have been very difficult outside of the storage industry.

Saying that very few people work at self-storage facilities is not painting a true picture of the economic activity created by self-storage nor addresses the opportunities associated with the storage industry, which my career with storage will attest.

I am concerned that if this proposal is passed, SNL Self-Storage and other companies may be in jeopardy. I don't believe that the City should try to boost one industry at the expense of another. This proposal is bad for business and for everyday New Yorkers, like myself, working in the self-storage industry.

Submitted by:
Name: Natasha Payne
Company: Safe N Lock Self Storage
Phone: (917) 337-6375
Email: tp@snlstorage.com

A Forum for LIFE, Inc.

Duns 01-928-0722
ST-119 EX2389511
Federal ID 56-2455276
NYC Vendor 0002820924
Catholic Charities Vendor 61678
Registered Charities 21-29-44
Department of Education Vendor AFO 455276

216 Wakeman Place
Brooklyn, New York 11220
Phone 347 529 8694 Fax 347 628 0477
www.aforumforlife.org aforumforlife@aol.com

May 19, 2017

To whom it may concern,

This statement is being submitted to express concern about the proposed Self-Storage Text Amendment to establish a Special Permit under jurisdiction of the City Planning Commission (CPC) for all new self-storage development in the proposed "Designated Areas".

A Forum for LIFE is a non-profit and public charity that focuses on a holistic approach to health and wellness. We are a service delivery provider training over 10,000 people a year to handle medical emergencies and distress in both children and adults. We offer our training sessions, run by certified professionals, to schools, churches, companies and other organizations around New York City. In fact, A Forum for LIFE has contracted with multiple New York City agencies to provide critical pediatric-care and first-aid trainings. These include the Administration for Children Services, the Department of Youth & Community Development, the Department of Homeless Services, as well as the Archdiocese of New York.

We are a non-profit organization based in Bay Ridge, but our operation requires a great deal of equipment and as a result, we have used a storage facility (Extra Space – 201 64th Street, Brooklyn – located in an IBZ) for about 10 years, solely for work-related purposes. The facility is walking distance from our office making it very convenient to access the essential medical equipment, mannequins and other tools needed to deliver medical trainings. We utilize our storage unit almost on a daily basis. The storage facility is an essential part of our everyday operation.

We hope the Department of City Planning will recognize that self-storage drives economic activity and helps small non-profits survive. The proposed text will affect the number and location of future self-storage facilities with the intention of promoting certain kinds of industrial jobs in these areas, when in fact, limiting these storage facilities may harm small businesses and organizations.

In our experience, storage facilities affect the economic growth of the city positively and I hope the Department of City Planning reconsiders its decision to place further restrictions on the self-storage industry.

Cordially,

Roman Matthews, CEO

A Forum for LIFE, Inc. is a 501 c 3, non-profit New York Corporation and Public Charity.

CERTIFIED ISO 9001:2015

140 58TH STREET 8E
BROOKLYN NY 11220
Web site: www.iehcorp.com

Public Scoping Meeting on Self-Storage Text Amendment
New York City Department of Planning
Submitted by IEH
March 28, 2017

This statement is being submitted on behalf of IEH, a 75-year old manufacturing company based in Brooklyn, to express concern about the proposed Self-Storage Text Amendment to establish a Special Permit under jurisdiction of the City Planning Commission (CPC) for all new self-storage development in the proposed "Designated Areas".

Since 1941, IEH, a family business, has been manufacturing superior products for demanding applications included printed circuit board connectors, signal or power contacts, or custom interconnects. We supply these products to the aerospace, defense, medical and commercial sectors. IEH is based out of the Brooklyn Army Terminal with more than 100 employees.

As a manufacturer, our space at the Brooklyn Army Terminal houses a great deal of technology and machinery critical to producing connectors. We have a single floor layout at the Army Terminal which is conducive to our operations. Over time, some of the older machinery we own is used with less frequency and requires storage, rather than taking up valuable floor space.

For this purpose, IEH uses self-storage at an Extra Space facility located in Sunset Park. We recently rented two 10x15 units that store three very large molding machines which were taking up too much of our office floor space. We also store customer files that we are required to sometimes keep for several years for compliance purposes.

We have found self-storage to be a cost-effective and efficient solution to our space constraints. The freed up space afforded with removing these non-essential molds/machinery will make it possible for IEH to purchase more up to date machines and free up viable work space. Therefore, this generates more money produced by the business and economic activity for the City.

It is more expensive to move/relocate to a bigger space and use the extra footage to store "non-essential" machinery instead of "profit producing" modern machinery with extra employees to run those extra machines/jobs. In the end, it's more money for everyone involved.

Manufacturing companies in New York City like IEH face many challenges. We can tell you that limiting self-storage will not address those issues.

We have been committed to operating in New York City for more than 70 years, but we need to look for cost-saving measures where we can find them and self-storage is one of these solutions. It is affordable, easily accessible at all hours and located within a very short distance from our main office in the Army Terminal.

We believe the proposed City Planning text amendment does not take into accurate account the important role that self-storage can play in Industrial Business Zones supporting manufacturing businesses like ours. We have found there is synergy between an industrial business like IEH and self-storage. Without access to this option, we would expend considerably more funds to store our equipment. And if self-storage supply is limited in industrial zones in the future, this could potentially drive up costs for the units that we are currently renting at a competitive price.

IEH encourages the Department of City Planning to reconsider the proposed text amendment to limit self-storage development in New York City.

Submitted by: Jackie Nicasio
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Title: Purchasing Buyer
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Brooklyn, NY 11220
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Website: www.iehcorp.com

SMR
CRAFTWORKS

Public Scoping Meeting on Self-Storage Text Amendment
New York City Department of Planning
Submitted by Andrew Fishman, Owner of SMR Craftworks, Inc.
March 28, 2017

My name is Andrew Fishman and I am the owner of SMR Craftworks, Inc. based in Brooklyn. I am submitting a comment in response to the Department of City Planning's proposed text amendment on self-storage in designated areas.

SMR Craftworks is a full service residential renovation company, based in Brooklyn for 15 years, specializing in customized top to bottom renovations. We employ 10 people who are trained professionals in framing, carpentry, cabinetry, painting, tile and flooring installation.

As a self-employed general contractor, I run my operation out of a home office. As you are probably aware, the home renovation business is an intensive one in terms of equipment and materials required. For the last three months, I have been renting a storage unit in Red Hook in order to store tools, equipment, supplies and ladders. My client projects range from installing floor tile to building a new staircase to a full gut renovation – all of which require a significant amount of machinery and raw materials.

Most of SMR's renovation projects and customers are based in Brooklyn. Having local and easily accessible self-storage is indispensable to my business. I access my self-storage unit in Red Hook three to four times per week on average.

When exploring options for storing equipment, I considered a traditional warehouse space, but it was far too expensive, especially in Brooklyn. Warehouses require long-term contracts and are often less accessible for a business like mine that needs flexible day-to-day access.

Self-storage has become an important part of SMR Craftworks' logistics. Small business owners, like myself, need local facilities to store our commercial goods. I would hope that this option continues to remain readily available and affordable for business-owners, like myself.

I strongly recommend the Department of City Planning reconsider its proposal to limit the development of storage in New York City.

Submitted by:
Andrew Fishman, Owner
SMR Craftworks, Inc.
2779 Strickland Avenue, Brooklyn, NY 11234
Phone: 718-637-4246
Andrew@smrcraftworks.com

Testimony of Timothy Dietz, President & CEO, national Self Storage Association
New York City Planning, 3/30/17 Scoping Hearing

Good morning, my name is Tim Dietz, I am the President & CEO of the national Self Storage Association where I have supported our members for nearly 13 years. We represent everyone from the smallest, one-property businesses, in the smallest towns; to the largest, multi-property owners in the largest cities. I've advocated for our industry everywhere from Frankfort, Kentucky to Chicago, Illinois.

I appreciate the opportunity to speak about this issue. Previous to the 2015 announcement about this idea of special treatment for hotels and self storage (now apparently only self storage) we were not meaningfully engaged about our sector by the City. It appeared to our industry, having not been involved, that a solution was offered before a problem was adequately researched. If there are misconceptions, I hope I can help dispel those ideas today or through a more considered approach.

Self storage has always been a convenient, nimble alternative to traditional warehousing, where there are more barriers to commerce. It is less expensive and less complex, does not require a bailment relationship (care, custody & control); terms can be one month or several years. Our studies indicate that the most important features these customers are looking for in self storage is convenience; specifically self-access and location to their work and/or home, both unique distinctions from traditional warehousing. Our customers also tend to visit their rented space often. Limiting storage expansion in your city; expecting them to go somewhere else, disrupts the lives of these consumers and businesses and is an added financial burden for both.

What are the businesses storing? Businesses and consumers who are in transition have come to depend on self storage. Many of the needs are more permanent. About a third say that they are storing documents that they are statutorily required to retain due to government compliance and legal situations. So they are compelled to maintain control, but they will have to either pay higher rents nearby, due to the natural order of supply and demand, or incur greater expenses to travel further. Other business consumers are storing inventory in places where those goods can be conveniently accessed and distributed to their own customers. It is a one-mile business, not a "go somewhere else" business.

I certainly understand that access to affordable self storage is important to our business customers, but I also believe you should consider consumers of self storage. Fully one third of our tenants in urban areas are made up of Baby Boomers and the Greatest Generation; in other words, many retired or transitioning into retirement. Another 15% of our customers in urban areas are soldiers or students. Single parent households and families in transition also make up a large segment of our clients. Often times, these are members of our

communities in some of the most vulnerable moments of their lives.

This issue deserves greater scrutiny. For example all research into current self storage inventory indicates a currently supply of less than half the amount of self storage space here, per capita, than the availability nationwide. Although we certainly acknowledge the space premium here, it also may be an indicator of unmet demand.

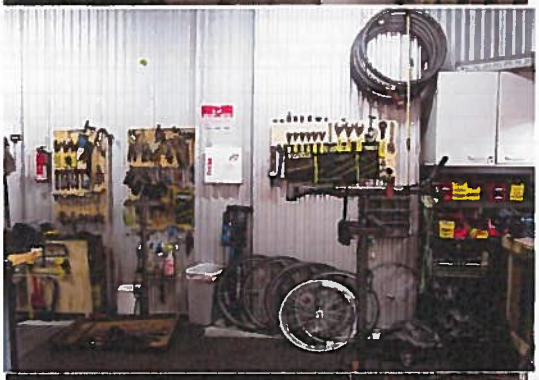
We look forward to working with the City further and encourage you to take the time that our industry is asking to adequately research a decision which appears to arbitrarily sanction our businesses and customers.

Thank you.

Commercial Storage Tenants





Commercial Storage Tenants	
List	Note
20x24 Holdings LCC	
32 Degrees Weatherproof	Clothing manufacturer's storage of winter clothing / jackets
6 Up Productions	Clothing, marketing inventory
A Free Bird Organization	Not for proffit art & education supplies & files
A Rose Has No Teeth	Stores bulk fabric for manufactoring
A&M SECURITY	
abc computer software corp	
ABCK CORP	
Advanced Business Group, Inc	
All City Cable	Electric cable & tool storage
Allergan INC.	Pharmaceutical rep promotional & marketing items
Alzheimer's Foundation of America	
AMA Consulting Engineers	
american jewel	
American Movie Company	
American Pakistan Foundation	Not for proffit file storage
American Whatever llc	
Andrea Rosen Gallery	Art gallery items & files
AWSF Media Group, INC	
Bah, Mohamed	Street vendor
BarkTHINS	Sample chocolate, promotional & marketing items
Becca's Closet	Not for proffit - charity clothing donations & files
BFG Communications	
Bonnie Hurwitz	Pharmaceutical rep, promotional items
Broadway Inspirational Voices	
Broadway New York Inc.	
BSH Research	
Capillus Distribution LLC	
Carol Hannah LLC	
City Share Properties Inc	Provides rental furniture for air B&B rental properties
Civic Enterainment Group	
Clecio Lira Photography	
CNP Delivery	Magazine & newspaper drop & distribution point
CNP Delivery	
Cohen LLC, Barry	
Cuero Operating LLC.	Shoe Company Inventory
Daphne Productions, Inc	
DAXOR CORPORATION	
Destino Vero Designs and Apparel LLC	
Diallo, Mamadou	Street vendor
Edifice Real Estate Partners	
EDWARD ROTH LLC	
Elevator Repair Service Theater	Local theater company, stores props & costumes
Exigis, LLC	
Fab 4 Collectibles	
Farm Road Hospitality	
Fashion, Alseny	
FastVitaminIV INC	
FoodyTv Acquisition LLC	
Foragers Market	
Forever Nyc	
Friendshop	
FSA Store Inc	
Funk, Trevor	Stores antiques, furniture, lighting & gallery items. Does minor restoration and cleaning while onsite
Golbal Realty	
Goldman, Curt	Liquor company that distributes do-it-yourself high-end cocktail kits, storage & assembly of kits here
Gotham Writer's Workshop, Inc	
Greater New York Aca Intergroup, Inc.	
Gro Property Management, LLC	
Guayaki SRP Inc	Energy dring promotional distribution
Gzuniga Ltd	
Gzuniga Ltd	
Harrest Capital S.R.L	
Harriet & Esteban Vicente Fdn	
Harriet & Esteban Vicente Fdn	
Headquarters New York	
Health SOS	
Heart Me	
Hells Kitchen Flea Market LLC.	Owner of Hells Kitchen 39th st weekend flea market, stores materials such as cones, inflatable banner, portable gate/fence, marketing materials
HHC Marketing	

HI DEF NEW YORK (HDNY)	
Homer Logistics Inc	Art gallery items & files
Homer Logistics Inc	Bike delivery logistics company (only delivers food), started at GMS with under 50 employees, now over roughly 500 employees
Households Headed BY Women	Antique mirrors & art
Howard Greenberg Gallery	Art gallery items & files
HSM AMERICAS INC	
I- ELLA	
Iconix Brand Group Inc	
Iconix Brand Group Inc	
Iconix Brand Group Inc	
Inspira Marketing Group	Marketing & advertising for liquor
Institute For Expressive Analysis	
Intriguing Threads	
Irish Business Organization of New York	
Italca SRL	
Jackson, Mark	39th Street fleamarket vendor & auction buyer
Karen Kleber Photo Stylist Inc.	
Keith DeLellis	Art gallery & photo items & files
Khalid Cherif Jamal	BIKE CABS
Kiram, Driss	BIKE CABS
KOB Publishing LLC.	Magazine (42nd Street Hells Kitchen) & newspaper drop & distribution point
Kopman, Carole	Gallery and antique dealer
Kyle Kauffam Gallery	Stores antiques, furniture, lighting & gallery items. Does minor restoration and cleaning while onsite
LAKEVIEW APPAREL GROUP	Shoe & clothing designer / distributer / manufacturer
Latchable, INC	
Law offices of Goldstein & Lee	
Lever and Beam, LLC,	
Lighthouse	
LightStim	
Links Of London	Jewelry company using us for file & inventory storage
Lowenthal, Barbara	Art, antiques, files
Lululemon USA Inc.	
Lung cancer research foundation	
Luxury Optical Holdings	
M Shanken Communications Inc	
Majik Cleaning Services, Inc	
Mama Margarita's Food LTD	
Manhattan IT, Inc., .	
Mardar management Inc.	
Martin de Tours Clothier	
Matomy	
Maya's Hope	Not for proffit childrens charity, storing files & donation items
MEDICAL DYNAMICS	
Mellers Inc	
Merz North America	
Metrotennis CTA	
Midciti Interiors Inc	
Mission in Pink	Charity
MJM Creative	
Moreno Law Office P.C.	
My Doorman INC	Inventory and supplies
National Sculpture Society	
New York Dream Center	Charity that helps homelees & less fortunate, holding donation items
New York Numismatic Club	Not for proffit file storage
Newspaper Guild of New York	
NewYorkArtFactory.com, Inc.	Art gallery items & files
Nora Gardner NYC	Clothing designer, manufacturer, distributer. Has been here long term and constantly upsizes and downsizes based on inventory shipments
North Six, .	
North Six, .	Clothing items and inventory
NY Gotham Printing and Graphics INC.	
OHR PHARMACEUTICAL	
Otsuka Pharmacudical Inc.	
Ouldad Holding LLC	
Pattison, Robert	Mover storing boxes, dollies, moving maaterials
PONO/ BOBBI TRIM LTD	
PONO/ BOBBI TRIM LTD	
Poster GIANT, INC	Delivery, storage and pick-up point for bulk promotional posters
Psycho Bunny	Clothing company inventory
PYAR & CO.	Bedding Furniture & Promotional Items
Racewood Media Inc	
Rain or Shine	Local business sells & services high-end canes & umbrellas; closed storefront business and is doing business out of unit
Randall Gibeau Design LLC	

Randall Gibeau Design LLC	
Raven & Sparrow	
Red Bull North America, Inc.	Main NYC receiving/distribution location for storing promotional cans of Redbull & promotional product
Renegade Nation	Movie star / Rock star storing lifetime of files & memorabilia
Revolution Richshaws	Rickshaw company, stores rickshaws, tools to service rickshaws, marketing & promotional items
RK-DESIGN OPTIK GMBH	
Rosenberg, Abe	
Sally Hershberger Professional hair care	Hair salon storing files & materials
Sanofi, .	Pharmaceutical marketing and sample items
Schirripa, D.M.	Personal items & 39th Street flea market vendor
Sefarad Group LLC Dba Spenglish	
Select Express and Logistics	
Semi-Charmed Life LLC	
Semi-Charmed Life LLC	
Sense New York Inc	
SIKI IM STUDIO	
Silver Art by D&R	
Sky Bar Times Square Inc	Local hotel rooftop bar storing seasonal & bulk items such as chairs, tables, etc
Sony Music Entertainment	
Sory, Dabo	Street vendor
Source Group, LLC	
Sow, Sadou	Street vendor
Speety Solutions Group Inc.	
Sphatika International LLC	
Spink USA, Inc	
SRG VENTURES LLC	Stores files
Stiebel, Gerald	File storage
Sullivan Street Bakery- Hell's Kitchen, Inc	Bakery files, racks and assorted machinery
SVILU	
T.E.I. Dedicated Elevator Solutions	Elevator company, stores elevator repair, testing and service tools
Taxi Tours Inc D.B.A. Big Bus Tours	Local NYC bus touring company storing files, promotional & seasonal items
The Belgian Chocolate House LLC	Furniture & promotional items
The Pink Shutter, LLC	Props Photobooth, Inventory
Times Square Hospitality I, LLC	Local hotells storing seasonal & bulk items such as chairs, bedding/blankets, air conditioners, fabric
TOM WYMAN Designs	
TRYON ENTERTAINMENT	
Tumer, Barry	Rickshaw company, stores rickshaws, tools to service rickshaws, marketing & promotional items
Uhaul	
UNO DE 50	Jewelry company using us as a distribution & return center
Uprichard INC	
Vero Water	Water filtration product storage & marketing material
Vici Enterprises, Inc	Children Toys Inventory
VOCATIV	
Voorsanger Architects P.C.	
WAD SHOES	Shoe compant that has a store front and stores inventory here
Waldrip Collection LLC	
Waterwell Productions Inc.	
WinMark Concepts	
Winter Film Awards	Not for profit - Winter film awards items for annual awards ceremony
Y Four Bu Rsr	
ZED DESIGNS.COM	
Zog Sports llc	

Brooklyn Chamber of Commerce

March 30, 2017

Written testimony respectfully submitted to the New York City Planning Commission by Varun Sanyal, Director of Economic Development Policy of the Brooklyn Chamber of Commerce, regarding the Self-Storage Text Amendment

Good Morning:

I am Varun Sanyal and I serve as Director of Economic Development Policy at the Brooklyn Chamber of Commerce (BCC) and I am delivering testimony on behalf of Andrew Hoan, President and CEO of the Brooklyn Chamber of Commerce.

The Brooklyn Chamber of Commerce is a membership-based business assistance organization that represents the interests of over 2,100 member businesses across the borough of Brooklyn. The Brooklyn Alliance is the not-for-profit economic development organization of the Chamber. It works to address the needs of businesses through direct business assistance programs.

Implementing thoughtful industrial policies and land use measures that will lead to innovation, as well as preserving and creating new jobs, means taking a comprehensive approach to the Industrial Business Zones in New York City. Through our various initiatives, the Brooklyn Chamber is committed to those starting or operating industrial businesses in Brooklyn. And we are keen on working with the City of NY to promote a strong business economy in the Borough.

While the Brooklyn Chamber supports the goals of the Mayor's Industrial Action Plan, we believe that creating a special permit process for self-storage facilities is not the best solution.

Many small businesses right here in Brooklyn turn to self-storage as an inexpensive alternative to warehousing their inventory. This includes manufacturers and artisans who see self-storage as complementary to their sectors. Considering the costs of real estate, the access to self-storage allows small businesses to minimize expenses.

Furthermore, we have already seen evidence of self-storage developments in Brooklyn being shelved due to the uncertainty surrounding the special permit process. Ultimately, this can leave the borough and the City with more vacant lots and derelict buildings that are not actively pursued by other buyers. There is no data or evidence presented in the scope that suggests manufacturing will move into these sites. Across Brooklyn, blighted sites including vacant lots, tow pounds and extensively damaged buildings have been improved by the presence of new self-storage facilities that are properly maintained and secure. We view self-storage and industrial/commercial businesses as complimentary, not competitive.

We urge the City to reconsider the approach to reforming IBZ's through a special permit on self-storage and to take a more comprehensive approach to promoting manufacturing across the City of New York.

CHELSEA
DEVELOPMENT
GROUP

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April 4, 2017

The Environmental Assessment & Review Division

Re: Review and Comments on
Environmental Assessment Statement
Self-Storage Text Amendment
CEQR 17DCP119Y

The EAS for this Self-Storage text amendment is flawed, full of inaccuracies, misrepresentations and incorrect statements. The following is a brief summary of the obvious misrepresentations and incorrect statements.

I. Comments on Executive Summary

a. **"…self-storage facilities are considered low job generating use and primarily serve household rather than business needs."**(p. 14) Where are you getting this information from?

Any building like an office building or a retail center is just a building. When built and completed it is a vacant building. An office building itself with no tenants is a low job generating building until the tenants occupy the building. So is a factory building low job generating until a factory occupies the building.

A self-storage building is no different than an office building. They both create the same number of jobs. It the tenants of the building the create the jobs.

In any given 100,000 square foot storage building there are approximately 1300 different storage units of various sizes and shapes and these are all occupied by different tenants depending on their needs. Some of these tenants are residential users and some are commercial users.

In New York City the percentage of commercial tenants far exceeds the national average and in most storage properties the commercial occupants are 50% of the total tenants.

These commercial tenants are in business. They have employees. They create jobs by storing, distributing, inventorying and delivering their products.

These tenants have names like: 32 Degrees Weatherproofing (jacket supplier), ABC computer Software, Allergan (pharmaceutical), Alzheimer's Foundation, American Pakistan Foundation, Barkthins (candy distributor), CNP Delivery (delivers Time Out Magazine), Dialllo Marnadou (street vendor to street fairs), Homer Logistics (bike delivery company of food), Lakeview Apparel Group, Links of London (jewelry distributor) Mayas Hope (non-profit charity) OHR Pharmaceutical, Rain or Shine (cane and umbrella distributor), Red Bull North America (energy Drink Distributor) , Sullivan Street Bakery (bakery racks) , the Belgian Chocolate House (chocolate storage and distribution) , Times Square Hospitality, Vero Water (distributor), WAD Shoes (shoe distributor), just to name a few.

b. Let's look at just 2 of these companies:

Homer Logistics: This is a bike delivery company and every day 150 bike messenger staff enter the facility and receive their bike and proceed to spend the day making deliveries all over the city. THESE ARE REAL JOBS AND THESE ARE REAL PEOPLE WORKING OUT OF THE STORAGE FACILITY WHERE THEIR BIKES ARE STORED. ARE THESE NOT JOBS?

Red Bull and Vero Water: every day 10 employees for each of these companies enter the building and move inventory from their lockers into their delivery trucks and proceed to make deliveries all over the city. ARE THESE NOT JOBS THAT ARE CREATED BY THE STORAGE FACILITY.

In one of my properties alone, even though our staff of 10 operates the building, we have at least 350 or more wage earners entering and working from the facility every day. These are the jobs that are being created.

How are these jobs any different than those of an office worker of manufacturer? JOBS ARE JOBS and these are created solely by having the storage available.

Consideration must be given to not the physical building (like and office or industrial building) but to the tenant and occupants of the building.

Storage is an incubator for small growing businesses

The fact is that self-storage is an incubator location for small and growing businesses. When a company starts that manufactures or distributes any product they are not sure of their demand and supply needs. There is a reluctance to take a long term lease commitment for a specific space amount because they simply do not know their potential growth of their company. Storage gives these companies a month to month location with room to grow their business.

Where is your analysis of the occupants of the facilities and where do you get the percentage of commercial to residential tenants? Your basic assumption is incorrect as it applies to New York City.

I'm attaching 3 separate articles, one from Extra Space Storage website, second one from smallbiztrends.com website, and third from BBC website, all referring to how small businesses can are using self-storage units to conduct their business.

Also attached are photos of commercial storage tenants' units and the list of commercial tenants

at a storage facility in midtown Manhattan.

