

CITY COUNCIL
CITY OF NEW YORK

----- X

TRANSCRIPT OF THE MINUTES

Of the

SUBCOMMITTEE ON ZONING AND FRANCHISES

----- X

December 7, 2017
Start: 11:23 a.m.
Recess: 11:45 a.m.

HELD AT: Council Chambers - City Hall

B E F O R E: DONAVAN J. RICHARDS
Chairperson

COUNCIL MEMBERS:

DANIEL R GARODNICK
JUMAANE D. WILLIAMS
ANTONIO REYNOSO
VINCENT J. GENTILE
RITCHIE J. TORRES
BARRY S. GRODENCHIK

A P P E A R A N C E S (CONTINUED)

[gavel]

CHAIRPERSON RICHARDS: Alright, good

morning. I am Donovan Richards, Chair of the Subcommittee on Zoning and Franchises and this morning we are joined by Council Member's Gentile, Garodnick, Williams, Torres, Reynoso, and Grodenchik. Today we will be voting to approve the self-storage zoning text amendment Land Use Item Number 817 with modifications. The self-storage text amendment is a zoning action to establish new restrictions on self-storage development within designated areas in M districts which largely coincide with industrial business zones, IBZ's better known as. These areas include parts of 24 City Council districts throughout all of the boroughs except Manhattan. The Department of City Planning is the applicant for this citywide zoning text amendment, the Administration and the Council together announced the intent to advance restrictions on the development of self-storage facilities in industrial business zones in November 2015 as part of the 10-point industrial action plan to modernize the city's industrial policy. The industrial sector in New York City provides over 500,000 jobs for a majority minority in immigrant

1
2 work force and on average pays middle class wages to
3 many workers whom may not be able to find comparable
4 opportunities in other sectors. This sector has the
5 highest economic multiplier of any sector and
6 provides essential support for the supply chains and
7 infrastructure of New York City. In contrast, self-
8 storage facilities are a low job generating use with
9 only five employees on average per facility and are
10 primarily used by residential households for storage
11 of household goods. Self, self-storage can currently
12 locate in any M or C8 zone throughout the city. Over
13 70 percent of self-storage is currently located
14 outside of IBZ's and this action with the
15 modifications still provides ample siting
16 opportunities for self-storage facilities across New
17 York City. But as self-storage facilities continue to
18 be built this action will ensure that this growth
19 does not undermine the economic development
20 objectives of the city to support the industrial
21 sector and preserves siting opportunities in
22 industrial business zones for job intensive
23 industrial businesses. Other cities such as Chicago
24 have placed similar zoning restrictions on self-
25 storage facilities in their most attract... active... in

1
2 their most active industrial zones for this very same
3 rational. The original application filed by the
4 Department of City Planning would create a new CPC
5 special permit requirement for all new self-storage
6 development within the designated areas. On November
7 1st, the City Planning Commission approved an
8 alternative A text version that would allow self-
9 storage as of right but add new mixed-use
10 requirements for providing space for industrial
11 businesses. The Zoning and Franchises Subcommittee
12 held a public hearing on this application on November
13 20th where both the original special permit and the A
14 text mixed use version were discussed. After hearing
15 from representatives from the self-storage industry,
16 advocates for industrial business development and
17 numerous other stakeholders the council has decided
18 upon a hybrid proposal that establishes the special
19 permit in most IBZ's but allows an as of right
20 storage option in certain areas in order to allow
21 additional opportunities for as of right development
22 of self-storage across the city. The as of right
23 option will apply to the Bathgate IBZ in the Bronx,
24 the Steinway IBZ and map one of the Jamaica IBZ in
25 Queens and lastly the West Shore and Rossville IBZs

1
2 in Staten Island. In determining these areas, the
3 Council considered numerous factors, Brooklyn already
4 has the most self-storage facilities of any borough
5 and has experienced a particularly acute shortage of
6 industrial siting opportunities therefore the special
7 permit was considered appropriate throughout the
8 borough. In the Bronx and Queens, Bathgate, Steinway
9 and map one of the Jamaica IBZ all only have one
10 existing self-storage facility each compared to IBZs
11 such as Eastchester, Zerega, and the other sections
12 of the Jamaica IBZs that are already heavily
13 saturated. These areas were therefore deemed
14 appropriate for an as of right development option. In
15 Staten Island the West Shore and Rossville areas have
16 very large swaths of vacant land and the competition
17 for industrial siting opportunities is far less acute
18 in other IBZ's... than in other IBZs in the city. The
19 council has substantially revised the mixed-use
20 requirements for these areas in order to more easily
21 facilitate as of right self-storage development by
22 increasing the lot size threshold to 50,000 square
23 feet down from 25,000 square feet. The special permit
24 will apply in Port Morris, Hunts Point, Zerega and
25 Eastchester IBZs in the Bronx, all IBZ's in Brooklyn,

