



EAST NEW YORK INDUSTRIAL BUSINESS ZONE PLAN



From the President



Maria Torres-Springer
President and CEO
NYCEDC

I am pleased to join Council Member Rafael L. Espinal, Jr. and the many stakeholders who contributed to the East New York Industrial Business Zone Plan. The East New York IBZ is critical to the industrial ecosystem of New York City and the local economy in the surrounding communities of East New York, Ocean Hill, Cypress Hills, and Brownsville. With the backdrop of the Mayor's Industrial Action Plan announced last fall, this Plan seeks to build upon East New York's historic roots as an industrial hub and to secure the area's future into the 21st century. With the addition of dedicated funding for new infrastructure, improvements to city-owned industrial assets, new land use protections and controls, and a robust campaign to market and rebrand the area, this Plan seeks to ensure that the ENY IBZ is positioned for success alongside the anticipated growth of adjacent residential communities.

This plan focuses on three main strategies:

- 1. Preserving and Growing Commercial and Industrial Space.** To create jobs for residents of East New York, we need to both preserve existing commercial and industrial space, and create additional space for new employers.
- 2. Connecting Local Businesses and Workforce with Development Opportunities.** At NYCEDC, we are working to ensure that we are not just investing in buildings, but in new opportunities for the people of East New York, and that investments the City makes in East New York directly benefit local businesses and workers.
- 3. Attracting New Employers & Supporting Local Businesses.** We recognize the importance of attracting new employers to the ENY IBZ to drive growth and create more jobs, while simultaneously assisting local businesses to grow in the community.

I want to thank the many businesses, community stakeholders, and all elected and non-elected leaders who helped us craft this ambitious vision. We look forward to continuing to work with all of our partners to realize the contents of this plan, and to grow the East New York IBZ for decades to come.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Torres-Springer', with a long horizontal flourish extending to the right.

Maria Torres-Springer
President

From Council Member Rafael L. Espinal, Jr.



Rafael L. Espinal, Jr.
New York City Council Member
37th District

As a lifelong resident of Cypress Hills, I recognize the importance of a good-paying, quality job that is accessible to all New Yorkers. The industrial and manufacturing sector has been a source of jobs for many immigrants to New York City. When my parents immigrated to this country, they were able to live the American Dream because of opportunities provided to them in a garment factory. Through that job they were able to secure permanent status in the country and purchase a home in Cypress Hills. That story is true for many East New Yorkers.

Revitalizing industry has been a priority since I came to the Council and I was proud to have worked alongside my colleagues and the Speaker to produce Engines of Opportunity, a policy roadmap for strengthening this sector.

I have also prioritized the East New York Industrial Business Zone – a source of middle class employment – as a key community asset we need to better leverage. Today, the IBZ has approximately 3,000 jobs in a range of industrial subsectors, and I hope that we will be able to double those numbers over the course of the next decade.

I have always said that the East New York Housing Plan requires a jobs plan, and I am proud to have spearheaded this study to ensure that the IBZ continues to grow and thrive for decades to come. The recommendations in this study will bring much needed infrastructure investments, new programs and services targeted to existing businesses, as well as promotional strategies to attract new businesses to the IBZ. The growth of the IBZ in coordination with a new Workforce1 Center in the community will connect neighboring communities and further ensure that local residents have the opportunity to apply for new jobs in their own backyard.

I am honored to have worked alongside the many businesses, community organizations, City agencies, and fellow elected leaders that were involved in the development of these recommendations. I would like to specifically thank Raju Mann, Land Use Director for the New York City Council, for his guidance through this process, and Maria Torres-Springer, President of the New York City Economic Development Corporation, for her leadership in taking on this task. This plan reflects many months of discussion and collaboration to protect, improve, and grow the IBZ.

I look forward to continuing to work together on the implementation of these strategies to strengthen the IBZ and create more jobs for local residents.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rafael L. Espinal, Jr.' The signature is fluid and cursive, written over a white background.

Council Member Rafael L. Espinal, Jr.

Table of Contents

- Executive Summary and Introduction 2**
- Existing Conditions 7**
- Positioning for the Future 16**
- Strategies and Recommendations 17**
- Conclusion 40**
- Resources 41**

ACKNOWLEDGEMENTS

Borough President Eric Adams
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 East New York IBZ businesses
 AIGA-NY

DEVELOPED BY:

New York City Economic Development Corporation
 New York City Department of Small Business Services
 New York City Department of Transportation
 New York City Department of City Planning
 New York City Department of Homeless Services
 New York City Police Department
 Perkins + Will
 HR & A

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Ace Car Wash	Eastern Steel Corp	Leo International Inc.
Adriatic Wood	Empire Charter Service	Masonry Services Inc.
Allied Transit Corp	Empire State Bus Corp	Morray Electrical Corp
Belmont Metals	Encore Retail	North Eastern Precast
Boro Transit	F&S Auto	Roadway Towing Inc.
Bright Light Adult Day Care	Federal Jeans	Simtech Diagnostic Center
C & C Landscape Contractors, Inc.	Fine Fixtures	Simtech Auto Repair
C & D Iron Works	Harris Plumbing	Trans Union Transport Inc.
Consolidated Bus	Inner Gaze Furniture	Trey Whitfield School
Digital Car Service	Lamor Associates LLC	Watkins Poultry Merchants
DLX Industries, Inc.	Le Capife Steel Steps	Women In Need

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Executive Summary

The East New York IBZ is an important industrial area located between the Brownsville and East New York neighborhoods that is home to approximately 250 businesses and over 3,000 jobs. Historically, this area housed a cluster of metal finishing and fabrication businesses. Today these sectors remain – alongside various manufacturing, logistics, industrial, and commercial enterprises. The area’s low density and relative isolation from real estate pressures has attracted lower density transportation companies and traditional manufacturers in search of affordable real estate. The area’s superb public transit access makes it one of the most well-connected industrial areas in the City.

Despite the area’s notable assets, it has experienced disinvestment for decades and suffers from degraded infrastructure, narrow streets, and poor truck access. Additionally, despite the breadth of companies located in the ENY IBZ today, there is very little awareness of the businesses and diverse products made in the ENY IBZ.

This Plan lays out specific actions to grow and strengthen the ENY IBZ in conjunction with the anticipated growth of the residential communities to the east and north in East New York, Cypress Hills, and Ocean Hill, as a result of the proposed *East New York Community Plan*. This Study identifies five overall strategies and twenty specific recommendations to a) drive the growth of industrial and commercial real estate, b) improve the overall business and physical environment, c) attract new employers to the ENY IBZ, and d) create more jobs for local residents.

Taken together, the strategies and actions outlined in this Study have the potential to catalyze significant new investment and job activity in the ENY IBZ by:

- **Investing over \$16.7 million in critical infrastructure and publicly-owned assets** to enhance the environment for existing and future businesses and to build stronger connections between the ENY IBZ and its surrounding communities.
- **Attracting 250 new companies** to the ENY IBZ, including specialty and construction trades, thereby **creating approximately 3,900 new quality jobs**.
- **Spurring the creation of approximately 2.7 million square feet of new and modernized space**, through activation and redevelopment of underutilized public and private buildings and vacant lots.
- **Growing the local economy by better connecting residents to new job opportunities and businesses to new services** in the ENY IBZ.

In the coming years, NYCEDC will work with local elected leaders, City agencies, local organizations, Community Boards 5 and 16, businesses, and the community at large to implement the strategies outlined in this Plan to ensure that the ENY IBZ continues to thrive and flourish as a jobs hub for decades to come.

STRATEGY 1

Activate underutilized sites to catalyze industrial growth

STRATEGY 2

Align land use framework to preserve and grow industrial space

STRATEGY 3

Invest in critical infrastructure to improve the business environment

STRATEGY 4

Increase business services and local job opportunities to better connect the East New York IBZ with surrounding communities

STRATEGY 5

Promote the East New York IBZ to attract new industrial businesses and growing sectors

Introduction

OBJECTIVES OF THE STUDY

1. Increase Industrial & Commercial Growth

Explore investments and land use changes that leverage opportunity to promote industrial growth and commercial development.

2. Create Quality Jobs

Attract new job-intensive businesses to the ENY IBZ and connect residents to new employment opportunities.

3. Improve Physical Environment

Enhance public realm and public safety and strengthen infrastructure and resiliency.

In June 2015 at the request of Council Member Rafael L. Espinal, Jr., NYCEDC launched a planning study (the “Study”) of the East New York Industrial Business Zone (the “ENY IBZ”) in close collaboration with local elected officials, community-based organizations, and area businesses. The Study sought to develop recommendations to enhance and strengthen the economic vitality of the ENY IBZ, create more jobs, and improve its day-to-day functioning.

The Study was conducted in parallel to and in support of the *East New York Community Plan*, which is the first neighborhood rezoning advanced under Mayor Bill de Blasio’s *Housing New York* affordable housing initiative. The rezoning sought to increase density along major transit nodes and spur the creation of affordable housing in the neighborhoods of East New York, Cypress Hills, and Ocean Hill

► Planning Study Methodology & Process

The Study commenced in June 2015 and analyzed the following criteria: Land Use and Zoning, Real Estate and Market Conditions, Economic and Employment Trends, Incentives and Local Capacity, and Physical Infrastructure and Public Realm.

The Study included analysis of quantitative and qualitative data; physical surveys and site visits; coordination with both city and state agencies; outreach to local elected officials, industrial advocates, local community based organizations, businesses, and real estate brokers; and completion of an online and in-person business survey.

► Planning Context

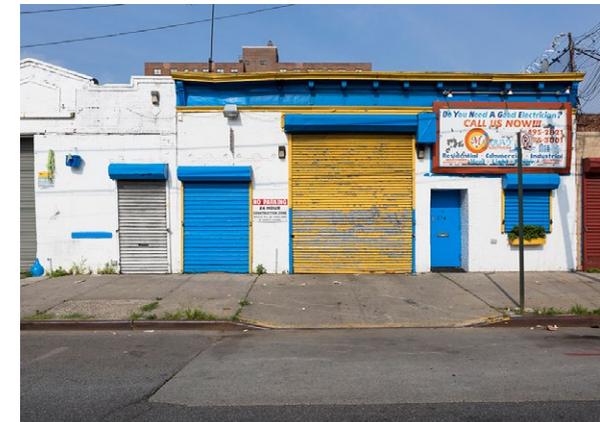
Over the past two years, the NYC Department of City Planning led an interagency effort to rezone portions of East New York, Cypress Hills, and Ocean Hill. The *East New York Community Plan* was certified into the Uniform Land Use Review Procedure (ULURP) in September 2015 and completed in spring 2016. It is projected to yield approximately 6,400 new units of housing, half of which would be affordable, in addition to over 885,000 square feet of commercial space in the area by 2030. The plan is also anticipated to create 3,700 net new jobs, primarily in retail and community facilities.



Sutter Avenue L Subway Station



Leo International, an import plumbing manufacturer in the ENY IBZ



Murray Electrical, an ENY IBZ business



East New York Community Plan
Source: New York City Department of City Planning

► ENY IBZ History

1840s-1900s

The presence of industry in East New York dates back to the mid-nineteenth century, as companies were attracted to the area with the opening of the first section of the Long Island Rail Road in 1836. As a result, small factories were built on either side of the railroad on Atlantic Avenue. At the turn of the century, the area was nicknamed “Little Pittsburgh” for its concentration of steel fabrication companies, still prevalent in the ENY IBZ today.

