



To the members of the Zoning and Franchises Sub-Committee:

Thank you for the opportunity to submit written testify. My name is Lee Wellington and I am the Executive Director of the ***Urban Manufacturing Alliance***.

The Urban Manufacturing Alliance is a national coalition of organizations and individuals that are building manufacturing economies fit for the 21st century. Our collective goal is to create pathways to middle-class jobs, spark homegrown innovation and ensure that cities and towns continue to be the places where we make things. Our members include a range of manufacturing practitioners from across the country, from local community-based organizations, city agencies, elected officials, educators, and manufacturing business owners. Many of the members represented in UMA's network have looked at how land use controls can support industrial and manufacturing jobs. In hot real estate markets, there is the special challenge of balancing competing non-manufacturing uses in industrial areas. Self storage facilities are one such use that can create vulnerability for both current and future manufacturing businesses.

We want to stand with the many organizations in New York City's industrial advocacy community to underscore the importance of changing the A-Text version of the Self-Storage Text Amendment back to its original form. Presently, there is a significant weakness in New York City's approach to industrial policy: the porous approach to zoning with broad use group definitions within the Industrial Business Zones (IBZs) makes it difficult to protect manufacturing businesses and jobs. It is no secret that alternative uses—like the self storage facilities that continue to proliferate across the IBZs—drive up land costs. The original proposal was a much needed step to stem some of the real estate speculation within the IBZs and echoes the very 10-point industrial plan set forth by the de Blasio Administration in 2015.

### **A Few Issues to Consider**

***The Link Between Industry and Innovation:*** The industrial sector in New York City is inextricably linked to the broader innovation economy. In our work with makers and manufacturers across the country, we frequently hear about the iterative process between design and production. Much of the manufacturing thriving in cities—not just in New York City, but all across the country—involves highly-customized, design-driven production processes. This manufacturing touches nearly all aspects of the economy. Without the physical space to accommodate these manufacturers, cities run the risk of disrupting local and regional supply chains and upending the very innovation they seek to accelerate.

***Manufacturing as a Pathway to the Middle Class:*** The Urban Manufacturing Alliance has been analyzing urban manufacturing trends across 15 different metropolitan areas through its *State of Urban Manufacturing* research process. We have found that in the overwhelming majority of cities, the wages offered within the manufacturing sector exceed the local living wage. Moreover, these are jobs that are generally more accessible to employees that have a high-school diploma or less. While there is



significant work to be done to ensure that manufacturing job growth takes place in a way that is inclusive (see our *Equitable Innovation Economies Initiative* with Pratt Center and PolicyLink), we remain encouraged by the relatively lower-barriers to entry and higher-wages offered by the manufacturing sector.

***Once You Lose Industrial Land, It's Gone:*** Once industrial land is retrofitted for other non-industrial purposes, it very rarely returns to industrial use. And unfortunately, the uses that industrial land are converted to are not as job-intensive (self-storage certainly falls within that bucket), and even when they do offer jobs, they may not be jobs that provide career ladders and living wages. As such, one of the best ways to protect the industrial jobs from displacement in New York is to safeguard the very constrained supply of industrial land.

***New York Has Some Precedent to Look to:*** We recently hosted a national Gathering in Seattle, where cities from across the country came together to discuss the land issues they are facing in a myriad of market contexts. In fact, the issue of self storage in New York City was at the forefront of that conversation, with representatives from ANHD sharing more information on their campaign to bring communities together around the original self storage proposal. Other cities were quick to highlight their more restrictive approaches to industrial zoning, going even further than special permits to adopt specific prohibitions on self storage. Some of the cities that highlighted these approaches are **San Francisco, Vancouver** and **Portland**. (*Note: UMA would be happy to provide a supplemental brief on the experiences these cities have had with these prohibitions*).

### **Next Steps**

Allowing self-storage to continue to compete with job-intensive industrial land across the IBZs runs counter to the very equitable vision of New York City we are collectively working towards. Before moving away from one of the most important policy statements in the 10-point industrial plan, officials in both the New York City Council and Administration should spend time looking closely at other permitting models and outright prohibitions of the self-storage industry nationally. Looking to these zoning practices in other hot market contexts outside of New York would likely reaffirm the initial proposal on regulating self-storage within the IBZs.