506 & 530 Third Avenue

March 2021

1. Introduction

This application is made on behalf of PAB 3rd Avenue Holdings, LLC ("the Applicant"), the owner of the above-referenced properties located on Block 1020, Lot 36 and Block 1026, Lot 32 (the "Development Sites") for a zoning map and zoning text amendment (the "Proposed Actions"). The Proposed Actions would affect the west side of Third Avenue between 11th and 13th Streets at a depth of 100 feet and include the Development Sites, as well as several additional properties not under the control of the Applicant.

The Proposed Actions would affect Block 1020, Lots 34, 35, 36, 39, 40, 41, 42, 43, 44, 45 (p/o) and Block 1026, Lots 32 (p/o), 33, 34, 35, 36, 37, 40 and 42 (the "Project Area") in the Gowanus area of Brooklyn Community District #6.

The proposed zoning map amendment would consist of a rezoning from M2-1 to C4-4A and would facilitate a new five- (5) story commercial building at 506 Third Avenue (Block 1020, Lot 36) to contain 18,000 square feet of floor area (3.75 FAR) as well as an enlargement of an existing commercial building at 530 Third Avenue (Block 2016, Lot 32) which will result in a 39,638 square foot building on the Development Sites (the "Proposed Development").

The Proposed Actions would also include a zoning text amendment to Appendix F of the Zoning Resolution (ZR) to make the Project Area part of a Mandatory Inclusionary Housing (MIH) area and would be mapped as Options 1 or 2, pursuant to §123-154(d). While MIH would be mapped in the Project Area due to the increase in potential residential density, the Proposed Development does not propose residential use and would not be subject to the program.

2. Background

The subject M2-1 zoning has been mapped in the Project Area since 1961. Several actions have since occurred in the surrounding area. In 2003, the Park Slope Rezoning (030194 ZMK) was approved and rezoned the area across Third Avenue to the east. This amended R6, R7A, C1-3, C2-3, C4-3 and M1-2 districts to R6B, R6A, R7B,R7A, R8A, C1-4, C2-4, C4-3A and C8-2 within an area comprising 110 blocks bounded by a line midway between Union and President streets, Fourth Avenue, Third Avenue, 15th Street, and Prospect Park West. It should be noted, the rezoning

amended the underlying M2-1 district to an R6A/C2-4 district along the eastern side of the avenue from 7th Street to 12th Street. The Park Slope Rezoning was intended to preserve the scale of this historic brownstone neighborhood and provide opportunities for expanded residential and commercial development on Third and Fourth Avenues. The rezoning was also intended to preserve the scale and character of the residential side streets and neighborhood commercial streets by establishing appropriate bulk controls consistent with the existing built environment.

The area to the south of 15th Street was amended in 2005 as part of the South Park Slope Rezoning (C 060054 ZMK and N 060053 ZRK) which rezoned 50 blocks in the South Park Slope area in Community District #7 generally bounded by 15th Street to the north, Fourth Avenue to the west, Prospect Park West to the east and 24th Street and Greenwood Cemetery to the south. Existing R5 and R6 districts were rezoned to R5B and R6B districts on midblock areas between Third Avenue and Prospect Park West. Fourth Avenue, beginning south of 15th Street up to 24th Street was rezoned from R6 to R8A with a C2-4 commercial overlay. The rezoning intended to protect the pre-dominantly low-rise character of the neighborhood, reinforce several avenue corridors for mixed use buildings and provide opportunities for apartment house construction with incentives for affordable housing along Fourth Avenue.

To the north along the Gowanus Canal, a series of approvals were granted in 2009 for a mixed-use development at 363-365 Bond Street, also known as the Toll Brothers Rezoning. This included a zoning map amendment (to M1-4/R7-2), large-scale special permit and zoning text amendment to facilitate a mixed-use development on two blocks comprising approximately three and a half acres adjacent to the western edge of the Gowanus Canal (090047 ZMK, 090048 ZSK and 090049 ZRK). The actions were intended to facilitate two mixed-use buildings to contain over 700 dwelling units, approximately 5,000 square feet of commercial space and 2,500 square feet of community facility space. Subsequently, at the end of 2013, a series of modifications were approved including waterfront certification for public access areas (140170 ZCK and 140171 ZCK), as well as a minor modification (130044 CMK and 130225 CMK) to facilitate an as-of-right mixed-use development on the site.