1950-1980s

A variety of factors led to the loss of over one million manufacturing jobs in New York City between 1950 and the mid-1970s. The East New York industrial area similarly struggled during this period, resulting in loss of jobs and significant disinvestment and abandonment of property. In the 1980s, the City created the first In-Place Industrial Park in East New York to help spur economic investment and provide support to industrial businesses. In 1983, the East Brooklyn Business Improvement District was formed by a group of local property and business owners who banded together to improve the safety and physical environment of the industrial area. The area was targeted for industrial retention and expansion through the City’s adoption of the East New York II Urban Renewal Plan in 1989, which allowed for the acquisition of land by the City to assemble property and attract large industrial users.

1990s-2000s

Since 1997, NYCEDC has sold 33 small City-owned vacant parcels in the ENY IBZ, resulting in over 670,000 SF of land activated to support the expansion and relocation of over 20 industrial businesses. This has generated approximately \$33 million in private investment and development, and has helped to create and retain over 750 jobs.

2006

In 2006, the City introduced the Industrial Business Zone program, which included a new business relocation tax credit, zoning protections, and direct business assistance through the Industrial Business Solutions Providers network.

2015

In November 2015, Mayor de Blasio announced a 10-point Industrial Action Plan to revitalize and modernize the City’s industrial sector and attract and protect industrial businesses across the city. Key aspects of the Industrial Action Plan have informed this Study and include vital land use protections for core industrial areas like the ENY IBZ, new financing tools to spur the creation of new industrial space, additional business support, and education and training for local residents that will help the sector grow.



Williams Avenue in ENY IBZ, circa 1941
Source: New York Public Library



Former Mayor David Dinkins and Carl Weisbrod at a groundbreaking ceremony in the East New York Industrial Park in the early 1990s

► 10-Point Industrial Action Plan

Invest in City-Owned Industrial Assets: The City is investing a total of \$442 million in City-owned industrial properties.

Limit New Hotels and Personal Storage in Core Industrial Areas to Reduce Use Conflicts and Support Diverse Economic Growth: The City will enact new safeguards against the influx of tourist hotels and personal mini-storage facilities in core industrial areas to preserve opportunities for industrial and manufacturing businesses.

Create New Models for Flexible Workspace and Innovation Districts: The Administration will work to create a framework that encourages a mix of light industrial, commercial, and limited residential development in appropriate locations in NYC.

Strengthen Core Industrial Areas: The Administration and City Council is strengthening the prohibition of residential uses in Industrial Business Zones to curb real estate speculation. Going forward, no private applications for residential uses in IBZs will be supported by the Council or Administration.

Create an Industrial and Manufacturing Fund to Spur Development: The City has created an industrial and manufacturing fund to stimulate the creation of new industrial and manufacturing space by non-profit developers. The fund provides \$64 million in City loans and grants, which will in turn leverage an additional \$86 million dollars in private investment.



Launch Advanced Manufacturing Network “Futureworks NYC”, including Creation of a New Advanced Manufacturing Center: NYCEDC will leverage up to \$10 million in both public and private resources for the creation of an Advanced Manufacturing Center, housed at Brooklyn Army Terminal, which will provide as much as 27,000 square feet of shared workspaces and equipment, such as 3D printers and robotics, for both new entrepreneurs and established manufacturers looking to modernize their operations.

Expand Brownfields Jumpstart Program to Industrial Properties: A \$500,000 expansion of the City’s Brownfield Jumpstart Program will help businesses enroll in the New York State Brownfield Cleanup Program and provide grants to industrial and manufacturing businesses for site investigation and cleanup efforts.

Relaunch Industrial Business Solutions Providers Network: The Administration is providing \$1.5 million per year in dedicated funding to relaunch the City’s Industrial Business Solutions Providers (IBSPs) network, which provides support to industrial businesses in IBZs across the City through business education, financing assistance, and recruitment and training support.

Create Industry Partnerships to Bolster Workforce Development: The City will provide \$750,000 to launch a *Career Pathways* initiative for the industrial and manufacturing sector. Led by the Office of Workforce Development, SBS, and NYCEDC, this partnership will convene business leaders, service providers, and other stakeholders to align workforce and incentives programs, and secure placement commitments from businesses seeking public benefits.

Establish Career Centers in IBZs: Building on the success of the existing Workforce1 Industrial and Transportation Career Center in Jamaica, SBS will create up to five additional satellite centers in select IBZs with high job density.

Existing Conditions

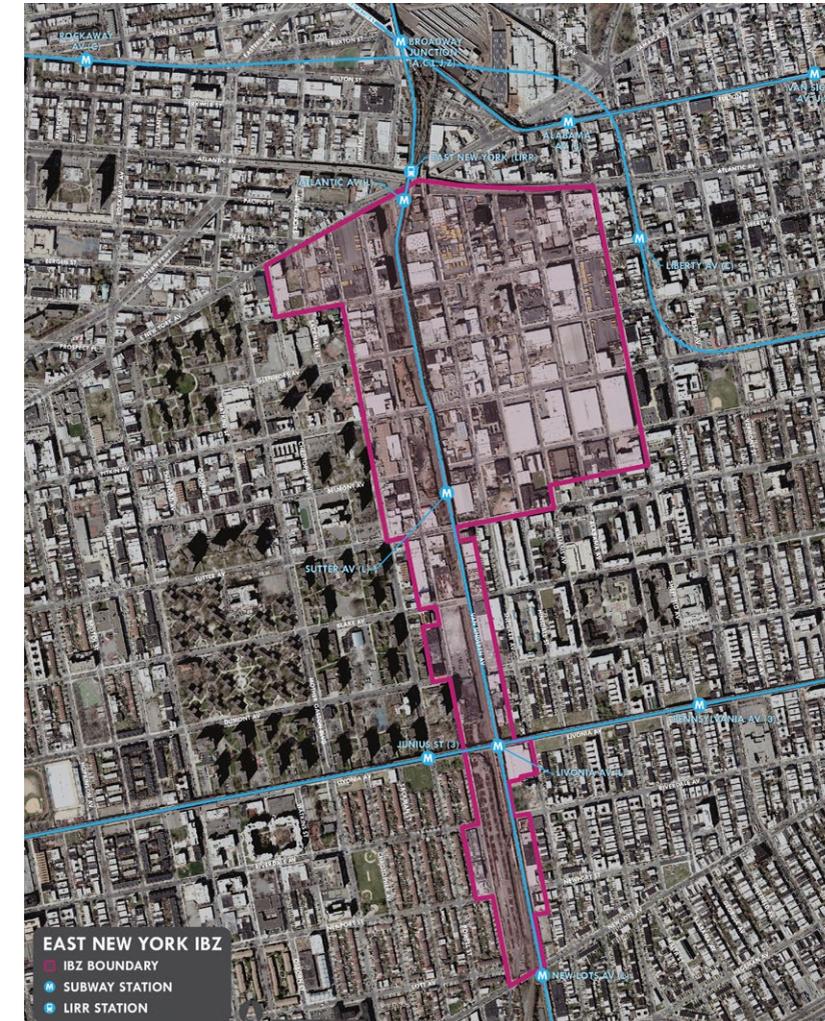
► The ENY IBZ Today

At approximately 105 acres, the East New York Industrial Business Zone is the second smallest IBZ in NYC. Despite its small size, the area has a high concentration of manufacturing, warehousing, and transportation jobs as compared to other IBZs in Brooklyn. There is a historical niche of metalsmiths and fabricators that has been located in the ENY IBZ for decades, and the area's low density and large floorplate typology readily suits these uses. In recent years, new companies have relocated to the ENY IBZ from other areas in Brooklyn and are adding to the variety of businesses and products that can be found in the ENY IBZ today.

SNAPSHOT

- 105 acres in size, ~57-blocks total
- ~250 businesses and ~3,000 jobs
- Average of 13 employees per business
- Average lot size of 8,000 SF
- Companies specializing in: steel and metal fabrication, transportation and warehousing, woodworking and vinyl manufacturing

Aerial of ENY IBZ



Brooklyn IBZs by Size



BUSINESS PROFILE

Eastern Effects is a video and film production company, which expanded to East New York from its current location in Gowanus. The firm secured financing from the New York City Industrial Development Agency (NYCIDA) to assist with the purchase and renovation of a 25,000 SF warehouse for use as a film studio.

The expansion of Eastern Effects to East New York creates new jobs paying more than prevailing wage. Eastern Effects works with Brooklyn Workforce Innovations to recruit for these positions through the "Made in NY" Production Assistant Training Program, which provides training and accreditation to low- and moderate-income individuals interested in working in the television and film industry.



► Land Use + Zoning

Today, over 70% of the ENY IBZ is devoted to industrial and transportation uses, reflecting that the ENY IBZ remains a core industrial area, despite several non-conforming and social service uses.

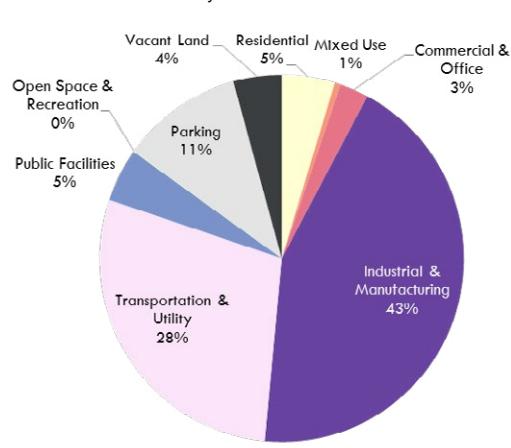
The ENY IBZ's zoning is limited to lower density light manufacturing (M1-1 and M1-4) and heavy manufacturing (M3-2), allowing a 1-2 floor area ratio (FAR).

The ENY IBZ falls within three different Urban Renewal Areas with the majority in the East New York II Plan and a portion of the area in the East New York I Plan and the Brownsville II Plan, adopted in 1989, 1986, and 1984 respectively. These Urban Renewal Plans further inform land use and urban design controls for urban renewal sites within the ENY IBZ.

