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Uniform Land Use Review Procedure (ULURP) Application

THE CONEY DEVELOPMENT – C250108MMK

IN THE MATTER OF a private application for a demapping action. Approval of the requested action would facilitate the development of a 1.3 million gsf multi-use development including a gaming facility, convention center, hotel, event space, parking, and other amenities in the Coney Island neighborhood of Brooklyn, Community District 13.

BROOKLYN COMMUNITY DISTRICT 13

RECOMMENDATION

☐ APPROVE
☒ **APPROVE WITH MODIFICATIONS/CONDITIONS**
☐ DISAPPROVE
☐ DISAPPROVE WITH MODIFICATIONS/CONDITIONS

RECOMMENDATION FOR: THE CONEY DEVELOPMENT – C250108MMK

Be it resolved that the Brooklyn Borough President, pursuant to Sections 197-c and 201 of the New York City Charter, recommends that the City Planning Commission and City Council approve this application with conditions and modifications.

March 14, 2025

BROOKLYN BOROUGH PRESIDENT

DATE

RECOMMENDATION FOR: THE CONEY DEVELOPMENT – C250108MMK

In April 2022, New York State Legislators voted to allow up to three casino licenses in downstate New York, which includes New York City, Long Island, and Westchester. In January 2023, the New York State Gaming Facility Location Board (the Board) released a Request for Applications calling for proposals to build a casino with a minimum capital investment of $500 million. The Board received nine applications for downstate casinos, including one in Coney Island, Brooklyn. Each proposal will be evaluated by their own Community Advisory Committee (CAC), and the CACs for New York City proposals will consist of six members, one each appointed by the governor, mayor, applicable state senator, applicable state assemblymember, applicable borough president, and applicable city councilmember. The CACs will hold public hearings, solicit written comments, and will issue a finding, by a two-thirds vote, approving or disapproving the proposal. If approved, the proposal will be referred to the Board, who will select up the three licenses for downstate casinos.

This ULURP application does not wholly address the question of whether or not there should be a casino development proposal, as that decision is subject to the CAC and the State's licensing process—the only action considered for this item is a demapping action and the subsequent land use considerations, evaluation of public benefit in exchange for demapping a public street, and identifying needed mitigations that result from environmental impacts that have been identified throughout the review of the application.

Fundamentally, there is a procedural decision that is unfortunately timed in that it happens prior to review by the CAC. What was designed as a process to ensure NYC applicants could be competitive to be awarded a State license has resulted in frustration by community members—it remains unclear where the public can comprehensively evaluate the tradeoffs/merits of the project and if needed, modify the proposal through meaningful public engagement to generate the most public support and address community-identified concerns. This application follows a pattern of a lack of meaningful alternatives to improve public discussion. Rather than develop a range of building alternatives resulting from a diverse range of building programs, volumes to be demapped, and approaches to an integrated building design, the applicant has only presented one alternative. Further, the no-action alternative does not consider a gaming facility use at all, even though an application for such a complex, without the requirement of demapped streets, could have been presented, evaluated, and served as a point of comparison between no action and the proposed discretionary action.

Project Description

The project area spans approximately 5.2 acres across 24 tax lots on portions of four blocks in Coney Island. It also includes a portion of Bowery between West 12th Street and Stillwell Avenue. The applicant is proposing the following modifications:

- Demapping a portion of Bowery between West 12th Street and Stillwell Avenue.
- Demapping a portion of West 12th Street between Bowery and Surf Avenue.
- Demapping and acquiring air rights over Stillwell Avenue between Wonder Wheel Way and Bowery.
- Adjusting the grade of a portion of Stillwell Avenue between Surf Avenue and Wonder Wheel Way.

These changes would enable the construction of two skybridges connecting the four blocks of the proposed development as well as construction atop Bowery.

The project is located in a C7 commercial district within the Coney Island Special District, adjacent to iconic landmarks such as the Wonder Wheel, The Cyclone, and the Coney Island Boardwalk. The Coney Island-Stillwell Avenue Subway Station, which serves the F, D, N, and Q trains, is directly across from the site. The surrounding area consists primarily of one- and two-story buildings and falls within designated flood zones, as identified on FEMA's Flood Insurance Rate Maps.

The development would encompass 1.3 million square feet and include:

- A casino; a 43-story hotel; a convention center; general retail and dining space, including a food hall; event space and open rooftop areas; and 1,500 parking spaces.

The proposals for Stillwell Avenue would create a pedestrian thoroughfare, which the applicant called the "Coney Arch" above Stillwell would leave a 48 feet tall and 100 feet wide walkway underneath, which would be a pedestrianized street except for emergency vehicle access. The demapping of Bowery would facilitate the main vehicle entrance to the site, and acquiring air rights over West 12th Street (from 34 feet to 194 feet) would allow for a pedestrian connection between the hotel/convention center and the casino/parking structure.

According to the Racial Equity Report created by the applicant, the project is expected to create 3,772 new jobs in the Gambling Industry (NAICS 7132), which have an annual median wage of $25,000.

