



THE CITY OF NEW YORK
INDEPENDENT BUDGET OFFICE
110 WILLIAM STREET, 14TH FLOOR
NEW YORK, NEW YORK 10038
www.ibo.nyc.gov • iboenews@ibo.nyc.gov

March 7, 2024

VIA EMAIL

Jessica Elliott, Vice-Chair
Community Board 11
vicechair@cb11m.org

Dear Vice Chair Elliott and Members of Manhattan Community Board 11,

At your request, IBO has conducted research related to the fulfillment of point 53 of the 2017 East Harlem Points of Agreement (POA), which states “DSNY will immediately begin planning for a permanent, long-term facility to serve District 11 sanitation needs.” The POA specified this would be a consolidated facility (or “dual-district garage”) to serve Manhattan Sanitation Districts 10 and 11, with a goal to complete by 2027.

After the deterioration of the district’s garage facility on East 99th Street, an existing building on East 127th Street was renovated to be used as the Manhattan Sanitation District 11 garage. The Department of City Planning cited this as an “interim-solution” until a more permanent site was identified. This is not the dual-district garage described in the POA and the relocation to this interim facility was opposed by Community Board 11 and the Manhattan Borough President. Renovations to create the interim-solution garage—which opened in December 2022—cost approximately \$35 million, adjusting for inflation. This is a lower cost than the City’s investment for newly constructed garages. Four recent new garage projects in the design phase, being constructed, or recently completed, have inflation-adjusted costs ranging from \$259 million to \$646 million. Additional findings from our analysis include:

- East Harlem’s POA did not stipulate the estimated funding for site acquisition or construction of a sanitation garage. Such “policy pledges” have no funding stipulated in the POA, per the City, because fulfilling the pledge does not require the City to add money to its budget.
- Twelve East Harlem “capital pledges” (which excludes the sanitation garage) have stipulated capital funding totaling \$253 million in the POA, 96 percent of which has been spent or budgeted in the City’s Capital Budget, to date.
- The design and construction process for new garages has multiple phases and often can take a decade or longer to complete.
- The construction of dual-district garages is becoming more common, and the combined populations of Manhattan Sanitation Districts 10 and 11 would be in line with the population served by the Staten Island Sanitation Districts 1 and 3 dual-district garage presently undergoing construction.

Further details are provided in the attached memorandum. If you have any questions, please contact me at louisac@ibo.nyc.ny.us or Jordan Paige, who prepared the memo, at jordanp@ibo.nyc.ny.us.

Sincerely,

Louisa Chafee
Director

MEMORANDUM

To: Louisa Chafee, Director
From: Jordan Paige, Budget and Policy Analyst
Date: March 7, 2024
Subject: Point 53 of East Harlem POA, and DSNY Capital Spending on Sanitation Garages

Neighborhood Rezoning and Points of Agreement

As part of the neighborhood rezoning process, the City creates a “Points of Agreement” (POA) in negotiation with local elected officials and input from the community board. In a POA, the City agrees to provide the rezoned neighborhood with various services and infrastructure investments, referred to as “pledges” in this report. Pledges can have a dollar amount stipulated in the POA, but some have no amount stipulated. Stipulations are estimates of how much funding the City will add to the City’s budget to satisfy that pledge. The Department of City Planning defines three categories for POA pledges: capital pledges, relating to capital projects and investments; expense pledges, relating to the expense budget and day-to-day operations; and policy pledges, which can include a wide range of projects and initiatives but, importantly, do not have any specific funding stipulated. The City can satisfy a policy pledge without adding funding to the budget; funding may be added later to fund a related project, but that is considered separate from the specific policy pledge. The lack of a stipulated dollar amount makes policy pledges more difficult to track progress and hold the City accountable to fulfill the promises.

The 2017 [East Harlem Points of Agreement \(POA\)](#)—which affects the district of Manhattan Community Board 11—contains 65 pledges.¹ The pledges relate to many types of community investments including affordable housing, open space, transportation, education, sustainability, and more. The East Harlem POA contains 12 capital pledges, which are eligible to be paid for with capital funding. (The [Capital Budget](#) is paid with money that the City borrows and is for projects or items with a value of \$35,000 or more and an estimated “useful life” of at least five years.²) The 12 capital pledges have funding stipulations totaling \$253 million.³ To date, \$242 million has either been spent or is currently reflected in the Capital Budget, representing 96 percent of stipulated capital pledges.

East Harlem’s Sanitation Garages

The remainder of this analysis focuses on point 53 of the East Harlem POA regarding a dual-district sanitation garage. IBO reviewed seven other POA documents from recent neighborhood rezonings and determined that East Harlem’s POA is the only one that has a pledge relating to the construction of a sanitation garage, offering no other examples for comparison.

