

3.2 SOCIOECONOMIC CONDITIONS

INTRODUCTION

This chapter examines the potential impacts on socioeconomic conditions as a result of development spurred by the proposed 125th Street Corridor Rezoning and Related Actions. These potential impacts include potential effects on the area's population and housing characteristics, housing affordability, and business conditions. The *CEQR Technical Manual* suggests evaluation of socioeconomic conditions related to both residential conditions and business conditions where an action is expected to create substantial socioeconomic changes. According to the *CEQR Technical Manual*, residential projects with less than 200 units and commercial projects with less than 200,000 square feet of floor area would not typically result in significant socioeconomic impacts. The proposed zoning is expected to increase new residential and commercial development potential in excess of these thresholds on some of the blocks that are proposed to be rezoned, including one area that does not currently permit residential use, thus indicating the need for detailed evaluation of socioeconomic conditions.

The proposed action entails zoning map changes and text amendments that would affect 24 blocks in East, Central and West Harlem within portions of Manhattan Community Districts 9, 10 and 11. The proposed action also includes the disposition of City-owned property, an Urban Renewal Plan amendment, a City Planning Commission certification pursuant to the Special TA (Transit Land Use) District, and Urban Development Action Area Project designation and project approval in connection with a known development on a site within the rezoning area. As described in Chapter 2.0, "Project Description," the proposed rezoning area is currently zoned R7-2, C4-4, C4-4A, C4-5, C4-7 and M1-2. The rezoning proposal would create a new special district, the Special 125th Street District, within the rezoning area and change the underlying zoning to R6A, R7-2, R7A, C4-4A, C4-4D, C6-3, and C4-7 as modified by the special district, in an area that is generally bounded by 124th Street, 126th Street, Broadway and Second Avenue. Increases in allowable floor area per development site (Floor Area Ratio, or FAR) would principally occur in the core area of the rezoning area and around Park Avenue. Other areas would be rezoned to contextual zoning districts with height limits to control the form of future development.

The proposed rezoning is part of a comprehensive City initiative to support the ongoing revitalization of 125th Street. Central to this proposal is the establishment of the Special 125th Street District, which would allow a range of retail, arts, entertainment and cultural uses to physically and economically activate the street, allow finely-tuned building form controls to respond to the specific scale and character of the corridor, and support future job creation. The proposed rezoning seeks to: provide a balanced zoning strategy; encourage new mixed-use development; balance new development in response to existing neighborhood character and scale; sustain and enhance the ongoing revitalization of 125th Street as a unique, diverse Manhattan main street; and create opportunities for new housing, including affordable housing.

The reasonable worst case development scenario (RWCDs) for the proposed action specifies that by 2017 under conditions with the proposed action there would be 2,328 net new dwelling units created on 26 projected development sites, an incremental increase from the 304 dwelling units expected under No-Action conditions. The development sites generally contain local retail and services uses, office space, vacant land, or surface parking, and range in size from approximately 5,000 square feet to over 50,000 square feet (see Chapter 3.1, “Land Use, Zoning & Public Policy,” for further description of projected development sites). In addition to the anticipated residential development associated, the proposed action is also expected to generate net increases of 208,586 square feet of retail space, 436,015 square feet of office/commercial space, and 11,672 square feet of hotel space, when compared to the Future No-Action condition. Net decreases in development are expected for other types of uses, including a net decrease of 110,985 square feet of community facility/institutional space, 26,824 square feet of storage/manufacturing space, and 110,406 square feet of parking/auto related uses, when compared to the Future No-Action condition.

The *CEQR Technical Manual* suggests a review of several factors to consider in determining whether a project has the potential to create significant socioeconomic impacts and require a socioeconomic assessment include the potential for: (1) direct displacement of residential population; (2) direct displacement of existing businesses; (3) indirect displacement of residential population; (4) indirect displacement of businesses; and (5) adverse effects on specific industries not necessarily tied to a project site or area. These issues are examined in this chapter pursuant to CEQR methodologies.

Study Area Definition, Data Sources and Methodology

The initial step in the evaluation of socioeconomic conditions and effects of the proposed action is a preliminary assessment of socioeconomic data for the five assessment areas indicated above for the Socioeconomic Study Area. The *CEQR Technical Manual* calls for a preliminary assessment to discern the effects of a proposed project or action for the purposes of either eliminating the potential for significant impacts or determining that a more detailed analysis is necessary. A detailed assessment is warranted for all socioeconomic areas of concern that do not screen out based on a preliminary assessment.

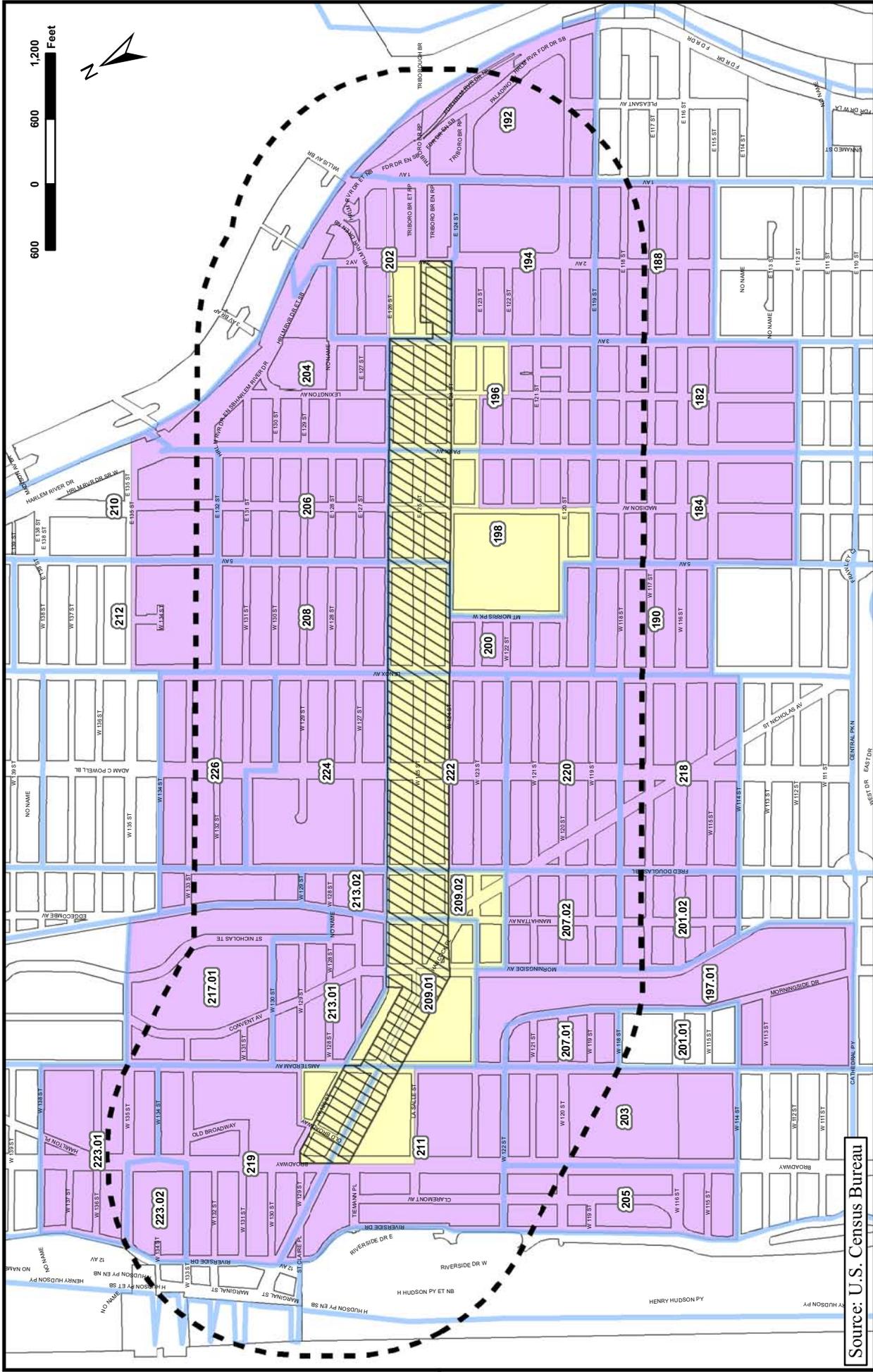
Study Areas

Two types of study areas are used for the evaluation of socioeconomic impacts including Population and Housing Study Areas (Figure 3.2-1), and the Business and Institutional Study Areas (Figure 3.2-2). The Population and Housing Study Areas include a primary study area comprised of the proposed action area and its surrounding census block groups and a secondary study area containing the primary study area and census tracts extending out in an approximately 1/3-mile radius from the proposed rezoning area (including portions of several census Tracts). Census block groups are the smallest geographical unit for which the Census Bureau publishes sample data. The primary study area generally extends from 126th Street to 124th Street, between Broadway and Second Avenue, and includes some larger census block groups that extend several

blocks south of 124th Street, including those between Broadway and Frederick Douglass Boulevard, and east of Mt. Morris Park West. Portions of the primary study area that extend beyond the proposed rezoning area -- including areas of parkland such as Marcus Garvey Park, and areas encompassing the Grant Houses public housing complex -- are included as a result of the Census Bureau's definition of their respective census block group boundaries. The secondary study area generally includes all census tracts where more than 50 percent of the area is within the radius, as adjusted by the Department of City Planning (DCP), and extends west of Riverside Drive, east of the Harlem River, north of approximately 114th Street, and south of approximately 135th Street. The analysis was conducted at the census block group level for the primary study area for the purpose of analyzing demographic indicators, including available income data. Areas generally within 1/3 of a mile of the rezoning area were selected in order to include the most relevant blocks for comparison to the primary study area, including areas to the north and south of census tracts that abut the primary study area.

The secondary study area for Housing and Population provides a comparison of the primary study area to its immediate surroundings. The northern portion of the Secondary Housing and Population Study Area extends as far north as 138th Street from Riverside Drive east to Amsterdam Avenue, with 134th and 135th Streets forming the remainder of its northern boundary. In the south, the Secondary Housing and Population Study Area extends as far south as 112th Street from Fifth Avenue east to Third Avenue and along Cathedral Parkway (110th Street) from Amsterdam Avenue to Morningside Avenue. The remainder of the southern boundary of the secondary study area generally follows 114th and 115th Streets. The study area is located in Manhattan Community Districts 9, 10, and 11 and comprises parts of West Harlem, Central Harlem and East Harlem.

The primary study area for Business and Institutional Displacement includes the proposed rezoning area with its constituent census tracts. The secondary study area also comprises census tracts, as adjusted by DCP to reflect limitations of New York State Department of Labor (NYSDOL) data available for the 1/3-mile study area (see Figure 3.2-2). NYSDOL employment data available at the ZIP code level is analyzed for the evaluation of potential business and institutional displacement (the most detailed level of available NYSDOL employment data, given privacy and disclosure requirements). The Business and Institutional Displacement study area consists of ZIP code areas 10026, 10027, and 10035.



Source: U.S. Census Bureau

Figure 3.2-1 - Housing and Population Study Areas
125th Street Corridor Rezoning and Related Actions EIS
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- Legend**
-  Proposed Rezoning Area
 -  1/3-Mile Radius around Proposed Rezoning Area
 -  Primary Housing & Population Study Area
 -  Secondary Housing & Population Study Area
 -  2000 Census Tract

DATA SOURCES AND METHODOLOGY

Residential Displacement

U.S. Census data from 1990 and 2000 have been analyzed both at the census tract and census block group levels. Census indicators analyzed include total population; household and income characteristics including total households, average household size, and average and median household income; and housing characteristics including number of housing units, housing vacancy and tenure (owner versus renter occupied), median contract rent, median home value, and indicators of the extent of renter households residing in unprotected buildings.

In addition to census data, information on subsidized housing has been evaluated including data from the New York City Department of Housing Preservation (HPD) and the New York City Housing Authority (NYCHA). Data on the status (rent-regulated or non-rent-regulated) of existing housing units, and information on various types of housing and residential facilities were obtained from the New York City Department of City Planning's 2007 MapPluto database based on RPAD and Department of Finance information. To supplement the housing and population data, interviews were conducted for this EIS with local real estate agencies, and articles and real estate listings from local newspapers and the internet were reviewed.

Business and Institution Displacement

The assessment of business and institutional displacement includes an analysis of employment trends in the zip codes that most closely reflect the boundaries of the proposed action area, the secondary study area, and Manhattan as a whole. The analysis was based on private employment data from 1995 and 2005 (ES-202 data set) collected by NYSDOL and organized by DCP. The Covered Employment and Wages program, commonly referred to as the ES-202 program, is a cooperative endeavor of the U.S. Bureau of Labor Statistics and employment security agencies. Using quarterly data, the Bureau of Labor Statistics summarizes employment and wage data for workers covered by State unemployment insurance laws and for civilian workers covered by the program of Unemployment Compensation for Federal Employees. The employment data identify the major employers and industries within the study areas. As noted above, for confidentiality, employment data were obtained and analyzed at the ZIP code level, as data at the census tract level were not uniformly available. The analysis also identifies public sector employment, which is described in a more qualitative manner. The 2005 private sector employment data were used to describe existing business and employment conditions in the study area in order to analyze the possible effects of potential direct job displacement (total number and types of jobs) as a result of the proposed action through private redevelopment initiatives on the projected development sites. The employment data were also supplemented by field investigations, conducted in the winter and spring of 2007. It should be noted that the existing employment identified on the projected development sites might not be located on the affected sites at the time that development on those sites that could potentially occur. The analysis represents "a snapshot in time" that describes existing socioeconomic conditions in the vicinity of the proposed action area.

Data gathered by NYSDOL are disclosed at the ZIP code level for the confidentiality of reporting firms, and are thus not coterminous with census tracts. US Census data from 2000 were utilized at the census tract level to supplement gaps in ES-202 zip code data created by non-disclosure of employment in particular industries due to confidentiality requirements.

ES-202 Standard Industrial Classification (SIC) data from 1960 to 2002 were obtained for the larger Manhattan and New York City areas to place study area employment trends in the larger context of employment changes that were occurring elsewhere throughout New York City. Important historical employment trends in New York City and Manhattan going back as far as 1960 are referenced in this section, but are not shown in the tables, as the categories of the wholesale trade and retail industry classification system in 1960 differ from the categories of post-1960 employment data. NYSDOL ES-202 employment data from 1995, 2002, and 2005 were gathered at the ZIP code level to conform to the study area, using both the SIC system for the years 1995 and 2002 and the succeeding North American Industry Classification System (NAICS) for the years 2002 and 2005. The ES-202 SIC and NAICS industry employment gathered from NYSDOL is subject to the following limitations:

1. NYSDOL reviewed two-digit SIC data and three-digit NAICS industry level data and determined that information could not be released due to privacy and disclosure requirements. Instead, SIC and NAICS data were made available at the one digit and two digit levels, thus making industry comparisons less detailed since the classifications are grouped together differently at each level of detail (e.g., three or more digit levels are required in order to reassemble NAICS data and be able to compare it with SIC data). This allows for a comparison of broad industry sectors, such as manufacturing and retail, but does not allow for subsector comparisons of trends.
2. In some instances, NYSDOL was unable to release aggregate ES-202 data if either the data cell consisted of three or fewer employers, or if one employer accounted for 80 percent or more of the total employment in a data cell. This restriction on the release of employment data resulted in missing employment information for some categories of the 2005 NAICS industry data. For example, industry employment information was suppressed for manufacturing employment in ZIP Code 10026; management companies and arts were suppressed in ZIP Code 10027; and, in ZIP Code 10035, services industry data were suppressed.

It is possible to estimate missing employment data for these sectors by making comparisons with historical and citywide trend data and through other available sources. Thus, in addition to using ES-202 data, other sources of information were utilized including: 2000 US Census Bureau data, site visits, internet research, knowledge of major employers in the study area, newspaper articles and interviews with commercial brokers knowledgeable about local real estate conditions.

3.2.1 PRELIMINARY SCREENING ASSESSMENT

According to the *CEQR Technical Manual*, a preliminary screening assessment is used to determine the potential significance of socioeconomic change generated by a proposed action. Given the overall size of the proposed action (i.e., the size and density of the projected development), this chapter follows the guidance set forth in the *CEQR Technical Manual* for both the preliminary and, where warranted, detailed assessments.

Residential Displacement

Direct Displacement

According to the *CEQR Technical Manual*, direct residential displacement does not in and of itself represent an impact under CEQR. Where a public agency is undertaking the action or where tenants are protected by rent control or rent stabilization and where relocation benefits are available, no significant adverse impacts are considered to occur. Impacts of residential displacement could occur if the change would be large enough to alter neighborhood character or perhaps lead to the indirect displacement of remaining residents.

The preliminary assessment of direct residential displacement for the 125th Street Corridor Rezoning and Related Actions relies on examination of three factors related to anticipated direct residential displacement including whether: 1) the profile of the displaced residents is similar or markedly different from that of the overall study area; 2) the displaced population represents a substantial or significant portion of the population within the study area; and, 3) the action would result in a loss of this population group within the neighborhood.

As described in Chapter 1, “Project Description,” it is anticipated that under the proposed action there would be 26 projected development sites under the RWCDS. Fourteen of these sites would be developed as-of-right under conditions without the proposed action. All but one of the projected development sites currently have no residential uses present. Projected development Site #18 contains two dwelling units, located at 69 East 125th Street. However, it is expected that these units would be displaced in the Future Without the Action. Therefore, no direct residential is anticipated as a result of the proposed action and no further analysis of direct residential displacement is warranted.

Indirect Displacement

According to the *CEQR Technical Manual*, the issue related to indirect residential displacement resulting from a proposed action is whether an action could result in rising property values, and thus rents, making it difficult for some existing residents to afford their homes. The direct effects of an action that can lead to such indirect changes include the following:

- It would add a substantial new population with different socioeconomic characteristics compared to the size and character of the existing population.

- It would directly displace uses or properties that have had a “blighting” effect on property values in the area.
- It would directly displace enough of one or more components of the population to alter the socioeconomic composition of the study area.
- It would introduce a substantial amount of a more costly type of housing, compared to existing housing and housing expected to be built in the study area by the time the action is implemented.
- It would introduce a “critical mass” of non-residential uses such that the surrounding area becomes more attractive as a residential neighborhood complex.
- It would introduce a land use that could in and of itself, or combined with other like uses, create a critical mass large enough to offset positive trends in the study area, impede efforts to attract investment to the area, or create a climate for disinvestment.

The proposed action could potentially facilitate significant amounts of non-residential development and over two thousand units of new housing construction on 26 RWCDs projected development sites, the majority of which would be market rate. The projected increase in new market rate housing resulting from the proposed action could potentially add a substantial new population with different socioeconomic characteristics compared to the size and character of the existing population of the study area, and could introduce a substantial amount of a more costly type of housing, compared to existing housing and housing expected to be built in the study area by the time the action is implemented. Therefore, it was determined that a socioeconomic impact from indirect residential displacement cannot be ruled out and a detailed analysis was undertaken.

Business and Institutional Displacement

Direct Displacement

Under conditions with the proposed action, increases in development would be expected that could potentially displace existing businesses in the rezoning area due to the creation of development sites that might not otherwise be likely to be developed in the future without the proposed rezoning action. Approximately 286,218 square feet of retail use, 101,046 square feet of office space, 8,500 square feet of community facility use, 101,586 square feet of auto-related and parking use and 26,824 square feet of storage/manufacturing could potentially be displaced beyond displacement that would otherwise be expected to occur as a result of development under future conditions without the action. Under CEQR, displacement of a business or group of businesses is not, in and of itself, an adverse environmental impact. The preliminary assessment of business and institutional displacement directly resulting from a proposed action looks at the employment and business value characteristics of the affected businesses to determine the significance of the potential impact. As part of the preliminary assessment, the following circumstances were considered:

- If the business or institution in question has a substantial economic value to the City or region in terms of its products and services (and potential effects on businesses or consumers due to loss of such products or services), and if it can only be relocated with great difficulty or not at all due to locational needs that may not be satisfied at other locations.
- If a category of businesses or institutions is the subject of other regulations or public adopted plans to preserve, enhance, or otherwise protect it.
- If the business or institution defines or contributes substantially to a defining element of neighborhood character (or a substantial number of businesses or employees would be displaced that collectively define the character of the neighborhood).

While all businesses contribute to neighborhood character and provide value to the city's economy, CEQR seeks to determine whether displacement of a single business or group of businesses would rise to a level of significance in terms of impact on the City's or the area's economy or the character of the affected neighborhood.

It was determined that a socioeconomic impact cannot be ruled out and a detailed analysis was undertaken.

Indirect Displacement

Like the analysis of indirect residential displacement, the preliminary assessment for indirect business and institutional displacement focuses on the issue of whether an action would increase property values, and thus rents, throughout the study area, making it difficult for some categories of businesses to remain in the area. An action can lead to such indirect changes if:

- It introduces enough of a new economic activity to alter existing economic patterns.
- It adds to the concentration of a particular sector of the local economy enough to alter or accelerate an ongoing trend to alter existing patterns.
- It displaces uses or properties that have had a “blighting” effect on commercial property values in the area, leading to rises in commercial rents.
- It directly displaces uses of any type that directly support businesses in the Project Area or bring people to the area that form a customer base for local businesses.
- It directly or indirectly replaces residents, workers, or visitors who form the customer base of existing businesses in the Project Area.
- It introduces a land use that could have a similar indirect effect, through the lowering of property values if it is large enough or prominent enough or combines with other like uses to create a critical mass large enough to offset positive trends in the study area, to impede efforts to attract investment to the area, or to create a climate for disinvestment.

It was determined that a socioeconomic impact cannot be ruled out and a detailed analysis was undertaken.

Adverse Effects on Specific Industries

As set forth under CEQR guidelines, the preliminary assessment of the proposed action's potential to affect the operation and viability of these specific industries (and not necessarily tied to the specific proposed action area) is not based on set criteria or the identification of specific economic variables. The *CEQR Technical Manual* indicates that a more detailed examination is appropriate if the following considerations cannot be answered with a clear "no:"

Would the action significantly affect business conditions in any industry or any category of businesses within or outside the study area?

