CITY OF NEW YORK
**MANHATTAN COMMUNITY BOARD FOUR**

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**LESLIE BOGHOSIAN MURPHY**
Chair

**NELLY GONZALEZ**
Acting District Manager

June 17, 2026

Carisa Kelly
Executive Director
The ReThread Project
381 7th Avenue, Ste A
Brooklyn, NY 11215

**Re: Letter of Support**
**The ReThread Project**

Dear Director Kelly:

At Manhattan Community Board 4 (MCB4)'s Clinton / Hell's Kitchen Land Use (CHKLU) Committee meeting on May 13, 2026, the Committee received your presentation with Paul Leibowitz, founder of Plot Real Estate Advisory, on The ReThread Project (ReThread)'s request for MCB4's support in acquiring the City's discretionary funding for the 300,000-500,000 square feet (SF) of space in the Garment Center District to provide affordable space for the garment and costume industry.

At its regularly scheduled Full Board meeting on June 3, 2026, MCB4 with a vote of 40 in favor, 0 opposed, 1 abstaining, and 0 present but not eligible voted to support the ReThread Project based on information presented to us to date and subject to future ongoing discussions.

**Background**
Established in 2023, The ReThread Project is a not-for-profit 501(c)(3) organization with a mission to foster sustainable costume and garment production for New York City's film, theater,

fashion, and performing arts communities. The ReThread Project advances its mission through initiatives in education, scholarships, apprenticeships, and the creation of affordable space.

The Garment Center District currently houses approximately 1,000 specialty garment businesses. In New York City alone, approximately 120,000 people are employed in the fashion and costume industry, and an additional 123,000 people are employed in the film, television, and other entertainment industries that depend on the proximity of the fashion and costume industry.

**Zoning History**

1987: Establishment of the Special Garment Center District

As a result of the approval of the Times Square Redevelopment Project in 1985, there was great concern regarding its effects and development pressure on the Garment Center to the south.

In 1987, the Special Garment Center District (SGCD) was established to protect garment manufacturers against market competition from office space. As part of the rezoning commitments, the SGCD zoning was established to protect the garment and costume industry and its jobs in the Garment Center. In the zoning regulations of the SGCD, owners of buildings within the Preservation Area were required to obtain Certification from the City Planning Commission (CPC) to convert manufacturing spaces into offices. Building owners would also have to obtain a restrictive declaration to ensure that for every square foot of new office space, an equal amount of square footage would be preserved for manufacturing uses. In the 1987 zoning action, industrial uses within the SGCD were in M1-5 and M1-6 districts.

However, while the SGCD was intended to “maintain the viability of apparel production in the Garment Center by creating a Preservation Area in selected midblocks and limiting conversion to office use in the Preservation Area,” the City of New York provided virtually no enforcement for the preservation of manufacturing space. Although violations were issued by city agencies, no actions were taken. Of the 8,000,000 square feet of manufacturing space in 1987, only 180,366 square feet remained in 2017.

2005 Hudson Yards Rezoning

In 2005, the Special Hudson Yards District (SHYD) was established to promote development in manufacturing zones west of $8^{th}$ Avenue.

There were changes made to subdistrict P-2 of SGCD to preserve garment-related uses while incentivizing residential development, given the area’s historic residential character. From both the community and the NYC Department of City Planning (DCP)’s perspectives, this rezoning allowed for residential redevelopment of vacant parcels or one-story garages in subdistrict P-2 while preserving the existing manufacturing uses in existing buildings.

Therefore, it allowed long term uses and new uses to coexist.

2017 Proposed Changes to the SGCD

In 2017, the City proposed a set of amendments to the SGCD, which included zoning text amendments to lift its manufacturing preservation requirements to allow for more office space development. Further, EDC proposed a plan to incentivize and facilitate the relocation of the Garment Center to the Brooklyn Army Terminal and Bush Terminal in Sunset Park, Brooklyn.

