

Statement from Barbara Blair, president, Garment District Alliance, regarding the Garment Center Steering Committee recommendations

August 18, 2017

We applaud the efforts of the Manhattan Borough President and her staff in guiding the steering committee's efforts to address the longstanding and complex challenges of the fashion industry and the garment district. However, we strenuously object to a number of recommendations.

We believe the committee recommendations did not acknowledge several fundamental premises while including several flawed premises. This includes:

- Reliance on the unfounded premise that the failings of the manufacturing sector of the industry are primarily tied to a real estate issue without recognizing the impact of global competition and the business choices of the design community to not source production of their apparel locally.
- Failure to affirmatively state that the current zoning simply did not accomplish its stated purpose of saving jobs. It is a clear, indisputable fact that apparel manufacturing jobs have declined for over 50 years without any appreciable impact from the zoning. Zoning may be about preserving space, but it is not about saving jobs. Both the EDC and the steering committee invited property owners and the GDA into the process and encouraged their support and participation, by ensuring that the removal of the zoning restrictions was an objective. The report should reflect that this was a stated goal.
- A failure to recognize that today's garment district is a vibrant, multi-faceted neighborhood with a diverse set of non-fashion businesses operating within and outside the preservation area which also desire the right to locate their businesses in the district. The current zoning brands these otherwise legitimate and tax-paying businesses as illegal and does not acknowledge their contribution to the city economy.
- A failure to recognize that the entire city is home to the industry and that hundreds of fashion-related businesses have successfully chosen to locate their operations outside of the preservation zone without the need for government intervention including designers and production.
- Within the list of "Guiding Principles," we feel that the principle "Garment manufacturing services as a foundation for the Garment Center and citywide garment industry" is misleading. Certainly, within the industry, it would be fair to say that the designers and suppliers are at least as important. Since most of the designers, showrooms, and suppliers do not utilize local manufacturing, it does not make sense to refer to them as the "foundation" upon which the rest of the industry is built. A more appropriate characterization would be "important" or "integral" part of the industry

- Also within the list of “Guiding Principles,” we disagree with the statement that “Real estate stability is essential to the operation and prospering of garment manufacturing in the Garment Center.” We would have stated that receiving work orders is essential to prospering. Manufacturing, for example, would not stay in business simply because they have a ten-year lease. A more appropriate statement would be that “real estate stability is a desired goal and would be beneficial to support manufacturing in New York City.”
- We disagree with hotel restrictions being instituted. Since the committee did not treat the district as a whole in this process, did not acknowledge any other business uses, how the district integrates with adjacent neighborhoods, midtown in general or the City as a whole, then it does not make sense to include this one item which appears to be tacked on from someone else’s agenda and does not address manufacturing or industry issues. Additionally, the GDA stated clearly that they would oppose a recommendation for a special permit unless it is tied to unequivocally lifting restrictions on buildings in the district. From our vantage point, the development of hotels in the district has improved the district turning previously empty lots or undesirable buildings into well-lit facades with a new constituency of visitor to the district that supports new restaurants and other ground floor businesses.

Our most strenuous objection, however, is the inclusion relating to a proposed phase-out of lifting the zoning restrictions. This was an item that not only did not have consensus, but the difference of the positions was also significant. As repeatedly stated in the process, the GDA does not support any proposal that does not have a “date-certain” term for the removal of the zoning restrictions. While we are supportive of the IDA programs to incentivize owners, and we encourage the city to explore purchasing a building for the industry in addition to what they are already offering in Brooklyn, we do not support any phase-out provisions.

While we applaud the efforts of the committee, we are concerned that the hardline recommendations of the report may lead to an abandonment of this meaningful attempt to assist the industry. In addition to initiating numerous property owner-funded programs to assist the industry for more than two decades, the GDA has worked with the City on several occasions to change the zoning in exchange for another assistance program. In each attempt, hardline opposition and overreaching demands scuttled these efforts. As a result, the industry continued to lose jobs. In fact, from the failure of the last round of negotiations in 2009, over 5,000 jobs were lost.

We support the City’s comprehensive plan which will offer critical investments in the apparel manufacturing sector, preserve jobs and remove antiquated and onerous zoning restrictions that have simply failed to stop the exodus of jobs overseas. In fact, the rate of apparel manufacturing job decline in the Garment District and New York City has been steady for more than 50 years, mirroring a nationwide trend. Furthermore, of those jobs remaining in the city, 75% of them are located outside of the Garment District and spread across the five boroughs.

While the changes from the City's plan will take a number of years to be realized, this initiative will ensure that the Garment District is encouraging a forward-looking approach and is well-positioned to adapt to the new realities of manufacturing in urban settings. Lifting the zoning restrictions will spark new investments in the neighborhood and create a broad spectrum of opportunities for other tenants in the district's ecosystem which includes not only the fashion industry but also nonprofits, innovators and entrepreneurs and other creative industries that are growing in the Garment District and across New York