II. Background

a. "The present City Administration recognized the... industrial sector for New York City such as building construction, freight management, food and beverage distribution, bus taxi and air transportation, freight management..." (p. 15)

   As I have shown you in our example above, **the food and beverage distribution is actually taking place right in the and from the storage facility for smaller companies and as in the Homer logistics so is the taxi and transportation business. The delivery of food and packages takes place and starts at the storage facility**

   What the city is trying to achieve is actually taking place right now from these facilities.

b. "self-storage customers are mainly households..." (p.19) This is incorrect and simply not the case. Where are you getting this information? You simply cannot take a national perspective on use of storage and apply it to New York. Where are you obtaining these statistics as it applies to New York City?

c. " Regarding the number of jobs generated by self-storage, the National Self-Storage Association states that the average of 3.5 employees work at each facility..." (p. 20)

   Yes and how many jobs are created by building an office building or an industrial building until the building is occupied by the ultimate end users and the tenants. Your premise makes no sense as any commercial building built creates the same number of jobs to run and operate the building.

   WHERE IS YOUR ANALYSIS OF THE JOBS CREATED BY THOSE TENANTS WHO USE AND OCCUPY THE BUILDING LIKE AN OFFICE OR INDUSTRIAL BUILDING?

   A BUILDING ITSELF CREATES NO JOBS.

III. Purpose and Need

a. "self-storage development detracts from the City's economic development objectives for IBZs since it is a low job generating use that primarily serves household rather than business needs" (p.22)

   This is simply not the case, is inaccurate, and with our regard to the actual facts. read *above* "

   The commercial tenants (50% of all the tenants in the facility) of the storage facility are small companies that are in the freight and logistics business and also want to be on convenient truck routes, close to reliable transportation, accessible off street loading and unloading, and secure storage.

   Not all businesses are created like Fed EX and DHL. These companies started small and grew to the size they are now. But they all needed a place to start their business.

Where is your detailed analysis of the small business needs and their potential location?

b. "Considering all of the *above,* self-storage stands out as a low-density employment use when compared to other storage and warehousing businesses" (p.22) is an inaccurate statement.

   Where is the analysis of the actual tenants who occupy the storage facility and the jobs that they create? Where is your back up for that statement.

   What about the bike delivery companies, the beverage energy drink delivery employees, the pharmaceutical reps who pick up their medicine and go to doctor after doctor. All of these employees and their jobs are the direct result of having the storage built and available in the first place.

c. "the use of self-storage detracts from the city's economic development objectives" (p.22) is 100% false.

   The businesses that use these facilities are the startups of industry. Apple and Microsoft were started in garages and grew from there. So do the companies like **Barkthins** that make and distribute chocolate to the convenience stores in the city,

Self-Storage is the We Work of manufacturing and distribution businesses

Think about a company that wants to manufacture and distribute an energy drink or a new athletic shoe. They need to manufacture and distribute. Initially they find an existing manufacturer who will make a small batch of the new product and then ships it to the new company. They need a place to receive and inventory that products and they cannot commit to a long term lease and a large space. Self-Storage gives them the month to month location at the size they need for the beginning of their business. Where else are they going to go?

This is most certainly satisfying the objective of economic development. Otherwise why are all these commercial tenants in business?

I**V. <u>Proposed Regulatory Mechanism</u>**

You should rewrite this to say, **"Prohibiting New Self Storage"**

If this resolution passes there will *never* be another self-storage facility built in the identified IBZ zones because there will be no way to establish or prove that a "optimally accommodate a new building or industrial use". Any site can be an industrial use building.

And no developer will attempt to take the 2 year process to go through the ULURP process and expense to have the determination made arbitrarily at the end that it is not approved. Nor will any land owner or seller wait for a two year period to find out if his property can be sold for that use.

So, you might as well simply prohibit the self-storage all together in these zones and not pretend that developers will *even* think of going through the process. Simply will not happen.

V. Attachment B Analytical Framework

a. What is most definitely true is:
"It is understood that the Proposed Action alone will not directly induce industrial development... and the occurrence of industrial development is plausible…" (p.29)

So the prohibition of the self-storage will not induce industrial development. But it will prohibit the development of self-storage which in itself does induce commercial tenants to occupy storage facility so in effect this Proposed Action is contrary to what it is trying to accomplish and that is already a proven fact.

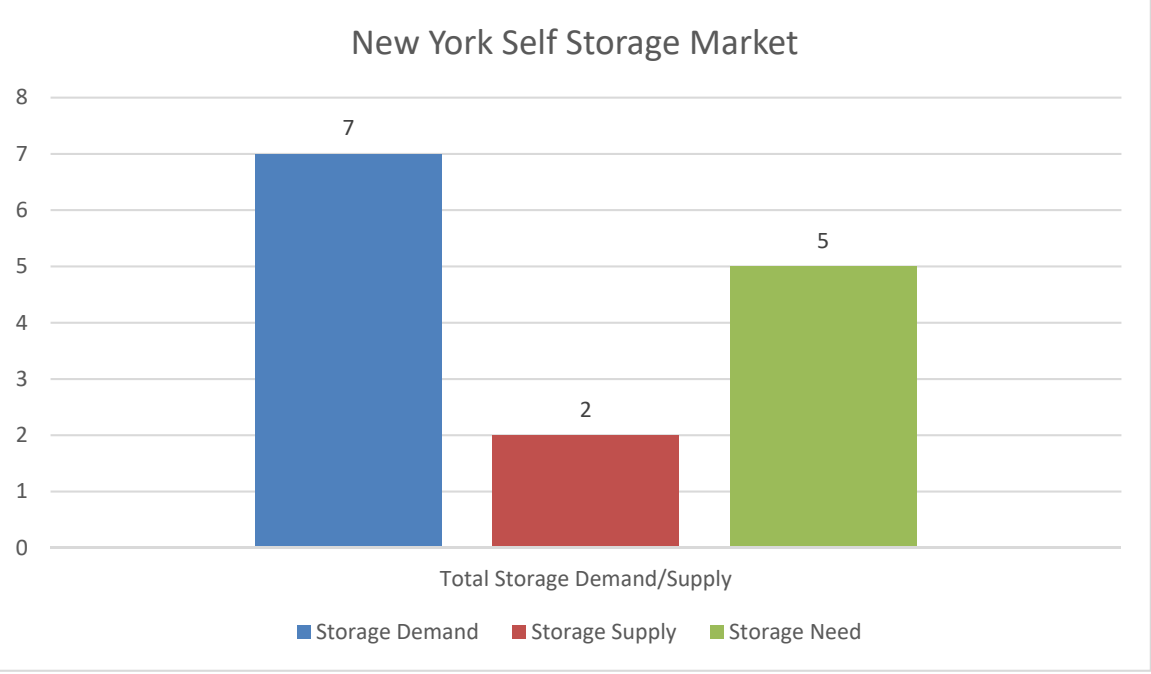
This Proposed Action will detrimentally affect the growth of new start-up businesses by not allowing them to exist in the first place. Where is the analysis for this impact?

VI. Existing Conditions

a. The EAS fails to properly address the **need** itself for self-storage and ignores the basic facts that can be found anywhere.

The national average need for self-storage country wide is approximately 7 square feet per person in the population. The current supply in New York and all of the boroughs is approximately 2 square feet per person.

THE DEMAND FOR SELF STORAGE IS OVER 3 TIMES THE CURRENT SUPPLY IN NEW YORK CITY AND ALL THE BOROUGHS.



b. **NEW YORK IS THE MOST UNDERSERVED CITY IN THE COUNTRY FOR SELF STORAGE.**

PLEASE REFER TO THE SELF STORGE ASSOCIATION FOR VERIFICATION OF THESE STATISTICS.

Where in your EAS do you refer to the needs of the population for this service? Why are you ignoring the basic principles of supply and demand and in fact considering the restriction of supply even further?

By prohibiting self-storage in 42% of the land area currently zoned M or C8 you have restricted the future development and further caused a more significant shortage of a needed product.

Where is the analysis of this?

c. What is true is:
"The potential modest rate increase for self-storage may affect certain households' and small businesses' ability to rent self-storage units or their ability to pay for such units, if demand stays strong. Households and businesses alike may have to travel further to access units in the desired price range and rent smaller units result in some inconvenience" (p.45)

TRAFFIC IS A BIG ISSUE AND COMPLETELY IGNORED BY THE EAS

I believe this additional traffic generation to inconvenient locations and increased traffic on smaller streets and not adjacent to highways has not been adequately addressed by the EAS at all. what about all the moving trucks carrying household goods, delivery tucks taking commercial goods to be distributed and all the commercial tenants who occupy the facility and the traffic they will generate on smaller neighborhood streets? This fact it is simply ignored in the report entirely.

d. "The introduction of a new discretionary approval process is likely to present a disincentive to the development of self-storage since some self-storage developers may be reluctant to undergo the discretionary approval process." (p. 45) This is true and should really read all developers will not want to go through the approval process.

And what is the definition of "suboptimal for industrial businesses" (p. 45)?

What is the definition of this and how could anyone possibly prove this ambiguous statement? This alone is impossible to prove and further exhibits *your* desire to make a prohibition on the new development by applying an arbitrary condition which is inappropriate for new action like this.

Actual Supply and Demand for Industrial Space

According to the most recent 2016 "CoStar Industrial Statistics for New York Outer Borough Industrial Market* (article attached) every quarter of 2016 had a negative absorption of industrial space (meaning there is not demand for the space**). In fact, since 2017 there have only been 3 years where there has been a net positive absorption of industrial space**. The other significant fact from the report is that rents have doubled from $11.56 to almost $19.41 psf. This rise in rents is prohibitive for manufacturing and industrial companies to successfully operate. Therefore they are moving to New Jersey and other areas outside of the New York area. Nothing in this proposed action will do anything to decrease the rent and

make the availability any greater.(

Total Industrial Market Statistics

Period	Existing Inventory		Vacancy			NET	Deliveries		UC Inventory		Quoted
	# Bids	Tota l RBA	Direct SF	Total SF	Vac %	Absorption	# Bids	Total RBA	# Bids	Total RBA	Rates
2016 4q	9,495	207,890,962	7,824,097	8,042,998	3.9%	(42,131)	6	41,325	16	710,207	$19.65
2016 3q	9,490	207,859,637	7,751,947	7,967,542	3.8%	(139,999)	3	82,929	22	751,532	$19.48
2016 2q	9,491	207,822,628	7,612,244	7,790,672	3.7%	(221,130)	2	44,326	25	834,461	$18.36
2016 lq	9,499	208,192,875	7,649,171	7,875,787	3.8%	(270,681)	0	0	23	828,700	$17.30
2015 4q	9,504	208,395,085	7,577,782	7,811,616	3.7%	479,316	2	10,588	21	735,958	$16.46
2015 3q	9,508	208,506,669	8,283,328	8,402,778	4.0%	685,924	1	19,414	21	700,846	$17.47
2015 2q	9,517	208,832,670	9,295,553	9,414,403	4.5%	(47,709)	0	0	9	594,905	$16.87
2015 lq	9,532	209,172,041	9,584,915	9,702,565	4.6%	383,990	3	304,007	6	543,075	$16.49
2014	9,537	209,289,840	10,037,454	10,204,354	4.9%	(129,257)	6	250,005	8	804,951	$16.16
2013	9,582	210,966,940	11,584,597	11,720,997	5.6%	767,453	5	177,256	5	245,670	$14.32
2012	9,597	211,652,956	12,963,056	13,179,316	6.2%	(1,229,772)	10	288,668	7	362,140	$12.12
2011	9,620	213,027,606	13,117,334	13,324,09 4	6.3%	(1,671,175)	7	31,397	6	296,557	$11.42
2010	9,621	213,189,457	11,737,574	11,810,524	5.5%	(849,035)	20	352,454	7	78,986	$11.50
2009	9,608	213,380,571	11,011,399	11,140,349	5.2%	(985,764)	26	465,073	18	296,454	$11.87
2008	9,596	213,208,091	9,824,472	9,988,618	4.7%	1,435,394	46	1,094,210	14	271,833	$12.89
2007	9,564	212,488,357	10,637,124	10,710,223	5.0%	(778,938)	46	580,429	36	859,152	$12.07

VII. Projections

By far this is the most outrageous inadequate part of the entire report and needs to be further reviewed in greater detail by industry representatives and others.

THE SIMPLE FACT IS THAT WITH THIS NEW DESIGNATION, NO NEW DEVELOPMENT WILL OCCUER IN THE DESIGNATED AREAS EVER AGAIN AND THERE IS THE FLAWED DATA IN YOR REPORT.

There will be no new storage in the designated area, NONE

So the number of projected self-storage facilities to be built with this action is grossly exaggerated and should be cut proportionally by deducting those designated in the designated areas to zero (0) because the condition for approval are impossible to be met and no developer will make the effort to attempt approval or pay the expense for the two year period require

VIII. Transportation Traffic and Parking

The results of the analysis are grossly inadequate and incorrect.

The proposed action "will have a profound affect on streets and roadway conditions" (p. 57) and this is obvious. By designating areas that are not in close proximity to arterial roadways and highways new facilities will be built in perimeter areas there by causing heavy trucks and moving vans to traverse smaller street, neighborhood streets, narrow streets and this will all occur at peak rush hours as well as weekends.

Individuals will also be inconvenienced by placing these facilities nowhere near public transportation and this is not addressed anywhere.

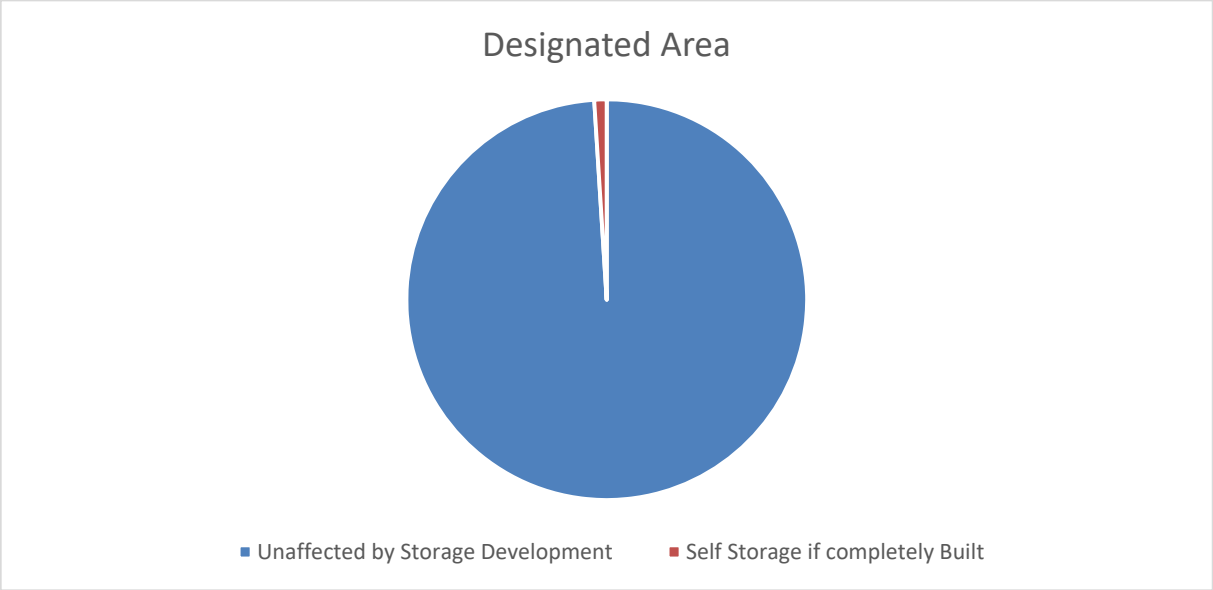
Where are you coming up with 50 peak hour vehicular trips? This is **"per facility"** and think of these trips being at the rush hour and its impact on the neighborhoods.

IX. Other Factors

a. The increasing growth of E commerce based home and small businesses is growing annually and the need for small affordable monthly storage and distribution spaces grows every day. Self- storage is the only product that effectively addresses these needs for the growing business sector.

b. An average storage facility takes approximately 30,000 sf of land area. With the potential of 66 (projection of EAS supply) new facilities TO BE BUILT over the entire city including the designated area this indicates a land area of 45 acres will be affected II all of these were built.

This area impacts only 0.004% of the total land area of the designated special district. THIS IS LESS THAN ONE HALF OF ONE PERCENT! The designated district is 10,254 acres and the prohibition of self-storage will only have an impact if all were built of less than half of ONE PERCENT. Is it effective to prohibit a use that would at the best consume less than 1% of the land area that is affected? Where is this conveyed in the EAS report?



In fact, presently, only one half of one percent of the land area in the designated rea isaffected by self-storage presently. Your own figure 9 on page 30 addresses this clearly.

X. <u>In summary</u>

I would like to reemphasize the following:

a. Your basic premise that self-storage is a low job generating use is incorrect because you fail to acknowledge the commercial users of the facilities and the job growth created by their tenancy. An office building by itself also does not generate any jobs but the occupants of the building do and this is the same with storage. If 100 messenger bike jobs are created by a delivery company that stores its bikes in a storage facility those are real jobs being created. There is no denying it and your report FAILS TO ADDRESS THIS FUNDAMENTAL ISSUE.

b. Self-storage in New York City is **NOT** "serving primarily households rather than business needs".

Facilities with 50% or more commercial tenants are common and without specific information you cannot make the assumption that "primarily serve households". A field inspection will reveal just the opposite and your text book information is wrong and simply incorrect. Using "Nationwide" statistics is not an intelligent way of determining the use of a storage facility especially in New York.

c. The adoption of this Text Amendment will "prohibit" self-storage use in the designated area causing facilities to be built in perimeter locations away from arterials and highways causing small street congestion and neighborhood disturbance. Think of moving trucks and 18 wheel delivery trucks rumbling down small streets making deliveries to self-storage buildings.

d. The Text Amendment affects over 10, 254 acres but at the worst condition if all the storage facilities to be built were built in the designated area the area affected would only be 45 acres and this is less than one half one percent of the area designated. Is this really going to do anything when 99% of the industrial area would remain unaffected and available for development. Seems like a drop in the bucket, but the effect of the prohibition is enormous. Are you really accomplishing anything when you understand that the impact of less than 1% is what you are prohibiting in the designated area?

e. No new development will take place in the designated areas because the condition of the ULURP and the 2 year process will simply discourage and intelligent developer from wasting his time in developing in the designated area. So the result will be a prohibition. Your "with action and without action" is flawed completely by this incorrect assumption,.

f. The Proposed Action will DEFINITELY lead to fewer self-storage facilities built in New York City. New York already has the lowest supply of storage in the United Sates and the highest rents. Further reductions in new construction will cause hardship on tenants both residential and commercial who will find the supply constrained and the result will be increased costs for everyone including the people of New York who will pay higher prices for those goods that are stored and distributed by these facilities.

I strongly urge you to address the issues raised here and complete an appropriate report that address the ignored issues that are the basis for this action.

Jack Guttman
Chelsea Development Group, LLC
301 West 57th Street
New York, NY 10019

Information about me:

I have been a real rate developer for the past 40 years. I have developed over 1.5 million square feet of self-storage in New York City. In fact, I am the only developer of self-storage who has developed in all 5 borough including Manhattan. I have developed in Staten Island, Bronx, Queens, Brooklyn and Manhattan. I know the business and the industry.

I am most concerned about this Text Amendment because of the impact it will have on an already diminished inventory and the impact that will have on businesses and individuals.

I am concerned that it will totally prohibit further development in the designated areas.

I am concerned that the writer of this EAS ignores the supply and demand facts that currently exists.

I am concerned that the EAS report fails to acknowledge the importance of the commercial tenants who occupy these buildings and create jobs.

I am concerned about the growth of the E commerce sector and the increased demand for short term (month to month) small space by this growing sector and the lack of alternatives in the market place.

I am concerned that the impact of the Text amendment will affect over 10,000 acres but that if no action would be taken only leads that 1% often land area would be affected. Does that make any sense?

I am concerned that it acknowledges that no new industrial development is likely to take place and it only prohibits this use and therefore, has no positive affect and only a negative affect on the economy.

ExtraSpace Storage
Space Wise
DIY Lifehacks & Organization Solutions

How Small Business Owners Use Self Storage Units

Posted on Jan 4 2013 - 7:00pm **by** Tony Gonzalez

« Previous | Next »

Recently, Steve Wilson, managing partner of Hide-Away Storage based in Sarasota, Florida, participated in a business forum. He discussed ways that small business owners and entrepreneurs can use self storage.

"Self-storage can save small businesses a lot of money by giving them great flexibility with a comparatively low dollar commitment," said Mr. Wilson. He explained further, "There are no long-term leases with self-storage and the amount of space a business must pay for can be adjusted virtually on a daily basis. Most self-storage facilities also take deliveries. This saves time and money for businesses, since they don't need to pay someone to wait around for a shipment of supplies or equipment to arrive. In addition, zoning regulations or the risk of theft often make it advantageous for small businesses to store vehicles and equipment in a self-storage unit."

He went on to share how some of his own customers have used units in his self storage facilities.

- Medical sales representatives use Hide-Away Storage to accept shipments of samples and sales literature.
- One customer designs and builds custom bathrooms. He uses his storage unit as a showroom. He also uses it to store some of the items that he builds.
- One company stores refurbished copiers in their storage unit until they are sold.
- An interior decorator uses her unit to display carpet samples and home décor items. She has customer's orders sent to the storage facility before she delivers them to a customer's home.
- One customer sells home theater and sound systems. He uses all of his retail space as a showroom and uses his storage unit as a warehouse for his products.
- Several customers buy and sell items through Craig's List or eBay. They store the items they sell in their storage unit.
- Because of zoning restrictions in subdivisions, small lawn care companies electricians, plumbers, and even commercial fishermen store their trucks, trailers, and other business equipment in their storage unit.

As an owner of a self storage business, you can take a lesson from Hide-Away Self Storage. Look around your community and talk to businesses that are similar to those that rent units from Hide-Away. Explain how a storage unit can benefit their business. Encourage them to rent storage units from you.

There are two main benefits that you get from working with entrepreneurs and small business owners in your community. You increase your occupancy rates and you will also get long-term customers. It's a win-win situation for you and your customer.

Sources Used:

"Hide-Away Storage Discusses How Small Business Owners Use Self Storage." PR Web; 2 January 2013.

Hide-Away Storage.

Tips

Uncateg

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8 Businesses You Can Run from a Self Storage Facility

Posted By *Joshua Sophy* On August 25, 2016 @ 10:30 am In Technology Trends | 7 Comments

Are you running your small business from the kitchen or dining room table? Or are you lucky enough to be able to dedicate an entire room — say a study, spare bedroom or home office — to your business operations?

Perhaps it's the opposite and running your small business from home has taken over the whole house, with paperwork on the sofa, products strewn on the floor and marketing materials lying on every ope surface.

In any case, it may be time to step things up with a more professional location — like an office or other place of business.

But before making that big investment, taking out lease and adding hundreds or even thousands a month to your overhead, here may be a more logical step to take first. A 200 to 300 square foot storage unit can be much less costly and still give you all the space you need.

Here are eight businesses that could be run entirely from a self-storage unit with the right consideration.

Run a Business Out of a Storage Unit

eBay Business

No matter what you're selling on eBay, Amazon or Etsy, if you're doing this from home you're probably sick of using your living room as a quasi order fulfillment center [1].

With the right amenities, a self-storage unit could be used as a photo studio, a place to bunker down and rattle off a few dozen product listings and, most importantly, a place to store whatever it is you sell.

Content Provider

What better place to seek solitude and tranquility and boost on those creative juices than in the bowels of a cavernous self-storage unit. If you're able to set up a laptop, run some electricity and arrange an internet connection, you've got all the makings of a makeshift office space.

That's not to suggest that you work from some windowless, ductless bunker-like headquarters.

Actually, not all storage facilities are like this at all. Some more modern storage facilities are actually equipped with the infrastructure to make this a reality and even feature business centers, where renters have access to extra facilities like a multi-purpose room.

Mr. or Mrs. Fix It

Those with handy skills and the ability to fix just about anything broken need room to operate and even more room to keep all the tiny parts and tools that they need to get the job done.

Storing all these things at home can be awkward or impossible, especially if you don't live alone and find yourself impinging on everyone else's space.

A storage unit gives you a location to store all your parts and tools and a place to work on your projects too.

Thrift Store or "Dollar Store"

If the facility allows such activity, opening the door to your store regularly could just be a matter of popping the lock and sliding open the doors to your new second hand shop [2].

Set up some retail shelving inside the storage unit, fill those shelves with your products and set up a register at the entrance.

Vintage Furniture Sales

A wet, leaky basement is no place to store your your mid-century modern living room set especially if you intend on selling it.

Storing furniture — especially in the hopes of someday showcasing it for sale — requires a larger space like a warehouse floor. If you're growing slowly, keeping a few select pieces in storage and listing them for sale locally could be the most practical path to operating a sustainable vintage furniture business and maybe even growing it into your own furniture warehouse store someday.

Video Producer

A storage unit that's adequately constructed could be turned into a makeshift video studio. Many units are large enough to allow space for shooting videos and even a desk for a laptop or other computer to do some editing of the final product.

Just be sure to have a good sound engineer on standby. The confines of a storage unit are sure to present some challenges for audio.

Auto Mechanic

Most storage facilities will take a dim view of you bringing in broken down cars at all hours of the day and night as if you're running a full service body shop — leaking vehicle fluids all over the storage area.

But if your work is dedicated to one aspect of auto mechanics — say, engine rebuilding — then a storage unit could provide plenty of space for a growing company. These places will allow you to inexpensively store your valuable parts and give you the space to work on projects.

Photo Studio

Just as a storage unit can be the ideal setting — with some adjustments — for a video production and editing area, the space is equally ideal for a photo studio, too ... perhaps even more so.

Proper backdrops and lighting are key to good photos and with those in place, it'll be impossible to tell your shots were taken inside a storage locker.

