

TABLE OF CONTENTS

Chapter 5: Socioeconomic Conditions.....	5-1
A. INTRODUCTION.....	5-1
1. BACKGROUND/ISSUES	5-1
2. PRINCIPAL CONCLUSIONS.....	5-2
a) Residential Displacement	5-2
b) Business and Institutional Displacement	5-3
c) Potential Effects on Specific Industries	5-4
d) Economic Benefits.....	5-5
e) Corona Yard	5-8
B. METHODOLOGY	5-8
1. CEQR OVERVIEW.....	5-8
2. ANALYSIS FORMAT AND DATA SOURCES	5-10
a) Residential Displacement	5-10
b) Business and Institutional Displacement	5-10
c) Potential Adverse Effects on Specific Industries.....	5-12
3. PRELIMINARY ASSESSMENT	5-12
a) Residential Displacement	5-12
b) Business and Institutional Displacement	5-15
c) Potential Effects on Specific Industries	5-18
C. RESIDENTIAL DISPLACEMENT.....	5-18
1. EXISTING CONDITIONS	5-18
a) Population and Housing Profiles of Study Areas	5-19
b) Population and Housing Profiles of Directly Displaced Population	5-22
2. 2010 FUTURE WITHOUT THE PROPOSED ACTION.....	5-26
3. 2010 FUTURE WITH THE PROPOSED ACTION	5-28
a) Assessment of Direct Displacement	5-29
b) Assessment of Indirect Displacement.....	5-29
4. 2025 FUTURE WITHOUT THE PROPOSED ACTION.....	5-31
5. 2025 FUTURE WITH THE PROPOSED ACTION	5-32
a) Projected Development Sites.....	5-32
b) Potential Development Sites.....	5-33
c) Assessment of Direct Displacement	5-33
d) Assessment of Indirect Displacement.....	5-34
D. BUSINESS AND INSTITUTIONAL DISPLACEMENT.....	5-35
1. EXISTING CONDITIONS	5-35
a) Employment and Business Profiles of Study Areas	5-35
b) Profiles of Directly Displaced Businesses and Institutions	5-42
c) Real Estate Market Trends.....	5-56
2. 2010 FUTURE WITHOUT THE PROPOSED ACTION.....	5-62
a) Primary Study Area (Project Area).....	5-62
b) Secondary Study Area	5-64
3. 2010 FUTURE WITH THE PROPOSED ACTION	5-65
a) Primary Study Area (Project Area).....	5-65
b) Secondary Study Area	5-69
4. 2025 FUTURE WITHOUT THE PROPOSED ACTION.....	5-70
a) Primary Study Area (Project Area).....	5-70
b) Secondary Study Area	5-71
5. 2025 FUTURE WITH THE PROPOSED ACTION	5-71
a) Primary Study Area (Project Area).....	5-71
E. POTENTIAL EFFECTS ON SPECIFIC INDUSTRIES	5-76

1.	INTRODUCTION.....	5-76
2.	THE APPAREL INDUSTRY	5-76
a)	Introduction	5-76
b)	Existing Conditions	5-77
c)	2010 Future Without the Proposed Action	5-82
d)	2010 Future With the Proposed Action	5-83
e)	2025 Future Without the Proposed Action	5-86
f)	2025 Future With the Proposed Action	5-86
3.	THEATER INDUSTRY.....	5-89
a)	Introduction	5-89
b)	Existing Conditions	5-89
c)	2010 Future Without the Proposed Action	5-91
d)	2010 Future With the Proposed Action	5-92
e)	2025 Future Without the Proposed Action	5-94
f)	2025 Future With the Proposed Action	5-94
F.	PROJECTED SOCIOECONOMIC BENEFITS OF THE PROPOSED ACTION	5-96
1.	INTRODUCTION.....	5-96
2.	CONSTRUCTION PERIOD BENEFITS	5-97
a)	Methodology.....	5-97
b)	Value of Construction.....	5-97
c)	Economic and Fiscal Analysis.....	5-99
3.	OPERATIONAL BENEFITS.....	5-104
a)	Overview	5-104
b)	Projected Real Estate Development.....	5-105
c)	Convention Center Expansion	5-107
d)	Multi-Use Facility.....	5-109
G.	CORONA YARD	5-111
1.	EXISTING CONDITIONS.....	5-111
2.	2010 FUTURE WITHOUT THE PROPOSED ACTION	5-111
3.	2010 FUTURE WITH THE PROPOSED ACTION	5-111
4.	2025 FUTURE WITHOUT THE PROPOSED ACTION	5-112
5.	2025 FUTURE WITH THE PROPOSED ACTION	5-112
H.	MITIGATION	5-112

LIST OF TABLES

TABLE 5-1 POPULATION TRENDS5-19

TABLE 5-2 HOUSEHOLD AND HOUSEHOLD AND POPULATION INCOME CHARACTERISTICS5-20

TABLE 5-3 HOUSING CHARACTERISTICS5-20

TABLE 5-4 HOUSING CHARACTERISTICS: UNIT SIZES AND RENTS.....5-21

TABLE 5-5 RESIDENTIAL DEVELOPMENTS COMPLETED IN THE PRIMARY STUDY AREA AFTER 20005-22

TABLE 5-6 DIRECT RESIDENTIAL DISPLACEMENT FROM MIDBLOCK PARK AND BOULEVARD (2010)5-23

TABLE 5-7 DIRECT RESIDENTIAL DISPLACEMENT FROM MIDBLOCK PARK AND BOULEVARD (2025)5-23

TABLE 5-8 DIRECT RESIDENTIAL DISPLACEMENT UNDER THE PROJECTED DEVELOPMENT SITES (2025)5-24

TABLE 5-9 DIRECT RESIDENTIAL DISPLACEMENT UNDER THE POTENTIAL DEVELOPMENT SITES (2025).....5-25

TABLE 5-10 MEDIAN HOUSEHOLD INCOME FOR HOUSING UNITS BY SIZE OF BUILDING, MANHATTAN
COMMUNITY DISTRICTS 4 AND 55-26

TABLE 5-11 PRIMARY STUDY AREA: RESIDENTIAL DEVELOPMENT TO BE COMPLETED BY 2010¹5-27

TABLE 5-12 SECONDARY STUDY AREA: RESIDENTIAL DEVELOPMENT TO BE COMPLETED BY 20105-27

TABLE 5-13 PRIMARY STUDY AREA: RESIDENTIAL DEVELOPMENT TO BE COMPLETED BY 2025¹5-31

TABLE 5-14 PROJECTED POPULATION AND HOUSING IN THE PRIMARY STUDY AREA UNDER THE POTENTIAL
DEVELOPMENT SITES (2025)5-33

TABLE 5-15 DISPLACED HOUSING AS A PERCENTAGE OF EXISTING HOUSING STOCK5-34

TABLE 5-16 1991 AND 2000 PRIVATE SECTOR EMPLOYMENT5-36

TABLE 5-17 PRIVATE SECTOR EMPLOYMENT IN THE PRIMARY STUDY AREA5-37

TABLE 5-18 SUMMARY OF PRIVATE SECTOR EMPLOYMENT IN THE SECONDARY STUDY AREA5-40

TABLE 5-19 PRIVATE SECTOR EMPLOYMENT IN THE SECONDARY STUDY AREA, BY NEIGHBORHOOD5-41

TABLE 5-20 DIRECT EMPLOYMENT DISPLACEMENT (2010)5-43

TABLE 5-21 DIRECT DISPLACEMENT FROM THE MIDBLOCK PARK AND BOULEVARD SYSTEM AND RELOCATION
OF NYPD TOW POUND AND DSNY FACILITIES (2010)5-44

TABLE 5-22 DIRECT DISPLACEMENT FROM THE NO. 7 SUBWAY EXTENSION (2010)5-45

TABLE 5-23 DIRECT DISPLACEMENT FROM THE CONVENTION CENTER EXPANSION (2010).....5-46

TABLE 5-24 DIRECT DISPLACEMENT FROM PROJECTED DEVELOPMENT SITES (2010)5-47

TABLE 5-25 DIRECT EMPLOYMENT DISPLACEMENT (2025)5-48

TABLE 5-26 DIRECT DISPLACEMENT FROM THE MIDBLOCK AND PARK BOULEVARD SYSTEM (2025)5-49

TABLE 5-27 DIRECT EMPLOYMENT DISPLACEMENT FROM PROJECTED DEVELOPMENT SITES (2025)5-50

TABLE 5-28 DIRECT EMPLOYMENT DISPLACEMENT FROM POTENTIAL DEVELOPMENT SITES (2025)5-52

TABLE 5-29 PRIVATE SECTOR EMPLOYMENT WITHIN BLOCKS TO BE REZONED FROM MANUFACTURING TO
COMMERCIAL (2002)5-55

TABLE 5-30 BUILDING PERMITS ISSUED IN THE PRIMARY STUDY AREA5-57

TABLE 5-31 TOTAL ASSESSED VALUE OF PROPERTY (LAND AND IMPROVEMENTS) FY 2002-20035-58

TABLE 5-32 PRIMARY STUDY AREA: SUMMARY OF DEVELOPMENT TO BE COMPLETED BY 20105-63

TABLE 5-33 SECONDARY STUDY AREA: COMMERCIAL DEVELOPMENT TO BE COMPLETED BY 20105-64

TABLE 5-34 PROPOSED ACTION: ESTIMATED EMPLOYMENT IN THE PRIMARY STUDY AREA (2010).....5-66

TABLE 5-35 PRIMARY STUDY AREA: COMMERCIAL DEVELOPMENT TO BE COMPLETED BY 20255-70

TABLE 5-36 PROJECTED EMPLOYMENT IN THE PRIMARY STUDY AREA AT THE PROJECTED DEVELOPMENT SITES
(2025).....5-72

TABLE 5-37 PROJECTED EMPLOYMENT IN THE PRIMARY STUDY AREA AT THE POTENTIAL DEVELOPMENT SITES
(2025).....5-73

TABLE 5-38 OVERVIEW OF THE APPAREL INDUSTRY IN MANHATTAN (2002)5-77

TABLE 5-39 CHANGES IN MANHATTAN’S APPAREL EMPLOYMENT, 1960 TO 20025-78

TABLE 5-40 EMPLOYMENT CHARACTERISTICS FOR GARMENT CENTER BLOCKS WITHIN
PROPOSED PROJECT AREA.....5-81

TABLE 5-41 APPAREL JOBS DISTRIBUTED BY BUILDING SIZE FOR SPECIAL GARMENT CENTER DISTRICT BLOCKS
WITHIN PROPOSED PROJECT AREA.....5-81

TABLE 5-42 BROADWAY’S ECONOMIC IMPACT, 20015-89

TABLE 5-43 THEATER-RELATED INDUSTRIES IN WEST MIDTOWN5-90

No. 7 Subway Extension—Hudson Yards Rezoning and Development Program FGEIS

TABLE 5-44	SUMMARY OF ESTIMATED PUBLIC AND PRIVATE CONSTRUCTION COSTS.....	5-99
TABLE 5-45	EMPLOYMENT AND ECONOMIC BENEFITS FROM CONSTRUCTION OF THE PROJECTED 2010 DEVELOPMENT	5-100
TABLE 5-46	EMPLOYMENT AND ECONOMIC BENEFITS FROM CONSTRUCTION OF THE PROJECTED DEVELOPMENT BETWEEN 2010 AND 2025.....	5-101
TABLE 5-47	SUMMARY OF THE EMPLOYMENT AND ECONOMIC BENEFITS FROM CONSTRUCTION OF THE FULL BUILD-OUT OF THE PROJECTED DEVELOPMENT	5-102
TABLE 5-48	SUMMARY OF THE EMPLOYMENT AND FISCAL BENEFITS FROM THE PROJECTED REAL ESTATE DEVELOPMENT (2010).....	5-106
TABLE 5-49	SUMMARY OF THE EMPLOYMENT AND FISCAL BENEFITS FROM THE PROJECTED REAL ESTATE DEVELOPMENT AT FULL BUILD-OUT.....	5-106
TABLE 5-50	SUMMARY OF THE INCREMENTAL EMPLOYMENT AND FISCAL BENEFITS FROM THE ANNUAL OPERATION OF THE EXPANDED CONVENTION CENTER.....	5-108
TABLE 5-51	OPERATING CHARACTERISTICS OF MULTI-USE FACILITY EVENTS	5-109
TABLE 5-52	SUMMARY OF THE EMPLOYMENT AND FISCAL BENEFITS FROM THE ANNUAL OPERATION OF THE MULTI-USE ATHLETIC AND EXHIBITION FACILITY	5-110

LIST OF FIGURES

FIGURE 5-1	STUDY AREA FOR RESIDENTIAL DISPLACEMENT ANALYSIS
FIGURE 5-2	2025: DIRECT RESIDENTIAL DISPLACEMENT FROM OPEN SPACE BOULEVARD
FIGURE 5-3	PROPERTIES TO BE ACQUIRED FOR THE OPEN SPACE BOULEVARD
FIGURE 5-4	2025: DIRECT RESIDENTIAL DISPLACEMENT, PROJECTED DEVELOPMENT SITES
FIGURE 5-5	EXISTING BUILDINGS WITH RESIDENTIAL USES ON 2025 PROJECTED DEVELOPMENT SITES
FIGURE 5-6	2025: DIRECT RESIDENTIAL DISPLACEMENT UNDER THE POTENTIAL DEVELOPMENT SCENARIO
FIGURE 5-7	EXISTING RESIDENTIAL BUILDINGS WITH RESIDENTIAL USES ON 2025 POTENTIAL DEVELOPMENT SITES
FIGURE 5-8	EXISTING RESIDENTIAL BUILDINGS WITH RESIDENTIAL USES ON 2025 POTENTIAL DEVELOPMENT SITES (CONT'D)
FIGURE 5-9	2010 PROJECTED DEVELOPMENT SITES
FIGURE 5-10	RENT-REGULATED AND NON-REGULATED HOUSING
FIGURE 5-11	2025 PROJECTED DEVELOPMENT SITES WITH RELOCATION OF MADISON SQUARE GARDEN
FIGURE 5-12	2025 PROJECTED DEVELOPMENT SITES WITHOUT RELOCATION OF MADISON SQUARE GARDEN
FIGURE 5-13	2025 POTENTIAL DEVELOPMENT SITES
FIGURE 5-14	STUDY AREA FOR BUSINESS AND INSTITUTIONAL DISPLACEMENT ANALYSIS
FIGURE 5-15	PRIVATE-SECTOR JOBS PER BLOCK IN THE PRIMARY STUDY AREA (YEAR 2002)
FIGURE 5-16	AUTO-RELATED BUSINESSES IN THE PRIMARY STUDY AREA
FIGURE 5-17	2010 FUTURE WITH THE PROPOSED ACTION: DIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT
FIGURE 5-18	2025 FUTURE WITH THE PROPOSED ACTION: DIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT
FIGURE 5-19	BLOCKS TO BE REZONED FROM MANUFACTURING TO COMMERCIAL
FIGURE 5-20	STUDY AREAS FOR OFFICE MARKET ANALYSIS
FIGURE 5-21	PROJECT AREA AND THE GARMENT CENTER
FIGURE 5-22	DENSITY OF APPAREL JOBS IN SPECIAL GARMENT DISTRICT
FIGURE 5-23	COMPARISON OF APPAREL JOB DENSITY WITH 2025 PROJECTED SITES
FIGURE 5-24	COMPARISON OF APPAREL JOB DENSITY WITH 2025 POTENTIAL SITES

Chapter 5: Socioeconomic Conditions

A. INTRODUCTION

1. Background/Issues

The Proposed Action includes the extension of the No. 7 Subway, a Rezoning and Development Program for Hudson Yards to enable medium- to high-density development, expansion of the Convention Center, and the development of a new, multi-use sports, exhibition, and entertainment facility south of the Convention Center over the western portion of Caemmerer Yard. In addition to the Multi-Use Facility and Convention Center Expansion, new development would occur primarily as a result of the rezoning action and is expected to transform the Project Area from a primarily low-scale, low-density manufacturing area with transportation and vehicular storage uses into a mixed-use neighborhood with new residential and commercial, convention, and entertainment development with a considerable amount of open space. As discussed in Chapter 1, “Project Purpose and Need,” the Proposed Action is intended to accommodate economic growth and sustain New York City’s role as the leading center of commerce. In summary, the purpose of the Proposed Action is to:

- Facilitate the redevelopment and revitalization of the Project Area, a currently underutilized area, by providing greatly improved transit to the area, encouraging medium- and high-density commercial and residential development, and allowing for a broader range of land uses than permitted under current zoning;
- Accommodate economic growth over the long term;
- Greatly expand the limited amount of public open space in the Project Area; and
- Serve both the Project Area and the City as a whole through the construction and operation of new public facilities, including an expanded Convention Center and the Multi-Use Facility, intended to contribute to the economic, cultural, and recreational life of the City and to sustain its role as the world’s leading financial, commercial, and entertainment center.

Based on this intended purpose, the Proposed Action could alter socioeconomic conditions in the Project Area by promoting a wider range of land uses with higher densities. For this FGEIS, the main issue concerning socioeconomic conditions is the involuntary displacement of residents, businesses, or institutions (and the corresponding employment). Several components of the Proposed Action could lead to direct displacement, including the extension of the No. 7 Subway, establishment of open space, expansion of the Convention Center, and rezoning. The Multi-Use Facility would be constructed on a platform over the western portion of the Caemmerer Yard and would not displace any resident, business, or institution. Since the Proposed Action would result in substantial new development markedly different from existing development patterns, secondary or indirect displacement could also occur. These potential adverse effects are the necessary steps to sustain the greater level of economic activity that would be generated by the Proposed Action.

In accordance with City Environmental Quality Review (CEQR) procedures, this chapter assesses the potential for the Proposed Action to displace residents, businesses, or institutions—either directly or indirectly—and examines how specific industries could be affected. The economic benefits of the new development are also summarized in this chapter.

This chapter is organized to present an introduction and summary of principal conclusions (Section A), followed by Section B which provides an overview of the methodology utilized in assessing potential socioeconomic impacts (including the preliminary assessment guidelines established under CEQR). Section C presents the assessment of potential residential displacement (both direct and

indirect) providing an existing conditions demographic profile of the study area and of the potentially displaced residents, and examines likely changes in the future with and without the Proposed Action. Section D is the assessment of potential business and institutional displacement using the same format. Section E looks more specifically at the apparel and theater industries, two important New York City economic sectors based in and around the Project Area. Section F summarizes the economic benefits associated with the Proposed Action, and Section G looks at the potential socioeconomic effects of the Proposed Action specific to the Corona Yards site.

2. Principal Conclusions

A substantial amount of new development would be constructed in the Project Area as a result of the Proposed Action through the 2025 analysis year, including new public facilities (an extensive network of open space, the Convention Center Expansion, Multi-Use Facility, and No. 7 Subway Extension) and numerous private developments. As described in Chapter 2, “Description of the Proposed Action,” the Reasonable Worst-Case Development Scenario (RWCDS) was used to estimate how the private market would respond to the Proposed Action, but the ultimate timing, location, type, and density of development could differ. It is likely that some combination of Projected and Potential Development Sites would be developed by 2025, but the total amount of new development from the Proposed Action would not exceed that which is estimated for the Projected Development Sites as identified in the RWCDS.

By 2025, the Proposed Action would completely transform the Hudson Yards neighborhood by creating approximately 12,887 housing units (expanding the population base by approximately 22,200 residents) and generating up to 127,100 new jobs. While it is the intent of the Proposed Action to create new housing and employment opportunities, some displacement would need to occur.

a) Residential Displacement

Direct Residential Displacement

The Proposed Action would directly displace 34 housing units by 2010 and a total of 85 housing units in ten residential buildings by 2025. Eight of the ten buildings are located west of Tenth Avenue and seven of these are located between Tenth and Eleventh Avenues between West 34th Street and West 36th Street. These buildings have an estimated population of 139 permanent residents, a very small portion of the current and future population of the Project Area. In summary, the assessment finds that:

- The socioeconomic profile of the permanently displaced residents would be similar to that of the overall area;
- The displaced residents would represent a small percentage of the overall population; and
- The displacement would not result in the substantial loss of a specific component of the population that characterizes the neighborhood.

The Proposed Action could also result in the redevelopment of an institutional building (the Icahn House Tier II Shelter) which provides temporary shelter for an estimated 290 residents. However, it is uncertain that this shelter would still be located at this facility over the next 20 years leading to 2025, given current lease terms. It is assumed that temporary residents, if displaced as a result of the Proposed Action, would be housed in other Tier II facilities.

Based on these findings, the Proposed Action is not likely to result in significant adverse impacts related to direct residential displacement.

Indirect Residential Displacement

A substantial amount of new residential and non-residential development would be added to the Hudson Yards community, a community already in transition with higher income residents moving into the area. Based on an analysis of ongoing existing and projected income and population trends, the new population introduced by the Proposed Action, and the housing stock still remaining after the Proposed Action, the assessment finds that the Proposed Action would:

- Add a substantial new population, but its socioeconomic character would not differ from that of the current and projected population;
- Enable the redevelopment of parcels that could otherwise be considered a “blighting” influence, and the resulting high value development sites would accommodate substantial increases in new residential and commercial uses, meeting new demand and generating increases in property values specifically on these sites rather than all parcels equally;
- Not displace substantial elements of one or more components of the population so as to alter the socioeconomic composition of the area;
- Introduce substantially more housing into the area, but this housing would not be more costly compared to existing housing and the housing forecast in the Future Without the Proposed Action;
- Generate a critical mass of non-residential uses (e.g., new commercial development, Multi-Use Facility, and Convention Center Expansion), thereby creating new residential demand, but such new uses would be accompanied by the proposed rezoning, which would allow more housing to be built in areas that currently prohibit new housing construction; and,
- Not result in new land uses that would offset positive trends in the area or lead to disinvestment.

Based on these findings, the Proposed Action is not likely to result in significant adverse impacts on indirect residential displacement.

b) Business and Institutional Displacement

Direct Business and Institutional Displacement

The Proposed Action’s cumulative displacement effects on businesses and institutions (i.e., hospitals, charities, and other non-profit organizations) and their employment could include the displacement of up to 225 private businesses and up to an estimated 4,269 private employees.

By 2010, this could include about 1,500 employees and between 87 and 97 businesses located throughout the Project Area but somewhat clustered around key public improvements and the initial private development of projected development sites, including: from West 39th to West 42nd Streets between Eleventh and Twelfth Avenues (Convention Center Expansion); from West 29th to West 30th Streets between Eleventh and Twelfth Avenues (relocation of the Department of Sanitation facility and NYPD Tow Pound); from West 33rd to West 36th Streets between Tenth and Eleventh Avenues and West 41st to West 42nd Streets between Ninth and Tenth Avenues (the No. 7 Subway Extension station areas and the Midblock Park and Boulevard); and along Ninth Avenue between West 38th and 39th Streets (Projected Development Site 22).

Between 2010 and 2025, the Proposed Action would be expected to displace directly, in addition to the firms and employees discussed in the previous paragraph, up to approximately 2,700 workers and 125 businesses (assuming that these business and current employment levels would remain in place through 2025). This would primarily be based on the build-out of the projected development sites and completion of the Midblock Park and Boulevard System. Most of the displacement would occur between Tenth and Eleventh Avenues between West 36th and West 42nd Streets. There would be

less displacement between Ninth and Tenth Avenues and far fewer displaced businesses to the east of Ninth Avenue.

The analyses presented in the chapters indicate that the total of employment displaced would be far lower than the total of new employment generated, and would be a relatively small proportion of the existing and future employment base. The range of job types of the displaced employment would be similar to the characteristics of the overall existing employment base, indicating that the Proposed Action would not specifically affect any one type or category of employment. In summary, the assessment of this potential displacement finds that:

- The displaced businesses do not collectively represent substantial economic value to the City and could reasonably be relocated within New York City;
- The majority of displaced businesses would not be those subject to specific public policy to preserve and protect such employment; and
- The displaced businesses do not serve to define neighborhood character.

Based on these findings, the Proposed Action is not likely to result in significant adverse impacts on direct business and institutional displacement.

Indirect Business and Institutional Displacement

A substantial amount of new residential and non-residential development would be added to the Hudson Yards area. The direct business and institutional displacement is only a limited proportion (under 10 percent) of the overall current employment base and a far smaller proportion (less than 3 percent) of the future employment base in the Future With the Proposed Action. The detailed assessment of existing and future employment and market trends finds that the Proposed Action is likely to:

- Introduce a substantial amount of new economic activity in the Project Area, but would not eliminate much of the existing employment base and ongoing economic activity;
- Not add to the concentration of any particular sector of the local economy;
- Enable the redevelopment of parcels that could be considered a “blighting” influence, but the resulting high value development sites would accommodate substantial increases in new residential and commercial uses, meeting new demand and generating increases in property values specifically on these sites, rather than on surrounding properties not to be redeveloped;
- Not displace enough existing uses to remove support for businesses in the area or eliminate a customer base for existing and future local businesses;
- Not displace enough existing businesses or residents to eliminate a customer base for existing and future businesses; and
- Not result in new land uses that would offset positive trends in the area or lead to disinvestment.

Based on these findings, the Proposed Action is not likely to result in significant adverse impacts on indirect business and institutional displacement.

c) Potential Effects on Specific Industries

Apparel Industry

The Proposed Action is adjacent to and overlaps with the western portions of the Special Garment Center District, the focal point for the economically important apparel industry. The Rezoning Area would alter the context of this overlap area by introducing new commercial and residential uses

adjacent to this portion of the Special Garment Center District. To date, the zoning mapped over the Special Garment Center District has precluded such as-of-right development.

Based on the analysis of both Projected Development Sites (with only modest levels of direct displacement of less than 50 apparel jobs) and Potential Development Sites (with more potential displacement based on individual site locations, but likely offset by Preservation Area requirements), the potential apparel job displacement from the Proposed Action is far less than one percent of the overall apparel jobs in the industry (estimated at over 61,000). Other project elements, including the new Multi-Use Facility and the expansion and modernization of the Convention Center, are expected to have no adverse effect.

As a result, the Proposed Action is not expected to:

- Have a significant direct effect on apparel industry business conditions either in or outside of the Project Area, or
- Indirectly substantially reduce employment in the apparel industry.

Theater Industry

As analyzed by The League of American Theatres and Producers, the industry generates some \$4.4 billion dollars in annual economic activity in the City.¹ This economic activity supports about 40,000 jobs and generates about \$139 million in local tax revenues. The Proposed Action is unlikely to adversely affect the adjacent Theater District, in that there would be little direct displacement of theater-related activities and only modest displacement of the businesses that support the industry. Theater support businesses are scattered throughout the neighborhoods surrounding the Theater District and most are located outside the Project Area. At the same time the new level of economic activity and the potential patrons drawn to or living in the new Hudson Yards community can be expected to have a positive influence in supporting the Theater District. The Proposed Action would result in additional traffic and parking demand in areas adjacent to the Theater District, but is expected to have no significant adverse effect and, potentially, have a beneficial effect on the theater industry (i.e., by generating new theater patrons).

As a result, the Proposed Action is not expected to:

- Have a significant direct effect on theater industry business conditions either in or outside of the Project Area, or
- Indirectly substantially reduce employment in the theater industry.

d) Economic Benefits

The Proposed Action is anticipated to generate tremendous economic benefits that would accrue to the New York City and New York State economies. This would result from the initial public and private investment in the construction of the Proposed Action, as well as from the future year operational characteristics of the Hudson Yards community. The economic benefits summarized below are specific to the Proposed Action. As set forth in Chapter 1, “Purpose and Need,” the Proposed Action is a comprehensive approach developed by DCP to accommodate and plan for the commercial and residential development necessary to sustain the City’s economy. The Proposed Action’s public investment in new infrastructure (No. 7 Subway Extension, the Convention Center expansion and modernization, and the Multi-Use Facility) is expected to leverage a far greater amount of private investment in the new real estate development opportunities created by the proposed rezoning.

¹ “Broadway’s Economic Contribution to New York City,” 2001

In the absence of the Proposed Action, it is likely that new development would occur elsewhere in Manhattan in order to meet future employment and residential demand. However, as noted in Chapter 1, there are few opportunities to create the development sites associated with this level of economic activity, and such incremental responses could be far costlier and limited, thereby potentially complicating the City's ability to realize or capture the economic growth expected over the next two decades.

Construction Period

The Proposed Action involves the capital expenditure, in 2003 dollars, of about \$6.9 billion by 2010 and another nearly \$16.6 billion in mostly private real estate development between 2010 and the completion of development (assumed to be the 2025 analysis year). In total, the Proposed Action involves capital expenditures of approximately \$23.5 billion through a combination of public and private investment. As noted above, in summarizing the basic economic benefits likely to accrue over a 20-year period, the most relevant basis is presenting the results in current 2003 dollars (when the analyses were principally conducted).

This substantial construction effort would have profound beneficial economic effects for the local and State economies in terms of employment demand, wages and salaries, and overall impact on the local economy. The associated fiscal effects from new tax revenues for New York City and New York State from the Proposed Action are estimated to generate approximately \$1.47 billion. Of these tax revenues, the largest portion would come from personal income taxes, and corporate, business, and related taxes on direct and induced economic activity. New York State would receive about \$927.6 million of the tax revenues generated by construction of the entire development program, and New York City would receive about \$546.9 million of these tax revenues.

Operational Period

Each development component of the Proposed Action is expected to result in significant economic activity on an annual basis. Each major component of the Proposed Action has an analysis of economic benefits based on independent studies provided by the EDC, the Convention Center Operating Corporation (CCOC), and the New York Jets. These are summarized below.

(a) Projected Private Sector Redevelopment

As estimated by the NYCEDC, the full buildout would generate an estimated 111,148 direct new jobs in Hudson Yards. Together with indirect or induced employment, the total project-generated employment in New York City is estimated at 10,163 jobs for the year 2010. Cumulatively, the projected development would result in 225,941 direct and indirect jobs in New York City. *Direct* employment represents those employed specifically at the new development resulting from the Proposed Action. *Indirect* employment represents those jobs created by the demand for goods and services by new direct employment and economic activity. For the analysis year 2010, the direct wages and salaries associated with the Proposed Action are estimated at \$348.1 million annually (in 2003 dollars); the total *direct* and *indirect* wages and salaries in New York City are estimated at \$538.8 million; and, in the broader New York State economy, total *direct* and *indirect* wages and salaries are estimated at \$610.4 million annually. For 2025, the direct wages and salaries associated with the Proposed Action are estimated at \$8.0 billion annually (in 2003 dollars); total *direct* and *indirect* wages and salaries in New York City are estimated at \$12.7 billion annually; and, in the broader New York State economy, total direct and generated wages and salaries are estimated at \$13.9 billion annually.

By 2010, the projected development would generate annual tax revenues of approximately \$39.3 million for New York City, and an additional \$50.8 million for New York State. At full buildout assumed in 2025, the projected development would generate annual tax revenues of approximately \$689.4 million for New York City, and an additional \$939.2 million for New York State. These

estimates include revenues from real property taxes, sales and use taxes, hotel occupancy taxes, personal income taxes, corporation and other business taxes, utility taxes, and commercial rent taxes.

(b) Convention Center Expansion

As established in studies undertaken independently by the CCOC, the expansion and modernization of the facility would create substantial economic and fiscal benefits for the City of New York by increasing visitor spending and jobs in Manhattan and indirectly throughout the City. The incremental total *direct* and *indirect* employment from the expansion of the Convention Center is projected to equal 7,400 jobs in New York City. In the broader New York State economy, due to greater *indirect* and generated employment, the total *direct* and *indirect* employment from the expansion of the Convention Center is projected to equal 9,000 jobs. The operation of the expanded Convention Center is projected to create incremental total *direct* and *indirect* income equal to approximately \$277.0 million annually in New York City and \$284.0 million annually in New York State (all in 2003 dollars).

The operation of the expanded Convention Center is projected to have a *direct* incremental effect on the local economy, measured as economic output or demand for local industries, equal to approximately \$390.7 million annually and *indirectly* generate another \$258.3 million in total economic activity, thereby resulting in a cumulative total *direct* and *indirect* incremental effect from the operation of the expanded Convention Center projected at \$649.0 million annually in New York City. In the broader New York State economy, the total *direct* and *indirect* incremental effect from the operation of the expanded Convention Center is projected at \$692.0 million annually. The operation of the expanded Convention Center is projected to create incremental tax revenues of approximately \$25.8 million annually for New York City.

These projected economic benefits to be realized by the Convention Center are independent of the remainder of the Proposed Action, and would be the same if the Convention Center were a free-standing economic development initiative.

(c) Multi-Use Facility

As established in studies undertaken independently by the New York Jets and the New York City Economic Development Corporation (EDC), the Multi-Use Facility would generate significant economic and fiscal benefits for the City of New York by increasing visitor spending and jobs in Manhattan and indirectly throughout the City. The combined operations of stadium, national events, and exhibitions would create a total of 6,710 jobs, including about 5,248 direct jobs and an additional 1,462 indirect jobs. Operation of the Multi-Use Facility would generate approximately \$348.5 million annually in wages and salaries in New York City, including about \$231.0 million paid to *directly* generated jobs, and an additional \$117.5 million going to *indirectly* generated employment from activities at the Multi-Use Facility.

The total demand for goods and services (total output) in New York City created by the operation of the Multi-Use Facility would equal about \$604.5 million annually, with about \$398.6 million in direct demand for goods and services and \$205.8 million in indirect demand.

The operation of the Multi-Use Facility would generate annual tax revenues of approximately \$25.6 million in New York City and \$28.5 million for New York State, for a total of approximately \$54.1 million.

These projected economic benefits to be realized by the Multi-Use Facility are independent of the remainder of the Proposed Action and would be the same if the Multi-Use Facility were a free-standing economic development initiative.

e) Corona Yard

There would be no significant socioeconomic impacts associated with the Proposed Action in terms of improvements at Corona Yard.

B. METHODOLOGY

1. CEQR Overview

Socioeconomic impacts can occur when an action directly or indirectly changes population, housing stock, or economic activities in an area. In some cases, these changes can be substantial, but not adverse. In other cases, these changes can be beneficial to some groups and adverse to others. The purpose of a socioeconomic assessment is to disclose changes that would be created by an action and identify whether they rise to the level of significance.

