



---

**IN THE MATTER OF** an application submitted by PAB 3rd Avenue Holdings LLC pursuant to Sections 197-c and 201 of the New York City Charter for an amendment of the Zoning Map, Section No. 16d, by changing from an existing M2-1 District to a C4-4A District property bounded by 11th Street, 3rd Avenue, 13th Street, and a line 100 feet northwesterly of 3rd Avenue, Borough of Brooklyn, Community District 6, as shown on a diagram (for illustrative purposes only) dated May 17, 2021, and subject to the conditions of CEQR Declaration E-617.

---

This application for a zoning map amendment to change an M2-1 zoning district to a C4-4A zoning district, in conjunction with the related zoning text amendment action (N 210120 ZRK), was filed by PAB 3rd Avenue Holdings LLC on October 5, 2020, to facilitate the construction of a new five-story commercial building at 506 Third Avenue and commercial enlargements at 530 Third Avenue in the Gowanus neighborhood of Brooklyn, Community District 6.

### **RELATED ACTIONS**

In addition to the zoning map amendment (C 210119 ZMK) that is the subject of this report, the proposed project also requires action by the City Planning Commission (CPC) on the following application, which is being considered concurrently with this application:

**N 210120 ZRK**      Zoning text amendment to designate a Mandatory Inclusionary Housing (MIH) area

### **BACKGROUND**

The applicant requests a zoning map amendment to change an M2-1 zoning district to a C4-4A zoning district and a zoning text amendment to designate an MIH area coterminous with the project area. The project area consists of two block frontages along the west side of Third Avenue between 11<sup>th</sup> and 13<sup>th</sup> Streets, totaling 18 full and partial tax lots: Block 1020, Lots 34, 35, 36, 39, 40, 41, 42, 43, 44 and 45; and Block 1026, Lots 32, 33, 34, 35, 36, 37, 40 and 42. The portion of the project area between 11<sup>th</sup> and 12<sup>th</sup> Streets (Block 1020) consists of three-story mixed-use buildings characterized by ground floor commercial and residential above (Lots 35,

39, 40, 41, 42, 43, and 44), a vacant lot (Lot 34), a three-story warehouse with light industrial uses (Lot 45), and a one-story former fuel storage building (Lot 36), which comprises the first development site at 506 Third Avenue. Lot 36 is an interior lot with 60 feet of frontage along Third Avenue with a depth of 80 feet and a total lot area of 4,800 square feet. The portion of the project area between 12<sup>th</sup> and 13<sup>th</sup> Streets (Block 1026) consists of a three-story residential building (Lot 35), three- to four-story mixed-use buildings with ground floor commercial and residential above (Lots 33, 34, 36, 37, 40, and 42), and an irregular, “T”-shaped lot (Lot 32), comprising the second development site at 530 Third Avenue, which is improved with one-story warehouse-style buildings fronting 12<sup>th</sup> and 13<sup>th</sup> Streets and a five-story commercial building, fronting Third Avenue. Lot 32 contains 9,911 square feet of lot area with approximately 40 feet of frontage along Third Avenue, 46 feet of frontage along 13<sup>th</sup> Street and 25 feet of frontage along 12<sup>th</sup> Street.

The project area is located in the Gowanus neighborhood and is surrounded by a mix of industrial, commercial, and residential uses. The mid-blocks to the west of Third Avenue contain predominantly one- and two-story warehouse-style buildings with a mix of light manufacturing, construction, and distribution uses, which are located within the Southwest Brooklyn Industrial Business Zone (IBZ), a geographic area established by the City to support industrial businesses through tax credit benefits and various services and programs. Third Avenue is an 80-foot-wide corridor, which runs north-south and is characterized by three- to five-story mixed-use buildings with ground floor commercial and residential above, as well as single-story auto repair and service uses. The area further to the east, between Third Avenue and Fourth Avenue, is predominantly residential and characterized by three- to four-story rowhouse-style buildings with one- and two-family homes and walk-up apartments. Third Avenue and Fourth Avenue serve as local commercial thoroughfares.

The project area is within the Transit Zone and well-served by public transit. Within a quarter of a mile of the project area is the Fourth Avenue-Ninth Street subway station with access to the F, G, and R lines. The B37 and B103 buses also run along Third Avenue, providing access to Downtown Brooklyn and other Brooklyn neighborhoods. Additionally, four blocks south of the

project area is an entrance and exit to the Gowanus Expressway.

The area east of Third Avenue consists primarily of contextual zoning districts which were mapped as part of the 2003 Park Slope Rezoning (C 030194 ZMK) sponsored by the Department of City Planning (DCP) with the goals of preserving the neighborhood character and promoting residential growth along key corridors, such as Fourth Avenue. In conjunction with the Park Slope Rezoning, the eastern frontage of Third Avenue was mapped R6A/C2-4, the mid-blocks between Third and Fourth avenues were mapped R6B, and the Fourth Avenue corridor was mapped R8A/C2-4.

The blocks to the west of Third Avenue, encompassing the project area, are zoned M2-1, a low-density industrial zoning district that permits industrial and commercial uses with a maximum floor area ratio (FAR) of 2.0. Buildings in M2-1 zoning districts have a maximum permitted building height of 60 feet along the street line, after which building heights are governed by the sky exposure plane, allowing height to increase based on the distance from the street. Off-street parking requirements for M2-1 zoning districts vary by use and generally require one space for every 300 square feet of commercial use and one space for every 1,000 square feet of industrial use.

The area a few blocks north of the project area, located west of the Gowanus Canal and north of Third Street, is part of the Gowanus Neighborhood Plan study area, an 82-block geography where a series of land use actions are currently in public review. Led by DCP, in collaboration with agency partners, elected officials, and community members, the Gowanus Neighborhood Plan seeks to implement a plan for a sustainable, resilient, inclusive neighborhood that can foster new housing and job growth, anchored by a mix of uses and new waterfront open space. On September 22, 2021, the Gowanus Neighborhood Plan was approved by the CPC and is currently undergoing City Council review. In connection with the Gowanus Neighborhood Plan, DCP led a public engagement effort with businesses, property owners, and other stakeholders to develop a vision for the southern part of Gowanus within the IBZ and adjacent blocks zoned as manufacturing districts, inclusive of the project area. In May 2021, DCP released the Gowanus

IBZ Vision Plan, which put forth a land use framework and key infrastructure and workforce recommendations, identifying the west side of Third Avenue as an appropriate location for a mix of uses, including residential, due to the existing land use conditions.

The applicant proposes to develop a new commercial building at 506 Third Avenue (Block 1020, Lot 36) and an enlargement of two existing buildings at 530 Third Avenue (Block 1026, Lot 32). At 506 Third Avenue, the new development would consist of a new five-story commercial building containing 18,000 square feet of floor area with a total FAR of 3.75. The building would rise to a height of 68 feet without a setback and contain a mix of commercial uses. At 530 Third Avenue, there would be enlargements of the existing warehouse-style buildings fronting 12<sup>th</sup> and 13<sup>th</sup> Streets, resulting in six-story commercial buildings with a total of 39,639 square feet of floor area and 4.0 FAR. The buildings would rise to a height of 75 feet without a setback. In both the new development and enlargements, no parking would be provided, as the sites would waive out of the off-street parking requirement.

