



**IN THE MATTER OF** an application submitted by the Department of Citywide Administrative Services (DCAS) pursuant to Section 197-c of the New York City Charter, for the disposition of City-owned property located on the west side of Pearl Street between York and Front streets (Block 52, Lots 15 and 17) pursuant to zoning, Borough of Brooklyn, Community District 2.

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This application for the disposition of development rights from two City-owned properties was filed by the Department of Citywide Administrative Services (DCAS) on June 27, 2020 to allow the transfer of the development rights to an adjacent privately-owned site. The proposed action would facilitate the construction of a 25-story, mixed-use building with residential and commercial uses located at 69 Adams Street in the DUMBO neighborhood of Brooklyn, Community District 2.

### **BACKGROUND**

DCAS is proposing the disposition of 98,446 square feet of development rights from two City-owned lots (Block 52, Lots 15 and 17) adjacent to the privately-owned development site (Block 52, Lot 4). The project area is comprised of the two City-owned lots, as well as the development site. The subject City-owned lots are currently used for parking and open storage by the New York City Department of Transportation (DOT). The development site is a vacant corner lot with 205 feet of frontage on Adams Street and 66 feet of frontage on Front Street.

The project area contains a combined lot area of 45,590 square feet, comprised of the City-owned lots (28,127 square feet) and the development site (17,463 square feet). The project area is bounded by Front Street to the north, Pearl Street to the east, York Street to the south, and Adams Street to the west and is comprised of three tax lots. The elevated roadway of the Manhattan Bridge extends over portions of the City-owned lots, at heights ranging from

approximately 75 feet to 95 feet between York and Front streets. The project area is located within the State and National Register-listed DUMBO Industrial District and is partially located within the NYC Landmarks Preservation Commission DUMBO Historic District. The project area is also located in the 100-year floodplain.

The project area is part of the larger MX-2 Special Mixed-Use District that was approved in 1999, pairing manufacturing and residential districts to allow for residential conversions, and a mix of commercial, residential, and manufacturing uses. In 2009 this mixed-use district was expanded (C 090310 ZMK and N 090309 ZRK), with M1-2 and M3-1 districts changed to contextual, mixed-use zoning districts to allow residential conversion of existing loft buildings and promote new construction. Within this Special Mixed-Use District, the project area is located within an M1-5/R9-1 zoning district. M1-5/R9-1 zoning districts allow residential and community facility uses with a maximum floor area ratio (FAR) of 9.0. Commercial and industrial uses are permitted with a maximum FAR of 5.0. The maximum building height is 280 feet but may be exceeded by up to four stories or 40 feet, whichever is less, provided the gross area of each story located above the maximum building height does not exceed 80 percent of the gross area of the story directly below it.

DUMBO is part of the Brooklyn Tech Triangle, established in 2012 to encourage creative, technology, and design firms to locate their offices in Downtown Brooklyn, DUMBO, and the Brooklyn Navy Yard. The Brooklyn Tech Triangle is the third largest central business district in the city, outside of Downtown and Midtown Manhattan.

In 2017, the New York City Economic Development Corporation (EDC) issued a request for proposal (RFP) to purchase unused development rights associated with the two subject City-owned lots to create 98,446 square feet of commercial office space. Proposals were required to use the development rights for commercial office uses, in support of *New York Works*, a citywide

economic development plan released by the Mayor in 2017 to create 10,000 jobs in the next ten years through a number of initiatives, promoting job and business growth in transit accessible areas outside of Manhattan, connecting New Yorker's of all neighborhoods with economic opportunity. The owner of the development site submitted a proposal and was designated the recipient of the development rights. The transfer of development rights would be facilitated by a zoning lot merger of Lots 4, 15, and 17.

The DUMBO neighborhood contains a mix of medium- and high-density residential, retail, office, industrial, and community facilities uses, as well as transit-related infrastructure. On the same block as the project area, at the corner of York and Adams streets, is a 23-story mixed residential and commercial building. To the west of the project area, several residential and mixed-use buildings range in height from four to 13 stories. A 21-story mixed-use residential and commercial building is currently under construction two blocks east of the project area, and one block to the east is a six-story and a 31-story mixed-use residential and commercial building. The surrounding area also has a number of medium-scale office buildings ranging between nine-to 12-stories in height. The 12-acre Con Edison Farragut Substation is located five blocks northeast of the project area.

The surrounding area is well served by open spaces. Two public parks, Clumber Corner and Bar and Grill Park, are located one block south and southwest of the project area. Two blocks southeast of the project area is Bridge Park. Brooklyn Bridge Park is located two blocks north of the project area.

The project area is also well served by public transit. The York Street subway station, providing access to the F train line, is located one block southeast of the project area, and the High Street subway station, providing access to the A, C and F train lines, is located four blocks to the south. The project area is served by the B25 and B67 buses, which run along Front Street providing

access between Dumbo and Broadway Junction, and the B67, which runs along York Street providing access between the Brooklyn Navy Yard and Kensington. The project area is also served by multiple Citi Bike locations and the NYC Ferry.