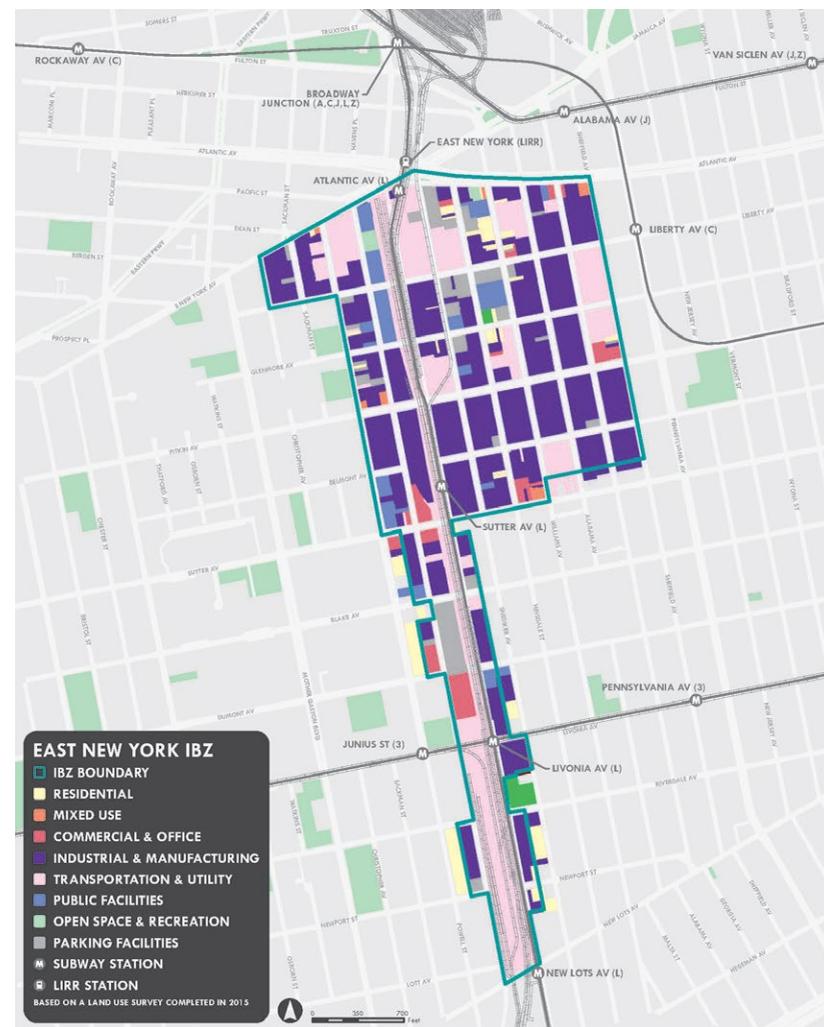
Existing zoning in ENY IBZ and adjacent areas



Percent of land area by land use in ENY IBZ



Existing land use in ENY IBZ



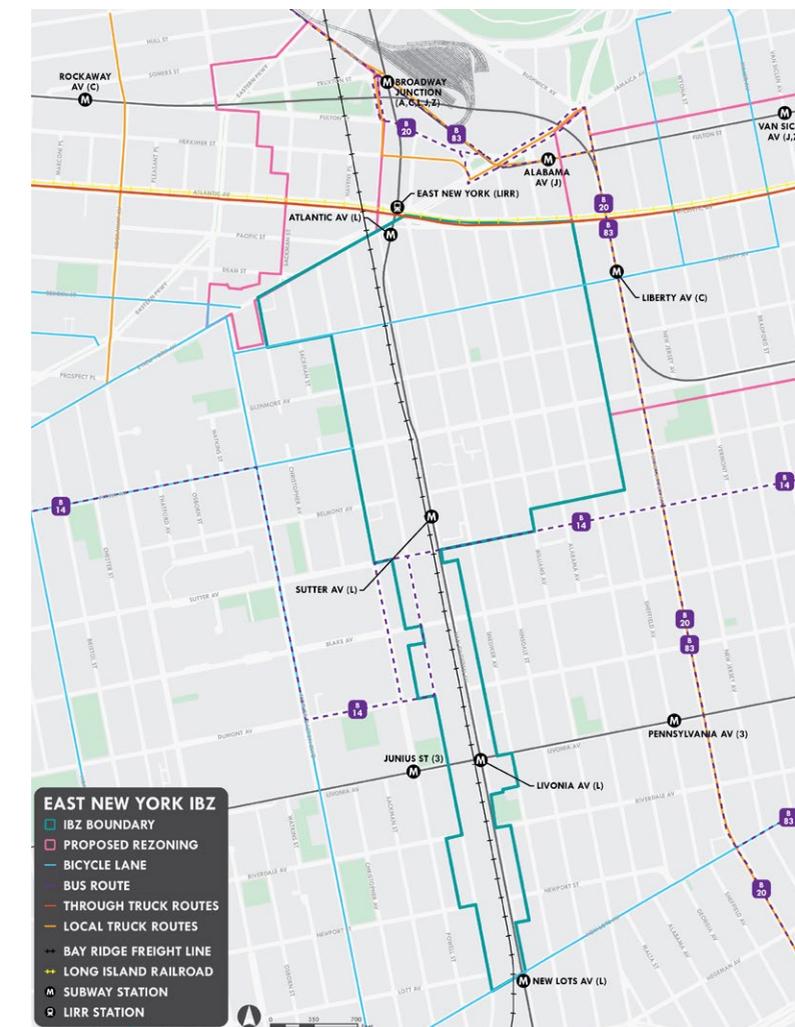
► Transit + Infrastructure Assets

The East New York IBZ's public transit access is one of its greatest assets, providing a multitude of options to residents and workers alike. The ENY IBZ is close to both local and through truck routes, providing connections to the city's highway network. The Bay Ridge freight line runs on a cut through the spine of the ENY IBZ; the Metropolitan Transit Authority (MTA) and some ENY IBZ businesses use the freight line for delivery of goods. In addition, the Long Island Rail Road (LIRR) stop at the northern end of the ENY IBZ provides yet another significant connection to the regional transit network. According to the MTA, by 2020 new "scoot" service on the LIRR will result in increased train service to this stop with trains running every 10 minutes to Jamaica and Atlantic Terminal.

- PUBLIC TRANSIT**
Subway: A, C, L, J, Z, & 3 trains
- ENY LIRR Station**
Bus: B83, B20, B14
- BICYCLE**
Liberty Avenue
New Lots Avenue

- TRUCK**
Through Route: Atlantic Avenue
Local Routes: Broadway, Fulton St, Van Sinderen Ave, Herkimer St, East New York Ave, Jamaica Ave, & Pennsylvania Ave
- BAY RIDGE FREIGHT LINE**
Owned by LIRR; operated by NY&A Railway, runs between Bay Ridge and Long Island City

ENY IBZ transit access



► Public Realm + Physical Environment

Overall, the ENY IBZ has some physical constraints that adversely impact business operations and mobility in the area. These pose a significant hindrance to attracting both new business and investment. The ENY IBZ's streets are narrow, making travel and transport difficult for trucks and buses. Degraded sidewalks and poor lighting beneath elevated transit infrastructure are barriers for ENY IBZ workers and residents who travel through the area. Through this Study's survey of local businesses, a majority of companies cited poor infrastructure conditions as a deterrent to doing business in the ENY IBZ. Similarly, these poor public realm conditions contribute to the perceived lack of safety also cited by businesses.

Notwithstanding these issues, there are several initiatives and projects currently underway that aim to improve the public realm and physical environment. NYCEDC runs two programs that are dedicated to improving conditions through supplemental sanitation services. The Graffiti-Free NYC Program offers free graffiti removal from private property. Each year, the team removes more than 10 million square feet of graffiti throughout the City and in Community Boards 5 and 16 responded to over 500 service requests last year. Additionally, NYCEDC's Area Maintenance Program, which is exclusively available to IBZs, provides debris removal, façade painting, and fencing of vacant lots, all of which aim to improve the conditions in IBZs. As part of this program, NYCEDC clears approximately 8,100 cubic yards of debris per year across the City.

The City is also investing \$2.7 million in green infrastructure in the ENY IBZ as part of the City's Green Infrastructure Program. In partnership with the New York City Department of Environmental Protection, NYCEDC is overseeing the construction of 150 bioswales in the ENY IBZ. Located on City-owned sidewalks, bioswales are permeable gardens that absorb stormwater runoff, preventing flooding on streets and into businesses in the event of heavy rainfall. Additionally, through a partnership between the East Brooklyn BID and the New York City Department of Parks & Recreation, approximately 200 street trees were planted in the ENY IBZ over the past few years as part of the Million Trees NYC initiative. The ENY IBZ is also located in the Con-Edison Brooklyn-Queens Demand Management Program and the New York City Solar Empowerment Zone, as the greater area has a growing demand for electricity and could benefit from alternate sources of energy.



Existing public realm conditions in ENY IBZ

Recently installed bioswale



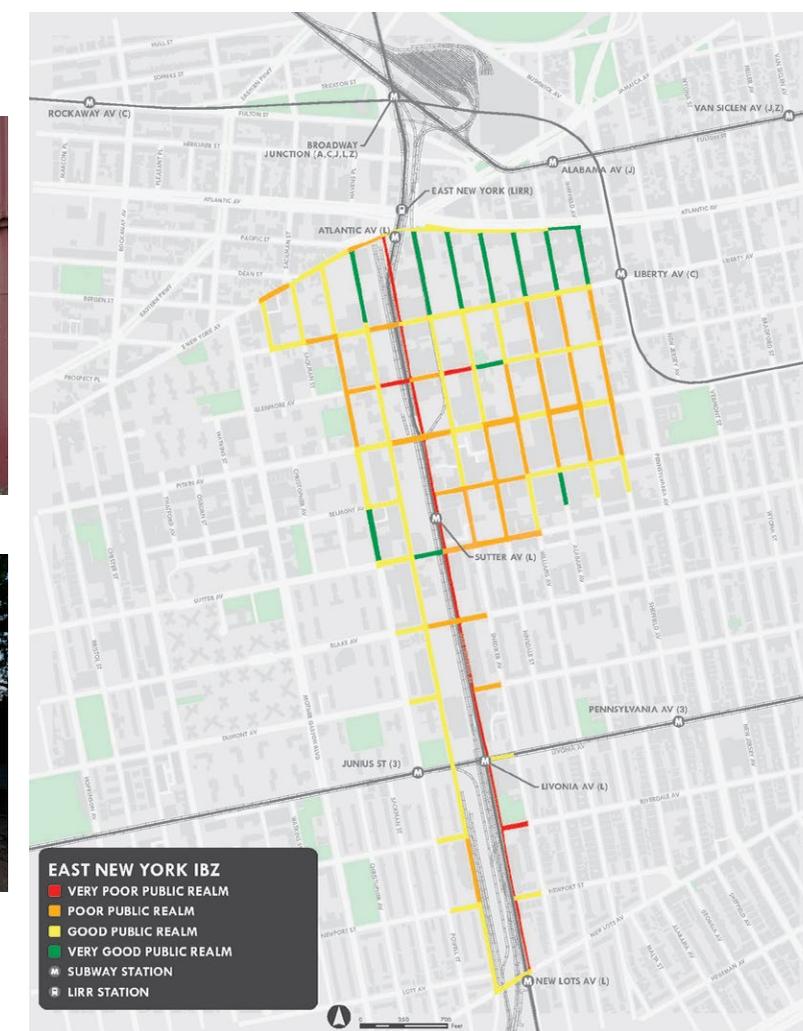
Existing broken and missing sidewalks



Graffiti-Free NYC crew member



Existing public realm conditions in ENY IBZ



BUSINESS PROFILE

Belmont Metals is a non-ferrous metal and alloys manufacturing company founded in 1896 and celebrating its 120th year of business in the ENY IBZ. The company is family owned and is now in its third generation of ownership.

Over the past century, the firm has increased in size and is now 80,000 SF and has over 80 employees. Though Belmont Metals is the oldest business in the ENY IBZ, it has also been at the forefront of technology. In the past few years, the owners have made the facility greener by installing solar panels on the roof.



Market + Employment Trends

New York City's industrial sector provides opportunities for individuals with a wide variety of skill sets and education levels. The industrial and manufacturing sector of NYC employs 530,000 people, or 15.4% of the city's private sector workforce. The sector is an important pathway to the middle class for many families, with median wages of \$50,400 per year. In addition, more than 328,000 jobs in the sector (61.5%) are located outside Manhattan, 62% of the workforce comes from culturally diverse backgrounds, and nearly half are foreign-born. Approximately 63% of industrial and manufacturing sector jobs are available to individuals who do not have a college degree.

