

M1 Hotel Text Amendment

Draft Scope of Work for an Environmental Impact Statement



New York City Department of City Planning

CEQR No. 18DCP042Y

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I

Introduction

As New York City's population and employment numbers hit record highs, competition for scarce buildable land is growing especially strong. Light manufacturing zoning districts (M1 zones) have emerged as areas of opportunity, presenting some of the city's last reservoirs of buildable land, and rules regulating land use and development in these districts have changed little since the city was comprehensively rezoned in 1961.

The City's 10-Point Industrial Action Plan, announced by Mayor de Blasio in November 2015, aims to support industrial job growth in Industrial Business Zones (IBZs), the city's most active manufacturing zones (NYC Office of the Mayor, 2015). The Plan's proposals included the creation of a new special permit for tourist hotels, to preserve opportunities for industrial and manufacturing businesses in IBZs. However, comprehensive planning efforts are equally necessary to determine whether other M zones outside of IBZs, and particularly many M1 zones, may be better suited for the expansion of commercial and institutional uses, and in certain instances new housing development, to meet the needs of a growing city.

The Department of City Planning needs to ensure that sufficient opportunities to support industrial, commercial, residential and institutional growth remain, and believes it would be beneficial to revisit the zoning framework for M1 districts. In this context, the proliferation of hotels in M1 districts is seen as problematic. Hotels are currently permitted as-of-right in M1 districts, and hotel development in M1 districts has accelerated significantly since 2010. A combination of rapid growth in tourism in New York City ("NYC" or the "city") and the current zoning framework, which in M1 districts offers hotels a competitive advantage over most other permitted uses, have contributed to a significant increase in new hotel development in M1 districts, particularly in areas near transit. M1 districts require relatively little off-street parking for hotels compared to other permitted as-of-right uses, and the height and setback regulations, which can limit building efficiency for other uses such as offices or warehouses, work well for the tall, slender hotels that have become more common

in the city. Hotels also benefit from a business model that can maximize the value of permitted height and floor area ratios in M1 districts, giving such development an additional advantage over other uses permitted in M1 districts that are growing in the city, such as offices, warehouses, retail and ambulatory health care. Consequently, hotels have proven flexible enough to develop on more readily available smaller or constrained sites, outbidding other types of development that rely on assemblages to create sites that support a development that complies with zoning requirements and provides a viable and marketable building.

Hotels may directly or indirectly detract from opportunities for other kinds of development, including industrial, residential, institutional, and other commercial uses, by occupying vacant or underdeveloped sites that could have been available to other uses better equipped to fulfill neighborhood development objectives and needs, or by driving the expansion of other tourism-oriented uses. Given the disparate characteristics of the city's M1 districts, the increasingly diminishing stock of buildable land in NYC and M districts' position as NYC's last land reservoirs, more careful thought about the trajectory of hotel development is appropriate.

Accordingly, the Department of City Planning proposes a zoning text amendment to establish a City Planning Commission special permit for new hotel development in M1 districts, which would allow for more balanced neighborhood growth, facilitating the growth of viable industrial businesses in core industrial areas, while encouraging growth of other kinds of commercial, and in limited instances residential, uses in other light manufacturing districts (the "Proposed Action").

The Department of City Planning has recognized that hotels in M1 districts have the potential to impair the growth and development of other uses, firstly by occupying sites that could be available to other uses better equipped to fulfill neighborhood development objectives, and secondly by changing neighborhood character. The Proposed Action to allow hotels in M1 districts only by special permit would allow for more balanced neighborhood growth, in some core industrial areas facilitating the growth of viable industry, while in other areas encouraging growth of other kinds of commercial uses.

II

Required Approvals and Review Procedures

The proposed Zoning Text Amendment encompasses a discretionary action that is subject to review under Section 200 of the City Charter, and the City Environmental Quality review (CEQR) process.

The Proposed Action is classified as Type I, as defined under 6 NYCRR 617.4 and 43 RCNY 6-15, subject to environmental review in accordance with CEQR guidelines. An Environmental Assessment Statement (EAS) was completed on September 25, 2017. A Positive Declaration, issued on September 25, 2017, established that the Proposed Action may have a significant adverse impact on the environment, thus warranting the preparation of an Environmental Impact Statement (EIS).

The CEQR scoping process is intended to focus the EIS on those issues that are most pertinent to the Proposed Action. The process allows other agencies and the public a voice in framing the scope of the EIS. The scoping document sets forth the analyses and methodologies that will be utilized to prepare the EIS. During the period for scoping, those interested in reviewing the Draft Scope of Work (Draft Scope) may do so and give their comments to the lead agency. The public, interested agencies, Community Boards, and elected officials are invited to comment on the Draft Scope, either in writing or orally, at a public scoping meeting to be held on Thursday, October 26th at Spector Hall, 22 Reade Street, New York, New York 10007, starting at 2:00pm. Comments received during the Draft Scope's public hearing and written comments received until 5:00 pm on Monday, November 6th, 2017, will be considered and incorporated as appropriate into the Final Scope of Work (Final Scope). The lead agency will oversee preparation of the Final Scope, which will incorporate all relevant comments made on the Draft Scope, and revise the extent or methodologies of the studies, as appropriate, in response to comments made during scoping. The Draft EIS (DEIS) will be prepared in accordance with the Final Scope.

Once the lead agency is satisfied that the DEIS is complete, the document will be made available for public review and comment. A public hearing will be held on the DEIS in conjunction with the CPC hearing on the land use applications to afford all interested parties the opportunity to submit oral and written comments. The record will remain open for ten days after the public hearing to allow additional written comments on the DEIS. At the close of the public review period, a Final EIS (FEIS) will be prepared that will incorporate all substantive comments made on the DEIS, along with any revisions to the technical analysis necessary to respond to those comments. The FEIS will then be used by the decision makers to evaluate CEQR findings, which address project impacts and proposed mitigation measures, in deciding whether to approve the requested discretionary actions, with or without modifications.

III

PURPOSE AND NEED

Competition for Buildable Land

Accommodating Residential Demand

The Mayor's Housing New York plan emphasized the need for additional housing to meet the demands of a growing population (NYC Office of the Mayor, 2014). Released in 2014, the plan sought to create or preserve 200,000 units of affordable housing through the development of several key policies and programs, including identifying opportunities for affordable housing in all five boroughs and the reformation of zoning, building and housing codes, and other regulations to lower costs and unlock development opportunities. To this end, the Department of City Planning's PLACES studies (Planning for Livability, Affordability, Community, Economic Opportunity and Sustainability) are designed to foster diverse, livable neighborhoods with mixed-income housing and supporting services by examining and addressing key land use and zoning issues in neighborhoods (DCP, 2017). Recommendations resulting from these studies respond principally to needs around affordable housing preservation and development, economic development, and investments in infrastructure and services. Two proposed PLACES studies, the proposed Special Jerome Avenue District and the proposed East Harlem Rezoning, also include hotel special permit provisions. Other PLACES proposals, including LIC Core, Gowanus, Bay Street and Bushwick, are under review, including whether or not regulatory mechanisms affecting hotel development are warranted.

Growth, however, is constrained by a limited supply of developable land, and balancing the land use needs for housing and businesses is more difficult than ever before, as both jobs and population are at record highs – outpacing early assumptions regarding the city's

population capacity. In 1958, the Voorhees Walker Smith & Smith report that preceded the 1961 Zoning Resolution estimated a total maximum city population of 8,340,000 persons by 1975 and concluded “that the future land requirements of New York City will be determined less by overall growth than by internal re-distribution of existing people and jobs.” (Voorhees Walker Smith & Smith, 1958, p.5). In fact, both the numbers of residents and jobs, and the locations where people live and work, have expanded significantly. As of July 2016, the U.S. Census Bureau has estimated New York City’s population at over 8,500,000, and the city is expected to continue to grow – exceeding 9.16 million residents by 2050, according to New York Metropolitan Transportation Council (NYMTC) projections.¹ Most of the city is residentially zoned and occupied by residences or active community facilities; thus, there is scarce usable residentially-zoned vacant land, and what land is available tends to come at a high cost and face development constraints.

Neighborhood rezonings have the potential to “unlock” additional development rights through increasing maximum allowable floor area or loosening bulk controls. Rezonings over the past decades, such as Astoria and in Greenpoint/Williamsburg, and areas included in the more recent PLACES studies (DCP, 2017), such as East New York and Jerome Avenue, aimed to create opportunities for additional residential growth where appropriate, and in some cases encompassed formerly M1 districts through these and other zoning mechanisms.

Accommodating Commercial Demand

A growing population generates an increased need for a wide range of commercial establishments and other businesses and services. These uses include critical retail outlets like grocery stores, drug stores and banks, service establishments including doctors’ offices, medical facilities and day care facilities, other types of shops including clothing stores, book stores, coffee shops and restaurants, institutions such as schools, office buildings, recreational facilities such as gyms, nightclubs and music venues, and critical infrastructure components including gas stations, school bus parking, and auto repair shops.

NYC’s employment base has also expanded and is expected to continue to grow. As highlighted in *New York Works*, Mayor De Blasio’s 2017 plan for workforce expansion, the city’s economy is thriving (NYC Office of the Mayor, 2017a). More than 300,000 jobs have been created since 2014, and unemployment is as low as 4 percent. These unprecedented employment increases have occurred through a more intensive use of existing office space and the creation of new space, but there continues to be demand for additional commercial square footage.

However, commercially-zoned land is limited in its ability to facilitate business growth, particularly regarding both Class A and Class B office space. Class A office space is concentrated in Manhattan’s Central Business Districts but as early as 2001 with the “Group of 35” report², it was recognized that few sites were available for development of Class A office space in areas where Class A office space traditionally existed. The Group of 35 report (2001) recommended rezoning Downtown Brooklyn, Long Island City in Queens, and Hudson

¹ New York Metropolitan Transportation Council 2050 SED Forecasts, <https://www.nymtc.org/DATA-AND-MODELING/SED-Forecasts/2050-Forecasts>

² “Preparing for the Future: A Commercial Development Strategy for New York City,” Group of 35 Final Report, June 2001

Yards in Manhattan for future needed Class A office space, and the city subsequently rezoned all three areas. Downtown Brooklyn and Long Island City had unanticipated high levels of residential construction. Long Island City has seen new Class A office space but not as much as forecasted; only Hudson Yards has been successful as a growth area for Class A office space. In 2017, the city rezoned East Midtown to facilitate the creation of additional new Class A office space.

The supply of Class B office space, suitable for growing more price-sensitive sectors such as media and technology, is also limited. Regional C4 commercial districts are limited in their extent. Accordingly, businesses and institutions are increasingly looking to M zones, particularly those near public transit or highways. For example, the city rezoned Manhattanville in 2007 to facilitate the expansion of Columbia University and create more opportunities for operations associated with the university. Between 2008 and 2015, private sector employment in this area grew by nearly 29 percent, from 1,644 to 2,119 employees (Bureau of Labor Statistics, QCEW). Hutchinson Metro Center in the Bronx was repurposed from a former state institution into a commercial office and healthcare complex, and the city's 911 backup facility, on approximately 32 acres of property zoned M1. Between 2008 and 2015, private sector employment increased by 2,357 jobs, many of these in the health care and social assistance sector, as well as many office-based uses in the professional, scientific, and technical services sector (Bureau of Labor Statistics, QCEW). New office conversion markets have been emerging in manufacturing districts adjacent to residential neighborhoods with educated workforce populations, including in North Brooklyn, Fulton Ferry in DUMBO, and Long Island City.

Accommodating Industrial Demand

Over several decades, M zones have experienced an industrial decline, particularly reflected in a drop in employment in the manufacturing sector. But as the city's population and employment have recently hit record highs, many M districts have emerged as important economic generators themselves. Since the year 2010, M districts outside Manhattan experienced an overall gain in firms and employees (DCP, 2016). As discussed later in this chapter, industrial growth has occurred since 2010 along with significantly larger growth in non-industrial employment, in the context of a healthy economy and an increase in population. The growing industrial sectors are tied to the local economy and not to national or global markets.

The City's 10-Point Industrial Action Plan, announced by Mayor de Blasio in November 2015, aims to support industrial job growth in Industrial Business Zones (IBZs), the city's most active manufacturing zones (Office of the Mayor, 2015). The Plan's proposals included the creation of a new special permit for tourist hotels, to preserve opportunities for industrial and manufacturing businesses. Industrial businesses provide essential services such as building construction and maintenance; food and beverage distribution; bus, taxi and air transportation; freight management; and waste disposal and recycling services, which are generally considered to be incompatible with housing and thus permitted only in the city's manufacturing districts. At the same time, a shifting economy away from manufacturing towards "lighter" and less noxious industrial uses, and greater competition for developable space for uses directly serving nearby residents, are changing the development demands in

the city's M districts – especially those closest to growing residential districts and thriving commercial corridors.

Limited Supply of Buildable Land

With the city's thriving employee and residential populations, competition for scarce buildable land is growing especially strong. NYC land area is zoned into residential, commercial, manufacturing and mixed use districts. As shown in Table 1 below, Residence Districts are the most prevalent zoning districts in New York City, accounting for almost 60 percent of the city's buildable land, or lot area, which excludes impediments including streets and water. Residential districts do not permit new commercial or industrial uses, although some of these uses do exist as relics of pre-1961 (or more recent) zoning changes.

Table 1 Land Use Lot Area by Zoning District

Zoning District and Land Use	Percent of Lot Area
Commercial (excl. Commercial Overlays)	4.34%
One & Two Family	1.95%
Multi-Family Walk-Up	2.49%
Multi-Family Elevator	5.14%
Mixed Residential & Commercial	14.39%
Commercial & Office	32.54%
Industrial & Manufacturing	2.61%
Transportation & Utility	5.14%
Public Facilities & Institutions	13.56%
Open Space & Outdoor Recreation	6.87%
Parking Facilities	5.19%
Vacant Land	9.36%
No data	0.77%
Manufacturing	13.66%
One & Two Family	1.03%
Multi-Family Walk-Up	0.58%
Multi-Family Elevator	0.33%
Mixed Residential & Commercial	0.85%
Commercial & Office	7.09%
Industrial & Manufacturing	20.49%
Transportation & Utility	44.65%
Public Facilities & Institutions	2.51%
Open Space & Outdoor Recreation	1.31%
Parking Facilities	4.72%
Vacant Land	13.56%
No data	2.88%

Zoning District and Land Use	Percent of Lot Area
Mixed Use (MX)	0.35%
One & Two Family	4.52%
Multi-Family Walk-Up	7.81%
Multi-Family Elevator	10.74%
Mixed Residential & Commercial	16.34%
Commercial & Office	11.74%
Industrial & Manufacturing	21.58%
Transportation & Utility	4.51%
Public Facilities & Institutions	5.92%
Open Space & Outdoor Recreation	0.10%
Parking Facilities	7.77%
Vacant Land	7.07%
No data	1.89%
Residential	57.85%
One & Two Family	46.68%
Multi-Family Walk-Up	12.05%
Multi-Family Elevator	8.49%
Mixed Residential & Commercial	4.24%
Commercial & Office	2.70%
Industrial & Manufacturing	0.51%
Transportation & Utility	1.57%
Public Facilities & Institutions	10.00%
Open Space & Outdoor Recreation	5.53%
Parking Facilities	0.97%
Vacant Land	6.95%
No data	0.32%
Other (Park, BPC, etc)	23.79%
Grand Total	100.00%

SOURCE: DCP PLUTO 16v2

New York City's housing needs are substantial, as outlined in the Administration's housing plan (NYC Office of the Mayor, 2014), and there is an unwillingness to risk displacement of existing housing or residents to accommodate growing demand for other uses.

The city's Commercial districts today permit a wide range of uses, including residences and community facilities. However, commercially-zoned land represents only 4 percent of the city's lot area. Moreover, Commercial districts are increasingly densely developed: only 43 percent of lot area in Commercial districts is built to less than 0.5 FAR, as compared to 75 percent in manufacturing districts, according to an analysis of PLUTO data. This indicates that there may be less available opportunity in Commercial districts to accommodate the demand for new business development, generated by the needs of a growing population.

Accordingly, manufacturing districts, representing almost 14 percent of the city's lot area (see Table 1), have emerged as areas of opportunity, presenting some of the city's last reservoirs of buildable land.

The Zoning Resolution defines three types of manufacturing districts. These are distinguished, principally, by the intensity (or performance standards) of allowable industrial activities permitted, and by the range of non-industrial activities permitted. The three district categories are:

- › M1 – Light Manufacturing Districts. M1 districts are designated for areas with light industries, a wide range of manufacturing, other industrial, commercial and community facility uses. With relatively high performance standards for their allowed industrial activities, M1 districts in some cases act as transition areas between residential areas and heavier manufacturing uses. M1 districts currently permit hotel development as-of-right.
- › M2 – Medium Manufacturing Districts. While generally regulated similarly to M3 districts, M2 districts have higher performance standards than M3 districts in some cases. Although not widely mapped, M2 districts are usually found in or near waterfront areas. These districts do not permit new hotels.
- › M3 – Heavy Manufacturing Districts. Designed to accommodate essential heavy manufacturing uses and facilities, such as power plants and foundries, which generate high amounts of noise, traffic and pollutants. Open industrial uses such as recycling facilities are usually found in M3 districts. These districts do not permit new hotels.

Manufacturing districts today represent the largest expanse of total land area with development opportunities for a wide array of commercial and industrial uses. M1 districts specifically are mapped across nearly 9 percent of the city (including streets, and including John F. Kennedy and LaGuardia airports). Excluding airport areas, M1 districts are mapped across 6 percent of the city.

Light Manufacturing Districts as NYC's Areas of Opportunity

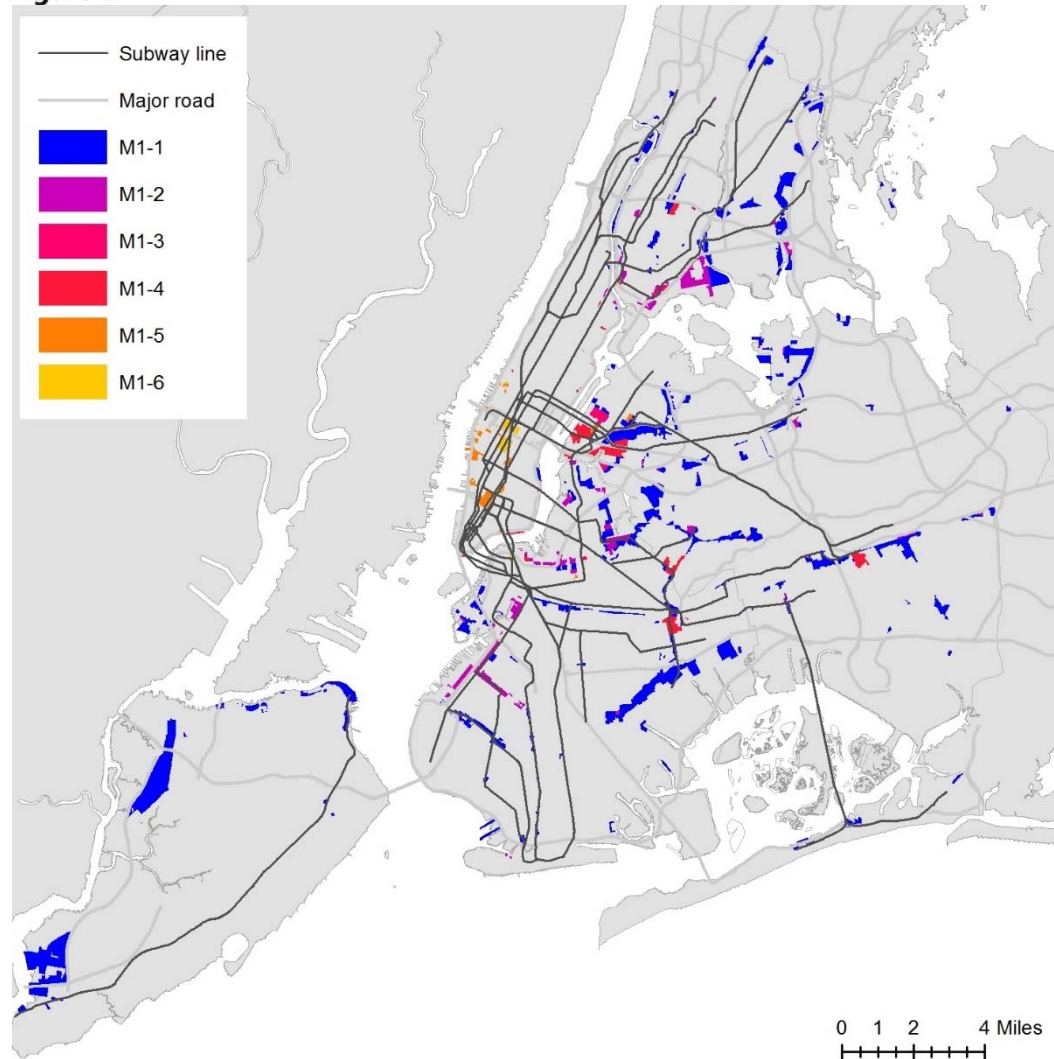
M1 districts are broken into a number of individual districts that denote floor area ratio (FAR) and parking requirements based on the accompanying numerical suffix. Lots zoned M1-1 make up about one half of all lots with M1 zoning in the city. M1-1 Districts are widely mapped in all boroughs except for Manhattan, in areas with one-story industrial buildings, such as the Flatlands section of Brooklyn. These districts have a maximum Floor Area Ratio (FAR) of 1.0.

M1-2 and M1-4 Districts represent areas where two- to four-story industrial buildings predominate. M1-4 Districts are generally found close to transit, such as in East New York in Brooklyn, while M1-2 Districts are found farther from transit, such as in Hunt's Point in the Bronx. Similarly, M1-3 and M1-5 designations denote denser industrial areas with varied access to transit. M1-5 Districts are mainly found along the western edge of Manhattan, while M1-3 Districts are found in the other boroughs, such as Ravenswood in Queens. M1-6

Districts, which permit FARs of 10.0, are mainly found in central areas of Manhattan where multi-story manufacturing buildings originally developed.

Although more than one-quarter of the city's M1-zoned tax lots are in the Manhattan Central Business District, most of the M1-zoned tax lot area is in the other boroughs, as shown in Figure 1 below. Other M1 areas include the "Inner Ring" – a collection of transit-rich neighborhoods in Upper Manhattan, the Bronx, Western Queens and Brooklyn.

Figure 1 Affected M1 Districts and Transit Access



Source: Department of City Planning, January 2017

Historical Context

"Unrestricted Zones" were the precursors in the 1916 Zoning Resolution to present-day M zones. They permitted all uses and evolved to contain a mix of commercial and industrial uses, often with worker housing. In 1961, Manufacturing zones were established and codified today's separation of uses. The city largely mapped M1, M2 and M3 zones over existing Unrestricted Zones, designating the most noxious uses and the areas farthest from residences as M2 and M3 zones. M1 districts had a greater mix of uses and often buffered

residence districts from M2 and M3 areas. All three M zones continued to allow a broad range of commercial uses.

As manufacturing declined drastically in the city and as other sectors of the economy grew, advocates for industry sought use restrictions as a means of keeping land costs affordable for industrial businesses. To that end, zoning was amended in 1974, placing size limitations and special permit requirements on certain retail and community facility uses in M zones. Other amendments, however, have responded to different economic and cultural forces, including the restoration of houses of worship as an as-of-right use in M1 districts in 2005, and the allowance of full-line grocery stores of up to 30,000 sq. ft. as-of-right in designated areas with poor access to food stores in 2009.

The creation of Mixed-Use districts, including Northside, Franklin Street, and Coney Island in Brooklyn, Hunter's Point in Queens, and Manhattan's Soho/Noho in the 1970s, Loft Zoning in 1981, M1-D districts in 1989, and the Special Lower Manhattan Mixed Use District (now Tribeca) in 1998, allowed for the coexistence of light industrial and residential uses within the same building. Elsewhere, neighborhood rezonings have replaced M districts with residential or commercial districts, enabling the expansion of housing and office development across the city.

However, little has changed about the way Manufacturing districts themselves are governed with respect to their underlying use, bulk, parking and loading regulations since the designation of M1, M2 and M3 districts in 1961. In addition to the zoning amendments discussed above, an important modification to the city's approach to industrial areas has been the designation of Industrial Business Zones (IBZs). Established in 2006, IBZs function as key industrial areas that accommodate and encourage a range of industrial jobs and activities, as well as other permitted business uses, and the IBZ boundaries define eligibility for certain tax incentives (NYC Office of the Mayor, 2005). Industrial and manufacturing businesses in IBZs are served by City-selected nonprofit organizations and may be eligible for tax incentives, financing tools, and workforce development programs. While, up to this point, no specific land use regulations have been tied to IBZs, the Bloomberg and de Blasio administrations committed to not rezoning these areas to permit residential use.

