



6

Alternatives

As described in the 2020 *CEQR Technical Manual*, alternatives selected for consideration in an environmental impact statement are generally those which are feasible and have the potential to reduce, eliminate, or avoid adverse impacts of a proposed action while meeting some or all of the goals and objectives of this action.

Introduction

As described in **Chapter 1, Project Description**, the Proposed Action would establish a City Planning Commission (CPC) ~~special permit~~ Special Permit for new hotel development in C1 (except for C1-1, C1-2, C1-3 or C1-4 Districts), C2⁴, C4, C5, C6, C8, Mixed Use (MX), and paired M1/R districts. The CPC ~~special permit~~ Special Permit would be required for transient accommodations, including hotels, motels, and boatels.

Because the Proposed Action has broad applicability, it is impossible to predict the universe of sites where development would be affected by the Proposed Action, and the Proposed Action is analyzed in this EIS as a "generic action." According to the *CEQR Technical Manual*, generic actions are programs and plans that have wide application or affect the range of future alternative policies. Usually these affect the entire city or an area so large that site-specific description or analysis is not appropriate.

Per CEQR guidelines, impacts of alternatives do not need to be assessed at the same level of detail as those of the Proposed Action. In areas where no significant impact of the ~~proposed project was~~ Proposed Action is identified, a qualitative assessment is sufficient. However, where a significant adverse impact of the Proposed Action has been identified, it is usually

appropriate to describe the alternative so that a comparison may be meaningful. The level of analysis provided depends on a preliminary assessment of project impacts as determined by the analysis connected with the appropriate tasks.

This chapter considers the following ~~two~~ alternatives to the Proposed Action:

- › A No-Action Alternative, which is mandated by CEQR and the State Environmental Quality Review Act (SEQRA) and is intended to provide the lead and involved agencies with an assessment of the expected environmental impacts of no action on their part;
- › A Non-Recovery Alternative, which demonstrates the effects of the Special Permit without the Recovery Provisions detailed in **Chapter 1, Project Description**.

When a project would result in significant adverse impacts that cannot be mitigated, it is often CEQR practice, as guided by the *CEQR Technical Manual*, to include an assessment of an alternative to the project that would result in no unmitigated impacts. For the purposes of this analysis, that alternative is the No-Action Alternative. In addition, this EIS considers several additional alternatives to consider whether modifications to the Proposed Action would reduce or avoid the Proposed Action's identified significant adverse impact (i.e., the significant adverse socioeconomic impact on the hotel and tourism industries). These alternatives include the following:

- › A Geographic Exclusion Alternative, which considers a modification to the Proposed Action in which certain areas within New York City are excluded from the Area of Applicability.
- › A Size Exclusion Alternative, which considers a modification to the Proposed Action in which hotels of a certain size are not subject to the Special Permit.

Principal Conclusions

A summary of the principal conclusions for the ~~two~~ alternatives is described below.

No-Action Alternative

The No-Action Alternative examines future conditions but assumes the Proposed Action—the proposed zoning text amendment to establish a CPC Special Permit for new transient hotel development in districts citywide—is not adopted. Under the No-Action Alternative, existing zoning provisions would remain in place in the area affected by the Proposed Action, and new hotels could continue to develop as-of-right within permissible zoning districts.

Under the No-Action Alternative, by the 2035 build year, it is expected that 174,730 hotel rooms would be developed on an as-of-right basis throughout the city. The No-Action Alternative would not result in significant adverse impacts to the hotel or tourism industries.

Geographic Exclusion Alternative

In the Geographic Exclusion Alternative, the text amendment would be modified such that certain areas of the City would be excluded from the Area of Applicability. Within these Excluded Districts, existing zoning provisions as they relate to hotels would remain

unchanged, and hotels would continue to be allowed to develop as-of-right, rather than subject to a Special Permit. Outside of the Excluded Districts, as with the Proposed Action, hotels would be subject to the Special Permit. Under this alternative, the following areas were identified for consideration as Excluded Districts: Midtown (excluding East Midtown) Special Purpose District, Hudson Yards Special Purpose District, Lower Manhattan Special Purpose District, and Downtown Brooklyn Special Purpose District. These areas were identified as Excluded Districts as they make up the City's three largest central business districts and have substantial commercial density and stated goals that support hotel development.

A soft site analysis identified 412 Potential Hotel Development Sites (PHDSs) that could provide approximately 58,690 hotel rooms across the Exclusion Districts. While based on the soft site estimations it is possible that all of this demand could be satisfied in the Exclusion Districts, it is unlikely that all of the PHDSs would be developed with hotels due to potential return, competition and over supply, site specific constraints, and location-based demand. However, it is likely more hotel development would occur in Exclusion Districts under Geographic Exclusion Alternative than under the Proposed Action due to the retention of some land where hotel development would remain as-of-right and changed market conditions. Therefore, this alternative would at least partially satisfy demand and lessen the gap between supply and demand projected for 2035. It is expected that this alternative would reduce the significant adverse impact to the hotel and tourism industries, but the potential for direct and indirect displacement of residents and businesses within the Exclusion Districts cannot be eliminated, as well as site specific impacts associated with induced development.