Of course, before you pull up stakes from your current location and decide to set up shop inside a storage facility, be sure these activities are permitted, especially on a regular basis. Each facility varies on what it does and doesn't allow to happen in one of their lockers.

Storage Facility [3] Photo via Shutterstock

URLs in this post:

[1] order fulfillment center: **https://smallbiztrends.com/2016/08/ecommerce-shipping-supplies.html**
[2] second hand shop: **https://smallbiztrends.com/2016/07/open-a-second-hand-shop.html**
[3] Storage Facility: **http://www.shutterstock.com/pic-171664262/stock-photo-storage-man-finished-putting-stuff-in-storage.html**

The small firms run from self-storage units

By Katie Prescott
Business reporter, BBC

19 December 2013 Business

Christmas is a busy time of year for e-commerce firm Sent 4 U

The corrugated iron corridors of the Access self-storage centre in West Norwood, south London are marked by the anonymous outlines of padlocked doors.

Behind many are the belongings that people just can't bring themselves to throw away - often the residue of life-changing moments like death or divorce.

Yet in among the stacks of furniture and knick-

Entrepreneurship

Australian firms take to four wheels

Kosovo firms hope for better future

Egypt's female entrepreneurs

Rio's small firms get

knacks, a growing number of the metal containers play host to a wide range of small businesses.

helping hand

They're attracted by the flexibility, the short-notice periods and low overheads that characterise the rough and ready space offered by the self-storage industry.

Hiren Patel, the boss of e-commerce gift company Sent 4 U, runs one such small firm, and he's exhausted.

In the run-up to Christmas his team is parcelling up 12,000 items a day - toys, party goods, diaries, cards and his best-selling Santa outfits - and sending them all around the world.

For businesses it's a flexible way they can store their goods and their materials
Rennie Schafer, Self Storage Association UK

It's a round-the-clock operation, and he employs 20 staff to help him keep up with the festive rush. For a seasonal business such as his, the self-storage units are ideal.

"It's convenient to be here," he says. "You don't need to pay council tax, it's all included in the rent.

"It gives you choice, if the business isn't performing you can give one month's notice and move on, or you can reduce your space so it gives you nice flexibility."

Helen Cockle and Helen Gilbert from the Little Legs Company have seen the amount of self-storage space they need increase by 10 times for their firm

Mr Patel uses different storage units for different bits of his operation - like a series of mini warehouses.

"It is a kind of depot," he says. "We keep our distribution centre here to use the flexible space and save some money."

Easy to expand

While the High Street is suffering from a rise in empty shops, the market for storage units is growing as more online retailers realise they are convenient and cheap places to store their stock.

Businesses no longer need to rent a dodgy lock-up garage down a side alley
Ollie Saunders, Accountancy group Deloitte

Storage centres are typically located on the outskirts of towns, in areas where space is cheap. And while these locations might not provide a prestigious address, the basic units are ideal for e-commerce firms.

In Balham, south west London, Helen Cockle and Helen Gilbert moved their children's clothes business, the Little Legs Company, to a storage space when their stock outgrew the kitchen table.

Starting off with a 15 sq ft (1.4 sq m) area in a local Big Yellow centre, three years later the company has expanded into a space almost 10 times the size.

Sent 4 U currently has 20 staff to cope with the festive rush

Many storage centres also provide a front-of-house reception area to take deliveries. Mike McGuire from Scottish self-storage company Len Lothian says such a service is a major attraction for small businesses who rent its units.

"The main reason why small firms especially store with us is that we accept deliveries on their behalf," says Mr McGuire. "We sign for and take in the

goods into store. They are out and about running their business and don't waste time awaiting delivery of stock."

No business rates

Storage companies started in the US in the 1970s, the concept then spread to Australia, and only really launched in the UK in the past 20 years.

It's in this past decade that renting space has started to boom, and there are now about 1,000 sites in the UK providing more than 30 million sq ft of storage space.

At this busy time of year, e-commerce retailers running their firms from self storage units can easily spill over into the corridors

Rennie Schafer, chief executive of Self Storage Association UK, says: "For businesses it's a flexible way they can store their goods and their materials.

"And they only pay for the storage they need rather than a warehouse which could be half full one day and overflowing the next."

More and more storage companies are recognising this, and targeting business customers. This year, 42% of self-storage space was for commercial use, compared with 39% in 2012.

And while the Treasury introduced VAT on storage space in 2012, which has pushed up prices for domestic users, businesses can claim it back.

Firms also do not have to pay business rates - the taxes usually paid on non-domestic properties - on any storage space they use.

This is because the Valuation Office Agency says the burden falls on the self-storage company itself. "We normally assess self-storage facilities as a

warehouse and the operator of the self-storage facility will generally be liable for the payment of rates," it says.

It's hard to put an average price on the cost of storage space in the UK because it differs across the country, but a customer can expect to pay about £20 a year per sq ft.

E-commerce firms don't need a shop - or their own offices

Ollie Saunders, head of self-storage at accountancy group Deloitte, says: "Today, in some stores, every other unit is a commercial customer.

"Businesses no longer need to rent a dodgy lock-up garage down a side alley - instead they use a self-storage facility where they also can get a cappuccino in reception."

Back in West Norwood, the Sent 4 U team is just focusing on processing their orders.

Jugal Goswami, a manager, says: "Christmas time is the perfect time for us.

"But I don't think it's going to slow down, Valentine's Day is coming, Mother's Day is coming, Father's Day is coming - so we might get more space, but we're not going to take less."

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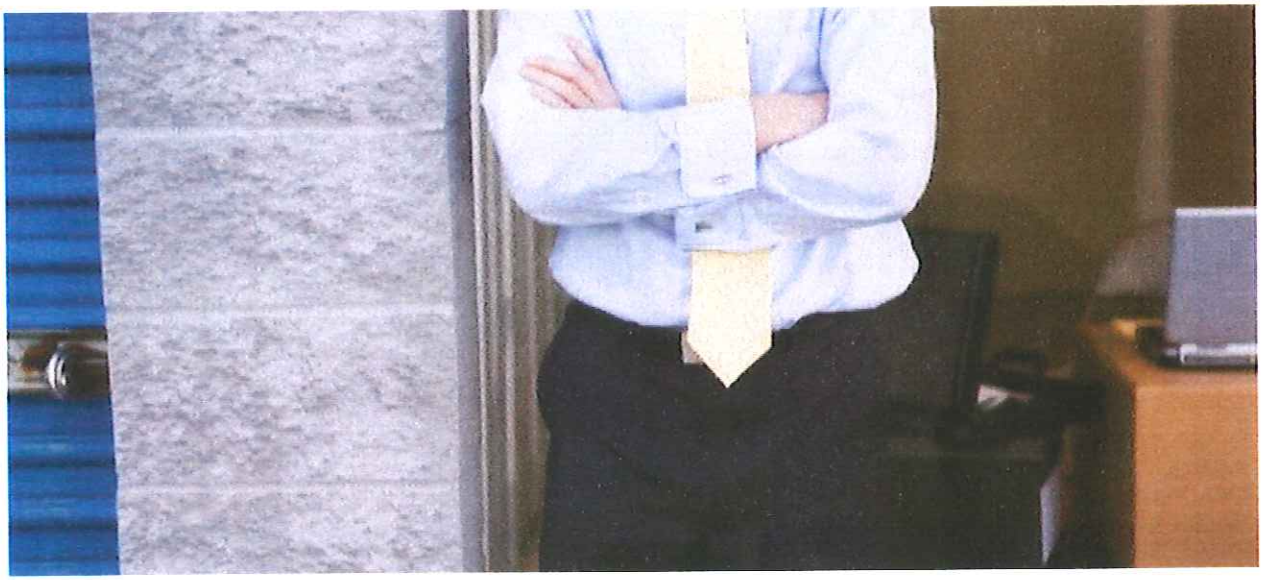
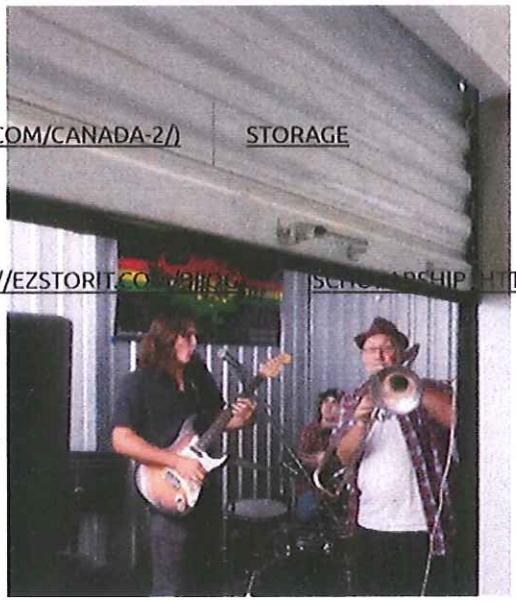


Small businesses are coming up with new and more creative ways to have the space they need at a price they can afford. They may also look for different ways of doing things, because they don't want to sign long leases that require them to be locked in for a year or even longer. If their business doesn't work out, they are stuck with big lease payments on a space they aren't even using – and that's never a good thing. One solution to their concerns could be a storage unit – not to store items in, but to actually use as a business location. It's becoming a popular option.

While not all facilities allow it, more self storage companies are choosing to offer their storage units as actual business locations. The idea is still small and hasn't spread to a large number of facilities, but the facilities that are choosing to encourage small businesses to try them out are finding a lot of success. It's a mutually beneficial situation that can make a real difference in the profits of a small business and the bottom line of the self storage facility. Since it can work well for everyone involved, there are many advantages to a mutually beneficial relationship between self storage companies and small businesses.

Why It's Good for the Facility

(http://ezstorit.com/wp-content/uploads/2015/10/Business-Storage-Office-1.jpg)



Storage facilities that offer their units as business spaces can help keep units full and profits coming in, along with providing a great place for brand new companies to get their start. They also generate conversation about their facility, so more people come to see them for both storage and small business needs. These facilities show that they are interested in changing and adapting for the future, and that they want to help their community by giving small business owners a chance to have a great space at a lower price. Since the facility wants to make money, having full units is very important.

When there are more reasons to use a storage unit, or more options for the ways that unit can be used, storage companies see more people coming through their doors. With the increased revenue that brings, these facilities can begin offering more perks that attract even more businesses. That helps to start a revenue cycle that can improve small businesses everywhere, and that can also add a lot of value to the storage facility – that may have also started out as a small business.

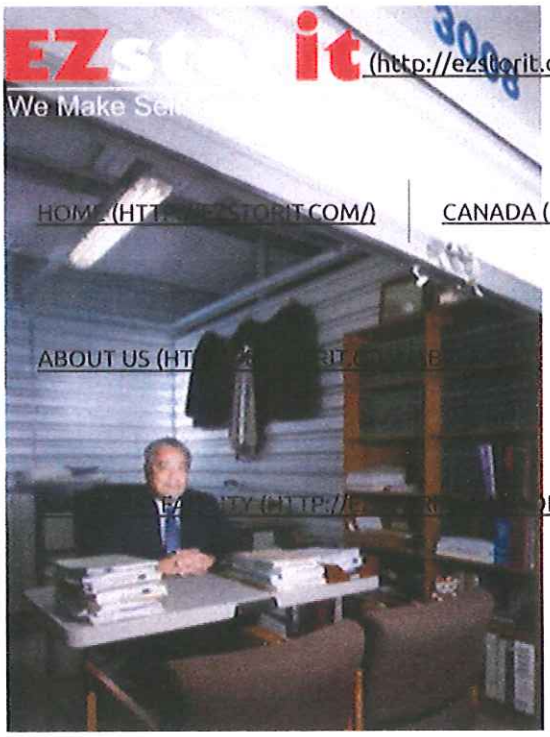
How it Benefits the Small Business

Even though self storage facilities benefit from increased traffic and having more of their units rented, the perks they provide to their tenants are the biggest reason to consider using a storage unit as a small business location. Many facilities that allow small businesses to actually operate the business from the unit they rent include free Wi-Fi, electrical outlets, climate control, file and document storage, security, and package delivery. Those are really all a small business needs when it's just getting started, and are included in the price of the rental unit.

The small business that rents the unit needs one more thing to get started: furniture. Bringing their own items in makes complete sense, and is what most small businesses do. However, there are also storage facilities that provide furniture if requested. The rental rate is only a little higher, and the small business can get everything they need to operate their business successfully. Desks, chairs, a conference table, book shelves, and other items are all available. Facilities that really want to provide great value to their small business tenants include units that are carpeted and minimally decorated, so the small business owner doesn't feel like they are working in a storage unit.

(http://ezstorit.com/wp-content/uploads/2015/10/Business-Storage-Office-3.jpg)The value of having a unit that really looks like an office is significant, because it provides small business owners with a feeling of stability, and a feeling that they have an actual office location from which they can work. They can furnish and decorate it, and work from it anytime of the day or night. With the high levels of security that most storage facilities provide, there is also no worry of another renter or anyone else breaking into their office. That lets them store files, prototypes, customer information, and other things in their unit, and not be concerned about the safety of those items.

Signing an agreement with a self storage facility is a lot different than signing a lease for office space. With a



storage facility, the agreement is month-to-month. That way, if your business doesn't do well – or if it does really well and you want to move to a bigger location – you can easily give your notice and move out of the storage unit. There aren't any complicated lease contracts to get through, and you aren't locked in for months. Some standard office leases are for a year or longer, and that's a long time to be trapped in an agreement. Before you take that kind of chance, you can give your business a great start without spending a lot of money, by using a storage unit.

Tags: business (http://ezstorit.com/tag/business/) self storage (http://ezstorit.com/tag/self-storage-2/)

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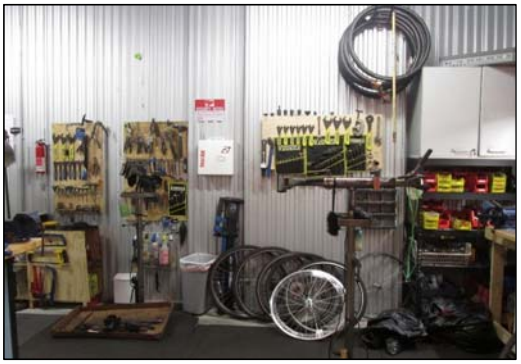
Commercial Storage Tenants	
List	Note
20x24 Holdings LCC	
32 Degrees Weatherproof	Clothing manufacturer's storage of winter clothing / jackets
6 Up Productions	Clothing, marketing inventory
A Free Bird Organization	Not for proffit art & education supplies & files
A Rose Has No Teeth	Stores bulk fabric for manufactoring
A&M SECURITY	
abc computer software corp	
ABCK CORP	
Advanced Business Group, Inc	
All City Cable	Electric cable & tool storage
Allergan INC.	Pharmaceutical rep promotional & marketing items
Alzheimer's Foundation of America	
AMA Consulting Engineers	
american jewel	
American Movie Company	
American Pakistan Foundation	Not for proffit file storage
American Whatever llc	
Andrea Rosen Gallery	Art gallery items & files
AWSF Media Group, INC	
Bah, Mohamed	Street vendor
BarkTHINS	Sample chocolate, promotional & marketing items
Becca's Closet	Not for proffit - charity clothing donations & files
BFG Communications	
Bonnie Hurwitz	Pharmaceutical rep, promotional items
Broadway Inspirational Voices	
Broadway New York Inc.	
BSH Research	
Capillus Distribution LLC	
Carol Hannah LLC	
City Share Properties Inc	Provides rental furniture for air B&B rental properties
Civic Enterainment Group	
Clecio Lira Photography	
CNP Delivery	Magazine & newspaper drop & distribution point
Cohen LLC, Barry	
Cuero Operating LLC.	Shoe Company Inventory
Daphne Productions, Inc	
DAXOR CORPORATION	
Destino Vero Designs and Apparel LLC	
Diallo, Mamadou	Street vendor
Edifice Real Estate Partners	
EDWARD ROTH LLC	
Elevator Repair Service Theater	Local theater company, stores props & costumes
Exigis, LLC	
Fab 4 Collectibles	
Farm Road Hospitality	
Fashion, Alseny	
FastVitaminIV INC	
FoodyTv Acquisition LLC	
Foragers Market	
Forever Nyc	
Friendshop	
FSA Store inc	
Funk, Trevor	Stores antiques, furniture, lighting & gallery items. Does minor restoration and cleaning while onsite
Golbal Realty	
Goldman, Curt	Liquor company that distributes do-it-yourself high-end cocktail kits, storage & assembly of kits here
Gotham Writer's Workshop, Inc	
Greater New York Aca intergroup, Inc.	
Gro Property Management, LLC	
Guayaki SRP Inc	Energy dring promotional distribution
Gzuniga Ltd	
Harrest Capital S.R.L	
Harriet & Esteban Vicente Fdn	
Headquarters New York	
Health SOS	

Heart Me	
Hells Kitchen Flea Market LLC.	Owner of Hells Kitchen 39th st weekend flea market, stores materials such as cones, inflatable banner, portable gate/fence, marketing materials
HHC Marketing	
HI DEF NEW YORK (HDNY)	
Homer Logistics inc	Art gallery items & files
Homer Logistics inc	Bike delivery logistics company (only delivers food), started at GMS with under 50 employees, now over roughly 500 employees
Households Headed BY Women	Antique mirrors & art
Howard Greenberg Gallery	Art gallery items & files
HSM AMERICAS INC	
I- ELLA	
Iconix Brand Group Inc	
Inspira Marketing Group	Marketing & advertising for liquor
Institute For Expressive Analysis	
Intriguing Threads	
Irish Business Organization of New York	
Italca SRL	
Jackson, Mark	39th Street fleamarket vendor & auction buyer
Karen Kleber Photo Stylist Inc.	
Keith DeLellis	Art gallery & photo items & files
Khalid Cherif Jamal	BIKE CABS
Kiram, Driss	BIKE CABS
KOB Publishing LLC.	Magazine (42nd Street Hells Kitchen) & newspaper drop & distribution point
Kopman, Carole	Gallery and antique dealer
Kyle Kauffam Gallery	Stores antiques, furniture, lighting & gallery items. Does minor restoration and cleaning while onsite
LAKEVIEW APPAREL GROUP	Shoe & clothing designer / distributer / manufacturer
Latchable, INC	
Law offices of Goldstein & Lee	
Lever and Beam, LLC,	
Lighthouse	
LightStim	
Links Of London	Jewelry company using us for file & inventory storage
Lowenthal, Barbara	Art, antiques, files
Lululemon USA Inc.	
Lung cancer research foundation	
Luxury Optical Holdings	
M Shanken Communications Inc	
Majik Cleaning Services, Inc	
Mama Margarita's Food LTD	
Manhattan IT, Inc., .	
Mardar management Inc.	
Martin de Tours Clothier	
Matomy	
Maya's Hope	Not for proffit childrens charity, storing files & donation items
MEDICAL DYNAMICS	
Mellers Inc	
Merz North America	
Metrotennis CTA	
Midciti interiors inc	
Mission in Pink	Charity
MJM Creative	
Moreno Law Office P.C.	
My Doorman INC	Inventory and supplies
National Sculpture Society	
New York Dream Center	Charity that helps homelees & less fortunate, holding donation items
New York Numismatic Club	Not for proffit file storage
Newspaper Guild of New York	
NewYorkArtFactory.com, Inc.	Art gallery items & files
Nora Gardner NYC	Clothing designer, manufacturer, distributer. Has been here long term and constantly upsizes and downsizes based on inventory shipments
North Six	Clothing Items and Inventory
NY Gotham Printing and Graphics INC.	
OHR PHARMACEUTICAL	
Otsuka Pharmacudical Inc.	
Ouidad Holding LLC	
Pattison, Robert	Mover storing boxes, dollies, moving maaterials
PONO/ BOBBI TRIM LTD	
Poster GIANT, INC	Delivery, storage and pick-up point for bulk promotional posters
Psycho Bunny	Clothing company inventory
PYAR & CO.	Bedding Furniture & Promotional Items
Racewood Media Inc	

Rain or Shine	Local business sells & services high-end canes & umbrellas; closed storefront business and is doing business out of unit
Randall Gibeau Design LLC	
Raven & Sparrow	
Red Bull North America, Inc.	Main NYC receiving/distribution location for storing promotional cans of Redbull & promotional product
Renegade Nation	Movie star / Rock star storing lifetime of files & memorabilia
Revolution Richshaws	Rickshaw company, stores rickshaws, tools to service rickshaws, marketing & promotional items
RK-DESIGN OPTIK GMBH	
Rosenberg, Abe	
Sally Hershberger Professional hair care	Hair salon storing files & materials
Sanofi, .	Pharmaceutical marketing and sample items
Schirripa, D.M.	Personal items & 39th Street flea market vendor
Sefarad Group LLC Dba Spenglish	
Select Express and Logistics	
Semi-Charmed Life LLC	
Sense New York Inc	
SIKI IM STUDIO	
Silver Art by D&R	
Sky Bar Times Square Inc	Local hotel rooftop bar storing seasonal & bulk items such as chairs, tables, etc
Sony Music Entertainment	
Sory, Dabo	Street vendor
Source Group, LLC	
Sow, Sadou	Street vendor
Speety Solutions Group Inc.	
Sphatika International LLC	
Spink USA, Inc	
SRG VENTURES LLC	Stores files
Stiebel, Gerald	File storage
Sullivan Street Bakery- Hell's Kitchen, Inc	Bakery files, racks and assorted machinery
SVILU	
T.E.I. Dedicated Elevator Solutions	Elevator company, stores elevator repair, testing and service tools
Taxi Tours Inc D.B.A. Big Bus Tours	Local NYC bus touring company storing files, promotional & seasonal items
The Belgian Chocolate House LLC	Furniture & promotional items
The Pink Shutter, LLC	Props Photobooth, Inventory
Times Square Hospitality I, LLC	Local hotells storing seasonal & bulk items such as chairs, bedding/blankets, air conditioners, fabric
TOM WYMAN Designs	
TRYON ENTERTAINMENT	
Tumer, Barry	Rickshaw company, stores rickshaws, tools to service rickshaws, marketing & promotional items
Uhaul	
UNO DE 50	Jewelry company using us as a distribution & return center
Uprichard INC	
Vero Water	Water filtration product storage & marketing material
Vici Enterprises, Inc	Children Toys Inventory
VOCATIV	
Voorsanger Architects P.C.	
WAD SHOES	Shoe compant that has a store front and stores inventory here
Waldrip Collection LLC	
Waterwell Productions Inc.	
WinMark Concepts	
Winter Film Awards	Not for profit - Winter film awards items for annual awards ceremony
Y Four Bu Rsr	
ZED DESIGNS.COM	
Zog Sports llc	




barkTHINS

CoStar Industrial Statistics

Year-End 2016

New York Outer Boroughs Industrial Market

CoStar™

The knowledge market

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CoStar

New York Outer Boroughs Industrial Market

Methodology

The CoStar Industrial Statistics calculates Industrial statistics using CoStar Group's base of existing, under construction and under renovation Industrial buildings in each given metropolitan area. All Industrial building types are included, including warehouse, flex / research & development, distribution, manufacturing, industrial showroom, and service buildings, in both single-tenant and multi-tenant buildings, including owner-occupied buildings. CoStar Group's global database includes approximately 95.6 billion square feet of coverage in 4.4 million properties. All rental rates reported in the CoStar Industrial Report are calculated using the quoted rental rate for each property.

CoStar Group, Inc.

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New York Outer Boroughs Industrial Market

CoStar

Terms & Definitions

Availability Rate: The ratio of available space to total rentable space, calculated by dividing the total available square feet by the total rentable square feet.

Available Space: The total amount of space that is currently being marketed as available for lease in a given time period. It includes any space that is available, regardless of whether the space is vacant, occupied, available for sublease, or available at a future date.

Build-to-Suit: A term describing a particular property, developed specifically for a certain tenant to occupy, with structural features, systems, or improvement work designed specifically for the needs of that tenant. A build-to-suit can be leased or owned by the tenant. In a leased build-to-suit, a tenant will usually have a long term lease on the space.

Buyer: The individual, group, company, or entity that has purchased a commercial real estate asset.

Cap Rate: Short for capitalization rate. The Cap Rate is a calculation that reflects the relationship between one year's net operating income and the current market value of a particular property. The Cap Rate is calculated by dividing the annual net operating income by the sales price (or asking sales price).

CBD: Abbreviation for Central Business District. (See also: Central Business District)

Central Business District: The designations of Central Business District (CBD) and Suburban refer to a particular geographic area within a metropolitan statistical area (MSA) describing the level of real estate development found there. The CBD is characterized by a high density, well organized core within the largest city of a given MSA.

Class A: A classification used to describe buildings that generally qualify as extremely desirable investment-grade properties and command the highest rents or sale prices compared to other buildings in the same market. Such buildings are well located and provide efficient tenant layouts as well as high quality, and in some buildings, one-of-a-kind floor plans. They can be an architectural or historical landmark designed by prominent architects. These buildings contain a modern mechanical system, and have above-average maintenance and management as well as the best quality materials and workmanship in their trim and interior fittings. They are generally the most attractive and eagerly sought by investors willing to pay a premium for quality.

Class B: A classification used to describe buildings that generally qualify as a more speculative investment, and as such, command lower rents or sale prices compared to Class A properties. Such buildings offer utilitarian space without special attractions, and have ordinary design, if new or fairly new; good to excellent design if an older non-landmark building. These buildings typically have average to good maintenance, management and tenants. They are less appealing to tenants than Class A properties, and may be deficient in a number of respects including floor plans, condition and facilities. They lack prestige and must depend chiefly on a lower price to attract tenants and investors.

