

CITY PLANNING COMMISSION



June 27, 2018/Calendar No. 14

C 180203 ZSM

IN THE MATTER OF an application submitted by Fourteenth at Irving, LLC pursuant to Sections 197-c and 201 of the New York City Charter for the grant of a special permit pursuant to Section 74-721 of the Zoning Resolution to modify the rear yard regulations of Section 23-53 (Rear Yards) and the height and setback regulations of Section 33-43 (Maximum Height of Walls and Required Setbacks) to facilitate the development of a 21-story commercial building on property located at 124 East 14th Street (Block 559, Lots 16 & 55), in a C6-4 District, partially within the Special Union Square District, Borough of Manhattan, Community District 3.

This application for a special permit was filed by Fourteenth at Irving, LLC and the NYC Economic Development Corporation (EDC) on January 3, 2018. The applicant proposes to modify the rear yard equivalent and height and setback requirements of the C6-4 zoning district. This application, along with the related actions, would facilitate the redevelopment of City-owned property with a 21-story, 209,246-square-foot technology-focused office and retail commercial building located at 124 East 14th Street in the Union Square neighborhood of Community District 3 in Manhattan.

RELATED ACTIONS

In addition to the special permit (C 180203 ZSM) that is the subject of this report, implementation of the proposed development also requires action by the City Planning Commission on the following applications, which are being considered concurrently with this application:

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| N 180202 ZRM | Zoning text amendments to designate a Mandatory Inclusionary Housing (MIH) area and to modify bulk regulations. |
| C 180201 ZMM | Zoning map amendment to change existing C6-2A, C6-3X, and C6-1 districts to a C6-4 district. |

BACKGROUND

This application for a special permit pursuant to Section 74-721 of the Zoning Resolution (ZR), in conjunction with the related applications, would facilitate the redevelopment of City-owned property with a 21-story, 209,246-square-foot technology-focused office and retail commercial building located at 124 East 14th Street (Block 559, Lot 16, the “development site”) in the Union Square neighborhood of Manhattan Community District 3.

The site is part of a larger zoning lot that comprises two tax lots (Block 559, Lots 16 and 55) (the “project area”) and forms a through lot extending from the south side of East 14th Street to the north side of East 13th Street.

The project area comprises two tax lots (Lots 16 and 55), each 150 feet wide and 103 feet deep. The development site has a lot area of approximately 15,450 square feet. Built in 1993, the existing two-story commercial building contains approximately 20,000 square feet of floor area for a floor area ratio (FAR) of 0.65 over the entire zoning lot. The Genesis building, a 12-story, 111-foot-tall brick building providing affordable housing and supportive services, is located on Lot 55, with its entrance on East 13th Street.

In 1983, the disposition of the project area was approved (C 831446 PPM), with no end-user specified. On November 5, 2015, EDC announced a request for proposals (RFP) that sought respondents willing to redevelop the site into a mixed-use “technology hub” featuring office, workforce development, and entrepreneurial support and services. In December 2016, RAL Development Services, LLC (also known as Fourteenth at Irving, LLC) was announced as the selected developer to partner with EDC. The development site, which is under the jurisdiction of the Department of Citywide Administrative Services (DCAS), would be leased to EDC for a 99-year period. EDC would thereafter administer a lease with RAL Development Services, LLC.

The project area is located within the Union Square neighborhood, a dense, mixed-use neighborhood with a prevailing built form of mid- to high-rise commercial, multi-family residential, and community facility towers ranging from 17 to 27 stories. The New York University (NYU) dormitory immediately to the west of the development site has a 14-story street wall, then

sets back and rises another six stories for an overall building height of 20 stories (approximately 187 feet). Another NYU dormitory immediately to the east of the site has a 12-story street wall, then sets back and rises another four stories for an overall building height of 16 stories (approximately 165 feet). The Con Ed building, across 14th Street from the development site, rises three stories before a portion of the building sets back, then rises another 23 stories for an overall building height of 26 stories (approximately 270 feet). The four Zeckendorf Towers, less than one block from the site at East 14th Street and Irving Place, each rise 27 stories. Retail uses are abundant in the surrounding area.

The project area and much of the surrounding area are mapped with high-density commercial zoning districts, including C1-9A, C6-1, C6-2A, C6-3X, and C6-4. These commercial districts permit commercial, residential, and community facility uses consistent with the mixed-use character of the neighborhood. The Special Union Square District extends west from Irving Place. This special district regulates building envelopes, street wall transparency, and ground floor uses to encourage appropriate development.

The area is well-served by mass transit, with stops for the 4, 5, 6, L, N, Q, R, and W subway lines at the corner of East 14th Street and 4th Avenue. Several bus lines serve the area, including the M14, M1, M2, M3, M101, M102, M103, M14A, and M14D. There are six Citibike stations within a quarter mile of the project area with a total capacity of 208 docks.

Built in 1994, the Genesis building contains approximately 100,014 square feet of floor area and 94 dwelling units. It is run by HELP USA, a non-profit organization providing housing and other services to low-income families and individuals. The distance between the two existing buildings is approximately 64.5 feet, including the 34.5 feet on Lot 16 and 30 feet on Lot 55, which is currently used as the rear yard for the Genesis building. The applicant proposes to demolish the existing commercial building and redevelop only the development site. There would be no change to the housing and supportive services in the Genesis Building.

The proposed development would include a food hall on the ground floor and a variety of technology focused programming above, including workforce development spaces for digital

training, a collaborative work center, community event space, step-up office space for emerging entrepreneurs, traditional office space, and a roof terrace. Step-up office space would serve young companies that have outgrown incubator space or co-working space but cannot yet fully capitalize traditional office space, providing flexible private offices with shared services and amenities. The applicant has indicated that Civic Hall, a non-profit collaborative work and event center operator for civic tech innovators, would be the anchor tenant for the workforce development space.

The proposed development would total approximately 209,246 square feet. The total FAR for the zoning lot containing the proposed development and the existing Genesis Building would be 10. The ground floor and second floor would be set back 1.5 feet from the street line. Floors 3 through 13 would be built at the street line before setting back 10 feet. The building would then rise another six floors and set back another six feet after the 19th floor. The overall building height would be 286 feet. The proposed development would have 21 floors and a cellar. On the ground floor, a one-story terrace is proposed to partially extend to the rear property line. The remaining half of Lot 16's rear yard, approximately 75 feet by 22 feet, would become a landscaped open space for residents of the Genesis building.

Requested Actions

Zoning Map Amendment

The project area is currently mapped with four unevenly sized zoning districts: C6-1, C6-2A, C6-3X, and C6-4. The existing C6-1 district allows a maximum FAR of 6.0 for commercial uses, 3.44 for residential uses, and 6.5 for community facility uses. The existing C6-2A district allows a maximum FAR of 6.0 for commercial uses, 6.02 for residential uses, and 6.5 for community facility uses, and has a maximum building height of 120 feet. The existing C6-3X district allows a maximum FAR of 6.0 for commercial uses, and 9.0 for residential and community facility uses, and has a maximum building height of 170 feet. The C6-4 portion is also within the Special Union Square District.

The proposed zoning map amendment (C 180201 ZMM) would extend the existing C6-4 district to cover the entire project area. The proposed C6-4 district allows residential, commercial, and

community facility uses with a maximum FAR of 10. New buildings or enlargements in C6-4 districts are bound by either a traditional height factor zoning envelope or tower regulations.

Zoning Text Amendment

The applicant seeks a zoning text amendment (N 180202 ZRM) to alter the eligibility restrictions for bulk modifications when the Commission grants a special permit pursuant to ZR Section 74-721. Section 74-721 would be modified to make zoning lots with wide street frontage (over 30,000 square feet), and within a C6-4 District in Manhattan Community District 3, eligible for the bulk modifications allowed through the special permit. The expanded applicability would allow sites of sufficient size along main thoroughfares in Community District 3 to seek discretionary review of plans designed to be responsive to the context of the surrounding area.