Hotels are appropriate within the City's major business districts, which support a diverse mix of commercial and residential uses. However, approximately 20 percent of the City's existing hotel inventory and approximately 19 percent of the vested pipeline are already located with these geographies. Since the Geographic Exclusion Alternative's has the potential to further concentrate new hotel development in these limited geographies, it could affect the future use and development of the surrounding area by introducing conflicts with residents or local businesses and would therefore be inconsistent with the proposal's purpose and need.

Size Exclusion Alternative

In the Size Exclusion Alternative, the text amendment would be modified such that the Proposed Action would exclude hotels of a certain size from being required to seek the Special Permit. Under the Size Exclusion Alternative, the Area of Applicability of the Proposed Action would not change, and existing zoning provisions for hotels under a certain room count would remain the same citywide. The Proposed Action would apply only to new hotels exceeding the size threshold. Smaller hotels do not have as many visitors or auxiliary space such as conference space, and therefore do not generate as much visitor or delivery traffic or pedestrian trips, threat of indirect business displacement, or pressure on open space resources, and for that reason may pose fewer conflicts with surrounding uses and their exclusion is assessed for this alternative. However, it is important to note that some conflicts are not size related, and small hotels may cause conflicts due to their location in a neighborhood of primarily residential character, in an area with an already high

concentration of hotels where infrastructure or amenities for guests are stressed, or in an area with a lack of infrastructure.

An assessment of average room sizes across districts and a sensitivity test based on CEQR thresholds determined that density related analysis would typically not be exceeded for a hotel of 150 rooms. Approximately 30 percent of rooms built citywide from 2010 to 2019 were in hotels with less than 150 rooms, and an estimated additional 14,260 hotel rooms over the With-Action Condition would be developed citywide by 2035 for a total of approximately 141,920 rooms under the Size Exclusion Alternative. Furthermore, it is likely that that a greater number of small hotels may be developed under the Size Exclusion Alternative than under the No-Action condition, due to adjustment that developers may make under this alternative's constraints, but fewer hotels than would be developed in the No-Action condition overall.

However, 64% of new hotels built between 2010 and 2019 contained less than 150 rooms. The proposal is intended to address concerns with the rapid development of hotels of all sizes in a wide range of neighborhoods across the city. Excluding small hotels would result in a continuation of existing patterns, precluding the CPC from assessing the appropriateness of such development based on the future use and development of the local neighborhood context.

Non-Recovery Alternative

The Non-Recovery Alternative examines future conditions with the Proposed Action but assumes that the Proposed Action does not include "Recovery Provisions." without these Recovery Provisions, this alternative would result in more hotel development being subject to the Special Permit. The Non-Recovery Alternative would result in a larger unmet demand for hotel rooms in the 2035 analysis year, therefore leading to a greater reduction of economic and fiscal activity as compared to the future with the Proposed Action. Therefore, like the Proposed Action, it is expected that the Non-Recovery Alternative would result in significant adverse socioeconomic impacts to the hotel and tourism industries. In addition, existing and proposed hotel developments in the active DOB pipeline or seeking actions from DCP and BSA would potentially be affected and result in hotels, such as those that are temporarily closed due to the COVID-19 Pandemic, to be displaced or not be completed. Therefore, unlike the Proposed Action, the Non-Recovery Alternative has the potential to result in direct business displacement.

No-Action Alternative

Description of the No-Action Alternative

The No-Action Alternative examines future conditions within the Project Area but assumes the Proposed Action is not adopted. Under the No-Action Alternative, there would be no change to zoning, and new hotels would continue to locate as-of-right within permissible zoning districts.

Under the No-Action Alternative, by the 2035 build year, the January 2020 hotel room inventory, as established in the Consultant Report, was approximately 127,810 rooms. It is

estimated in 2025 that hotel room supply would be approximately 95,850 rooms and, from 2025 to 2035, 78,880 hotel rooms would come to market to meet estimated 2035 demand for 174,730 rooms. This would result in 47,070 hotel rooms more than in the With=Action condition.

Land Use, Zoning, and Public Policy

Under the No-Action Alternative, existing zoning provisions as they relate to hotels would not change, and new hotels would be able to locate where they are currently permitted either as-of-right or by Special Permit.

Socioeconomic Conditions

The adverse effects related to socioeconomic conditions that would occur as exemplified by the generic analysis of the Proposed Action would not occur with the No-Action Alternative. Under the No-Action Alternative, as discussed above, the hotel room inventory is expected to reach 174,730 rooms by 2035. The No-Action Alternative would not impede the hotel or tourism industries from growing to meet anticipated demand in 2035, and there would be no adverse impacts to these industries as it relates to socioeconomic conditions under this alternative.