To facilitate the proposed development and enlargements, the applicant requests a zoning map amendment to change an M2-1 zoning district to a C4-4A zoning district, which would cover the western block frontages of Third Avenue from 11<sup>th</sup> to 13<sup>th</sup> Streets and extend to a depth of 100 feet from Third Avenue. C4-4A is a medium density contextual commercial zoning district with an R7A residential district equivalent. When paired with Inclusionary Housing areas, C4-4A zoning districts allow residential uses up to a maximum of 4.6 FAR and commercial and community facility uses up to a maximum of 4.0 FAR. Base heights are permitted to be between 40 and 85 feet, after which buildings must setback either 10 feet on a wide street or 15 feet on a narrow street. The maximum height of buildings is 95 feet (9 stories) with a Qualifying Ground Floor. Parking is generally required for 50 percent of the dwelling units and optional for income-restricted units in the Transit Zone. At the 530 Third Avenue site, a 16-foot-wide portion is located beyond 100 feet of Third Avenue and would remain in the existing M2-1 district, although the split lot zoning regulations would apply the proposed C4-4A zoning district to the entire lot.

In addition to the proposed zoning map amendment, the applicant requests a zoning text amendment to designate the project area as an MIH area mapped with Options 1 and 2. Option 1 requires that at least 25 percent of the residential floor area be provided as housing affordable to residents with household incomes averaging 60 percent of the Area Median Income (AMI), including a 10 percent band at 40 percent of the AMI. Option 2 requires that at least 30 percent of the residential floor area be provided as housing affordable to residents with household incomes at an average of 80 percent of the AMI. Although the applicant does not seek to develop residential use, MIH is proposed due to the substantial increase in residential capacity resulting from the proposed zoning map amendment action.

### **ENVIRONMENTAL REVIEW**

This application (C 210119 ZMK), in conjunction with the related application for a zoning text amendment (N 210120 ZRK), was reviewed pursuant to the New York State Environmental Quality Review Act (SEQRA), and the SEQRA regulations set forth in Volume 6 of the New York Code of Rules and Regulations, Section 617.00 *et seq.* and the City Environmental Quality Review (CEQR) Rules of Procedure of 1991 and Executive Order No. 91 of 1977. The lead is the City Planning Commission. The designated CEQR number is 20DCP129K.

After a study of the potential environmental impact of the proposed actions, a Negative Declaration was issued on May 17, 2021. The Negative Declaration includes an (E) designation to avoid the potential for significant adverse impacts related to hazardous materials, air quality, and noise impacts (E-617). The requirements of the (E) designation are described in the Environmental Assessment Statement and Negative Declaration.

### **WATERFRONT REVITALIZATION PROGRAM**

This application (C 210119 ZMK) was reviewed by the City Coastal Commission for consistency with the policies of the New York City Waterfront Revitalization Program (WRP), as amended, approved by the New York City Council on October 30, 2013 and by the New York State Department of State on February 3, 2016, pursuant to the New York State Waterfront Revitalization and Coastal Resources Act of 1981 (New York State Executive Law, Section 910

et seq.). The designated WRP number is 18-183. This action was determined to be consistent with the policies of the WRP.

## **UNIFORM LAND USE REVIEW**

This application (C 210119 ZMK) was certified as complete by the DCP on May 19, 2021 and was duly referred to Brooklyn Community Board 6 and the Brooklyn Borough President, in accordance with Title 62 of the Rules of the City of New York, Section 2-02(b), along with the related application for a zoning text amendment (N 210120 ZRK), which was referred for information and review on May 19, 2021 in accordance with the procedures for non-ULURP matters.

### **Community Board Public Hearing**

Brooklyn Community Board 6 held a public hearing on this application (C 210119 ZMK) and the related action for a zoning text amendment (N 210120 ZRK) on June 24, 2021, and on July 6, 2021, by a vote of 14 in favor, none in opposition, and two abstaining, adopted a resolution recommending approval of the application with the following conditions:

“The Board approves the proposed action on the expectation that any proposed development on the sites will be exclusively dedicated to commercial and industrial uses, as the applicant has suggested. The Board also expects that the proposed development will offer below-market rents to industrial and commercial small businesses, in order to foster a vibrant and diverse mix of uses. The Board reiterates the importance of affordable commercial and industrial space to the present and future of Gowanus. This proposed action is approved on its own merits, and approval should not be considered as precedent for what other actions the Board would approve.”

### **Borough President Recommendation**

The Brooklyn Borough President held a public hearing on this application (C 210119 ZMK) and the related action (N 210120 ZRK) on July 7, 2021, and on September 16, 2021 issued a recommendation to approve the application with the following conditions:

"1. That prior to considering adoption of the C4-4A district, the City Council obtain written

commitments from PAB 3rd Avenue Holdings, LLC clarifying how it would establish a legal mechanism such as a deed restriction, contract with a non-profit entity, and/or government financing agreement as follows:

- a. That the development would be restricted to commercial and community facility Use Groups (UGs) to preclude permitted residential use
- b. That not less the 20 percent of the floor area be reserved for innovation and maker uses restricted to UGs 9A, limited to blueprinting or photostating establishments, dental or medical laboratories, musical instrument repair shops, studios, trade schools for adults, 10A, limited to studios, 11A, 16A except for automobile showrooms, 16B, 16D except for truck terminals, warehouses, and wholesale establishments
- c. That such expanded innovation and/or maker space submit to use floor area compliance monitoring, establish clear access to the street, and limit accessory retail floor area, with the following stipulations:
  - i. Compliance and recordation shall be according to ZR 74-967(a)
  - ii. Periodic notification by the owner shall be according to ZR 74-967(b)
  - iii. Annual reporting by a qualified third party shall be according to ZR 74-967(c)
  - iv. Floor area managed by a non-profit entity shall remain part of the zoning lot and comply with annual reporting and periodic notification requirements
  - v. Innovation and/or maker uses shall be provided with clear access to common service corridors, freight elevators, and loading docks on streets 24 hours a day, seven days a week to ensure active industrial spaces
  - vi. Accessory retail floor area that would otherwise meet the definition of UGs 6A, 6C, 7B, 7D, 8B, 8C, 10A, and 12, shall not exceed the greater of 100 square feet (sq. ft.) or 10 percent of an establishment's floor area (limited to 1,000 sq. ft.) in order to be deemed accessory
- d. That a portion of the intended commercial space would be set aside for Gowanus businesses at risk of displacement, including innovation and maker uses, arts/cultural entities, and nonprofit organizations
- e. That the applicant memorialize intent to incorporate resiliency and sustainability measures, such as blue and/or green roofs, grid-connected rooftop batteries, passive house design, solar panels and/or façades, and/or wind turbines
- f. That the applicant would coordinate with the New York City Department of Environmental Protection (DEP), New York City Department of Transportation (DOT), and the New York City Department of Parks and Recreation (NYC Parks) regarding the installation of DEP rain gardens as part of a Builders Pavement Plan (BPP) in consultation with Brooklyn Community Board 6 (CB 6) and local elected officials
- g. That the applicant would retain Brooklyn-based contractors and subcontractors, especially those who are designated local business enterprises (LBEs) consistent with Section 6-108.1 of the City's Administrative Code, and minority- and women-owned business enterprises (MWBES) to meet or exceed standards per

Local Law 1 (no less than 20 percent participation), and coordinate the oversight of such participation by an appropriate monitoring agency”

### **City Planning Commission Public Hearing**

On September 1, 2021 (Calendar No. 6), the City Planning Commission scheduled a public hearing on this application (C 210119 ZMK) and the related application for a zoning text amendment (N 210120 ZRK). The hearing was duly held on September 22, 2021 (Calendar No. 38). There were six speakers in favor of the application and none in opposition.

The applicant’s attorney spoke in favor of the application, providing an overview of the site’s existing conditions and surrounding area. He described the proposed developments at the two sites, explaining that the 506 Third Avenue site is intended to be developed as makerspace with a mix of non-residential uses, including retail and exhibition space. With respect to the T”-shaped development site at 530 Third Avenue, he noted that the existing building with frontage along Third Avenue was built by the applicant, while the side street portions of the lot are proposed to be developed with two makerspace buildings connected by a common courtyard. He also explained that the applicant has reached out to the other property owners within the project area and stated that among the existing buildings with residential, there are 12 rent-stabilized units, but that the current owners have no plans to redevelop and replace them. The applicant spoke in favor and offered to respond to additional questions.