Field work, interviews, and the DEIS public scoping process did not reveal any cluster of specific industries within the primary or secondary study areas. Businesses subject to direct displacement are typical of the retail and service uses and comparative goods shopping that exist along 125th Street and on north-south running avenues. The approximately 286,218 square feet of retail use that would be directly displaced consists primarily of stores that sell retail goods such as apparel, electronics, jewelry, beauty goods, hardware, and household goods. Service uses that would be directly displaced include establishments including hair and nail salons, shoe repair, and social service establishments.

The industry sector most affected by displacement is retail, followed by service sector uses. However, the displacement of these businesses would in no way diminish the viability of these sectors, with substantial numbers of these types of businesses remaining along the corridor. Jobs in the sectors that would be displaced would also be replaced with new jobs generated in similar industries by the projected new development in most cases. The goods sold at these establishments, such as clothing and clothing accessories, or convenience goods, would still be available at remaining stores in the area. The action would neither affect a particular industry nor the economic viability of an industry or category of businesses. Nearly all of the jobs that would be directly displaced by the proposed action's projected development are part of the retail and service sectors, and are not within categories of businesses or institutions that are the subject of other regulations or publicly adopted plans to preserve, enhance or otherwise protect them. Furthermore, the additional buying power of new residents and workers that would be introduced to the area from development occurring as a result of the proposed action would benefit many of the area's existing businesses, and the proposed action would likely stimulate growth in the project area's retail sector, in terms of both employment and the number of firms. Because the goods and services provided by businesses subject to displacement are diverse and none of these businesses provide inputs that are crucial to the survival of some particular class of business, the proposed action would not have a significant adverse impact on any specific industry within or outside of the study area.

Would the action indirectly substantially reduce employment or impact the economic viability in the industry or category of businesses?

As described in the indirect business displacement assessment, the proposed action would not indirectly substantially reduce employment or impair the viability of an industry or category of

business. The proposed action would also result in net increases in employment in the retail and service sectors in which displaced businesses are concentrated.

Therefore, adverse effects on business conditions in any particular sector are not expected and a detailed analysis of potential for adverse impact on specific industries was not required

For purposes of setting forth a clear analysis of each of the remaining three (3) areas of detailed analyses, the following sections present existing, No Action and With Action conditions together for each analysis area.

3.2.2 DETAILED ANALYSIS OF INDIRECT RESIDENTIAL DISPLACEMENT POTENTIAL

The following section provides a detailed analysis of indirect residential displacement potential. Housing and population characteristics of the primary and secondary study areas are compared to those of Manhattan and the City as a whole. Trend data is compared between 1990 and 2000, with updated population estimates for 2005 and projections for future conditions in the year 2017 with the proposed action also analyzed.

Existing Conditions

Primary Study Area Population

The primary study area for Population and Housing includes the census block groups that include the rezoning area blocks. It extends over several adjoining blocks to the rezoning area to allow the evaluation of income data available at the census Block Group level from the US Census. The primary study area therefore includes approximately one dozen blocks adjacent to the rezoning area, including several containing the Ulysses S. Grant Houses public housing complex, located south of West 125th Street at Amsterdam Avenue and containing 1,940 dwelling units in nine buildings of 13 to 21 stories. Brownstone townhouses within the primary study area are concentrated on 124th and 126th Streets between Park Avenue and Malcolm X Boulevard.

The primary study area, like much of the rest of Harlem, experienced an increase in population between 1990 and 2000, reflecting an overall trend of housing revitalization and new construction that continues today. As indicated in Table 3.2-1 below, total population of the primary study area in 2000 was 12,262 persons, an increase of 2,137 persons over 1990. This increase was over four times the rate of increase of the secondary study area (4.95 percent), nearly three times the rate of increase for Manhattan (7.16 percent), and more than double the rate of increase for the City as a whole (9.36 percent). Based on DCP's estimate of a 4.8 percent increase in total population for the larger secondary study area between 2000 and 2005, 2005 population of the primary study area would be estimated at 12,851 persons.

TABLE 3.2-1: Population Trends 1990, 2000

Area	Total Population		Absolute Change 1990 to 2000	Percentage Change 1990 to 2000
	1990	2000		
Primary study area	10,125	12,262	2,137	21.11%
Secondary study area	126,595	132,865	6,270	4.95%
Manhattan	2,300,664	2,465,326	164,662	7.16%
New York City	7,322,564	8,008,278	685,714	9.36%

Source: US Census Bureau 1990, 2000, Summary File 1.

As of 2000, the population of the primary study area was ~~considerably~~ younger when compared to the population of ~~than that~~ of Manhattan, with more than one-quarter of the primary study area population ~~being~~ below the age of 18 in 2000, compared to approximately 16.8 percent for Manhattan. There was a slightly greater proportion of senior population in relation to total population for the primary study area (14.4 percent) compared to Manhattan (12.1 percent). Table 3.2-2 below shows age characteristics of the primary study area compared to the secondary study area and Manhattan.

TABLE 3.2-2: Age Characteristics of the Population

Area	Percent of Population Below the Age of 18		Percent Change	Percent of Population Between Age 18 and 64		Percent Change	Percent of Population Above Age 65		Percent Change
	1990	2000		1990	2000		1990	2000	
Primary Study Area	25.96%	26.50%	0.54%	59.61	59.10%	-0.51%	14.43%	14.40%	-0.03%
Secondary Study Area	26.12%	23.70%	-2.42%	62.68%	65.10%	2.42%	11.20%	10%	-1.20%
Manhattan	16.59%	16.80%	0.21%	70.14%	71.10%	0.96%	13.27%	12.10%	-1.17%
Source: US Census, 2000, 1990, Summary File 1									

Secondary Study Area Population

According to the US Census, total population of the secondary study area increased from 126,595 persons in 1990 to 132,865 persons in 2000, with much of that increase attributable to construction of subsidized housing and private renovation of vacant brownstone buildings. Figure 3.2-3 shows change in total population between 1990 and 2000 by census tract.

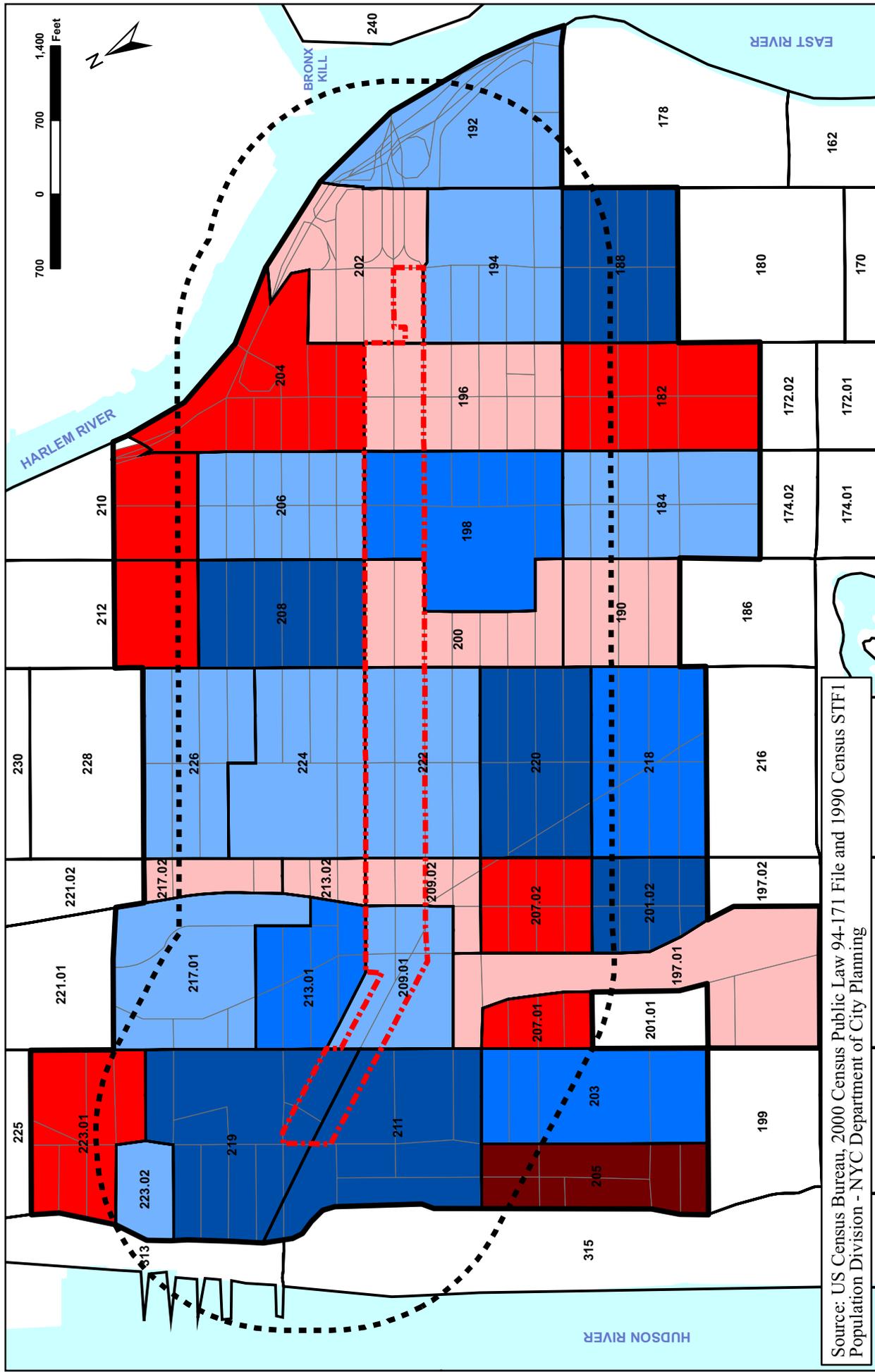
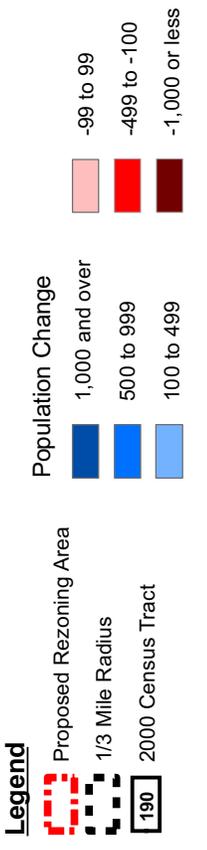


Figure 3.2-3 - Change in Total Population: 1990 - 2000

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With respect to age characteristics, the secondary study area contains a slightly lower proportion of individuals below the age of 18 (23.7 percent) compared to the primary study area (26.5 percent), yet still considerably more than the proportion for Manhattan (16.8 percent). The secondary study area's generally younger population has a lower percentage of seniors above the age of 65 (10.9 percent) than either the primary study area (14.4 percent) or Manhattan (12.1 percent).

DCP estimates that census tracts in the secondary study area experienced a 4.8 percent increase in total population between 2000 and 2005. The 2005 total population, according to this estimate, would be approximately 139,291 persons. Total housing units experienced a similar increase between 2000 and 2005, increasing by approximately 5.4 percent. Much of the new construction of housing since 2000 has been concentrated in mid-rise construction south of 125th Street between Park and Madison Avenues, where DCP's population estimates for 2005 shows the highest increases in population for census tracts in the secondary study area, with several census tracts having increases of nearly 50 percent of their total population between 2000 and 2005.¹

Primary Study Area: Households and Income

As indicated in Table 3.2-3, the primary study area contained a total of 4,676 households in 2000, an increase of over 19 percent over 1990 levels. This large increase in households was accompanied by a reduction of household size, with average household size going from 2.6 persons per household in 1990 to 2.4 persons per household in 2000. The household size of the primary study area is less than that of any other compared area, while the secondary study area average household size is equal to that of the City as a whole.

TABLE 3.2-3
Household Characteristics

Area	Total Households			Average Household Size	
	1990	2000	% Change	1990	2000
Primary study area	3,926	4,676	19.1%	2.6	2.4
Secondary study area	48,152	50,056	4.0%	2.6	2.6
Manhattan	828,199	880,727	6.3%	N/A	2.8
New York City	2,816,274	3,021,588	7.3%	2.54	2.6

Sources: U.S. Bureau of the Census, SF1, 1990, 2000.

After adjusting the primary study area's 1989 median household income to account for inflation, household incomes rose by nearly 14 percent between 1989 and 1999. However, area median household incomes remained very low in 1999 (\$17,452), or less than half the levels of Manhattan (\$47,030) and New York City as a whole (\$38,293), as indicated in Table 3.2-4. This is partly attributable to the presence of low income households in the Ulysses S. Grant Houses,

¹ New York City Department of City Planning, Population and Housing Division, 2006.

which housed 4,592 persons as of 2006 according to NYCHA,² or approximately one third of the primary study area's total population.

TABLE 3.2-4
Household Income

Area	Median Household Income		
	1989	1999	% Change
Primary study area	\$15,368	\$17,452	13.6%
Secondary study area	\$19,985	\$21,663	8.4%
Manhattan	\$43,346	\$47,030	8.5%
New York City	\$40,419	\$38,293	-5.2%
Notes: 1989 Median Household Income converted to 1999 constant dollars using the US Department of Labor's Consumer Price Index for the "New York-Northern New Jersey-Long Island" area. Sources: U.S. Bureau of the Census, SF3, 1990, 2000.			

Secondary Study Area: Households and Income

According to the US Census Bureau, the secondary study area contained 50,056 households in 2000, an increase of four percent over the 1990 total of 48,152 households. This represents a lower rate of increase than for either Manhattan or New York City as whole. Since 2000, there has been a continued increase in total households in the area, estimated by DCP at 5.4 percent over 2000 totals. Household size in 2000 remained stable at 2.6 persons per household, which is equal to New York City (2.6), but slightly lower than for Manhattan (2.8).

Figure 3.2-4 shows 1999 median household income by census tract. The 1999 median household income for the secondary study area of \$21,663 was substantially higher than the area's median in 1989, but remained considerably lower than those of the borough (\$32,135) and the city as a whole (\$38,293). Relatively more affluent households were concentrated in the census tracts within Morningside Heights, an area housing large numbers of students and faculty of Columbia University and other local institutions including Union Theological Seminary and the Manhattan School of Music.

² New York City Housing Authority Development Data Book 2006, page 17.

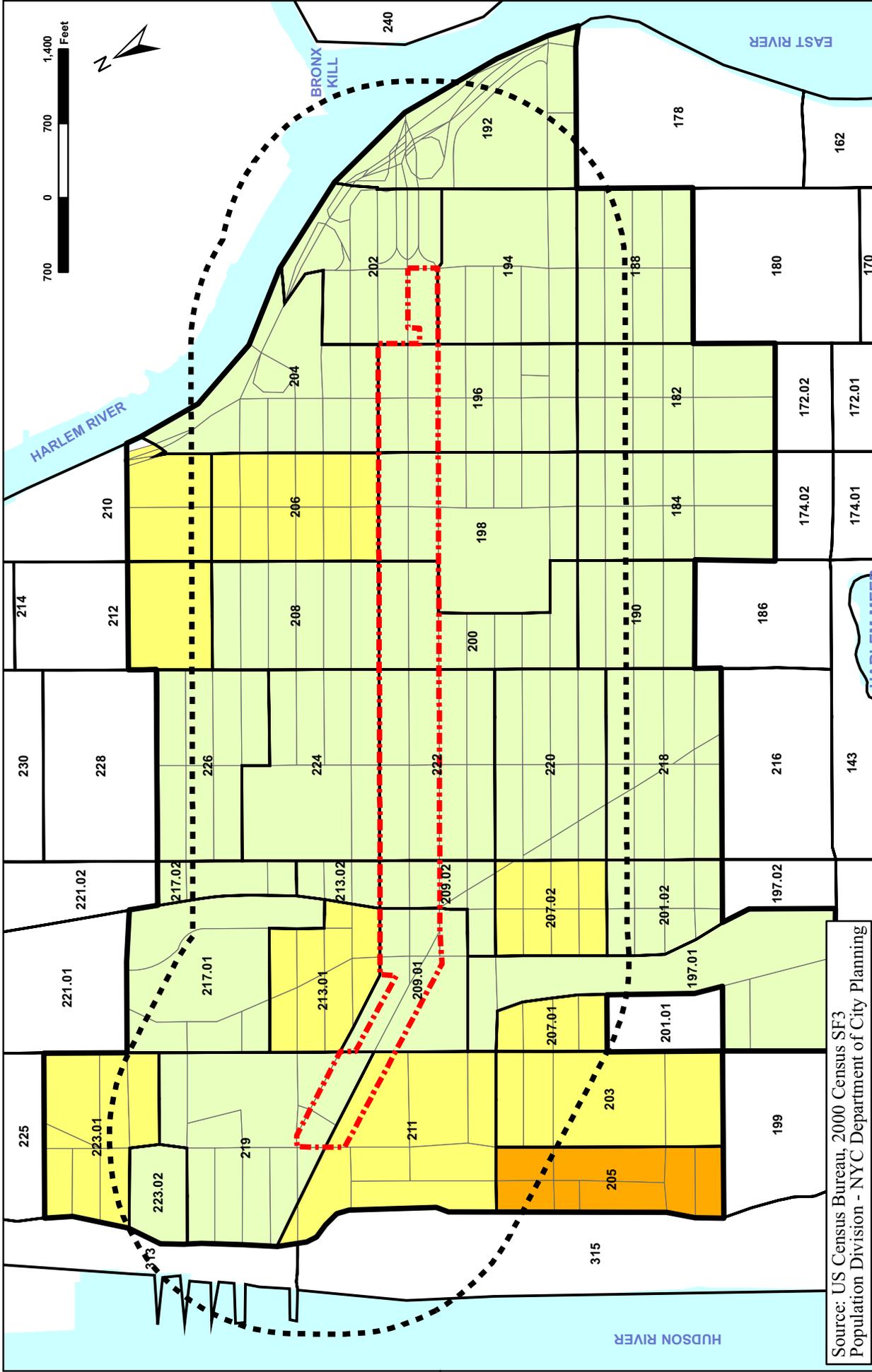
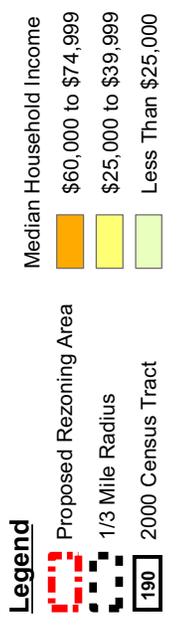


Figure 3.2-4 - Median Household Income 2000
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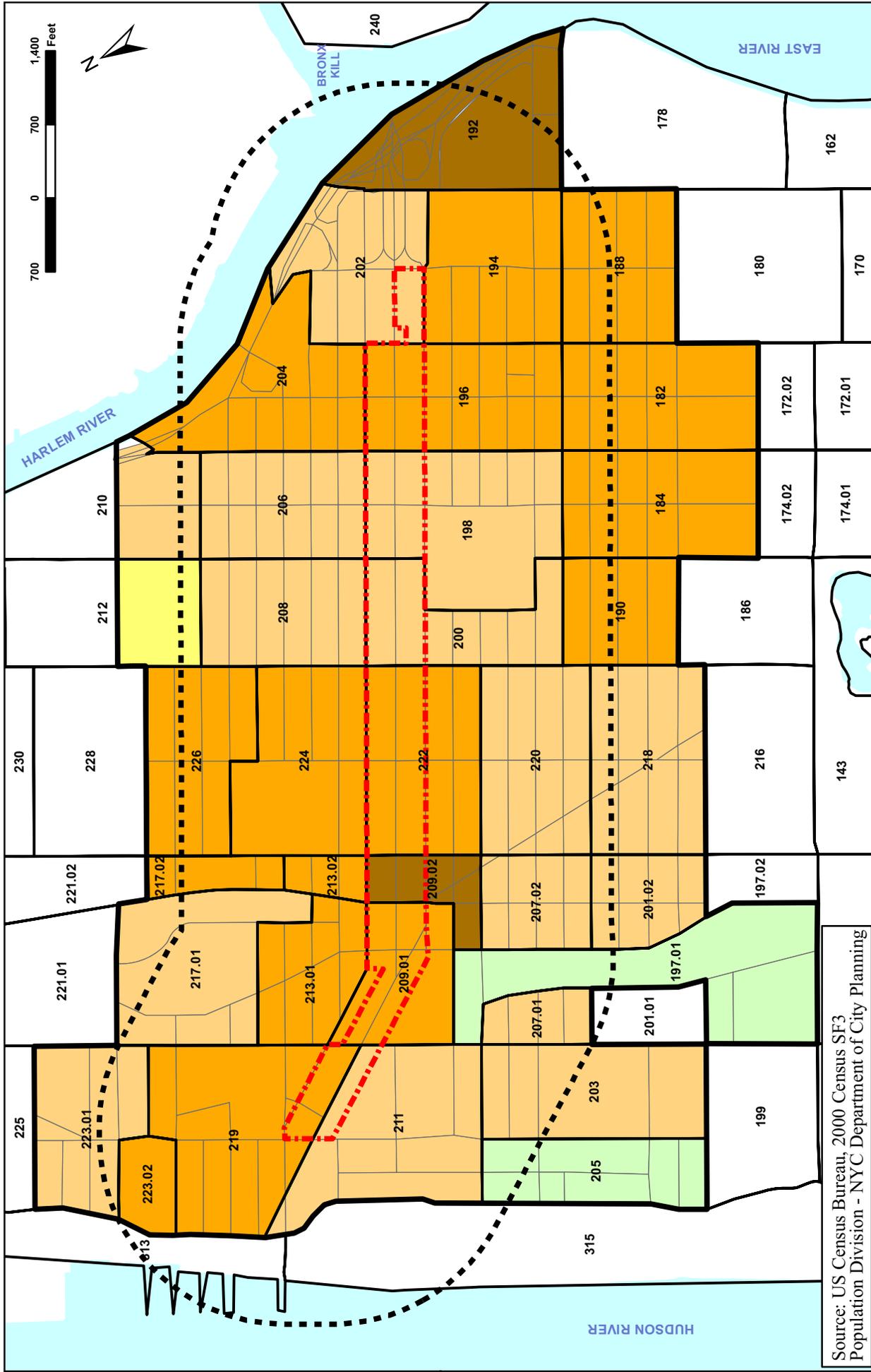


Figure 3.2-5 - Percent of Persons Below the Poverty Level in 1999
125th Street Corridor Rezoning and Related Actions EIS
 NYC Department of City Planning

Legend

- Proposed Rezoning Area
- 1/3 Mile Radius
- 2000 Census Tract

Percent of Persons Below the Poverty Level

- 50.0% or more
- 35.0% to 49.9%
- 20.0% to 34.9%
- 15.0% to 19.9%
- Less than 15.0%

Figure 3.2-5 shows the percentage of population living below the poverty level in the secondary study area by census tract. As indicated in Table 3.2-5 below, there was a decrease in the percentage of population living below the poverty level between 1989 and 1999, though the rate in 2000 remained approximately 50 percent higher than the corresponding rate for Manhattan, partly reflecting the large concentration of public housing and publicly assisted housing in the area. The study areas' percentage of persons living below the poverty line ~~actually~~ decreased, whereas it increased for both Manhattan and the City as a whole.