Neighborhood Character

Under the No-Action Alternative, existing zoning provisions as they relate to hotels would not change, and new hotels would be able to locate in neighborhoods citywide as-of-right within permissible zoning districts. In contrast with the future with the Proposed Action, this alternative would lead to many more hotel rooms being developed across the City. As detailed in **Chapter 1, Project Description**, before the COVID-19 pandemic, new hotels were outpacing other types of non-residential development in some parts of the city—in some instances introducing conflicts with adjacent uses and influencing development patterns in unanticipated ways. In these locations, hotels can create conflicts with adjacent uses and residences, and in less centrally located commercial areas, hotels may create nuisances to surrounding residents or local services. Additionally, less centrally located commercial areas often lack infrastructure to address the safety of or meet the needs of hotel guests. The rapid growth of hotels across the city, especially in locations that had not historically experienced much hotel development, would continue in the No-Action Alternative, and could change the local neighborhood character. However, it is not possible to assess whether or not these changes would lead to adverse effects to neighborhood character, because the location of future development is unknown.

Geographic Exclusion Alternative

Description of the Geographic Exclusion Alternative

In the Geographic Exclusion Alternative, the text amendment would be modified such that certain areas of the City would be excluded from the Area of Applicability. Within these Excluded Districts, existing zoning provisions as they relate to hotels would remain

unchanged, and hotels would continue to be allowed to develop as-of-right, rather than subject to a Special Permit. Outside of the Excluded Districts, as with the Proposed Action, hotels would be subject to the Special Permit.

Under this alternative, the following areas were identified for consideration as Excluded Districts: Midtown (excluding East Midtown) Special Purpose District, Hudson Yards Special Purpose District, Lower Manhattan Special Purpose District, and Downtown Brooklyn Special Purpose District. These areas were identified as Excluded Districts as they make up the City's three largest central business districts and have substantial commercial density and stated goals that support hotel development.

Relation to the Purpose and Need

Hotels are appropriate and desirable uses in the city's central business districts, which support a diverse mix of commercial and residential uses. When considering areas that can best support the land use challenges posed by hotels, the three largest central business districts in the City were considered. Furthermore, allowing hotels to be developed as-of-right in some commercial districts in the City would lessen the disincentive to hotel development citywide and allow for some growth in the industry. However, it is likely that excluding these districts from the proposed Special Permit will lead to continued unpredictability in hotel growth and more concentrated hotel development in these districts. The purpose of the proposed Special Permit is to ensure that hotels are developed on appropriate sites. Presently, approximately 20 percent of the City's existing hotel inventory and approximately 19 percent of the vested pipeline are already located with these geographies. Since the Geographic Exclusion Alternative has the potential to further concentrate new hotel development in these limited geographies, it would create an incentive for an irrational and more concentrated distribution of hotels in a more limited geography. A smaller subset of neighborhoods in the city would absorb a disproportionate share of the demand for new hotel rooms, and the limited as-of-right allowance would create an artificial incentive for hotels to locate on less optimal sites. Consistent regulations citywide would avoid this incentive for irrational distribution of new hotels.

Analysis Framework

To assess the effect of the Geographic Exclusion Alternative, a soft site analysis was performed to estimate the number of parcels that may support future hotel development and the resulting number of hotel rooms that could be realized.

Viable Hotel Sites within Excluded Districts

In determining the amount and location of potential new hotel development under the Geographic Exclusion Alternative, several factors have been considered in identifying likely development sites. These include known development proposals, past and current development trends, and the development site criteria described below. The Geographic Exclusion Alternative would not necessarily create new development opportunities that don't currently exist, since, in these districts, hotels can currently be built as-of-right, but by requiring a Special Permit for hotels in areas outside of Excluded Districts, financial considerations for hotel development would be altered, and more hotel development than would occur under the No-Action Condition may occur within the Excluded Districts. While a

detailed analysis of the viability of each individual site could not be conducted given the scope of the Excluded Districts, having some understanding of sites where new development could potentially occur is important to assessing this alternative. Potential Hotel Development Sites (PHDS) were initially identified based on the following criteria:

- › Parcels within the Midtown, Hudson Yards, Lower Manhattan, and Downtown Brooklyn Special Purpose Districts that are zoned C1 (except for C1-1, C1-2, C1-3 or C1-4 Districts), C2¹, C4, C5, C6, C8, Mixed Use (MX), and paired M1/R districts. Areas with existing special permits for hotel use were excluded.
- › Individual parcels with a lot area of at least 2,000 sf; in addition, adjacent parcels in common ownership were considered together as a site (i.e., potential assemblage sites). This lot area threshold takes into account the minimum size of existing hotels excluding outliers.²
- › Parcels built below 50% allowable commercial FAR.