The applicant is seeking a gaming license from the New York State Gaming Facility Location Board (the Board) in 2025. The project cannot proceed without this license.

Community Board Position

Community Board 13 voted to disapprove the recommendation on January 22, 2025. CB 13 did not outline any conditions, but attached petitions from residents and comments from their Land Use Committee and Full Board hearings to their recommendation regarding the appropriateness of siting a casino in Coney Island.

Borough President ULURP Hearing and Public Comment

The Borough President held a hearing on this item on March 10, 2025. 72 members of the public provided testimony at the hearing, and 4,513 members of the public submitted written comments to AskReynoso@brooklynbp.nyc.gov and 40 members of the public provided written comments to Testimony@brooklynbp.nyc.gov. The Office received additional signed petitions in favor and opposed to the project. Below is a high level summary of the points articulated by both sides.

Testimony in opposition to the application:

- Irreversible harm to Coney Island's culture and character
- Proximity to families and increased crime concerns
- Traffic congestion and negative impact on accessibility
- Risk of gentrification and displacement
- Potential rise in problem gambling and related social issue

Testimony supporting the application:

- Job creation in high-poverty areas
- Economic revitalization for Coney Island
- Potential community benefits through a Community Benefits Agreement (CBA)
- New recreational opportunities for seniors

Additionally, the Borough President held two community forums in Community District 13 on March 6, 2023, to gather feedback on a potential casino in Coney Island. More than 350 people participated in the two sessions, and the Borough President's Office received nearly 500 responses total to the three questions posed during the sessions. The full feedback report is available on the Borough President's website:

https://www.brooklynbp.nyc.gov/reports/.

Approval Rationale

The Borough President does not believe the proposed actions should be precluded from further discussion by the forthcoming CAC that would be created to review this application, should the applicant team submit an application to the Board. The Borough President is committed to collaborating with the applicant, the City Planning Commission, and the City Council to address legitimate concerns raised by community input, environmental review, and the poorly coordinated relationship between ULURP and CAC review. Given the wide spectrum of community perspectives on this proposal, it is critical that the applicant present their best proposal that maximizes public support.

Conditional approval of this demapping action should be interpreted as a procedural action and does not pre-empt the vote of the Borough President's appointment to the CAC. Should the applicant fail to incorporate the conditions outlined below and respond to additional issues identified by the community, the Borough President would not support the proposal at the CAC.

Process Conditions

Independent from the merits and drawbacks of this particular application, Borough President Reynoso remains concerned about the convoluted and opaque procedure for reviewing this application and all new gaming facilities. In the recommendation for the Gaming Facility Text Amendment, the Borough President warned that the Community Advisory Committee (CAC) review process remained far too unclear to waive all applications from undergoing ULURP. Over a year later, this remains true: there are scant details on how many public hearings will be held, what kind of technical review will be conducted, and who will be conducting the technical review.

Throughout that text amendment application process, the Department of City Planning stated that the intent of the Gaming Facility Text Amendment was to put all gaming facility applications on an "equal playing field." This application currently before us shows that no such thing has happened – Brooklyn residents and elected officials are instead being tasked to weigh in on a confusing, unprecedented sequence of public review, where the applicant is applying for a real and specific demapping action, but also cautioned to not take the review too seriously, as the true review period for the support for the gaming facility use will occur later through CAC review. Further still, the applicant is also subject to review on a list of other criteria as evaluated by the Board.

Additionally, the City and State have not adequately explained the mechanism by which a demapping (a non-zoning action) would become moot should the corresponding application for a gaming license not receive CAC or the Board's approval. Throughout this process, the City has attempted to reassure the public that any such application would simply not have its demapping action "filed" or considered complete by the Department of City Planning. In actuality, the mechanism for making this determination relies on the establishment of a "mapping agreement" established between the City and the applicant that would outline conditions for considering the application complete. However, the City's description of this process has resembled more of a promise from the administration to simply not complete a ministerial action that has been ratified by a democratically defined process in the New York City Charter. At a time of unprecedented executive overreach at the federal level, it is reckless and irresponsible for New York City and State to handwave away concerns about the binding nature of approved land use actions by implying that the executive would simply decline to finish paperwork.

Borough President Reynoso echoes his concern from his recommendation for the Gaming Facility Text Amendment and remains unconvinced of the necessity to review this demapping action before CAC review has taken place. The view that the demapping must be approved first relies on a conflation between the CAC

process and the final determination by the Board, which are two different bodies with two different review periods.