A local business owner spoke in favor, stating that the developments would build on the existing neighborhood character and create jobs in a mixed-use neighborhood in a manner that complements the nearby residential uses. He also stated that the applicant is a local developer and property owner with a history of supporting small businesses. An architect for the proposed development spoke in favor, discussing the character of the surrounding area, recreational and sustainability elements of the building, and changes made in response to Commissioner’s comments at certification. Another speaker spoke in support, stating that the development is in scale with the neighborhood and would support local jobs. The landscape architect spoke in favor and offered to respond to additional questions.



There were no other speakers, and the hearing was closed.

## **CONSIDERATION**

The Commission believes that this amendment to the zoning map (C 210119 ZMK), in conjunction with the related application for a zoning text amendment (N 210120 ZRK), is appropriate.

Together, these actions will facilitate the development of a new five-story commercial building at 506 Third Avenue and six-story commercial building enlargements at 530 Third Avenue. The Commission believes that this proposal will facilitate the growth of jobs in a walkable, transit-accessible area situated near both local and regional job hubs, while complementing the mixed-use character of Gowanus, strengthening the Third Avenue corridor, and bringing pre-existing residential uses into conformance with zoning.

The project area is located along Third Avenue, an 80-foot-wide mixed-use corridor, and within a quarter of a mile from the Fourth Avenue-Ninth Street subway station which provides access to the F, G, and R subway lines. The project area also serves as a buffer between the active industrial uses located within the Southwest Brooklyn IBZ directly to the west and the predominantly residential and commercial uses to the east.

The Commission believes the proposed C4-4A zoning district is appropriate based on the surrounding context and land use conditions. Third Avenue is a suitable location to support growth due to its proximity to multiple public transit options, providing access to both major job hubs, such as Downtown Brooklyn and Lower Manhattan, as well as local job hubs, including the neighboring Southwest Brooklyn IBZ. With respect to the permitted bulk envelope, the Commission also recognizes that the base and building heights allowed under C4-4A are appropriate based on the wide street condition of Third Avenue, providing greater access to light and air. Moreover, R7A, the residential zoning district equivalent of C4-4A, will allow for modest residential growth along the corridor and bring non-conforming residential uses that

predate the existing zoning into conformance. Further, the C4-4A zoning district will help spur job growth by increasing the permitted FAR for non-residential uses, allowing multiple floors of commercial use, and broadening the range of allowable uses in tandem with a lower off-street parking requirement.

The Commission believes that the proposal complements the goals of DCP's Gowanus Neighborhood Plan by further strengthening the mixed-use character of the neighborhood. In particular, the developments will create more opportunities for local jobs and businesses to thrive, balanced with opportunities to accommodate growth of new housing and affordable housing. The Commission also acknowledges that the project area was highlighted in the Gowanus IBZ Vision Plan, which identified Third Avenue as a mixed-use corridor that can support growth of both residential and non-residential uses.

The Commission believes that the zoning text amendment (N 210120 ZRK) to Appendix F to create a new MIH area coterminous with the project area is appropriate. While the applicant does not intend to develop housing, an MIH area is proposed to be mapped due to the substantial increase in residential capacity resulting from the zoning map amendment action. The MIH area will be mapped with Options 1 and 2 for which permanently affordable housing must be provided equivalent to either 25 percent of the residential floor area at an average of 60 percent of AMI or 30 percent of the residential floor area at an average of 80 percent of AMI. The MIH text amendment is also aligned with citywide objectives outlined in *Housing New York* to locate affordable housing near transit.

In response to the recommendation from Community Board 6 and the Borough President to restrict the uses within the developments to commercial and industrial uses at below-market rates, the Commission encourages the applicant to continue to coordinate with local stakeholders, but notes that the recommended limitation of uses is outside the scope of this application. The Commission further recognizes that, while the applicant intends to develop the sites with non-residential uses, residential use is appropriate based on the land use rationale stated above. With

respect to the Borough President's recommendation for the applicant to enter a legal agreement to restrict uses on the sites, the Commission notes that a legally enforceable mechanism is outside of its purview. Moreover, the range of uses permitted under the proposed C4-4A zoning district is based on what uses are compatible with one another and ensuring use flexibility is necessary to support the viability of the proposal and adapt to future market conditions. The Commission is pleased that the applicant is a prominent property owner with extensive experience managing industrial and commercial tenants in the Gowanus neighborhood and has expressed a willingness to support small businesses and promote local jobs.

Lastly, the Commission recognizes the Borough President's conditions for public realm improvements, improved sustainability measures, and retention of Brooklyn-based contractors in the proposed developments but notes that they are beyond the scope of this application.

## **RESOLUTION**

**RESOLVED**, that having considered the Environmental Assessment Statement (EAS) for which a Negative Declaration was issued on May 17, 2021 with respect to this application (CEQR No. 20DCP129K), the City Planning Commission finds that the action described herein will have no significant impact on the environment; and be it further

**RESOLVED**, by the City Planning Commission, pursuant to Sections 197-c and 200 of the New York City Charter, that based on the environmental determination and the consideration described in this report, the Zoning Resolution of the City Of New York, effective as of December 15, 1961, and subsequently amended, is further amended by changing the Zoning Map, Section No. 16d, by changing from an existing M2-1 District to a C4-4A District property bounded by 11th Street, 3rd Avenue, 13th Street, and a line 100 feet northwesterly of 3rd Avenue, Borough of Brooklyn, Community District 6, as shown on a diagram (for illustrative purposes only) dated May 17, 2021, and subject to the conditions of CEQR Declaration E-617.

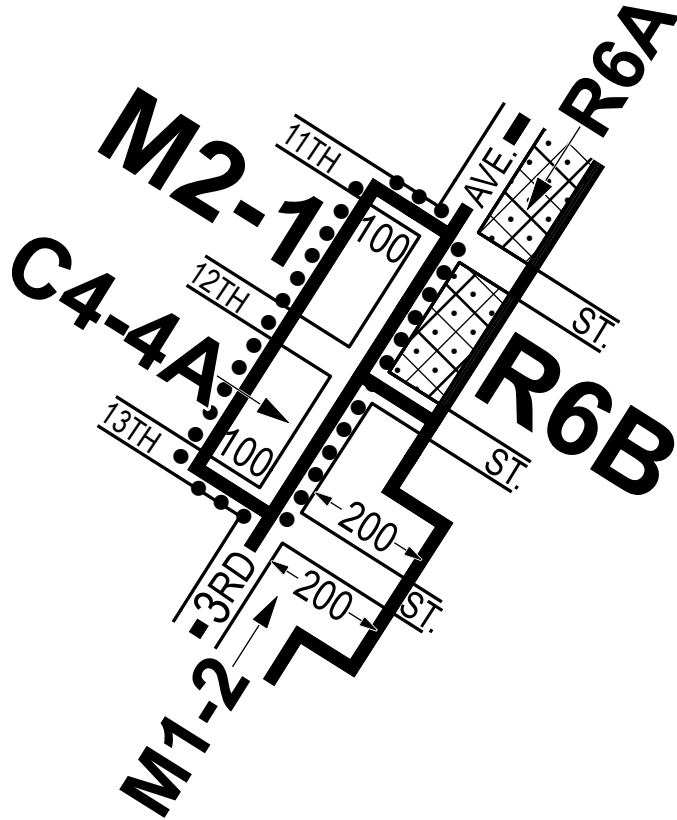
The above resolution (C 210119 ZMK), duly adopted by the City Planning Commission on

October 20, 2021 (Calendar No. 14), is filed with the Office of the Speaker, City Council, and the Borough President, in accordance with the requirements of Section 197-d of the New York City Charter.

