DEPARTMENT OF CITY PLANNING
CITY OF NEW YORK

ENVIRONMENTAL ASSESSMENT AND REVIEW DIVISION

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Department of City Planning

September 28, 2011

Robert Kulikowski
Mayor's Office of Environmental Coordination
253 Broadway- 14th Floor
New York, NY 10007

NOTICE OF LEAD AGENCY DETERMINATION AND REVIEW

Re: **Hudson Square Rezoning**
CEQR No. 12DCP045M
ULURP No. Pending
Manhattan, Community District 2
SEQR Classification: Type I

The above-referenced application involves discretionary actions subject to City Planning Commission approval. These actions are subject to review under the City Environmental Quality Review (CEQR), Executive Order No. 91, and the State Environmental Quality Review Act (SEQRA), 6 NYCRR 617.

Pursuant to Sections 5.03 and 5.05 of the Rules of Procedure for City Environmental Quality Review (CEQR) as adopted June 26, 1991, the Department of City Planning, acting on behalf of the City Planning Commission, is assuming lead agency status for this application and is initiating the CEQR review.

The Applicant, the Rector, Church Wardens and Vestrymen of Trinity Church in the City of New York, is requesting a zoning map amendment and a zoning text amendment affecting an approximately 18 block area within the Hudson Square neighborhood of Manhattan, Community District 2. The proposed actions would create a Special Purpose zoning district (the "Special Hudson Square District") within the affected area, which is generally bounded by W. Houston and Vandam Streets to the north, Avenue of the Americas and approximately 100 feet east of Varick Street to the east, Canal and Spring Streets to the south, and Hudson and Greenwich Streets to the west. The existing, underlying M1-6 zoning district would be retained within the special district, and modified by special district regulations. The special district would contain two subdistricts: Subdistrict A and Subdistrict B. Subdistrict A is bounded by Grand Street to the north, Avenue of the Americas to the east, Canal Street to the south, and Varick Street to the west. Subdistrict B is bounded by Dominick Street to the north, midblock between Varick Street

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and Avenue of the Americas to the east, Watts Street to the south, and the Holland Tunnel entrance to the west.

The proposed actions would allow new residential development to occur in the Special Hudson Square District, with incentives to provide affordable housing, while instituting provisions to limit conversions of non-residential buildings to residential use and retain certain commercial uses. For development sites containing existing buildings with 50,000 zoning square feet (zsf) or more of non-residential floor area, new residential floor area would be permitted only upon certification by the Chairperson of the City Planning Commission that the non-residential floor area would be replaced at a one-to-one ratio with future non-residential uses on the zoning lot.

Additionally, the actions would create a new special permit for hotels with more than 100 rooms. Development or enlargements of hotel uses with more than 100 sleeping units can take place provided that hotel uses are developed either: (1) pursuant to the new special permit as noted above; or (2) as-of-right upon certification by the Chairperson of the City Planning Commission to the Commissioner of Buildings that the "residential development goal," pursuant to the provisions of NYC Zoning Resolution Section 88-11 (Residential Use) within the Special Hudson Square District, has been met (i.e. at least 75 percent of the new dwelling units projected in the environmental review have been constructed and issued certificates of occupancy).

Ground floor retail would be permitted throughout the entire special district, but to restrict so-called "big box" stores, retail would be limited to 10,000 zsf of floor area per establishment on the ground floor. Food stores would be permitted with no floor area limitation. Eating and drinking establishments with dancing would be permitted only by New York City Board of Standards and Appeals (BSA) special permit.

The actions would also mandate building floor area ratio (FAR), height limit,streetwall and setback regulations throughout the special district.

The proposed special district would allow non-residential development at 10 FAR and residential development at 9 FAR (bonusable to 12 FAR through the provision of affordable housing pursuant to the Inclusionary Housing Program). On wide streets, the proposed special district would restrict building heights to 320 feet (ft). On narrow streets beyond 100 feet of their intersection with a wide street, the maximum building height would be 185 ft.

Within Subdistrict A, with frontage on three wide streets (Avenue of the Americas, Canal Street, and Varick Street), the maximum building height would be 430 ft. Maximum floor area ratio would be 9.0 FAR for residential use and 10 FAR for non-residential use. Within this subdistrict, floor space used for a public school would be exempt from the calculation of zoning floor area.

Within Subdistrict B, development would be permitted at 5.4 FAR (bonusable to 7.2 FAR pursuant to the Inclusionary Housing Program), and building heights would be limited to 120 ft.