The proposed text amendment would result in only one potentially eligible site that could seek a special permit for bulk waivers pursuant to the amended ZR Section 74-721, aside from the site that is the subject of this application and its related actions. The additional site is a property owned by the New York City Housing Authority (NYCHA) located at 256 Clinton Street (Block 245, Lot 1). It has an area of 31,654 square feet fronting Clinton Street, an 80-foot wide street. The site contains an existing residential building that is 27 stories tall, contains approximately 250 residential units, and is developed nearly to a maximum with a built FAR of approximately 8.76, compared with a maximum allowable FAR of 10.0 in C6-4 district. Therefore, in the Environmental Assessment Statement, it is not considered as a potential development site.

The text amendment would also 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 permanently affordable to households with incomes at an average of 60 percent of the area median income (AMI). Within that 25 percent, at least 10 percent of the square footage must be used for units affordable to residents with household incomes at an average of 40 percent of the AMI, with no unit targeted to households with incomes exceeding 130 percent of the AMI. Option 2 requires that 30 percent of residential floor area be devoted to housing units affordable to residents with household incomes at an average of 80 percent of the AMI. No more than three

income bands can be used to average out to the 80 percent, and no income band can exceed 130 percent of the AMI.

Special Permit

Pursuant to ZR Section 74-721, as modified by the proposed text amendment described above, the applicant is seeking a special permit (C 180203 ZSM) for bulk modifications to the height, setback, and rear yard regulations.

C6-4 zoning districts, pursuant to ZR Section 33-432, require a front setback of 15 feet on a wide street beginning at a building height of 85 feet or six stories, whichever is less. The sky exposure plane begins at a building height of 85 feet and rises at a ratio of 5.6 to 1. The proposed development has a street wall that rises to approximately 173 feet before setting back 10 feet, then rising again to a height of approximately 250 feet, setting back six feet, and then rising to its maximum height of 286 feet which would penetrate the set back and the sky-exposure plane. In total, the amount of floor area anticipated to penetrate the sky exposure plane is approximately 16,309 square feet.

The second requested waiver seeks relief from the 60-foot rear yard equivalent requirement. Pursuant to ZR Section 23-532, through lots with residential buildings require an open area with a depth of 60 feet centered on the midway point between the two street lines. The proposed development creates a 52-foot-deep open area, with 30 feet on the south side of the midway point and 22 feet on the north side of the midway point. The applicant is requesting a waiver of eight feet starting on the second floor of the proposed development, because Genesis Building has no residential uses in its cellar or ground levels and legally required windows are only located on second through 12th floor. Absent this waiver, approximately 24,000 square feet of floor area would be added to the top of the proposed development. Such additional bulk would extend the height of the building by an additional eight floors and would negatively impact residents of the Genesis Building, both those with south facing units and all residents using the rear yard and playground.

ENVIRONMENTAL REVIEW

This application (C 180203 ZSM), in conjunction with the applications for the related actions (N 180202 ZRM and C 180201 ZMM), 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 designated CEQR number is 17DME002M. The lead agency is Office of the Deputy Mayor for Housing and Economic Development.

After a study of the potential impacts of the proposed actions in the Environmental Assessment Statement (EAS) issued on January 22, 2018, a Negative Declaration was issued on January 22, 2018. The Negative Declaration included an (E) designation (E-457) related to hazardous materials and air quality to avoid the potential for significant adverse impacts.

The (E) designation requirements related to hazardous materials and air quality would apply to the following development site:

Manhattan Block 559, Lot 16

The text for the (E) designation (E-457) related to hazardous materials is as follows:

Task 1-Remediation Determination and Protocol

A written report with findings and a summary of the data must be submitted to Office of Environmental Remediation (OER) after completion of the testing phase and laboratory analysis for review and approval. After receiving such results, a determination is made by OER if the results indicate that remediation is necessary. If OER determines that no remediation is necessary, written notice shall be given by OER.

If remediation is indicated from test results, a proposed remediation plan must be submitted to OER for review and approval. The applicant must complete such remediation as determined necessary by OER. The applicant should then provide proper documentation that the work has been satisfactorily completed.

A construction-related health and safety plan should be submitted to OER and would be implemented during excavation and construction activities to protect workers and the community from potentially significant adverse impacts associated with

contaminated soil, groundwater and/or soil vapor. This plan would be submitted to OER prior to implementation.

If no remediation is indicated from test results, it is assumed the requirements of the (E) designation would be satisfied.

The text for the (E) designation (E-457) related to air quality is as follows:

Any new commercial development on Block 559, Lot 16 must use natural gas with a low-NOx burner for heating, ventilation, and air conditioning (HVAC) systems and ensure that the heating, ventilating and air conditioning stack is located at the highest tier, or at least 304 feet above grade, at least 49 feet from the lot line facing East 14th Street and at least 329 feet from lot line facing Third Avenue.

With the implementation of the above (E) designation (E-457), no significant adverse impacts related to hazardous materials and air quality would occur.

UNIFORM LAND USE REVIEW

This application (C 180203 ZSM), in conjunction with the application for the related zoning map amendment (C 180201 ZMM), was certified as complete by the Department of City Planning on January 29, 2018 and duly referred to Manhattan Community Board 3 and the Manhattan 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 180202 ZRM), which was referred for information and review in accordance with the procedures for non-ULURP matters.

Community Board Public Hearing

Manhattan Community Board 3 held a public hearing on this application (C 180203 ZSM) on February 7, 2018, and on February 27, 2018, by a vote of 36 in favor, none opposed, and no abstentions, adopted a resolution recommending approval of the application with the following conditions:

1. “An additional floor of workforce development and digital training for a total of 4 floors with this additional floor coming from the proposed allocation for flexible step-up office space floor

2. The basement level--formerly PC Richard space that currently has no assigned use, be programmed for use for one by one or more local nonprofit arts/cultural/theatre groups
3. Housing Preservation and Development (HPD) conduct an outreach campaign with funding for local providers, to educate local residents in the Third, Fourth Avenues area on tenant rights, and dedicate itself to monitor the area for displacement impacts
4. Consistent with previous board support for rezoning the 3rd and 4th avenue corridors, including the December 2017 board resolution, CB3 urges the City to commence the process of rezoning this area as well as incentivize affordable housing and exclude certain use groups such as hotels and big box stores
5. Additional scholarships be made available and scholarship programs be reported to EDC and Community Board 3 for monitoring. With the understanding that approximately 80% of the digital workforce development providers will already be providing completely free services, CB 3 requests that the remaining 20% of providers that are private companies offer at minimum 20% of tuition income as scholarships, broken down as follows: 10% at 50% of tuition rate and 10% at 100% tuition rate. Scholarships must be need-based, and exclusively for CB 3 residents, and prioritize women and minorities.
6. Rooftop space have no amplified sound or use after 10 PM
7. The event space should be free for local nonprofit and community groups 52 times per year for the duration of the lease
8. Market hall vendor restriction to a maximum of *three* locations rather than *five*, with a preference for local merchants within CB3
9. A community advisory committee shall be formed with the membership being appointed by the following: 3 Members from the Community board; 1 appointed by the City Council Member; and 1 appointed by the Manhattan Borough President. This advisory board shall be in effect throughout the construction and operation of the facility.

10. The project developers must work with Lower East Side Employment Network (LESEN) to ensure that construction and other jobs on the site are prioritized for local residents, as well as explore opportunities for continued collaboration around future workforce needs. The percentage and number of local hires should be reported to CB3 through the Community Advisory Committee. Expectations of both parties should be set in a Memorandum of Understanding.”