Most recently in 2011, the Special Fourth Avenue Enhanced Commercial District (C 110386 ZMK and N 110387 ZRK) was approved. The Special Enhanced Commercial District (SECD) runs for 56 blockfronts along Fourth Avenue from Atlantic Avenue to the north and 24th Street to the south in Brooklyn Community Districts 2, 6 and 7. The Special District was created to ensure the continued development of Fourth Avenue as a lively, mixed-use neighborhood by establishing regulations to promote a vibrant mix of commercial and community facility uses on the ground floor of new developments and enlargements such as limitations on residential and parking uses. The Special District also established certain streetscape and sidewalk continuity guidelines to enhance the pedestrian environment such as transparency requirements and limitations on curb cuts.

Lastly, the draft Gowanus Framework (2019) was recently published by the Department of City Planning (DCP) to guide new development in the Gowanus area. The framework recommendations for the future of Gowanus indicate that new industrial, commercial and mixed-use densities are appropriate along key corridors, such as Third Avenue and that accessory parking requirements should be reduced for commercial uses in close proximity to transit. Most recently, DCP published a Draft Scope of Work (DSOW) for the proposed land use actions associated with the Gowanus Neighborhood Plan and a public scoping meeting was held of 2019.

3. Description of the Surrounding Area

Third Avenue is a mixed-use thoroughfare and contains a range of uses and building types including mixed use buildings with ground floor retail and residential units above, commercial buildings, residential buildings, automotive and light industrial/manufacturing uses. Third Avenue at this location also serves as a transition area between the predominantly industrial area to the west and the predominantly residential area to the east. In the area to the west, warehouse buildings are the predominant built form and range in height between one and four-stories on larger lots. The area to the east is predominantly developed with a mix of one- and two-family rowhouses on narrow lots, rising between three- and five-stories and some smaller apartment buildings with five-stories. Third Avenue itself contains some commercial buildings that rise to five-stories. The area further to the east (along Fourth Avenue) increases in density with mixed-use and residential buildings rising to 12-stories, a result of the recent rezonings in that area. The surrounding area is also demarcated by the elevated New York City Transit (NYCT) elevated railway in the north between 9th and 10th Streets and the Gowanus Expressway near 16th Street in the south.

The Third Avenue corridor is zoned M2-1 on the western side and R6A/C2-4 on the eastern side with a small remaining M1-2 district present on that side around 13th Street. The subject M2-1 district extends further west to the Gowanus Canal, where it reaches an M3-1 district. The mid-block residential area to the east of Third Avenue is zoned R6B. Lastly, the area lining Fourth Avenue to the west is zoned R8A/C2-4 and is within the Special Fourth Avenue Enhanced Commercial District. The entire surrounding area is also in the Transit Zone.

The M2-1 district is intended for moderate industrial and manufacturing uses but also a wide range of commercial uses (Use Groups 6-14 & 16-17). Commercial and industrial/manufacturing uses are permitted up to 2.0 FAR, while no community facility or residential uses are permitted in M2 districts. The M2-1 district permits a maximum base height of 60 feet or four stories with the overall maximum building height controlled by a sky exposure plane of 2.7 to 1 along a narrow street and 5.6 to 1 along a wide street. Accessory parking is generally required for each 300 square

feet of space. The M1-2 district is the same as the M2-1 district in terms of bulk but permits lighter industrial and some community facility uses in closer proximity to residences (Use Groups Use Groups 4-14 & 16-17).

R6A districts are contextual districts with a permitted maximum residential FAR of 3.0. Quality Housing regulations are mandatory in these districts. Above a maximum base height of 60 feet, the building must set back by at least 10 feet on a wide street and 15 feet on a narrow street before rising to a maximum height of 70 feet or 75 feet if it provides a qualifying ground floor. Off-street parking is required for 50% of a building's dwelling units and is waived if five or fewer spaces are required.

As noted above, large mid-block areas to the east are zoned R6B. R6B districts are traditional rowhouse-style districts that preserve the scale and harmonious streetscape of residential neighborhoods. A maximum 2.0 FAR is permitted for residential uses. Quality Housing regulations are mandatory in these districts. Above a maximum base height of 40 feet (45 with QGF), the building must set back by at least 10 feet on a wide street and 15 feet on a narrow street before rising to a maximum height of 50 feet or 55 feet with a qualifying ground floor. Off-street parking is required for 50% of a building's dwelling units and is waived if five or fewer spaces are required

An R8A district is mapped along Fourth Avenue. R8A districts are higher density contextual residential districts where Quality Housing regulations are mandatory. They permit a maximum FAR of 6.02 for residential use. Maximum lot coverage is 70% for interior and through and 100% on corner lots. Building heights may reach 125 feet with a qualifying ground floor. Parking is generally required for 40% of dwelling units. This segment of R8A is also in the EC-1 Special Enhanced Commercial District, which was created to ensure that a majority of the ground floor space within buildings is occupied by commercial establishments that enliven the pedestrian experience along the street.