Certain lots that meet the above criteria were excluded from consideration based on the following conditions, in accordance with the guidance provided in the *CEQR Technical Manual*:

- › Parcels that contain landmarks or that are located within City-designated historic districts. Individual landmarks and buildings within City-designated historic districts are subject to New York City Landmarks Preservation Commission review and approval in accordance with the New York City Landmarks Law under a significant level of scrutiny and are therefore highly unlikely to be altered or redeveloped.
- › Parcels that are government owned or contain government facilities, including environmental and transportation infrastructure or large institutions. These parcels may meet the development site criteria, because they are built to less than half of the permitted floor area under the current zoning and are on larger lots. However, these parcels have not been redeveloped or expanded despite the ability to do so, and it is extremely unlikely that the changed market conditions under this alternative would induce redevelopment or expansion of these structures. In addition, for government-owned properties, development and/or sale of these lots may require discretionary actions from the pertinent government agency.
- › Parcels currently undergoing active construction and recently completed or altered buildings (build year later than 2014).
- › Parcels with existing development plans that are set to undergo construction imminently.
- › Sites with a recently granted CPC special permit for significant use and/or bulk changes that also involved discretionary review by LPC. Costs and time associated with obtaining a special permit, public review, and the environmental review process would have required substantial investment such that it is expected that development plans for these sites will continue.

A total of 412 PHDS were identified within the Exclusion Districts using the above criteria.

¹ In C2-1 through C2-4 districts, transient hotels may be located only within a 1,000-foot-radius of the entrance/exit of a limited-access expressway.

² This analysis does not include potential assemblage of adjacent sites by two separate owners, which may make more sites viable.

Quantifying Potential Development

For each of the PHDS that met the above parameters, hotel room development was estimated by calculating the potential floor area based on lot area and allowable commercial FAR, and assuming 1 hotel room per 400 square feet. A conservative limit on the overall hotel size was also assumed. Since in the past 10 years, no hotel with more than 500 rooms has been built in Downtown Brooklyn or Lower Manhattan, and no hotel with more than 800 rooms has been built in Midtown, these upper limits were placed on a small number of sites where the floor area calculation indicated the potential for more rooms.

Based on these assumptions, it was estimated that the 412 PHDS could provide approximately 58,690 hotel rooms across the Exclusion Districts, as shown in Error! Reference source not found.

Table 6-1 Geographic Exclusion Alternative-Potential Future Hotel Room Inventory

<u>Special District</u>	<u>Potential Hotel Development Sites (PHDS)</u>	<u>Potential Room Inventory on PHDS</u>
<u>Downtown Brooklyn</u>	<u>84</u>	<u>14,660</u>
<u>Hudson Yards</u>	<u>36</u>	<u>7,630</u>
<u>Lower Manhattan</u>	<u>46</u>	<u>6,980</u>
<u>Midtown</u>	<u>232</u>	<u>29,420</u>
<u>Total</u>	<u>412</u>	<u>58,690</u>

Source: STR 2021, HANYC 2021, DOB, VHB Soft Site Analysis

Under the With-Action condition in 2035, it is estimated that the City will have an unmet demand for 47,070 hotel rooms, which accounts for assumptions of post- pandemic supply, pipeline, and the Recovery Provisions. While based on the soft site estimations it is possible that all of this demand could be satisfied in the Exclusion Districts, it is unlikely that all of the PHDSs would be developed with hotels. Some of the reasons are:

- > A hotel may not offer the highest possible return for some PHDSs. For smaller parcels, hotels may be desired over other uses based on financials, but for larger sites, development of office or residential use may be more desired; it is also possible that a hotel could be included as part of a larger development plan.
- > The market in certain of the Exclusion Districts may not support many hotels in close proximity due to competition and over supply within small geographies.
- > Site specific constraints may affect the viability of a site for hotel development and cannot be estimated in a soft site analysis of such a large scale.
- > Some of the projected demand for the 47,070 hotel rooms may be better met by locations outside of the Exclusion Districts that are near other tourist attractions or major transportation hubs. Some leisure travelers, who make up the largest portion of overnight visitors to New York City, may prefer to stay in hotels in amenity-rich neighborhoods outside central business districts or closer to friends and family.

Overall, it is likely that more hotel development would occur under Geographic Exclusion Alternative than under the Proposed Action due to the retention of some land where hotel development would remain as-of-right. Therefore, this alternative would at least partially

satisfy demand and lessen the gap between supply and demand projected for 2035 (see **Chapter 5, Mitigation**).