Borough President Recommendation

This application (C 180203 ZSM) was considered by the Manhattan Borough President, who issued a recommendation on May 3, 2018 to approve the application with the following conditions:

1. “The scholarship programs numbers should be reported out regularly to EDC and Community Board 3 for monitoring. With the understanding that approximately 80 percent of the digital workforce development providers will already be providing completely free services, the Borough President requests that all for-profit digital training companies operating within the Development site offer 20 percent of tuition income as scholarships, offering tuition rates that reflect what low-income CB3 residents can realistically afford. Scholarships must be need based and prioritize underrepresented groups in the technology industry such as but not limited to women, persons of color, and persons with disabilities;
2. The basement level--formerly PC Richard space that currently has no assigned use, be programmed for use for one by one or more local nonprofit arts/cultural/theatre groups. It is this office’s understanding that current subsoil conditions do not allow for a theatre space but a space for local arts and culture should be provided;
3. The event space should be free for local nonprofit and community groups 52 times per year for the duration of the lease, as opposed to the original 32 times a year proposed;

4. Market hall vendor restriction to a maximum of three locations rather than five, with a preference for local merchants within CB3, including the current food trucks located in the immediate vicinity of the Development;
5. Rooftop space have no amplified sound or use after 10 PM;
6. The project developers must work with the community to ensure that construction and other jobs on the site are prioritized for local residents, as well as explore opportunities for continued collaboration around future workforce needs. Local hiring goals should be set and agreed upon by the community and reported monthly to CB3; and
7. The administration should commit to actions to address building heights and affordable housing needs within the immediate vicinity of the Development site.”

City Planning Commission Public Hearing

On April 23, 2018 (Calendar No. 11), the City Planning Commission scheduled May 9, 2018, for a public hearing on this application (C 180203 ZSM). The hearing was duly held on May 9, 2018 (Calendar No. 33) in conjunction with the public hearing on the applications for related actions. There were 16 speakers in favor of the application and 18 speakers in opposition.

Two representatives from EDC testified in support of the application by briefly describing the history of the development site, the RFP process, the public outreach and community engagement process, the project timeline moving forward, the programming, and the lease agreement. The representative emphasized that the goal of the project is to further the Mayor’s plan to create 100,000 jobs over the next 10 years by growing the tech and innovation sectors, and equipping New Yorkers with the skills they need to access jobs in the modern economy. The EDC representative said that this project would provide the opportunity for New Yorkers to get trained, hired, and to start and grow a company - all in the same building. The EDC representative described the disposition agreement for a 99-year ground lease between EDC and the developer. The lease would restrict the property to commercial use only, with detailed regulations for programs in each type of space, including the ground floor food hall, the workforce development space, the step-up office space, and the traditional office space. EDC would offer reduced ground rent to the developer in exchange for the components that provide public benefits. EDC would not

have to subsidize the project with capital or operating dollars because the market-rate components of the building offset the below-market rate components. In addition, as requested by the community board, a community advisory committee would be formed and in effect throughout the construction and operation of the facility.

A representative of the developer provided a summary of the proposed development, the design and bulk distribution, and the requested actions. The representative stated that 25 percent of the market space booths would be reserved for new businesses and entrepreneurs. The step-up office space would have reduced security deposit requirements and the lease terms would be no shorter than six months and no longer than five years. The representative also stated that the developer has agreed that there would be no use on the rooftop after 10 PM as recommended by the community board.

The founder of Civic Hall, the anchor tenant for the proposed development, spoke in favor of the project. Civic Hall is a non-profit collaborative work and event center connecting social entrepreneurs and not for profit organizations with technology professionals to support their work for the public good, and it would occupy the workforce development space. The representative said that Civic Hall has over 1,000 individual members and 150 organizational members since it was established in early 2015. Members include advocates, social entrepreneurs, and organizations supporting veterans, immigrants, teachers, women, organizers, public school students, and other underserved groups. The speaker also said that scholarships would be available to the underserved and the organization has agreed to host events for community groups 52 times a year at discounted or no cost.

Several representatives of groups that are members of Civic Hall, including the Union Square Partnership, Wear Works, NYC Veterans Alliance, and Per Scholas, all spoke in favor of the application and shared accounts of their organizational growth at Civic Hall as well as the services they have been offered, including training, workshops, panel discussions, and data sharing.

The chair of Community Board 3's Land Use, Zoning, Public & Private Housing Committee reiterated the Board's recommendation for conditional approval of the proposed rezoning. The

committee chair stated that the poverty rate in Community District 3 was more than double the national average and that residents need workforce development and skills training. The Board has specifically identified technology training as a need in the past several years' district need statements. The representative stated that the proposed project was selected with the Board's input when EDC issued the RFP in November 2015 and that the project team had come to the Board multiple times for feedback. The representative also said that a comprehensive approach was needed to address land use issues in this area to ensure stability and affordability while allowing for growth and economic opportunity.

A member of the Manhattan Borough President's land use staff reiterated the Borough President's recommendation for conditional approval of the proposed application. The Borough President stated her support for the benefits that the proposed project would bring to the community and the city at large.

Two other speakers testified in favor of the application. A representative from Help USA, a non-profit organization that owns the Genesis Building on the same zoning lot, expressed support for the application and gave a brief introduction of the organization and program in the Genesis Building. Another speaker representing the 32 BJ SEIU building service workers union stated that the developer had assured them that it would pay prevailing wages to workers in the proposed development and use union employees.

Speakers in opposition included the Greenwich Village Society for Historic Preservation (GVSHP); the current and former City Council Members for District 2; the state Assembly member; representatives from the Metropolitan Council on Housing, the East Village Coalition, the Lower East Side Power Partnership, the Fourth Avenue Owners Corporation, and other individuals. Many of these speakers expressed the need for a rezoning for Third and Fourth Avenues, University Place and Broadway on the south side of Union Square. There were also some comments related to the public notification for the public hearing. During the public hearing, a staff member from the Department of City Planning explained that the Commission public hearing was announced in the Commission Calendar for April 23rd, which was posted on April 20th on the Department website and announced and published in every issue of the City Record since April

25th. Among the 18 speakers that spoke against the application, 12 of them noted that they were in favor of the proposed development but requested additional zoning changes elsewhere in the area.

Three representatives from GVSHP testified against the application. The speakers noted that the proposed development should accompany rezoning and designation of the neighborhood to the south of Union Square as a historic district, and expressed concerns about the impact to the affected neighborhood, which they characterized as a mid-to-low rise predominantly residential neighborhood. One representative then elaborated on GVSHP's proposal and the goals of contextual rezoning and incentivizing affordable housing. The speaker also noted that GVSHP is in favor of the proposed development and has no land use concerns about the proposed bulk or use.

The City Council Member for Council District 2, represented by her staff, commented on the transparency of the public hearing timeline and noted that Council members should receive notification ahead of time for each critical milestone as a courtesy. The speaker also said that the Council Member had requested legislation to expand notification requirements for public review processes. The Council Member requested that the Commission listen to the local residents and advocacy groups' concerns and find a way to support them and her office to achieve two goals: promoting job growth and providing economic opportunity in the district as well as protection that promotes responsible development in this area.

The former Council Member who had represented Council District 2 spoke in opposition to the application. She stated that the proposed development and GVSHP's proposed rezoning could not be considered separately because of the market pressure in Manhattan. She raised concerns regarding the potential for tenant harassment and tenant displacement in these neighborhoods. She also stated that the original proposal presented to her was a housing development and that this proposal is not.

There were no other speakers and the hearing was closed.

CONSIDERATION

The Commission believes that the grant of this special permit (C 180203 ZSM), in conjunction with the related applications for a zoning map amendment (C 180201 ZMM) and zoning text amendment (N 180202 ZRM), is appropriate.

The application, along with related actions, would facilitate the redevelopment of City-owned property with a 21-story, 209,246-square-foot technology-focused office and retail commercial building located at 124 East 14th Street, in the Union Square neighborhood of Manhattan.

Zoning Map Amendment

The proposed zoning map amendment to extend the C6-4 district to cover the entire project area is consistent with the surrounding area's zoning districts, uses, and built form. The proposed C6-4 district allows residential, commercial, and community facility uses, with a maximum FAR of 10. The project area is in the vibrant, dense, mixed-use Union Square neighborhood. The northwest portion of the development site is already mapped with a C6-4 zoning district. C6-4 districts are also mapped immediately to the west of the site and in other areas around Union Square. An extension of the C6-4 district will allow a building consistent with the surrounding built form on a site fronting a wide street and in an area well-served by mass transit.

