

Garment District Facing Sweeping Change

A program is in progress to mitigate rezoning and keep Manhattan's Garment District alive.

By David Moyn on December 17, 2018

NEW YORK — A crucial rezoning of Manhattan's Garment District is coming to a full vote of the City Council on Thursday, putting designers, manufacturers and advocates of the industry on edge over the future of their community.

Since 1987, landlords in Manhattan's Garment District have been required to add a square foot of garment space for every square foot removed for some other use. A special district was established then under the administration of Mayor Ed Koch.

But as a result of pressures by landlords, developers and other economic interests, the City Council is set to approve a change in the zoning that would release landlords from that obligation. Inevitably, that will lead to more garment companies either closing or relocating, squeezed out by other businesses able to afford higher rents.

For decades, garment companies have been closing shop due to overseas competition, property redevelopment and a lack of enforcement by the city of zoning requirements.

Still, it's not all bad for the Garment District. "There's been a compromise put together which includes property tax abatements, a grants program that will support the industry in Manhattan, and the possibility of a purchase of building that would house garment manufacturing," Elizabeth Goldstein, president of the Municipal Art Society and another advocate for Garment Center preservation, told WWD. "These are all elements crafted to strengthen the garment industry overall and especially in Manhattan."

"The property tax abatement program is in place and there is already 200,000

square feet dedicated to that program. Hopefully, there will be more to come."

The building purchase program, which is at an early stage, is "critical" and a "keystone" in the preservation, Goldstein said. "It will be financed by a nonprofit provider who would come forward with a building purchase and the city has guaranteed some financial subsidies. The city would review and select the entity that would own and run it."

Funding for the grant portion of the preservation program has been secured, Goldstein added. How that funding will be applied and who would have input in applying it is to be determined, she said.

"A lot has changed in the recent discussions about the Garment District," Goldstein said. On the part of the city and its Economic Development Corp., "There seems to be a very different approach that recognizes the importance of the continued vitality of the district. But the Garment District is at a critical juncture marked by this legislation. It's ability to thrive will depend on the successful execution of the three programs that are in process. The Economic Development Corp. has authority and is already negotiating with landlords and taking square footage into the program" for tax abatements. "The building purchase is more at the beginning of the process." Requests for expressions of interest were put out in October.

"We wanted all the rest of these programs to be far enough along that they would come to fruition," in advance of Thursday's City Council vote, Goldstein said. "It's not done by any means. There's been progress, but we are concerned about information being shared broadly so people understand what is going on."

"It took political will and working together with stakeholders to make this change a possibility," designer Yeohlee Teng, an advocate for the Garment District, told WWD. "It will take political

will and stamina to see this through. The money set aside for the industry should be dedicated to helping the interdependent ecosystem continue to survive and flourish, not just the manufacturers, the suppliers as well. This initiative needs to be overseen or managed by an independent advisory board to make sure that the programs and resources reach the people on whose shoulders designers such as myself stand on."

Community Boards Four and Five, Pratt Center for Community Development, the Council of Fashion Designers of America, the Design Trust for Public Space and The Municipal Art Society, have been pushing for Garment Center preservation.

On the other hand, the city's Economic Development Corp., and the Garment District Alliance Business Improvement District (BID), which more or less covers the area bordered by 35th to 41st streets and Fifth to Ninth avenues, have been behind the rezoning, which they feel would benefit the local economy.

Manhattan Borough President Gale Brewer and City Council Speaker Corey Johnson have also been backers of Garment District preservation. A couple of years ago, Brewer launched a task force to examine the ramifications of the zoning change, and in 2017 with Johnson, issued recommendations, which have been baked into the program in progress to offset some of the impact of the zoning change on the district.

"This is really about retaining a unique, creative industry," said Susan Chin, executive director of Design Trust for Public Space.

According to Chin, Mayor de Blasio's administration started the rezoning effort in 2016 by seeking to relocate garment firms from Manhattan to Sunset Park in Brooklyn with its new Made in New York campus. De Blasio has also been an advocate for the Brooklyn Navy Yard to become a new home to garment firms. Some have already moved to those locations.

The Design Trust, working with the CFDA, began studying the Garment District in 2009 when zoning restrictions were first proposed to be lifted by the Bloomberg administration. "We demonstrated the value of the Garment District with designers, garment manufacturers,

suppliers, property owners and other stakeholders as an R&D hub, unique business cluster and fashion incubator. Our study persuaded the city not to rezone at the time," Chin said.

But now with Manhattan's West Side, including the Times Square, Flatiron, Chelsea and Hudson Yards areas undergoing massive transformation, the Garment Center is at "a critical crossroads as the city removes protection for garment manufacturing," Chin said. "We need to acquire a building for garment manufacturing, enlist more owners through the tax incentive program and provide tools to upgrade the industry and train the workforce to aid the long-term survival of the heart of New York City's global fashion capital. It's sadly now or never."

Studies indicate that 7.7 million square feet had been preserved in the Garment District under the 1987 zoning requirement, but of that, about 4 million square feet were either illegally converted or vacated as of 2012. Once garment firms move out, landlords bring in tech firms or other types of businesses that can pay higher rents than garment firms and generate greater tax dollars for the city.

The rezoning doesn't only impact the Garment Center. If the Garment Center continues to shrink, fashion students and schools including the Fashion Institute of Technology and the High School of Fashion Industries, lose out. The students interact with designers and manufacturers as part of their education, engage in internships, shop the district for materials and are otherwise nurtured by the fashion firms in the district. But without that nucleus, New York City will lose its standing as the fashion capital of the world.

"The industry has shrunk so much, there is so much value in the district. It's a unique business cluster, where everyone works cooperatively. You don't find that in other fashion capitals in the world. None of them have this concentration. The Garment Center in Manhattan has this core of innovation, technology, know-how, highly skilled workers, a little over 5,000. As a hub for R&D, it's unique. It's also a very important place for students and fashion start-ups — that is why we have been arguing so much about preserving it as a district."