2226 Third Avenue Rezoning
2226 Third Avenue, New York, NY
May 12, 2023

LR Item 3 Description of Proposal

1. INTRODUCTION

REEC Third Ave LLC (the "Applicant"), the owner of 2226 Third Avenue, Block 1770, Lot 36 (the "Development Site") in the East Harlem neighborhood of Manhattan Community District 11, requests approval of several actions (the "Proposed Actions"):

1. Zoning map amendment to rezone a portion of Manhattan Block 1770, Lot 36 (the "Rezoning Area") from R7B to a C4-6 zoning district and extend the boundaries of the Special East Harlem Corridors District ("EHC") to include this area;

2. Zoning text amendment to the Appendix of Zoning Resolution ("ZR") Article XIII Chapter 8, "Special East Harlem Corridors District" to extend the EHC boundaries to include the entirety of the Development Site;

3. Zoning text amendment to establish ZR 138-42 to enable the City Planning Commission ("CPC") to reduce the number of required loading berths for zoning lots located within a C4-6/EHC zoning district;

4. CPC special permit pursuant to the proposed ZR 138-42 to reduce the number of required loading berths at the Development Site; and

5. Zoning text amendment to Appendix F of the ZR to extend an existing Mandatory Inclusionary Housing ("MIH") area to include the entirety of the Development Site.

The Proposed Actions will permit life sciences uses (Use Group 9A) on the entirety of the Development Site and facilitate the construction of a new 10-story primarily life sciences development with approximately 133,426 square feet of floor area (7.06 FAR) and one loading berth (the "Proposed Development"). The Proposed Development will help realize the City's goals of growing the life science industry, strengthening an existing life sciences cluster along the East Side of Manhattan, and generating new full-time, high-skilled jobs.

2. BACKGROUND

The City of New York supports the growth of the life sciences industry as an important source of high-skilled jobs that is uniquely suited for expansion in the City due to its many academic and medical institutions, strong financial industry, and large and diverse population. Pursuant to a memorandum jointly issued by the New York City Economic Development Corporation ("EDC"), the Department of City Planning ("DCP"), and Department of Buildings ("DOB"), dated December 13, 2016 (the “Memorandum”), certain life sciences laboratories can be classified as Use Group 9 medical laboratories, which may be located in certain commercial districts. According to the Memorandum, these medical laboratories may include facilities for research, testing, and development, and may include limited production activities.

In January 2018, during the State of the City address, Mayor de Blasio announced LifeSci NYC, a ten year plan led by EDC to create jobs and establish New York City as the global leader in life sciences. The initiative will invest $500 million in developing talent, companies, and new space for life science uses. According to EDC's January 2021 vision plan, the heart of the City's life sciences ecosystem is "LifeSci Avenue", an established corridor along the East Side of Manhattan stretching from Kips Bay in the south through East Harlem and the Rezoning Area in the north. The area encompasses some of the country's premier institutions in biomedical research, clinical care, and commercial biotech. In June 2021, Mayor de Blasio announced a plan to double the City's investment in life sciences to $1 billion as part of LifeSci NYC. The expanded initiative is expected to generate 40,000 jobs.

Related Actions

In 2017, an approximately 92 block area of East Harlem, including a portion of the Rezoning Area (Block 1770, Lots p/o 36, 38, 39, and 40) was rezoned as part of the East Harlem Neighborhood Rezoning (C 170358 ZMM). The rezoning replaced all or portions of R7-2, C8-3, M1-2, M1-4, C4-4, C4-4D, R8A, R7A, and C6-3 districts with M1-6/R9, M1-6/R10, C4-6, C6-4, R10, R9, R7A, R7B, and R7D districts and was intended to facilitate the development of affordable housing, preserve existing neighborhood character, improve the pedestrian experience, and enable new commercial and manufacturing space to support job creation. The rezoning replaced portions of existing C1-4, C2-4, and C1-5 overlays with C1-5 or C2-5 overlays and established new C1-5 overlays. The rezoning also created the EHC and modified boundaries of the Special Transit Land Use District (TA).

The intention of the EHC is to strengthen the role of East Harlem as a major job center and transit hub and facilitate the creation of affordable housing. EHC regulations apply only to the area's major crosstown streets and avenues, including Third Avenue and a portion of the Rezoning Area (Block 1770, Lots p/o 36, 38, 39, and 40). Regulations include minimum requirements for non-residential uses in certain areas, unique height and setback controls, and ground floor requirements to improve walkability.