These actions by CPC and EDC garnered a strong negative reaction from Manhattan Community Boards 4 and 5, elected officials, and the Garment Center's business associations, unions, and designers. Following community response, former Deputy Mayor Alicia Glen, former Manhattan Borough President Gale Brewer, and former Councilmember Corey Johnson formed the Garment Center Steering Committee.[1] From May to August 2017, the Garment Center Steering Committee, EDC, and DCP engaged in extensive discussion to come towards a consensus.

2018 Proposed Changes to the SGCD

In 2018, DCP and EDC proposed the three elements of proposed changes to the SGCD:

- An IDA program to provide tax incentives for preserving manufacturing space in the Garment Center
- Funds for acquisition of a manufacturing building in the Garment Center
- A series of text amendments to eliminate preservation requirements, establish a special permit requirement for hotels, and standardize signage regulations, among other changes

In its 2018 letter, MCB4 voted to recommend denial of the rezoning application and proposed changes unless the following changes were made:

- A minimum of 500,000 SF of manufacturing space preserved through the proposed IDA tax incentive program
- 180,366 SF of manufacturing space was preserved in perpetuity
- The City acquired a building with a minimum of 150,000 SF for a not-for-profit company to operate and provide garment manufacturing companies with long-term, affordable rental spaces
- The City's commitment to increase the capital funding allocation for building acquisition if that acquisition requires additional funding.[2]

[1] The Steering Committee was comprised of local elected officials, representatives from Community Boards 4 and 5, the Council of Fashion Designers of America, the Design Trust for Public Space, the Garment Center Supplier Association, the Garment District Alliance, Pratt Center for Community Development, the Pratt Center for Community Development, the Real Estate Board of New York, the Theatrical Wardrobe Union, Workers United, and YEOHLEE Inc.

[2] 2018 MCB4 Letter to CPC and EDC re Special Garment Center District Proposed Rezoning

2025 Midtown South Mixed-Use (MSMX) Rezoning

In 2023, DCP proposed the MSMX rezoning in four district areas of Midtown South, totaling 42 blocks. DCP stated that the proposed MSMX rezoning would create mixed-use neighborhoods by introducing residential uses as-of-right, with a requirement for affordable housing under the Mandatory Inclusionary Housing (MIH) program, to foster a mixed-use neighborhood character similar to the surrounding blocks.[3]

In its March 2025 letter to DCP, MCB4 voted to deny the MSMX plan (ULURP #N250186ZRM) unless the changes to the zoning text and approach to the rezoning, as proposed by MCB4, were adopted.[4] These changes included:

- Provide varying building height caps, by subarea, to ensure density is managed and remains contextual to the existing built environment and the fabric of the community
- Require setbacks to ensure light and air to the street
- Expand sidewalks to allow for the projected increased pedestrian flow
- Require that ground floor and second floor spaces are used for local retail and/or professional offices
- Require that community facility space is created, including museums, day-care facilities, and education facilities
- Require that sanitation services for trash management are integrated into the buildings
- Require that all new construction install Con-Ed grids inside buildings rather than on public ways

MCB4 stated its concern for the unintended consequences of the MSMX plan on the Garment Center District's character, and urged DCP to enact the zoning changes with MCB4's revisions and concerns taken into consideration.

In August 2025, the New York City Council approved the MSMX rezoning. In that rezoning, the SGCD was incorporated into the Special Midtown South Mixed Use District (SMSMXD). The MSMX rezoning resulted in a wholesale change of the Garment Center District zoning. Residential conversions were now permitted in the previous SGCD area, with a carve out of 39 buildings in the SMSMXD's core to remain as M1-9A manufacturing use.[5]

**Requests for Support – The ReThread Project**

ReThread is seeking MCB4's support to acquire 300,00-500,000 SF of space within the Garment Center District to provide stable and affordable space for garment and costume companies, including design studios, costume shops, pattern makers, embroiderers, digital printers, fabric

