

FOR IMMEDIATE RELEASE: December 20, 2018 **CONTACT**: pressoffice@cityhall.nyc.gov, (212) 788-2958

DE BLASIO ADMINISTRATION, CITY COUNCIL AND GARMENT CENTER STEERING COMMITTEE ANNOUNCE PASSAGE OF UNPRECEDENTED SUPPORT PACKAGE FOR FASHION PRODUCTION AND THE GARMENT CENTER

Part of a citywide manufacturing strategy, the Midtown Manhattan plan preserves critical production space and long-term stability for the fashion industry

NEW YORK –Today, the City Council approved a comprehensive plan to support fashion production and commercial office expansion in the Garment Center. Informed by recommendations of the Garment Center Steering Committee, the City has created a multipronged approach to balance the interests of the fashion industry with those of other industries growing in the Garment Center. The City will implement a set of targeted zoning changes with real estate and programmatic support. These initiatives will provide fashion manufacturers with the long-term stability needed to maintain their foothold in the historic home of fashion. The citywide strategy includes the creation of a 200,000-square foot garment production hub at the Made in NY Campus in Sunset Park.

The new plan addresses rapid diversification of industries in the Garment Center, whose 66,000 jobs across industries is expected to grow to 72,000 by 2021. As the district has grown, its economic profile has changed: although fashion office space has grown by 17% in the past five years, 60% of the area's jobs are now in nonprofit, healthcare, entertainment, and IP services. The plan removes a decades-long ineffective zoning mechanism that will finally allow the Garment Center to achieve its potential as a mixed-use neighborhood that includes significant office space alongside manufacturing, wholesale, and showroom space.

"We're preserving the City's fashion manufacturing capacity both in its traditional home in the Garment Center, and with investments across the city," said **Mayor de Blasio.** "Today's vote ensures that the Garment Center will continue to thrive as a mixed-use neighborhood - and that New York City will always be the world's fashion capital."

"Today marks another major milestone in a multi-year process to ensure a permanent home for garment manufacturers in New York City. The manufacturing sector is a key part of the broader New York fashion industry, which contributes so much to our city, so securing its health for today and in the years to come is absolutely vital. I want to thank Borough President Brewer, President Patchett, the Garment District steering committee, and all those who have helped bring

us this far along in the process. Together we will ensure that the Garment District survives and thrives for years to come," said **Speaker Corey Johnson.**

"This plan not only opens the door for new jobs and investment in midtown, it will stabilize and strengthen New York City's garment manufacturing sector. By preserving space in the district and making resources available for manufacturers to grow outside of the district, New York City will continue to be the fashion capital of the world. I want to thank Speaker Johnson, Borough President Brewer, and the Garment District Steering Committee for collaboration," said **Deputy Mayor Alicia Glen.**

"The de Blasio Administration has delivered a plan to reinvigorate the City's iconic fashion industry by ensuring long-established businesses continue to thrive and allowing new uses that will reinforce Midtown as one of our most important job centers," said **NYCEDC President and CEO James Patchett**. "I thank Speaker Corey Johnson, Borough President Brewer and the Garment Center Steering Committee for their commitment to reaching this historic milestone."

"The Garment Center's unique ecosystem of skilled workers and specialty suppliers clustered in one place is the foundation that the wider New York fashion world is built on. What we've negotiated here is a real plan to preserve it, and now that plan is moving forward and coming together in more detail," said **Manhattan Borough President Gale A. Brewer.** "Now it's critical that we follow through on every element of the plan - including making sure the IDA program is successful and purchasing permanent space for manufacturing in the Garment Center. Working together, we can ensure all of New York continues to grow as a fashion capital, with a thriving manufacturing core in Manhattan."

"The CFDA is supportive of today's steps to strengthen the garment manufacturing industry and looks forward to partnering with the sector to help it modernize for the future," said **Steven Kolb, President and CEO of the CFDA**. "We thank Mayor de Blasio, Speaker Johnson and Borough President Brewer for working with us through an inclusive process that has helped ensure that New York City's fashion ecosystem can continue to thrive on a citywide basis for many years to come."

