



## Support for Hotel Special Permits

Testimony before the New York City Council, Subcommittee on Zoning and Franchises

Adam Friedman, Executive Director

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Good morning and thank you for the opportunity to testify. I am Adam Friedman, Director of the Pratt Center for Community Development.

Pratt Center supports the creation of a special permit for the siting of hotels in manufacturing zones. We've been advocating for such a provision along with special permits for other non-industrial uses for more than a decade and stood with the Mayor when he announced his commitment to special permits in 2015.

The rationale for creation of a special permit process is simple: it will slow the intrusion of hotels into manufacturing areas and dampen the real estate speculation which has threatened both the direct and indirect displacement of manufacturers from the city's industrial areas – including the Industrial Business Zones, areas targeted by the City to be preserved for industrial uses.

In [Hotel Development in NYC: Room For Improvement \(2015\)](#) we analyzed the extent to which hotel development was conflicting with city priorities in selected areas of the city, such as the preservation of manufacturing space and Class B office space, and the promotion affordable housing. We looked at the extent to which return on investment from hotels outpaced returns on other investments in these other uses. This report was written under contract to the Hotel Trades Council which provided us with data on hotel financing, investment and operations.

To cut to the chase, hotel development yielded a far higher rate of return, often several multiples higher, than other investments which the city had prioritized.

The result, absent a special permit process, is that property owners price their property in anticipation of conversion to hotel uses, whether that scenario is realistic or not. In addition, manufacturers see hotels going up around them, sense that their time at that location may be limited and defer investment, leading to a downward spiral. The loss of manufacturing becomes a self-fulfilling prophesy.

Today's hearing is a very welcome milestone on the road to a better planned city, one where space is preserved for the activities essential to the functionality of the city. In 2003, Pratt, Evergreen, SBIDC, GMDC, BOC and numerous other industrial stakeholders launched the *Zoning For Jobs Campaign* which recommended special permits for non-industrial uses to preserve space and create jobs. It should not

take another 15 years to develop a new and comprehensive framework for meeting our future space needs.

Pratt Center looks forward to working with the City Council and the Administration to our zoning and land use support a healthy, vibrant and diverse city.

**For more information, please contact:**

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**Attachment:**

Hotel Development in NYC: Room For Improvement (2015)

<https://prattcenter.net/research/hotel-report>

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