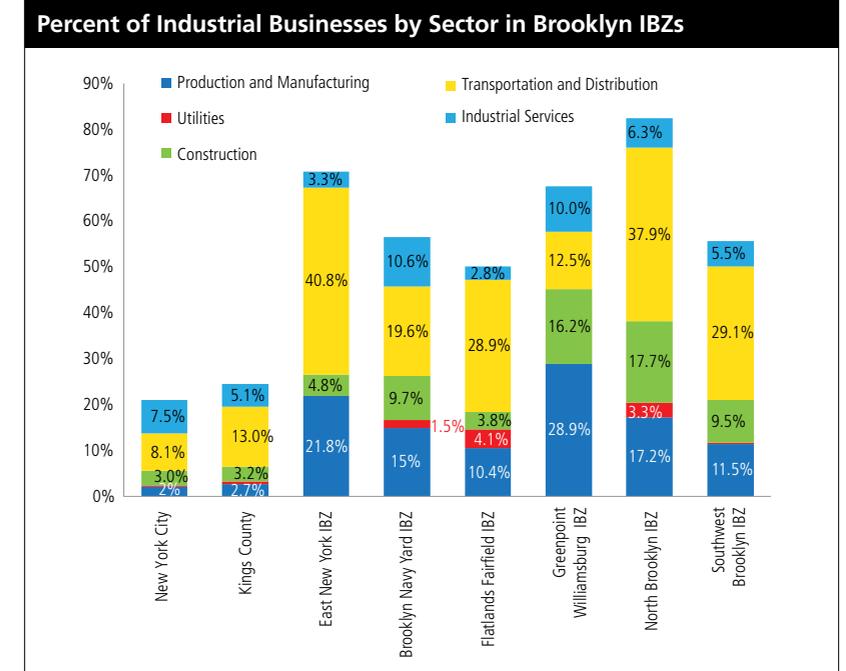


Consolidated Transit, an ENY IBZ business

Industrial Activity in East New York

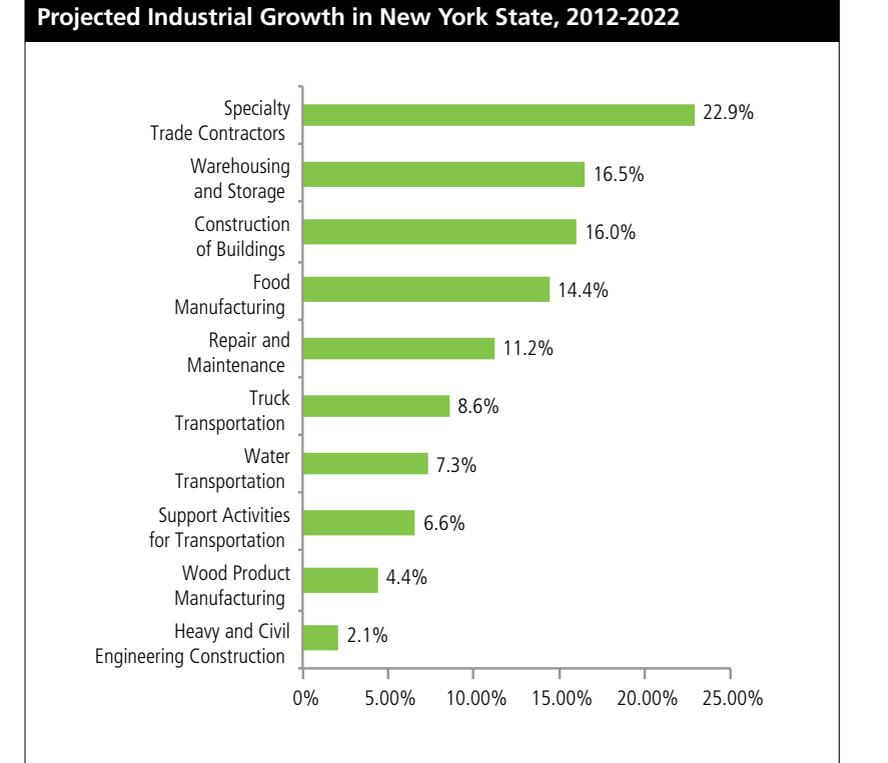
Over half of the 3,000 workers in the ENY IBZ are employed in the transportation, warehousing and manufacturing sectors. Taken together with other subsectors, the industrial sector represents close to 70% of all jobs in the ENY IBZ, a significant proportion of employment as compared to other IBZs.

Approximately 20% of the ENY IBZ's employees come from the surrounding neighborhoods of East New York, Brownsville, and Ocean Hill, according to the business survey. Generally, the ENY IBZ employs older workers with lower educational attainment. Approximately 1 out of 3 workers in the ENY IBZ is over 55 years of age, and over 50% of workers have only a high school diploma or did not complete high school.



Source: United States Census Bureau

Compared to other IBZs in Brooklyn, the transportation, warehousing and manufacturing sectors are more prominent in East New York. On average, these sectors in Brooklyn pay salaries ranging from \$30-45,000 annually. As compared to other Brooklyn IBZs, the ENY IBZ has a lower concentration of jobs in the construction trades—a sector that generally offers higher wages (more than \$50,000 per year) and is a growing industry in the State.



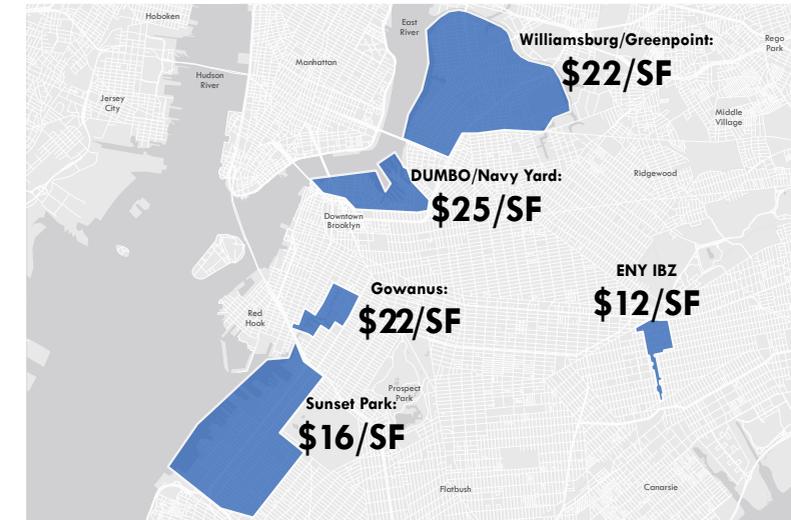
Source: New York State Department of Labor

Positioning for the Future

► Industrial Space Trends

East New York has the most affordable industrial real estate in Brooklyn. According to area businesses and real estate brokers, its affordability along with the opportunity to purchase property are the most attractive characteristics of the ENY IBZ and have drawn companies from other industrial areas across NYC.

Approximately 1.9 million SF of built industrial space exists today in the ENY IBZ. Industrial property in the ENY IBZ tends to have older building stock, with 58% of industrial space constructed before 1950, according to CoStar data. Buildings are generally low rise with large floorplates and 1-2 stories in height. There are however several multi-story industrial buildings located in the ENY IBZ that are untenanted and vacant that could be renovated and activated with space for smaller, light industrial companies. Approximately 15% of land



Average industrial rents in Brooklyn IBZs
Source: CoStar, 2015

area in the IBZ is occupied by school bus companies that use their properties for surface parking, maintenance and repair.

The limited size of the IBZ and attractiveness of the area has led to a limited inventory for those looking to lease or own property in East New York, resulting in an average vacancy rate of 5%, according to CoStar data. In the past year, there have been 5 sales in the area, with an average sales price of \$4.3 million. These properties are selling around \$150 per square foot, up from an average of \$100 per square foot less than five years ago. Businesses looking to lease industrial space are also confronted with increased asking prices of \$15 per square foot, according to industrial brokers, with signed leases settling around \$12 per square foot.



Industrial building at 326 Junius Street

► Future Business Attraction & Retention

In consideration of the assets and challenges found in the East New York IBZ today as well as broader market trends, the ENY IBZ can be positioned for growth, especially given its history as an active industrial hub, that is better connected to local residents and workforce.

Building off of the historic cluster of metal finishing and fabrication firms that are still prevalent today, the ENY IBZ can attract related industries in product manufacturing such as woodworking, and growing construction specialty trades, including concrete, electrical, and other building construction activities.

Industrial firms in these growth sectors are less reliant on the highway network and instead would value the robust public transit connections found in East New York for employee access and reliability.

As industrial firms are facing real estate pressures in more expensive industrial markets like Gowanus and Greenpoint-Williamsburg, the ENY IBZ has the potential to absorb these companies. Such firms can be price sensitive, making the lower price point in the ENY IBZ at \$12 per square foot extremely attractive.

Additionally, the opportunity to buy affordable industrial space in East New York means these industrial firms – faced with climbing real estate prices elsewhere – are able to stay in New York City in proximity to local markets and their consumer base.

The anticipated construction activity in adjacent neighborhoods due to the proposed *East New York Community Plan* may provide excellent opportunities for existing and future ENY IBZ businesses to provide labor and materials for upcoming real estate projects.



Worker at Inner Gaze, a furniture maker in the ENY IBZ



Worker at DLX Industries, a vinyl manufacturer in the ENY IBZ

IBZ ASSETS + CHALLENGES

ASSETS

- Affordable industrial real estate
- Good public transit
- City-owned land
- Presence of Industrial Business Improvement District
- Proximity to regional truck routes and John F. Kennedy International Airport
- Proximity to large population centers and workforce

CHALLENGES

- Limited available space
- Poor public realm and deficient infrastructure
- Crime and general public safety concerns
- Perceived threat of future real estate pressure and speculation

Strategies + Recommendations

The following strategies and recommendations build upon the existing assets in the East New York Industrial Business Zone, and seek to create opportunities to achieve a stronger jobs center that is better connected to residents and workers alike.

STRATEGY 1

ACTIVATE UNDERUTILIZED SITES TO CATALYZE INDUSTRIAL GROWTH

STRATEGY 2

ALIGN LAND USE FRAMEWORK TO PRESERVE AND GROW INDUSTRIAL SPACE

STRATEGY 3

INVEST IN CRITICAL INFRASTRUCTURE TO IMPROVE THE BUSINESS ENVIRONMENT

STRATEGY 4

INCREASE BUSINESS SERVICES AND LOCAL JOB OPPORTUNITIES TO BETTER
CONNECT THE EAST NEW YORK IBZ WITH SURROUNDING COMMUNITIES

STRATEGY 5

PROMOTE THE EAST NEW YORK IBZ TO ATTRACT NEW INDUSTRIAL BUSINESSES AND GROWING SECTORS

STRATEGY 1

► Recommendation 1

Facilitate Creation of New Industrial Space through the Industrial Developer Fund

Background

Announced as part of the City's Industrial Action Plan, the Industrial Developer Fund was created to provide project financing for industrial real estate development projects in New York City. The \$150 million fund provides financial assistance to qualified real estate developers to facilitate the construction of new or rehabilitated industrial space.

Given current low market rents in the ENY IBZ, financial support is required to activate vacant lots and buildings. This gap on the return on investment makes it challenging to modernize industrial properties and attract higher-paying tenants to the area.

The Industrial Developer Fund offers partial public gap-financing assistance in the form of grants to not-for-profit developers and low-interest subordinate loans and guarantees on senior private loans to both for-profit and not-for-profit developers. The Fund will resolve issues related to identifying capital funding and coordinating the timing of loans.

Proposed Action

NYCEDC will work with the local community to market the Industrial Developer Fund to potential not-for-profit and for-profit developers to create new and modernized industrial space in the the ENY IBZ.