Land Use, Zoning, and Public Policy

As described above, existing zoning provisions within the Excluded Districts would not change under this alternative, and new hotel development would be allowed as-of-right in the Excluded Districts. There are not expected to be any impacts to land use zoning and public policy from this Alternative, however, it is possible that more hotels would locate in the Excluded Districts than under the No-Action condition, leading to a concentration of hotel land uses. This is discussed below under Socioeconomic Conditions and Neighborhood Character.

Areas outside of the Excluded Districts would be subject to the proposed Text Amendment. In these areas the Proposed Action would reduce the occurrence of hotels and potential land use conflicts resulting from hotel development, as discussed in **Chapter 2, Land Use, Zoning, and Public Policy**. In areas outside the Excluded Districts, the generic analysis of the Proposed Action would remain the same as in **Chapter 2, Land Use, Zoning and Public Policy**.

Socioeconomic Conditions

The adverse effects related to socioeconomic conditions that would occur as exemplified by the generic analysis of the Proposed Action would not occur to the same magnitude under the Geographic Exclusion Alternative; however, this alternative could result in other impacts to socioeconomic conditions.

The soft site analysis shows that there many parcels across the Excluded Districts that are potentially viable for hotel development, and that these parcels could allow for additional future hotel demand to be met. Theoretically, this alternative could address the impact entirely, but for reasons discussed above, it is unlikely that all of the demand would be satisfied in these Exclusion Areas. Therefore, it is expected that this alternative would partially eliminate the significant adverse impact to the hotel and tourism industries.

While this alternative may address, or partially address, the significant adverse impact identified for the Proposed Action, which would occur on a City-wide scale, it may result in impacts within smaller geographies. As noted above, the Geographic Exclusion Alternative would likely cause more development of hotels to occur within Excluded Districts than would occur under the No-Action condition, because changed market conditions would induce some level of new development. However, the identified soft sites could also be developed with non-hotel uses in the future. It is too speculative to say how much general development within the Exclusion Districts would occur over the No-Action condition, and whether or not the increment would result in adverse socioeconomic impacts, but the potential for direct and indirect displacement of residents and businesses within the Exclusion Districts cannot be eliminated.

Neighborhood Character

Under the Geographic Exclusion Alternative, as discussed above, existing zoning provisions as they relate to hotels would not change within Exclusion Districts, and new hotels would be able to locate in these districts as-of-right, while the Proposed Action would apply elsewhere in the City as described in **Chapter 1, Project Description**. In contrast with the future with the Proposed Action, this alternative could lead to more hotel rooms being developed in the Excluded Districts, and likely more than would occur under the No-Action condition. As described under the No-Action Alternative above, the rapid growth of hotels would continue in Exclusion Districts, and could change the local neighborhood character due to concentration of hotel uses. However, it is not possible to assess whether or not these changes would lead to adverse effects to neighborhood character, because the exact location and magnitude of concentration of future development is unknown.

Other Analysis Areas

Beyond the technical areas analyzed in the EIS, induced development within Exclusion Districts could lead to effects to non-residential open space access, shadows, historic and cultural resources, hazardous materials, transportation, air quality, and noise. Again, a detailed analysis cannot be completed for this alternative because it would be too speculative; however it is possible that adverse impacts could occur in these other technical areas.

Size Exclusion Alternative

Description of Size Exclusion Alternative

In the Size Exclusion Alternative, the text amendment would be modified such that the Proposed Action would exclude hotels of a certain size from being required to seek the Special Permit. Under the Size Exclusion Alternative, the Area of Applicability of the Proposed Action would not change, and existing zoning provisions for hotels under a certain room count would remain the same citywide. The Proposed Action would apply only to new hotels exceeding the size threshold. As described below, an size threshold of 150 rooms was chosen for this alternative.

The exploration of this alternative is presented here to estimate the potential for this alternative to reduce the identified significant adverse impact on socioeconomic impacts and to evaluate whether it would meet some or all of the goals of the proposed action.

Relation to the Purpose and Need

The rationale for a size exclusion alternative is that smaller hotels do not have as many visitors or auxiliary space such as conference space. Therefore they do not generate as much visitor, delivery traffic, or pedestrian trips and may not stress local resources or change neighborhood character to the same degree. However, some conflicts are not size related, and small hotels may still result in conflicts, safety concerns, or nuisances. This may be due to their location in a neighborhood of primarily residential character, in an area with an already high concentration of hotels where infrastructure or amenities for guests are

stressed, or in an area with a lack of infrastructure. The Proposed Action seeks to address these aspects of conflict through site specific review of all hotels.

Furthermore, approximately 30 percent of rooms built citywide from 2010 to 2019 were in hotels with less than 150 rooms and 64 percent of new hotels built between 2010 and 2019 contained less than 150 rooms. Furthermore, it is likely that that a greater number of small hotels may be developed under the Size Exclusion Alternative than under the No-Action condition, due to adjustment that developers may make under this alternative’s constraints, but fewer hotels than would be developed in the No-Action condition overall. The proposal is intended to address concerns with the rapid development of hotels of all sizes in a wide range of neighborhoods across the city. Excluding small hotels would result in a continuation of existing patterns, precluding the CPC from assessing the appropriateness of such development based on the future use and development of the local neighborhood context.

