There's so many people I interact with who say 'the New York fashion industry has nothing to do with Midtown any longer, it's gone, it's merely a shell.' It's not true. The Garment District is still of extraordinary value to all of us.

TIM GUNN, CHIEF CREATIVE OFFICER, LIZ CLAIBORNE, INC.; HOST, PROJECT RUNWAY
Making Midtown is a Design Trust for Public Space project, conducted in partnership with the Council of Fashion Designers of America (CFDA).

DESIGN TRUST FOR PUBLIC SPACE
http://designtrust.org

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PREFACE

DESIGN TRUST FOR PUBLIC SPACE

Making Midtown, a project of the Design Trust for Public Space in partnership with the Council of Fashion Designers of America, provides a strategy and vision for the future of the Garment District. As a leader in the planning and design of New York City’s public realm, the Design Trust recognizes how land use decisions shape the form and function of our public spaces. Making Midtown is the first Design Trust project that focuses on both private industry—fashion design and manufacturing—and an entire neighborhood, one of the last in Manhattan yet to be remade by recent waves of real estate development.

Phase I of our project, Made in Midtown, found that the Garment District is a vibrant cluster economy: designers, patternmakers, graders, sewers, textile suppliers, button manufacturers and all stakeholders involved in translating a clothing line from idea to reality are housed within blocks—and even floors—of one another.

Now with Making Midtown, the Design Trust has produced actionable recommendations for how the City can strengthen the Garment District as a vital hub for creative production—a crucial component of a 21st century city—by way of zoning and land use regulations, programming, branding and other strategies to ensure the enduring success of the District.

We are extremely grateful for the generous support and expertise of our project partner, the Council of Fashion Designers of America, and the remarkable team of Project Fellows: Andrew Bernheimer, Colin Cathcart, Kei Hayashi, and Rob Lane. Their dedication was paramount to the success of the project. Finally, we would like to acknowledge Joe Ferrara, Adam Friedman, Christine Helm, Steven Kolb, Nanette Lepore, Barbara Randall, Robert Savage, Joerg Schwartz, Yehlee Teng, Andy Ward, Gary Wassner, and Erica Wolf, for their long-term commitment and support to ensuring that our city continues to be a diverse place rich with talent, energy and opportunity.

Susan Chin
Executive Director

COUNCIL OF FASHION DESIGNERS OF AMERICA

In 2009, the Council of Fashion Designers of America (CFDA) applied to Design Trust for Public Space to work on a new project about the fashion industry and the Garment District. At the time, CFDA and City officials had been meeting for several years about the future of the District. No one was telling the whole story about how this neighborhood works, and what value it brings to the fashion industry and the city overall. Our proposal, accepted by an independent jury, was to produce an independent, cross disciplinary study of the District, and offer a vision of what the neighborhood could become.

The first phase of this project, Made in Midtown, found that the Garment District’s mix of designers, manufacturers, and suppliers—all working in close proximity to one another—helps emerging and established designers to innovate and launch new collections season after season. As a result, the Design Trust was able to shift City government’s thinking about the Garment District, confirming again the success of the Design Trust model: they build partnerships, work closely with government officials, and achieve results that improve the public life of our city.

The second phase, culminating in this publication, has brought together all of the key stakeholders to develop a shared vision and specific actions to ensure that the Garment District will continue to be an extraordinary source of fashion innovation and jobs, as well as a desirable destination for businesses and people of all kinds.

As part of CFDA’s commitment to advancing American fashion design, we are grateful for our partnership with the Design Trust, and we are pleased to support their recommendations for this creative district that strongly contributes to New York City’s dynamism, energy and identity.

Steven Kolb
Chief Executive Officer (CEO)
INTRODUCTION

Few places in New York are as underappreciated—or have a more promising future—than the Garment District, a neighborhood unlike any other in the city. The District is both the historic birthplace and the current research and development hub for American fashion. As it has for generations, the Garment District serves as an entry point for entrepreneurs and innovators, whether they are operating sewing machines or launching fashion design firms that go on to become global brands. At a time when U.S. manufacturing is once again a growth sector, the Garment District is still home to hundreds of garment manufacturers, employing roughly 7,100 patternmakers, seamstresses, graders and markers, cutters, and others who help make New York City a global fashion capital.

The Garment District is also a neighborhood in transition. Its many loft buildings that were originally designed to house light industrial activity have proven remarkably adaptable (and desirable) nearly a century later to many kinds of businesses. Increasingly, the District hosts a mix of accounting firms, architecture offices, dance studios, and dozens of other uses—many of which are illegal according to zoning regulations established in 1987 to protect space for garment manufacturers. The areas around the District are changing rapidly as well. In Times Square, West Chelsea, Hudson Yards, and most recently, the area surrounding Grand Central known as East Midtown, City government has implemented or outlined ambitious plans to add dense, high-end development, and public space amenities.

THE GARMENT DISTRICT IN CONTEXT

In recent years, the City has advanced two separate proposals to shrink the District’s existing manufacturing base, and accelerate the influx of new uses into the neighborhood. These proposals have sparked fierce debates about the District’s future, while also bolstering a conviction among the key stakeholders that it is time to move beyond discussion and develop a shared vision for the neighborhood and plan of action that can address many, sometimes competing, interests. Based on years of research and extensive work with stakeholders to generate innovative and implementable strategies, Making Midtown provides a roadmap for revitalizing the Garment District with fashion design and manufacturing at its core. The recommendations outlined in this publication also establish a model for New York and other cities to create a new kind of urban creative district—one that leverages, rather than replaces, a given neighborhood’s existing resources to create real estate value, support jobs, and capture a distinct neighborhood identity and character.

“[T]oday we are outsourcing less and producing more in the U.S.... When we are deciding where to manufacture, we ask, ‘Will our people and technology in the U.S. provide us with a competitive advantage?’ Increasingly, the answer is yes.”

JEFFREY IMMELT, CEO, GENERAL ELECTRIC

One of this country’s most unlikely urban trends in the 21st century has been the resurgence of manufacturing. Reversing decades of decline, factories have helped lead the country out of recession, with economists hailing the manufacturing sector as “a shining star of the recovery.” This growth has been centered in and around major cities, where factories cluster in close proximity with each other and within a dense network of complementary businesses that promotes creative exchange and innovation. New York City’s most prominent example of this kind of ecology is in Midtown Manhattan, which houses the world’s greatest concentration of fashion-related resources: designers, schools, trade magazines and newspapers, fabric and button suppliers, department stores and boutiques, shoppers, and garment manufacturers.

Over the last few decades, even as the apparel manufacturing sector shed tens of thousands of jobs citywide, a dense core of factories—up to forty firms per block—remained in the Garment District. These factories have quietly reinvented themselves from mass producers to value-added specialists that make high-end, design-intensive clothes. In one factory owner’s words, today’s manufacturers are like speedboats: small, nimble, and attuned to new markets and techniques. A recent survey conducted by the...
NYC Economic Development Corporation found that the city’s designers rely on these factories to produce clothing more quickly, with higher quality, and sometimes as cheaply as producing overseas. To some, however, the productivity of Midtown’s fashion cluster, and the importance of manufacturing to design, still do not justify the continued presence of factories that pay relatively low rents in an area with some of the nation’s highest real estate values. Recent proposals to shrink Midtown’s manufacturing base or move its factories to Queens or Brooklyn have followed the principle of “highest and best use”—urban space should go to those uses or businesses that can pay the highest rents, earning the City and property owners the highest revenues and returns. But this argument relies on an extremely narrow definition of value. The 7,100 New Yorkers employed in the District’s garment factories contribute an estimated $2 billion annually to the City’s economy, and provide essential support to the entrepreneurs and innovators who launch fashion startups and create each season’s newest styles. As it has for more than a century, the garment manufacturing sector creates jobs for a broad range of New Yorkers, particularly recent immigrants. “Not everyone can be a banker or a lawyer,” fashion designer Yeohlee Teng has said, succinctly capturing one of the most critical lessons of the recession: cities need a diverse economy, one that is not overly dependent on the fortunes of Wall Street or real estate development.

What is outdated in the Garment District is not the factories, but the prevailing perception of what an urban creative district in Midtown could be, and the tools used to keep that model in place. Across the country, city officials and business leaders seek to create neighborhoods that attract and support designers, artists, and other creative professionals who in turn will usher in new visitors and investment. These other municipalities could spend billions of dollars in vain to replicate the kind of building stock, transportation infrastructure, diversity of uses, and creative industry cluster that already exist in the Garment District. Making Midtown offers a unifying vision and three main strategies for public and private-sector partners to accentuate and amplify these existing assets, transforming the District into a 21st century, mixed-use creative hub, and addressing the needs and priorities of its many stakeholders.

First, New York City should promote locally designed and produced clothes, strengthening the designers, manufacturers, retailers, suppliers, and other fashion-related businesses in the District. Second, the District should feature a public realm worthy of a world-class neighborhood, one that draws from the energy and excitement of the fashion industry, and makes the District an engaging destination for a wide range of users – from tourists to new residents to garment workers. Finally, the City should offer development incentives to property owners who retain manufacturing space in their buildings. This planning tool has been used successfully in other neighborhoods, including in other areas of Midtown, to achieve important goals such as creating affordable housing or preserving theaters, while also encouraging new development and unlocking real estate values.

By committing to these goals, New York City will redefine creative districts as a space for manufacturing—even in a densely-developed, mixed-use urban center—to support cutting-edge design, and as economic engines that provide opportunity not only for young, highly educated and trained professionals, but for all New Yorkers.

3 Wial, Howard et al.
4 EDC 2010 Designer Survey
6 Ibid
ABOUT THE PROJECT

PROJECT ORIGINS

In 2007, Mayor Michael R. Bloomberg’s administration announced it would consider changing the zoning that protects manufacturing space in the Garment District. Following this announcement, local property owners, City officials and fashion industry representatives met for two years in an attempt to reach a consensus on a new zoning proposal, but their efforts were unsuccessful.

In 2009, the Design Trust for Public Space, an independent nonprofit organization dedicated to improving public space in New York City, issued an open call to community groups, City agencies, and other nonprofit organizations for project proposals. Of the twenty received from organizations citywide, an independent jury selected the proposal from the Council of Fashion Designers of America (CFDA) to produce a cross-disciplinary study of what the Garment District is now (Phase I: Made in Midtown) and create a vision for a 21st century Garment District with fashion design and production at its core (Phase II: Making Midtown).

PROJECT TEAM, GOALS AND METHODS

This publication synthesizes more than three years of work which documented the Garment District’s built environment, real estate dynamics, and fashion industry activities; engaged scores of Garment District stakeholders to identify priorities and build consensus around shared goals; and developed a new model for integrating manufacturing into a densely developed, mixed-use, creative district.

PHASE I: MADE IN MIDTOWN

For the first phase of work, the Design Trust assembled an interdisciplinary team of Project Fellows, including architects and planners, a filmmaker, journalist, graphic designer and web developer to tell the whole story about how the Garment District neighborhood works, and demonstrate the value it brings to the fashion industry and the city as a whole.

The Phase I team completed the following:

- Interviewed more than 70 fashion industry and neighborhood stakeholders
- Analyzed over two decades of city, state, and federal business data
- Produced seven short films and twenty-one written profiles of key industry stakeholders
- Produced maps, diagrams, and illustrations highlighting recent trends in the location, employment, and number of fashion-related businesses
- Produced diagrams, comics, and other drawings to illustrate how clothes are made, and the competitive advantages for designers producing locally rather than overseas
- Produced a video and written essay on why the proximity of fashion-related firms in the Garment District supports world-class fashion design and innovation
- Compared the District’s fashion ecology with that of London, Paris, Milan (with research support from the Municipal Arts Society)

In 2010 the Design Trust launched madeinmidtown.org, a multimedia website demonstrating that apparel manufacturing is a critical component of fashion design and that the Garment District’s cluster of garment factories functions as a research and development hub for the entire fashion industry, by supporting design innovation and enabling new fashion entrepreneurs. These key findings illustrated how the Garment District helps make New York City a global fashion capital. In conjunction with the launch of the website, the Design Trust organized a series of programs to engage the public: a pop-up exhibit in the District featuring locally-made clothes and examples of each stage of garment production, and two panel discussions in partnership with the Municipal Arts Society.

LEFT TO RIGHT: Screenshot for madeinmidtown.org. Scenes from Made In Midtown launch at the Fashion Center/Times Square Pop-Up Space.
Shortly after the launch, the City withdrew its Garment District rezoning proposal to move the District’s garment factories into a single building within the Garment District. Crain’s New York Business wrote: “Word of the City’s move follows a study released this month by the Design Trust for Public Space. Instead of describing the garment center as a relic of a bygone industrial age, the new report bills it as a thriving and hugely productive research-and-development hub for high-end fashion.”

**PHASE II: MAKING MIDTOWN**

In July 2011 the Design Trust and CFDA launched Phase II of the project, Making Midtown, to develop strategies to revitalize the Garment District as a vibrant, mixed-use neighborhood with fashion design and production at its core.

The Design Trust recognized that plans for the Garment District must consider the neighborhood as a whole along with its broader Midtown context, and must be developed in partnership with all of the District’s key stakeholders. The Design Trust assembled a new team of Project Fellows, including architects and economic development consultants, who completed the following analyses:

- documented the District’s built environment, including its building stock, streetscape, traffic patterns, public realm, and neighborhood identity; and

- conducted a real estate, zoning, and financial analysis of the District.

Using this information and the Phase I findings as a starting point, the Design Trust team led a participatory planning process with District stakeholders. Through one-on-one interviews and a series of small working group sessions, the team identified priorities from property owners, designers, factory owners, and City officials in charting the Garment District’s future. In December 2011, the team convened more than 60 City officials, property owners, factory owners, and fashion designers to generate and test strategies to guide future development in the District. Participants assessed three hypothetical scenarios for retaining apparel manufacturing in the District—within zones, buildings, and on specific floors within buildings—and discussed potential economic and policy tools that could be used to revitalize the neighborhood.