Zoning Text Amendment

The proposed zoning text amendment to modify ZR Section 74-721, which allows certain bulk waivers on large zoning lots within certain zoning districts, is appropriate. The proposal would modify the applicability criteria for ZR Section 74-721 to make the project area eligible for the bulk waivers. Section 74-721 will be updated so that zoning lots over 30,000 square feet and fronting a wide street in a C6-4 District in Manhattan Community District 3 can benefit from its bulk waivers. The Commission believes the expanded applicability is appropriate, since it would allow sites of sufficient size along main thoroughfares in Community District 3 to seek discretionary review of plans designed to be responsive to the context of the surrounding area.

The proposed text amendment would result in only one additional site potentially eligible for the modified Section 74-721 special permit. The site is owned by NYCHA. Any such request would be subject to the ULURP process.

The designation of the project area as an MIH area is appropriate. The proposed zoning map amendment allows a substantial increase in permitted residential capacity. Designating an MIH area will require any new residential development on the site to provide permanently affordable housing pursuant to Option 1 or Option 2. The Commission understands that the proposed development does not contemplate residential uses.

Special Permit

The Commission believes that the request for a special permit for two bulk waivers pursuant to ZR Section 74-721 is appropriate. The Commission notes that the development site is made eligible for this special permit through the related zoning text amendment described above.

The first requested waiver would modify the height and setback requirements in a C6-4 District. The second waiver would modify the required rear yard equivalent. The special permit would allow a waiver of eight feet, to allow a 52-foot-deep open area between the proposed development and the existing Genesis building fronting on East 13th Street.

The Commission believes that the proposed distribution of bulk would result in a better site plan and a better relationship between the proposed development and the surrounding area. The Commission also believes that the proposed development will benefit from the larger floorplate allowed by the requested waivers. This will enable more efficient interior layouts that would maximize the community event space and allow for a workable and desirable footprint for the workforce development and step-up office space.

The Commission believes that the requested height and setback waiver will allow the proposed development to better integrate with neighboring streetscape and buildings as a whole, including NYU's dormitories that flank the development site to the east and west, and the Consolidated Edison Building and Zeckendorf Towers to the north across East 14th Street. An as-of-right

building in a C6-4 district would have an initial setback lower than its immediate neighbors to the east and west, multiple setbacks, and would be taller than the proposed development and most of the surrounding buildings. Therefore, the proposed building with the waiver would fit into the context of the existing built environment better than if it were constructed as-of-right.

The Commission believes that the requested rear yard equivalent waiver will not unduly impair access to light and air to the legally required windows in the Genesis Building and adjacent NYU buildings. In addition, the additional bulk on the northern portion of the lot fronting on 14th Street is appropriate on a 100-foot-wide street. With the proposed development situated on the north side of the project area, shifting the bulk toward the north side of the zoning lot along East 14th Street reduces the impact on the Genesis Building.

The Commission acknowledges testimony and written comments requesting a proposed contextual rezoning in the areas located south of Union Square. The Commission has evaluated the proposed actions in this application on their individual merits, as it is required to do.

While this issue is outside the purview of the requested actions, the Commission is encouraged by EDC's stated commitment to work with a community advisory committee to provide a mechanism for community input into the proposed development through its construction and operation. The Commission believes that it would be helpful for EDC to provide regular reports to the community advisory committee, to allow ongoing monitoring of the efficacy of the proposed development, because such reports would help assure that there is community input into determining the successor uses of these publicly owned spaces once the original use restrictions expire after 25 years.

On May 21, 2018, EDC submitted a letter to the Commission stating that Urbanspace would operate the ground floor food hall and provide support for vendors, especially new businesses. The letter also stated that the demand for step-up office space is strong among mid-stage start-ups and that these tenants would pay market rent, or even a premium, for flexible terms and prebuilt suites. While the Commission acknowledges that its actions here are limited to the modification of height, bulk, and rear yard requirements, and hence do not bring uses into its purview, the Commission

believes that the program of the proposed development would provide critical workforce development and small business support services for the local community and the City as a whole. The Commission encourages EDC to make some of this valuable retail space available to emerging food service businesses and entrepreneurs, especially minority- and women-owned businesses and city-funded programs that have a proven track record in culinary workforce development.

While the proposed program is outside the scope of actions being considered, the Commission is heartened to observe that the event space will cater to the building tenants and be made available to community organizations at reduced rates or free of charge at least 52 times a year. The Commission wholly supports the programming proposed for the space, and commends EDC for its use of the ground lease, rather than a sale, to assure that this land can continue to provide public benefits, even after the expiration of the 25-year restriction.

FINDINGS

Based upon the above consideration, the City Planning Commission hereby makes the following findings pursuant to ZR Section 74-721 (Height and setback and yard regulations) of the Zoning Resolution:

- (1) Provide a better distribution of bulk on the zoning lot;
- (2) Result in a better relationship of the building to open areas, adjacent streets and surrounding development; and
- (3) Provide adequate light and air for buildings on the zoning lot and neither impair access to light and air to legally required windows in adjacent buildings nor adversely affect adjacent zoning lots by unduly restricting access to light and air to surrounding #streets# and properties.

RESOLUTION

RESOLVED, that 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 and findings described in this report, the application submitted by Fourteenth at Irving, LLC and the NYC Economic Development Corporation for the grant of a special permit pursuant to ZR Section 74-721 of the Zoning Resolution to modify the rear yard regulations of ZR Section 23-53 (Rear Yards) and the height and setback regulations of ZR Section 33-43 (Maximum Height of Walls and Required Setbacks) to facilitate the development of a 21-story commercial building on property located at 124 East 14th Street (Block 559, Lots 16 & 55), in a C6-4 District, partially within the Special Union Square District, Borough of Manhattan, Community District 3, is approved, subject to the following conditions:

1. The property that is the subject of this application (C 180203 ZSM) shall be developed in size and arrangement substantially in accordance with the dimensions, specifications and zoning computations indicated on the following plans, prepared by Davis Brody Bond, LLP, filed with this application and incorporated in this resolution:

<u>Drawing No.</u>	<u>Title</u>	<u>Last Date Revised</u>
A.001	Zoning Analysis Table	1/3/2018
A.002	Zoning Lot Site Plan	1/3/2018
A.201	Waiver Plan	1/3/2018
A.301	Sectional Height Diagram	1/3/2018
A.302	Sectional Height Diagram	1/3/2018
A.303	Sectional Height Diagram	1/3/2018

2. Such development shall conform to all applicable provisions of the Zoning Resolution, except for the modifications specifically granted in this resolution and shown on the plans listed above which have been filed with this application. All zoning computations are subject to verification and approval by the New York City Department of Buildings.
3. Such development shall conform to all applicable laws and regulations relating to its construction, operation and maintenance.

4. All leases, subleases, or other agreements for use or occupancy of space at the subject property shall give actual notice of this special permit to the lessee, sublessee or occupant.
5. Upon the failure of any party having any right, title or interest in the property that is the subject of this application, or the failure of any heir, successor, assign, or legal representative of such party, to observe any of the covenants, restrictions, agreements, terms or conditions of this resolution whose provisions shall constitute conditions of the special permit hereby granted, the City Planning Commission may, without the consent of any other party, revoke any portion of or all of said special permit. Such power of revocation shall be in addition to and not limited to any other powers of the City Planning Commission, or of any other agency of government, or any private person or entity. Any such failure as stated above, or any alteration in the development that is the subject of this application that departs from any of the conditions listed above, is grounds for the City Planning Commission or the City Council, as applicable, to disapprove any application for modification, cancellation or amendment of the special permit hereby granted.
5. In the event that the property that is the subject of the application is developed as, sold as, or converted to condominium units, a homeowners' association or cooperative ownership, a copy of this report and resolution and any subsequent modifications shall be provided to the Attorney General of the State of New York at the time of application for any such condominium, homeowners' or cooperative offering plan and, if the Attorney General so directs, shall be incorporated in full in any offering documents relating to the property.
6. Neither the City of New York nor its employees or agents shall have any liability for money damages by reason of the city's or such employee's or agent's failure to act in accordance with the provisions of this special permit.