Class C: A classification used to describe buildings that generally qualify as no-frills, older buildings that offer basic space and command lower rents or sale prices compared to other buildings in the same market. Such buildings typically have below-average maintenance and management, and could have mixed or low tenant prestige, inferior elevators, and/or mechanical/electrical systems. These buildings lack prestige and must depend chiefly on a lower price to attract tenants and investors.

Construction Starts: Buildings that began construction during a specific period of time. (See also: Deliveries)

Contiguous Blocks of Space: Space within a building that is, or is able to be joined together into a single contiguous space.

Deliveries: Buildings that complete construction during a specified period of time. In order for space to be considered delivered, a certificate of occupancy must have been issued for the property.

Delivery Date: The date a building completes construction and receives a certificate of occupancy.

Developer: The company, entity or individual that transforms raw land to improved property by use of labor, capital and entrepreneurial efforts.

Direct Space: Space that is being offered for lease directly from the landlord or owner of a building, as opposed to space being offered in a building by another tenant (or broker of a tenant) trying to sublet a space that has already been leased.

Existing Inventory: The square footage of buildings that have received a certificate of occupancy and are able to be occupied by tenants. It does not include space in buildings that are either planned, under construction or under renovation.

Flex Building: A type of building designed to be versatile, which may be used in combination with office (corporate headquarters), research and development, quasi-retail sales, and including but not limited to industrial, warehouse, and distribution uses. A typical flex building will be one or two stories with at least half of the rentable area being used as office space, have ceiling heights of 16 feet or less, and have some type of drive-in door, even though the door may be glassed in or sealed off.

Full Service Rental Rate: Rental rates that include all operating expenses such as utilities, electricity, janitorial services, taxes and insurance.

Gross Absorption: The total change in occupied space over a given period of time, counting space that is occupied but not space that is vacated by tenants. Gross absorption differs from leasing Activity, which is the sum of all space leased over a certain period of time. Unless otherwise noted Gross Absorption includes direct and sublease space.

Growth in Inventory: The change in size of the existing square footage in a given area over a given period of time, generally due to the construction of new buildings.

Industrial Building: A type of building adapted for such uses as the assemblage, processing, and/or manufacturing of products from raw materials or fabricated parts. Additional uses include warehousing, distribution, and maintenance facilities. The primary purpose of the space is for storing, producing, assembling, or distributing product.

Landlord Rep: (Landlord Representative) In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the owner/landlord is referred to as the Landlord Rep.

Leased Space: All the space that has a financial lease obligation. It includes all leased space, regardless of whether the space is currently occupied by a tenant. Leased space also includes space being offered for sublease.

Leasing Activity: The volume of square footage that is committed to and signed under a lease obligation for a specific building or market in a given period of time. It includes direct leases, subleases and renewals of existing leases. It also includes any pre-leasing activity in planned, under construction, or under renovation buildings.

Market: Geographic boundaries that serve to delineate core areas that are competitive with each other and constitute a generally accepted primary competitive set of areas. Markets are building-type specific, and are non-overlapping contiguous geographic designations having a cumulative sum that matches the boundaries of the entire Region (See also: Region). Markets can be further subdivided into Submarkets. (See also: Submarkets)

Multi-Tenant: Buildings that house more than one tenant at a given time. Usually, multi-tenant buildings were designed and built to accommodate many different floor plans and designs for different

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New York Outer Boroughs Industrial Market

tenant needs. (See also: Tenancy).

Net Absorption: The net change in occupied space over a given period of time. Unless otherwise noted Net Absorption includes direct and sublease space.

Net Rental Rate: A rental rate that excludes certain expenses that a tenant could incur in occupying office space. Such expenses are expected to be paid directly by the tenant and may include janitorial costs, electricity, utilities, taxes, insurance and other related costs.

New Space: Sometimes called first generation space, refers to space that has never been occupied and/or leased by a tenant.

Occupied Space: Space that is physically occupied by a tenant. It does not include leased space that is not currently occupied by a tenant.

Office Building: A type of commercial building used exclusively or primarily for office use (business), as opposed to manufacturing, warehousing, or other uses. Office buildings may sometimes have other associated uses within part of the building, i.e., retail sales, financial, or restaurant, usually on the ground floor.

Owner: The company, entity, or individual that holds title on a given building or property.

Planned/Proposed: The status of a building that has been announced for future development but not yet started construction.

Preleased Space: The amount of space in a building that has been leased prior to its construction completion date, or certificate of occupancy date.

Price/SF: Calculated by dividing the price of a building (either sales price or asking sales price) by the Rentable Building Area (RBA).

Property Manager: The company and/or person responsible for the day-to-day operations of a building, such as cleaning, trash removal, etc. The property manager also makes sure that the various systems within the building, such as the elevators, HVAC, and electrical systems, are functioning properly.

Quoted Rental Rate: The asking rate per square foot for a particular building or unit of space by a broker or property owner. Quoted rental rates may differ from the actual rates paid by tenants following the negotiation of all terms and conditions in a specific lease.

RBA: Abbreviation for Rentable Building Area. (See also: Rentable Building Area)

Region: Core areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Regions are further divided into market areas, called Markets. (See also: Markets)

Relet Space: Sometimes called second generation or direct space, refers to existing space that has previously been occupied by another tenant.

Rentable Building Area: (RBA) The total square footage of a building that can be occupied by, or assigned to a tenant for the purpose of determining a tenant's rental obligation. Generally RBA includes a percentage of common areas including all hallways, main lobbies, bathrooms, and telephone closets.

Rental Rates: The annual costs of occupancy for a particular space quoted on a per square foot basis.

Sales Price: The total dollar amount paid for a particular property at a particular point in time.

Sales Volume: The sum of sales prices for a given group of buildings in a given time period.

Seller: The individual, group, company, or entity that sells a particular commercial real estate asset.

SF: Abbreviation for Square Feet.

Single-Tenant: Buildings that are occupied, or intended to be occupied by a single tenant. (See also: Build-to-suit and Tenancy)

Sublease Space: Space that has been leased by a tenant and is being offered for lease back to the market by the tenant with the lease obligation. Sublease space is sometimes referred to as sublet space.

Submarkets: Specific geographic boundaries that serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted primary competitive set, or peer group. Submarkets are building type specific (office, industrial, retail, etc.), with distinct boundaries dependent on different factors relevant to each building type. Submarkets are non-overlapping, contiguous geographic designations having a cumulative sum that matches the boundaries of the Market they are located within (See also: Market).

Suburban: The Suburban and Central Business District (CBD) designations refer to a particular geographic area within a metropolitan statistical area (MSA). Suburban is defined as including all office inventory not located in the CBD. (See also: CBD)

Tenancy: A term used to indicate whether or not a building is occupied by multiple tenants (See also: Multi-tenant) or a single tenant. (See also: Single-tenant)

Tenant Rep: Tenant Rep stands for Tenant Representative. In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the tenant is referred to as a Tenant Rep.

Time On Market: A measure of how long a currently available space has been marketed for lease, regardless of whether it is vacant or occupied.

Under Construction: Buildings in a state of construction, up until they receive their certificate of occupancy. In order for CoStar to consider a building under construction, the site must have a concrete foundation in place. Abbreviated UC.

Vacancy Rate: A measurement expressed as a percentage of the total amount of physically vacant space divided by the total amount of existing inventory. Under construction space generally is not included in vacancy calculations.

Vacant Space: Space that is not currently occupied by a tenant, regardless of any lease obligation that may be on the space. Vacant space could be space that is either available or not available. For example, sublease space that is currently being paid for by a tenant but not occupied by that tenant, would be considered vacant space. Likewise, space that has been leased but not yet occupied because of finish work being done, would also be considered vacant space.

Weighted Average Rental Rate: Rental rates that are calculated by factoring in, or weighting, the square footage associated with each particular rental rate. This has the effect of causing rental rates on larger spaces to affect the average more than that of smaller spaces. The weighted average rental rate is calculated by taking the ratio of the square footage associated with the rental rate on each individual available space to the square footage associated with rental rates on all available spaces, multiplying the rental rate by that ratio, and then adding together all the resulting numbers. Unless specifically specified otherwise, rental rate averages include both Direct and Sublet available spaces.

Year Built: The year in which a building completed construction and was issued a certificate of occupancy.

YTD: Abbreviation for Year-to-Date. Describes statistics that are cumulative from the beginning of a calendar year through whatever time period is being studied.

New York Outer Boroughs Industrial Market

Overview

New York Outer Boroughs's Vacancy Rises to 3.9%

Net Absorption Negative (42,131) SF in the Quarter

The New York Outer Boroughs Industrial market ended the fourth quarter 2016 with a vacancy rate of 3.9%. The vacancy rate was up over the previous quarter, with net absorption totaling negative (42,131) square feet in the fourth quarter. Vacant sublease space increased in the quarter, ending the quarter at 218,901 square feet. Rental rates ended the fourth quarter at $19.65, an increase over the previous quarter. A total of six buildings delivered to the market in the quarter totaling 41,325 square feet, with 710,207 square feet still under construction at the end of the quarter.

Absorption

Net absorption for the overall New York Outer Boroughs Industrial market was negative (42,131) square feet in the fourth quarter 2016. That compares to negative (139,999) square feet in the third quarter 2016, negative (221,130) square feet in the second quarter 2016, and negative (270,681) square feet in the first quarter 2016.

Tenants moving out of large blocks of space in 2016 include: Price King, Inc. moving out of (48,000) square feet at 30-02 Review Ave, Mitchell's NY moving out of (40,000) square feet at 4717 Austell Pl, and A to Z Bohemian Glass, Inc. moving out of (29,000) square feet at 5105 Flushing Ave.

Tenants moving into large blocks of space in 2016 include: Bed Bath & Beyond moving into 120,000 square feet at Liberty View Industrial Plaza, Mitchell's NY moving into 80,000 square feet at 31-10 31st Pl, and HRA - New York City moving into 74,060 square feet at 2500 Halsey St.

The Flex building market recorded net absorption of positive 1,225 square feet in the fourth quarter 2016, compared to positive 33,451 square feet in the third quarter 2016, positive 23,846 in the second quarter 2016, and negative (2,350) in the first quarter 2016.

The Warehouse building market recorded net absorption of negative (43,356) square feet in the fourth quarter 2016 compared to negative (173,450) square feet in the third quarter 2016, negative (244,976) in the second quarter 2016, and negative (268,331) in the first quarter 2016.

Vacancy

The Industrial vacancy rate in the New York Outer Boroughs market area increased to 3.9% at the end of the fourth quarter 2016. The vacancy rate was 3.8% at the end of the third quarter 2016, 3.7% at the end of the second quarter 2016, and 3.8% at the end of the first quarter 2016.

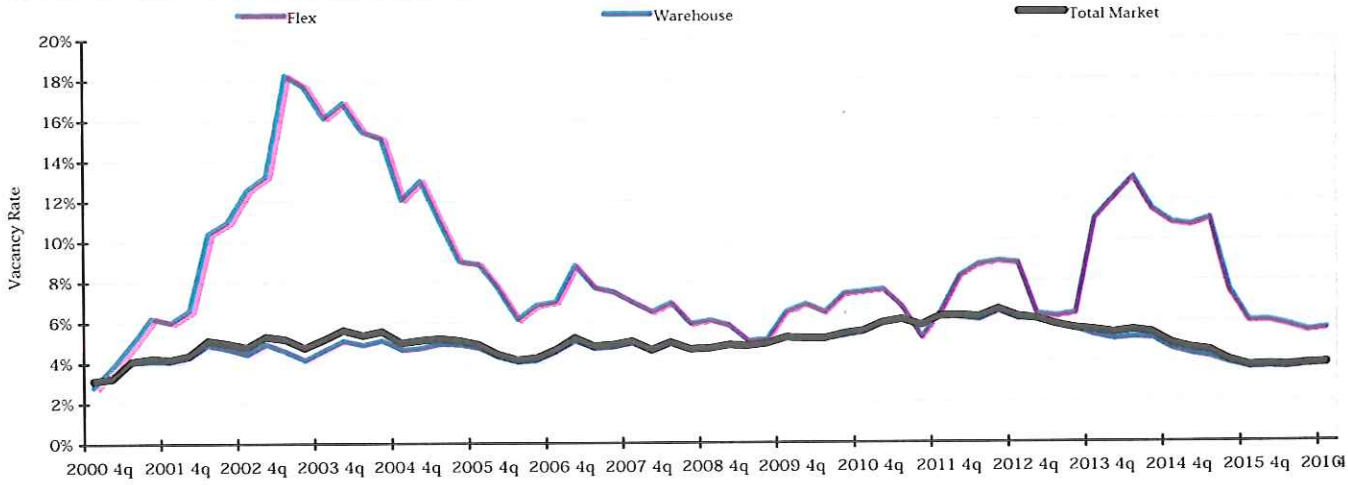
Flex projects reported a vacancy rate of 5.6% at the end of the fourth quarter 2016, 5.5% at the end of the third quarter 2016, 5.8% at the end of the second quarter 2016, and 6.0% at the end of the first quarter 2016.

Warehouse projects reported a vacancy rate of 3.8% at the end of the fourth quarter 2016, 3.7% at the end of third quarter 2016, 3.6% at the end of the second quarter 2016, and 3.7% at the end of the first quarter 2016.

Largest Lease Signings

The largest lease signings occurring in 2016 included: the 59,680-square-foot lease signed by J. Crew Group, Inc. at The Factory in Queens; the 50,000-square-foot deal signed by Amazon at Liberty View Industrial Plaza in Brooklyn; and the 45,000-square-foot lease signed by Band Brothers at 2470 Rowe St in the Bronx.

Vacancy Rates by Building Type 1996-2016



Source: CoStar Property®

CoStar

New York Outer Boroughs Industrial Market

Overview

Sublease Vacancy

The amount of vacant sublease space in the New York Outer Boroughs market increased to 218,901 square feet by the end of the fourth quarter 2016, from 215,595 square feet at the end of the third quarter 2016. There was 178,428 square feet vacant at the end of the second quarter 2016 and 226,616 square feet at the end of the first quarter 2016.

New York Outer Boroughs's Flex projects reported no vacant sublease space at the end of fourth quarter 2016. There were 62,044 square feet reported at the end of the second and third quarters 2016 and no vacant sublease space at the end of the first quarter 2016.

Warehouse projects reported increased vacant sublease space from the third quarter 2016 to the fourth quarter 2016. Sublease vacancy went from 153,551 square feet to 218,901 square feet during that time. There were 116,384 square feet at the end of the second quarter 2016, and 226,616 square feet at the end of the first quarter 2016.

Rental Rates

The average quoted asking rental rate for available Industrial space was $19.65 per square foot per year at the end of the fourth quarter 2016 in the New York Outer Boroughs market area. This represented a 0.9% increase in quoted rental rates from the end of the third quarter 2016, when rents were reported at $19.48 per square foot.

The average quoted rate within the Flex sector was $27.17 per square foot at the end of the fourth quarter 2016, while Warehouse rates stood at $19.41. At the end of the third quarter 2016, Flex rates were $27.57 per square foot, and Warehouse rates were $19.21.

Deliveries and Construction

During the fourth quarter 2016, six buildings totaling 41,325 square feet were completed in the New York Outer Boroughs market area. This compares to three buildings totaling 82,929 square feet that were completed in the third quarter 2016, two buildings totaling 44,326 square feet completed in the second quarter 2016, and nothing completed in the first quarter 2016.

There were 710,207 square feet of Industrial space under construction at the end of the fourth quarter 2016.

Some of the notable 2016 deliveries include: 1320 Zerega Ave, a 73,579-square-foot facility that delivered in third quarter 2016 and is now 100% occupied, and 380 Morgan Ave, a 40,700-square-foot building that delivered in second quarter 2016 and is now 100% occupied.

The largest projects underway at the end of fourth quarter 2016 were FreshDirect, a 423,530-square-foot building with 100% of its space pre-leased, and 535 Zerega Ave, an 80,000-square-foot facility.

Inventory

Total Industrial inventory in the New York Outer Boroughs market area amounted to 207,890,962 square feet in 9,495 buildings as of the end of the fourth quarter 2016. The Flex sector consisted of 10,155,967 square feet in 183 projects. The Warehouse sector consisted of 197,734,995 square feet in 9,312 buildings. Within the Industrial market there were 837 owner-occupied buildings accounting for 23,869,518 square feet of Industrial space.

Sales Activity

Tallying industrial building sales of 15,000 square feet or larger, New York Outer Boroughs industrial sales figures rose during the third quarter 2016 in terms of dollar volume compared to the second quarter of 2016.

In the third quarter, 28 industrial transactions closed with a total volume of $570,750,255. The 28 buildings totaled 2,025,407 square feet and the average price per square foot equated to $281.80 per square foot. That compares to 14 transactions totaling $183,295,100 in the second quarter. The total square footage was 906,650 for an average price per square foot of $202.17.

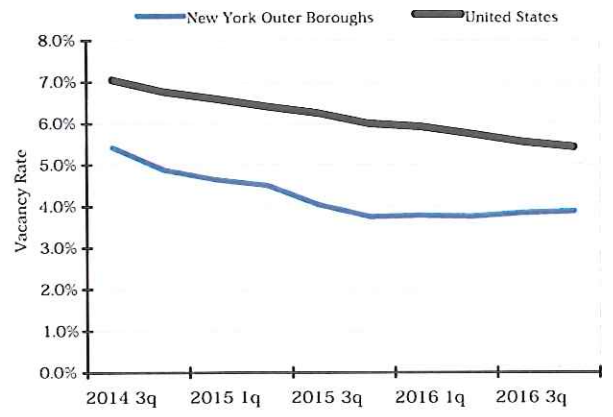
Total year-to-date industrial building sales activity in 2016 is down compared to the previous year. In the first nine months of 2016, the market saw 69 industrial sales transactions with a total volume of $1,029,263,834. The price per square foot has averaged $252.18 this year. In the first nine months of 2015, the market posted 79 transactions with a total volume of $1,160,483,709. The price per square foot averaged $238.79.

Cap rates have been lower in 2016, averaging 3.55%, compared to the first nine months of last year when they averaged 5.74%.

One of the largest transactions that occurred within the last four quarters in the New York Outer Boroughs market is the sale of Bridgedale Plaza in Long Island City. This 656,000-square-foot industrial building sold for $195,000,000, or $297.26

U.S. Vacancy Comparison

Past 10 Quarters



Source: CoStar Property®

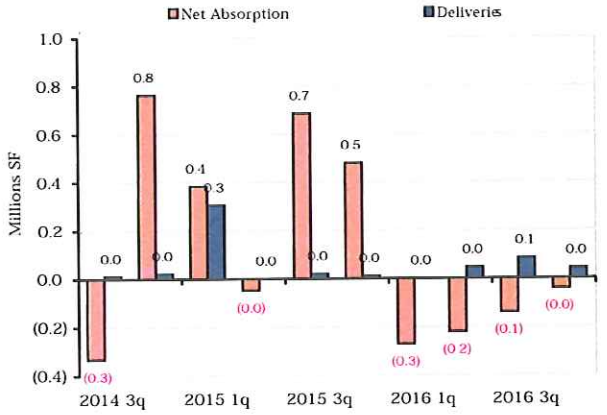
New York Outer Boroughs Industrial Market

per square foot. The property sold on 7/12/2016.

Reports compiled by: Ray Hill, CoStar Research Manager, and Amy Buchanan, CoStar Research Associate

Absorption & Deliveries

Past 10 Quarters



Source: CoStar Property®

CoStar™ **New York Outer Boroughs Industrial Market**

Markets

CoStar Submarket Clusters & Submarkets

In analyzing metropolitan areas, CoStar has developed geographic designations to help group properties together, called Markets, Submarket Clusters and Submarkets. Markets are the equivalent of metropolitan areas, or areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Markets are then divided into Submarket Clusters, which are core areas within a metropolitan area that are known to be competitive with each other in terms of attracting and keeping tenants. Markets are then further subdivided into smaller units called Submarkets, which serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted competitive set, or peer group.

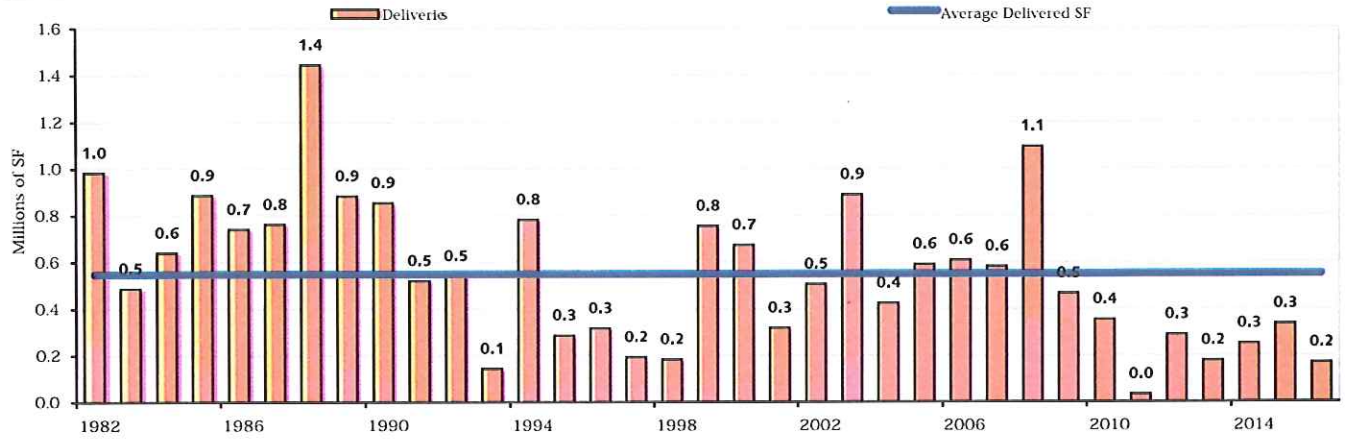
Submarket Clusters	Submarkets
Bronx	Bronx
Brooklyn Ind	North Brooklyn Ind South Brooklyn Ind
Queens Ind	Central Queens Ind Northeast Queens Ind Northwest Queens Ind South Queens Ind
Staten Island Ind	Staten Island Ind

New York Outer Boroughs Industrial Market

CoStar

Inventory & development

Historical Deliveries 1982 - 2016



Source: CoStar Property®

* Future deliveries based on current under construction buildings.

