

Manufacturing Initiative

The City Club, in partnership with Pratt Institute, has launched an initiative to address the need for protecting New York City's manufacturing base. This effort focuses on the manufacturing sector's role in the economy, opportunities for growth and job creation, its vulnerability to real estate pressures and economic forces, and its relationship to the residential market. The City's push for zoning changes aimed at opening manufacturing districts to affordable housing, despite recent industrial growth after many years of decline, lends urgency to this topic. Pending proposals to rezone manufacturing districts in Halletts Point, Astoria and East New York highlight the need for a policy on industrial land.

In this context we have organized a Manufacturing Working Group to connect with people who are interested and experienced in these issues and can collaborate on a policy agenda. We hope to influence policy makers to understand that rezoning industrial land really does affect the city's economic base and that the resulting job losses have significant negative social impacts.

Jobs and Housing

Concern with the manufacturing sector in no way contradicts the drive for decent affordable housing. However it is essential to understand how the administration's plan for increasing affordable housing opportunities will affect industry. Industrial jobs remain vital to immigrants and others with less formal education. More likely to pay living wages, they offer better long-term stability than the retail or service sectors. Recognizing these factors, and the reality that people cannot afford rent without a job, the affordable housing advocacy group ANHD (Association for Neighborhood Housing & Development) is joining the City Club/Pratt effort.

Land and Space

Real estate pressures including speculation, non-renewal of leases, and holding properties off the market in anticipation of rezoning, affect the future of Manufacturing and Mixed Use Districts. Residents or community facilities locating in an industrial area can become sensitive receptors to impacts of appropriate and legal business operations, such as trucks or machinery. Land use conflicts can and do occur.

Given the reality that residential land is more valuable than industrial, governmental measures to protect M-zoned land appear necessary. Moreover, the Zoning Resolution permits a wide range of commercial uses in Manufacturing Districts, including retail (both as-of-right and by special permit), hotels and motels, and entertainment activities. In addition, some community facilities may locate in M Districts including hospitals, houses of worship, community and non-commercial recreation centers among others. From a real estate perspective these are considered "higher and better" uses, which therefore compete with industry because they bear greater land value and generate more income. These uses often bring trucks and traffic to an area thereby intensifying land use conflicts and environmental issues.

Components of a Policy Agenda

The Manufacturing Working Group reached a consensus on the following general components of a policy agenda and organized a forum to discuss the state of manufacturing in New York City.

1. A policy on preserving manufacturing space and jobs to accompany the administration's targeted 200,000 preserved/new affordable housing units (50,000 new jobs with no net job loss was suggested). While job growth currently does not enjoy the same political imperative as affordable housing, both are essential components of an affordable city.
2. Measures aimed at stemming job loss and stabilizing the manufacturing sector
 - Higher density manufacturing districts if and where appropriate
 - Measures to control land speculation in M and Mixed Use Districts
 - Alternative solutions to protect manufacturing land
 - Loan and tax abatement programs to support industrial rents
 - Other future space needs, e.g. location for Cornell-Technion spinoffs
3. Strengthening Industrial Business Zones
 - Reserve land for industrial use in IBZs to avoid commercial (retail/office) dominance
 - Evaluate the IBZ model for expansion, strengthening or modification as appropriate
 - Assess ways to improve IBZ protection of industrial businesses
4. Recognition that Mixed Use Districts have not been good for manufacturing but on the contrary tends to make it more vulnerable
 - Given the disparate land values whether and how mixed use zoning can benefit business
5. New vs. traditional industries, a topic for further discussion
 - Whether high skilled jobs should receive policy preference over low skilled jobs accessible to community residents and jobs that the workforce could be trained to fill
 - Whether gentrification of industrial space is a problem
 - Design, tech, media production, artisans can pay higher rents than traditional industry; how to accommodate this dichotomy

Panel Discussion on Manufacturing: Space, Jobs & Technology

On December 15, 2014 The City Club and Pratt Institute held a well-attended forum on the state of manufacturing in NY City and how to promote its growth. Ronald Shiffman, Professor Emeritus, Pratt Graduate Center for Planning and the Environment, moderated the discussion.

Diana Reyna, Brooklyn Deputy Borough President, addressed the future of manufacturing. She described the challenges of finding work and appropriate training, and the need to preserve both employment and housing opportunities. Ms. Reyna advised that beyond rezoning, the Board of Standards and Appeals (BSA) variance process also significantly threatens manufacturing land and jobs by enabling the conversion of industrial buildings to other uses.

Mark Foggin of Public Works Partners, a strategy and management consulting firm focused on the civic sector, addressed workforce development and the shift towards jobs in smaller shops that require higher skill levels. Thus the need is greater than ever to train people for skilled jobs and to ensure that training programs actually lead to job placement. Mr. Foggin noted the recent stabilization and even growth in NYC's manufacturing sector.

Elizabeth Yeampierre, Executive Director of UPROSE, a community organization in Sunset

Park, addressed environmental justice issues and the relationship between industry and neighborhoods. She explained the need to create jobs relevant to sustainability and resiliency and to train local residents accordingly. Ms. Yeampierre advocated for preserving the legacy of walking to work in traditional industrial/residential communities.

Adam Friedman, Director of the Pratt Center for Community Development, addressed zoning and land use issues. In discussing the need for both new land use tools and economic initiatives to protect manufacturing districts, he noted that Mixed Use Districts have not worked well for manufacturing. Mr. Friedman also noted that policies should reflect the extent to which technology has changed the shape and scale of manufacturing.

In cross discussion among panelists and the audience, participants expressed hope for an environment that allows continued manufacturing growth, in both traditional and new tech industries. The City Council Report “Engines of Opportunity”, released in November 2014, presents an encouraging start to a serious policy discussion. We will reach out to a broad range of like minded groups such as those focusing on environmental justice (NYC EJA) and affordable housing (ANHD) as well as urban manufacturing.

Moving forward, we hope to build on the success of the City Club and Pratt program to participate in a policy agenda for growing and sustaining manufacturing in New York City.