

Brooklyn Borough President Recommendation

CITY PLANNING COMMISSION
22 Reade Street, New York, NY 10007
FAX # (212) 720-3356

INSTRUCTIONS

1. Return this completed form with any attachments to the Calendar Information Office, City Planning Commission, Room 2E at the above address.
2. Send one copy with any attachments to the applicant's representatives as indicated on the Notice of Certification.

APPLICATION #: 110058 ZMK; 110059 ZSK; 110060 ZSK; 110061 ZSK; 110062 ZSK; 110063 ZCK; 110064 ZCK.
Ocean Dreams

In the matter of an application submitted by R. A. Real Estate, Inc. pursuant to Sections 197-c and 201 of the New York City Charter for:

- a) an amendment of the Zoning Map changing from an R6A District to an R7-3 District property bounded by Surf Avenue, West 35th Street, the northerly boundary line of Coney Island Beach, and a line 140 feet westerly of West 36th Street and, establishing a C2-4 District within the proposed R7-3 District;
- b) the grant of Special Permits pursuant to Sections 62-836, 74-743, 74-744 of the Zoning Resolution in connection with a proposed development with 415 units, 24,790 square feet of retail and 418 parking spaces on property located at 3502-3532 Surf Avenue.

COMMUNITY DISTRICT NO. 13

BOROUGH OF BROOKLYN

RECOMMENDATION

APPROVE
 APPROVE WITH
MODIFICATIONS/CONDITIONS

DISAPPROVE
 DISAPPROVE WITH
MODIFICATIONS/CONDITIONS

These applications seeks an amendment to the zoning map and special permits that would allow for the shifting of building bulk in a manner that would result in three towers, with larger tower floor plates than permitted as-of-right; the permitting of balconies in the inner courts; providing for retail at the level of the boardwalk; and, a pool deck/open space on the roof of the enclosed parking lot at a height nearly 10 feet higher than otherwise permitted.

PUBLIC HEARING

On June 6, 2011 the Borough President held a public hearing for the Ocean Dreams, residential proposal. A representative for the applicant explained that though the requested R7-3 allows for a floor area ratio (FAR) of five, the project will be limited to four FAR through a restrictive declaration. The higher zoning was requested as a means to accommodate the height of the towers, with their varied number of floors. The representative noted that in response to input of the community since the application was first presented in 2008, the intent is to include a supermarket along Surf Avenue and possibly a waterfront restaurant, along with retail along the boardwalk.

In response to the Borough President's comments regarding those individuals and couples age 55 and over and the level of affordability the development might accommodate, the representative noted the intent to advertise very heavily to this 55 and over population because it is believed this population will be most interested to live there, though the

logistics of where it might make sense to house these residents would need further consideration. As for the degree of affordability, without further analysis of the expense to construct, the applicant was not sure what could be done at this point. The Borough President's Office staff noted the potential to incorporate additional frontage along the boardwalk for dining.

CONSIDERATION

Community Board 13 (CB 13) voted to approve these applications.

It is the Borough President's policy to support land use changes that increase the supply of housing for Brooklyn residents.

The Borough President believes that this is a wonderful site for encouraging housing development as he had affirmed when he previously had the opportunity to approve the initial rezoning for this property in 2005. These applications would increase the density as compared to the 2005 proposal by 33 percent. There are 415 dwelling units proposed (an increase of 102 units from the 2005 proposal), with 418 enclosed parking spaces and nearly 25,000 square feet (sf) of retail space, including some along the boardwalk. The height and placement of the three towers is consistent with the nearby 19-story Scheuer House and 14 to 16 story towers within the NYCHA developments.

The application documents indicate that development is conditioned with vastly improved public access connections to the Riegelmann Boardwalk at Beach 35th and 36th Streets. These fully landscaped, accessible pedestrian connections are to be designed in consultation with the Department of Transportation and the Department of Parks and Recreation. The Borough President believes that such improvements would further encourage beach and boardwalk use at this section of Coney Island.