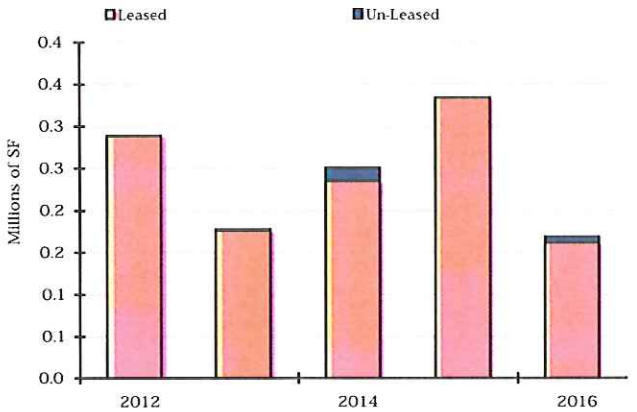
Construction Activity **Markets Ranked by Under Construction RBA**

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total RBA	Preleased SF	Preleased %	All Existing	U/C
Bronx	2	503,530	433,930	86.2%	23,604	251,765
Queens Ind	12	145,935	127,935	87.7%	23,907	12,161
Brooklyn Ind	1	48,000	0	0.0%	20,276	48,000
Staten Island Ind	1	12,742	12,742	100.0%	18,447	12,742
Totals	16	710,207	574,607	80.9%	21,895	44,388

Source: CoStar Property®

Recent Deliveries

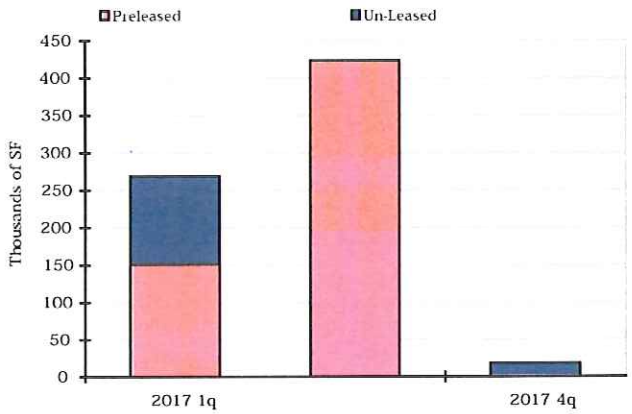
Leased & Un-Leased SF in Deliveries Since 2012



Source: CoStar Property®

Future Deliveries

Preleased & Un-Leased SF in Properties Scheduled to Deliver



Source: CoStar Property®

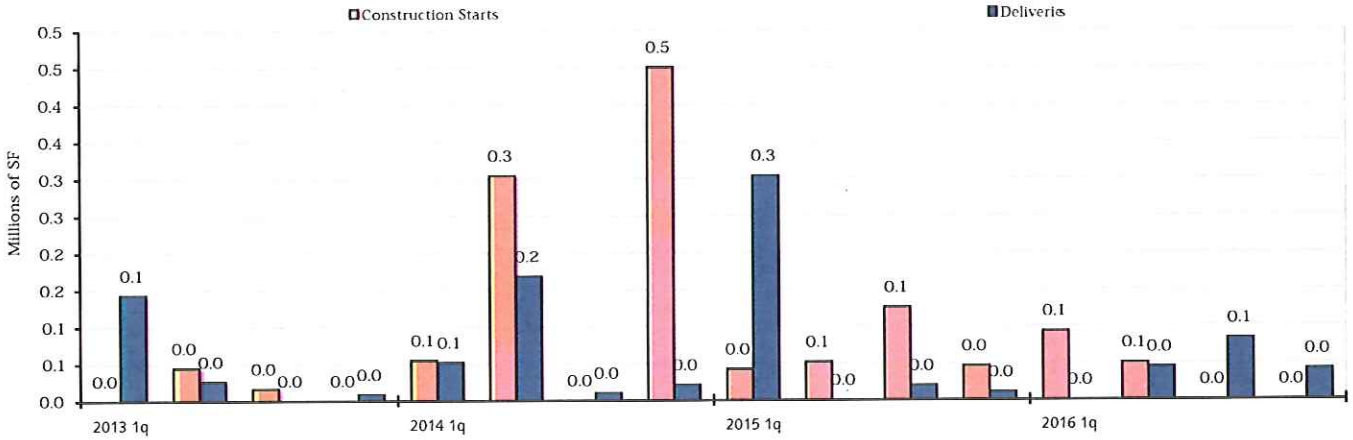
CoStar

New York Outer Boroughs Industrial Market

Inventory & development

Historical Construction Starts & Deliveries

Square Footage Per Quarter Starting and Completing Construction



Source: CoStar Property®

Recent Deliveries by Project Size

Breakdown of Year-to-Date Development Based on RBA of Project

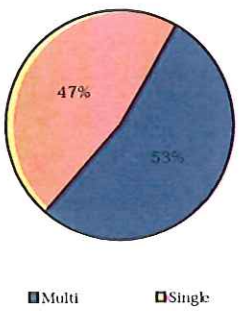
Building Size	# Bldgs	RBA	SF Leased	% Leased	Avg Rate	Single-Tenant	Multi-Tenant
< 50,000 SF	10	95,001	88,076	92.7%	$22.20	5,400	89,601
50,000 SF - 99,999 SF	1	73,579	73,579	100.0%	$0.00	73,579	0
100,000 SF - 249,999 SF	0	0	0	0.0%	$0.00	0	0
250,000 SF - 499,999 SF	0	0	0	0.0%	$0.00	0	0
>= 500,000 SF	0	0	0	0.0%	$0.00	0	0

Source: CoStar Property®

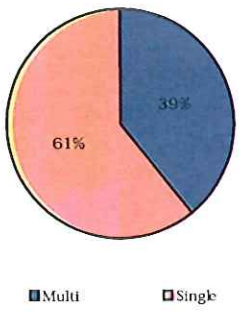
Recent Development by Tenancy

Based on RBA Developed for Single & Multi-Tenant Use

2016 Deliveries



Currently Under Construction

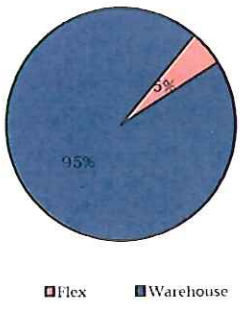


Source: CoStar Property®

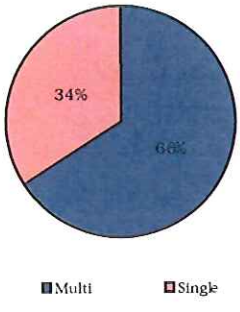
Existing Inventory Comparison

Based on Total RBA

By Building Type



By Tenancy Type



Source: CoStar Property®

New York Outer Boroughs Industrial Market

CoStar

Inventory & development

Select Year-to-Date Deliveries

Based on Project Square Footage

1. 1320 Zerega Ave

Submarket:	Bronx Industrial Market
RBA:	73,579
Occupied:	100%
Quoted Rate:	N/A
Grnd Brk Date:	Third Quarter 2015
Deliv Date:	Third Quarter 2016
Leasing Co:	Storage Post Self Storage
Developer:	Storage Post Self Storage

2. 380 Morgan Ave

Submarket:	Brooklyn Industrial Market
RBA:	40,700
Occupied:	100%
Quoted Rate:	N/A
Grnd Brk Date:	Fourth Quarter 2015
Deliv Date:	Second Quarter 2016
Leasing Co:	N/A
Developer:	N/A

3. 69 Oak Point Ave

Submarket:	Bronx Industrial Market
RBA:	20,000
Occupied:	100%
Quoted Rate:	N/A
Grnd Brk Date:	Second Quarter 2016
Deliv Date:	Fourth Quarter 2016
Leasing Co:	N/A
Developer:	N/A

4. 18-22 42nd St

Submarket:	Queens Industrial Market
RBA:	5,400
Occupied:	100%
Quoted Rate:	N/A
Grnd Brk Date:	Third Quarter 2015
Deliv Date:	Fourth Quarter 2016
Leasing Co:	Christine Lucchese
Developer:	Christine Lucchese

5. 528 51st Ave

Submarket:	Queens Industrial Market
RBA:	5,000
Occupied:	50%
Quoted Rate:	Negotiable
Grnd Brk Date:	Fourth Quarter 2015
Deliv Date:	Third Quarter 2016
Leasing Co:	Greiner-Maltz Company of New York,
Developer:	N/A

6. 3321 Delavall Ave

Submarket:	Bronx Industrial Market
RBA:	4,500
Occupied:	100%
Quoted Rate:	$15.00
Grnd Brk Date:	Third Quarter 2015
Deliv Date:	Fourth Quarter 2016
Leasing Co:	Dedona Realty Group
Developer:	Mikaela Management Inc

7. 18-23 41st St

Submarket:	Queens Industrial Market
RBA:	4,500
Occupied:	44%
Quoted Rate:	Negotiable
Grnd Brk Date:	Third Quarter 2015
Deliv Date:	Fourth Quarter 2016
Leasing Co:	Christine Lucchese
Developer:	Christine Lucchese

8. 1828 42nd St

Submarket:	Queens Industrial Market
RBA:	4,425
Occupied:	0%
Quoted Rate:	$24.00
Grnd Brk Date:	Third Quarter 2015
Deliv Date:	Fourth Quarter 2016
Leasing Co:	Pinnacle Realty of New York, LLC
Developer:	N/A

9. 1842 42nd St

Submarket:	Queens Industrial Market
RBA:	4,350
Occupied:	0%
Quoted Rate:	Negotiable
Grnd Brk Date:	Third Quarter 2015
Deliv Date:	Third Quarter 2016
Leasing Co:	Pinnacle Realty of New York, LLC
Developer:	Christine Lucchese

10. 251 Boerum St

Submarket:	Brooklyn Industrial Market
RBA:	3,626
Occupied:	100%
Quoted Rate:	N/A
Grnd Brk Date:	Third Quarter 2015
Deliv Date:	Second Quarter 2016
Leasing Co:	Stanley Bizio
Developer:	Stanley Bizio

11. 38-66 10th St

Submarket:	Queens Industrial Market
RBA:	2,500
Occupied:	0%
Quoted Rate:	$33.00
Grnd Brk Date:	First Quarter 2014
Deliv Date:	Fourth Quarter 2016
Leasing Co:	The Bouklis Group
Developer:	N/A

Source: CoStar Property®

CoStar

New York Outer Boroughs Industrial Market

Inventory & development

Select Top Under Construction Properties

Based on Project Square Footage

1. 2 Saint Ann's Ave

Submarket:	Bronx Industrial Market
RBA:	423,530
Preleased:	100%
Quoted Rate:	N/A
Grnd Brk Date:	Fourth Quarter 2014
Deliv Date:	Third Quarter 2017
Leasing Co:	Fresh Direct,
Developer:	Fresh Direct,

2. 535 Zerega Ave

Submarket:	Bronx Industrial Market
RBA:	80,000
Preleased:	13%
Quoted Rate:	$15.00
Grnd Brk Date:	First Quarter 2016
Deliv Date:	First Quarter 2017
Leasing Co:	Hutch Realty Partners
Developer:	Csja Realty LLC

3. 8039 Preston Ct

Submarket:	Brooklyn Industrial Market
RBA:	48,000
Preleased:	0%
Quoted Rate:	$19.00
Grnd Brk Date:	First Quarter 2014
Deliv Date:	First Quarter 2017
Leasing Co:	M.C. O'Brien, Inc.
Developer:	I J Litwak Realty I Llc

4. 4927 31st St

Submarket:	Queens Industrial Market
RBA:	42,131
Preleased:	100%
Quoted Rate:	N/A
Grnd Brk Date:	First Quarter 2015
Deliv Date:	First Quarter 2017
Leasing Co:	Laffey, William
Developer:	N/A

5. 57-45 Rust St

Submarket:	Queens Industrial Market
RBA:	33,824
Preleased:	100%
Quoted Rate:	N/A
Grnd Brk Date:	Second Quarter 2015
Deliv Date:	First Quarter 2017
Leasing Co:	Scott Kushnick
Developer:	Scott Kushnick

6. 19-02 38th St

Submarket:	Queens Industrial Market
RBA:	18,000
Preleased:	0%
Quoted Rate:	$28.00
Grnd Brk Date:	Second Quarter 2016
Deliv Date:	Fourth Quarter 2017
Leasing Co:	Coldwell Banker Commercial Island C
Developer:	Sandra Nogalo

7. 57-51 Rust St

Submarket:	Queens Industrial Market
RBA:	14,918
Preleased:	100%
Quoted Rate:	N/A
Grnd Brk Date:	Second Quarter 2015
Deliv Date:	First Quarter 2017
Leasing Co:	Scott Kushnick
Developer:	Scott Kushnick

8. 44 Marjorie St

Submarket:	Staten Island Industrial Market
RBA:	12,742
Preleased:	100%
Quoted Rate:	N/A
Grnd Brk Date:	First Quarter 2016
Deliv Date:	First Quarter 2017
Leasing Co:	Carlo Saccheri
Developer:	Carlo Saccheri

9. 132-15 35th Ave

Submarket:	Queens Industrial Market
RBA:	9,399
Preleased:	100%
Quoted Rate:	N/A
Grnd Brk Date:	Second Quarter 2016
Deliv Date:	First Quarter 2017
Leasing Co:	Jimmy Meng
Developer:	Jimmy Meng

10. 18-24 42nd St

Submarket:	Queens Industrial Market
RBA:	4,500
Preleased:	100%
Quoted Rate:	N/A
Grnd Brk Date:	Third Quarter 2015
Deliv Date:	First Quarter 2017
Leasing Co:	Christine Lucchese
Developer:	Christine Lucchese

11. 18-27 41st St

Submarket:	Queens Industrial Market
RBA:	4,500
Preleased:	100%
Quoted Rate:	N/A
Grnd Brk Date:	Third Quarter 2015
Deliv Date:	First Quarter 2017
Leasing Co:	Christine Lucchese
Developer:	Christine Lucchese

12. 18-30 42nd St

Submarket:	Queens Industrial Market
RBA:	4,425
Preleased:	100%
Quoted Rate:	N/A
Grnd Brk Date:	Third Quarter 2015
Deliv Date:	First Quarter 2017
Leasing Co:	Christine Lucchese
Developer:	Christine Lucchese

13. 18-40 42nd St

Submarket:	Queens Industrial Market
RBA:	4,350
Preleased:	100%
Quoted Rate:	N/A
Grnd Brk Date:	Third Quarter 2015
Deliv Date:	First Quarter 2017
Leasing Co:	Christine Lucchese
Developer:	N/A

14. 18-36 42nd St

Submarket:	Queens Industrial Market
RBA:	3,600
Preleased:	100%
Quoted Rate:	N/A
Grnd Brk Date:	Third Quarter 2015
Deliv Date:	First Quarter 2017
Leasing Co:	Christine Lucchese
Developer:	N/A

15. 18-34 42nd St

Submarket:	Queens Industrial Market
RBA:	3,600
Preleased:	100%
Quoted Rate:	N/A
Grnd Brk Date:	Third Quarter 2015
Deliv Date:	First Quarter 2017
Leasing Co:	Christine Lucchese
Developer:	N/A

Source: CoStar Property®

New York Outer Boroughs Industrial Market

CoStar

Figures at a Glance

Flex Market Statistics

Year-End 2016

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Bronx	19	429,326	62,750	62,750	14.6%	4,250	0	0	$21.80
Brooklyn Ind	53	5,390,418	113,106	113,106	2.1%	30,917	0	0	$35.31
Queens Ind	99	4,019,244	381,685	381,685	9.5%	20,555	19,325	24,975	$27.25
Staten Island Ind	12	316,979	11,250	11,250	3.5%	450	0	0	$15.81
Totals	183	10,155,967	568,791	568,791	5.6%	56,172	19,325	24,975	$27.17

Source: CoStar Property®

Warehouse Market Statistics

Year-End 2016

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Bronx	1,102	26,030,274	1,010,073	1,010,073	3.9%	230,498	98,079	503,530	$14.83
Brooklyn Ind	4,614	89,239,745	3,991,160	4,138,261	4.6%	(404,286)	44,326	48,000	$22.18
Queens Ind	3,274	76,620,698	2,059,939	2,131,739	2.8%	(578,175)	6,850	120,960	$17.72
Staten Island Ind	322	5,844,278	194,134	194,134	3.3%	21,850	0	12,742	$13.25
Totals	9,312	197,734,995	7,255,306	7,474,207	3.8%	(730,113)	149,255	685,232	$19.41

Source: CoStar Property®

Total Industrial Market Statistics

Year-End 2016

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total RBA	Direct SF	Total SF	Vac %				
Bronx	1,121	26,459,600	1,072,823	1,072,823	4.1%	234,748	98,079	503,530	$15.24
Brooklyn Ind	4,667	94,630,163	4,104,266	4,251,367	4.5%	(373,369)	44,326	48,000	$22.42
Queens Ind	3,373	80,639,942	2,441,624	2,513,424	3.1%	(557,620)	26,175	145,935	$18.01
Staten Island Ind	334	6,161,257	205,384	205,384	3.3%	22,300	0	12,742	$13.46
Totals	9,495	207,890,962	7,824,097	8,042,998	3.9%	(673,941)	168,580	710,207	$19.65

Source: CoStar Property®

CoStar

New York Outer Boroughs Industrial Market

Figures at a Glance

Flex Submarket Statistics

Year-End 2016

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Bronx	19	429,326	62,750	62,750	14.6%	4,250	0	0	$21.80
Central Queens Ind	14	100,115	2,100	2,100	2.1%	400	0	0	$26.77
North Brooklyn Ind	38	1,495,568	50,776	50,776	3.4%	32,167	0	0	$36.94
Northeast Queens Ind	28	612,499	53,725	53,725	8.8%	17,520	14,325	24,975	$28.13
Northwest Queens Ind	41	2,899,226	325,860	325,860	11.2%	(7,065)	5,000	0	$27.06
South Brooklyn Ind	15	3,894,850	62,330	62,330	1.6%	(1,250)	0	0	$22.00
South Queens Ind	16	407,404	0	0	0.0%	9,700	0	0	$27.82
Staten Island Ind	12	316,979	11,250	11,250	3.5%	450	0	0	$15.81
Totals	183	10,155,967	568,791	568,791	5.6%	56,172	19,325	24,975	$27.17

Source: CoStar Property®

Warehouse Submarket Statistics

Year-End 2016

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Bronx	1,102	26,030,274	1,010,073	1,010,073	3.9%	230,498	98,079	503,530	$14.83
Central Queens Ind	684	20,473,774	436,927	438,427	2.1%	(170,370)	0	48,742	$17.43
North Brooklyn Ind	3,124	58,755,851	1,862,249	1,916,500	3.3%	(442,384)	44,326	0	$25.00
Northeast Queens Ind	556	11,247,678	106,800	151,800	1.3%	(3,501)	4,350	30,087	$18.79
Northwest Queens Ind	1,423	32,009,455	1,106,520	1,115,470	3.5%	(444,138)	2,500	42,131	$19.49
South Brooklyn Ind	1,490	30,483,894	2,128,911	2,221,761	7.3%	38,098	0	48,000	$19.63
South Queens Ind	611	12,889,791	409,692	426,042	3.3%	39,834	0	0	$14.39
Staten Island Ind	322	5,844,278	194,134	194,134	3.3%	21,850	0	12,742	$13.25
Totals	9,312	197,734,995	7,255,306	7,474,207	3.8%	(730,113)	149,255	685,232	$19.41

Source: CoStar Property®

Total Industrial Submarket Statistics

Year-End 2016

Market	Existing Inventory		Vacancy			YTD Net	YTD	Under	Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	Deliveries	Const SF	Rates
Bronx	1,121	26,459,600	1,072,823	1,072,823	4.1%	234,748	98,079	503,530	$15.24
Central Queens Ind	698	20,573,889	439,027	440,527	2.1%	(169,970)	0	48,742	$17.44
North Brooklyn Ind	3,162	60,251,419	1,913,025	1,967,276	3.3%	(410,217)	44,326	0	$25.40
Northeast Queens Ind	584	11,860,177	160,525	205,525	1.7%	14,019	18,675	55,062	$19.30
Northwest Queens Ind	1,464	34,908,681	1,432,380	1,441,330	4.1%	(451,203)	7,500	42,131	$19.90
South Brooklyn Ind	1,505	34,378,744	2,191,241	2,284,091	6.6%	36,848	0	48,000	$19.64
South Queens Ind	627	13,297,195	409,692	426,042	3.2%	49,534	0	0	$14.50
Staten Island Ind	334	6,161,257	205,384	205,384	3.3%	22,300	0	12,742	$13.46
Totals	9,495	207,890,962	7,824,097	8,042,998	3.9%	(673,941)	168,580	710,207	$19.65

Source: CoStar Property®

New York Outer Boroughs Industrial Market

CoStar

Figures at a Glance

Flex Market Statistics

Year-End 2016

Period	Existing Inventory		Vacancy			Net	Deliveries		UC Inventory		Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	# Blds	Total RBA	# Blds	Total RBA	Rates
2016 4q	183	10,155,967	568,791	568,791	5.6%	1,225	3	14,325	6	24,975	$27.17
2016 3q	180	10,141,642	493,647	555,691	5.5%	33,451	1	5,000	9	39,300	$27.57
2016 2q	179	10,136,642	522,098	584,142	5.8%	23,846	0	0	10	44,300	$28.57
2016 1q	179	10,136,642	607,988	607,988	6.0%	(2,350)	0	0	10	44,300	$28.92
2015 4q	179	10,136,642	605,638	605,638	6.0%	155,164	0	0	10	44,300	$28.56
2015 3q	179	10,136,642	760,202	760,802	7.5%	359,631	0	0	9	39,300	$35.96
2015 2q	179	10,136,642	1,120,433	1,120,433	11.1%	(32,000)	0	0	0	0	$34.83
2015 1q	179	10,136,642	1,088,433	1,088,433	10.7%	10,563	0	0	0	0	$34.89
2014	179	10,136,642	1,098,996	1,098,996	10.8%	21,956	0	0	0	0	$34.20
2013	179	10,136,642	1,114,252	1,120,952	11.1%	(221,099)	0	0	0	0	$23.43
2012	179	10,136,642	886,593	899,853	8.9%	(212,700)	1	37,000	0	0	$12.26
2011	178	10,099,642	636,893	650,153	6.4%	104,902	0	0	1	37,000	$11.99
2010	178	10,099,642	748,355	755,055	7.5%	(102,036)	0	0	0	0	$13.04
2009	178	10,099,642	646,319	653,019	6.5%	(35,357)	2	5,000	0	0	$13.87
2008	176	10,094,642	610,216	612,662	6.1%	95,996	1	6,240	0	0	$19.35
2007	175	10,088,402	699,972	702,418	7.0%	8,589	3	24,167	1	6,240	$15.96

Source: CoStar Property®

Warehouse Market Statistics

Year-End 2016

Period	Existing Inventory		Vacancy			Net	Deliveries		UC Inventory		Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	# Blds	Total RBA	# Blds	Total RBA	Rates
2016 4q	9,312	197,734,995	7,255,306	7,474,207	3.8%	(43,356)	3	27,000	10	685,232	$19.41
2016 3q	9,310	197,717,995	7,258,300	7,411,851	3.7%	(173,450)	2	77,929	13	712,232	$19.21
2016 2q	9,312	197,685,986	7,090,146	7,206,530	3.6%	(244,976)	2	44,326	15	790,161	$18.04
2016 1q	9,320	198,056,233	7,041,183	7,267,799	3.7%	(268,331)	0	0	13	784,400	$17.00
2015 4q	9,325	198,258,443	6,972,144	7,205,978	3.6%	324,152	2	10,588	11	691,658	$16.07
2015 3q	9,329	198,370,027	7,523,126	7,641,976	3.9%	326,293	1	19,414	12	661,546	$15.74
2015 2q	9,338	198,696,028	8,175,120	8,293,970	4.2%	(15,709)	0	0	9	594,905	$15.25
2015 1q	9,353	199,035,399	8,496,482	8,614,132	4.3%	373,427	3	304,007	6	543,075	$14.79
2014	9,358	199,153,198	8,938,458	9,105,358	4.6%	(151,213)	6	250,005	8	804,951	$14.64
2013	9,403	200,830,298	10,470,345	10,600,045	5.3%	988,552	5	177,256	5	245,670	$13.44
2012	9,418	201,516,314	12,076,463	12,279,463	6.1%	(1,017,072)	9	251,668	7	362,140	$12.11
2011	9,442	202,927,964	12,480,441	12,673,941	6.2%	(1,776,077)	7	31,397	5	259,557	$11.40
2010	9,443	203,089,815	10,989,219	11,055,469	5.4%	(746,999)	20	352,454	7	78,986	$11.41
2009	9,430	203,280,929	10,365,080	10,487,330	5.2%	(950,407)	24	460,073	18	296,454	$11.72
2008	9,420	203,113,449	9,214,256	9,375,956	4.6%	1,339,398	45	1,087,970	14	271,833	$12.42
2007	9,389	202,399,955	9,937,152	10,007,805	4.9%	(787,527)	43	556,262	35	852,912	$11.56

Source: CoStar Property®

Total Industrial Market Statistics

Year-End 2016

Period	Existing Inventory		Vacancy			Net	Deliveries		UC Inventory		Quoted
	# Blds	Total RBA	Direct SF	Total SF	Vac %	Absorption	# Blds	Total RBA	# Blds	Total RBA	Rates
2016 4q	9,495	207,890,962	7,824,097	8,042,998	3.9%	(42,131)	6	41,325	16	710,207	$19.65
2016 3q	9,490	207,859,637	7,751,947	7,967,542	3.8%	(139,999)	3	82,929	22	751,532	$19.48
2016 2q	9,491	207,822,628	7,612,244	7,790,672	3.7%	(221,130)	2	44,326	25	834,461	$18.36
2016 1q	9,499	208,192,875	7,649,171	7,875,787	3.8%	(270,681)	0	0	23	828,700	$17.30
2015 4q	9,504	208,395,085	7,577,782	7,811,616	3.7%	479,316	2	10,588	21	735,958	$16.46
2015 3q	9,508	208,506,669	8,283,328	8,402,778	4.0%	685,924	1	19,414	21	700,846	$17.47
2015 2q	9,517	208,832,670	9,295,553	9,414,403	4.5%	(47,709)	0	0	9	594,905	$16.87
2015 1q	9,532	209,172,041	9,584,915	9,702,565	4.6%	383,990	3	304,007	6	543,075	$16.49
2014	9,537	209,289,840	10,037,454	10,204,354	4.9%	(129,257)	6	250,005	8	804,951	$16.16
2013	9,582	210,966,940	11,584,597	11,720,997	5.6%	767,453	5	177,256	5	245,670	$14.32
2012	9,597	211,652,956	12,963,056	13,179,316	6.2%	(1,229,772)	10	288,668	7	362,140	$12.12
2011	9,620	213,027,606	13,117,334	13,324,094	6.3%	(1,671,175)	7	31,397	6	296,557	$11.42
2010	9,621	213,189,457	11,737,574	11,810,524	5.5%	(849,035)	20	352,454	7	78,986	$11.50
2009	9,608	213,380,571	11,011,399	11,140,349	5.2%	(985,764)	26	465,073	18	296,454	$11.87
2008	9,596	213,208,091	9,824,472	9,988,618	4.7%	1,435,394	46	1,094,210	14	271,833	$12.89
2007	9,564	212,488,357	10,637,124	10,710,223	5.0%	(778,938)	46	580,429	36	859,152	$12.07