**ANITA LAREMONT, Esq.,** *Chair*

**KENNETH J. KNUCKLES, Esq.,** *Vice-Chairman*

**DAVID J. BURNEY, ALLEN P. CAPPELLI, Esq., ALFRED CERULLO, III,  
JOSEPH I. DOUEK, RICHARD W. EADDY, HOPE KNIGHT, ANNA HAYES LEVIN,  
ORLANDO MARIN, RAJ RAMPERSHAD,** *Commissioners*



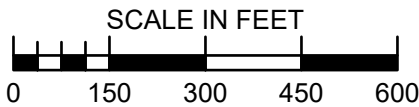
CITY PLANNING COMMISSION  
 CITY OF NEW YORK  
 DIAGRAM SHOWING PROPOSED  
**ZONING CHANGE**  
 ON SECTIONAL MAP

**16d**  
 BOROUGH OF  
**BROOKLYN**




*S. Lenard*  
 S. Lenard, Director  
 Technical Review Division



New York, Certification Date:  
 May 19, 2021



**NOTE:**

-  Indicates Zoning District Boundary
-  The area enclosed by the dotted line is proposed to be rezoned by changing from an existing M2-1 District to a C4-4A District.
-  Indicates a C2-4 District



# COMMUNITY/BOROUGH BOARD RECOMMENDATION

<b>Project Name:</b> 506 Third Avenue	
<b>Applicant:</b> PAB 3rd Ave Holdings LLC	<b>Applicant's Primary Contact:</b> Eric Palatnik
<b>Application #</b> 210119ZMK	<b>Borough:</b>
<b>CEQR Number:</b> 20DCP129K	<b>Validated Community Districts:</b> K06

**Docket Description:**  
 IN THE MATTER OF an application submitted by PAB 3rd Avenue Holdings LLC pursuant to Sections 197-c and 201 of the New York City Charter for an amendment of the Zoning Map, Section No. 16d, by changing from an existing M2-1 District to a C4-4A District property bounded by 11th Street, 3rd Avenue, 13th Street, and a line 100 feet northwesterly of 3rd Avenue, Borough of Brooklyn, Community District 6, as shown on a diagram (for illustrative purposes only) dated May 17, 2021, and subject to the conditions of CEQR Declaration E-617.

*Please use the above application number on all correspondence concerning this application*

<b>RECOMMENDATION: Conditional Favorable</b>			
<b># In Favor:</b> 14	<b># Against:</b> 0	<b># Abstaining:</b> 2	<b>Total members appointed to the board:</b> 16
<b>Date of Vote:</b> 7/6/2021 12:00 AM		<b>Vote Location:</b> Executive Committee Meeting via Zoom	

*Please attach any further explanation of the recommendation on additional sheets as necessary*

<b>Date of Public Hearing:</b> 6/24/2021 6:30 PM	
<b>Was a quorum present?</b> Yes	<i>A public hearing requires a quorum of 20% of the appointed members of the board but in no event fewer than seven such members</i>
<b>Public Hearing Location:</b>	Landmarks & Land Use Committee Meeting via Zoom

**CONSIDERATION:** he proposed action is APPROVED, WITH CONDITIONS. Those conditions are, as follows:  
 The Board approves the proposed action on the expectation that any proposed development on the sites will be exclusively dedicated to commercial and industrial uses, as the applicant has suggested.  
 The Board also expects that the proposed development will offer below-market rents to industrial and commercial small businesses, in order to foster a vibrant and diverse mix of uses. The Board reiterates the importance of affordable commercial and industrial space to the present and future of Gowanus.  
 This proposed action is approved on its own merits, and approval should not be considered as precedent for what other actions the Board would approve.

Recommendation submitted by	BK CB6	Date: 8/6/2021 2:25 PM
-----------------------------	--------	------------------------



## Brooklyn Borough President Recommendation

CITY PLANNING COMMISSION  
120 Broadway, 31<sup>st</sup> Floor, New York, NY 10271  
[CalendarOffice@planning.nyc.gov](mailto:CalendarOffice@planning.nyc.gov)

### INSTRUCTIONS

1. Return this completed form with any attachments to the Calendar Information Office, City Planning Commission, Room 2E at the above address.
2. Send one copy with any attachments to the applicant's representatives as indicated on the Notice of Certification.

### APPLICATION

506 THIRD AVENUE 210119 ZMK, N210120 ZRK

Applications submitted by PAB 3<sup>rd</sup> Avenue Holdings, LLC for zoning map and text amendments affecting the west side of Third Avenue between 11<sup>th</sup> and 13<sup>th</sup> streets, for a depth of 100 feet, in Brooklyn Community District 6 (CD 6). The proposed zoning map amendment would change an M2-1 district to C4-4A to facilitate a new 18,000 square-foot (sq. ft.) five-story commercial office development at 506 Third Avenue and the enlargement of 530 Third Avenue to a six-story, 39,638 sq. ft. commercial building, with approximately 10,000 sq. ft. of ground-floor retail. The zoning text amendment would create a Mandatory Inclusionary Housing (MIH) area coterminous with the affected properties. No parking would be required or provided under the proposed C4-4A district.

BROOKLYN COMMUNITY DISTRICT NO. 6

BOROUGH OF BROOKLYN

### RECOMMENDATION

APPROVE  
 APPROVE WITH  
MODIFICATIONS/CONDITIONS

DISAPPROVE  
 DISAPPROVE WITH  
MODIFICATIONS/CONDITIONS

SEE ATTACHED

*Eric L. Adams*

\_\_\_\_\_  
BROOKLYN BOROUGH PRESIDENT

September 16, 2021

\_\_\_\_\_  
DATE

**RECOMMENDATION FOR: 506 THIRD AVENUE 210119 ZMK, N210120 ZRK**

PAB 3<sup>rd</sup> Avenue Holdings, LLC submitted applications for zoning map and text amendments affecting the west side of Third Avenue between 11<sup>th</sup> and 13<sup>th</sup> streets, for a depth of 100 feet in Brooklyn Community District 6 (CD 6). The proposed zoning map amendment would change an M2-1 district to C4-4A to facilitate a new 18,000 square-foot (sq. ft.) five-story commercial office development at 506 Third Avenue and the enlargement of 530 Third Avenue to a six-story, 39,638 sq. ft. commercial building, with approximately 10,000 sq. ft. of ground-floor retail. The zoning text amendment would create a Mandatory Inclusionary Housing (MIH) area coterminous with the affected properties. No parking would be required or provided under the proposed C4-4A district.

On July 7, 2021, Brooklyn Borough President Eric Adams held a public hearing on these applications. There were no speakers on the item.

In response to Borough President Adams' inquiry as to why the applicant requested a residential district as opposed to one that does not permit residential development, given intent to develop a commercial office district, the applicant's representative noted that the C4-4A district permits both commercial and residential use. While the applicant intends to construct a fully commercial building, such zoning flexibility could permit a future (affordable) housing development.

In response to Borough President Adams' inquiry as to what mechanism would ensure that the proposed development is constructed as shown, the representative disclosed that the applicant intends to apply for a New York State commercial/industrial incentive program with annual reporting requirements.

In response to Borough President Adams' inquiry as to what extent the proposed building would be earmarked for artisan and other maker uses consistent with the proposed Gowanus mix, and whether it could serve as a relocation resource for displaced businesses, the representative affirmed that the developer is seeking to attract small, independent companies that could be accommodated in spaces under 1,000 sq. ft. at below-market rents.

In response to Borough President Adams' inquiry as to what consideration has been given to the incorporation of blue/green or white roofs, and installations such as solar panels and/or rooftop-mounted, grid-connected batteries in the intended development, the representative stated that the buildings would have landscaped roofs with water retention systems, solar panels, and energy-efficient windows. The representative also mentioned New York City Department of Environmental Protection (DEP) rain gardens as a project component.