Analysis Framework

To assess the effect of the Size Exclusion Alternative, an analysis was performed to estimate the number of hotels of a certain size that could be developed in the future under different size exclusion thresholds.

Defining Size Thresholds

As shown in **Table 6-2** and **Table 6-3**, hotel size varies based on location. The largest hotel built citywide from 2009-2019 was 713 rooms, and on average hotels were around 158 rooms. In central business districts that number is larger, but there is still a sizeable share of hotels built outside CBDs, which average closer to 100 rooms. The share of the inventory built between 2009-2019 by size is presented in **Table 6-3**. Citywide, 56 percent of rooms from 2009-2019 were in properties of over 200 rooms. in Manhattan, 70 percent of rooms are in properties of over 200 rooms. But in the outer boroughs the proportions are different - less than 20 percent of rooms were in properties of over 200 rooms in Brooklyn and Queens, and in Staten Island and the Bronx there were no rooms in that category.

Table 6-2 Hotel Size Characteristics by Geography (2009-2019)

<u>Geography</u>	<u>Total Hotels</u>	<u>Total Rooms</u>	<u>Largest Room Count</u>	<u>Average Room Count</u>
<u>Citywide</u>	<u>332</u>	<u>52,600</u>	<u>713</u>	<u>158</u>
<u>Citywide (excluding CBDs)</u>	<u>126</u>	<u>12,987</u>	<u>390</u>	<u>103</u>
<u>Airports</u>	<u>38</u>	<u>3,997</u>	<u>512</u>	<u>102</u>
<u>Midtown East</u>	<u>11</u>	<u>1,564</u>	<u>301</u>	<u>142</u>
<u>Midtown West/ Hudson Yards</u>	<u>36</u>	<u>8,978</u>	<u>713</u>	<u>250</u>
<u>Midtown South</u>	<u>78</u>	<u>17,007</u>	<u>612</u>	<u>218</u>
<u>Downtown/Financial District</u>	<u>26</u>	<u>5,621</u>	<u>492</u>	<u>216</u>
<u>Downtown Brooklyn</u>	<u>9</u>	<u>1,895</u>	<u>321</u>	<u>210</u>

Source: STR 2021, HANYC 2021

Table 6-3 Share of Hotel Inventory by Size (2009-2019)

	Number of Rooms	Share of 2009-2019 Inventory
<u>Citywide</u>	<u>52,600</u>	<u>100%</u>
<u>=/< 100 Rooms</u>	<u>9,289</u>	<u>17.7%</u>
<u>=/< 150 Rooms</u>	<u>15,940</u>	<u>30.3%</u>
<u>=/< 200 Rooms</u>	<u>23,226</u>	<u>44.2%</u>
<u>Over 200 Rooms</u>	<u>29,374</u>	<u>55.8%</u>
<u>Bronx</u>	<u>787</u>	<u>100%</u>
<u>=/< 100 Rooms</u>	<u>662</u>	<u>84.1%</u>
<u>=/< 150 Rooms</u>	<u>787</u>	<u>100%</u>
<u>=/< 200 Rooms</u>	<u>787</u>	<u>100%</u>
<u>Over 200 Rooms</u>	<u>0</u>	<u>0%</u>
<u>Brooklyn</u>	<u>5,525</u>	<u>100%</u>
<u>=/< 100 Rooms</u>	<u>2,209</u>	<u>40.0%</u>
<u>=/< 150 Rooms</u>	<u>2,964</u>	<u>53.6%</u>
<u>=/< 200 Rooms</u>	<u>4,448</u>	<u>80.5%</u>
<u>Over 200 Rooms</u>	<u>1,077</u>	<u>19.5%</u>
<u>Manhattan</u>	<u>38,673</u>	<u>100%</u>
<u>=/< 100 Rooms</u>	<u>3,215</u>	<u>8.3%</u>
<u>=/< 150 Rooms</u>	<u>7,170</u>	<u>18.5%</u>
<u>=/< 200 Rooms</u>	<u>11,644</u>	<u>30.1%</u>
<u>Over 200 Rooms</u>	<u>27,029</u>	<u>69.9%</u>
<u>Queens</u>	<u>7,327</u>	<u>100%</u>
<u>=/< 100 Rooms</u>	<u>2,915</u>	<u>40.6%</u>
<u>=/< 150 Rooms</u>	<u>4,731</u>	<u>64.6%</u>
<u>=/< 200 Rooms</u>	<u>6,059</u>	<u>82.7%</u>
<u>Over 200 Rooms</u>	<u>1,268</u>	<u>17.3%</u>
<u>Staten Island</u>	<u>288</u>	<u>100%</u>
<u>=/< 100 Rooms</u>	<u>288</u>	<u>100%</u>
<u>=/< 150 Rooms</u>	<u>288</u>	<u>100%</u>
<u>=/< 200 Rooms</u>	<u>288</u>	<u>100%</u>
<u>Over 200 Rooms</u>	<u>0</u>	<u>0%</u>