Source: CoStar Property®

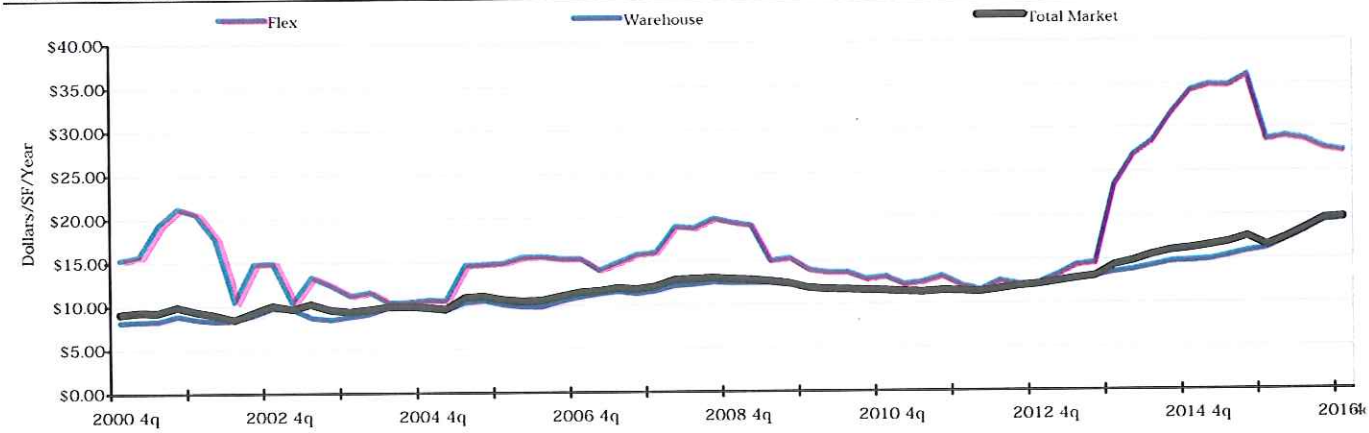
CoStar

New York Outer Boroughs Industrial Market

Leasing Activity

Historical Rental Rates

Based on Quoted Rental Rates

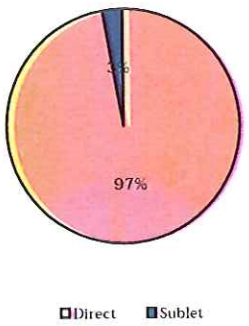


Source: CoStar Property®

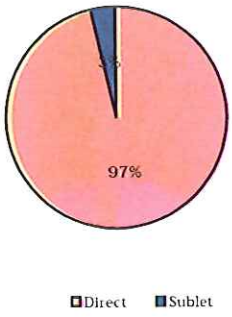
Vacancy by Available Space Type

Percent of All Vacant Space in Direct vs. Sublet

New York Outer Boroughs



United States

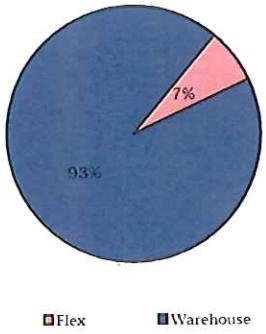


Source: CoStar Property®

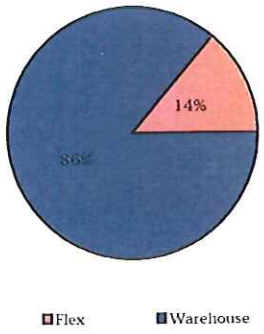
Vacancy by Building Type

Percent of All Vacant Space by Building Type

New York Outer Boroughs



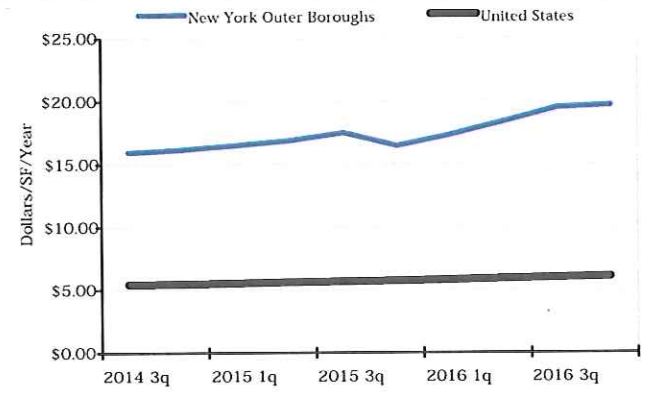
United States



Source: CoStar Property®

U.S. Rental Rate Comparison

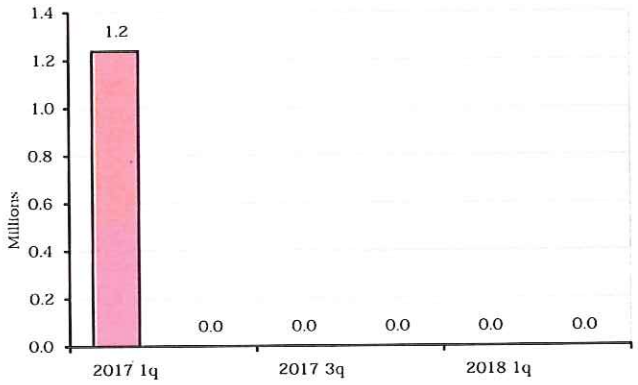
Based on Average Quoted Rental Rates



Source: CoStar Property®

Future Space Available

Space Scheduled to be Available for Occupancy*



Source: CoStar Property®

* Includes Under Construction Space

New York Outer Boroughs Industrial Market

CoStar

Leasing Activity

Select Top Industrial Leases

Based on Leased Square Footage For Deals Signed in 2016

	Building	Submarket	SF	Qtr	Tenant Name	Tenant Rep Company	Landlord Rep Company
1	960 Alabama Ave	South Brooklyn Ind	76,800	3rd	Unknown	Unknown	Pinnacle Realty of New York, LLC
2	1710 Flushing Ave	Central Queens Ind	75,000	2nd	Unknown	Unknown	GM Realty
3	929th St	South Brooklyn Ind	74,175	2nd	Unknown	Unknown	Royal Wine
4	1390 Spofford Ave	Bronx	73,000	2nd	Unknown	Unknown	Simone Development Company
5	303 Louisiana Ave	South Brooklyn Ind	70,000	4th	Unknown	Unknown	Prince Realty Advisors
6	The Factory	Northwest Queens Ind	59,680	2nd	J. Crew Group, Inc.	Savills Studley	Newmark Grubb Knight Frank
7	Liberty View Industrial Plaza	South Brooklyn Ind	50,000	3rd	Amazon	Unknown	Newmark Grubb Knight Frank
8	147-04 183rd St	South Queens Ind	48,132	1st	Unknown	Unknown	CBRE
9	2470 Rowe St	Bronx	45,000	2nd	Band Brothers	Direct Deal	Dedona Realty Group
10	7242 60th Ln	Central Queens Ind	36,000	4th	Unknown	Unknown	North Development Group
11	International Airport Ctr - Bldg D	South Queens Ind	35,646	2nd	RCS Logistics	Unknown	Avison Young
12	5349 Kings Hwy	South Brooklyn Ind	32,000	3rd	Unknown	Unknown	Gamzel
13	14-16 129th St	Northeast Queens Ind	29,200	2nd	Unknown	Unknown	DY Realty Services LLC
14	441 E 164th St	Bronx	27,840	1st	Unknown	Unknown	Pinnacle Realty of New York, LLC
15	3501 Conner St	Bronx	26,300	2nd	Unknown	Direct Deal	Charles Monaco
16	124 Forrest St	North Brooklyn Ind	25,500	2nd	Unknown	Unknown	Ripco Real Estate
17	50-01 Rockaway Beach Blvd	South Queens Ind	25,000	1st	Singh Hardwood Company, Inc.	Unknown	Segbro Companies
18	53 Flushing Ave	Central Queens Ind	23,000	4th	Unknown	Unknown	Unknown
19	3200 Jerome Ave	Bronx	22,904	4th	GSAC	ARC Advisors	Capalino & Company
20	2435 Waterbury Ave	Bronx	22,700	2nd	Unknown	Unknown	Kurtsam Realty Corp
21	1181 Oak Point Ave	Bronx	22,000	1st	Midland Steel	Pinnacle Realty of New York, LLC	Pinnacle Realty of New York, LLC
22	300 Manida St	Bronx	20,000	1st	Marley Spoon	Unknown	Simone Development Company
23	The Factory	Northwest Queens Ind	19,533	1st	United Healthcare Services Inc	Unknown	Newmark Grubb Knight Frank
24	147-29 182nd St	South Queens Ind	19,399	2nd	International Bonded Couriers	Unknown	NAI Long Island
25	Liberty View Industrial Plaza	South Brooklyn Ind	18,440	3rd	Charles Manufacturing-New York	Unknown	NGKF; Kalmon Dolgin Affiliates
26	Liberty View Industrial Plaza	South Brooklyn Ind	15,541	3rd	Brooklyn Arts	Unknown	NGKF; Kalmon Dolgin Affiliates
27	167-17 146 Rd	South Queens Ind	15,335	3rd	American Airfreight Trucking Corp.	Unknown	NAI Long Island
28	Greenpoint High Cube Warehouse	North Brooklyn Ind	15,000	1st	Ready Set Inc	Kalmon Dolgin Affiliates, Inc.	Kalmon Dolgin Affiliates, Inc.
29	83 3rd Ave	North Brooklyn Ind	14,428	1st	Big Apple Moving and Storage	Unknown	The Lansco Corporation
30	627 Court St	North Brooklyn Ind	13,000	1st	ShipWreck	Unknown	Awaye Realty
31	1957 Richmond Ter	Staten Island Ind	12,500	4th	Worldclass Sales	Prime Time Real Estate	Prime Time Real Estate
32	283 4th Ave	North Brooklyn Ind	12,000	2nd	Square Design	Direct Deal	Britz Group
33	5337 Preston Ct	South Brooklyn Ind	12,000	1st	Speedy Windows	Unknown	Crosstown Realty Inc.
34	972 Washington Ave	Bronx	12,000	1st	Postgraduate Center for Mental Health	Unknown	Unknown
35	18 Stewart St	North Brooklyn Ind	11,000	1st	Illuminations By Arnold Inc	Kalmon Dolgin Affiliates, Inc.	Kalmon Dolgin Affiliates, Inc.
36	70-31 84th St	Central Queens Ind	10,975	1st	HASA Construction, LLC	Direct Deal	Sholom & Zuckerbrot Realty, LLC
37	3301 Merritt Ave	Bronx	10,500	3rd	Sarene Craft Beer Distributors	Princeton Realty Group Commercial	Dedona Realty Group
38	1612 George St	Central Queens Ind	10,000	3rd	The Brewery	Unknown	Torkil & Jessica Gudnason
39	43-43 9th St	Northwest Queens Ind	10,000	2nd	EATSA	Runyon Group	Schuman Properties
40	9502 Ditmas Ave	South Brooklyn Ind	10,000	3rd	Unique Furniture	Crosstown Realty Inc.	Crosstown Realty Inc.

Source: CoStar Property®

* Renewal

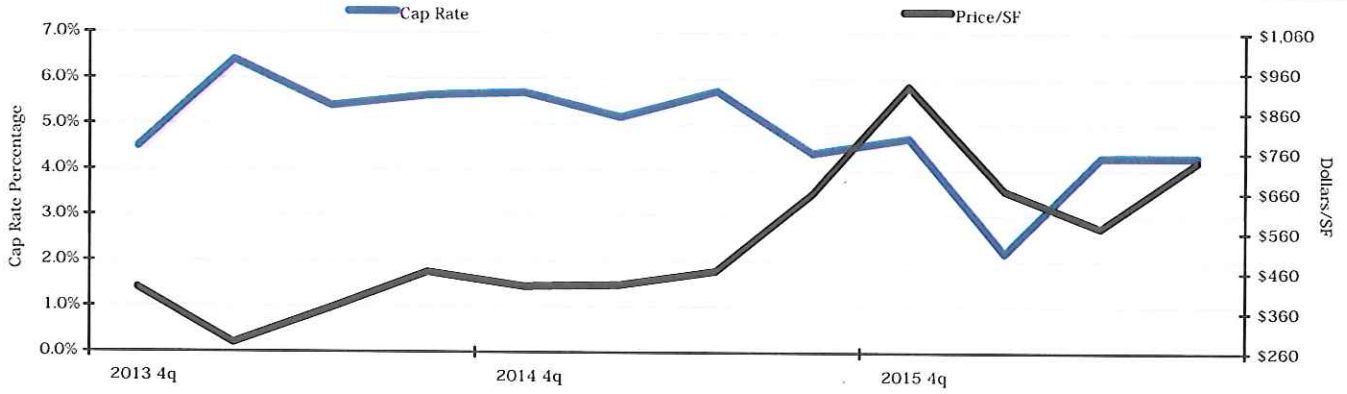
CoStar™

New York Outer Boroughs Industrial Market

Sales Activity

The Optimist Sales Index

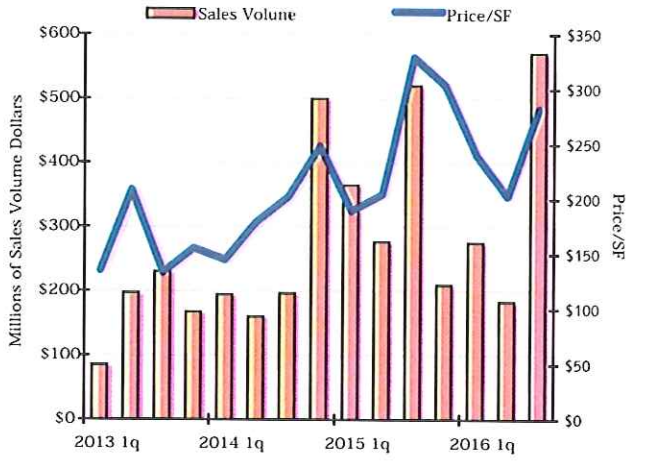
Average of Two Highest Price/SF's and Two Lowest Cap Rates Per Quarter



Source: CoStar COMPS®

Sales Volume & Price

Based on Industrial Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

Sales Analysis by Building Size

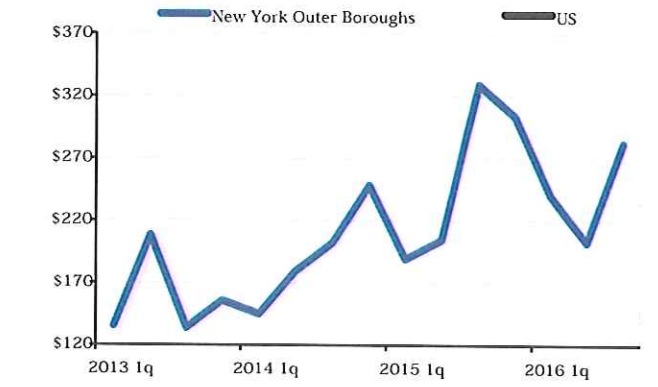
Based on Industrial Bldg Sales From Oct. 2015 - Sept. 2016

Bldg Size	#	RBA	$ Volume	Price/SF	Cap Rate
< 25,000 SF	221	2,058,954	$654,603,502	$317.93	5.95%
25K-99K SF	37	1,583,009	$366,367,382	$231.44	1.34%
100K-249K SF	7	1,076,590	$288,199,560	$267.70	4.65%
>250K SF	3	1,261,000	$328,000,000	$260.11	-

Source: CoStar COMPS®

U.S. Price/SF Comparison

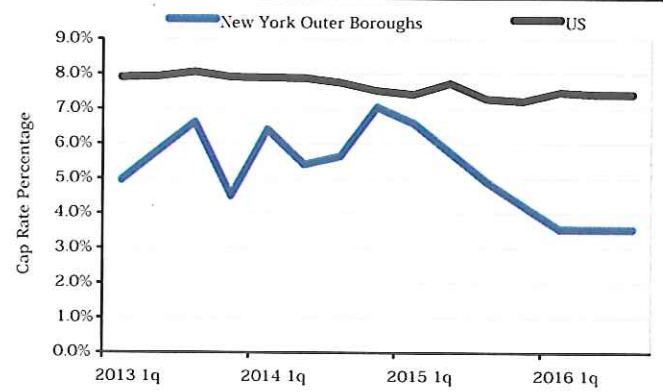
Based on Industrial Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

U.S. Cap Rate Comparison

Based on Industrial Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

New York Outer Boroughs Industrial Market

Sales Activity

Select Top Sales

Based on Sales from October 2015 Through December 2016

1. Bridgedale Plaza

Long Island City

Price:	$195,000,000
Price/SF:	$297.26
Cap Rate:	N/A
RBA:	656,000
Date:	7/12/2016
Year Built:	1928
Buyer:	Rockland Funding L.L.C dba Westbrook Partners
Seller:	Fruchthandler Family

2. HUB LIC

Long Island City

Price:	$89,000,000
Price/SF:	$269.70
Cap Rate:	N/A
RBA:	330,000
Date:	8/12/2016
Year Built:	1924
Buyer:	TIAA
Seller:	Brickman

3. The Blanchard Building

Long Island City

Price:	$62,500,000
Price/SF:	$289.10
Cap Rate:	6.3%
RBA:	216,190
Date:	3/1/2016
Year Built:	1930
Buyer:	The Related Companies
Seller:	Borden Avenue Corporation

4. 43-01 22nd St

Long Island City

Price:	$62,099,560
Price/SF:	$295.71
Cap Rate:	N/A
RBA:	210,000
Date:	7/14/2016
Year Built:	1925
Buyer:	Olmstead Properties, Inc.
Seller:	Roger Kaufman

5. 825 E 141st St

Bronx

Price:	$44,000,000
Price/SF:	$160.00
Cap Rate:	N/A
RBA:	275,000
Date:	6/16/2016
Year Built:	1916
Buyer:	The Bluestone Group
Seller:	National Equipment Corporation

6. The Paragon Oil Building

Long Island City

Price:	$41,000,000
Price/SF:	$295.38
Cap Rate:	N/A
RBA:	138,804
Date:	3/6/2016
Year Built:	1916
Buyer:	The Related Companies
Seller:	Samson Management

7. 353 39th St

Brooklyn

Price:	$37,600,000
Price/SF:	$265.58
Cap Rate:	N/A
RBA:	141,576
Date:	7/18/2016
Year Built:	1917
Buyer:	Madison Realty Capital
Seller:	The Hampshire Companies, LLC

8. 4717 Austell Pl

Long Island City

Price:	$35,000,000
Price/SF:	$291.67
Cap Rate:	N/A
RBA:	120,000
Date:	11/10/2015
Year Built:	1917
Buyer:	Normandy Real Estate Partners
Seller:	Time Equities, Inc.

9. 30-02 48th Ave

Long Island City

Price:	$34,500,000
Price/SF:	$270.33
Cap Rate:	3%
RBA:	127,620
Date:	3/8/2016
Year Built:	1926
Buyer:	Third Point LLC
Seller:	Brickman

Source: CoStar COMPS®

Public Scoping Meeting on Self-Storage Text Amendment
New York City Department of Planning
Submitted by Safe N Lock Self Storage - Marc Sharinn, CEO
March 30, 2017

My name is Marc Sharinn and I am one of the owners of Safe N Lock Self Storage, a self-storage developer that employs 20 people at our headquarters on Eastchester Road in the Bronx. We are submitting testimony today to express our deep concern about the proposed Self-Storage Text Amendment to establish a Special Permit for all new self-storage development in Industrial Business Zones (IBZs).

According to an August 2016 report by CBRE, the New York Metropolitan Area is the #1 under-supplied area for self-storage in the United States. New York City projects an additional 1 million people and thousands of new businesses over the next several years. In this rapidly growing city where residents and businesses – including manufacturers - need easier access to affordable and flexible self-storage, the City has put forth a proposal that would stunt its growth.

Make no mistake about what is being proposed here. The time-consuming, unpredictable and discretionary nature of the special permit process makes it virtually impossible to secure financing or to provide investors with an accurate timeline for construction. Capital providers have already walked away from deals, chilled by the prospect of this proposal. This is an outright ban on self-storage in IBZs - and since IBZs represent the vast majority of developable land for self-storage, it is a de facto ban for all of New York City.

This is an arbitrary ban which singles out self-storage, and only self-storage, based on no evidence whatsoever that doing so will create jobs or attract manufacturing firms to IBZs. In fact, the exact opposite will likely occur. Businesses need affordable, flexible and local self-storage. With existing self-storage facilities already near capacity, eliminating competition will hurt businesses and residents and likely result in sharp price spikes.

I would like to dispel some misconceptions about self-storage. In our collective staff experience acquiring and developing sites for more than 12 years, we have never displaced or competed with manufacturing uses on the sites that we develop. More often than not, we are remediating a contaminated site that has been left vacant and we are building a facility that brings value to local businesses and local residents

The demand side of the storage issue is an important one and is not reflected in the scoping document.

While our industry is made up of large colorful buildings in highly visible areas, the reality is that demand is at an all time high with more than 90 percent occupancy in storage facilities across the City. We build where local businesses and residents need our services.

Another erroneous claim in the scoping document is that self-storage is a "low-job generating use." This could not be further from the truth. While a self-storage operator may not directly employ large numbers of people, our facilities act as incubators for the scores of businesses that rely on self-storage. In a recent survey of self-storage facilities in IBZ's across New York City, we learned that almost 30 percent of self-storage customers are job-generating businesses - manufacturers, construction firms, retailers and non-profit organizations from the five boroughs. 47% of these businesses are minority or women-owned.

City Planning predicts that as a result of the proposal "there may be a certain shift in customer demand. Businesses may increasingly lease warehousing space, instead of self-storage units, and the on-demand storage model may become prominent."

While there is a marginal difference between the number of direct employees at a warehouse versus a self-storage facility, warehousing is a far more expensive, inflexible and logistically complicated option for many businesses. For these reasons, many businesses have gravitated toward more affordable and flexible self-storage.

Furthermore, the "on-demand storage" model is not cost effective nor viable for the 67 percent of self-storage business customers that visit their local self-storage unit on a daily or weekly basis. Valet storage businesses target a different audience possessing different needs.

Finally, I would like to note that this proposal is sadly lacking any attempt at creative compromise. There is no reason why self-storage cannot continue to co-exist with manufacturers and other uses in IBZs, as has been the case for many years. This proposal treats all IBZs and all sites within IBZs as exactly the same, when they are all different. North Brooklyn's IBZs are different than those in Eastchester, Jamaica or East New York.

Safe N Lock Self Storage will not survive this proposal. Moreover, the proposal will hurt local businesses, local residents and the local economy, and will make it harder – not easier - for manufacturers to thrive in this already difficult business environment. Additionally, working class and middle class New Yorkers who rely on self-storage as their only affordable storage option in this space-constrained city will pay more and travel farther.

There are multiple reasons for manufacturers leaving New York City but self-storage is not one of them. We truly hope that City Planning rethinks this proposal and we invite you to work with the industry on real solutions.

Thank you for your time.

Submitted by:
Name: Marc Sharinn
Company: Safe N Lock Self Storage
Phone: (347) 281-8989
Email: ms@snlstorage.com

OFFICE OF THE BROOKLYN BOROUGH PRESIDENT

ERIC L. ADAMS
President

April 10, 2017

Robert Dobruskin
Director
Environmental Assessment and Review Division
New York City Department of City Planning
120 Broadway, 31st Floor
New York, NY 10271

Re: The proposed scope of work for the Draft Environmental Impact Statement for the Self-Storage Text Amendment

Dear Director Dobruskin:

I am writing to submit comments in response to the proposed scope of work for the Draft Environmental Impact Statement (DEIS) for the Self-Storage Text Amendment.

Enclosed are my formal comments on the draft scope of work. These comments take into consideration matters pertaining to: alternatives; land use, zoning, and public policy, as well as socio-economic conditions.

Though the proposal attempts to address a means to minimize self-storage as a competing land use in the Industrial Business Zones (IBZs), the text does not address whether existing self-storage facilities should benefit from the New York City Department of City Planning's (DCP) anticipated zoning amendments that might increase the allowable floor area in IBZs. There needs to be consideration of whether such added zoning rights might be leveraged as a marketplace inducement to return properties being used as self-storage facilities to a use consistent with the intent of IBZs.

On the other hand, while 80 percent of self-storage facilities are located in the 60 percent of land mass, where such use would remain as-of-right according to the text change, the study needs to recognize ongoing land use studies that might reduce the quantity of such acreage. In addition, certain land use change might entice property owners to displace existing self-storage tenants for higher earning uses pursuant to rezoning.

Finally, analysis based on the number of facilities only makes practical sense when facilities are generally of standard size. There are significant variations of sizes of such facilities, therefore, the analysis should be based on the actual floor area of these establishments. Choice sites — those with larger footprints — are less readily available, so it is reasonable to expect that the self-

storage industry would adapt to sites that accommodate buildings with smaller footprints through the use of multi-story operations. Therefore, floor area would be the best predictor of industry growth as opposed to the number of sites.

Should you have any questions, please feel free to contact Richard Bearak, my director of land use, at (718) 802-4057 or rbearak@brooklynbp.nyc.gov.

Thank you for your consideration.

Sincerely,

Eric L. Adams
Brooklyn Borough President

Enc.

cc.: Brooklyn Community Board Chairs
Winston Von Engel, Brooklyn office director, New York City Department of City Planning

ELA/rb

Comments of Brooklyn Borough President Eric L. Adams
In Response to the Proposed Scope of Work for the
Draft Environmental Impact Statement for the
Self-Storage Text Amendment

IV. Description of the Proposed Action

A. Proposed Regulatory Mechanism

While the text would permit enlargements and extensions of what would be grandfathered self-storage facilities within the original zoning lot in the proposed Designated Areas (Industrial Business Zones) in M districts, as it is possible that the City may propose upzoning of various manufacturing districts, it appears appropriate to limit the extent of available floor area to that of the M zoning district in existence of the effective date of the zoning text change.

V. Analysis Framework

The Reasonable Worst Case Development Scenario (RWCDS) should consider contemplated changes where existing C8 and M zoning districts are under consideration for rezoning to districts where self-storage use would no longer be permitted and would diminish the acreage where self-storage would be allowed as an as-of-right use. Such areas include the northern section of the Gowanus Neighborhood Planning Study in Brooklyn Community District 6 (CD 6), blocks in Brooklyn Community District 8 (CD 8) according to the resolution adopted by Brooklyn Community Board 8 (CB 8) known as M-Crown, and blocks along Empire Boulevard in Brooklyn Community District 9 (CD 9) and Utica Avenue in both CD 8 and Brooklyn Community District 17 (CD 17) as part of community desired preservation-based rezoning initiatives as areas that might be identified to promote residential development according to the Mandatory Inclusionary Housing (MIH) program.