Fresh Food - Supermarkets

One of the Borough President's top priorities has been to advocate for food justice in order to provide access to healthy food stores in those neighborhoods that are underserved. Many Brooklyn neighborhoods lack access to affordable fresh food and vegetables. In order for all of Brooklyn to flourish, it is imperative that residents have an adequate supply of supermarkets and grocery stores in their neighborhoods to access fresh and affordable foods. One of his top priorities has been to provide access to healthy food stores in those neighborhoods that are underserved. In light of this, the borough president has been seeking ways to establish more supermarkets. Among his policies is to review all discretionary land use applications to determine whether it is appropriate to include a supermarket within the plans.

The Borough President believes that the proposed retail space along Surf Avenue is an appropriate location to house a supermarket of up to 12,000 square feet. This would bring additional opportunities to the community to offer quality fresh food that is consistent with the attributes according to the FRESH food store initiative. The applicant has expressed an interest in locating a supermarket at a location along Surf Avenue between West 35th and West 36th Streets. The Borough President believes that the applicant/developer should be obligated to make best efforts to tenant the Surf Avenue retail space with a supermarket consistent with the city's FRESH food store initiative.

In a letter, attached, dated July 1, 2011, the applicant expressed intent towards using or leasing approximately 11,500 sf of retail space for the operation of a supermarket or other store selling fresh food and produce.

Boardwalk Restaurant and Retail/Gallery

Given Brooklyn's population, the borough is truly lacking when it comes to having waterfront dining opportunities. There are only a handful of opportunities that the Borough President believes can entice destination restaurants as much as waterfront locations. Though this section of the boardwalk is located a distance from the Coney Island amusement area, a destination restaurant can achieve success along the lines of what Tatianna's has contributed to Brighton Beach. The Ocean Dreams proposal is the perfect site with the synergy from its three residential towers to its several hundred feet of boardwalk frontage. The beach provides the perfect foreground to the marvelous ocean extending out from Sandy Hook. Having such a dining opportunity, along with an activated retail frontage lining the boardwalk, would enhance the beach-going experience by contributing to the vitality of the western end of the beach by enticing even more people to enjoy this section of Coney Island.

With the development offering twice as much parking as zoning requires, it further supports such a destination restaurant for year-round success. The retail space provides an opportunity for complimentary beach uses during the sun-bathing and swimming season. Beach compatible uses such as: eating and drinking establishments; beach rentals; food related uses such as bakeries, candy and/or ice cream stores; beach outfits and accessories are preferred for the in season beach months. It is appropriate for such storefronts to be leased in a flexible manner to have the potential to become an off-season destination by transforming into the remainder of the year as primarily gallery space and/or artisan space for Brooklyn's creative economy. Joint use as gallery/artisan (wares such as handmade jewelry, etc.) space could help sustain such retail space during the months with cooler temperature. Convention retail and service establishments such as beauty parlors, drug stores, dry cleaning; hardware; laundry; are examples of uses that should be prohibit. The Borough President believes that the applicant/developer should be obligated to provide suitable space to accommodate a destination restaurant along the boardwalk with the remainder of the boardwalk frontage occupied year round with seasonal beach related shops and entertainment retail that have the potential to become gallery/artisan locations.

In a letter, attached, dated July 1, 2011, the applicant expressed intent towards exploring opportunities to locate a restaurant in all or a portion of the approximately 5,400 sf of the proposed Boardwalk commercial space. In the event that not all of the commercial space is used for a restaurant, the applicant will explore other opportunities for galleries, artisan cafes, and other active retail spaces along the Boardwalk.

Jobs

It is the policy of the Borough President to seek to have maximum participation by Brooklyn contractors and material suppliers on construction projects as a means of providing jobs for Brooklyn residents. This project presents an opportunity to get unemployed and underemployed Coney Island residents, and other Brooklynites, into living wage jobs. He encourages the developer to create a strategy for this project that seeks participation of those willing residents from Coney Island to be hired during the construction phase of the project.

In the attached letter dated July 1, 2011, given equivalent availability and pricing, the applicant committed to strive to maximize the purchasing of building supplies from Brooklyn suppliers and using local contractors. The applicant further committed to working with its retail tenants and other commercial tenants to maximize hiring from the local community.