Source: STR 2021, HANYC 2021

CEQR thresholds indicate that indirect business displacement is not a concern for hotels with hotels under 200,000 sf, or approximately 500 rooms assuming 400 square feet per room. For open space analysis, in areas that are underserved by open space, a hotel of about 335 rooms would warrant analysis of whether that development would result in impacts to non-residential open space ratios. For transportation, analysis is warranted for projects that would generate either 200 pedestrian trips or 50 vehicle trips. A sensitivity test based on CEQR trip generation rates shows that hotels ranging from 150 to 200 rooms, depending on their

location, would warrant analysis for transportation. Given that this room threshold is the lowest that may warrant analysis under CEQR density related analysis and is also close to the citywide average hotel size, 150 rooms was selected as the threshold for analysis of the Size Exclusion Alternative.

Quantifying Potential Development

As shown above, 30.3 percent of rooms built citywide from 2009 to 2019 were 150 rooms or fewer. In order to assess the future hotel inventory under the Size Exclusion Alternative, this historical proportion was applied to the anticipated gap between room supply and projected demand (47,070 rooms) that would occur under the With-Action condition. If hotels with under 150 rooms are permitted as of right, it is anticipated that an additional 14,260 hotel rooms over the With-Action Condition would be developed citywide by 2035 for a total of approximately 141,920 rooms. It is possible that a greater number of small hotels may be developed than under the No-Action condition, but fewer hotels than would be developed in the No-Action condition overall.

Land Use, Zoning, and Public Policy

As described above, existing zoning provisions within the Excluded Districts would not change for hotels under the size threshold under this alternative, and new hotels would be allowed as of right across the city as long as they were under that size threshold, whereas the Proposed Action would only apply to hotels above the size threshold. There are not expected to be any impacts to land use zoning and public policy from this alternative, as with the Proposed Action.

Socioeconomic Conditions

As described above, the Size Exclusion Alternative could lead to a hotel inventory of XX hotels by 2035. There would still be a gap between supply and 2035 demand of xx hotels, resulting in a lost rooms and visitation. As described in **Chapter 3, Socioeconomic Conditions**, this would potentially affect the ability of the hotel and tourism industries to grow and meet future anticipated demand, but not to the same degree. However, it is possible that this would still result in an adverse effect to these industries. Hotel developments and secondary industries that depend on the financial models of larger hotels would be more affected.

Neighborhood Character

Under the Size Exclusion Alternative, existing zoning provisions as they relate to hotels would not change for hotels under the size threshold, and new hotels would be able to locate citywide, while the Proposed Action would apply to hotels over the size threshold. In contrast with the future with the Proposed Action, this alternative could lead to many more hotel rooms being developed citywide, although not more than would be developed under the No-Action Condition. As described under the No-Action Alternative above, the rapid growth of hotels under the size threshold would likely continue and could change the local neighborhood character. However, it is not possible to assess whether or not these changes would lead to adverse effects to neighborhood character, because the exact location and magnitude of future development of small hotels is unknown.

Non-Recovery Alternative

Description of the Non-Recovery Alternative

As part of the Proposed Action, DCP proposes several zoning mechanisms to limit the effect of reductions in supply when visitation and hotel demand recovers post-COVID-19; these “Recovery Provisions,” as described in **Chapter 1, Project Description**, include those related to adaption and expansion of existing hotels, discontinuance, vesting, and exclusions. Without these Recovery Provisions, standard rules for vesting would apply and hotels would need to obtain a ~~special permit~~ Special Permit under the following circumstances:

- › A hotel that is vacant for two or more years would be discontinued and would need to obtain a ~~special permit~~ Special Permit to operate as a hotel again after the date of adoption
- › Alterations to existing hotels would need to be completed by the date of adoption
- › Existing hotels that are converted to other uses would not be permitted to convert back to a hotel without obtaining a ~~special permit~~ Special Permit after the date of adoption
- › Proposed hotels with completed foundations at the time of adoption vest and then have two years to complete construction, while those with approvals or construction after those dates would need to seek a ~~special permit~~ Special Permit
- › Hotel projects and land use actions supporting hotel development that may soon receive approvals from DCP or the BSA would need to seek a ~~special permit~~ Special Permit.