In response to Borough President Adams' inquiry regarding the inclusion and participation of locally-owned business enterprises (LBEs) and minority- and women-owned business enterprises (MWBEs) in the construction process, the representative stated that the developer would utilize local labor and suppliers, while leveraging established relationships with MWBE contractors.

**Consideration**

Brooklyn Community Board 6 (CB 6) approved this application on July 6, 2021.

The proposed rezoning area encompasses 18 properties fronting the west side of Third Avenue between 11<sup>th</sup> and 13<sup>th</sup> Streets, including several non-applicant lots. The project consists of two sites, 506 Third Avenue, a rectangular 4,800 sq. ft. lot close to 11<sup>th</sup> Street, with 60 feet of frontage along Third Avenue, and 530 Third Avenue, a T-shaped, 9,911 sq. ft. lot with 40 feet of frontage on Third Avenue, 25 feet along 12<sup>th</sup> Street, and 46 feet along 13<sup>th</sup> Street. 506 Third Avenue contains a one-story warehouse, while 530 is improved with a 17,792 sq. ft. five-story office building. This section



of Third Avenue is part of an extensive M2-1 zone mapped over the east side of the Gowanus Canal, from Butler Street to Hamilton Avenue.

While the project falls outside the Southwest Brooklyn Industrial Business Zone (IBZ), it is within the study area of the Gowanus IBZ Vision Plan, unveiled in 2021 in conjunction with the Gowanus Neighborhood Plan, which is currently moving through the Uniform Land Use Review Procedure (ULURP) process. Both initiatives were spearheaded by the Department of City Planning (DCP).

As represented, 506 Third Avenue would be developed as a five-story, 18,000 sq. ft. commercial building with a floor area ratio (FAR) of 3.75, and a maximum height of 68 feet. It is intended to contain a mix of office and retail uses without any parking. The existing 530 Third Avenue would be enlarged to six stories, or the maximum permitted FAR of 4.0. The expanded building would contain 39,639 sq. ft. of commercial space, including a 9,911 sq. ft. retail ground floor. It would rise to approximately 75 feet with an interior open courtyard.

The remaining parcels between 11<sup>th</sup> and 12<sup>th</sup> streets, consist primarily of three-story, mixed-use buildings, except for one lot that is exclusively residential and another, improved with a warehouse containing a light industrial use. The mixed-use buildings are configured with ground floor retail and residential units on the floors above. These parcels typically contain 20 feet of frontage along Third Avenue with a depth of 75 to 80 feet, resulting in lot areas of approximately 2,700 to 4,480 sq. ft. Between 12<sup>th</sup> and 13<sup>th</sup> streets, the non-applicant properties are typically three-story buildings with commercial ground floors and apartments above, except for one lot that contains a residential building. Two lots are improved with four-story mixed-use buildings ranging from 2,700 to 6,800 sq. ft. with ground-floor retail and residential units on the upper floors. In all, the 16 non-applicant properties contain 46 apartments of which 28 are likely not rent-regulated. The proposed rezoning might result in the gradual redevelopment of 13 to 14 such properties and the displacement of multiple businesses and more than half of the existing tenants. If lots are not merged to facilitate development, the 100 to 120 units that might replace the non-regulated buildings may not include any MIH units.

The surrounding area is primarily commercial and industrial, with some non-conforming residential uses in the M2-1 district. The east side of Third Avenue is zoned R6A and mapped with C2-4 overlays. The predominant housing type is two- to three-story walkups with a few elevator apartment buildings. There is a concentration of large commercial uses, including food stores, hotels, and self-storage facilities.

Borough President Adams supports land use actions that broaden economic opportunity by providing employment for varied skill sets. The C4-4A district would complement existing industrial and maker uses in the IBZ, while ensuring that these businesses are able to remain and grow in Gowanus. The proposed rezoning would facilitate new commercial development, and would potentially further the City's workforce objectives, which include creation and/or retention of quality jobs for those without college degrees. Borough President Adams believes in preserving and expanding manufacturing floor area to sustain and grow the City's industrial sector. He also advocates well-configured commercial and retail development that provides neighborhood amenities in areas with thriving maker economies. Finally, the C4-4A district would legalize buildings in the project area containing residential units. Borough President Adams supports land use actions that bring existing properties into zoning conformance.

One quirk of manufacturing district regulations is that office and retail uses have been allowed to proliferate to such an extent that the many properties have transitioned to be primarily commercial in character. This phenomenon appears contrary to the expectations of the 1961 New York City Zoning Resolution (ZR). As commercial uses tend to be higher value than industrial ones, without regulation, the private market would not provide manufacturing space. Moreover, onerous parking requirements imposed by the ZR discourage the development of new buildings in many M-zoned

areas. The requested rezoning would double the permitted commercial FAR from 2.0 to 4.0, while also permitting 4.0 FAR for community facilities and 4.6 for residential use.

As stated during Borough President Adams' hearing, the applicant intends to take advantage of a State tax abatement for commercial and/or industrial buildings. While this program would mandate a non-residential project, there is no additional means to guarantee artisan and maker use occupancy. Commercial development applications requiring discretionary approvals provide an opportunity to leverage certainty for maker and other beneficial uses while applying use restrictions within the new floor area. Establishing a legal mechanism to ensure provision of maker space and uses would help maximize the project's public purpose.

Borough President Adams believes that it is appropriate to map commercial districts without parking requirements in proximity to public transportation. 506 and 530 Third Avenue would be accessible via the Brooklyn-Queens Crosstown Local G, the Queens Boulevard/Broadway/Fourth Avenue Local R, and Sixth Avenue Local F trains, at the Fourth Avenue-9<sup>th</sup> Street station. The B37 bus stops across from the proposed development, between 11<sup>th</sup> and 12<sup>th</sup> streets. Finally, the surrounding area is well-served by Citi Bike, as well as bicycle parking facilities.

Borough President Adams generally supports the proposed rezoning to facilitate commercial development and expansion at 506 and 530 Third Avenue. However, he seeks assurances of dedicated commercial space for maker businesses; a mechanism to guarantee user compliance; restrictions on permitted use groups; limitations on accessory retail floor area; a commitment to accommodate displaced industrial, arts/cultural, and non-profit uses; integration of resilient and sustainable features including rain gardens, and a high level of local and MWBE hiring for the project.

### **Guaranteeing a Non-Residential Development**

As stated earlier, C4-4A districts allow both commercial and housing development. When paired with MIH, the R7A residential equivalent, a maximum 4.6 FAR is permitted, which typically yields a nine-story building inclusive of some affordable units and a qualifying ground floor. Borough President Adams generally supports land use actions that incentivize the creation of affordable housing. However, given that the Gowanus Neighborhood Plan would bring a projected 8,000 apartments to the neighborhood, he believes that this project should yield a fully commercial development as represented by the applicant. Such utilization of the proposed C4-4A zoning would maximize opportunities to provide space for small businesses, including creative and maker uses that are associated with Gowanus. Based on the proposed zoning district boundary, it would be expected that the non-applicant controlled property would be primarily developed as residential with a possibility of ground floor use as commercial. In order to realize an appropriate balance of development of what is now zoned for jobs, it is important for the applicant's expressed intent to be realized. In the absence of a zoning mechanism to ensure that 506 and 530 Third Avenue are constructed as represented, Borough President Adams believes that the applicant should establish a legal mechanism such as a deed restriction, contract with a non-profit entity, and/or government financing agreement, that provides a form of guarantee that what was presented by the applicant is generally what would be developed.