Based on this stakeholder input, the team then spent the next five months developing recommendations in three key areas:

1. **PROMOTE LOCALLY DESIGNED AND PRODUCED CLOTHES**

2. **IMPROVE THE GARMENT DISTRICT’S PUBLIC REALM**

3. **SUSTAIN A DIVERSE MIX OF USES IN THE DISTRICT, INCLUDING GARMENT MANUFACTURING**

In June 2012, Design Trust presented preliminary recommendations to the same core group of stakeholders, including representatives from the NYC Economic Development Corporation and the Department of City Planning. This publication summarizes the project’s final research and recommendations.

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Garment District stakeholders at the Design Trust December 2012 workshop.
MAKING THE GARMENT DISTRICT

To recommend lasting and meaningful improvements to the Garment District that address the needs of diverse stakeholders, the first step is to understand how the District has evolved over time, and the many forces and interests that will shape its future. This section outlines the neighborhood’s history, zoning and land use regulations, and building stock, situating it in the surrounding context of Midtown Manhattan.

TIMELINE: GARMENT MANUFACTURING AND MIDTOWN ZONING

The histories of New York City’s fashion industry, apparel manufacturing sector, and the Midtown neighborhood in Manhattan are deeply intertwined. Since the early 1800s, New York City has been a major hub for making clothes, and for nearly a century, that production has been centered in the Garment District. During that time, zoning has been a critical tool influencing the pace and character of Midtown development as well as the location and overall strength of the apparel manufacturing sector.

Particularly over the last fifty years, City officials have used zoning in Midtown to balance multiple goals: promote new, high-density development while also retaining certain elements deemed valuable, such as a neighborhood’s historic character or specific uses such as theaters or garment factories. The timeline that follows summarizes key moments in the evolution of Midtown zoning and garment manufacturing that have helped shape the Garment District.
### The Birth of Zoning

New York becomes the first city in the nation to adopt a comprehensive set of zoning ordinances. In addition to regulating the form of new buildings, zoning defines areas of the city suitable for homes, commercial businesses, or “unrestricted” uses, including manufacturing.

In the early 20th century, throughout Midtown and lower Manhattan, garment factories cluster near Broadway’s department stores to be close to consumers. Property owners along the upscale shopping districts forming on Fifth Avenue above 34th Street lobby to bar factory loft buildings from the area—efforts codified in the 1916 zoning. Many garment factories relocate to the newly formed unrestricted zones along the west side of Midtown. Buildings on Seventh Avenue and Broadway, where industrial production is limited to 25% of the total floor area of buildings, fill up with offices and showrooms, while factories dominate the side streets, Eighth Avenue, and farther west.

In the 1920s, more than 125 loft buildings dedicated to garment manufacturing are built between West 35th to 41st Streets, and Seventh to Ninth Avenues. In 1926, the Garment District is the fastest growing site of construction in the city.

### Zoning as Development Tool

The 1961 Zoning Resolution addresses New York City’s growing population and diverse land use needs with new regulations on land and building uses—for instance, breaking up single categories such as “unrestricted use” into multiple types of manufacturing. The 1961 resolution also introduces incentive zoning, allowing developers to add extra floor space in new buildings if they incorporate public plazas. This change sparks a period of rapid development and high-rise construction in Midtown. It also gives City officials a powerful new mechanism to offer property owners and developers additional development rights that increase their returns in exchange for providing public benefits.

### Refining the Code

In response to the wave of new buildings and businesses that follow the 1961 resolution, the City establishes special zoning districts in limited geographic areas. Each district stipulates requirements and/or provides zoning incentives for developers to retain theaters and preserve the existing character of Fifth Avenue and the income mix of the Clinton neighborhood.

In the 1960s and 1970s, the mass production of goods in the Garment District gives way to the specialized production of high-end clothes for elite designers. The overall number of manufacturing firms and jobs declines. However, the remaining cluster of garment factories and suppliers, along with an increasing concentration of showrooms and media outlets, enables a new generation of New York-based, high-end designers (including Ralph Lauren, Diane von Furstenberg, Donna Karan, and Calvin Klein) to launch their businesses, helping to establish New York as a global fashion capital.

The Council of Fashion Designers of America (CFDA) is founded in 1962 to promote American fashion designers. In 1972, the stretch of Seventh Avenue between West 24th and 42nd Streets—now the nation’s premier address for fashion designers—is renamed Fashion Avenue.
ZONING FOR THE GARMENT DISTRICT

After more than a decade of public discussion about the future of Midtown, the City creates the Midtown Special District in 1982 as part of a $2.6 billion redevelopment plan. Two years later, the 42nd Street Development Project is approved to transform Times Square into a large-scale entertainment and office hub.

In 1987, the City creates the Garment Center Special District to retain factories and manufacturing jobs in the District, and discourage property owners from converting space in their buildings from manufacturing to offices or other uses.

The rise of new mass production hubs overseas and consumer demand for low-cost clothing contributes to steep declines in the manufacturing sector both nationally and citywide. From 1985 to 2007, the number of apparel manufacturing jobs in New York City declines from roughly 105,000 to 26,000.\(^\text{11}\)

AN UNCERTAIN FUTURE

Garment factories occupy roughly 1.1 million square feet of garment manufacturing space in the Preservation Areas, employing approximately 7,100 people.\(^\text{12}\)

The designation of these areas as Preservation Zones 1 and 2, further described on Page 12, is a crucial factor in the development of the Garment District.

City officials, led by the NYC Economic Development Corporation (EDC), develop two separate proposals to eliminate the Preservation Areas within the Garment Center Special District and retain a smaller garment manufacturing base than currently exists within the District.

In 2007, the EDC proposes to move the District’s garment factories into a single building within the Garment District. One building under consideration is 270 West 38th Street, which totals approximately 300,000 square feet—less than a third of the existing 1.1 million square feet of space occupied by garment factories.

In 2011, the EDC proposes to issue a Request for Proposals for property owners to apply for rental subsidies, funded by a proposed additional BID assessment, for garment manufacturing space. EDC proposes that if a total of 500,000 square feet of manufacturing space were retained, the Preservation Areas would be eliminated.

Although Garment District stakeholders are unable to agree on terms for either proposal, the resulting discussions highlight the urgent need to address future planning and development in the District.

FASHION CENTER BUSINESS IMPROVEMENT DISTRICT

Fifty-nine BIDs citywide empower local property owners and merchants in a specified area to levy an additional tax assessment on properties. The funds are collected by the City and returned to the BID to pay for improvements and services beyond those provided by the City, including branding, sanitation, and safety.

In 1992, twenty-six Midtown property owners establish the Fashion Center Business Improvement District (BID) to improve sanitation and safety in the area roughly bordered between West 36th and 40th Streets, and Fifth and Ninth Avenues. The Fashion Center BID later expands its mission to include a broad range of programs, including economic development initiatives, streetscape improvements, and temporary installations and events to enliven the area’s public realm. The BID also becomes a powerful advocate for changing the 1987 zoning to reduce the amount of manufacturing space retained in the Preservation Areas, and give property owners more flexibility in leasing their buildings.
THE GARMENT DISTRICT TODAY

In a typical manufacturing zone, property owners can rent space not only to factories but also to commercial uses such as architecture studios and legal offices. Property owners typically can charge higher rents for office tenants than for factories; office tenants, in turn, generally expect certain amenities such as 24/7 access, lobby attendants, fast elevators, and central air conditioning.

In 1987 the Department of City Planning created the Special Garment Center District, which established three Preservation Areas between West 34th and 40th Streets and Sixth and Ninth Avenues to discourage property owners from renting to commercial uses, or from converting manufacturing space to office space. Property owners who want to convert existing manufacturing space to commercial use must permanently set aside an equal amount of manufacturing space within the District through a mechanism known as deed restriction, as illustrated in the diagram at right. For instance, to convert 50,000 square feet of a building to commercial use, a property owner must agree to deed restrict 50,000 square feet for manufacturing. These restrictions exclude the Avenues, which historically have housed predominantly office uses, and buildings within 100 feet of the Avenues.

DEED RESTRICTIONS

Deed restrictions are clauses in a property ownership contract. These restrictions limit the intended use of the land or structure governed by the deed.

The Preservation Areas include roughly 7.7 million square feet of space in 101 buildings. Today factories occupy only approximately 1.1 million square feet of space.13 This mismatch results from many factors. On the one hand, apparel manufacturing has declined significantly in the last few decades, and property owners in the District insist that there is not enough demand from manufacturing tenants to fill vacant spaces in their buildings. However, it is also widely acknowledged that the City has not prioritized enforcement efforts in the District. As a result, many property owners in the District have not retained the amount of manufacturing space required by the zoning regulations, and factory owners say that some property owners have refused to renew factory leases, or have harassed factory owners to leave.

The end result has been millions of square feet of space that has been illegally converted to commercial uses, or left vacant—more space than the square footage of the Chrysler Building and Empire State Building combined.

Illegal conversions and high vacancy have temporarily made office space available and affordable to a wide range of organizations and businesses that normally might not have been able to locate in Midtown. However, property owners are less likely to invest in upgrading these spaces or fully maintaining their buildings, depressing property values in the District, and resulting in lower revenues for owners and the City.

### RENT COMPARISON: MANUFACTURING V. OFFICE

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<th>Rent Level</th>
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<td>$50</td>
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<td>$45</td>
<td>HUDSON SQUARE CLASS A</td>
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<tr>
<td>$40</td>
<td>CHELSEA CLASS B</td>
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<tr>
<td>$35</td>
<td>GRAMERCY &amp; HUDSON SQUARE CLASS C</td>
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<tr>
<td>$30</td>
<td>CHELSEA CLASS C</td>
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2011 1Q

Manufacturing uses typically fetch less rent for property owners than office space, as shown in this diagram comparing rents in the District with similar buildings in different neighborhoods. This provides a disincentive for landlords to rent these spaces to factory owners.

HR&A, 2011

### RETAINING MANUFACTURING SPACE USING DEED RESTRICTION

This diagram shows how property owners can use development bonuses in the Garment District Preservation Zones.

BERNHEIMER ARCHITECTURE

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13 A 2009 survey conducted by Identity Maps found 284 manufacturing firms in 101 buildings within P1/P2. HR&A analysis showed approx. 1.1 M sf.
**LAND USE BREAKDOWN IN THE GARMENT DISTRICT**

- **7.7 MSF** Preserved
  - 1.1 MSF Manufacturing
  - 2.8 MSF Other Fashion Uses
  - 2.5 MSF Illegal Conversions
  - 1.3 MSF Vacant

Roughly half of the space in Garment District buildings within the Preservation Areas is dedicated to fashion-related businesses, and a significant amount of space is either vacant or has been illegally converted to offices.

HRSA, 2011

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**UNDERUTILIZED SPACE IN GARMENT DISTRICT BUILDINGS**

- **3.45 million sq ft** floor space total
- **7.7 million sq ft floor space total**
- **3.8 million sq ft vacant/illegally converted floor space**

Almost 50% of square footage in the Garment District, or more than 3.8 million square feet, is currently vacant or illegally converted. This amounts to more area than the Chrysler and Empire State buildings combined.

HRSA, 2011
P1/P2

In 2005, the City formalized plans to deck over the 26-acre MTA West Side Rail Yards site and transform the far west side of Manhattan into a new commercial and residential district. The Hudson Yards Special District changed manufacturing zoning between West 30th and 42nd Streets to allow new office, residential, hotel and retail development.

This new District modified the Preservation Area between Eighth and Ninth Avenues to allow hotels and residential uses, and exempt buildings under 70,000 square feet from any manufacturing requirements. The Preservation Area between Eighth and Ninth Avenue is now referred to as “P2,” and the remaining original Preservation Areas are referred to as “P1.”

LAND USES

The Hudson Yards rezoning helped trigger a wave of new hotel and residential development throughout Midtown. For instance, between 2005 and 2010, eighteen hotels opened in and around the District—roughly a quarter of the total number of hotels built in New York City during that time. In addition, three new high-end residential buildings have added thousands of new apartment units to the P2 area.

In recent years there also has been a marked increase in the number of non-fashion related firms entering the area; non-fashion related employment is now higher than fashion-related employment. However, the Garment District and the larger Fashion Center BID area remain the heart of the city’s fashion industry. According to the BID’s annual economic report, fashion employment has recovered faster within the BID’s boundaries than anywhere else in the five boroughs, and the BID is the only area citywide to have more fashion-related jobs in 2011 than it did in 2008.

HOTEL & RESIDENTIAL LAND USE IN THE GARMENT DISTRICT

Many of the buildings in the Garment District are being converted to hotels and luxury condos.

BUILDING TYPOLOGY

A broad range of building types and sizes exists in the District, from low-rise tenement apartment buildings on the side streets, to tall new hotel buildings on relatively narrow lots, to massive buildings on Seventh and Eighth Avenues, and on Broadway. Most of the District’s buildings were built between 1920 and 1940 to house factories; this fact continues to influence development in the District today.

The bulk and height of buildings vary within the District. Between Sixth and Eighth Avenues, many of the District’s buildings were built before current regulations were put in place, and as a result, are larger than allowed for new construction; these buildings are referred to as “overbuilt.” Between Fifth and Sixth Avenue and Eighth and Ninth Avenue, numerous buildings are smaller than what the current regulations allow.

The Garment District’s loft buildings feature open, flexible spaces that enable free movement of goods and people, and can easily be subdivided to accommodate multiple tenants per floor. This building stock presents both opportunities and challenges for mixing different types of businesses and uses, as well as converting former factory buildings for other uses.

Typically the District’s buildings feature separate passenger and freight elevators, allowing factories and other uses to co-exist. However, many of these buildings lack central heating and cooling, and their extremely wide dimensions limit access to light and air, requiring property owners to make significant investment to convert space for commercial or residential use.

TRANSPORTATION HUB

Midtown’s network of thirteen subway lines, regional and national bus lines, the Long Island Rail Road, and the Holland Tunnel makes this area one of the best-served transportation hubs in the entire city. This extensive network supports an extremely high density of development and use. Excellent highway and transit access also makes Midtown a vital location for garment factories, because they receive frequent truck deliveries and employ workers who predominantly commute from the outer boroughs.

SUBWAY ACCESS IN THE GARMENT DISTRICT

Many of the buildings in the Garment District are being converted to hotels and luxury condos.

PLUTO 2003/METROGUIDE.COM
Although dominated by large loft buildings constructed in the early 20th century, the Garment District is also home to a wide range of building types.