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[3] 2024 MCB4 Letter to DCP re Midtown South Mixed-Use Plan Proposed Rezoning

[4] 2025 MCB4 Letter to DCP re MSMX Proposed Zoning Map & Zoning Text Amendments

[5] See appendix A for a map of the 39 buildings carved out in the central midblock portion as a non-residential area

stores, training and apprenticeship classrooms, event spaces, and a museum. Many manufacturing buildings in the Garment Center District are purpose-built for garment and costume production, including its compliance with Occupational Safety and Health Administration (OSHA) regulations, and availability of large freight elevators and building loads to accommodate the need for large manufacturing equipment.

Financing

In July 2025, ReThread received a Seed Fund grant of $206,000 from the Garment District Alliance (GDA). Further, ReThread submitted a discretionary funding request for $250,000 to the New York City Council, and expects to hear back in June 2026 regarding the status of their request. These funding sources will cover predevelopment costs and other soft costs in the proposed project.

ReThread estimates the total proposed project to cost approximately $206 million, of which $90 million will be allocated to space acquisition, $100 million to renovation costs, and $15 million to soft costs.[6] ReThread is seeking to finance the total project cost through New York City and State capital, including EDC and NYC Empire State Development (ESD), tax credits, debt, philanthropic branding, and space rental income. Affordable rental spaces will be rented to garment and costume industry tenants at approximately $20-25 per SF.

Timeline

ReThread proposed a 1.5- year timeline for the affordable garment and costume industry space to be operational, with the following breakdown for the 3 phases of project development:

- Phase 1 – Pre Sale: Present through Mid-2026
- Phase 2 – Execution and Implementation: Mid-2026 to 2027
- Phase 3 – Ongoing Management: 2027 and ongoing

**MCB4 Committee Discussion**

The CHKLU Committee discussed areas of support for the proposed initiative, of which are all consistent with MCB4's long-standing priorities in the Garment Center District neighborhood. These areas include:

- Permanent affordable space for the garment and costume industry;
- Community facilities and museum uses; and
- Workforce development.

Further, the CHKLU Committee and ReThread engaged in discussions regarding areas of further development, which include the following:

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[6] Per ReThread's May 13, 2026 presentation, that estimate is based on a vacant building for sale that is currently marketed at $685 per SF, with 21 floors totaling 305,000 SF of space.

- Project financing and current predevelopment funding sources
- Potential buildings and sites within the Garment Center District for the proposed initiative
- Potential affordable housing component in the proposed initiative, in line with MCB4's Affordable Housing Plan[7]

ReThread sought MCB4's general operating support for the proposed project, capital funding support through MCB4's annual budget request, and request for future collaboration and partnerships with the community.

MCB4 supports ReThread's initiative to acquire 300,00-500,000 SF of space within the Garment Center for spaces and programming for the garment and costume industries. Further, MCB4 invites ReThread to return to the CHKLU Committee following the New York City Council's decision on the discretionary funding request by ReThread for a follow-up discussion on how space acquisition could be conditioned into the final zoning text.

**Conclusion**
While ReThread may not be within Manhattan Community District 4 (MCD4), ReThread's initiative will support MCD4 and its constituents who are involved in the performing arts sector. MCB4 looks forward working collaboratively with ReThread to support its future endeavors to create affordable spaces for the garment and costume industry and preserve the industrial history of the Garment Center.

Sincerely,

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| Leslie Boghosian Murphy<br>Chair<br>Manhattan Community Board 4 | Paul Devlin<br>Co-Chair<br>Clinton/Hell's Kitchen Land Use Committee | Rachel Lee<br>Co-Chair<br>Clinton/Hell's Kitchen Land Use Committee |

Cc: Hon. Erik Bottcher, New York State Senate
Hon. Carl Wilson, New York City Council

[7] July 2025 MCB4 Affordable Housing Plan

Appendix A: Special Midtown South Mixed-Use District Carve Out Area