Therefore, prior to considering adoption of the C4-4A district, the City Council should obtain written commitments from PAB 3<sup>rd</sup> Avenue Holdings, LLC clarifying how it would establish a legal mechanism such as a deed restriction, contract with a non-profit entity, and/or government financing agreement ensuring that the development would be restricted to commercial and community facility Use Groups (UGs) to preclude permitted residential use.

### **Ensuring Adequate Provision of Space for Innovation and Maker Jobs**

While the applicant is a significant commercial property owner in the area, and leases space below market to several artisan and maker uses, he is not obligated to accommodate such tenants at 506 or 530 Third Avenue.

Borough President Adams believes that it is important to utilize appropriate mechanisms ensure an occupancy by such uses within 506 and/or 530 Third Avenue. One successful example is the Industrial Business Incentive Area (IBIA) Special Permit pursuant to New York City Zoning Resolution (ZR) Section 74-96. This was established in 2016, prompted by the 25 Kent Avenue ULURP application, and was initially applicable for a one-block area within the Greenpoint-Williamsburg IBZ. Subsequently, the IBZ location requirement was amended with the designation of IBIA 2 in Long Island City, Queens.

The IBIA Special Permit was intended to promote commercial development on M1-2 zoned blocks in the Greenpoint-Williamsburg IBZ, while guaranteeing the provision of manufacturing floor area otherwise not required by zoning. The IBIA Special Permit establishes two categories of use beyond permitted use. More recently, the IBIA Special Permit was made applicable to M1-4 districts. In M1-2 districts, ZR Section 74-963 allows a change of use from the as-of-right 4.8 community facility FAR to 4.8 FAR for certain commercial space, with the requirement that 0.8 FAR (a minimum 17 percent) of such floor area be reserved for Required Industrial Uses (RIU). The ZR defines this term as “a use that helps achieve a desirable mix of commercial and manufacturing uses in an IBIA and that generates additional floor area pursuant to provisions set forth in Section 74-963. In M1-4 districts, it is possible to convert 6.5 community facility FAR to 6.5 commercial FAR, provided that 1.3 FAR (20 percent minimum) is reserved for RIU. The first category (Permitted Uses) covers uses permitted as-of-right in M1-2 and M1-4 zoning districts, at a maximum FAR of 2.0.

While recent development in the Gowanus section of the IBZ has yielded entertainment and similar uses, new construction also appears to reflect a growing need for commercial office space. Demand from creative, media, and technology sectors has led to a reduced inventory of available commercial space in Downtown Brooklyn, DUMBO, and Williamsburg. These neighborhoods offer companies the opportunity to occupy converted loft spaces and operate in proximity to the communities where their employees reside. The same can be said for Gowanus.

According to a 2018 DCP report, manufacturing districts outside Manhattan — particularly those near transit — are relatively under-developed and, as such, have allowed the City to absorb recent job growth. The Mayor’s 2017 plan, New York Works, identified growing employment in transit-accessible areas outside Manhattan as an important step in supporting New York City’s 21<sup>st</sup> century economy. The plan estimated that, by 2025, demand for office space would grow by more than 60 million sq. ft. with nearly half prompted by demand outside Manhattan. Supporting office development in the outer boroughs would bring jobs closer to workers, thereby relieving strain on transit infrastructure, especially given the short-term health practices implemented in response to COVID-19.

Borough President Adams believes that this growth must be balanced with the need to retain space for industrial businesses that provide a diverse array of jobs and support essential City services. It is, therefore, important to consider industrial mixed-use development as a potential solution.

The Incentive Use category consists of uses permitted in M1 zoning districts, except moving and storage facilities, and certain other operations. Permitted uses remain unchanged for the extent that the commercial floor area exists at the time before permit approval. According to the special permit, developers in M1-2 districts may construct an additional 2.0 FAR of such Incentive Uses only if the building provides 0.8 (or greater) FAR for Required Industrial Uses (RIU) and in M1-4 districts,

additional 3.2 FAR of such Incentive Uses would be developed if the building provides 1.3 (or greater FAR) of the RIUs. Buildings utilizing the special permit are capped at a maximum of 4.8 FAR in M1-2 and 6.5 FAR in M1-4 districts.

The IBIA Special Permit has the dual benefit of increasing overall employment opportunities while preserving a manufacturing base vulnerable to displacement. Developers can utilize revenues generated by the added commercial/office FAR to provide manufacturing floor space at rents that are within reach of manufacturing firms seeking to locate in the IBZ.

Under ZR Section 74-966, prior to granting the IBIA Special Permit, the City Planning Commission (CPC) must find that the requested increase in the maximum permitted FAR will result in “a beneficial mix of RIU and Incentive Uses...superior site planning, harmonious urban design relationships and a safe and enjoyable streetscape...a building that has a better design relationship with surrounding streets and adjacent open areas...a development or enlargement that will not have an adverse effect on the surrounding neighborhood” and for applicants seeking an additional height bonus through the provision of a public plaza, “a public plaza of equivalent or greater value as a public amenity.”

The intended development has been represented as providing space that could assure occupancy by light industrial establishments permitted in a commercial zoning district. Without such assurances, there would be no way to guarantee public benefit through creation of dedicated space for the City's artisan, innovation, and/or maker sectors or advance the City's industrial retention objectives.

Borough President Adams supports the transformation of manufacturing zoned properties for the creation of jobs that serve as a pathway to the middle class. With low barriers to entry and real career pathways, industrial and manufacturing jobs — average wages of which are twice that of the retail sector — have long provided economic opportunities for immigrant populations, people of color, and low-income communities.

Borough President Adams also supports development of artisan, innovation, and/or maker sector space through incentivization of office and retail uses. Successful projects of this nature achieve a mix of commercial and artisan, innovation and/or maker sector floor area in proximity to their workforce. Such spaces are likely to be in high demand across the city, especially in areas with good infrastructure and services. The question is not whether such creative, innovation, and/or maker office space belongs in traditional commercial or M-zoned districts but whether this growth can be accommodated in New York City, as opposed to other regions.

As the proposed development was represented as primarily intended for office and retail occupancy, Borough President Adams recommends a mechanism to ensure adequate public benefit via reservation of sufficient floor area for uses comparable to the list of RIU. Such mechanism should be based on established compliance and recordation standards, as per ZR Section 74-967, which requires periodic notification by the property owner and annual reporting by a qualified third party. Under the Special Permit rules, the owner must file a Notice of Restrictions to receive a building permit from the New York City Department of Buildings (DOB). ZR Section 74-967(a) also states that “no temporary certificate of occupancy for any portion of the building to be occupied by incentive uses shall be issued until a temporary certificate of occupancy for the core and shell is issued for all portions of the building required to be occupied by required industrial uses.” Such regulation is designed to ensure that Incentive Use area as well as core and shell occupancy are permitted only after the provision of the RIU area.

Pursuant to ZR 74-967(b), each new lease executed for any part of the RIU space requires public notification, via electronic resource, of certain information about each new tenant and use, including the total floor area of RIUs in the development, a digital copy of approved Special Permit drawings

pursuant to ZR Section 74-962 (a)(1) through (a)(4), and the names of all businesses occupying RIU floor area. Additionally, for each establishment, public notification must specify the amount of such floor area, the UG, the subgroup, and the specific use as listed in the ZR.

The property owner is also required to retain a qualified third party approved by the New York City Department of Small Business Services (SBS) to produce an annual report and conduct an inspection to ensure that the RIU area is compliant with ZR Section 74-96. This report must include a description of each establishment with the North American Industry Classification System (NAICS) code and number of employees; the total amount of vacant RIU floor area, as applicable; the average annual rent for all portions of the building intended for occupancy by RIU, and the number of new leases executed during the calendar year (categorized by duration) in five-year increments. Such a report must be submitted to DCP, the Brooklyn borough president, the City Council member, and the community board. The report must be prepared by an organization under contract with the City to provide inspection services, an SBS-certified firm that provides such inspection services, or an entity deemed qualified to produce such a report by the SBS commissioner, provided that the selected third party retains a professional engineer or registered architect licensed in New York State to certify the report.