Point 53 states that the Department of Sanitation (DSNY) will “plan for the development of an enclosed consolidated sanitation [garage]...which meets LEED gold standards” for Manhattan Sanitation District 10 (MN10) and 11 (MN11). To plan for the long-term facility, DSNY set two goals: one, “Explore options for a permanent facility that could house multiple garages and/or the Manhattan Lot Cleaning Unit;” and two, “Assess suitable sites for the permanent facility by exploring all City-owned sites and appropriate privately-owned sites in Manhattan Community Boards 9, 10, and 11, as well as potential acquisition of entire Block 1792.” The POA stated that the timeline for this pledge was from 2017 through 2027, capital

funding was “to be determined,” and that the timeline, budget allocation, feasibility, design, and construction of the dual-district garage were all contingent on a facility site being secured. Therefore, while the construction of a garage would be a capital project, the pledge is specifically to “explore options” and “assess suitable sites,” activities which do not require additions to the capital budget, making point 53 a policy pledge.

Manhattan Community Board 11, concurrent with MN11, currently houses three separate sanitation buildings: the garage that serves MN11, the garage that serves MN10, and the Lot Cleaning Unit that serves all of Manhattan. In February 2017—before the November 2017 East Harlem POA—DSNY submitted an [application](#) to the City Planning Commission (CPC) to relocate the MN11 garage to East 127th Street by renovating a privately-owned site to serve as an “interim-solution to a current pressing need.” This location had been discussed as a DSNY facility site since at least 2013. The existing garage at that time, located on East 99th Steet, was deteriorating and negatively impacting service.

During the Uniform Land Use Review Procedure (ULURP) for this “interim-solution garage,” Manhattan Community Board 11 and the Manhattan Borough President both formally recommended disapproval of the application. [ULURP](#) is a standardized process in which proposals affecting the use of New York City

land are publicly reviewed. Despite opposition, the interim-solution garage was approved by the City Planning Commission in June 2017, approved by City Council in September 2017, and opened in December 2022. The City Planning Commission record of the ULURP process states that potential site options were presented and reviewed, but they were all deemed unviable by DSNY for “issues relating to size, proximity to residential areas, accessibility, funding, or need for condemnation.” This interim-solution garage represents a renovation project to serve a single sanitation district (MN11) and is not the permanent new construction dual-district garage described in the East Harlem POA. To date, no viable location for a permanent garage has been identified.

The total capital cost of designing and renovating the interim-solution MN11 garage was \$35 million, including \$34 million in past (“committed”) spending, and \$1 million in future (“budgeted”) spending in the City’s Capital Commitment Plan. (All prior year spending adjusted for inflation to 2023 dollars.) Figure 1 breaks

down information related to the renovation of the interim-solution MN11 garage, and the population served. These figures provide context for comparison to the cost and size of other DSNY facilities that are under or have recently completed construction (presented in Figure 2).

Figure 1 Manhattan Sanitation District 11 Interim-Solution Garage Renovation Details <i>Dollars in Millions</i>	
Garage Project District	Manhattan 11
Total Costs	\$35
Committed Costs	\$34
Budgeted Costs	\$1
Current Construction Phase	Operational
Garage Area (Square Feet)	27,236
Residential Units Served	59,372
Design Start	Jan 2013
Construction Start	July 2021
Completion Date	Dec 2022
SOURCES: IBO analysis of the Fiscal Year 2024 September Capital Commitment Plan and Department of City Planning PLUTO data. NOTES: Committed costs are adjusted for inflation to 2023 dollars. Budgeted costs are as of the Fiscal Year 2024 September Capital Commitment Plan. <i>New York City Independent Budget Office</i>	

Sanitation Garage Construction Process

Constructing a new sanitation garage has several steps: site selection, environmental review, design, and construction. The process from start to finish typically takes multiple years; IBO finds that the four recent garages reviewed either took or are expected to take from 7 to 13 years to complete, with one outlier taking 20 years (see Figure 2).

Site selection is an effort conducted across the Office of Management and Budget, the Departments of Citywide Administrative Services and City Planning, the Mayor's Community Affairs Unit, and the local community board. Site selection is typically subject to ULURP. An environmental review must be conducted early in the ULURP process, in which City agencies review the proposed actions to identify and disclose the potential effects those actions may have on the surrounding environment. If the environmental review finds that no significant negative impacts are anticipated, City Planning will certify the ULURP application, which allows the public review process to begin.

If the project successfully completes the environmental review and ULURP processes, the design phase starts. In design, the selected firms work to develop plans, schematics, and details of the construction project. The firms create a roadmap for contractors, subcontractors, and code enforcement to follow. Design often takes several years. As an example, the Bronx garage for Sanitation Districts 9, 10, and 11 (Bronx 9/10/11) has been in the design phase since August 2017, and the City predicts that this phase will be completed in September 2024.

