

November 15, 2018

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MAS Comments regarding the Garment Center Zoning Text Amendment Proposal, CEQR No 17DCP149M, Manhattan, NY

The Garment District is home to one of New York City's oldest, most iconic industries. Its success is dependent on an interconnected web of garment manufacturing businesses remaining in Midtown—close to one another and close to the rest of the fashion, costume, and apparel industries.

In the summer of 2017, MAS released results from surveys regarding the Garment District. Our surveys demonstrated the role of Manhattan's Garment District as the center of gravity for the industry. Rent increases and development pressures were found to be the biggest threats to Garment District businesses.

Later that summer, the Garment District Steering Committee concluded that Manhattan's Garment District needed a minimum of 500,000 square feet of affordable space protected for manufacturers for the industry to continue to thrive.

Today we are encouraged by the City's commitment to preserve the Garment District through tax abatement; business development programs and an initiative to seek a non-profit partner to purchase and manage a co-op for manufacturing tenants.

Progress has been made, 200,000 square feet has been secured under the NYCIDA tax incentive program, but that critical mass of 500,000 square feet has not been achieved. Technical grants to support the fashion industry are on their way based on a vote yesterday by the City Council's Finance Committee.

However, the final, and most critical, element of this three-pronged strategy: the acquisition of a building to create a permanently affordable space for Garment District businesses is encountering some bumps in the road. Although, the able staff of the New York City Economic Development Corporation has issued the RFEI for this project, there is no consensus in the community that the City's investment in such a venture is adequate to make such a project pencil out.

Before you today is the City Council's first step to removing the text amendment that was designed many decades ago to protect garment manufacturing at the core of the New York City garment industry. Although, we do not doubt the integrity, hard work or commitment that many City officials have shown for the health and well-being of the Garment District, we are still very far away from achieving the minimum square footage recommended by the Steering Committee. This should give you pause. It gives MAS pause.

When MAS and many of our partners agreed to support the initiation of the process to remove the text amendment we were assured that there would be adequate time to achieve significant progress on the other legs of the program.

You have tools that must be used to ensure that the lifting of the text amendment remains an incentive to achieving the full minimum commitment to manufacturing in the District. You may postpone the date this legislation becomes effective. Or you may make this approval conditional on further progress being made towards the purchase of a building and the enrollment of additional landlords in the tax abatement program. Or, you might recommend that a greater City capital commitment be ready should it be required.

MAS welcomes the progress toward preservation of production space in the Garment District. However, we call on this Committee and the City Council more broadly, to ensure that we are truly hitting the mark we needed to ensure a robust future for the Garment District in Manhattan.