1
2 Long Island City, Ridgewood, Maspeth, Woodside, JFK
3 and Jamaica maps two through four in Queens and then
4 North Shore IBZ in Staten Island. This special permit
5 is not a ban on self-storage in these areas, let me
6 say that again, special permit requirement is not a
7 ban on self-storage in these areas. We have revised a
8 special permit to increase the clarity of the
9 findings and we are confident that developers will be
10 able to make successful applications for sites that
11 are appropriate for self-storage development. I do
12 believe this hybrid proposal is responsive to the
13 concerns we have heard from some of our colleagues,
14 the public and achieves the original purpose of the
15 action to help preserve siting opportunities in
16 industrial business zones for job intensive
17 industrial business, businesses while also allowing
18 the self-storage industry opportunities for future
19 development. So, with that I recommend my colleagues
20 vote yes on this application as it... as it's been
21 modified, and I will now turn it over to any of my
22 colleagues who wish to speak on this item and I'll
23 start with Council Member Ritchie Torres.

24 COUNCIL MEMBER TORRES: Thank you Mr.
25 Chairman. Even, even though the text amendment has

1
2 been packaged as a compromise, I cannot in conscious
3 vote for a proposal that scapegoats self-storage
4 rather than addresses the root causes of industrial
5 displacement. We are adopting as a city a patchwork
6 policy of stifling self-storage development not
7 because the facts have shown that doing so would
8 revive manufacturing, no such findings exist. And
9 after all who needs facts that threaten to stand in
10 the way of a good story about the City Council
11 leaping to the rescue of manufacturing by reigning in
12 the big bad boogey man of self-storage. We are voting
13 to cripple self-storage for one reason and one reason
14 alone, because we can, pure and simple. The text
15 amendment before us must be seen for what it truly
16 is, an exercise of raw legislative power utterly
17 disconnected from any real attempt at fact finding.
18 The fact that the council would think it appropriate
19 to legislate a citywide policy without so much as
20 conducting a single study is a sign of post factual
21 policy making at work. And for those of you watching
22 either from here or from home do not let yourself be
23 fooled by all the heartwarming rhetoric about a
24 manufacturing renaissance. The arbitrary
25 incrementalism of a self-storage special permit is no

1
2 substitute for a comprehensive strategy on
3 manufacturing. If the council had a larger
4 preservation strategy for manufacturing grounded in
5 fact rather than feeling it would have carefully
6 explored the market impact of all non-industrial uses
7 on IBZs rather than arbitrarily single out one
8 industry that makes for a convenient piñata but
9 politics being what it is finding a scapegoat offers
10 more instant gratification than finding the solution.

11 CHAIRPERSON RICHARDS: Thank you Ritchie,
12 anybody else have any statements or comments or
13 concerns? I'm going to go, go to Council Member
14 Garodnick.

15 COUNCIL MEMBER GARODNICK: Thank you Mr.
16 Chairman. I, I just want to note before the vote that
17 there are clearly articulated concerns about self-
18 storage in industrial business zones, they are a low
19 job industry, there's an argument that the existence
20 of self-storage could inhibit some of the
21 manufacturing opportunities in industrial business
22 zones and fundamentally I think we all do agree that
23 we want to have policies that protect industrial
24 business zones for primarily manufacturing uses. This
25 plan is odd, and I think we, we should recognize

1
2 that. What Council Member Torres said is, is right
3 that we are affecting self-storage here but we're not
4 addressing some of the other low job industries that
5 also exist in manufacturing zones, in IBZs, like
6 warehouses, we discussed this at the hearing. The
7 distinction between self-storage and warehouse to me
8 is one that is not really all that clear and there is
9 no evidence that what we're doing here today actually
10 would promote manufacturing in IBZs, we've still got
11 a lot of opportunities for other uses in IBZs;
12 hotels, the warehouses I noted, strip clubs, tow
13 pounds, I mean there's a lot of.. there's a lot of
14 opportunities that are not manufacturing uses. But I,
15 I don't have any IBZs in my district, I represent the
16 East Side of Manhattan and most of the members who do
17 have the IBZ's appear to be supporting this
18 compromised measure so I'm going to vote for it today
19 and I am just going to hope as I'm term limited in a
20 few weeks that this council moves forward to a more
21 complete study of this issue and a more complete plan
22 for how to deal with manufacturing in IBZ's and
23 addressing the fact that we have a number of other
24 industries which are left untouched in this proposal
25 singling out only one. So, my, my hope here is that

1
2 this is the beginning of a broader conversation and
3 not the end and, and so with that I thank you for the
4 opportunity to say a few words.