Under CEQR, the socioeconomic character of an area is defined in terms of its population and housing and its economic activities. The assessment of socioeconomic conditions usually distinguishes between the socioeconomic conditions of area residents and area businesses. However, actions affect either or both of these segments in the same ways: they may directly displace residents or businesses; or they may alter one or more of the underlying forces that shape socioeconomic conditions in an area and thus indirectly displace residents or businesses.

Although socioeconomic changes by themselves might not result in impacts under CEQR, they are disclosed if those changes would affect land use and population patterns or community character. Usually, economic changes alone need not be assessed; however, in some cases their inclusion in CEQR review may be appropriate, particularly if a major industry would be affected or if an objective of an action is to create economic change.

Population and housing assessments focus on the residents of an area and their housing conditions. Depending on the type of action and the area that could be affected, a profile of residential population typically includes some or all of the following characteristics: total numbers, sex, age, family status, household size, income, poverty status, education, occupation, car ownership, place of work, and mode of work-trip travel.

Housing profiles typically characterize the type and condition of the housing stock, units per structure, owner-occupied or rental, vacancy rates, and housing costs and values. Housing can also be characterized as associated with the income-level of its occupants (e.g., low-, moderate-, or high-income housing). As appropriate, Single Room Occupancy (SRO) units, group quarters, or shelters are also included. Regulations that protect tenants' continued occupancy and the availability of housing subsidies are identified and disclosed where residential displacement is a possibility.

Economic activities that characterize an area generally include the businesses and institutions operating there and the employment associated with these operations. Depending on the action in question, those people who are served by the businesses and institutions can also be considered in the assessment. Also, if there are groups of businesses that are dependent on the goods and services of businesses that are likely to be affected by the action, it may be appropriate to consider the effects to those businesses as well.

Businesses can be classified as commercial or industrial. Institutions are also included in socioeconomic analyses, because they often employ large numbers of workers, support directly a number of related businesses, and bring to an area large numbers of their "clienteles," who can form a customer base for local commercial businesses. Such institutions include schools, hospitals, community centers, government centers, and other like facilities with a charitable, governmental, public health, or educational purpose.

Specific industries or institutions within these broader groups can typify an area, such as the Special Garment Center District in Midtown Manhattan, the government and courts center in the Foley Square area of Lower Manhattan or Downtown Brooklyn, or the concentration of hospitals and health care facilities in the east 60s in Manhattan.

Under CEQR, direct displacement is defined as the involuntary displacement of residents, businesses, or institutions from the actual site of (or sites directly affected by) a proposed action. Examples include proposed redevelopment of a currently occupied site for new uses or structures; or a proposed easement or right-of-way that would take a portion of a parcel and thus render it unfit for its current use. Since the occupants of a particular site are usually known, the disclosure of direct displacement focuses on specific businesses and employment, and an identifiable number of residents and workers.

Indirect or secondary displacement is defined as the involuntary displacement of residents, businesses, or employees in an area adjacent or close to a project site that results from changes in socioeconomic conditions created by a proposed action. Examples include: rising rents in an area that result from a new concentration of higher-income housing introduced by a proposed action, which ultimately force out lower-income residents; a similar turnover of industrial to higher-rent commercial tenancies induced by the introduction of a successful office project in an area; or the flight from a neighborhood that can occur if a proposed action creates conditions that break down the community (such as a highway dividing the area, etc.).

Even where actions do not directly or indirectly displace businesses, they can affect the operation of a major industry or commercial operation in the City. In these cases, the CEQR review assesses the economic impacts of the action on the industry in question.

Under CEQR, socioeconomic assessments should be conducted if an action is reasonably expected to create substantial socioeconomic changes within the area affected by the action that would not be expected to occur absent the action. There are five circumstances that would typically require a socioeconomic assessment:

- The action would directly displace residential population so that the socioeconomic profile of the neighborhood would be substantially altered.
- The action would directly displace substantial numbers of businesses or employees or if it would directly displace a business or institution that is unusually important in one or more of the following ways: it has a critical social or economic role in the community and unusual difficulty in relocating successfully; it is of a type or in a location that makes it the subject of other regulations or publicly adopted plans aimed at its preservation; it serves a population uniquely dependent on its services in its present location; or it is particularly important to neighborhood character.
- The action would result in a substantial new development that is markedly different from existing uses, development, and activities within the neighborhood. Such an action could lead to indirect displacement. Typically, projects that are small to moderate in size would not have significant socioeconomic effects unless they are likely to generate socioeconomic conditions that are very different from existing conditions in the area. Residential development of 200 units or less or commercial development of 200,000 square feet or less would typically not result in significant socioeconomic impacts.
- Notwithstanding the above, the action could affect conditions in the real estate market not only on the site anticipated to be developed, but in a larger area. When this possibility cannot be ruled out, an assessment may need to be undertaken to address indirect displacement. These actions can include those that would raise or lower property values in the surrounding area.
- The action could adversely affect economic conditions in a specific industry.

If an action would exceed any of these initial thresholds, an assessment of socioeconomic conditions is generally appropriate. The geographic area and socioeconomic conditions to be assessed and the methods and level of detail by which they are studied depend on the nature of the proposed action. Considering the five circumstances listed above can help identify those issues of socioeconomic assessment that apply to a particular action.

In summary, CEQR assessments of socioeconomic conditions address the following areas of concern:

- Direct (or primary) residential displacement;
- Indirect (or secondary) residential displacement;
- Direct (or primary) business displacement;
- Indirect (or secondary) business displacement; and
- Effects on specific industries.

2. Analysis Format and Data Sources

This chapter is based on the preliminary and detailed assessment methodologies established in the *CEQR Technical Manual*. To most efficiently present information relating to residential and commercial characteristics and potential impacts, the analyses are presented in two main categories: Residential Displacement (both Direct and Indirect) and Business and Institutional Displacement (both Direct and Indirect). This is followed by an assessment of specific industries. The chapter concludes with a summary of the economic benefits generated by the Proposed Action and with an analysis of Corona Yard in Queens, where train storage would be increased.

a) Residential Displacement

The assessment compares and contrasts the profile of the displaced residents within the context of both the Project Area and a larger study area population; the latter includes adjoining neighborhoods (the secondary study area), Manhattan, and New York City as a whole. The secondary study area is primarily defined to further assess the potential impacts associated with indirect displacement, and includes the area extending south from the Project Area to West 14th, West 18th and West 22nd Streets, east to Seventh and Sixth Avenues, and north to West 42nd and West 50th Streets (Figure 5-1).

The residential displacement assessment begins with an analysis of existing demographic characteristics and trends, based on data from the 1990 and 2000 U.S. Census. A detailed population and income profile was developed for the Project Area and secondary study area as well as for the population that would be directly displaced, including, as appropriate, such parameters as the total number of residents, race and ethnicity, median age, percentage over 65 years of age, total households, average household size, median income, and poverty status. A housing profile was also developed for these areas and specific locations, including total housing units, occupancy, tenure, median number of rooms, and median contract rent using census information and real estate market data and socioeconomic characteristics of area renters as analyzed by DCP using 1990 and 2000 census data from Public Use Microdata Samples (PUMS).

The specific residential properties where direct displacement could occur were identified through published data and field visits, including: the New York City Department of Finance's *Real Property Assessment Database* (RPAD), LotInfo 2003; the Clinton Housing Development Company's *Hell's Kitchen Survey of Existing Tenements*, conducted in May 2003; and field visits conducted between March and November 2003.

b) Business and Institutional Displacement

As discussed in Chapter 1, "Project Purpose and Need," an intent of the Proposed Action is to create new commercial and mixed-use development opportunities in the Project Area in order to support and

accommodate the projected growth for the region. Construction of the new development, along with other elements of the Proposed Action (e.g., new office buildings, new housing, the No. 7 Subway Extension, Convention Center Expansion, and Multi-Use Facility), would require the direct displacement of businesses and institutions, thereby potentially altering neighborhood character. In addition, the Proposed Action could accelerate upward trends in rents, potentially leading to indirect displacement of other businesses in the Project Area and of those located just beyond the Project Area in neighboring manufacturing zones.

The business and institutional assessment focuses on potential impacts related to increases in property values and rents and does not examine the potential impacts related to competition among retail businesses. Although the *CEQR Technical Manual* provides guidance for such “competition” studies, the issue of retail competition and the potential effects on neighborhood character is not relevant to the Proposed Action. While new retail businesses would be attracted to the Project Area as a result of the Proposed Action, thereby increasing the overall supply of such businesses, the demand for retail goods and services would increase in the Project Area to a far greater degree through the development of new residential and office buildings. As discussed in Chapter 2, “Description of the Proposed Action,” up to 1.1 million square feet of new retail space is projected to be developed through 2025, whereas up to 29 million square feet of new commercial office space could be developed, along with approximately 12,900 housing units.

Similar to the analysis of residential displacement, it is anticipated that direct business and institutional displacement would be limited to the Project Area, but that the Proposed Action could have indirect or secondary displacement effects that extend beyond the Project Area into adjacent neighborhoods. Therefore, a secondary study area was also examined, including the adjoining neighborhoods where potential rent increases induced by the Proposed Action are more likely to cause businesses to relocate (Figure 5-14). The secondary study area for the analysis of indirect business and institutional displacement is smaller than the secondary study area for the indirect residential displacement analysis, because it focuses specifically on manufacturing zoning districts. These are the areas where non-residential rents are relatively low compared to neighborhoods with commercial zoning. Specifically, the secondary study area extends: (1) south from the Project Area or primary study area to include the westernmost part of Chelsea, including the area bounded by Tenth Avenue, West 14th Street, Route 9A, and West 29th and West 30th Streets; (2) west from the primary study area to include the businesses along the waterfront, from Harrison Street to West 59th Street; and (3) north from the primary study area to include the westernmost part of Clinton, including the area bounded by Eighth Avenue, West 46th and 50th Streets, and Route 9A. (These areas conform to census tract boundaries due to the format of available employment data.) Although there are additional manufacturing districts to the east of the primary study area in the Garment Center District, the businesses in these areas are examined separately in Section E, Potential Adverse Effects on Specific Industries.

The assessment of business and institutional displacement begins with an analysis of employment trends in the Project Area, secondary study area, and Manhattan. The analysis is based on private employment data for third quarter 1991 and 2002 (ES-202 data set), collected by the New York State Department of Labor (NYSDOL) and organized by the DCP. The employment data identify the major employers and industries that dominate or characterize the study areas. The analysis also identifies public sector employment, which is described in a more qualitative manner due to the limited availability of such information.

The 2002 private sector employment data were used to estimate the total number and types of jobs that would be directly displaced by the Proposed Action through direct acquisition and private redevelopment initiatives. The employment data were also supplemented by field investigations, conducted in March and July 2003, and data from the NYC Department of Finance’s *Real Property*

Assessment Database (RPAD), LotInfo 2003. However, it is important to note that the jobs identified today might not be located on the affected sites at the time the Proposed Action is under way.

Following the employment analysis is a discussion of real estate trends in the primary and secondary study areas. The study areas for the office market analysis are slightly larger than the employment study areas, due to the format of available data. A variety of data sources were consulted. Property values were examined based on data from the RPAD. In addition, interviews with real estate professionals were conducted. Furthermore, several planning studies and publications were consulted, including but not limited to: *Far West Midtown: A Framework for Development* prepared by DCP; *Marketbeat Series, Manhattan, NY, Year-End 2001*, prepared by Cushman & Wakefield; Second Quarter 2003 office market data from Cushman & Wakefield; *Fall 2002 Retail Report* prepared by the Real Estate Board of New York; and numerous articles from *Crain's New York Business* and other real estate and business publications. Last, the analysis utilized additional real estate information from the NYCEDC and DCP and the land use information developed in Chapter 4, "Land Use and Zoning."

c) Potential Adverse Effects on Specific Industries

Given the Proposed Action's intent to produce a fundamental transformation of the Project Area and its immediate proximity to the Special Garment Center District (the heart of the City's apparel industry) and to the Broadway Theater District (home of the City's theater industry), this DGEIS examines the potential for the Proposed Action to significantly affect business conditions in these important industries. To undertake the analysis, the apparel and theater industries are summarized in terms of their overall economic profiles and current employment and historic trends in the industry, followed by an assessment of how the Proposed Action could alter future conditions for these industries. The analysis utilizes information gathered as part of the socioeconomic data collection for this DGEIS and employment data as researched by the DCP, as well as recent studies completed specifically for the specific industries, primarily including the apparel industry's Fashion Center Business Improvement District (BID) and the League of American Theatres and Producers.

3. Preliminary Assessment

Under CEQR guidelines, the first step in the analysis of potential socioeconomic impacts is a preliminary assessment to determine the significance of socioeconomic change generated by a proposed action. Given the overall size of the Proposed Action (both in geographic area and the size and density of the projected development) and the socioeconomic change that is integral to the purpose and need for the Proposed Action (see Chapter 1, "Purpose and Need"), this chapter follows the guidance set forth in the *CEQR Technical Manual* for both the preliminary and detailed assessment. However, as discussed below, the evaluation of key thresholds established for the preliminary assessment indicate that the project is not likely to generate significant adverse impacts on residential or commercial displacement, or result in adverse effects on the apparel or theater industries.

a) Residential Displacement

Direct Displacement

As set forth in the *CEQR Technical Manual*, direct residential displacement is not in and of itself 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 is based on the potential of the Proposed Action to exceed three interrelated threshold indicators:

1. *The profile of the displaced residents is similar or markedly different from that of the overall study area.* The analysis of the 85 units likely to be directly displaced is presented below in Section C.1, and shows that the profile of the displaced population is generally consistent with the overall character of the Project Area; it includes a mix of high-end market rate units and a variety of smaller tenement buildings with a mixed number of units per building. This indicates that, based on housing characteristics and the demographic profile, the direct residential displacement resulting from the Proposed Action would not likely generate a significant adverse impact. However, because a number of the displaced residents reside in small tenement buildings, it is unclear whether the level of protection offered by rent regulations or rent structures in these small buildings would be significantly lower than the overall community average. As a result, the detailed assessment examines the specific housing and demographic profiles of these displaced residents to fully evaluate the potential for significant adverse impacts.
2. *The displaced population represents a substantial or significant portion of the population within the study area.* The Proposed Action does not result in a large number of residential displacements in relationship to the overall Project Area. The 85 households in 10 buildings, with an estimated 139 residents, projected to be directly displaced as a result of the Proposed Action represent 1.2 percent of the total population in the primary study area as of the 2000 Census (11,565 persons). Thus, the potential displacement does not reach the threshold of significant adverse impact.

The Proposed Action could also result in the redevelopment of one institutional building (the Icahn Center Tier II Shelter) which provides temporary shelter for 290 residents. However, it is uncertain that this shelter would still be located at this facility over the next 20 years leading to 2025, given current lease terms. It is assumed that temporary residents, if displaced as a result of the Proposed Action, would be housed in other Tier II facilities. Therefore, the potential displacement of the residents would not be considered a significant adverse impact.

3. *The action would result in a loss of this population group within the neighborhood.* About 25 units of the displaced housing units consist of luxury live/work units. The displacement of higher end market rate housing clearly would not result in a loss of such a population group in the neighborhood, as this group is increasingly prominent in the Project Area, and would be the primary target for new housing built as part of the Proposed Action. Further, those units that would be displaced (Infinity Court, a converted loft building) account for under one percent of the total non-tenement housing units in the primary study area. Of more concern are the residents to be displaced, living in smaller tenement buildings, who might not fit the profile of higher income residents seeking market rate housing. Among the 85 households or housing units that would be directly displaced, 60 are located in tenement buildings. The primary study area currently contains an estimated 1,931 housing units in 149 tenement buildings. Displacement of 60 tenement units—3 percent of the total units in tenement buildings—would not be expected to have a significant effect on the housing stock in the primary study area. Overall, the Proposed Action is not expected to reach the threshold of significant adverse impact of this potential assessment criterion.

Indirect Residential Displacement

The potential for indirect residential displacement is based on whether an action could result in rising property values, and thus rents, making it difficult for some existing residents to afford their homes. The preliminary and detailed assessment of indirect displacement is based on evaluating a variety of socioeconomic data related to the study area population and data on the housing market. As presented below in Section C.1, this information includes: summary population and housing unit

counts, socioeconomic indicators such as median household income and poverty status, housing value and median contract rents, vacancy rates, presence of unique population groups, presence of population groups particularly vulnerable to economic changes (e.g., low income residents or single-room occupancy residents), and overall development trends in the area.

In examining the direct effects of an action that may generate indirect changes, the preliminary assessment evaluates the potential for indirect impacts, including whether the action would:

- Add a substantial new population with different socioeconomic characteristics compared to the size and character of the existing population. The Proposed Action would add substantially more housing units and a large new population to the Project Area. Although the Proposed Action would substantially increase the size of the population in the primary study area, it would be consistent with the socioeconomic trends (population growth and increasing affluence) that have taken hold in the primary and secondary study areas. Between 1990 and 2003, the primary study area population grew by 60 percent, from approximately 9,500 to 15,150 residents. Between 2003 and 2010, the population is expected to expand by another 5,371 residents or 34.5 percent, in the absence of the Proposed Action. This growth is part of an ongoing trend of increasing affluence in the residential character of the Project Area. Based on these ongoing trends expected to continue with or without the Proposed Action, the change generated by the Proposed Action is not considered significant. By 2010, in comparison with the Future Without the Action, the Future With the Proposed Action could be expected to add another 720 to 844 housing units and a population increase of 1,283 to 1,543 new residents. Between 2010 and 2025, 9,010 to 9,179 new housing units and a population increase of between 15,950 and 16,210 residents will be generated by the Proposed Action, compared with the Future Without the Proposed Action (see Chapter 3: “Analytical Framework”). With or without the Proposed Action, housing prices and rents are expected to continue to rise in the Project Area and secondary study area.
- *Directly displace uses or properties that have had a “blighting” effect on property values in the area.* It is the intent and purpose of the Proposed Action to provide new infrastructure and zoning changes that would enable the Project Area to transform from a low-density and underutilized area to a high-density and mixed-use community. In particular, property values can be expected to dramatically increase at the specific locations where redevelopment is expected to occur. As set forth in Chapter 2, “Description of the Proposed Action,” and Chapter 4, “Land Use,” the Projected Development Sites of the RWCDs largely comprise underutilized properties that have historically added a “blighting” influence to the Project Area (by hindering redevelopment potential or otherwise suppressing property values in the area), including air rights of open rail yards and cuts, surface parking lots, very low-density commercial buildings, and parking garages. The transformation of these parcels from vacant and underutilized uses to new commercial, residential, and open space uses is the basis for anticipating such a large increase in property values in the Project Area. In contrast, many existing residential buildings and units would remain essentially in their current profile. For these residents, the Proposed Action would further solidify demographic changes already under way, but would not intensify indirect displacement that is already being experienced in a very tight housing market in an area of increasing demand.
- *Directly displace enough of one or more components of the population to alter the socioeconomic composition of the study area.* As noted above under direct displacement, the Proposed Action is not expected to substantially displace any single group or component of the local population such that the overall socioeconomic character of the area would be changed.
- 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. The Proposed Action is a manifestation of an on-going trend toward higher-end market rate housing in the Project Area, in the larger community comprising the secondary study area, and throughout

Manhattan. As presented in the detailed analysis, new projects anticipated in the Future Without the Proposed Action would continue to add new market-rate units in the area, and this trend is expected to continue with or without the Proposed Action.

- Introduce a “critical mass” of non-residential uses such that the surrounding area becomes more attractive as a residential neighborhood. The purpose and intent of the Proposed Action is to create a vibrant, mixed-use community with substantially more commercial development in the Large Scale Plan area and a mix of mid- to high-density residential uses in the surrounding area. This new template will overlay the existing patterns of low-density commercial and manufacturing buildings, along with the areas of existing residential populations. Other than the specific parcels to be acquired for infrastructure or redeveloped under the new zoning, the residential buildings that remain would be expected to generally continue with the current demographic profile of residents and the ongoing trends towards a more diverse and affluent population.
- Introduce a land use that could have a similar indirect effect 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. Given the overall purpose of the Proposed Action to create new development opportunities, the Proposed Action would not impose any type of change that would diminish investment in the Project Area.

b) Business and Institutional Displacement

Direct Business and Institutional Displacement

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. The Proposed Action’s cumulative displacement effects on businesses and institutions (i.e., hospitals, charities, and other non-profit organizations) and their employment could include the displacement of up to 225 private businesses and an estimated 4,269 private employees.

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, and it can only be relocated with great difficulty or not at all. 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) its potential effects, on business or consumers, of losing the displaced business as a product or service.

The direct property acquisition or redevelopment of RWCDs development sites can be expected to displace a variety of existing businesses throughout the Project Area in the Future With the Proposed Action fully developed. By 2010, this could include about 1,500 employees and between 87 and 97 businesses located throughout the Project Area, but somewhat clustered around key public improvements and the initial private development of Projected Development Sites, including: from West 39th to West 42nd Streets between Eleventh and Twelfth Avenues (Convention Center Expansion); from West 29th to West 30th Streets between Eleventh and Twelfth Avenues (relocation of the Department of Sanitation facility and Tow Pound); from West 33rd to West 36th Streets between Tenth and Eleventh Avenues and West 41st to West 42nd Streets between Ninth and Tenth Avenues (the No. 7 Subway Extension station areas and the Midblock Park and Boulevard System); and along Ninth Avenue between West 38th and West 39th Streets (Projected Development Site 22). Between 2010 and 2025, in addition to the

displacement discussed in the preceding sentence, new development in the Project Area would be expected to displace up to an approximately additional 2,700 workers and 125 businesses (assuming that these business and current employment levels would remain in place through 2025). This would primarily be based on the build-out of the Projected Development Sites and completion of the Midblock Park and Boulevard System. Most of the displacement would occur between Tenth and Eleventh Avenues between West 36th and West 42nd Streets. There would be less displacement between Ninth and Tenth Avenues and far fewer displaced businesses to the east of Ninth Avenue.

However, the displaced employment would be a small fraction of the existing and future employment in the Project Area (about 4.5 percent of existing employment and less than 2 percent of all existing and future employment estimates). Furthermore, the range of job types of the displaced employment would be similar to the characteristics of the overall existing employment base, indicating that direct displacement would not specifically affect any one type or category of employment. In summary, and as presented in the detailed analysis of the Proposed Action, this direct business displacement is not expected to result in significant adverse impacts, in that the displaced businesses do not meet the criteria identified. Based on the types and locations of the affected businesses, it is expected that most could or would relocate without undue difficulty elsewhere in New York City.

- If a category of businesses or institutions is the subject of other regulations or public adopted plans to preserve, enhance, or otherwise protect it. In general, the displaced businesses identified in the detailed analyses are not the subject of public policy seeking to preserve and protect the business category. The Project Area is adjacent to both the Special Garment Center District and the Theater District, both locations the center of their respective apparel and theater industries. While there are few actual direct displacements within these industries, the potential for adverse change, combined with the importance of these industries, is the basis for analyzing these two industries separately in Section E of this chapter.
- 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). To the extent that the low-density commercial and manufacturing buildings combined with open lots, rail yards, and parking garages typify neighborhood character in the Project Area, then the sites to be developed and the businesses to be displaced are characteristic of the larger neighborhood, if not their defining element. Since the intent and purpose of the Proposed Action is to transform the existing community, this beneficial change does not meet the criteria of significant adverse impact.

Indirect Business and Institutional 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. The preliminary assessment is based on a characterization of the study area in terms of: conditions and trends in employment; physical and economic conditions; existing conditions and trends in real estate values and rents; zoning and other regulatory controls; the presence of categories of vulnerable businesses/institutions or employment; land use and transportation services; and underlying trends in the City's economy. Using this information (found in the detailed assessment below), the assessment of potential indirect business and institutional impact is based on whether the action could:

- *Introduce enough of a new economic activity to alter existing economic patterns.* The Proposed Action would substantially increase the density and level of economic activity. This increase

would be new to the extent that there would be a mix of high-density commercial (namely, new office uses) and residential development in an area with a history of lower-density manufacturing and transportation uses and some pockets of residential uses with a mix of densities. From the intent of the Proposed Action, the economic patterns would be expected to change with the Proposed Action as the area is transformed by the new levels of activity and the new types of development envisioned by the proposed zoning changes. However, as set forth in the analysis of existing and future conditions, much of the current built patterns would remain and, other than the changes that would directly affect specific parcels, a substantial number of prior activities would continue. A number of existing uses and business are expected to remain, thereby maintaining economic diversity in the Hudson Yards community.

- Add to the concentration of a particular sector of the local economy enough to alter or accelerate an ongoing trend to alter existing patterns. As a mixed-use development plan with a wide range of allowable uses and densities, it is unlikely that the Proposed Action would generate a concentration of any one industry sector.
- Displace uses or properties that have had a “blighting” effect on commercial property values in the area, leading to rises in commercial rents. In general, the Project Area has languished based on restrictive zoning regulations that have limited the density and uses to industries that are no longer growing or seeking to be located in the Project Area. The new zoning would provide the density and use regulations that would provide the economic incentive to redevelop underutilized parcels as set forth in the RWCDS. There would be a significant increase in property values where new development is likely to occur based on the Proposed Action, and these new development projects would have values and rents that are not intended to meet the needs of existing businesses in the area. However, much of the existing built pattern would remain intact in the Future With the Proposed Action (particularly east of Tenth Avenue), and while overall property values are likely to rise (as they are doing presently), buildings would still remain to serve the categories of existing businesses that might seek to remain in the Project Area.
- Directly displace 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. Many of the directly displaced businesses could include parking facilities and auto-related uses that are serving the larger Midtown community (including the Theater District and the Garment Center). It is anticipated that new parking facilities resulting from development generated by the Proposed Action, and existing parking facilities that are not directly displaced by the Proposed Action, would be available to serve the parking demand in the area. Thus, although business location and ownership patterns could change, there is unlikely to be a significant adverse impact to the surrounding business community.
- Directly or indirectly replace residents, workers, or visitors who form the customer base of existing businesses in the Project Area. The direct displacement of workers and residents would affect a small proportion of the current study area population and overall workforce and there would be no anticipated adverse effects associated with the Proposed Action. Further, the Proposed Action would substantially increase the number of residents and daytime workers and visitors, thereby providing significant numbers of new customers for the existing and proposed retail uses that would be prominent along all street frontages with the Proposed Action.
- Introduce 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. Given the overall purpose of the Proposed Action to create new development opportunities, the Proposed Action would not impose any type of change that would diminish investment in the Project Area.

c) Potential Effects on Specific Industries

Through the DGEIS scoping process, two important City industries – the apparel and theater industries – were identified as potentially adversely affected by the redevelopment of Rezoning Area and the development of the proposed Multi-Use Facility and Convention Center. 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 Project 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? The theater industry is centered on Broadway and Times Square, just to the east and north of the Project Area. Some elements of the broader industry spill over into the Project Area, most notably the presence of small off-Broadway theaters, suppliers, and support businesses that could be affected by changes in Hudson Yards. Since industry customers use the transportation facilities of the surrounding area (e.g., parking or access to and from regional roadways such as Route 9A and the Lincoln Tunnel), changes to the Hudson Yards community could affect theater patrons and, therefore, the industry. The industry also relies on extensive support services and suppliers that could be affected by changes in the Project Area.

The apparel industry, with its long history in the Garment Center District, could also be directly affected by the Proposed Action, since a portion of the proposed Rezoning Area overlaps with the Special Garment Center District, a special zoning district intended to protect apparel manufacturing jobs in the City. Thus, there is a direct potential for adverse effects on the industry. As with the theater industry, there is also the potential that redevelopment of the Project Area could indirectly affect the larger industry by changing the relationship of how the area provides opportunities for related or support industries or the use of the transportation infrastructure by the apparel industry.

As a result, it is evident that there is no clear “no” relating to potential impacts on these specific industries. A more complete assessment of these industries is presented below in Section E.

- Would the action indirectly substantially reduce employment or impact the economic viability in the industry or category of businesses? As noted above, the Proposed Action could have some direct impact on the apparel and theater industries that could reduce employment within the industry; this is further examined in the full analysis. However, it is unlikely that the Proposed Action would directly or indirectly affect a substantial proportion of either industry, since the areas potentially most affected by the Proposed Action would be at the edges of employment concentrations for the specific industries.

As a result, it is evident that there is no clear “no” relating to potential impacts on these specific industries; a more complete assessment of these industries is presented in Section E.

C. RESIDENTIAL DISPLACEMENT

1. Existing Conditions

This section of the analysis first describes the existing population and housing characteristics of the two study areas, including the primary study area or Project Area and the secondary study area. This is followed by a description of the existing population and housing characteristics of the Project Area residents who could be directly displaced from specific sites by the Proposed Action.

a) Population and Housing Profiles of Study Areas

The primary study area or Project Area is located on the Far West Side of Midtown Manhattan and is bounded roughly by West 43rd Street on the north, Seventh and Eighth Avenues on the east, West 26th Street on the south, and Hudson River Park on the west. The primary study area encompasses parts of several neighborhoods, including the southern edge of Clinton, the western edge of the Special Garment Center District, and the northern edge of Chelsea (see Figure 5-1).

The primary study area has a population base of approximately 11,565 residents. However, the population, on a percentage basis, has grown significantly in recent years. As shown in Table 5-1, between 1990 and 2000, the primary study area population expanded by 22.4 percent, faster than New York City as a whole (9.4 percent) and Manhattan (3.3 percent). Population in the secondary study area actually decreased slightly between 1990 and 2000.

**TABLE 5-1
POPULATION TRENDS**

Area	Total Population		Percentage Change 1990 to 2000
	1990	2000	
Primary Study Area	9,448	11,565	22.4%
Secondary Study Area	50,392	48,921	-2.9%
Manhattan	1,487,536	1,537,195	3.3%
New York City	7,322,564	8,008,278	9.4%

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

(a) Population

The population in the primary study area is generally concentrated in the West 34th and West 42nd Street Corridors, and between Ninth and Tenth Avenues. Few residents live west of Tenth Avenue south of West 42nd Street, where there is very little housing other than a few exceptions, such as a converted loft building (Infinity Court) on the north side of West 34th Street between Tenth and Eleventh Avenues. This building contains 25 luxury live/work units. There is no population or housing in the Convention Center Corridor between Eleventh and Twelfth Avenues.

(b) Households and Income

In 2000, the primary study area contained approximately 6,400 total households with an average household size of 1.63 residents per household (Table 5-2). Between 1990 and 2000, the total number of households substantially increased by 33 percent, reflecting an increase in residential construction activity in the latter part of the decade (see “Housing,” below, for more details). The average household size dropped from 1.68 in 1990 to 1.63 in 2000. In general, households in the primary study area are the same size as those in the secondary study area, but smaller than those in Manhattan and the City as a whole.

Approximately 1,100 residents in the primary study area (9.5 percent of the total population) live in “group quarters” as opposed to “households.” These types of facilities include Covenant House on West 41st Street, with approximately 340 shelter residents; and the Icahn Center Tier II Shelter, also on West 41st Street, with about 290 shelter residents.

In 2000, 21 percent of the population lived below the poverty level, down from 23 percent in 1990 (see Table 5-2). Despite this improvement, among all of the areas studied, the primary study area has the largest proportion of residents who live below the poverty level. However, the temporary residential shelters noted above have a strong influence in determining the poverty rate, so that it is not totally representative of the larger residential community in the Project Area.

TABLE 5-2
HOUSEHOLD AND HOUSEHOLD AND POPULATION INCOME CHARACTERISTICS

Area	Household Characteristics				Income Characteristics			
	Total Households		Average Household Size		Median Household Income ^{1,2}		Population Below Poverty Level (Percent) ³	
	1990	2000	1990	2000	1990	2000	1990	2000
Primary Study Area	4,811	6,399	1.68	1.63	\$35,918	\$46,042	22.8	20.7
Secondary Study Area	26,560	27,794	1.67	1.64	\$40,053	\$49,626	17.9	14.8
Manhattan	716,811	738,644	1.99	2.00	\$43,724	\$47,030	20.0	19.4
New York City	2,816,274	3,021,588	2.54	2.59	\$40,419	\$38,293	18.9	20.8

Sources: U.S. Department of Commerce, Bureau of the Census, 1990 and 2000 Census, Summary File 1 and Summary File 3.

Notes:

- 1 The median income represents a weighted average of the median incomes of all the census tracts and blocks in a given area.
- 2 Median incomes shown in constant 1999 dollars.
- 3 Percent of population with incomes below established poverty level. The U.S. Census Bureau uses its established income thresholds for poverty levels to define poverty levels.

Residents of the homeless shelters are not reflected in the household income data, which indicate that the primary study area is becoming more affluent. Between 1990 and 2000, household incomes in the primary study area increased by about 27 percent, similar to the secondary study area, but considerably faster than income growth in Manhattan and the City as a whole. In 2000, the median household income of the primary study area was still lower than those for the secondary study area and Manhattan, but higher than that for all of New York City.

(c) Housing

Housing patterns in the primary study area generally reflect the population and household patterns, with most of the housing located in the West 34th and West 42nd Street Corridors and east of Tenth Avenue. Between 1990 and 2000, the housing stock in the primary study area expanded by about 28 percent, slightly faster than the area's population growth.

Over the last decade, demand for housing throughout New York City increased as a result of immigration and natural population growth. Between 1990 and 2000, demand for housing in the primary and secondary study areas drove the vacancy rate down from 11 percent to 8 percent (see Table 5-3). However, the percent of housing that was vacant in the primary study area (8 percent) was somewhat higher than that for Manhattan and New York City. The primary study area also had a much higher proportion of rental units; 90 percent of the occupied housing stock was renter-occupied in 2000, as compared to 85 percent and below in the other study areas. Both of these indicators could have been influenced by new residential construction along West 42nd Street, where new units were just entering the market during the Census. In addition, new apartments are more likely to enter the market as rental units, with later conversion to cooperatives or condominiums.