"Today's historic vote will ensure that the Garment District remains a hub for American fashion while at the same time unleashing the neighborhood's full economic potential. This is a tremendous, pivotal moment for the future of our City, and I thank the Garment District property owners for playing a critical role in developing a plan that would preserve apparel manufacturing while positioning our neighborhood for continued growth. Special thanks to Mayor de Blasio, Speaker Johnson, Manhattan Borough President Brewer, NYCEDC and the City Council for making this a reality," said **Barbara A. Blair, President, Garment District Alliance.**

"Through this zoning action, we ensure that the Garment Center supports a healthy mix of uses and thrives for decades to come," said **Marisa Lago**, **Director of the Department of City Planning.**

The zoning changes lift the cumbersome 1:1 preservation requirement that prevented as-of-right office conversions and led to disinvestment in building infrastructure. The zoning changes also include a new special permit to curb hotel development throughout the entire Special Garment Center District.

Non-zoning tools will preserve garment manufacturing space, with mechanisms including a customized tax incentive program that requires property owners to provide long-term, affordable leases for fashion manufacturers; and funding support for the public-private acquisition of a building to permanently house garment production. These strategies are further bolstered by other investments in the district and programmatic support for garment manufacturing and fashion businesses located across the city through partnerships with industry stakeholders. The culmination of a nearly two-year effort between the administration, Speaker's Office, Manhattan Borough President's Office and local and industry stakeholders includes:

• Manufacturing Preservation

The NYCIDA Garment Center Program promotes long-term preservation of garment businesses in the Garment Center. Launched earlier this year, the program provides applicable property owners with tax abatements in exchange for providing long-term and affordable leases to fashion manufacturing tenants. The program has already authorized up to 200,000 SF of fashion manufacturing to be preserved through the program, with an additional 70,000 SF in the pipeline. Eligible properties must be located within the Garment Center Business Improvement District, which is generally defined as 34th to 42nd Streets and 5th to 9th Avenues. More details on the program are available <u>here</u>.

To further help strengthen and preserve garment manufacturing in the Garment Center, NYCEDC <u>released</u> a Request for Expressions of Interest (RFEI) for the acquisition of a building that will provide permanent, dedicated garment manufacturing space in Midtown. Through the RFEI, the City has made up to \$20M available to fund a portion of the acquisition cost of a building in the Garment Center. The selected property will be required to offer fashion manufacturing tenants with affordable and long-term leases in accordance with the NYCIDA Garment Center Program. The RFEI will remain open and may accept proposals on a rolling basis through November 1, 2019. The RFEI is available <u>here.</u>

• Workforce Development

The City and Council of Fashion Designers of America (CFDA) will launch a \$14 Million expansion of the <u>Fashion Manufacturing Initiative</u> (FMI). The program, which first launched in 2013, fosters, supports, and develops a dynamic, diverse, and innovative fashion production ecosystem across the five boroughs. FMI provides grants to local production facilities to upgrade equipment and technology, offer employee skills training, hire business development consultants, make capital improvements to their facilities, and cover costs of relocating within New York City.

The newly launched program will expand upon the existing program's services, in addition to targeted workforce development training and the Pilot Local Production Fund. The Pilot Local Production Fund will be available to all New York City-based designers and seeks to incentivize designers to use local fashion manufacturers by creating stronger relationships between designers and manufacturers to enable better business terms.

• GDA Funding Commitment

To further support the garment manufacturing and fashion industry in the Garment Center, the Garment District Alliance has received approval by the New York City Council to increase their annual budget by \$2.5 Million for the next 10 years. This increase in funding

will be dedicated toward special programming to support the Steering Committee's goals of supporting the industry in its historic home. The special programming will further the GDA's mission to improve the quality of life and economic vitality of the district. In addition, the GDA will establish a new Special Programming Committee, which will include representatives appointed by Speaker Corey Johnson, Borough President Gale Brewer, and industry stakeholders, to help inform future planning.

• Placemaking

As part of the agreement, the De Blasio Administration identified policy recommendations to make placemaking improvements in the Garment Center. The recommendations include preservation efforts, streetscape and safety improvements to enhance the pedestrian experience, and addressing anti-demolition concerns in the district.

• Garment Advisory Group and Outreach

To continue collaboration between the City and the Garment Center Steering Committee, the City will convene an advisory group that will include members of the Steering Committee, which is comprised of local and industry stakeholders, over the course of the next year to provide updates. The advisory group will also work with the CFDA and other industry stakeholders to promote the aforementioned programs and new resources available to both Garment Center-based and citywide manufacturing and fashion industry businesses.

"From my days in the NYS Assembly I have been a longtime supporter of maintaining and enhancing the Garment Center in Manhattan," said **US Rep. Jerrold Nadler.** "Today's announcement is a culmination of the hard work of the Fashion Industry Task Force, but it would not have happened without the dogged intervention and perseverance of Speaker Corey Johnson and Manhattan Borough President Gale Brewer. Through their efforts working with EDC President James Patchett and his team, we can announce today a set of comprehensive strategies that preserves the Garment Center in Manhattan, and ensures that manufactures and designers' remain in close proximity to each other, while cementing New York City as the fashion capital of the world."

