

New York Works: NYCEDC Seeks Respondents to Acquire and Operate Property Dedicated to Fashion Manufacturing in the Garment Center

Builds on New York City Industrial Development Agency's Garment Center Program to create long-term stability for fashion manufacturers in the historic NYC location.

Acquisition of property dedicated to fashion production is a key recommendation of the Garment Center Steering Committee

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(October 4, 2018 | New York, NY) New York City Economic Development Corporation (NYCEDC) today released a Request for Expressions of Interest (RFEI) that seeks to identify respondents interested in acquiring and operating property in or around the Garment Center that will provide dedicated space for fashion manufacturers. The building to be acquired will provide fashion manufacturers with real estate stability through affordable, long-term leases offered to tenants. In addition, the City of New York has committed up to \$20 million in City funding towards a portion of the acquisition costs.

NYCEDC is looking for respondents that are seeking to preserve and strengthen fashion manufacturing in the historic Garment Center by providing much-needed real estate stability to the industry. The respondent will need to identify a proposed building or buildings for acquisition that will serve as a dedicated home for fashion production. The building will be required to provide affordable long-term leases to fashion manufacturing tenants. Respondents should include a nonprofit partner aligned with the mission of fashion manufacturing stability and growth in the Garment Center.

The Garment Center RFEI is available [here](#).

"Providing financial support for the acquisition of a Garment Center building dedicated to garment production is fundamental to our commitment to fashion design and manufacturing both in Midtown and across the city," said **Deputy Mayor Alicia Glen**.

"Garment production is critical to New York City's identity as the fashion capital of the world," said **NYCEDC President and CEO James Patchett**. "The acquisition of a building in the heart of Manhattan will ensure that garment manufacturing is not only preserved but has a home in the historic Garment Center. Today's announcement wouldn't be possible without the steadfast leadership of Speaker Johnson and Borough President Brewer."

"This announcement marks a significant milestone in a multi-year process," said **City Council Speaker Corey Johnson**. "For the first time the City of New York is committed to help purchase a building to ensure garment manufacturers have a permanent home in the Garment

District. The stability of the manufacturing sector is critical to the health of the broader fashion industry and I want to thank Borough President Brewer, President Patchett, and the representatives of the steering committee for making sure this day has finally arrived."

"To truly ensure New York City's garment manufacturers always have a home in the Garment Center, acquiring a building is crucial," said **Manhattan Borough President Gale A. Brewer**. "This component of the Garment Center plan is vital to the industry as well as the city, because the entire New York fashion world depends on having an accessible, skilled, local manufacturing base. I urge local property owners and the non-profit community to participate in this RFEI, engage with the Economic Development Corporation, and help us reach our goal of a permanent manufacturing hub in the heart of the Garment Center."

Today's announcement builds upon the NYCIDA Garment Center Program, a tax incentive package that can reduce property taxes for eligible property owners who offer long-term, affordable leases to fashion manufacturers. The NYCIDA Garment Center Program requires property owners to offer 15-year leases with a maximum gross rent of \$35 per square foot. In exchange, the participating property owners will receive discretionary tax benefits from the NYCIDA that range from \$1.00 - \$4.00 per square foot of manufacturing space that ranges between 25,000 - 100,000 square feet. On September 18, the NYCIDA Board approved three buildings totaling 200,000 square feet of fashion manufacturing space into the Program. For more information, [click here](#).

Both the NYCIDA Garment Center Program and today's commitment of funding assistance to support a single dedicated fashion production space in the Garment Center are components of a comprehensive plan [unveiled](#) by the de Blasio administration in June of 2018. That plan was directly informed by recommendations released in an August 2017 report of the Garment Center Steering Committee, co-chaired by City Council Speaker Corey Johnson and Manhattan Borough President Gale Brewer. The Mayor's plan also includes programmatic support for the fashion industry, to be offered in partnership with the Council of Fashion Designers of America and the Garment District Alliance.