Bernheimer Architecture
STAKEHOLDERS

Recent proposals to change the Garment District’s zoning have faltered in part because the neighborhood’s stakeholders could not agree on a common solution. Among the many people invested in the Garment District’s future—including fashion school students, garment workers, real estate developers, and a host of others—four groups of stakeholders have been particularly active: fashion designers, factory owners, property owners, and City officials. This section summarizes the range of positions taken by these four groups in relation to the Garment District zoning, manufacturing, and neighborhood character.

FASHION DESIGNERS

WHO ARE THEY?
New York City is home to more than 500 fashion design firms, ranging from recent fashion school graduates working from their apartments to major labels such as Tommy Hilfiger and Donna Karan. Of this total, 342 are members of the Council of Fashion Designers of America, a nonprofit trade organization representing fashion designers nationwide.

WHY DOES THE DISTRICT MATTER TO THEM?
Design firms vary significantly in where they source materials and produce clothes, largely based on their capacity and experience. For instance, startup firms, or those who have been in business for less than three years, typically have limited resources to hire staff, buy equipment, or rent space, and have limited experience in producing a full line; these firms tend to be the most reliant on factories in the Garment District, which specialize in small runs and often cater to the needs of emerging designers.

As firms grow, acquiring the resources to manage complex production processes in high volumes, they typically manufacture more of their clothes overseas. However, even established designers and major labels use factories in the District to create each season’s new prototypes (known in the industry as “samples”) and produce small runs that respond quickly to consumer demand. A number of successful local designers produce the majority of their clothes in New York City, including in Garment District factories, and a handful have opened high-end boutiques within the Fashion Center BID boundaries.

WHAT ARE THEIR POSITIONS?
A number of CFDA designers are the city’s most vocal advocates for retaining the District’s manufacturing hub. These designers support retaining all of the 1.1 million square feet of manufacturing space currently occupied in the District, and establishing private- and public-sector initiatives to promote NYC-Made fashion. Some designers also support improving the public realm of the District—according to a City-sponsored survey, neighborhood environment is one of the most important factors to designers in where they choose to locate.14

FACTORY OWNERS

WHO ARE THEY?
There are more than 1,400 apparel manufacturing firms citywide, including roughly 270 within the Garment District alone.15 Among these ranks are patternmakers, sewers and cutters, embroiderers, pleaters, and graders and markers—each a specialized step in the process of turning a designer’s sketch into a finished garment.

WHY DOES THE DISTRICT MATTER TO THEM?
The District’s zoning protections, while imperfect, have helped retain 1.1 million square feet of manufacturing space, allowing factory owners to remain within the city’s largest concentration of fashion-related businesses. The District’s many transportation options also make it convenient for garment workers traveling from other boroughs. This proximity is critical to factories’ operations: many factory owners say that although they can find cheaper rents in Brooklyn or Queens, they will lose business if they leave the Midtown cluster.16

WHAT ARE THEIR POSITIONS?
In a working group session convened by the Design Trust, factory owners said they had followed discussions about the zoning closely, but their top priority was to increase the number of production orders they receive. To that end, owners said they would support efforts to brand the district as a fashion and production hub, and initiatives to build demand for NYC-Made clothes. Owners also said they were interested in technology upgrades and the stability that would come from ownership or long-term control of their space.

In 2007 a group of factory owners formed the advocacy group Save the Garment Center to highlight the importance of apparel manufacturing in Midtown. The group has organized rallies along Seventh (Fashion) Avenue and sponsored trade shows introducing designers to local factories and suppliers.

14 NYC EDC Designer Survey, 2010
15 Ibid; 2009 Identity Map Survey
16 NYC EDC Designer Survey, 2010
**PROPERTY OWNERS**

**WHO ARE THEY?**
There are 101 buildings within the Garment District’s Preservation Areas, and more than 70 owners of those properties. The Garment District sits within the Fashion Center Business Improvement District (BID), a nonprofit which represents 575 property owners within its boundaries.

**WHY DOES THE DISTRICT MATTER TO THEM?**
Property owners’ decisions about their buildings and their revenues are affected by the District’s zoning, and by the state of the industries and businesses that occupy those buildings. In addition, many of the property owners have deep family ties to the neighborhood and to garment manufacturing, having owned buildings in the District for generations.

**WHAT ARE THEIR POSITIONS?**
The District has been zoned for manufacturing for nearly a century, and a handful of owners continue to rent their entire building to factories. However, generally the owners feel that the Preservation Area requirements have unfairly limited the use—and consequently the value—of their property, and that the zoning protections on manufacturing space must be relaxed to reflect continued decline in the number of manufacturing firms in Midtown. Many owners have had factory tenants for decades, but have converted more space to commercial uses than the existing zoning allows.

Owners’ interests may vary depending on many factors such as how long they have owned the property, whether they own a single building or multiple properties, and whether or not their property lies within the Preservation Areas. For instance, property owners within these areas who are subject to its manufacturing retention requirements may be eager to change the District’s zoning, while those outside may be less motivated to do so.

The BID has lobbied vigorously to change the Garment District’s zoning and its image to reflect an influx of non-fashion related uses. In 2012, the BID issued a Request for Proposals to marketing and branding firms to come up with a new name for the neighborhood. In a working group session convened by the Design Trust, property owners stated they supported introducing new uses, including residential use, but believed that the existing mix of uses within many District buildings would lead to conflicts between non-factory and factory tenants. These owners also hoped that the District could reproduce the “cool factor” and buzz of neighborhoods such as the Meatpacking District or Soho.

The BID has also supported a number of public realm improvements and initiatives, including the famous “button” information kiosk sculpture on Seventh Avenue, built in 1995. More recently, the BID has produced numerous public art programs, commissioned a re-design of the Broadway corridor, and obtained funding to improve the neighborhood’s street lighting.

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**GOVERNMENT AGENCIES**

**WHO ARE THEY?**
The Department of City Planning (DCP) and the NYC Economic Development Corporation (EDC) are the two government agencies most actively involved with the Garment District. DCP helps guide the City’s development, in part by administering the City’s zoning regulations.

EDC addresses the City’s economic development, including job creation and the redevelopment of specific areas (e.g. Coney Island, Willits Point, Yankee Stadium) citywide.

**WHY DOES THE DISTRICT MATTER TO THEM?**
In recent years City officials have adopted and outlined ambitious plans to encourage new high-density development in Midtown. For instance, in 2012 the City unveiled a zoning proposal to encourage high-density development in a roughly 74-block area from West 39th to 57th Streets, centered on Grand Central Terminal.

EDC has two internal divisions or groups whose missions intersect with the Garment District. EDC’s Industrial Development Agency is dedicated to industrial retention and development citywide, while EDC’s fashion desk supports the fashion industry. In January 2010, Mayor Bloomberg and EDC launched Fashion.NYC.2020, a strategic study to examine the challenges facing the fashion industry, which has led to six separate initiatives to support fashion designers, retailers, and rising management talent.

**WHAT ARE THEIR POSITIONS?**
The City recognizes that manufacturing has seen decline, and that the District is an important resource for both manufacturing and office uses.
WHY THE GARMENT DISTRICT MATTERS

The Garment District is vital to New York’s economy and the fashion industry. The District’s garment factories provide thousands of working- and middle-class jobs, and are a critical resource for fashion designers in creating new styles and launching new firms. These factories are part of a larger fashion ecology—including schools, media outlets, showrooms, and suppliers—that helps make New York City a global fashion capital.

The District is also a prime example of how cities and neighborhoods that are constantly changing can accommodate new and existing uses, businesses and industries, without one replacing the other. For instance, many of the District’s buildings were custom-built for garment factories, fashion offices, and showrooms; today, they are home to a diverse range of uses, as well as the city’s largest concentration of fashion-related businesses and apparel manufacturing firms. The District can serve as a new model for New York and other cities to accentuate a given neighborhood’s distinctive character and functions that have emerged organically over decades, while making room for a wide range of new development in and around the neighborhood.

Finally, the District matters because it has not yet reached its full potential. If private- and public-sector stakeholders can build on the District’s assets, it could be an even more powerful generator of creative fashion design, jobs, and real estate value, and feature a public realm worthy of the many other open space amenities recently established in Midtown.

THE DISTRICT IS AN IMPORTANT ECONOMIC ENGINE FOR NEW YORK CITY – WITH POTENTIAL FOR EVEN GREATER IMPACT.

Apparel manufacturing is still the largest manufacturing sector in New York City, providing 24,000 working- and middle-class jobs citywide, and approximately 7,100 jobs within the Garment District alone. These jobs support $2 billion of economic output annually.

Manufacturing is a critical part of the city’s fashion industry, which is also a pillar of the city’s economy. The fashion industry employs 173,000 people citywide, generating nearly $10 billion in total wages. The city’s two Fashion Weeks and related activities have an estimated total economic impact of more than $865 million.

The Garment District is also home to nearly 4 million square feet of space within its buildings that is either vacant or has been illegally converted from factories to offices. A strategy that could simultaneously retain the District’s existing factories while providing property owners with greater flexibility to address vacant or illegally converted space would create tremendous revenue—approximately $340 million in incremental value for property owners and $5 million annually in additional property tax revenues for the City.
WHY THE GARMENT DISTRICT MATTERS

THE GARMENT DISTRICT IS THE HEART OF THE CITY’S FASHION INDUSTRY, AND ITS RESEARCH AND DEVELOPMENT HUB.

Although fashion-related businesses are located in all five boroughs, the vast majority—nearly 79%—are concentrated in Midtown Manhattan between West 23rd and 59th Streets.20 The Garment District has nearly 600 suppliers and factories – up to forty factories per block.21 These firms comprise a critical part of the fashion ecology in Midtown, which includes schools such as Parsons The New School for Design and the Fashion Institute of Technology; hundreds of showrooms where out-of-town buyers decide what clothes to sell at their stores; media outlets such as Women’s Wear Daily that cover fashion; and retail outlets from designer boutiques to department stores such as Lord & Taylor’s. In the mid-20th century, New York City produced nearly 75% of all women’s and children’s clothes sold in the U.S.22 The city will never again be a mass producer of socks, hats, or tee shirts. But beginning in the 1970s, a new generation of American designers such as Ralph Lauren, Calvin Klein, and Diane von Furstenberg began using the District’s cluster of factories and suppliers – with its skilled labor and specialized equipment – to carve out a niche in high-end, high quality design that has made New York City one of the fashion capitals of the world.

Nearly 80% of emerging designers and 70% of established designers said the Garment District is “very” or “extremely” important to their production.

NYC EDC DESIGNER SURVEY, 2010

Today, the Garment District produces innovation—new ideas, styles, and trends. Manufacturers play a key role in this process, often bringing decades of experience and knowledge to help designers work through their ideas and discover new production techniques. The proximity of fashion-related firms in the District allows designers to meet face-to-face with these manufacturers—sometimes several times a day during the critical period of creating samples, the newest prototypes that are featured in each season’s runway shows. 47% of NYC designers responding to a 2009 EDC survey said that they use Garment District factories to produce samples.

“Proximity absolutely increases creativity – the District is this great lab for ideas.”

NANETTE LEPORE, DESIGNER

17 NYC EDC Industry Snapshot, 2010
18 Ibid
20 NETS Business Database, 2007
21 NETS Database, 2008
22 Life Magazine, October 3, 1960
THE PROXIMITY OF FACTORIES AND SUPPLIERS IN THE GARMENT DISTRICT GIVES DESIGNERS COMPETITIVE ADVANTAGES VERSUS WORKING OVERSEAS, INCLUDING SPEED, QUALITY CONTROL, AND – IN SOME CASES – LOWER COSTS.

Millions of viewers who follow the reality TV show Project Runway watch fashion designers buy their fabric and other supplies, then retreat to a room to create their clothes (with occasional pep talks from host Tim Gunn). In the real world, however, fashion is never an individual effort. To make a single prototype, designers work with manufacturers to turn a sketch into a three-dimensional pattern, cut and sew fabric, and add decorative elements such as pleating or embroidery. That prototype then must be scaled to different sizes and produced in sufficient numbers to be sold in stores.

At each of these stages, having factories in close proximity allows designers to oversee the manufacturing process directly, with a high level of hands-on quality control. Local production also saves a designer time.

Increasingly, designers and retailers are responding to demand for the latest styles by shortening the time it takes to get from concept to the racks of a store. A recent article in Crain’s on the growing importance of “fast-fashion” featured the local clothing chain Brooklyn Industries, which was able to design and deliver a line of leather bags in six weeks rather than six months by shifting production from Hong Kong to New York City. The article concludes:

“The [fast fashion] movement could bring a needed boost to local manufacturers in the Garment District and outer boroughs if retailers start turning to them for faster delivery of dresses, handbags, and sandals. Big Apple manufacturers are already used to quickly producing limited-run merchandise... though prices are high compared with those of overseas producers, rising labor costs in China could level the playing field. ‘There is definitely opportunity for New York,’ said Kristy Sundaja, senior director at the city’s Economic Development Corporation.”

Over the past decade, the costs of fuel, shipping, and overseas labor have risen, and shipping times have increased. Numerous designers report that for certain types of clothes, New York City is cost-competitive with overseas factories. As overseas production costs and shipping times increase, New York City garment manufacturing could become increasingly cost-effective.

WHY THE GARMENT DISTRICT MATTERS

“From a quality perspective I feel like I can get myself where I want to go doing it here. And to be honest, the prices aren’t that much cheaper [overseas]. By the time you pay your customs duties, air freight, you’re pretty much at the same dollar amount.”

DANIELLE SHRIBER, PRAIRIE NY

THE FUTURE OF FASHION – FASHION STUDENTS AND THE GARMENT DISTRICT

“Designers who are just starting out rely on local production for samples and sourcing the materials for their lines. In a New York without the Garment Center, what kind of future would new American designers have?”

FASHION INSTITUTE OF TECHNOLOGY STUDENT

Each year, more than a thousand students studying fashion design graduate from New York City’s fashion schools, bringing new talent and ideas to existing fashion-related businesses and startups. In November 2010, the Pratt Center for Community Development surveyed more than 200 fashion design students in New York City to document the connection between the city’s fashion schools and fashion industry. The survey found that the city’s fashion students begin using the District as a resource while they are still in school; for those who intend to launch their own businesses, the vast majority say that the District’s factories will help them produce their lines.