C2-4 commercial overlays are mapped in the R6A and R8A district along the east side of Third Avenue and both sides of Fourth Avenue. The C2-4 district allows for a wide variety of commercial uses (Use Group 5–9 and 14) with a FAR of up to 2.0 (when mapped in R6-R10 districts). Parking requirements vary depending on establishment size and use.

The Southwest Brooklyn Industrial Business Zone (IBZ) is located in the surrounding area and is present to the south and west of the Project Area. The designation of an IBZ fosters high-performing business districts by creating competitive advantages over locating in areas outside of New York City. The IBZs are supported by tax credits for relocating within them, zone-specific planning efforts, and direct business assistance from Industrial Providers of NYC Business Solutions Industrial and Transportation. In light of the purpose of IBZs to foster industrial sector growth by creating real estate certainty, residential rezonings are generally not supported within IBZs. Specifically, the Southwest Brooklyn IBZ is located on the southern end of Block 1020

beyond 100 feet of Third Avenue and is also present beyond 100 feet of Third Avenue for Block 1026 but is not located inside the Project Area.

The surrounding area is well-served by public transit. The Project Area is located one avenue west of Fourth Avenue with service from the NYCT F and G trains at 10th Street, as well as the N and R trains at 9th Street. In terms of bus service, the B37 and B103 lines make stops along Third Avenue in front of the Development Site, connecting the Project Area with Downtown Brooklyn, Canarsie and Bay Ridge.

4. Description of the Proposed Project Area

The Project Area consists of the west side of Third Avenue between 11th and 13th Streets in the Gowanus area of Brooklyn Community District #6. The subject lots consist of several properties with frontage on Third Avenue: Block 1020, Lots 34, 35, 39, 40, 41, 42, 43, 44 & 45 (p/o) and Block 1026, Lots 32 (p/o), 33, 34, 35, 36, 37, 40 and 42. Third Avenue is classified as a 'wide' street per zoning with 80 feet in width. The Project Area extends at a depth of 100 feet from Third Avenue and due to the irregular depth of certain lots, does not capture the entirety of Block 1020, Lot 45 and Block 1026, Lot 32.

The Development Sites consist of Block 1020, Lot 36 and Block 1026, Lot 32 and are discussed in greater detail below. As noted above, the Project Area is zoned M2-1. While the Southwest Brooklyn IBZ is present in the surrounding area, the Project Area itself is not located in the IBZ.

The remaining lots on Block 1020 (151 11th Street, 500-518 Third Avenue and 149 12th Street) predominantly consist of three-story mixed-use buildings, with the exception of Lot 34 which is vacant and Lot 45 which is industrial in use. These buildings all contain ground floor retail with residential units above and typically contain 20 feet of frontage along Third Avenue with a depth ranging from 75 to 80 feet, resulting in floor areas ranging from approximately 2,700 to 4,480 square feet. As noted above, due to the 75-foot depth of Lots 40 through 44, approximately half of Lot 45 is affected by the Proposed Actions. Lot 34 is currently vacant and Lot 45 is a three-story warehouse containing a light industrial/manufacturing use.

On Block 1026, Lots 33 through 37 (530 – 536 Third Avenue) are improved with three-story buildings with ground floor commercial and residential units above, with the exception of Lot 35, which is residential. Lots 40 and 42 are improved with four-story mixed-use buildings containing ground floor commercial uses and residential uses above. Built areas range from 2,700 square feet to 6,800 square feet. As noted above, due to the irregular shape of lots present on this block, a majority of Lot 32 is affected by the Proposed Actions.

5. Description of Proposed Development Sites

The Proposed Development Site (the "Development Sites") consists of a portion of the Project Area and is limited to a single parcel on each of the affected blocks (Block 1020, Lot 36 and Block 2016, Lot 32).

Block 1020, Lot 36 (506 Third Avenue) is an interior lot with 60 feet of frontage along Third Avenue and a depth of 80 feet for a total lot area of 4,800 square feet. The property is currently improved with a single-story warehouse building containing 4,800 square feet of floor area or 1.0 FAR.