The above resolution (C 180203 ZSM), duly adopted by the City Planning Commission on June 27, 2018 (Calendar No. 14), is filed with the Office of the Speaker, City Council, and the Borough

President together with a copy of the plans of the development, in accordance with the requirements of Section 197-d of the New York City Charter.

MARISA LAGO, Chair

KENNETH J. KNUCKLES, ESQ., Vice Chair

ALLEN CAPPELLI, ALFRED CERULLO, III,

MICHELLE DE LA UZ, JOSEPH DOUEK, RICHARD W. EADDY,

CHERYL COHEN EFFRON, HOPE KNIGHT, ANNA HAYES LEVIN,

ORLANDO MARIN, Commissioners



Community/Borough Board Recommendation

Pursuant to the Uniform Land Use Review Procedure

Application #:

Project Name:

CEQR Number:

Borough(s):

Community District Number(s):

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

SUBMISSION INSTRUCTIONS

1. Complete this form and return to the Department of City Planning by one of the following options:
 - **EMAIL (recommended):** Send email to CalendarOffice@planning.nyc.gov and include the following subject line: (CB or BP) Recommendation + (6-digit application number), e.g., "CB Recommendation #C100000ZSQ" ~~Attachment~~
 - **MAIL:** Calendar Information Office, City Planning Commission, 120 Broadway, 31st Floor, New York, NY 10271
 - **FAX:** to (212) 720-3488 and note "Attention of the Calendar Office"
2. Send one copy of the completed form with any attachments to the applicant's representative at the address listed below, one copy to the Borough President, and one copy to the Borough Board, when applicable.

Docket Description:

Applicant(s):	Applicant's Representative:		
Recommendation submitted by:			
Date of public hearing:	Location:		
Was a quorum present? YES <input type="checkbox"/> NO <input type="checkbox"/>	A public hearing requires a quorum of 20% of the appointed members of the board, but in no event fewer than seven such members.		
Date of Vote:	Location:		
RECOMMENDATION			
<input type="checkbox"/> Approve	<input type="checkbox"/> Approve With Modifications/Conditions		
<input type="checkbox"/> Disapprove	<input type="checkbox"/> Disapprove With Modifications/Conditions		
<u>Please attach any further explanation of the recommendation on additional sheets, as necessary.</u>			
Voting			
# In Favor:	# Against:	# Abstaining:	Total members appointed to the board:
Name of CB/BB officer completing this form	Title	Date	



THE CITY OF NEW YORK MANHATTAN COMMUNITY BOARD 3

59 East 4th Street - New York, NY 10003

Phone (212) 533-5300

www.cb3manhattan.org – info@cb3manhattan.org

Alysha Lewis-Coleman, Board Chair

Susan Stetzer, District Manager

Manhattan Community Board 3 recommends this application be approved with the following conditions:

1. An additional floor of workforce development and digital training for a total of 4 floors with this additional floor coming from the proposed allocation for flexible step-up office space floor
2. The basement level--formerly PC Richard space that currently has no assigned use, be programmed for use for one by one or more local nonprofit arts/cultural/theatre groups
3. Housing Preservation and Development (HPD) conduct an outreach campaign with funding for local providers, to educate local residents in the Third, Fourth Avenues area on tenant rights, and dedicate itself to monitor the area for displacement impacts
4. Consistent with previous board support for rezoning the 3rd and 4th avenue corridors, including the December 2017 board resolution, CB3 urges the City to commence the process of rezoning this area as well as incentivize affordable housing and exclude certain use groups such as hotels and big box stores
5. Additional scholarships be made available and scholarship programs be reported to EDC and Community Board 3 for monitoring. With the understanding that approximately 80% of the digital workforce development providers will already be providing completely free services, CB 3 requests that the remaining 20% of providers that are private companies offer at minimum 20% of tuition income as scholarships, broken down as follows: 10% at 50% of tuition rate and 10% at 100% tuition rate. Scholarships must be need based, and exclusively for CB 3 residents, and prioritize women and minorities.
6. Rooftop space have no amplified sound or use after 10 PM
7. The event space should be free for local nonprofit and community groups 52 times per year for the duration of the lease
8. Market hall vendor restriction to a maximum of *three* locations rather than *five*, with a preference for local merchants within CB3
9. A community advisory committee shall be formed with the membership being appointed by the following: 3 Members from the Community board; 1 appointed by the City Council Member; and 1 appointed by the Manhattan Borough President. This advisory board shall be in effect throughout the construction and operation of the facility.
10. The project developers must work with LESEN to ensure that construction and other jobs on the site are prioritized for local residents, as well as explore opportunities for continued collaboration around future workforce needs. The percentage and number of local hires should be reported to CB3 through the Community Advisory Committee. Expectations of both parties should be set in a Memorandum of Understanding.



Alysha Lewis-Coleman, Chair
Community Board 3



MyPhuong Chung, Chair
Land Use, Zoning, Public and Private Housing Committee



THE CITY OF NEW YORK MANHATTAN COMMUNITY BOARD 3

59 East 4th Street - New York, NY 10003

Phone (212) 533-5300

www.cb3manhattan.org – info@cb3manhattan.org

Alysha Lewis-Coleman, Board Chair

Susan Stetzer, District Manager

Marisa Lago, Director
Department of City Planning
120 Broadway, 31st Floor
New York, New York 10271

Dear Director Lago,

At its February 2018 monthly meeting, Community Board 3 passed the following resolution:

VOTE: Approval of ULURP 180201ZMM, 180202ZRM, and 180203ZSM: East 14th Street & Irving Place

Resolution in support of ULURP 180201ZMM, 180202ZRM, and 180203ZSM: East 14th Street & Irving Place - approval of a zoning map amendment, zoning text amendments, and a special permit to facilitate the redevelopment of a City-owned site for a 21-story, mixed-use commercial building located at 124 East 14th Street

WHEREAS, The New York City Economic Development Corporation (NYCEDC) on behalf of the Deputy Mayor for Housing and Economic Development (DMHED) and the Applicant, are proposing an application requesting two zoning text amendments, a zoning map amendment, and a special permit; and

WHEREAS, the development site is located at 124 East 14th Street and is proposed to include a 21-story mixed use office and retail commercial building including retail use on the ground and cellar levels and educational and job training space; and

WHEREAS, CB3 is aware that in 1992 this site was identified by the NYS Housing Finance Agency as a site slated for permanent housing for the homeless; and

WHEREAS, CB3 is also aware that the property was never developed for the homeless but instead was developed for commercial use and leased to PC Richards; and

WHEREAS, the four (4) actions are requested: (1) zoning map amendment to rezone portions of the site from C6-2A, C6-3X, and C6-1 to C64, (2) zoning text amendment to map the project area as a Mandatory Inclusionary Housing (MIH) area, (3) zoning text amendment to allow the project area to benefit from bulk waivers, and (4) a special permit to waive the development site from initial setback and sky exposure plane requirements and rear yard regulations; and

WHEREAS, the specific uses within the proposed development will break down as retail including market space in the cellar and ground floors, community event space on the 2nd floor, collaborative work center and digital skills training on the 3rd to 7th floors, step-up office space on the 8th-12th floors, and established office space on the 13th-20th floors, with 21st floor/rooftop space for tenant use; and

WHEREAS, the following programming requirements have been promised:

- 25% of market space booths shall be reserved for new businesses and entrepreneurs
- No retail space can be leased to tenants who have another location within *0.5 miles* of the property or who operate more than *five* locations in Manhattan with a 25-year use restriction
- Community event space will be made available to the public at reduced rates eight times per quarter for a total of 32 events annually with a 25-year use restriction
- Three floors of the building shall be permanently dedicated to workforce development focused on under-served communities such as public school students, teachers, immigrants, people with disabilities, and the elderly
- For-profit partners must offer scholarships or discounts for 20% of students equal to 50% of tuition
- Digital skills training space is rent restricted to \$50 per square foot, escalated at 2% annually with a 99-year use restriction
- Five floors will be dedicated to step-up office space for companies with five to 15 employees that are seeking to expand into larger spaces at flexible terms that include lease terms no shorter than six months and no longer than five years, reduced security deposit requirements, and guaranties limited to 12 months' rent and the landlords contribution to the tenant build-out with a 25-year use restriction; so