In November 2015, Mayor de Blasio announced a 10-point Industrial Action Plan (NYC Office of the Mayor, 2015), which aims to strengthen core industrial areas, invest in industrial and manufacturing businesses, and advance industrial-sector training and workforce development opportunities for New Yorkers. The Plan's proposals included zoning changes, infrastructure investments, loans and grants for mission-driven developers, and the establishment of an Advanced Manufacturing Center. The Plan also included the creation of a new special permit for hotels, to preserve opportunities for industrial and manufacturing businesses. However, as work on the hotel special permit for Industrial Business Zones progressed, it became evident that a regulatory mechanism regarding hotel development was needed also in other, more mixed M zones outside of IBZs. In addition, as a consequence of the Industrial Action Plan, the Department of City Planning has proposed a Zoning Text Amendment to regulate the development of self-storage facilities in IBZs. This Text Amendment began the public review process in May 2017.

Uses and employment in M1 districts

As of 2014, the city's M districts supported an estimated 314,000 jobs in 17,000 firms (DCP, 2016). A substantial share of these jobs are in non-industrial sectors like food services, healthcare and retail. While M districts experienced an overall gain in firms and employment since the year 2000, non-industrial jobs grew consistently and at a higher rate than industrial employment (DCP, 2016). The three fastest growing sectors in M districts between 2010 and 2015, include professional, scientific, and technical services; accommodation and food services; and information, none of which represent industrial-sector jobs.

More recent employment trends in M1 districts, most notably in North Brooklyn and Long Island City, point to the development of office-based sectors³ (Bureau of Labor Statistic, QCEW). These include traditional office users such as financial services, legal services, real estate, as well as other high-growth sectors that depend heavily on human capital and creativity, including technology, advertising, media, and information, often referred to with the acronym TAMI.⁴ As is the case in many areas of Brooklyn and Queens, many companies in the TAMI sectors have chosen to locate in converted industrial buildings. This includes many mid-stage companies seeking affordable spaces, short-term leases, and floorplates that provide physical flexibility as the company matures.

Within M districts, employment in office-based firms increased by 17,000 jobs between 2010 and 2015, a 13 percent increase⁵ (Bureau of Labor Statistics, QCEW). Jobs in companies within the TAMI sectors increased by approximately 16,000 during this same period, a 46 percent increase (Bureau of Labor Statistics, QCEW). These trends suggest that office-based jobs comprise a significant amount of employment growth in M districts citywide, and in particular, employment in the TAMI sectors is expanding rapidly. Office space trends also include increasing demand for co-working spaces for small startups and self-employed entrepreneurs.

Industrial employment⁶ is still relevant, however, especially in IBZs. The distribution and density of industrial jobs varies across the city, with a greater share of industrial sector employment found in IBZs: over 68 percent of private sector jobs in IBZs and 46 percent in M districts beyond IBZs are industrial (DCP, 2016). This difference is mainly a consequence of how the IBZ boundaries were drawn; IBZs were created to encompass core industrial areas in New York City (NYC Office of the Mayor, 2005). The industrial sectors experiencing the greatest growth since 2010 include Specialty Trade Contractors, as mentioned, and Grocery and Related Product Merchant Wholesalers, which together amount to 26 percent of all industrial employment in IBZs.

Comparing 2008, the last peak in the economic cycle, with 2014 data from DCP's Employment in New York City's Manufacturing Districts report, most IBZs gained both industrial and non-industrial employment. Since 2008, industrial employment has grown the most in the Long Island City, JFK (excluding airport property) and Zerega IBZs, all gaining

³ See Appendix for detailed definition of office-based sector.

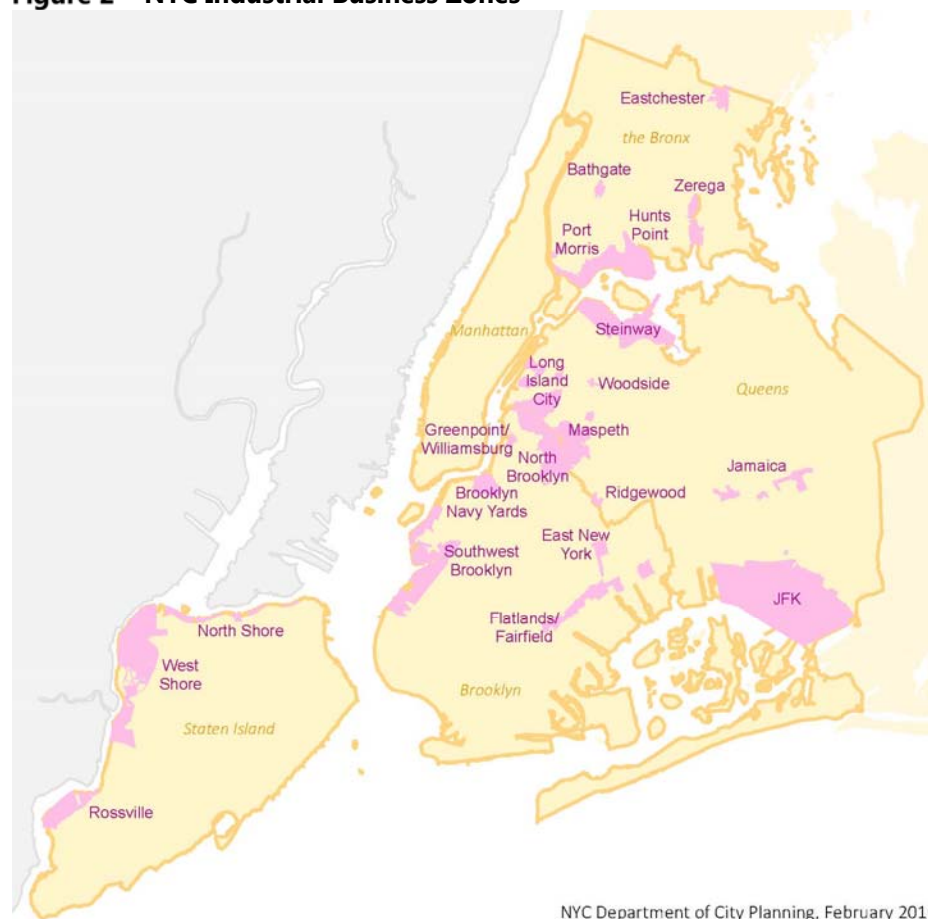
⁴ See Appendix for detailed definition of TAMI sector.

⁵ See Appendix for detailed definition of office-based sector.

⁶ See Appendix for detailed definition of industrial sector.

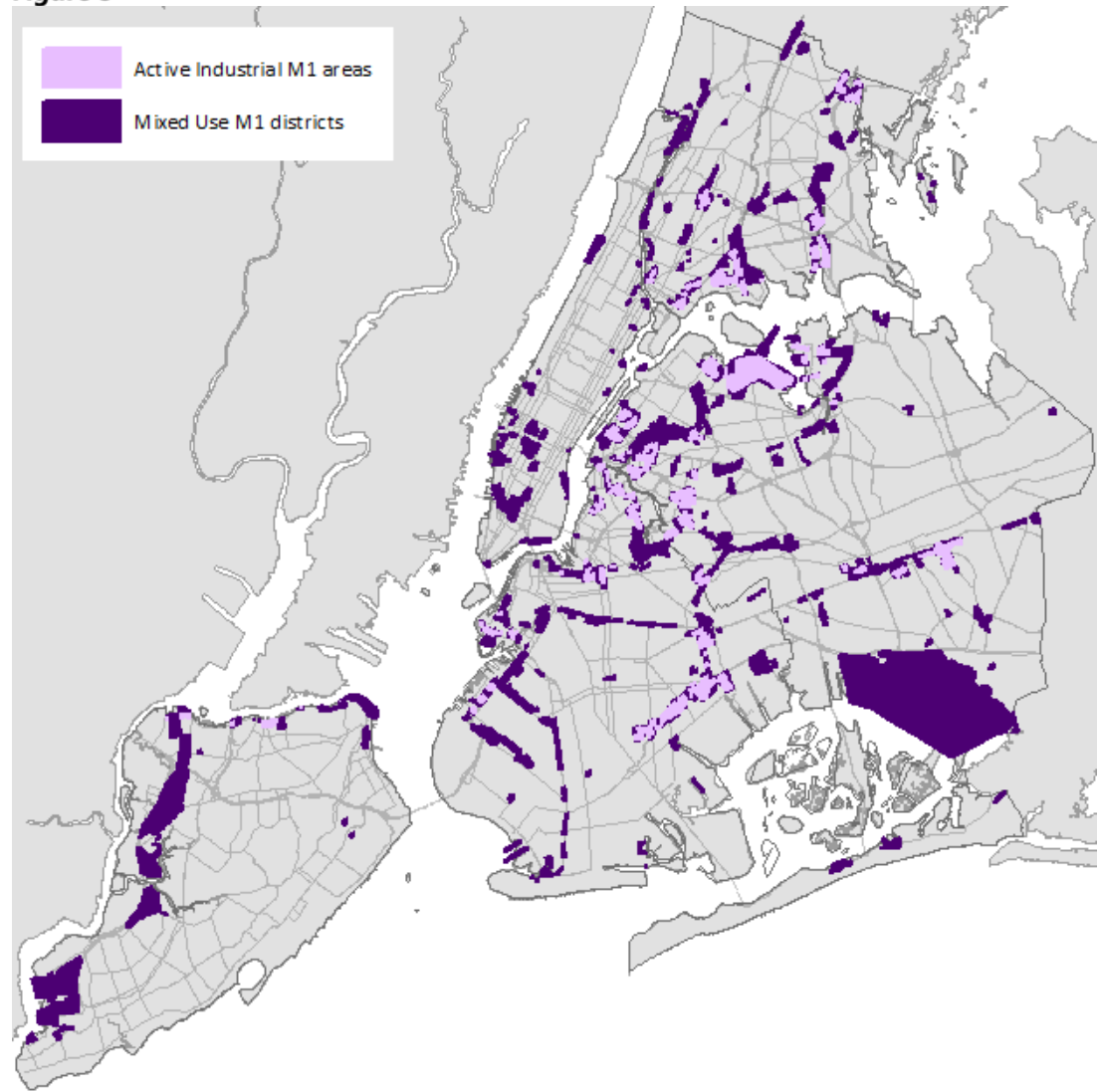
over 1,200 industrial employees (see Figure 2 for geographical reference). Meanwhile, industrial jobs declined substantially in the Flatlands/Fairfield IBZ (-1,440), and to a much lesser extent in the Jamaica, Ridgewood IBZs and the Southwest shore of Staten Island (Rossville IBZ). Non-industrial employment grew most in the Long Island City IBZ (+5,467), followed by Southwest Brooklyn, Zerega, and JFK (excluding airport property). A few IBZs lost non-industrial employment between 2008 and 2014; however, the job losses are quite moderate and do not exceed 250 jobs in any IBZ.

Figure 2 NYC Industrial Business Zones



M1 Districts: Areas with Varied Characteristics

As shown by the designation of Industrial Business Zones, the density of industrial uses in Manufacturing districts varies by location. While most of the city's M districts retain some industrial activity, these districts are increasingly diverse in the types of businesses and development occurring. For the purposes of this study, the city's M1 districts have been defined as either active industrial or mixed use areas (see Figure 3).

Figure 3 Active Industrial and Mixed Use Areas

These active industrial areas generally:

- › have a high concentration of industrial employment, with more than 75 percent of block-level employment in industrial sectors;
- › have limited pre-existing residential development;
- › are comprised primarily of one- and two-story modern industrial buildings;
- › are proximate to highways; and
- › have a large number of properties appropriate for siting land- and truck-intensive industry.

Approximately 43 percent of the city's M1 districts, excluding airports, may be considered "active" industrial areas. DCP considers these areas as prime locations for the expansion of industrial uses. The remaining 57 percent of M1 districts, excluding airports, are typically more mixed-use in character. To a certain extent, the relatively mixed-use character of these areas is due to the historic roots of M districts: many were mapped in what were previously

called “Unrestricted Zones” (as explained in Section C1), while others, especially in Manhattan, were business districts before being mapped for industrial uses and still retain many non-industrial activities. However, many other factors result in those Light Manufacturing districts often being desirable to other permitted, non-industrial uses. These include:

- › smaller lot sizes;
- › proximity to a non-industrial labor force;
- › adjacency to active commercial or residential uses;
- › development costs;
- › access to transit;
- › the presence of multistory buildings that can be converted to other uses; and
- › availability of development sites.

A qualitative assessment of NYC’s M1 districts, completed by DCP, resulted in an even wider differentiation between the various M1 areas, ranging from active industrial areas as described above, to a variety of mixed-use areas, to neighborhoods with a commercial or even partially residential orientation.

Areas of Opportunity

As the character of the city’s M1 districts vary, so, too, do development pressures. Manufacturing districts represent some of the last areas of the city with undeveloped or underbuilt land, with over 13 percent of total lot area zoned for manufacturing classified as vacant (as compared to approximately 7 percent for all other zoned land). These districts also tend to be relatively underbuilt when compared to the city’s residential and commercial districts. An analysis of PLUTO data shows that 75 percent of lots in M1 districts are built to less than 0.5 FAR, regardless of their total permitted FAR. Many of these underbuilt lots are proximate to a subway station; 13 percent of total M1 lot area built to less than 0.5 FAR (excluding airports) is within one-quarter mile of a subway station.

As the city and national economy shifted away from traditional manufacturing towards a more service-oriented economy, the demands on land in M zones changed, and recent development trends reflect these changes. However, since the designation of M1, M2 and M3 districts in 1961, little has changed about the way manufacturing districts themselves are governed with respect to their underlying use, bulk, parking and loading regulations.

The City must ensure that adequate building opportunities exist for commercial and industrial sectors, and others experiencing more modest growth, while also acknowledging the strength of non-industrial sectors and the desire for these businesses to locate proximate to workers and residents. In conjunction with the strengthening of the city’s highest-performing industrial centers, comprehensive and in-depth planning efforts are required to determine whether some manufacturing zones may be better suited for the expansion of commercial uses or, in certain instances, housing development, which could only occur by rezoning.

As described in New York Works, the Administration's June 2017 plan to grow jobs in the city (NYC Office of the Mayor, 2017), certain outdated zoning regulations must be addressed to relieve unnecessary barriers to new commercial development or to allow for the expansion of existing businesses in manufacturing districts and elsewhere. Along with taking a closer look at M1-zoned areas, the Department has identified the need to:

- › clarify and modernize use categories in certain districts to allow more flexible siting options for growing and evolving sectors;
- › create new mid-density (2-5 FAR) zoning districts that accommodate loft-like nonresidential buildings but do not allow housing;
- › modify height and set back rules to better accommodate new buildings;
- › reduce parking requirements for employment-generating business uses in certain districts; and
- › update loading requirements, so new buildings can accommodate modern trucks and existing buildings can more easily expand.

The Department of City Planning believes it is necessary to reevaluate the existing zoning framework for M1 districts to ensure that sufficient opportunities to support commercial, residential, industrial and institutional growth remain. In this context, the proliferation of hotels in M1 districts is seen as problematic. Hotels may directly or indirectly detract from opportunities for other kinds of development, including industrial, residential, institutional, and other commercial uses, by occupying vacant or underdeveloped sites that could have been available to other uses better equipped to fulfill neighborhood development objectives and needs, or by driving the expansion of other tourism-oriented uses. Given the disparate characteristics of the city's M1 districts, the increasingly diminishing stock of buildable land in NYC and M districts' position as NYC's last land reservoirs, more careful thought about the trajectory of hotel development is appropriate.

Hotel Development in M1 districts

Growth of Tourism

The New York City Department of City Planning (DCP) engaged a socioeconomics consultant team to produce a market analysis of the City's hotel conditions in both the past, current, and future context. This report is generally referred to as the Consultant Report, and most of the DCP's insights into the hotel and tourism industry in New York City stem from it. The report has been posted on the DCP's website, on the project page for the Proposed Action.

Alongside an increase in residential and commercial development, historically low crime rates and investments in cultural and recreational amenities, the number of tourists visiting New York City is at an all-time high. An unprecedented 60.7 million tourists spent time in New York City in 2016 (NYC & Co, 2017), representing a 30 percent increase over 2007. With this rise in tourism comes an increase in the number of hotel rooms to meet the demand.

While Manhattan's position as a global business and cultural center makes it one of the largest and most dynamic hotel markets in the world, the hotel markets of Brooklyn, Queens,

and to some extent the Bronx and Staten Island are characterized by spillover demand, proximity to Manhattan, access to public transportation, lower room rates, and proximity to other specialized demand drivers (including airports and business centers).

Over the past decade and especially since the end of the recession in 2010, the New York City hotel market has been in the midst of a substantial growth in supply. Between 2010 and 2017, over 32,400 new hotel rooms have been delivered through 200 new hotel properties. This represents an increase in 32 percent in the number of hotel rooms in New York City, with another 24,200 rooms in 170 hotels under construction as of June 2017. While the majority of these new hotel rooms are in Manhattan, the recent supply growth has also been characterized by a very significant increase in hotel development outside of Manhattan. Since 2010, there has also been rapid increase in hotels in M1 districts, particularly in areas near transit. Citywide, 13 percent of existing hotel rooms are in M1 districts, whereas 30 percent of hotel rooms in the pipeline are slated to be developed in M1 districts.

Hotels in M1 Zones – A Competitive Advantage

Light manufacturing districts have been instrumental in facilitating the expansion of hotels across New York City. Today, hotels represent one of the most competitive uses allowed in M1 districts and are thus flourishing in several of the city's M1-zoned areas – sometimes at the expense of other needed uses, or to the extent of generating conflicts with surrounding industrial uses.

Hotels have been a permitted as-of-right use in M1 districts since manufacturing districts were established in 1961. Moreover, hotels were initially also permitted in M2 and M3 districts. But in 1974, a zoning text amendment revised use regulations in M districts and eliminated certain non-manufacturing uses (such as hotels) and allowed others by special permit only, intending to protect manufacturing districts and ensuring that non-industrial establishments wouldn't impair the essential character or the future use of or development of the area (CPC report: CP 22683).

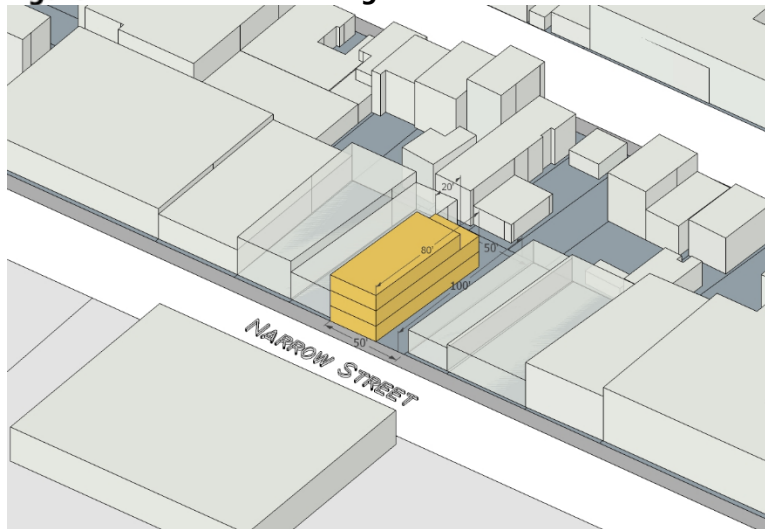
While hotels are also permitted in most commercial districts, several factors relating to the M1 zoning regulations result in advantages toward hotel development:

1. There are few uses allowed in M1 districts that are able to use the entirety of their permitted FAR on small lots; most industrial uses can be accommodated by zoning but cannot achieve their full FAR except on extremely large lots. M1 districts allow for tower development, but tall, slender buildings do not provide efficient layouts for most industrial and many commercial or institutional uses. However, unlike traditional manufacturing and industrial uses, hotels may operate successfully with very small footprints – often on lots as small as 5000 sq. ft. These lots are too small even for most new full-amenity commercial office buildings, which, based on a review of recent building applications, often seek larger footprints of at least 10,000 sq. ft. and thus usually require assemblages of multiple sites to be feasible. The smaller footprint works well for hotels despite setback or yard requirement, and the ability of hotels to develop on smaller infill sites has enabled them to maximize the value of their floor area relative to other as-of-right uses.

2. Low parking and loading requirements for hotels relative to other uses provides another advantage for hotels. Where a factory in an M1-1 district would require 1 parking space for every 1,000 square feet or 3 employees, whichever is greater, and a supermarket in an M1-1 district would require one parking space per 200 sq. ft. of store area, a hotel only requires 1 space per 8 rooms. With a conservative average hotel room size of 300 square feet, this amounts to a much lower parking ratio per buildable floor area – about 1 space per 2,400 square feet – even before accounting for hotel common areas for which there is no parking requirement.

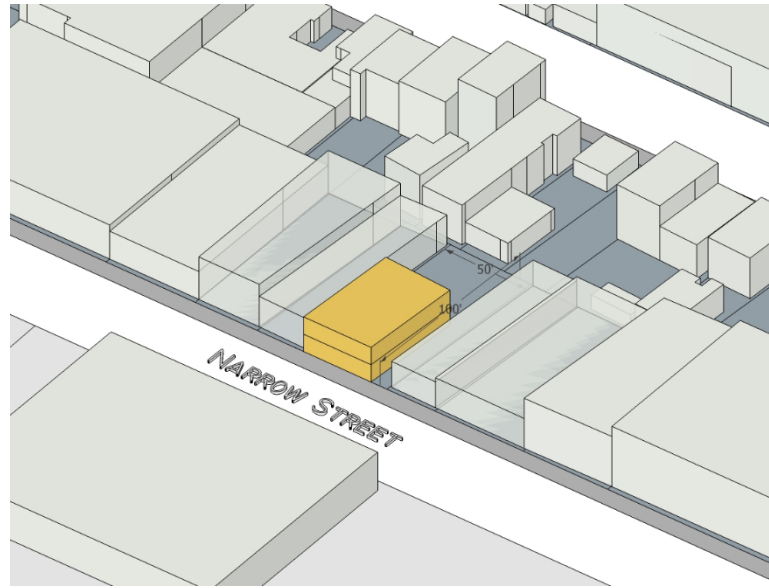
The analysis below (see Figure 4, Figure 5, and Figure 6) illustrates the issues outlined, modeling three development scenarios for a prototypical 5,000 square foot site (50' x 100') zoned M1-3, with a maximum allowable FAR of 5.0:

Figure 4 Modeled As-of-Right Warehouse

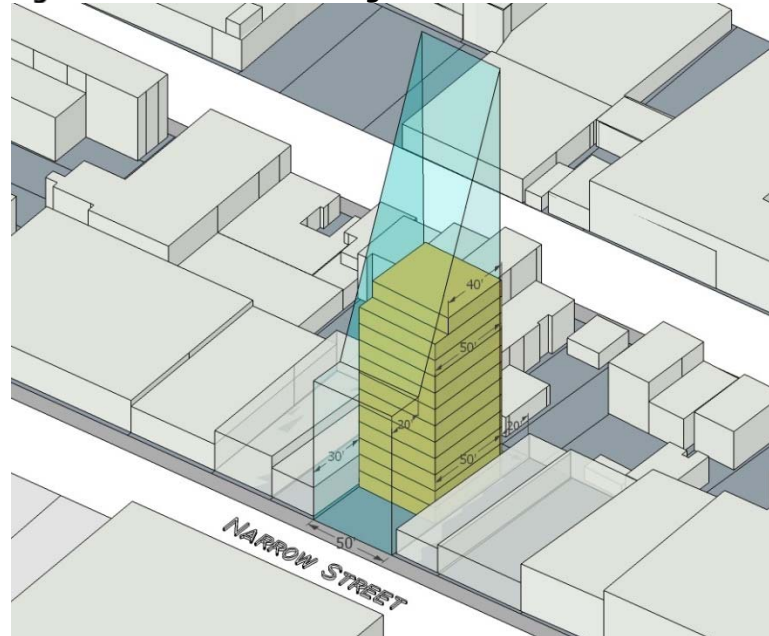


In the example shown in Figure 4, an as-of-right warehouse is modeled. Despite the 5.0 FAR and 25,000 square feet of zoning floor area permitted, the parking requirements of 1 space per 2,000 square feet or 1 space per 3 employees limit likely development to two stories, or 4,892 square feet of warehouse space. Three parking spaces are provided in the rear of the building. A building footprint of 2,446 square feet is adequate for this type of use.

In the example shown on Figure 5, an as-of-right office is modeled. Almost 83 parking spaces would be required in order for this use to build to its full permitted FAR, making such development very unlikely given the high cost of providing structured parking or the cost to acquire land for open parking. Instead, the model below shows a more reasonable scenario for office development; the office is built to 2 stories with a total of 4,378 square feet (0.9 FAR) and is able to waive out of its parking requirement because fewer than 15 spaces is required.

Figure 5 Modeled As-of-Right Office

In the example shown on Figure 6, an as-of-right hotel is modeled. Hotels, which can operate more efficiently with smaller footprints than can offices or warehouses, are better able to take advantage of the sky exposure plane governing these districts, and the hotel below maximizes the allowable 5.0 FAR under a usable floorplate and setback to provide parking within the front yard. The parking requirements for a hotel is 1 space per 8 guest rooms; in this case, 11 spaces would be required, but the hotel is able to fit 13 spaces in the front yard. The resulting hotel development scenario, though permitted as-of-right by the underlying zoning district, is out-of-context with the surrounding development in most M1 districts.