The 2003 East Harlem Rezoning (C 030234A ZMM) involved the rezoning of an approximately 56 block area of East Harlem, including the Rezoning Area, generally bounded by a line 100 feet east of Lexington Avenue, East 122nd Street, Pleasant Avenue, First Avenue, and East 99th Street. The rezoning replaced all or portions of R7-2, C4-4, M1-4, M3-2, C1-4, and C2-4 zoning districts with R8A, R7X, R7A, R7B, C4-4D, M1-4, C1-5, and C2-5 districts. The rezoning was intended to replace outdated regulations that had been in place since the adoption of the 1961 Zoning Resolution and did not adequately address the needs of this rapidly changing neighborhood. The rezoning was intended to balance growth and preservation in East Harlem with the goals of fostering new opportunities for residential development, ensuring that future development is consistent with neighborhood character, preserving the scale of midblock areas, and encouraging ground floor retail and service uses.

Department of Buildings Approvals

In August 2021, DOB approved plans for the redevelopment of the Development Site with an as-of-right 10-story (145 feet) building with 133,426 square feet (7.06 FAR) including 95,669 square feet of medical office (Use Group 4), 37,757 square feet of commercial (Use Group 9A) uses, and one loading berth (DOB Job No. 121209156). Site preparation work, including demolition of the former commercial building, began in late 2021 and construction activity at the Development Site is expected to be completed by late 2023. If the Proposed Actions are approved, there would be no changes to the DOB-approved bulk or massing. However, the proposed development program would be modified from a mix of medical office and commercial to primarily life science (Use Group 9A) uses.

3. DESCRIPTION OF THE SURROUNDING AREA

Land Uses

The area within a 600-foot radius is characterized by a mix of land uses and a wide variety of building types. Land uses include commercial and retail, multi-family and one- to two-family residential buildings, public facilities and institutions, and open space. Commercial and retail uses are concentrated along the major thoroughfares including Third Avenue and Second Avenue, as well as East 125th Street and East 116th Street, which are located just outside the surrounding area. Many buildings along Third and Second Avenues contain ground-floor retail uses with residential above. East 116th Street is the center of the El Barrio/Spanish Harlem neighborhood and provides a variety of local retail uses. Lexington Avenue is comprised of predominantly tenement-style buildings ranging in height from four to six stories and tower-in-the-park buildings with heights ranging from 11 to 32 stories. Taino Towers, at East 122nd and East 123rd Streets between Third and Second Avenues comprises four 35-story residential towers with 656 units on a four-story commercial base. Portions of the Robert Wagner Houses, a NYCHA development, are located on a superblock along Second Avenue between East 120th

and East 124th Streets. These buildings range in height between 14 and 19 stories. The midblocks in the surrounding area are predominantly residential in character, with some community facility uses. These residential buildings typically range in height from five to seven stories, and the community facility buildings include churches and school uses.

Notable public facilities and institutional uses in the surrounding area include Henry J. Carter Specialty Hospital and the New York College of Podiatric Medicine. Open spaces in the surrounding area include Marcus Garvey Park, Harlem Art Park, and McNair Playground. Central Park is located approximately 0.6 miles to the southwest and Randall's Island Park is located approximately 0.6 miles to the east.

The surrounding area is located immediately south of 125th Street Station, a major public transportation hub serviced by Metro-North Railroad's Hudson, Harlem, and New Haven lines, the 4, 5, 6 subway lines, and several local and express bus lines. Bus service in the area includes the M98, M101, and M103 along Third and Lexington Avenues and the M15 Select Bus Service (SBS) along Second Avenue.

Zoning

The primary zoning districts mapped within the surrounding area include C4-6, R7-2, R7A, R7B, and R7D. C4-6 is mapped along the Third Avenue corridor south of East 124th Street. R7-2 is mapped in mid-block areas between Lexington Avenue and Third Avenue between East 112nd Street and East 124th Street, as well as along the west side of Lexington Avenue between East 120th Street and East 118th Street. R7A and R7B are generally mapped in midblock areas between Third and Second Avenues and between Third and Lexington Avenues. R7D is mapped along the east side of Lexington Avenue south of 124th Street. Underlying zoning regulations within C4-6 and R7D districts along portions of Lexington Avenue and Third Avenue are further modified by the requirements of the EHC, which is a designated MIH Area where a portion of residential dwelling units are designated as permanently affordable.

Commercial overlay districts are predominantly mapped along the major north-south thoroughfares, including C1-4, C1-5, C2-4, and C2-5 overlays along portions of Park Avenue and Third Avenue. A C1-5 overlay is mapped mid-block along East 121st Street between Third Avenue and Second Avenue.