Block 1026, Lot 32 (530 Third Avenue) is an irregular T-shaped lot with approximately 9,911 square feet of lot area and approximately 40 feet of frontage along Third Avenue, 46 feet along 13th Street and 25 feet along 12th Street. It should be noted that this parcel contains a depth of approximately 121 feet, with a small rear portion of the property (approximately 16 feet in depth) that is unaffected by the Proposed Actions. The parcel is currently improved with a five-story office building containing 17,792 square feet (1.79 FAR).

6. Description of Proposed Development

The Proposed Actions would facilitate two (2) new developments on the Development Sites.

The first, at Block 1020, Lot 36 (506 Third Avenue) would consist of a new five- (5) story commercial building to contain 18,000 square feet of floor area (3.75 FAR). No parking would be required or provided under the proposed C4-4A district. The building would rise to a height of 68 feet without a setback and contain a mix of retail and office uses.

The second site, Block 1026, Lot 32 (530 Third Avenue), would be enlarged into a six-story 39,638.8 square foot commercial building (4.0 FAR). The ground floor would contain retail use in approximately 9,911 square feet, with the remaining floors to contain office space. The center of the site would contain an open area. The building would rise a maximum height of 75 feet without a setback. As noted above the rear 16 feet of the building would remain in the M2-1 district with a majority of the site in the proposed C4-4A district.

7. Actions Necessary to Facilitate the Project

The Proposed Actions consist a zoning map amendment from M2-1 to C4-4A for the Project Area, which would affect all or portions of 18 properties primarily with frontage along the western side of Third Avenue between 11th and 13th Streets. This includes Block 1020, Lots 34, 35, 36, 39, 40, 41, 42, 43, 44, 45 (p/o) and Block 1026, Lots 32 (p/o), 33, 34, 35, 36, 37, 40 and 42 (the

"Project Area") with the district measured 100 feet from Third Avenue. In addition to the proposed zoning map amendment, a zoning text amendment to make the Project Area applicable to the Mandatory Inclusionary Housing (MIH) program is required.

The proposed C4-4A district would alter the permitted uses pursuant to the current M2-1 zoning within the Project Area from Use Groups 6-14 and 16-17 to Use Groups 1-6, 8-10 and 12, which includes residential use. C4-4A districts use the residential bulk regulations set forth for R7A districts. The proposed C4-4A would increase the maximum permitted FAR for commercial uses from 2.0 to 4.0 and has a residential equivalent of R7A, as noted above. The R7A zoning is a contextual district where quality-housing regulations are mandatory. R7A districts allow for buildings up to 4.0 FAR and generally yield seven to eight (7-8) story buildings. Maximum lot coverage is 65% for interior and through lots and 100% on corner lots. Above a base height of 40 to 75 feet (with a QGF), the building must set back to a depth of 10 feet on a wide street or 15 feet on a narrow street, before rising to a maximum of 85 feet (with a QGF). Parking is required for 50% of all dwelling units. Under MIH, the R7A district permits a maximum FAR of 4.6 and the maximum permitted height is increased to 95 feet or nine (9)-stories in exchange for the provision of affordable dwelling units and reduced parking requirements.

Parking is generally required for 50% of dwelling units and is waived for affordable dwelling units within the Transit Zone. Where less than 15 spaces are required for residential units, the parking requirement is waived. No parking is required for general retail use in C4-4A districts.

The proposed zoning text amendment pursuant to Appendix F of the Zoning Resolution would make the Project Area applicable as a Mandatory Inclusionary Housing (MIH) area and would be mapped as Options 1 or 2, pursuant to §123-154(d). All residential developments, enlargements, and conversions within this MIHA that meet the criteria set forth in the MIH program must comply with the requirements of one of the options described below:

- Option 1: 25% of residential floor area must be for affordable housing units for residents with incomes averaging 60% AMI, with a minimum of 10% of housing to be affordable at 40% AMI.
- Option 2: 30% of residential floor area must be for affordable housing units for residents with incomes averaging 80% AMI.

At this time period, the Applicant proposes commercial developments with no residential uses. As such, MIH does not apply to the Proposed Development.