Highlights from the survey include:

–82% of fashion students surveyed rely on the Garment District to obtain supplies, get on-the-job training in skills such as patternmaking and grading, and make industry contacts that many use throughout their careers.

–40% of fashion students surveyed have had jobs or internships in the Garment District.

–Almost half of fashion students surveyed plan to or would consider launching their own business, and 60% intend to design and produce their own lines. Of those, 80% say they want to use Garment District factories for production.

THE GARMENT DISTRICT FUNCTIONS AS A BUSINESS INCUBATOR FOR EMERGING DESIGNERS.

New York City is the fashion startup capital of the world, in large part because the resources available in the District attract and enable entrepreneurs to start fashion companies without the enormous investment required to hire staff, buy specialized equipment, or rent space.

The Garment District also functions as a District-wide business incubator. Manufacturers in the District accommodate small runs, extend credit, and provide technical expertise to emerging designers, who do not have the capacity to produce overseas. These resources help today’s emerging designer become tomorrow’s Ralph Lauren or Diane von Furstenberg.
Against the wall of a crowded factory floor in an unremarkable building on 39th Street, on the far western edge of New York’s Garment District, one can find a vast collection of sewing machines, shelved with curatorial precision. It might be a museum — many of the machines were built well into the previous century, and are technically antiques. In fact, these machines are not obsolete, but rather tools for innovation. With a little tinkering — and the help of an arsenal of cannibalized parts — they can be used to create entirely new stitching effects, which find their way into the work of designers from Anna Sui to Zac Posen. “What we’ll do is switch machines around,” says Ramdat Harihar, the factory’s Guyana-born owner, a onetime electrical engineer who immigrated to New York and began his career sweeping the floors of a garment factory. “We’ll take one part from one machine and solder it into a different machine, to create that different design.” Newer machines are also pressed into service: on one occasion, a microwave oven — and a dash of vinegar — helped create a new pleat for Donna Karan.

R&C Apparel, as Harihar’s factory is known, is an archetypal garment district business: immigrant labor working on outdated machines in an old building in a well-worn neighborhood, doing the sort of work one might presume had long since been outsourced to cheaper climes. And indeed, most of it has. But this well-chronicled narrative of decline obscures another set of truths: that the garment industry is still New York City’s largest manufacturing sector by employment, and that even as it has shrunk, its share of national manufacturing has grown; that the production, service and supply businesses which remain play a vital, if underappreciated, role in the larger fashion industry of New York City; and that even with the emergence of instant communications and far-flung supply chains, there are still compelling reasons why this network continues to cluster in midtown Manhattan.

In the Garment District of 2010, entrepreneurial designers, manufacturers, and suppliers use old tools to invent new styles and techniques. Experienced workers with decades of accumulated knowledge and skill help realize cutting-edge designs. What was once a center of mass production has reinvented itself — in the same buildings and streets — first as the birthplace of American fashion and upstart rival to European fashion capitals, and now as a fashion research and development hub. The story of Ramdat Harihar, then, as with the district itself, is more complex than might appear at first glance.

* * *
To understand why the garment center still matters, it is worth considering the reasons why New York City first became the nation’s center of garment production, a mantle it claimed from the mid-19th century straight to the Nixon administration. Blessed with deep ports, water (and later rail) connections to the rest of the U.S., and easy access to oceans, New York was a strategic nexus for the flow of goods, ideas, and people. As economist Edward Glaeser notes in garment production, as with sugar refining — New York City’s second most-prominent historical industry — it made sense to center production at the raw material’s point of entry. This concentration of industry and talent sparked innovation; nineteenth century New York gave birth to everything from ready-to-wear clothing to the Singer sewing machine. Even as New York’s role as a port declined, apparel production remained strong in New York City (owing in part, Glaeser notes, to the relatively small footprint it requires and the continuing surge of immigrant labor).

But advances in communications and transportation — the real cost to ship goods dropped by some 95% over the 20th century — took away New York City’s inherent geographical advantage for manufacturing (changes in trade legislation, among other factors, also played their part). To fathom the implications of these trends to the garment industry, simply ask for the personal history of any longtime participant. Stuart Edelman, for example, whose company makes upscale outerwear for a major brand, can trace an arc from his father’s business in the coat factories on Twelfth Avenue, to New Jersey in the 1960s, to setting up production runs in South Korea in the 1970s. "Imagine a world of no fax machines, no Fed Ex," he says. "If we made a sketch and sent it over to South Korea it would take three or four weeks for the package to get there." Now, an e-mailed “tech pack” — industry jargon for the specifications to assemble a garment — travels at the speed of light, and Fed Ex deliveries come in two days. "We actually get it the next day, because of the time difference."

Given these sweeping changes in production modes, the question is not why the industry shrunk and moved elsewhere, but rather why there continues to be a Garment District at all, and what its function might be. The answer lies in the process of making garments. Bringing a garment from sketch to rack requires the careful coordination of an entire just-in-time chain of production, involving any number of intermediate steps, on a ruthlessly tight schedule. "It takes a lot of people to get something made," says designer Shelley Steffee. "Even if it’s 12 garments. There are so many hands that touch that garment."

Spending time in the district, this is one of the lingering impressions: hands. It begins with the “hand of the designer,” of course, the sketch that animates the idea. But this does not happen in a vacuum. As designer Nanette Lepore argues, “there’s a naïveté to believe that a designer can do it alone.” They need hands, skilled hands. Hands to trace the patterns, hands to cut the fabric, hands to do the draping, hands to sew, hands to do the embroidery, hands to fashion the intricate geometry of pleat patterns, hands to do the grading and marking, hands to carry all this back and forth. The work has an elegant tactility; in one shop, a worker puts polished stones on a fabric to smooth it out before cutting. In another, a worker uses sticks as weights as he rolls up a pleat pattern in a cardboard tube that will “bake” in a hulking steam oven. In another, a seamstress deftly manipulates a complex smocking machine, like a conductor working in colored thread rather than music.

Expert hands can be found in the hundreds of small businesses that occupy the thirty square blocks of the Garment District, establishing a critical infrastructure for designers. Even in an age of e-mail and overnight deliveries, the closer these highly skilled workers are together, the shorter the time in transit, the better a designer’s ability to control the outcome. Retailers and consumers want new styles with increasing frequency, creating deadlines that designers can’t afford to miss. "Just from an efficiency point of view, I can make clothes faster here," says
Andrew Rosen, founder of Theory. “Which is not to say we haven’t shortened the lead times in China — we have. But there’s a lot more logistics that need to happen from 12,000 miles away than from 12 blocks away.” Being able to produce quickly allows designers to trim their inventories, and respond immediately to fickle tastes and trends. Important too is having the raw materials of fashion within easy reach. “Having all the suppliers in Midtown is imperative,” says handbag designer Michelle Vale. “To go sourcing leather, buttons, zippers — pulling all the pieces together before it goes into the sample process — without Midtown there would be a serious problem.”

Designers carefully plot their itineraries — from one specialized vendor to another, appointment after appointment — because they want to be present at each stage of sample making as a garment comes into being. To refine the close cut of a jacket or to coax a dress to fall over the shoulders just so, a designer may visit a factory two or three times in a day, overseeing false starts and breakthroughs, talking through with manufacturers what works and what doesn’t. “Designing clothes is an art and a science,” says Rosen. “It’s very important to be able to create clothes and see them very quickly. I think it’s very important for anyone creative, design wise, to be very interactive with the pattern-making process, sample making, and ultimately with the manufacturing process.”

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The network of patternmakers and pleaters and button and fabric suppliers in the Garment District is essential not only to make a garment from scratch, but also to launch new companies and careers. Most young and emerging designers start careers in their apartments, relying on money from family and help from friends, working in quantities well below what any overseas factory would accept, often under sharp time constraints. Designer Yeohlee Teng describes how she (like other young designers) got her start: first making a small collection, landing orders from Bergdorf Goodman and Henri Bendel, and “then realizing I didn’t have a clue” about how to go about producing 200 units. She found her fabric, and her factory, in the Garment District. Larger companies like Theory, a $500 million business, started life in the Garment District as well. “I never could have grown my business to the extent that I grew it without the speed of being able to produce things in New York City,” says Theory’s Rosen. “As I became big enough to become relevant to some factory in China, and my quantities were relevant, and I had the financial wherewithal to be able to do that — then I started to split my manufacturing. But I couldn’t have done that in the beginning, no way.”

The Garment District firms do more than simply supply services; their role extends to everything from knowledge transfer to financing to moral support. “When I think about the Garment District it’s almost a nest of creativity and commerce,” says designer Francoise Olivas. “It allows you to learn as you’re growing.” Designers, she says, rely on a carefully constructed network of patternmakers — assembled by word of mouth and trial-and-error — and manufacturers to bring their designs quickly to fruition. “In the larger company you have all those people there,” she says, “but as an emerging designer, you’re kind of picking the pieces and the players and putting together the puzzle that will eventually become your company.” Hence the value in specialized tradesmen like Paul Cavazza, who runs Create-a-Marker, a grading and marking service. “I had a young designer walk in here last night,” says Paul Cavazza, “He’s just starting his line. He came in here at 6, I was here with him until 8:30, walking him through grading and marking.”
The Garment District functions, in essence, as an incubator. That word may conjure gleaming Silicon Valley office parks instead of old buildings with dodgy elevators, but the end result is the same: providing ideas and infrastructure to start-ups, helping them learn and grow. These companies start in obscurity; some will fail. But others rise to the ranks of a Ralph Lauren or a Tommy Hilfiger, whose names are indelibly linked to the rise of New York fashion.

As their businesses grow, designers acquire the resources, name recognition, and know-how to handle the logistics of producing overseas. But even the biggest name brands continue to use factories in New York, long after they have shifted most of their operations to Vietnam, Pakistan, and China. This decision is not sentimental or part of a campaign to support local production. “When a designer is really comfortable with a grading service,” says Create-A-Marker’s Cavazza, “they don’t move because the guy down the street is offering a dollar less. It’s not a financial decision.” A global brand might continue working with Garment District factories to develop prototypes that get mass-produced elsewhere because it takes several seasons to develop a relationship with a manufacturer who learns exactly the color palette and style that defines the brand.

Surprisingly, moving production overseas may not be the most cost effective growth strategy for some companies. Talking to mid-range designers who design and work in the Garment District, selling clothes not for several thousands of dollars but several hundred, one wonders if the assertion that “it’s too expensive to make things in New York” is as iron-clad (and possibly self-fulfilling) as it seems. Prairie New York’s Shriber, for example, says that while quality is her first imperative for working locally, about overseas production, she says, “to be honest, even the prices aren’t that much cheaper. By the time you pay your customs duties, air freight, you’re pretty much at the same dollar amount.” As witnessed in the recent trend towards “onshoring,” in which companies like Caterpillar and General Electric have reopened U.S. production plants that were shuttered in favor of China, a whole host of issues — ranging from rising production and transportation costs, a weak dollar, quality-control problems, intellectual property troubles — have raised roadblocks in what seemed an inexorable drift towards the low-wage periphery.

All of which is not to propose that New York City is poised to again become an apparel manufacturing giant, or even that it should. But as the critical mass that remains is increasingly threatened by redevelopment and rising rents, it seems evident that the potential impact ranges beyond the loss of jobs or the loss of skills. What is at stake is the infrastructure — the little-seen but essential community of skilled hands — that enabled New York City’s rise as a global fashion capital.

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Few cultural enterprises are as driven by innovation as fashion. “The first thing a customer asks when they come into a store is ‘What’s new?’” says Ron Frasch, president and Chief Merchandising Officer of Saks Inc. “They don’t want to know what was, they want to know what is.” As a cultural product, fashion’s shelf life is perilously short. “We will sell 60% of what we’re going to sell in the first four weeks the goods are on the floor,” says Frasch. “That fact hasn’t changed in my entire career.”

Quick turnarounds give designers test labs of a sort, with the final product often shaped by the manufacturer. “When you’re working on a higher end collection,” says designer Shelley Steffe, sewers and patternmakers “are almost like designers themselves.” They help solve design problems, figure out ways to operationally reduce costs in ramping up to larger-scale production,
even introduce new techniques. “Sometimes in problem solving, innovation happens,” says designer Yeohlee Teng. “From my experience, innovation happens at every level. You could have a design you want cut in a certain way, and your grader could turn around and tell you I can get better yardage if you turn this piece around.” Teng, for example, recently used a sort of double-pleated “checkerboard” technique in a dress that appeared in her fall 2010 collection. This pleat came from Regal Pleating, a second-generation pleating shop in Midtown. As owner Rodger Cohen explains, one of his workers accidentally fed an already pleated piece of fabric into a machine, creating a novel effect that found its way onto the runway.

The cluttered floor of Regal Pleating, filled with machines whose own manufacturers have gone out of business, is a kind of proof to Jane Jacobs’ famous dictum “New ideas need old buildings,” from her classic text The Economy of Cities. Jacobs understood that creative industries are deeply embedded within a city’s physical fabric and the countless interactions fostered by urban life. Just as designers and factories and button suppliers in the Garment District depend on each other, the fashion industry and New York City enrich and invigorate one another. “If we postulate only the usual economic forces, cities should fly apart,” observed economist Robert Lucas. Why would a young designer, for instance, scrape by in New York when they could materially live better elsewhere? “People come to New York because they want to be in fashion, and fashion came to New York because there were people who wanted to be in fashion,” says Simon Collins, dean of fashion at Parsons The New School for Design. “If it would work somewhere else I guess there would be thriving design schools and huge thriving industries somewhere else, because real estate’s certainly cheaper everywhere else.”

But New York isn’t everywhere else. People come to be near other people — to access their expertise, to exchange ideas, to compete. The power of proximity has long been understood — the access to specialized knowledge and labor, the lower transaction costs, the “agglomeration effects” in which like breeds like. “I can’t hire designers in Dallas,” as Michael Hong, whose company produces outerwear, puts it; large national clothing retailers like Wal-Mart and Kohl’s may produce and sell globally, but have deemed it necessary to open design studios in New York City. Firms co-locate to have a sense of what the competition is up to, and to hire talent, while groupings of showrooms provide a centralized, one-stop shopping experience for out-of-town buyers. “There is not a buyer who will go anywhere else,” says designer Danielle Shriber, of Prairie. “People have trouble getting buyers to go downtown. I’m on 38th between 8th and 9th; most showrooms are on 39th between 7th and 8th. They see one block as a big hurdle.” It is a symbiotic, self-reinforcing process; the showrooms come to be where the buyers are. “If they want to meet in Minnesota,” says Hong, “we’ll meet in Minnesota.”