Subject to the above, the Non-Recovery Alternative would affect more hotel rooms than under the Proposed Action; thereby resulting in less hotel development than under ~~either~~ the future with the Proposed Action. As compared to the Recovery Provisions, hotels vacant for two or more years would be discontinued on the date of adoption as opposed to six years after the date of adoption.³ Furthermore, there would be no special vesting provisions that would give hotels in the pipeline more time to acquire permits, and there would be no exclusions for hotel development currently seeking a special permit.

As shown in **Table 6-4**, the Non-Recovery Alternative would result in an unmet demand of 54,530 hotel rooms in 2035, an increase of 7,460 rooms over the future with the Proposed Action. This is largely due to the absence of vesting and exclusion provisions in the Non-Recovery Alternative. The unmet demand in the Non-Recovery Alternative is roughly equal to 31 percent of anticipated 2035 demand (in comparison to 27 percent in the future with the Proposed Action).

³ The lack of discontinuance provisions under the Non-Recovery Alternative could potentially affect more temporarily closed hotels than with the Proposed Action, leading to a smaller hotel inventory post pandemic. However, as shown in Table 6-1, the post pandemic supply in all alternatives is estimated at 75% of the January 2020 supply, which is approximately 5,390 more hotel rooms than were open in March 2021. This is already a conservative assumption, and it would be speculative to assume how different discontinuance provisions would affect the inventory.

Table 6-1 Table 6-4 Non-Recovery Alternative- Estimated Hotel Room Supply Estimated in Future Alternative Conditions

	No-Action Condition Hotel Rooms	With-Action Condition Hotel Rooms	Non-Recovery Alternative Condition Hotel Rooms
Supply Post Pandemic ¹	95,860	95,860	95,860
Additional Rooms through Vesting and Exclusion provisions	-	27,590	20,130
Rooms Expected to seek Special Permits	-	4,210	4,210
Future Development without Special Permit ²	78,880	-	-
Total 2035 Supply	174,730	127,660	120,200
Total 2035 Demand	174,730	174,730	174,730
2035 Unmet Demand	0	47,070	54,530

Source: DCP, Consultant Report

Notes:

¹ Estimated at approximately 75% of the January 2020 supply of 127,810 rooms

² Includes development from within the existing DOB pipeline and future unknown development

Land Use, Zoning, and Public Policy

Under the Non-Recovery Alternative, like the Proposed Action, new hotels would require case-by-case, site-specific review to ensure that hotel development occurs only in appropriate locations, based on reasonable considerations regarding opportunities for the future siting of a permitted use on the site and the achievement of a balanced mix of uses in the area. Like the Proposed Action, the Non-Recovery Alternative would reduce the occurrence of hotels and potential land use conflicts resulting from hotel development. It is expected that various other uses (that would remain as-of-right) would be developed in the place of hotels. Like the Proposed Action, the Non-Recovery Alternative would change existing zoning to permit hotels by ~~special permit~~ Special Permit only. Otherwise, zoning under the Non-Recovery Alternative would not be expected to change from the future No-Action condition. The Non-Recovery Alternative would, like the Proposed Action, not hinder the development of relevant public policies, including OneNYC 2050, New York Works, and state and city funding for tourism initiatives.

Socioeconomic Conditions

The possible adverse effects related to socioeconomic conditions that would occur as exemplified by the generic analysis of the Proposed Action would be greater under the Non-Recovery Alternative. As shown above, there would be a greater amount of unmet demand for hotel rooms, roughly equal to 31 percent of anticipated 2035 demand (in comparison to 27 percent in the With-Action condition). As discussed above, this difference is largely due to the absence of vesting and exclusion provisions in the Non-Recovery Alternative. This

alternative would therefore result in a greater magnitude of loss in terms of economic and fiscal activity in the hotel accommodations and tourism sectors.

In addition, under the Non-Recovery Alternative, existing and proposed hotel developments in the active DOB pipeline or seeking actions from DCP and BSA, would potentially be affected. This could result in hotels, such as those that are temporarily closed due to the COVID-19 Pandemic, to be displaced. It could also result in hotel projects in the DOB pipeline or that are seeking actions, to not be completed. Therefore, unlike the Proposed Action, the Non-Recovery Alternative has the potential to result in direct business displacement.

Neighborhood Character

Under the Non-Recovery Alternative, fewer hotels would be developed throughout the City's commercial districts in the future. While there would be a greater magnitude of loss in terms of economic and fiscal activity in the Non-Recovery Alternative than under the Proposed Action, it is not expected that this loss of activity would adversely affect neighborhood character. Commercial districts citywide would continue to experience economic activity that would benefit residents and businesses.

The hotels that would be developed and seek the proposed ~~special permit~~ Special Permit would undergo environmental review and be assessed for their site-specific impacts to neighborhood character. Therefore, like with the Proposed Action, with the Non-Recovery Alternative, future hotel development would be more consistent with neighborhood character, and there could be a beneficial effect on the neighborhood character in certain places by limiting land use conflicts.