Figure 6 Modeled As-of-Right Hotel

Hotel Development Trends In M1 Districts

Over the past ten years in New York City, there has been a marked trend of increased hotel development in M1 districts, as illustrated in Table 2 and Table 3. This is particularly true in the boroughs other than Manhattan, where 37 percent of the hotel rooms that have come online have been located in M1 districts. A much larger portion of new hotel development in Manhattan has been developed in light manufacturing districts than in previous years as well.

Table 2 Percentage of Hotel Rooms by Zoning District, All Inventory 2017

	M1	Other
Citywide	13%	87%
Manhattan	9%	91%
Other boroughs	31%	69%

Source: STR, 2017

Table 3 Percentage of Hotel Rooms by Zoning District, All Inventory 2017

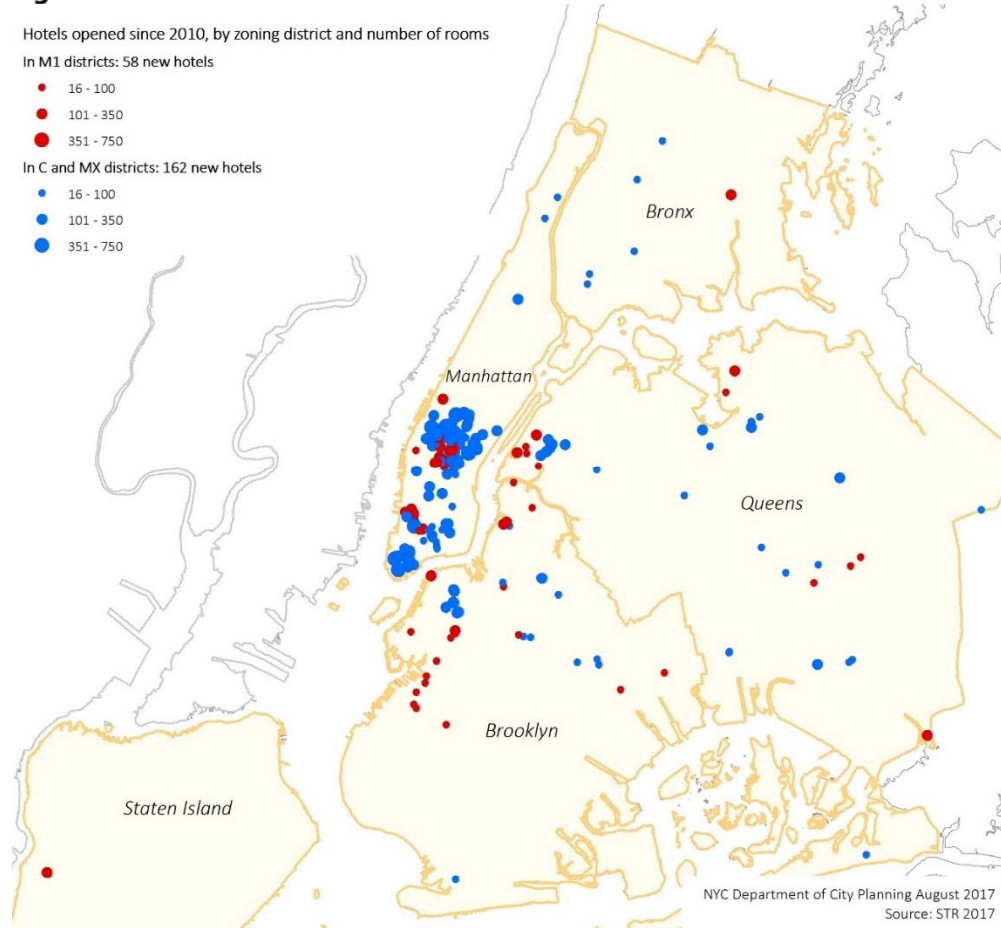
	M1	Other
Citywide	24%	76%
Manhattan	20%	80%
Other boroughs	37%	63%

Source: STR, 2017

Since the end of the recession in 2010, nearly one quarter of all new hotel rooms citywide have been developed in M1 zones (see Figure 7). In total, about 154 hotels operate in M1 districts today, with a total of 15,100 rooms.

Hotel clustering in M1 districts in boroughs other than Manhattan is noteworthy. Over 75 percent of the hotel rooms built in M1 districts outside Manhattan in the past ten years are located in just four clusters, excluding JFK Airport. These M1 hotel clusters are 1) Long Island City (Queens), 2) Jamaica (Queens), 3) North Brooklyn and 4) Gowanus (Brooklyn). While it is true that zoning in these areas facilitates the development of hotels, through lower parking requirements and height and setback regulations suited to hotels, developers are choosing to locate in these submarkets for multiple reasons, including their proximity to transportation, business centers and access to Manhattan.

Many of the largest new clusters of hotels in neighborhoods outside of Manhattan, such as Long Island City, Jamaica, Flushing, Gowanus, and Sunset Park, are within M1 or mixed-use zoning districts. Downtown Brooklyn, another significant hotel submarket outside Manhattan, does not include M1 zones, but the M1 corridors extending from Downtown, along Atlantic Avenue and 4th Avenue, have developed noteworthy clusters of hotel development, as depicted in Figure 7. On Staten Island, all three hotels built since 2010 have been built in M1 zones in the borough's West Shore neighborhood.

Figure 7 New Hotels in NYC: 2010-2017

Conflicts Posed by Hotel Development

As discussed above, given that DCP needs to ensure that sufficient opportunities to support industrial, commercial, residential and institutional growth remain, and believes it would be beneficial to revisit the zoning framework for M1 districts, the proliferation of hotels in M1 districts is seen as problematic. Hotels in M1 districts have the potential to impede the growth and development of other uses, firstly by occupying sites that could be otherwise developed to better achieve neighborhood development goals and objectives, and secondly by changing neighborhood character. While hotels in and of themselves are not likely to conflict with nearby residential or worker populations, the clustering of hotels in light manufacturing districts adjacent to residential and commercial districts may be problematic if, for example, they shift the local economy towards other businesses that cater to tourists and business travelers rather than local residential and workforce needs. In M1 districts that are designated as IBZs, there may be a greater potential for land use conflicts between the more active industrial uses that are common in IBZs and visitors and employees of hotels.

The Proposed Action would require specific site considerations for hotel development in M1 districts and allow for the consideration of appropriateness of hotel development in IBZs and other active industrial areas. The development of hotels in both active and mixed-use

industrial neighborhoods is often controversial because hotels are seen as interruptions to the purpose-built aesthetic of many industrial uses or in conflict with the urban design principles governing other types of development. The Department of City Planning completed a brief urban design analysis of three hotels that are generally representative of the types of hotels being developed in M1 districts. Some of the conclusions of the urban design analysis are as follows:

- › Unaligned street wall negatively impacts the pedestrian street experience.
- › Proximity to active industrial businesses and truck traffic creates unsafe pedestrian crossings and vehicular conflicts.
- › Hotel frontage parking and setback creates unsafe situations for pedestrians.
- › Non-transparent ground floor creates unpleasant contextualization with neighborhood.

Moreover, the Proposed Action would facilitate the discussion of permitted and desirable uses in active, more mixed-use M1 districts across the city, where the city may want to direct growth towards other growing employment sectors such as healthcare or retail or, in limited instances, housing.

Hotels in Active Industrial Areas

About one dozen hotels are located in areas classified as “active” industrial areas – IBZs and other industrial areas where at least 75 percent of jobs at the block-level are in industrial sectors, as shown in Figure 2. In these areas, hotels and active industrial uses are potentially incompatible. The development of hotels and the visitors they draw are often inappropriate at sites adjacent to heavy truck use and industrial loading activities. Industrial businesses generate, to varying degrees, noise, truck traffic, pollution and other irritants. These potentially conflict with hotels and their guests. Hotels produce increased foot and automobile traffic and nuisance-generated complaints, which have the potential to harm the activity and productiveness of industrial and manufacturing businesses.

The images below demonstrate the potential for conflicts surrounding a hotel in an actively industrial M1 district in the Long Island City IBZ (see Figure 8). This hotel is physically out of context with the surrounding neighborhood, since it is able to take advantage of bulk regulations that work for a hotel but are unlikely to produce floorplates suitable for most other non-industrial uses, like offices. The hotel is set among auto repair shops and other single story industrial uses that may present conflicts for visitors unfamiliar with the area.

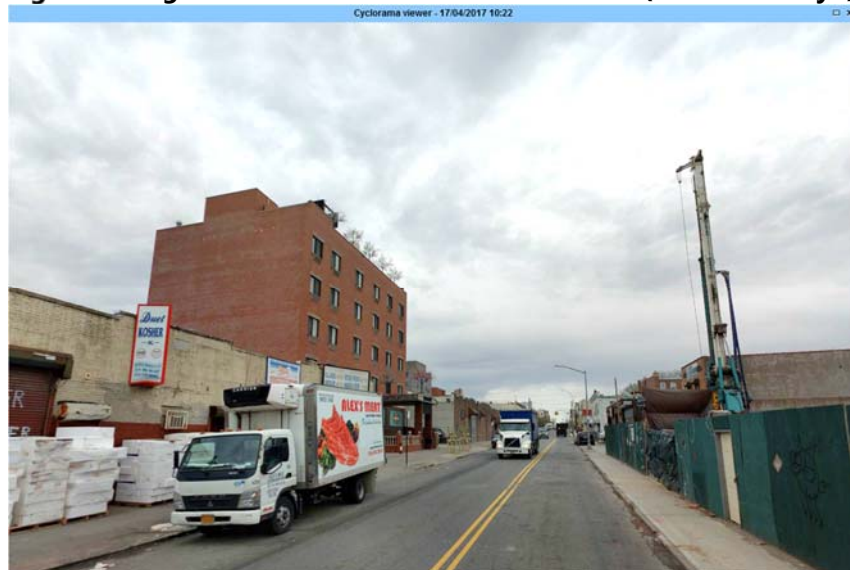
Figure 8 Hotel in Active Industrial Area (LIC)



Source: ©2017 cyclomedia.com

Another example (see Figure 9 and Figure 10), a hotel at 833 39th Street in Brooklyn, illustrates potential conflicts between hotels and adjacent industrial uses. Heavy truck activity, sidewalk loading and storage, and open industrial uses create hazardous pedestrian conditions and present safety concerns – particularly for non-residents who may be unprepared for or unaware of the mix of uses to be expected nearby.

Figure 9 Figure 1: Hotel in Active Industrial Area (South Brooklyn)



Source: ©2017 cyclomedia.com

Figure 10 Hotel in Active Industrial Area (South Brooklyn)

Source: ©2017 cyclomedia.com

Site-specific concerns vary by location in industrial areas. The Proposed Action to allow hotels only by special permit in M1 districts would ensure that unique conditions associated with individual sites adjacent to or near active industrial uses are considered with each development.

Hotels in Mixed-Use M1 districts

Most hotels in M1 districts are located in more mixed-use M1 districts, with moderate or even no industrial activity. These districts often have active non-industrial uses, including retail, office, and residential uses. The proliferation of hotels, and the visitors they draw, may not present the same direct conflicts with the surrounding neighborhood as do hotels in active industrial areas, but their development may be at the expense of other uses that could better serve the surrounding community.

Many of the hotels in mixed-use industrial areas are located in Manhattan or other areas with a predominantly commercial character, despite their industrial zoning, as illustrated by the example of 80 Wythe in Figure 11, below. These areas may be better suited for local services, offices, health care, education, as well as residences. In these neighborhoods, which are often dense, pedestrian-oriented areas that lack the lower-scale industrial feel of most M1 districts, clusters of hotels may also result in conflicts with pedestrians and neighborhood character.

Figure 11 Hotel in Mixed-Use and Emerging Commercial Area

Source: ©2017 cyclomedia.com

The remaining mixed-use M1 areas are typically found in Brooklyn, Queens and the Bronx, in neighborhoods that have evolved to meet the growing retail, office, and entertainment needs of the adjacent residential districts.

In these areas, the Proposed Action would facilitate a discussion around broader community needs and may result in a hotel design that includes elements that are more in context with the surrounding neighborhoods. In some cases, comprehensive study of certain neighborhoods may identify specific barriers to the development of other permitted and necessary uses, such as office, retail or housing. In certain M1 districts in Brooklyn and Queens, there is increased activity in the office market; however, sites need to be available and zoning regulations aligned to support office development. Modifying zoning regulations to support office development, for example, may unlock the potential for existing sites to meet the needs of a growing commercial sector. Absent modifications, hotel development in these areas may result in a concentration of tourism-related uses in neighborhoods that could support a broader mix of uses, depriving the surrounding area of the diversity of business uses that may better serve the community.

Under the Proposed Action, the city and community would have an opportunity to determine whether a hotel makes the most sense at a particular location, or whether the underlying M1 zoning should be reconsidered to allow for additional types of development. Given the growing population and workforce in the vicinity, and the development of at least several recent hotels in the surrounding M1 districts, site-specific review would allow for more careful consideration of desirable uses on the limited development sites that remain. There is a need for diverse business uses in the neighborhood, and, absent the Proposed Action, a risk of creating an unduly uniform character of tourist uses in an area that should support a broader mix.

In Figure 12, a trio of hotels on West 28th street between 6th and 7th Avenues in Manhattan illustrates an example of hotel development in an M1 district characterized by commercial

and other non-industrial uses. New development is constrained by existing zoning, limiting the range of uses likely to be introduced to the neighborhood as buildings and vacant sites are redeveloped over time. The Proposed Action would ensure that these districts would not be overwhelmed by hotel development, while the city considers whether underlying M1 zoning regulations remain appropriate in certain areas.

Figure 12 Concentration of Hotels



Photo source: Google Streetview

In contrast, some commercially-zoned neighborhoods like the Upper East Side of Manhattan and Downtown Brooklyn demonstrate a more harmonious mix of uses, including hotels, where non-industrial zoning regulations provide for a use, bulk, and parking framework that supports the development of a variety of uses.

IV

DESCRIPTION OF THE PROPOSED ACTION

DCP is proposing a zoning text amendment to require a City Planning Commission special permit ("CPC special permit") for new hotels in M1 districts citywide. The CPC special permit would be required for transient accommodations including hotels, motels and boatels.

Current Zoning Regulations

In the NYC Zoning Resolution, transient hotels are defined as a building or part of a building in which:

- › living or sleeping accommodations are used primarily for transient occupancy, and may be rented on a daily basis;
- › one or more common entrances serve all such living or sleeping units; and
- › twenty-four hour desk service is provided, in addition to one or more of the following services: housekeeping, telephone, or bellhop service, or the furnishing or laundering of linens.

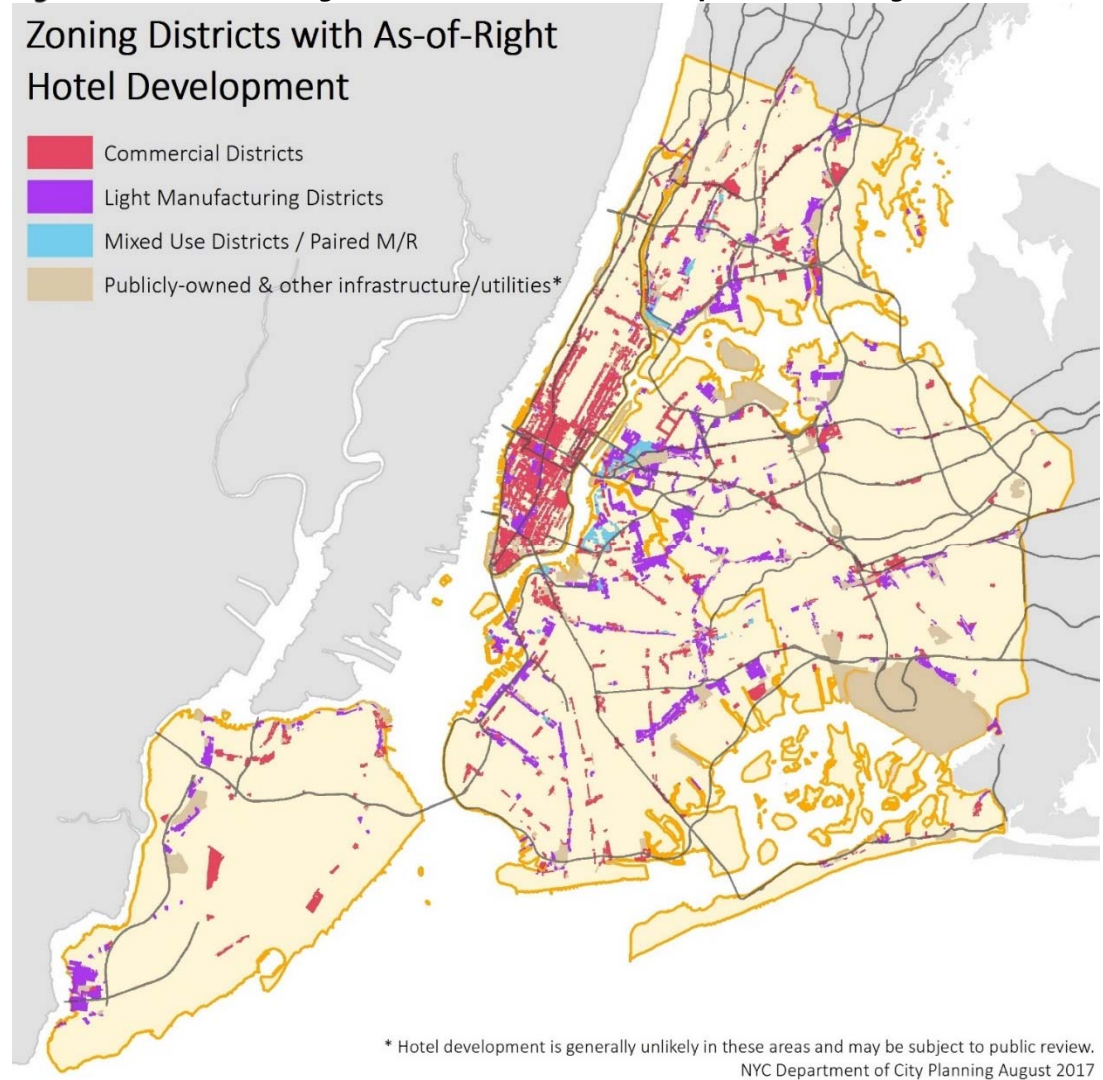
Permitted accessory uses include restaurants, cocktail lounges, public banquet halls, ballrooms, or meeting rooms.

Transient hotels are classified as Use Group 5 and are permitted as-of right in the following zoning districts: C1 (except for C1-1, C1-2, C1-3 or C1-4 Districts), C2⁷, C4, C5, C6, C8 and M1. Hotels are also permitted in Mixed Use districts (MX) and paired M1/R districts. The map

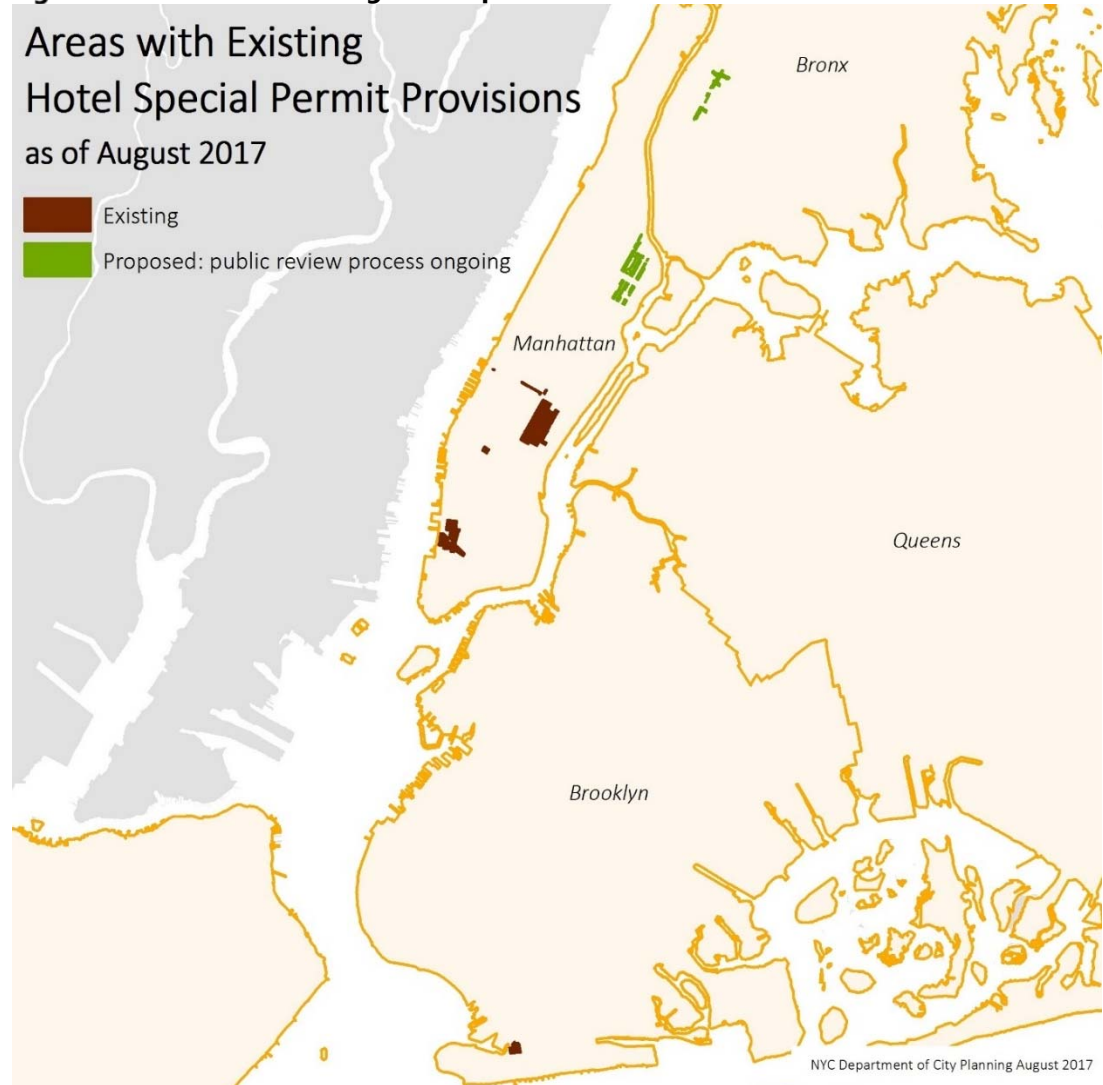
⁷ In C2-1 through C2-4 Districts, transient hotels may be located only within a 1,000 foot radius of the entrance/exit of a limited-access expressway.

on the following page Figure 13, depicts the areas in NYC where hotel development may currently occur as-of-right.

Figure 13 Current Zoning Framework for Hotel Development (as-of-right)



In several areas in NYC as shown on Figure 14, hotels are permitted only by special permit. This is the case in R10-H Districts and several Special Purpose Districts. Special Purpose Districts have been established by the city to achieve specific planning and urban design objectives in defined areas with unique characteristics. While most Special Purpose Districts do not have specific controls regarding hotels, there are some exceptions. Hotel special permits exist in parts of Special Clinton, Hudson Square, Tribeca, and the Vanderbilt Corridor in Midtown. The Garment Center Special District prohibits conversion of hotels in what is known as Preservation Area 1, east of Eighth Avenue. In Preservation Area 2, between 35th and 40th Streets and Eighth and Ninth Avenues, new hotel construction is permitted though conversion of larger buildings to hotel use is permitted only by authorization of the City Planning Commission.

Figure 14 Areas with Existing Hotel Special Permit Provisions

Other forms of transient accommodations defined in the NYC Zoning Resolution are motels, tourist cabins and boatels. These uses are classified as Use Group 7. Motels or tourist cabins are defined as a building or group of buildings which:

- › contains living or sleeping accommodations used primarily for transient occupancy; and
- › has individual entrances from outside the building to serve each such living or sleeping unit.

Boatels are defined as a building or group of buildings which:

- › contains living or sleeping accommodations used primarily for transient occupancy; and
- › is immediately accessible by boat.

Motels, tourist cabins and boatels are permitted in C6⁸, C8 and M1 districts, in C2 districts within a 1,000 foot radius of the entrance/exit of a limited-access expressway, and in C3 districts by special permit. Neither motels, nor tourist cabins or boatels, are very common in NYC.

Proposed Regulatory Mechanism

DCP is proposing a zoning text amendment to require a City Planning Commission special permit ("CPC special permit") for new hotels, motels, tourist cabins and boatels in M1 districts citywide (see Figure 15 and Figure 16). By introducing a CPC special permit, the Department of City Planning proposes a case-by-case, site-specific review process to ensure that hotel development⁹ occurs only on appropriate sites, based on reasonable considerations regarding opportunities for the future siting of a permitted use on the site and the achievement of a balanced mix of uses and jobs in the area.