TABLE 3.2-5
Percent of Population Below Poverty Level

Area	1989	1999	% Change
Primary study area	40.5	37.0	-3.5
Secondary study area	38.9	37.0	-1.9
Manhattan	22.7	25.1	2.4
New York City	18.9	20.8	1.9

Source: U.S. Bureau of the Census, 1990 and 2000 Census, SF3.

Primary Study Area: Housing Characteristics

The population of the primary study area is primarily housed in a combination of brownstone townhouses on cross streets north and south of 125th Street, and mid-rise, five-to-seven-story apartment buildings, with mid-rise buildings facing 125th Street and those on north-south running avenues generally containing ground floor retail uses. Based on land use data from DCP and land use surveys, the rezoning area contains 10 single- and two-family residential buildings, 72 multi-family residential walk-up buildings, seven multi-family residential elevator buildings, and 92 mixed-use buildings containing apartments.

The total number of households in the primary study area increased substantially between 1990 and 2000, reflecting the overall population trends in the Population and Housing Study Area. Since 2000, this increase has continued, with numerous renovations of once vacant or deteriorated brownstone buildings, and new construction concentrated to the west of Park Avenue, largely accounting for the increase. Central and western portions of the study area experienced the greatest increases in housing and land values over this period, with East Harlem and areas generally east of Fifth Avenue generally seeing escalation in housing activity more recently.³

As shown in Table 3.2-6, primary study area households were overwhelmingly renters in 2000, comprising 94.8 percent of occupied units, compared to 79.9 percent and 69.8 percent of occupied units for Manhattan and New York City as a whole, respectively. Despite an increase of nearly 25 percent in the number of total housing units in the primary study area between 1990 and 2000, the vacancy rate increased from 6.3 percent to 10.3 percent. NYCHA developments

³ Klara Madlin, President, Harlem Homes Realty, Inc., Interview, April 24, 2007.

located in the primary study area include the 97-unit Morris Park Senior Citizen Home, which is located at 17 East 124th Street, and the General Ulysses S. Grant Houses at 3170 Broadway.

**Table 3.2-6: Housing Characteristics:
 Total Housing Units, Occupancy and Tenure**

	Total Housing Units		Housing Occupancy (Percent)				Housing Tenure (Percent)			
			Occupied		Vacant		Owner		Renter	
	1990	2000	1990	2000	1990	2000	1990	2000	1990	2000
Primary study area	4,188	5,213	93.7	89.7	6.3	10.3	3.2	5.2	96.8	94.8
Secondary study area	52,855	56,065	91.1	89.3	8.9	10.7	4.3	6.0	95.7	94.0
Manhattan	785,127	798,144	91.3	92.6	8.8	7.5	17.9	20.1	82.1	79.9
New York City	2,992,169	3,200,912	94.2	94.4	5.8	5.6	28.6	30.2	71.4	69.8

Source: U.S. Department of Commerce, Bureau of Census, 1990 and 2000 Census, Summary File 1.

According to the US Census Bureau, median contract rents in the primary study area rose at a lower rate between 1989 and 1999 (1.6 percent) than for Manhattan (17.5 percent) and New York City (9.5 percent). This lower increase in rents is likely attributable to the high proportion of renters living in large public housing complexes in this area, as opposed to renters in smaller privately owned buildings where rent levels are more susceptible to change. Median home values of owner-occupied housing units nearly tripled over this period (see Table 3.2-7 below).

Table 3.2-7: Housing Characteristics: Contract Rent and Value

	Median Contract Rent			Median Home Value		
	1989	1999	% Change	1989	1999	% Change
Primary study area	\$368	\$374	1.6%	\$44,785	\$127,117	184%
Secondary study area	\$422	\$472	5.2%	\$64,453	\$269,936	319%
Manhattan	\$630	\$740	17.5%	N/A	\$1,000,000 +	N/A
New York City	\$590	\$646	9.5%	N/A	\$211,900	N/A

Notes:
 1989 Median Household Income converted to 1999 constant dollars using the US Department of Labor's Consumer Price Index for the "New York-Northern New Jersey-Long Island" area.
Sources: U.S. Bureau of the Census, SF3, 1990, 2000; U.S. Department of Commerce, Bureau of Census, 1990 and 2000 Census, Summary File 1 and 3.

Interviews with area real estate brokers and field surveys indicate a continued pattern of housing upgrading renovation and rehabilitation since 2000, particularly for the brownstone buildings that face 124th and 126th Streets. Maple Plaza, a 155-unit low- and moderate-income limited equity cooperative developed by North General Hospital and Sparrow Construction located to the west of Park Avenue between 123rd and 124th Streets, is a prominent example of new housing construction built since 2000 with the assistance of HPD.

Secondary Study Area: Housing Characteristics

The secondary study area contains a diverse housing stock including owner- and renter- occupied brownstone townhouse buildings generally located between Frederick Douglass Boulevard and Park Avenue; older mid-rise buildings ranging from tenement-style buildings to market-rate apartments, mostly concentrated to the west of Morningside Avenue and St. Nicholas Avenue; Mitchell Lama and other affordable housing complexes including Taino Towers; and, public housing complexes including the above-mentioned Ulysses S. Grant Houses on the western end of the secondary study Area, and the 2,150-unit Robert F. Wagner Houses located at the eastern end of the secondary study area.

Like the primary study area, housing in the secondary study area is overwhelmingly renter occupied, with a 2000 vacancy rate (10.7 percent) that exceeds those of Manhattan and New York City. With its greater proportion of non-subsidized housing units, the secondary study area saw a greater increase in rent levels between 1990 and 2000 (5.2 percent increase). Median home values also increased at a much greater rate (over 300 percent) in the 1990s. Total housing units increased in the secondary study area between 1990 and 2000 by six percent. Since 2000, an estimated 4,700 new housing units have been permitted within the study area, with most of those units located in the census tracts that comprise the secondary study area, according to permits filed with the Department of Buildings.

Publicly Assisted Housing and Public Development Initiatives

Harlem is currently undergoing commercial and residential revitalization, in part due to public development initiatives and subsidized housing activity, and continued efforts of various governmental, church and other non-profit organizations that have worked to stabilize the neighborhood and its residential population.

One of the keys to Harlem's current housing resurgence is a program called HomeWorks that started in 1995. With the participation of experienced builders, this City program resulted in the renovation of small, vacant, city-owned buildings as one-to-four family homes. The buildings were sold in a lottery to individual home buyers at market rate prices, with the City subsidizing purchases by providing no-interest, non-amortizing loans that were forgiven if the buyer kept the property for six years.

Cornerstone is another major recent assisted housing initiative for revitalizing avenue properties in Harlem and other neighborhoods. This program for multifamily buildings, middle-income and market-rate new construction program has produced 3,000 reoccupied units of housing in Harlem, 750 of which are located in the Frederick Douglass Boulevard corridor. As of Spring 2005, HPD's Manhattan Office indicated that all development sites on Frederick Douglass Boulevard had been programmed, or are ready to be developed, for future moderate-, middle- or market-rate housing.⁴

The concerted efforts of city, state and federal governments and community-based institutions to put revitalization and redevelopment strategies for Harlem into action has emphasized policies supporting middle-class and market rate home ownership opportunities.⁵ The results of public investment within the study area are becoming more apparent as private market rate housing and brownstone renovations have increased throughout Harlem, with examples of new market rate housing construction described below including The Lenox, Harlem Horizon, SOHA 118, and the Normandie. These examples indicate that the Harlem housing rehabilitation is no longer limited to brownstones, as the development of new market rate condominiums and rental buildings in the area has increased. However, the public sector continues to invest in housing for low-, moderate- and middle-income tenants and owners. Most of HPD's \$1.5 billion investment in Harlem since 1987 has benefited low- and moderate-income households and given preference to neighborhood residents. Between January 1987 and December 2005, HPD completed the construction of 44,774 affordable housing units in Community Boards 9, 10, and 11 – or 19 percent of the citywide total. Of these, 7,454 units, or 22 percent, are owner occupied, helping increase homeownership to 16 percent in 2002, up from less than two percent in 1993. More than 78 percent of HPD's beneficiary households have been low-income, 11 percent have been moderate-income, and 11 percent have been middle-income.

The secondary study area has experienced considerable new housing construction since 2000 as a result of major new residential construction projects facilitated by HPD and the City of New

⁴ *IBID.*

⁵ The Steven L. Newman Real Estate Institute, 2006 Roundtable discussion "Harlem in Our Eyes, Sustaining Cultural Legacy in a Rapidly Changing Neighborhood," 2006.

York in partnership with local organizations such as Abyssinian Development Corporation, Operation Fight Back, Inc., and Hope Community. HPD projects since 2000 have resulted in new construction of over 10,000 units of housing in the secondary study area, and even greater numbers of gut rehabilitation and moderate-level rehabilitation projects. Based on the combined average household size of Community Districts 9, 10, and 11 (2.46 persons per household), HPD’s new construction projects alone would have increased the population of the Study Area by nearly 25,000 persons, over the last seven years. For example, just south of the previously described Maple Plaza project is Maple Court, a 135-unit low- and moderate-income limited equity cooperative new construction project. Occupying a full block west of Park Avenue, Maple Court is one of a handful of major new construction projects in Manhattan Community Districts 10 and 11 located near Mount Morris Park.

With respect to existing NYCHA public assisted housing in the primary and secondary study areas, as listed in Table 3.2-8, there are a total of 10,784 units in 4617 NYCHA developments in the combined primary and secondary study areas, with 2,037 located in the primary study area. These include six public housing complexes with between approximately 1,200 and 2,100 units, and four developments that are for seniors only (Morris Park Senior Citizen Home, U.P.A.C.A. U.R.A. Sites 5 and 6, and Edward Corsi Houses).

Table 3.2-8: New York City Housing Authority Developments, Units and Population

Development	Address	Number of Units	Population
<i>Morris Park Senior Citizen Home (Primary Study Area)</i>	17 East 24th Street	97	101
General Ulysses S. Grant (Primary Study Area)	3170 Broadway	1940	4621
Park Avenue – East 122nd, 123rd Streets	120 East 123 rd St.	90	206
U.P.A.C.A. U.R.A. Site 5	1980 Lexington Ave.	180	197
U.P.A.C.A. U.R.A. Site 6	1940 Lexington Ave.	150	155
Senator Robert A. Taft	1694 Madison Ave.	1464	3256
Grampion	182 Saint Nicholas Avenue	35	50
Milbank-Frawley	4-20 East 117 th St.	80	291
Edward Corsi Houses	306 East 117 th St.	170	175
East 120th Street Rehab	438 East 120 th St.	42	85
Senator Robert F. Wagner, Sr.	90 Paladino Ave.	2154	5232
James Weldon Johnson	1581 Park Ave.	1300	2383
Manhattanville	545 West 126 th St.	1272	2980
Manhattanville Rehab (Group 3)	529 West 133 rd St.	51	118
Manhattanville Rehab (Group 2)	515 West 134 th St.	46	95
Jackie Robinson	111 East 128 th St.	188	428
Saint Nicholas	2406 Frederick Douglass Boulevard	1525	3592
Source: *New York City Housing Authority Website, 2006.			

Residential Real Estate Trends

The continuing trend of increasing housing values in the secondary study area dates back roughly to the mid-1990s,⁶ with area home prices having roughly quadrupled in the last five years. Real estate brokers report that brownstone shells that typically sold for \$250,000 five years ago now sell for approximately \$1.3 million.⁷ Renovations of brownstones in the secondary study area are prevalent in great numbers, as shown in Figure 3.2-7. The *New York Sun* reported in May 2005 that the value of the average Harlem brownstone had increased 335 percent since 1995 largely due to cooperation between private developers and the City working together to rebuild blocks of derelict properties that the City foreclosed on in the 1970s. Today, the City owns few properties in the area. In Spring 2005, Harlem brownstones were routinely selling for \$1.5 million and vacant buildings for \$1 million. The year before that, brownstones routinely went for \$1.2 million and vacant buildings for \$800,000. Initially, the changes were limited to Harlem's brownstone-lined side streets and the historic sections of Morris Park and Strivers Row, while many of the avenues, including Frederick Douglass Boulevard, experienced less revitalization, giving rise to the previously described Cornerstone program.⁸ Other more recent press reports attest to the revitalization of the overall Harlem community, and current real estate listings from the *New York Times* include available luxury condominiums in Harlem that are being listed for \$725,000 for a two-bedroom unit (Harlem Renaissance Condo).⁹

Real estate brokers note that the pace of escalation in housing prices in Harlem somewhat slowed in late 2006 and early 2007 reflecting, to some degree, the softening of the housing market nationally. The brownstone townhouse market is reported to be relatively flat in comparison to its fast pace of activity in recent years, partly due to overly aggressive pricing by many sellers. However, rent levels are still comparatively high for the area. Typical rents for market rate apartments in Harlem range from \$1,500-\$1,800 for a one bedroom apartment, to about \$2,600 for a two bedroom apartment, and around \$3,300 for a three bedroom apartment.¹⁰

The construction of numerous market rate condominiums in the last decade has signaled the strengthening of the market rate and luxury housing market in Harlem. The Lenox, located at 129th Street and Malcolm X Boulevard, is one such new private development. Prices of The Lenox's 77 apartments range from \$490 per square foot for three bedroom units to \$668 a square foot for penthouses with terraces. Other full-market rate developments include Harlem Horizon, on West 115th Street; SOHA 118, a new condominium under construction on Eighth Avenue between West 118th Street and West 119th Street; and, the Normandie, at 100 West 119th Street. According to interviews with real estate brokers, prices start at around \$800,000 for a two-bedroom condominium at SOHA 118, with prices per square foot generally ranging from \$500-\$700 per square foot up to as high as \$1,000 per square foot.¹¹

⁶ Willie Kathryn Suggs, Willie Kathryn Suggs Licensed Real Estate Brokers, Interview, April 24, 2007.

⁷ Klara Madlin, President, Harlem Homes Realty, Inc., Interview, April 24, 2007.

⁸ *The New York Sun*, Vitullo-Martin, Julia, "Harlem's Renewal Spreads to the Boulevard," May 26, 2005.

⁹ *New York Times*, Real Estate Listings, May 6, 2007.

¹⁰ Sidney Evans, Prudential Douglass Elliman Real Estate, Interview, April 24, 2007.

¹¹ Sidney Evans, Prudential Douglass Elliman Real Estate, Interview April 24, 2007.

Recent real estate transactions described in the *New York Times* are another indicator of recent market activity and housing values in the Harlem area. For example, a three-family brick townhouse at 306 West 138th Street, located three blocks to the north of the Population and Housing Study Area, recently sold for \$1.175 million after being listed at \$1.2 million.¹² According to area real estate brokers, residential vacancy rates remain at low levels.¹³

Owner occupancy of housing units increased between 1990 and 2000 from 4.3 to 6.0 percent in the secondary study area, similar to trends experienced by the primary study area, Manhattan and New York City. This partly reflects an ongoing trend since the mid-1990's of conversion of Single Room Occupancy (SRO) buildings, many of which were located in brownstone townhouses in Central Harlem. The US Department of Housing and Urban Development defines SRO housing as a residential property that includes multiple single room dwelling units, while the New York City Rent Guidelines Board defines an SRO building as a Class B multiple dwelling which is either used in whole or in part for single room occupancy or as a furnished rooming house, pursuant to Section 248 of the Multiple Dwelling Law. Many brownstones that formerly contained up to eight or 10 rental units have been converted to market-rate owner occupied housing in this area, often with several rental units on the upper floors. Buildings that meet the legal definition of SRO must go through an application process in order to be converted, including a requirement to demonstrate that tenants have not been harassed. Area real estate brokers report that the number of remaining such SRO-type buildings has been reduced, though the conversion trend continues.¹⁴ Field surveys conducted in late 2006 and early 2007 indicate extensive housing renovations in the area. This, coupled with the trend of increased homeownership, has likely resulted in substantially reduced numbers of SRO's.

Population Currently at Risk of Displacement

According to the *CEQR Technical Manual*, a population at risk of indirect displacement consists of persons living in privately held units unprotected by rent control, rent stabilization, or other forms of rent control, whose incomes or poverty status indicate that they could not support substantial rent increases that would occur as a result of a proposed action. This section of the chapter presents information needed to determine whether the study area contains a population that would be at risk of indirect displacement under the proposed action. This information includes a tract-level analysis of the study area's economic characteristics along with the estimated number of unprotected rental units in each of the study area's census tracts, and an analysis of the "population at risk."

In order to determine whether a population at risk exists in the study area, the *CEQR Technical Manual* recommends analyzing "census data on income and renters in structures containing

¹² *New York Times*, "Residential Sales Around the Region," May 13, 2007.

¹³ Klara Madlin, President, Harlem Homes Realty, Inc., Interview, April 24, 2007.

¹⁴ Willie Kathryn Suggs, Willie Kathryn Suggs Licensed Real Estate Brokers, Interview, April 24, 2007; Klara Madlin, President, Harlem Homes Realty, Inc., Interview, April 24, 2007.

fewer than six units” combined with data on other factors, including the presence of subsidized housing and land use. The following steps were used to identify population at risk:

1. Census 2000 tract-level data were used to determine the average household income of renters in small (1-4 units) buildings. As described above, these buildings are not generally subject to rent regulation laws.¹⁵
2. For each census tract, the average household income for renters in small buildings was compared to the average household income for renters in large buildings to determine where income disparities exist between renters in small and large buildings. This information was used to gain a better understanding of the income distribution across housing types and census tracts. Average incomes were used in place of median incomes for this analysis because census data on median household income by size of building is not publicly available.
3. For each census tract, the average household income for renters in small buildings was compared to the average household income for households in Community Districts 9, 10, 11, and 12 (\$37,995)¹⁶. If the average for small buildings was lower than the average for Community Districts 9, 10, 11, and 12, the census tract was identified as having a potentially vulnerable population.
4. Census tracts identified as having a potentially vulnerable population were examined in greater detail to determine whether the discrepancy in average incomes between renter-occupied small buildings in the tract and the average for Community District 9, 10, 11, and 12 households is indicative of a truly vulnerable population.
5. In some cases, for example, the income discrepancy is likely to have decreased since the 2000 Census (due to new construction and apartment turnover). These 2000 census data were supplemented with permit data on new housing and renovations from the Department of Buildings and field surveys in order to assess changes that have occurred since 2000. Renovated units in buildings with less than six units were removed from the total estimate of vulnerable units in a specific tract since these units are the most likely to have been re-occupied by wealthier households. Substantial change was considered to have occurred if at least 50 percent of unprotected units in the tract were renovated, or more than 100 new units of housing were developed. Since it is likely that these changes

¹⁵ Census data on renter income is collected for pre-defined categories of buildings. These categories include buildings with 1-4 units and buildings with 5-9 units, making it impossible to develop an accurate average income for renters in buildings with 1-5 units. The average income for unprotected units is therefore based on the incomes for only those renters living in 1-4 unit buildings. This data constraint does not affect the overall analysis. Units in 5-unit buildings represent 24 percent of all unprotected units in the primary study area and 19 percent of all unprotected units in the primary study area.. Incomes for these units are likely to be similar to incomes in buildings with 1-4 units, and because they represent a relatively small proportion of the unprotected units, they would not substantially affect the average income.

¹⁶ US Census, 2000, New York City Department of City Planning, 2007.

have resulted in the migration of higher income households into unprotected units, these census tracts were removed from the population potentially at risk of secondary displacement.

Any tracts that were not screened out through this more detailed examination of current conditions were assumed to contain some vulnerable population.

The detailed descriptions of census tracts that may house populations vulnerable to indirect displacement uses 2000 census data as the first indication of whether more detailed consideration of a particular tract is necessary.

Unprotected Units

As described above, unprotected units include those units that are not subject to rent regulation laws. Although no database of these units exist, they are defined as, generally, renter occupied units located in buildings with five or less units and buildings with more than five units built after January 1, 1974. The number of buildings with five units or fewer in the primary and secondary study areas was determined using: 1) Department of Finance RPAD data available via DCP’s 2007 MapPluto database for five unit buildings, and 2) US Census Bureau data at the census tract level for buildings with between one and four units.

As shown in Table 3.2-9, the vast majority of housing units in the primary study area are located within rent-stabilized buildings. Of the 4,400 renter occupied housing units in the primary study area, almost 92 percent are subject to some form of rent-stabilization, with most of them located in public housing and mid-rise tenement or mixed-use buildings. A small percentage of these units (7.9 percent) are located in buildings defined as unprotected, or buildings with five or fewer units. A similar ratio exists for the secondary study area, with over 92 percent of the almost 47,000 renter occupied units located within rent protected buildings.