The proposed new C4-4A district represents a contextual regional commercial district intended for regional commercial centers. The location of this district is appropriate, as it is located along a Third Avenue, a wide street (80 feet in width), and in close proximity to transit along Fourth Avenue, with the NYCT F and G trains present at 10th Street, as well as the N and R trains at 9th Street. In addition, several bus lines provide service directly along Third Avenue.

In addition to the above, the proposed C4-4A would result in an appropriate level of density, with development permitted at an R7A contextual density, consistent with the medium-density mixed-use R6A/C2-4 districts located immediately to the east, which permits seven-story buildings with ground floor commercial space at a maximum of 3.0 FAR. Given this similar permitted level of contextual density directly across the street, it is believed the Project Area is appropriate for similar mixed-use density beyond the 2.0 FAR permitted in the M2-1 district. However, since the subject western side of Third Avenue contains a higher concentration of commercial uses with two or more stories of the use present, a C4-4A district is more appropriate that permits similar development beyond the first floor at a maximum of 4.0 FAR.

Currently, the western side of Third Avenue is developed with a mix of older commercial spaces and some mixed-use developments with ground floor retail and residential units above. The Proposed Actions would serve to provide new commercial spaces and densities that would in turn serve to activate this segment of Third Avenue, thereby improving the pedestrian vibrancy of this segment of the roadway. Furthermore, when compared to the existing M2-1 district, which contains no maximum height, the proposed C4-4A district requires maximum street walls and heights and the Proposed Actions would serve improve the urban design of the Project Area, consistent with the contextual mixed-use zoning districts present on the opposite side of Third Avenue.

In terms of permitted uses, the proposed C4-4A district would serve as a transition district between the R6A/C2-4 districts located immediately to the east and the M2-1 district area within the IBZ. As noted above, the area specifically within the IBZ is intended to preserve industrial uses and the proposed C4-4A district would complement industrial uses and businesses in the IBZ by providing complementary commercial space that could support the continued operation of those uses.

According to DCP's Gowanus Framework, a noted goal of the future of Gowanus is the creation of contextual medium-density districts in commercial and industrial areas to fit the local scale and promote industrial loft-style buildings. In addition, the Framework promotes the creation of new jobs and businesses. As such, the Proposed Actions would facilitate the above through contextual height limits and new density for commercial businesses. As proposed, the zoning map amendment would facilitate two new commercial buildings to contain over 50,000 new square feet of space office space for technology and arts-related uses, that would not be constrained by traditional commercial overlay district with higher off-street parking requirements. As such, the proposed C4-4A district would remove commercial parking requirements in an area that is otherwise well served by public transit, removing an obstacle to redevelop the Development Site and adjacent parcels with viable new commercial space for growing businesses.

As part of the Gowanus Framework, measures are recommended to support the existing vibrant, mixed commercial and industrial character of the Gowanus area as an active hub of economic activity and job opportunity. This character has naturally evolved based on the location of the neighborhood between two major corridors and adjacency to thriving residential areas served by

mass transit. The study intends to promote land use changes that support the growth and expansion of industrial and commercial uses at an appropriate scale; promote opportunities for people to work in the vicinity of their residences and in proximity to transit; and support the continuation and growth of industrial uses that can operate safely and compatibly with neighboring uses. Based on the above, the Proposed Actions are consistent with the Gowanus Framework and would promote the mixed commercial and industrial character of the Gowanus area by providing an appropriate transition district along Third Avenue between the more predominantly residential area to the east and the IBZ to the west, where industrial uses are intended for preservation.

Lastly, the proposed C4-4A district would also recognize pre-existing non-conforming residential uses present in the Project Area, with a majority of the area containing residential units, thereby reducing the degree of nonconformance with zoning in this area. The proposed text amendment to make the Project Area applicable to MIH would also result mandatory income-restricted dwelling units under any new residential development in this area. a recognized need in all areas of the city.

8. Conclusion

The Proposed Actions would serve to activate this segment of Third Avenue with new commercial space, thereby reinforcing the character of this wide corridor, while creating opportunities for new commercial development along a vibrant, transit rich and mixed-use area at a contextual scale. Additionally, the Proposed Actions would require mandatory income-restricted dwelling units where any new residential redevelopment might occur in the future, and would recognize pre-existing residential units in this area, thereby promoting the mixed-use character of this segment of Third Avenue and reducing the degree of noncompliance with zoning in this area. Lastly, the Proposed Actions would result in a transition district between the more residential area to the east and the industrial area to the west, consistent with the Gowanus Plan to promote the growth and expansion of commercial and industrial uses in this area.