A CPC special permit would allow for the consideration of appropriateness of hotel development¹⁰ in both the actively industrial M1-zoned areas, where hotels and existing uses are potentially incompatible, and the more mixed-use M1-zoned areas, where the City may want to direct growth towards various other employment sectors, such as healthcare or retail, or additional housing. A CPC special permit would also still allow for hotels to serve the needs of the tourism industry when appropriate.

Any hotel existing within M1 districts on the date of adoption of the Proposed Action would be considered a conforming use, meaning that any enlargement or extension of the hotel would not require the proposed special permit.

Exemption for Transient Hotels Operated for a Public Purpose

Transient hotels operated for a public purpose by the City of New York or organizations under contract with City will be exempt from the special permit requirement. Hotels operated for public purpose are primarily used to provide temporary housing assistance, or shelter, to homeless individuals and families. It is a legal obligation of the City to provide shelter to all eligible persons within the five boroughs, and the City must maintain the existing flexibility in zoning that permits temporary housing for the homeless in all M1 districts to ensure it has sufficient capacity to meet census demand for temporary accommodations. This is in line with the Administration's recently-released plan to address homelessness in the City, called "Turning the Tide," which involves a borough-based approach to shelter siting, as the City seeks to end shelter programs in cluster apartments and commercial hotels (NYC Office of the Mayor, 2017b).

⁸ Except in C6-1A

⁹ The Proposed Action also subjects motels, tourist cabins and boatels in M1 districts to the proposed special permit. The zoning definition of "motel or tourist cabin" requires that each sleeping unit have an exterior entrance, and the definition of "boatel" requires water access for boats. Since there are very few motels, tourist cabins or boatels in NYC, and because of these limiting factors, few if any are expected to be developed in the future, this EAS will use the term "hotel", but will by implication also refer to these other transient accommodations.

¹⁰ See above footnote.

Any hotel operated for a public purpose that exists within M1 districts on the date of adoption of the Proposed Action would be permitted to cease its public function and return to operating as a commercial hotel without seeking the proposed special permit.

Geographic applicability

The proposed CPC special permit would apply to all M1 districts, excluding MX or paired M1/R districts, except for:

- › M1 districts that include airport property and areas adjacent to airports. These M1 districts have a unique economic function in NYC and provide essential airport services, and options for accommodations are among those necessary services.
- › M1 districts with existing hotel special permit provisions, since appropriate controls for hotel development have already been implemented for these areas.

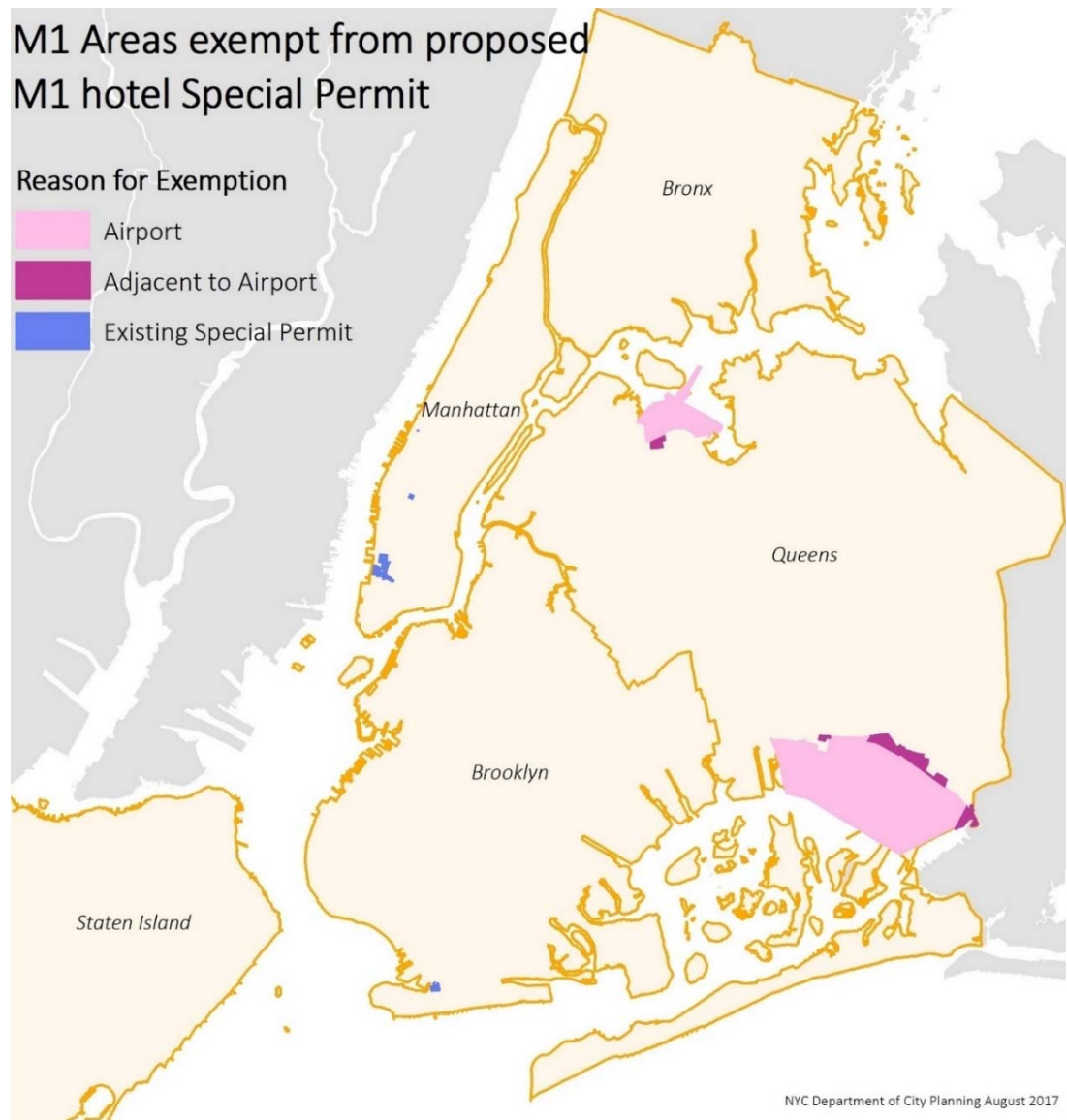


Figure 15 illustrates the M1-zoned areas, which are exempt from the Proposed Action and where the proposed M1 hotel special permit would not apply. Figure 16 illustrates the M1 districts where the proposed M1 hotel special permit would apply.

Figure 15 M1 Areas Exempt from Proposed M1 Hotel Special Permit

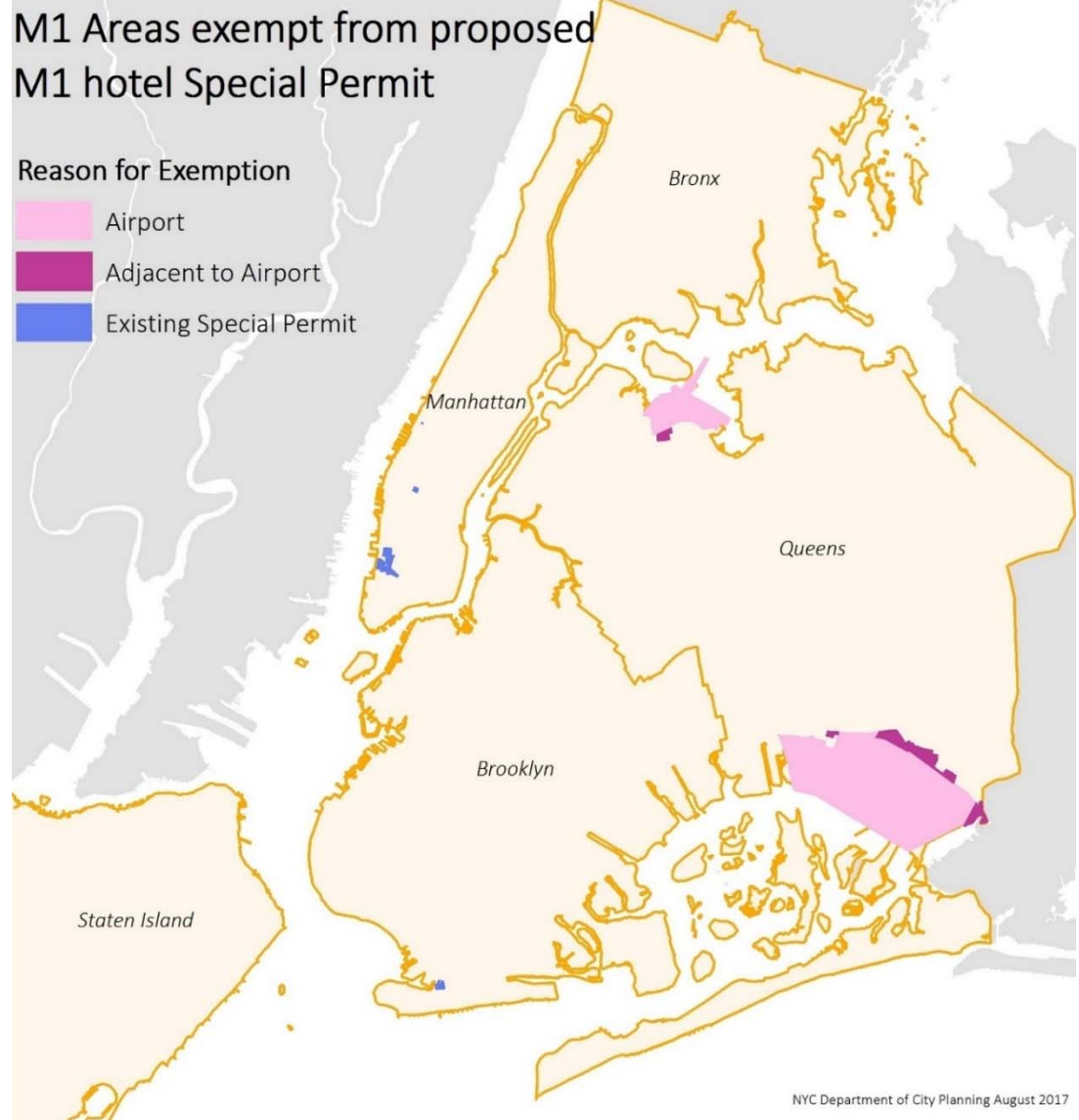
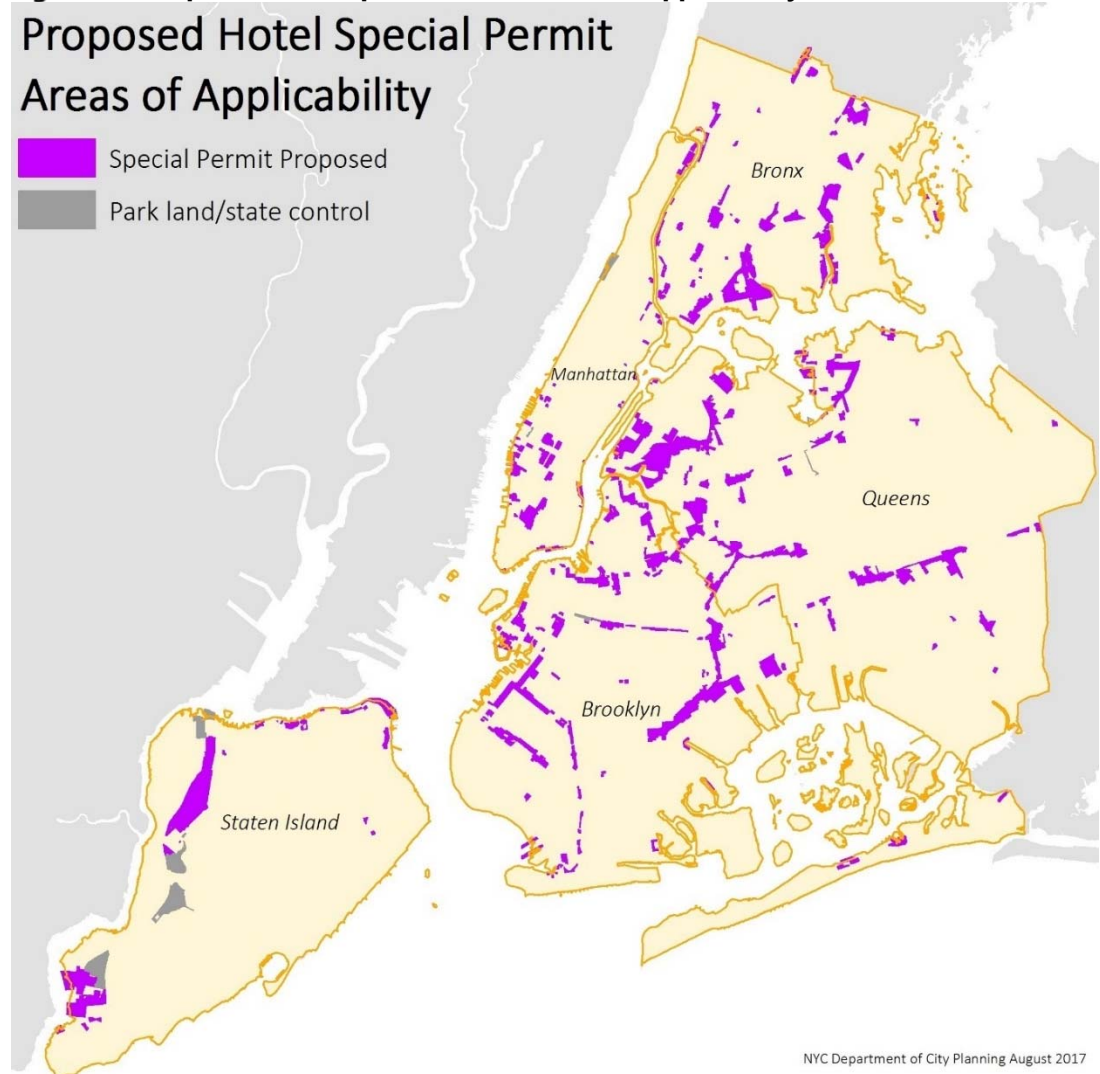


Figure 16 Proposed Hotel Special Permit Areas of Applicability

Ongoing neighborhood planning efforts

The Proposed Action is one proposal to regulate hotel development in NYC. There are, however, other ongoing efforts that either include hotel Special Permit provisions in Commercial districts or are studying the feasibility of pursuing such efforts. Based on various neighborhood considerations and planning objectives, two of DCP's PLACES studies include hotel special permits in Commercial districts, such as the proposed Special Jerome Avenue District and the proposed East Harlem Rezoning. Both of these rezonings are in the public review process at the time of writing and have not yet been adopted.

Other PLACES proposals, including LIC Core, Gowanus, Bay Street and Bushwick, are under review, including whether or not regulatory mechanisms affecting hotel development are warranted. Should any neighborhood rezonings with hotel special permits enter the public review process throughout the completion of the environmental review of the Proposed Action, the environmental analyses of the Proposed Action will be updated. The analysis as

put forth includes only DCP PLACES studies that are currently in the public review process and which are known to include hotel Special permit provisions (East Harlem and Jerome Ave) based on their stated goals and objectives. This initiative has a citywide purpose and need with respect to M1 districts that some neighborhood studies may not have considered as part of their specific objectives and, for developing studies, may not be considering. The Proposed Action, therefore, would apply to such areas.

V

ANALYTIC FRAMEWORK

Executive Summary

Developing the analytic framework for the Proposed Action begins with identifying existing conditions regarding the zoning framework for as-of-right hotel development and the accommodations and tourism industries in New York City (NYC). Existing conditions then serve as the baseline to project hotel development in the foreseeable future of a No-Action Condition and With-Action Condition, when it can be expected that the full effects of the Proposed Action will be realized, resulting an analysis year of 2028. The increment between the No-Action and With-Action Conditions provides the basis for the environmental assessment.

The principal effect of the Proposed Action is to affect the location, but not the amount or type, of future hotel development. Because the proposed zoning text amendment introduces a discretionary approval process via a CPC special permit for new hotels within M1 districts, the Department of City Planning (DCP) expects fewer hotels in M1 districts in the foreseeable future. The Proposed Action would result in a reduction of 45 percent of the lot area, where as-of-right hotel development is permitted, and a reduction of 25 percent in terms of the permitted floor area. Because the Proposed Action introduces a discretionary approval process via a CPC special permit for hotel development within M1 districts, DCP projects less hotel development in M1 districts under the With-Action Condition than the No-Action Condition. Generally, it is projected that the Proposed Action would restrain the development of some of the hotel rooms slated for M1 districts that are currently in the pre-construction process, and would result in a shift of hotel development to areas where hotel development could still occur as-of-right, in commercial and mixed-use districts within the same geographic submarket.

Analytic Framework

A Reasonable Worst Case Development Scenario (RWCDs) is broadly defined as the potential development under both the future No-Action and With-Action Conditions that is used to as the basis for analysis of the change in permitted development created by a discretionary action. The RWCDs takes existing conditions and adds to it known or projected changes in order to arrive at a reasonable estimate of future conditions in both the No-Action and With-Action Conditions.

The first step in constructing the RWCDs for the Proposed Action is to estimate projected hotel development in the future without the proposed text amendment (No-Action Condition) for both the directly affected areas and indirectly affected areas. For this proposal, the directly affected areas are the City's M1 districts, where a new CPC special permit would be required for new hotel development. The indirectly affected areas are all zoning districts that would continue to allow new hotels as-of-right. For the purpose of this analytic framework, these areas will be referred to as "As-of-Right Areas". The citywide perspective allows for an assessment of the hotel industry in a comprehensive manner, including the wider implications of the proposed zoning text amendment, which may have environmental effects beyond the directly affected areas.

After the future absence the proposed zoning text amendment is determined, the future conditions with the proposed zoning text amendment are estimated (With-Action Condition). The RWCDs then compares the No-Action Condition to the With-Action Condition and the increment between the two provides the basis of the environmental assessment. This framework is intended for analytical purposes and cannot precisely capture the character or totality of future hotel development, which is to a large extent unknown.

The Proposed Action would establish a new CPC special permit for new hotels¹¹ in M1 districts citywide (with a few exceptions, as described in the Project Description). The Proposed Action exempts transient hotels operated for a public purpose from the special permit requirement.¹² Since the Proposed Action is a citywide action and has broad applicability, it is difficult to predict the universe of sites where development would be affected by the Proposed Action. For this reason, the Proposed Action is analyzed in this environmental review as a "generic action". Generic actions are programs and plans that have wide application or affect the range of future alternative policies.

¹¹ The Proposed Action also subjects motels, tourist cabins and boatels in M1 districts to the proposed special permit. The zoning definition of "motel or tourist cabin" requires that each sleeping unit have an exterior entrance, and the definition of "boatel" requires water access for boats. Since there are very few motels, tourist cabins or boatels in NYC, and because of these limiting factors, few if any are expected to be developed in the future, this document will use the term "hotel", but will by implication also refer to these other transient accommodations.

¹² Hotels being operated for a public purpose are primarily used to provide temporary housing assistance, or shelter, to homeless individuals and families. It is a legal obligation of the City to provide shelter to all eligible persons within the five boroughs, and the City must maintain the existing flexibility in zoning that permits temporary housing in all M1 districts to ensure it has sufficient capacity to meet the census demand for temporary accommodations. Since hotels being operated for a public purpose are as-of-right under the current zoning and will remain as-of-right with the Proposed Action, the future No-Action and With-Action Conditions for these facilities would be the same. The Administration recently released a plan to address homelessness in the City, called "Turning the Tide," and the proposed Special Permit for hotels would not affect the demand for or supply of temporary accommodation for the homeless in transient hotels in M1 districts. Analysis of the Use Group 5 transient accommodations that are not affected by the Proposed Action is thus not warranted.

DCP cannot predict with certainty where hotels will locate in the future. Hotels and the zoning districts that permit them are relatively dispersed within NYC, and the siting of hotels is demand-driven. As such, this is a generic, city-wide action and the potential impacts of hotel development in the future No-Action and With-Action Condition will be analyzed by means of a prototypical analysis as detailed below, which will be based on existing trends and reasonable projections for the future.

The Proposed Action is not development-inducing as its principal effect would be to affect the location, but not the amount or type, of future hotel development in the City. The Proposed Action solely aims to ensure that the appropriateness of hotel development can be considered in both the actively industrial M1-zoned areas, where hotels and existing uses are potentially incompatible, and the more mixed-use M1-zoned areas, where the City may want to direct growth towards various other employment sectors, such as offices, healthcare or retail, or additional housing. The Proposed Action would also still allow for hotels to serve the needs of the tourism industry when appropriate.

This analytic framework describes the parameters of the analysis, and then presents Existing Conditions, the No-Action and With-Action Conditions in detail. The perspective in each of these conditions is two-pronged: first, the zoning framework and land area for hotel development under each condition is considered; second, the hotel and tourism industries are analyzed. This serves as the basis for the identification of the prototypical sites for analysis.

As the Proposed Action would create a new special permit to allow new hotels within M1 districts, an assessment of the potential environmental impacts that could result from a hotel development in a M1 district pursuant to the special permit is needed. However, because it is not possible to predict whether a special permit would be pursued on any one site in the future, the RWCDS for the Proposed Action does not include consideration of specific development that would utilize the new special permit. Instead, a conceptual analysis will be provided to understand how the new special permit could be utilized and to generically assess the potential environmental impacts that could result from a hotel development in a M1 district pursuant to the special permit.

Analysis Year

CEQR requires analysis of the project's effects on its environmental setting. For those projects that would be implemented in relatively short order following approval, the current conditions would be the appropriate environmental setting. However, proposed projects typically are completed and become operational at a future date, and therefore, the environmental setting is the environment as it would exist at project completion and operation. Therefore, future conditions must be projected. This prediction is made for a particular year, generally known as the "analysis year" or the "build year," which represents when a proposed project would be substantially operational.

For some generic actions, where the build-out depends on market conditions and other variables, the build year cannot be determined with precision. In these cases, a build year of ten (10) years in the future is considered reasonable, as it captures a typical cycle of market conditions and represents a timeframe within which predictions of future development may

be made without a high degree of speculation. This is a typical time frame for area-wide rezonings not associated with a specific development, since it is assumed to be the length of time over which developers would act on the change in zoning and the effects of the Proposed Action would be experienced. Therefore, an analysis year of 2028 will be used for this environmental review.

VI

REASONABLE WORST CASE DEVELOPMENT SCENARIO (RWCDS)

In order to understand future conditions in the hotel and tourism industries, DCP first completed an analysis of existing conditions and that information helped to develop the RWCDS. DCP engaged a socioeconomics consultant team to produce a market analysis of the City's hotel conditions in both the past, current, and future context. This report is generally referred to as the Consultant Report in this document. The Consultant Report is available under the Plans/Studies section of the DCP's website¹³, and this document section contains some of the report's findings where appropriate.

Existing Conditions

Zoning framework and land area for hotel development

The zoning text amendment as proposed, would create a new CPC special permit for new hotels, motels, tourist cabins and boatels within light manufacturing (M1) districts. The Proposed Action would not apply to special mixed-used (MX) districts or paired light manufacturing/residential (M1/R) districts, or to M1 districts that include airport property and areas adjacent to airports, as described in the Proposed Action. For details, please see Section II Description of the Proposed Action.

In order to determine the Proposed Action's impact on hotel siting opportunities, a siting analysis was completed that took into account the actual reduction in land where hotels

¹³ <http://www1.nyc.gov/site/planning/plans/proposals-studies.page>

could potentially locate as-of-right. The analysis is not a soft site analysis, meaning that it does not consider the extent to which there are existing buildings on any given lot, but just considers zoning and excludes certain types of ownership and uses. The analysis was based on Primary Land Use Tax Lot Output (PLUTO 16v2) data, which consists of extensive land use, geographic and zoning data at the tax lot level derived from data files maintained by several New York City agencies. The analysis was performed in an ArcGIS environment.

All tax lots currently zoned to allow hotel development as-of-right or by a special permit were selected. In order to provide a more realistic assessment of land where hotels could potentially locate, certain tax lots were excluded from this analysis:

- › Unbuildable land, such as parks and transportation infrastructure and other utilities, since those tax lots do not reasonably present development opportunities.
- › All publicly-owned tax lots and other fully tax-exempt property, based on ownership code or owner name, since those tax lots also do not usually present development opportunities.

As illustrated in Table 4, almost 496 million square feet (11,400 acres) in NYC are currently zoned to permit as-of-right hotel development. Another 8.7 million square feet (200 acres) allow hotel development by special permit¹⁴. The permitted floor area calculation takes into account the permitted commercial Floor Area Ratio (FAR), which is multiplied by the zoning lot area, to show the hypothetical permitted floor area that is zoned to allow for hotel development in NYC. This is relevant because the permitted density, rather than lot area, usually determines the size of hotels. This influences the room count and the extent to which sites can satisfy demand. In terms of the overall permitted floor area for hotel development, a theoretical 1.4 billion square feet are as-of-right and another 97 million by special permit only.

