

City Hall pushing rule that requires new Union Square hotels to hire unionized staffs

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Union Square Getty Images

Mayor Bill de Blasio is pushing for a plan that would restrict hotel development in the Union Square area to only projects that hire unionized staffs — a move that critics say will benefit a politically powerful labor group at the expense of the local economy.

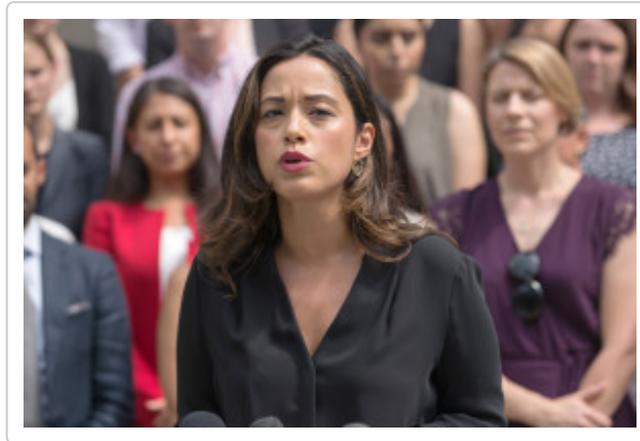
De Blasio and Councilwoman Carlina Rivera, whose district includes [the 14th Street hub](#), have been quietly pushing the city's Planning Department to green light mandatory special permitting for future hotel projects in neighborhoods south of Union Square by the end of October, according to sources and internal documents.

If approved, the changes would put developers seeking to build new hotels in the area through a lengthy review process that gives veto power over non-union-staffed hotels to the local council member.

There are already 12 such special permit requirements for hotels across the city in communities like Tribeca, East Harlem and Jerome Avenue in the Bronx. The Planning Department determined that the changes push hotel development out of those areas and

into neighborhoods that don't have the restrictions.

"New York City is twice the size of Los Angeles and we're the only world-class city in the country and you're going to limit hotels?" said land use attorney and former City Planning Director Mitchell Korbey.



Councilwoman Carlina Rivera, whose district includes the 14th Street hub. William Farrington

"Its absolutely an example, and maybe one of the worst examples, of a politically motivated rezoning. There's no urban planning rationale for this concept. It runs counter to sound land use policy," Korbey said.

Special permitting is a top objective of the 40,000-member Hotel Trades Council that heavily backed the mayor's failed White House bid. HTC also endorsed Rivera's 2017 Council run and donated the maximum \$2,750 to her campaign and transition, records show.

The union also has strong ties to the City Council, which would need to approve the changes. HTC donated \$89,200 to council races in 2017.

A staffer from the mayor's legislative affairs office also asked the Planning Department to draft the permit when de Blasio was still running for president over the summer, according to agency sources.

see also

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Mayor Bill de Blasio has repeatedly touted the "grassroots" nature...

"This is not about dealing with the problem of hotels," one source told The Post.

"This is a political deal that was cut and then we were told more or less to come up with the criteria for why we're doing it," the source said.

Evan Weiss, who heads the hospitality valuation firm LWHA, said the proposed zoning changes would ultimately "restrict the growth in tourism that New York City has been enjoying and that has been feeding the city in many, many ways on an economic and job basis."

A market analysis by his firm concludes that the demand for new hotels in the Big Apple "has kept pace, and in most instances, exceeded new supply." The 52-page report puts the city's projected local tax revenue gain from tourism between 2016 and 2028 at \$4.24 billion.

"Hotels support restaurants and of course entertainment venues, the city's theaters and multiple other businesses," Korbey said.

"How could this possibly be something we should be restricting?" Korbey asked.

A mayoral spokeswoman said the mayor's been fighting for "thoughtful hotel development to maintain strong neighborhoods" since he was public advocate in 2010.

De Blasio previously came under fire from ethics watchdogs for ordering the Department of City Planning to study citywide special permitting just as he was launching his 2020 campaign, which drew a single union endorsement from HTC. At the time the mayor denied pay-to-play allegations.

Peter Ward, president of the Hotel Trades Council, said it was actually former Mayor Mike Bloomberg — not de Blasio — who "first pioneered the zoning text" in 2008 "to reign in hotel overdevelopment that creates downstream negative community impacts when hotels are sited in historically non-commercial areas." He also said his union is "proud to have played a role in this effort, and will continue to work with every elected official to ensure that local communities have a role in determining the kind of development that defines our neighborhoods instead of being forced to accept fly-by-night development that defiles them."

Rivera's spokesman, Jeremy Unger, declined to directly address the immediate issue. Instead he said the councilwoman and local residents "have for years demanded solutions from the city to address out-of-scale commercial developments, from hotels to chain stores, that are affecting the diverse fabric of our neighborhoods and small business community. "