D. Future No-Action Condition

Self-Storage Citywide

In order to understand the potential impacts of the Proposed Action, the New York City Department of City Planning (DCP) put forth a framework based on self-storage development trends in the last 10 years, based on a continuation of the rate of self-storage development in the last 10 years (2007-2016). DCP's framework is based on the number of self-storage facilities. The number of facilities is not an appropriate reasonable worst case scenario. It would be more appropriate to convert this number to a measure of square feet of these facilities as density of facility is a more accurate measure for development analysis than a number of facilities.

M and C8 Districts Outside of Designated Areas

A total number of 8.5 facilities per year was documented by DCP for the No-Action Condition, with three-quarters developed in M and C8 districts outside of Designated Areas on a yearly basis. DCP intends to use a continuation of this rate to determine the projected growth. A better measure should be based on floor area in lieu of the number of facilities.

Proposed Designated Areas in Manufacturing Districts

A total number of two facilities per year was documented by DCP for the No-Action Condition, developed in the Designated Areas on a yearly basis. DCP intends to use a continuation of this rate to determine the projected growth. A better measure should be based on floor area in lieu of the number of facilities.

Projections
A total number of two facilities per year was documented by DCP for the No-Action Condition, developed in the Designated Areas on a yearly basis resulting in an assumption that within 10 years self-storage would occupy approximately 20 large lots in the proposed Designated Areas in M districts. A better measure should be based on floor area in lieu of the number of facilities.

D. Future With-Action Condition

Self-Storage Citywide
The total number of self-storage facilities projected by the Build Year (With-Action) Citywide is assumed by DCP to be a continuation of the trend documented over the past 10 years. A better measure should be based on floor area in lieu of the number of facilities.

Geographic Distribution of Self-Storage With-Action Conditions
The With-Action Condition assumes that past application trends of a Special Permit, similar to the Proposed Action, would be used as a reference. The reference used is the existing City Planning Commission (CPC) Special Permit for large retail stores in certain M districts. Though analysis indicates that for the 10-year timeframe, between 2007 and the end of 2016, fewer than 10 such special permit applications were granted. It is possible that permits were not granted in the Designated Areas, therefore, this might not be a valid RWCDS to assume.

M and C8 Districts Outside of Designated Areas, With-Action Condition
While recognizing the expectation that self-storage developers would increasingly seek development opportunities in C8 and M districts outside of Designated Areas, acreage of such areas might be diminished should the existing C8 and M districts, currently under consideration, no longer permit self-storage use. Such areas, including the northern section of the Gowanus Neighborhood Planning Study in CD 6, blocks in CD 8 according to the resolution adopted by CB 8 known as M-Crown, and blocks along Empire Boulevard in CD 9 and Utica Avenue in both CD 8 and CD 17, would be rezoned as part of community desired, preservation-based rezoning initiatives as areas that might be identified to promote residential development according to the Mandatory Inclusionary Housing (MIH) program.

As opposed to projecting the number of self-storage facilities by the Build Year (With-Action), a better measure should be based on floor area in lieu of number of facilities.

F. No-Action and With-Action Condition Compared
Based on DCP's assumption, for the No-Action Condition, a total number of 86 new self-storage facilities are forecasted by the Build Year (With-Action) Citywide, with 20 facilities in the proposed Designated Areas. Based on DCP's assumption, for the With-Action Condition, a total

number of 81 new self-storage facilities are forecasted by the Build Year (With-Action) Citywide, with nine facilities in the proposed Designated Areas. A more accurate measure should be based on floor area in lieu of the number of facilities.

VI. Proposed Scope of Work for the DEIS

Task 1. Project Description
No Comment

Task 2. Land Use, Zoning, and Public Policy
The analysis of the potential impacts of the Proposed Action on land use, zoning, and public policy as it would pertain for the C8 and M districts, where self-storage development would still be permitted as-of-right, should include an acknowledgement that such acreage might be expected to be diminished should the existing C8 and M districts, currently under consideration, no longer permit self-storage use. Such areas, including the northern section of the Gowanus Neighborhood Planning Study in CD 6, blocks in CD 8 according to the resolution adopted by CB 8 known as M-Crown, and blocks along Empire Boulevard in CD 9 and Utica Avenue in both CD 8 and CD 17, would be rezoned as part of community desired, preservation-based rezoning initiatives as areas that might be identified to promote residential development according to the MIH program.

Task 3. Socioeconomic Conditions

Indirect Residential Displacement
This section should consider the extent, if any, that a reduction in the growth of the self-storage industry might lead to an increase of rental fees in the With-Action analysis as compared to the No-Action analysis. Such increase in fees should be considered in the context of the extent to which it would increase the degree of rent-burdened status for households that are dependent on self-storage facilities to manage possessions that are not reasonably accommodated in apartment dwellings.

Indirect Business and Institutional Displacement
This section should consider the extent, if any, that a reduction in the growth of the self-storage industry might lead to an increase of rental fees and/or less than suitable proximity, that might result in increases of operational expenses for small businesses and institutions that might have their establishments in proximity to the Designated Areas in the With-Action analysis as compared to the No-Action analysis.

Task 4. Community Facilities and Services
No Comment

Task 5. Open Space
No Comment

Task 6. Shadows
No Comment

Task 7. Historic and Cultural Resources
No Comment

Task 8. Urban Design and Visual Resources
No Comment

Task 9. Natural Resources
No Comment

Task 10. Hazardous Materials
No Comment

Task 11. Water and Sewer Infrastructure
No Comment

Task 12. Solid Waste and Sanitation Services
No Comment

Task 13. Energy
No Comment

Task 14. Transportation
No Comment

Task 15. Air Quality
No Comment

Task 16. Greenhouse Gas Emissions
No Comment

Task 17. Noise
No Comment

Task 18. Public Health
No Comment

Task 19. Neighborhood Character
No Comment

Task 20. Construction
No Comment

Task 21. Mitigation
No Comment

Task 22. Alternatives

The text would permit enlargements and extensions of what would be grandfathered self-storage facilities within the original zoning lot in the proposed Designated Areas (Industrial Business Zones) in M districts, as it is possible that the City may propose upzoning of various manufacturing districts. Therefore, an alternative should assume that a modified text would limit the extent of available floor area to that of the M zoning district in existence of the effective date of the zoning text change.

The findings of the proposed special permit to allow self-storage facilities include such considerations as: whether a proposed site is large enough to optimally accommodate a new building for industrial use or, in the case of existing buildings, whether the arrangement and design of such building(s) lend to industrial use; proximity to arterial highways and/or designated truck routes; and proximity to bus and rail transit serving industrial employees. Given the ability of self-storage facilities to occupy a multi-storage configuration, and the possibility that M districts might be upzoned to expand the potential floor area available to provide more development opportunity in remaining M districts, it might be appropriate to assume that self-storage facilities would be able to adapt to smaller footprints. Therefore, an as-of-right alternative should be considered in the Designated Areas where self-storage facilities might be permitted to occupy sites below a certain lot size, beyond a specified distance from arterial highways, designated truck routes, and bus and/or rail transit.

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THE COUNCIL
OF
THE CITY OF NEW YORK

CARLOS MENCHACA
COUNCIL MEMBER
38TH DISTRICT, BROOKLYN

CHAIR
IMMIGRATION COMMITTEE

COMMITTEES
COURTS AND LEGAL SERVICES
GENERAL WELFARE
RECOVERY AND RESILIENCY
SMALL BUSINESS
STANDARDS & ETHICS
TRANSPORTATION

4/10/2017

Department of City Planning, City of New York
Environmental Assessment and Review Division
120 Broadway, 31st Floor,
New York, New York 10271

Via Electronic: Robert Dobruskin rdobrus@planning.nyc.gov

cc: Danielle Decerbo ddecerbo@planning.nyc.gov, Brian Paul BPaul@council.nyc.gov, Raju Mann Rmann@council.nyc.gov, SelfStorage_DL@planning.nyc.gov

Testimony RE: CEQR No. 17DCP119Y
DRAFT ENVIRONMENTAL IMPACT STATEMENT: SELF-STORAGE TEXT AMENDMENT

Thank you for the opportunity to submit comments on this important proposal relating to the preservation of our industrial zones. As you are aware, my district contains the Southwest Brooklyn Industrial Business Zone (IBZ), which runs along the waterfront all the way from Atlantic Basin in Red Hook to the 65th Street Rail Yard on the border between Sunset Park and Bay Ridge. This IBZ is one of the most significant in the city with nearly 15,000 industrial jobs and extensive public-owned industrial properties such as the Brooklyn Army Terminal, Southwest Brooklyn Marine Terminal, and Red Hook Container Terminal.

I am writing to express my support for the citywide special permit for self-storage facilities in IBZs and also to reiterate my continued concerns about the encroachment of other non-industrial uses into the IBZ.

Self-Storage Proposal

In November 2014, the City Council released *Engines of Opportunity*, a report that called for creation of "Industrial Employment Districts" over the IBZ geographies – a strengthened manufacturing zone where uses such as hotels, large-scale retail and office, restaurants, bars, entertainment venues, and self-storage would no longer be allowed as-of-right[1].

In 2015, the Mayor and Council stood together to announce the 10 Point Industrial Action Plan to grow 21st Century industrial and manufacturing jobs in New York City – a plan that included new restrictions on hotels and self-storage in manufacturing zones.[2]

This proposal to require a Special Permit for self-storage in IBZs is a crucial first step in reforming our manufacturing zoning to encourage the preservation and growth of industrial businesses.

Self-storage facilities are a commercial use serving largely household customers and producing very few jobs. According to the annual report of CubeSmart, New York City's largest self-storage operator, only 1,844 property-level personnel work at 475 properties composing 32.9 million rentable square feet across the

[1] New York City Council. "Engines of Opportunity." November 2014. http://council.nyc.gov/downloads/pdf/NYEO.pdf
[2] "Mayor Bill de Blasio and Speaker Mark-Viverito Unveil Action Plan to Grow 21st Century Industrial and Manufacturing Jobs in NYC." http://www1.nyc.gov/office-of-the-mayor/news/780-15/mayor-de-blasio-speaker-mark-viverito-action-plan-grow-21st-century-industrial-and

country[3]. This means fewer than 4 employees on average work at each facility, a ratio of one employee per nearly 18,000 square foot of facility space. In contrast, the Institute of Transportation Engineers estimates that industrial and manufacturing uses generate 1 employee per 500 square feet[4]. While self-storage may generate strong returns for real estate investors, it is a losing proposition for jobs in our communities and for the businesses that support the infrastructure and economy of the rest of the city when we allow these facilities to occupy more and more properties in our core industrial zones.

Regarding the geography of the proposed restrictions, I recognize that the Department of City Planning's proposal seeks to map the Industrial Business Zones into the Zoning Resolution as text maps that "largely coincide" with their boundaries. I have two areas of concern with the proposed boundaries in my district. First, the applicable area currently leaves out the 65th Street Rail yard and 2nd-3rd Avenue between 63rd and 65th St in Sunset Park. This area is part of the IBZ and should certainly be included in the proposal. Second, there are six blocks of industrial Red Hook between Van Brunt, Columbia Street, Seabring Street, and Verona Street that were for some reason not included within the IBZ despite being heavily industrial and home to numerous large sites and businesses. With excellent access to the highway network, this area meets all the criteria for a good location for industrial businesses and it would be a shame if it were to fill with self-storage facilities instead.

More Industrial Protections Needed

Preservation and growth of industrial jobs in my district is a priority for me. Industrial jobs are of particular importance to communities of color, recent immigrants, and job-seekers who lack a college degree. The average industrial job pays over $50,000 and the industrial workforce in New York City is over 80% people of color and over 60% foreign-born. A plurality of the industrial workforce in New York is Hispanic, and nearly 1 in 7 Hispanic New Yorkers in the workforce has a job in the industrial sector[5]. These jobs provide an opportunity for immigrant and working class New Yorkers to support families and allow their children to advance themselves in the world.

While restricting self-storage is a helpful first step in reforming manufacturing zoning, more action is needed to stanch the flow of real estate speculation and non-industrial commercial businesses into our IBZs. The greatest priority is the restriction on hotels, which being so similar to residential uses in their impact, are the most disruptive use currently allowed as-of-right in our M zones. The hotel special permit must be fast-tracked in order to preserve the integrity of our industrial zones for the industrial businesses that are so important to our economy. Other uses that are disruptive to industry but currently allowed as-of-right include large-scale entertainment facilities, athletic facilities, retail and restaurants, and non-industrial office space.

As this self-storage proposal begins to recognize, it has become abundantly clear that the policy of designating Industrial Business Zones without also changing the underlying zoning to protect industry from competing commercial uses has not been an effective strategy to promote industrial retention and growth. We must do more to protect our core industrial zones.

Thank you and I look forward to continuing to work with the Department of City Planning and Economic Development Corporation on policies to strengthen and support the industrial sector in New York City.

Sincerely,

Carlos Menchaca
NYC Council Member | 38th District

[3] http://investors.cubesmart.com/Cache/1001220302.PDF?O=PDF&T=&Y=&D=&FID=1001220302&iid=4095755
[4] http://www.usgbc.org/Docs/Archive/General/Docs4111.pdf
[5] New York City Council. "Engines of Opportunity." November 2014. http://council.nyc.gov/downloads/pdf/NYEO.pdf

ASSOCIATION FOR NEIGHBORHOOD & HOUSING DEVELOPMENT, INC.

ANHD
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TESTIMONY OF ARMANDO MORITZ-CHAPELLIQUEN BEFORE THE CITY PLANING COMMISSION REGARDING SELF-STORAGE TEXT AMENDMENT

March 30, 2017

Good Morning. Thank you members of the City Planning Commission for the opportunity to testify.

My name is Armando Moritz-Chapelliquen and I am the Campaign Coordinator for Equitable Economic Development with the Association for Neighborhood and Housing Development (ANHD). ANHD is a membership organization of NYC- neighborhood based housing and economic development groups- CDCs, affordable housing developers, supportive housing providers, community organizers, and economic development service providers. Our mission is to ensure flourishing neighborhoods and decent, affordable housing for all New Yorkers. We have over 100 members throughout the five boroughs who are working alongside communities to create economic opportunity and developed over 100,000 units in affordable housing.

As part of the Industrial Jobs Coalition, a citywide alliance of policy advocates, community organizations, and service providers, **we strongly support the City's proposed zoning text amendment to create a special permit for self-storage facilities in the 21 Industrial Business Zones.** With low barriers to entry and real career pathways, industrial and manufacturing jobs, whose average wages are twice that of the retail sector, are a crucial avenue of opportunity and equitable economic development for communities across the city. This action advances the commitment laid out by Mayor de Blasio in his 2015 Industrial Action Plan to initiate meaningful use group reform. This goal has also been a priority for the Industrial Jobs Coalition, making up one of the pillars of our coalition platform. Use group reform is necessary to ensuring the success of the industrial and manufacturing sector in New York, a crucial economic engine that provides good paying jobs with low barriers to entry.

Scope of Action
As this proposed action must still undergo the months-long Uniform Land Use Review Procedure (ULURP), it is important to keep two key facts on the scope of this action in context.

1. This action does not prohibit the development of new self-storage facilities anywhere; it creates community oversight for new self-storage developments in specific industrial and manufacturing neighborhoods, the "designated M-districts".
2. Based on the City's analysis, 86 self-storage facilities will be built in the next ten years if no action is pursued. With the special permit in place, 81 are projected to go up in that same period. That is a difference of only 5 facilities citywide.

Impact on Manufacturers
By restricting self-storage in the Industrial Business Zones to a special-permit basis, the City is taking a crucial step in ensuring that manufacturing zoned land continues to be used for this purpose. Because of overly broad use groups, **speculation has driven up rents in M-zone land, making it harder for manufacturing tenants to stay in the city**. Additionally, while self-storage facilities attempt to characterize their existence in Industrial Business Zones as complimentary to small manufacturers, their as-of-right status puts them in direct competition with the manufacturers they claim to serve. By reducing speculation and creating an appropriate

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form of local oversight, the proposed special permit rightfully works to address these challenges for the city's manufacturers.

Framework for Broader Use Group Reform

The proposed zoning action is distinct because, for the first time, the City is mapping the Industrial Business Zones in actual zoning. Currently, the Industrial Business Zones exist for tax purposes. **There is no zoning distinction between M-zones inside or outside of IBZs. The proposed action, finally, puts zoning into the Industrial Business Zones.** One of the central reasons why the Industrial Jobs Coalition supports this proposal is because it establishes a solid foundation for much-needed broader use group reform. The Administration, City Council and advocates like the Industrial Jobs Coalition have long acknowledged that there are incompatible uses that should be restricted within the very broad M-zone use groups. By mapping the Industrial Business Zones for this specific zoning action, the City is appropriately doing something about it.

We support the City's effort to use zoning to bolster this engine of economic opportunity. The zoning reforms outlined by the 10-Point Industrial Action Plan are crucial to the success of the industrial and manufacturing sector. This proposal is a meaningful first step in this direction. We look forward to advancing this dialogue with the City on this and future zoning actions that advance the job opportunities for New Yorkers across all five boroughs.

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March 30, 2017

Subject: GMDC Testimony for Self-Storage Special Permit Scoping Hearing

My name is Alef Tadese, and I am here on behalf of Greenpoint Manufacturing and Design Center, the city's premier non-profit developer of industrial property. To date, GMDC has completed seven industrial redevelopment projects, comprising more than 700,000 square feet of space. GMDC currently owns and manages five of these properties in North Brooklyn, three of which are in the IBZ. Our tenants include woodworkers, makers of home furnishings, display makers, metal workers, and a variety of artisanal trades and artists who altogether provide over 600 quality jobs to New York City residents.

GMDC has played a vital role in providing quality jobs to New York City residents by helping meet the City's need for affordable, flexible production space for small and medium-sized manufacturers, and for the past twenty five years, GMDC has dedicated itself to doing so. In order to continue the retention of quality jobs in the manufacturing areas of New York City, we want to share our concerns regarding self-storage facilities in M zones.

Recently GMDC has found itself competing with self-storage companies when seeking to purchase industrial buildings in viable M zones from Long Island City, to Crown Heights, to East New York. The proliferation of self-storage facilities in M zones has resulted in a loss of potential development projects, which is also a loss of space for manufacturing businesses and quality jobs. A 100,000 square foot self-storage facility may have 5 jobs within its walls, where a manufacturing center would have upwards of 100. Self-storage is yet another use that can pay a higher price per square foot than the small and mid-sized manufacturer that is the end user in GMDC's buildings and the loss of quality manufacturing jobs is the result.

A special permit will limit self-storage development projects where specialized spaces are needed for industrial and manufacturing businesses that provide essential services for New York City and quality jobs for City residents. GMDC develops buildings that most would consider non-optimal under the criteria laid out for consideration today. An enhanced criteria would be necessary because *optimal* or *non-optimal* is a poor judge of the ultimate use of a building. However, GMDC would prefer to see a tightening of the zoning text protecting M zones for true industrial uses. This would go further in ensuring the City's goal of protecting good paying jobs for New Yorkers from encroaching non-industrial uses.

GMDC wants to ensure industrial space is primarily preserved for industrial and manufacturing uses that result in good paying jobs and limit the amount of speculation that drive up rents in these same manufacturing areas.

Thank you for considering our concerns. If you have any questions, please contact me at 718-383-3935.

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Testimony for Scoping meeting on Self-Storage Text Amendment
3.30.17

Thank you for the opportunity to speak today on this important issue related to preservation of our city's industrial base. As I'm sure you are aware, my district contains a large part of the third-largest Industrial Business Zone in the city, the North Brooklyn IBZ, as well as a smaller IBZ in Ridgewood, Queens. I am here to express support for the citywide special permit for self-storage facilities, but also to raise some related concerns about the continued encroachment into our IBZs by non-manufacturing uses.

As I have discussed with DCP many times during the ongoing North Brooklyn IBZ Study, I believe that our Industrial Business Zones should remain true to their name and remain industrial. My constituents face the pressures of a hot real estate market, gentrification, and possible displacement everyday, and they depend on manufacturing jobs that provide relatively high wages with low barriers to entry in order to keep themselves and their families in their communities.

Self-storage facilities are not a job-intensive use – according to the City's analysis, a self storage facility generates on average only five jobs. In contrast, an industrial business of the same size would likely create 50-100 jobs, meaning that self storage is simply not the right use for a zone meant to foster job creation and development. The supporters of self-storage will tell you that these facilities are an ancillary use to the manufacturing zone because their units are primarily used by small, local businesses; however, when my office asked for data to verify this claim, they did not provide any. While self-storage uses have not proliferated too much in the North Brooklyn IBZ yet, I understand that they are a major issue for other IBZs in the city, so appreciate that DCP is considering creating the special permit, which for us will be a pre-emptive measure that will keep these spaces from taking over the area moving forward.

However, I want to take this opportunity to express my disappointment that the special permit proposal for hotels is not moving forward on the same timeframe. While self-storage remains somewhat scarce in North Brooklyn, it feels like we are constantly seeing new hotel construction in the IBZ. The Greenpoint-Williamsburg IBZ to the north of my district is nearly gone, turned into a hotel and nightlife district – this will be the future of the North Brooklyn IBZ unless we take action now.

Additionally, more than one hotel in my district has been or is currently being used as a homeless shelter – speculators are building these hotels knowing that the City will pay top-dollar to house the

homeless there. I of course want to do my part to help the City address our homelessness crisis, but I don't think this should happen at the expense of land that should support the kind of jobs our families need in order to stay out of the shelter system. If DCP is truly committed to keeping industrial land for industrial jobs, as is implied by the self-storage special permit, fast-tracking the hotel special permit and strengthening use restrictions in the industrial core should be obvious solutions.

Finally, I want to address the fact that, as part of this proposal, the IBZ boundaries will now be codified into the zoning text as "Designated Areas in Manufacturing Zones." This is an important step that creates a framework for us to use to take further actions to protect these important areas citywide. Uses like nightlife, athletic facilities, large retailers, and office development are also taking important sites that could otherwise be used for industrial development, and as the Council argued in the *Engines of Opportunity* report, I believe these uses should also be restricted in IBZs.

However, I am deeply concerned that DCP has not included complete IBZ areas within its proposed "Designated Areas in Manufacturing Zones," and that DCP proposed these incomplete boundaries with no consultation with the local elected officials, the Industrial Business Solutions Providers who support the businesses in the IBZs, or with the businesses themselves.

The proposed boundary in North Brooklyn leaves out hundreds of jobs at critical businesses that are currently part of the IBZ, such as Wonton Foods, which employs 250 people. The proposed boundary for Ridgewood also leaves out many IBZ lots. I am strongly in favor of including all IBZ areas in this proposal, and will not be able to support it moving forward if this change is not made.

Thank you very much for your time, and I look forward to continuing to work with DCP on policies that support and strengthen manufacturing in New York City.

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Corporation

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TESTIMONY

SCOPING MEETING

DRAFT ENVIRONMENTAL IMPACT STATEMENT

SELF-STORAGE TEXT AMENDMENT

DEP CITY PLANNING

(CEQR No. 17DCP119Y)

March 30 2017

My name is Aron Kurlander, and I am the Director of Business Services for Greater Jamaica Development Corporation. Thank you for this opportunity to speak before you today. GJDC has been a frontline, economic development organization with day-to-day contact with manufacturing and industrial firms for over 40 years. In that time we have administered many of the city's local industrial assistance programs including the In-Place-Industrial –Park program (IPIP), Industrial Business Zone program (IBZ) and more recently the Industrial Business Solutions Provider (IBSP).

Our work for industrial and manufacturing firms in Southeast Queens are focused on creating, retaining and attracting jobs to the community. The IBZs of Queens East, Jamaica and JFK, have seen its best available sites, that historically were utilized by industrial firms with significant employment on site, some sites even had hundreds of employees on site, being repurposed as self storage facilities.

As manufacturing zoned sites become available in the IBZ they are priced out of reach for our local business that provide good paying jobs for community members. So Instead of an industrial company purchasing the site for job intensive uses, self-storage facilities are built. Self-storage facilities have a very low employee count, according the city's environmental assessment on average self-storage facilities have 5 jobs. That's 5 jobs, in buildings that often exceed 100,000 square feet. In addition, local businesses have told us that self storage faculties offer them limited to no benefit.

I am here today to strongly support the administration and city councils commitment to eliminate new self-storage facilities in the Industrial Business Zones. Thereby reestablishing an affordable industrial expansion model, that will allow business to stay and create well paying jobs in southeast queens.

Thank You

PRATT CENTER
FOR COMMUNITY DEVELOPMENT

EIS Scoping
Self-Storage Text Amendment for a
Special Permit Requirement in Designated Areas in M Districts

Adam Friedman, Director
March 30, 2017

Hello, my name is Kari Bailey, and I am a graduate fellow at the Pratt Center for Community Development. Thank you for this opportunity to weigh in on this important topic; I am delivering testimony on behalf of Adam Friedman who cannot be here today.

As a longtime advocate for land use and zoning policies that advance the needs of industrial businesses across the city, Pratt Center is very pleased that this important piece of Mayor de Blasio's Industrial Action Plan is being codified through the zoning regulation. This special permit requirement represents an important step in the effort to ensure that the City's shrinking supply of manufacturing-zoned land is less vulnerable to as-of-right non-industrial uses that threaten to erode the industrial integrity of M-zones.

Our concern lies with the factors that will shape the required findings for granting a special permit to develop a self-storage facility in a "Designated Area" in an M district. The City Planning Commission will be empowered to grant special permits to applicants when the site in question is not "optimal" for "modern-day" industrial uses. In other words, if a site is deemed "optimal," a special permit for self-storage *won't* be granted. "Optimal" is the wrong standard. If you look at some of the city's most successful industrial projects such as the Brooklyn Navy Yard or GMDC's Manhattan Avenue building, none of them would meet the "optimal" standard. The City is about to invest $136 M in Bush Terminal as a center for garment production, a building that is clearly not optimal within the definition offered by City Planning in the Draft Scope of Work.