Given the benefit of increased commercial development rights, Borough President Adams seeks to reserve no less than 20 percent of the floor area for artisanal, innovation and maker uses restricted to UGs 9A, limited to blueprinting or photostatting establishments, dental or medical laboratories, musical instrument repair shops, studios, trade schools for adults, 10A, limited to studios, 11A, 16A except for automobile showrooms, 16B, 16D except for truck terminals, warehouses, and wholesale establishments.

In lieu of the IBIA Special Permit, which does not apply in the project area, the standards established in ZR 74-963 and 74-967 should be incorporated into a legal mechanism, to ensure the desired FAR of uses and floor area compliance. Moreover, a local industrial non-profit such as the Southwest Brooklyn Industrial Development Corporation would warrant consideration as an administering agent for 506 and 530 Third Avenue. Finally, any floor area managed by such entity should comply with periodic notification and annual reporting requirements.

Therefore, prior to considering the proposed C4-4A district, the City Council should obtain written commitments from PAB 3<sup>rd</sup> Avenue Holdings, LLC, to establish a legal mechanism, such as a deed restriction, contract with a non-profit entity, and/or government financing agreement to ensure adequate provision of RIU floor area consistent with ZR Section 74-963 and ongoing use floor area compliance monitoring per ZR Section 74-967.

### **Use Group Compliance with Innovation and Maker Jobs**

Should the CPC and/or City Council agree that the commercial floor area at 506 and 530 Third Avenue should be occupied by maker and light industrial uses, Borough President Adams believes that such space should reflect any combination of agricultural, heavy service, as well as studios for art, dancing, motion picture production, music, photography, radio/television, or theatrical, semi-industrial facilities, and trade schools for adults. It should also include service use categories from UG 9A such as blueprinting or photostatting establishments, dental or medical laboratories, musical instrument repair shops, studios, and trade schools for adults, which he deems consistent with maker uses. Studios are also included in UG 10A. However, Borough President Adams believes that certain uses should not be considered innovation and maker uses, depositories, and automobile showrooms, as well as truck terminals, warehouses, and wholesale establishments. Borough President Adams also recognizes that providing clear access to common service corridors, freight elevators, and loading docks on streets 24 hours a day, seven days a week, is vital to ensuring active industrial spaces. He

believes this should be a requirement for maker floor area as defined by certain UG 9, 10, 11, and 16 uses noted above.

Borough President Adams believes that prior to considering this application and the proposed C4-4A district, the City Council should obtain written commitments from PAB 3<sup>rd</sup> Avenue Holdings, LLC to establish a legally enforceable mechanism, such as a deed restriction, a contract with a non-profit business service provider, and/or a government financing agreement restricting a segment of 506 and 530 Third Avenue to occupancy by artisanal, innovation/maker uses with clear access to the street.

### **Restricting Accessory Retail Floor Area**

The developer has stated intent to include 10,000 sq. ft. of retail at 530 Third Avenue, in connection with the development of 506 Third Avenue. If the CPC and City Council agree that the building(s) should be tenanted with maker and innovation firms, Borough President Adams believes it would be necessary to restrict accessory retail to ensure such occupancy. While permitted by zoning, the utilization of industrial floor area by retail uses can undermine and even negate dedicated space for manufacturing.

There has been a trend for certain uses listed in UGs 11A and 16 to set aside a small accessory section for retail and/or eating and drinking establishments. For example, a development might have an interior street where one can purchase baked goods from a small retail section off the main production area. For artisanal food and beverage operations, an accessory retail component often provides added synergy and viability, which means that such uses are more likely to pay higher rents than artisanal and light-manufacturers who do not benefit from auxiliary sales space. Accessory retail and/or eating and drinking establishments of excessive size would diminish the public purpose of maker floor area. The ZR is silent on the restriction of such accessory operations.

As noted in his 2016 recommendations for 25 Kent Avenue, and his subsequent recommendations for Acme Smoked Fish, 12 Franklin Street, 103 North 13<sup>th</sup> Street, Industry City, Suydam Street, and 300 Huntington Street, Borough President Adams believes that the public benefit of 506 Third Avenue would be diminished if auxiliary retail and/or eating and drinking establishments were permitted to occupy more than a nominal amount of floor area. Accordingly, he seeks to define the extent of floor area that would be allotted for retail stores and restaurants. He believes that it is appropriate to limit accessory retail operations, specifically for UGs 6A, 6C, 7B, 7D, 8B, 8C, 10A, and 12, by permitting up to 100 sq. ft. without regard to the size of the industrial/maker establishment, though not more than 1,000 sq. ft. or 10 percent of floor area per establishment. Such restrictions help maintain the integrity of floor area reserved for maker businesses and, by extension, the public purpose of such commercial developments.

Borough President Adams believes that prior to considering the application, and the proposed C4-4A district, the City Council should obtain written commitments from PAB 3<sup>rd</sup> Avenue Holdings, LLC to establish a legally enforceable mechanism, such as a deed restriction, a contract with a non-profit business service provider, and/or a government financing agreement limiting accessory retail within any portion of 506 and/or 530 Third Avenue where a percentage of floor area is reserved for maker uses.

### **Accommodating Gowanus Businesses at Risk of Displacement, Including Innovation and Maker Uses, Arts/Cultural Entities, and Non-Profit Organizations**

Borough President Adams acknowledges CB 6's enduring commitment to preserving the unique mix of arts, cultural, and industrial uses in Gowanus. The board has expressed concerns that zoning actions associated with the Gowanus Neighborhood Plan would directly displace such businesses, to an extent that exceeds the City's 15-year projections. The rezoning would unlock significant development opportunities for large and small sites within the 84-block rezoning area.

The City has proposed a special density bonus in for developers who set aside commercial space for the "Gowanus Mix." However, this optional incentive program cannot ensure dedicated arts, cultural, and industrial space, or provision of the uses it seeks to promote. CB 6 seeks stronger protections for existing artist studios, and mandatory provision of new subsidized spaces, not unlike requirements for schools and infrastructure. Borough President Adams supports these ideas and seeks strategies to address the potential displacement of small businesses in Gowanus. He believes that the proposed development could serve as an affordable, long-term relocation resource for such entities.

Therefore, in addition to setting aside dedicated managed floor area for maker uses, a portion of the intended commercial space at 506 and 530 Third Avenue should be reserved for innovation and maker uses, arts/cultural entities, and non-profit organizations, preferably at below-market rents.

### **Advancing Resilient and Sustainable Energy and Stormwater Management Policies**

It is Borough President Adams' policy to advocate for environmentally sustainable development that integrates blue/green/white roofs, solar panels, and/or wind turbines, as well as passive house construction. Such measures tend to increase energy efficiency and reduce a building's carbon footprint.

In the fall of 2019, the City Council passed Local Laws 92 and 94, which require newly-constructed buildings as well as those undergoing renovation (with some exceptions) to incorporate a green roof and/or solar installation. The laws further stipulate 100 percent roof coverage for such systems and expand the City's highly reflective (white) roof mandate, which Borough President Adams believes developers should exceed by integrating blue roofs with green roof systems. Regarding solar panels, there are now options beyond traditional roof installation. Multiple companies are manufacturing solar cladding from tempered glass that resembles traditional building materials, with energy output approximating that of mass-market photovoltaic systems. Micro wind turbines can generate sustainable energy for taller buildings and developments near the waterfront. Finally, passive house construction achieves energy efficiency while promoting local construction and procurement.