Underutilized industrial building at 1660 East New York Avenue

Spur renovation of **90,000 SF of industrial space** to accommodate approximately **20 new companies** and **180 new jobs**

► Recommendation 2

Invest in + Maximize Use of City-Owned Assets

Background

Built in 1992, the East New York Industrial Building is a 30,000 SF, one-story industrial building that is owned by the City and managed by NYCEDC. In order to best serve the needs of modern industrial firms, the building is in need of major capital upgrades to its interior and exterior. The property is currently occupied by several warehousing/distribution users, but is generally underutilized with a low number of on-site jobs.

Proposed Action

The City will invest \$6 million in City Capital funding to improve the property in two phases:

Phase 1 Exterior Improvements:

- Grading and repaving of surface parking lot and loading/unloading areas
- Installation of new exterior lighting

Phase 2 Modernization & Subdivision:

- Façade rehabilitation and abatement
- Upgrade building mechanical systems, including AC
- Improve visibility with new windows, signage, and perimeter fencing
- Subdivision of property into smaller 5,000 SF bays to provide higher quality, updated space

NYCEDC will work with local partners to market available space in the Industrial Building to local prospective tenants and other industrial businesses to bring more job intensive uses to the building and create more job opportunities for local residents.

Aerial view of East New York Industrial Building



Current conditions at East New York Industrial Building

KEY BUILDING STATS

- Located at 181 Powell Street between Pitkin and Belmont Avenues
- 30,000 SF of industrial space subdivided into three 10,000 SF individual bays
- 30,000 SF of surface parking and loading/unloading area



Create modern industrial space for **6 industrial companies**, resulting in **approximately 60 new jobs**

Illustrative rendering of proposed improvements to East New York Industrial Building
Source: New York City Department of City Planning

► Recommendation 3

Activate Publicly-Owned Sites with Job Generating Uses through Strategic Property Dispositions

Background
There are eight publicly-owned lots in the ENY IBZ that are used by different City agencies for various operational purposes. The average parcel size is approximately 12,500 SF, and the lots are scattered in the northern area of the ENY IBZ.

With limited supply of available real estate in the ENY IBZ these public sites may pose opportunities to develop new spaces to attract new industrial businesses.

Proposed Action
NYCEDC will advance near-term activation of vacant lots with short-term leases to industrial businesses.

NYCEDC will work with City agencies to consolidate their spaces and, where feasible, identify properties that can be sold or leased for development of new industrial space or activation with job generating uses.

NYCEDC will leverage NYCIDA incentives and the IBZ Relocation Tax Credit to encourage new businesses to relocate to newly developed space.



City-owned parking lot in ENY IBZ

Spur creation of approximately **70,000 SF** of modern industrial space

► Recommendation 4

Explore Redevelopment of Underutilized Properties in ENY IBZ

Background
There are several properties in the ENY IBZ that are currently underutilized or vacant, but are not in the control of the City. These properties adversely impact perceptions of the area, but are also sites whose activation could catalyze direct and indirect investment and job creation in the ENY IBZ

One example is the former East New York Long Island Rail Road Substation. The Substation was built in 1904 and is one of three surviving substation buildings on the LIRR Rockaway Branch. It is an attractive two-story brick building with terra cotta detailing, and approximately 8,000 SF in size. The Substation was decommissioned in the 1970s, and is

currently vacant and dilapidated. At this time, the MTA maintains some active infrastructure on site and has identified potential future power needs. Most recently the MTA has stated that they may need to retain some or all of the site to accommodate new infrastructure. Rehabilitation and activation of the Substation would be a major catalyst for the ENY IBZ and surrounding neighborhoods.

Proposed Action
The City will continue to work with the MTA to explore opportunities to redevelop the building into a new hub of activity and community asset. Assuming the MTA can resolve their potential infrastructure needs at the site, NYCEDC recommends exploring the long-term adaptive reuse and conversion of the building to a mixed-use program, including ground floor retail, an office incubator and/or light-industrial production space, and a workforce training and jobs center for the ENY IBZ.



Exterior of East New York LIRR Substation

Potential to spur **renovation and activation** of substation and its environs

► **Recommendation 5**

Protect and Strengthen Industrial Core by Limiting New Self-Storage and Hotel Uses within ENY IBZ

Background

Announced in fall 2015, the Mayor’s Industrial Action Plan includes a recommendation to limit new tourist hotels and personal storage in core industrial areas to reduce use conflicts and support diverse economic growth.

The NYC Department of City Planning (NYC DCP) will work with the City Council to create a new special permit that will be required for hotel developments in M1 districts within IBZs, including the ENY IBZ. Additionally, new restrictions on personal mini-storage and household goods storage facilities in IBZs will be implemented through land use controls.

Proposed Action

NYC DCP will introduce a new special permit and other land use controls to control for new hotel and self-storage uses in IBZs citywide.

NYCEDC will further implement these restrictions by prohibiting such uses in future City dispositions in the ENY IBZ.

NYCEDC will work with local partners to educate the public about the Industrial Action Plan and its goals of strengthening industrial uses in IBZs.

Limit new self-storage and hotel uses and provide **protection for 1.9 million SF of industrial space** in the ENY IBZ



Self-storage company in ENY IBZ

► **Recommendation 6**

Assess Opportunities to Densify Uses within ENY IBZ

Background

Today, the low density of the ENY IBZ successfully accommodates existing lower-density users, such as traditional manufacturing and transportation companies. Nevertheless, emerging trends in NYC’s industrial sector reflect a need for smaller and more modern industrial space, much of which can be accommodated above the ground floor. However, current zoning limitations, small lot sizes, and low rents make it difficult to build multi-story modern industrial space in the ENY IBZ today. Additionally, the ENY IBZ’s current regulatory framework does not readily encourage the creation of new and modern industrial development.

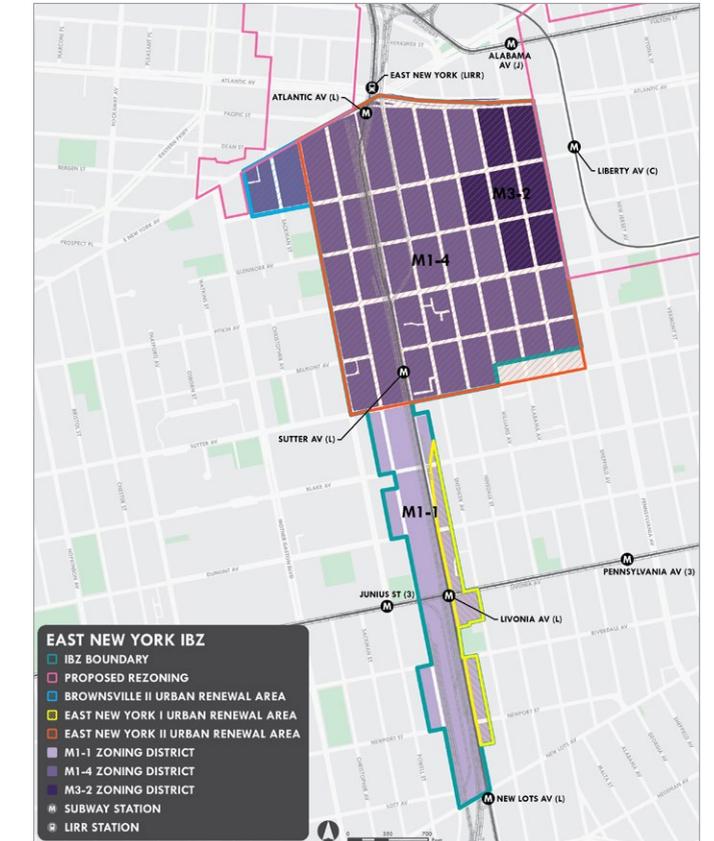
Proposed Action

The City will advance a detailed land use study of the ENY IBZ to assess opportunities to densify industrial and enhancing uses along key corridors and near transit nodes. This analysis should focus on the following priorities, all with the goal of strengthening the East New York Industrial Business Zone:

- Rationalize zoning, particularly on the perimeter of the ENY IBZ and fronting new residential uses, to encourage denser light-industrial uses and to ensure that heavy industrial uses are not in conflict with adjacent residents;
- Reinforce east-west connectivity through retail corridors adjacent to Brownsville and East New York;
- Update and amend the East New York I & II and Brownsville II Urban Renewal Plans to reflect modern industrial typologies and logical design guidelines.

Potential to create over **2.25 million SF of new space**

ALIGN LAND USE FRAMEWORK TO PRESERVE AND GROW INDUSTRIAL SPACE



Existing zoning and Urban Renewal Areas in ENY IBZ

► Recommendation 7

Study Long-Term Opportunities to Bring Mixed-Use Development to Broadway Junction

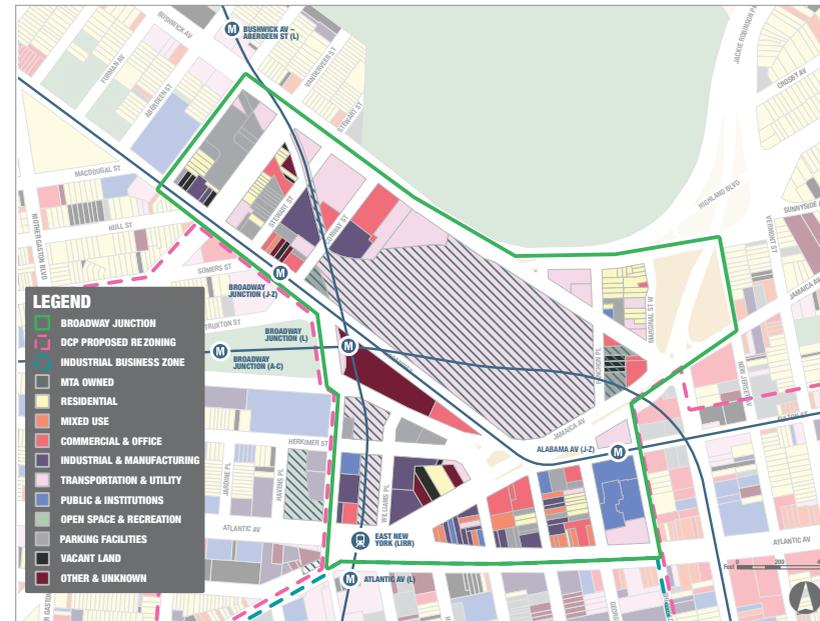
Background

Broadway Junction is a transit-rich hub in East Brooklyn providing access to 5 subway lines, 6 bus lines and the LIRR, in addition to intersecting with major vehicular routes, including the Jackie Robinson Parkway, Atlantic Avenue, and Jamaica Avenue. With over three million commuters annually, Broadway Junction is a major interchange for commuters and residents and has the ability to accommodate denser mixed-use development in the future. Currently the existing road patterns and connectivity to the adjacent residential areas of Ocean Hill, Cypress Hills and East New York are cumbersome and challenging for pedestrians and drivers to navigate. Additionally, the MTA is a major property owner in the area, and proximity to such transit infrastructure and operations limit development potential.

Proposed Action

NYCEDC recommends further assessment of opportunities to bring higher-density commercial uses to Broadway Junction. This analysis should be coordinated with the MTA and may seek to achieve the following priorities, all with the goal of creating a stronger jobs center in Broadway Junction and the surrounding area:

- Reconfigure the street grid and traffic flow to improve pedestrian connectivity and create potential land assemblages;
- Allow for a mix of uses, potentially including destination retail, multi-story office, educational/cultural institutions, and residential;
- Rationalize and improve access to public transit and adjacent communities and business districts, including the ENY IBZ.