TABLE 3.2-9
Unprotected Housing Units

Area	Units in 1-5 Unit Buildings (Unprotected Units)*	Total Renter-Occupied Units**	Unprotected Units as % of All Renter Units
Primary Study Area	346	4,400	7.86 %
Secondary study area	3,386	46,882	7.22%
Sources: *New York City Department of City Planning MapPluto 2007, New York City Department of Finance & RPAD data. **US Census Bureau 2000, SF1 Summary File; STV Incorporated. Note: Primary Study Area data provided at the Census tract level.			

As shown in Table 3.2-9a, the highest concentrations of unprotected units in the primary study area were located in Tract 200, with about 32 percent of unprotected units, and in Tract 198, with about 27 percent of unprotected units.

TABLE 3.2-9a
Unprotected Housing Units by Census Tract, Primary Study Area

Tract	Renter-Occupied Units	Units in 1-4 unit buildings	Units in 5-unit buildings	Total unprotected units	Percent of Unprotected Units	Percent of rental units
196	199	23	0	23	6.65%	11.56%
198	499	72	20	92	26.59%	18.44%
200	297	97	15	112	32.37%	37.71%
202	64	0	0	0	0.00%	0.00%
209.01	1,320	38	0	38	10.98%	2.88%
209.02	420	25	10	35	10.12%	8.33%
211	1,078	0	0	0	0.00%	0.00%
219	501	24	0	24	6.94%	4.79%
222	22	22	0	22	6.36%	100.00%
TOTAL:	4,400	301	45	346	100.00%	7.86%

Source: US Census SF 3, 2000 and 5-Unit Building data from DCP's MapPluto database.

As shown in Table 3.2-9b, the highest concentrations of unprotected units in the secondary study area were located in Tract 208, with about 12 percent of unprotected units; Tract 200, with about 12 percent of unprotected units; and Tract 188 with about 10 percent of unprotected units.

TABLE 3.2-9b
Unprotected Housing Units by Census Tract, Secondary Study Area

Tract	Renter-Occupied Units	Units in 1-4 unit buildings	Units in 5-unit buildings	Total unprotected units	Percent of Unprotected Units	Percent of rental units
182	2,368	143	20	163	4.81%	6.88%
184	2,223	41	0	41	1.21%	1.84%
188	1,980	341	10	351	10.37%	17.73%
190	799	23	0	23	0.68%	2.88%
192	1,196	54	0	54	1.59%	4.52%
194	2,179	148	25	173	5.11%	7.94%
196	1,142	25	5	30	0.89%	2.63%
197.01	7	3	0	3	0.09%	42.86%
198	44	0	0	0	0.00%	0.00%
200	793	346	50	396	11.70%	49.94%
201.01	309	0	0	0	0.00%	0.00%
201.02	1,366	57	15	72	2.13%	5.27%
202	94	0	0	0	0.00%	0.00%
203	512	5	0	5	0.15%	0.98%
204	923	24	0	24	0.71%	2.60%
205	1,211	0	0	0	0.00%	0.00%
206	906	204	45	249	7.35%	27.48%
207.01	1,332	6	0	6	0.18%	0.45%
207.02	691	49	40	89	2.63%	12.88%
208	1,703	282	130	412	12.17%	24.19%
209.01	0	0	0	0	0.00%	0.00%
209.02	0	0	0	0	0.00%	0.00%
210*	2,851	0	0	0	0.00%	0.00%
211	2,364	47	0	47	1.39%	1.99%
212*	2,199	0	0	0	0.00%	0.00%
213.01	1,555	48	5	53	1.57%	3.41%
213.02	81	0	5	5	0.15%	6.17%
217.01	579	6	0	6	0.18%	1.04%
217.02	1,048	6	0	6	0.18%	0.57%
218	1,908	111	40	151	4.46%	7.91%
219	1,724	38	5	43	1.27%	2.49%
220	2,032	272	75	347	10.25%	17.08%
222	1,025	200	70	270	7.97%	26.34%
223.01	2,170	50	0	50	1.48%	2.30%
223.02	1,486	11	0	11	0.32%	0.74%
224	2,379	52	15	67	1.98%	2.82%
226	1,703	204	35	239	7.06%	14.03%
TOTAL:	46,882	2,796	590	3,386	100.00%	7.22%
Source: US Census SF 3, 2000 and 5-Unit Building data from DCP's MapPluto database						

The vast majority of unprotected housing units in the primary and secondary study areas – those in buildings with less than six units - are located centrally in Harlem, where a trend of brownstone renovation and sales to higher income households has been ongoing according to area real estate brokers and field surveys. Figure 3.2-6 shows the locations of these unprotected buildings.

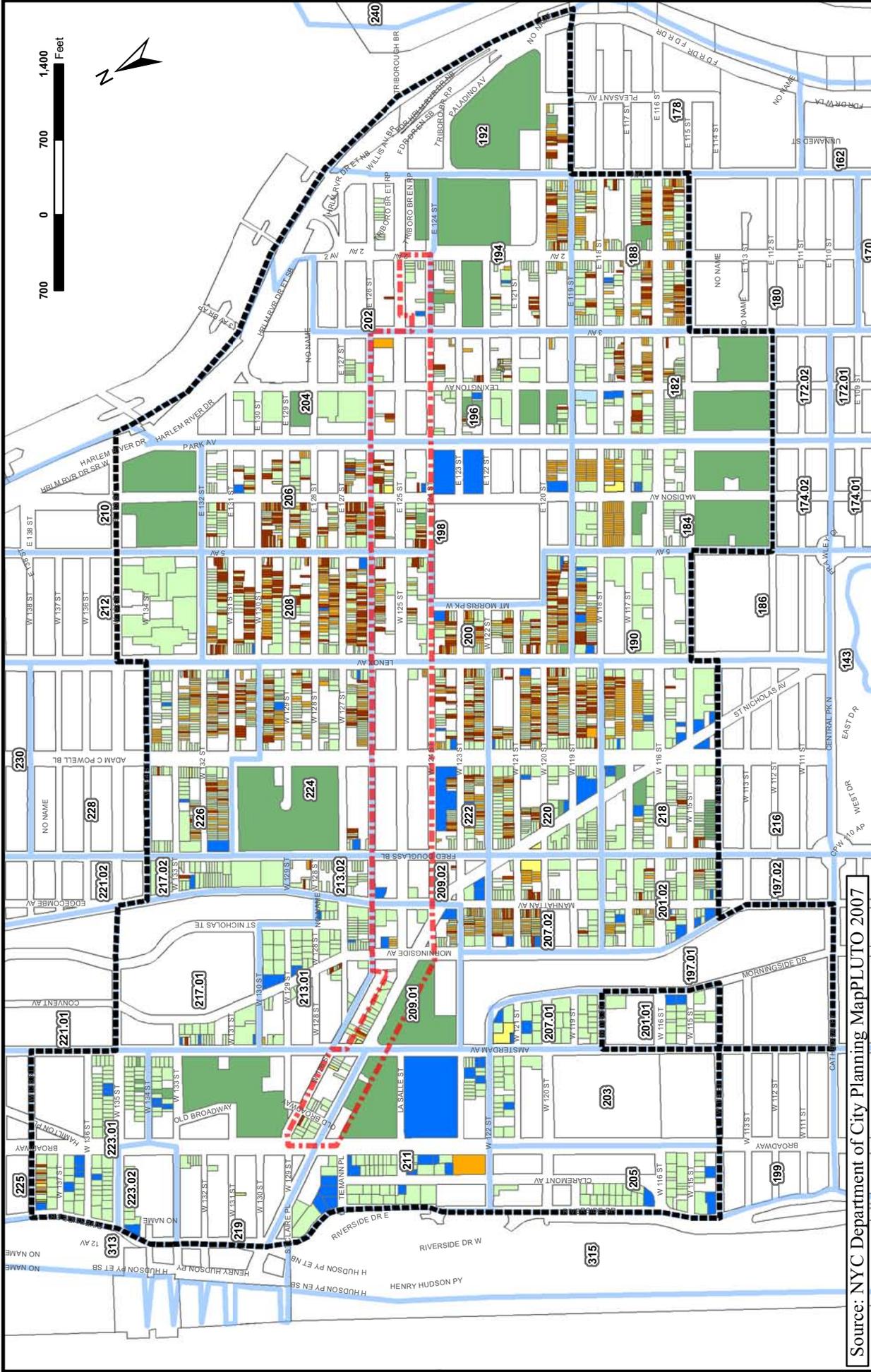
Identifying A Population at Risk of Secondary Displacement

As indicated above, low income renters living in unprotected units would constitute a population potentially at risk of secondary displacement as a result of rising land and housing values due to ongoing housing trends in this area. Since the incomes of renters in specific buildings are not known, a population potentially at risk of indirect displacement was identified according to census tracts where the average household income of renters in small buildings was less than the average household income for households in Community Districts 9, 10, 11, and 12 (\$37,995)¹⁷. If the average for small buildings was lower than the average for Community Districts 9, 10, 11, and 12, the census tract was identified as having a potentially vulnerable population in 2000. Table 3.2-10 and corresponding Figure 3.2-8, indicate those census tracts within the secondary study area are most likely to house populations vulnerable to secondary displacement.

According to the methodology, there were an estimated 2,077 units with an estimated 5,400 residents¹⁸ in 19 census tracts in the primary and secondary study areas containing a population potentially vulnerable to indirect displacement in 2000. However, as explained below, it is likely that many of these units have turned over to higher income households since 2000 and no longer contain a population vulnerable to displacement.

¹⁷ US Census, 2000, New York City Department of City Planning, 2007.

¹⁸ Based on an average household size of 2.6 for the secondary study area.



Source: NYC Department of City Planning MapPLUTO 2007

Legend

- Proposed Rezoning Area
- Housing & Population Study Area
- 2000 Census Tract
- Cooperatives

Protected Buildings

- Mitchell-Lama Developments
- Public Housing
- Rent-Stabilized Buildings

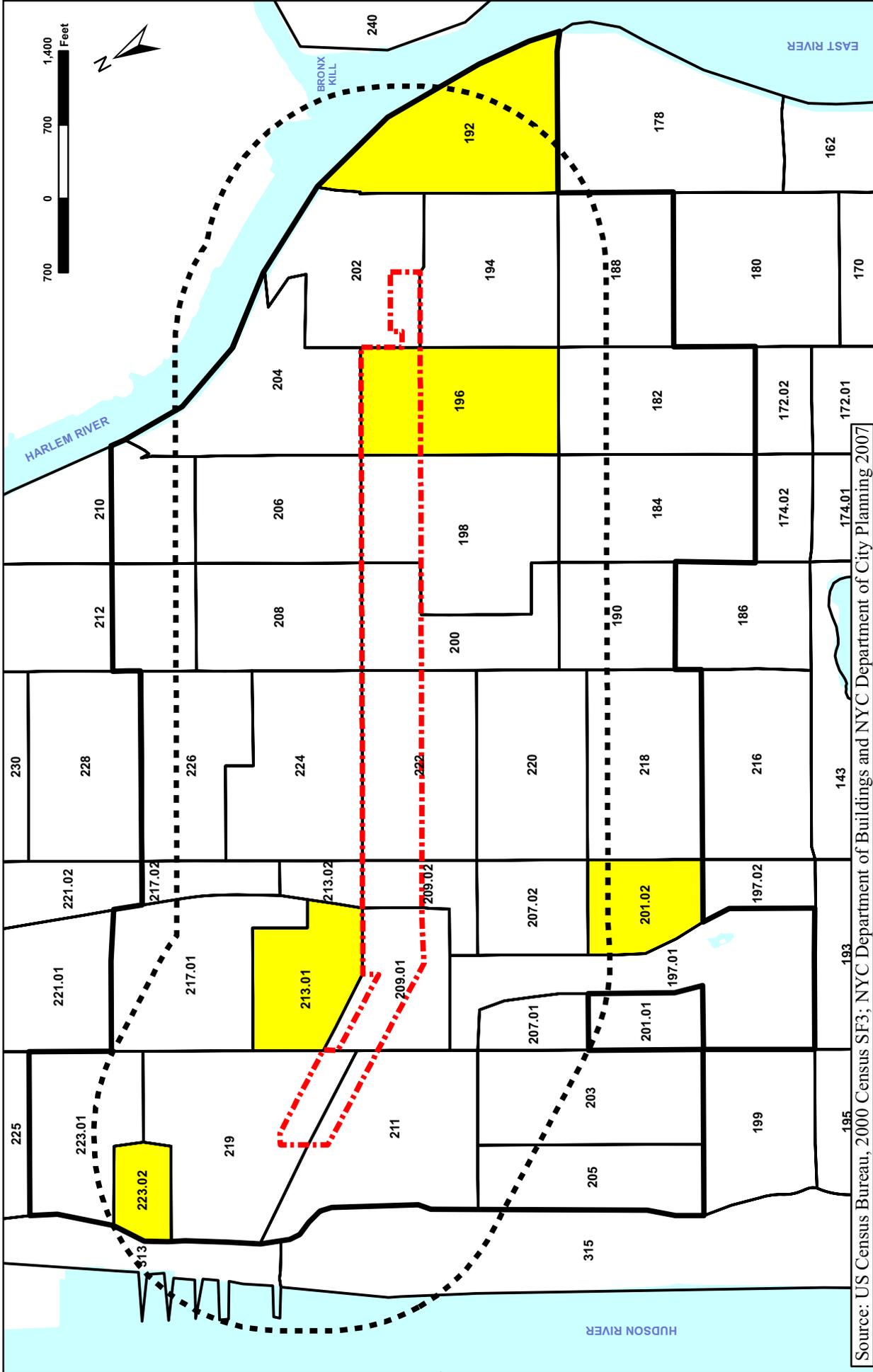
Unprotected Buildings

- Single Unit
- 2 - 3 Units
- 4 - 5 Units

Figure 3.2-6 - Protected and Unprotected Residential Buildings

125th Street Corridor Rezoning and Related Actions EIS

NYC Department of City Planning



Source: U.S. Census Bureau, 2000 Census SF3; NYC Department of Buildings and NYC Department of City Planning 2007

Figure 3.2-8 - Census Tracts Containing Households in 2007 Vulnerable to Indirect Displacement
 125th Street Corridor Rezoning and Related Actions EIS
 NYC Department of City Planning

- Legend**
-  Proposed Rezoning Area
 -  Census Tracts with Households at Risk of Indirect Displacement
 -  1/3-Mile Radius around Proposed Rezoning Area
 -  Secondary Housing & Population Study Area
 -  2000 Census Tract

TABLE 3.2-10: Average Household Income for Renters in Small Buildings and Buildings with 5-49 Units, Compared to Median Household Income of Manhattan and Community Districts 9, 10 & 11

Tract	Average Household Income in Small Buildings	Average Household Income in Large Buildings	Difference Between Small and Large Buildings	Difference Between Small Buildings and Average HH Income CD9, 10, 11 & 12*	Total Unprotected Units
182	\$20,061	\$30,725	\$10,664	\$17,934	163
184	\$19,007	\$32,817	\$13,810	\$18,988	41
188	\$37,940	\$25,958	-\$11,982	\$55	351
190	\$19,617	\$22,682	\$3,065	\$18,378	23
192	\$36,957	\$17,715	-\$19,242	\$1,038	54
194	\$27,949	\$25,862	-\$2,088	\$10,046	173
196	\$13,715	\$33,025	\$19,310	\$24,280	53
197.01	\$251,000	NA	NA	-\$213,005	3
198	\$26,403	\$25,761	-\$641	\$11,592	60
200	\$31,124	\$26,101	-\$5,023	\$6,871	213
201.01	NA	\$71,518	NA	---	0
201.02	\$21,996	\$33,468	\$11,472	\$15,999	72
202	NA	\$23,918	NA	---	0
203	\$51,000	\$53,660	\$2,660	-\$13,005	5
204	\$51,104	\$17,643	-\$33,461	-\$13,109	24
205	NA	\$95,797	NA	---	0
206	\$40,003	\$27,065	-\$12,938	-\$2,008	249
207.01	NA	\$46,987	NA	---	6
207.02	\$14,598	\$36,179	\$21,581	\$23,397	89
208	\$45,382	\$39,357	-\$6,025	-\$7,387	412
209.01	\$41,318	\$27,659	-\$13,658	-\$3,323	34
209.02	\$33,912	\$19,137	-\$14,775	\$4,083	27
210	\$14,136	\$24,106	\$9,970	---	0
211	\$43,150	\$43,250	\$100	-\$5,155	30
212	\$19,187	\$36,400	\$17,214	---	0
213.01	\$28,713	\$30,669	\$1,957	\$9,282	53
213.02	NA	\$12,590	NA	---	5
217.01	\$8,817	\$34,818	\$26,002	\$29,178	6
217.02	NA	\$23,973	NA	---	6
218	\$22,623	\$35,855	\$13,232	\$15,372	151
219	\$42,671	\$27,438	-\$15,233	-\$4,676	67
220	\$38,429	\$32,782	-\$5,647	-\$434	347
222	\$30,782	\$28,397	-\$2,385	\$7,213	231
223.01	\$43,002	\$35,163	-\$7,839	-\$5,007	50
223.02	\$17,564	\$33,047	\$15,483	\$20,431	11
224	\$25,375	\$23,086	-\$2,289	\$12,620	67
226	\$27,258	\$39,642	\$12,384	\$10,737	239

Source: US Census, 2000
 *Compared to Average HH Income in Manhattan Community Districts 9, 10, 11 & 12 of \$37,995, US Census, 2000, per New York City Department of City Planning, August 2007.

Of the 19 census tracts in the Study Area that were characterized in 1999 by income levels for renters in small buildings whose incomes were lower relative to average incomes of households in Manhattan Community Districts 9, 10, 11, and 12., census tracts 182, 188, 194, 200, 218, 222, and 226 had the highest concentrations of unprotected units (above 100 units), with census tracts 188 and 213 having the highest numbers of such units (351 units and 412 units, respectively). The specific locations of buildings likely to contain unprotected units according to MapPluto data are shown in Figure 3.2-6. Field surveys of the areas that potentially contain a population vulnerable to secondary displacement indicate that the majority of the unprotected units are located in brownstone townhouses in Central Harlem.

Estimated 2007 Population at Risk of Secondary Displacement

The majority of unprotected units identified above are located in Central Harlem brownstones, many of which have been sold and renovated since the ~~census data were collected in 2000 census~~. As described above in *Residential Real Estate Trends*, the market for brownstones in Harlem has strengthened significantly since 2000 and many buildings that were formerly operated as SROs have since been purchased, renovated and re-occupied with homeowners and market rate tenants. Given the prices paid for the buildings (typically anywhere from \$1 to \$2 million) and the extent of renovations – often gut renovations – it is likely that many of these unprotected units with a population potentially vulnerable to secondary displacement have already turned over to more affluent households and no longer contain a vulnerable population. Furthermore, as described above, the study area experienced substantial new growth in new construction of market rate housing as well as publicly assisted housing, which has resulted in new investment in many of the areas identified as having a vulnerable population. Therefore, 2000 data on housing type and income for census tracts that exhibited comparatively lower income characteristics in unprotected buildings were supplemented with more recent data on permits for major alterations and new housing construction to gain a clearer understanding of the scale and location of the change and to identify a population at risk of secondary displacement that exists today.

Census tracts that have experienced substantial new housing construction (more than 100 units) or significant renovation of existing unprotected units (more than 50 percent of unprotected units) have likely experienced an increase in aggregate and average income, and renters living in those tracts would not likely be considered to contain a population vulnerable to indirect displacement .

A 2007 population potentially at risk of secondary displacement was estimated by identifying census tracts with vulnerable population in 2000 that did not experience substantial new construction or renovation of unprotected units. Renovated units in buildings with less than six units were removed from the total estimate of vulnerable units in a specific tract since these units are the most likely to have been re-occupied by wealthier households. Table 3.2-10a below provides data from the Department of Buildings on permits filed since 2000 for new residential construction and major renovations (Alt 1 permits) of buildings with less than six units for the census tracts identified as potentially containing a population vulnerable to indirect residential displacement. Substantial change was considered to have occurred if at least 50 percent of

unprotected units in the tract were renovated, or more than 100 new units of housing were developed. Since it is likely that these changes have resulted in the migration of higher income households into unprotected units, these census tracts were removed from the population potentially at risk of secondary displacement.

TABLE 3.2-10a
Estimated 2007 Population Potentially Vulnerable to Indirect Residential Displacement

Tract	Renovated Units*	Unprotected units in 2000	% Renovated	New Units Since 2000**	Estimated Unprotected Units 2007	Increase in Household Income Likely Since 2000
182	21	163	13%	156	142	Yes
184	0	41	0%	1058	41	Yes
188	32	351	9%	221	319	Yes
190	13	23	57%	787	10	Yes
192	4	54	7%	12	50	No
194	23	173	13%	136	150	Yes
196	15	53	28%	60	38	No
198	48	60	80%	424	12	Yes
200	148	213	69%	81	65	Yes
201.02	25	72	35%	28	47	No
207	48	89	54%	302	41	Yes
209	20	27	74%	0	7	Yes
213.01	9	53	17%	10	44	No
217	4	6	67%	164	2	Yes
218	34	151	23%	364	117	Yes
222	160	231	69%	41	71	Yes
224	105	67	100%	97	0	Yes
226	185	239	77%	91	54	Yes
223.02	0	11	0%	0	11	No
Estimated Unprotected Units in Tracts With a Population at Risk in 2007 (Tracts 192, 196, 201.02, 213.01 and 223.02)					190	
Source: New York City Department of Buildings, compiled by DCP Based on Alt 1 permits filed with DOB since 2000 and Census 2000.						

Census Tracts with Population at Risk

As shown in Table 3.2-10a and Figure 3.2-8, five census tracts (tracts 192, 196, 201.02, 213.01 and 223.02) that contained a population at risk in 2000 have not experienced significant new housing construction or renovation of unprotected units since 2000.