Active Lifestyle 55 and Over Housing

The Borough President believes that too many mature, active individuals and couples age 55 and over do not have local options for living in a development designed and marketed to such populations. The Ocean Dreams development is a choice location to design and market to active mature households with such amenities like pools, fitness centers, tennis courts, paddleball or squash. The adjacent Coney Island beach and the intended boardwalk retail usage perfectly compliment such a marketing strategy. Whether pursuing such a marketing strategy for the entire complex or perhaps for one of its three towers, the Borough President feels strongly that marketing to the active 55 years and older community would be a model for success. Subsequently, the applicant has stated in a letter dated July 1, 2011 an intent to continue exploring ways in which the project can be designed and marketed as a draw for active, mature (age 55+) households.

Affordable Housing

It is the policy of the Borough President to utilize the process of rezoning privately-owned land for residential development in order to provide opportunities for more affordable housing for neighborhood residents. The Borough President is concerned that too many of the borough's residents leave because they can no longer afford to live in Brooklyn.

Typically it is the Borough President's policy for new residential developments subject to ULURP to typically provide a minimum of 20 percent affordable units, including affordable housing for middle-income families.

Pursuant to the proposed rezoning, there would be no obligation to provide any affordable housing. With the increasing demand by Brooklyn residents for affordable housing, he believes every reasonable attempt should be made to provide such housing. He is committed to providing opportunities for Brooklyn's working families, including those that are 55 and older. Such households are representative of those headed by teachers and other government workers, including the City's uniform workforce ranging from firefighters to sanitation workers, to have access to affordable housing. He believes it is appropriate for this project to devote a share of the units for middle-income households, including those limited to households age 55 and older, whose income does not exceed 165 percent of Area Median Income (AMI).

This would go a long way towards helping households represented by tenants, civil servants and uniformed services to obtain quality-affordable apartments while raising families, at the culmination of their dedicated careers or as active, mature retirees. The Borough President sees no better reward for a life of productive civil service than to remain in Brooklyn and better yet, at the beachfront in Coney Island.

For the active mature individual, presently earning between \$55,000 and \$90,000 or mature couple earning between \$60,000 and \$100,000, being able to afford to live in Ocean Dreams would be a great achievement. In the event that the entire Ocean Dreams project is not marketed for active and mature dwellers, families such as a household of four, earning between approximately \$75,000 and \$115,000 should be among the 20 percent affordability target consistent with these objectives.

In order to assist in the development's financing while meeting commitments for such targeted levels of affordability, he believes opportunities might be met through initiatives of the City's Housing Development Corporation (HDC) and the State's Affordable Housing Corporation.

Should affordable units proceed as rental housing, one option to achieve the Borough President's policy might be to pursue development of the smaller building site (between West 36th and West 37th Streets) according to the Mixed Income Program with 50 percent of the units as market rate, 30 percent as middle income (New Housing Opportunities Program income standards) and 20% as low-income with its tax exempt bond financing. Another option could be to pursue whether the development is a condominium or rental housing.

In this scenario, it would be possible to establish a cluster of units as a condo – such as adjoining low-floor units with non-prime views – funded by HDC according to its NewHOP financing. Rents are typically based at 130% of AMI though occupancy would be eligible to those earning up to 165% of AMI (with an option of 20% of the condo as low income up to 60% AMI with addition of recycled tax exempt bonds). Both scenarios come with per unit subsidies and have 30 year minimum affordability comments.


The Borough President believes that with HDC financing and subsidies, the development can achieve his goal of 20 percent of the units being affordable to middle-income households, including those age 55 and older, teachers and other government workers, including the City's uniform workforce ranging from firefighters to sanitation workers, and/or retirees of such work force, that would not otherwise have the opportunity to afford this development.

In a letter, attached, dated July 1, 2011 the applicant noted that a meeting has taken place with the New York City Housing Development Corporation (HDC) to discuss potential opportunities for utilizing HDC programs.