Existing land use in Broadway Junction

Future opportunity to create a **thriving, mixed-use, job-intensive destination** at Broadway Junction

► Recommendation 8

Bring Affordable High-Speed Commercial Broadband Network to ENY IBZ

Background

The ENY IBZ’s 250 businesses routinely experience inconsistent internet and phone service, citing frequent interruptions and lack of service after storm events. Such issues impact business operations, adversely affecting customer relationships and ultimately their bottom line. In order to grow and strengthen the ENY IBZ, modern broadband service is necessary to retain existing businesses and to attract new businesses.

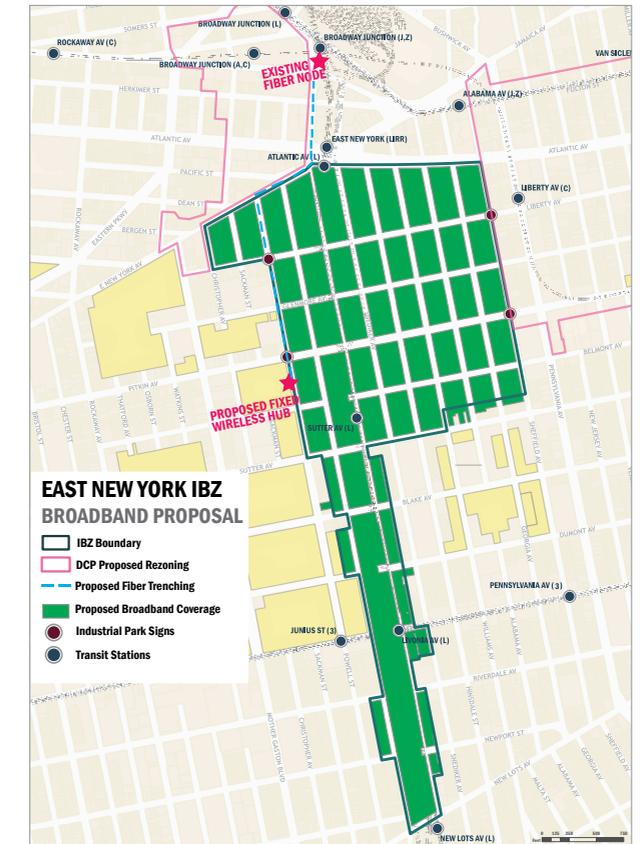
Proposed Action

The City will invest up to \$2.5 million to bring affordable high-speed broadband access to the ENY IBZ. As currently envisioned, broadband will be extended from an existing fiber hub in Broadway Junction south to the IBZ. A fixed wireless hub will be installed and broadcast to receivers on the roofs of ENY IBZ businesses.

The new broadband network will improve speed, capability and reliability from existing low quality copper-based solutions that do not meet the needs of the 21st century economy.

Increase broadband capability, reliability, and speed for 250 businesses

INVEST IN CRITICAL INFRASTRUCTURE TO IMPROVE BUSINESS ENVIRONMENT



ENY IBZ Broadband Proposal

Recommendation 9

Alleviate Traffic Congestion and Improve Safety in ENY IBZ by Implementing New NYCDOT Recommendations

Background

In 2015, NYCDOT released the Highland Park-East New York Study, which includes several recommendations to mitigate traffic and improve pedestrian and vehicular safety in the ENY IBZ and surrounding area. The ENY IBZ is currently plagued by narrow streets, poor parking conditions, missing and faded regulation signs, and faded crosswalk and roadway markings, which undermine safety and contribute to traffic and vehicular and pedestrian conflicts.

Proposed Action

NYCDOT will implement the following strategies in the ENY IBZ in 2016. These strategies will improve safety and mobility for motorists, pedestrians, and cyclists and address issues pertaining to traffic congestion, poor levels of service, high crash locations, bus circulation conflicts, and heavy truck volumes. The strategies include:

- Designation of no-parking zones at intersections to improve sightlines between pedestrians and oncoming vehicles;
- Installation and replacement of missing signs;
- Changes to parking regulations in response to parking demand.



Planned ENY IBZ traffic improvements
Source: NYC Department of Transportation

Reduce traffic congestion and enhance circulation for all transportation modes

Recommendation 10

Improve Truck Access to ENY IBZ by Implementing New Connections from Atlantic Avenue

Background

Today, truck access to the East New ENY IBZ is limited, which is a hindrance to current business activity. The closest major truck route is Atlantic Avenue (major east-west corridor); however, trucks traveling westbound on Atlantic Avenue cannot turn left into the ENY IBZ. There are also six local truck routes running both north-south and east-west adjacent to the ENY IBZ, but access into the area is confusing and constrained.

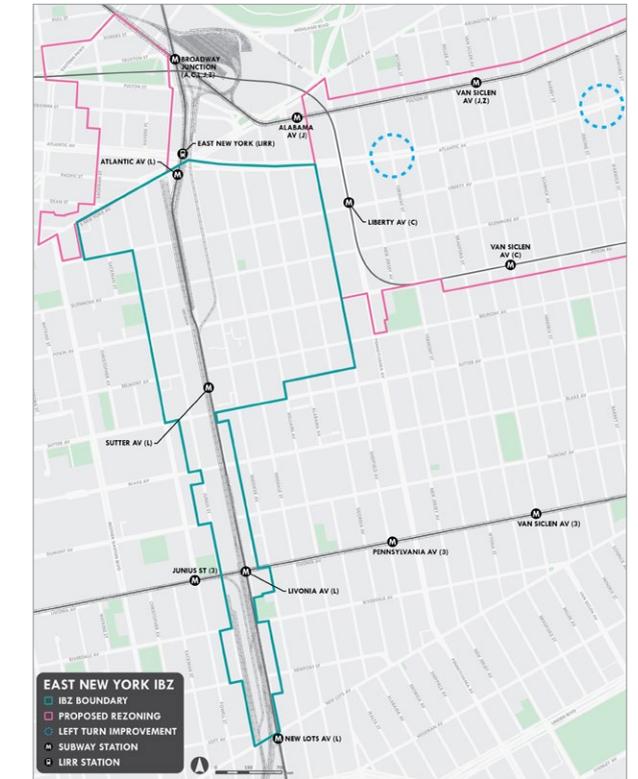
Proposed Action

NYCDOT will reconstruct the Atlantic Avenue arterial road from Georgia Avenue to Rockaway Boulevard as part of the Vision Zero Atlantic Avenue Corridor Project. The project includes new pedestrian and vehicular safety improvements and traffic calming measures to make it safer for both pedestrian and vehicles.

NYCDOT will implement the proposed improvements in two phases. Phase I includes reconstruction of Atlantic Avenue between Georgia Avenue and Logan Street, and is expected to commence construction in spring 2017 and be completed in 2019.

As part of Phase I, NYCDOT will construct two new left turn lanes with dedicated bays on Atlantic Avenue westbound at Vermont Street and Warwick Street. Each new left turn lane may be utilized to access the ENY IBZ from points east, including JFK Airport, Conduit Boulevard, and the Van Wyck Expressway.

Increase safety and improve truck access to the ENY IBZ



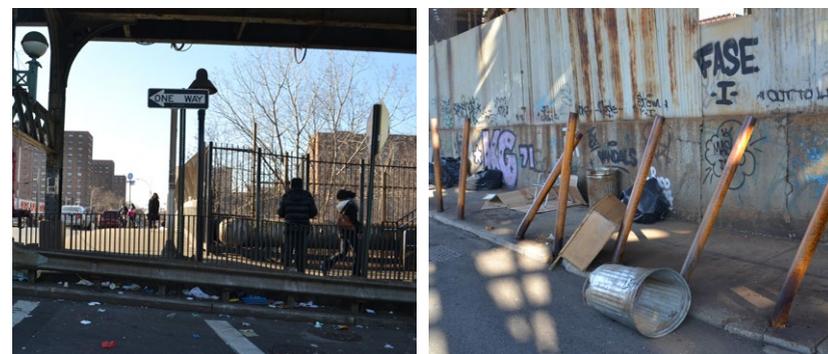
Planned Atlantic Avenue traffic improvements
Source: NYC Department of Transportation

Recommendation 11

Make Strategic Public Realm Improvements in ENY IBZ

Background

The ENY IBZ suffers from degraded public realm conditions, signaling a lack of investment to current and prospective businesses and creating a poor environment for residents and workers alike. These substandard conditions include poor lighting at pedestrian crossings and beneath elevated transit infrastructure, insufficient walkways, and obstructed loading and sidewalk areas. Based on a block-by-block assessment of the entire district, and confirmed in interviews with local businesses and stakeholders, an area in need of particular focus is the narrow Van Sinderen Avenue corridor, where degraded conditions exist immediately adjacent to transit nodes. Improvements to public realm conditions will enhance the business environment for existing and new businesses and attract more private investment, leading to increased jobs in the ENY IBZ.



Current conditions on Sutter and Van Sinderen Avenues

Proposed Action

The City will invest \$8.2 million in infrastructure improvements in the ENY IBZ, primarily targeting the north-south corridor of Van Sinderen Avenue and the east-west corridor of Sutter Avenue. The proposed infrastructure scope of work may include:

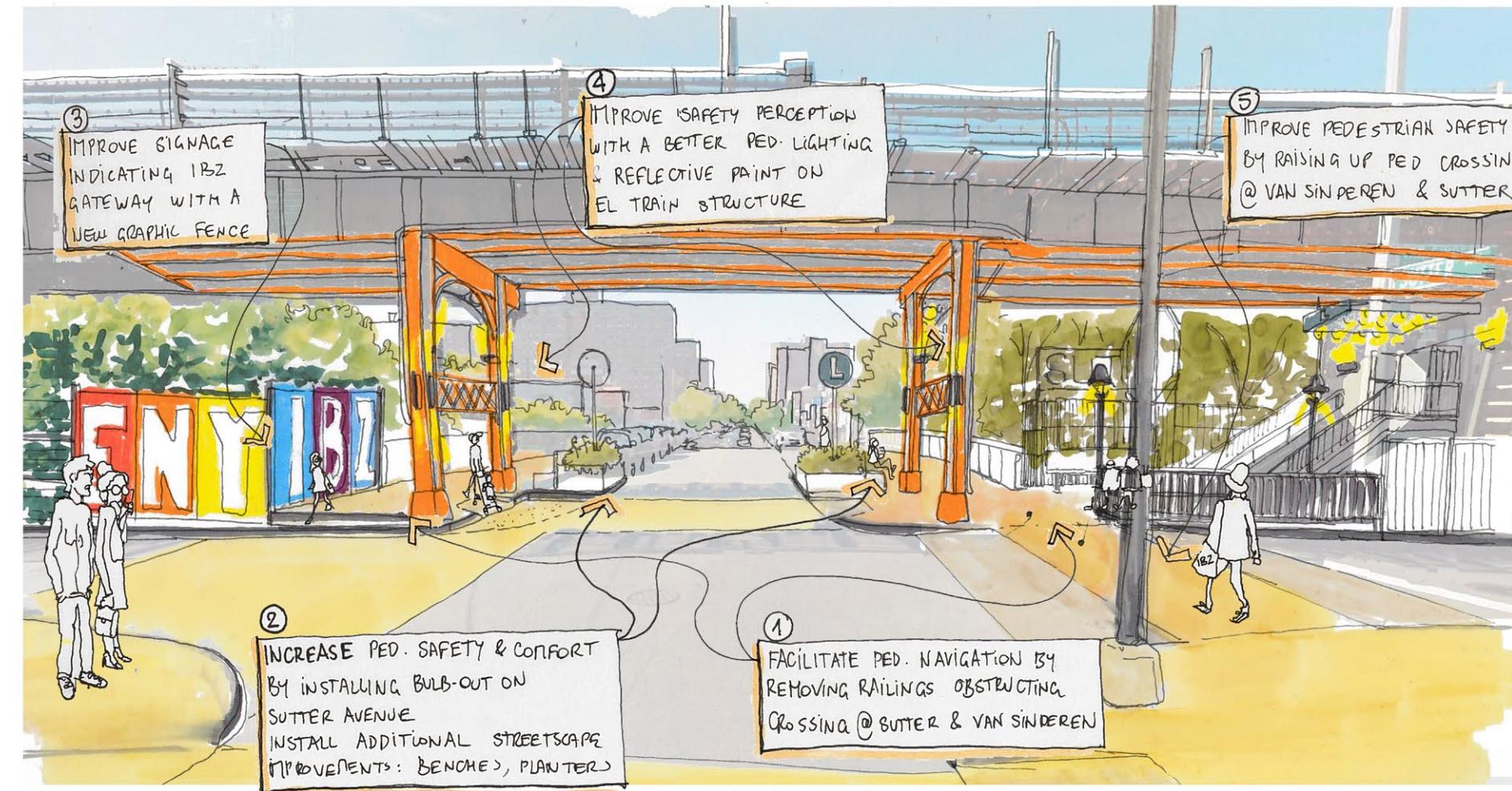
- New sidewalks and street repaving;
- New lighting adjacent to elevated transit infrastructure;
- New fencing along city-owned vacant lots and transit infrastructure, where appropriate;
- New safety improvements at the Sutter Avenue L-train stop.