Census tracts 213.01 and 223.02 are among the subarea's northwestern census tracts. The area contains auto-related and older light industrial uses, particularly around and west of Broadway, but also has a stable and well maintained housing stock in the vicinity of City College, mostly

consisting of mid-rise apartment buildings. These tracts had lower average household incomes for smaller buildings of 1 to 4 units than the average for households in Community Districts 9, 10, 11, and 12. For census tract 223.02, the average was approximately 12 percent below that of CDs 9 to 12. However, there were very few smaller buildings with 1 to 4 units in these census tracts (44 in tract 213.01 and 11 in tract 223.02), where most of the housing units are in larger, rent regulated or otherwise protected apartment buildings. There were 44 unprotected units in tract 213.01, located south of West 130th Street between Amsterdam Avenue and Manhattan Avenue and 11 unprotected units in tract 223.02, located generally west of Broadway in the low 130's). Tract 201.01 is located in Manhattan Community District 10 just west of Morningside Park and contains an estimated 44 unprotected units.

Census tracts 192, 196 and 201.01 are located in Manhattan Community District 11, which includes East Harlem. Tract 192 is located at the far eastern end of the rezoning area, abutting the exit ramps for the Triborough Bridge. Much of this tract is occupied by the Wagner Houses public housing complex. Tract 192 contains an estimated 50 unprotected units and tract 196 contains 38.

Based on this methodology, there are an estimated 190 units with approximately 500 residents in these five census tracts with a population potentially at risk of secondary displacement in both the primary and secondary study areas.

Future Without the Proposed Action

In the future without the proposed rezoning, the Population and Housing Study Area is likely to experience a continued trend of housing rehabilitation and increasing population and area incomes, as brownstone buildings are renovated and as subsidized and ~~luxury~~ market rate housing now planned or in construction are completed ~~comes on line~~. The New York City Department of Housing Preservation and Development has over three dozen new construction projects underway or planned through either negotiated sales or HPD programs that are expected to be completed by 2012, increasing the area's supply of affordable housing. These include new construction through the Cornerstone Program, the Mixed Income Rental Program, and the Low Income Affordable Marketplace Program. Two are planned through the New York State Office of Mental Health. With 3,659 units proposed in HPD-assisted projects alone (see Table 3.2-11 below), population of the combined primary and secondary study areas would be expected to increase by approximately 9,500 persons based on the area's 2000 average household size of 2.6 persons per household, with 300 of these units housing a population of 780 persons being located in the primary study area (Odyssey House and Kingsgate House). This would represent a 6.8 percent increase over 2005 total population of the secondary study area. Development of RWCDS sites under the No Action condition described in Chapter 3.1 would result in development of an additional 302 units of housing, equating to approximately 785 new residents. This combined 7.4 percent increase in total population of the secondary study area from HPD-assisted and projected RWCDS development would be consistent with ongoing population trends since 2000 indicated by DCP, which estimated a 4.8 percent increase in the population of the secondary study area between 2000 and 2005. An approximately 7.4 percent increase in secondary study area population between the present and 2017 (bringing total population to

approximately 149,594 persons) would roughly match the rate of recent increase in population that has occurred in this area since 2000 according to DCP if other smaller infill development and private renovation of remaining vacant buildings are considered.

There are numerous housing developments planned with the assistance of HPD and other agencies in the secondary study area. These range from numerous smaller projects relying on negotiated sale of properties by the City, to a dozen larger developments containing 100 units or more. As indicated in Table 3.2-11 below, projects that are anticipated in the secondary study area with or without the proposed action include those proposed through the Cornerstone program, and those proposed through negotiated sales by HPD and NYCEDC, with the largest of these being a proposed mixed-use development with up to 1,000 low-, moderate-, and middle-income units proposed at East 125th Street between Second and Third Avenues. The City released a developer RFP for this site in late 2006 and is currently in the process of selecting a potential developer. Other projects include luxury condominiums and housing developments such as the Kalahari, located at 18-48 West 116 Street.

While the continued strength of Manhattan real estate trends have not mirrored the downturn experienced in the national housing market since 2006, the Harlem market has slowed its upward trend to some extent in the last year, partly as a result of increases in the inventory of condominium units from recent new construction, leading developers to provide incentives to buyers such as covering closing costs, according to some area brokers.¹⁹ However, long term increases in prices are expected to continue, and the area's average incomes can be expected to continue to rise as housing conditions are improved and the area experiences continued commercial investment.

¹⁹ Klara Madlin, President, Harlem Homes Realty, Inc., Interview, April 24, 2007.

Table 3.2-11: No-Action Condition NYC Department of Housing Preservation Development Projects					
Project/Sponsor	Program	Units	CB	Block/Lot	Address
306 W. 115 Street Raymond Bonhomme	Negotiated Sale/ New Foundations	4	10	1848/21	306 W. 115 St.
Postgraduate Center for Mental Health	OMH	8	10	1913/52	142 W. 129 St.
116 Street Loft Apts. Malcolm Shabazz Development Corp.	Negotiated Sale	9	10	1599/69	68 W. 116 St.
Premier NY Equities, Inc.	Negotiated Sale	16	10	2045/89	2803 8 Ave.
TBD	Negotiated Sale	16	10	1718/29,31	11-21 W 119 th St
W. 115 St. Affordable Housing Malcolm Shabazz Development Corp.	Negotiated Sale	20	10	1825/25-27	109-113 W. 115 St.
St. Nicholas Park ETB Joint Venture	Cornerstone 3	22	10	1955/2,3	362-364 St. Nicholas Ave.
St. John AME Church and Tier One Capital (Philip Marlowe and Craig Livingston)	Negotiated Sale	24	10	1918/53	130 W 134th Street
West 128 Street Apts. Phipps Houses & West Harlem Group Assistance, Inc.	Negotiated Sale/ MIRP	27	10	1726/24-26,124	21-27 W. 128 St.
Fata Organization	Negotiated Sale	27	10	2032/2	2752 8 Ave.
West 146 St. E & Y	Negotiated Sale/ AHC	28	10	2045/13,14	2735 8 Ave.
E & Y Development, Inc.	Negotiated Sale	34	10	1953/37,38,40	304-306,310 W. 127 St.
Fifth Avenue Artimus Construction	Cornerstone 3	38	11	1745/2,3,69,70	1463-1465 5 Ave. 1473-1475 5 Ave.
Heritage House ARC	Cornerstone 4/ MIRP/LAMP	40	11	1755/45-49,146	50-60 E. 131 St.
The Savannah Brownstone Realty	Negotiated Sale	45	10	1830/2-4	2112-2118 8 Ave.

Table 3.2-11: No-Action Condition NYC Department of Housing Preservation Development Projects					
Partners					
W. 131 Street/Lenox Abyssinian D.C.	Cornerstone 4	45	10	1915/32,33,36	407,409,415 Lenox
Ramirez Group	Negotiated Sale	45	10	1955/16	2408 8th Ave
Project Greenhope Project Greenhope	HHAP	49	11	1807/15,16	433-439 E. 119 St.
Colon Plaza East 116 Street Block Association & Horsford & Poteat Realty	HTF/Homes for Working Families	49	11	1621/23-25	1733 Madison, 55-57 E. 115 St.
Odyssey House Odyssey House (Primary study area)	OMH	50	11	1772/9-12,110,112	113-127 E. 123 St.
Friendly Hands Ministry, Inc. w/Alembic Development Corp. and Fox y Garcia	LAMP/MIRP	60	11	1783/12-16,18,117	225-241 E. 118 St.
Abyssinian Development Corp. and Harlem Dowling West Side Center for Children and Family Services	Negotiated Sale	66	10	1911/61,62	2135-2139 7 Ave.
Madison/E. Harlem North Hope - Bluestone JV	Cornerstone 4	69	11	1622/34,50 1645/20,51,52,120, 121,151,152, 1745/15,16, 1768/111 1770/42,47,48,141	Park Ave., Madison Ave., E. 119 St., 54 E. 122 St.
Harlem Market Malcolm Shabazz Development Corp.	Negotiated Sale	80	10	1599/9,61,62,64	67 W. 115 St. 52-58 W. 116 St.
1405 5 Ave. Yuco	Negotiated Sale/ New HOP/Reso A	81	11	1621/1,3-5,67-70,72, 168 1401,1405-1409	5 Ave 4-8 E. 116 St.

Table 3.2-11: No-Action Condition NYC Department of Housing Preservation Development Projects					
Bradhurst Cluster Full Spectrum/Genesis Development Partners, LLC	Cornerstone 4	86	10	1831/21 1831/47 1846/55 1922/58 1925/25,27 1828/63,64 2043/7	215 W. 115 St., 228 W. 116 St., 312 W. 112 St., 274 W. 117 St., 203-205 W. 119 St., 2078-80 8 Ave., 309-311 W. 141 St.
RGS Holdings, Inc.	Negotiated Sale	87	10	1928/63,64	2282-2284 8 Ave.
All Saints Housing SFDS	Cornerstone 2/ MIRP/LAMP	100	11	1756/30-43	53-57 E. 131 St., 1940-1952 Park Ave., 50-56 E. 132 St.
The Nave Dunn Development and Addicts Rehab Ctr.	Cornerstone 2	118	11	1756/21- 23,25,26,28, 45,51,52	2083-2091 Madison Ave. 45-49 E. 131 St., 46 E. 132 St.
Promesa Systems, Inc. and E. Harlem Council for Community Improvement (EHCCI)	Negotiated Sale	135	11	1808/8	413-431 E. 120 St.
Tahl Propp Equities	Negotiated Sale	147	11	1635/p/o 1	1461 Park Avenue
W. 127 St. Richman Gotham	Cornerstone 2	205	10	1954/20-28,32,34, 36-39,41,42	340-352 St. Nicholas Ave. 303-311 W. 127 St., 8 Ave. & W. 128 St.
Kalahari Apts. Full Spectrum	Cornerstone	249	10	1599/13-15,17,18	47-53,56,58,59, 31-65 W. 115 St. 18-48 W. 116 St.
Kingsgate House Alexander NY LLC (Primary study area)	Negotiated Sale	250	11	1789/18-20,22,121	2417 2 Ave. 237-241 E. 124 St.
Avant Caribe Taller Boricua	Negotiated Sale	350	11	Block 1617 Various Lots	
Dr. Jeffrey Gardere with Badillo Partners	Negotiated Sale	18- 25	11	1815/5,6	505-507 E 118th St
East 125th Street Development Project	EDC Negotiated Sale	750- 1000	11	1789/46 1790/1,3,5,6,8,12,13, 20,24-31,40,41,44- 46 49,101 1791/1,25,34	2 Ave., 3 Ave., E. 125 St. to E. 127 St.
Source: New York City Department of Housing Preservation and Development, 2007.					

In addition to the specific projects listed above that reflect the City's commitment to increasing the area's supply of affordable housing, the area is expected to see continued private renovation of brownstone buildings, including some conversions of rental units in small buildings to owner-occupied housing, and consolidation of apartments for turnover to more affluent households. Area rents are expected to continue to rise to some extent as more affluent households move into the area.

Future With the Proposed Action

Socioeconomic conditions in the primary and secondary study areas in the future with the proposed action in the year 2017 are expected to include increases in total population through private and public reinvestment in the area's housing stock, and a wider spectrum of household incomes in the area as more varied and more market-rate housing products enter the market. Beyond the near term slowing of the real estate market, increases in housing values and rents are expected to continue in the long term as remaining vacant and derelict properties are upgraded with new residential and retail construction, either planned or now underway. Some of the anticipated increase in average rental prices in the Population and Housing Study Area under this future condition would likely be attributable to new development facilitated by the proposed action and its increases in allowable residential densities. Increases in allowable floor area of development are included as part of the proposed rezoning, principally for the core area of the rezoning area and around Park Avenue in C4-7 and C6-3 Districts. While the new market rate housing anticipated as a result of the proposed action could cause rent to rise, the vast majority, over 99 percent, of existing residents live in rent protected units, public housing, or in unprotected units that have likely already turned over to more affluent households.

The proposed rezoning and the increased amount of housing and commercial development that it would stimulate are expected to strengthen the trend of reinvestment and housing rehabilitation that has been taking place in the primary and secondary study areas and other nearby areas of Community Districts 9, 10 and 11. It includes measures to preserve the existing context of blocks containing brownstone townhouses, and measures to increase the area's supply of affordable housing.

Furthermore, the proposed action would also facilitate and expand opportunities for affordable housing construction. Approximately 498 units of affordable housing would be introduced through expanded use of the Inclusionary Housing Bonus. Anticipated development resulting from the proposed action is described in detail in Chapter 2.0, Project Description. Housing produced through Inclusionary Housing Bonus provisions would advance City housing policies and its commitment to increasing the supply of affordable housing.

Indirect Displacement Analysis Conclusions

Through its modified zoning regulations, the proposed action would introduce increased numbers of new market rate housing units and increased amounts of retail and office space to the primary study area over the next ten years. The new private development that would be facilitated by the

proposed action is expected to upgrade conditions and make the area more attractive from a residential real estate perspective. This could include office workers at new office space facilitated by the proposed rezoning that may seek to live in close proximity to their jobs. Resulting increases in construction of new market rate housing, and increases in demand for housing to serve new office and retail workers, could potentially lead landlords to raise rents for remaining renter households in unprotected buildings within the primary study area and the larger secondary study area to a greater degree than might otherwise occur without the proposed action. However, as demonstrated above, the likelihood that a substantial number of vulnerable households in unprotected buildings remain in the Population and Housing Study Areas is low, given the extensive renovation of brownstone buildings and other residential buildings with between one and five units, the established luxury condominium market, and the dramatic increases in housing values that have occurred since 2000.

According to the *CEQR Technical Manual* if a proposed action triggers or accelerates socioeconomic change that affects a population at risk or neighborhood character the impact could be considered significant and adverse. It is estimated that there are approximately 500 residents in 190 units in five census tracts that could be vulnerable to secondary displacement if rents rise as a result of the proposed action. However, these units represent less than one percent of the study area population. This change would not affect neighborhood character in the study area as the vast majority of the study area population resides in protected units and would not be affected by rising rents. Nor would the relatively small amount of potential secondary displacement accelerate existing trends as the study area has experienced the widespread renovation of thousands of unprotected units since 2000.

Furthermore, new opportunities for affordable housing will be created as a result of the proposed action through an inclusionary housing bonus, which is expected to provide an additional 498 units of affordable housing in the study area.

Therefore, the limited indirect displacement that might potentially occur as a result of the proposed action is not expected to result in significant adverse impacts from indirect residential displacement.

3.2.3 DETAILED ANALYSIS OF DIRECT AND INDIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

According to the CEQR Technical Manual, factors that could create substantial business and institutional change in a neighborhood or in a larger area affected by a proposed action include: 1) direct displacement of existing businesses on the project site, 2) indirect displacement of businesses in the study area, or 3) adverse effects on specific industries not necessarily tied to the project site or to the study area. This section of the report combines discussions of direct and indirect business and institutional displacement, and describes the employment and business characteristics of the primary and secondary study areas, local real estate market trends, and the business and institutional conditions of the study area identified in Figure 3.2-2 compared to Manhattan and New York City. The methodologies used to analyze direct and indirect displacement are described in the “Study Area Definition, Data Sources and Methodology” section of this chapter.

As shown on Figure 3.2-2, the assessment of direct and indirect business and institutional displacement considered conditions within 1/3 of a mile using ZIP Code areas. Employment data for the years 1995 and 2005 were obtained from the NYSDOL at the ZIP Code level of detail for areas 10026, 10027, and 10035, the smallest geography for which current employment data are publicly available. In industries where one firm represents more than 80 percent of the employment in a particular zip code, or there are fewer than three firms in the industry in a particular zip, ES-202 data do not disclose employment for those industries. In order to gain a better understanding of undisclosed employment, the DOL data were supplemented, when necessary, with 2000 US Census data, site visits and interviews with commercial brokers knowledgeable about local real estate conditions.

Existing Conditions

Historical Context

~~In spite of~~ Despite downturns in the economy of the City of New York that occurred in the mid-1970s, in 1987, and following September 11, 2001, the total number of employees in the City has remained stable, with two peaks in 1989 and 1999. While total private sector employment in the City has held steady at around 3 million, the mix of employment has changed significantly since 1970 (see Table 3.2-12). The manufacturing and wholesale trade sectors, traditionally the leading employers in the City in the first half of the twentieth century, have given way to more service-oriented industries, such as financial and business services, tourism, and entertainment.

Table 3.2-12: Private Sector Employment in New York City

Industry	1970	1980	1990	1995	2000	2002	Change 1970 to 2002
Construction	106,688	75,135	109,383	87,201	117,480	109,588	2.72%
Manufacturing	762,346	492,399	335,216	271,360	239,792	200,867	-73.65%
TCPU	309,985	250,171	219,908	197,875	206,061	184,879	-40.36%
Wholesale Trade	294,232	236,355	208,341	182,351	181,157	163,416	-44.46%
Retail Trade	430,111	363,144	382,170	358,037	424,684	412,062	-4.20%
FIRE	450,920	442,918	512,045	469,075	484,395	451,817	0.20%
Services	532,188	868,996	1,124,007	1,141,085	1,389,582	1,346,629	153.04%
All Other	8,328	16,066	11,879	14,723	13,709	38,428	361.43%
Total Industry	2,894,798	2,745,183	2,902,948	2,721,707	3,056,859	2,907,686	0.45%

Source: New York State Department of Labor, ES 202 data, 2006.

Table 3.2-13 presents changes in private sector employment by industry in Manhattan from 1970 to 2002, and shows that employment trends paralleled those throughout the City. From 1970 to 2002 private sector employment in Manhattan ranged from a low of 1.68 million in 1995 to a high of 1.93 million in 2000. The recession from the late 1990's to the early 2000's resulted in a decline in employment to 1.79 million in the year 2002, which according to NYSDOL data had only increased to 1.8 million by 2005.

As shown in Table 3.2-13, manufacturing employment had the greatest decline in employment at 72 percent, while retail trade and Finance, Insurance and Real Estate (FIRE) experienced the smallest decline in employment, at about two percent. All Other and Service Industry categories grew the most, by 212 percent and 105 percent, respectively. Manhattan industries that experienced the greatest percentage decline in employment compared to New York City as a whole were in construction, wholesale trade, and Transportation, Communication and Public Utilities (TCPU). Construction employment in the City as a whole grew by three percent. In Manhattan it declined by 42 percent. Manhattan employment in the TCPU and wholesale trade sectors declined by more than 14 and 12 percent, respectively. From 1970 to 2002, TCPU and wholesale trade employment in Manhattan declined by about 55 percent.

Table 3.2-13: Private Sector Employment in Manhattan

Industry	1970	1980	1990	1995	2000	2002	Change 1970 to 2002
Construction	52,948	31,065	35,000	26,906	34,535	30,642	-42.13%
Manufacturing	413,679	276,208	186,576	152,896	139,659	116,479	-71.84%
TCPU	177,440	143,457	109,078	94,113	89,733	81,474	-54.08%
Wholesale Trade	222,933	171,535	138,649	115,243	110,550	98,469	-55.83%
Retail Trade	223,501	187,041	196,606	184,558	232,920	220,042	-1.55%
FIRE	389,339	385,752	449,836	400,656	416,059	383,069	-1.61%
Services	411,452	601,283	736,010	703,958	898,320	842,392	104.74%
All Other	5,754	9,034	5,948	7,327	6,548	18,157	215.55%
Total Industry	1,897,047	1,805,375	1,857,702	1,685,655	1,928,325	1,790,723	-5.60%

Source: New York State Department of Labor, ES 202 data, 2006.

The following section describes existing conditions and trends within the study area in terms of business and institutional development and employment.

Employment and Business Conditions and Trends

The 125th Street corridor is Harlem's "Main Street," a vibrant commercial corridor that serves the local Harlem community, Manhattan and the region. Harlem has long been recognized as a place for arts, culture and entertainment. Today Harlem remains a major destination, with performance venues like the Apollo Theater and cultural institutions like the Studio Museum in Harlem.

The 125th Street corridor contains a diverse building stock with a variety of retail, commercial, arts, cultural, institutional, educational and residential uses. The corridor contains historic performance venues; office buildings including the Theresa Towers, the Adam Clayton Powell Jr. State Office Building, and 55 West 125th Street; and commercial and retail centers including Harlem USA, Gotham Plaza and Gateway Plaza.

Over the past fifteen years, the ~~business climate~~ of the study area has ~~shown a greater attractiveness to public~~ attracted public institutions, not-for-profit organizations and private business developers. This is attributed ~~due~~ in large part to lower crime rates, new residential development, and a broad market of local customers including and expanding labor force. While there are many institutional and not-for-profit employers within the study area, other private

sector employers are increasingly ~~being~~ attracted to this local market due to its excellent access to public transportation access, broad base of local clients with increasing disposable incomes, and lower rents and operating costs compared to others parts of Manhattan and the City. Within the study area a number of governmental programs and not-for-profit organizations have been contributed to the improved ~~instrumental in creating the attractive~~ business climate for new and existing business in Harlem, among them the federally sponsored Upper Manhattan Empowerment Zone (UMEZ), state sponsored Empire State Development Corporation (ESDC), the not-for-profit Abyssinian Development Corporation (ADC). The Harlem Community Development Corporation was funded through the ESDC to work with owners of vacant or underutilized commercial properties to develop plans and strategies for their redevelopment that are financially feasible and benefit the entire community by providing services and employment opportunities. The Abyssinian Development Corporation is a leading nonprofit community development corporation in Harlem and has been instrumental in bringing in new commercial development to the Harlem community. The Abyssinian Development Corporation is the developer of projects such as Pathmark on 125th Street, which employs over 200 local residents, and Harlem Center, a mixed-use development with retail commercial space and an office tower that has resulted in over 500 jobs for local residents..²⁰ The Abyssinian Development Corporation has also been instrumental in creating affordable housing, new family services, educational and youth programs, and helping to enable community involvement.