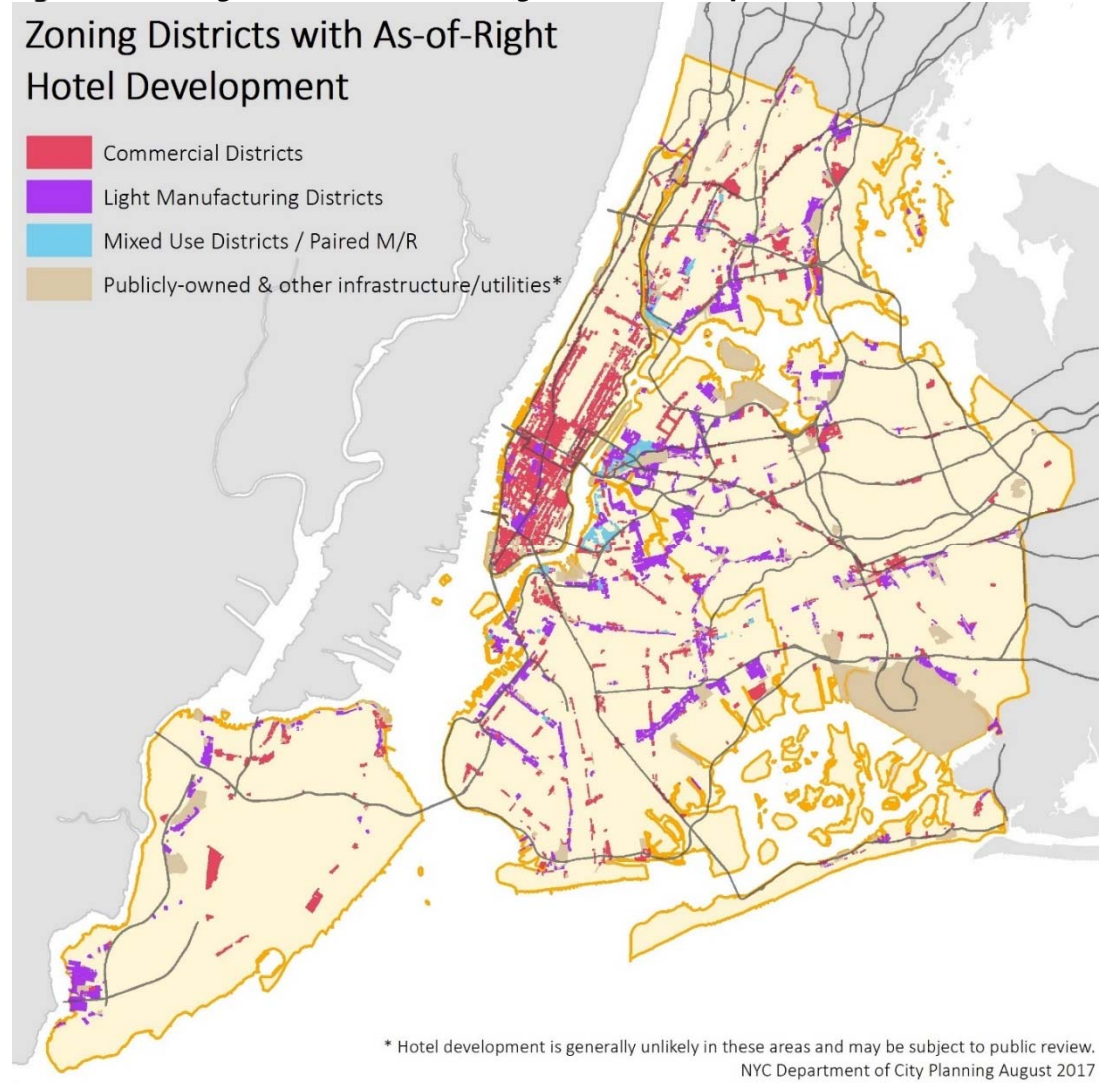
Table 4 Zoning Framework and Land Area for Hotel Development (sf, in thousands)

Existing Conditions	As-of-Right	by Special Permit ¹⁵ :
Lot area	496,166	8,679
Permitted floor area	1,440,274	97,451

The analysis shows that a large portion of the City permits hotel development as-of-right compared to the area where hotels are only permitted by special permit. Figure 17 illustrates the areas where hotel development is as-of-right in NYC.

¹⁴ This Existing Conditions analysis framework does not take into account DCP PLACES studies that are currently in the public review process and which are proposed to include hotel special permit provisions, since those neighborhood rezonings have not yet been adopted.

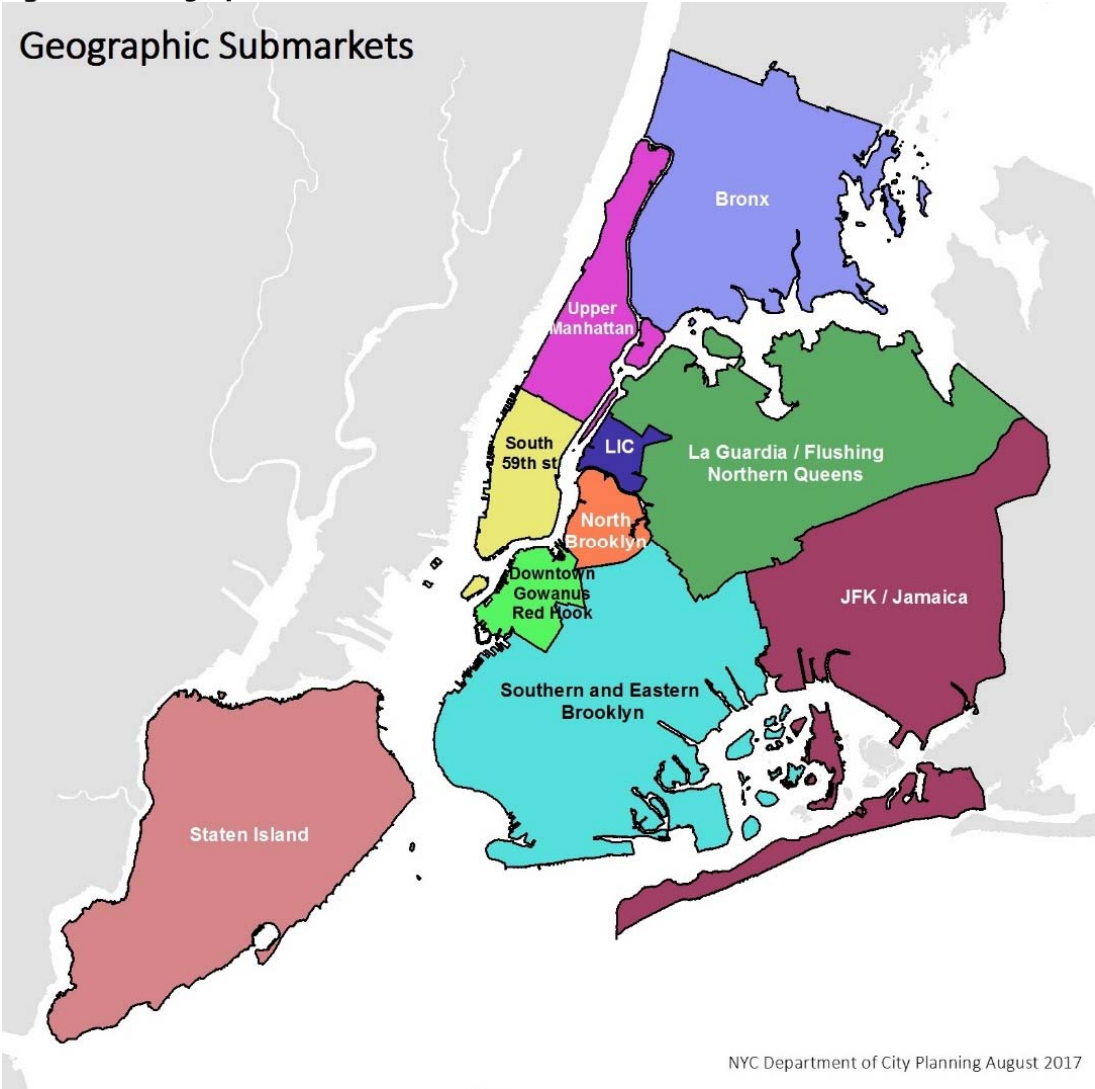
¹⁵ See above footnote.

Figure 17 Zoning Districts with As-of-Right Hotel Development

Although the proposed zoning text amendment would apply only to M1 districts, it would potentially affect every community district within the City since all community districts contain zoning districts that permit as-of-right hotel development, either in the form of light manufacturing districts, commercial districts or mixed-use districts.

The Consultant Report evaluated hotel development and tourism in New York City as a whole and in each of the five boroughs individually. Manhattan, Brooklyn and Queens were furthermore distinguished into geographic submarkets, generally based on major existing tourism markets, or in the cases of Brooklyn and Queens, where recent hotel development clusters have arisen (see Figure 18). The differentiation into the various geographic submarkets was completed in order to better understand existing hotel markets and to facilitate the analysis of the potential effects of the Proposed Action.

Figure 18 Geographic Submarkets



In Manhattan, two geographic submarkets were defined, consisting of the areas above and below 59th Street. In Brooklyn, one submarket was defined as being Downtown/Gowanus/Red Hook (Community Districts 2 and 6), a second as North Brooklyn (Community District 1), and a third comprised the southern and eastern portions of the borough. In Queens, one submarket was defined as Long Island City (LIC), a second comprised Northern Queens with LaGuardia and Flushing, and a third was Southern Queens with Jamaica and JFK.

Table 5 below shows the lot area where hotel development can currently occur as-of-right by each of the above geographic submarkets and by zoning district, following the same methodology as described for Table 4.

Table 5 Geographic Submarkets and Zoning Permitting

Submarket/Zoning District	Lot Area (sf in thousands)	Permitted Floor Area (sf in thousands) ¹⁶
Manhattan – Below 59th Street		
C	71,735	531,553
M1	11,043	74,390
MX	57	286
Manhattan - Uptown		
C	32,059	112,269
M1	1,219	1,820
Bronx		
C	35,859	87,399
M1	35,184	50,131
MX	4,445	11,013
Brooklyn – Downtown/Gowanus/Red Hook		
C	6,341	45,142
M1	9,204	13,938
MX	1,721	3,206
Brooklyn – North		
C	5,404	14,649
M1	14,438	22,301
MX	6,823	13,645
Brooklyn – Southern and Eastern Brooklyn		
C	30,469	74,483
M1	43,823	56,025
MX	1,584	3,026
Queens – Long Island City		
C	1,629	5,935
M1	15,633	39,882
MX	7,252	32,227
Queens – LGA/Flushing/Northern Queens		
C	21,981	59,423
M1	43,661	49,436
MX	304	607

¹⁶ The permitted floor area calculation takes into account the permitted commercial Floor Area Ratio (FAR), which is multiplied by the zoning lot area, to show the hypothetical permitted floor area that is zoned to allow for hotel development in NYC. This is relevant because the permitted density, rather than lot area, usually determines the size of hotels.

Submarket/Zoning District	Lot Area (sf in thousands)	Permitted Floor Area (sf in thousands) ¹⁶
Queens – Jamaica/JFK/Southern Queens		
C	15,643	41,991
M1	18,932	22,493
Staten Island		
C	26,371	38,265
M1	33,283	34,604
Grand Total	492,524	1,432,736

Note: MX stands for Special Mixed-Use districts or paired M1/R districts

Source: PLUTO 16v2 and DCP.

Hotels and tourism citywide and by geographic submarket

As is explained in more detail in the Consultant Report, in 2016, the City received 60.7 million visitors, an increase of nearly 30 percent over the previous nine years. According to current figures, there are over 600 hotels across the five boroughs with nearly 116,000 hotel rooms between them. Hotel development outside of Manhattan has resulted in the creation of relatively small, though well-established, hotel submarkets in Brooklyn and Queens, primarily. The five most dominant submarkets are (1) Long Island City, (2) La Guardia/Flushing, (3) Jamaica/JFK, (4) Downtown Brooklyn/Gowanus, and (5) Williamsburg/Greenpoint. Combined, these five submarkets account for 70 percent of the hotels and 82 percent of the hotel rooms outside of Manhattan.

A significant share of the recent surge in hotel development has occurred in M1 districts. Currently, there are 15,100 hotel rooms in M1 districts across the City, which amounts to more than 13 percent of all hotel rooms (see Table 6). Hotel development in these districts has increased citywide over the last decade; most notably in areas outside of Manhattan. Since 2010, approximately one-quarter of new hotel rooms citywide have occurred in M1 districts. If Manhattan is excluded, the percent increase in the number of rooms added in M1 zones is nearly 50 percent.

As seen in Table 6, in Manhattan, only 9.2 percent of existing hotel rooms are in M1 districts, which are all located below 50th Street. Across Brooklyn, 36 percent of hotel rooms are in M1 zones. The largest concentration of hotels in M1 districts is in North Brooklyn, with 60 percent. Twenty-six percent of Queens' hotel rooms are in M1 districts, with the largest numbers in M1 districts in Long Island City and Jamaica/JFK (39 percent and 28 percent of hotel rooms), respectively. On Staten Island, 82 percent of hotel rooms are in M1 districts. There are only a handful of hotels on Staten Island, but they are highly concentrated on the West Shore. In the Bronx, 36 percent of hotel rooms are in M1 districts, but there are no specific concentrations.

Table 6 M Zone Hotel Rooms as a Percent of Total Rooms by Submarket, 2017

Borough and Sub-market	Hotel Rooms in M1 Zones	Hotel Rooms, Total	M1 Rooms as Percent of Total
Manhattan	8,793	95,449	9.2%
Below 59th Street	8,793	89,412	9.8%
Uptown	0	6,037	0.0%
Bronx	392	1,088	36.0%
Brooklyn	2,150	5,953	36.1%
Downtown/Gowanus/Red Hook	670	3,230	20.7%
North Brooklyn	544	914	59.5%
Southern and eastern	936	1,809	51.7%
Queens	3,123	12,264	25.5%
Long Island City	1,159	2,980	38.9%
LGA/Flushing/North	702	4,786	14.7%
Jamaica/JFK/South	1,262	4,498	28.1%
Staten Island	639	778	82.1%
New York City, Total	15,097	115,532	13.1%

Source: STR. 2017

As described in Table 7, there are currently nearly 38,000 hotel rooms in the hotel pipeline. The pipeline consists of hotel projects that are (1) currently under construction and (2) in pre-construction, with hotels in pre-construction encompassing both those projects that have filed an application with the Department of Buildings and those that are in pre-application. Hotels under construction (defined as hotel developments with permits issued from the Department of Buildings as of June 2017) are assumed to complete construction within the 2028 build year of the Proposed Action. Completion of projects in the pre-construction process is less certain, even when applications are filed, since several dynamic factors (global, national and local economies, trends in international and domestic tourism, obtaining of financing, etc.) may ultimately inform the decision to execute a project. Thus, not all rooms currently in the pre-construction pipeline are accounted for in the N-Action condition or would be completed by the 2028 build year.

Table 7 Hotel Pipeline – Rooms Under Construction and in Pre-Construction

Borough and Sub-market	Hotel Rooms Under Construction			Hotel Rooms in Pre-Construction		
	M1 Districts	Total	% M1	M1 Districts	Total	% M1
Manhattan	3,000	14,100	21%	1,150	4,900	23%
Below 59th Street	3,000	1,400	21%	1,150	4,450	26%
Uptown	0	100	0%	0%	450	0%
Bronx	300	900	33%	0%	600	0%
Brooklyn	1,500	3,700	41%	1,400	3,000	47%
Downtown/Gowanus/ Red Hook	500	1,200	42%	800	1,100	73%
North Brooklyn	550	1,400	39%	200	800	25%
southern and eastern	450	1,100	41%	400	1,100	36%
Queens	2,350	5,200	45%	1,350	5,100	26%
Long Island City	2,300	2,900	79%	550	1,700	32%
LGA/Flushing/North	50	1,500	3%	100	300	33%
Jamaica/JFK/South	0	800	0%	700	3,100	23%
Staten Island	250	300	83%	200	200	100%
New York City, Total	7,400	24,200	31%	4,100	13,800	30%

Sources: New York City Department of Buildings, 2017; New York City Planning Department, 2017; NYC & Co., 2017; BAE, 2017.

Regarding the under construction pipeline, the majority of rooms scheduled are in Manhattan, followed in descending order by Queens, Brooklyn, the Bronx, and Staten Island. Citywide, 31 percent of hotel rooms under construction are in M1 districts. The projected distribution of hotels in the pipeline is similar to the distribution of existing hotel rooms, previously described. The greatest share of rooms in M1 zones are in Staten Island where 83 percent of hotel rooms are located predominantly in the West Shore. Forty-one percent of Brooklyn's under construction pipeline is in M1 districts, primarily in North Brooklyn. In Queens, 45 percent of the hotel rooms under construction are in M1 districts, with Long Island City containing the greatest share. Twenty-one percent of the Manhattan hotel rooms under construction are in M1 zones, which are all located below 59th Street. In the Bronx, 33 percent of the under construction pipeline hotel rooms are in M1 districts. These rooms are mostly scattered close to arterial highways across the borough's M1 districts. As previously explained, hotel rooms under construction can generally be regarded as certain to achieve completion within the next few years. Projects in the pre-construction process are less likely to go to completion.

No-Action Condition

A RWCDs must consider the likely future development scenarios both with, and without, implementation of the proposed action. In this section, an analysis of likely future conditions in New York City's hotel market without the implementation of the proposed hotel special

permit is provided. As noted earlier, the DCP engaged a socioeconomics consultant team to produce a market analysis of the City's hotel conditions in both the past, current, and future context.

Zoning framework and land area for hotel development in No-Action Condition

As seen in Table 8 below, it is projected that by the 2028 build year, 493 million square feet (11,300 acres) in NYC would be available for as-of-right hotel development. Another 12 million square feet (280 acres) are projected to allow hotel development by special permit by the time of the build year¹⁷. In terms of the overall permitted floor area for hotel development, a theoretical 1.4 billion square feet would be as-of-right and another 105 million by special permit only. Regarding the zoning framework for as-of-right hotel development, the difference between the Existing Condition and the No-Action Condition are modest, and depend only on the adoption of the City's pending neighborhood rezonings, which include hotel special permit provisions and are currently in the public review process.

Table 8 Zoning Framework and Land Area for Hotel Development

Future – No Action	As-of-Right	by Special Permit¹⁸
Land area	492,524	12,255
Permitted floor area ¹⁹	1,432,736	104,856

Table 9 below shows the lot area where in the No-Action Condition hotel development could occur as-of-right, by each of the geographic submarkets and by zoning district, following the same methodology as described for Table 4. Compared to the Existing Conditions, only the Bronx and the Manhattan Uptown geographic submarkets would see a slight reduction in the as-of-right lot area due to the possible adoption of pending zoning text amendments that would also only allow hotel development by special permit (currently proposed and in the public review process as part of the Special Jerome Avenue District and the East Harlem Rezoning).

¹⁷ This analysis framework only takes into account DCP PLACES studies that are currently in the public review process and which are known to include other hotel special permit provisions: these are the East Harlem and Jerome Avenue rezonings. There may be forthcoming DCP neighborhood rezonings that may include hotel special permit provisions, which are not yet known.

¹⁸ See footnote above.

¹⁹ The permitted floor area calculation takes into account the permitted commercial Floor Area Ratio (FAR), which is multiplied by the zoning lot area, to show the hypothetical permitted floor area that is zoned to allow for hotel development in NYC. This is relevant because the permitted density, rather than lot area, usually determines the size of hotels.

Table 9 Geographic Submarkets and Zoning Permitting – As-of-Right Hotel Development in the No-Action Condition

Submarket/Zoning District	Lot Area (sf in thousands)	Permitted Floor Area (sf in thousands)²⁰
Manhattan – Below 59th Street		
C	71,735	531,553
M1	11,043	74,390
MX	57	286
Manhattan - Uptown		
C	30,521	109,047
M1	1,108	1,598
Bronx		
C	34,211	83,993
M1	34,906	49,575
MX	4,445	11,013
Brooklyn – Downtown/Gowanus/Red Hook		
C	6,341	45,142
M1	9,204	13,938
MX	1,721	3,206
Brooklyn – North		
C	5,404	14,649
M1	14,438	22,301
MX	6,823	13,645
Brooklyn – Southern and Eastern Brooklyn		
C	30,469	74,483
M1	43,823	56,025
MX	1,584	3,026
Queens – Long Island City		
C	1,629	5,935
M1	15,633	39,882
MX	7,252	32,227

²⁰ The permitted floor area calculation takes into account the permitted commercial Floor Area Ratio (FAR), which is multiplied by the zoning lot area, to show the hypothetical permitted floor area that is zoned to allow for hotel development in NYC. This is relevant because the permitted density, rather than lot area, usually determines the size of hotels.

Submarket/Zoning District	Lot Area (sf in thousands)	Permitted Floor Area (sf in thousands) ²⁰
Queens – LGA/Flushing/Northern Queens		
C	21,981	59,423
M1	43,661	49,436
MX	304	607
Queens – Jamaica/JFK/Southern Queens		
C	15,643	41,991
M1	18,932	22,493
Staten Island		
C	26,371	38,265
M1	33,283	34,604
Grand Total	492,524	1,432,736

Hotels and tourism citywide and by geographic submarket under No-Action Condition

In order to project hotel room demand and supply growth across the City, the Consultant Report relied on visitation and employment projection data, as well as national tourism demand trends and NYC hotel pipeline information. The analysis hypothesized that in 2028, an equilibrium between hotel room supply and demand would exist, meaning that the supply of hotel rooms in 2028 would match projected demand. The analysis supposed that today's hotel occupancy rates would remain stable.

In summary, the Consultant Report concluded that the current hotel development boom would not likely continue until the 2028 build year, even without the implementation of the Proposed Action. Research suggests that the recent surge in hotel development is a result of supply catching up with demand over the past ten years. It is projected that once supply and demand reach an equilibrium, there should be a deceleration in hotel development. New development is expected to be at a slower, more "organic" rate that is similar to U.S. travel demand growth and is based on the traditional hotel demand drivers; leisure travel and business travel.

The Consultant Report projected demand for nearly 143,600 rooms in New York City by 2028. Subtracting off the existing hotel supply (see Table 10) shows the gross unmet demand, or additional supportable rooms above the existing supply (not yet accounting for hotels in the development pipeline).

Table 10 Existing Hotel Supply, 2017

Borough and Sub-Market	Existing Hotel Supply
Manhattan	95,449
Below 59th Street	89,412
Uptown	6,037
Bronx	1,088
Brooklyn	5,953
Downtown/Gowanus/Red Hook	3,230
North Brooklyn	914
southern and eastern Brooklyn	1,809
Queens	12,264
Long Island City	2,980
LGA/Flushing/North	4,786
Jamaica/JFK/South	4,498
Staten Island	778
New York City, Total	115,532

Source: STR, 2017

Accounting for the existing room stock in 2017, the Consultant Report projected that future demand would be able to support approximately 28,100 rooms by 2028 (see Table 11).

Table 11 Unmet Demand / Additional Supportable Rooms Until Build Year

Future Room Demand	Existing Hotel Supply	Unmet Demand/Additional Supportable Rooms
143,600	115,532	28,100

Source: New York City Planning Department, 2017; STR, 2017; BAE, 2017

Table 12, below, illustrates characteristics of the hotel pipeline. The total pipeline consists of hotels currently under construction, as well as hotels in various stages of pre-construction. Citywide, there are 38,000 rooms either under construction or in the pre-construction phase. The realization of the current hotel pipeline would represent an increase of 33 percent in the number of existing hotel rooms.

Table 12 Rooms Under Construction and in Pre-Construction, June 2017

Borough and Sub-market	Hotel Rooms Under Construction			Hotel Rooms in Pre-Construction		
	M1 Districts	Total	% M1	M1 Districts	Total	% M1
Manhattan	3,000	14,100	21%	1,150	4,900	23%
Below 59th Street	3,000	1,400	21%	1,150	4,450	26%
Uptown	0	100	0	0	450	0
Bronx	300	900	33%	0	600	0
Brooklyn	1,500	3,700	41%	1,400	3,000	47%
Downtown/Gowanus/Red Hook	500	1,200	42%	800	1,100	73%
North Brooklyn	550	1,400	39%	200	800	25%
Southern and Eastern	450	1,100	41%	400	1,100	36%
Queens	2,350	5,200	45%	1,350	5,100	26%
Long Island City	2,300	2,900	79%	550	1,700	32%
LGA/Flushing/North	50	1,500	3%	100	300	33%
Jamaica/JFK/South	0	800	0	700	3,100	23%
Staten Island	250	300	83%	200	200	100%
New York City, Total	7,400	24,200	31%	4,100	13,800	30%

Sources: New York City Department of Buildings, 2017; New York City Planning Department, 2017; NYC & Co., 2017; BAE, 2017.

Given the projections in the Consultant Report and the hotel pipeline, estimated demand by 2028 and current pipeline are not aligned. There are currently more rooms in the pipeline than there are rooms estimated to be in demand by 2028, as shown in Table 13 below.