The Surrounding Area is located within the Transit Zone, where lower accessory residential parking requirements apply for certain types of affordable housing, including income-restricted housing units. The Surrounding Area is also within an area where both zoning and discretionary tax incentives are available under the Food Retail Expansion to Support Health ("FRESH") Program.

C4-6

C4-6 is a commercial zoning district typically mapped in densely built areas of Manhattan. C4-6 generally allows residential (Use Groups 1 and 2), community facility (Use Groups 3 and 4), and commercial (Use Groups 5, 6, 8, 9, 10, and 12) uses. No industrial or manufacturing (Use Groups 16, 17, 18) uses are permitted. C4-6 has an R10 residential district equivalent and allows a maximum FAR of 10 for residential, 3.4 for commercial, and 10 community facility uses. Developments in C4-6 districts can be constructed pursuant to height factor or Quality Housing regulations. The maximum height is 210 feet (21-stories) for Quality Housing buildings with a qualifying ground floor, while height is governed by a sky exposure plane above 85 feet in height factor buildings. In C4-6 districts, off-street accessory parking is required for 40 percent of Quality Housing dwelling units. Accessory parking for commercial uses is generally not required. Special rules apply for residential-only buildings located in commercial districts and mixed commercial/residential buildings in commercial districts.

Within the EHC, the basic C4-6 bulk regulations for residential uses are modified to allow a maximum FAR of 9.0. Pursuant to the special bulk provisions of the EHC, a development has contextual Quality Housing and Quality Housing tower bulk options. The EHC street wall location and minimum base height provisions apply, with special provisions for Park Avenue. For the contextual Quality Housing option, the maximum base height is 155 feet, and the maximum building height is 235 feet after a required setback above the base height. For the

Quality Housing tower option, the maximum base height is 85 feet and the maximum residential tower lot coverage is between 40 and 50 percent, depending on the size of the zoning lot. The special ground-floor design and parking provisions of the EHC apply.

R7-2

R7-2 is a medium density district that is primarily found in Manhattan, including Inwood, Washington Heights, Harlem, and the waterfront areas of the Lower East Side. R7-2 districts generally allow residential (Use Group 1 and 2) uses and community facility (Use Group 3 and 4) uses at a maximum FAR of 4.0 and 6.5 FAR, respectively. No commercial or industrial/manufacturing uses are permitted in R7-2 districts. Developments in R7-2 districts can be constructed pursuant to height factor or Quality Housing regulations. Under height factor regulations, building height and setback are governed by a sky exposure plane, which begins 60 feet above the street line. Quality Housing regulations mandate a maximum base height of 75 feet before setback and a maximum building height of 85 feet. Accessory parking is required for 50 percent of dwelling units and for 15 percent of income-restricted housing units.

R7A, R7B, and R7D

R7A, R7B, and R7D are medium-density contextual residential districts that typically produce high lot coverage apartment buildings ranging from six to 11 stories in height. Residential (Use Groups 1 and 2) uses and community facility (Use Groups 3 and 4) uses are permitted. No commercial (Use Groups 5-15) uses or industrial/manufacturing (Use Groups 16, 17, 18) uses are permitted. Developments in R7A, R7B, and R7D must be constructed pursuant to Quality Housing regulations, which allow maximum residential FARs of 4.0, 3.0, and 4.2, respectively, a maximum base height before setback of 65 feet, 65 feet, and 85 feet, respectively, and a maximum permitted building height of 80 feet, 75 feet, and 105 feet, respectively. In all districts, accessory parking is required for 50 percent of dwelling units.

As described above, within R7D districts, the EHC modifies the basic bulk regulations to allow a maximum residential FAR of 5.6 for inclusionary housing developments with MIH requirements, a maximum base height before setback of 95 feet, and a maximum height of 115 feet with a qualifying ground floor. The special ground-floor design and parking provisions of the EHC apply.

Commercial Overlays

C1-4 and C1-5 are commercial overlay districts typically mapped within residential districts. These overlays are almost exclusively found in central areas of Manhattan along major avenues. C1 districts generally only permit Use Group 6 retail and service establishments. Within R6-R10 districts, the maximum FAR for commercial uses is 2.0. C1-4 districts generally require parking at a rate of one space for every 1,000 square feet of uses within Parking Requirement Category-B ("PRC-B"). C1-5 districts generally do not require off-street parking.