The purpose of the proposed actions is to create a 24-hour mixed-use neighborhood in Hudson Square by allowing residential use, promoting local retail activity while also preserving its essential commercial and industrial character.

The proposed actions would facilitate a proposal by the Applicant, a major property owner in the affected area, to construct mixed-use buildings on four Projected Development Sites and one Enlargement Site. An approximately 371,640-zsf mixed-use building containing 341 residential units, a 75,000 zsf public school (pre-kindergarten through fifth grades), 6,613 zsf of ground floor retail and 70 accessory parking spaces would be developed on Projected Development Site

1 (Block 227, Lots 63, 69, 70, 76, and 80). Projected Development Site 2 (Block 491, Lot 3) would be developed with an approximately 258,900-zsf mixed use building containing 305 residential units (71 affordable units), 10,299 zsf of ground floor retail use and 64 accessory parking spaces. At Projected Development Site 3 (Block 579, Lots 60, 68, 70, and 74) an approximately 579,744-zsf development containing 598 residential units (139 affordable units), 51,341 zsf of office, 41,065 zsf of retail uses and 143 accessory parking spaces would be constructed. A new 239,280-zsf mixed use building with 273 residential units (64 affordable units), 16, 949 zsf of ground floor retail uses and 59 accessory parking spaces would be developed on Projected Development Site 4 (Block 598, Lots 42 and 48). In addition, the existing office building at Projected Enlargement Site 1 (Block 579, Lot 47) would be enlarged with an addition of approximately 147,410-zsf, which is expected to contain office uses.

The proposed actions would also facilitate development on 16 additional Projected Development Sites not under the control of the Applicant, for a total of 21 Projected Development Sites. In addition, the proposed actions could result in development on 16 Potential Development Sites, all of which are non-applicant owned. The analysis year for the proposed actions is 2022.

Since the proposed actions would permit a range of different types of development within the affected area. Therefore, two Future With-Action Reasonable Worst Case Development Scenarios (RWCDS 1 and RWCDS 2) and one Conceptual Analysis have been developed for analysis purposes. These scenarios represent development that could result from the proposed actions.

RWCDS 1: Under RWCDS 1, it is assumed that the maximum permitted residential development would occur on each of the development sites. New residential construction with ground floor retail uses and residential conversions and enlargements are expected to occur on a number of sites throughout the affected area.

In the Future With-Action scenario, new construction or enlargements are expected to occur on five sites owned by the Applicant. An approximately 371,640-zsf mixed-use building containing residential use, a new public school (pre-kindergarten through fifth grades), and ground floor retail would be developed on Projected Development Site 1. Projected Development Site 2 would be developed with an approximately 258,900-zsf residential building with ground floor retail use. At Projected Development Site 3, an approximately 579,744-zsf development containing residential, office, and retail uses would be constructed. A new 239,280-zsf residential building with ground floor retail uses would be developed on Greenwich Street between King and Charlton Streets (Projected Development Site 4). In addition, the existing building at 304 Hudson Street is expected to be enlarged with an addition of approximately 147,410-zsf, which is expected to contain office uses (Enlargement Site 1).

Since the development of a new public school requires the provision of adequate funding within the New York City Department of Education Capital Plan, which is outside of the Applicant's control, RWCDS 1 also includes a scenario in which a new school is not developed on Projected Development Site 1. In this scenario, Projected Development Site 1 would be developed with an approximately 296,640-zsf mixed use building with residential use and ground-floor retail.

In the Future With-Action scenario, residential development would also be maximized on the 15

Projected Development Sites not under the control of the Applicant. In total, all 21 Projected Development Sites would contain approximately 2,666,600 zsf residential (approximately 3,210 dwelling units, of which 3,136 units would be new with the proposed rezoning), 202,000 zsf of retail, 618,200 zsf of commercial office, 84,900 zsf of other commercial use (such as loft and storage space), 75,000 zsf of community facility (school) use, and approximately 678 new accessory parking spaces. It is assumed that, using the incentives of the Inclusionary Housing Program, 642 units of the total 3,210 units would be developed as affordable housing available to low- and moderate-income households.

In the Future No-Action scenario, it is expected that new construction would occur on four Projected Development Sites owned by the Applicant. A new, approximately 333,470-zsf development containing a hotel tower above a commercial base with retail and other permitted commercial uses (including, possibly, a trade school, banquet hall, or dance studio) would be constructed on Projected Development Site 1. Projected Development Site 2 would be developed with a two-story, approximately 24,232-zsf commercial building containing ground-floor retail and other permitted commercial uses above. At Projected Development Site 3, an approximately 337,200-zsf development containing a hotel tower above a commercial base with retail and other permitted commercial uses would be constructed. Projected Development Site 4 is expected to be developed with a two-story approximately 40,000-zsf commercial building containing ground-floor retail and other permitted commercial uses above. Enlargement Site 1 (Block 579, Lot 47) would remain in its current use in the No-Action scenario.