TABLE 5-3
HOUSING CHARACTERISTICS

Area	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	5,404	6,931	89.0	92.3	11.0	7.7	8.8	9.6	91.2	90.4
Secondary Study Area	30,319	29,832	87.6	93.2	12.4	6.8	15.9	21.2	84.0	78.8
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

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

As shown in Table 5-4, housing units in the primary study area, on average, are smaller than units in all of the other areas studied. This may be attributable to the high-rise apartment buildings in the West 42nd Street Corridor, which generally offer units with two bedrooms or less.

**TABLE 5-4
HOUSING CHARACTERISTICS: UNIT SIZES AND RENTS**

	Median Number of Rooms ¹		Median Contract Rent ¹		
	1990	2000	1990 ²	2000	% Change
Primary Study Area	3.02	2.79	\$660	\$854	29.4
Secondary Study Area	2.69	2.69	\$667	\$889	33.3
Manhattan	Between 2 and 3	3.10	\$630	\$740	17.5
New York City	Between 3 and 4	3.80	\$590	\$646	9.5

Sources: U.S. Department of Commerce, Bureau of Census, 1990 and 2000 Census, Summary File 1 and Summary File 3.

Notes:

1 Values represent a weighted average across all of the census tracts and blocks in a given area.

2 Inflated to 1999 dollars.

In 2000, the median contract rent (excluding such expenses as electricity, gas, and telephone service) in the primary study area was about \$850 per month, slightly lower than the secondary study area but higher than Manhattan and New York City as a whole. Over the course of the decade, rents in the primary study area increased by about 30 percent, similar to the secondary study area at 33.3 percent and a much higher growth rate than for Manhattan or New York City as a whole (see Table 5-4). These trends reflect the substantial development of upscale housing in the primary study area, primarily in the West 42nd Street Corridor. The new housing developments generally offer luxury rental apartments with monthly rents ranging from about \$2,300 to \$2,500 for one-bedroom units, \$3,500 to \$4,000 for two-bedroom units, and over \$5,500 for penthouses with river views.² In addition, lofts continue to be converted into dwelling units, often with live/work space. Infinity Court, a luxury loft building on West 34th Street between Tenth and Eleventh Avenues, offers 2,500-square-foot live/work units that rent for \$6,500 monthly. As of April 2003, this building was fully occupied. The lower end of the housing market is represented by older walk-up tenement buildings, generally located between Ninth and Tenth Avenues. Currently, the average monthly rent for walk-up apartments that are unregulated (without rent stabilization, rent control, or other tenant protection) ranges from \$1,400 for one-bedroom units, to \$2,500 for two-bedroom units, and to \$2,700 to \$3,000 for three-bedroom units.³

As noted in Table 5-3, only 10 percent of the primary study area consists of owner-occupied housing (e.g., condominiums and cooperatives). Home ownership in the primary study area is limited and geared toward affluent residents. Based on recent internet listings provided by realtors that operate in the primary study area, the asking price for a one-bedroom condo unit in a luxury building on West 42nd Street, between Tenth and Eleventh Avenues, ranges from \$470,000 to \$585,000.⁴ Meanwhile, listings included a three-bedroom condo unit in a walk-up tenement building in the Garment Center District, between Eighth and Ninth Avenues, for \$735,000 and a three-bedroom duplex on West 37th Street between Ninth and Tenth Avenues, currently on the market for \$1.6 million.⁵

² Citi Habitats, February 27, 2004.

³ Ibid.

⁴ Douglas Elliman Real Estate, www.elliman.com, March 1, 2004.

⁵ Stribling and Associates. www.striblingny.com, March 1, 2004, Sotheby's International, www.sothebysrealty.com, April 16, 2004.

(d) Population and Housing Trends after 2000

After the 2000 U.S. Census, population levels in the primary study area increased dramatically with the completion of large residential towers in the West 42nd Street Corridor and somewhat smaller buildings farther south in the mid-30s. As shown in Table 5-5, these developments added almost 2,200 new housing units. (Assuming the 2000 average household size for the primary study area, this translates into about 3,600 additional residents, or an increase of 31 percent.)

**TABLE 5-5
RESIDENTIAL DEVELOPMENTS COMPLETED
IN THE PRIMARY STUDY AREA AFTER 2000**

Building/Location	Units	Estimated Population¹
River Place I: West 42nd Street at Twelfth Avenue	921	1,501
Zebra: 420 West 42nd Street	263	429
Victory: 557 Tenth Avenue at 41st Street.	420	685
Penmark: 315 West 33rd Street	333	543
Hudson Crossing: 477 Ninth Avenue at 37th Street	259	422
Total	2,196	3,579

Notes: 1 Based on the average household size (1.63) for the primary study area in 2000.

b) Population and Housing Profiles of Directly Displaced Population

There are a number of specific locations in the primary study area or Project Area where housing and residents would be directly displaced by the Proposed Action. The Proposed Action would involve two types of direct displacement: (1) displacement through direct acquisition or condemnation of property by the City of New York; and (2) displacement resulting from private development initiatives as projected by the DCP. Based on the current design, no residential displacement would result from the No. 7 Subway Extension, Multi-Use Facility or Convention Center Expansion.

2010

In 2010, residential displacement is anticipated to occur in the acquisition of parcels necessary to implement the Midblock Park and Boulevard and public parking garage. As shown in Table 5-6 and in Figures 5-2 and 5-3, these properties include a live/work loft building that spans the block between West 34th and West 35th Streets and a tenement building on West 35th Street. This would result in the displacement of an estimated 34 residential units and 56 residents.

It is noted that subsequent to completion of the DGEIS, the City and MTA determined that acquisition of parcels necessary for the No. 7 Subway and Midblock Park and Boulevard system would require assemblage of parcels up to West 36th Street by 2010. In the DGEIS, this first phase of acquisition was assumed to reach West 34th Street. The change in phasing has resulted in the shift in the timing of acquisition of the two residential buildings identified in Table 5-6 from after 2010 to before 2010.

The one private development site (Projected Development Site 24) that could directly displace approximately 51 units of housing and an estimated 45 residents through private redevelopment is also expected to be redeveloped in the Future Without the Proposed Action and no incremental

residential displacement would occur in 2010 as a result of the Proposed Action.⁶ (In 2010, Projected Development Site 24 is projected to be redeveloped if Madison Square Garden is relocated. If Madison Square Garden remains in its current location, Site 24 would be redeveloped after 2010.)

2025

Between 2010 and 2025, the Proposed Action would result in direct displacement through the completion of the Midblock Park and Boulevard System and the remaining Projected Development Sites.

The Midblock Park and Boulevard System could displace an estimated 16 housing units in two buildings which share a single entrance, a homeless shelter (the Icahn Center Tier II Shelter), and a total of 316 residents. As shown in Table 5-7 and in Figures 5-2 and 5-3, these two tenement buildings are on West 36th Street (Block 706), and the Icahn Center Tier II Shelter is on West 41st Street. An estimated 26 permanent residents currently live in these buildings, along with an estimated 290 temporary residents who are housed in the Icahn Center shelter.

TABLE 5-6
DIRECT RESIDENTIAL DISPLACEMENT FROM MIDBLOCK PARK AND BOULEVARD (2010)

Site	Block: Lot	Existing Use	Total Units	Estimated Population ¹
2	706: 10	Infinity Court Live/Work Lofts	25	41
2	706: 52	Tenement Building ²	9	15
Total Residential Displacement			34	56

Sources: New York City Department of Finance, LotInfo 2003; AKRF, Inc.; Clinton Housing Development Company, Hell's Kitchen Survey, May 2003; and 2002 Building Registrations filed with the New York State Division of Housing and Community Renewal (DHCR).

Notes:

- 1 Based on average household size (1.63) for the primary study area in 2000.
- 2 Rent-stabilized building.

TABLE 5-7
DIRECT RESIDENTIAL DISPLACEMENT FROM MIDBLOCK PARK AND BOULEVARD (2025)

Site	Block: Lot	Existing Use	Total Units	Estimated Population ¹
4	708: 20	Two Tenement Buildings ²	16	26
7	1070: 20	Icahn Center Tier II Shelter	N.A.	290 ³
Total Residential Displacement			16	316

Sources: New York City Department of Finance, LotInfo 2003; AKRF, Inc.; Clinton Housing Development Company, Hell's Kitchen Survey, May 2003; and 2002 Building Registrations filed with the New York State Division of Housing and Community Renewal (DHCR).

Notes:

- 1 Based on average household size (1.63) for the primary study area in 2000.
- 2 Buildings with 6 or more units built prior to 1974 are considered to be rent-regulated.
- 3 John Mungovan, Assistant Director of Family Activities, American Red Cross (now the Icahn Center), 5/23/03. (See Figures 5-2 and 5-3)

In addition, as shown in Table 5-8, redevelopment of the remaining Projected Development Sites could result in the direct displacement of 38 units in six buildings and an estimated 62 residents. Since Projected Development Site 17 is expected to be redeveloped in the Future Without the Proposed Action, the net increment of residential displacement would be 35 units and 57 residents.

⁶ See Chapter 3, "Analytical Framework" for a comprehensive inventory of the Projected and Potential redevelopment sites.

**TABLE 5-8
DIRECT RESIDENTIAL DISPLACEMENT UNDER THE PROJECTED DEVELOPMENT SITES (2025)**

Site¹	Block: Lot	Existing Use	Total Units	Estimated Population²
3	705: 32	Tenement Building	6 ³	10
5	706: 35	Tenement Building	3	5
5	706: 36	Tenement Building	7 ³	11
17 ⁴	1090: 10	Tenement Building	3	5
30	731: 43	Tenement Building	3	5
35	1032: 101	Tenement Building ⁵	16	26
Total Residential Displacement			38	62

Sources: New York City Department of Finance, LotInfo 2003; AKRF, Inc.; Clinton Housing Development Company, Hell's Kitchen Survey, May 2003; and 2002 Building Registrations filed with the DHCR.

Notes:

- 1 Site 24 is excluded from this table, since it would be redeveloped in 2010 if Madison Square Garden is relocated. If Madison Square Garden remains in its current location, displacement on Site 24 would occur between 2010 and 2025.
- 2 Based on average household size (1.63) for the primary study area in 2000.
- 3 Buildings with 6 or more units built prior to 1974 are considered to be rent-stabilized, unless identified as cooperatives or condominiums.
- 4 Displacement on this site would also occur in the 2025 Future Without the Proposed Action as part of the Hudson Place development. (See Figures 5-4 and 5-5)

As shown in Figures 5-2 and 5-4, the ten buildings are dispersed throughout the overall Project Area. Eight of the buildings are located west of Tenth Avenue, and seven of these are located between West 34th and West 36th Streets between Tenth and Eleventh Avenues. In addition, two buildings are located along Ninth Avenue; one to the north at West 41st Street and one to the south between West 33rd and West 34th Streets. Of the ten buildings, only three buildings (with a total of nine units) are tenement buildings with five or fewer units. In general, the Projected Development Sites are located on or close to Ninth and Tenth Avenues, with the exception of one site that is located at the western end of West 42nd Street (see Figures 5-4 and 5-5). Although Projected Development Site 20 contains Covenant House, a homeless shelter, residents of this facility would not be directly displaced, since Covenant House owns the property. Therefore, the organization and the population that it serves could benefit from an appreciation in property values resulting from the Proposed Action, should it choose to sell its facility and relocate.

Unlike the Projected Development Sites, the Potential Development Sites would entail more redevelopment activity east of Ninth Avenue in and around the Garment Center District (namely the five blocks between West 35th and West 40th Streets, and the three blocks south of Madison Square Garden). Although housing is currently located on the eastern side of Ninth Avenue, the remainder is generally non-residential, since it has been zoned for manufacturing. As shown in Figure 5-6, most of the direct displacement from the Potential Development Sites would occur in the vicinity of the Port Authority Bus Terminal. Almost all of the buildings are tenements, as shown in the photographs presented in Figures 5-7 and 5-8.

Table 5-8 estimates the existing housing and population on each Potential Development Site. The DCP does not anticipate that all of the Potential Development Sites would be redeveloped, but rather that some combination of Projected and Potential Development Sites could be redeveloped. Therefore, unlike the data in the tables above, the data in Table 5-8 have not been aggregated.

TABLE 5-9
DIRECT RESIDENTIAL DISPLACEMENT UNDER THE POTENTIAL DEVELOPMENT SITES (2025)

Site	Block: Lot	Existing Use	Total Units	Estimated Population ¹
50	1051: 33	Tenement Building	8 ²	13
51	737: 31	Tenement Building	15 ²	24
51	737: 32	Tenement Building	8 ²	13
51	737: 33	Tenement Building	5	8
56	733: 63	Tenement Building	2	3
67	763: 72	Loft Conversion	4	7
68	763: 17	Tenement Building	3	5
70	763: 45	Tenement Building	6 ²	10
70	763: 46	Tenement Building	3	5

Sources: *New York City Department of Finance, LotInfo 2003; AKRF, Inc.; Clinton Housing Development Company, Hell's Kitchen Survey, May 2003.*

Note:

- 1 Based on average household size (1.63) for the primary study area in 2000. (See Figures 5-6 through 5-8)
- 2 Buildings with 6 or more units built prior to 1974 are considered to be rent-stabilized, unless identified as cooperatives or condominiums.

Profile of Displaced Population

As discussed above, residents in the primary study area have grown more affluent in recent years; the median household income for the study area as a whole rose by 28.2 percent between 1990 and 2000 (see Table 5-2). This upward trend has affected a broad spectrum of residents living in all types of housing, from older walk-up tenement buildings (typically containing fewer than 20 units) to luxury high-rise buildings with hundreds of units. As shown in Table 5-10, below, the incomes of residents living in smaller buildings (under 20 units) have increased to a higher degree than incomes of residents living in larger buildings, indicating that the turnover trends among such units are well-established. (The table includes Census data for Manhattan Community Districts 4 and 5, the smallest geographic unit for which income data are available by size of residential building, due to sample size limitations.) In absolute terms, the incomes were comparable for all types of buildings. In 2000, the incomes of residents living in small buildings were essentially the same as incomes of residents of large buildings. Incomes were slightly lower in medium-sized buildings (20 to 49 units). These trends were the same regardless of whether the units were owner- or renter-occupied.

TABLE 5-10
MEDIAN HOUSEHOLD INCOME FOR HOUSING UNITS BY SIZE OF BUILDING, MANHATTAN
COMMUNITY DISTRICTS 4 AND 5

	1990		2000		Percentage Change in Income
	Number of Households	Median Household Income ¹	Number of Households	Median Household Income ¹	
<i>Under 20 units</i>	16,656	\$39,803	17,950	\$54,000	35.7%
<i>20 to 49 units</i>	13,724	\$39,816	14,208	\$50,000	25.6%
<i>50 units and over</i>	36,873	\$44,297	39,447	\$54,100	22.1%
Total Units (Owner- and Renter-Occupied)	67,253		71,605		
<i>Under 20 units</i>	13,686	\$35,515	14,738	\$49,000	38.0%
<i>20 to 49 units</i>	11,437	\$32,741	11,625	\$43,100	31.6%
<i>50 units and over</i>	29,671	\$39,803	29,682	\$49,900	25.4%
Total Units (Renter-Occupied)	54,794		56,045		

Sources: 1990 and 2000 U.S. Census. Public Use Microdata Series (PUMS) for Manhattan Community Districts 4 and 5.

Note: 1 Constant 1999 dollars.

In general, over the past decade, economic trends that place unregulated rents out of reach of low- and moderate-income households have been well-established in the primary study area, and those low- and moderate-income households that remain in the primary study area owe their continued tenure to rent regulation and participation in other government programs that limit rents and tenant incomes.

2. 2010 Future Without the Proposed Action

In the Future Without the Proposed Action, the population and housing trends are expected to continue in the primary study area, secondary study area and throughout Manhattan. In particular, a strong demand for housing, as a result of increased numbers of households and rising incomes, is expected to continue. While some of the household growth would be captured by the primary study area, particularly on the edges close to the secondary study area (e.g., West 42nd Street corridor), most of the growth pressure would be felt in other parts of the borough, where the zoning permits residential land uses and higher density development (see Chapter 4, “Land Use, Zoning, and Public Policy”). The growth in income in both the primary study area and the borough, along with the constraints on new construction caused by high construction costs and the limited amount of land zoned for new housing, would result in increases in market (unregulated) rents well above the rate of consumer price inflation.

Following recent trends, population and housing levels in the primary study area are expected to rise substantially through 2010 (Table 5-11). Several large residential towers would be introduced along the northern edge of the primary study area, between West 41st and West 43rd Streets. The River Place II project would be located on the site of the proposed Convention Center Hotel, on Eleventh Avenue between West 41st and West 42nd Streets. In addition, as described in Chapter 3, “Analytical Framework,” some as-of-right development is expected to occur in the Future Without the Proposed Action on several of the Projected Development Sites associated with the RWCDs. Residential development would occur on Projected Development Sites 19, 18, 22, and 24. The as-of-right development would occur as the result of previous rezoning actions in the primary study area.

TABLE 5-11
PRIMARY STUDY AREA: RESIDENTIAL DEVELOPMENT TO BE COMPLETED BY 2010¹

Project Name/Address	Units
Projected Development Site 19 ²	264
Projected Development Site 18 ²	887
Projected Development Site 22 ²	147
Projected Development Site 24 ²	147
360 West 43rd Street	256
Ivy Tower/343 West 42nd Street	320
River Place II/Eleventh Avenue between West 41st and 42nd Streets (Convention Center Hotel site) ²	532
Total	2,553
Direct Displacement	120
Net Increase (New Units)	2,433

Notes:

- 1 This table reflects the Future Without the Proposed Action in which Madison Square Garden would be relocated.
- 2 These as-of-right developments would be located on sites where the Proposed Action is also expected to stimulate development.

In total, development in the Future Without the Proposed Action would create 2,553 housing units in the primary study area. The new development would directly displace 120 existing units, resulting in a net increase of 2,443 units. As presented in Chapter 3, “Analytical Framework,” the increase in 2,443 units, along with the creation of FIT dormitories on West 31st Street (1,104 new dormitory beds), would introduce an estimated 5,371 new residents to the primary study area, increasing the total population by approximately 35.4 percent (based on the 2000 U.S. Census and estimates of subsequent population increases through 2003). The estimated 2003 primary study area population (approximately 15,150 residents) would be expanded to about 20,521 residents. Among the net 2,443 new housing units that would be built through 2010 in the Future Without the Proposed Action, it is estimated that 347 units, or about 14 percent, would be affordable (i.e., reserved for low-income tenants earning no more than 50 percent of the area’s median income).

Direct displacement would occur on one of the Projected Development Sites shown in Table 5-10, specifically, Projected Development Site 24. At this location, 51 dwelling units and an estimated 45 residents would be displaced in the Future Without the Proposed Action.

In the secondary study area, additional development would occur in the Future Without the Proposed Action. Those housing projects that are known at this time are listed in Table 5-12. Together, they could be expected to generate about 5,209 new units and an estimated 8,890 residents, representing an increase of about 18 percent.

TABLE 5-12
SECONDARY STUDY AREA: RESIDENTIAL DEVELOPMENT TO BE COMPLETED BY 2010

Project Name/Address	Units	Estimated Population ¹
306 West 44th Street	564	919
Biltmore Theater Project, 770-780 Eighth Avenue ²	460	750
Friars Tower, West 31st Street between Seventh Avenue and Broadway	534	870
Eighth Avenue and West 20th Street	37	60
Pitcairn, 505-513 West 47th Street	95	155
Clinton Mews, 511 West 46th Street	151	246
Special West Chelsea District Rezoning ³	3,368	5,890
Total	5,209	8,890

Notes:

- 1 Based on average household size (1.63) for the secondary study area in 2000, except West Chelsea Rezoning which includes 460 affordable housing units at 2.5 persons per household.
- 2 Project completed since analyses were undertaken.
- 3 A portion of this redevelopment would occur by 2010. After 2010, another 1,340 new units would be added.

In the Future Without the Proposed Action, the rate of new housing development and population growth would be considerably higher than past trends in the secondary study area. As noted above under Existing Conditions, about 500 housing units were removed in the secondary study area between 1990 and 2000, and the population declined by about 3 percent. Between 2004 and 2010, however, this area could be expected to add more than 800 units per year. Most of the growth would be driven by the Special West Chelsea District rezoning project, located between Tenth and Eleventh Avenues from approximately West 30th Street to West 17th Street. This project alone would generate almost 3,300 new units. Few, if any, residents would be directly displaced by this project, as western Chelsea is currently zoned for manufacturing, and there is therefore very little housing available.

3. 2010 Future With the Proposed Action

By 2010, the proposed zoning changes would be in effect, and the three other elements of the Proposed Action (No. 7 Subway Extension, Midblock Park and Boulevard, Multi-Use Facility, and Convention Center Expansion) would be complete and in operation (or are represented as completed for a conservative analysis with respect to the potential for adverse socioeconomic effects). In addition, the southernmost components of the open space network would be established. Although the private sector is expected to take longer to respond to these changes, some degree of redevelopment is projected through 2010, as described in Chapter 2, “Description of the Proposed Action,” and shown on Figure 5-9. (The projections vary depending on whether Madison Square Garden (MSG) is relocated.)

The proposed rezoning would promote housing development in areas with clearly high demand, but where housing has not been permitted under the existing manufacturing zoning (i.e., the M1-5 district). As described in Chapter 3, “Analytical Framework,” in the Future With the Proposed Action approximately 3,250 to 3,298 housing units would be developed in the primary study area with an associated population of 6,871 to 6,933. This would create a net increase of 720 to 844 dwelling units from the Future Without the Proposed Action, and an associated net increase in the population of the primary study area by about 1,283 to 1,543 residents.

Overall, the Proposed Action would accelerate existing and future trends in population and housing. Similar to the Future Without the Proposed Action, a strong demand for housing, as a result of increased numbers of households and rising incomes, is expected to continue. More household growth would be captured by the primary study area, and less growth pressure would be felt in other parts of the borough. The growth in income in both the primary study area and borough, along with the limited amount of land zoned for new housing, would result in increases in market (unregulated) rents well above the rate of consumer price inflation, but the added supply of housing in the primary study area would be beneficial in ameliorating these increases in rents.

New housing on Projected Development Sites 14, 18, and 19 would reinforce the West 42nd Street Corridor as a residential neighborhood, following the recent development of large residential towers, such as River Place, The Victory, and The Zebra. Similarly, new housing on Projected Development Sites 22, 24, and 37 would continue trends clearly present on Ninth Avenue.

Projected Development Site 4 is the only location where new housing development would depart from existing trends and the 2010 Future Without the Proposed Action condition, in that it is currently located in a manufacturing zone. Therefore, it is expected to be developed only with the Proposed Action.

Similar to the 2010 Future Without the Proposed Action, new housing development constructed under the Proposed Action is expected to include affordable units. Among the 720 to 844 new units, it is

estimated that 126 to 192 units (or about 20 percent) would be affordable. The affordable units are expected to be reserved for tenants earning no more than 50 percent of the area's median income.

a) Assessment of Direct Displacement

Residential displacement, estimated at 34 units, would result from public acquisition or condemnation of property through the 2010 analysis year. In addition, no incremental residential displacement would occur in 2010 as a result of Projected or Potential Development Sites since, as noted above, Projected Development Site 24 is also projected to be redeveloped in the Future Without the Proposed Action. This represents only a small portion of the housing units in the Project Area and the Proposed Action would not have any significant direct residential displacement impacts.

b) Assessment of Indirect Displacement

Although the Proposed Action would substantially increase the size of the population in the primary study area, it would be consistent with the socioeconomic trends that have taken hold in the primary and secondary study areas.

As noted above, in 2010 the Proposed Action would result in a net increase in the population of the primary study area of about 1,283 to 1,543 residents. Regardless of the Proposed Action, however, the population of the primary study area has grown substantially, and this growth would continue as a result of several independent development projects. Between 1990 and 2003, the primary study area population grew by 60 percent, from approximately 9,500 to 15,150 residents (see Tables 5-1 and 5-5). Between 2003 and 2010, the population is expected to expand by another 5,371 residents or 35.4 percent, in the absence of the Proposed Action. Thereafter, growth is expected to slow down as the supply of residentially zoned properties diminishes.

The population growth reflects the housing trends in the primary study area. Many new residential buildings have recently been developed in the West 42nd Street and Ninth Avenue corridors. Most of the new units are luxury units that command high rents, although in some cases (e.g., Hudson Crossing) 20 percent of the units are offered at below-market-rate rents. In addition, as noted above, existing lofts continue to be converted to residential use. For example, Infinity Court on West 34th Street is a loft building with live/work units that rent for \$6,500. Overall, rents have risen substantially. As shown in Table 5-4, in the Project Area or primary study area alone, the median contract rent grew from \$660 to \$854, or 29 percent, between 1990 and 2000.⁷ Currently, based on discussions with local realtors, rents for unregulated apartments are ranging from \$1,400 to \$3,000 in walk-up tenement buildings and from \$2,300 to over \$5,500 in high-rise buildings.

As can be expected, incomes have also risen throughout the primary study area. As shown in Table 5-2, above, the median household income in the primary study area rose by approximately \$10,000 or 27 percent between 1990 and 2000. Meanwhile, the primary study area poverty rate has continued to decline, from 22.8 percent of its population below the poverty level in 1990 to 20.7 percent in 2000. Furthermore, as shown in Table 5-9, the incomes of residents living in smaller buildings (under 20 units) have increased to a higher degree than incomes of residents living in larger buildings, and in absolute terms, the incomes are comparable for all types of buildings. Overall, the primary study area has become more affluent at a faster rate than the secondary study area, Manhattan, and New York City as a whole.

In the context of these trends, the Proposed Action would not create a new condition of economic hardship to low- and moderate-income households displaced from paying below-market *unregulated* rents. Rather, it is likely that economic changes that place unregulated rents out of reach of low- and moderate-income households have already been experienced, and those low- and moderate-income households that remain in the primary study area owe their continued tenure to rent regulation and

⁷ These estimates are presented in constant 2000 dollars.

participation in other government programs that limit rents and tenant incomes. Figure 5-10 summarizes the housing profile of the Project Area, showing that the area contains a relatively low density of housing compared to surrounding neighborhoods, and that almost all of the housing that is present is rent-regulated. In accordance with the *CEQR Technical Manual*, residential buildings are considered rent-stabilized if they are in pre-1974 buildings with six or more units, or if they are post-1974 buildings that utilized tax abatements or exemptions under City programs that require entering rent stabilization as a condition of obtaining the benefit (i.e., 421a tax exemptions that were widely applied on new West Side construction projects).

As shown in Figure 5-10, and based on data from the New York State Division of Housing and Community Renewal (DHCR) and the New York City Department of Finance, LotInfo 2003 Database, it is estimated that there are a total of 5,256 rent-stabilized housing units in the primary study area, including 3,103 units in pre-1974 buildings, and another 2,153 units in five recently constructed buildings with 421a tax exemptions. The Project Area also contains other rent-regulated units or owner-occupied housing, including 1,689 Mitchell-Lama units at Manhattan Plaza, as well as co-ops and condominiums scattered throughout the Project Area. A large proportion of the remaining rental units (those identified as “Unprotected” on Figure 5-10) are comprised of new market-rate projects such as the high-rise projects in the West 42nd Street Corridor and, because their market-level rents are not affordable to low- and moderate-income households, would not be considered vulnerable to indirect displacement. The other remaining unprotected buildings are located on likely redevelopment sites in the Future Without the Proposed Action or are identified as direct displacement parcels from the Projected or Potential Development Sites or public purpose acquisitions as defined by the Proposed Action, further limiting the potential for indirect displacement.

Moreover, by increasing the supply of housing in the future, the Proposed Action could have the effect of accommodating demand that would otherwise be focused on existing housing, and ameliorating the upward pressure on unregulated residential rents. In conclusion, the new population introduced by the Proposed Action would not be expected to have different socioeconomic characteristics compared to the size and character of the existing population. Furthermore, the Proposed Action would not introduce a substantial amount of a more costly type of housing, compared to existing housing and housing expected to be built in the primary study area by the time the action is implemented. Rather, by substantially increasing the supply of housing in the primary study area, the Proposed Action could be beneficial in ameliorating the on-going increases in rents.

The Proposed Action would redevelop properties that, in their existing condition, can be considered to have a blighting effect on property values in the primary study area (e.g., surface parking lots, open rail yards and cuts, etc.). The redevelopment could potentially increase overall property values in the area. However, with respect to residential properties, the redevelopment is unlikely to have much of an influence, because it would be overshadowed by the most influential factors, such as the strong demand for housing, the area’s limited supply of housing, and regulatory constraints on the use and density of development.

Furthermore, the Proposed Action would not displace enough residents to alter the socioeconomic composition of the primary study area. As noted above, although approximately 51 units and 45 residents would be directly displaced in both the Future With and Without the Proposed Action in 2010, this displacement (representing less than a half percent of the estimated 2003 population) would also occur in the Future Without the Proposed Action, so there would be no net incremental residential displacement.

By 2010, the Proposed Action would introduce a critical mass of non-residential uses, such as the initial commercial development projects, the Multi-Use Facility, and the Convention Center Expansion. These facilities and uses could increase the attractiveness of the primary study area as a

residential neighborhood. However, these non-residential uses would be accompanied by the proposed rezoning, which would allow more housing to be built in areas that currently prohibit new housing construction. Therefore, while the area’s ability to attract more of the growth in households expected throughout Manhattan could increase, the increase would be addressed by an increase in housing supply.

Lastly, the Proposed Action would not be expected to offset positive trends in the primary study area or create a climate of disinvestment. Rather, the Proposed Action would create new opportunities for development and investment by removing regulatory constraints that have been discouraging investment in the area for many years, as evidenced by the numerous surface parking lots, garages and other low-scale uses where few improvements to properties have been made.

Based on this assessment, the Proposed Action is not likely to have significant indirect displacement impacts.

4. 2025 Future Without the Proposed Action

As noted in Chapter 1, “Project Purpose and Need,” long-term population projections indicate that Manhattan and the New York City region would continue to grow through 2025 and beyond. It is projected that the population of Manhattan alone would grow by over 120,000 residents (or almost 8 percent) between 2000 and 2025. In addition, access to and travel within Midtown Manhattan would be greatly improved by two major transportation projects: the Long Island Rail Road (LIRR) East Side Access project, which would bring LIRR service to Grand Central Terminal, and the Second Avenue Subway.

Without the Proposed Action, population growth after 2010 would be directed toward the southeastern and northwestern parts of the primary study area. Similar to the Future Without the Proposed Action in 2010, some as-of-right development is expected to occur in the Future Without the Proposed Action in 2025 on several of the Projected Development Sites. The as-of-right development would occur as a result of previous rezoning actions in the primary study area. Following existing and future trends through 2010, 377 units would be developed along West 42nd Street close to Twelfth Avenue and Route 9A (Table 5-12). In addition, further development of the Ninth Avenue corridor would take place as a result of that area’s previous rezoning. Approximately 81 units would be developed in the primary study area at the southwestern corner of Eighth Avenue and West 31st Street, where a public parking lot currently operates. Among the projected 626 net new units projected in the 2025 Future Without the Proposed Action, an estimated 89 units, or 14 percent, are expected to be affordable. As presented in Chapter 3, “Analytical Framework,” the net increase in population would be approximately 1,098 new residents.

Direct displacement would occur on one of the Projected Development Sites shown in Table 5-13 specifically, Projected Development Site 17. At this location, 3 dwelling units and an estimated 5 residents would be displaced in the Future Without the Proposed Action.

**TABLE 5-13
PRIMARY STUDY AREA: RESIDENTIAL DEVELOPMENT TO BE COMPLETED BY 2025¹**

Project Name/Address ²	Units
Projected Development Site 17 ²	377
Projected Development Site 44 ²	81
Projected Development Site 28 ²	171
Total	629
Direct Displacement	3
Net Increase	626

Notes:

- 1 This table reflects the Future Without the Proposed Action in which Madison Square Garden would be relocated.
- 2 These as-of-right developments would be located on sites where the Proposed Action is also expected to stimulate development.

As compared to the 2010 projections, population and housing growth would be more moderate in the primary study area after 2010, as the West 42nd Street and Ninth Avenue corridors could reach their full build-out potential.

In the secondary study area, population growth is expected to continue after 2010 as well. Most of the population growth would be caused by further redevelopment of West Chelsea, in the area between Tenth and Eleventh Avenues from approximately West 30th Street to West 17th Street. As noted in Chapter 4, the Special West Chelsea District rezoning project is expected to create new residential and commercial development opportunities in this area. While the West Chelsea rezoning would take place in 2005, redevelopment activities are expected to continue beyond 2010 through 2013. Between 2010 and 2013, the West Chelsea rezoning could add another 1,340 new housing units and an estimated 2,356 residents to the secondary study area. On a cumulative basis, the West Chelsea rezoning could add a total of 4,708 new housing units and an estimated 8,246 residents to the secondary study area.

A strong demand for housing, as a result of increased numbers of households and rising incomes, is expected to continue in the primary study area, secondary study area, and in Manhattan as a whole. While some of the household growth would be captured by the primary study area, most of the growth pressure would be felt in other parts of the borough, where zoning permits residential land uses and higher density development (see Chapter 4, “Land Use, Zoning, and Public Policy”). The growth in income in the primary study area, secondary study area, and borough would continue to result in increases in market (unregulated) rents well above the rate of consumer price inflation, due to the constraints on new construction caused by high construction costs and the limited amount of land zoned for new housing.