C2-4 and C2-5 districts permit a wider range of retail and service establishments than C1 districts. Similar to C1-4 and C1-5 districts, these overlays are almost exclusively found in central areas of Manhattan along major avenues. Within R6-R10 districts, the maximum FAR for commercial uses is 2.0. However, in mixed residential and commercial buildings, commercial uses are limited to one floor and must always be located below the residential use. C2-4 districts generally require parking at a rate of one space for every 1,000 square feet of uses within PRC-B. C2-5 districts generally do not require off-street parking.

4. DESCRIPTION OF THE PROPOSED REZONING AREA

The Rezoning Area is comprised of an approximately 6,342 square foot western portion of the Development Site (Block 1770, Lot 36). The Rezoning Area is generally bounded by Third Avenue to the east, East 122nd Street to the north, Lexington Avenue to the west, and East 121st Street to the south. The Rezoning Area has approximately 50 feet of frontage on East 121st Street, a one-way street with a mapped width of 60 feet. The Rezoning Area is zoned R7B and is not located within the EHC or MIH Area. As set forth in more detail below, the Rezoning Area is currently being redeveloped with a 10-story building.

5. DESCRIPTION OF THE PROPOSED DEVELOPMENT SITE

The Applicant-owned Development Site (Block 1770, Lot 36) is a corner lot with an area of approximately 18,922 square feet. The Development Site has approximately 126.15 feet of frontage along Third Avenue and 150 feet of frontage along East 121st Street. As discussed previously, the site is zoned C4-6/EHC and is located within an MIH Area with the exception of an approximately 6,342 square foot western portion of Lot 36, which is zoned R7B and is not located within the EHC or MIH Area. The site was previously occupied by an approximately 33,736 square foot, two-story commercial building (1.8 FAR). Site preparation work, including demolition of the former commercial building, began in 2021 and construction activity at the Development Site is expected to be completed by late 2023.

6. DESCRIPTION OF THE PROPOSED DEVELOPMENT

The Proposed Development is a 10-story (145 foot-tall) building with approximately 133,426 square feet (7.06 FAR) of primarily life sciences uses (Use Group 9A) and 1 loading berth. The portion of the Proposed Development located beyond 100 feet from Third Avenue will be located at the street line and rise to a height of approximately 58 feet (4 stories) before setting back 15 feet from East 121st Street and rising to a total height of approximately 72.5 feet (5 stories). The portion of the Proposed Development located within 100 feet of Third Avenue will be located at the street line and rise to a height of approximately 101.5 (7 stories) before setting back 10 feet from Third Avenue and 15 feet from East 121st Street and rising in a stepped pattern to a total height of approximately 145 feet (10 stories). The entrance to the Proposed Development will be located on East 121st Street. A new curb cut on Third Avenue will provide access to the loading berth on the ground floor. Accessory parking is not required within C4-6 zoning districts and none will be provided.

7. ACTIONS NECESSARY TO FACILITATE THE PROJECT

The Applicant is requesting approval of several actions to facilitate the Proposed Development. The requested actions are described below in more detail.

1. Zoning Map Amendment

The proposed zoning map amendment to sectional map 6b will map the Rezoning Area with a C4-6 zoning district and extend the EHC to include the entirety of the Development Site. C4-6 districts are commercial districts typically mapped in densely built areas of Manhattan, including Harlem. C4-6 generally allows residential (Use Groups 1 and 2), community facility (Use Groups 3 and 4), and commercial (Use Groups 5, 6, 8, 9, 10, and 12) uses. C4-6 has an R10 residential district equivalent and allows a maximum FAR of 10 for residential and community facility uses, and 3.4 FAR for commercial uses. The proposed C4-6/EHC district will modify underlying C4-6 regulations to allow buildings with a maximum commercial FAR of 7.2 and a maximum height of 235 feet. Special ground-floor design and parking provisions will apply.

The proposed zoning map amendment from R7B to C4-6/EHC would newly allow commercial uses on the R7B portion of the Development Site and permit an increase in commercial density to 7.2 FAR. Compared to C4-6 district regulations, there will be no changes to the maximum permitted density (10 FAR) or height and setback regulations and the proposed C4-6 district would be consistent with the existing land use and zoning character of the area, including the C4-6 (R10 equivalent) zoning district mapped along Third Avenue to the north and south. The Rezoning Area is located along a wide street and the surrounding area is located immediately south of 125th Street Station, a major public transportation hub, making the area well equipped to absorb the additional permitted commercial density.