THEREFORE BE IT RESOLVED, that Manhattan Community Board 3 recommends this application be approved with the following conditions:

1. An additional floor of workforce development and digital training for a total of 4 floors with this additional floor coming from the proposed allocation for flexible step-up office space floor
2. The basement level--formerly PC Richard space that currently has no assigned use, be programmed for use for one by one or more local nonprofit arts/cultural/theatre groups
3. Housing Preservation and Development (HPD) conduct an outreach campaign with funding for local providers, to educate local residents in the Third, Fourth Avenues area on tenant rights, and dedicate itself to monitor the area for displacement impacts
4. Consistent with previous board support for rezoning the 3rd and 4th avenue corridors, including the December 2017 board resolution, CB3 urges the City to commence the process of rezoning this area as well as incentivize affordable housing and exclude certain use groups such as hotels and big box stores
5. Additional scholarships be made available and scholarship programs be reported to EDC and Community Board 3 for monitoring. With the understanding that approximately 80% of the digital workforce development providers will already be providing completely free services, CB 3 requests that the remaining 20% of providers that are private companies offer at minimum 20% of tuition income as scholarships, broken down as follows: 10% at 50% of tuition rate and 10% at 100% tuition rate. Scholarships must be need based, and exclusively for CB 3 residents, and prioritize women and minorities.

6. Rooftop space have no amplified sound or use after 10 PM
7. The event space should be free for local nonprofit and community groups 52 times per year for the duration of the lease
8. Market hall vendor restriction to a maximum of *three* locations rather than *five*, with a preference for local merchants within CB3
9. A community advisory committee shall be formed with the membership being appointed by the following: 3 Members from the Community board; 1 appointed by the City Council Member; and 1 appointed by the Manhattan Borough President. This advisory board shall be in effect throughout the construction and operation of the facility.
10. The project developers must work with LESEN to ensure that construction and other jobs on the site are prioritized for local residents, as well as explore opportunities for continued collaboration around future workforce needs. The percentage and number of local hires should be reported to CB3 through the Community Advisory Committee. Expectations of both parties should be set in a Memorandum of Understanding.

Please contact the community board office with any questions.

Sincerely,



Alysha Lewis-Coleman, Chair
Community Board 3



MyPhuong Chung, Chair
Land Use, Zoning, Public and Private Housing Committee

Cc: Erica Baptiste, Office of Manhattan Borough President Gale Brewer
Xinyu Liang, Office of New York City Department of City Planning
Pedro Carillo, Office of New York City Council Member Carlina Rivera

Borough President Recommendation

City Planning Commission

22 Reade Street, New York, NY 10007
Fax # (212) 720-3356

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 representative as indicated on the Notice of Certification.

Application:

Docket Description:

C 180201 ZMM, N 180202 ZRM, C 180203 ZSM In the matter of an application submitted by Fourteenth at Irving LLC pursuant to the sections 197-c and 201 of the New York City Charter for the grant of a special permit pursuant to Section 74-721* of the Zoning Resolution to modify the rear yard regulations of Section 23-53 (Rear Yards) and the height and setback regulations of Section 33-43 to facilitate 21-story commercial building on property located 124 East 14th Street (Block 559 Lots 16 & 55), in a C6-4** District, partially within the Special Union Square District, Borough of Manhattan, Community District 3.

COMMUNITY BOARD NO:

3

BOROUGH: Manhattan

RECOMMENDATION

- APPROVE
 APPROVE WITH MODIFICATIONS/CONDITIONS (List below)
 DISAPPROVE
 DISAPPROVE WITH MODIFICATIONS/CONDITONS (Listed below)

EXPLANATION OF RECOMMENDATION – MODIFICATION/CONDITIONS (Attach additional sheets if necessary)

See Attached



Gale A. Brewer
BOROUGH PRESIDENT

5/3/2018
DATE



OFFICE OF THE PRESIDENT
BOROUGH OF MANHATTAN
THE CITY OF NEW YORK

1 Centre Street, 19th floor, New York, NY 10007
(212) 669-8300 p (212) 669-4306 f
431 West 125th Street, New York, NY 10027
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www.manhattanbp.nyc.gov

Gale A. Brewer, Borough President

Recommendation on ULURP Application

C 180201 ZMM, N 180202 ZRM, C 180203 ZSM – East 14th Street and Irving Place By Fourteenth at Irving, LLC and the NYC Economic Development Corporation

PROPOSED ACTION

New York City Economic Development Corporation (EDC) and Fourteenth and Irving, LLC (“the applicants”) seek multiple land use actions to facilitate the redevelopment of a City-owned site (“the Development Site”) located at 124 East 14th Street (Block 559, Lot 16) with a new 21-story mixed use office and retail commercial building containing approximately 209,246 square feet of zoning floor area partially within the Special Union Square District of Community Board 3, Borough of Manhattan. The project will be a 21-story, multi-use, commercial development to support the development of 21st century workforce skills in the technology sector. It would include: two floors of retail space -- one for a market hall leased to tenants who operate no more than five locations in Manhattan; six floors for Civic Hall, an organization whose mission is to advance the use of technology for the public good; space for workforce development for digital skills training by various technology training organizations dispersed over three floors; two floors for a collaborative work center; step up space dispersed over five floors for technology and creative companies that are growing but not yet big enough to find their own space; and six floors of commercial office space at the top.

The land use actions include: 1) a zoning map amendment to rezone the development site from a C6-1 zoning district to a C6-4 zoning district, a C6-2A district to a C6-4 district, and a C6-3X district to a C6-4 district; 2) a zoning text amendment to map Mandatory Inclusionary Housing (MIH) over the development site; 3) a zoning text amendment to modify ZR §74-721 to allow bulk waivers on the development site; and 4) a special permit pursuant to ZR §74-721 to modify the rear yard regulations of §23-53 and the height and setback regulations of §33-43.

Zoning Map Amendment and Text Amendments

In evaluating these land use actions, the office of the Manhattan Borough President must consider if the proposed language meets the underlying premise of the Zoning Resolution of promoting the general health, safety and welfare of the neighborhood in which this project is being proposed and whether the development would be appropriate to the neighborhood. Any changes to the zoning map should be evaluated for consistency and accuracy, and given the land use implications, appropriateness for the growth, improvement and development of the neighborhood and borough. In evaluating the text amendment, this office must consider whether the amendment is appropriate and beneficial to the community and consistent with the goals of the Mandatory Inclusionary Housing (“MIH”) program.

Special Permit for Rear Yard Regulations, Height and Setback Regulations

Pursuant to ZR §74-721(a), the City Planning Commission (“CPC”) may permit the modification of the height and setback regulations, including tower coverage controls, for developments or enlargements located on a zoning lot having a minimum area of 40,000 square feet or occupying an entire block. The CPC may also modify yard and court regulations, and regulations governing the minimum required distance between buildings and or the minimum required distance between legally required windows and walls or lot lines, provided that the CPC finds that such modifications:

- 1) Provide a better distribution of bulk on the zoning lot;
- 2) Result in a better relationship of the building to open areas, adjacent streets and surrounding developments; and
- 3) Provide adequate light and air for buildings on the zoning lot and neither impair access to light and air to legally required windows in adjacent buildings, nor adversely affect adjacent zoning lots by unduly restricting access to light and air to surrounding streets and properties.

BACKGROUND

On December 7, 1983 a Uniform Land Use Review Procedure application was approved to dispose of the Development Site, a City-owned site, with no-end user specified. At the time of the Special Union Square District designation in 1985, approximately 15 feet of the western portion of the Project Site zone was rezoned from a C6-1 district to a C6-4 district. In 1993, the existing two-story P.C. Richard building was built fronting East 14th Street. In 1994, the Genesis building located on the southern portion of the Project Area was built fronting East 13th Street. In 1995, the remainder of the Project Site was rezoned to a C6-3X district and the southeastern portion of the Project Area was rezoned to a C6-2A zoning district.