Table 13 Estimated Demand by 2028 Versus Current Pipeline

Unmet demand/ additional supportable rooms	28,100
Hotel Rooms in the pipeline	38,000

Sources: New York City Planning Department, 2017; BAE, 2017.

Since the analysis hypothesized that in 2028, an equilibrium between hotel room supply and demand would exist, meaning that the supply of hotel rooms in 2028 would match projected demand, it is projected that only a portion of the hotel rooms currently in the pipeline would actually be completed by the 2028 build year. Accordingly, it is expected that the projected lower demand for additional hotel rooms by 2028 would result in developers considering new projects as a high-risk investment.

It is plausible to assume that those hotel projects currently under construction (defined as hotel developments with permits issued from the Department of Buildings as of June 2017) would actually be completed and open by the time of the 2028 build year. Table 12 shows that 24,200 rooms are currently under construction. As such, the pipeline hotel rooms that exceed projected demand by 2028 are all be in the pre-construction phase.

The number of hotel rooms in the pre-construction phase amounts to about 14,000 rooms (see Table 12). Since after completion of the rooms under construction, the residual demand for hotel rooms by 2028 would only amount to another 3,900 rooms, 9,900 of the 14,000 hotel rooms in the pre-construction phase would not be expected to occur before the 2028 build year (see Table 14).

Table 14 **Calculation for Demand by 2028, No-Action Condition**

Unmet demand/ additional supportable rooms	Rooms under construction	Residual Demand after accounting for rooms under construction	Excess Rooms in Pre-Construction Pipeline (total 13,800)
28,100	24,200	3,900	9,900

Sources: New York City Planning Department, 2017; BAE, 2017

Table 14 shows the portion of hotels under pre-construction that are projected to not come to fruition by the 2028 build year. The exact location or hotel development that would occur versus those that would not occur by the time of the build year cannot be determined with certainty. There are no data to indicate that a particular hotel typology, geographic submarket or zoning district would be more likely to develop or not. Many dynamic factors influence whether a hotel project is realized: global, national and local economies affect hotel development decisions, trends in international and domestic tourism, the access to equity, the ease of obtaining financing from institutional or individual investors and debt underwritten by investment banks, capital management firms and traditional lenders and also public policies. All of these factors may ultimately inform the decision to execute a project, and since these factors are dynamic and can change on a case-by-case basis, exact projections cannot be made.

The Consultant Report outlines the methodology that was used to project which geographic submarkets and zoning districts hotels would be developed. Based on the geographic distribution of hotel rooms in the pipeline, the proportional share of each borough was calculated and maintained constant to estimate the distribution of the projected demand of 3,900 rooms across the five boroughs by the build year. DCP further disaggregated these borough-wide demand projections by geographic submarket using the same method (assuming a constant proportion of each geographic submarket within each borough, based on the distribution of hotel rooms in the pipeline). Furthermore, demand projects were further estimated at the zoning district level within each geographic submarket, based on the hotel room market share of M1 districts in the total hotel pipeline (ratio as shown in Table 15).

Table 15 Proportion of Hotel rooms in M1 Districts (Total Hotel Pipeline)

Borough and Sub-Market	Hotel Room Market Share of M1 Districts
Manhattan	22%
Below 59th Street	22%
Uptown	0%
Bronx	0%
Brooklyn	43%
Downtown/Gowanus/Red Hook	57%
North Brooklyn	34%
Southern and Eastern Brooklyn	39%
Queens	36%
Long Island City	62%
LGA/Flushing/North	8%
Jamaica/JFK/South	18%
Staten Island	90%
New York City, Total	30%

Sources: New York City Department of Buildings, 2017; New York City Planning Department, 2017; NYC & Co., 2017; BAE, 2017.

Table 16 illustrates by geographic submarket the number of rooms in the pre-construction pipeline, the projected demand after completion of the under construction pipeline, and the rooms in the pre-construction pipeline that are projected to exceed demand by 2028 and not come to fruition by the build year.

Table 16 Rooms in Pre-Construction, Demand, and Excess, by Geographic Submarket

Borough and Sub-Market	Rooms in Pre-Construction	Residual Demand after accounting for rooms under construction	Excess Rooms in Pre-Construction Pipeline
Manhattan	4,900	1,900	3,000
Below 59th Street	4,450	1,850	2,600
Uptown	450	50	400
Bronx	600	150	450
Brooklyn	3,000	700	2,300
Downtown/Gowanus/Red Hook	1,100	240	860
North Brooklyn	800	230	570
southern and eastern	1,100	230	870
Queens	5,100	1,100	4,000
Long Island City	1,700	500	1,200
LGA/Flushing/North	300	200	100
Jamaica/JFK/South	3,100	400	2,700
Staten Island	200	50	150
New York City, Total	13,800	3,900	9,900

Sources: New York City Department of Buildings, 2017; New York City Planning Department, 2017; NYC & Co., 2017; BAE, 2017.

Table 17 provides an overview of the projected hotel rooms by each geographic submarket and zoning district until the 2028 build year. After completion of the under construction pipeline, Manhattan still has the largest residual demand with 1,900 rooms, followed by Queens with 1,100 rooms. Residual demand in Brooklyn is projected at 700 rooms, whereas both the Bronx and Staten Island are expected to have very little residual demand after completion of all projects currently under construction (amounting to an additional 24,000 rooms).

Table 17 **Projected Residual Demand After Accounting for Rooms Under Construction, by Geographic Submarket and Zoning District**

Borough and Sub-market	M1 Districts	Other Districts	Total
Manhattan	425	1,475	1,900
Below 59th Street	425	1,425	1,850
Uptown	0	50	50
Bronx	0	150	150
Brooklyn	300	400	700
Downtown/Gowanus/Red Hook	130	110	240
North Brooklyn	80	150	230
Southern and eastern	90	140	230
Queens	380	720	1,100
Long Island City	290	210	500
LGA/Flushing/North	20	180	200
Jamaica/JFK/South	70	330	400
Staten Island	45	5	50
New York City, Total	1,150	2,750	3,900

Sources: New York City Planning Department, 2017; BAE, 2017.

No-Action Projections

The No-Action Condition projects an addition of about 28,100 rooms by 2028 to NYC's already extensive hotel stock. About 8,550 of these hotel rooms are expected to be located in M1 districts (see Table 18). Of the projected 8,550 hotels rooms in M1 districts, 7,400 are already under construction (see Table 12). Another 1,150 hotel rooms from the pre-construction pipeline are projected to be realized by the time of the 2028 build year (see Table 17). This also means that many hotel projects in the current pre-construction pipeline are expected to be delayed beyond the build year or changed for other developments, due to the low projected demand for additional hotel rooms after completion of the under construction pipeline, accompanied by changing market conditions, the high costs of hotel development and the difficulty of obtaining financing.

Table 18 Rooms Projected to Come Online in the No-Action Condition

Borough and Sub-Market	M1 Districts	Other Districts	Total, All Districts
Manhattan	3,425	12,575	16,000
Below 59th Street	3,425	12,425	15,850
Uptown	0	150	150
Bronx	300	750	1,050
Brooklyn	1,800	2,600	4,400
Downtown/Gowanus/Red Hook	630	810	1,440
North Brooklyn	630	1,000	1,630
Southern and Eastern	540	790	1,330
Queens	2,730	3,570	6,300
Long Island City	2,590	810	3,400
LGA/Flushing/North	70	1,630	1,700
Jamaica/JFK/South	70	1,130	1,200
Staten Island	295	55	350
New York City, Total	8,550	19,550	28,100

Sources: New York City Planning Department, 2017; BAE, 2017.

With-Action Condition

The Proposed Action in this RWCDs is being analyzed as a “generic action” because the specific sites where hotel development would occur, as a result of the special permit, cannot be identified with certainty. Generic analyses must employ a methodology that identifies typical cases and a range of conditions, which this section seeks to do. This With-Action Condition builds on the No-Action Condition and describes in detail the analytical choices that are made to arrive at projections for the With-Action Condition. The zoning framework for as-of-right hotel development in the No-Action Condition and the With-Action condition are compared, as well as existing and projected demand and supply for hotel rooms. The With-Action Condition recognizes that demand projected until 2028 would partially be met by future hotel construction in M1 districts. The RWCDs then describes the parameters that will guide the choice of prototypical sites to assess the potential impacts of the Proposed Action.

The Proposed Action introduces a discretionary approval process by CPC special permit for hotel development within M1 districts. CPC special permits generally present a disincentive to development that previously was as-of-right, since obtaining the special permit can add significant time, costs and uncertainty to a project. Accordingly, it is reasonable to assume that the proposed CPC special permit would have the effect of slowing the rate at which hotels would be developed in M1 districts and increasing the rate at which they would be developed in the areas of the City that hotels would remain as-of-right.

Zoning framework and land area for hotel development in With-Action Condition

In the future with the Proposed Action, as seen in Table 19, 273 million square feet (6,300 acres) in NYC would be available for as-of-right hotel development by the 2028 build year. With the implementation of the Proposed Action, another 232 million square feet (5,300 acres) are projected to allow hotel development by special permit by the time of the build year. In terms of the overall permitted floor area for hotel development, 1.08 billion square feet would remain as-of-right and 462 million square feet would be by special permit only.

Table 19 Zoning Framework and Land Area for Hotel Development: Future with the Action

	As-of-right (sf, in thousands)	by Special Permit (sf, in thousands)
Future With-Action		
Land area	272,802	231,976
Permitted floor area ²¹	1,075,116	462,476

Source: PLUTO 16v2 and DCP. Method excludes publicly owned lots (ownership=c, m, o or x), other institutional ownership such as LIRR, MTA, AMTRAK, and parkland

Compared to the No-Action Condition (see Table 20), the Proposed Action would entail a reduction of 45 percent in the available lot area for as-of-right hotel development (irrespective of whether a site can be considered soft for development), and a 25 percent reduction in permitted floor area for hotel development. The lot area where hotel development would only be permitted subject to special permit would increase from 232 million square feet in the No-Action Condition to 462 million square feet in the With-Action.

Table 20 As-of-Right Zoning for Hotel Development, Comparison of the Future With and Without the Action

	Lot area (sf, in thousands)	Permitted floor area (sf, in thousands)
Future No-Action	492,524	1,432,736
Future With-Action	272,802	1,075,116
Difference in square feet	-219,721	-357,620
Difference in percentage	-45%	-25%

Source: DCP 2017, analysis of PLUTO 16v2

Table 21 below shows the lot area where in the With-Action Condition hotel development could occur as-of-right, by each of the geographic submarkets and by zoning district, following the same methodology as described for Table 4 on page 42. Since the Proposed

²¹ The permitted floor area calculation takes into account the permitted commercial Floor Area Ratio (FAR), which is multiplied by the zoning lot area, to show the hypothetical permitted floor area that is zoned to allow for hotel development in NYC. This is relevant because the permitted density, rather than lot area, usually determines the size of hotels.

Action applies to all M1 districts (with some exceptions), the areas remaining as-of-right are either Commercial or Mixed-Use districts. Two geographic submarkets in Queens would continue to allow as-of-right hotel development in certain M1 districts, since the Proposed Action includes exemptions for M1 districts adjacent to airports.

Table 21 Geographic Submarkets and Zoning Permitting, As-of-Right Hotel Development in the With-Action Condition

	Lot Area (sf, in thousands)	Permitted Floor Area ²²
Manhattan - Below 59th Street		
C	71,735	531,553
MX	57	286
Manhattan - Uptown		
C	30,521	109,047
Bronx		
C	34,211	83,993
MX	4,445	11,013
Brooklyn - Downtown/Gowanus/Red Hook		
C	6,341	45,142
MX	1,721	3,206
Brooklyn - North		
C	5,404	14,649
MX	6,823	13,645
Brooklyn – Southern and Eastern Brooklyn		
C	30,469	74,483
MX	1,584	3,026
Queens - Long Island City		
C	1,629	5,935
MX	7,252	32,227
Queens - LGA/Flushing/Northern Queens		
C	21,981	59,423
M1	1,054	1,054
MX	304	607
Queens - Jamaica/JFK/Southern Queens		
C	15,643	41,991
M1	5,255	5,568
Staten Island		
C	26,371	38,265
Grand Total	272,802	1,075,116

Note: MX stands for Special Mixed-Use districts or paired M1/R districts.

²² See footnote above.

Source: PLUTO 16v2 and DCP

Figure 19 through Figure 23 illustrate the table content and show the areas, where hotel development would still be as-of-right, versus the areas affected by the Proposed Action. Compared to the No-Action Condition, all geographic submarkets would see a substantial reduction in the as-of-right lot area (see Table 22). All geographic submarkets outside of Manhattan, with the exception of Jamaica/JFK, would see a reduction of about 50 percent or more in the lot area available to hotel development. In Northern Queens and Long Island City, the reduction is especially high, amounting to about 65 percent.

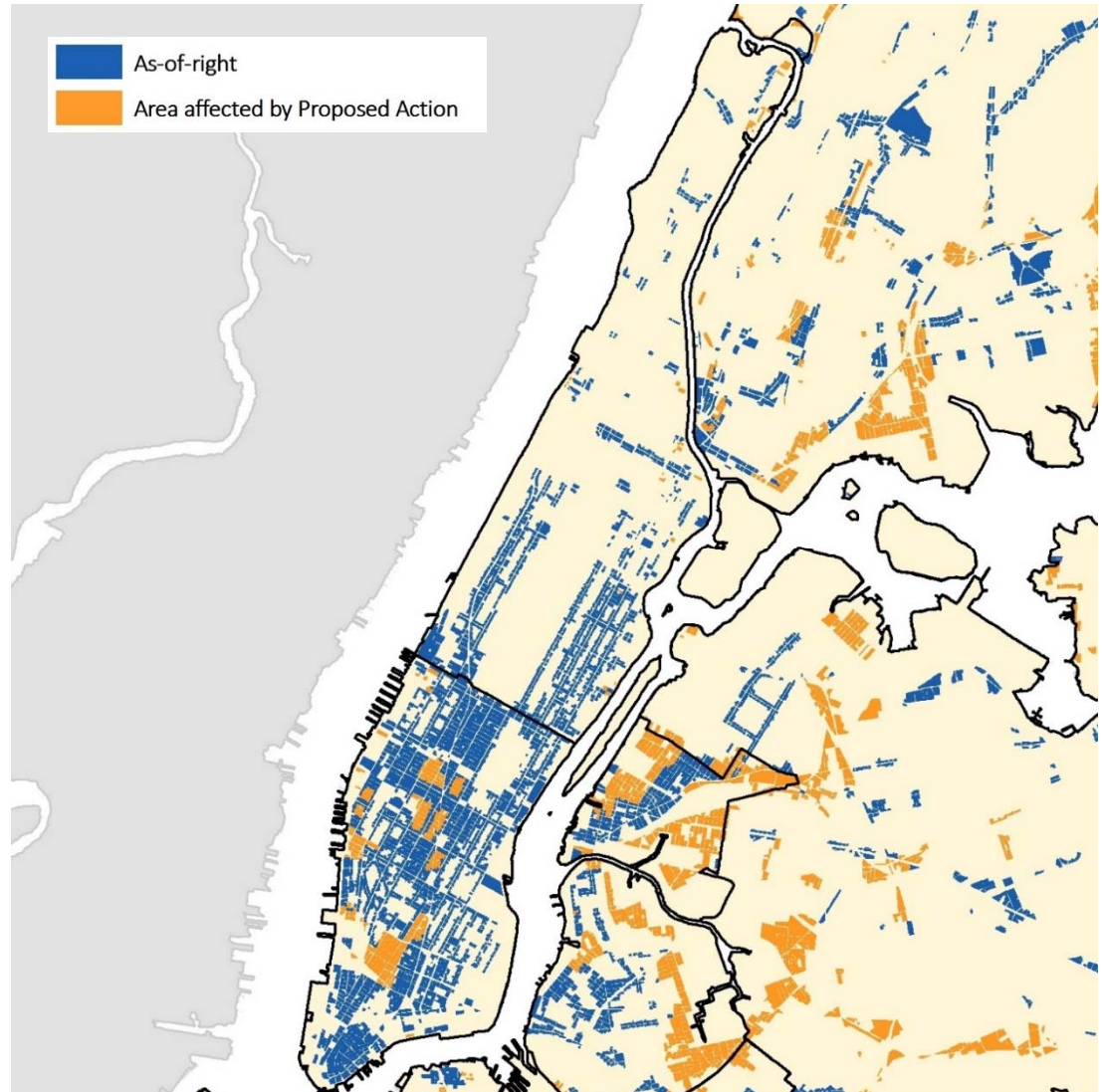
Table 22 Reduction in As-of-Right Development Area due to the Proposed Action, by Geographic Submarket

Geographic Submarket	Net Reduction of Lot Area	Net Reduction of Permitted Floor Area	Percent Reduction in Lot Area	Percent Reduction in Permitted Floor Area
Manhattan - Below 59th Street	11,043	74,390	13%	12%
Manhattan - Uptown	1,108	1,598	4%	1%
Bronx	34,906	49,575	47%	34%
Brooklyn - Downtown/Gowanus/Red Hook	9,204	13,938	53%	22%
Brooklyn - North	14,438	22,301	54%	44%
Brooklyn – Southern and Eastern Brooklyn	43,889	56,158	58%	42%
Queens - Long Island City	15,633	39,882	64%	51%
Queens - LGA/Flushing/Northern Queens	42,607	48,382	65%	44%
Queens - Jamaica/JFK/Southern Queens	13,677	16,925	40%	26%
Staten Island	33,283	34,604	56%	47%
Grand Total	219,788	357,753	45%	25%

Source: PLUTO 16v2 and DCP

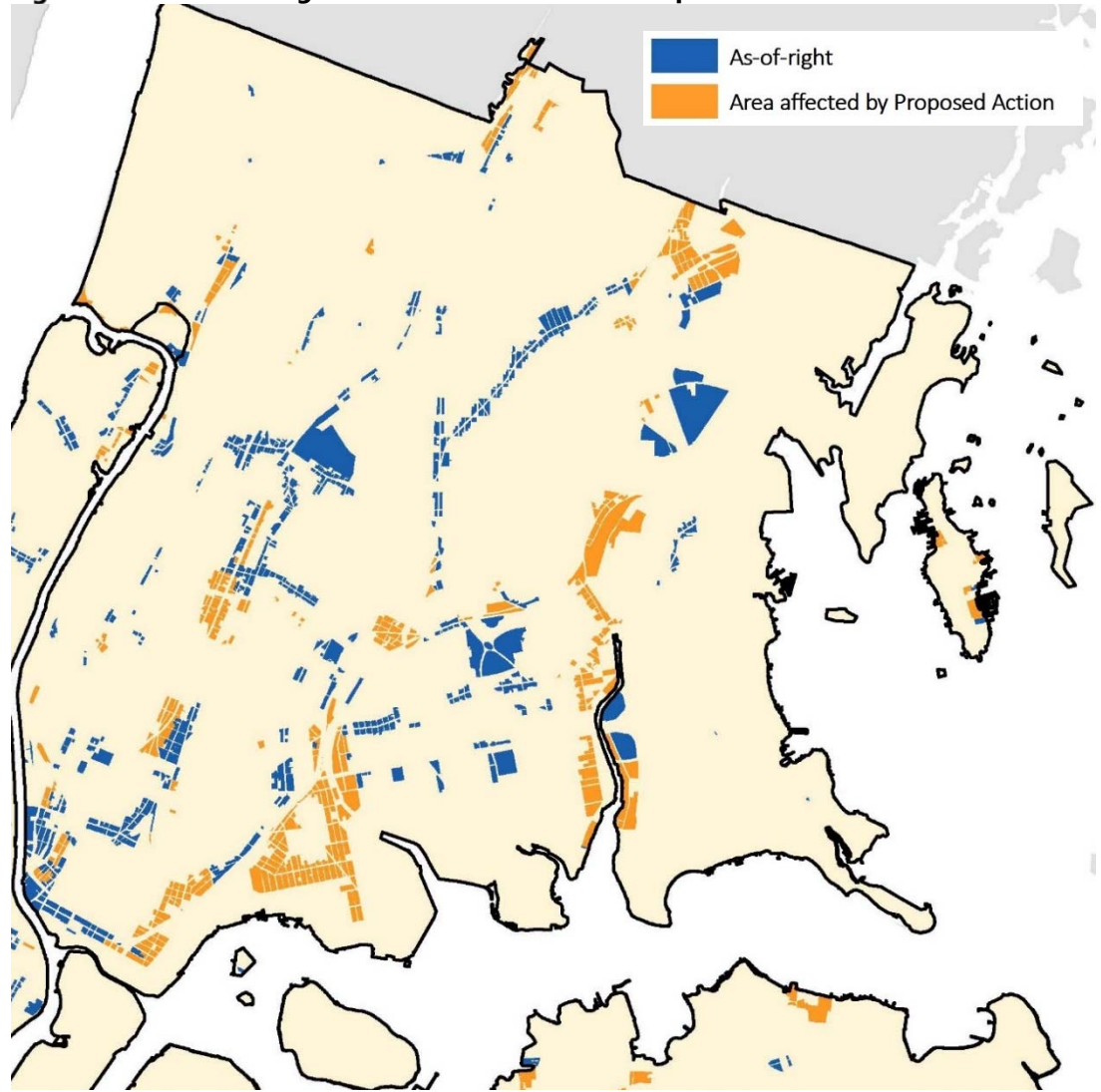
In terms of permitted commercial floor area, the percent reduction is generally much smaller. Many geographic submarkets in Queens, Brooklyn and Staten Island however still see a relative reduction of more than 40 percent in the floor area permitting as-of-right hotel development due to the Proposed Action. Many of these submarkets, however, have a relatively modest hotel presence.

