

City industries feel squeeze with rezoning attracting developers

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In the battle for buildable land in [New York City](#), factories and warehouses are losing out to glitzy residential towers and commercial developments - and city policies are tipping the scales.

When [Mayor Bloomberg](#) took office in 2002, there were 12,542 acres in the city where manufacturers could set up shop.

If the latest round of proposed zoning changes goes through, the Bloomberg administration will have rezoned 20% of that factory-friendly land, according to a study by the [Pratt Center for Community Development](#) obtained exclusively by the Daily News.

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"The Bloomberg administration had a strategic plan from the beginning - to rezone or redevelop manufacturing areas to promote, originally, office space," said Pratt Center [Executive Director](#) Brad Lander.

"But it's worked out to be almost entirely residential development," he said. "There's a real concern it's gone too far."

More than 20 Bloomberg rezonings have converted manufacturing land into residential or commercial uses, transforming neighborhoods like [Red Hook](#), [Long Island City](#) and the [South Bronx](#) into trendy residential addresses.

[Seth Pinsky](#), head of the city Economic Development Corp., said many of the rezonings, in [Brooklyn's Greenpoint](#) and [Williamsburg](#) for example, sought better uses for run-down, largely vacant manufacturing sites.

Pinsky and Planning Department officials said manufacturing land has been reduced by only 11%, arguing that the Pratt study excluded land operated by utilities and airports, which provide numerous jobs.

But the [Pratt Center](#) counted them out because other manufacturers can't move to those areas.

The dwindling stock of manufacturing space has made already pricey land more expensive, Lander said. Many factories grandfathered in after rezonings

soon seek cheaper options elsewhere, such as [New Jersey](#) - leading to the loss of well-paying blue-collar jobs.

A News analysis of state labor statistics shows the city's industrial sector has lost more than 37,000 jobs since Bloomberg took office. City officials said the number is slightly above 31,000.

To protect manufacturing, Pinsky said the city took 16 of the most productive industrial areas in the five boroughs and turned them into special industrial business zones, or IBZs - and pledged not to rezone them.

And during Bloomberg's tenure, the [Industrial Development Agency](#) has doled out \$522 million in tax incentives and low-interest loans to grow and retain about \$8.8 billion in business.

But only \$26 million of those incentives has gone to industrial firms, while a staggering \$274 million has been awarded for commercial projects, according to a News analysis of city records.

[Maureen Babis](#), head of the city's Industrial Development Agency, challenged those numbers, saying the city has given \$68 million to manufacturing companies in addition to \$328 million in tax freezes.

Pinsky said federal guidelines for IDA money severely restrict the amount of tax-exempt bonds that can be given to industrial versus commercial developments.

The city has taken steps to encourage manufacturing, such as fostering business on city-owned land.

Still, the city has shed 6% of its industrial sector jobs since Bloomberg took office, compared with 3% nationwide.

But Pinsky said that is a "significant accomplishment" compared with 1985 to 2001, when the city lost 28% of its industrial jobs.

"We've managed to stabilize this sector of our economy which [previous] administrations have not been able to do for decades," he said, noting the city gained 1,700 industrial jobs last month alone.

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