On November 5, 2015, NYCEDC issued a Request for Proposal (RFP) to redevelop the PC Richard site at 124 East 14th Street for uses that supported the development of 21st century workforce development skills, high density quality jobs and promoted the formation of next generation companies and industries in New York City. NYCEDC received 13 proposals and considered teams who worked with strong community partners to propose an entirely commercial building with flexible leases and workspaces for emerging startups, short term training for demand driven skills, internships for students, and retail space for new entrepreneurs. In December 2016, NYCEDC announced the applicant as the selected developer to redevelop the site.

Site Description

The Project Area consists of two tax lots, both 150 feet wide and 103 feet deep, situated on a single zoning lot that is divided into four zoning districts. The Project Area is comprised of two buildings: one building is located on the Development Site, a two-story building measuring 25 feet in height and 100 feet wide just recently vacated by P.C. Richard, an appliance and electronic store; the second building is located in the rear of the Project Area and is a 12-story,

East 14th Street and Irving Place– 180201 ZMM, N 180202 ZRM, C 180203 ZSM

Page 3 of 8

111 foot residential and supportive services building called the Genesis and run by HELP USA, a non-profit organization.

Area Context

The Project Area is within four zoning districts: C6-4, C6-3X, C6-2A and a C6-1 district in the Union Square neighborhood of Manhattan Community Board 3. The western portion of the Development Site is within a C6-4 district which is an R10 district equivalent, and permits UG 1 through 12 as well. The C6-4 zoning district has a residential FAR is 12.0 and the commercial and community facility FAR is 10.0. This district extends west and encompasses Union Square Park. The majority of the Development Site is within the C6-3X district which permits Use Groups (UG) 1 through 12 and permits a Floor Area Ratio (FAR) for residential use of 9.0 and 9.7 for affordable independent residences for seniors, a community facility FAR of 9.0, and a commercial FAR of 6.0. This zoning district covers the eastern portion of the Development Site and extends north to East 15th Street. On the southwestern corner of the Project Area is a C6-1 zoning district has an R7-2 district equivalent, permits UG 6-12 and permits a commercial FAR of 6.0 and a residential FAR of 2.0. This zoning district extends two blocks west of Broadway. The remainder of the Project Area is within a C6-2A zoning district which has a residential FAR of 6.02, a 7.2 FAR for affordable independent residences for seniors, a commercial FAR of 6.0 and a community facility FAR of 6.5.

The Project Area is partially within the Special Union Square District which was designated to promote a revitalized mixed-use area around Union Square Park by providing ground floor retail space and improved access, visibility and security at the park. The site is surrounded by high-rise residential and commercial buildings ranging between 17 and 26 stories including: the New York University dormitory immediately adjacent to the site, the Consolidated Edison building immediately north of the site, and Zeckendorf Towers.

The project site is well served by mass transit. Immediately west of the site is access to the 14th Street Union Square station – the fourth busiest subway stop in the city serving over 100,000 riders daily – which is serviced by the N/Q/ R/W, L, and Nos. 4/5/6 subway lines. The area is also served by the PATH train west of the project site at Sixth Avenue at both 9th Street and 14th Street. There are also several bus lines that service East 14th Street including the M14A and M14D; the M101, M102, M103 bus lines can be accessed one block east of the site along Third Avenue. Just west of the site at Fourth Avenue is access to the M1, M2, and M3 bus lines. There are also three Citibike stations located within a one block radius of the site.

Proposed Actions

The New York City Economic Development Corporation and Fourteenth at Irving, LLC collectively propose a zoning map amendment, two zoning text amendments and a special permit to facilitate the development of a 21-story, 209,246 square foot technology hub at 124 East 14th Street, the former P.C. Richards site.

Zoning Map Amendment (C 180201 ZMM)

The applicants propose to rezone the Project Area to a C6-4 zoning district. The Development Site is located partially within a C6-4 zoning district and mostly within a C6-3X zoning district.

East 14th Street and Irving Place– 180201 ZMM, N 180202 ZRM, C 180203 ZSM

Page 4 of 8

The rezoning will eliminate three existing zoning districts: 1) the C6-3X zoning district roughly bounded by East 14th Street, a line 325 feet westerly of Third Avenue, a line midway between East 14th Street and East 13th Street, and the southerly centerline prolongation of Irving Place; 2) the C6-2A zoning district which covers the majority of the southern portion of the Project Area is roughly bounded by a line midway between East 14th Street and East 13th Street, a line 325 feet westerly of Third Avenue, East 13th Street, and the southerly centerline prolongation of Irving Place; and 3) the narrow C6-1 zoning district on the southwest portion of the Development Site midway between East 14th Street and East 13th Street and centerline of Irving Place, East 13th Street, and a line 475 feet westerly of Third Avenue . The rezoning would permit a total FAR of 10.0. The proposed development commercial FAR would be 6.79 and 3.21 residential FAR.

Zoning Text Amendments (N 180202 ZRM)

The applicants propose an amendment to §74-721 of the Zoning Resolution to permit zoning lots over 30,000 square feet in Manhattan Community 3 to be eligible for bulk waivers. Although the applicant does not propose residential uses at the Project Site, the proposal to increase density at this site requires the site to be mapped as a Mandatory Inclusionary Housing Area.

Special Permit for Height, Setback and Yard Regulations (C 18203 ZSM)

The applicants seek two special permits pursuant to §74-721 of the ZR for height, setback and yard regulations. Pursuant to §33-432, the applicant seeks to waive the sky exposure plane requirements for new buildings in C6-4 zoning districts which require buildings to setback 15 feet after rising to a height of 85 feet. This waiver would allow the applicants to distribute bulk to the north side of the Project Area and would permit larger floor plates on the lower floors of the building. The applicants also seek a waiver for the rear yard requirements pursuant to §23-532 of the ZR which requires an open area 60 feet in depth between the Genesis building and the proposed building. The applicant proposes a 52 foot deep open area and therefore seeks an 8 foot waiver.

PROJECT DESCRIPTION

The applicant proposes to redevelop the Development Site as Civic Hall's Digital Skills Learning and Workforce Development Center, a multi-use, commercial development to support the development of 21st century workforce skills in the technology sector. The proposed development includes a new 21-story building, including a cellar and, and 209,246 zoning square feet divided between six specific uses.

The proposal includes 19,922 zoning square feet for UG 6A (retail use) dispersed over two floors managed by Urban Space. The retail space will include one floor for a market hall leased to tenants who operate no more than five locations in Manhattan or limited to having a location within close proximity to the site. Civic Hall would have a dedicated 6 floors in the building with: 10,263 zoning square feet of UG 6C (community event space) which will be made available to the community 52 times a year for free; 33,282 zoning square feet for workforce development (UG 6B) dispersed over three floors for digital skills training by Per Scholas, Computer Science for All NYC Students, FedCap, AccessCode and General Assembly; and 21,101 zoning square feet for a collaborative work center (UG 6B) on two floors. The applicant also proposes a step-up space (UG 6B) of 55,641 zoning square feet dispersed over five floors

dedicated to technology, creative and innovation companies with employees of 5 to 15 that seek to expand into a larger space with flexible leases. Lastly, 69,037 zoning square feet on the upper 6 floors will be dedicated to traditional office space (UG 6B) for established technology companies at market rate rents.

ENVIRONMENTAL IMPACTS

On January 22, 2018, the Office of the Mayor of the City of New York issued a Negative Declaration, indicating the proposed Development would have no significant effect on the environment. The project is consistent with current land uses in the immediate vicinity and there would be no loss of open space, adverse effects on air quality or shadows on neighboring properties.

COMMUNITY BOARD RECOMMENDATION

On February 7, 2018, Community Board 3 (CB3) held a public hearing on this project. Many of the speakers present expressed support for the project, while others expressed concern for the lack of zoning protection for neighboring areas, specifically along Third Avenue and Fourth Avenue, which are largely residential, and Broadway and University Place.