The list of criteria for characterizing a site as optimal is long and difficult to meet. It includes lot size; the design and arrangement of the site; proximity to highways, truck routes, and local streets that are configured so that truck traffic leads directly to the site; proximity to public transportation; a low potential for future industrial uses to conflict with other nearby uses; and minimal investment in nearby industrial uses.

There are few development sites in the proposed Designated Areas that will meet all of these criteria for optimality, and many industrial businesses across the City are currently thriving under conditions that do not reflect these criteria. Therefore many sites will meet the findings for the special permit and in effect render this a weak and ineffective policy.

More appropriate criteria would be ones that demonstrate that the area is viable for industrial uses such as low vacancy rates in the area and rising land costs, two indicators of demand for industrial space.

In summary, Pratt Center supports the administration's efforts to ~~make M-zones less porous and~~ restrict uses that may undermine industrial activities. Given real estate market trends, the need to protect industrial areas from self-storage and other non-industrial as-of-right uses is likely to grow, underscoring the importance of enacting this important policy. To ensure that the policy accomplishes its stated objective, we urge DCP to tighten the criteria so as to only grant a special permit for self-storage when a site is genuinely not viable for a future industrial use.

We look forward to working with City Planning to move such revised zoning forward as well as future reforms including special permits for hotels, entertainment venues, non-ancillary offices and other non-industrial uses that can undermine industrial operations.

For further information, contact: Adam Friedman, Director, afriedman@prattcenter.net, 718-637-8640

NOTE: This testimony was prepared by the Pratt Center for Community Development. It does not necessarily reflect the official position of Pratt Institute.

Written Testimony

Self-Storage Text Amendment
Public Scoping Hearing

March 30, 2017

Presented by:

Darryl Hollon – Industrial Account Manager, Business Outreach Center Network

The 335,000 s/f and 3,600 unit Storage Fox facility at 5601 Foster Avenue in the Flatlands-Fairield IBZ is a strong example of the displacement storage facilities create for small industrial/manufacturing businesses and one of the defining reasons that special perrmits to erect a storage facility in any one of the City's 21 IBZ's is paramount to the preservation and growth of the industrial community as we progress in the 21st Century.

I stand here today as the previous Industrial Business Service Provider (2006 through 2011) for the Flatlands-Fairfield IBZ (FF IBZ) and since March 1, 2017 the current IBSP for the FF IBZ.

5601 Foster Ave was once 3 locations which included an East 56th Street address and a Preston Court address. The photos attached denote two of the three locations now 5601 Foster Ave. During my previous tenure in the FF IBZ this location housed 2 steel fabricators (on Foster Ave and E56th Street) and a commercial distributor and shipping company on Preston Court. The four companies employed 20 plus living wage jobs for local residents, and most raising a family. A salient point: this storage facility occupying four times the space of the previous tenants only employes 25% on average of the employees the manufacturing/industrial businesses carried. Storage facitily jobs are not middle class-living wage income jobs; on the other hand, the average wage for a manufacturing job is nearly $52,000 and is more likely to provide crucial benefits like health care..

Limiting storage facilities in IBZ's are part of the City's 2015 Industrial Plan to preserve the integrity of the industrial areas. Unneccessary pedestrian foot traffic and higher rents are a few of the unwelcome by-products in industrial areas due to the presence of big box company storage facilities in IBZ's. Requiring a special permit with stringent guidelines, for storage facilities in IBZ's will disuade the encroachment, of any non-industrial/manufacturing concern in a designated New York City Industrial Business Zone. This is a start!Thank you!


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RAFAEL SALAMANCA, JR.
17TH DISTRICT, BRONX

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TESTIMONY FOR THE DEPARTMENT OF CITY PLANNING

March, 30, 2017

Good morning, I'm Ryan Monell, Policy Director for Council Member Rafael Salamanca, Jr. who represents District 17 in the South Bronx, including the Hunts Point and Port Morris IBZs, and chair of the Subcommittee on Planning, Dispositions, and Concessions.

I want to thank you all today for allowing me to provide testimony. While we certainly understand both sides of this issue, it is important to us that we do what we can to maintain the ability for both the Hunts Point and Port Morris communities that have historically been centers of industry, incubators for both small and large business growth, and job creation, to continue to grow and thrive in those ways. That is why the Councilmember is in support of the IBZ proposal.

Self-Storage Proposal

As you know, while prior to my time as a Councilmember, in 2014 the City Council's *Engines of Opportunity* report called for creation of "Industrial Employment Districts" – a strengthened manufacturing zone where uses such as hotels, large-scale retail and office use, restaurants, bars, entertainment venues, and self-storage would no longer be allowed as-of-right[1].

In 2015, the Mayor and Council stood together to announce the 10 Point Industrial Action Plan to grow 21st Century industrial and manufacturing jobs in New York City – a plan that included new restrictions on hotels and self-storage in manufacturing zones.[2]

Today's scoping hearing on this proposal to restrict self-storage in the Industrial Business Zones is the first step on implementing these important initiatives.

I support industrial businesses in my district because I recognize the value of these middle class jobs to my community. The average industrial job pays over $50,000 and the industrial workforce is 80% minority and 60% foreign-born[3]. These jobs provide opportunities for many New Yorkers, especially recent immigrants and those without a college degree, to earn a living wage and raise a family in dignity, providing the opportunity for the next generation to advance.

While self-storage facilities have been popping up on industrial land throughout the Bronx, they produce very few jobs. We should not allow storage facilities to gobble up industrial sites that could otherwise be used for much more job-intensive businesses.

ABC Carpet Site

While I support this proposal overall, I am concerned about a specific area of manufacturing zoning in my district that I believe should be included.

Just across the Bronx River from the Hunts Point IBZ is an area of M1 zoning that includes several large sites that have significant potential for industrial or perhaps other future types of development. Two large lots in this immediate area have already been developed as CubeSmarts in the past few years.

The site I am most concerned about is the former "ABC Carpet" site at 1055 Bronx River Avenue. This site is enormous, over 5 acres large, and there have been rumors that it could be developed as self-storage instead of potential job-generating industrial or commercial uses. It is right across from the Hunts Point IBZ and has good access to the highway network. We should include this site within the proposed "Designated Areas in Manufacturing Districts" in order to ensure we don't lose the opportunity to develop this site with good jobs for the people of the Bronx. Thank you.

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[1] [1]New York City Council. "Engines of Opportunity." November 2014. http://council.nyc.gov/downloads/pdf/NYEO.pdf

[2] "Mayor Bill de Blasio and Speaker Mark-Viverito Unveil Action Plan to Grow 21st Century Industrial and Manufacturing Jobs in NYC."
http://www1.nyc.gov/office-of-the-mayor/news/780-15/mayor-de-blasio-speaker-mark-viverito-action-plan-grow-21st-century-industrial-and

[3] Mayor Bill de Blasio. "Industrial Policy: New York City." August 2015.

EVERGREEN

Your North Brooklyn Business Exchange

Testimony of Evergreen on
Self-Storage Facilities
March 30, 2017

Evergreen is a membership organization that helps the nearly 1,200 industrial businesses in North Brooklyn to grow in order to keep their 11,700 quality blue collar jobs in our community. This represents 14% of the City's manufacturing employment base. We support the New York Department of City Planning's effort to restrict self storage facilities in NYC's Industrial Business Zones (IBZs) because they drive up industrial land costs and drive out job-rich businesses such as small manufacturers in favor of a much lower job density use.

However, we have to question why the new Designated M-District where special permits for self-storage will be required does not directly correspond to the North Brooklyn IBZ. Specifically, the southeast corner bounded by Moore Street, Morgan Avenue, Flushing Avenue, and Bushwick Avenue has blocks that are in the IBZ which are not mapped for the new Designated M-District. This is particularly problematic because that portion of the IBZ includes some of the largest industrial employers as well as several industrial properties owned by Evergreen and offered at below market rents – exactly the kind of areas that need to be protected from incompatible uses like self-storage. We recommend that the special permit be applied to the entire IBZ boundaries, as is the case otherwise for North Brooklyn and virtually all of the rest of the IBZs in the city.

Manufacturing is alive and well in North Brooklyn, and for the past 35 years Evergreen has fought to keep it that way. North Brooklyn companies make everything from bespoke suits to architectural steel, from store installations for Park Avenue boutiques to fortune cookies for corner takeout joints. This is a dynamic combination of businesses old and new, traditional and innovative, big and small. But what they create most are good paying jobs for the people who live here. Evergreen serves as their voice in the community and advocate beyond it. We help these businesses get financing, find real estate, access incentive programs, and work tirelessly for support from city, state and federal government. Evergreen has worked to keep North Brooklyn booming. As a result, New York City can continue to be a place where actual *things*, and not just ideas, are made.

North Brooklyn's industrial businesses face many challenges. Manufacturing company closure and job loss in North Brooklyn and Greenpoint / Williamsburg is significantly and disproportionately higher than losses in other parts of Brooklyn and Queens in the last decade. This disparity is the result of additional pressure – i.e., commercial and residential conversion – on industrial firms and businesses in those areas, beyond industrial businesses in other parts of the city. We recently completed a survey of local industrial businesses—of the 72 company interviews we conducted more than half noted that they were on a month to month lease, or did not expect their lease to renew in the next year. Because of the high cost and very low 7% vacancy in North Brooklyn's industrial area we are legitimately concerned about our ability to retain these jobs in our community.

Our community needs these jobs. Nearly 40% of the industrial workforce live in the local area. These jobs, on average, pay our residents 73% more than local retail establishments; or $52,842 vs. $30,620 annually.

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Additionally, over 60% of manufacturing jobs offer benefits, compared with 30% of service jobs. Also, these jobs frequently do not require English proficiency or advanced education. Considering 20% of our local residents do not speak English, 31% live at or below the poverty line and nearly 37% of are on some form of public assistance, these jobs offer the best path to self sufficiency and economic security for our community residents.

Protecting and promoting our industrial sector is crucial to the city's overall economic development. The sector provides close to 500,000 jobs in New York City, making up nearly 15% of the city's workforce, and contributed $1.7 billion in tax revenues. The manufacturing and industrial sector is not only a strong component of our economy but a reliable source of jobs for many of our fellow New Yorkers.

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Department of City Planning, City of New York
Environmental Assessment and Review Division
120 Broadway, 31st Floor,
New York, New York 10271

Re. CEQR No. 17DCP119Y -- DRAFT ENVIRONMENTAL IMPACT STATEMENT: SELF-STORAGE TEXT AMENDMENT

April 10, 2017

To Whom It May Concern:

Thank you for the opportunity to submit comments on this important proposal relating to the preservation of our industrial zones. My district is home to two Industrial Business Zones (IBZs)—the Greenpoint-Williamsburg IBZ and the northern half of the much larger North Brooklyn IBZ—which together contain hundreds of industrial business and important sites of city infrastructure. I am writing to express support for the citywide special permit for self-storage facilities in IBZs and also to raise concerns about further zoning reforms that are needed to protect and encourage industrial growth.

As I have expressed to the Department of City Planning numerous times in our meetings on the North Brooklyn Industry and Innovation study and other land use proposals, I believe that Industrial Business Zones need further protection and support in order to fulfill their intent and truly remain industrial. The City Council's *Engines of Opportunity* report called for strengthened manufacturing zoning for IBZs and in November 2015, I stood with the Mayor and other Council Members at GMDC in my district to announce the 10 Point Industrial Action Plan, which included new restrictions on hotels and self-storage in manufacturing zones.[1]

This proposal to create a special permit requirement for self-storage facilities to locate within IBZs is an important first step in fulfilling this promise. Self-storage facilities are a commercial use that largely serve household customers and according to DCP's analysis, produce on average only five jobs per facility. Manufacturing and industrial businesses typically generate one employee per 500 to 1,000 square feet, meaning that the same parcel with an industrial business

[1] New York City Council. "Engines of Opportunity," November 2014, http://council.nyc.gov/downloads/pdf/NYEO.pdf ; Office of the Mayor. "Mayor Bill de Blasio and Speaker Mark-Viverito Unveil Action Plan to Grow 21st Century Industrial and Manufacturing Jobs in NYC," November 2015, http://www1.nyc.gov/office-of-the-mayor/news/780-15/mayor-de-blasio-speaker-mark-viverito-action-plan-grow-21st-century-industrial-and#/0.

would likely produce more than ten times as many jobs as self-storage.[2] While self-storage facilities have not spread in North Brooklyn as rapidly as in other areas of the city, this proposal is a preventive measure that will help reserve important sites in our IBZs for job-generating uses.

However, more action is needed to help preserve these industrial areas in the context of North Brooklyn's hot real estate market. Every week seems to bring a new report of another hotel, large bar or retail space, office conversion, or entertainment venue siting in the Greenpoint-Williamsburg or North Brooklyn IBZs. In particular, hotels must be restricted as quickly as possible, as they are similar to residential uses in impact and highly disruptive to neighboring industrial businesses. That said, all of these uses must be reviewed closely if we are to preserve a core industrial zone for the future of North Brooklyn.

I look forward to continuing to work with the Department of City Planning on the North Brooklyn Industry and Innovation Study and other measures to protect and support the industrial sector in North Brooklyn.

Sincerely,

Stephen T. Levin
Council Member, District 33

[2] Snohomish County 2007 Buildable Lands Project. "2007 Buildable Lands Report Employment Density Study," April 2007, https://snohomishcountywa.gov/DocumentCenter/View/7660.

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Comments on the
Draft Environmental Impact Statement for Self-Storage Text Amendment
CEQR No. 17DCP119Y
Submitted on April 10, 2017

I welcome the proposal by the New York City Department of City Planning (DCP) for a citywide zoning text amendment to establish a Special Permit under the jurisdiction of the City Planning Commission (CPC) for all new self-storage development in "Designated Areas" within manufacturing districts, in order to strengthen Industrial Business Zones (IBZs) across the five boroughs. By restricting self-storage in IBZs, we will help ensure that New York City's scarce industrial real estate remains available to the manufacturing and industrial businesses that create good middle-class jobs and support our City's infrastructure.

After reviewing the proposed Designated Area for New York City Council District 39 – located within Brooklyn Community District 6 – it appears that the proposed Designated Area is not fully inclusive of the Southwest Brooklyn IBZ. The areas of the Southwest Brooklyn IBZ that appear to have been excluded are: the block bounded by 3rd Street, 3rd Avenue, the Gowanus Canal, and the 4th Street Turning Basin, and a segment of 14th Street between 2nd and 3rd Avenues. IBZs represent the most active industrial areas in New York City, and the proposed "Designated Area" in the 39th Council District should be as inclusive of the Southwest Brooklyn IBZ as possible.

This proposal is one important step toward increasing 21st Century industrial and manufacturing jobs in New York City. Applying a Special Permit to the development of self-storage facilities in IBZs will bolster the City's vision for these well-established industrial areas. More work is needed to preserve and grow industrial and manufacturing businesses, and I look forward to the continued development of regulatory frameworks that will enable new engines of opportunity to reinvigorate our communities.

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MELISSA MARK-VIVERITO
SPEAKER

TELEPHONE
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April 10, 2017

NYC Department of City Planning
Environmental Assessment & Review Division
120 Broadway, 31st Floor
New York, NY 10271

Re: SCOPING COMMENTS ON SELF-STORAGE TEXT AMENDMENT (CEQR No. 17DCP119Y)

To Whom It May Concern:

In November 2014, the City Council released a report outlining the history of the manufacturing sector and industrial land use policy in New York and proposing new zoning tools to establish sufficient protections for the industrial sector and create innovative mixed-use typologies. We called the report "*Engines of Opportunity"* in recognition of the importance of our city's over 500,000 industrial jobs as pathways to the middle class.[1] The average industrial job pays over $50,000, much higher than retail or restaurant jobs, and the industrial workforce is 80% minority and 60% foreign-born.

Throughout the course of the next year, we worked closely with the administration on transforming the ideas from our report into concrete policy action. In November 2015, Mayor Bill de Blasio, Council Speaker Melissa Mark-Viverito, Land Use Chair David Greenfield, Zoning Subcommittee Chair Donovan Richards and other members of the Council stood together to announce a 10 Point Industrial Action Plan to grow 21st Century industrial and manufacturing jobs in New York City.

A key point of the Industrial Action Plan is to strengthen core industrial areas by restricting as-of-right development of self-storage facilities and hotels. In recent years, we have seen these uses take over increasing numbers of large prime industrial sites, often replacing job intensive manufacturers and industrial businesses. We are again pleased to express support for these zoning reforms aimed at strengthening our core industrial areas and for this first proposed text amendment to require a Special Permit for self-storage facilities in Industrial Business Zones (IBZs).

1 New York City Council. "Engines of Opportunity." November 2014. http://council.nyc.gov/downloads/pdf/NYEO.pdf

The unregulated development of self-storage facilities in our manufacturing districts detracts from the Council's policy goals to protect and grow industrial businesses and employment, especially in the IBZs that represent the most active industrial areas in New York City. Self-storage facilities primarily serve residential rather than business needs, since clients of self-storage are primarily households. They are a low job-generating use, employing on average only five workers per facility according to DCP's analysis. While a 50,000 square foot self-storage facility would only directly create five jobs on average, the same real estate used for industrial businesses would likely create 50 to 100 jobs.[2] At the public scoping hearing, industrial developer GMDC and numerous representatives from industrial business service providers testified that competition between industrial uses and self-storage for sites in IBZs is a real and growing issue.

The land use rationale for this proposal is clear: to help ensure that New York City's scarce industrial real estate remains available to the manufacturing and industrial businesses that create good middle-class jobs and support the infrastructure of the city.

While key industrial sites in IBZs will be shielded from conversion to self-storage, the Department of City Planning's analysis has shown that restricting development of self-storage in Industrial Business Zones through a special permit requirement will not significantly harm the ability of self-storage facilities to locate in New York City.[3]

Examples of restricting self-storage in other cities.

New York is not the first city to consider restricting self-storage development in order to retain siting opportunities for job-generating industrial uses. The three cities regarded as the "best practices" standard for industrial zoning – San Francisco, Chicago, and Portland, OR – all already restrict or are actively considering restrictions on self-storage in core industrial districts.

- **Chicago, Illinois:** "Residential Storage Warehouses" are prohibited in a majority of the city's 15 "Planned Manufacturing Districts." (defined as "Storage or warehousing service within a building for individuals to store personal effects and for businesses to store materials for operation of an industrial or commercial enterprise elsewhere"). These "PMD" districts also prohibit hotels, entertainment venues, and place restrictions on the size of retail and office uses.[4] Regular Manufacturing Districts still permit self-storage.
- **San Francisco, California:** "Storage buildings for household goods" are prohibited in "Production Distribution and Repair" districts[5]. "PDR" districts also prohibit hotels and place restrictions on the size and location of entertainment, retail, and office uses. Self-storage continues to be permitted in general Industrial Districts. In 2014, San Francisco amended PDR districts to allow existing non-conforming self-storage uses to rebuild to their current square footage if one FAR of PDR space is also included.[6]

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[2] Snohomish County 2007 Buildable Lands Report: Employment Density Study. https://snohomishcountywa.gov/DocumentCenter/View/7660

[3] DCP's Draft Scope of Work for the EIS predicts that 86 self-storage facilities will be built in the next ten years with no-action (20 in designated areas, 66 outside) versus 81 facilities (11 in designated areas, 80 outside) in the with-action scenario

[4] Chicago Zoning Ordinance Chapter 17-6-0400 – PMD, Planned Manufacturing Districts.

[5] San Francisco Planning Code Section 225 – Wholesaling, Storage, Distribution, and Open-Air Handling of Materials and Equipment.

[6] San Francisco Ordinance 131205 of 2014

- **Portland, Oregon:** "Self-service storage" is proposed to be prohibited in "prime industrial overlay zones" as part of the city's in-progress "Employment Zoning Project."[7] Portland also restricts hotels, retail space, office space, "commercial outdoor recreation" and "major event entertainment" within its core "Industrial Sanctuaries."

Beyond these three cities, other municipalities of various sizes have restricted self-storage. For example, in 2016, the Cleveland suburb of Strongsville, Ohio banned self-storage from its industrial districts in order to maximize property-tax generating industrial uses and more productive employment[8].

Self-Storage is a commercial, not industrial, use.

Zoning actions to restrict self-storage in core industrial districts reflect a recognition that self-storage is more accurately classified as a commercial rather than an industrial use. As the EAS notes, the North American Industry Classification System (NAICS) classifies self-storage within the "Real Estate and Rental and Leasing" sector of the economy rather than the industrial sector. This classification was changed in 2002 from the prior Standard Industry Classification (SIC) system and reflected the growth of the self-storage industry as a commercial real estate model focused on consumer households.[9] Several self-storage developers and operators are national real estate investment trusts focused on rapid expansion, increasingly of new ground-up facilities.[10] Nationwide spending on self-storage construction hit new highs in 2016.[11] By some measures self-storage has become the best performing class of commercial real estate in recent years.[12]

While a small number of industrial businesses may utilize self-storage facilities, these facilities are not an important part of the industrial supply chain and ecosystem, and industrial clients are not at all integral to self-storage operators' business model.

"Designated Areas in Manufacturing Districts" Compared to Industrial Business Zones Boundaries

An important part of the proposed action is the drafting of the applicable geographies – the "Designated Areas" in Manufacturing Zones – as text maps in the Zoning Resolution. These geographies are intended to "largely coincide" with the boundaries of the Industrial Business Zones as drawn by the Boundary Commission process. According to the Draft Scope of Work, *"the Department of City Planning analyzed the existing IBZ boundaries*

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[7] City of Portland. "Employment Zoning Project, Interim Recommended Draft." February 2016. http://www.portlandoregon.gov/bps/article/565225

[8] Bob Sandrick. "Strongsville bans storage businesses from industrial zones." Cleveland.com. June 07, 2016. http://www.cleveland.com/strongsville/index.ssf/2016/06/strongsville_bans_storage_busi.html

[9] US Census Bureau. "North American Industry Classification System Concordances." https://www.census.gov/eos/www/naics/concordances/concordances.html

[10] See for example the 2016 annual report of Public Storage, the largest self-storage owner-developer in the nation. *"Since the beginning of 2013, we have expanded our development efforts due in part to the significant increase in prices being paid for existing facilities, in many cases well above the cost of developing new facilities."* https://s2.q4cdn.com/344238127/files/doc_financials/AnnualReports/2016/355928_Public-Storage_2016_-AR.pdf

[11] Alexander Harris. "U.S. Self Storage Industry Statistics." SpareFoot Storage Beat. 3/28/17. https://www.sparefoot.com/self-storage/news/1432-self-storage-industry-statistics/

[12] Joshua Rogers. "How Humdrum Self-Storage Became the Hottest Way to Invest in Real Estate." Forbes. April 13, 2016., https://www.forbes.com/sites/joshuarogers/2016/04/13/how-humdrum-self-storage-became-the-hottest-way-to-invest-in-real-estate/#8eeae522163f

on a case-by-case basis, and in limited cases, rationalized them to ensure that the proposed boundaries would be consistent with zoning practice."

Establishing the Industrial Business Zones in the Zoning Resolution is an important step in firmly embedding these geographies in city land use and zoning policy. The IBZ boundaries were carefully vetted and updated in 2013 by the Boundary Commission and represent the city's most active and essential industrial areas.[13] The IBZ geographies were reaffirmed as the city's "core industrial areas" by the De Blasio administration and City Council at the November 2015 announcement of the 10 Point Industrial Action Plan.

Council land use staff has identified a number of geographies to DCP staff that require more careful discussions – portions of IBZs that have been left out as well blocks within core industrial areas that are not included. We look forward to discussing these areas more carefully but are concerned by predominately industrial blocks that are in the IBZ but not included in the scope of this zoning proposal.

Potential for Future Actions to Support the Industrial Sector

While restricting self-storage is a helpful first step in protecting core industrial areas through zoning, there are numerous additional uses for which we should also explore these restrictions as we proposed in *Engines of Opportunity*. Other uses in a similar category to self-storage include hotels, large-scale entertainment facilities, athletic facilities, retail and restaurants, and non-industrial office space. The cities that already or are actively considering restricting self-storage in their core industrial zones for the same reasons advanced by this proposal – San Francisco, Portland, and Chicago among others – also restrict these other competing non-industrial uses.[14]

This proposal is a long overdue start to the reform of manufacturing zoning policy that the Council has called for in order to bring our city up to standard with the best planning practices. We look forward to working with the Department of City Planning on advancing it and the rest of the Industrial Action Plan and the new industrial and mixed-use zoning tools being explored in other parts of New York City.

Sincerely,

MELISSA MARK-VIVERITO
Speaker

DAVID GREENFIELD
Chair, Land Use Committee

DONOVAN RICHARDS
Chair, Subcommittee on Zoning & Franchises

[13] The City of New York. "Industrial Business Zone Boundary Commission: Staff Recommendations." September 2013. https://www.nycedc.com/system/files/files/page/Final%20BOOK.pdf

[14] San Francisco Planning Code Section 225 – Wholesaling, Storage, Distribution, and Open-Air Handling of Materials and Equipment. ; City of Portland. "Employment Zoning Project, Interim Recommended Draft." February 2016. http://www.portlandoregon.gov/bps/article/565225 ; Chicago Zoning Ordinance Chapter 17-6-0400 – PMD, Planned Manufacturing Districts.