The City will commence a design process on the infrastructure improvements in 2017 in consultation with adjacent property owners, the East Brooklyn BID, and Community Board 5.

NYCEDC will expand efforts to provide area-wide maintenance for the ENY IBZ. NYCEDC will work in partnership with local property owners and the East Brooklyn BID to identify and respond to service requests in a timely fashion, including:

- Disposal of illegal dumping in the ENY IBZ, and
- Removal of graffiti through the expanded Graffiti-Free NYC Program.

Enhance environment for existing and new businesses and residents



Illustrative rendering of proposed improvements to Van Sinderen and Sutter Avenues

Source: New York City Department of City Planning

► **Recommendation 12**

Assist ENY IBZ Businesses and Property Owners to Lower Energy Costs

Background

Solar installation in NYC has increased eightfold in the past five years. Despite the rapid growth of solar across the five boroughs and a supportive policy and incentive environment, only four industrial properties in the ENY IBZ currently take advantage of solar. The ENY IBZ is located in the New York City Solar Empowerment Zone and Con Edison’s Brooklyn-Queens Demand Management network zone, which each offer assistance to commercial property owners seeking to green their properties. Challenges to going solar include higher permitting and interconnection costs, as well as generally higher construction costs associated with doing work in NYC.

Proposed Action

In spring 2016, NYCEDC, through the NYC Solar Partnership, will launch the NYC Solarize Campaign to assist communities in increasing solar deployment across the five boroughs.

The NYC Solarize Campaign will reduce costs of solar and simplify the process for businesses to install and implement solar, including:

- Community volume discounts;
- Free site assessments;
- Solar workshops;
- Support from CUNY’s Solar Ombudsmen;
- Competitively selected solar installation partners.

The ENY IBZ is an excellent candidate for a Solarize campaign, and NYCEDC will encourage local organizations to apply to be part of the NYC Solarize Campaign.



Solar panels on the roof of Belmont Metals

Increase solar usage and reduce energy costs for businesses and property owners in the ENY IBZ

► **Recommendation 13**

Expand East Brooklyn BID Services

Background

The East Brooklyn Business Improvement District (BID) encompasses a 40-block area, making it one of the smallest BIDs in the city. Incorporated by the City in 1983, it is the first BID focused exclusively on an industrial area in the entire city. The objectives of the East Brooklyn BID are to a) enhance the business environment, b) bolster local economic activity and c) make the area a safe, attractive, and vibrant place to live and do business. The BID currently has limited resources to provide a breadth of services that could further strengthen the ENY IBZ. In summer 2015, the BID took an important step in expanding its capacity by increasing its operating budget by 62% allowing for the full-time staffing of its Executive Director.

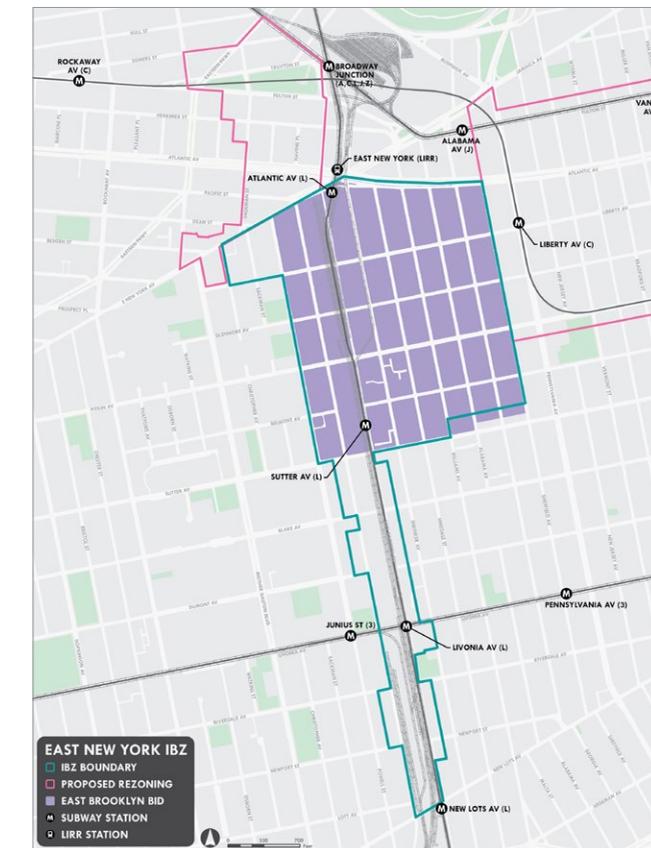
Proposed Action

NYCEDC and the New York City Department of Small Business Services (SBS) will assist the BID in leveraging new and existing resources to better serve existing businesses and prepare for future growth. SBS will continue to work with the BID to enhance its organizational capacity, management, and governance structure.

NYCEDC will partner with the BID to provide critical links between local businesses and the City, including help to navigate government services and to identify issues and programs to better serve the needs of local businesses.

Strengthen BID and voice of advocacy for area businesses

IMPROVE SERVICES TO BETTER SERVE BUSINESSES & LOCAL WORKFORCE



East Brooklyn BID boundaries

► **Recommendation 14**

Select Industrial Business Zone Service Provider for ENY IBZ

Background

Through the Industrial Action Plan, the Administration has relaunched the Industrial Business Solutions Provider (IBSP) Network, which is operated by SBS. This program provides funding to nonprofit organizations to provide services and assistance to businesses located in IBZs citywide. The IBSP is intended to keep a pulse on the issues within the business community, while also increasing awareness and helping businesses apply to New York City and State discretionary funding and incentive programs targeted to industrial and manufacturing businesses. Presently, ENY IBZ businesses are not consistently taking advantage of such programs or incentives, which represents lost opportunities to improve business operations and their bottom line.

SBS will revamp the IBSP program to better serve the needs of industrial businesses by requiring an expanded scope of services. Additionally, SBS will seek to enhance the feedback loop between IBSPs and City agencies, to ensure that the City is receiving updated information on businesses in IBZs and identifying what resources may be needed.

Proposed Action

SBS will select a new IBSP for the ENY IBZ in 2016.

The revamped IBSP contract for the ENY IBZ will be awarded to an organization that is familiar with the businesses and physical environment of the ENY IBZ.



Improve assistance with navigating government and accessing incentives for 250 ENY IBZ businesses

► **Recommendation 15**

Connect Businesses to New Workforce1 Center Opening in 2016

Background

Announced as part of the *East New York Community Plan*, a new Workforce1 Center will open in the East New York/Brownsville community. Currently, there are 15 Workforce1 Centers and satellite locations across the five boroughs. Staff members at the Workforce1 Centers help candidates identify open job opportunities that best fit their skillset and provide workshops to improve candidates' skills. The Workforce1 Center builds upon the City's existing Workforce1 Center network and will provide training opportunities for local residents and assist local businesses with job placement needs. As identified in the Study's business survey, businesses overwhelmingly expressed difficulty finding qualified candidates as a major challenge to doing business in the IBZ today.

Proposed Action

SBS will open a new Workforce1 Center in East New York/Brownsville that will:

- Assist businesses with placement of candidates in job openings in the ENY IBZ and surrounding community through an on-site job developer whose goal is to connect business openings to local qualified candidates;
- Work with job seekers to build soft skills and resumes;
- Provide funding for on-the-job training through SBS' New Skills, New Jobs Program;
- Refer candidates to specific programs and other Workforce1 Centers that focus on skill building for key industries, including industrial, manufacturing and construction.



Improve access to more qualified local candidates for 250 ENY IBZ businesses

► **Recommendation 16**

Rebrand East Brooklyn BID and Refurbish Gateway Signs

Background

In the early 1980s, the City installed four gateway signs to the East Brooklyn Industrial Park, which are located at the intersections of Pitkin Avenue and Powell Street; Pitkin Avenue and Sheffield Avenue; Liberty Avenue and Powell Street; and Liberty Avenue and Sheffield Avenue. The signs had not been updated in over twenty-five years and fell into disrepair, signaling neglect and limited investment in the ENY IBZ. These signs are highly visible at gateway locations to the ENY IBZ and on major thoroughfares.

Proposed Action

In summer 2015, NYCEDC, in partnership with the East Brooklyn BID, redesigned and refurbished the four gateway signs with new paint, vinyl signage, and electric wiring to illuminate the signs at night.

These updates are symbolic of the City’s reinvestment and dedication to improving conditions for current businesses and area residents.

New, unified brand that promotes the area and enhances connectivity between the ENY IBZ and neighboring residential communities



Previous gateway signs



Current gateway signs

► **Recommendation 17**

Install New Banners in ENY IBZ to Enhance Streetscape

Background

With funding from NYCEDC and SBS’ Neighborhood Challenge Grant program, the New York Chapter of the American Institute of Graphic Artists (AIGA-NY), in partnership with ARTs East New York and the Local Development Corporation of ENY (LDCENY), created a marketing campaign to highlight and unify ENY businesses. The “We Mean Business” campaign simultaneously creates consistent community-based messaging and grows the small business network in ENY. The “We Mean Business ENY” banner, located on Consolidated Transit’s fence along Liberty Avenue between Snediker Avenue and Hinsdale Street, highlights the variety of businesses operating in the ENY IBZ.

Proposed Action

NYCEDC will dedicate funding to install additional banners in other parts of the ENY IBZ to enhance the streetscape and bring awareness to the great work, products, and businesses that are located in the ENY IBZ.

NYCEDC will work with local partners and businesses to identify other potential locations in the ENY IBZ for banners.