Borough President Adams' letter to President Joseph R. Biden Jr., dated January 21, 2021 outlined policies to rebuild America as a more equitable and just society, including initiatives consistent with the Green New Deal. Specifically, Borough President Adams advocated investments in renewable energy and battery storage to move beyond reliance on natural gas and dirty "peaker plants" disproportionately sited in communities of color. He believes that grid-connected rooftop batteries should be a standard consideration for commercial buildings. Between existing flat roofs upgrades and new developments, there should be sufficient demand to manufacture such units locally and create industrial jobs.

Borough President Adams believes it is appropriate for PAB 3<sup>rd</sup> Avenue Holdings, LLC to engage the Mayor's Office of Sustainability, the New York State Energy Research and Development Authority (NYSERDA), and/or the New York Power Authority (NYPA) regarding government grants and programs that might offset costs associated with enhancing the resiliency and sustainability of this development. One such program, the City's Green Roof Tax Abatement (GRTA) provides a reduction of City property taxes by \$4.50 per sq. ft. of green roof space, up to \$100,000. The DEP Office of Green Infrastructure advises property owners and their design professionals through the GRTA application process. Borough President Adams encourages the applicant to contact his office for further coordination on this matter.

As part of his resiliency policy, Borough President Adams seeks to advance stormwater management best practices including permeable pavers and/or rain gardens that promote DEP's green infrastructure agenda. He believes that sidewalks with nominal landscaping and/or adjacent roadway surfaces could be transformed through the incorporation of rain gardens, which provide tangible environmental benefits through rainwater collection, improved air quality, and streetscape beautification. Tree plantings can be consolidated with rain gardens as part of a comprehensive green infrastructure strategy. Where it is not advisable to remove street trees, it's possible to integrate stormwater retention measures into existing

tree pits, with additional plantings to increase infiltration and make the site more pleasant for its users. In addition, blue/green roofs, permeable pavers, and rain gardens (including street tree pit enhancements) would help divert stormwater from the Owls Head Wastewater Treatment Plant.

Borough President Adams is also concerned about flooding from backed-up sewers during heavy rains, as New York City's combined sewer system handles both sanitary and storm waste. The Gowanus neighborhood is known to be especially vulnerable to such conditions, which can endanger residents and businesses. In addition to City efforts such as DEP's proposed on-site retention rules, building owners should make efforts to retain and reuse water onsite to avoid taxing the combined sewer system during wet weather events.

The required Builders Pavement Plan (BPP) for the proposed development provides an opportunity to install DEP rain gardens along its Third Avenue and 12<sup>th</sup> and 13<sup>th</sup> street frontages. The ZR requirement to plant street trees provides shade on excessively hot days, helps combat the urban heat island effect, and provides other aesthetic, air quality, and enhanced stormwater retention benefits. It should be noted that a rain garden would require a maintenance commitment and attention from the landlord. Maintenance includes cleaning out debris that can clog the inlet/outlet and prevent water collection, regular inspection to prevent soil erosion, watering during dry and hot periods, and weeding to ensure proper water absorption.

Borough President Adams believes that PAB 3<sup>rd</sup> Avenue Holdings, LLC should consult with DEP, the New York City Department of Transportation (DOT), and the New York City Department of Parks and Recreation (NYC Parks) regarding the inclusion of rain gardens integrated with street trees as part of the Builders Pavement Plan (BPP) for 506 Third Avenue. Where the agencies have interest in implementing an enhancement, advance consultation should be initiated with CB 6 and local elected officials.

Therefore, prior to considering the application, the City Council should obtain written commitments from PAB 3<sup>rd</sup> Avenue Holdings, LLC to integrate additional resiliency and sustainability measures at 506 and 530 Third Avenue.

### **Jobs**

Borough President Adams is concerned that too many Brooklyn residents are currently unemployed or underemployed. According to the Furman Center's "State of New York City's Housing and Neighborhoods in 2017," double-digit unemployment remains a pervasive reality for several of Brooklyn's neighborhoods, with more than half of the borough's community districts experiencing poverty rates of nearly 20 percent or greater. The ongoing COVID-19 pandemic has only exacerbated widespread job insecurity.

Borough President Adams believes that prioritizing local hiring would help address this employment crisis. Additionally, promoting Brooklyn-based businesses, including those that qualify as LBEs and MWBEs, is central to his economic agenda. This proposal provides opportunities for the developer to retain a Brooklyn-based contractor and subcontractor, especially those that are designated LBEs consistent with Section 6-108.1 of the City's Administrative Code, and MWBEs who meet or exceed standards per Local Law 1 (no less than 20 percent participation).

Borough President Adams believes that prior to considering the application, the City Council should obtain written commitments from PAB 3<sup>rd</sup> Avenue Holdings, LLC to retain Brooklyn-based contractors and subcontractors, especially those designated LBEs consistent with Section 6-108.1 of the City's Administrative Code and MWBE to meet or exceed such standards.



## **Recommendation**

Be it resolved that the Brooklyn borough president, pursuant to Section 197-c of the New York City Charter, recommends that the City Planning Commission and City Council approve this application with the following conditions:

1. That prior to considering adoption of the C4-4A district, the City Council obtain written commitments from PAB 3<sup>rd</sup> Avenue Holdings, LLC clarifying how it would establish a legal mechanism such as a deed restriction, contract with a non-profit entity, and/or government financing agreement as follows:
  - a. That the development would be restricted to commercial and community facility Use Groups (UGs) to preclude permitted residential use
  - b. That not less the 20 percent of the floor area be reserved for innovation and maker uses restricted to UGs 9A, limited to blueprinting or photostating establishments, dental or medical laboratories, musical instrument repair shops, studios, trade schools for adults, 10A, limited to studios, 11A, 16A except for automobile showrooms, 16B, 16D except for truck terminals, warehouses, and wholesale establishments
  - c. That such expanded innovation and/or maker space submit to use floor area compliance monitoring, establish clear access to the street, and limit accessory retail floor area, with the following stipulations:
    - i. Compliance and recordation shall be according to ZR 74-967(a)
    - ii. Periodic notification by the owner shall be according to ZR 74-967(b)
    - iii. Annual reporting by a qualified third party shall be according to ZR 74-967(c)
    - iv. Floor area managed by a non-profit entity shall remain part of the zoning lot and comply with annual reporting and periodic notification requirements
    - v. Innovation and/or maker uses shall be provided with clear access to common service corridors, freight elevators, and loading docks on streets 24 hours a day, seven days a week to ensure active industrial spaces
    - vi. Accessory retail floor area that would otherwise meet the definition of UGs 6A, 6C, 7B, 7D, 8B, 8C, 10A, and 12, shall not exceed the greater of 100 square feet (sq. ft.) or 10 percent of an establishment's floor area (limited to 1,000 sq. ft.) in order to be deemed accessory
  - d. That a portion of the intended commercial space would be set aside for Gowanus businesses at risk of displacement, including innovation and maker uses, arts/cultural entities, and nonprofit organizations
  - e. That the applicant memorialize intent to incorporate resiliency and sustainability measures, such as blue and/or green roofs, grid-connected rooftop batteries, passive house design, solar panels and/or façades, and/or wind turbines
  - f. That the applicant would coordinate with the New York City Department of Environmental Protection (DEP), New York City Department of Transportation (DOT), and the New York City Department of Parks and Recreation (NYC Parks) regarding the installation of DEP rain gardens as part of a Builders Pavement Plan (BPP) in consultation with Brooklyn Community Board 6 (CB 6) and local elected officials
  - g. That the applicant would retain Brooklyn-based contractors and subcontractors, especially those who are designated local business enterprises (LBEs) consistent with

Section 6-108.1 of the City's Administrative Code, and minority- and women-owned business enterprises (MWBEs) to meet or exceed standards per Local Law 1 (no less than 20 percent participation), and coordinate the oversight of such participation by an appropriate monitoring agency