Business Conditions in the Primary and Secondary Study Areas

New York State Department of Labor employment data are not available below the ZIP Code level due to current disclosure policies. In industries where one firm represents more than 80 percent of the employment in a particular zip code, of there are fewer than three firms in the industry in a particular zip, ES-202 data do not disclose employment for those industries. In order to gain a better understanding of undisclosed employment, ES-202 data were supplemented, when necessary, with 2000 US Census data, site visits and interviews with commercial brokers knowledgeable about local real estate conditions. The data were compared for the three ZIP Codes comprising the combined primary and secondary study areas for the 1995 and 2005. Due to changes in 1997 in the way the U.S. Department of Commerce classified businesses, the Department of Labor data were analyzed and compiled by DCP so that comparison could be made between the 1995 and 2005 data.

ZIP Code 10026

ZIP Code area 10026 is generally bounded by Fifth Avenue to the east, Manhattan Avenue to the west, 110th Street to the south and 120th Street to the north. This area is within the central and southern section of the secondary study area and is ~~by far~~ the smallest in terms of employment due to the large proportion of land area devoted to residential use. As shown in Table 3.2-14, between 1995 and 2005 the total number of employees in ZIP Code 10026 increased by nearly 51 percent from 966 to 1,458 ~~proportion of land area devoted to residential use~~. Construction industry jobs decreased from 37 employees in 1995 to zero in 2005. Jobs in Transportation and Public Utilities (TPU) increased by 275 percent from 8 in 1995 to 30 in 2005. Retail jobs in ZIP

²⁰ Abyssinian Development Corporation website, May 15, 2007.

Code area 10026 increased by 255 percent, from 87 to 308 employees. The FIRE industry doubled in size from 143 employees in 1995 to 293 in 2005, while the service sector grew by 26 percent, from 620 employees in 1995 to 782 employees in 2005. The increase in employment in the FIRE, retail and service sectors could reflect the economic development programs of UMEZ, ESDC and EDC described earlier, which attracted commercial business to Harlem.

**Table 3.2-14 Changes in ZIP Code 10026
 Industry Employment from 1995 to 2005**

Industry	1995 Average Employment	2005 Average Employment	Percent Change
Construction	37	0	-100.0%
TPU	8	30	275.0%
Retail Trade	87	308	255.4%
FIRE	143	293	104.7%
Services	620	782	26.1%
Wholesale Trade	-	8	-
Unclassified	-	25	-
Undisclosed	71	12	-
Total	966	1,458	50.9%
Source: New York State Department of Labor, compiled by NYC DCP			

ZIP Code 10027

ZIP Code area 10027 is generally bounded by Fifth Avenue on the east to the Hudson River on the west, extending from 114th Street on the southwest, to 120th Street on the southeast, and to 133rd Street on the north. This ZIP Code area contains about two-thirds of the proposed rezoning and business and institutional study areas. As shown in Table 3.2-15, employment increased by 29 percent from 23,851 employees in 1995 to 30,850 in 2005. Although NYSDOL showed a large decrease in manufacturing employment from 1995 to 2005 (91 percent) from 551 to 50 ~~persons~~ employees, it is possible that some employees that were classified as manufacturing in 1995 were reclassified in other industries in 2005. For comparison purposes, the 2000 US Census data were consulted, and show that there were 300 persons employed in the manufacturing industry in ZIP Code area 10027. Therefore, it may be inferred that from 2000 to 2005 manufacturing jobs in this ZIP Code area declined by approximately 20 to 40 percent, perhaps numbering in the range of 240 to 180. For the purposes of this study, it was conservatively assumed that manufacturing dropped by 20 percent in ZIP Code 10027 from 2000 to 2005, resulting in a 56 percent decline in manufacturing from 1995 to 2005, a precipitous, but not inconsistent trend compared to Manhattan and New York City as a whole. The TPU and wholesale trade industries also declined during this time period by 72 and 34 percent, respectively. Employment in TPU dropped from 327 to 90. Wholesale trade dropped from 194 to 128.

The New York State Department of Labor does not disclose industry level employment data if one firm or institution comprises 80 percent or more of the employment or if there are fewer than three firms in one industrial sector in the ZIP Code. ZIP Code 10027 contains 22,941 jobs that are not attributed to any particular industry, and the DOL data also do not disclose any employment in the educational services and manufacturing sectors. It is likely, however, that the majority of the almost 22,318 undisclosed jobs in ZIP Code 10027, representing 72 percent of all jobs in this ZIP Code, can be attributed to the educational services sector for the following reasons: 1) This ZIP Code contains several major educational institutions, including Columbia University, Barnard College, Jewish Theological Seminary, Teachers College, Union Theological Seminary, Manhattan School of Music, and City College, and 2) according to census data from 2000, there were approximately 18,000 educational services jobs and only 300 manufacturing jobs in ZIP Code 10027.²¹

Based on 2000 US Census data indicating that there were approximately 18,000 employees in the educational industry category, it is likely that most of the 22,318 employees that were undisclosed by the 2005 NYSDOL dataset belonged to the services industry category and were added to the 2005 service industry category. As shown in Table 3.2-15, Retail Trade, FIRE, construction and services all grew in size (by 70, 50, 38 and 30 percent, respectively). Retail trade grew from 1,845 to 3,131 employees, FIRE from 513 to 770 employees, construction from 238 to 328 employees, and services from 20,150 to approximately 26,302 employees.

**Table 3.2-15: Changes in ZIP Code 10027
Industry Employment from 1995 to 2005**

Industry	1995 Average Employment	2005 Average Employment	Percent Change
Construction	238	328	37.9%
Manufacturing	551	50	-91%
TPU	327	90	-72.4%
Wholesale Trade	194	128	-33.9%
Retail Trade	1,845	3,131	69.7%
FIRE	513	770	50.0%
Services	20,150	26,302	30.5%
Unclassified	34	51	48.9%
Undisclosed	-	*	-
Total	23,851	30,850	29.3%

Source: New York State Department of Labor, compiled by NYC DCP

²¹ US Census CTPP 2000 data on place of work of the U.S. population based on 2000 Census long-form question responses. Accessed from University of Wisconsin-Milwaukee Employment and Training Institute and Southern University of New Orleans website <http://www3.uwm.edu/Dept/ETI/workforce/business.cfm>.

ZIP Code 10035

ZIP code area 10035 is bounded by Fifth Avenue to the west, the East River to the east, and from about 116th Street northward to East 130th Street. As shown in Table 3.2-16, from 1995 to 2005 employment grew by 43 percent, from 6,618 employees to 9,431. The largest percentage decline was in manufacturing. However, as was the case with ZIP code area 10027, this could be partially due to the US Census Bureau post-2002 reclassification of various manufacturing industries into other industries. Nonetheless, there were only 135 manufacturing employees in ZIP Code area 10035 in 1995. The wholesale trade, FIRE, and construction industries experienced an insignificant decline in employment given the percent decrease and number of employees lost. Retail trade, services and TPU all increased in employment. Retail trade grew the most, by 258 percent, going from 444 employees in 1995 to 1,589 in 2005. Services grew by 37 percent, from 4,488 employees to 6,162, and TPU by 15 percent, from 71 employees to 82.

**Table 3.2-16: Changes in ZIP Code 10035
 Industry Employment from 1995 to 2005**

Industry	1995 Average Employment	2005 Average Employment	Percent Change
Construction	262	254	-2.8%
Manufacturing	135	0	-100.0%
TPU	71	82	15.2%
Wholesale Trade	103	69	-33.2%
Retail Trade	444	1,589	257.6%
FIRE	1,100	1,047	-4.8%
Services	4,485	6,162	37.4%
Undisclosed	18	228	-
Total	6,618	9,431	42.5%
<i>Source: New York State Department of Labor, compiled by NYC DCP</i>			
<i>Note: Refer to Table 3.2-20 notes.</i>			

ZIP Code Comparison

As shown in Tables 3.2-17 and 3.2-18, in the year 2005, the combined ZIP Code study area had 80 percent of its employees in the services industry, representing 33,246 out of 41,739 employees. Not reflected in this data is the dominance of educational services employment, with one of the city's largest concentrations of institutions of higher learning located in the Morningside Heights area on the western side of the study area. ZIP Code area 10027 has the largest percentage of employees in the services industry, at 85 percent. The services industry was also the largest employment sector in Manhattan and New York City, comprising 55 and 52 percent of all employees, respectively, in each of those areas. The next highest employment

sector was retail services, with 12 percent of all employees in the combined ZIP Code areas. Retail employment as a percentage of total employment was strongest in ZIP Code areas 10026 and 10035, containing 21 and 17 percent, respectively, of such employment. However, ZIP Code area 10027 had the largest number of employees in retailing, with 3,131 such jobs, reflecting the large geographic area comprising the western and central core of 125th Street. The retail trade industry was also the second highest in New York City, at 17 percent of all employees, and ranked the third highest in Manhattan at 15 percent. The FIRE industry in Manhattan represented nearly 20 percent of all employees, whereas in New York City it was 15 percent, and in all ZIP Codes it was only 5 percent. The comparison of the data shows the overall trend of retail and services industries replacing other industries in the zip code areas, particularly manufacturing and wholesale trade.

**Table 3.2-17: Number of Employees by Industry and ZIP Code
 Manhattan, and New York City Study Areas (2005)**

Industry	Number of Employees in each Study Area					
	10026	10027	10035	All ZIP Codes	Manhattan	NYC
Construction	0	328	254	582	29,320	110,004
Manufacturing	0	50	0	50	42,667	113,384
TPU	30	90	82	202	26,010	114,484
Wholesale Trade	8	128	69	205	80,677	137,637
Retail Trade	308	3,131	1,589	5,028	276,672	488,014
FIRE	293	770	1,047	2,110	357,132	437,314
Services	782	26,302	6,162	33,246	981,929	1,528,462
Unclassified	25	51	0	76	7,434	17,934
Undisclosed	12	0	228	240	0	0
Total	1,458	30,850	9,431	41,739	1,801,933	2,947,476

Source: New York State Department of Labor, compiled by NYC DCP
Note: Refer to Table 3.2-20 notes.

**Table 3.2-18: Percent of Employees by Industry and ZIP Code
 Manhattan and New York City Study Areas (2005)**

Industry	Percent of Employees Working in each Industry					
	10026	10027	10035	All ZIP Codes	Manhattan	NYC
Construction	0.0	1.1	2.7	1.4	1.6	3.7
Manufacturing	0.0	0.2	0.0	0.1	2.4	3.8
TPU	2.1	0.3	0.9	0.5	1.4	3.9
Wholesale Trade	0.5	0.4	0.7	0.5	4.5	4.7
Retail Trade	21.1	10.1	16.8	12.0	15.4	16.6
FIRE	20.1	2.5	11.1	5.1	19.8	14.8
Services	53.6	85.3	65.3	79.7	54.5	51.9
Unclassified	1.7	0.2	0.0	0.2	0.4	0.6
Undisclosed	0.8	0.0	2.4	0.6	0.0	0.0

Source: New York State Department of Labor, compiled by NYC DCP
Note: Refer to Table 3.2-20 notes.

Real Estate Market Existing Conditions and Trends

Office

Office tenants in Harlem have traditionally come from the public, not-for-profit and institutional sectors of the economy.²² ~~which have made strategic decisions to locate in Harlem as part of an economic development strategy.~~ Additional office space is now being planned and/or constructed in Harlem with an eye towards attracting more private sector tenants, building on the successes of preceding governmental and not-for-profit investment in the area.

According to the data obtained by DCP from CoStar, a commercial real estate information company, there is an eight percent office vacancy rate in Harlem.²³ The price of office space along the 125th Street corridor is generally about \$30 per square foot for Class A²⁴ & B office space.²⁵ This compares to Class A office space in Midtown Manhattan, which rose 33 percent annually in March 2007 to an average of \$82.44 per square foot.²⁶ Class A and B office rents of \$30 per square foot are likely to be found in office buildings at addresses 55, 200, and 215 West 125th Street, and 103 East 125th Street.²⁷ Newer office buildings being planned for 125th Street are expected to have rents ranging from \$40 to \$50 per square foot.²⁸ Lower land costs and other incentives to entice office users to the site of the former Harlem Park proposal on East 125th Street and Park Avenue are allowing Harlem building owners the opportunity to offer rents at less than half the \$100 per square foot rate of comparable new office space in Midtown.

Retail

Over the past several years, there has been a strong recognition of the untapped retail market within Harlem, resulting in the construction of new retail and commercial mixed-use buildings and the location of several nationally-known chain and department stores along the 125th Street corridor. While some are free-standing, such as the new H&M store and Marshall's, others are multi-tenant buildings with a variety of retailers. Harlem's largest retail complex is the 285,000 square foot Harlem USA, at 125th Street and Frederick Douglass Boulevard, completed in 2000. Tenants in the complex include Chase Manhattan Bank, Modell's Sporting Goods, Old Navy, Commerce Bank (in the space originally occupied by the Disney Store), HMV Music, Nine West, K&G Fashion Super Store, Hue-Man Bookstore and Café, and the nine-screen Magic Johnson Theaters. ~~The success of Harlem USA paved the way for other such development (i.e. Other major retail projects, such as Gotham Plaza and Harlem Gateway) Gateway have followed.~~

²² Levitt, David, "Vornado to Develop in Harlem for First Time in 30 Years", *The New York Sun*, May 1, 2007.

²³ CoStar Realty Information, Inc., 2007.

²⁴ According to Cushman Wakefield, Class A office space represents the most prestigious buildings competing for premier office users with above-average rents. Buildings have high-quality-standard finishes, state-of-the-art systems, exceptional accessibility, and suggest a definitive market presence.

²⁵ Scott Auster, Ripco Real Estate Corporation, Interview, May 11, 2007.

²⁶ ²⁶ Levitt, David, "Vornado to Develop in Harlem for First Time in 30 Years", *The New York Sun*, May 1, 2007.

²⁷ Eugene Giscombe, Henderson Giscombe, Interview, May 11, 2007.

²⁸ *Ibid.*

~~leading to constructed in Harlem since and has lead the way for~~ increased retail and commercial activity along 125th Street.²⁹ In December 2002, the 90,000-square foot Gotham Plaza opened across the street from Pathmark Supermarket, which opened in April 1999. Both are located on East 125th Street, between Third and Lexington Avenues. Gotham Plaza has 15,200 square feet of retail use on its ground floor, including Payless Shoes, Petland Discount, Radio Shack, Rockaway Bedding, the Children's Place, and a Bank of America branch.³⁰ The increased number of retailers in the area have lead to increased sales activity for many businesses. Harlem USA recently reported that their tenants have experienced a 30 percent increase in sales between January 2006 and January 2007.³¹

Increased retail activity around subway stations is indicative of the increased attractiveness of the study area as a retail destination.³² Metropolitan Transit Authority ridership statistics note that from 1990 to 2006 ridership increased by 237 percent at the 125th Street #2 and #3 subway stop at Malcolm X Boulevard, making it one of the ten fastest growing stations in terms of ridership in New York City.³³

Retail rents along 125th Street vary based on the location and age of buildings, which range from 100-year old low-rise buildings to new complexes like the Harlem Center, a 12-story, 126,000-square foot office building with ground floor retail. This development represents one of the largest of its kind undertaken by any Empowerment Zone.³⁴ The Real Estate Board of New York recently reported that the range of rents along 125th Street from river to river vary from \$35 to \$177 per square foot, with an average rent of \$94 and a median of \$85 per square foot.³⁵

On West 125th Street, prices can vary from as low as \$30 per square foot to \$200 per square foot for select corner locations.³⁶ Rates are in the \$150 to \$200 per square foot range on prime blocks between Malcolm X Boulevard and St. Nicholas Avenue, now made more attractive to retailers by the success of Harlem USA. This compares with \$400 per square foot for comparable property on East 86th Street and Lexington Avenue, or \$275 per square foot on Broadway in the West 80s and West 90s. Prices on 125th Street have increased by 50 percent over the last five years. Rents along West 125th Street that were \$120 per square foot five years ago today are priced at about \$180.³⁷ Banks are often likely to pay higher rental rates for prime corner locations.

Retail rents within the commercial core of 125th Street, from Malcolm X Boulevard to Frederick Douglass Boulevard, near the vicinity of the Apollo Theater, are currently going for \$125 per square foot.³⁸ On East 125th Street, retail rents tend to be much lower than those west of the Park

²⁹ Bowles, Jonathon, "Q&A with Kenneth Knuckles", Center for an Urban Future, November 10, 2004.

³⁰ Stoler, Michael, "Harlem Staging Its Latest Renaissance", *The New York Sun*, September 14, 2006.

³¹ Wilson, Claire, "The Harlem Rival Brings in the Shops", *The New York Times*, April 18, 2007.

³² Silverman, Suzann, "The Remaking of Harlem", *Commercial Property News*, March 1, 2005.

³³ New York City Economic Development Corporation, *Economic Snapshot*, May 2007.

³⁴ Stoler, Michael, "Halem Staging Its Latest Renaissance", *The New York Sun*, September 14, 2006.

³⁵ Stoler, Michael, "Harlem Staging Its Latest Renaissance", *The New York Sun*, September 14, 2006.

³⁶ Wilson, Claire, "The Harlem Rival Brings in the Shops", *The New York Times*, April 18, 2007.

³⁷ Scott Auster, Ripco Real Estate Corporation, Interview, May 11, 2007.

³⁸ Eugene Giscombe, Henderson Giscombe, Interview, May 11, 2007.

Avenue Viaduct, which has substantially more destination retail development and higher residential densities. Along East 125th Street, rents typically range from \$100 to \$125 per square foot.³⁹

Both north and south of 125th Street, rental rates are lower, as they are for upper floors of buildings along 125th Street. Along Malcolm X Boulevard, Frederick Douglass Boulevard, 116th Street, and 145th Street, retail rents are going for closer to \$50 per square foot. Less than five years ago, rents in the same locations would have been around \$30 per square foot.⁴⁰ As an additional incentive to bring new business to the Harlem area, tenants may qualify for sales tax and utility benefits, as well as real estate tax abatements, and New York City Real Estate Assistance Program (REAP) benefits, which provide up to \$3,000 per employee per annum for qualified companies.⁴¹

Future Without the Proposed Action

In future in the year 2017, under conditions without the proposed action in place, current employment and real estate trends in Manhattan are expected to continue. ~~However, the~~ primary study area is expected to experience ~~capture a more substantial amount of~~ employment growth, continuing the trend of increase in employment experienced ~~it experienced between~~ from 1995 to 2005.

Primary Study Area

In the 2017 future without the proposed action, new commercial and institutional development and employment would be generated in the primary study area as a result of as-of-right and known development projects that are currently under construction, and proposed as-of-right commercial developments or conversions that are anticipated on 14 of the projected development sites. Six as-of-right known development sites lie within the proposed rezoning area. These developments are expected to be in place by 2017 and would occur independently of the proposed action. None of the known developments are located on projected or potential development sites. Together, they have a total of 28,986 square feet of retail space; 21,696 square feet of commercial office space; a 127,500-square foot hotel; 129,992 square feet of community facility space, and 147 parking spaces. These six known developments sites are expected to generate about 1,482 jobs in the proposed rezoning area. These developments are discussed below and summarized in Table 3.2-19; their locations are shown on Figure 3.2-9.

- Site A is currently a vacant lot. This site is to be developed to include a new community facility, as well as two levels of retail space and some 5,000 square feet of new office space.

³⁹ Wilson, Claire, “The Harlem Rival Brings in the Shops”, *The New York Times*, April 18, 2007.

⁴⁰ Scott Auster, Ripco Real Estate Corporation, Interview, May 11, 2007.

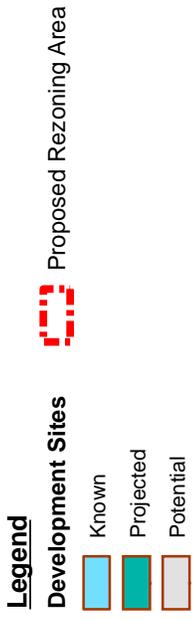
⁴¹ Stoler, Michael, “Harlem Staging Its Latest Renaissance”, *The New York Sun*, September 14, 2006.



This graphic has been updated subsequent to the issuance of the DEIS

Figure 3.2-9 - Known, Projected and Potential Development Sites in the Future without the Proposed Action

125th Street Corridor Rezoning and Related Actions EIS
 NYC Department of City Planning



- Site B is the location of the former Victoria Theater. It is anticipated that this site will be redeveloped to include retail and hotel space as well as a new community facility. As of December 2006, proposals from various developers have been submitted and these in turn have been narrowed down to a short list. A final development proposal has not been selected.
- Site C contains a building whose ground floor is currently in use as retail space and whose upper floors are vacant. The entire existing building is expected to be converted to an education-related community facility.
- Site D currently includes a vacant building. A new commercial development including ground-floor retail and office uses is expected to be in place at this site by 2017.
- Site E currently includes a vacant building. This known development is expected to convert the existing building to a community facility.
- Site F currently includes a vacant building. This known development is expected to convert the existing building to an education-related community facility.

**Table 3.2-19: Primary Study Area No-Action Condition
 Known Commercial Development and Employment to be Generated by 2017**

Known Development Site	Block / Lot	Retail FA	Office FA	Hotel FA	Community Facility FA	Institutional Conversion FA	Parking Spaces	Estimated Employment*
A	1931 / 6	16,986	4,996	0	9,992	0	0	104
B	1931 / 17	10,000	0	127,500	120,000	0	147	685
C	1930 / 44	0	0	0	0	148,355	0	495
D	1723 / 9	2,000	16,700	0	0	0	0	73
E	1773 / 62	0	0	0	0	8,500	0	28
F	1789 / 39	0	0	0	0	27,776	0	93
Total		28,986	21,696	127,500	129,992	184,631	147	1,482
Estimated Employment		87	87	255	433	615	4	1,482
Percent Estimated Employment		5.9%	5.9%	17.2%	29.2%	41.5%	0.3%	100%
Source: New York City Department of City Planning, 2006.								
* Employment estimated based on the following: three employees per 1,000 square feet of retail, four employees per 1,000 square feet of office, one employee per 800 square feet of utility use, one employee for every 10,000 square feet of parking, one employee per 300 square feet of community facility and institutional, and 1 employee per 500 square feet of hotel space.								