The applicant is seeking to dispose of a negative easement corresponding to the disposition of 98,446 square feet of development rights from City-owned property to the development site. Use of the development rights on the development site would be facilitated by combining the City-owned property and the development site into a single zoning lot. All of the development rights would be restricted to commercial office use. The City-owned lots would retain the remaining development rights and DOT's current operations would not be affected by the proposed action.

The proposed action would facilitate the development of approximately 98,446 square feet of commercial office space within a mixed-use building that would also contain as-of-right residential uses. The commercial office space would be located on floors three through nine.

To ensure the upper-portion of the building has access to light and air, this action would also grant a 30-foot wide permanent and perpetual easement beginning above the commercial office base at the first residential floor.

## **ENVIRONMENTAL REVIEW**

This application (C 200356 PPK), 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 New York City Mayor's Office of Environmental Coordination. The designated CEQR number is 20DME004K.

## **UNIFORM LAND USE REVIEW**

This application (C 200356 PPK) was certified as complete by the Department of City Planning on October 5, 2020 and was duly referred to Community Board 2 and the Brooklyn Borough President in accordance with Title 62 of the rules of the City of New York, Section 2-02(b)

### **Community Board Public Hearing**

Brooklyn Community Board 2 held a public hearing on this application (C 200356 PPK) on November 18, 2020, and on December 9, 2020, by a vote of 34 in favor, none opposed, and none abstaining, recommended disapproval of the application.

### **Borough President Recommendation**

The November 30, 2020 the Borough President held a public hearing on this application (C 200356 PPK) and on January 20, 2021, issued a recommendation of disapproval of the application unless the following conditions are met:

“1. That the Administration provide the following to the City Council:

1. A Memorandum of Understanding (MOU) clarifying how long the New York City Department of Transportation (DOT) would be permitted to maintain jurisdiction of the following properties:
  - i. 59 Adams Street
  - ii. 122 Front Street
  - iii. New Dock Street and Water Street
  - iv. Old Fulton/Cadman Plaza
  - v. Plymouth/Adams Yard
  - vi. Washington Street Yard
  - vii. 82 York Street

The MOU should also clarify which properties would remain in the agency portfolio and identify one or more that would be surrendered for publicly accessible open space, as well as the effective date of such transfer.

2. Assignment of all the proceeds from the disposition of zoning floor area to Rabsky to a Comptroller Fiduciary Account to fund:
  - i. One or more capital projects to enhance egress and ingress at York Street station, to be identified by the Metropolitan Transportation Authority (MTA) in consultation with Brooklyn Community Board 2 (CB 2) and local elected officials
  - ii. Capital projects for the benefit of the Farragut Houses, to be identified by the New York City Housing Authority (NYCHA) in consultation with the Farragut Houses residents, CB 2, and local elected officials
  - iii. One or more capital projects to advance public realm improvements at DOT's DUMBO properties, including the implementation of aesthetic property enclosures and/or the conversion of one or more such parcels to public space through the NYC Plaza Program
  - iv. A DOT expense budget funded traffic study of DUMBO
3. That DOT conduct a traffic study of DUMBO to determine appropriate traffic mitigation measures including but not limited to restrictive curbside signage

2. That the zoning floor area disposition agreement between the SBA/EDC and Rabsky clarify in writing to the City Council the developer's obligation to:

1. Set aside a portion of the commercial space for arts/cultural entities and non-profit organizations, at below-market lease terms, as warranted
2. Incorporate resiliency and sustainability measures, such as blue roofs, passive house design, solar facades, and/or wind turbines

3. Coordinate with the New York City Department of Environmental Protection (DEP), DOT, and the New York City Department of Parks and Recreation (NYC Parks) regarding the installation of DEP rain gardens, as part of the required Builders Pavement Plan along Adams and Front streets fronting the development, in consultation with CB 2 and local elected officials
4. Coordinate Connecting Residents on Safer Streets (CROSS) Brooklyn implementation with DEP and DOT for the installation of a curb extension at the southeast corner of Adams and Front streets, either as part of a Builders Pavement Plan or as a treated roadbed sidewalk extension
5. Enter into a standard DOT maintenance agreement for those intersections and coordination with DEP and DOT should there be agency implementation for the provision of protected painted areas at the southeast corner of Adams and Front streets with the understanding that such improvements would not proceed prior to consultation with CB 2 and local elected officials.”

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

On January 6, 2021 (Calendar No. 1), the City Planning Commission scheduled January 20, 2021, for a public hearing on this application (C 200356 PPK). The hearing was duly held on January 20, 2021 (Calendar No. 24). Seven speakers testified in favor of the application, and none in opposition.