5 CHAIRPERSON RICHARDS: Thank you and let
6 me just... I don't want to go tit for tat but certainly
7 we do not see this as the end of the conversation,
8 this is the beginning of a conversation on certainly
9 preserving manufacturing and listen, there... I mean
10 there's no getting around it, we're seeing self-
11 storage pop up in a lot of different places, there is
12 a lot of speculation and not... and not to particularly
13 put all the blame on self-storage, I mean hotels is
14 on the agenda as well and we still have a lot more
15 work to ensure that investment in other things are
16 happening in IBZs to promote more manufacturing. So,
17 I don't think anyone in passing this today in
18 particular me as the Chair sees this as the end of
19 the conversation, this is the beginning of, of a
20 message that we're sending that we have a lot of work
21 to protect IBZs across the city and at the same time
22 let's be clear, you know there, there are
23 opportunities for those Council Members who feel
24 strongly that they want self-storage in their
25 districts to have that opportunity so this is not

1
2 stimulating it, I think having a ULURP process for
3 people to speak to Council Members before they come
4 into their districts to strengthen opportunities for
5 their particular districts is an important piece here
6 and the council does have an obligation and does have
7 the power and we should use that power to ensure that
8 we're doing everything to preserve good jobs and to
9 create good jobs across the city and, and it... and no
10 matter what the... I mean we can look at the facts, the
11 facts are that self-storage provides on average four
12 jobs and none of these jobs are paying great wages as
13 well and I don't think they're adding necessarily to
14 the economy or communities that other uses could in
15 particular manufacturing. So, I'll go to Council
16 Member Reynoso.

17 COUNCIL MEMBER REYNOSO: Thank you Chair.
18 I just want to state some... my, my perspective on
19 this. I have one of the largest IBZ's in the city of
20 New York in North Brooklyn and Msspeth and in, in
21 both cases over the last ten years we've seen an
22 increase in job growth and in the leasing or
23 purchasing of the manufacturing land for actual jobs.
24 I'm extremely happy to see that happen as thousands
25 of jobs provided by the IBZ in my district to folks

1
2 of lower education level, high skilled, we have
3 locations in my district like Martin Clothiers,
4 Wonton Foods and, and other what I would call iconic
5 manufactures, Boar's Head Distribution Services are
6 all important manufacturers in our... in our city but
7 what I'm also seeing is not only hotels but also
8 self-storage playing a role in the displacement of
9 these jobs. Now some would say we would need to call
10 for a study, I would... I would dare to say that do we
11 need a study to prove that gentrification exists in
12 low income neighborhoods, no, it's, it's a... it's not
13 anecdotal, it is... it is widespread, it is happening,
14 and we can see that happening. Those that have IBZ's
15 have the experience to see what threatens them and we
16 are working hard to have a comprehensive plan to
17 address all the non-manufacturing uses in the IBZ's.
18 At this point what is up for discussion is self-
19 storage, this is not only about self-storage this is
20 about the preservation of manufacturing districts and
21 if you have one in your district it'd be hard to say
22 that it isn't working or that it... we don't need to
23 support it or that we need to do everything we can
24 to, to bring resources to manufacturing. So, again
25 every single non-job intensive use is a threat to the

1
2 rest of the manufacturing districts, we know that
3 self-storage and hotels are getting more per square
4 footage dollars in rent and leases than traditional
5 manufacturing uses, average manufacturing price for...
6 per square foot in my district ranges from 18 to 22
7 dollars a square foot and we know self-storage tends
8 to pay up to or more than 40 dollars a square foot,
9 that's twice the price that is being asked for, for
10 traditional manufacturing uses. In doing so we have
11 manufacturers that can warehouse and do warehouse
12 their sites looking for cue smart and other storage..
13 self-storage owners to come in and buy their
14 properties and jack up the rents or the opportunities
15 or speculate across the rest of the IBZ. So, again
16 while I do think a study is always a great thing to
17 have if you have a district that has a large IBZ and
18 you don't see the displacement happening then... you
19 know I, I would love to, to hear that from a member
20 that has a IBZ and again I do think that the members
21 that have an IBZ all support this unanimously and
22 given the strength of number deference in this
23 institution again I'll be hard pressed to find a
24 member that can vote against a member that has one.
25 So, again I will be voting aye on, on this item and I

1
2 think it's been a good compromise and I'm looking
3 forward to tackling other issues within the
4 manufacturing districts that are not manufacturing
5 uses. Thank you Chair.