When compared to existing conditions, development on 14 of the 26 projected development sites is expected to result in an incremental addition of 302 dwelling units (DUs); 298,685 square feet of retail; 396,700 square feet of office space; (together the retail and office floor area would comprise an incremental total of 695,385 square feet of commercial space); 20,586 square feet of institutional conversion space; and 102,435 square feet of community facility space; a net reduction of 13,964 square feet of storage/manufacturing uses and 14,504 square feet of parking/auto related uses would also be realized under this scenario. These sites are listed in

Table 3.2-20; their locations are shown on Figure 3.2-12. About half of the sites are partially or completely vacant. The following conditions are expected on the projected development sites in the future without the proposed action:

- Site 4: The existing buildings on Block 1951, Lot 51 would be renovated to include 10,858 square feet of retail and 10,858 square feet of office uses.
- Site 5: The existing building on Block 1951, Lot 43 would be renovated to include 32 new dwelling units and 7,636 square feet of new retail space.
- Site 7: The existing vacant building on Block 1930, Lot 55 will be occupied with 10,540 square feet of retail as part of the City-sponsored Mart 125 project.
- Site 11: This site is comprised of Lots 59 and 63 on Block 1909. In the future with the proposed action, only Lot 63 would change. The existing 2,523 square feet of office uses would be converted to additional retail, while the 5,046 square feet of space that is currently vacant would be converted to office uses.
- Site 13: This development site currently contains vacant buildings totaling more than 60,000 square feet of space. These would be redeveloped with 90,828 square feet of retail.
- Site 15: This development site currently contains vacant buildings with more than 25,000 square feet of space. These would be redeveloped with 73 dwelling units and 78,189 square feet of community facility space. Approximately 21,000 square feet of retail will occupy the ground floor.
- Site 17: The existing vacant buildings on this site would be occupied with 29 dwelling units and 10,722 square feet of ground floor retail.
- Site 18: New development, including 39 dwelling units, a 28,000-square foot community facility, and approximately 7,000 square feet of ground floor retail, would occur at this site.
- Site 19: This site is comprised of two lots on Block 1750. In the future without the proposed action, only Lot 34 would be modified. The existing building, The Corn Exchange, is a designated New York City Landmark. It is expected to be converted to an education-related community facility.
- Site 20: This site is currently vacant. In the future without the proposed action it would be developed with 18 dwelling units and approximately 4,000 square feet of ground floor retail.
- Site 21: This site is comprised of six lots on Block 1749. One of these, Lot 24, houses a school (The New York College of Podiatric Medicine). The remaining five lots are currently vacant but used for parking. These would be developed with approximately 480,000 square feet of retail and office uses, including 118,320 square feet of development rights transferred

from Lot 24.

- Site 22: This site is comprised of two lots on Block 1774. In the future without the proposed action, the existing retail and office uses on Lot 17 would be expanded.
- Site 23: This site is comprised of five lots on Block 1773. In the future without the proposed action, Lots 4 and 72 would be developed with a total of 20 new dwelling units and over 11,000 square feet of retail.
- Site 26: This site is comprised of ten lots on Block 1789. In the future without the proposed action, Lots 23 and 24 would remain in their existing condition. The remaining eight lots, which are currently vacant, would be developed with 87 new dwelling units. Lots 22, 25 and 121 would also include over 5,000 square feet of ground floor retail.

No changes are expected to occur on the remaining projected development sites (Sites 1-3, 6, 8-10, 12, 14, 16, 24-25) in the future without the proposed action.

As shown in Table 3.2-21, an estimated 2,902 net jobs would be added to the primary study area by 2017 at the projected development sites in the No-Action Condition, increasing employment by approximately 19 percent above levels of employment for the primary study area indicated by the 2000 US Census. Most of the new employment would be in the areas of retail and office with some hotel, community facility, parking and utility employment also being generated. Site 21, located at the southwest corner of 125th Street and Park Avenue, is the largest site that is projected to be developed, with new construction on this site expected to include over 500,000 square feet of retail, office and community facility space. This is the location of the New York Podiatric College, a major employer and institution that is expected to undertake development in cooperation with Vornado Realty Trust. Combined, the known and projected development site as-of-right developments are projected to result in the creation of about 4,384 jobs by 2017 and a 25 percent increase in employment within the proposed rezoning area. ~~Seven of the fourteen No-Action projects listed in Table 3.2-21 would be constructed on sites where the proposed action would be expected to stimulate development. As a result the redevelopment on such sites will likely result in direct job displacement.~~

Current commercial real estate trends within the primary study area are expected to continue to 2017 with increasing retail and service sector jobs, and decreasing manufacturing and industrial jobs. Following borough-wide trends, the office and retail sectors are expected to continue to comprise a large proportion of the area's employment base, while manufacturing and other industrial employment would continue to decline.

Table 3.2-21: Primary Study Area 2017 No-Action Condition New Incremental Commercial Development and Employment on Projected Development Sites

Projected Site #	Block / Lot	DUs	Retail FA	Office FA	Hotel FA	Community Facility FA	Inst. Conv. FA	Utility FA	Parking Spaces	Stor/Man FA	Estimated Employment*
4	1951 / 51	0	10,858	10,858	0	0	0	0	0	0	76
5	1951 / 43	32	7,636	0	0	0	0	0	0	0	24
7	1930 / 55	0	10,540	0	0	0	0	0	0	0	32
11	1909 / 59, 63	0	2,523	2,523	0	0	0	0	0	0	18
13	1909 / 26, 27, 28, 29, 30, 31, 32, 33, 38, 39, 129	0	90,828	0	0	0	0	0	0	0	272
15	1723 / 31, 45, 144	73	21,719	0	0	78,189	0	0	31	0	330
17	1722 / 58, 59, 60, 61, 62	29	-1,733	0	0	0	0	0	0	-9,927	-14
18	1750 / 28, 29, 30, 44	37	4,473	-1,250	0	24,246	0	0	20	0	92
19	1750 / 34, 40	0	0	0	0	0	20,586	0	45	0	70
20	1749 / 48, 49	18	4,289	0	0	0	0	0	9	0	15
21	1749 / 24, 31, 33, 35, 40, 43	0	108,843	372,287	0	0	0	0	0	0	1,816
22	1774 / 17, 56	0	24,562	12,282	0	0	0	0	0	0	123
23	1773 / 1, 4, 67, 69, 72	20	4,833	0	0	0	0	4,504	0	0	21
26	1789 / 16, 18-25, 121	93	9,314	0	0	0	0	0	41	-4,037	29
Total		302	298,685	396,700	0	102,435	20,586	4,504	146	-13,964	2,902
Estimated Employment		12	896	1,587	0	341	69	6	5	-14	2,902
Percent Estimated Employment		0.4%	31%	54.7%	0%	11.8%	2.4%	0.2%	0.2%	n/a	100.0%

Source: DCP, 2007 MapPluto

* Employment estimated based on the following: three employees per 1,000 square feet of retail, four employees per 1,000 square feet of office, one employee per 800 square feet of utility use, one employee for every 10,000 square feet of parking, one employee per 300 square feet of community facility and institutional space, one employee per 500 square feet of hotel, and 0.04 employees per dwelling unit of residential use.

Note: Site 4 is listed as vacant when the field visit determined there were 3 active retail stores at the site. Site 5 is also listed as vacant, but contains one active retail store.

Office and retail rents are expected to continue their upward trend in the primary study area through 2017 under No-Action conditions. Additional national and local retail and service firms are likely to be attracted to the area and renovation of underutilized parcels of land and buildings is expected to become more common. Banking and national retail chains are likely to continue to expand their presence in the neighborhood, continuing to pay the highest rents in the area for prime corner locations along 125th Street (e.g., corner locations at Malcolm X Boulevard, Adam Clayton Powell Jr. Boulevard, Frederick Douglass Boulevard, Lexington Avenue, etc.). In

addition, the area is expected to retain its popularity in terms of retail/cultural uses.

In addition to increases in potential development and quantifiable changes in employment and the distribution of various types of non-residential uses that would result from development expected in the area over the next ten years without the proposed action, continuation of existing trends in the area's commercial real estate market could further alter the character of commercial activity in the rezoning area to some degree.

Secondary Study Area

In the future without the proposed action, employment in the secondary study area would also be expected to rise steadily due to following three major land use changes that may occur within the primary and secondary study areas by 2017: (1) development generated by the proposed Special Manhattanville Mixed-Use Zoning District to the northwest of the project area, (2) the redevelopment of six acres immediately to the east of the project area as part of the East 125th Street Rezoning and (3) the redevelopment of the Washburn Wire plant site as part of the East River Plaza project, to the southeast of the project area. These three combined actions would result in the creation of ~~8,364~~ 8,845 additional jobs within the secondary study area by the year 2017 (refer to Table 3.2-22)

As shown in Table 3.2-22, employment in the retail and service sectors would likely continue to expand in the area. Over 5,000 service jobs and 3,500 retail jobs would be added to the secondary study area as a result of the Special Manhattanville Mixed-Use Rezoning, East 125th Street Development and the development of the East River Plaza. Of the service sector jobs, community facility development would create nearly 3,700 jobs.

**Table 3.2-22: Primary and Secondary Study Area No-Action Condition
Commercial Development to be Completed by 2017**

Land Use Type	Special Manhattanville Mixed-Use Zoning District (Secondary Study Area)*	East 125 th Street Rezoning (Primary Study Area)	East River Plaza (Secondary Study Area)	The Kalahari (Secondary Study Area)	Harlem Hospital Center (Secondary Study Area)	Total	Estimated Employment**	Percent New Jobs
Residential Dwelling Units	99	1,000	0	250	0	1,349	54	0.6%
Retail FA	184,645	470,000	485,000	40,000	0	1,179,645	3,539	41.0%
Office FA	54,808	200,000	0	0	0	254,808	1,019	11.8%
Hotel FA	0	100,000	0	0	0	100,000	200	2.3%
Community Facility FA*	<u>1,209,798</u>	0	0	0	0	<u>1,209,798</u>	3,682	42.7%
Cultural Facility FA	0	30,000	0	0	0	30,000	30	0.3%
Hospital FA	0	0	0	0	150,000	0	0	0.0%
Parking FA	0	0	374,400	0	120,000	374,400	37	0.4%
Estimated Employment**	<u>4,810</u>	2,450	1,455	130	0	-	<u>8,845</u>	100%
Percent New Jobs by Land Use Development	<u>54%</u>	28%	<u>16%</u>	<u>1%</u>	0%	100%	---	---

Source: New York City Economic Development Corporation; *project websites* (see www.kalahari-nyc.com, <http://www.dasny.org/dasny/news/2005/050428Harlerals.php>, http://www.cityrealty.com/new_developments/news.cr?noteid=16841, www.eastriverplaza.com)

* Community Facility FA includes the five new academic buildings in Subdistrict A. The below grade support uses are not included in this table.

**Employment estimated based on the following: three employees per 1,000 square feet of retail, four employees per 1,000 square feet of office, one employee per 800 square feet of utility use, one employee for every 10,000 square feet of parking, one employee per 300 square feet of community facility and institutional space, one employee per 500 square feet of hotel, and 0.04 employees per dwelling unit of residential use. It was estimated that no new employees will be created from the Harlem Hospital new Pavilion building, since it will be a replacement of an existing 286,000 square feet of current Hospital space that is proposed to be demolished.

Proposed Columbia University expansion plans would entail one of the largest development projects in the primary and secondary study areas, and the largest new generator of employment, with over 4,810 new jobs. The proposed Special Manhattanville Mixed-Use Zoning District will provide Columbia University with a framework to shape the future development of its academic buildings, student housing and other support facilities. The second largest anticipated generator of employment, the East 125th Street Development project, would include approximately 1.7 million square feet of space for new mixed-use development including low-, moderate- and middle-income housing, entertainment/retail space, office space, cultural space, open space, parking, and potentially a hotel.

By the year 2017, the proposed Manhattanville, East 125th Development project, East River Plaza, Kalahari, and Harlem Hospital projects are expected to introduce 1.1 million square feet of new retail space, 1.2 million square feet of institutional space, 255,000 square feet of office space, 100,000 square feet of hotel space, 30,000 square feet of retail space, over 1,500 parking spaces, and 1,349 housing units.

Future With the Proposed Action

As discussed above, 125th Street has experienced recent renewed development and private investment, especially commercial development. The trend of commercial development is expected to continue in the future with or without the proposed action. Substantial new construction of residential and retail uses is projected to occur in the future with the proposed action, with the proposed zoning facilitating mixed-use development to a greater extent than would occur under conditions in the future without the proposed action. The proposed action would result in substantial land use changes centered on 125th Street between Broadway and Second Avenue. Most of the 125th Street rezoning area is currently occupied by a mix of retail, commercial/office, mixed-use, residential, institutional, and industrial development; vacant lots; and parking facilities. By 2017 with the proposed action in place, the role of the 125th Street corridor as a major mixed-use corridor and local and regional destination for arts, entertainment, and retail would be reinforced.

As shown in Table 3.2-23, compared to the 2017 No-Action condition, the 2017 With-Action condition (e.g., with approval of the proposed 125th Corridor Rezoning and Related Actions) would be expected to include a significant increase in mixed-use development via the creation of an additional 2,328 dwelling units (including 498 affordable units), 208,586 square feet of retail, 436,015 square feet of office, and 11,672 square feet of hotel development. Space for community facilities, institutional facilities, and storage and manufacturing uses would decrease under the 2017 With-Action condition as a result of new development, compared to future conditions without the proposed action. The amount of floor area would be reduced by 110,985 square feet and 26,824 square feet for the community facility/institutional and storage/manufacturing categories, respectively.

Table 3.2-23: 2017 Project Increment for Projected Developments

Land Use	2017 No-Action	2017 With-Action	Increment
DUs	304	2,632 (incl. 498 affordable units)	2,328
Retail FA	635,337	843,923	208,586
Office FA	512,305	948,319	436,015
Hotel FA	8,512	20,184	11,672
Community Facility / Institutional FA	182,493*	71,508*	- 110,985
Storage / Manufacturing FA	26,824	0	- 26,824
Parking / Auto FA	112,404	1,998	- 110,406
Utility FA	4,504	0	0
<i>Source: DCP</i>			
* Includes 20,586 square feet of institutional conversion			

While the retail and service industries are fueling a high demand for additional space, which the proposed action would foster, manufacturing is expected to employ a decreasing proportion of the primary study area's workers, consistent with existing trends. Remaining manufacturing jobs in the rezoning area may continue to relocate to other industrially-zoned properties in other parts of the City that have a more robust manufacturing and industrial market

With or without the proposed zoning changes, six ongoing known redevelopment projects within the proposed rezoning area are likely to have taken place. The known developments include a total of 28,986 square feet of new retail space, 21,696 square feet of new office space, 127,500 square feet of hotel space, 129,992 square feet of community facility space, 184,631 square feet of new institutional space, and 147 new parking spaces. When taken together, the six new known developments are estimated to generate 1,482 jobs (net increase of 1,407 over existing employment).

The proposed action could potentially generate over ~~1,000~~ 2,000 net new jobs in the primary study area as the twenty-six projected development sites become developed (see Table 3.2-24). When taken together, known and projected developments would be expected to generate approximately 3,568 new jobs, which would expand the primary study area's existing employment base by about 59 percent over the 2000 total of 13,725 jobs, according to census data.

The effect of new mixed-use development encouraged through zoning changes would likely continue existing trends in rents and land values. The small manufacturing sector is expected to continue to decrease, similar to the future without the action, and the non-industrial sectors such as office and retail use are expected to grow, and absorb the additional non-residential floor area created on the projected development sites, due to the additional demand for retail and services created by the greater projected population growth. The proposed action area is expected to remain attractive to, and supportive of, arts and entertainment-related establishments, which would be allowed as-of-right in the proposed commercial districts.

**Table 3.2-24: Primary Study Area: With-Action Condition (2017)
New Commercial Development**

Projected Site	DUs	Retail FA	Office FA	Hotel FA	Comm. Fac. FA	Institutional Conversion FA	Parking FA	Storage/ Manufac. FA	Estimated Employment*
1	0	9,299	49,777	0	0	0	0	0	227
2	122	33,971	0	0	0	0	0	0	107
3	75	10,604	0	0	11,890	0	0	0	74
4	0	10,122	54,181	0	0	0	0	0	247
5	63	7,636	0	0	0	0	0	0	25
6	143	21,250	0	0	0	0	0	0	69
7	0	17,156	20,184	20,184	0	0	0	0	173
8	185	47,110	0	0	0	0	0	0	149
9	264	68,359	0	0	0	0	0	0	216
10	0	150,630	451,890	0	0	0	0	0	2,259
11	89	21,444	0	0	0	0	0	0	68
12	168	42,889	0	0	0	0	0	0	135
13	200	51,469	0	0	0	0	0	0	162
14	183	27,176	0	0	0	0	1,998	0	149
15	90	21,719	0	0	0	0	0	0	69
16	106	25,806	0	0	0	0	0	0	82
17	88	21,444	0	0	0	0	0	0	68
18	34	7,473	0	0	3,848	0	0	0	37
19	99	22,938	0	0	0	20,586	0	0	141
20	18	4,289	0	0	0	0	0	0	14
21	0	108,843	372,287	0	55,770	0	0	0	1,816
22	140	39,068	0	0	0	0	0	0	123
23	179	40,066	0	0	0	0	0	0	127
24	131	15,698	0	0	0	0	0	0	52
25	68	8,150	0	0	0	0	0	0	27
26	187	9,314	0	0	0	0	0	0	35
Total Units / FA	2,632	843,923	948,319	20,184	71,508	20,586	1,998	0	6,652
Incremental FA	2,328	208,586	436,015	11,672	-110,985	0	-110,406	-26,824	
Estimated Net Employment*	93	626	1,744	23	-370	0	-4	-27	2,086
% Estimated Employment	4.5%	30%	83.6%	11%	n/a	0	n/a		100.0%

Source: DCP

* Employment estimated based on the following: three employees per 1,000 square feet of retail, four employees per 1,000 square feet of office, one employee per 800 square feet of utility use, one employee for every 10,000 square feet of parking, one employee per 300 square feet of community facility and institutional space, one employee per 500 square feet of hotel, and 0.04 employees per dwelling unit of residential use.

Reflecting the composition of traditional residential neighborhoods in Manhattan, the new employment generated by the proposed action would be almost entirely in the retail trade and service sectors. In the future with the proposed action it is anticipated that ground floor retail would be more continuous along 125th Street and throughout the primary study area. Retail and office uses are expected to develop on the mid-blocks as well. In addition, new arts and

entertainment venues are expected to be established within the primary study area by 2017. Changes to the character of retail uses that include increases in national brand stores, and more diverse stores catering to individuals with a broader range of incomes, would also be expected, partly facilitated by the increase in commercial development capacity, and partly as a result of demand from new population housed in additional market rate residential development facilitated by the proposed action.

Direct Displacement in the Future With the Action

According to the *CEQR Technical Manual*, the identification of a significant direct business or institutional displacement impact depends on whether the business or institution is a defining element of neighborhood character, whether it is important to the City economy, and whether it could be located within the study area or elsewhere within the city. The detailed analysis of business and institutional displacement directly resulting from a proposed action examines the employment and business value characteristics of the affected businesses and institutions to determine the significance of the potential impact.

Under CEQR, displacement of a business or group of businesses is not, in and of itself, a significant adverse environmental impact. While all businesses contribute to neighborhood character and provide value to the city's economy, CEQR seeks to determine whether displacement of a single business or group of businesses would rise to a level of significance in terms of impact on the City's or the area's economy or the character of the affected neighborhood.

The direct business and institutional displacement data information that is described below is a result of a field survey conducted in February 2007 to identify the specific type, location, and number of employees at businesses and institutions projected to be displaced as a result of the proposed rezoning.

As shown in Table 3.2-25, approximately 975 employees in existing businesses would be expected to be directly displaced by development facilitated by the proposed action. The number of businesses to be directly displaced is expected to total 71 businesses over the 10-year analysis period (Table 3.2-26). This is solely a projection based on an estimate of the amount of new development that could be reasonably expected to occur within a 10-year period under the rezoning; there is no certainty that any individual site would redevelop or that a particular business would be displaced.

While the DEIS analyzes long term development trends, it nevertheless identifies the firms subject to potential direct displacement based on existing conditions and the businesses located on development sites today. In fact, however, New York City's commercial streets are dynamic. Businesses regularly open and close in response to changes in the economy, local demographics, and consumer trends. Therefore, it is likely that a number of the businesses identified as likely to face displacement pressure as sites redevelop would close or relocate prior to site development due to reasons independent of the rezoning.

Table 3.2-25: Projected Direct Employment Displacement by Development Site and Type (2017)

Projected Development Site	Estimated Number of Displaced Jobs by Type*						Total	% Displaced by Site
	Retail	Office/ Commercial	Community Facilities	Auto-related/ Pkg	Pkg (C of O)	Storage/ Manufacturing		
Site 1	32	52	x	x	x	x	84	8.6%
Site 2	48	121	x	4	1	x	174	17.8%
Site 6**	26	52	x	x	x	x	78	8.0%
Site 8**	82		x	x	x	x	82	8.4%
Site 9**	130		x	x	x	x	130	13.3%
Site 10	114		x	8	x	x	122	12.5%
Site 11	45	10	x	x	x	x	55	5.6%
Site 12**	68	x	x	x	x	x	68	7.0%
Site 14**	34	10	x	x	x	4	48	4.9%
Site 16**	30	35	x	x	x	x	65	6.7%
Site 19	X		x	1	1	x	2	0.2%
Site 24	5		x	8	x	17	30	3.1%
Site 25**	8		28	1	x	x	37	3.8%
TOTAL:	622	280	28	22	2	21	975	100.0%

* Employment numbers are estimated as follows: three employees per 1,000 sf of retail space, four employees per 1,000 sf of office/commercial space, one employee per 300 sf of community facilities, one employee per 1,000 sf of auto-related use; one employee per 10,000 sf of parking (one parking space estimated at 8x20 ft, 160 sf); and one employee per 800 sf of storage/manufacturing space)

** Employment numbers of these sites were obtained through direct interviews with business owners and employees.

Source: DCP spreadsheet - 125th Street River-to-River Reasonable Worst Cast Development Scenario, March 12, 2007; calculations by STV Incorporated, August 2007

The largest portion of the direct displacement, 622 jobs or about 64 percent of the total employee displacement, would occur in the retail sector. In terms of net employment, the proposed action would be expected to compensate for the direct displacement of retail jobs, as it is expected to result in a net incremental increase of approximately 208,586 square feet of retail space, which would accommodate about 626 additional retail jobs. The second highest loss of private sector employment from direct displacement, about 280 jobs, would be in office employment. The proposed action is expected to result in a net increase in development of approximately 436,015 square feet of office/commercial space. The net increase in new office space would introduce about 1,744 office jobs.