The plan includes amendments to existing zoning in the Garment Center and is currently in the later stages of the City's public review process. Proposed targeted zoning changes will:

- Maintain existing manufacturing and commercial zoning
- Lift the antiquated 1:1 preservation requirement of production space that has proven ineffective in protecting garment manufacturers
- Limit the development of new hotels through a hotel special permit
- Allow property owners to improve their properties
- Improve neighborhood character through new height, setback and signage regulations

An optional information session on the RFEI will be held on Thursday, October 25, 2018 at 9:00am EST at NYCEDC's offices at 110 William St, New York, NY 10038. Those who wish to attend should RSVP by email to garmentcenteracqrfei@edc.nyc on or before Tuesday, October 23, 2018. The RFEI will be open from November 2, 2018 to November 1, 2019, and respondents may submit a response at any point.

"The creation of a dedicated building for fashion manufacturing is an important development of the RFEI and the NYCIDA Garment Center Program, which directly aligns with the needs of our industry to help preserve and support the entire fashion ecosystem. New York City fashion manufacturing is an important sector for fashion and the city's economy at large, and the NYCEDC's dedication to driving fashion manufacturing forward can be seen through this effort and other successful programs like the CFDA's Fashion Manufacturing Initiative," said **Steven Kolb, President and CEO of the Council of Fashion Designers of America (CFDA)**.

"The acquisition of a building is an important piece in the plan to create long-term stability for New York City apparel manufacturers. A building dedicated to apparel manufacturing will allow for real estate certainty and is part of an overall program that will ensure the city's fashion ecosystem in the Garment District while ensuring opportunity for other business sectors in the district. We are encouraged to see that the issuance of the RFEI, in conjunction with the NYCIDA Garment Center Program and other plan elements, creates a balanced approach to addressing concerns of the neighborhood while recognizing the importance of the iconic fashion industry to the fabric of our city," said **Barbara A. Blair, President, Garment District Alliance**.

"After years of advocacy with the Design Trust for Public Space and in partnership with the Council of Fashion Designers of America (CFDA), the Municipal Art Society and others, this Request for Expressions of Interest (RFEI) along with the NYCIDA program lends needed support for the manufacturers in the Garment District to continue and grow. Local manufacturing is an asset to the city. The proximity and cluster of interdependent businesses in the Garment District are vital to students and emerging designers, as well as designers who produce overseas but need a quick turnaround for reorders or samples to be made during New York Fashion Week (NYFW)," said fashion designer **Yeohlee Teng**.

"I have been a longtime supporter of doing everything possible to preserving the Garment Center in Manhattan, to ensure that New York City remains the fashion capital of the world," said **U.S. Congressman Nadler (D-NY)**. "The NYCIDA program combined with the announcement today of this RFEI will tremendously help stabilize this fragile and shrinking industry and the vital jobs dependent on the Garment Center. Finally, I want to commend Mayor Bill de Blasio, EDC President James Patchett, Speaker Corey Johnson and Manhattan Borough President Gale Brewer for crafting these measures to protect and support the Garment Center and manufacturing industry in New York City."

"The Garment Center is an economic powerhouse for our city and an icon in its own right. Today's announcement brings us one step closer to sustaining and preserving this legacy. Thank you to Mayor De Blasio, Council Speaker Johnson, President Brewer, and the EDC for their steadfast commitment to keeping the fashion industry firmly rooted in Midtown Manhattan," said **State Senator Brad Hoylman**.

"New York City's Garment District is a unique and critical component of our complex and highly diverse city. Like so many of our neighborhoods, the tenants there have been struggling with ever increasing rents. I am pleased to see that the NYCEDC has started a program that will

provide much needed relief for manufacturing and design-based businesses in the Garment District," said **State Senator Marisol Alcántara**. "In addition to protecting existing tenants, it is important that we help new manufacturers and new designers set up shop in the Garment District. To that end, Mayor De Blasio and Speaker Johnson have pledged \$20M in funding to help purchase a building which can be home to garment manufacturers and designers for decades to come. This is a crucial combination of immediate, short-term relief for current renters, and long-term planning for future generations. I commend the City and all stakeholders for taking seriously the plight of garment manufacturers and finding creative solutions to a variety of problems."