"We want to thank Council Speaker Johnson, Manhattan Borough President Brewer, Deputy Mayor Glen, and Economic Development Corporation President & CEO Patchett for this innovative plan to lift the stringent regulations that has limited investment in the Garment District's building stock for more than thirty years. This plan also provides strategic steps to preserve the district's historic apparel manufacturing industry. Today's action by the Council represents a great opportunity to unlock the neighborhood's true potential and jumpstart an exciting new chapter for Garment District," said John H. Banks, President, REBNY.

"CB4 has been involved since 1985, when as part of the 42nd Street Redevelopment Project, the City made commitments to preserve Garment Center Manufacturing, through creating the Garment Center Special District. Over the past 30 years, that Special District had a major impact on preserving an industry and thousands of union jobs. As the Garment Center and its manufacturing base has changed, the City and the community board have sought to both preserve and strengthen the Garment Center to meet the changing needs of today. We have spent 2 years, working in partnership with our councilmember, Speaker Corey Johnson, and Manhattan Borough President Gale Brewer developing a comprehensive program to meet those needs. With their unwavering support, our community will now be able to ensure the Garment Center's

continued success as an economic generator for Manhattan," said Joe Restuccia, Community Board 4.

"We've come a long way in the last two years, and for that we thank Speaker Corey Johnson, Borough President Gale Brewer and all the stakeholders who took part in the Garment District Working Group. There are crucial elements of this plan - particularly the acquisition of a building to serve as a permanent home for garment industry use - that still need to come to fruition. We are eager to get to work to ensure that promises are kept and that this district remains our center for the garment industry for years to come," said **Vikki Barbero, Chair, Community Board 5.**

"New York's fashion industry is in a vastly better position today than it was 15 months ago when the City first announced it would rezone Manhattan's garment center," said **Adam Friedman**, **Director of the Pratt Center and member of the Fashion Industry Task Force.** "Thanks to the intervention of Speaker Corey Johnson and Manhattan Borough President Gale Brewer, there is a comprehensive set of strategies to preserve space and strengthen the competitiveness of the garment manufacturers. There is an emerging momentum to bring these strategies to fruition and we are committed to working with all the stakeholders to support the industry's future."

Over the past 10 years, we¹ve advocated for the Garment Center as the heart of NYC¹s global fashion capital, that employs over 5,000 highly skilled workers. As the City lifts zoning text that protects garment manufacturing, Design Trust for Public Space sees the City¹s Plan based on the Garment Center Steering Committee¹s recommendations, as ever more crucial to the industry's retention and long-term survival. We look forward in the coming months to seeing substantial progress by the City with other elected officials and the Advisory Group in making this Plan a reality," said **Susan Chin, FAIA, Hon. ASLA, Executive Director, Design Trust for Public Space**.

"The City is poised to make a dramatic change to the Garment District. There are plans promised that will ease the transition for the manufacturers and small business owners whose proximity is vital to our cluster of fashion schools and that will ensure our future as the fashion capital of the world. Let us make sure that the programs and dollars reach the people on whose shoulders designers such as myself stand on," said **designer Yeohlee Teng.**

"Today a critical milestone has been reached, after years of advocacy to preserve Manhattan's Garment District. It is due to the tenacity of City Council Speaker Corey Johnson and Manhattan Borough President Gale Brewer that we have achieved a more robust set of programs to protect this important industry. We also recognize the City's leadership in this process, especially the Economic Development Corporation. However, the success of these programs is not yet assured," said **Elizabeth Goldstein, President of the Municipal Art Society of New York** (**MAS**). "We look forward to the purchase of a building dedicated to garment manufacturing, as well as the thoughtful implementation of the tax abatement and grant programs. We also hope that the news of these zoning changes and programmatic opportunities will reach not just the real estate community but also the hundreds of small businesses and their employees who will be affected."

"Theatrical Wardrobe Union, Local 764, IATSE and its 1660+ workers welcomes this agreement, which will preserve the historic proximity and close relationship of the Garment

District and the Theatre District in Midtown Manhattan. We are grateful to the offices of the Manhattan Borough President and Speaker for their leadership and support and look forward to working together in the future for a Garment District that will be woven into the modern fabric of New York City," said **Patricia A. White, President, Theatrical Wardrobe Union, Local 764 IATSE.**

###