Representatives from DCAS, EDC and the developer summarized the disposition action, proposed development, and project goals. EDC representatives stated that the proposed actions would facilitate the transfer of development rights from City-owned property to the development site, optimizing the use of underutilized City-owned property and creating commercial office space in the DUMBO neighborhood of Brooklyn, part of the Brooklyn Tech Triangle. This

transfer of development rights would allow the City to unlock the value of these lots, which would otherwise be unused, as there are no other receiving lots on the block.

EDC representatives also discussed the goals of the project, outlined in the 2017 RFP, which sought to create a public benefit by activating underutilized City-owned property to create commercial office space in outer borough neighborhoods, connecting underserved residents with employment opportunities. EDC noted Community Board 2's recent Statement of Needs, which calls for connecting locals, specifically New York City Housing Authority (NYCHA) residents, with the increasing economic activity in the community district. As part of this disposition, local NYCHA residents would be connected with jobs created from the project through NYCHA's Office of Resident Economic Empowerment & Sustainability. Furthermore, the developer's representative noted that the developer is required to participate in the HireNYC program with the goal of hiring 50% locally. A representative from the developer described the proposed development and how it fits within its surrounding context.

One speaker representing the Service Employees International Union, Local 32BJ expressed their support for the application, noting the developer's commitment to working with the union at the proposed development. The president of the Downtown Brooklyn Partnership expressed support for the application, detailing the need for new office space to serve creative and tech companies in the Brooklyn Tech Triangle, along with the need for increased live-work opportunities, and the site's strong access to transportation. A representative from the NYC District Council of Carpenters expressed their support for the application, noting that the developer has committed to incorporating union jobs, local hiring initiatives, and MWBE hiring.

There were no other speakers and the hearing was closed.

## **WATERFRONT REVITALIZATION PROGRAM**

This application (C 200356 PPK), 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 20-081.

This action was determined to be consistent with the policies of the New York City Waterfront Revitalization Program.

## **CONSIDERATION**

The Commission believes that this application for the disposition of City-owned property (C 200356 PPK) is appropriate.

The proposed action will facilitate the disposition of 98,446 square feet of development rights from City-owned property to an adjacent, privately-owned development site and facilitate the construction of 98,446 square feet of commercial office space in a mixed-use building that also contains commercial retail and residential uses in the DUMBO neighborhood of Brooklyn.

The Commission notes the proposed action aligns with the stated goals of EDC's 2017 RFP and the Mayor's 2017 *New York Works* plan by providing commercial office space in transit accessible areas outside of Manhattan. The proposed disposition will maximize economic development in the area by creating employment opportunities and strengthening live-work communities. DUMBO is part of the Brooklyn Tech Triangle, established in 2012 to encourage creative, technology, and design firms to locate their offices in Downtown Brooklyn, DUMBO,

and the Brooklyn Navy Yard. The Commission is pleased that the project will continue to expand office development in DUMBO and the Brooklyn Tech Triangle.

The proposed action will aid in achieving the general purposes and intent of the DUMBO Special Mixed-Use District (MX-2), which encouraged a mix of commercial, residential, and industrial uses.

The proposed action is an appropriate use of unused development rights associated with City-owned lots located below the Manhattan Bridge and used primarily for parking and open storage uses by DOT. These underutilized development rights can only be transferred to the proposed development site, since the only other lot on the block was improved with a 23-story building in 2006.

The Commission recognizes the Brooklyn Borough President's recommendation to clarify the future use of DOT properties in DUMBO and assign proceeds of the disposition to fund specific local improvements and a traffic study, but notes that these recommendations are outside the scope of this application.

The Commission acknowledges the Borough President's recommendation that the zoning floor area disposition agreement clarify the developers obligation to set aside space for local cultural, arts/cultural and non-profit entities, incorporate resiliency and sustainability measures, and coordinate pedestrian safety measures, but notes that these recommendations are outside the scope of this application.

## **RESOLUTION**

**RESOLVED**, that having considered the Environmental Assessment Statement (EAS), for which a Negative Declaration was issued on October 2, 2020 with respect to this application (CEQR No. 20DME004K), 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 described in this report, the application submitted by the Department of Citywide Administrative Services (DCAS) and the Economic Development Corporation (EDC), for the disposition of City-owned property located on the south side of Front Street between Adams Street and Pearl Street (Block 52, Lots 15 and 17), pursuant to zoning, is approved.

The above resolution (C 200356 PPK), duly adopted by the City Planning Commission on March 3, 2021 (Calendar No. 13), 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.

**MARISA LAGO**, *Chair*

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

**DAVID J. BURNEY, ALLEN P. CAPPELLI, ALFRED C. CERULLO, III,**

**JOSEPH I. DOUEK, RICHARD W. EADDY,**

**HOPE KNIGHT, ANNA HAYES LEVIN, ORLANDO MARIN,**

**LARISA ORTIZ, RAJ RAMPERSHAD**, *Commissioners*