

Garment Center Building Acquisition RFEI

10/25/18



Garment District: History

An Iconic New York History

- **1840s:** Invention of the sewing machine and founding of department stores results in the emergence of mass-produced, ready-to-wear clothing and the US garment industry
- **1880s:** NYC rose to prominence as the center of the American garment industry, building off of its assets – ports/distribution, media/culture, retail, and influx of immigrant labor
- **1920s-30s:** Garment industry was the largest industry in New York City employing 165,000 people and the 4th largest industry in the U.S.
- **1944:** Fashion Institute of Technology is founded
- **1950s:** NYC's garment manufacturing reaches its peak with approximately 90% of all clothing sold in the US is manufactured in NYC
- **1987:** Special Garment Center Zoning District created to protect apparel manufacturing uses through preservation requirement



Garment District in the 1940s



Garment District in the 1940s

Fashion Industry in NYC Today

Fashion is an iconic part of New York, both as a signifier of culture and as one of the global centers of the Fashion Industry

The Fashion Industry is a major economic contributor to the City

Local manufacturing is critical to the overall Fashion Industry:

- Emerging designers (<\$3-5M revenue) rely on local production and are key to NYC design innovation and competitiveness in fashion
- Established designers tend to use local production for product development, samples and reorders



NYC Fashion Week



Interior of garment manufacturing business

Supporting the Garment Center

City led initiatives to support the fashion industry in the historic Garment Center



Programmatic Support

- NYCEDC Fashion Programs have provided \$15M in support to the industry through programs targeting fashion design, education, production, financing, and retail

NYCEDC

Industrial Development Agency (IDA)

- Enable Fashion Manufacturers to maintain a presence in the Garment Center through affordable, long-term leases