5. 2025 Future With the Proposed Action

Between 2010 and 2025, the private development generated by the Proposed Action is expected to be largely complete and the new Hudson Yards community well-established. A substantial amount of housing would be constructed in the primary study area through the 2025 analysis year as a result of the Proposed Action, based on the RWCDS (Figures 5-11 through 5-13). The development projects for the Projected and Potential Development Sites indicate how the private market would likely respond to the Proposed Action, but the ultimate timing, location, type, and density of development could be different. It is likely that some combination of Projected and Potential Development Sites would be developed by 2025, but the total amount of new development from the Proposed Action would not exceed that which is estimated under the full build-out as set forth in the RWCDS.

a) Projected Development Sites

As described in Chapter 3, “Analytical Framework,” in the Future With the Proposed Action, approximately 10,165 to 10,213 housing units would be developed in the primary study area between 2010 and 2025, with an associated population of 17,975 to 18,039. This would create a net increase of 9,055 to 9,179 dwelling units, averaging 603 to 612 new units per year, from the Future Without the Proposed Action, and an associated net increase in the population of the primary study area by about 15,950 to 16,210 residents. In total, these units would substantially increase the population over the 2010 Future With the Proposed Action, bringing the cumulative total population of the Project Area or primary study area to approximately 34,613 persons (an 88 percent increase). This growth would far exceed the growth projected for the 2025 Future Without the Proposed Action.

The Proposed Action would ultimately result in a total of 9,899 new housing units and a population of 17,492 residents, regardless of whether Madison Square Garden relocates. This would dramatically change the density and character of the Hudson Yards area. As noted in Chapter 1, “Project Purpose

and Need,” the creation of this new housing development opportunity in the Project Area is an objective of the Proposed Action, in order to support and accommodate the projected population growth for the region, as well as meet the strong demand for housing today. The DCP projects that the Proposed Action would result in about 1,435 units, or 15.6 percent of the new units built between 2010 and 2025, being affordable for residents with restricted incomes.

b) Potential Development Sites

The Potential Development Sites are considered less likely to occur by 2025. The 40 Potential Development Sites are shown in Figure 5-13. Table 5-14 shows the housing and population estimates for individual Potential Development Sites that could be developed by 2025 (there are no Potential Development Sites identified for the 2010 analysis year).

**TABLE 5-14
PROJECTED POPULATION AND HOUSING IN THE PRIMARY STUDY AREA
UNDER THE POTENTIAL DEVELOPMENT SITES (2025)**

Site	Housing Units	Population ¹	Site	Housing Units	Population ¹
46	340	554	73	41	67
47	147	240	74	97	158
48	270	440	75	132	215
49	418	681	76	29	47
50	195	318	77	81	132
51	39	64	78	142	231
52	240	391	79	49	80
53	227	370	80	122	199
54	80	130	81	39	64
55	67	109	82	110	179
56 ²	118/112	192/183	83	39	64
57	103	168	84	108	176
58	292	476	85	52	85
59	80	130	86	39	64
60	32	52	87	142	231
61	89	145	88	255	416
66	223	363	89	124	202
67	25	41	90	79	129
71	25	41	91	224	365
72	54	88	93	59	96

Notes:

- 1 Based on average household size (1.63) for the primary study area in 2000.
- 2 This site would contain more 6 more units and 9 more residents if MSG is not relocated (see Figure 5-13).

c) Assessment of Direct Displacement

Between 2010 and 2025, an estimated 51 units of residential housing would be displaced, including 16 from lands acquired for the Midblock Park and Boulevard. In total, some 85 households in ten buildings are projected to be directly displaced as a result of the Proposed Action. This represents slightly over one percent of the total households in the primary study area as of the 2000 Census.

Given the small size of the displaced population, and that the displacement would be gradual, taking place over a 20-year period, it is not expected that the direct displacement would significantly change the demographic or socioeconomic characteristics of the primary study area, or result in the loss of a significant population group in the neighborhood.

Among the 85 households or housing units that would be directly displaced, 60 are located in tenement buildings (Table 5-15). The primary study area currently contains an estimated 1,931 housing units in 149 walk-up tenement buildings. Displacement of 60 tenement units—representing

3 percent of all units in tenement buildings and under 1 percent of the area’s total housing inventory—would not be expected to have a significant effect on housing in the primary study area. The remaining 25 units that would be directly displaced by the Proposed Action are luxury live/work units in Infinity Court, a converted loft building. These account for under one percent of the total non-tenement housing units in the primary study area.

**TABLE 5-15
DISPLACED HOUSING AS A PERCENTAGE OF EXISTING HOUSING STOCK**

Residential Building Type	Number	Percentage
<i>Walk-up Tenement Buildings¹</i>		
Existing Number of Buildings	149	100.0%
Existing Number of Units	1,931	100.0%
Direct Displacement of Buildings	8	5.4%
Direct Displacement of Units	60	3.1%
<i>Other Residential Buildings²</i>		
Existing Number of Buildings	39	100.0%
Existing Number of Units	6,946	100.0%
Direct Displacement of Buildings	1	2.6%
Direct Displacement of Units	25	0.4%

Sources: New York City Department of Finance, LotInfo 2003.

Notes:

- 1 Includes units buildings classified by LotInfo as “walk-up apartments,” “store buildings,” “loft buildings with retail stores,” and “primarily residential-mixed use.” Most of these buildings contain under 20 units.
- 2 Includes all other residential buildings classified by LotInfo, such as “elevator apartments” and “condominiums.”

As shown in Table 5-9, the income characteristics of residents in smaller walk-up tenement buildings are similar to residents of larger buildings. In general, there is an upward trend in incomes in the primary study area, and between 1990 and 2000, the largest amount of income growth was experienced by residents of tenement units, regardless of whether they were renter- or owner-occupied.

While it is uncertain, given current lease terms, that the existing Icahn Center Tier II Shelter facility would remain in place through 2025, or that the current population of 290 would remain static, any future temporary residents of that facility would, if displaced as a result of the Proposed Action, be relocated to other Tier II facilities with assistance from the City, although they would not necessarily be relocated within the primary study area, and no long-term loss of emergency housing would be expected. In addition, residents that could be displaced through public acquisition of lands necessary for the Midblock Park and Boulevard System would be entitled to compensation and relocation benefits pursuant to the requirements of the New York State Eminent Domain Procedure Law (the “Eminent Domain Procedure Law”) and applicable relocation regulations as promulgated by New York City’s Housing Preservation and Development (HPD).

Based on this assessment, the Proposed Action is not likely to have significant direct residential displacement impacts.

d) Assessment of Indirect Displacement

Although the Proposed Action would substantially increase the size of the population in the primary study area—potentially doubling the size of the population in the 2010 Future With the Proposed Action by 2025—it would be consistent with the socioeconomic trends that have taken hold in the primary and secondary study areas. As noted above, under the 2010 Future With the Proposed Action, such trends include an expanding population base, and increasing household incomes, residential property values, and rents.

Without the Proposed Action, the population growth experienced in the Project Area would be expected to slow down through 2025 as the supply of residentially zoned properties diminishes, while overall growth in Manhattan households would keep demand for new housing high in the Project Area and throughout the borough. Continuing demand for housing would lead to even further increases in rents and overall property values, well above the rate of inflation. In contrast, the Proposed Action would ameliorate increases in rents and property values by substantially increasing the supply of housing.

Based on these findings, the Proposed Action is not likely to have significant indirect residential displacement impacts.

D. BUSINESS AND INSTITUTIONAL DISPLACEMENT

The goal of this detailed assessment is to describe existing and anticipated future conditions to a level necessary for an understanding of the relationship of the proposed actions to such conditions, to assess the change that the Proposed Action would have on these conditions, and to identify any changes that would be significant and potentially adverse.

As described in the *CEQR Technical Manual*, two of the socioeconomic issues that should be assessed include direct and indirect business and institutional displacement. In most cases, direct displacement would not constitute a significant adverse impact under CEQR. However, it is still important to disclose the type and extent of such displacement. Likewise, indirect business and institutional displacement is typically only an issue if it affects land use or population patterns or community character. In most cases, the issue for indirect displacement is 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.

1. Existing Conditions

This section of the analysis first describes the existing employment characteristics of the two study areas, including the primary study area or Project Area where direct and indirect displacement could occur and the secondary study area where additional indirect displacement could occur. This is followed by a description of the employment characteristics of existing businesses and institutions that would be directly displaced from specific sites by the Proposed Action.

a) Employment and Business Profiles of Study Areas

Over the past three decades, the economy of New York City has remained strong, despite three significant downturns, triggered by the global oil crisis of the mid-1970s, the stock market crash of October 1987, and the precipitous slide of the technology sector that began in early 2000, followed by the September 11, 2001 terrorist attack. Despite these cycles, total employment in New York City over the past 30 years has remained relatively stable, with two peaks in 1989 and 1999. However, in both of these years, employment years did not exceed the City's all-time high, which occurred in 1969.⁸

While total employment in the City has been steady, the mix has changed significantly since 1969. The manufacturing sector, traditionally the leading employer in the City in the first half of the 20th century, has given way to more service-oriented industries, such as financial and business services, tourism, and entertainment. The most recent economic boom in the late 1990s was driven largely by the financial services sector, along with other key industries, such as advertising, motion pictures,

⁸ Bram, Jason. "New York City's Economy before and after September 11." *Current Issues in Economics and Finance: Second District Highlights*. Federal Reserve Bank of New York. February 2003.
Bram, Jason et al. "Has September 11 Affected New York City's Growth Potential?" *Federal Reserve Bank of New York Economic Policy Review*. November 2002.

publishing, media, tourism, and business and computer services. The boom was also heavily influenced by high-tech or dot.com industries, which are represented by the telecommunications, business, and computer services sectors. Meanwhile, manufacturing employment continues to decline, following a decades-long trend in which manufacturing, particularly in the apparel industry, has moved to other parts of the U.S. and overseas in search of lower operating costs, including labor, utilities, and rent. Between 1969 and 1999, New York City lost more than two-thirds of its manufacturing jobs.⁹

Figure 5-14 shows the primary and secondary study areas utilized for the business displacement assessment and Table 5-16 provides summary data on private sector employment for the study areas as well as for all of Manhattan. In Manhattan, employment grew by 5 percent between 1991 and 2002, a decade that saw several stages of the economic cycle, starting with the economic recession of the early 1990s, followed by the high-tech boom of the late 1990s and the downturn that started in 2000.

**TABLE 5-16
1991 AND 2000 PRIVATE SECTOR EMPLOYMENT**

Study Area	Employment (Jobs)		Percent Change 1991 to 2002
	1991	2002	
Primary Study Area	58,604	48,589	-17.1%
Rezoning Area	57,330	47,097	-17.8%
Convention Center Corridor	1,274	1,492	17.1%
Secondary Study Area¹	16,275	17,927	10.2%
Clinton	10,214	9,570	-6.3%
Chelsea	5,439	5,592	2.8%
Waterfront	622	2,757	343.2%
Total, Remainder of Manhattan	1,611,631	1,704,682	5.8%
Total, Manhattan	1,686,510	1,771,198	5.0%

Sources: NYS DOL and DCP.

Note: 1 The secondary study area includes only the westernmost parts of these neighborhoods. See Figure 5-14. Clinton includes census tracts 121 and 129, Chelsea includes census tract 99, and the Waterfront includes census tract 317.02.

In contrast, employment in the primary study area declined by 17.1 percent between 1991 and 2002. This decline was attributed to employment losses in the Rezoning Area, which lost about 10,200 jobs. This is significant because it occurred during a period of economic expansion, when employment throughout the secondary study area and Manhattan as a whole grew considerably. As shown in Table 5-15, private sector employment growth occurred in Chelsea, along the waterfront, and within the Convention Center Corridor, but not in the Rezoning Area or in Clinton. Furthermore, the primary study area lost employment in two key growth industries (finance, insurance, and real estate [FIRE], and business, legal, and professional services), each of which dropped by over 25 percent (Table 5-16). Following long-term trends throughout Manhattan, a large number of jobs in the manufacturing sector (almost 4,000) were lost in the Project Area.

(a) Primary Study Area (Project Area)

As shown in Table 5-17, the primary study area or Project Area contained approximately 48,600 private sector jobs in 2002. The geographic distribution of employment varies widely, as shown in Figure 5-15, with the largest concentration of jobs located east of Ninth Avenue, where there are generally between 1,000 and 7,000 jobs per block. The center of the primary study area—between

⁹ Bram, Jason and Michael Anderson. “Declining Manufacturing Employment in the New York-New Jersey Region: 1969-99.” *Current Issues in Economics and Finance: Second District Highlights*. Federal Reserve Bank of New York. January 2001.

Ninth and Tenth Avenues from West 34 to West 40th Street—is largely residential. Additional concentrations of employment are located to the west in Caemmerer Yard and at the Convention Center.

TABLE 5-17
PRIVATE SECTOR EMPLOYMENT IN THE PRIMARY STUDY AREA

Sector	1991 Employment		2002 Employment		Percent Change 1991 to 2002
	Jobs	% of Total	Jobs	% of Total	
Construction	3,647	6.2%	3,973	8.2%	8.9%
Manufacturing	9,214	15.7%	5,305	10.9%	-42.4%
TCPU ¹	3,565	6.1%	4,650	9.6%	30.4%
Wholesale	3,263	5.6%	2,496	5.1%	-23.5%
Other Industrial	176	0.3%	232	0.5%	31.8%
Retail	3,928	6.7%	3,699	7.6%	-5.8%
FIRE ²	9,999	17.1%	6,157	12.7%	-38.4%
Business, Legal, and Professional Services	13,303	22.7%	9,445	19.4%	-29.0%
Entertainment Services	4,154	7.1%	4,944	10.2%	19.0%
Health and Social Services	4,912	8.4%	4,696	9.7%	-4.4%
Educational Services	891	1.2%	652	1.3%	-26.8%
Other Services	1,438	2.5%	1,678	3.5%	16.7%
Unclassified	114	0.2%	662	1.4%	480.7%
Total	58,604	100.0%	48,589	100.0%	-17.1%

Sources: *NYS DOL and DCP.*

Notes:

- 1 Transportation, Communications, and Public Utilities.
- 2 Finance, Insurance, and Real Estate.

Considerably more employment in the primary study area is shown when temporary jobs connected with trade shows and conventions are included, along with public sector and non-profit jobs. The Convention Center has an in-house staff of about 250 employees (administrative staff and in-house electricians, engineers, etc.). In addition, 1,200 or more workers are brought in for events on an as-needed basis.¹⁰ Furthermore, of the 3 million people who visit the Convention Center each year, about 15 percent (or 450,000) are employees who work at the exhibits.

In addition, the primary study area contains many public transportation jobs associated with such facilities as the Quill Bus Depot, Penn Station, Lincoln Tunnel, and Caemmerer Yard. These jobs are not reflected in the private employment summaries shown.

Additional public sector employment is generated by the U.S. Postal Service, which employs about 1,100 workers in the Farley Building. There are approximately 1,400 City employees at the headquarters of the New York City Human Resources Administration. Smaller clusters of public sector employment can be found in several police and fire stations and at the Hunter College Voorhees Campus, which houses the college’s Masters in Fine Arts (MFA) program.

There are also several non-profit employers in the primary study area, the largest of which is Group Health Incorporated, a Statewide non-profit health insurer. This organization has its headquarters on Ninth Avenue between West 34th and West 35th Streets, where approximately 1,500 workers are employed.¹¹ Public television broadcaster WNET (Thirteen) is also based in the primary study area at Projected Development Site 31 (the Daily News building) on West 33rd Street and Tenth Avenue.

¹⁰ Convention Center Operating Corporation. August 11, 2003.

¹¹ Information provided by Eileen Margolin, Corporate Communications, Group Health Incorporated, July 30, 2003.

Smaller non-profit organizations include the Icahn Center Tier II Shelter and Covenant House (both homeless shelters), St. Michael's Academy, West Side Jewish Center, and several churches.

Although not specifically identified in the table above, the primary study area contains a considerable number of automotive businesses, including repair shops, gas stations, towing services, car and truck rental facilities, a car dealership, and numerous parking facilities (both surface lots and multi-level garages). As shown in Figure 5-16, parking facilities are distributed throughout the entire primary study area and serve major attractions, such as the Convention Center, Madison Square Garden, and Times Square, as well as Midtown in general. The remaining automotive businesses are concentrated west of Ninth Avenue. In general, these businesses are ancillary to the uses they support, are characterized by low levels of property investment, and are not major employment generators. Many of the properties are occupied by open parking lots without buildings, or small one-story buildings that are in disrepair.

The primary study area also contains a concentration of adult entertainment businesses in the vicinity of the Port Authority Bus Terminal, including stores selling books and videos. However, the number of businesses has dramatically declined over the last decade, and they are not important employment generators.

(i) Industrial Employment

As shown in Table 5-16, the industrial-based sectors (construction; manufacturing; transportation, communications and public utilities [TCPU]; wholesale; and "other industrial") continue to represent about one-third of the total employment in the primary study area, despite the loss of 3,200 jobs between 1991 and 2002. Most of these jobs are located in the southern part of the primary study area, south of West 34th Street, and in the eastern part between Eighth and Ninth Avenues in the Garment Center District. Among the industrial sectors, manufacturing makes up the largest share of industrial employment, with about 5,300 jobs. However, its overall share has been declining as manufacturers have moved out of the primary study area and other industrial employers (namely TCPU and construction) have grown. Manufacturing businesses in the primary study area generally specialize in the production of apparel and textiles (part of the Garment Center District is located in the primary study area, east of Ninth Avenue, and just south of Madison Square Garden), paper and printed materials (i.e., publishing), and fabricated materials. (For a detailed discussion of the apparel industry, see Section E. Two notable publishers include McGraw Hill in Two Penn Plaza and the New York Daily News at West 33rd Street and Tenth Avenue.

Following the manufacturing sector are the TCPU and construction sectors, which also provide a considerable number of jobs in the primary study area. The TCPU sector accounted for 9.6 percent of total private sector employment during third quarter 2002. (In contrast, this sector accounts for almost 29 percent of total employment in the secondary study area.) TCPU employment is primarily generated by private sector transportation companies, such as Amtrak, Greyhound, and Federal Express; by communication companies, such as Verizon; by private utilities, such as Con Edison; and by trucking and warehousing. The largest concentration of construction jobs within the primary study area is located on the block occupied by Madison Square Garden and Two Penn Plaza, where Madison Square Garden, LP is headquartered. While much of the employment on this block is categorized by NYSDOL as construction-related, the employment base is not related to heavy construction but rather to the office-based functions of construction activity, as well as to special trade contractors who are brought in for events at the Garden (e.g., electricians, carpenters, acoustical contractors, etc.). As of November 2003, Madison Square Garden, LP (which owns the Garden, the Knicks, the Rangers, the Liberty, MSG Network and Radio City Music Hall) employed 923 full-time workers and an additional 2,829 part-time workers in the primary study area.¹² Smaller clusters of

¹² Employment data provided by Andrew Lynn of Madison Square Garden, LP, November 17, 2003.

construction employment are generally located in the vicinity of Madison Square Garden, to the south. Lastly, the wholesaling sector provided about 2,500 jobs in the primary study area in 2002. Like the manufacturing sector, the role of wholesaling in the primary study area has diminished over the past decade, following long-term trends.

(ii) Non-Industrial Employment

After industrial employment, the office-based sectors (business, legal, and professional services and FIRE) are the next largest private employers in the primary study area, accounting for 15,600 jobs, or another one-third of total employment. Most of these jobs are located in the blocks east of Ninth Avenue. For example, there are 1,750 office-based jobs in the block occupied by Madison Square Garden and Two Penn Plaza (a 30-story office tower), plus another 1,450 jobs in the block immediately to the south. The blocks between Eighth Avenue and Ninth Avenue and West 30th and West 40th Streets (excluding the Farley Building) contain an average of 600 office-based jobs. West of Ninth Avenue, the largest number of office-based jobs is located at the Convention Center. In addition, office-based employment is located in the Daily News building (including DoubleClick, a large Internet advertising company) and on Tenth Avenue between West 36th and West 37th Streets, where the corporate headquarters of Affinia Hospitality is located.

In addition to office-based users, private sector employment in the primary study area is created by entertainment services and health and social services, each accounting for about 10 percent of the total private employment. The entertainment services are generally associated with Madison Square Garden and the West 42nd Street Corridor. Of the approximately 4,700 private jobs in the health and social services sector, almost half are clustered in close proximity to the main offices of the New York City Human Resources Administration (HRA).

(iii) Trends

In 1991, the variety of jobs in the primary study area was less diversified, with the office-based sectors accounting for about 40 percent of the area's total private employment (see Table 5-16). At that time, manufacturing employment was considerably higher as well, ranking second with over 9,000 jobs or 15.7 percent of the area's employment. However, following a continuing borough-wide shift from a manufacturing to a service-based economy, this sector saw a marked decrease in employment between 1991 and 2002, losing almost 4,000 jobs (a 42.4 percent decline) in the Project Area.

The decline in jobs in the primary study area between 1991 and 2002 was affected by substantial losses in the FIRE sector and the business, legal, and professional services sector, which declined by 38 and 29 percent, respectively, for a combined loss of 7,700 office-based jobs. This decline is notable because it occurred during a period when such employment expanded throughout Manhattan and more than doubled in the secondary study area with the addition of some 1,750 jobs. Nonetheless, there were significant gains in several other sectors, most notably in TCPU (1,085 jobs), entertainment services (790 jobs), and construction (326 jobs).

(b) Secondary Study Area

As noted above, the secondary study area for the analysis of additional indirect business and institutional displacement encompasses the waterfront just west of the primary study area and the westernmost parts of Clinton to the north and Chelsea to the south (Figure 5-14). The employment profile of these areas is similar to that of the primary study area, given their underlying manufacturing zoning, clusters of industrial businesses, access to Route 9A and the Hudson River, and their inventories of large industrial buildings.

The secondary study area contained roughly 17,900 private sector jobs in 2002. The TCPU sector provides the largest share of employment in the secondary study area, with over 5,000 jobs (Table

5-18). This is followed by retail trade (18 percent), business, legal, and professional services (13 percent), entertainment services (8 percent), and construction (7 percent).

TABLE 5-18
SUMMARY OF PRIVATE SECTOR EMPLOYMENT IN THE SECONDARY STUDY AREA

Sector	1991 Employment		2002 Employment		Percent Change 1991 to 2002
	Jobs	% of Total	Jobs	% of Total	
Construction	1,154	7.1%	1,241	6.9%	7.5%
Manufacturing	2,747	16.9%	517	2.9%	-81.2%
TCPU ¹	4,683	28.8%	5,148	28.7%	9.9%
Wholesale	987	6.1%	909	5.1%	-7.9%
Other Industrial	497	3.1%	290	1.6%	-41.6%
Retail	1,859	11.4%	3,138	17.5%	68.8%
FIRE ²	528	3.2%	1,076	6.0%	103.8%
Business, Legal, and Professional Services	1,105	6.8%	2,304	12.9%	108.5%
Entertainment Services	1,752	10.8%	1,452	8.1%	-17.1%
Health and Social Services	497	3.1%	949	5.3%	90.9%
Educational Services	55	0.3%	29	0.2%	-47.3%
Other Services	387	2.4%	601	3.4%	55.3%
Unclassified	24	0.1%	273	1.5%	1037.5%
Total	16,275	100.0%	17,927	100.0%	10.2%

Sources: *NYS DOL and DCP.*

1 Transportation, Communications, and Public Utilities.

2 Finance, Insurance, and Real Estate.

Between 1991 and 2002, overall employment in the secondary study area increased by approximately 10 percent, surpassing the growth rate of both the primary study area and Manhattan as a whole. Among the largest gains in employment were in the business, legal, and professional services and retail trade—each of which increased by more than 300 jobs. However, the role of industrial-based employment in the secondary study area diminished markedly between 1991 and 2002. In 1991, these sectors (construction, manufacturing, TCPU, wholesaling, and “other industrial”) accounted for over 60 percent (over 10,000 jobs) of the secondary study area’s total employment; by 2002, they accounted for 45 percent (8,105 jobs). Similar to the primary study area, this decline was attributable to significant job losses in the manufacturing sector, which were partially offset by growth in the construction and TCPU sectors. Manufacturing lost 2,200 jobs in the secondary study area between 1991 and 2002. In 1991, that sector was the second largest employer, with about 17 percent of the area’s total employment, but it dropped to tenth place just 11 years later, with less than 3 percent of the employment. As shown in Table 5-19, manufacturing employment decreased in both of the neighborhoods that make up the secondary study area, with Chelsea losing the largest share of such jobs (over 1,600).

Overall, Clinton contained more than half of the private sector employment in the secondary study area in both 1991 and 2002, followed by Chelsea, which accounted for approximately one-third of the employment base in both years. The Waterfront area contained a relatively small share of the total employment in 1991 (about 4 percent), but it grew to 15 percent by 2002, after adding 2,100 jobs. During this time, Chelsea experienced moderate employment growth (3 percent), but employment decreased in Clinton by about 6 percent.

TABLE 5-19
PRIVATE SECTOR EMPLOYMENT IN THE SECONDARY STUDY AREA, BY NEIGHBORHOOD

Sector	1991						2002					
	Clinton		Chelsea		Waterfront		Clinton		Chelsea		Waterfront	
	Jobs	% of Total	Jobs	% of Total	Jobs	% of Total	Jobs	% of Total	Jobs	% of Total	Jobs	% of Total
Construction	857	8.4%	297	5.5%	0	0.0%	384	4.0%	840	15.0%	17	0.6%
Manufacturing	716	7.0%	2,031	37.3%	0	0.0%	147	1.5%	370	6.6%	0	0.0%
TCPU	3,647	35.7%	899	16.5%	137	22.0%	3,048	31.8%	758	13.6%	1,342	48.5%
Wholesale	425	4.2%	562	10.3%	0	0.0%	495	5.2%	412	7.4%	2	0.1%
Other Industrial	359	3.5%	138	2.5%	0	0.0%	151	1.6%	139	2.5%	0	0.0%
Retail	1,525	14.9%	334	6.1%	0	0.0%	1,936	20.2%	722	12.9%	480	17.4%
FIRE	433	4.2%	85	1.6%	10	1.6%	266	2.8%	265	4.7%	545	19.7%
Business, Legal, and Professional Services	442	4.3%	663	12.2%	0	0.0%	755	7.9%	1,469	26.3%	80	2.9%
Entertainment Services	1,040	10.2%	237	4.4%	475	76.4%	1,023	10.7%	217	3.9%	212	7.7%
Health and Social Services	493	4.8%	4	0.1%	0	0.0%	925	9.7%	24	0.4%	0	0.0%
Educational Services	29	0.3%	26	0.5%	0	0.0%	18	0.2%	11	0.2%	0	0.0%
Other Services	229	2.2%	158	2.9%	0	0.0%	297	3.1%	225	4.0%	79	2.9%
Unclassified	19	0.2%	5	0.1%	0	0.0%	125	1.3%	140	2.5%	8	0.3%
Total	10,214	100.0%	5,439	100.0%	622	100.0%	9,570	100.0%	5,592	100.0%	2,765	100.0%
Percentage of Total Employment in the Secondary Study Area	62.8%		33.4%		3.8%		53.4%		31.2%		15.4%	

Source: NYS DOL

(i) Clinton

The portion of Clinton within the secondary study area contained about 9,600 private sector jobs in 2002, representing a somewhat larger share of employment (53 percent) than Chelsea (about 31 percent). Although the local economy of Clinton as a whole has flourished in recent years with the construction of new residential towers, restaurants, and cultural institutions, the western portion of Clinton, west of Tenth Avenue, saw a decline in employment between 1991 and 2002. During this period, employment decreased by over 6 percent, primarily due to jobs losses in the TCPU, manufacturing, and construction sectors. In both years, the TCPU sector made up the largest employment sector in this area, followed by the retail trade and entertainment services sectors. Entertainment services provide a considerable number of jobs in this neighborhood, given its proximity to the Theater District and Times Square. Between 1991 and 2002, employment in the health and social services sector grew substantially, along with employment in the retail trade and business, legal, and professional services sectors. Much of the employment growth was fueled by the ongoing redevelopment of Times Square and the expanding residential population in Clinton, particularly in the retail sector that caters to local residents and theatergoers visiting the adjacent Times Square neighborhood.

(ii) Chelsea

The portion of Chelsea within the secondary study area contained about 5,600 private sector jobs in 2002, or about 31 percent of the secondary study area's total employment. Between 1991 and 2002, employment in this neighborhood grew by 3 percent, about one-third as fast as employment growth in the secondary study area as a whole. Much of the increase was attributable to the "dot com" boom of the late 1990s, when many high-tech and telecommunications firms moved to the area. The growth of these new-economy businesses was accompanied by the opening of galleries and other arts-related tenants. In addition, the larger Chelsea neighborhood—like Clinton—has seen a dramatic rise in residential development during the last decade, causing retail trade employment to grow as well.

Following trends throughout the entire secondary study area, manufacturing and wholesale trade employment in Chelsea decreased between 1991 and 2002. The manufacturing sector started as the top employer in 1991 and ranked sixth just 11 years later. While more than 1,600 jobs were lost in

this sector, significant gains were seen in the following sectors: business, legal, and professional services; FIRE; retail trade; and construction. Unlike the primary study area and secondary study area as a whole, Chelsea lost employment in the TCPU sector.

(iii) Waterfront

The Waterfront portion of the secondary study area, which stretches along the Hudson River from Harrison Street north to West 59th Street, contained 2,765 jobs in 2002, representing about 15 percent of total private sector employment in the secondary study area. The TCPU sector accounted for nearly half of the Waterfront's 2002 employment base, followed by the FIRE, retail trade, and entertainment services sectors. Between 1991 and 2002, employment along the Waterfront grew substantially by over 2,100 jobs, mostly in the TCPU sector. This type of employment is largely attributable to water transportation, including such businesses as NY Waterway and New York Water Taxi, as well as other types of transportation services, such as the West 30th Street Heliport, Airborne Freight, and Academy Bus Lines.

The FIRE sector employment in the Waterfront area is represented by Wells Fargo at Pier 40 near West Houston Street. Although currently under redevelopment, Pier 40 contained a number of commercial establishments in 2002, including service companies (e.g., landscaping). Service sector employment in the Waterfront area is also generated by several automotive businesses, particularly parking lots, and entertainment/recreation businesses. The major entertainment/recreation employer is Chelsea Piers Sports & Entertainment Complex, located along the waterfront between West 17th and West 23rd Streets. The complex is also home to Silver Screen Studios, Manhattan's largest center for film and television production and photography. Other entertainment/recreation employers located in and around Chelsea Piers include Blades on Pier 62, Basketball City, and Pier 63 Maritime.

Though not reflected in the employment data, a number of public sector employers are also located in the Waterfront portion of the secondary study area, including the Department of Sanitation, City of New York (DSNY) Garage and Salt Shed and Marine Transfer Station, and the New York City Police Department (NYPD) Tow Pound.

b) Profiles of Directly Displaced Businesses and Institutions

It is important to note that the employment estimates for businesses and institutions that would be displaced represent year 2002 conditions; the actual displacement in 2010 and 2025 could be different, depending on the number and types of businesses that move into or out of the primary study area before then.

(a) *2010*

There are a number of specific locations in the primary study area where businesses, institutions, and employment could be directly displaced as a result of the Proposed Action (Figures 5-17 and 5-18). The Proposed Action would involve three types of direct displacement: (1) displacement through direct public acquisition of property, either by the City of New York or by the MTA, for such capital improvements as the Midblock Park and Boulevard System, the replacement of facilities for the Department of Sanitation and the NYPD Tow Pound, and the No. 7 Subway Extension; (2) displacement for the Convention Center Expansion through direct acquisition of property and through the termination of leases for existing business tenants on property owned by the Convention Center Operating Corporation (CCOC); and (3) displacement resulting from private development initiatives as projected by the City. Figure 5-9 illustrates the Projected Development Sites for 2010.

In total, the Proposed Action would directly displace an estimated 1,516 to 1,535 private sector jobs and 87 to 97 businesses through 2010 (Table 5-20 through 5-24). As noted above, the difference between the DGEIS and FGEIS estimates results primarily from shifting the expected date of acquisition of parcels on Blocks 706 and 707 to before 2010. Of the total displacement prior to 2010, an estimated 690 jobs, or about 45 percent, of the direct displacement would involve industrial sector

jobs. The transportation and warehousing sector would account for most of the industrial job displacement, including several hundred jobs at the Federal Express facility on West 34th Street and additional jobs at Airborne Express near the Convention Center. The other types of industrial displacement would include 2 jobs in the construction sector, and would be attributable to the Midblock Park and Boulevard System and the No. 7 Subway Extension. As shown in Figure 5-17, the business and institutional displacement would occur throughout the Project Area, although it is clustered around key nodes associated, including: the new subway stations and Midblock Park and Boulevard System, (between Eleventh and Twelfth Avenues between West 33rd and West 36th Streets and Tenth Avenue between West 40th and West 42nd Streets); the Convention Center Expansion (between Eleventh and Twelfth Avenues from West 39th to West 42nd Streets); the NYPD Tow Pound and DSNY facility relocation (Block 675 from Eleventh to Twelfth Avenues and West 29th to West 30th Streets); and the first developments associated with the RWCDs (primarily along Ninth Avenue between West 37th and West 39th Streets, as well as Block 1090 between Eleventh and Twelfth Avenues between West 42nd and West 43rd Streets).

**TABLE 5-20
DIRECT EMPLOYMENT DISPLACEMENT (2010)**

Sector	Number of Jobs to be Displaced ^{1, 2, 3}	Percentage of Total
Construction	19	1.2
Manufacturing	96	6.3
TCPU	472	31.0-31.7
Wholesale	1	5.4
<i>Subtotal: Industrial Jobs⁴</i>	<i>690</i>	<i>45.2-46.3</i>
Retail	83	5.4-5.6
FIRE	96-174	6.5 - 11.4
Business, Legal, and Professional Services	471-552	30.9-37.1
Entertainment Services	0-21	0.0-1.4
Health and Social Services	0	0.0
Educational Services	0	0.0
Other Services	3 -22	0.2-1.4
Unclassified	5	0.1
<i>Subtotal: Non-Industrial Jobs⁴</i>	<i>762-780</i>	<i>49.7-50.9</i>
Total Employment⁴	1,516-1,535	100.0

Sources: DCP; CCOC; and AKRF, Inc.

Notes:

- 1 Based on 2002 private sector data. Actual displacement in 2010 could differ.
- 2 The estimates vary depending on whether MSG is relocated.
- 3 Does not include public sector employment from NYPD Mounted Police Headquarters.
- 4 The total jobs in these categories do not add up, due to different sources of data.