Among the displaced jobs, approximately 622 (63.7 percent) are estimated to be from the retail

sector, 280 (28.7 percent) comprise office jobs, 28 (2.9 percent) are jobs in community facilities, 22 (2.3 percent) are jobs in auto-related businesses, 21 (2.2percent) are jobs in storage and warehousing firms, and 2 jobs are parking related (0.2 percent).

Profiles of Directly Displaced Businesses and Institutions

Nearly all the jobs that could to be directly displaced by the proposed action's projected development are part of the retail and service sectors, and are not within categories of businesses or institutions that are the subject of other regulations or publicly adopted plans to preserve, enhance or otherwise protect them. Retail jobs displaced would represent about 64 percent of all jobs displaced, and office jobs would represent 28 percent of all displaced employment. There would be only a few displaced jobs within the other use categories – community facilities, auto-related, parking, and storage/manufacturing – each representing less than three percent of all jobs lost. According to Table 3.2-31, within the proposed rezoning area ~~some~~ an estimated 71 businesses would be directly displaced. In the Future With the Proposed Action, direct displacement on RWCDs Projected Development Sites 2, 9, and 10 account for the largest percentage of direct displacement, 17.8 percent, 13.3 percent, and 12.5 percent, respectively. Projected Development Site 2 currently supports 174 jobs., Projected Development Site 9 supports 130 jobs, and Projected Development Site 10 supports 122 jobs. Together, just under half of the employment within the rezoning area is contained within these three projected development sites.

Table 3.2-26: Potential Direct Displacement on Projected Development Sites (2017)

Site	Block: Lot(s)	Business or Institution	Total Number of Businesses and Institutions Displaced per Site	Square Footage (sf) by Type of <u>Displaced</u> Use
Site 1	1952: 19, 21, 22	Four food establishments, two retail stores (1 apparel, 1 electronics), one community development organization, and one vacant store.	7	Retail: 10,827 sf
				Office/Commercial: 12,932 sf
Site 2	1952:29:00	Four food establishments, five service shops (1 hair braiding salon, 1 nail salon, 1 shoe repair, 1 architect/planners office, 1 attorneys office), and four retail stores (video game, athletic apparel, music recordings, beauty supply).	13	Retail: 15,983 sf
				Office/Commercial: 30,184 sf
				Auto-related/Pkg: 4,000 sf
				Parking (C of O): 14 spaces
Site 6	1931:27:00	One bank, one educational institution, two retail/service stores (1 eyewear and 1 cellular phone), two vacant stores.	4	Office Commercial: 33,740 sf
Site 8	1930: 49, 50, 51, 53	Seven retail stores (6 apparel, 1 jewelry).	7	Retail: 26,424 sf
				Office/Commercial: 12,707 sf
Site 9	1930: 37, 40, 41	Five retail stores (4 apparel and 1 variety store) and one vacant store.	5	Retail: 102,955 sf
Site 10	1910:01:00	One food establishment, one educational business, parking garage, four retail stores (1 video rental, 1 vitamin/nutritional, 2 apparel)	7	Retail: 38,000 sf
				Auto-related/Pkg: 75,717 sf
Site 11	1909: 59,63	Five retail stores (1 beauty supply, 3 apparel, 1 cellular phone)	5	Retail: 15,091 sf
				Office/Commercial: 2,523 sf
Site 12	1909: 44, 46	Three retail stores (1 apparel, 2 household goods) and one food establishment.	4	Retail: 27,950 sf
Site 14	1723: 17, 21, 22, 122, 53	One food establishment, two retail stores (1 drug store, 1 home, hardware garden store), three service shops (1 medical/dental, 1 tattoo parlor, 1 hair braiding)	6	Retail: 19,521 sf
				Office/Commercial: 7,699 sf
				Storage/Manufacturing: 13,274 sf

Site	Block: Lot(s)	Business or Institution	Total Number of Businesses and Institutions Displaced per Site	Square Footage (sf) by Type of Displaced Use
Site 16	1722: 63, 65, 66, 67, 68 168	Three retail stores (2 apparel, 1 furniture), one food establishment, one social service organization (HIV prevention/testing) and one military recruitment center.	6	Retail: 15,767 sf
				Office/Commercial: 1,261 sf
Site 19	1750: 34, 40	One vacant building (currently under restoration for office space) and one parking lot	1	Auto-related/Pkg: 13,493 sf
				Pkg (C of O): 8 spaces
Site 24	1789: 9, 42, 43, 45	Two retail stores (1 antique home/furniture store, 1 hardware store) and storage yard	4	Retail: 5,200 sf
				Storage/Manufacturing: 13,550 sf
				Auto-related/Pkg: 8,376 sf
Site 25	1789:30:00	Two vacant stores, one service shop (car care), one retail (automotive parts)	2	Retail: 8,500 sf
				Community Facilities: 8,500 sf
TOTAL DISPLACED BUSINESSES: 71			TOTAL DISPLACEMENT BY USE:	
				Retail: 286,218 sqf
				Office/Commercial: 101,046 sf
				Community Facilities: 8,500 sf
				Auto-related/Pkg: 101,586 sf
				Pkg (C of O): 22
				Storage/Manufacturing: 26,824 sf
Source: DCP spreadsheet - 125th Street River-to-River Reasonable Worst Case Development Scenario, March 12, 2007; calculations by STV Incorporated, August 2007				

As shown in Table 3.2-26, a diverse range of businesses currently occupy the projected development sites. Apparel shops and food establishments are expected to represent about three-quarters of all retail jobs to be directly displaced. Many of the retail jobs to be displaced would occur in relatively small-scale apparel shops such as Atmos, Flavour, Harlem Kids, MONY, Children's Place, Ashley Stewart, Lane Bryant, Pay Half, Executive Fashion, Little Feet, Dr Jay's, Fino, Sara Jordan, Creative Fashions, and Men's Walker. Other retail jobs expected to be directly displaced would largely be in sit-down and/or take-out restaurants. Restaurants located on projected development sites include Kentucky Fried Chicken, Dunkin Donuts, Popeye's, Mana's, House of Seafood, Golden Krust, Papaya King, Burger King, and Wimps.

A much smaller number of retail businesses providing home goods including furniture, kitchenware, hardware, electronics, and cellular phones, are also projected to be displaced.

Nearly half of all the service business and institutions that would be displaced from the projected development sites due to the proposed action would be in the areas of health and human services. Health and human service businesses in this category would include the Weston United Community Renewal, a medical office, Association for the Help of Retarded Children Day Center (Fisher Center) and the Harlem United HIV Prevention Services Office. Eighteen percent of the displaced service jobs would be in the educational sector and would include such private institutions as the Global Business Institute and Score After School Program. The Armed Forces Recruitment Center, located on Projected Development Site 14 and employing 15 workers, would be directly displaced as a result of the proposed action.

In the Future With the Proposed Action, most of the jobs to be directly displaced would be located on Projected Development Sites 2, 9, 10, 1, 8, and 6 (see Table 3.2-25). The photos that follow show a sample of the Projected Developments sites.



**Projected Development Site 1: North side
of West 125th St. at St. Nicholas Ave.**



**Projected Development Site 11: South side of West 125th St.
at Adam Clayton Powell Jr. Blvd.**



**Projected Site 14: North side of East 125th St. from
Malcolm X Boulevard to Fifth Ave.**



**Projected Site 25: Southside of East 125th Street
from Third Ave. to Second Ave.**

The proposed action would directly displace 40 retail firms. Among the businesses to be displaced in the proposed action are 19 apparel shops and 13 food establishments.

Table 3.2-27: Type of Retail Stores Potentially Displaced by the Proposed Action

Type of Displaced Retail Shops	Number of Retail Businesses
Apparel	19
Food	13
Home	6
Pharmacy	1
Phone	2
Electronic Goods	2
Beauty Supply	2
Jewelry	1
Variety Store	1
Video / music	2
Auto parts	2
Optical	1
Vitamin	1
Total	53
Source: STV, Inc., Field Survey February 2007.	

The proposed action would result in the displacement of an estimated 18 service sector firms (see Table 3.2-28) whereas the no-action condition would displace 15 service firms, resulting in a net decrease in the proposed action condition of three service firms. Among the service industry establishments that could potentially be displaced are approximately two educational institutions, and two health and human service providers. The Weston United Community Renewal Center, located on Projected Development Site 1, would be the largest service sector employer projected to be displaced. The other service firm with a large number of employees potentially displaced is the Global Business Institute (Projected Displacement Site 6).

Table 3.2-28: Type of Service Businesses Potentially Displaced by the Proposed Action

Service Establishments to be Displaced	Number of Service Businesses
Health and Social Services	2
Education	2
Beauty Salon	3
Government	1
Parking	2
Professional services	3
Tattoo	1
Shoe repair	1
Auto-related	2
Storage/Manufacturing	1
Total	18
Source: STV, Inc., Field Survey February 2007.	

Economic Value Assessment of Directly of Displaced Businesses

Nearly all the jobs that could be directly displaced by the proposed action’s projected development are part of the retail and service sectors, and are not within categories of businesses or institutions that are the subject of other regulations or publicly adopted plans to preserve, enhance or otherwise protect them.

As set forth in the CEQR Technical Manual, the assessment of a business’ economic value considers its products and services, its locational needs, particularly whether those needs can be satisfied at other locations, and potential effects on business or consumers of losing the displaced business as a product or service. As set forth in the CEQR Technical Manual, the consideration of a business’ economic value is based on: 1) its products and services; 2) its locational needs, particularly whether those needs can be satisfied at other locations; and 3) the potential effects on business or consumers of losing the displaced business as a product or service.

The goods and services provided by the displaced businesses are commonly found on commercial streets in the area and in New York City. They consist primarily of clothing and food retailers, housewares, beauty supply stores, and services such as salons and social service providers. Although the potentially displaced firms each contribute to the City’s economy and therefore have economic value, the products and services they provide are widely available in the area and the city; the locational needs of these firms could be accommodated in the area and in other commercial districts, which are widely mapped throughout the city; and the products and services provided by these companies would still be available to consumers as many other

existing businesses would remain and firms providing similar products and services would still be available on 125th Street or in the surrounding area.

On the subject of neighborhood character, the Manual advises that an impact could occur if the displaced businesses “define or contribute substantially to a defining element of neighborhood character,” such as a marina or shipyard on the waterfront. The character of 125th Street is a regional destination retail street, with a mix of national and regional chains, franchises and independent businesses. The corridor is occupied with restaurants and stores that offer a variety of shopper goods and services, such as clothing and food retailers, housewares, beauty supply stores, and services such as salons and social service providers. The businesses that could be directly displaced by the proposed action sell mostly food and clothes, or provide social services – products and services that will continue to be widely available in the area after redevelopment. Although each business adds to the commercial fabric of 125th Street, none of the businesses that could be displaced on 125th Street individually define the character of the neighborhood. Nor would the collective displacement of the firms be expected to change neighborhood character, since the similar types of goods and services would continue to be available on 125th Street or in the surrounding area. Furthermore, it is expected that under the rezoning, most of the development sites would contain ground floor retail in the future, creating new retail opportunities to replace those businesses that may be displaced.

~~Of the 53 retail firms that would be displaced under the proposed actions, none provide products or services that are unique to the project area, with similar products and services being available at other locations throughout the study area, Manhattan and New York City. The products sold at the clothing, jewelry, food, and electronics stores are also sold by numerous stores within the surrounding blocks and along 125th Street. The demand for these products or services also could be met by other nearby stores within the project area and broader study areas, and the locational needs of the displaced retail stores could be met at other sites within the project area, the broader study areas, or the City.~~

~~Similarly, the types of displaced businesses in the health, services and social service sectors, do not have significant economic value based on their products and services, locational needs, or potential effect on consumers. Most of the products and services offered at these firms could be found at other locations within the neighborhood.~~

~~In sum, none of the products or services provided by the displaced businesses is unique to the City or the region, and similar products and services are offered at other locations borough and citywide. Their business operations do not require that they remain in the proposed action area and there would not be a significant adverse effect on businesses or consumers in losing any of the displaced businesses. Therefore, the displaced businesses would not be classified as having substantial economic value to the City or region.~~

Therefore, the detailed assessment concludes that the proposed actions would not cause a significant adverse direct business displacement impact.

Indirect Business and Institutional Displacement in the Future With the Action

Indirect business displacement is the involuntary displacement of businesses that results from a change in socioeconomic conditions created by a proposed action. Similar to indirect residential displacement, the issue for indirect business displacement is that an action would increase property values and thus rents throughout the study area, making it difficult for some categories of business to remain at their current locations.

According to the *CEQR Technical Manual*, the detailed analysis of indirect business and institutional displacement should qualitatively assess, based on historic patterns of development in comparable neighborhoods and the strength of the underlying trends, whether and under what conditions the action would stimulate changes that would raise either property values or rents and, if so, whether this would make existing categories of tenants vulnerable to displacement.

Primary Study Area

The proposed action would have a strong positive effect on the real estate market in the area. Significant investment would go into the primary study area as a broad range of arts and entertainment, commercial as well as residential development would be allowed as-of-right under the proposed zoning. More than 2,328 units of new housing (including 498 affordable units) would be added to the primary study area as a result of the proposed action. The additional residential development that would be facilitated by the proposed action would significantly increase the buying power of the rezoning area's future population, benefiting new and existing businesses alike and offsetting to some degree the negative effects on existing businesses of potential increases in commercial rent levels. The 2,328 units of housing that would be facilitated by the proposed action would generate approximately \$207,054,182 per year in additional personal disposable income, some of which would be spent at retail and service establishments in the Business and Institutional Study Area.⁴² Because the anticipated growth in number of households and household spending is large, it can be assumed that household demand for retail and neighborhood services would reasonably support both new and existing retail and neighborhood services establishments. As a result, the proposed actions are not expected to result in a significant adverse impact on the customer base of the area.

In the future with the proposed action, a net increment 208,586 square feet of new retail, 436,015 square feet of office, and 11,672 square feet of hotel use would be added to the primary study area. In addition to the new residents that would be introduced to the area that would form a large new customer base for local retail businesses, the area would be more attractive as a retail destination due to improved physical conditions and the enhanced form of future development, encouraging new businesses to come into the area, and improving overall business conditions.

Indirect business and institutional displacement also can occur through more indirect mechanisms, such as when an action introduces enough of a new economic activity to alter existing economic patterns. While the proposed actions would facilitate substantial redevelopment within the project area, none of the anticipated uses would be considered new

⁴² Based on 2005 per capita personal disposable income of \$34,208, according to Findarticles.com, Survey of Current Business, "Disposable Personal Income and Per Capita Disposable Personal Income by State and Region, 2000-2005," 2006 (see http://findarticles.com/p/articles/mi_m3SUR/is_4_86/ai_n16419648).

economic activity. Rather than introducing new economic activity, the proposed actions would encourage compatible land uses that strengthen existing retail and commercial areas.

Secondary Study Area

The beneficial effects of the proposed action would be felt in secondary study area retail and service uses through an increase in investment as well as a large new consumer base for local retail and service businesses. The increased attractiveness of the primary study area and its increase in economic activity would leverage new investment within the secondary study area. This would reinforce existing trends of growth in retail and service sector businesses and employment.

The proposed actions are expected to facilitate new economic growth and housing through mixed-use development along 125th Street, thereby creating a vibrant center of office, retail, entertainment, and residential uses. While these changes in economic conditions could result in some limited indirect business displacement, the proposed actions would not result in significant adverse indirect business and institutional displacement impacts within the primary or secondary study areas. Finally, the proposed actions would not directly displace uses that substantially support businesses in the primary or secondary study areas or that generate a substantial customer base for businesses in the primary or secondary study areas. Overall, the proposed actions would not result in significant adverse indirect business and institutional displacement impacts.

CONCLUSIONS

It is concluded that the proposed 125th Street Corridor Rezoning and Related Actions would have the beneficial socioeconomic effect of creating new commercial and retail opportunities and expanding the housing supply to address strong local and citywide housing demand, including provisions for up to 498 units of affordable housing. Conclusions related to each of area of potential socioeconomic impact, as outlined in the *CEQR Technical Manual*, are summarized below.

Direct Residential Displacement:

The proposed action is not expected to result in significant ~~negative~~ adverse impacts as a result of direct displacement, as described above. As described in Chapter 1, "Project Description," it is anticipated that under the proposed action there would be 26 projected development sites under the RWCDS. Fourteen of these sites would be developed as-of-right under conditions without the proposed action. All but one of the projected development sites currently have no residential uses present. Projected development Site #18 contains two dwelling units, located at 69 East 125th Street. However, it is expected that these units would be displaced in the Future Without the Action. Therefore, no direct residential displacement is anticipated as a result of the proposed action and The number of residential units that would potentially be displaced by development occurring on RWCDS sites is small in comparison to the number of units present in the rezoning area and primary study area, and the displacement of this small number of units would not be expected to result in a significant change to neighborhood character. Proposed rezoning actions to foster the development of affordable housing would also increase affordable

housing options for displaced households to some degree. Therefore, no mitigation measures are proposed related to direct residential displacement.

Indirect Residential Displacement:

It is estimated that there are approximately 500 residents in 190 units in five census tracts that could be vulnerable to secondary displacement if rents rise as a result of the proposed action. However, these units represent less than one percent of the study area population. This change would not affect neighborhood character in the study area as the vast majority of the study area population resides in protected units and would not be affected by rising rents. Nor would the relatively small amount of potential secondary displacement accelerate existing trends as the study area has experienced the widespread renovation of thousands of unprotected units since 2000.

Furthermore, new opportunities for affordable housing will be created as a result of the proposed action through an inclusionary housing bonus, which is expected to provide an additional 498 units of affordable housing in the study area.

Therefore, the limited indirect displacement that might potentially occur as a result of the proposed action is not expected to result in significant adverse impacts from indirect residential displacement.

Direct Business Displacement:

Under CEQR, displacement of a business or group of businesses is not, in and of itself, a significant adverse environmental impact. Rather, the CEQR Technical Manual provides a framework to analyze the effects of displacement by asking whether the businesses in question have “substantial economic value to the City or region” or “contribute substantially to a defining element of neighborhood character”. While all businesses contribute to neighborhood character and provide value to the city’s economy, CEQR seeks to determine whether displacement of a single business or group of businesses would rise to a level of significance in terms of impact on the City’s or the area’s economy or the character of the affected neighborhood.

The proposed actions would potentially directly displace approximately 71 firms and 975 employees, with the largest displacement occurring in the retail sector, in particular, businesses providing clothing and accessory products.

On the subject of economic value, the goods and services provided by the displaced businesses are commonly found on commercial streets in the area and in New York City. They consist primarily of clothing and food retailers, housewares, beauty supply stores, and services such as salons and social service providers. Although the potentially displaced firms each contribute to the City’s economy and therefore have economic value, the products and services they provide are widely available in the area and the city; the locational needs of these firms could be accommodated in the area and in other commercial districts, which are widely mapped throughout the city; and the products and services provided by these companies would still be available to consumers as many other existing businesses would remain and firms providing similar products and services would still be available on 125th Street or in the surrounding area.

On the subject of neighborhood character, the manual advises that an impact could occur if the displaced businesses “define or contribute substantially to a defining element of neighborhood character,” such as a marina or shipyard on the waterfront. The character of 125th Street is a regional destination retail street, with a mix of national and regional chains, franchises and independent businesses. The corridor is occupied with restaurants and stores that offer a variety of shopper goods and services, such as clothing and food retailers, housewares, beauty supply stores, and services such as salons and social service providers. The potentially displaced businesses sell mostly food and clothes, or provide social services – products and services that will continue to be widely available in the area after redevelopment. Although each business adds to the commercial fabric of 125th Street, none of the businesses that could be displaced on 125th Street individually define the character of the neighborhood. Nor would the collective displacement of the firms be expected to change neighborhood character, since the similar types of goods and services would continue to be available on 125th Street or in the surrounding area. Furthermore, it is expected that under the rezoning, most of the development sites would contain ground floor retail in the future, creating new retail opportunities to replace those businesses that may be displaced.

Therefore, the detailed assessment concludes that the proposed actions would not cause a significant adverse direct business displacement impact.

~~The preliminary assessment concludes that the proposed actions would not cause a significant adverse direct business displacement impact because the displaced businesses are not found to have substantial economic value to the City or region, are not subject to publicly adopted plans to preserve, enhance, or protect them, and do not, individually or collectively, contribute substantially to neighborhood character.~~

Indirect Business and Institutional Displacement: The proposed actions are expected to facilitate new economic growth and housing through mixed-use development along 125th Street, thereby creating a vibrant center of office, retail, entertainment, and residential uses. While these changes in economic conditions could result in some limited indirect business displacement, the proposed actions would not result in significant adverse indirect business and institutional displacement impacts within the primary or secondary study areas.

Adverse Effects on Specific Industries: According to the guidelines of the *CEQR Technical Manual*, the proposed action would not have an adverse impact on a specific industry because it would not significantly affect the business conditions for any industry or category of businesses within or outside of the study area, nor would it indirectly reduce employment or impair the economic viability of a specific industrial sector or business category. It was determined that there were no specific industries that are unique to the area and thus detailed analysis was not required to be performed.