In its need for proximity, fashion is similar to other key economic sectors in New York. The world’s great fashion capitals — Paris, Milan, London, and now Shanghai — also happen to rank among the world’s leading financial capitals. Like fashion, finance depends on the fast transmission of information (even as face-to-face trading has declined on Wall Street, firms still “co-locate” the data centers of their automated trading operations in or close to New York City because physical proximity equals speed). The fact that these cities also happen to be their country’s media capitals speaks to a desire to be close to that information, to report and transmit it.

Even after losing most of its industrial base, New York City thrives because it is a place built for the spread of ideas. What the successful 21st century city now produces is innovation itself. Just as neuroscientists speculate that higher intelligence seems correlated to the number of network connections between neurons in the brain, and the speed with which they communicate, cities that function best are those with the “highest velocity” of ideas, and the most efficient and robust links between people. The key to understanding urban economics, some argue, is in so-called
“non-market interactions” — for example, a critical resource for the fashion industry is being around other people in the fashion industry, both at work and at play.

Creativity in fashion, as with any art, can originate anywhere, or come from anything: a splash of color on a billboard, the movement of a symphony, light dappling through trees, or even learning about a new stitch for the first time. It is not surprising that cities tend to be hubs of creativity — there are more things and people to be inspired by, more knowledge transfer, and, importantly, more ways to bring this creativity into actuality. New York City’s Garment District can be understood by the cost of rents per square footage, or the economic value of the goods it produces, but it also generates a significant amount of value that is more intangible, for how does one put a number on the conversation of a designer and a patternmaker as they shape a design on a dress form? How do you calculate the loss of value when a young designer abandons launching his line for lack of available resources? What’s the dollar figure on a garment that sets the runway alight because of techniques the designer learned from their sample maker? How do you value the cultural cachet the presence of fashion itself imparts to a visiting tourist? The largest, and most pressing, question is how to measure the cost to creativity as the generative nexus of the Garment District threatens to be displaced. The loss of a fabric supplier, like a ripple in a pond, is subtly felt everywhere. “You’re talking about an ecosystem and an interdependency,” says designer Yeohlee Teng. “It’s like a coral reef: you don’t know how the reef will survive and what it will do if certain elements are removed.”

***
Imagine it is the year 2022. To kick off NYC Spring Fashion Week, thousands of people throng West 38th Street, which is closed for the 10th Annual “Fashion in the Streets” runway show for the latest NYC-designed and manufactured styles. Crowds of shoppers gather at a series of pop-up stores set up temporarily in loading docks between Seventh and Eighth Avenues, buying dresses and sweaters designed and produced in the Garment District. Above the streets, residents and tourists can be seen watching the action from the windows of their apartments and hotel rooms.

Later that evening, fashion VIPs gather for an afterparty at a new menswear boutique on West 36th Street between Eighth and Ninth Avenues—the sixth new Garment District store opened by a local designer in the past two years. One unusual topic peppering the conversation of the invited guests is tax credits. A City policy to incentivize the use of New York City-based factories is set to expire, and many of the designers present are lobbying the Mayor to extend it. Much as it did for the film industry a decade earlier, these credits have helped create thousands of new apparel manufacturing jobs, according to the City’s Economic Development Corporation.

Later that week, construction is completed on the District’s third Fashion Skyway, elevated mid-block parks perched atop low-rise buildings that have proved popular with neighborhood residents, workers, and visitors. Down the block, a new 3-D printing shop on West 37th Street opens, part of a wave of new high-tech fabrication shops that have located in the neighborhood, thanks in part to the new Innovation District zoning that was put into effect in 2017.
Each of the outcomes imagined in the future scenario above is entirely attainable; they are all simply extensions of activities that can be found in the Garment District today. Other cities could spend billions of dollars in vain to replicate the kind of building stock, transportation infrastructure, and business agglomeration that already exists in the Garment District. All that is needed to secure its future as a thriving, productive mixed-use neighborhood are strategies to sustain and amplify its existing resources.

To do this will require City officials and key stakeholders to shift their thinking about the District in the following ways:

CONSIDER THE DISTRICT NOT IN TERMS OF SINGLE SOLUTIONS BUT AS A COMPLEX WHOLE.

This includes its most prominent industry – fashion – as well as all of the other uses that make an urban neighborhood active and lively, day and night. It includes the physical environment, such as streets and sidewalks, as well as regulations on zoning and land use.

EMBRACE FASHION AS THE DISTRICT’S LEADING SECTOR TODAY AND IN THE FUTURE.

No other neighborhood can boast the concentration and variety of fashion-related businesses clustered in and around the District. Some stakeholders, frustrated with the failure to agree on recent proposals to change the District’s zoning, believe that the District would be better off rebranding itself. But doing so would mean abandoning all of the untapped cachet of a multi-billion dollar industry that helps define New York City as a cultural destination, and all of the interest and excitement that fashion generates. A far better strategy would be to showcase the neighborhood’s tremendous fashion resources, and to tap into the public’s desire to buy locally and feel connected to a creative industry.

REDEFINE THE ROLE, VALUE, AND IMPACT OF 21ST CENTURY MANUFACTURING.

The Garment District’s apparel manufacturing cluster specializes in high-end, high-value production. As a critical, low-impact part of Midtown’s fashion ecology, particularly as a resource for fashion startups and each season’s newest innovations, garment factories can and should be integrated in a revitalized, mixed-use Garment District.

RECONNECT THE DISTRICT TO ITS LARGER MIDTOWN CONTEXT.

New bike lanes and mid-block passageways will help physically connect the District to adjacent neighborhoods, but the City should also include the District in its plans to encourage new development throughout Midtown. Rather than attempt to address the Garment District in isolation, City officials should apply existing tools that incentivize property owners and developers to retain certain uses (in this case, garment factories) in exchange for development rights on underutilized sites in and around the District.

With a modest amount of investment, and the use of policy tools that have already successfully aided other industries and neighborhoods, City officials and District stakeholders can maximize the potential of the Garment District in ways that will achieve multiple municipal goals and benefit all parties. The toughest challenge may be to convince Garment District stakeholders that the neighborhood’s future is promising. Many of them have resigned themselves to a future in which the District never realizes its full potential: manufacturing continues to decline, the fashion industry’s presence remains relatively hidden, property owners and City agencies fail to invest fully in the neighborhood’s public realm and buildings. Yet these are in no way inevitable outcomes. Making Midtown encourages stakeholders to implement policies and initiatives that will spur growth in local production of fashion and greater consumer demand for clothes made in New York City; create new development opportunities and open space amenities in Midtown; and result in increases to the City’s tax base and property owners’ returns.
CREATE AN INVITING PUBLIC REALM THAT STRENGTHENS THE DISTRICT’S UNIQUE IDENTITY

From the waterfront to Times Square, the High Line to Hudson Yards, new open space amenities are transforming Midtown; the Garment District’s public realm should receive investment and attention to design as well. Programming, temporary installations, and changes to the existing streetscape and traffic patterns could highlight the District’s role as a hub for fashion design and production, and establish the neighborhood as a desirable destination for a full range of 24/7 activity—from boutique fashion retail to innovative factories to new residential development.

Because the District is already densely developed, it is unlikely that new, large-scale public spaces will be created. However, there are many small scale opportunities to widen sidewalks, re-purpose underutilized loading docks as retail spaces or cafés, and create rooftop public spaces on existing low-rise buildings. Collectively, these interventions can create a network of pedestrian experiences that are associated with other great New York City neighborhoods, and strengthen the District’s identity as the heart of the city’s fashion industry.

Revitalizing the District’s public realm also will help reconnect the neighborhood to the rest of Midtown—not only physically, through new bike lanes and mid-block crossings, but also by changing people’s perception of the neighborhood. An improved public realm will help demonstrate that manufacturing can and should be integrated into a creative, diverse, mixed-use neighborhood.
THE GARMENT DISTRICT’S PUBLIC REALM: EXISTING CONDITIONS

The term public realm encompasses many elements people are intuitively aware of as they visit and spend time in a given place, including large-scale infrastructure such as streets, sidewalks, and plazas, and additions to that landscape such as seating or street trees; temporary programs, activities, or events such as deliveries, arts installations, and traffic jams that occur in those physical spaces; and privately-owned buildings and businesses that influence what happens in public. From this broad range of elements that make up the public realm, the following summary highlights a few that shape people’s experience of the District and suggest ways to improve that experience.

DOZENS OF GROUND FLOOR SUPPLIERS AND FASHION-RELATED RETAIL SPACES

Located primarily on side streets (particularly between Seventh and Eighth Avenues), these fabric and accessory suppliers, equipment repair shops, and wholesale clothing stores are the most visible elements of the District’s fashion ecology. These stores are primarily a resource for emerging designers, hobbyists, and shoppers looking for specific items (e.g. custom-made girls’ dresses) that fall outside the high-end niche that characterizes much of the city’s fashion design. Most of the District’s fashion designers or factories, however, do not have a storefront or street-level presence.

FASHION-RELATED DELIVERIES

During the day, parked trucks typically line the streets, delivering to dozens of freight entrances and loading docks throughout the District. Most factories also make daily deliveries by-hand of samples, fabric, and other goods to design firms and other factories. These ubiquitous activities, which are crucial to the design and production process, tend to go unnoticed by all but fashion industry insiders. As factory employment has declined, the volume of these deliveries has declined as well, leaving excess parking and loading dock capacity.

PEAKS AND VALLEYS OF PEDESTRIAN ACTIVITY

The District is located between major tourist destinations such as Times Square, Madison Square Garden, and Herald Square, as well as major transit hubs like Penn Station. During rush hour, pedestrians routinely walk in the street along Seventh and Eighth Avenues on their way to Penn Station or Port Authority Bus Terminal. At night and on the weekends, many side street businesses are closed, though high volumes of pedestrians (primarily tourists) continue to pass through the District on the Avenues.
LIMITED OPEN SPACE

Two of the District’s only formal open spaces are the plazas on Broadway and Seventh Avenue between West 39th and 40th Streets. In the 1960s, sidewalks on several side streets were narrowed to make more room for freight delivery. People often refer to the “canyon effect” of walking along the District’s narrow sidewalks and tall buildings, with only a sliver of sky visible in the distance.

PROGRAMMING SPONSORED BY THE FASHION CENTER BUSINESS IMPROVEMENT DISTRICT

In recent years, the Fashion Center BID has developed numerous temporary initiatives to enliven the District’s open spaces, including a bike share program with bicycles created by local fashion designers, and by mounting an outdoor display along Broadway of custom-designed mannequins created by local fashion designers.

ACTIVATE PUBLIC SPACES WITH FASHION-RELATED ACTIVITIES

To enliven the Garment District’s public realm, the Fashion Center BID has launched numerous initiatives, such as Sidewalk Catwalk, which installed designer mannequins along Broadway. Additional programming and temporary interventions could highlight the District’s fashion design and manufacturing processes, particularly in the evening when nearly all of the neighborhood’s ground floor, fashion-related activity is shuttered.

DURING SEPTEMBER’S FASHION WEEK, STAGE RUNWAY SHOWS IN THE PUBLIC PLAZAS AND STREETS OF THE GARMENT DISTRICT

In 2010, New York City’s Fashion Week officially moved out of its longtime home in Midtown. Some of this activity should return to the District, to highlight the neighborhood where so much of the design and production of each season’s new lines takes place. Shows featuring locally-made clothing and accessories could be staged in the existing plazas along West 39th Street at Seventh Avenue and Broadway, or alternate side streets could be closed for runway shows in the street.

All of these recommendations should be considered in coordination with the NYC Department of Transportation and other key stakeholders, taking into account existing agency initiatives and comprehensive plans.
RE-PURPOSE EXISTING LOADING DOCKS TO HOST POP-UP STORES FEATURING NYC-MADE FASHION

Loading docks are critical for moving supplies and finished clothes from the District’s buildings to the street, but most are underutilized during the day and all are inactive in the evening. Pop-up stores would help activate these spaces, and highlight local design and production.

FOR FASHION-RELATED COMPANIES BASED IN THE DISTRICT, DELIVERY BAGS, RACKS, AND OTHER ITEMS INVOLVED IN THE PROCESS OF DESIGNING AND PRODUCING NEW CLOTHES COULD BEAR A UNIFIED BRAND TO MAKE THIS ACTIVITY VISIBLE

Every day, garment workers hand-deliver fabric, patterns, and finished clothes to design studios and factories throughout the District. These routine processes, which trace the steps needed to create high-end clothes, could be highlighted. For instance, the ubiquitous brown paper shopping bag favored by most factories could be produced in a bright-yellow; the garment rack, a quintessential Garment District icon, could be sheathed in black to create a sense of mystery. Both could feature a “NYC-Made” logo.

FEATURE “NYC-MADE” IN PUBLIC TRANSIT ADVERTISING SPACE

The Metropolitan Transportation Authority (MTA) features many of the city’s creative industries in spaces usually reserved for advertisements on subways and buses. For instance, in May 2012 the Mayor’s Office of Media and Entertainment launched a public service announcement campaign (“Reel Jobs. Reel Proud. Real New Yorkers.”) showcasing New Yorkers who work in the city’s film industry. Photographs of the latest NYC-Made fashion, or of the people who help produce those lines, could highlight the District’s importance to hundreds of thousands of commuters who pass through the Port Authority Bus Terminal, Times Square, and Penn Station every day.
IMPROVE THE DISTRICT’S PEDESTRIAN STREETSCAPE

Introducing a few simple changes to the District’s streetscape, including street trees, additional lighting at night, and wider sidewalks to accommodate seating and other places to linger, will go a long way to creating a more desirable public realm.

ADD NEW STREETLIGHTS

Since many of the District’s storefront fashion-related suppliers and clothing stores close at night, the side streets often feel dark and deserted. Even the Avenues, which remain active at night, are not as well lit as in other sections of Midtown. New spotlights with lenses, gels, and shutters could be mounted on lampposts or on buildings, adding lighting that references the theatrical elements of runway shows.