Portion of AIGA-NY “We Mean Business” Campaign Banner

Enhance streetscape and increase awareness of ENY IBZ businesses and their products

► **Recommendation 18**

Improve Access to Incentives and M/W/DBE Programs for Industrial Businesses

Background

There are numerous City-led incentive and capacity building programs targeted to industrial firms in NYC. These tools include eleven incentives, which are geared toward growth, relocation and expansion of businesses and several NYCEDC-led programs targeted to growing the capacity of Minority, Women, and Disadvantaged Business Enterprises (M/W/DBEs). Despite the variety of incentive programs available, there is a low utilization rate amongst ENY IBZ businesses and a general lack of awareness of how these programs may help with a business’ strategic growth.

Currently, the eleven incentives for industrial businesses include:

- Industrial and Commercial Abatement Program
- Commercial Expansion Program
- Relocation and Employment Assistance Program
- Accelerated Sales Tax Exemption Program
- Industrial Business Zone Relocation Tax Credit
- Energy Cost Savings Program
- Industrial Incentives Program
- Small Business Energy Efficiency
- Business Incentives Rate
- NYSERDA Industrial Process Efficiency Program
- NY-Sun PV Incentive Program

Many M/W/DBE firms face challenges in competing for construction contracts, and NYCEDC aims to reduce these challenges through several capacity building programs, including Manage Forward, ConstructNYC, the Emerging Developer Loan Fund, and the Kick-Start Loan Program. Further details on all of these incentives and programs can be found in the Resources Section.

Proposed Action

The Administration commits to creating a system that is easier to access and navigate so that businesses can more easily apply to these programs. A simpler system will also enable the Industrial Business Solution Providers to increase awareness of these programs and assist businesses in applying for applicable incentive programs.

NYCEDC will target outreach to East New York M/W/DBEs for the Brooklyn cohort of the Manage Forward Program beginning in summer 2016.



Inner Gaze accessed incentives to improve their new facility

Facilitate access to incentives and prepare local M/W/DBEs for participation in future growth

► **Recommendation 19**

Increase Bidding Opportunities for IBZ Businesses in Upcoming Local Real Estate Projects

Background

The *East New York Community Plan* is expected to result in over 6,400 new units of housing in addition to other community facility, commercial, and other uses to be constructed in East New York by 2030. With the existing cluster of companies in the ENY IBZ specializing in construction trades and materials, there is great potential for synergy between the ENY IBZ and this anticipated construction activity.

In 2014, the LDCENY hosted “Meet the Developer” events, inviting over ten developers of local real estate projects to meet ENY IBZ businesses working in construction trades and materials. As a result of these events, five local companies secured contracts totaling over \$3.2 million for the nearby Livonia Phase 1 project, which is a New York City Department of Housing & Preservation Development project in partnership with Dunn Development Corporation. New development in East New York will spur the creation of numerous construction jobs and also has the potential to grow existing local businesses supporting the construction industry.

Proposed Action

NYCEDC will work with local organizations and developers to support “Meet the Developer”-type events to facilitate awareness of the services and skills available in the ENY IBZ.

Ensure ENY IBZ businesses have the opportunity to participate in new development projects



Livonia Commons under construction
Source: Dunn Development Corporation

► **Recommendation 20**

Create a Digital Marketing Campaign to Promote ENY IBZ Businesses and Advertise New Real Estate Opportunities

Background

Though the ENY IBZ is a thriving area with many businesses, there is currently little awareness of the types of firms or diverse products that are made in the ENY IBZ. Limited information is available on real estate opportunities in the ENY IBZ for prospective businesses in need of new or expansion space. With a renewed focus on East New York, a marketing campaign is essential to bring awareness of the ENY IBZ to a wider audience. This campaign will aim to highlight businesses and products created in the ENY IBZ while simultaneously listing available buildings and property in the ENY IBZ with the goal of attracting new businesses and capturing new investment.

Proposed Action

NYCEDC will dedicate funding to develop a digital campaign to highlight the report’s action items and increase the profile of the ENY IBZ in partnership with the East Brooklyn BID and other stakeholders.

NYCEDC will also work with the East Brooklyn BID in developing and launching a property opportunities map and/or other marketing materials.



Essex Street Market online marketing campaign

Promote the ENY IBZ to a wider audience and capture the interest of new investors to the area

Conclusion

NYCEDC strongly believes that the ENY IBZ can be positioned for growth, building upon its roots as an industrial hub that is better connected to residents and the local workforce. NYCEDC looks forward to continuing to partner with local organizations and businesses to create an even stronger and more thriving Industrial Business Zone.

Over the coming years, NYCEDC, with other City agencies, will advance the implementation of the recommendations outlined in this report. Throughout these processes and projects, NYCEDC will ensure there is communication to local stakeholders by continuing to engage with local organizations, Community Boards 5 and 16, businesses and the community at large. Updates on NYCEDC’s work in the ENY IBZ can also be found at: <http://www.nycedc.com/project/east-new-york-industrial-business-zone>.

INVESTMENTS & IMPACTS:

Taken together, the strategies and actions outlined in this Study have the potential to catalyze significant new investment and job activity in the ENY IBZ by:

- **Investing over \$16.7 million in critical infrastructure and publicly-owned assets** to enhance the environment for existing and future businesses and to build stronger connections between the ENY IBZ and its surrounding communities.
- **Attracting 250 new companies** to the ENY IBZ, including specialty and construction trades, thereby creating approximately 3,900 new quality jobs.
- **Spurring the creation of approximately 2.7 million square feet of new and modernized space**, through activation and redevelopment of underutilized public and private buildings and vacant lots.
- **Growing the local economy by better connecting residents to new job opportunities** and **businesses to new services** in the ENY IBZ.

Resources

GRAFFITI REMOVAL SERVICES

Graffiti-Free Services, requests should be made to 311 to notify the City of the location that requires attention

INDUSTRIAL INCENTIVE PROGRAMS

■ Industrial and Commercial Abatement Program (ICAP)

ICAP provides property tax abatements for renovation or construction for varying periods up to 25 years. More information: <http://www.nycedc.com/program/industrial-commercial-abatement-program>

■ Commercial Expansion Program (CEP)

CEP provides real estate tax reductions for commercial or industrial leases in targeted areas of the City. More information: <http://www.nycedc.com/CommercialExpansionProgram>

■ Relocation and Employment Assistance Program (REAP)

REAP provides a refundable business tax credit for commercial and industrial businesses relocating to designated areas of New York City and making capital improvements to their space. Relocation tax credits are available up to \$3,000 per employee for 12 years. More information: <http://www.nycedc.com/program/relocation-and-employment-assistance-program>

■ Accelerated Sales Tax Exemption Program (A-STEP)

A-STEP provides companies with sales tax exemptions up to \$100,000 for the purchase, installation, and maintenance of construction materials, equipment, and furnishings in order to upgrade, expand, and grow a variety of business activities. More information: <http://www.nycedc.com/program/accelerated-sales-tax-exemption-program>

■ Industrial Business Zone Relocation Tax Credit

The IBZ Relocation tax credit is available for \$1,000 per employee up to \$100,000 for industrial and manufacturing businesses relocating to an IBZ. More information: <http://www.nycedc.com/program/industrial-business-zone-relocation-tax-credit>

■ Energy Cost Savings Program (ECSP)

ECSP can reduce regulated energy costs up to 45 percent and regulated natural gas costs up to 35 percent for eligible businesses. More information: <http://www.nycedc.com/program/energy-cost-savings-program>

■ Industrial Incentives Program (IIP)

IIP provides eligible industrial companies with real estate tax reductions, mortgage recording tax waivers and sales tax exemptions on purchases of materials used to construct, renovate or equip facilities. More information: <http://www.nycedc.com/program/industrial-incentives-program-iip>

■ Small Business Energy Efficiency

Con Edison's Small Business Energy Efficiency Program provides free energy surveys and customized recommendations to businesses to improve their energy efficiency and lower energy costs, including free installation of certain energy efficiency measures. More information: <http://www.coned.com/energyefficiency/small-business.asp>

■ Business Incentives Rate (BIR)

BIR reduces the delivery components of electricity bills by 30-35 percent. The program has a term of five years. More information: <http://www.nycedc.com/program/business-incentives-rate>

■ NYSERDA Industrial Process Efficiency Program (IPE)

IPE's goal is to help manufacturers and data centers increase product output and data processing as efficiently as possible, so that incentives are calculated based on a reduction in energy usage per unit of production or workload. More information: <http://www.nyserda.ny.gov/All-Programs/Programs/Industrial-and-Process-Efficiency>

■ NY-Sun PV Incentive Program (Megawatt)

The NY-Sun Program helps to reduce the costs of installing solar electric systems across New York State. More information: <http://ny-sun.ny.gov/Get-Solar/Commercial-and-Industrial>

NYCEDC M/W/DBE PROGRAMS

NYCEDC's Opportunity M/W/DBE is committed to increasing diversity on NYCEDC projects by helping Minority, Women-Owned, and Disadvantaged Business Enterprises overcome challenges that may make it difficult to win contracts on public projects. The following programs provide services to NYC M/W/DBEs to increase business capacity and plan for growth; more information can be found at: <http://www.nycedc.com/opportunities/opportunity-mwdbe>

■ Manage Forward

The seven-month program gives small business owners the tools, training, and networks to turn growth plans into action. NYCEDC provides customized training for business owners who have been in business for at least three years, have annual revenue of at least \$250,000, and have at least one employee besides the owner.

■ Kick-Start Loan Program

Provides capital loans to M/W/DBEs that work as either prime or subcontractors on EDC projects to strengthen their financial position, thereby enabling them to cover upfront project costs or enhance cash flow streams during the life of a project.

■ ConstructNYC

The ConstructNYC program is designed to connect small-to-mid-sized minority/women-owned, veteran-owned and otherwise disadvantaged business enterprises with exclusive opportunities to work on NYCEDC projects through contracts of up to \$1 million.

■ Emerging Developer Loan Fund

The Emerging Developer Loan Fund will be available in 2016 through RFP and will provide emerging developers access to a \$10 Million loan fund to cover pre-development and acquisition costs on NYC development projects. Loan applications will be available at: <http://www.nycedc.com/opportunities/opportunity-mwdbe>

NYC DEPARTMENT OF SMALL BUSINESS SERVICES PROGRAMS

■ M/WBE Certification

Getting certified as a Minority & Women-Owned Business Enterprise (M/WBE), Locally Based Enterprise (LBE) or Emerging Business Enterprise (EBE) will give you access to additional opportunities to sell to government, networking events, and inclusion in the City's Online Directory of Certified Businesses, and will provide opportunities to join long-term educational cohorts. More information: <http://www.nyc.gov/html/sbs/nycbiz/html/summary/certification.shtml>

■ NYC Business Acceleration

NYC Business Acceleration can help you cut the red tape, making it easier and faster to open and expand businesses, operate within the City's rules and regulations, and recover from disasters. Business Acceleration provides a variety of services including free one-on-one client management, plan reviews, consultations with inspectors, and inspections from City agencies including Buildings, Fire, Health and Mental Hygiene and Environmental Protection. More information: <http://www.nyc.gov/html/nbat/html/home/home.shtml>

■ Workforce1

SBS runs New York City's workforce development programs, which connect employers to a skilled workforce and provide training and placement services to the City's adult workforce. Workforce1 Career Centers are located throughout the five boroughs and provide the City's jobseekers with a full array of employment services including career advisement, job search counseling, skills training, and job placement. More information: <http://www.nyc.gov/html/sbs/wf1/html/home/home.shtml>