In the Request for Applications (RFA) for the current round of licenses, the Board states that they will establish a reasonable amount of time to obtain zoning approval for their proposed projects before being considered by the Board. This reasonable time period could have been provided after CAC review concluded. This is traditionally how significant neighborhood plans and large projects are reviewed. In the example of the Atlantic Avenue Mixed Use Plan, ULURP was the approval mechanism for the plan itself. Community engagement preceded and informed a set of approaches and alternatives that the public at large was able to further refine through feedback and negotiations throughout ULURP. CAC review should have been understood as asking the question, "Does the public support gambling in this area?" and not "What size and shape building should gambling occur in in this area?" These two questions inevitably overlap. The public would have been better served by having the ability to ask these questions in the same forum. Instead, the decision to require ULURP review prior to community review — as the name of the CAC suggests — has resulted in **an unclear process that asks the public and ULURP participants to take an inherently premature, incomplete position on a highly important and sensitive topic.**

As the Borough President outlined in his recommendation in the Gaming Facility Text Amendment, the decision to consolidate land use review into the CAC process was unnecessary and has created confusion. This late in the process, it remains unclear how any land use review conducted during CAC review will affect this proposed demapping. For example, if the CAC decides that the proposed size of the skybridges is too large and wants to reduce width and location of the height-limiting planes of the volumes to be demapped:

- How would those changes be effectuated and codified?
- Would another demapping action be necessary?

The City, State, and Applicant have failed to adequately explain how an approval of this demapping application would affect the ability to further modify the proposal for a casino at this site, including any potential public benefits or mitigations. This proposal is subject to a discretionary land use action. There are alternative development scenarios that would not require this demapping action. The applicant's failure to provide viable alternatives masks the reality that this application is not essential for the development of a gaming facility but only the development of this specific design.

Procedural Conditions

As such, the Borough President requires the following procedural commitments:

- CPC must articulate an additional mapping condition in the CPC report that describes how any modifications ratified through CAC negotiations and subsequent vote would effectuate material changes to this demapping action.
- City Council commits to calling up this map change for full Council review.

Public Benefit Conditions

At best, ULURP is designed to identify key concerns, topics, and discussions that the applicant must resolve to inform the best possible building design, program, and operation. The applicant's proposal has identified a street demapping as a potential strategy to establish a large enough floor plate and connect four separate sites in exchange for meaningful public benefits, improved building function, design, and placemaking. Part of the rationale for demapping such sizable volumes is that these larger areas allow for a larger contiguous open space on the roof of the proposed development. The commitment given to the Community Trust Fund, currently proposed at $200 million, is grossly inadequate relative to the benefits to the applicant. **Without the minimum conditions outlined below, the Borough President is unconvinced this is an adequate tradeoff.**

Public Benefit Conditions

The applicant must prepare and evaluate alternative development scenario(s) where:

- The skybridges proposed on Stillwell and 12th are programmed for only for pedestrian circulation, and not an extension of gaming facility, building program, or related uses, including vehicular circulation and/or parking.
- The volumes to be demapped are reduced, particularly by increasing the height of the lower height-limiting plane, and limiting the overall bulk to ensure visibility through the site.
- The number of parking spaces is substantially reduced. Savings incurred by a reduced cost of construction should be reallocated to the Community Trust Fund.
- Additional ground level amenities are provided, including open spaces and pedestrianized streets.
- The entirety of any newly created rooftop amenity space is made accessible to the public. The current proposal apportions roughly half of its rooftop space to public use.
- Consider a scenario that only demaps Bowery.

The applicant must also commit to:

- A letter from the Applicant Team that spells out in writing all Community Benefit terms that were discussed during the ULURP process, as well as new conditions as cited by the Borough President, City Planning Commission, City Council, and CAC
- Fund capital improvements in the six Coney Island NYCHA developments, which, as of NYCHA's latest capital assessment, total $1.7B
- A Community Advisory Board that will meet regularly and act as a watchdog for all promised community benefits
- Flood resilience throughout the site and evacuation plans for emergency events
- A commitment to investment in Luna Playground
- A significant commitment to fund local transportation improvements and connections, including but not limited to:
    - Improvements to the MTA's Coney Island-Stillwell Avenue station complex,
    - Renovation of the Coney Island maintenance yard
    - Bus priority infrastructure on Surf Avenue
    - Streetscape improvements such as curb bumpouts, pedestrian islands, mid-block crossings, and expansion of protected bike lanes
    - Including a new landing in Coney Island for the expansion of the Ferry
- A disclosure of the anticipated annual revenue across the gaming facility and all its ancillary uses
- As Queens BP Donovan Richards stated in his recommendation for Queens Futures:
    - with regard to gambling addiction awareness and education, the Applicant must adhere to all advertising guidelines set forth by the New York State Gaming Commission; and they must supply a list of community-based organizations you are partnering with on gambling addiction awareness education
    - Workforce development plan that includes (but is not limited to) the following: 30% MWBE Hiring Goal (with the intention of exceeding said goal); the total projected number of jobs, both permanent and temporary; list of community-based organizations with which the Applicant has signed MOUs for workforce development; local hiring reporting quarterly to the Community Board, Borough President, and Council Member; and culturally competent outreach to street vendors for space at the proposed food hall as well as any appropriate passive space on the Proposed Development
- An access plan to ensure community members will not be policed out of public spaces
- A framework for some of the Proposed Development's revenue to be earmarked for improvements in Coney Island, such as investments in Riegelmann Boardwalk and the southern terminus of Ocean Parkway.