WIDEN THE SIDEWALKS TO ALLOW FOR SEATING AND OTHER USES

The south sides of these streets should retain their existing sidewalks except at corners, where they should be widened to accommodate the crowds that collect at intersections with the Avenues. The north sides of the neighborhood’s side streets, which receive more sun, should be widened selectively, furnished, and planted.

PLANT TREES THROUGHOUT THE DISTRICT

On the Avenues, trees could be introduced in planters, a technique used successfully and cost-effectively throughout the city, including along Broadway. On side streets, widened sidewalks likely could accommodate in-ground planting.
RECONFIGURE STREETS TO REFLECT CURRENT CONDITIONS

Under Mayor Bloomberg, the NYC Department of Transportation (DOT) has championed the concept of Sustainable Streets – adjusting roadways spaces to accommodate a wide range of users, including pedestrians and cyclists, while simultaneously improving traffic efficiency and safety. If applied to the Garment District, these principles would help maintain a balance between the movement of goods, vehicles, and people.

CLOSE AN EXISTING VEHICULAR LANE ON THE DISTRICT’S SIDE STREETS FOR BIKES AND FASHION-RELATED DELIVERIES.

On West 36th, 37th, 38th, and 39th Streets, where traffic volumes are relatively low, an existing traffic lane could be replaced by both a bike lane and a delivery lane for all of the smaller-scale goods movement that takes place in the District.

CONSOLIDATE COMMERCIAL PARKING ALONG THE SIDE STREETS, FREEING UP SPACE FOR OTHER USES.

Current regulations in the District limit parking during business hours to commercial vehicles, typically for three or four hours. However, despite excess parking capacity, livery companies routinely park all day on side streets rather than move their vehicles, accepting fines as a cost of doing business.

These commercial parking zones could be consolidated while still providing adequate capacity for deliveries. Where commercial parking restrictions are removed, sidewalks can be extended into the parking lane to create mid-block crossings, additional landscaping, or small open-spaces for sitting.

RECONFIGURE BUS LANES ALONG SEVENTH AVENUE

During rush hour, livery cars, utility trucks, and other vehicles routinely block the existing bus lane along Seventh Avenue. The bus lane could operate more effectively in the next lane over, while the right-of-way along the curb could be replaced with a narrower loading/standing zone and new trees.

DEVELOP STRATEGIES TO IMPROVE DELIVERY EFFICIENCY

The City is already experimenting with incentives to encourage off-hours deliveries. In addition to the proposals outlined above, long term strategies for goods movement in the District should be considered including creating freight consolidation centers from which goods can be collected or distributed throughout the District on smaller vehicles.

PROPOSED CHANGES TO GARMENT DISTRICT STREETSCAPE

The side streets and avenues of the Garment District accommodate many different vehicles ranging from hand-carts to freight delivery vehicles. Keeping the traffic constraints in mind, the above renderings reconfigure typical segments of the Garment District’s streetscape to better serve those activities and enhance pedestrian experience of the public realm.

Colin Cathcart / Brandon Pietras
CREATE A NEW WAY TO EXPERIENCE THE DISTRICT

The Department of Transportation recently unveiled plans to create a mid-block pedestrian connection from West 51st to 57th Street, adding stop signs and raised crosswalks on the streets to help people cut through existing building arcades. These changes will help make more Midtown spaces open and accessible to the public.

A similar strategy should be adopted in the Garment District, connecting existing spaces and creating new ones that cut through the middle of the neighborhood’s dense blocks. Existing building arcades, lobbies, or service areas could be incorporated into a ground-floor network. Property owners could transform the roofs of single-story and other low-rise buildings into pocket parks, dramatically set against much taller neighboring buildings—an initiative that has been enthusiastically received by property owners in Design Trust workshops.

This network of spaces could become a signature experience for everyone who uses or visits the District, creating a branding and identity opportunity for the District.

PROPOSED NETWORK OF NEW PUBLIC SPACES

New public spaces could be created from existing arcades, lobbies, and rooftops.

Pluto 2003 / Colin Cathcart / Brandon Pietras

ELEVATED PARK NETWORK

The existing low-rise buildings in the District can be viewed as resources instead of development soft sites. They could be transformed into a network of elevated parks like the one illustrated in the above rendering.

Rob Lane
Government officials and other stakeholders have launched numerous initiatives to support the city’s fashion designers. For instance, emerging designers can find affordable space and business development mentoring services in the City-sponsored CFDA Fashion Incubator. Garment factories, which are vital to the process of making cutting-edge designs, would benefit from a broad range of initiatives to support local manufacturing, including a campaign to encourage New Yorkers to buy locally-produced clothes, a program offering funding to modernize equipment, and tax credits for designers who work with local factories. These initiatives would capitalize on existing trends within the fashion industry to highlight NYC-based design and production, and could be coordinated and funded by a partnership of government agencies, fashion industry stakeholders, and property owners.

**BOOSTING DEMAND**

Roughly 75% of factory owners who responded to a 2010 citywide survey said that they are at 80% capacity or higher leading up to the city’s twice-annual Fashion Weeks. However, many factories are under-capacity at other periods, sometimes laying off workers during slow periods. A critical step in sustaining apparel manufacturing will be to boost consumer awareness of and demand for NYC-Made fashion, and in the process, drive more work to local factories.
LAUNCH NYC-MADE CAMPAIGN

New York City is recognized as a global fashion leader and destination. Local designers and retailers have begun to capitalize on the city’s cachet by promoting local production, tapping a growing interest among consumers for locally-made products. A dedicated campaign to encourage more designers to produce locally and to build an “NYC-Made” brand would boost every element of the city’s fashion industry.

A NYC-Made campaign could include the following initiatives:

- Offer tax credits to designers who agree to produce a percentage of their lines or one stock-keeping unit (“SKU”) locally, or to retailers for carrying locally-produced clothes
- Develop a branding initiative to build awareness of locally-produced clothes
- Eliminate sales taxes on locally-produced clothes (for any product sold, regardless of sale location)
- Create a Garment District “Insider Card” that offers discounts to consumers for NYC-produced clothes
- Use social media technology such as Foursquare to help consumers locate local designers and factories

CASE STUDY: MADE IN NY FILM INDUSTRY

In 2004, New York State government implemented a tax credit program for movie and TV production. The legislation specifies that a certain percentage of all production costs must be spent at New York-based facilities. A 2009 Ernst & Young study found that the $420 million tax credit program helped retain or create 7,000 jobs in direct film employment. The number of primetime TV series based in NYC between 2007-2012 was nearly double the number of series from 2001-2007.

Industry leaders also say the tax credit is responsible for a recent boom in demand for local studio space, which now outpaces supply. A manager at Seret Studios, a Brooklyn-based real estate company that rents out warehouses and lofts to production companies told Crain’s “We’re so busy now. I remember how slow it was when we didn’t have the tax incentives.”

In July 2012, Governor Andrew Cuomo expanded the state’s tax credit for post-production work, including editing and other finishing services, done in New York on movies and TV shows that are filmed elsewhere. This incentive, the nation’s largest for post-production work, supports an estimated 100 businesses employing approximately 3,000 people citywide.

ESTABLISH A NYC FASHION INNOVATION CENTER TO SHOWCASE LOCAL DESIGN AND PRODUCTION

The NYC Fashion Innovation Center would be a signature destination and one-stop resource for New York’s fashion industry. The Center would provide up to 100,000 square feet of dedicated space in an existing Garment District building to manufacturers representing each of the stages in apparel production—from sample-making and cutting and sewing, to pleating, grading, and marking. In addition, the Center would offer a range of business development services to designers and manufacturers.

The heart of the building would be an open, collaborative space on the ground floor that brings together all segments of the fashion industry with an exhibition hall, lecture hall, resource library, and classrooms. With its emphasis on innovation, the Center would host training for factory workers on the latest fabrication technologies, trade shows for the season’s newest fabrics, and talks from leading NYC and international designers.

Factories could apply to relocate to the Center, and be selected by a jury of city officials and designers. Factories could be concentrated on lower floors to take advantage of larger floor plates, while upper floors with more desirable views could be reserved for market-rate tenants (including dorms for local fashion schools), which would help offset the lower rents paid by the factories. Fashion designers would be able to find industry-endorsed factories in one location, while factory owners would have long-term control of their space.

From Theory to Diane von Furstenberg to American Apparel, many fashion labels that have the necessary capital and capacity move multiple aspects of design and fabrication under one roof to improve the speed and efficiency of their operations. The Fashion Innovation Center would make the advantages of this model available to a broad range of fashion startups and entrepreneurs.

CONSOLIDATED MANUFACTURING SPACE

This diagram illustrates how existing manufacturing space (left) could be retained on lower floors (right), leaving upper floors for higher-rent paying uses.

Bernheimer Architecture
**NYC Fashion Innovation Center - 50,000 SF**

**Sources and Uses for Acquisition and Renovation: NYC Fashion Innovation Center**

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<td><strong>Total Sources</strong></td>
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**Debt Service**

| Expected Annual Debt Service | 897,670 |

The Center could be financed by a mix of public and private sources, including funds from the fashion industry, property owners (through an increased Business Improvement District assessment), and the City.

Kei Hayashi

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Renderings of the interior and exterior of the proposed NYC Fashion Innovation Center.

Bernheimer Architecture
ESTABLISH A COALITION OF FASHION INDUSTRY STAKEHOLDERS TO PROMOTE AND SUPPORT NYC FASHION DESIGN AND PRODUCTION

Many fashion designers, school officials, manufacturers, advocacy organizations, and other industry representatives already are spearheading initiatives to promote local design and production. These stakeholders should coordinate their efforts as a single coalition that could undertake the following:

- Establish a single, updated online database of NYC garment factories to connect them to fashion designers who want to produce locally
- Promote a "NYC Made" brand, including developing programming to highlight the fashion industry’s presence in the Garment District and developing a retail strategy for locally-produced clothes
- Conduct periodic factory site visits to help City government enforce zoning protections for manufacturing space
- Inform New York City’s industrial policy decisions
- Manage and program the NYC Fashion Innovation Center

Ultimately, this coalition could help secure sustainable funding for an existing nonprofit industry advocate such as the Garment Industry Development Corporation to carry out the tasks outlined above.

MANUFACTURING SUPPORT

Prominently featured on the website (www.sfmade.org), for SF Made, a nonprofit organization that supports San Francisco’s manufacturing sector, is the sentence: "Yes, we still make things right here in San Francisco!" SF Made has successfully promoted that message citywide, translating it into increased business for local designers and manufacturers. Working with a very small initial budget, SF Made convinced global apparel companies such as Banana Republic to establish pop-up stores featuring locally-produced clothes, and worked with Levi’s to create an online map of retailers carrying SF Made products to make them easier for consumers to find. City officials have been strong supporters, most recently have launched FashionSF to retain and grow the apparel manufacturing and fashion design sectors.

Closer to home, the Greenpoint Manufacturing Development Corporation (GMDW) is a nonprofit developer that provides affordable space and services to manufacturers and industrial companies in North Brooklyn. Founded in 1992, GMDW has planned, acquired, and developed five properties, and currently manages over 500,000 square feet occupied by more than 100 businesses. GMDW receives City capital funding and NYCIDA real estate tax abatements to support its mission.

Additionally, the East Williamsburg Valley Industrial Development Corporation and the Southwest Brooklyn Industrial Development Corporation are nonprofit advocates for local manufacturers. Both groups help secure city, state, and federal grants for programs that support industry, share information about best practices, and broker business partnerships.
The Garment District is home to a variety of activity and uses not found anywhere else in the city, including new high-end residences and hotels; a broad range of nonprofits, arts organizations, architecture studios, and legal and financial offices; and the city’s largest concentration of fashion-related businesses—from showrooms to cutting rooms, design ateliers to button suppliers—which occupy nearly half of all of the space in the District. This mix of uses provides a diverse economic base of jobs and enables the kind of exchanges across sectors and disciplines that help fashion and other creative industries to thrive. However, the zoning regulations established for the District in 1987, and the systems in place to enforce those regulations, can no longer sustain this mix of uses, particularly the long-term presence of garment factories.

This section outlines strategies that would incentivize property owners to retain all of the existing apparel manufacturing space within the Preservation Areas, while providing opportunities to develop underutilized sites in and around Midtown. These strategies, vetted by a broad range of stakeholders including fashion designers, factory owners, and property owners, would help sustain manufacturing jobs and fashion design innovation in Midtown, while simultaneously creating tremendous value for property owners and City government.
ESTABLISH A PROGRAM TO CREATE VOLUNTARY, MARKET-BASED ZONING INCENTIVES FOR DEDICATED MANUFACTURING SPACE, AND TIE THOSE INCENTIVES TO DEVELOPMENT AND INVESTMENT IN MIDTOWN

The 1987 Special Garment Center Zoning District established “Preservation Areas” that cover roughly 7.7 million square feet of space in 101 buildings in the Garment District. Within these areas, known as “P1” and “P2,” property owners who wish to rent space to offices must permanently set aside an equivalent amount of space for garment manufacturing use through a mechanism known as a deed restriction. However, the City does not actively enforce the restrictions on converting manufacturing space. As a result, property owners have a financial incentive to rent to a wide range of uses that are not permitted, while factory owners say they lack the long-term stability the zoning was intended to provide.

The proposed incentive program is based on a few basic principles:

– The City should establish market-based financial incentives for property owners to voluntarily retain manufacturing space over the long term.

– These incentives should take the form of development rights that can be “transferred” to sites such as vacant parcels of land or low-rise buildings on parcels where the zoning allows larger buildings. These are referred to as “soft sites.”

– These sites should be located not only within the District, but in a broader, precisely defined Midtown area that includes more of these soft sites, so that City government can achieve multiple goals: retain highly productive manufacturing space and encourage new development opportunities in Midtown.

HOW WOULD THE PROGRAM WORK?

In exchange for deed restricting manufacturing space for 25 years, property owners within P1/P2 would receive development rights that could be used in a Transfer Area between West 31st Street and 40th Streets, from Fifth to Ninth Avenues. On soft sites within the Transfer Area, property owners could develop an amount of office space and residential space equivalent to three times the amount of manufacturing space deed restricted.