Figure 19 Manhattan Zoning Framework for Hotel Development: With-Action Condition



Source: Department of City Planning, August 2017

Figure 20 Bronx Zoning Framework for Hotel Development: With-Action Condition



Source: Department of City Planning, August 2017

Figure 21 Brooklyn Zoning Framework for Hotel Development: With-Action Condition

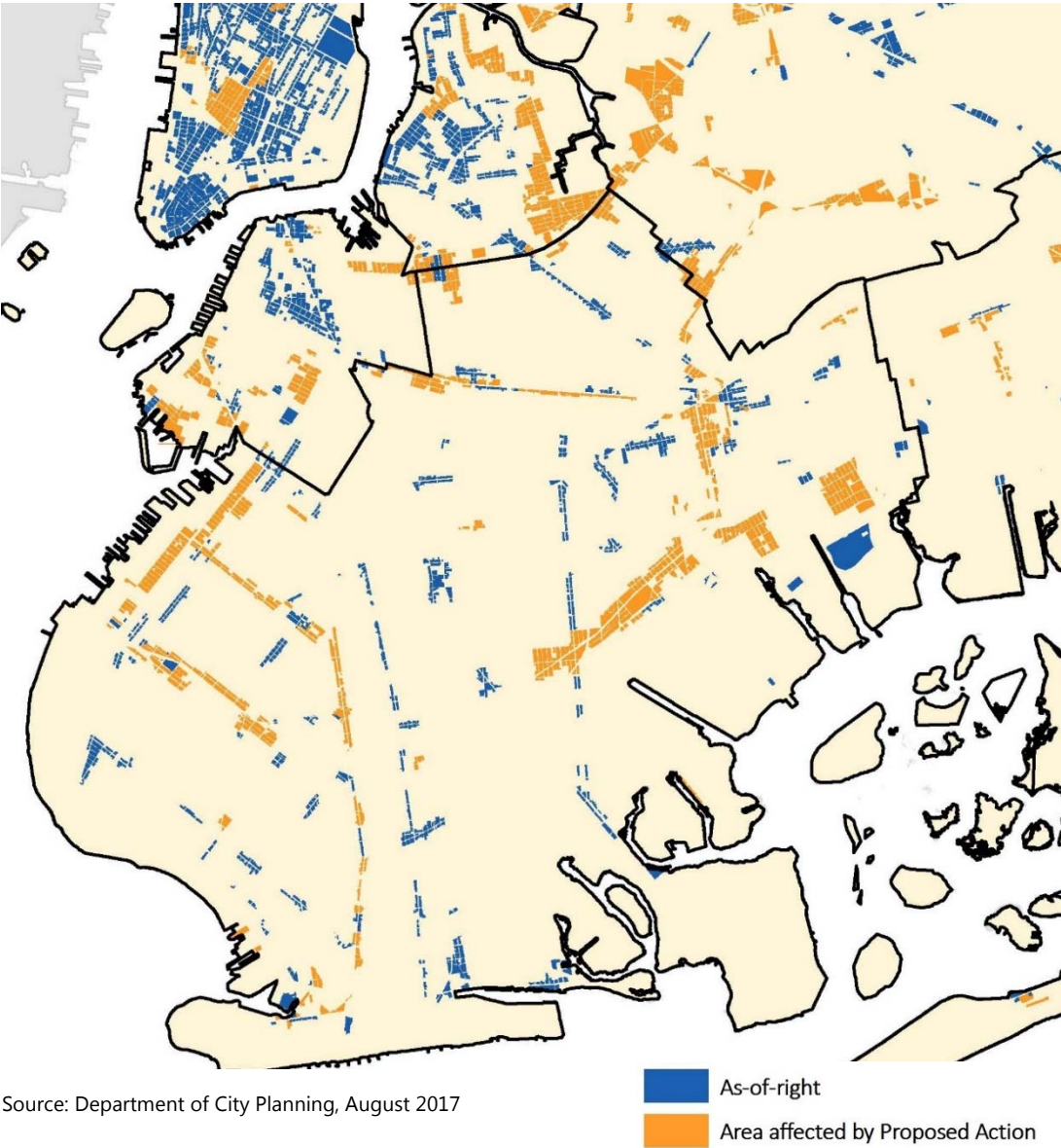


Figure 22 Queens Zoning Framework for Hotel Development: With-Action Condition

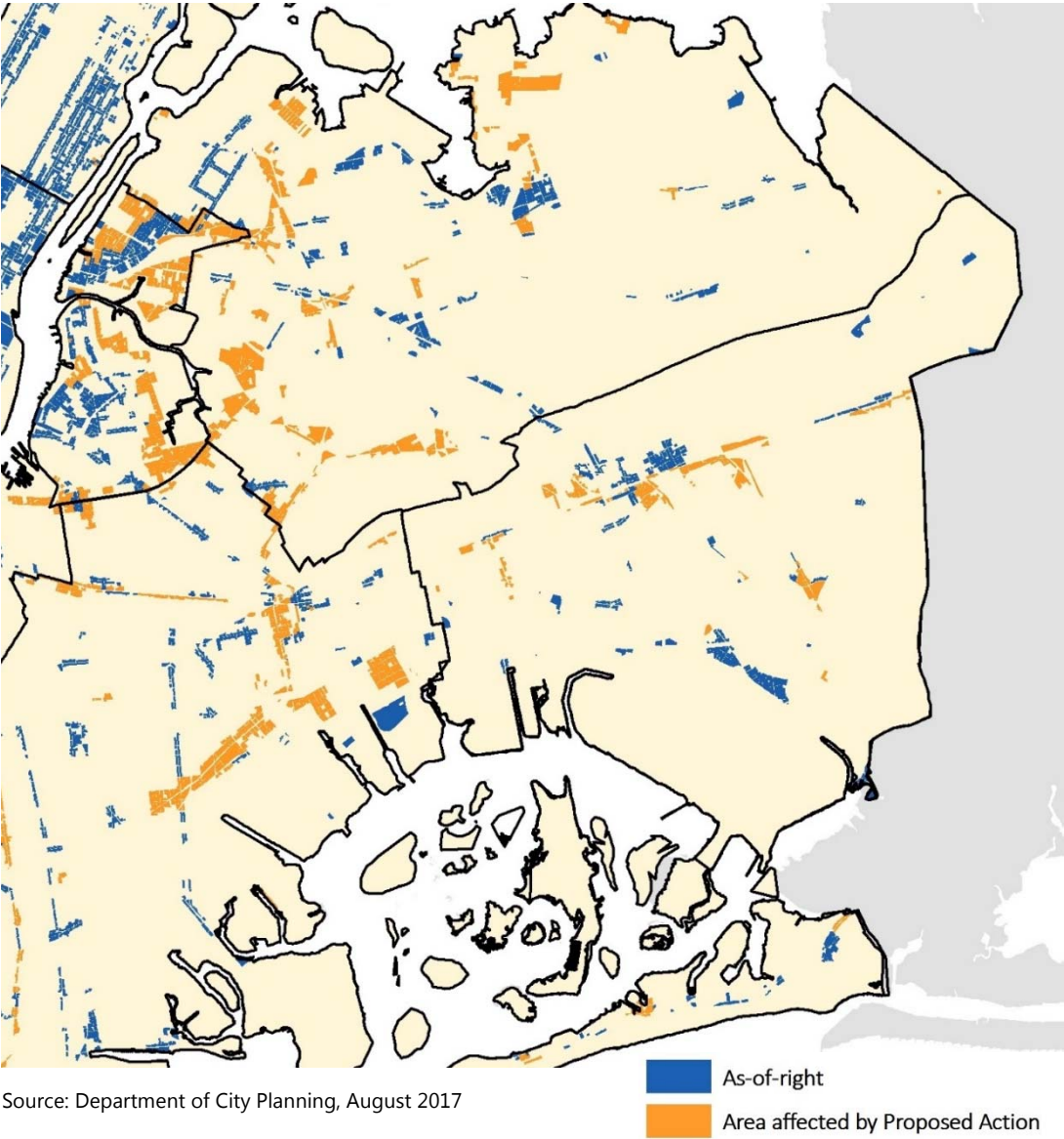
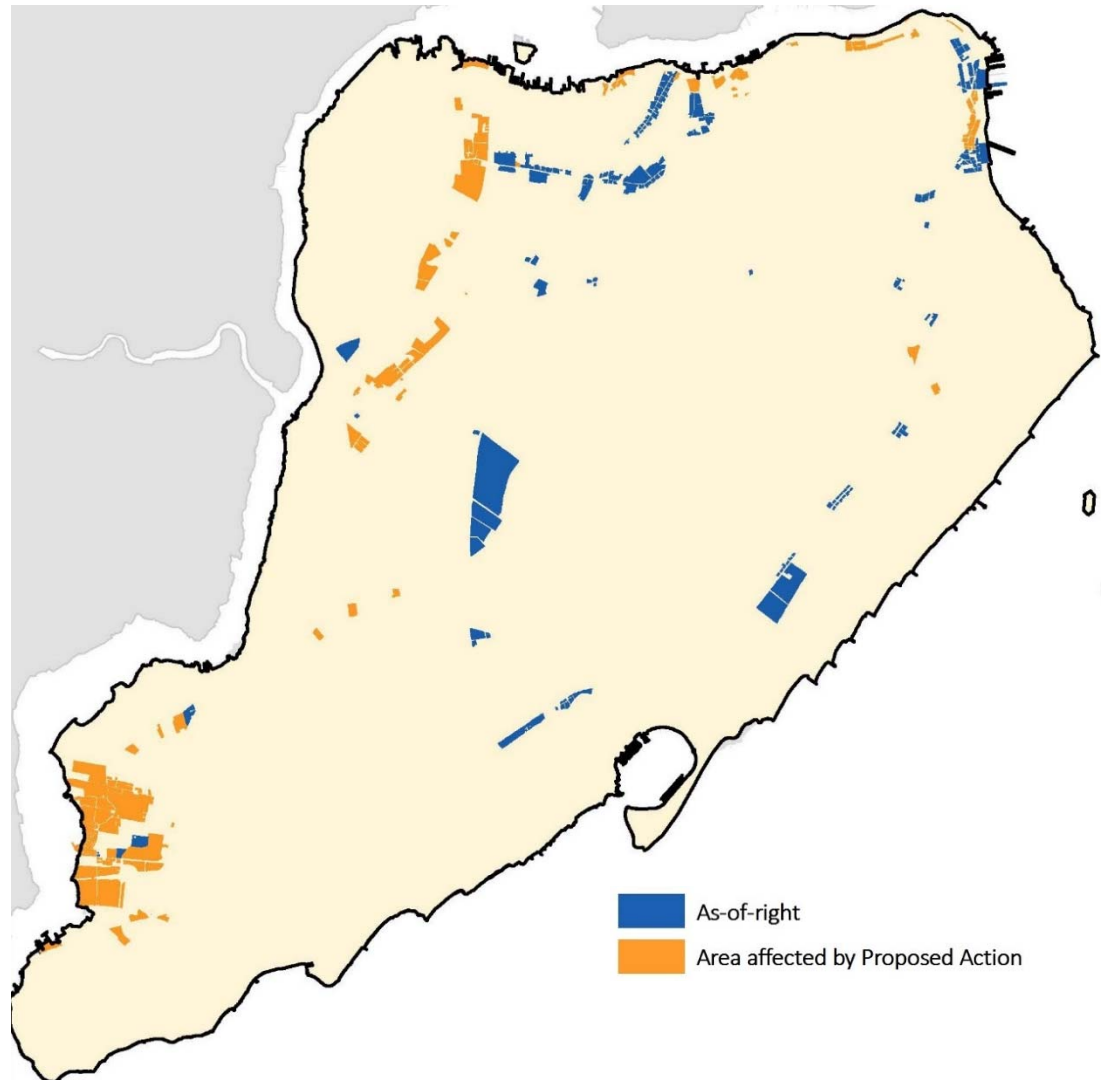


Figure 23 Staten Island Zoning Framework for Hotel Development: With-Action Condition



Source: Department of City Planning, August 2017

Hotels and tourism citywide and by geographic submarket under With-Action Condition

Because the Proposed Action introduces a discretionary approval process via a CPC special Permit for hotel development within M1 districts, DCP projects less hotel development in M1 districts under the With-Action Condition than the No-Action Condition. It is reasonable to assume that a CPC special Permit would have the effect of slowing the rate at which hotels would be developed in M1 districts and increasing the rate at which they would be developed in the areas in which they would remain as-of-right.

The number of hotel facilities developed under the Proposed Action cannot be precisely determined. While there are areas with existing hotel special permit provisions in NYC, most of those provisions have been adopted relatively recently, and no applications for special

permits have been processed in those cases. However, the lack of applications for those existing hotel special permits may not be relevant to this case. The Proposed Action covers a much broader area, and certain developments, particularly large projects near tourist attractions or in mixed use settings, would likely not be deterred by the existence of the hotel special permit. However, since this type of hotel development occurs relatively rarely, particularly in M1 districts, it is expected that only a few hotel special permits would be sought by the build year.

In terms of as-of-right development, it is expected that the Proposed Action would not affect all hotel developments in the pipeline, but only a certain proportion of them. Firstly, the Proposed Action proposes a hotel special permit only in M1 districts, meaning that hotels in the pipeline process in commercial or mixed-use (MX and M1/R) districts would not be affected. Furthermore, it is not expected that the Proposed Action would affect hotels currently under construction. Hotels with building permits issued at the Department of Buildings (referred to as “under construction”) are either already well under construction, or are expected to begin construction and complete foundations before the adoption of the Proposed Action²³. Although DCP cannot generally determine how much time may occur between obtaining permits and the completion of foundations, since many hotels have relatively singular trajectories that do not depend on public processes, it is likely that projects with issued permits would complete foundations. Accordingly, hotel projects with permits issued or under construction would most likely not be affected by the Proposed Action. As previously explained, the number of hotel rooms under construction amount to more than 24,000 rooms (see Table 12).

Regarding the pre-construction pipeline however, the expectations are much less certain. While it is possible that a project currently in the pre-construction pipeline could receive a building permit and complete its foundation before adoption of the Proposed Action, it would not be reasonable to assume these circumstances across the pipeline of hotel development. Many hotels have relatively singular trajectories, which are often more dependent on the availability of financing than the permitting process at the Department of Buildings. The most conservative position is to assume that none of the hotels in the pre-construction pipeline would vest.

The No-Action Condition projects an addition of about 28,100 rooms by 2028 to NYC’s already extensive hotel stock. About 8,550 of these hotels rooms are expected to be located in M1 districts (see Table 18). Of the 8,550 hotel rooms in M1 districts, 7,400 are already under construction, and would not be affected by the Proposed Action, as explained above (see Table 12). As shown by Table 17, another 1,150 hotels rooms from the M1 pre-construction pipeline are projected to be realized by the time of the 2028 build year.

Accordingly, in the With-Action Condition, the Proposed Action would affect those hotel rooms in the pre-construction phase that are slated for M1 districts and that would be completed in the No-Action Condition (see Table 23, column “M1 Districts”).

²³ The completion of foundations before a zoning change becomes effective Zoning Action usually determines whether a project vests.

Table 23 **Projected No-Action Supply, After Accounting for Rooms Under Construction by Geographic Submarket and Zoning District**

Borough and Sub-market	M1 Districts	Other Districts	Total
Manhattan	425	1,475	1,900
Below 59th Street	425	1,425	1,850
Uptown	0	50	50
Bronx	0	150	150
Brooklyn	300	400	700
Downtown/Gowanus/Red Hook	130	110	240
North Brooklyn	80	150	230
southern and eastern	90	140	230
Queens	380	720	1,100
Long Island City	290	210	500
LGA/Flushing/North	20	180	200
Jamaica/JFK/South	70	330	400
Staten Island	45	5	50
New York City, Total	1,150	2,750	3,900

Sources: New York City Planning Department, 2017; BAE, 2017.

Since opportunities for as-of-right hotel development still exist in all geographic submarkets (see Figure 19 through Figure 23, and Table 21) and hotels are relatively flexible in terms of their siting requirements, it is expected that those hotel rooms originally slated for M1 districts would instead be developed elsewhere.

Hotels are flexible in the sense that they can be developed on many different lot sizes and configurations: hotels have been built on lots ranging from 1,300 sf to 100,000 sf. For small lots, hotel developers can often outbid other types of permitted development, because they do not rely on assemblages to create a viable, complying and marketable buildings. Hotels also benefit from a business model that can maximize the value of permitted height and floor area ratios, giving such development an additional advantage over some other permitted uses that rely on ground floor space, such as retail. Due to hotels' flexibility regarding lot size and configuration, it is projected that hotel developers will also find development opportunities in areas where hotels would remain as-of-right in the With-Action Condition. As such, a portion of the hotels that would be developed in M1 districts in the No-Action would instead develop in commercial and mixed-use districts in the With-Action Condition.

Generally, it is expected that the Proposed Action would result in a shift of hotels and hotel rooms to areas where hotel development could still occur as-of-right (many commercial and mixed-use districts). Overall, such a shift would amount to approximately 1,150 hotel rooms: these are the number of rooms slated for M1 districts that would not be developed in M1 districts due to the Proposed Action, as shown in Table 23, and is thus the number that could

be expected to be developed in as-of-right areas instead, since demand for these hotel rooms is still projected to exist.

Since geographic location plays an important role in driving hotel development, it is expected that any shift in development that would occur from M1 to other zoning districts would occur within the same geographic submarket. Therefore, it is projected that an increase in hotel development due to the Proposed Action may be expected in commercial and mixed-use districts in those geographic submarkets with more than 50 rooms slated for M1 districts in the No-Action Condition.

- › Manhattan South of 59th street
- › Brooklyn - Downtown Brooklyn
- › Brooklyn - Williamsburg
- › Brooklyn - Southern and Eastern Brooklyn
- › Queens - Long Island City
- › Queens - Jamaica/JFK

With-Action Projections

Overall, it is expected that the Proposed Action would not so much change the number of hotel rooms in NYC or in the geographic submarkets as it would result in a shift of a portion of future hotel development from M1 to commercial or mixed-use districts. Table 24 illustrates that in the No-Action Projection, the construction of a total of 28,100 rooms is expected by the 2028 build year and that this number is the same in the With-Action Condition. However, the zoning districts where those hotel rooms are expected to be completed shifts to a certain extent from M1 to commercial or mixed-use districts. In the No-Action Condition, about 8,500 new hotel rooms were expected in M1 districts, whereas in the With-Action Condition, this number amounts to about 7,400 rooms. As such, the total shift affects approximately 1,150 rooms. As previously explained, the geographic submarkets where such a shift is expected to be somewhat more pronounced are the following:

- › Manhattan South of 59th street
- › Brooklyn - Downtown Brooklyn
- › Brooklyn - Williamsburg
- › Brooklyn - Southern and Eastern Brooklyn
- › Queens - Long Island City

Table 24 Comparison of No-Action and With-Action Projections

Borough and Sub-Market	No-Action Projection			With-Action Projection		
	M1 Districts	Other Districts	Total	M1 Districts	Other Districts	Total
Manhattan	3,425	12,575	16,000	3,000	13,000	16,000
Below 59th Street	3,425	12,425	15,850	3,000	12,850	15,850
Uptown	0	150	150	0	150	150
Bronx	300	750	1,050	300	750	1,050
Brooklyn	1,800	2,600	4,400	1,500	2,900	4,400
Downtown/Gowanus/Red Hook	630	810	1,440	500	940	1,440
North Brooklyn	630	1,000	1,630	550	1,080	1,630
Southern and Eastern	540	790	1,330	450	880	1,330
Queens	2,730	3,570	6,300	2,350	3,950	6,300
Long Island City	2,590	810	3,400	2,300	1,100	3,400
LGA/Flushing/North	70	1,630	1,700	50	1,650	1,700
Jamaica/JFK/South	70	1,130	1,200	0	1,200	1,200
Staten Island	295	55	350	250	100	350
New York City, Total	8,550	19,550	28,100	7,400	20,700	28,100

DCP has recognized that hotels in M1 districts have the potential to impede the growth and development of other uses, firstly by occupying sites that could be available to other uses better equipped to fulfill neighborhood development objectives, and secondly by changing neighborhood character. Since the Proposed Action is projected to prevent the completion of 1,150 rooms in M1 districts, and instead redirect this development to zoning districts that would still permit hotel development as-of-right, the Purpose and Need of the Proposed Action would largely be achieved.

Analytical Approach

Generally, it is expected that the Proposed Action would result in a shift of hotel rooms to areas where hotel development could still occur as-of-right (commercial and mixed-use districts). Overall, such a shift would amount to approximately 1,150 hotel rooms: these are the number of rooms in the pre-construction pipeline slated for M1 districts that would not be developed in M1 districts due to the Proposed Action, as shown in Table 23, and is subsequently the number that could be expected to be developed in as-of-right areas instead.

Since geographic location plays an important role in driving hotel development, it is expected that any shift in development that would occur from M1 to other zoning districts would occur within the same geographic submarket. Certain general locational criteria can be projected, based on general hotel development drivers that have been outlined in the Consultant Report, which are:

- › Proximity to Midtown and Downtown Manhattan
- › Access to direct subway service
- › Presence of services and amenities
- › Existing clusters of hotels

It is likely that this Action would shift hotel development to certain commercial and mixed-use areas with the above qualities, emphasize existing concentrations of hotels, where existing market conditions already demonstrate demand for hotel development, and perhaps create new concentrations in certain geographic submarkets (Brooklyn South, Brownsville, along Broadway and/ or Northern Crown Heights).

However, beyond the general selection of areas that fulfill the above criteria, the exact location of future hotel rooms cannot be projected. This depends on many factors outlined below, which could not be anticipated by DCP. Firstly, the size of hotels and the number of rooms they contain varies significantly. While the Consultant Report included averages and medians for the number of rooms by hotel typology and borough, most geographic submarkets contain a variety of hotel types and hotels of many different sizes. The analysis could not project the exact hotel type and size for each geographic submarket that would be developed in the With-Action Condition, since this would be excessively speculative. Since the size of hotels cannot precisely be estimated, the number of potential hotel development sites can also not exactly be projected. Furthermore, areas where hotel development could occur in the With-Action Condition are large and dispersed, and the number of potential development sites for hotels is very high. For these reasons, DCP cannot predict with certainty where hotels will locate in the future. Given the numerous possibilities for future development of hotels, a detailed, quantitative analysis of these potential developments and their environmental impacts in a site-specific manner would be very speculative. As such, this is a generic, city-wide action and the potential impacts of hotel development in the future No-Action and With-Action Conditions will be analyzed by means of a prototypical analysis, which will be based on existing trends and reasonable projections for the future.

The prototypical analysis will be completed for the geographic submarkets and locations where a shift in hotel development from M1 to commercial or mixed-use districts is most likely. The prototypical analysis will be representative of the various different options that could occur; generic prototypical sites will be selected for each of these geographic submarkets to illustrate the possible impacts of this potential shift. The analysis would be based on six (6) generic prototypical sites, and each site will vary in terms of the hotel type, site size and zoning district analyzed. These three variables are understood as key variables that define the attributes of a hotel development and its potential impacts. Generally, the proposed variables will be differentiated as follows:

- › Hotel type is either economy, midscale, or upscale and the type has implications for the number of rooms, number of employees, number of guests, parking requirements, and traffic conditions.
- › Site size is either considered small (development site at or less than 5,000 sf), medium (5,001 to 14,999 sf), or large (greater than 15,000 sf). This size distribution was determined by analyzing the MapPLUTO database and hotel pipeline data

based on Department of Buildings permit filings, which determined the smallest site in the pipeline of 240 projects to be 1,350 sf and the largest as 109,000 sf.

- › Zoning district conditions will have a fair amount of variation. For example, FAR ranges between two and ten depending on the geographic submarket. Parking requirements vary from zero to one per a prescribed number of guest rooms with many at zero (either outright or by waiver). In limited cases, there would be additional parking requirements for hotels with meeting spaces or restaurants.

The prototypical sites will have attributes to reflect the diversity of the above variables and ensure that the potential impacts of any development are entirely understood and analyzed.

In addition, as the Proposed Action would create a new special permit to allow new hotels within M1 districts, an assessment of the potential environmental impacts that could result from a hotel development in a M1 district pursuant to the special permit is needed. However, because it is not possible to predict whether a special permit would be pursued on any one site in the future, the RWCDs for the Proposed Action does not include consideration of specific development that would utilize the new special permit. Instead, a conceptual analysis will be provided to understand how the new special permit could be utilized and to generically assess the potential environmental impacts that could result from a hotel development in a M1 district pursuant to the special permit.

VII

Proposed Scope of Work for the DEIS

Task 1: Project Description

The first chapter of the EIS introduces the reader to the Proposed Action and sets the context in which to assess impacts. This chapter will contain a description of the Proposed Action: its location; the background and/or history of the proposal; a statement of the purpose and need; a detailed description of the Proposed Action; and discussion of the approvals required, procedures to be followed, and the role of the EIS in the process. This chapter is the key to understanding the Proposed Action and its impact and gives the public and decision makers a base from which to evaluate the Proposed Action.

In addition, the project description chapter will present the planning background and rationale for the actions being proposed and summarize the likely effects of the Proposed Action for analysis in the EIS. The section on approval procedure will explain the zoning text amendment processes, their timing, and hearings before the Community Board, the Borough President's Office, the CPC, and the New York City Council. The role of the EIS as a full disclosure document to aid in decision-making will be identified and its relationship to the discretionary approvals and the public hearings described.

Task 2: Land Use, Zoning, and Public Policy

A land use analysis characterizes the uses and development trends in the area that may be affected by a proposed action, and determines whether a proposed action is either compatible with those conditions or whether it may affect them. Similarly, the analysis considers the action's compliance with, and effect on, the area's zoning and other applicable public policies. This chapter will analyze the potential impacts of the proposed action on

land use, zoning, and public policy, pursuant to the methodologies presented in the *CEQR Technical Manual*. Consistent with the Analytical Framework described above, the EIS will consider the Proposed Action's potential to adversely affect land use, zoning and public policy by assessing prototypical sites.

Task 3: Socioeconomic Conditions

The socioeconomic character of an area includes its population, housing, and economic activity. Socioeconomic changes may occur when a project directly or indirectly changes any of these elements. Although socioeconomic changes may not result in impacts under CEQR, they are disclosed if they would affect land use patterns, low-income populations, the availability of goods and services, or economic investment in a way that changes the socioeconomic character of the area. This chapter will assess the Proposed Action's potential effects on socioeconomic conditions.

The five principal issues of concern with respect to socioeconomic conditions are whether a proposed action would result in significant adverse impacts due to: (1) direct residential displacement; (2) direct business and institutional displacement; (3) indirect residential displacement; (4) indirect business and institutional displacement; and (5) adverse effects on specific industries, pursuant to the *CEQR Technical Manual*.

The proposed action is not anticipated to result in adverse impacts with respect to direct residential displacement, direct business and institutional displacement, indirect residential displacement, or indirect business and institutional displacement. Nonetheless, to be conservative, these areas will be analyzed in the DEIS per *CEQR Technical Manual* guidelines.

The Proposed Action does have the potential to result in adverse effects on specific industries, however, since it would introduce a CPC special permit for the development of hotels in M-1 Districts. The RWCDs projected less hotel development taking place in M-1 Districts in the With-Action Condition than in the Without-Action Condition, since the Proposed Action would present a disincentive to the development of hotels.

Based on the guidelines of the *CEQR Technical Manual*, a detailed assessment of adverse effects on specific industries is warranted, and will be explored in-depth in the EIS. This assessment will consider the directly affected areas as much as areas where hotel development will remain permitted as-of-right. Consistent with the Analytical Framework described above, the EIS will consider the Proposed Action's potential to adversely affect socioeconomic conditions by assessing prototypical sites.

Task 4: Community Facilities and Services

Community facilities, as defined under CEQR, include public or publicly funded schools, hospitals, libraries, day care centers, and fire and police protection. Direct effects occur when a proposed action physically alters or displaces a community facility. Indirect effects result when increases in population create additional demand on service delivery. The demand for community facilities and services is directly related to the type and size of the new population generated by a proposed action. New residential developments tend to affect facilities, such as public schools, day care centers, libraries, and hospitals. According to the

CEQR Technical Manual, a detailed community facility analysis is conducted when a Proposed Action would have a direct or indirect effect on a community facility.

The Proposed Action would not result in any residential development. Nonetheless, for conservative purposes, a preliminary screening assessment of any potential impacts on community facilities and services will be performed for the EIS.