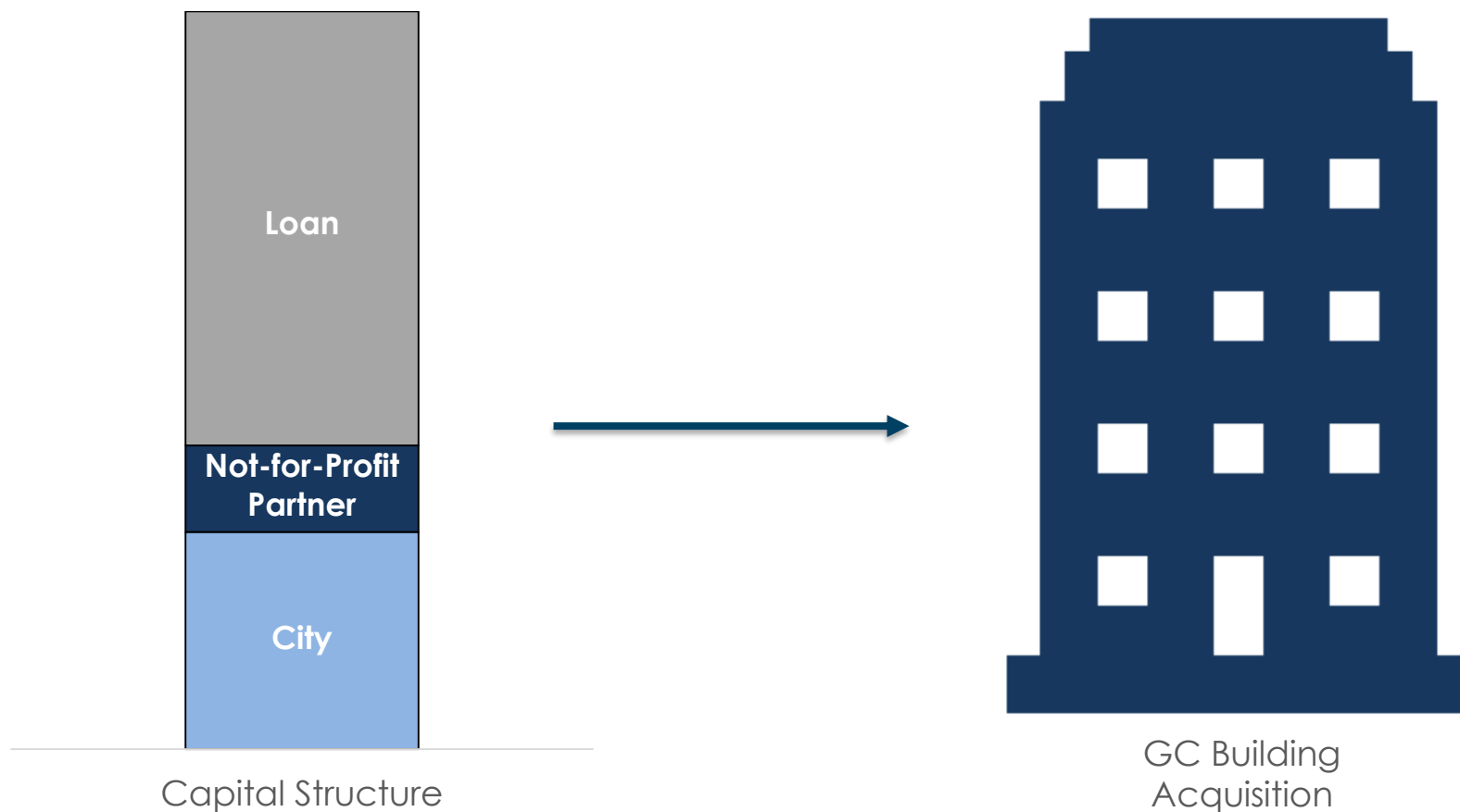


Building Acquisition RFEI

- EDC released an RFEI, making available up to \$20M in city funding to support the acquisition of a building in the Garment Center

Building Acquisition RFEI

- City providing up to \$20M in funding
- Not-for-Profit Partner to identify building
- Not-for-Profit Partner to source, if necessary, debt to finance a larger acquisition