Among the non-industrial jobs that would be displaced, many would be in the information sector. For example, the Verizon facilities on West 35th and 42nd Street would be displaced through development on the Projected Development sites. In addition, arts-related and entertainment jobs would be displaced, including such businesses as the Gary Snyder art gallery, John Houseman and Douglas Fairbanks theaters, the Panavision facility, and Copacabana night club. Several automotive businesses (i.e., parking lots, gas stations, repair shops) would also be displaced.

The following sections provide more detailed descriptions of each component of the Proposed Action that would result in direct displacement of businesses and institutions through 2010.

(i) Property to be Acquired for Parks and Boulevard

It is estimated that 436 workers and 60 businesses would be displaced as a result of the establishment of new open space in the primary study area. According to the DCP, this would directly displace one

No. 7 Subway Extension—Hudson Yards Rezoning and Development Program FGEIS

business—a catering company—with relatively few employees. It is noted that since completion of the DGEIS, the City and MTA have determined that acquisition of lots between West 34th and West 36th Street would also be required by 2010 (compared to after 2010 in the DGEIS). As shown in Table 5-21, these lots are located on Blocks 706 and 707 and have been shifted from Table 5-22, below.

In addition, New York City intends to create additional open space on the block bounded by West 29th and West 30th Streets and Eleventh and Twelfth Avenues (Tax Block 675), where a combined municipal facility for the DSNY and NYPD Tow Pound would also be located. Several existing public facilities would be consolidated into this new public facility, including the NYPD Tow Pound, currently located on Pier 76, and three DSNY facilities, one of which is currently located on the northern side of Block 675 along West 30th Street. The other two DSNY facilities are currently located outside of the primary study area.

As listed in Table 5-21, Block 675 is currently occupied by several automotive businesses, a DSNY garage, and an art gallery. In 2002, this block was occupied by 6 private businesses with a total of 59 employees (excluding the public jobs associated with DSNY, which are assumed to remain on-site with the new facility). It is assumed that all of these private-sector firms and employees would be directly displaced as a result of the Proposed Action.

TABLE 5-21
DIRECT DISPLACEMENT FROM THE MIDBLOCK PARK AND BOULEVARD SYSTEM AND
RELOCATION OF NYPD TOW POUND AND DSNY FACILITIES (2010)

Block: Lot	Business or Institution
675: 1	Greyhound Bus Storage Lot
675: 12	Parking Lot (29 Operating Corp.)
675: 24	Building (Monogram Tire & Battery)
675: 26	Warehouse (ABA Beverages)
675: 29	Gary Snyder Art Gallery
675: 36	Mobil Gas Station
675: 38	Jamie's Auto Center
675: 39	DSNY Garage
705: 53	Commercial Building
706: 10	Industrial (ABCO Refrigeration Supply)
706: 15	Office (Tech Ready Office Space)
706: 17	Office (Velocity Express)
706: 48	Industrial
706: 50	Industrial (American Pipe and Tank Manhattan Cooling Towers)
706: 52	Retail Store
706: 55	Expert Furniture Repair
707: 13	Warehouse/Storage
707: 16	Splashlight Studios
707: 20	Industrial (Warehouse, Twinco Supply Corp.)
707: 51	Aviv Construction, Midtown Glass, Hanna's/Stephanie's Deli
707: 54	Industrial (Panavision)
707: 56	Industrial (Panavision)
Total Estimated Employment¹ = 436	
Total Estimated Businesses¹ = 60	

Sources: New York City Department of Finance, LotInfo 2003; NYSDOL; DCP; and AKRF, Inc

Notes:

Acquisition of Block 705, Lot 54 (FedEx) is listed below in Table 5-22 but it is also a part of the Midblock Park and Boulevard System.

1 Based on 2002 private sector data; does not include DSNY facility. Actual displacement in 2010 could differ.

Displacement from the acquisitions of property for open space would affect the finance and insurance, real estate, transportation and warehousing, and construction sectors. Most of the jobs that

would be displaced would be non-industrial jobs. These jobs are primarily related to the automotive industry, including parking lots, automotive repair centers, and a gas station. Other non-industrial jobs that would be displaced from the proposed open space fall under the retail, information, real estate, professional technical and scientific, and art, entertainment, and recreation sectors. Among the industrial sectors, one transportation and warehousing business would be displaced.

(ii) Property to be Acquired for the No. 7 Subway Extension

Extension of the No. 7 Subway would require a number of property acquisitions, including permanent acquisition (fee takings), temporary easements, and permanent easements. Direct displacement is likely to occur on the properties that need to be acquired permanently for stations, ventilation, emergency access, and other permanent facilities (Table 5-22). The properties on which only temporary or permanent easements would be established would typically not be subject to displacement, since the construction work would typically take place underground and/or the properties do not contain businesses, institutions, or employment. In total, it is estimated that 686 workers and 15 businesses would need to be displaced for the extension of the No. 7 Subway.

**TABLE 5-22
DIRECT DISPLACEMENT FROM THE NO. 7 SUBWAY EXTENSION (2010)**

Site	Block: Lot(s)	Business or Institution
A	697: 1	Public Parking Lot
A	697: 60	Public Parking Lot
J	705: 1	Copacabana Night Club
J	705: 5	Warehouse
J	705: 54	FedEx
L	1051: 1	Ground-Floor Retail Stores (Avis Car Rental, The Place Coffee Shop, National Video Center Recording Studios) with Offices Above
M	1069: 29 1069: 34	Public Parking Lot Car Rental (CC Rental)
N	763: 47	Public Parking Lot
P	706: 1	2-story Verizon Vehicle Facility
Total Estimated Employment¹ = 686		
Total Estimated Businesses¹ = 15		

Sources: New York City Department of Finance, LotInfo 2003; NYSDOL; DCP; and AKRF, Inc.
 Note: 1 Based on 2002 private sector data. Actual displacement in 2010 could differ.
 (See Figure 5-17)

Based on the 2002 employment data, industrial employment makes up about 70 percent (473 jobs) of the total private sector employment that would be directly displaced as a result of the No. 7 Subway Extension. Almost all of the industrial job displacement is part of the transportation and warehousing sector, followed by the construction sector.

Among the non-industrial sectors, which make up about 30 percent (213 jobs) of the employment that would be displaced, the information sector would account for the largest number of jobs (about 200 jobs), followed by the accommodation and food services sector (8 jobs). Several automotive businesses would also be displaced, but these types of businesses account for relatively few jobs.

(iii) Convention Center Expansion

As discussed in Chapter 2, “Description of the Proposed Action,” the existing Convention Center would be expanded northward across three additional blocks. In addition, the block to the south of the existing Convention Center (which is currently used for marshalling trucks to service events held at the Convention Center) would be more fully developed for truck marshalling and pedestrian circulation in coordination with the Multi-Use Facility. In addition, other transportation functions

could also be located within this block, including LIRR train storage. These uses would be implemented only upon consideration of the marshalling, parking, and other needs of the Convention Center and would be subject to additional environmental reviews, if necessary. The block directly north of the existing Convention Center, between West 39th and West 40th Streets, is occupied by a parking lot, a 526,000-gross-square-foot (gsf) industrial building (formerly a truck terminal), and a smaller, four-story industrial building that is currently vacant. The Quill Bus Depot spans the entire block between West 40th and West 41st Streets. Only a portion of the block between West 41st and West 42nd Streets would be utilized for the Convention Center Expansion. The proposed Convention Center Hotel would be constructed on the eastern quarter of this block, where a public parking lot is currently located.

The Convention Center Expansion is estimated to result in the direct displacement of about 100 jobs (Table 5-23). As discussed in Chapter 2, the Quill Bus Depot would be relocated within the primary study area, so its employment would be retained (578 jobs, based on 2002 employment data).

**TABLE 5-23
DIRECT DISPLACEMENT FROM THE CONVENTION CENTER EXPANSION (2010)**

Block: Lot	Business or Institution
685	Truck Terminal Building: United Rentals (construction equipment rental and sales); Airborne Express; and Board of Elections. NYPD vehicle facility
1089: 1	Public Parking Lot (Edison Park Fast)
Total Estimated Employment = 102	
Total Estimated Businesses = 4	

Source: CCOC.
(See Figure 5-17)

Most of the jobs and businesses that would be displaced as a result of the Convention Center Expansion would involve industrial sector jobs, including jobs within the construction and transportation and warehousing sectors. A public parking lot located two blocks north of the Convention Center would also be displaced. However, this business accounts for relatively few jobs.

(iv) Projected Development Sites

Based on the Projected Development Sites for 2010, it is estimated that 292 to 311 jobs, involving 8 to 18 private businesses, would be directly displaced as a result of the anticipated redevelopment (Table 5-24), all of which are in the non-industrial sectors. The estimates vary depending on whether Madison Square Garden is relocated, with the lower number reflecting the relocation of this facility. The net displacement directly attributable to the Proposed Action would be much lower (probably fewer than 100 jobs), as it would only involve one business on Projected Development Site 37 (R/GA Interactive Media Group). With the exception of this site, all of the sites listed in Table 5-23 would be redeveloped in the 2010 Future Without the Proposed Action Scenario (including the site where the NYPD Mounted Police Headquarters is currently located).

TABLE 5-24
DIRECT DISPLACEMENT FROM PROJECTED DEVELOPMENT SITES (2010)

Site ¹	Block: Lot(s)	Business or Institution
18	1090: 23	Verizon Garage/Storage ³
18	1090: 29	Mobil Gas Station ³
18	1090: 36	Verizon Facility ³
18	1090: 42	Verizon Facility ³
19	1051: 49	Douglas Fairbanks Theater
19	1051: 50	Pulse Ensemble Theater
19	1051: 51	Store Building/Douglas Fairbanks Theater
19	1051: 53	Soul Café/Restaurant with Offices Above
19	1051: 57	John Houseman Theater
22	736: 33	Store Building (Supreme Macaroni Restaurant) ³
22	736: 34, 35, 36, 37, 38	Public Parking Lot
24 ⁴	735: 30	Residential w/ ground-floor retail
37	762: 6	Office Building (R/GA Interactive Media Group) ³
Total Estimated Private Employment² = 292 to 311		
Net Employment Displacement⁵ = N.A.		
Total Estimated Businesses² = 8 to 18		
Net Business Displacement = 1 (R/GA Interactive Media Group)		

Sources: New York City Department of Finance, LotInfo 2003; NYSDOL; DCP; and AKRF, Inc.

Notes:

- 1 Businesses on Sites 4 and 14 would be displaced by the No. 7 Subway Extension. All of these sites would be redeveloped in the absence of the Proposed Action, except for Site 37.
- 2 Estimates were based on 2002 private sector data. Actual displacement in 2010 could differ. The estimates vary depending on whether MSG is relocated, with the lower number reflecting relocation of the facility.
- 3 Business owns the property so it would be compensated for the fair market value through private sales transaction.
- 4 By 2010, displacement on this site would occur only if MSG is relocated. If MSG is not relocated, displacement could occur in 2025.
- 5 This number has been suppressed for confidentiality purposes.

(See Figure 5-17)

Based on the 2002 employment data, all of the jobs that would be displaced at the 2010 Projected Development Sites would be within the non-industrial sectors. Among these types of jobs, many would be in the communications and information sector, such as are located at the Verizon facility on West 42nd Street. Several accommodation and food services jobs would also be displaced. In addition, several retail sector jobs would be displaced, from several businesses located along West 42nd Street between Ninth and Tenth Avenues.

(b) 2025

Between 2010 and 2025, the Proposed Action could result in additional direct displacement of businesses and institutions through further condemnation by the City for the Midblock Park and Boulevard System and further private redevelopment of the Projected Development Sites, and, while less likely, one or more of the Potential Development Sites.

In total, the Proposed Action would directly displace approximately 841 to 2,734 private sector jobs and 70 to 128 businesses through 2025 (Table 5-25 through 5-27). As shown in Figure 5-18, over the long-term build-out of the Project Area, displacement of existing businesses and institutions would occur mainly in the Large Scale Plan area between Eleventh and Tenth Avenues from West 34th to West 42nd Streets. To a lesser extent, displacement of business and institutional uses would occur through the redevelopment of sites elsewhere in the study area, with the least amount of new development (and displacement) expected to occur east of Ninth Avenue. Of total direct displacement in this section, an estimated 232 to 1,065 jobs, or 27.5 to 38.8 percent of the direct displacement, would involve industrial employment, including jobs in the manufacturing, construction, wholesale, and TCPU sectors.

The larger portion of the direct displacement would occur among the non-industrial jobs, principally in the business, legal, and professional services; finance, insurance, and real estate; and the retail sectors. Several automotive businesses would be also displaced, but these types of businesses account for relatively few jobs.

The following sections provide more detailed descriptions of each component of the Proposed Action that would result in direct displacement of businesses and institutions through 2025.

**TABLE 5-25
DIRECT EMPLOYMENT DISPLACEMENT (2025)**

Sector	Number of Jobs to be Displaced^{1,2,3}	Percentage of Total
Construction	104-112	3.8-13.3
Manufacturing	7-301	0.8-11.0
TCPU	78-241	8.8-9.2
Wholesale	35-419	4.1-15.3
<i>Subtotal: Industrial Jobs⁴</i>	<i>232-1065</i>	<i>27.5-38.8</i>
Retail	184-427	15.5-21.8
FIRE	56-200	6.6-7.3
Business, Legal, and Professional Services	63-669	7.5-24.4
Entertainment Services	47-62	2.3-5.6
Health and Social Services	206	7.5-24.4
Educational Services	0-8	0.0-0.3
Other Services	26-35	1.3-3.1
Unclassified	5-15	0.5-0.6
<i>Subtotal: Non-Industrial Jobs⁴</i>	<i>613-1,682</i>	<i>61.2-72.5</i>
Total Employment⁴	841-2,734	100.0

Sources: DCP; and AKRF, Inc.

Notes:

- 1 Based on 2002 private sector data. Actual displacement in 2025 could differ.
- 2 The estimates vary depending on whether MSG is relocated.
- 3 Does not include public sector employment.
- 4 The total employment numbers in these categories do not add up, due to different sources of data.

(i) Properties to be Acquired by New York City for Midblock Park and Boulevard System

Table 5-26 summarizes the businesses and institutions identified on the specific lots to be acquired by New York City for the completion of the Midblock Park and Boulevard System. Based on estimates developed by the DCP, about 148 private sector employees in 18 businesses could be directly displaced. Additional non-profit employees who work at the Icahn Center Tier II Shelter could also be displaced although it is uncertain, given current lease terms, that this facility would remain in place in the 2025 Future Without the Proposed Action.

Based on the 2002 employment data, industrial employment would make up about 36 percent (188 jobs) of the total private sector employment that would be displaced as a result of the proposed Midblock Park and Boulevard System. Among the industrial sectors, the manufacturing sector would account for the largest number of jobs, followed by transportation and warehousing and construction. Among the non-industrial sectors, which make about 64 percent, or 336 jobs, of the employment that would be displaced, the real estate sector would account for the largest number of jobs, followed by the professional technical and scientific, retail, and information sectors. In addition, several auto-related businesses would be displaced.

TABLE 5-26
DIRECT DISPLACEMENT FROM THE MIDBLOCK AND PARK BOULEVARD SYSTEM (2025)

Site No.	Block: Lot	Business
4	708: 1	Transportation
4	708: 17	Office
4	708: 20	Two retail stores
4	708: 46	Industrial (Target Advertising)
4	708: 48	Industrial (Archer Elevator Co.)
5	709: 17	Transportation
5	709: 23	Industrial Loft
5	709: 25	Public Parking Lot
5	709: 46	Public Parking Lot
5	709: 52	Best Western Hotel, 83 rooms
6	710: 11	Mercedes Benz Repair Shop on 39th
6	710: 15	Transportation
6	710: 20	Warehouse (ZHN Auto Service on 38th, Citywide Towing Automotive Center on 39th)
6	710: 22 ²	Industrial (Storage Loft)
7	1070: 20	Icahn Center Tier II Shelter
Total Estimated Private Employment¹ = 148		
Total Estimated Private Businesses¹ = 18		

Sources: New York City Department of Finance, LotInfo 2003; NYSDOL, DCP, and AKRF, Inc.

Notes:

- 1 Estimates were based on 2002 private sector data. Actual displacement in 2025 could differ. (See Figure 5-18)
2. Since completion of the DGEIS, Block 710, Lot 22 is no longer considered acquisition parcel

(ii) Projected Development Sites

As shown in Table 5-27, redevelopment of the Projected Development Sites between 2010 and 2025 could result in the direct displacement of between 52 and 110 businesses and between 693 and 2,586 workers.

In addition to the private employment displacement, a number of public sector workers would be directly displaced by the redevelopment of the Projected Development sites—namely those working at the Hunter College Voorhees Campus on West 41st Street and at the U.S. Post Office on West 42nd Street.

**TABLE 5-27
DIRECT EMPLOYMENT DISPLACEMENT FROM PROJECTED DEVELOPMENT SITES (2025)**

Site	Block: Lot(s)	Existing Use	Site	Block: Lot(s)	Existing Use
3	705: 29	Office Building (Vacant)	15	1070: 1	FedEx Garage
3	705: 30	Office/Storage	16	1070: 49	Jose Quintero Theatre
3	705: 32	O'Farrell's Restaurant/Pub	16	1070: 50, 54	FedEx Parking Lot
3	705: 39	McDonald's Restaurant	17	1090: 10	Homecooking Restaurant and Pizzeria
3	705: 41, 42, 45	Madelyn Simon Landscaping	20	1050: 6	Hunter College Voorhees Campus (MFA Program)
3	705: 46	Coach and Vantage Press Office Building	20	1050: 158	Loft
5	706: 20	Public Parking Garage	23	735: 1	Imperial Parking System
5	706: 29	DMP Company	23	735: 6	Auto Repair
5	706: 29	Ryder Truck Rental	23	735: 7	Auto Repair
5	706: 35	Auto Repair	23	735: 65	Montero and Chico Auto Repair
5	706: 36	Auto Repair	24 ¹	735: 30	Residential w/ground-floor retail
7	707: 26	Feature Systems Film Equipment Rental	25	734: 1	Diesel Gas Station
7	707: 31	Penske Truck Rental	26	734: 16, 52, 55	Central Parking System
7	707: 39	Loft/Storage	27	733: 67, 68, 70	Impark
7	707: 41	Industrial	28	733: 25, 28	Central Parking System
7	707: 45	Manhattan Neon Signs	28	733: 30, 31	Edison Park Fast
8	708: 62	Driven Image (Auto Repair)	29	732: 1	BP Gas Station
8	708: 65	River Diner, Orsap Taxi Repair	30	731: 44	Store/Office Building
9	708: 22	Parking Garage, Two Guys Pizza, Industrial Lofts			
9	708: 24	Industrial Lofts	30	731: 48	Skyline Diner, T-Mobile Cell Phone Store
9	708: 37	Affinia Hospitality Office Building	34	729: 60	Edison Park Fast
9	708: 41	Industrial Building	34 ²	729: 163	Office Building, including Planned Parenthood
9	708: 42, 43	Industrial – Laundry Service	35	1032: 05	Carroll Musical Instrument Rentals
10	709: 1	Convention Park and Auto Repair Shop	35	1032: 07	New York Letter Carriers Office Building
10	709: 2	General Insurance Brokers	35	1032: 54	U.S. Post Office
10	709: 3	Quik Park	35	1032: 57	Pine Cleaner
10	709: 7	Verizon Wireless Garage	35	1032: 58	Blimpie
10	709: 13	Carriage Repair	35	1032: 101	Tobacco Road
10	709: 14	Star Auto Body	36	763: 32	Escuelita
10	709: 15	Usdan Kolmes Industries	36	763: 34	Odd Job
10	709: 60	Carriage Repair	36	763: 38	Kashmir Restaurant, World of DVD
10	709: 61	Cycle Therapy	36	763: 42	Ashley Stewart, Burger King, Lucille Roberts

TABLE 5-27 (CONTINUED)
DIRECT EMPLOYMENT DISPLACEMENT FROM PROJECTED DEVELOPMENT SITES (2025)

Site	Block: Lot(s)	Existing Use	Site	Block: Lot(s)	Existing Use
10	709: 63	Loft	38	762: 61	Loft Building/Industrial
10	709: 66	Silk Cabaret, Milan Restaurant	39	762: 60	Public Parking Garage
10	709: 67	UltraSmith Systems	40	761: 62	Loft Building/Industrial
10	709: 3, 68, 70, 71	Quik Park	41	761: 10	Manhattan Paper Corp
11	709: 30, 31, 33	Public Parking Lot	41	761: 13	Park Right Parking Facility
11	709: 36	Gold Rush Restaurant	41	761: 43	Quik Park Parking Lot
11	709: 37, 41	Lulu's Restaurant	42	760: 7	Residential Loft with Ground-Floor Retail
11	709: 43	Storage	43	758: 1	Gourmet Deli/Pizzeria, Soul Fixins, West Side Candy Store, Endorphin Gym, Subway, Soon-Bee's Beauty Salon/Lock N' Chops Hair
11	709: 45	Diva Garage Corp.	43	758: 05	Store Building
12	710: 1	Short Line Bus Parking Lot	43	758: 07	Park Here Parking Facility
12	710: 6	Public Parking Lot	44	754: 44	Public Parking Lot
12	710: 58	Central Parking System	461,3	1069: 1	Mercedes Benz Dealership and Offices
13	710: 27	REMCO			
13	710: 29	American Self Storage			
13	710: 42	Motorola Garage			
Total Estimated Employment (with MSG Relocation)⁴ = 693					
Total Estimated Businesses (with MSG Relocation)⁴ = 52					
Total Estimated Employment (without MSG Relocation)⁴ = 2,586					
Total Estimated Businesses (without MSG Relocation)⁴ = 110					

Sources: New York City Department of Finance, LotInfo 2003; NYSDOL; DCP; and AKRF, Inc.

Notes:

- 1 Displacement on this site would occur only if MSG is not relocated.
- 2 Displacement on this site would occur only if MSG is relocated.
- 3 If MSG is relocated, this site would be redeveloped as part of the 2025 Potential Development Sites.
- 4 Employment estimates are based on 2002 data. Actual displacement in between 2010 and 2025 could be different.

(See Figure 5-18)

As shown in Table 5-27, a large number of automotive businesses would be displaced at the 2025 Projected Development Sites, most of which are public parking facilities (open lots and garages). Individually, these types of businesses employ relatively few workers. Larger concentrations of employment would be displaced in the office-based sectors, including real estate and management. For example, in the management sector, the corporate headquarters of Affinia Hospitality would be displaced from its current location on Tenth Avenue at West 37th Street. This business manages all-suite hotels throughout New York City. In addition, a considerable amount of retail employment would also be displaced, including large-scale retail employers such as the Mercedes Benz dealership on Eleventh Avenue and Odd Job on Eighth Avenue, and a variety of smaller retail businesses. The smaller businesses generally offer convenience goods and services (as opposed to shopping goods), such as hair salons and restaurants.

Based on the 2002 employment data, industrial employment would make up about 38 percent (991 jobs) of the total private employment that would be displaced under the Projected Development Sites in 2025. Among the industrial sectors, wholesale trade would account for the largest number of jobs, followed by manufacturing, transportation and warehousing, and construction.

(iii) Potential Development Sites

Table 5-28 provides a list of the existing businesses and institutions that could be displaced due to redevelopment of Potential Development Sites. DCP does not anticipate that all of the Potential Development Sites would be redeveloped, but some combination of Projected and Potential Development Sites could be redeveloped. Therefore, unlike the data in the tables above, the data in

No. 7 Subway Extension—Hudson Yards Rezoning and Development Program FGEIS

Table 5-27 have not been aggregated. Figure 5-13 illustrates the location of the Potential Development Sites.

**TABLE 5-28
DIRECT EMPLOYMENT DISPLACEMENT FROM POTENTIAL DEVELOPMENT SITES (2025)**

Site	Block: Lot(s)	Existing Use	Site	Block: Lot(s)	Existing Use
46 ¹	1069: 1	Mercedes Benz Dealership and Offices	70	763: 46	FunCity Video & Magazines
49	1071: 20	City Lumber	70	763: 47	Public Parking Lot
49	1071: 23	Travel Inn Hotel w/ Broadway Deli and Bagel	72	762: 11	Industrial/Office Mixed-Use – including Liman Video Rental Co., Dasher Records, Woodfin Camp and Associates, The Susan G. Komen Breast Cancer Foundation
49	1071: 29	Ornamental and Architectural Iron Workers Local 580 and Joint Funds, B&G Wine and Liquor	73	762: 19	Industrial/Office Mixed-Use Space
50	1051: 29	Stile' Farmers Market	74	762: 46	Parking Garage
50	1051: 31	Stile's Farmers Market	75	761: 5, 7	M&T Pretzel Warehouse
50	1051: 32,35	Ground floor retail, Big Apple Meat Market	76	761: 41	Office Building, including Young Playwrights, Inc., Showdigital, The House Foundation for the Arts, Fallen Wren, Inc., Julie Research Laboratories, Inc., Bridal Path, A Classical Record
50	1051: 135	League of Mutual Taxi Owners	77	761: 28	Industrial/Office Mixed-Use Loft Building
50	1051: 36	Ray Bari Pizza	78	760: 67	Blass Employment Corp.
50	1051: 138	Photo Stars, including offices above	78	760: 68	Public Parking Lot
51	737: 31	MW Entertainment Group	79	760: 63	Industrial/Office Mixed-Use Loft Building, including Zipper Theatre, Physical Chess, Inc., The Belt Theater, NYKK Gym, American Notion Co., Artgroove
51	737: 32	Retail Store	80	760: 58,59,60	Public Parking Lot
51	737: 33	Central Fish	81	760: 55	Industrial/Office Mixed-Use Loft Building, including dBm Pro Audio/Music Services, CodeFab, Advanced Natural Chinese Martial Arts, Merlin Industries, Inc., BYC Records
53	735: 12	Auto Repair	82	760: 51	Public Parking Lot
53	735: 13	Public Parking Lot	83	760: 12	Industrial/Office Mixed-Use Loft Building, including Conquest Marketing, Where Eagles Dare Theater, RHYTHM Magazine, A D Trimming Corp., Fink & Platt Architects, Sove (wholesale Bosnian crafts), Empire Graphic Services, Envirolight Inc.
53	735: 60	Lockwood, Ltd. (Light Manufacturing)	84	760: 16	Loft Building with Retail Stores
54	734: 7	Parking Garage	84	760: 18	Industrial Warehouse
54	734: 62	West 37th Street Theatre Complex	84	760: 20	Pella Publishing Company, Journal of the Hellenic Diaspora
55	734: 10	Parking Garage	85	760: 21	Industrial/Office Mixed-Use Loft Building
56	733: 60	Comfort Inn	86	759: 14	Commercial Loft Building
56	733: 61	Keslow Television (Broadcast Video Equipment Rentals and Sales)	87	759: 61	Postgraduate West Rehabilitation Center

TABLE 5-28 (CONTINUED)
DIRECT EMPLOYMENT DISPLACEMENT FROM POTENTIAL DEVELOPMENT SITES (2025)

Site	Block: Lot(s)	Existing Use	Site	Block: Lot(s)	Existing Use
56	733: 62	Industrial Lot	88	759: 26, 55	Parking Garage
56	733: 63	Retail Store	88	759: 27	Retail – Service Notions & Trimmings, Inc.
56	733: 64	Garage/Gas Station	89	759: 49	Training School
57	733: 8	Public Parking Lot	90	754: 63	Meyers Parking Lot
57	733: 9	Public Parking Lot	91	754: 51	Technical Career Institute
57	733: 58	Kinney System Parking Lot	92	780: 17	Loft Building with Office Space
58	733: 23,24,47	Central Parking	92	780: 19	Meyers Parking Garage
59	732: 70	Public Parking Lot	93	779: 8	Public Parking Lot
62	728: 67	United Construction Weatherproofing Co., UJB Restoration	94	779: 25	Retail Store
62	728: 69	Stuart Dean Co. (Metal, Wood, and Marble Restoration)	94	779: 26	Retail Store
63	728: 60	Vacant Building	94	779: 27,28	Public Parking Lot
64	728: 42	Office Building, including Premier Paper & Office Supply, Breanna Benjamin Casting	94	779: 53	Office/Retail, including Fur & Sport by Mr. Fred
66	1033: 25,41	Impark Public Parking Lot	94	779: 55	Retail Store
67	763: 72	Times Square Beds & Rooms	94	779: 56	Retail, including Excel Furs, Inc.
67	763: 73	Bellevue Bar	95	778: 7	Loft Building, including Club Joy, Centro-Fly, Catch a Rising Star, Scooter Studio
68	763: 12	Industrial	95	778: 13,16,18,6 6	Edison ParkFast Public Parking Lot
68	763: 14	Public Parking Lot	95	778: 70	Metro Training Institute: American Barber Institute; American Bartenders School; Career & Educational Consultants; New York School of Dry Cleaning
68	763: 17	Storage/Garage	96	778: 57	Parking Garage
68	763: 60	S&S Coach Works (Auto Repair)	97	778: 25	Retail, including Botanica, Inc.
68	763: 65	Staging Techniques	97	778: 27	Argusfab International Corp. (Interior Design Services)
68	763: 67	Central Parking System	98	778: 29, 30	Public Parking Lot
69	763: 49	Office Building	98	778: 31	Loft Building, including Club Demerara, Planet 28, Flirt (Club)
69	763: 56	Central Parking System	99	778: 33	Loft Building, including Esso Gallery
70	763: 28	Public Parking Lot	99	778: 34	Loft Building, including Game Source Corp.
70	763: 45	Discount DVD & Video Center	99	778: 46	Loft Building, including ANY Phototype (Foreign Language Translation, Typesetting, Prepress, and Printing), Konstantine (Fur Industry)

Sources: *New York City Department of Finance, LotInfo 2003; NYSDOL; DCP; and AKRF, Inc.*

Notes:

- 1 Displacement on this site would occur only if MSG is relocated. If MSG is not relocated, this site would be redeveloped as part of the 2025 Projected Development Sites.
- 2 Employment estimates are based on 2002 data. Actual displacement in between 2010 and 2025 could be different.

As shown in the tables, the Potential Development Sites are currently occupied by a wide variety of businesses and institutions. Redevelopment of Potential Development Sites could displace private institutions, including: a health care facility (Postgraduate West Rehabilitation Center), on West 36th Street; and several private educational facilities (e.g., Technical Career Institute, American Barber Institute, American Bartenders School, New York School of Dry Cleaning).

As compared to the Projected Development Sites, Potential Development Sites include a greater number of parcels in the eastern part of the primary study area, where existing employment levels are relatively high (see Figure 5-15), including potential redevelopment sites south of Penn Station between Seventh and Eighth Avenues. While occurring in an area of greater employment density, the range of potentially displaced businesses and employment would be similar to that of the overall Project Area in terms of the mix of manufacturers, retailers, wholesale trade, transportation and warehousing sectors.

Businesses and Institutions at Risk of Indirect Displacement

In general, the businesses that are likely to be vulnerable to indirect displacement are those that currently pay relatively low rents on properties where little investment has been made (e.g., storage yards, parking lots, small buildings). These businesses tend to be industrial—related to such sectors as manufacturing, construction, warehousing, and transportation—or non-industrial related to the automotive services sector. In addition to rising rents, rising property values could be reflected in future tax assessments, and the potential increase in taxes could lead to further indirect displacement of businesses, prompting manufacturers and other industrial businesses to leave the primary study area.

Where businesses actually own their properties, they would only be displaced if they were willing to sell their properties, in which case they would be compensated through private sales transactions based on the market value of their property. As property values rise with the Proposed Action, these businesses could stand to gain from an appreciation in their property values. Therefore, this type of “voluntary” displacement is not relevant to the analysis of indirect displacement impacts.

(c) Primary Study Area (Project Area)

In the primary study area, indirect displacement pressures could occur in areas where manufacturing zoning is proposed to be replaced by commercial zoning, which would permit a wider range of land uses and higher densities of development (see Figure 5-19). In addition, within the manufacturing zones, indirect displacement pressure could occur in the immediate vicinity of each proposed capital improvement (i.e., No. 7 Subway Extension and Midblock Park and Boulevard System), where properties would become more valuable and landlords may begin to curb lease renewals of low-paying tenants. Owners could even sell their properties to private developers who would be expected to assemble lots to construct larger buildings (i.e., direct displacement).

In 2002, an estimated 17,034 jobs (and 1,122 businesses) were located in the primary study area’s manufacturing zoning districts (Table 5-29), accounting for 35 percent of the total employment in the primary study area. Some of these jobs would be directly displaced from the Proposed Action, as discussed above. As can be expected—given the underlying zoning and land use patterns—these particular blocks contain a larger share (50 percent) of industrial jobs compared to the primary study area as a whole (33 percent). The dominant industrial sector in this smaller, 23-block area is manufacturing, with approximately 3,600 jobs, followed by the TCPU and wholesale trade sectors. However, consistent with trends throughout the entire primary study area and throughout the secondary study area, industrial employment has declined in the primary study area’s manufacturing districts, and these trends are likely to continue through 2010 and 2025. Between 1991 and 2002, approximately 3,300 industrial jobs were lost in this area, almost all of which were in the manufacturing sector. This decline was largely attributable to the five blocks within the Garment Center District, namely those between Eighth and Ninth Avenues from West 35th to West 40th Streets. In this area alone, approximately 3,500 industrial jobs were lost during the last decade, of which 3,100 were in the manufacturing sector. In the three blocks directly south of the existing Madison Square Garden site, which are part of the Fur District, almost 700 manufacturing jobs were lost between 1991 and 2002. Though somewhat offset by gains in the TCPU and construction sectors, the downward trend in industrial employment is expected to continue. In general, industrial

employment is expected to continue to decline in the primary study area, but employment growth is expected to occur in the office-based, retail trade, and arts/entertainment sectors, in either the Future With or Without the Proposed Action.