Development in the Future No-Action scenario is also expected to occur on one site not controlled by the Applicant. On the east side of Varick Street between Watts and Broome Streets (a portion of Projected Development Site 5, Block 477, Lots 35 and 42), an approximately 52,000 zsf residential building with 61 units would be developed pursuant to an existing Board of Standards and Appeals (BSA) variance for the site.

Compared to the Future No-Action scenario, development on the Projected Development and Enlargement Sites could result in a net increase of 3,136 residential units (of which approximately 642 units, or 20 percent, would be affordable under the Inclusionary Housing Program), approximately 84,900 zoning sf (zsf) of retail use, 146,800 zsf of office use, 75,000 zsf of community facility (school) use (in the scenario with a school), and 493 accessory parking spaces; as well as a net decrease compared to the No-Action scenario of approximately 476,600 zsf of hotel use (approximately 733 hotel rooms), 296,400 zsf of other commercial space (including loft and storage space), and 63 public parking spaces.

RWCDS 2: Under RWCDS 2, it is assumed that Projected Development Sites 6 and 16 would be developed with community facility uses with sleeping accommodations (i.e., dormitories) rather than residential buildings as projected in RWCDS 1.

For analysis purposes, it is projected that development on the Applicant's sites and on the remaining Projected and Potential Development Sites would be the same as in RWCDS 1, except for the development of dormitories with ground-floor retail on Projected Development Sites 6 and 16. As with RWCDS 1, RWCDS 2 includes the development of a new public school on Projected Development Site 1, but also includes a scenario in which a new school is not developed.

In the Future With-Action scenario under RWCDS 2, the Projected Development Sites (including those controlled by the Applicant and sites not controlled by the Applicant) would contain a total of approximately 2,407,800 zsf residential (approximately 2,893 dwelling units, of which 2,819 units would be new with the proposed rezoning), 202,000 zsf of retail, 618,200 zsf of commercial office, 84,900 zsf of other commercial use (such as loft and storage space), 306,700 zsf of community facility use (comprised of approximately 75,000 zsf of school use [in the scenario with a school] and 231,700 zsf of dormitory use [approximately 773 dormitory beds]), and approximately 614 new accessory parking spaces. It is assumed that, using the incentives of the Inclusionary Housing Program, 568 units of the total 2,893 units would be developed as affordable housing available to low- and moderate-income households.

The Future No-Action scenario under RWCDS 2 is the same as described in RWCDS 1.

Compared to the Future No-Action scenario, under RWCDS 2 development on the Projected Development and Enlargement Sites could result in a net increase of 2,819 residential units (of which approximately 568 units, or 20 percent, would be affordable under the Inclusionary Housing Program), approximately 84,900 zsf of retail use, 146,800 zsf of office use, 306,700 zsf of community facility use in the scenario with a school (comprised of approximately 75,000 zsf of school use and 231,700 zsf of dormitory use [approximately 773 dormitory beds]), and 429 accessory parking spaces; as well as a net decrease of approximately 476,600 zsf of hotel use (approximately 733 hotel rooms), 296,400 zsf of other commercial space (including loft and storage space) and 63 public parking spaces.

Conceptual Analysis: A conceptual analysis will be provided to generically assess the potential environmental impacts that could result from the development of hotel uses under the proposed special district regulations. The conceptual analysis will consider the future utilization of the certification and special permit provisions for hotels with over 100 sleeping units.

It is anticipated that the proposed development could include a new public school on Projected Development Site 1. The proposed school is subject to the approvals and requirements of the New York City School Construction Authority (SCA), including site selection for the school by the SCA and site plan approval by the Mayor and City Council pursuant to the requirements of the New York City School Construction Authority Act. Therefore, a coordinated environmental review is being conducted, with SCA acting as an involved agency.

Further, it is expected that the Applicant and future developers of sites not controlled by the Applicant may seek financing from City or State agencies for the affordable housing component of the proposed actions. However, no specific program has been selected by the Applicant or by owners of sites not controlled by the Applicant and, therefore, this application will not undergo coordinated review with agencies responsible for affordable housing financing programs.

An Environmental Assessment Statement and Draft Scope of Work are attached. Please contact Olga Abinader of the Department of City Planning at (212) 720-3493 if you have any questions regarding the application.

Sincerely,

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