The proposed zoning map amendment would facilitate a new, primarily Use Group 9A life sciences development with approximately 133,426 square feet of floor area. The Proposed Development would provide sorely needed new lab and office space that would help satisfy pent-

up demand for real estate in the life sciences industry.[1] The Proposed Development would help realize the City's goals of expanding the life sciences industry and strengthening the existing LifeSci Avenue corridor along the East Side of Manhattan. Additionally, the Proposed Development would provide economic development opportunities for East Harlem and the City as a whole by creating permanent, full-time jobs.

2. Zoning Text Amendment to Extend the EHC

The proposed zoning text amendment to the Appendix of ZR Article XIII Chapter 8, "Special East Harlem Corridors District" would extend the existing EHC boundaries on the district plan maps to include the portion of the Development Site currently zoned R7B.

3. Zoning Text Amendment to Establish ZR 138-42 Loading Berth Reduction Waiver

The proposed CPC special permit would allow for a reduction in the number of required loading berths provided that certain conditions related to pedestrian safety, traffic congestion, and the built environment are satisfied. An as-of-right building with one loading berth is currently under construction at the Development Site. In order to accommodate the three loading berths required under the Proposed Actions, the building would need to be redesigned, resulting in substantial delays to the construction timeline and cost increases that would threaten the viability of the project. In order to facilitate construction of the Proposed Development, a zoning text amendment is requested to establish a new zoning certification within the EHC regulations to allow modification of the ZR 36-62 loading berth requirements.

4. CPC Special Permit for Loading Berth Reduction Pursuant to ZR 138-42

A CPC special permit pursuant to the proposed ZR 138-42 is requested to reduce the required number of loading berths at the Development Site from three to one. As discussed in more detail in the Statement of Findings, the proposed loading berth would be sufficient to accommodate all projected demand from delivery vehicles and the Applicant will implement an efficient goods receiving system in order to maximize the utility of the proposed loading berth and further minimize the potential for curbside deliveries. As such, the proposed loading berth reduction would not result in any adverse effects to pedestrian safety, traffic congestion, or nearby uses.

5. Zoning Text Amendment to Appendix F

The proposed zoning text amendment would establish the Development Site and adjacent tax lots (Block 1770, Lots 36, 38, 39, 40) as a new MIH Area consistent with the policy goals of the City's Housing New York: A Five-Borough, Ten-Year Plan. The proposed MIH Area is appropriate because 38.3 percent of area households in Manhattan Community District 11 are rent burdened and there is a strong need for income-restricted housing that reaches a broad range of incomes.[2]

The MIH program requires that permanently income-restricted housing be provided within certain new residential developments, enlargements, and conversions from non-residential to residential use within the mapped MIH Areas. The proposed zoning text amendment would establish an MIH Area contiguous with the Development Site and adjacent tax lots (Block 1770, Lots 36, 38, 39, 40).

Within the MIH Area, all housing developments, enlargements, and conversions that meet the criteria set forth in the MIH program must comply with the requirements of MIH Option 1 or the Deep Affordability Option (Option 3). Option 1 requires 25 percent of the residential floor area to be provided as income-restricted housing to households at an average of 60 percent of AMI with 10 percent at 40 percent AMI, and no unit targeted at a level exceeding 130 percent of AMI. The Deep Affordability Option requires 20 percent of the residential floor area to be provided as income-restricted housing to households at an average of 40 percent AMI, with no unit targeted

[1] https://www.crainsnewyork.com/commercial-real-estate/lab-space-still-scarce-five-boroughs https://www.citybiz.co/article/93610/demand-for-nyc-lab-space-surges-as-investment-in-life-sciences-sector-is-off-to-strongest-annual-start/

[2] Based on American Community Survey 2014-2018 5-Year Estimates for PUMA 3804, which is an approximation of Manhattan Community District 11, available at: https://communityprofiles.planning.nyc.gov/manhattan/11

at a level exceeding 130 percent of AMI. The MIH program will ensure that a minimum of 25 percent of residential floor area in any future development within the Rezoning Area is permanently income-restricted.

8. CONCLUSION

The Proposed Actions would provide sorely needed new life sciences space along an established commercial corridor located immediately south of the 125th Street Station, a major public transportation hub serviced by Metro-North Railroad's Hudson, Harlem, and New Haven lines, the 4, 5, 6 subway lines, and several local and express bus lines. The Proposed Actions would help realize the City's goals of expanding the life sciences industry and strengthening the existing LifeSci Avenue corridor along the East Side of Manhattan. Additionally, the Proposed Actions would provide new economic development opportunities for East Harlem and the City as a whole by creating permanent, full-time jobs.