The board voted to approve the project on February 27, 2018 with significant conditions. Thirty-six board members voted in favor, with 0 opposed and 0 abstentions.

BOROUGH PRESIDENT'S COMMENTS

Technology is the fastest growing private sector industry in New York, providing good jobs at high wages. The city's residents are in need of technology training in general, and Community District 3, with higher than average poverty and unemployment rates, is specifically in need of workforce development and skills training that will lead to good paying jobs. Indeed, residents of CB3 have specifically identified technology training as a need. It is for these reasons, laid out in greater detail below, that I have been supportive of this project.

According to the NYU Furman Center's *New York City Neighborhood Data Profiles* from 2017, CB3's poverty rate is approximately 25.5 percent with an unemployment rate of 5.56 percent. According to the most recent United States Census Data, the national poverty rate is 12.7 percent¹. As of March 2018, the national unemployment rate is 4.1 percent². Community Board 3, while ranking as one of the most income-diverse neighborhoods in New York City, has a serious challenge with poverty and unemployment as they far exceed the national average. A survey conducted by this office in 2017 of residents of the Two Bridges Community, located in

¹ Income and Poverty in the United States: 2016. <https://www.census.gov/library/publications/2017/demo/p60-259.html>

² Bureau of Labor Statistics. <https://data.bls.gov/timeseries/LNS14000000>

CB3, two-thirds of the respondents indicated that training programs for local residents for technology jobs was a high priority.

Technology jobs are well regarded as the profession that provides the most opportunities, with high salaries. According to the State Comptroller's 2017 report on technology in New York City, employment in the tech sector increased by fifty-seven percent between 2010 and 2016, growing three times as much as any other private sector industry.³ According to Dice.com, an established tech career job website, their annual salary report shows that New York State is one of the top three Metropolitan areas for Technology jobs, with an average salary for tech jobs at \$103,941.⁴ These jobs require skills that can be obtained through training courses, but the high tuition costs often place these courses out of the reach of low income households. The need for a space with affordable educational opportunities to prepare New Yorkers for careers of the 21st century is critical in not only retaining technology jobs in our city, but growing the industry by attracting new companies to the area. The tech industry is an opportunity for low-income earners and unemployed residents to find higher paying jobs and provide more stability for their households. As technology continues to advance and “smart cities” such as New York continue to develop, the growth in this industry is expected to continue for some time. At this present rate of growth, it is possible that an additional 50,000 tech jobs may be available by 2022, when this Development would be completed and in operation.

Civic Hall is an organization that has been working with various stakeholders to advance the use of technology for the public good. Civic Hall engages various stakeholders, including entrepreneurs, community organizers, technologists, and government officials, to come up with creative solutions to community problems. They are currently located in Chelsea where they facilitate trainings and events to engage these stakeholders. They also maintain a community space that is open every weekday for over 10 hours, where there is low-cost access to workstations, meeting rooms, and wireless internet.

Civic Hall partnered with developer RAL Companies to submit a proposal to redevelop the Development site to create a space that will “enable New Yorkers from all backgrounds to be full-fledged digital citizens, connecting them with jobs in the technology sector and, in turn, connecting the technology sector with all New Yorkers”⁵. The space will not only encourage technological innovation through collaboration, it will also foster local entrepreneurship of various kinds – from tech start-ups to food and other retail.

NYCEDC will retain ownership of the land and receive ground lease payments from the development team. The lease term will be 99 years and will include use restrictions to ensure the programming will remain in place long term. The restrictions also prioritize small business and workforce development. The Market Space will be required to dedicate 25 percent of its space to new businesses, with the remaining space for businesses with fewer than 5 locations within Manhattan, none being within the immediate vicinity of the Development site. The term of use for this space will be 25 years.

³ *The Technology Sector in New York City* – <https://www.osc.state.ny.us/osdc/rpt4-2018.pdf>

⁴ Dice 2018 Tech Salary Report. https://marketing.dice.com/pdf/Dice_TechSalarySurvey_2018.pdf

⁵ Civic Hall @ Union Square <https://civichall.org/about-civic-hall/civic-hall-union-square/>

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The workforce development space, consisting of three floors, is focused on providing digital skills training to underserved communities such as public school students, immigrants, elderly, people of color, and people with disabilities. The educational partners in this space are largely non-profit organizations that provide free or low cost trainings, such as Per Scholas and Computer Science for all NYC Students. All for-profit partners in this space will be required to offer 20 percent of students, scholarships equaling 50 percent of tuition. The workforce development space use term will be in perpetuity, as the space will be permanently dedicated to workforce development in accordance with NYCEDC's lease terms. The space will also be offered to the community 32 times a year at reduced or no cost.

The Development site is not only designed to foster training for those entering the technology industry. The space also includes "Step-Up" space, for new companies focusing on technology, creativity and innovation, to expand into a larger space as they develop their business. This will allow these companies to operate with flexibility to lease office space for short terms at a reduced cost as they strengthen their business model. There will also be space dedicated to established tech companies at market rate on the upper floors.

The opportunity for meet ups and other community-based organizations to have a dedicated, centrally-located space in Union Square, is a great benefit to the broader technology community. The workforce development space will encourage collaboration through sharing of pedagogy and data to solve common problems. The students themselves will benefit from having a wider option of skills trainings to choose from as there will be many organizations under one roof. The businesses in both the "Step-Up" space and the upper floors will have direct access to a workforce that is being trained to enter the industry. The residents of Community Board 3 and New York City will have access to this hub, giving them a venue that will allow for community education and employment opportunity for higher paying jobs -- a significant community benefit.

The Borough President shares the community concerns regarding rezoning of the neighboring streets to the north and south of the Development site. In 2015 and 2017, in letters to the Department of City Planning (DCP), this office raised the issue of rising pressure for development in the area, as evidenced by two large scale projects currently under construction on sites not previously analyzed by DCP for potential redevelopment. The community thinks the Development site could add to these pressures. There is a need to take a holistic approach in addressing land use issues in this area to ensure stability and affordability while allowing for growth and economic opportunity for the community at large. This office supports the community and the local electeds in calling on this administration to commit to actions that result in zoning protections on the avenues including height limits along Broadway and University Place, as well as protections for properties located mid-block on surrounding streets.

BOROUGH PRESIDENT'S RECOMMENDATION

Therefore, the Manhattan Borough President recommends approval of ULURP Application Nos. C 180201 ZMM, N 180202 ZRM, C 180203 ZSM with the following conditions:

- The scholarship programs numbers should be reported out regularly to EDC and Community Board 3 for monitoring. With the understanding that approximately 80 percent of the digital workforce development providers will already be providing completely free services, the Borough President requests that all for-profit digital training companies operating within the Development site offer 20 percent of tuition income as scholarships, offering tuition rates that reflect what low-income CB3 residents can realistically afford. Scholarships must be need based and prioritize underrepresented groups in the technology industry such as but not limited to women, persons of color, and persons with disabilities;
- The basement level--formerly PC Richard space that currently has no assigned use, be programmed for use for one by one or more local nonprofit arts/cultural/theatre groups. It is this office's understanding that current subsoil conditions do not allow for a theatre space but a space for local arts and culture should be provided;
- The event space should be free for local nonprofit and community groups 52 times per year for the duration of the lease, as opposed to the original 32 times a year proposed;
- Market hall vendor restriction to a maximum of three locations rather than five, with a preference for local merchants within CB3, including the current food trucks located in the immediate vicinity of the Development;
- Rooftop space have no amplified sound or use after 10 PM;
- The project developers must work with the community to ensure that construction and other jobs on the site are prioritized for local residents, as well as explore opportunities for continued collaboration around future workforce needs. Local hiring goals should be set and agreed upon by the community and reported monthly to CB3; and
- The administration should commit to actions to address building heights and affordable housing needs within the immediate vicinity of the Development site.



Gale A. Brewer
Manhattan Borough President