TABLE 5-29
PRIVATE SECTOR EMPLOYMENT WITHIN BLOCKS TO BE REZONED FROM
MANUFACTURING TO COMMERCIAL (2002)

Sector	Jobs	% of Total
Construction	1,240	7.3%
Manufacturing	3,584	21.0%
TCPU	1,949	11.4%
Wholesale	1,543	9.1%
Other Industrial	182	1.1%
<i>Subtotal: Industrial Jobs</i>	<i>8,498</i>	<i>49.9%</i>
Retail	1,046	6.1%
FIRE	609	3.6%
Business, Legal, and Professional Services	3,571	21.0%
Entertainment Services	714	4.2%
Health and Social Services	1,129	6.6%
Educational Services	155	0.9%
Other Services	910	5.3%
Unclassified	402	2.4%
<i>Subtotal: Non-Industrial Jobs</i>	<i>8,536</i>	<i>50.1%</i>
Total Employment	17,034	100.0%

Sources: NYS DOL and DCP.

Note: 1 Employment estimates reflect 23 entire tax blocks, even where part of the block is currently zoned commercial.

Many of the properties located in the current manufacturing zones contain automotive businesses (see Figure 5-16). In a number of cases, the properties contain vehicle storage lots without any employment, so displacement of employees would not occur. Where there are office buildings with office-based businesses or buildings with ground-floor retail businesses, indirect displacement would be less likely to occur, as many of these uses have migrated to the area in anticipation of its transformation to a more diverse, mixed-use area with better transit access. In general, the level of investment in these types of properties is already much higher and consistent with the intent of the City's redevelopment plan.

In conclusion, the businesses currently at a heightened risk of indirect displacement include the industrial and automotive service businesses that operate in the existing manufacturing zones subject to rezoning under the Proposed Action, but that would not be directly displaced by the public acquisition of land or the redevelopment of Projected or Potential Development Sites. In these areas, the industrial businesses generated approximately 8,500 jobs in 2002 (see Table 5-26, above). Within the industrial sector, the leading employer was the manufacturing sector, followed by the TCPU, wholesale trade and construction sectors. Since these businesses typically pay relatively low rents, it is assumed that they would be vulnerable to indirect displacement in the Future With the Proposed Action.

(d) Secondary Study Area

Similar to the primary study area, the businesses currently at risk of indirect displacement in the secondary study area include the industrial and automotive service businesses that operate in existing manufacturing zones. The secondary study area was defined to include these zones, as shown in Figure 5-14. As discussed in the employment analysis, the industrial businesses made up 45 percent of the 2002 employment base in the secondary study area, with approximately 8,100 jobs. Within the

industrial sector, the leading employer was the TCPU sector, followed by the construction, wholesale trade, and manufacturing sectors. However, like the primary study area, the total share of industrial employment has declined significantly in the past decade, and this trend is expected to continue.

c) Real Estate Market Trends

The Proposed Action would take place in Manhattan, the nation's—and arguably the world's—largest center of commerce and real estate. Overall, Manhattan contained 392 million square feet (msf) of office space at the end of 2000, prior to the September 11th attacks. Even after September 11, 2001, Manhattan continues to be a leading center of regional, national, and international commerce, with a current inventory of 389 msf of office space.

The Project Area (primary study area) is located on the Far West Side of Midtown Manhattan. The adjacent Midtown Manhattan CBD is the core of the New York region's economic strength and is renowned for its supply of high-quality office space. With just over one million jobs and 231 msf of office space, Midtown is home to the largest concentration of Fortune 500 corporations in the nation (33 out of 50 headquarters statewide). As an indicator of its national dominance, Midtown's office inventory is roughly the equivalent of those of downtown Chicago, San Francisco, and Boston combined.¹³ The majority of that inventory is located in Class A¹⁴ office buildings, typically in demand by prestigious national and international firms, particularly in the business, legal, and professional services and the FIRE sectors. At the end of third quarter 2003, there were 172 msf of Class A space in Midtown, representing 74 percent of the Midtown office inventory, and 76 percent of all Class A space in Manhattan.

Although Manhattan's economy is currently experiencing a downturn, nearly all of the office stock was absorbed during the economic boom of the late 1990s that followed Manhattan's peak office vacancy rate of 18.5 percent at year-end 1992. But as the economy emerged from recession, demand for office space (particularly Class A) and limited construction of new office buildings consequently drove vacancy levels to record lows and rent levels to record highs. The overall vacancy rate in Manhattan hit a record low of 3.5 percent in third quarter 2000, just before the most recent recession started. In Midtown, the vacancy rate was even lower, down to 3.2 percent in third quarter 2000, leaving a relatively small amount of space available for lease. In the current recession, office vacancy in Manhattan is about 12.5 percent, with Midtown faring better at 11.9 percent. Office vacancies in Midtown South and Lower Manhattan are slightly higher at 13.7 and 13.0 percent, respectively. Traditionally, office vacancy rates between 7 and 9 percent indicate that the market is in equilibrium, providing space for expansion without extraordinary increases in rents.

Rental rates have followed a similar pattern. Demand for a limited supply of Class A office space pushed average office rents in Manhattan from \$33 per square foot (psf) in 1996 to nearly \$55 psf in 2000.¹⁵ Subsequently, the economic downturn and the after-effects of the September 11th attacks combined to depress rental rates. In Manhattan, the overall rate for office space decreased by 20 percent since 2001, down to about \$41 psf. Midtown's premier space experienced a similar trend. Between year-end 2000 and the third quarter of 2003, the average rent for Class A space in Midtown declined from \$67.40 to \$50.60 psf.¹⁶

¹³ CB Richard Ellis, Inc. Local Market Reports, Second Quarter 2003.

¹⁴ Class A 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 (Cushman & Wakefield).

¹⁵ Cushman & Wakefield. *Office Market Statistics. Manhattan Mid-Year 1997 and Mid-Year 2000.*

¹⁶ Cushman & Wakefield. *Market Beat Series: Year-End 2001 and Midtown New York Office Market, Third Quarter 2003.*

Primary Study Area (Project Area)

The primary study area contains a wide variety of development, from large superblocks (including such uses as the Convention Center, Madison Square Garden, and open rail yards) to small properties with parking lots, storage yards, and low-rise industrial buildings. In general, the center of the primary study area—between Ninth and Eleventh Avenues—is dominated by low-density development, whereas the edges are lined by higher-density development, including residential towers along West 42nd Street, office towers and Madison Square Garden east of Eighth Avenue, and the Convention Center along the waterfront.

While the edges of the primary study area and adjacent neighborhoods have been subject to considerable development pressure in recent years, development in the center of the primary study area has been constrained by the area’s zoning and limited transit access. A review of building permits issued in the area indicates those types of development that are being pursued and that are economically viable. As shown in Table 5-30, New York City’s Department of Buildings reports that 66 permits were issued, most of which introduced new uses to the area, such as residential buildings, office space, theaters and studios, hotels, art galleries, and ground-floor retail businesses. (The Department’s database does not indicate the timeframe during which the permits were issued.) The residential building permits allowed the construction of large residential towers in the northern section of the primary study area, along West 41st and West 42nd Streets in the Clinton neighborhood, as well as the conversion of existing lofts into apartments. The two new hotels (Comfort Inn and Best Western), both relatively small “limited service” or “economy” hotels, are located in the vicinity of the Convention Center along West 36th and West 38th Streets. Most of the new offices were established in converted loft buildings. The art gallery (Gary Snyder Fine Art) established in the southernmost part of the primary study area, on West 29th Street at Eleventh Avenue, is part of a growing concentration of galleries that has emerged just outside of the primary study area in the Chelsea neighborhood.

**TABLE 5-30
BUILDING PERMITS ISSUED IN THE PRIMARY STUDY AREA**

New Use Permitted	Number	Percentage
Residential	18	27.3
Office	11	16.7
Theaters and Studios	9	13.6
Retail	6	9.1
Auto Repair, Gas Stations, and Parking	6	9.1
Residential with Retail	6	9.1
Other	5	7.6
Hotels	2	3.0
Art Galleries	1	1.5
Stables	1	1.5
Printing	1	1.5
Total	66	100.0

Source: New York City Department of Buildings, Business Information System.

Among the permits that were issued for the primary study area, very few expand upon the area’s historic pattern of land uses and businesses. Only one permit was issued for manufacturing (printing) and stables associated with the carriage industry, and no new warehousing activity was reported. However, six permits were issued for auto repair shops, gas stations, and parking facilities, which already have a large presence in the primary study area, particularly west of Ninth Avenue (see Figure 5-16). Many of the buildings that traditionally have been used for manufacturing and warehousing (e.g., lofts) have been converted formally to new uses such as offices, studios, and apartments. For example, the architecture firm of Richard Meier & Partners is located in a loft building on Tenth

Avenue. In addition, field observations indicate that some of the buildings have been converted to residential uses where such uses are not permitted by the manufacturing zoning. These non-conforming conversions are indications of the strong market demand for housing; similar activity was observed in neighborhoods such as Soho and Tribeca, before they were rezoned to permit residential use.

Despite rising development pressure on the primary study area, the area has experienced relatively little growth and investment, particularly in the Rezoning Area. The assessed value of property in the Rezoning Area is well below that of the Convention Center Corridor, the primary study area as a whole, and Midtown Manhattan. As shown in Table 5-31, on a parcel basis, land in the primary study area was a third more valuable than that in the Rezoning Area during fiscal year 2002-2003, and properties in Midtown Manhattan were almost two times more valuable. On a square footage basis, the value of land in the Rezoning Area was far below all of the other areas, with Midtown being 2.2 times more valuable. Although this pattern is, in part, due to large areas in the Rezoning Area that are occupied by open rail yards and approaches to the Lincoln Tunnel, the value of property in the Rezoning Area is clearly less under the current zoning, as are the corresponding real estate tax revenues.

**TABLE 5-31
TOTAL ASSESSED VALUE OF PROPERTY (LAND AND IMPROVEMENTS)
FY 2002-2003**

Area	Total Value (\$ Millions)	Average Value per Parcel (\$ Millions)	Average Value Per Square Foot (\$)
Primary Study Area	1,880.2	3.0	\$145
Convention Center Corridor	632.2	25.3	\$192
Rezoning Area	1,248.0	2.0	\$129
Midtown Manhattan¹	36,325.0	3.9	\$287

Source: New York City Department of Finance, LotInfo 2003.

Note:1 Midtown Manhattan includes the area between 14th and 59th Streets from the Hudson River to the East River, excluding the primary study area.

(a) Office

As noted above, in Section B, “Methodology,” the study area for the office market analysis is slightly larger than the employment study area, due to the unavailability of data at the employment study area level. For the purposes of this analysis, the larger real estate primary study area includes the area west of Sixth Avenue to the Hudson River, from West 30th to West 42nd Streets (see Figure 5-20).

Office space in the larger real estate primary study area ranges from large office towers to small offices above retail stores. Among the most notable office buildings are One and Two Penn Plaza adjacent to Madison Square Garden and Penn Station, and the Daily News building located on West 33rd Street at Tenth Avenue. Other notable office buildings are located in Times Square between Sixth and Seventh Avenues along West 42nd Street.

As of second quarter 2003, the primary study area contained almost 43 million square feet (sf) of office space, two thirds of which are located between West 34th and West 42nd Streets. The total inventory includes 10 million sf of Class A office space (i.e., the most upscale space with above-average rents), 19.5 sf of Class B office space, and 13.4 million sf of Class C office space. The inventory is heavily weighted towards mid- to lower-end office space (Class B and C),¹⁷ which is

¹⁷ Class B represents buildings competing for a wide range of office users with average rents for the area. Building finishes are fair to good for the area and systems are adequate, but the buildings do not compete with Class A buildings at the same price. Class C represents buildings competing for tenants requiring functional space at below-average rents for the area (Cushman & Wakefield).

relatively sparse in other neighborhoods throughout Midtown. In fact, the primary study area contains more than half (55 percent) of the total Class B and C space in Midtown. Most of this space is located north of West 34th Street.

In recent years, some of the Class B and C space, particularly former industrial lofts, has been converted to professional offices and residences. For example, two loft buildings on the western side of Tenth Avenue, between West 36th and West 37th Streets, have been converted to offices with such tenants as the architecture firm of Richard Meier and the corporate headquarters of Affinia Hospitality. On West 34th Street between Tenth and Eleventh Avenues, another loft building has been converted to live/work units (Infinity Court).

In general, demand for office space in the primary study area has waned in recent years, following the decline in the high-tech and telecommunications sectors. During the “dot com” boom of the late 1990s, the primary study area and its environs attracted many businesses in these sectors that paid rents up to the mid-\$40s for space in former industrial buildings (Class B and C).¹⁸ A notable example is the Starrett Lehigh building, located just south of the primary study area, where such high-technology firms as Pinnacor are located. Today, asking rents for such buildings have declined, ranging from \$23 to \$36 psf, often with concessions favoring the tenant, such as periods of free rent. As of second quarter 2003, the overall vacancy rate for Class B and C space in the primary study area was about 14 and 12 percent, respectively. The Class B vacancy rate was more than double the rate of the Clinton neighborhood to the north, but lower than Chelsea to the south. In contrast, the Class C vacancy rate in the primary study area was lower than that of both the Clinton and Chelsea neighborhoods.

The primary study area contains a relatively small amount of Class A office space (about 6 percent of the total Class A space in Midtown). As of second quarter 2003, the average rent for such space was \$39.60 psf. The vacancy rate for Class A space in the primary study area was approximately 11 percent, similar to the rate for all of Midtown, but higher than the rate in Clinton (8.2 percent). As compared to Chelsea, the primary study area’s vacancy rate was considerably low. However, Chelsea’s vacancy rate (74.4 percent) reflects a very small inventory of 100,000 sf.

(b) Retail

According to the NYCEDC and DCP, the primary study area contains 1.2 msf of retail space. This space is primarily located along West 34th and West 42nd Streets, and Eighth and Ninth Avenues. The retailers focus primarily on neighborhood services and convenience goods. There are numerous delicatessens and pubs near Madison Square Garden and the Port Authority. Only one supermarket (Food Emporium) is located in the primary study area, on West 42nd Street between Ninth and Tenth Avenues in the midst of large residential towers. In addition to these traditional retail businesses, the buildings between Eighth and Ninth Avenues in the Garment Center District contain specialized “trim shops,” which support the apparel industries housed in the upper floors of these buildings. The primary study area also contains B&H Photo, the largest store in the City devoted entirely to photographic equipment.

The retail sector in the primary study area has begun to move westward along West 34th Street. As a result, the 34th Street Partnership—the area’s business improvement district (BID), which promotes retail businesses—has recently expanded westward from Seventh Avenue to Tenth Avenue.¹⁹ This westward expansion, including national retail chains like Starbucks and Subway, is being stimulated, in part, by low rents and new office tenants, as well as anticipation of major new development such as the Multi-Use Facility. Near Ninth Avenue, rents for retail space are currently between \$60 to \$75

¹⁸ Holusha, John. “The Final Frontier for Development in Manhattan.” *New York Times*. Business Section.

¹⁹ Pfaff, Kimberly. “Street of dreams: BID paves the way for retail transformation on 34th Street.” *Shopping Centers Today*. December 1, 2000.

psf.²⁰ Rents are higher to the east, however. As of October 2003, retail rents along Eighth Avenue in the primary study area averaged \$90 psf and \$120 psf along Seventh Avenue.²¹

(c) Industrial

The primary study area contains a variety of industrial buildings. The area west of Tenth Avenue is characterized by one- to two-story warehouses, distribution facilities, garages, and storage yards. Older loft buildings, typically 10 to 20 stories tall, are generally located east of Ninth Avenue in the Garment Center, where there are two distinct concentrations of such buildings: between West 35th and West 40th Streets, east of Ninth Avenue; and between West 28th and West 31st Streets, east of Eighth Avenue.

Over the last few decades, industrial real estate in the primary study area and throughout Midtown has been facing increasing demand from non-industrial buyers and tenants. As manufacturers and other industrial businesses continue to move out of Manhattan, industrial buildings—particularly older lofts—have been converted to office, residential, and mixed uses. According to local realtors, the movement toward residential conversion is most evident in the southern part of the primary study area and farther south into Chelsea. These areas command appreciably higher prices, especially where the zoning permits residential use. In the core of the primary study area, conversion of industrial space has primarily involved office and commercial uses.

Industrial buildings in the primary study area (both lofts and low-rise buildings) are currently selling for \$125 to \$150 psf, including the cluster of lofts between Eighth and Ninth Avenues in the Garment Center District. (Industrial buildings in the primary study area sold for as much as \$200 psf during the boom of the late 1990s.)²² In general, industrial buildings in the primary study area are less valuable than similar buildings to the east and uptown, where buyers pay a premium for lofts in particular. The lower values reflect the relative abundance of industrial space in the primary study area.

Meanwhile, industrial rents are currently in the mid-teens. One recent leasing arrangement for about 21,000 sf of industrial space went for \$13.50 psf.²³

Secondary Study Area

Real estate patterns in the secondary study area are similar to those in the primary study area. The eastern side of the secondary study area is characterized by older loft buildings in the Garment Center District, along with large modern office towers in Times Square and near Penn Station. The western edges of the secondary study area, near the waterfront, are dominated by industrial development and transportation facilities. The northern and southern portions of the secondary study area contain high-density residential development.

In contrast to the primary study area, the secondary study area contains distinct concentrations of retail space that offer much more than the local neighborhood retailers in the primary study area. These include destinations like Times Square and Herald Square, where retail development focuses on shopping goods and tourism. In addition, while the geographic distribution of real estate is similar, real estate in the secondary study area is generally more expensive than that in the primary study area.

²⁰ Curan, Catherine. "Retailers are Sold on Idea of Taming the Far West Side." *Crain's New York Business*. December 16, 2002.

²¹ IGDNYC, Inc. *October 2003: Manhattan Office, Retail and Industrial Space Update*.

²² Jon Epstein, Senior Director, Cushman & Wakefield, Inc. August 1, 2003.

²³ Boss, Shira. "Westward Hoe!" *Crain's New York Business*. December 9, 2002.

(a) Office

As noted above, in Section B, “Methodology,” the study area for the office market analysis is slightly larger than the employment study area, due to the unavailability of data at the employment study area level. As shown in Figure 5-20, the real estate secondary study area includes: Clinton, which extends north from the primary study area to West 57th Street, west to the Hudson River, and east to Seventh Avenue; Chelsea, which extends south from the primary study area to West 14th Street, west to the Hudson River, and east to Sixth Avenue; and an area immediately east of the primary study area from Seventh and Eighth Avenues to Sixth Avenue.

The secondary study area contains a variety of office space, ranging from Class A in the newly constructed office towers in Times Square and West Midtown, to converted loft space (Class B and C) in Chelsea. According to Cushman & Wakefield’s second quarter 2003 office market report, the West Side contains over 25 million sf of office space, of which 78 percent is classified as Class A space. Class A office space is continuing to grow with the redevelopment of Times Square. The Times Square neighborhood has experienced substantial new investment in recent years. Many high-profile financial services and media firms have moved their headquarters to the area, including Lehman Brothers at 48th Street and Seventh Avenue, Reuter’s at 3 Times Square, Ernst and Young at 5 Times Square, and Morgan Stanley on Broadway at 47th Street. The New York Times also plans to move its headquarters to a new building on Eighth Avenue between West 40th and West 41st Streets. These office developments have been accompanied by new hotels, theaters, restaurants, and tourist attractions.

As of second quarter 2003, Class A office space in the West Side rented for an average of \$49.52 psf, about \$10 higher than Class A space in the primary study area. The vacancy rate for such space was relatively low (8.2 percent) compared to the primary study area and the rest of Midtown. As compared to the primary study area and Chelsea, Clinton contains a relatively small inventory of Class B and C space (5.4 million). However, the market for Class B space in Clinton is stronger, with vacancies as low as 5.8 percent and rents as high as \$37 psf.

In contrast, Chelsea is heavily weighted towards the Class C market. As of second quarter 2003, this neighborhood contained 14.7 msf of office space, of which 9.4 msf (or 64 percent) were classified as Class C and only 100,000 square feet (0.7 percent) were classified as Class A. During the “dot com” boom of the late 1990s, Class B and C space in Chelsea was occupied by many high-tech firms, which took advantage of the large floorplates and high ceilings for fiberoptic cabling. Rents in converted lofts and other industrial buildings rose to the mid-\$40s during the boom years. However, the demand for such buildings has lowered dramatically since the decline in the high-tech industry. Rents are now in the high \$20s to low \$30s, with some subleases dropping into the teens.²⁴ An example is the Starrett Lehigh building, a 2.2-million-square foot building on Eleventh Avenue and 26th Street. This building was about 95 percent occupied in 2001 with rents in the \$40s, but has recently offered subleases for as low as \$15 psf.²⁵ As of second quarter 2003, the overall vacancy rate for Class B and C space in Chelsea was between 15 and 16 percent, higher than the primary study area and Clinton. In light of these conditions, some landlords are beginning to shift their attention to the area’s more traditional businesses, such as light manufacturing, furniture storage, printing, and distribution.

(b) Retail

Unlike the office sector, demand for retail space in the secondary study area has remained strong in recent years. During the fall of 2002, the average asking rents psf ranged from \$60 to \$200 along

²⁴ Cushman & Wakefield. “West Chelsea’s Cachet Fades; Rents Plummet.” *Crain’s New York Business*. January 13, 2003.

²⁵ IGDNYC, Inc. March 2003: Manhattan Office Space Update.

West 34th Street between Fifth Avenue and Seventh Avenue. In Times Square, retail space is generally more expensive, ranging from about \$60 to \$280 on Seventh and Eighth Avenues, and reaching as high as \$500 on Broadway north of West 42nd Street.²⁶

Several BIDs are located in the secondary study area and extend into the primary study area. BIDs generally promote retail businesses in their districts by providing such services as marketing, additional sanitation and security, streetscape improvements, special events, and tourist assistance (e.g., walking tours). The BIDs in the secondary study area include the Fashion Center BID, which runs roughly from Fifth Avenue to Ninth Avenue between West 35th and West 41st Streets; the 34th Street Partnership, which runs along 34th Street from Park Avenue to Tenth Avenue; and the Times Square BID, which stretches from West 40th Street to West 53rd Street, just west of Sixth Avenue to both sides of Eighth Avenue and all the way to Ninth Avenue on West 46th Street.

(c) Industrial

Similar to the primary study area, industrial space in the secondary study area has been subject to ongoing conversion to office, residential, and mixed uses. There has been considerable demand for residential conversion in Chelsea east of Tenth Avenue, where the zoning permits residential use. In turn, the value of industrial space in these areas is generally higher than comparable space just to the north in the primary study area.

Office conversion is typified by the Starrett Lehigh building west of Tenth Avenue. In light of the current economic recession, office demand for industrial buildings has waned and, as noted above, landlords are beginning to shift their attention to the area's more traditional businesses. However, industrial tenants are not faring much better, and they continue to consolidate operations and use less space. Like the primary study area, industrial rents in the secondary study area are currently in the mid-teens. Although quantitative vacancy rates are not available, there is qualitative evidence of high vacancy in the secondary study area, primarily due to the departure of high-tech firms and the overall economic conditions.

2. 2010 Future Without the Proposed Action

In the 2010 Future Without the Proposed Action, employment and real estate trends in Manhattan are expected to continue. Further industrial restructuring would continue to change the profile of Manhattan's employment base, leaving fewer jobs in the industrial sectors but more jobs in such sectors as business, legal, and professional services. In addition, development pressure throughout the area would continue to mount as the supply of available land diminishes. Most of the projected employment growth would be directed outside of the primary study area to other parts of Manhattan, where the zoning is more flexible and the transit access is more convenient. However, the primary study area is expected to capture a limited amount of employment growth, in contrast to its overall decline in employment between 1991 and 2002. Lastly, by 2010, the borough as a whole would become more accessible through several transportation projects, including the West Midtown Intermodal Ferry Terminal, JFK AirTrain, and the Lower Manhattan transit improvements.

a) Primary Study Area (Project Area)

In the 2010 Future Without the Proposed Action, new commercial development and employment would be generated in the primary study area. As shown in Table 5-32, an estimated 2,842 new jobs would be added to the primary study area through 2010, increasing employment by 5.6 percent above the 2002 base. Redevelopment of Moynihan Penn Station in the Farley Building would add approximately 2,300 new office, retail and transportation jobs to the that site, but some of those jobs would simply be shifted from the existing Penn Station site located one block away. Most of the

²⁶ Real Estate Board of New York. *Fall 2002 Retail Report*.

existing postal service jobs at the Farley Building would be shifted to the Morgan building, another postal facility located just south of the primary study area. Nonetheless, the Penn Station Redevelopment/Farley Building Conversion would result in a net gain in employment in the primary study area.

Except for that project, the opportunities for employment growth would be somewhat limited in the primary study area, particularly west of Ninth Avenue. All of the other projects would generate under 100 jobs each. The retail sector could experience growth if, as is typical, retail space is established on the ground floor of new residential buildings in the West 42nd Street and Ninth Avenue corridors.

In general, employment patterns in the primary study area would remain the same through 2010. Following borough-wide trends, the office-based sectors would continue to comprise a large proportion of the area's employment base, while manufacturing, wholesaling, and other industrial employment would continue to decline. The TCPU and construction sectors are expected to remain strong in the primary study area. In addition, the cluster of automotive businesses west of Tenth Avenue and parking facilities scattered throughout the primary study area would continue to operate, as would the cluster of adult entertainment businesses near the Port Authority Bus Terminal. Lastly, as shown in Table 5-31, the entertainment and retail trade sectors would continue to grow.

TABLE 5-32
PRIMARY STUDY AREA: SUMMARY OF DEVELOPMENT TO BE COMPLETED BY 2010

Project Name/Address	Proposed Use	Square Footage	Estimated Employment ¹
Pennsylvania Station Redevelopment/Farley Building Conversion	Office, retail, rail station	1,153,500	2,319
W. 37th Street Arts Baryshnikov Center for Dance 450 West 37th Street	Theater	46,000; 300 seats	23
Projected Development Site 19 ²	Theater	497 seats	38
Projected Development Site 18 ²	Retail	43,050	108
Projected Development Site 22 ²	Retail	15,980	40
Projected Development Site 24 ²	Retail	14,518	36
360 West 43rd Street	Retail	19,000	65
Ivy Tower, 343 West 42nd Street, between Eighth and Ninth Avenues	Office	24,000	96
Residential Developments	Doormen, superintendents, etc. for 2,433 new units and 1,104 FIT dorm rooms	N.A.	117
TOTAL			2,842

Source: 43rd Street (360-366 West) EAS, November 2001.

Notes:

- 1 Where sources were not available, estimates were based on: 250 sf per employee for office; 400 sf per employee for retail; 13 seats per employee for theater; and 22.5 housing units per employee.
- 2 These as-of-right developments would be located on sites where the Proposed Action is also expected to stimulate development.

In the absence of the Proposed Action, some of the sites that would be affected by the Proposed Action would be redeveloped through separate development projects, and some direct job displacement could occur. Four of the commercial projects listed in Table 5-31 would be constructed on sites where the Proposed Action would be expected to stimulate development. It is estimated that these projects would directly displace over 285 jobs, and one of the residential projects (River Place II, as shown in Table 5-11) would displace another 4 jobs from a public parking business. These estimates are based on existing (2002) employment data, however, so the actual displacement in 2010 could be different. Most of the job displacement would result from development on Block 1090, where a large Verizon facility, and a Mobil gas station are currently located, and Block 1051, where the John Houseman and Douglas Fairbanks theaters are currently located.

Commercial and industrial rents are expected to rise in the primary study area through 2010. This could lead to indirect displacement of low-paying tenants, particularly industrial and automotive businesses. Following existing trends, industrial loft buildings in the manufacturing zones would continue to be converted to office space and other uses permitted in those zones, and would be occupied by non-industrial tenants that can afford to pay higher rents. However, businesses that require more prestigious office space and convenient transit access would be unlikely to move to the primary study area in the absence of the Proposed Action, consistent with existing conditions.

b) Secondary Study Area

In the 2010 Future Without the Proposed Action, employment in the secondary study area would rise steadily. As shown in Table 5-33, employment in the entertainment sector would grow as a result of the Studio City and nightclub projects. In the Clinton neighborhood, the Studio City project on Eleventh Avenue could generate over 1,200 jobs. A similar amount of employment would be generated in Chelsea through the Special West Chelsea District rezoning project, which would expand the retail and institutional sectors in that portion of the secondary study area. Of the estimated 1,200 jobs that would be generated by this project, an estimated 755 jobs would be added to the retail trade sector, more than doubling the size of this sector in Chelsea (see Table 5-18). In addition, employment in the transportation sector would rise with the establishment of the West Midtown Intermodal Ferry Terminal.

**TABLE 5-33
SECONDARY STUDY AREA: COMMERCIAL DEVELOPMENT TO BE COMPLETED BY 2010**

Project Name/Address	Proposed Use	Square Footage	Estimated Employment ¹
Clinton			
306 West 44th Street West 44th Street and Eighth Avenue	Retail	13,750	62
Studio City, 592-608 Eleventh Avenue between West 44th and 45th Streets	TV Production, Office, Retail	798,500	1,205
Chelsea			
Crobar 530 West 28th Street	Nightclub	40,000	40
Special West Chelsea District Rezoning ²	Retail, Community Facility	503,688	1,203
Waterfront			
West Midtown Intermodal Ferry Terminal (Piers 78 and 79)	Passenger operations, Office, Retail	33,910	125
TOTAL			2,635

Sources: West Midtown Intermodal Ferry Terminal EAS, November 2001; 306 West 44th Street EAS, September 2001; and Studio City New York EAS, September 2000.

Notes:

1 Where sources were not available, estimates were based on: 250 sf per employee for office; 400 sf per employee for retail; 1,000 sf per employee for nightclub; and 450 sf per employee for community facility space.

2 A portion of this redevelopment would occur by 2010. After 2010, another 91,600 sf of retail space would be added. (See Figure 5-14 for the boundaries of the secondary study area.)

In the absence of the Proposed Action, other businesses, institutions and employment in the secondary study area could be displaced, based on current trends identified for the Project Area and the secondary study area in terms of new development pressures, as well as public policy initiatives such as the proposed Special West Chelsea District rezoning, which is currently in the environmental review process.

3. 2010 Future With the Proposed Action

By 2010, the proposed zoning changes would be in effect and the four major public use elements of the Proposed Action would be complete and in operation, including the No. 7 Subway Extension, Multi-Use Facility, portions of the Midblock Park and Boulevard System, and Convention Center Expansion. Although the private sector is expected to take longer to respond to these changes, some degree of redevelopment is projected through 2010, including 2.2 to 2.7 msf of new office space, 91,500 to 142,500 square feet of new retail space, and 2,674 to 2,722 new housing units (see Figure 5-11). The projections vary depending on whether Madison Square Garden is relocated. In the event Madison Square Garden is relocated, the redevelopment of the Projected Development Sites would entail slightly more housing units and slightly less commercial space.

As discussed in Chapter 1, “Project Purpose and Need,” a primary goal of the Proposed Action is to accommodate the employment and population growth that is critical for sustaining Manhattan’s role as a leading center of commerce and business. However, in achieving this goal, a number of existing businesses would need to be directly displaced to make way for a larger concentration of businesses and residents. The mix of businesses would be different from that which currently exists in the primary study area, but the mix would build on certain sectors that have already started to take hold in the primary study area. The new development would be expected to be representative of the long-term growth industries in New York City, including tourism, office-based employment, and retail trade.

In some cases, the displacement of businesses, institutions, and employment would be direct, as existing buildings are demolished to make way for larger and more modern ones. The combined effect of new development, more flexible zoning, and more convenient subway access would likely continue the existing trends in rents and land values.

It is important to note that certain types of businesses have been relocating from the primary study area regardless of the Proposed Action. For example, apparel manufacturers are relocating to other parts of the U.S. or overseas. As noted above, the manufacturing sector as a whole lost almost 4,000 jobs in the primary study area between 1991 and 2002, consistent with long-term relocation trends. On the other hand, some businesses have relocated to the primary study area in response to the clear shift away from its historical manufacturing base and, possibly, in anticipation of the Proposed Action or other likely public policy initiatives. As discussed above, the retail sector has been moving westward in the vicinity of 34th Street.

a) Primary Study Area (Project Area)

In 2010, the Proposed Action could be expected to generate many thousands of new jobs in the primary study area as the first development projects are completed and the new public use facilities are opened (see Table 5-33). Not including the new public use facilities (Convention Center, Multi-Use Facility, and the No. 7 Subway Extension), these projects can be expected to generate between 9,100 and 11,400 new jobs, which would expand the area’s existing employment base by 19 to 23 percent over the 2002 base of 48,600 jobs, and 12 to 17 percent over the 2010 Future Without the Proposed Action baseline estimate of 51,300 jobs. The net increment in employment between the 2010 Future Without the Proposed Action and 2010 Future With the Proposed Action would be approximately 6,600 to 8,900 jobs. This estimate accounts for the fact that some of the independent development projects projected under the 2010 Future Without the Proposed Action are located on sites where the Proposed Action would also be expected to stimulate development.

TABLE 5-34
PROPOSED ACTION: ESTIMATED EMPLOYMENT IN THE PRIMARY STUDY AREA (2010)

Projected Development Site	Proposed Commercial Use	Estimated Employment ¹
4 ²	1.7 million sf office and 14,550 sf retail	7,011
14 ³	51,111 sf office, 44,444 sf retail, and 93,286 sf institutional	523
18	23,376 sf retail	58
19	445,740 sf office and 20,400 sf retail	1,834
22	8,300 sf retail	21
24 ²	17,445 sf retail	44
33 ³	2.2 million sf office and 38,580 sf retail	8,816
37	7,406 sf retail	19
Residential Developments	Doormen, superintendents, etc. for 2,674 to 2,722 new housing units	119 to 121
<i>Subtotal with MSG Relocation</i>		<i>9,108</i>
<i>Subtotal without MSG Relocation</i>		<i>11,390</i>
Convention Center Hotel	1,500-room hotel	800
Convention Center Expansion	Exhibition halls, meeting rooms, ballrooms, retail, office, theater	585
Multi-Use Facility ⁴	Stadium, arena/exposition hall, museum, theater, office, retail	1,445 to 2,379
No. 7 Subway Extension	Subway station	26
Total with MSG Relocation		11,964 to 13,000
Total without MSG Relocation		14,246 to 15,282

Sources: DCP and AKRF, Inc.