RECOMMENDATION

Be it resolved that the Brooklyn Borough President, pursuant to section 197-c of the New York City Charter, recommends that the City Planning Commission and the City Council approve of the Zoning Map Amendment, and Special Bulk and Use Permit applications on the condition that:

1. the applicant/developer would be obligated to make best efforts to incorporate a supermarket consistent with the attributes of the City's FRESH food store initiative as part of the retail space along Surf Avenue;
2. the applicant/developer would be obligated to provide suitable space for at least one space to accommodate a destination restaurant along the boardwalk with the remainder of the boardwalk frontage occupied year round with seasonal beach related shops that have the potential to become gallery/artisan locations;
3. the applicant/developer takes necessary steps to utilize local contractors and material supply firms for the project's construction and conduct a local hiring initiative for local residents; and,
4. the applicant/developer would be obligated to make best efforts to provide housing opportunities that would be affordable to middle-income households, including those age 55 and older, such as teachers other government workers, including the City's uniform workforce ranging from firefighters to sanitation workers, of and/or retirees of such work force, for at least 20 percent of the residential floor area.



BOROUGH PRESIDENT

July 1, 2011

DATE

Tel.: 212-580-6805
Fax: 212-247-4509
Email: JAC@Gristedes.com
JAC@urc.com



RED APPLE REAL ESTATE, INC.

823 Eleventh Avenue • New York, NY 10019-3535

Executive Offices

John Catsimatidis
Chairman
Chief Executive Officer

July 1, 2011

Honorable Marty Markowitz
Brooklyn Borough President
209 Joralemon Street
Brooklyn, New York 11201w

Re: Ocean Dreams Rezoning and Related Actions
(ULURP Nos. C110059 ZSK, 110060 (A) ZSK, C110061 ZSK
110062(A) ZSK, N110063 ZCK & N110064 ZCK)

Dear Borough President Markowitz:

We are the applicant with respect to the above-referenced applications seeking a rezoning and related special permits and certifications from the New York City Planning Commission for the property located at 3502 - 3616 Surf Avenue in the Coney Island section of Brooklyn (Block 7065, Lots 6, 12, 15, 20 and 25), which was the subject of your public hearing on June 6, 2011. This letter will serve to affirm our commitment with regard to certain issues that arose at the hearing:

- **Supermarket / Grocery Store on Surf Avenue:** We are committed to using or leasing the proposed, approximately 11,500 sf retail space fronting Surf Avenue between West 35th and West 36th Streets for a supermarket or other store selling fresh food and produce.
- **Boardwalk Restaurant:** We are committed to seeking opportunities to locate a restaurant, café or other Use Group 6 eating and drinking establishment in all or a portion of the approximately 5,400 sf proposed commercial space along West 35th Street and the Riegelmann Boardwalk.
- **Boardwalk Retail:** We are committed to exploring other opportunities for galleries, artisan spaces, cafes and other active retail spaces for the remaining potential retail space along the Riegelmann Boardwalk.
- **HDC Funding:** At your recommendation, we met with Joan Tally, Executive Vice President for Real Estate and Chief of Staff, at the New York City Housing Development Corporation (HDC) to discuss potential opportunities for utilizing HDC


programs. The meeting was very informative and we intend to continue our discussions with HDC as the project progresses.

- Housing for Active Seniors: We continue to explore ways the project can be designed and marketed as a draw for active, mature (i.e., 55+) households.
- Using Local Contractors and Materials Suppliers: At the hearing you stated the importance of contracting with local contractors and purchasing materials locally and expressed a desire for us to commit to such efforts. Toward these ends, we will commit to the following efforts:
 - Given equivalent availability, quality and pricing, we will strive to maximize the purchase of building supplies for the development from Brooklyn suppliers.
 - Given equivalent availability, quality and pricing, and working within the structures of any applicable legal agreements to construct the project, we will strive to maximize the use of local contractors in construction of the project.
 - We will also commit to working with retail and other commercial tenants to maximize hiring for their establishments from the local communities.

Sincerely,

R. A. REAL ESTATE, INC.

By: _____
Name:
Title:



cc: Hon. Dominic M. Reccia
Winston von Engel
Ralph Blessing
Jay A. Segal, Esq.