TRANSFER OF DEVELOPMENT RIGHTS AREA

Within the Transfer Area, property owners would receive incentives to retain manufacturing space.

PROTECTED SPACE

Today, roughly 1.1 million square feet of space within the two Preservation Areas is occupied by garment factories – a significant and valuable cluster, but far less space than is protected by the zoning. Of that 1.1 million square feet of space, approximately 170,000 square feet of manufacturing space has been permanently set aside through deed restrictions.
Imagine a property owner with a 100,000-square foot building. Under the current zoning, an owner who permanently sets aside 50,000 square feet of space for factories can legally convert 50,000 square feet to offices. However, because the zoning is not enforced, property owners typically do not deed restrict manufacturing space, and convert more space to offices than is allowed: in this case, the ratio might be 20,000 square feet for factories and 80,000 square feet for offices.

On soft sites within the Transfer Area, the proposed program would allow property owners to develop an additional 50,000 square feet of office space, and another additional 50,000 square feet of residential space.

This program addresses twin goals of retaining manufacturing space while encouraging new mixed-use development in Midtown. The 25-year term for deed restrictions would provide factory owners with the security to invest in upgrading their businesses and give property owners the flexibility to respond to long-term changes in demand for manufacturing space.

**SOFT SITES**

**PROPOSED TRANSFER OF DEVELOPMENT RIGHTS INCENTIVE PROGRAM**

The proposed program would offer property owners development rights—including for residential use—in exchange for retaining manufacturing space. Bernheimer Architecture

**FAR DEFINITION**

Floor to Area Ratio, or FAR, calculates the ratio between the total square feet of a building divided by the total square feet of the building lot. As such, urban areas have high FAR due to the density of cities. FAR is used by in zoning codes to limit building heights or define setback requirements, for example.
ADDITIONAL TERMS OF THE PROPOSED PROGRAM

New development on soft sites within the Transfer Area cannot exceed an FAR of 12 on side streets and 15 on Avenues. All other existing regulations on the height and form of the buildings remain in effect.

Once new residential development and manufacturing deed restrictions passes 250,000 square feet, a study will be commissioned by the TDR Board to determine the costs and benefits of the program. If the incentives are in any way detrimental, and contribute to a decline in available manufacturing space or leasehold security, they will be discontinued.

The incentives would be offered for only five years or until a threshold goal is reached of 750,000 square feet of existing manufacturing space deed restricted through this program, whichever comes last.

If the threshold of 750,000 square feet of existing manufacturing space deed restricted through this program is reached within five years, the existing P1/P2 Preservation Areas would be eliminated. The underlying manufacturing zoning would be replaced with a new Innovation Zoning District. This new zoning designation would allow a broad range of high-tech and specialized fabrication, as well as commercial uses as-of-right.

If the threshold of 750,000 square feet of manufacturing space deed restricted through this program is not reached within five years, P1/P2 and the 1:1 commercial conversion ratio would remain in place to protect manufacturing uses in the District.

PROPOSED SKYSCRAPER IMPROVEMENTS

Many Garment District loft buildings could support additional construction facilitated by the proposed incentive program— including penthouse residential units.

Many Garment District loft buildings could support additional construction facilitated by the proposed incentive program— including penthouse residential units.

RETURNS FOR PROPERTY OWNERS UNDER THE PROPOSED PROGRAM

Property owners likely will participate in the proposed program only if they achieve an adequate return on their investment— typically between 12% to 18% depending on the type of investment. The chart below compares the internal rate of return (IRR) of a typical property owner in four different scenarios:

A The status quo
B The zoning is changed to allow commercial uses without any requirements to retain manufacturing space
C The owner participates in the proposed incentive program with only the commercial development bonus
D The owner participates in the proposed incentive program with the commercial development bonus and the residential development bonus

The chart below shows that a typical property owner would achieve higher returns by participating in the incentive zoning than in the other scenarios. Even after the residential bonus is no longer offered, some owners — such as those who own multiple properties within P1/P2 — still may achieve adequate returns to justify entering the incentive program, particularly if the program is combined with other existing City industrial retention programs.

RETURNS TO PROPERTY OWNERS

<table>
<thead>
<tr>
<th>Status Quo with Assessment</th>
<th>$0.1/SF</th>
<th>$0.2/SF</th>
<th>$0.3/SF</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-8.84%</td>
<td>-9.76%</td>
<td>-10.72%</td>
</tr>
<tr>
<td>Full Commercial Conversion</td>
<td>24.37%</td>
<td>24.01%</td>
<td>23.65%</td>
</tr>
<tr>
<td>New Proposal (1:1 + FAR Bonus)</td>
<td>16.87%</td>
<td>16.39%</td>
<td>15.90%</td>
</tr>
<tr>
<td>New Proposal (1:1 + FAR Bonus + Residential Bonus)</td>
<td>27.50%</td>
<td>27.06%</td>
<td>26.63%</td>
</tr>
</tbody>
</table>

Development bonuses and transfer of development rights assumed to have an average value of $115/SF. Initial investment/purchase is assumed to be $275/SF; conversion to class B office assumed to require an average expenditure of $100/SF, plus initial elevator and lobby upgrades of $2 million/100,000 building.
PRIORITIZE ENFORCEMENT OF EXISTING ZONING LAWS AND REGULATIONS IN THE DISTRICT

Enforcement is a critical component of many programs designed to achieve goals the City deems important: protecting historic buildings, for instance, or providing affordable housing within new market-rate residential development. The proposed incentive program will depend on an effective enforcement protocol to ensure that property owners who receive development bonuses in exchange for deed restricted manufacturing space do not convert that space for other uses.

The Department of Buildings (DOB) is responsible for the enforcement of land use regulations in the City’s zoning resolution. Ensuring DOB’s success in enforcing the retention of manufacturing space will require a few simple, pragmatic elements:

**MONITOR TRANSACTIONS**

The City could establish a Transfer of Development Rights (TDR) board made up of representatives from the fashion industry, property owners, and City government. This board would approve and record each deed restriction and transfer of development rights, and could assist DOB with enforcement. All TDR transactions could be subject to a small fee, which could help make the board self-sustaining.

**ENLIST AN INDUSTRY NONPROFIT ORGANIZATION TO ASSIST THE DEPARTMENT OF BUILDINGS WITH ENFORCEMENT**

The Garment Industry Development Corporation (GIDC), a nonprofit garment manufacturing advocacy organization, was originally funded to help DOB visit factories within the Preservation Area and report violations to DOB. Partnering DOB inspectors with an industry or neighborhood partner familiar with specific buildings and businesses would make the inspection process more efficient.

**PRIORITIZE AND FULLY FUND ENFORCEMENT WITHIN DOB**

After the Special Garment Center District was first established, the City established a Midtown Enforcement Unit within DOB to handle enforcement in the Garment District. However, this unit was disbanded shortly afterwards due to lack of funding. Enforcement will only succeed if DOB has adequate staff, resources, and political support to carry out its job.

One step would be to establish a dedicated funding stream for enforcement in the District. For instance, in order to do any kind of alteration, property owners in a Landmark District pay a fee, which helps fund enforcement. A similar levy on building improvements, combined with contributions from the fashion industry, could provide a sustainable funding source for continued enforcement.

**ESTABLISH AN ASSESSMENT ON PROPERTY OWNERS IN THE FASHION CENTER BID OF $3M ANNUALLY TO SUPPORT THE NYC FASHION INNOVATION CENTER**

In their negotiations with City officials on past proposals to change the zoning, property owners and the BID considered helping to raise up to $3 million through additional property assessments to help retain manufacturing space. This new stream of revenue would be a key funding source for programs that support local design and production, which in turn would improve the District’s image and enliven its public realm. For instance, the assessment could be used for rent subsidies for garment factories, debt service for the purchase of a dedicated manufacturing building by a nonprofit, or go to support a NYC-Made marketing campaign.

To reach a target of $3 million annually in assessments, P1/P2 owners would each have to contribute approximately 34 cents per square foot. If the additional assessment included property owners in the entire Fashion Center BID, not just the preservation areas, then the per square foot assessment would drop to approximately 9 cents.
USE THE RESOURCES AND PROGRAMS OF THE NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY (NYCIDA) TO ALLOW PROPERTY OWNERS TO INCREASE RETURNS ON MANUFACTURING SPACE, AND ENFORCE MANUFACTURING PROTECTIONS.

NYCIDA’s key program lowers the real estate tax burdens of industrial and manufacturing companies that purchase their property in New York City. NYCIDA determines how much of these taxes (which for industrial properties typically range from $1 to $3 per square foot) are abated. Given the importance of the fashion industry to New York City and the importance of fashion manufacturing to design, the NYCIDA could adapt its programming to better apply to the predominantly industrial rental market in the Garment District.

Typically, NYCIDA provides abatements to property owners or renters who occupy an entire facility. The NYCIDA does not have a clear policy or mechanism for conveying benefits to smaller manufacturing tenants, which comprise the vast majority of manufacturers in the Garment District. However, in the case of the Extell Building in Manhattan’s Diamond District, the NYCIDA provided the developer/sponsor with a tax abatement based on the percentage of the building dedicated to a set of approved uses (e.g. diamond-cutting, polishing, and setting), and required the developer to pass on the tax benefits to tenants. NYCIDA allowed this “deviation” from its normal policies in order to retain uses related to the diamond industry while simultaneously encouraging new development in the area.

The NYCIDA could apply a similar model to the Garment District, abating the portion of a property owner’s taxes associated with manufacturers space, and then requiring the building owner to pass the tax savings on to the manufacturers. These incentives could be tied to the number of jobs in the manufacturing space or simply to a percentage reduction in real estate taxes for the term of the manufacturers’ lease. Either way, NYCIDA could create a new program to address the specific real estate issues between owners and tenants in the Garment District.

WHAT IS THE NYCIDA AND WHAT DOES IT DO?

The New York City Industrial Development Agency (NYCIDA) is a public benefit corporation whose mission is to assist the industrial and manufacturing sectors as well as promote general economic growth in New York City. As a public benefit corporation, the NYCIDA pays no property taxes for real estate it owns or to which it has title. One of NYCID’s main powers is to lower the tax burdens of companies making investments in real estate and property by taking their properties off of the tax rolls. In essence, the NYCIDA pays its own tax exemption on to private companies that agree to make capital investments in New York City and commit to job growth.

CASE STUDY: THEATER DISTRICT

Home to Broadway theater, New York City’s Theater District is both an important cultural amenity and a significant economic contributor for the City. In the 1970s, however, many of the theaters were in financial trouble and the neighborhood was deteriorating. Several historic structures, including the Helen Hayes, Morosco, and Bijou theaters, were demolished, and the District itself seemed in danger of disappearing.

City officials rezoned the Theater District in 1982 and 1998 to incentivize property owners to preserve theaters by establishing a transfer of development rights (TDR) program for unusable development rights on the sites of the preserved theaters. The terms of the program included the following:

- Owners can sell undeveloped bulk to receiver sites north of West 40th Street in exchange for maintaining theater use (per 1998 zoning)
- New development over a certain size threshold must reserve 5% of space for theater or entertainment use
- FAR bonus available by special permit in return for rehabilitation of designated theaters
- A non-profit entity, the Theater Subdistrict Council, was created as a repository for payments that developers and property owners must make when transferring development rights within District. These funds are then used to support cultural programs in consultation with the NYC Department of Cultural Affairs.
- Special permit required for demolition of theaters without landmarks designation

Since the 1998 rezoning, there have been 11 theater transactions, with a total of nearly 450,000 square feet transferred.
MOVING FORWARD

The Garment District’s many stakeholders have considered numerous proposals in recent years to guide the neighborhood’s future development. Making Midtown offers a scenario in which private and public-sector partners revitalize the Garment District with fashion design and production at its core, with dozens of recommendations to improve the District’s public realm, promote NYC-Made Fashion, and create real estate value.

This section considers the potential benefits and drawbacks of this scenario and two others that have emerged as potential alternatives for District stakeholders: (1) take no action, and (2) shrink the amount of space retained for manufacturing in Midtown, but take no other actions.

Ultimately, by addressing the needs of multiple stakeholders and including a broad range of strategies that considers the District as a whole in its Midtown context, the proposed scenario offers the greatest possible long-term benefit for the greatest number of people.

SCENARIO ONE: TAKE NO ACTION

District stakeholders could not reach consensus on the City’s most recent proposal to change the District’s zoning; since then, there have been no additional efforts from City officials to continue discussions about the District’s future. It is possible that no action will be taken in the near future.

This scenario likely will deepen the frustration and concerns of the key stakeholders. As long as enforcement of existing protections for manufacturing remains lax, property owners will continue to illegally rent space to offices. This benefits the many businesses that occupy the 2.5 million square feet of illegally converted space, who typically pay lower rents than if the space were converted legally.

However, in this scenario, property owners achieve relatively low returns, and have little incentive to invest in the maintenance or upgrading of their buildings. Additionally, factory owners will continue to lack the security they need to make long-range investments in their businesses.

Rising overseas costs may entice fashion designers to produce more clothes at local factories, and consumer demand for local production may continue to grow, but these trends will emerge more slowly without a concerted campaign to boost consumer demand for local production or incentivize fashion designers to produce clothes in local factories. If the apparel manufacturing sector continues to decline, designers will have fewer resources for samplemaking and short runs, and the creative exchange that helps them innovate will be negatively impacted.

Most damaging for the District’s future will be the sense among key stakeholders that after several years of meetings and discussions with the City, nothing has been done.

–Rents remain low for wide range of nonconforming uses
–Lack of investment in public realm and building stock
–Lack of long-term security for factory owners
–High rate of vacancy and nonconforming space within District buildings
–Continued decline of manufacturing sector, with consequent loss of design resources to fashion community
SCENARIO TWO: REDUCE THE AMOUNT OF SPACE RETAINED FOR GARMENT MANUFACTURING

City government has advanced two proposals in recent years that would have removed the Preservation Areas, and retained a manufacturing base that was roughly a third or half of its existing size. These changes would result in dramatic increases in the incremental property value of District buildings and significant increases in City tax revenues. Freeing up hundreds of thousands of square feet of space in the District also would help achieve a City goal of creating more office space in Midtown.