Notes:

- 1 Based on 250 sf per employee for office; 400 sf per employee for retail; 450 sf per employee for institutional; and 22.5 housing units per employee.
- 2 This site would be redeveloped only if Madison Square Garden is relocated.
- 3 This site would be redeveloped only if Madison Square Garden is not relocated.
- 4 Employment would fluctuate depending on type of event (arena vs. stadium).

The public use facilities would add another 2,271 to 3,790 jobs to the primary study area. The projected job growth would far outweigh job displacement. Following on-going trends throughout Manhattan, the new employment would be heavily weighted toward the office-based and retail trade sectors, as opposed to the industrial sectors (e.g., construction, manufacturing, wholesaling and TCPU), which make up about one-third of the existing employment base in the primary study area.

Direct Displacement

As described above under Section B, “Methodology,” the *CEQR Technical Manual* analysis examines business and institutional displacement as to whether the business or institution to be displaced is a defining element of the character of the study area or neighborhood; whether the business or institution to be displaced has an important or substantial economic value to the City; or whether the business or institution would be able to relocate in the study area or elsewhere in the City.

As noted in Existing Conditions, the number of employees to be displaced is anticipated to be about than 1,500. The number of businesses to be displaced is expected to range from 87 to 97. As discussed under Existing Conditions, no one industrial sector defined the primary study area in 2002. Of the 48,600 jobs in the primary study area in 2002, no one industry represented more than 19 percent of the area’s employment. Business, legal and professional services accounted for about 19 percent of the jobs in the primary study area. Financial, insurance, and real estate jobs accounted for about 13 percent; manufacturing about 11 percent; and entertainment, transportation and communications, and health and social services each about 10 percent.

Among the approximately 1,500 jobs to be displaced in 2010, it is estimate that less than half (about 690) are employed in transportation and communications, and construction activities. An additional 762 to 780 jobs (about 50 percent) are in business, legal and professional services, financial, insurance and real estate, and retail. Together these directly displaced jobs represent about 2.0 percent of the total employment anticipated in the primary study area in 2010, which is expected to range from about 62,300 to 66,400 jobs. The businesses to be displaced largely include parking lots, bus and truck storage, auto repair, car rental, warehouse and trucking companies, two theaters, two gas stations, an art gallery, nightclub, several small office buildings, several small retail establishments, and the headquarters of the NYPD Mounted Police. None of the individual businesses to be displaced, nor the combined mix of businesses, constitute a defining element of the character of the study area or neighborhood.

Of the 690 jobs directly displaced by the Proposed Action in the primary study area, about 96 would be in the manufacturing sector. The largest portion of the direct displacement (about 500 jobs) would occur in the transportation and communications sectors. However, even after the anticipated displacement, there would still be over 4,000 transportation and communications jobs remaining in the primary study area.

The highest loss from direct displacement (also about 500 jobs) would occur in business, legal, and professional services. That loss represents less than 5 percent of the current employment in that sector in the primary study area. In addition, the Proposed Action would add about 1.7 million square feet of office space which could accommodate nearly 7,000 office workers in the primary study area in 2010, offering ample opportunity for growth in business, legal, and professional service jobs, as well as other types of office-oriented employment.

No individual business to be displaced or mix of businesses represents a substantial economic value to the City. While each of the displaced businesses contributes to the economy of the City, they are just a small part of the overall economic base of the City. Even within the primary study area they represent a small portion of the economic activity in the neighborhood, as indicated by the relatively small portion of the jobs that would be displaced in the primary study area (1.8 percent). In terms of economic output, the small number of businesses that would be displaced (33 to 44) generates relatively little demand for goods and services in the overall economy of the City. While parking lots are important to the operation of other businesses in the City, the number of parking spaces to be displaced would be largely replaced by the Proposed Action. Similarly, employment in other businesses to be displaced, including the gas stations, theaters, retail stores, nightclub, and offices, represents only a small portion of the 1.8 million jobs located in Manhattan alone.

Lastly, most of the businesses to be displaced would be able to locate elsewhere within the City (e.g., the FedEx facility on West 34th Street), though not necessarily in the primary study area. It is likely that the displaced industrial and automotive service businesses would not be able to relocate in the primary study area in the Future With the Proposed Action. However, these types of businesses could be able to find suitable relocation space in other parts of Manhattan or in other boroughs. As noted above, existing rental rates for industrial space in the secondary study area are similar to those of the primary study area, and the vacancy is currently high. In addition, as compared to the primary study area, industrial employment makes up a larger share of total employment in the part of Clinton that is located in the secondary study area. Should these economic conditions persist through 2010, it is likely that some of the displaced industrial firms could relocate to Clinton. Clinton also contains a cluster of automotive businesses along Eleventh Avenue, which could be an appropriate relocation area for automotive businesses that would be displaced from the primary study area. In addition, as noted in Table 5-33, above, Studio City would be built in this part of Clinton by 2010. This could encourage the displaced arts-related and entertainment businesses to relocate to Clinton.

It is possible that industrial businesses displaced from the primary study area could be able to find suitable space in the City's In-Place Industrial Parks (IPIPs), which are located outside of Manhattan in: Bathgate, Hunts Point, and Port Morris in the Bronx; East New York, Sunset Park, and East Williamsburg in Brooklyn; and Long Island City and Jamaica in Queens. Unlike public parking facilities (discussed in more detail below) that depend heavily on the primary study area for convenient access to their customer base, industrial businesses are more dependent on the types of space they occupy (e.g., buildings with large floorplates, tall ceilings, vehicle access, freight elevators, etc.), affordable rent levels, and access to major highways.

The City's eight IPIPs could meet these needs, as they are located in well-established industrial neighborhoods. They house a variety of industrial tenants, such as manufacturers, construction companies, and distribution and warehousing firms. Rents currently range from approximately \$6 to \$15 psf, lower than industrial rents in the primary study area, which are in the mid-teens. Similarly, the vacancy rates across the eight parks vary, ranging from 5 percent at the Sunset Park IPIP to 15 percent at the East Williamsburg IPIP. Should the displaced industrial businesses choose to relocate from the primary study area to an IPIP, they would be eligible for tax-exempt bond financing, tax incentives, and energy discounts through the City's Industrial Development Agency (IDA). Overall, the lower rents and IDA benefits could minimize the effects of the Proposed Action on industrial businesses currently located in the primary study area. In addition to the IPIPs, a substantial amount of vacant industrial space is available in many other neighborhoods in the boroughs outside of Manhattan.

As noted in Chapter 2, "Description of the Proposed Action," the proposed rezoning would promote parking through minimum parking requirements for new development and commercial parking as an allowable use in the new districts. This would ensure the continued availability of parking in the primary study area, although it would not necessarily protect the individual parking businesses and workers that would be directly displaced. However, it is noted that automotive services continue to be prevalent on the Far West Side, particularly to the north of the primary study area, and that private and public parking facilities would continue to be operational throughout the primary study area and the secondary study area.

With respect to institutions, it is assumed that with the City's relocation assistance, a suitable site (although not necessarily in the primary study area) would be found for the NYPD Mounted Police Department headquarters, and that its workers would remain employed at the new location. As noted above, this organization would also be displaced in the 2010 Future Without the Proposed Action.

In addition to opportunities for relocation within the City, some private sector businesses would be entitled to compensation and relocation benefits. With respect to property acquisition (for such project components as the No. 7 Subway Extension and open space network), the MTA and the City of New York would adhere to the requirements of the New York State Eminent Domain Procedure Law (the "Eminent Domain Procedure Law") and applicable relocation regulations such as those promulgated by New York City's Housing Preservation and Development (HPD).

Among the 34 to 44 businesses and 1,140 to 1,160 private sector employees that would be directly displaced, 22 businesses with 746 employees could be eligible to receive such benefits since they would be directly acquired for public purposes, including those to be displaced by the Midblock Park and Boulevard System, relocation of the DSNY and NYPD Tow Pound facilities, and the No. 7 Subway Extension. No relocation assistance would be provided for businesses and institutions displaced by private redevelopment initiatives triggered by the rezoning. However, all but one of these businesses and institutions would be directly displaced regardless of the Proposed Action, due to independent projects that would be expected to occur in the Future Without the Proposed Action (most notably on Projected Development Sites 18, 19, 22, and 24).

Indirect Displacement

As noted in the *CEQR Technical Manual*, indirect displacement can be of concern when it would result in changes to land use, population patterns or community character, or when it would displace businesses that 1) are of substantial economic value to the City and can only be relocated with great difficulty or not at all, 2) are the subject of other regulations or publicly adopted plans to preserve, enhance, or otherwise protect them, 3) or define or contribute substantially to a defining element of neighborhood character. As discussed above, under Existing Conditions, approximately 17,000 jobs in the primary study area could be vulnerable to indirect displacement, because they are located in blocks that would be rezoned from manufacturing to commercial under the Proposed Action. The most vulnerable are likely to be the approximately 3,600 manufacturing jobs (or about 7 percent of the jobs expected in the primary study area in the Future Without the Proposed Action), followed by transportation and communications and wholesale jobs in the area, assuming that these sectors are paying the lowest rents in the study area. However, as indicated in Existing Conditions, over 3,900 manufacturing jobs were lost in the primary study area between 1991 and 2002, a decline of 42 percent. It is very likely that this trend will continue through 2010, and that fewer of these jobs would exist in the primary study area in the Future With the Proposed Action.

In any case, potentially vulnerable businesses would not meet the criteria for significant displacement impact; i.e., collectively, they are not of substantial economic value to the City; they can largely be relocated elsewhere in the City; they are not subject to regulations or publicly adopted plans to preserve, enhance, or protect them; and they are not a defining element of neighborhood character, as described above under Direct Business and Institutional Displacement.

b) Secondary Study Area

The effects of the Proposed Action in the secondary study area would vary, depending on the types of businesses, institutions, and employment. Some businesses would not experience any effects. For example, neighborhood retailers in Clinton (e.g., dry cleaners and florists) would continue to serve the residents and workers in the immediate area. On the other hand, retailers selling shopping goods (e.g., clothing and furniture) could benefit from the larger residential and worker population in the primary study area, which would create greater demand for shopping goods. These businesses could be able to capture new sales from the new residents and workers, since the “trade area” for such retailers is typically larger than that of local neighborhood retailers.

With respect to the businesses that are currently at risk of indirect displacement in the secondary study area—namely the industrial and automotive service businesses operating from existing manufacturing zones—the effects of the Proposed Action would vary depending on the neighborhood. As discussed in the 2010 Future Without the Proposed Action, property values and rents in the Chelsea part of the secondary study area would continue to rise regardless of the Proposed Action. Therefore, any indirect business or institutional displacement that might occur through 2010 in that area would not be attributable to the Proposed Action. In the Clinton part of the secondary study area, the Proposed Action could induce an increase in rents. By rezoning the manufacturing zones in the primary study area, the Proposed Action could make the neighboring manufacturing zones in Clinton more competitive and valuable. A similar effect could result from the new No. 7 Subway station at Tenth Avenue and West 42nd Street, which would make the southwestern part of Clinton more accessible, although the potential increase in rents in Clinton might be tempered by the existing commercial zoning and high-density residential development already present in the West 42nd Street corridor. However, this induced rent pressure would be expected to be much less severe than that in the absence of the Proposed Action, under which demand for commercial conversions and potential redevelopment of manufacturing zones in Clinton could be expected to exert a far greater price and rent pressure in Clinton. By providing for substantial new commercial and residential development in Hudson Yards, the Proposed Action could ameliorate such price and rent pressures by

channeling the more expensive uses and higher rent paying tenants to new development sites. In addition, as noted above, the existing industrial rents are relatively low, and vacancy is relatively high, in the Clinton part of the secondary study area. Therefore, the Proposed Action is not expected to have a significant adverse impact with respect to indirect displacement of businesses, institutions, and employment in the secondary study area.

4. 2025 Future Without the Proposed Action

As noted in Chapter 1, “Purpose and Need,” long-term population and employment projections indicate that Manhattan and the New York region would continue to grow through 2025 and beyond. Access to and within Midtown Manhattan would be greatly improved by two major transportation projects: the LIRR East Side Access project, which would bring LIRR service to Grand Central Terminal; and the Second Avenue Subway.

a) Primary Study Area (Project Area)

Without the Proposed Action, employment in the primary study area is expected to grow by approximately 5,400 jobs between 2010 and 2025, a 10.5 percent increase above the 2010 base. Most of this growth is expected to be directed toward the southeastern part of the primary study area, in the vicinity of the Moynihan Penn Station Redevelopment in the Farley Building, based on the known development projects, listed in Table 5-35. Following existing and future trends through 2010, approximately 5,000 employees could be added to this area as a result of new office development. Retail employment would be generated as well, as a limited amount of retail space is developed within the office towers and on the ground floor of new residential buildings. In the West 42nd Street corridor, Projected Development Site 17 (Hudson Place), a high-rise residential building, would occupy one of the few remaining sites available for development in that part of the primary study area. It is projected that by 2025, that area would be approaching its maximum build-out potential and new opportunities for employment and housing would be even further constrained. Therefore, property values and rents are expected to rise, as the supply of developable land diminishes, and this could lead to indirect displacement of low-paying tenants, particularly industrial and automotive businesses.

**TABLE 5-35
PRIMARY STUDY AREA: COMMERCIAL DEVELOPMENT TO BE COMPLETED BY 2025**

Project Identification¹	Proposed Use	Estimated Employment²
Projected Development Site 32	968,748 sf office; 24,219 sf retail	3,936
Projected Development Site 43	295,000 sf office; 23,000 sf retail	1,238
Projected Development Site 28	16,849 sf retail; 5,616 sf office	65
Projected Development Site 17	61,000 sf retail	153
Residential Developments	Doormen, superintendents, etc., for 629 units	28
TOTAL		5,420

Notes:

- 1 All of these developments are on sites where the Proposed Action is also expected to stimulate development (see Chapter 3, “Analytical Framework”).
- 2 Based on 250 sf per employee for office, 400 sf per employee for retail, and 22.5 housing units per employee.

All of the commercial projects listed in Table 5-34, above, would be constructed on sites where the Proposed Action would be expected to stimulate development. In the 2025 Future Without the Proposed Action, these separate development projects would directly displace businesses, institutions, and employment. Based on information concerning existing businesses and institutions, Projected Development Site 32 would need to directly displace a public parking business (Edison Park Fast). In addition, Projected Development Site 43 would directly displace a number of retail businesses (e.g.,

pizzeria, hair salon) and a public parking business. Meanwhile, three additional public parking businesses would be directly displaced by Projected Development Site 23 and other residential projects (see Table 5-13). In addition, a restaurant would be directly displaced by Projected Development Site 17 (the Hudson Place development) on West 42nd Street.

b) Secondary Study Area

Employment growth is expected to continue in the secondary study area between 2010 and 2025, following existing and future trends through 2010. At this time, only one specific project has been identified for completion during this period; namely, the Special West Chelsea District rezoning (between Tenth and Eleventh Avenues from West 17th to West 30th Streets), which would affect the entire southern half of the secondary study area. While the rezoning would take place in 2004, redevelopment activities are expected to continue beyond 2010 through 2013. Between 2010 and 2013, the rezoning could generate an additional 91,600 sf of retail space and an estimated 229 jobs in the Chelsea part of the secondary study area. Cumulatively, the Special West Chelsea District rezoning could generate an estimated 1,432 new jobs. However, as noted above, this project would directly displace a considerable amount of commercial, industrial, and parking/automotive businesses with the creation of a more residential neighborhood. The rezoning would also lead to higher property values and rents, creating the potential for indirect displacement.

5. 2025 Future With the Proposed Action

a) Primary Study Area (Project Area)

By 2025, the Proposed Action would have a dramatic effect on the socioeconomic conditions of the primary study area. A substantial amount of commercial space would be constructed between 2010 and 2025, based on the RWCDs (Tables 5-36 and 5-37, and Figures 5-11 through 5-13). In addition to the commercial development, the Proposed Action would create another 10,165 to 10,213 housing units between 2010 and 2025, creating a much larger population base, as well as a larger customer base for businesses in the primary study area and beyond. Lastly, by 2025, the Midblock Park and Boulevard System would be completed, extending as far northward as West 42nd Street. As noted above, a portion of the boulevard would be established in 2010, but the remainder of it would be created after 2010.

At the Projected Development Sites of the RWCDs, the new employment (an estimated 111,900 jobs) would more than double the existing and Future Without the Proposed Action employment base of the primary study area, regardless of whether Madison Square Garden relocates. Most of this new employment would be generated west of Tenth Avenue (Figures 5-11 and 5-12). Overall, the Projected Development Sites would significantly change the density and character of the Project Area, particularly between Tenth and Eleventh Avenues, where employment levels are currently low (Figure 5-15) and the businesses are primarily industrial and auto-related. In contrast, as shown in Figure 5-13, redevelopment of the Potential Development Sites would have a greater influence to the east of Tenth Avenue.

TABLE 5-36
PROJECTED EMPLOYMENT IN THE PRIMARY STUDY AREA AT THE PROJECTED DEVELOPMENT SITES (2025)

Site	Proposed Commercial Use	Estimated Employment ¹	Site	Proposed Commercial Use	Estimated Employment ¹
1	Office, Hotel, Retail, and Institutional	18,087	25	Retail	49
2	Office, Retail	5,181	26	Retail	32
3	Office, Retail	11,511	27	Retail	49
4 ³	Office, Retail	7,011	28	Retail	26
5	Office, Retail	8,515	29	Retail	32
6	Office, Retail	5,555	30	Retail	44
7	Office, Retail	5,829	31	Office, Parking	7,110
8	Office, Retail	5,555	32 ³	Office, Retail	5,534
9	Office, Retail, Institutional	401	34 ^{2,4}	Retail	157
10	Office, Retail	6,131	35	Office, Retail	1,414
11	Office, Retail, Institutional	530	36	Office, Retail	2,337
12	Office, Retail	6,661	38	Retail	12
13	Office, Retail, Institutional	485	39	Office, Retail	62
14 ²	Office, Retail, Institutional	523	40	Retail	12
15	Office, Retail, Institutional	206	41	Retail	41
16	Office, Retail, Institutional	172	42	Retail	14
17	Retail	30	43	Retail	433
20	Office, Retail	4,832	44	Retail	22
23	Retail	93	45 ²	Office, Hotel, Retail	19,721
24 ³	Retail	44	46 ³	Office, Retail	7,766
Residential Developments (Doormen, superintendents, etc., for 10,165 to 10,213 new housing units)					452 to 454
Total with MSG Relocation					111,917
Total without MSG Relocation					111,873

Notes:

- 1 Based on 250 sf per office employee; 400 sf per retail employee; 500 sf per hotel room; 2.67 hotel rooms per employee; and 22.5 housing units per employee.
- 2 This site would be redeveloped in 2010 only if MSG is relocated.
- 3 This site would be redeveloped in 2010 only if MSG is not relocated.
- 4 This is the MSG relocation site. Although office space would be developed, it would probably be used for existing MSG employees. (See Figures 5-11 and 5-12.)

TABLE 5-37
PROJECTED EMPLOYMENT IN THE PRIMARY STUDY AREA AT THE POTENTIAL DEVELOPMENT SITES (2025)

Site	Proposed Commercial Use	Estimated Employment ¹	Site	Proposed Commercial Use	Estimated Employment ¹
46 ²	Office, Retail	7,766	70	Office, Retail	1,429
47	Office, Retail	3,457	71	Retail	12
48	Office, Retail, Institutional	243	72	Retail	12
49	Retail	27	74	Retail	25
50	Office, Retail	409	75	Retail	15
51	Office, Retail	58	76	Office	177
52	Retail, Institutional	46	77	Retail	18
53	Retail	26	78	Retail	15
54	Retail	19	80	Retail	15
55	Retail	15	82	Retail	25
56 ²	Retail	25	84	Retail	25
56 ³	Retail	15	87	Retail	15
57	Retail	18	88	Retail	19
58	Retail	17	89	Retail	15
59	Retail, Institutional	17	90	Retail	25
60	Retail	12	91	Retail	19
61	Retail	19	92	Office, Retail	4,884
62	Office, Retail	1,141	93	Retail	19
63	Office, Retail	954	94	Office, Retail	1,089
65	Office, Retail	407	95	Office, Retail	2,283
66	Retail	19	96	Office, Retail	865
67	Retail	12	97	Office, Retail	448
68	Office, Retail	3,330	98	Office, Retail	486
69	Office, Retail	2,359	99	Office, Retail	807
Residential Developments (Doormen, superintendents, etc. for 5,022 to 5,028 new housing units)					223

Notes:

- 1 Based on 250 sf per office employee; 400 sf per retail employee; 450 sf per institutional employee; and 22.5 housing units per employee.
 - 2 This site would be redeveloped only if MSG is relocated.
 - 3 This site would be redeveloped only if MSG is not relocated.
- (See Figure 5-13.)

Direct Business and Institutional Displacement

As indicated in Existing Conditions, the Proposed Action would directly displace between 841 and 2,734 jobs from 2010 to 2025, mostly in businesses located in the primary study area west of Tenth Avenue and businesses located on numerous projected development sites east of Tenth Avenue. These jobs represent an extremely small percentage of total employment expected in the primary study area in 2025, both with and without the Proposed Action. For example, if all 2,734 jobs are directly displaced by the Proposed Action, it would represent a loss of about 4.5 percent of the total employment in the primary study area in the 2025 Future Without the Proposed Action. Nearly 112,000 jobs are expected to be added to the primary study area by 2025 under the Proposed Action, bringing total employment in the area to approximately 178,500. The direct displacement of 3,000 existing jobs would represent a change of less than 2 percent in the total employment expected in the primary study area in 2025.

None of the *CEQR Technical Manual* criteria for significant displacement impacts would be met. For example, none of the businesses or institutions that would be displaced could be termed a defining element of the character of the study area. Approximately 232 to 1,065 of the directly displaced jobs would be in the industrial sector, almost equally distributed among construction, manufacturing, transportation and communications, and wholesale industries. Under a conservative assumption that all, 1,065 industrial jobs are displaced, they would represent less than 8 percent of all industrial employment in the primary study area in the 2025 Future Without the Proposed Action. Based on the type of industrial businesses that would be displaced (manufacturing, transportation and communications, construction, and wholesaling), it is very likely that these businesses would be able to relocate within the City. Additionally, in keeping with the long-term trend of declining industrial employment in the study area, many existing properties currently in industrial use would be expected to change over time to non-industrial use and, consequently, many of the businesses present in the area today might not be ongoing concerns or could relocate independently over the twenty or more years reflected in the 2025 analysis.

While the group of businesses on the Projected Development Sites collectively contribute to the “neighborhood character,” their contribution is largely negative and reflects the long-term trend of underinvestment and low intensity of land use. The Proposed Action seeks to enhance the character of these areas by allowing a more diverse mix of uses that would help create a more vibrant, 24-hour community (see Chapter 12, “Neighborhood Character”). As defined in the *CEQR Technical Manual*, socioeconomic characteristics are only one of a range of defining elements of neighborhood character; as described in Chapter 12, “Neighborhood Character,” other elements, such as the presence of the residential communities on the edges of the Hudson Yards area, the Convention Center, and the transportation infrastructure, are far more definitive of neighborhood character.

While large in land area, the displacement sites have seen little investment in nonresidential buildings in recent decades, as shown in Table 5-32. As shown in Table 5-33, tax assessments, particularly in the area to be rezoned, are uncharacteristically low for Manhattan. Collectively, the displaced businesses do not represent substantial economic value to the City. As shown in Figure 5-15, job densities per block are low, particularly where displacement is expected. The long-term employment trend in the primary study area has been negative, as shown in Table 5-19. The area’s large decline in employment contrasts with the adjoining area of Clinton, Chelsea, and the Waterfront, which, as shown in Table 5-21, had smaller employment losses or, in the case of Chelsea and the Waterfront, employment gains.

Some of the business and employment sectors as a whole stand to gain substantially by the Proposed Action, in that it would ensure many years of steady construction activity and the continued growth of the TCPU sector, as well as entertainment, retail, public parking and other services necessary to support the new commercial and residential development. Therefore, while it is anticipated that some

individual businesses and their employees would have to relocate from the primary study area, such localized displacement would not reduce the demand for and sustainability of their business sectors. In fact, even with the anticipated loss, the remaining industrial uses in the primary study area would continue to provide nearly 15,000 industrial sector jobs.

In addition, some of the businesses that would be directly displaced are part of sectors that have been in decline for several decades and would continue to diminish regardless of the Proposed Action, particularly with respect to the manufacturing and wholesale trade sectors. As discussed above, the manufacturing sector alone lost about 4,000 jobs between 1991 and 2002. By 2010, this sector would have an even smaller presence, assuming the underlying trend continues. Thus, some of the manufacturers to be directly displaced by the Proposed Action could actually relocate out of the primary study area before 2010. Overall, direct displacement in the 2025 Future With the Proposed Action is not considered a significant impact.

Only one portion of the Rezoning Area, the five-block portion of the Garment Center District between Eighth and Ninth Avenues, which is addressed separately in the next section, is the subject of a publicly adopted plan to preserve its employment base.

With respect to the institutions that would be directly displaced, at least one of them—the Icahn Center Tier II Shelter—would likely be relocated to a suitable site with assistance from the City. The shelter is located on a property that would be acquired through condemnation for the Midblock Park and Boulevard System. The other institutions would be directly displaced through private redevelopment initiatives (see Tables 5-26 and 5-27, above), so they would not be eligible for such assistance. However, some of them own their properties and would therefore benefit from an appreciation in property values resulting from the Proposed Action (should they choose to sell their facilities and relocate). Examples include the Metropolitan Community Church and the Postgraduate West Rehabilitation Center, both located on Potential Development Sites. In other cases, institutions could need to expand as a result of the Proposed Action. For example, the U.S. Postal Service could need to establish additional service locations in the primary study area. In addition, in the event that Projected Development Site 20 on West 41st Street is redeveloped, the City would assist Hunter College in the relocation of its Voorhees Campus, since it is a City-owned institution. With respect to the institutions that lease property on sites that would be redeveloped, it is unknown how the Proposed Action would affect them. Some of them could be able to afford to relocate within the primary study area and could stand to gain from a larger resident and worker population. Others could need to relocate to other parts of the City.

Indirect Business and Institutional Displacement

Primary Study Area

In accordance with the *CEQR Technical Manual*, the detailed assessment of indirect displacement considers only those categories of businesses or institutions considered in the preliminary assessment of direct displacement: i.e., those with substantial value to the City or region, those subject to publicly adopted plans to preserve, enhance, or protect them; and those that define or contribute substantially to neighborhood character, or collectively define the character of the neighborhood. As noted in the assessment of direct displacement, no businesses or group of businesses were found to be a defining element of the character of the primary study area.

Secondary Study Area

Like the primary study area, the secondary study area has been experiencing a change in the employment mix in which, over time, industrial employment has declined, while non-industrial employment has increased. While this trend is expected to continue with or without the Proposed Action, in the Future With the Proposed Action the demand for space by non-industrial businesses is expected to be ameliorated by the construction of office and retail space in the primary study area,

which would reduce the upward pressure on rents in the secondary study area. In light of this effect, the Proposed Action is not expected to cause significant indirect displacement in the secondary study area.

E. POTENTIAL EFFECTS ON SPECIFIC INDUSTRIES

1. Introduction

Two specific industries have been identified as important elements of the New York City economy that could be affected by the development of the new Hudson Yards community. The Garment Center is the center of the apparel industry and is generally located to the east of the Project Area, although a small portion of the Rezoning Area overlaps with the westernmost portion of the Special Garment Center District. To the north and east of the Project Area is the traditional center of New York's Theater District (Broadway), anchored by Times Square, with many theaters located between Sixth and Eighth Avenues north of West 42nd Street. The following analysis examines the relationship of the Proposed Action with these important industries.

2. The Apparel Industry

a) Introduction

As described in Chapter 1, "Project Purpose and Need," the intent of the Proposed Action is to provide opportunities for the sustained growth of the New York City economy. As an area that has languished in development and job growth (based on its limited zoning, poor transit access, and historic development patterns), the Project Area has been identified as an area able to support the new development necessary to capture the anticipated growth in employment and population for Manhattan. With this change, the Proposed Action could adversely affect existing industries, such as the apparel industry, that have historically been active in and adjacent to the Project Area.

The Proposed Action overlaps with the far western portion of the Garment Center District, home to the City's historically important apparel industry, one of the economic sectors most identified with the City's national and international role in the global economy. The apparel industry is primarily based within the Garment Center District, or Fashion District, where its core address along Seventh (or "Fashion") Avenue has become synonymous with the industry itself. Public policy has sought to protect and enhance the industry's employment base in apparel manufacturing as well as wholesaling, design and showrooms, retail, and related businesses that support the industry. This includes the Special Garment Center District, a special purpose zoning district established in 1987 to protect key elements of the business and, more recently, the creation of the Fashion Center Business Improvement District (BID) in 1993. As shown in Figure 5-21, the Proposed Action overlaps with the westernmost five blocks of both the BID and Special Garment Center District. The BID boundaries extend primarily from West 35th Street to West 40th Street between just west of Fifth Avenue and just east of Ninth Avenue, while the Special Garment Center District extends from just south of West 36th Street to West 40th Street between Broadway and Seventh Avenue to just east of Ninth Avenue. However, it should be noted that consistent with the guidelines of the *CEQR Technical Manual*, there is no separate or specific study area associated with the assessment of adverse effects on a specific industry, since the analysis is based on a industry-wide context rather than a physical geographic area.

In the five blocks west of Eighth Avenue, the Proposed Action would alter the existing controls and protective measures of the underlying zoning and the Special Garment Center District. As a result, this section of the chapter assesses the effects of these changes on the apparel industry.

While remaining the vital center of New York's apparel industry, the Garment Center District has been significantly changing over the past decades. Its traditional base in manufacturing employment

has been dramatically reduced, and the current employment base is a broader mix of commercial, wholesaling, and related uses. This fundamental change was the basis for a study commissioned by the BID in 2002 to assess business, employment, and real estate trends in the Garment Center District and to recommend new public policies in response to these short- and long-term changes. This report, “Remodeling the Fashion District” by Appleseed Consulting, along with demographic and economic data collected specifically for this FGEIS, provides the background information utilized in the analyses presented below.

b) Existing Conditions

Manhattan Overview

The apparel industry is an important component of New York’s economy and the majority of apparel related employment is located within Manhattan. Table 5-38 presents an overview of the apparel industry in Manhattan in 2002. In total, more than 61,300 employees were employed in 5,854 firms, providing annual wages and salaries of \$4.38 billion. The overall apparel industry is composed of apparel manufacturing (Standard Industrial Classification or SIC code 23), textile mill product manufacturing (SIC code 22), and apparel wholesale trade (SIC code 513). Within the industry in 2002, employment was concentrated in apparel wholesale trade with 36,220 employees, and, more specifically, within apparel wholesale trade in women’s and children’s clothing, with 22,356 employees. Total apparel manufacturing had 24,057 employees and was concentrated in the manufacturing of women’s and misses’ outerwear with 17,299 employees. Total textile mill product manufacturing had 1,037 employees, mostly in offices or showrooms representing mills located elsewhere in this country or overseas.

**TABLE 5-38
OVERVIEW OF THE APPAREL INDUSTRY IN MANHATTAN (2002)**

SIC Code	Category	Firms	Employment	Wages (Mil)
23	Apparel Manufacturing:			
231	Men’s and Boy’s Suits and Coats	10	56	\$1.6
232	Men’s and Boy’s Furnishings	69	2,563	\$232.6
233	Women’s and Misses’ Outerwear	1,105	17,299	\$748.4
234	Women’s and Children’s Undergarment	44	1,320	\$114.3
235	Hats, Caps, and Millinery	30	185	\$5.3
236	Girls’ and Children’s Outerwear	21	484	\$38.5
237	Fur Goods	76	395	\$14.5
238	Miscellaneous Apparel and Accessories	67	659	\$27.4
239	Miscellaneous Fabricated Textile Products	107	1,097	\$56.5
	<i>Subtotal Apparel Manufacturing</i>	<i>1,538</i>	<i>24,057</i>	<i>\$1,239.0</i>
22	Textile Mill Products	83	1,037	\$104.5
513	Apparel Wholesale Trade:			
5131	Piece Goods and Notions	1,242	8,213	\$572.2
5136	Men’s and Boys’ Clothing	494	4,106	\$412.6
5137	Women’s and Children’s Clothing	2,363	22,356	\$1,899.3
5139	Footwear	134	1,546	\$150.6
	<i>Subtotal Apparel Wholesale Trade</i>	<i>4,233</i>	<i>36,220</i>	<i>\$3,034.7</i>
	Total	5,854	61,314	\$4,378.2

Source: NYS DOL.

Note: Employment is annual average employment that is covered by unemployment insurance.

Although the apparel industry is important to New York’s economy, it has declined over the last 40 years, most notably with the shift away from manufacturing toward wholesale trade. Table 5-39 summarizes changes in Manhattan’s apparel employment from 1960 to 2002. In 1960, Manhattan had approximately 264,200 apparel employees, with the vast portion of them—189,800 or 72

percent—in apparel manufacturing. In the following years, apparel manufacturing in Manhattan declined, as it shifted first to the South—where it employed cheaper, mostly nonunion workers—and subsequently overseas. Apparel manufacturing employment in Manhattan went from approximately 189,800 in 1960 to 24,100 in 2002.

**TABLE 5-39
CHANGES IN MANHATTAN’S APPAREL EMPLOYMENT, 1960 TO 2002**

Year	Apparel Manufacturing	Textile Manufacturing	Apparel Wholesale	Total	Percent Change	Cumulative Change
1960	189,807	16,418	57,933	264,158	--	--
1970	134,905	11,196	60,055	206,156	-22.0	-22.0
1980	96,262	5,824	51,550	153,636	-25.5	-41.8
1990	63,553	2,321	46,505	112,379	-26.9	-57.5
2000	34,748	1,337	41,006	77,091	-31.4	-70.8
2002	24,057	1,037	36,220	61,314	-20.5	-76.8

Source: *NYS DOL*.