The final phase is construction of the garage and any accompanying facilities such as repair shops or salt sheds. Construction also can take several years; the Staten Island garage for Sanitation Districts 1 and 3 (Staten Island 1/3) has been in the construction phase since March 2020, and the City expects that construction will be completed in September 2024. The Staten Island 1/3 garage has the shortest anticipated construction period of the newly constructed garages reviewed (see Figure 2).

Recent Garage Construction Projects

IBO identified four DSNY garages presently at various points in the construction process. For these four projects, IBO identified construction costs, square footage, number of residential units served, and notable dates in the construction process (see Figure 2). If a new garage were constructed to serve both Manhattan Sanitation Districts 10 and 11, it would serve approximately 121,000 residents, which is in line with the populations served by the Staten Island 1/3 garage, the only dual-district facility included in IBO's analysis. IBO found that while each project has its own unique design and construction process, new garages have taken or are expected to take approximately 7 to 13 years from design to completion. (This does not include ULURP or environmental review, which typically adds at least one additional year to the timeframe.)

DSNY faces several challenges for new garage construction, such as identifying a suitable site, obtaining the land, and construction and supply chain delays brought on by the onset of the Covid-19 pandemic. The Brooklyn District 3 garage is an outlier when it comes to the length of time between design and construction, starting design in 2005 but not starting construction until 2019. From 2007 through 2017, almost no capital funds were spent on the garage; this pause may have been driven by lawsuits against

the project.⁴ In contrast to new construction projects, the renovation of the interim-solution MN11 garage cost \$35 million and took about two years to complete. (See Figure 1.)

Figure 2				
An Overview of DSNY Garage Construction Projects				
<i>Dollars in Millions</i>				
Garage Project District(s)	Bronx 9/10/11	Brooklyn 3	Staten Island 1/3	Manhattan 1/2/5
Total Costs	\$347	\$286	\$259	\$646
Committed Costs	\$46	\$272	\$252	\$644
Budgeted Costs	\$301	\$14	\$6	\$1
Current Construction Phase	Design	Construction	Construction	Operational
Garage Area (Square Feet)	154,532	138,243	80,875	430,887
Residential Units Served	169,890	73,427	128,677	146,383
Design Start	Aug 2017	July 2005	July 2017	Oct 2006
Construction Start	Sep 2024	Aug 2019	Mar 2020	Dec 2010
Completion Date	Sep 2030	Feb 2025	Sep 2024	Dec 2015
SOURCES: IBO analysis of the Fiscal Year 2024 September Capital Commitment Plan, Department of City Planning PLUTO data, and the Mayor's Office of Operations Capital Projects Dashboard				
NOTES: Figures may not add due to rounding. Committed costs are adjusted for inflation to 2023 dollars. Budgeted costs are as of the Fiscal Year 2024 Adopted Capital Commitment Plan.				
<i>New York City Independent Budget Office</i>				

Density of Sanitation Garages

There are 59 Sanitation Districts in the City.⁵ Figure 3 shows that there are 11 sanitation garages that serve multiple Sanitation Districts. For example, there are seven dual-district garages in operation throughout the City, including the Staten Island 1/3 garage currently under construction. Most of the current and recent new-construction facilities serve multiple sanitation districts, in contrast to the recently renovated MN11 interim-solution garage. The Brooklyn 3 garage is the only single district garage presently under construction.

Figure 3	
A Comparison of the Number of Sanitation Districts Served by All Garages	
Type of Garage	Number of Sanitation Garages
Single (serving one sanitation district)	34
Dual (serving two sanitation districts)	7
Triple (serving three sanitation districts)	4
SOURCES: IBO analysis of sanitation garage locations compiled by DSNY	
NOTE: This table does not include Lot Cleaning Units, which are located in: Brooklyn District 5, Bronx District 6, Manhattan District 11, Queens District 7, Queens District 14.	
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¹ Note that a “point” in a POA, which is numbered in the document, can have multiple “pledges” underneath it. IBO counts pledges with both a capital and expense funding stipulation as two separate pledges. This is why there are 57 points in the East Harlem POA, and 65 pledges.

² Funding from the City’s Capital Budget can be used for the construction, reconstruction, acquisition, or installation of a physical public improvement if it meets the dollar and useful life thresholds.

³ This spending spanned from 2021 through 2024. These totals exclude inter-fund agreement (IFA) funding. An IFA allows the City to use revenues from bond proceeds to fund staff work on capitably-eligible projects, which would otherwise need to be paid for through expense dollars.

⁴ For example, see: Sanitation Garage, Brooklyn Districts 3 and 3A. [City of New York v. 60 Nostrand Avenue, LLC, et al.](#), Appellants. 2006 NY Slip Op 06860 (2006).

⁵ Brooklyn Sanitation District 15 is served by two sanitation garages; all other Sanitation Districts are served by one garage.