However, there are great risks in this scenario. While the recent City proposals have offered mechanisms to provide long-term security for some existing factory owners, presumably property owners would convert space currently occupied by the District’s remaining factories. Some of these factories likely would close. Others might successfully relocate to other neighborhoods, but would be at a competitive disadvantage compared to those factories remaining in the District’s fashion industry cluster. The end result would likely be the loss of thousands of apparel manufacturing jobs. Sudden losses in the manufacturing sector would reduce designers’ ability to produce new styles and respond to consumer demand; startups would be hit the hardest, but even major labels could be affected. This chain of events could potentially affect the city’s status as a global fashion capital.

Some stakeholders have advocated for a more extreme variation of this scenario – relocating all of the Garment District’s factories to the outer boroughs. Although official discussions about the District’s future have not focused on this scenario, it is worth noting that this approach accentuates the drawbacks of scenarios to reduce the manufacturing cluster in Midtown, including significant increases in revenue for property owners with a extremely high potential for disruption of the fashion industry.

- Significant gains for property owners, City tax revenue
- Additional Class B, C office space to meet high demand
- Long term security for roughly a third of existing factories
- Significant loss of manufacturing jobs and production capacity for designers
- Lack of investment in public realm and building stock

SCENARIO THREE (MAKING MIDTOWN PROPOSAL): IMPROVE THE DISTRICT’S PUBLIC REALM, PROMOTE NYC-MADE FASHION, AND SUSTAIN A DIVERSE MIX OF USES IN THE DISTRICT

This scenario also would result in significant returns to property owners and City officials, but would retain the full cluster of garment manufacturing that currently supports the city’s fashion industry. This scenario also addresses a wide range of complementary goals to improve the neighborhood. Finally, rather than assume that continued decline in the District’s built environment and manufacturing base are inevitable, this scenario proposes mutually reinforcing strategies to support fashion design and production while creating new development opportunities and catalyzing private sector investment.

For instance, creating a more pedestrian-friendly, distinctive, and inviting public realm in the District, will benefit a wide range of stakeholders, from fashion designers who wish to open a retail storefront to property owners looking to lease space in their buildings. Similarly, a strong NYC-Made brand for fashion will directly benefit factory owners and designers, and will also draw activity and help create the “buzz” about a neighborhood that property owners seek.

This scenario is not without challenges. City officials must agree to allow development incentives to be used to encourage retention of factories. This kind of tool has been used successfully and proposed throughout the city, including for Hudson Yards and the High Line, but would need to be modified to address the specific conditions of the Garment District. Property owners would need to voluntarily participate in the program; those who did would be able to achieve greater returns than what they could achieve without such a program. Finally, enforcement of regulations to retain manufacturing space must be a priority.

Ultimately, this scenario results in the greatest benefits for the greatest number of people.

- Significant gains for property owners, City tax revenue
- Additional Class B, C office space
- Increased private investment in District’s building stock
- New development opportunities throughout Midtown
- Additional resources for designers and factories
- Improved public realm for Midtown
- Increased rents in Garment District properties likely to result in some displacement of existing commercial tenants
- Relies on enforcement of manufacturing retention requirements
STAKEHOLDER ACTIONS
AND BENEFITS

Many Garment District stakeholders—including property owners, fashion designers, City officials, factory owners and others—have helped generate and refine the recommendations in this publication. These parties each would have to make commitments to specific initiatives, and would work together to carry them out. Ultimately, there is general consensus that the proposed changes would benefit all parties.

This section outlines the actions needed from the key stakeholders and benefits they would likely receive as a result.

PROPERTY OWNERS

ACTIONs (OWNERS WITHIN THE PRESERVATION AREAS)

– Take advantage of the incentive program to retain manufacturing space.

– Approve an additional BID assessment of approximately $0.34/square foot, generating roughly $3 million annually that could help support initiatives to promote NYC-Made.

– Work with CFDA and City officials to make space available in an existing Garment District building for the NYC Fashion Innovation Center.

BENEFITS

– Development bonuses will allow property owners who deed restrict space to realize higher returns than under the status quo.

– If 750,000 square feet of manufacturing space is deed restricted, replacing the existing Preservation Areas would result in an estimated $340 million increase in incremental property value.

– The 25-year term for deed restriction provides greater long-term flexibility over the use of their buildings than the current requirement for permanent deed restriction.

– Improvements to the public realm, greater diversity of neighborhood uses, and a stronger neighborhood identity drawing on a campaign to promote fashion will make it easier to attract a wide range of tenants.

FASHION DESIGNERS

ACTIONs

– Establish a coalition of fashion industry advocates to promote NYC-Made.

– Take advantage of tax credits to commit a specific percentage of their total production to local factories.

– Help organize programming and temporary events to feature NYC-Made design and enliven the Garment District.

– Help fund an NYC Fashion Innovation Center.

– Help fund and establish a comprehensive database of garment factories located in the District.

BENEFITS

– Retention of the District’s manufacturing cluster will ensure that designers will continue to have the resources to help them produce high-quality clothes with quick turnaround times.

– The NYC Fashion Innovation Center will house the city’s best manufacturers, and also feature classes, presentations, archives of material innovations, and other resources for designers.

– A NYC-Made branding and marketing campaign, and tax credits to encourage working with New York City-based factories, will promote designers who produce locally.

– Improvements to the public realm also will benefit designers who maintain studios, showrooms, or retail storefronts in the District, and will encourage more designers to do business or locate in the neighborhood.
**FACTORY OWNERS AND WORKERS**

**ACTIONS**

- Establish a coalition of fashion industry advocates to promote NYC-Made.
- Help fund and establish a comprehensive database of garment factories located in the District.
- Help fund the NYC Fashion Innovation Center.

**BENEFITS**

- A NYC-Made campaign to build awareness and demand for locally-produced clothes, and tax credits incentivizing designers to produce their lines in New York City, will result in an increase in orders for factory owners.
- Deed restricted manufacturing space in the District will retain the 7,100 garment factory jobs in Midtown, maintaining a central location with excellent access to public transportation for workers commuting from outer boroughs.
- Deed restricted space will provide the long-term security factory owners need to invest in their businesses.
- The NYC Fashion Innovation Center and an enhanced Garment District database will make it easier for designers to find and work with factories.
- Tax abatements from the NYC Industrial Development Agency will help factory owners’ bottom lines.

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**NEW YORK CITY GOVERNMENT**

**ACTIONS**

- Department of City Planning - Assess the costs and benefits and potential impacts of the proposed incentive program
- NYC & Co – Work with the fashion design community and other stakeholders to develop an NYC-Made brand and related program
- Department of Transportation – Work with the Fashion Center BID and other stakeholders to study the costs and benefits of improving the District’s streetscape and traffic flow
- City Council – Through its capital funds, help fund the NYC Fashion Innovation Center
- NYC Economic Development Corporation – Provide business assistance support for a NYC Fashion Innovation Center
- Department of Buildings – Prioritize enforcement of zoning regulations in the District
- NYC Industrial Development Agency – Expand its real estate tax program to abate property taxes for building owners who retain manufacturing space
- New York State legislators - Follow the success of the film industrial tax credits to provide similar incentives to fashion designers to produce clothes in New York City

**BENEFITS**

- Programs to support Midtown’s apparel manufacturing cluster will bolster the City’s status as a global fashion capital, particularly for new startups - ensuring that it will remain a magnet for new design talent and investment.
- A strengthened manufacturing sector also will ensure that the city maintains a diversified economy and job base.
- The incentive program will encourage new development on underutilized sites from West 31st to 40th Streets, aligning with the City’s goals to catalyze greater density in Midtown, while increasing the value of, and encouraging private investment in, the Garment District’s building stock.
- If 750,000 square feet of manufacturing space is deed restricted, replacing the existing Preservation Areas would result in approximately $8 million of additional annual property tax revenue for the City.
- Improvements to the District’s public realm will reinforce the City’s efforts to provide well-designed open space amenities and pedestrian-friendly streets to all New Yorkers.
The Garment District was born of real estate pressures forcing garment manufacturers to the west side of Midtown, and forged by immigrant entrepreneurs who built a new neighborhood of industrial and commercial skyscrapers in the early 20th century with a speed and scale never before seen. Those same qualities of ambition and innovation in a crowded city of competing interests still characterize the District today.

As all great urban neighborhoods do, the Garment District has adapted to changing markets, consumer demand, and political climates. To thrive, it must continue to evolve. Those who have grown discouraged by years of disagreement about the District’s future and who no longer see its latent potential should remember that the District has never been a fixed environment.

The Design Trust’s work with diverse stakeholders leverages the presence and authenticity of creative industry and 21st century manufacturing in the District to establish a new vision for the neighborhood as a vital resource for our city. Making Midtown demonstrates how the District’s cluster of fashion activity forms the heart of a new kind of creative district, one that features an engaging public realm, boosts real estate values, supports jobs and makes this design and fabrication neighborhood a distinct destination.

Making Midtown is also about enhancing the benefits that the Garment District generates for all New Yorkers. The region sustains 7,100 fashion industry jobs that contribute $2.1 billion dollars to New York’s economy. If the Design Trust’s recommendations are enacted in the District, $340 million dollars in unrealized real estate value will be effectively unlocked for the neighborhood along with $8 million dollars in tax revenue for the City.

In a competitive global marketplace, New York’s fashion industry is dependent on a robust local infrastructure and network of talent, enabling designers to produce higher quality at a faster pace and provide mass customization. In fact, the Garment District currently acts as a fashion research and development hub. There is tremendous opportunity for growth and synergistic partnership between the fashion industry and the technology sector that is moving into this neighborhood’s unconventional spaces. Young designers are increasingly taking advantage of the resources and creating new value in the District. Making Midtown emphasizes that 21st century manufacturing should be redefined – it is no longer the noxious or noisy industry of Detroit or Pittsburgh, but rather one of handcraft and boutique fabrication.

New Yorkers pride themselves on living in the Fashion Capital of the world. Moreover, we take pride in the fact that we live in a city robust enough to sustain this title along with many other creative and intellectual hubs. Making Midtown leverages the existing human and economic capital within the Garment District to ensure its enduring success.

The Garment District does not require radical re-invention; it requires repositioning and recognition of its value by the City and the entire industry. Across the country, city officials and business leaders seek to create neighborhoods that attract and support designers, artists, and other creative professionals who in turn will usher in new investment and visitors. These other municipalities could spend billions of dollars in vain to replicate the kind of building transportation infrastructure, diversity of uses, and creative industry cluster that already exist in the Garment District.

Making Midtown, although not the first set of recommendations for the Garment District, is the first comprehensive effort to include all stakeholders in building the shared vision presented here. Every recommendation is achievable through coordinated private and public sector investment over the next 10 years. However, we must act now and we must act in concert. This opportunity to create a 21st century Garment District will pass as attention turns to other planning and industry initiatives.

The tools and policies necessary to support and strengthen the neighborhood and the fashion industry already exist. City officials have used them for years to promote other industries, like film & television, and to incentivize property owners and developers to retain or integrate affordable housing and theaters—all done in order to create public value and a diverse city. Making Midtown, in the same way, puts our city at the forefront of achieving a strong economic base while delivering a dynamic and vibrant neighborhood that produces cutting-edge design and fashion for all New Yorkers and the world.
ACKNOWLEDGEMENTS

Making Midtown builds on more than a decade’s worth of research on the Garment District. This research would not have been possible without the generosity and expertise of the project participants, advisors and consultants. The Design Trust for Public Space and the Project Fellows would like to thank all of the following individuals for lending their expertise and thoughtful guidance, and express our deep gratitude to all the funders who made this project possible.

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Council of Fashion Designers of America (CFDA)
Steven Kolb, CEO
Steven Kolb oversees all operations and activities of the American fashion industry’s preeminent designer trade association and affiliated charity. Mr. Kolb provided critical feedback on Made in Midtown, and was instrumental in raising funds for the project and introducing the project team to CFDA members.

Joerg Schwartz
Joerg Schwartz is an architect and urbanist who has practiced in New York City since 1985. Mr. Schwartz worked closely with the CFDA to develop the concept for Made in Midtown, assisted with the 2009 survey of 101 buildings within the Garment District’s Preservation Areas, and provided insight as a designer and critic at every stage of the project’s evolution.

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Award-winning designer Yeohee Teng established her house, YEOHLEE Inc., in 1981. Her work—designed, developed and produced in New York City—has been featured in numerous exhibitions internationally. Ms. Teng provided invaluable assistance demonstrating the complex process of garment design and production, illuminating the Garment District’s fashion ecosystem, and introduced the project team to fashion industry stakeholders throughout the city.

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Andrew Bernheimer is a Brooklyn-based architect and principal of Bernheimer Architecture. Mr. Bernheimer teaches at Parsons The New School for Design, and his work has been featured in numerous publications, including the New York Times, Metropolis, Architecture, and Interior Design.

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Colin Cathcart is a founding principal of Kiss + Cathcart Architects, a collaborative practice noted for its use of new technologies, sustainable architecture and mixed-use urban design, where he specializes in sustainable design and planning. He is also an associate professor at Fordham University.

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Kei Hayashi is an economic development consultant and founding principal at BJH Advisors LLC, a firm that provides analysis and strategies for using economic development finance tools at the local, state, and federal levels. Prior to founding BJH, she spent 13 years as a Senior Vice President of the New York City Economic Development Corporation.

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Making Midtown builds on more than a decade’s worth of research on the Garment District, and has in turn helped spawn additional work on the neighborhood and shaped its coverage in the press. In particular, the New York Industrial Retention Network (NYIRN) and the Pratt Center published numerous reports from 1994 to 2000. In 2011, drawing from Phase I of the Design Trust’s work, Made in Midtown, the Municipal Arts Society released a report called “Fashioning the Future: NYC’s Garment District,” which made initial recommendations for the Garment District.

All of these studies have helped keep public discussion alive on the role of urban manufacturing in the 21st Century city, and in particular, on the Garment District’s value to New York.
“There’s so many people I interact with who say ‘the New York fashion industry has nothing to do with Midtown any longer, it’s gone, it’s merely a shell.’ It’s not true. The Garment District is still of extraordinary value to all of us.”

TIM GUNN, CHIEF CREATIVE OFFICER, LIZ CLAIBORNE, INC.; HOST, PROJECT RUNWAY