6 CHAIRPERSON RICHARDS: Thank you, any
7 other questions or comments from my colleagues? Okay,
8 seeing none I will now ask the Council to call the
9 roll. I, I will now call any vote to approve Land Use
10 Item Number 817 with the modifications I just
11 described, Council please call the roll.

12 COMMITTEE CLERK: Chair Richards?

13 CHAIRPERSON RICHARDS: I vote aye.

14 COMMITTEE CLERK: Gentile?

15 COUNCIL MEMBER GENTILE: I vote aye.

16 COMMITTEE CLERK: Garodnick?

17 COUNCIL MEMBER GARODNICK: Aye.

18 COMMITTEE CLERK: Williams?

19 COUNCIL MEMBER WILLIAMS: Aye.

20 COMMITTEE CLERK: Reynoso?

21 COUNCIL MEMBER REYNOSO: I proudly vote
22 aye.

23 COMMITTEE CLERK: Torres?

24 COUNCIL MEMBER TORRES: Nay.

25 COMMITTEE CLERK: Grodenchik?

1
2 COUNCIL MEMBER GRODENCHIK: Permission to
3 explain my vote Mr. Chair?

4 CHAIRPERSON RICHARDS: Yes sir, you may
5 explain your vote... [cross-talk]

6 COUNCIL MEMBER GRODENCHIK: I just... I
7 just want to take a moment to associate myself with
8 some of the remarks made by my colleagues Ritchie
9 Torres and Dan Garodnick. I think that while it has
10 been modified we have to remember this is a very
11 diverse city economically, socially and in so many
12 different ways and we as a council need to remember
13 that one size never fits all. With that I will vote
14 aye on all, aye on this proposal Mr. Chairman, thank
15 you.

16 CHAIRPERSON RICHARDS: Thank you.

17 COMMITTEE CLERK: By a vote of six in the
18 affirmative, one negative and zero abstentions LU 817
19 is approved with modifications and referred to the
20 full Land Use Committee... [cross-talk]

21 CHAIRPERSON RICHARDS: Hold... oh wait,
22 Council Members had a delay.

23 COMMITTEE CLERK: Oh I'm sorry.

24 CHAIRPERSON RICHARDS: Council Member
25 Williams?

1
2 COUNCIL MEMBER WILLIAMS: May I please
3 explain my vote?

4 CHAIRPERSON RICHARDS: Yes, you may.

5 COUNCIL MEMBER WILLIAMS: Thank you very
6 much. I'm voting aye on, on this bill I just wanted
7 to listen to my colleagues in trying to make sense of
8 what... I think some of the issues they were trying to
9 raise which I think some of them are good ones, there
10 are some, some facts remaining but there are some
11 facts that are out there and, and I think it's clear
12 that in some of these areas the self-storages are
13 maximizing space that was meant for something else. I
14 think this is part of a, a broader plan to try to
15 deal with that not just with the storage units but
16 also going after some of the others but in that we
17 just have to remember that this particular industry
18 in an outside manner was moving faster than any other
19 industry so I think if the strip club industry or the
20 other industries were moving as fast we should stop
21 them as well but they weren't it was these and
22 they're taking large amounts of space with not a lot
23 of good return in jobs and we have to take that into
24 consideration. I agree we do have to have a
25 comprehensive approach, I think this is a part of it

1
2 so I don't mind supporting it and to one of my
3 colleagues I think you're correct that one... it's hard
4 to get a one size fits all in a lot of things and so
5 I like that this allowed for some of the members who
6 in their communities they don't mind it, it made it a
7 little easier but to, to do nothing absent the
8 grander plan I think would be a dereliction. Look, I
9 voted against MIH, this body pushed it through, it's
10 not a one to one comparison but there was so much
11 more that should have been in it, we know that to be
12 correct because now we are making the changes that
13 should have been done there. So, we have a history of
14 not doing everything at the same time for various
15 reasons and so I'm proud to vote aye on this and I
16 think the body is doing something good but some of
17 the issues that were raised I hope the body continues
18 to take seriously so we can have a more comprehensive
19 approach to the IBZ's. Thank you.

20 COMMITTEE CLERK: The final vote is six
21 in the affirmative, one negative and zero
22 abstentions, the Item is referred to the full Land
23 Use Committee.

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CHAIRPERSON RICHARDS: Okay, thank you
all for coming out, Land Use next. This hearing is
closed.

[gavel]

C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date

December 15, 2017