Task 5: Open Space

Open space is defined as publicly or privately owned land that is publicly accessible and operates, functions, or is available for leisure, play, or sport, or set aside for the protection and/or enhancement of the natural environment. An analysis of open space is conducted to determine whether or not a proposed action would have direct effects resulting from the elimination or alteration of open space, increased noise or pollutant emissions, odors, or shadows on public open space; and/or an indirect effect resulting from overtaking available open space. Based on the *CEQR Technical Manual*, an open space assessment is typically warranted if an action would directly affect an open space or if it would increase the population by more than:

- › 350 residents or 750 workers in areas classified as “well-served areas;”
- › 25 residents or 125 workers in areas classified as “underserved areas;”
- › 200 residents or 500 workers in areas that are not within “well-served” or “underserved areas.”

The Proposed Action is a citywide action that will result in development that may have direct or indirect effects on open space. Consistent with the Analytical Framework described above, the EIS will consider the Proposed Action’s potential to adversely affect open space by assessing prototypical sites.

Task 6: Shadows

The *CEQR Technical Manual* requires a shadows assessment for proposed actions that would result in new structures (or additions to existing structures) greater than 50 feet in height or located adjacent to or across the street from a sunlight-sensitive resource. Such resources include publicly accessible open spaces, important sunlight-sensitive natural features, or historic resources with sun-sensitive features.

It is not possible to evaluate the impacts of any specific development, as the specific location of future development projects is unknown. Therefore, a shadow assessment, using prototypical development scenario, will be provided to determine how project-generated shadows would affect sunlight-sensitive resources. The shadow assessment would be coordinated with the open space, historic and cultural resources, and natural resources analyses and would be conducted in accordance with *CEQR Technical Manual* methodologies.

Task 7: Historic and Cultural Resources

Historic and cultural resources include archaeological (buried) resources and architectural (historic standing structure) resources. The *CEQR Technical Manual* identifies historic and cultural resources as districts, buildings, structures, sites, and objects of historical, aesthetic, cultural, and archaeological importance. Historic and cultural resources include designated New York City Landmarks (NYCLs) and Historic Districts; properties calendared for consideration as NYCLs by the New York City Landmarks Preservation Commission (LPC) or determined eligible for NYCL designation (NYCL-eligible); properties listed on the State and National Register of Historic Places (S/NR) or formally determined eligible for S/NR listing (S/NR- eligible), or properties contained within a S/NR listed or eligible district; properties recommended by the New York State Board for listing on the S/NR; National Historic Landmarks (NHLs); and potential historic resources (i.e., properties not identified by one of the programs listed above, but that appear to meet their eligibility requirements).

According to the *CEQR Technical Manual*, a historic and cultural resources assessment is warranted if there is the potential to affect either archaeological or architectural resources. The Proposed Action could affect the type of development on sites within areas in manufacturing districts currently suitable for hotels, which could result in significant effects to historic and cultural resources.

The Proposed Action could result in new in-ground disturbance. Although it is not possible to evaluate the impacts of any specific development as the specific location of future development projects is unknown, the historic and cultural resources assessment will analyze the potential for significant adverse impacts based on prototypical sites.

Task 8: Urban Design and Visual Resources

An area's urban components and visual resources together define the look and character of the neighborhood. The urban design characteristics of a neighborhood encompass the various components of buildings and streets in the area. These include building bulk, use and type; building arrangement; block form and street pattern; streetscape elements; street hierarchy; and natural features. An area's visual resources are its unique or important public view corridors, vistas, or natural or built features. For CEQR analysis purposes, this includes only views from public and publicly accessible locations and does not include private residences or places of business.

It is not possible to evaluate the impacts of any specific development, as the specific location of future development projects is unknown. Consistent with the Analytical Framework described above, the EIS will consider the Proposed Action's potential to adversely affect urban design and visual resources by assessing prototypical sites.

Task 9: Natural Resources

For CEQR purposes, a natural resource is defined as a plant or animal species as well as any area capable of providing habitat for plant and animal species or capable of functioning to support environmental systems and maintain the City's environmental balance. Such

resources include surface and groundwater, wetlands, dunes and beaches, grasslands, woodlands, landscaped areas, gardens, and build structures used by wildlife. According to the *CEQR Technical Manual*, an assessment of natural resources is appropriate if a natural resource exists on or near the site of the Proposed Action, or if an action involves disturbance of that resource.

Since it is not possible to evaluate the impacts of any specific development as the specific location of future development projects is unknown, the natural resources assessment will be based on prototypical sites.

Task 10: Hazardous Materials

A hazardous materials assessment determines whether a proposed action may increase the exposure of people or the environment to hazardous materials, and, if so, whether this increased exposure would result in potential significant public health or environmental impacts. The potential for significant impacts related to hazardous materials can occur when: (a) elevated levels of hazardous materials exist on a site and the project would increase pathways to human or environmental exposures; (b) a project would introduce new activities or processes using hazardous materials and the risk of human or environmental exposure is increased; or (c) the project would introduce a population to potential human or environmental exposure from off-site sources.

The Proposed Action could affect the type of development on sites within M-1 Districts, which could result in increased ground disturbance in areas where hazardous materials may be present. Consistent with the Analytical Framework described above, the EIS will consider the Proposed Action's potential to result in adverse impacts related to hazardous materials by assessing prototypical sites.

Task 11: Water and Sewer Infrastructure

The *CEQR Technical Manual* requires an assessment of the potential effects of the Proposed Action on the City's water supply, wastewater treatment, and storm water management infrastructure to ensure that these systems have adequate capacity to accommodate land use or density changes. According to the *CEQR Technical Manual*, only projects that increase density or change drainage conditions on a large site require such an analysis.

Consistent with the Analytical Framework described above, the EIS will consider the Proposed Action's potential to adversely affect the City's water and sewer infrastructure by assessing prototypical sites.

Task 12: Solid Waste and Sanitation Services

A solid waste assessment determines whether an action has the potential to cause a substantial increase in solid waste production that may overburden available waste management capacity or otherwise be inconsistent with the City's Solid Waste Management Plan or with state policy related to the City's integrated solid waste management system.

The EIS will include a preliminary screening assessment of the Proposed Action's potential to affect solid waste and sanitation services. If warranted, a more detailed analysis will be provided. The assessment will be based on a prototypical sites, since the specific locations of future development projects are unknown.

Task 13: Energy

According to the *CEQR Technical Manual*, an EIS must include a discussion of the effects of the proposed action on the use and conservation of energy, if applicable and significant. In most cases, an action does not need a detailed energy assessment, but its operational energy is projected. A detailed energy assessment is limited to actions that may significantly affect the transmission or generation of energy. For other actions, in lieu of a detailed assessment, the estimated amount of energy that would be consumed annually as a result of the day-to-day operation of the buildings and uses resulting from an action is disclosed, as recommended in the *CEQR Technical Manual*.

Although significant adverse energy impacts are not anticipated for the Proposed Action, the EIS will include a preliminary screening analysis based on a prototypical sites to consider projected operational energy consumption.

Task 14: Transportation

The objective of a transportation analysis is to determine whether a proposed action may have a potential significant impact on traffic operations and mobility, public transportation facilities and services, pedestrian elements and flow, safety of all roadway users (pedestrians, bicyclists and vehicles), on- and off-street parking, or goods movement. The *CEQR Technical Manual* states that a quantified transportation analysis may be warranted if a proposed action results in 50 or more vehicle-trips and/or 200 or more transit/pedestrian trips during a given peak hour.

Traffic and Parking

The objective of traffic and parking analyses is to determine whether a Proposed Action is expected to have significant impacts on street and roadway conditions or on parking resources. This includes the sufficiency of street and highway elements to adequately process the Proposed Action's expected traffic flow and operating condition changes, and the effect of the Proposed Action on parking resources in the area. According to the *CEQR Technical Manual*, a preliminary trip generation analysis for a project will generally be appropriate to determine the volume of vehicular trips expected during the peak hours. In most areas of the City, if the Proposed Action is projected to result in 50 or more peak hour vehicular trip ends, a detailed traffic analysis may likely be warranted.

Consistent with the Analytical Framework described above, the EIS will consider the Proposed Action's potential to adversely affect traffic and parking conditions by assessing prototypical sites.

Transit and Pedestrians

The objective of transit and pedestrian analyses is to determine whether a Proposed Action would have a significant impact on public transit facilities and services and on pedestrian flows. According to the general thresholds used by the Metropolitan Transportation Authority and specified in the *CEQR Technical Manual*, if a proposed development would result in pedestrian elements with 200 or more pedestrian trips, 50 or more bus trips in a single direction on a single route, or 200 or more passengers at a subway station or on a subway line during any analysis peak hour, further detailed analysis may be needed for a particular technical area.

Consistent with the Analytical Framework described above, the EIS will consider the Proposed Action's potential to adversely affect transit and pedestrian conditions by assessing prototypical sites.

Task 15: Air Quality

Ambient air quality, or the quality of the surrounding air, may be affected by air pollutants produced by motor vehicles, referred to as "mobile sources;" by fixed facilities, usually referenced as "stationary sources;" or by a combination of both. Under *CEQR*, an air quality analysis determines whether a proposed action would result in stationary or mobile sources of pollutant emissions that could have a significant adverse impact on ambient air quality, and also considers the potential of existing sources of air pollution to impact the proposed uses.

Consistent with the Analytical Framework described above, the EIS will consider the Proposed Action's potential to adversely affect air quality by assessing prototypical sites.

Task 16: Greenhouse Gas Emissions and Climate Change

As noted in the *CEQR Technical Manual*, increased concentrations of greenhouse gases (GHGs) are changing the global climate, resulting in wide-ranging effects on the environment, including rising sea levels, increases in temperature, and changes in precipitation levels. Although this is occurring on a global scale, the environmental effects of climate change are also likely to be felt at the local level. Through *PlaNYC*, New York City's long-term sustainability program, the City advances sustainability initiatives and goals to both greatly reduce GHG emissions and increase the City's resilience to climate change. The New York City Climate Protection Act, enacted as Local Law 22 of 2008, established the goal to reduce citywide GHG emissions to 30 percent below 2005 levels by 2030 (the "GHG reduction goal"). This goal was developed for the purpose of planning for an increase in population of almost one million residents while achieving significant greenhouse gas reductions.

The EIS for the Proposed Action will include a preliminary screening assessment of greenhouse gas emissions, and, if warranted, a more detailed analysis will be provided. A prototypical sites will guide this assessment, because it is not possible to evaluate the

impacts of any specific development, as specific locations of future development projects are unknown.

Task 17: Noise

The *CEQR Technical Manual* requires an assessment of the Proposed Action's potential effects on sensitive noise receptors (including residences, health care facilities, schools, open space, etc.) and the potential noise exposure at any new sensitive receptors introduced by the Proposed Action. Based on the projected likely effects of the Proposed Action, a noise assessment will be prepared in accordance with the *CEQR Technical Manual*.

Consistent with the Analytical Framework described above, the EIS will consider the Proposed Action's potential to adversely affect noise by assessing prototypical sites.

Task 18: Public Health

The *CEQR Technical Manual* defines as its goal with respect to public health, "to determine whether adverse impacts on public health may occur as a result of a proposed project, and if so, to identify measures to mitigate such effects." According to the *CEQR Technical Manual*, for most proposed projects, a public health analysis is not necessary. Where no significant unmitigated adverse impact is found in other CEQR analysis areas, such as air quality, water quality, hazardous materials, or noise, no public health analysis is warranted. If, however, an unmitigated significant adverse impact is identified in one of these analysis areas, the lead agency may determine that a public health assessment is warranted for that specific technical area.

Consistent with the Analytical Framework described above, the EIS will consider the Proposed Action's potential to adversely affect public health by assessing prototypical sites.

Task 19: Neighborhood Character

The *CEQR Technical Manual* defines neighborhood character as an amalgam of the various elements that give neighborhoods their distinct personality. These elements can include land use, socioeconomic conditions, open space, historic and cultural resources, urban design and visual resources, shadows, transportation and noise, but not all of these elements contribute to neighborhood character in all cases. For neighborhood character, *CEQR* considers how those elements combine to create the context and feeling of a neighborhood, and how an action would affect that context.

According to the *CEQR Technical Manual*, an assessment of neighborhood character may be appropriate if the proposed action impacts any of those individual elements within a neighborhood. It is also possible that several moderate changes in the elements that contribute to a neighborhood's character could lead to a significant impact on neighborhood character. Generally, neighborhood character impacts are rare, and it would be unusual that, in the absence of a significant adverse impact in any of the relevant technical areas, a combination of moderate effects to the neighborhood would result in an impact to neighborhood character. Moreover, a significant impact identified in one of the

technical areas that contribute to a neighborhood's character is not automatically equivalent to a significant impact on neighborhood character, but rather serves as an indication that neighborhood character should be examined.

Methodologies outlined in the *CEQR Technical Manual* will be used to provide an assessment of neighborhood character. This assessment will take into account the directly affected areas as much as areas where hotel development will remain permitted as-of-right. Consistent with the Analytical Framework described above, the EIS will consider the Proposed Action's potential to adversely affect neighborhood character by assessing prototypical sites.

Task 20: Construction

Construction impacts, though temporary, can have a disruptive and noticeable effect on the adjacent community, as well as people passing through the area. Construction impacts are usually important when construction activity has the potential to affect transportation conditions, archaeological resources and the integrity of historic resources, community noise patterns, air quality conditions, and mitigation of hazardous materials.

This chapter of the EIS will provide a preliminary impact assessment following the guidelines in the *CEQR Technical Manual* and though not anticipated, if additional analysis is required, a detailed assessment will be conducted. The assessment will be guided by a prototypical analysis.

Task 21: Mitigation

Where significant adverse impacts have been identified in the analyses discussed above, measures will be assessed to mitigate those impacts, to the extent practicable and feasible. Where impacts cannot be mitigated, they will be described as unavoidable adverse impacts.

Task 22: Alternatives

The purpose of an alternatives analysis is to examine reasonable and practicable options that avoid or reduce project-related significant adverse impacts while achieving the goals and objectives of the Proposed Action. The specific alternatives to be analyzed are typically finalized with the lead agency as project impacts become clarified. A No Action Alternative, which describes the conditions that would exist if the Proposed Action was not implemented, is required, and will be analyzed.

The alternatives analysis will be qualitative or quantitative as appropriate. Where action-related significant adverse impacts are identified, a quantitative assessment will be conducted. The level of analysis will depend on an assessment of project impacts determined by the analysis connected with the appropriate tasks.

Task 22: Conceptual Analysis

As noted above, the Proposed Action would create a new special permit to allow new hotels within M1 districts, an assessment of the potential environmental impacts that could result from a hotel development in a M1 district pursuant to the special permit is needed.

Because it is not possible to predict whether a special permit would be pursued on any one site in the future, the RWCDs for the Proposed Action does not include consideration of specific development that would utilize the new special permit. Therefore, a conceptual analysis will be provided to generically assess the potential environmental impacts that could result from development pursuant to the special permit. The conceptual analysis will consider the potential effects of establishing these new special permit and the potential environmental effects as compared to those described for the Proposed Action.

Task 23: EIS Summary Chapters

In accordance with CEQR guidelines, the EIS will include the following three summary chapters, where appropriate to the Proposed Action:

Unavoidable Adverse Impacts - which summarizes any significant adverse impacts that are unavoidable if the Proposed Action is implemented regardless of the mitigation employed (or if mitigation is not feasible).

Growth-Inducing Aspects of the Proposed Action - which generally refer to “secondary” impacts of a Proposed Action that trigger further development.

Irreversible and Irretrievable Commitments of Resources - which summarizes the Proposed Action and its impacts in terms of the loss of environmental resources (loss of vegetation, use of fossil fuels and materials for construction, etc.), both in the immediate future and in the long term.

Task 24: Executive Summary

The executive summary will utilize relevant material from the body of the EIS to describe the Proposed Action, its environmental impacts, measures to mitigate those impacts, and alternatives to the Proposed Action.

Appendix A

References

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DCP Classification of NAICS Codes to Define Industrial Businesses and Uses

NAICS 3-digit code	Primary Industry	Industry Sub-Sector	Classification
481	Transportation and Warehousing	Air Transportation	Industrial
482		Rail Transportation	Industrial
483		Water Transportation	Industrial
484		Truck Transportation	Industrial
485		Transit and Ground Passenger Transportation	Industrial
486		Pipeline Transportation	Industrial
487		Scenic and Sightseeing Transportation	Industrial
488		Support Activities for Transportation	Industrial
491		Postal Service	Industrial
492		Couriers and Messengers	Industrial
493		Warehousing and Storage	Industrial
511	Information	Publishing Industries (except Internet)	Non-Industrial
512		Motion Picture and Sound Recording Industries	Industrial
515		Broadcasting (except Internet)	Non-Industrial
517		Telecommunications	Industrial
518		Data Processing, Hosting and Related Services	Non-Industrial
519		Other Information Services	Non-Industrial
521	Finance and Insurance	Monetary Authorities-Central Bank	Non-Industrial
522		Credit Intermediation and Related Activities	Non-Industrial
523		Securities, Commodity Contracts, and Other Financial Investments and Related Activities	Non-Industrial
524		Insurance Carriers and Related Activities	Non-Industrial
525		Funds, Trusts, and Other Financial Vehicles	Non-Industrial
531	Real Estate and Rental and Leasing	Real Estate	Non-Industrial
532		Rental and Leasing Services	Non-Industrial
533		Lessors of Nonfinancial Intangible Assets (except Copyrighted Works)	Non-Industrial
541	Professional, Scientific, and Technical Services	Professional, Scientific, and Technical Services	Non-Industrial
551	Management of Companies and Enterprises	Management of Companies and Enterprises	Non-Industrial
561	Administrative and Support and Waste Management and Remediation Services	Administrative and Support Services	Non-Industrial
562		Waste Management and Remediation Services	Industrial
611	Educational Services	Educational Services	Non-Industrial
621		Ambulatory Health Care Services	Non-Industrial

NAICS 3-digit code	Primary Industry	Industry Sub-Sector	Classification
622	Health Care and Social Assistance	Hospitals	Non-Industrial
623		Nursing and Residential Care Facilities	Non-Industrial
624		Social Assistance	Non-Industrial
711	Arts, Entertainment, and Recreation	Performing Arts, Spectator Sports, and Related Industries	Non-Industrial
712		Museums, Historical Sites, and Similar Institutions	Non-Industrial
713		Amusement, Gambling, and Recreation Industries	Non-Industrial
721	Accommodation and Food Services	Accommodation	Non-Industrial
722		Food Services and Drinking Places	Non-Industrial
811	Other Services (except Public Administration)	Repair and Maintenance	Industrial
812		Personal and Laundry Services	Non-Industrial
813		Religious, Grantmaking, Civic, Professional, and Similar Organizations	Non-Industrial
814		Private Households	Non-Industrial
921	Public Administration	Executive, Legislative, and Other General Government Support	Non-Industrial
922		Justice, Public Order, and Safety Activities	Non-Industrial
923		Administration of Human Resource Programs	Non-Industrial
924		Administration of Environmental Quality Programs	Non-Industrial
925		Administration of Housing Programs, Urban Planning, and Community Development	Non-Industrial
926		Administration of Economic Programs	Non-Industrial
927		Space Research and Technology	Non-Industrial
928		National Security and International Affairs	Non-Industrial
999	Unclassified	Unclassified	Unclassified

DCP Classification of NAICS Codes to Define TAMI Businesses and Uses

NAICS Codes	NAICS Title
51	Information
2111	Oil and Gas Extraction
3332	Industrial Machinery Manufacturing
3334	Ventilation, Heating, Air-Conditioning, and Commercial Refrigeration Equipment Manufacturing
5418	Advertising & Related Services
221114	Solar Electric Power Generation
221115	Wind Electric Power Generation
221116	Geothermal Electric Power Generation
221117	Biomass Electric Power Generation
221118	Other Electric Power Generation
221119	Other Electric Power Generation
323115	Digital Printing
325180	Other Basic Inorganic Chemical Manufacturing
325188	All Other Basic Inorganic Chemical Manufacturing
325411	Medicinal and Botanical Manufacturing
325412	Pharmaceutical Preparation Manufacturing
325414	Biological Product (except Diagnostic) Manufacturing
325520	Adhesive Manufacturing
325910	Printing Ink Manufacturing
325998	All Other Miscellaneous Chemical Product and Preparation Manufacturing
326199	All Other Plastics Product Manufacturing
332212	Hand and Edge Tool Manufacturing
332216	Saw Blade and Handtool Manufacturing
332618	Other Fabricated Wire Product Manufacturing
333242	Semiconductor Machinery Manufacturing
333314	Optical Instrument and Lens Manufacturing
333315	Photographic and Photocopying Equipment Manufacturing
333316	Photographic and Photocopying Equipment Manufacturing
333318	Other Commercial and Service Industry Machinery Manufacturing
333319	Other Commercial and Service Industry Machinery Manufacturing
333912	Air and Gas Compressor Manufacturing
333993	Packaging Machinery Manufacturing
333999	All Other Miscellaneous General Purpose Machinery Manufacturing
334111	Electronic Computer Manufacturing
334112	Computer Storage Device Manufacturing

NAICS Codes	NAICS Title
334118	Computer Terminal and Other Computer Peripheral Equipment Manufacturing
334119	Other Computer Peripheral Equipment Manufacturing
334220	Radio and Television Broadcasting and Wireless Communications Equipment Manufacturing
334290	Other Communications Equipment Manufacturing
334310	Audio and Video Equipment Manufacturing
334412	Bare Printed Circuit Board Manufacturing
334413	Semiconductor and Related Device Manufacturing
334416	Electronic Coil, Transformer, and Other Inductor Manufacturing
334417	Electronic Connector Manufacturing
334419	Other Electronic Component Manufacturing
334510	Electromedical and Electrotherapeutic Apparatus Manufacturing
334511	Search, Detection, Navigation, Guidance, Aeronautical, and Nautical System and Instrument Manufacturing
334512	Automatic Environmental Control Manufacturing for Residential, Commercial, and Appliance Use
334513	Instruments and Related Products Manufacturing for Measuring, Displaying, and Controlling Industrial Process Variables
334515	Instrument Manufacturing for Measuring and Testing Electricity and Electrical Signals
334519	Other Measuring and Controlling Device Manufacturing
334611	Software Reproducing
334613	Magnetic and Optical Recording Media Manufacturing
335122	Commercial, Industrial, and Institutional Electric Lighting Fixture Manufacturing
335313	Switchgear and Switchboard Apparatus Manufacturing
335999	All Other Miscellaneous Electrical Equipment and Component Manufacturing
336412	Aircraft Engine and Engine Parts Manufacturing
336413	Other Aircraft Parts and Auxiliary Equipment Manufacturing
339112	Surgical and Medical Instrument Manufacturing
339113	Surgical Appliance and Supplies Manufacturing
443120	Computer and Software Stores
454112	Electronic Auctions
541330	Engineering Services
541420	Industrial Design Services
541511	Custom Computer Programming Services
541512	Computer Systems Design Services
541513	Computer Facilities Management Services
541519	Other Computer Related Services

NAICS Codes	NAICS Title
541710	Research and Development in the Physical, Engineering, and Life Sciences
541711	Research and Development in Biotechnology
541712	Research and Development in the Physical, Engineering, and Life Sciences (except Biotechnology)
561499	All Other Business Support Services
621511	Medical Laboratories
621512	Diagnostic Imaging Centers

DCP Classification of NAICS Codes to Define Office-Based Businesses and Uses

3-Digit NAICS	Primary Industry	2007 NAICS US Title
511	Information	Publishing Industries (except Internet)
515	Information	Broadcasting (except Internet)
518	Information	Data Processing, Hosting and Related Services
519	Information	Other Information Services
521	Finance and Insurance	Monetary Authorities-Central Bank
522	Finance and Insurance	Credit Intermediation and Related Activities
523	Finance and Insurance	Securities, Commodity Contracts, and Other Financial Investments and Related Activities
524	Finance and Insurance	Insurance Carriers and Related Activities
525	Finance and Insurance	Funds, Trusts, and Other Financial Vehicles
531	Real Estate and Rental and Leasing	Real Estate
532	Real Estate and Rental and Leasing	Rental and Leasing Services
533	Real Estate and Rental and Leasing	Lessors of Nonfinancial Intangible Assets (except Copyrighted Works)
541	Professional, Scientific, and Technical Services	Professional, Scientific, and Technical Services
551	Management of Companies and Enterprises	Management of Companies and Enterprises
561	Administrative and Support and Waste Management and Remediation Services	Administrative and Support Services
813	Other Services (except Public Administration)	Religious, Grantmaking, Civic, Professional, and Similar Organizations
921	Public Administration	Executive, Legislative, and Other General Government Support
922	Public Administration	Justice, Public Order, and Safety Activities
923	Public Administration	Administration of Human Resource Programs
924	Public Administration	Administration of Environmental Quality Programs
925	Public Administration	Administration of Housing Programs, Urban Planning, and Community Development
926	Public Administration	Administration of Economic Programs
927	Public Administration	Space Research and Technology
928	Public Administration	National Security and International Affairs