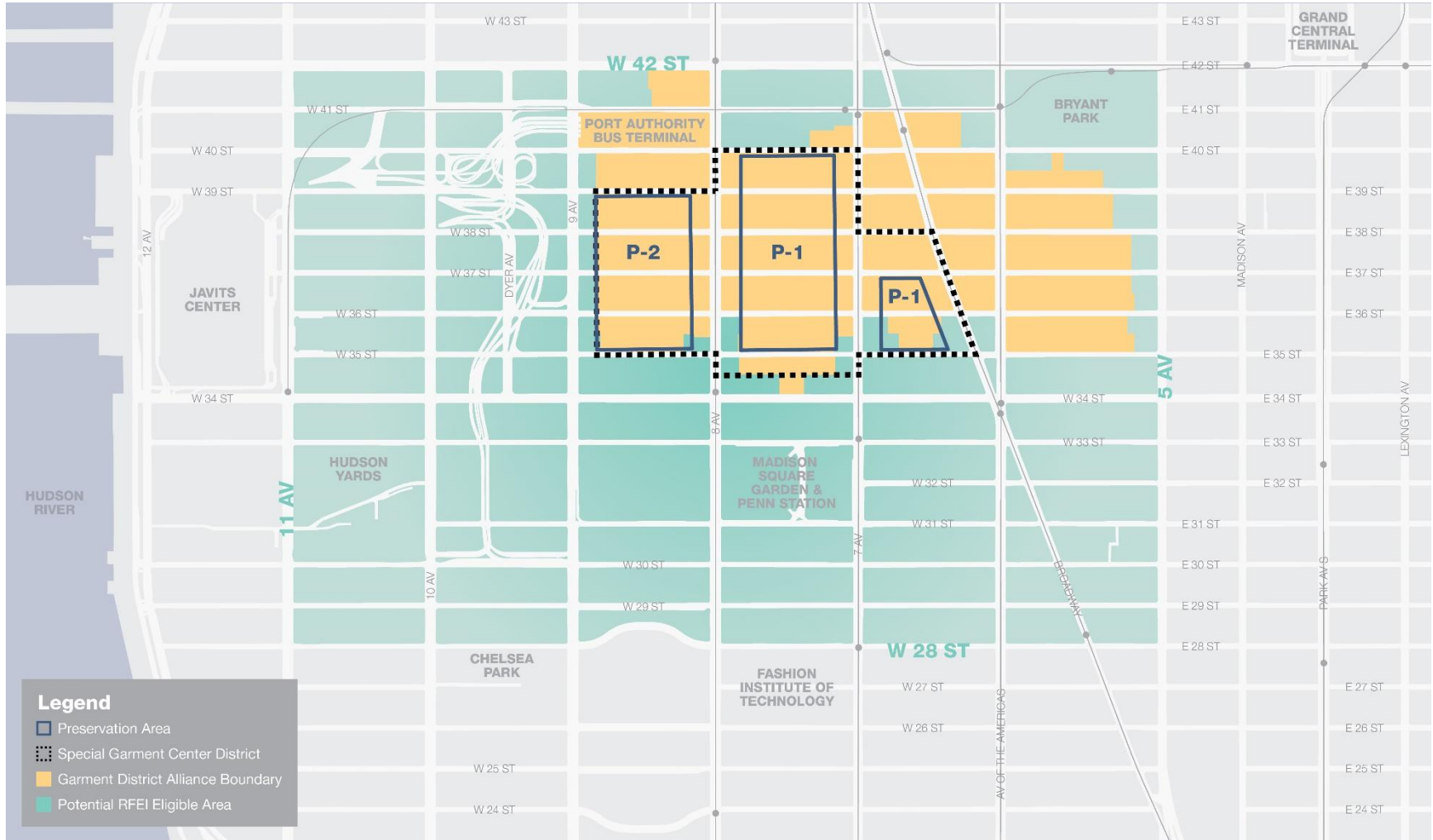


Building Acquisition for Production Space

Key Response Components: A competitive response to this RFEI will deliver on the following key components, ensuring the acquisition of a building that will be dedicated to fashion manufacturers

Key Components	Detail
Proposed Building	Propose a specific building, within the eligible geography
Respondent Contribution	No less than 10% Acquisition Cost
Financing	If necessary, Respondent to source
Operating Expertise	Respondent to demonstrate
Tenancing Plan	Current building tenancy, tenancing plan
Commitment to Fashion Manufacturing	Comply with lease terms, maximize space dedicated to fashion manufacturing
Lease Terms	\$35 PSF (all expenses included), 15 years

Eligible Geography



Legend

- Preservation Area
- ▤ Special Garment Center District
- Garment District Alliance Boundary
- Potential RFEI Eligible Area

Evaluation Criteria

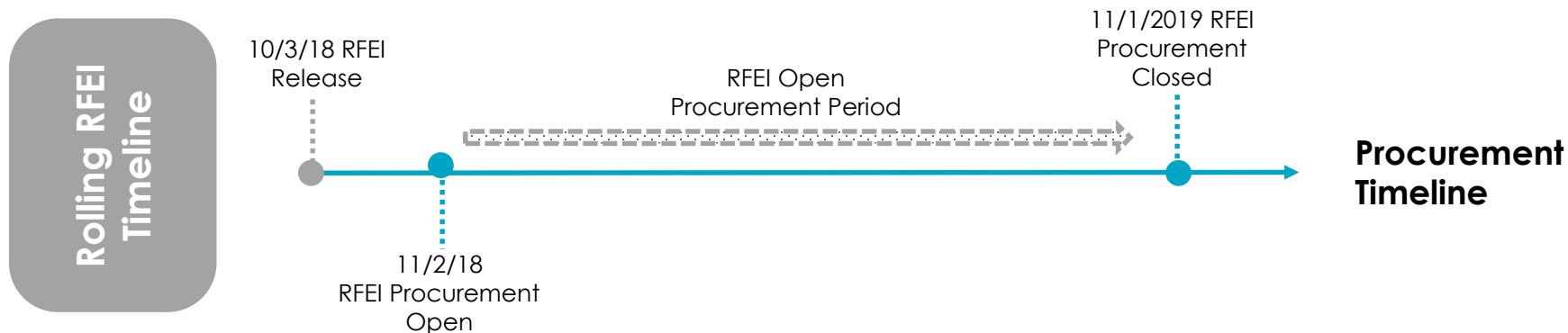
NYCEDC expects to use the following criteria as a framework in reviewing responses

Evaluation Criteria:

- **Leadership Team** – Recognized leadership in management and operations
- **Mission Alignment** – Commitment to the values of the larger initiative
- **Quality of the Proposal**
 - **Competitiveness** – Extent to which proposal maximizes on the goals of the RFEI
 - **Ownership Structure** – Extent to which proposal maximizes the reach of the City contribution
 - **M/WBE Participation** – Extent to which response maximizes W/MBE participation

Building Acquisition RFEI – Procurement Timeline

Responses will be accepted on a rolling basis



Key Dates

- **10/3/18:** RFEI Released
- **11/2/2018:** NYCEDC begins accepting responses to the RFEI
- **11/1/2019:** Deadline to submit responses to the RFEI
- **Note:**
 - NYCEDC can, at its discretion, move forward with a compelling response at any point following 11/2/2018

Building Acquisition RFEI – Questions?