"Today's announcement marks an important and welcome step in the City's ongoing initiative to ensure that New York remains the fashion capital of the world. The garment industry thrives on the clustering of skilled workers and specialty suppliers within close proximity of each other. By securing hundreds of thousands of square feet of consolidated space for garment manufacturers and fashion-related businesses, the City is stabilizing the long-term future of the Garment Center," said **Assembly Member Richard N. Gottfried**.

"The fashion and garment industry plays a large role in our city's economy and provides tens of thousands of jobs for New Yorkers.," said **Council Member Vallone, Chair of the Committee on Economic Development**. "Today's RFEI is a crucial next step in the EDC's comprehensive plan to preserve and support local garment manufacturing and the success of this industry as a whole."

"We thank EDC for taking this first step toward following through on the most critical component in the plan to protect the Garment District. Preserving this rare, thriving manufacturing enclave in place is vital to the economy and culture of New York. The entrepreneurs and skilled workers--mostly immigrants and mostly women--who have made New York the capital of the fashion industry deserve nothing less," said **Elizabeth Goldstein, President of the Municipal Art Society of New York**.

"We are encouraged that the City is taking a comprehensive approach to support fashion design and manufacturing and skilled jobs citywide. Securing at least 500,000 square feet in the Garment Center is essential to the fashion eco-system to adequately provide for existing concentration of creative industries and network of manufacturers across the New York City metropolitan area, as we concluded at the Garment Center Steering Committee. Acquisition of a building dedicated to garment manufacturing businesses is extremely vital to achieve this amount of square footage and as a strong safeguard for garment tenants long after the NYCIDA tax incentive program expires. We are optimistic that the right team will come together to make this ambitious plan a reality," said **Susan Chin, FAIA, Hon. ASLA, Executive Director, Design Trust for Public Space**.

"This is an important step towards ensuring long term stability for the fashion industry as well as advancing a process that will generate tax revenue to fund critical city services. We thank City Council Speaker Johnson, Manhattan Borough President Brewer, Deputy Mayor Glen, and NYC Economic Development Corporation President and CEO Patchett for their leadership and

continued commitment to move this plan forward," said **John H. Banks, President, The Real Estate Board of New York.**

"Preserving the Garment Center in close proximity to the Theatre District is important to the members of Theatrical Wardrobe Union Local 764 IATSE, and our employers, who depend on the delicate synergy between these sister midtown areas. The plan for a dedicated building for the important businesses that service the costume and wardrobe crafts is an exciting development, and we eagerly look forward to a long future together in midtown," said **Patricia A. White, President, Theatrical Wardrobe Union Local 764, IATSE.**

"MCB4 has long supported the acquisition of a manufacturing building which will provide garment manufacturing companies with long-term, affordable rental spaces. MCB4 looks forward to working with the not for profit organization that is eventually selected and will continue to advocate for the City to commit to increasing its funding for the project as needed," said **Lowell Kern, First Vice Chair, MN Community Board 4.**

"The acquisition of a building in the Garment District exclusively for garment industry use is vital to preserving the industry in our district. We are excited and hopeful that the process for making this dream a reality has at last begun and we thank EDC and Speaker Johnson for making it happen," said **Vikki Barbero, Chair, MN Community Board 5.**

History of Garment Manufacturing in NYC

New York City's garment manufacturing industry has lost 95% of its workforce since the industry's peak in 1950. In the Garment Center alone, garment manufacturing jobs have declined by 85% since 1987, when the City put in place special zoning regulations to attempt to preserve garment manufacturing in the Garment Center.

The fashion industry is a significant contributor to the city's economy, employing over 5% of the city's total workforce. Local garment manufacturing is integral to the success of the fashion industry and can be competitive with respect to quality, time and convenience, and local production is equally important to both emerging and established designers.

Today, there are approximately 1,600 garment manufacturing firms citywide, and about 25% of these businesses, or approximately 400 firms, are in the Garment Center. These companies face immense global competition and real estate pressures despite preservation attempts.

About NYCEDC

[New York City Economic Development Corporation](#) is the City's primary vehicle for promoting economic growth in each of the five boroughs. NYCEDC's mission is to stimulate growth through expansion and redevelopment programs that encourage investment, generate prosperity and strengthen the City's competitive position. NYCEDC serves as an advocate to the business community by building relationships with companies that allow them to take advantage of New York City's many opportunities.

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