Note: Employment is annual average employment that is covered by unemployment insurance.

Overall, apparel employment went from approximately 264,200 in 1960 to 61,300 in 2002, a decline of 76.8 percent. Over that period, apparel wholesale trade employment also declined, but at a much slower pace. By 2000, apparel wholesale trade—with its emphasis on showrooms and connecting wholesale buyers with the latest products—had surpassed apparel manufacturing as the largest component of Manhattan’s apparel industry. Although in recent years nearly one-third of all apparel wholesale trade in the U.S. has occurred in Manhattan,²⁷ this trade deals in goods increasingly manufactured overseas. Furthermore, although the Garment Center District has shown some growth in non-fashion employment, it has had a net loss of employment, while employment in other areas of Midtown has grown significantly.

Garment Center

Although the Garment Center has no specific boundaries, it has historically been situated between West 35th and 41st Streets, from Fifth Avenue to Ninth Avenue, and its primary concentration of business and employment is from Seventh Avenue and Broadway to Eighth Avenue.

(a) Employment

Current employment estimates for the area within the Fashion Center BID indicate that apparel-related industries still account for the largest share of the area’s employment. According to a 2003 report prepared for the Fashion Center BID, approximately 47 percent of all jobs existing in the Garment Center in 2001 (49,440 of 106,020 jobs) were in apparel-related industries, including apparel wholesale and retail, apparel manufacturing and textile manufacturing. Of those, approximately 44 percent, or 21,660 jobs, were in the apparel wholesale industry and another 15,490 (20 percent) were in apparel manufacturing (Appleseed, *Remodeling the Fashion District*. February 2003, p. 14). Non-apparel industries accounted for more than half of the area’s total employment, although no single industry dominates this employment base. The proportion of non-apparel businesses is growing as the apparel sector gets smaller, although as noted in the Appleseed report, this growth has not disrupted the functioning of the apparel industry.

According to the Fashion Center BID report, there is likely some degree of error or imprecision involved in the breakdown of Garment Center employment into apparel-related industry categories. Upon close examination of the businesses in the Garment Center, the Appleseed study reports, it

²⁷ U.S. Census Bureau, *1997 Census of Wholesale Trade*, New York and U.S. Summary, March 9, 2000 and March 20, 2001. In 1997, the latest year for which figures are available, the percentage was 30.6 percent.

becomes evident that many of the employees currently categorized into apparel wholesale, retail, and manufacturing sectors are likely involved in design and marketing of apparel rather than selling or sewing clothing. This is important to consider when assessing potential impacts of the Proposed Action on the industry, as employees involved in design and marketing have space needs that differ from those of employees involved in manufacturing and wholesale.

Apparel-related employment trends in the Garment Center have loosely mirrored apparel-related employment trends in New York City and Manhattan over the past several years, with significant overall losses, and a particularly severe decline in the apparel manufacturing sector. Between 1988 and 2000, apparel manufacturing employment dropped by 42 percent in New York City (from 100,365 jobs in 1988 to 58,340 jobs in 2000) and by 49 percent (or approximately 33,070 jobs) in Manhattan. In the Garment Center, the apparel manufacturing sector lost approximately 6,950 jobs between 1989 and 2000, decreasing by 30.6 percent. Like Manhattan and New York City, the Garment Center has also lost a significant number of textile manufacturing jobs—with textile manufacturing employment decreasing by 70 percent over the 11-year time period, from approximately 1,200 jobs in 1989 to about 470 in 2000.²⁸

(b) Building and Neighborhood Characteristics

Another way to gauge the level of apparel-related activity in the Garment Center is to look at tenancy and space utilization in the area. According to a 2002 door-to-door survey commissioned by the Fashion Center BID, the BID contains approximately 380 separate commercial and industrial buildings with approximately 32 million square feet of space and 6,595 tenants. Approximately 64 percent of all tenants (4,245 in number) were in apparel-related industries, and approximately 65 percent of occupied space (or about 17.6 million square feet) was occupied by apparel-related uses. Of those 17.6 million square feet, the greatest proportion, some 5.0 million square feet, was occupied by showroom uses, while about 14 percent, or 2.4 million square feet, was utilized for manufacturing firms.²⁹

The core of the Garment Center, along Seventh Avenue and Broadway, is characterized by high-density commercial buildings that house a wide variety of apparel and other commercial businesses. These buildings house the showrooms, offices, and related functions of the apparel industry. Street-level activity clearly reflects this pattern with a steady but not overwhelming presence of apparel-related traffic (i.e., rolling racks) and a high presence of foot traffic typical of a central business district. The retail frontages along Broadway and Seventh Avenue and the adjacent midblocks are a mix of common business district uses, such as coffee shops and convenience retail, along with apparel specialty shops such as trim and fabric shops.

Between Seventh and Eighth Avenue, the buildings are more consistently characterized as high-density loft or manufacturing buildings, and the area is clearly more focused on the warehousing and support manufacturing. There is decidedly more street-level movement of goods and garments, primarily consisting of the transport of fabrics, trimmings, and clothing via wheeled bins, racks, and hand carts, as well as the loading and unloading of goods from trucks and vans. Based on day-long field observations from West 35th to West 40th Streets between Seventh and Tenth Avenues, the heaviest concentration of such activity was observed between Seventh and Eighth Avenues and between West 36th and West 38th Streets. Street activity was considerably lighter west of Eighth Avenue and east of Seventh Avenue. The busiest times were in the afternoon hours, while street activity was relatively quiet in the morning, and mostly over by the evening rush hour.

²⁸ Because trend data are not available from the Department of Labor for areas below the zip code level, the trend data presented here (as reported in Appleseed's report, *Remodeling the Fashion District*) are based on zip code 10018, an area that is somewhat larger than the Fashion District BID.

²⁹ Appleseed, *Remodeling the Fashion District*. February 2003, pp. 20-22.

The midblock street retailing between Seventh and Eighth Avenues is dominated by stores that manufacture/sell clothing, fabrics, and high-end trimmings, while streets between Eighth and Ninth Avenue contain more storefronts with supporting businesses, such as sales of sewing machines, mannequins, and accessories like zippers and buttons. These businesses were observed to generate far less street-level traffic, with fewer movement of large bins and racks.

(c) Zoning Regulations

The Special Garment Center District, which covers most of the western portion of the Fashion Center BID (Figure 5-21), is zoned for manufacturing, with an M1-6 district mapped for much of the area and M1-5 mapped in the midblocks from West 35th to West 40th Streets between Eighth and Ninth Avenues (see Chapter 4, “Land Use, Zoning, and Public Policy” for more detailed description of zoning in the area). Most of the area is zoned for relatively high density (FAR of 10), with allowable commercial and manufacturing uses typical of the apparel industry. The small area of M1-5 is more limited in building density, permitting a maximum FAR of 5, but with a similar mix of allowable uses. No residential uses are permitted within these manufacturing districts.

The Special Garment Center District was created in 1987 to further supplement the base zoning to provide adequate space for the future needs of the interrelated network of manufacturers, suppliers, wholesalers, and showrooms that serve the apparel industry. The Special Garment Center District augments the underlying zoning through the establishment of “Preservation Areas” that are mapped on the midblocks, starting 100 feet in from the avenues and excluding buildings that front on avenues (in particular, it is noted that the Ninth Avenue frontage is actually outside the Special District). Within these Preservation Areas, conversion to office use is prohibited unless an equal amount of space is preserved for manufacturing, wholesale, or showroom use elsewhere in the Special Garment Center District. This is allowed through a CPC certification process, although since the creation of the Special District, there have been very few conversion applications and little specific preservation of manufacturing, wholesale, or showroom space.

Special Garment Center District Blocks Within Project Area

As shown on Figure 5-21, above, there are five blocks (Blocks 759, 760, 761, 762, and 763) that are within the Special Garment Center District and the Fashion Center BID that overlap with the proposed Project and Rezoning Areas.

(d) Employment

Apparel industry employment in this five-block overlap area is a considerably smaller proportion of the work force than in the larger Garment Center District as a whole. Based on the Department of Labor 2002 workforce estimates, there are fewer than 2,000 apparel jobs located in the five-block overlap area (see Table 5-39). In fact, there are only an estimated 2,977 apparel industry jobs within the entire Project Area (representing about 4.9 percent of the total apparel work force and 6.1 percent of the total Project Area workforce of 48,589 as presented in Table 5-20, above). Figure 5-22 maps the density of apparel industry jobs throughout the Special Garment Center District.

Consistent with field observations that indicate a low level of commercial activity on the northernmost block (Block 763 between West 39th to West 40th Streets), Table 5-40 indicates that only about 715 private sector jobs are present on the entire block and of those jobs only 134 are apparel-related. At 18.7 percent of all the employment on Block 763 (between 39th and 40th Streets), the proportion of apparel jobs is relatively high, but the total employment on the block is considerably lower than other blocks in the overlap area, and much lower than typical business districts. This is based on a low-density mix of parking lots and garages and small commercial and manufacturing buildings.

TABLE 5-40
EMPLOYMENT CHARACTERISTICS FOR GARMENT CENTER BLOCKS WITHIN
PROPOSED PROJECT AREA

Block	Total Jobs	Apparel Jobs	Pct Apparel
759	2,500	272	10.9%
760	1,621	529	32.6%
761	2,049	408	19.9%
762	1,776	466	26.2%
763	715	134	18.7%
Total	8,661	1,809	20.9%

Source: DCP

Note: Based on Department of Labor, 2002 Third Quarter Data

(e) Building and Neighborhood Characteristics

The five-block area contains a wide mix of building types and densities ranging from tall loft buildings to one- and two-story commercial buildings, tenement housing, and vacant lots. Overall, it is built at a lower scale compared with the core of the Special Garment Center District east of Eighth Avenue, with its uniformly tall manufacturing and commercial buildings on both the Avenues and midblocks. The built densities are also reflective of the underlying M1-5 zoning district, which permits about half the density of the surrounding zoning districts. According to research prepared by the DCP, there are about 145 buildings in the subarea with an average building floor area of approximately 37,000 square feet. The analysis found that there were 28 buildings with a floor area of 70,000 square feet or greater (a threshold to be utilized in the proposed zoning changes within the Special Garment Center District). As evident in the job distribution map shown on Figure 5-22 and from Table 5-41, the larger buildings house the vast majority of apparel jobs, well over 90 percent of the apparel jobs in the five-block area.

TABLE 5-41
APPAREL JOBS DISTRIBUTED BY BUILDING SIZE FOR SPECIAL GARMENT CENTER DISTRICT
BLOCKS WITHIN PROPOSED PROJECT AREA

Block	Apparel Jobs In ≥ 70,000 sf Buildings	Apparel Jobs In ≤ 70,000 sf Buildings	Total Apparel Jobs	Percent in ≥ 70,000 sf Buildings
759	230	42	272	84.6%
760	516	13	529	97.5%
761	360	48	408	88.2%
762	448	18	466	96.1%
763	98	36	134	73.1%
Total	1,652	157	1,809	91.3%

Source: DCP

Note: Based on Department of Labor, 2002 Third Quarter Data

Manufacturing and loft buildings are also a less dominant land use in the five-block area between Eighth and Ninth Avenues, compared to the midblocks between Seventh and Eighth Avenues. The blocks contain numerous surface parking lots, parking garages, and smaller buildings, including residential buildings (see Chapter 4, “Land Use, Zoning, and Public Policy” for more detailed information). Along the eastern frontage on Ninth Avenue, the buildings are distinctly non-manufacturing or commercial in character, mostly comprising small residential buildings with ground floor retail or converted to commercial use. Research conducted by DCP on building occupancy characteristics show the area to contain a wide mix of businesses, including many non-apparel uses and conversions of former manufacturing space, including office uses, media and publishing, graphic

arts, and other mixed commercial/light manufacturing types of businesses. The buildings in the five-block portion of the Special Garment Center District also contain fairly high levels of vacant space which, based on DCP survey data for buildings 70,000 square feet or greater, was roughly 18 percent of total floor area.

The limited presence of apparel jobs and the diverse building environment noted above was clearly consistent with day-long field observations of street activity along the streets of these blocks. The level and type of activity on the streets is considerably less intensive than east of Eighth Avenue, particularly north of West 38th Street (i.e., no apparel activity was seen along the sidewalks of West 39th and West 40th Streets) and south of West 36th Street. Similarly, there was very little or no observed apparel-related street activity along Ninth Avenue or on the midblocks between Ninth and Tenth Avenues.

The Fashion Center BID report primarily characterizes these overlap blocks as an area of diminishing significance to the apparel industry in terms of a base for manufacturing employment. However, the study indicates that it is an area of opportunity to expand the mix of uses and new opportunities in the area, including commercial and residential conversions of existing buildings and new retail development.

(f) Zoning Regulations

The five-block portion of the Special Garment Center District which overlaps with the Project Area is currently mapped primarily with an M1-5 district that allows commercial/manufacturing uses to be developed with an FAR of 5. (There is a narrow strip of M1-6 zoning between 100 and 150 feet west of Eighth Avenue.) No residential uses are allowed in this district, although several non-conforming residential buildings and uses are found within the five-block area. The midblock Preservation Area is designated for all the midblocks between West 35th and West 40th Streets. Along Ninth Avenue, outside the Special District, the zoning is C1-7A, a lower-density commercial/residential district (see Chapter 4, “Land Use, Zoning, and Public Policy”).

c) 2010 Future Without the Proposed Action

In the 2010 Future Without the Proposed Action, the apparel industry would likely continue its current pattern of consolidation towards the showroom, design, wholesale and retail focus, while apparel manufacturing would be expected to continue to diminish throughout the City, and within the Garment Center and in the Project Area. This is expected to occur even with the City’s zoning protections afforded by the Special Garment Center District. As discussed above, the Garment Center has lost a substantial number of apparel manufacturers over the past three decades, as manufacturers have relocated to other parts of the U.S. or overseas. Apparel manufacturing in New York City and the Garment Center is expected to continue to close in on the niche market of small order manufacturing, such as sample production, specialty products, quick turn products and limited or higher-end products. The Fashion Center BID study projects that City-wide, apparel manufacturing will continue to decline, and a mathematical projection based on historical trends indicates that overall manufacturing would be further reduced to a level at about half of the current manufacturing employment base (about 17,000 workers) in 2010.³⁰

The study assesses the implications for the Special Garment Center District based on the distinct trends influencing the District. In summary, these include:

- Continued erosion of apparel manufacturing;
- Recovery and expansion of office-based employment;
- Continued growth and importance of creative industries;

³⁰ Appleseed, *Remodeling the Fashion District*. February 2003, p. 41.

- Strong demand for housing; and
- Significant investment in public and private developments surrounding the Special Garment Center District.

The study concludes that these trends, in the absence of new public policy initiatives in the Special Garment Center District, would put the area at a distinct disadvantage, where:

- Rents and property values would remain depressed in relation to surrounding areas of Midtown;
- Higher vacancies and lower returns would suppress investment and reinvestment in existing real estate assets;
- Job growth would be stagnant; and, overall,
- The Special Garment Center District would continue to languish as an economic engine.

As discussed in Chapter 4, “Land Use, Zoning, and Public Policy,” the areas around the Special Garment Center District would continue to experience new development, primarily driven by new commercial and residential demand. Residential projects have been constructed or are under construction along the western, southern, and eastern edges of the Garment Center, including the recently completed Ninth Avenue residential project by the Dermot Company and others. As noted in the inventory of projects expected in the Future Without the Proposed Action, several residential projects are expected on the west side of Ninth Avenue. Thus, they are not located within the Special Garment Center District. Similarly, several other commercial and non-apparel projects are anticipated in the Future Without the Proposed Action. These would primarily be located to the north, east, and south of the Project Area. Such projects would include West 42nd Street-oriented projects, such as the Times Square Building, and Penn Station-oriented projects, including an office building at 435 Seventh Avenue.

There are no commercial or residential projects in the Future Without the Proposed Action identified for the five-block portion of the Proposed Action’s Rezoning Area that is within the Special Garment Center District. However, the area is expected to continue to be in a transitional area between the increasingly residential character of Ninth Avenue and the core commercial and industrial area of the Special Garment Center District located east of Eighth Avenue.

As noted in the BID study, the general trends in the apparel industry are expected to continue into the future with or without the Proposed Action, and are largely independent of the ongoing changes along Ninth Avenue and other development sites in and around the Special Garment Center District. The apparel industry can be expected to further concentrate within the core (Broadway to Eighth Avenue) and to be centered on the design, showroom, retail, and wholesale components of the industry. The Special Garment Center District itself is expected to continue to attract more non-apparel businesses, particularly in other creative industries that are growing in employment and overall importance, including: advertising, media, music, and the arts.³¹

d) 2010 Future With the Proposed Action

By 2010, the Hudson Yards redevelopment plan would be in place with new zoning and completion of the key public infrastructure. Private development of the projected (or potential) development sites would be at an early stage, with a handful of projects expected to be under way. Thus, the transformation of the Project Area would be well-established by 2010, and this would be expected to influence trends in the Special Garment Center District, primarily in its crossover boundary area between Eighth and Ninth Avenues. In addition, the completion and operation of the Multi-Use

³¹ Appleseed, *Remodeling the Fashion District*. February 2003, p. 12.

Facility, the expanded and modernized Convention Center, and the No. 7 Subway extension could have a direct effect on the continued and future operations and viability of the apparel industry.

Summary of Proposed Changes in Special Garment Center District Zoning

In particular, the Proposed Action would alter regulations in this five-block overlap area, allowing for new development opportunities that are currently not permitted in the base zoning or the protective measures of the Special Garment Center District. As presented in Chapter 2, “Description of the Proposed Action,” the Proposed Action would include the following changes:

- On the portion of Block 763 between West 39th and West 40th Streets more than 100 feet east of Ninth Avenue, the zoning would change from M1-5 and M1-6 to C6-4 and the block would be removed from the Special Garment Center District. This would increase the allowable FAR from 5 to 10 (and up to 18 for commercial developments contributing to the District Improvement Bonus, or DIB) and permit a wider range of new uses. The Preservation Area measures of the special district would no longer be applicable on this block.
- On Blocks 759, 760, 761, and 762, the midblocks would be rezoned from M1-5 and M1-6 to C6-4M. The C6-4M zoning district would provide for an increase in commercial density from FAR 5 (in M1-5) to 10 (and up to 12 with a DIB contribution or, for residences, the Inclusionary Housing Bonus) and a wide range of new commercial and residential uses, but would also retain regulations specific to the historic manufacturing presence. The Preservation Area of the Special Garment Center District would be maintained on these blocks, but would be modified to be consistent with the transitional character of these blocks.
- The protective measures of the Preservation Areas would be amended to add flexibility to the potential conversion of manufacturing, wholesale, or showroom uses to other commercial, residential, or community facility uses (residential and community facilities are currently not permitted at all in the M1-5 district). Such conversions are proposed to be permitted in buildings with less than 70,000 square feet. As noted above in Table 5-40, the vast majority of remaining apparel industry employment is found in buildings that are larger than 70,000 square feet. For these larger buildings, the existing Preservation Area regulations would remain intact, with modifications. These modifications would allow a change to any use permitted in the underlying district, with preservation of an equivalent amount of space for a manufacturing, wholesale, or showroom use, and would allow the City Planning Commission to authorize conversions to any use permitted by the underlying zoning and waive the preservation requirements upon findings that the space has not been occupied for three or more years by a manufacturing, wholesale, or showroom use and that the conversion would not harm the essential character of the Special Garment Center District.
- Existing manufacturing uses would be allowed, but new manufacturing construction would not be permitted. New manufacturing uses would be allowed in existing buildings as per the underlying zoning district.

Potential Displacement Assessment

(a) Projected Development Sites

Based on the redevelopment criteria detailed in Chapter 2, “Description of the Proposed Action,” DCP developed a RWCDS to identify those parcels most likely to be redeveloped under the new zoning regulations. Specific to the Project Area’s five-block overlap with the Garment Center, by 2010 there would be one Projected Development Site expected between Eighth and Ninth Avenues and between West 38th and West 39th Streets (Site 37). This projected residential development is not expected to displace any apparel industry jobs, as the site is currently fully occupied by a graphic arts business. In fact, by 2010, the direct displacement of all manufacturing and wholesale jobs (inclusive

of apparel workers) is estimated at only about 140 workers, all primarily located far to the west in the area of the new Midblock Park and Boulevard System construction.

(b) Potential Development Sites

There are no potential development sites under the RWCDs identified for the 2010 analysis year.

Assessment of Potential Effects to the Apparel Industry

(a) Effects Generated by the Rezoning and Redevelopment

With no direct displacement of apparel jobs in 2010 for redevelopment sites located within the Special Garment Center District, the Proposed Action is not expected to have a direct effect on the apparel industry. Furthermore, the Proposed Action is, by intent, affirming the types of projects and the location of new development in proximity to the Special Garment Center District. This development represents the current and ongoing trend of commercial and residential pressures mounting at the edges of the Garment Center District and the growth in non-apparel businesses within the area. As manufacturing in general, and apparel manufacturing in particular, has been on the decline in the City, the Proposed Action is seeking to re-use and redevelop this increasingly underutilized area of Manhattan. Thus, the trends discussed under both Existing Conditions and Future Without the Proposed Action are expected to continue in the Future With the Proposed Action. In summary, for the Future With the Proposed Action, apparel industry employment in the Project Area would be expected to continue to decline. This trend is expected to occur with or without the Proposed Action, and the rezoning is in response to the trend.

The protective provisions of the Special Garment Center District that would still apply in the new C6-4M zoning district would enable an orderly transition and co-existence by ensuring the continued viability and presence for those apparel-related uses that remain in the area to service the apparel industry. Given the already low levels of apparel industry jobs in this five-block area, and the continuing trends in the Garment Center District, the changes in these westernmost blocks of the Special Garment Center District are not expected to have adverse impacts on the viability of the apparel industry. In fact, the Fashion Center BID study indicates that the new vitality of mixed-used development and conversion of underutilized buildings in this area would strengthen the Special Garment Center District by improving its overall mix of amenities and facilitating better connectivity between the Special Garment Center District and other areas of Midtown.

In particular, the trends in the apparel industry have not been driven by rising rents but by changing labor markets within the industry. As the Hudson Yards transformation creates a new and vibrant community, the value of land and the likely rent structures of new development can be expected to rise to match the new user populations (i.e., higher rent profile commercial office uses). However, the change would primarily focus on the redevelopment sites themselves which, as noted above, are not expected to significantly displace the current apparel jobs that remain in the blocks to be rezoned. For the many buildings that remain, and are still protected by the Special Garment Center District, the uses in the buildings are less likely to be subject to significant fluctuations in rent and value, as the new development is expected to absorb most of the new demand for higher rent uses.

(b) Effects Generated by Redevelopment and Other Project Components

The Proposed Action includes the redevelopment of sites as assessed above but also the creation of new public use facilities, the new subway extension and the creation of a new 24-hour mixed use community. Changes generated by the cumulative effect of the Proposed Action could affect the apparel industry in ways beyond the direct displacement concerns described above.

In general, the apparel industry would not be expected to be adversely affected by either the Multi-Use Facility or the Convention Center. In particular, the Multi-Use Facility would be expected to be utilized primarily on weekends and weeknights, periods when the apparel industry is at its quietest.

The direct effects of Convention Center operations would be far west of the Special Garment Center District and would not be expected to influence local street conditions for the apparel industry. In addition, the industry is a user of the Convention Center (e.g., fabric and other trade shows), and would be expected to benefit from the additional facilities available through the expansion.

The apparel industry is characterized by street level activity in terms of pedestrians and the movement of goods from trucks to buildings and from building to building. As noted above, the street level of activity is primarily a morning-to-midday occurrence, and is considerably lighter in the area between Eighth and Ninth Avenues than to the east of Eighth Avenue. The area between Eighth and Ninth Avenues already contains a variety of street-level activities associated with the more residential and mixed-use character of the Ninth Avenue and a more diverse commercial base. The additional or different uses introduced by the Proposed Action are not expected to alter the basic character of street movements in the overlap area, nor create an incompatible level of activity that would affect the overall apparel industry.

As detailed in Chapter 19, “Traffic and Parking,” this area of Midtown reflects intensity of uses and density of overall development, and the apparel industry has continued to operate within this environment. The side streets, particularly between Broadway and Eighth Avenue, are regularly utilized for loading and unloading of commercial vehicles throughout the day, and parking garages are well-utilized. The Proposed Action would alter the current and future conditions by adding traffic to the network through new development and by special events at the Multi-Use Facility and Convention Center. Traffic conditions would remain congested even with mitigation measures that could be implemented to mitigate specific traffic impacts associated with the Proposed Action but this is not expected to dramatically alter the context in which the apparel industry currently operates.

In terms of parking, the traffic study indicates that midday utilization would be nearly full on weekdays, although existing and current demand are expected to be accommodated. Thus, while parking locations and pricing could vary in the future as a result of the Proposed Action, overall operations and parking demands of the apparel industry would not be adversely affected.

e) 2025 Future Without the Proposed Action

Based on the long-term trends in the apparel industry, market forces would continue to shape and redefine the industry in the future. Thus, by 2025 in the Future Without the Proposed Action, the core concentration and consolidation of the industry would be expected to continue. The Special Garment Center District is likely to maintain its key and vital role as the heart of the apparel industry in terms of design, showrooms, wholesale, and support services. Small production manufacturing services to support these functions (e.g., sample production) would continue to be the primary niche for local manufacturing, but would represent an ever smaller proportion of the apparel industry as a whole and a much smaller proportion of the overall business and employment mix in the Special Garment Center District. The long-term trends away from manufacturing would be expected to continue the concentration of apparel jobs east of Eighth Avenue, reducing manufacturing employment in the five blocks of the proposed Rezoning Area. At the same time, the continuing trend toward mixed use and residential development along Ninth Avenue would introduce more non-manufacturing uses to the west of these blocks. While no projects are identified for the five-block area as part of the Future Without the Proposed Action, changes in commercial tenancy would be expected over the next two decades in keeping with the broader trends described above.

f) 2025 Future With the Proposed Action

By 2025 with the Proposed Action, the zoning changes promulgated as part of the Proposed Action would be fully implemented and redevelopment largely completed. The Project Area would be fundamentally transformed by 2025 with the Proposed Action. From its current mix of lower-density manufacturing, commercial, and large transportation-related uses and business, the Proposed Action

would create a higher-density and more office- and commercial-oriented community, along with a significant 24-hour residential population and hundreds of thousands of visitors to the expanded Convention Center and Multi-Use Facility.

Potential Displacement Assessment

(a) Projected Development Sites

As shown in Figure 5-23, the most likely development sites generated by the rezoning (the Projected Development Sites based on the redevelopment criteria developed in the DCP's RWDCS) would only minimally affect existing apparel industry jobs. In practical terms, the easiest and most readily developable sites would be those surface parking lots and buildings that are currently underutilized. This would leave the larger tenanted buildings unaffected by the RWDCS Projected Development Sites. As noted above, the remaining apparel jobs in this area are nearly all located in the large buildings (those over 70,000 square feet), which would not only be unlikely to be redeveloped or converted in use, but would also be subject to the continued protective measures established for the Preservation Areas of the Special Garment Center District.

As shown on Figure 5-24, there are seven Projected Development Sites in the five-block overlap area of the Special Garment Center District (Projected Development Sites 36, 37, 38, 39, 40, and 41), and most are located on sites with few or no apparel jobs. In total, as estimated by DCP employment estimates, less than 50 current apparel jobs would be displaced, or about 2.7 percent of the current estimate of 1,809 apparel jobs in the five-block overlap area and only a small fraction of the 61,000 apparel jobs located in Manhattan, or of the remaining 24,000 apparel manufacturing jobs). Given the long-term trends in the industry, most notably the reduction and consolidation of apparel jobs to the east of Eighth Avenue, there is no certainty that these jobs would be in their current location and number by the time redevelopment could occur between 2010 and 2025.

In summary, under the Projected Development Sites of the RWDCS, no direct adverse impacts on apparel jobs would be anticipated.

(b) Potential Development Sites

As detailed in Chapter 2, "Description of the Proposed Action," the RWDCS analysis conservatively examines a second tier of potential development sites that meet certain thresholds of redevelopment criteria, even if they are not as likely to be redeveloped as Projected Development Sites. In total, there are some 22 Potential Development Sites (Potential Development Sites 67 through 89, as shown on Figure 5-24). Potential Development Sites 67 and 71 on Ninth Avenue are not part of the Special Garment Center District and currently house no apparel jobs. Figure 5-24 shows that in the five-block overlap area, these potential sites include more buildings that currently contain apparel jobs. This is most notable on Block 760, in which most of the midblock is mapped with Potential Development Sites 78 through 85. However, based on the DCP RWDCS methodology, and as explained in Chapter 3, "Analytical Framework," potential sites are examined on a site-specific basis, and there is no indication that all Potential Development Sites would or could be developed, or that there would be cumulative displacement from Potential Development Sites.

Potential Development Sites include redevelopment or conversion of buildings with greater than 70,000 square feet. Based on the distribution of apparel jobs in larger buildings, redevelopment projects on these six sites have the most likelihood to individually displace apparel jobs should a Potential Development Site be redeveloped. In this instance, assuming the apparel-related jobs remain in place in at least a portion of these buildings, the protective measures of the Special Garment Center District would require that space equivalent to the space lost in the conversion or redevelopment be preserved at another location within the District. This would provide a space resource to accommodate long-term demand for space by manufacturers, wholesalers, and showrooms in the Special Garment Center District.

Assessment of Potential Effects to the Apparel Industry

(a) Effects Generated by the Rezoning and Redevelopment

Based on the analysis of both Projected Development Sites (with only modest levels of direct displacement of less than 50 apparel jobs) and Potential Development Sites (with more potential displacement based on individual site locations, but likely offset by Preservation Area requirements), the potential apparel job displacement from the Proposed Action would be small in proportion to the overall apparel jobs in the overall industry (estimated at over 61,000 in Table 5-41). As a result, the Proposed Action is not expected to have a significant direct effect on apparel industry employment.

The long-term trends described in “Existing Conditions,” would continue through 2025 with or without the Proposed Action. By 2025 with the Proposed Action, not only would the new, less restrictive zoning be in place, but many of the redevelopment projects generated by the new zoning within the Special Garment Center District would be completed. The introduction of new residential uses and a wider mix of commercial uses would change the western edge of the Special Garment Center District (i.e., the five blocks from West 35th to West 40th Streets between Eighth and Ninth Avenues) into a transition point between its core commercial district and the neighboring Hudson Yards area. However, this mix of commercial, residential, and apparel or other manufacturing uses has historically always been present in the area with a more residential focus on Ninth Avenue, but with residential buildings intermixed among the loft buildings and parking garages that characterize the midblocks. Furthermore, with a current estimate of 1,809 employees spread among the five blocks, there are very few apparel industry employees remaining in the area being rezoned, and, based on ongoing trends, the number would be even lower by 2025. Those that remain would be concentrated into the largest buildings, which would continue to be protected under the proposed zoning. Given the continuing trend of consolidation within the industry, it would also be unlikely that this current level of employment would remain in place through 2025 with or without the Proposed Action. Thus, similar to the small level of direct displacement that is not expected to generate an adverse impact, indirect displacement is not expected to adversely affect the future viability of the apparel industry.

(b) Effects Generated by Redevelopment and Other Project Components

In 2025, the Proposed Action would have largely transformed the Project Area into a 24-hour, mixed-use community with a much more diverse and higher-density level of development. As with the 2010 assessment, changes generated by the Proposed Action could affect the apparel industry in ways beyond the direct displacement concerns described above.

Street activity and pedestrian movements would be expected to remain high, with new development generated by the Proposed Action and the continued presence of a mix of residential, commercial, and manufacturing uses. No changes would be expected to adversely affect the apparel industry’s use of streets for the movement of employees or goods from trucks to buildings and from building to building.

As detailed in Chapter 19, “Traffic and Parking,” this area of Midtown clearly reflects intensity of uses and density of overall development, and the apparel industry has continued to operate within this environment. The side streets, particularly between Broadway and Eighth Avenue are regularly utilized for loading and unloading of commercial vehicles throughout the day, and parking garages are well-utilized. The Proposed Action would alter the current and future conditions by adding traffic to the network through new development and by special events at the Multi-Use Facility and Convention Center. Traffic conditions would remain congested even with mitigation measures that could be implemented to mitigate specific traffic impacts associated with the Proposed Action, but this is not expected to dramatically alter the context in which the apparel industry currently operates.

In the rezoned area of the Special Garment Center District, redevelopment sites would remove off-street parking capacity, although some capacity would be replaced with new parking facilities within the redevelopment sites. Overall, the traffic study indicates that available midday parking locations would be full during the weekday, although existing and current demand are expected to be accommodated.

3. Theater Industry

a) Introduction

Redevelopment of the Project Area can be expected to have both direct and indirect effects on the adjacent theater industry. The most notable beneficial effect of the Proposed Action is that the creation of a new 24-hour, mixed-use community would provide a new and immediately proximate neighborhood to support the Theater District in terms of new patrons generated by new residents, office workers, and tourists and visitors drawn to the City by the Convention Center. At the same time, redevelopment of the Project Area could also result in the displacement of existing theaters or the businesses that support the industry (e.g., suppliers, warehousing, rehearsal spaces).

b) Existing Conditions

Economic Importance of the Theater Industry

New York City’s theater industry is a vital centerpiece of the City’s cultural life and an international focus of the visitor and tourist industry. As analyzed by The League of American Theatres and Producers, the industry generates some \$4.4 billion dollars in annual economic activity in New York City.³² This economic activity supports about 40,000 jobs and generates about \$139 million in local tax revenues. Table 5-42 summarizes this analysis of economic activity associated with the three key areas of economic activity associated with the industry, including: visitor spending, show-related expenses, and theater-related expenses.

**TABLE 5-42
BROADWAY’S ECONOMIC IMPACT, 2001**

Economic Activity	Millions of Dollars		
	Direct	Indirect	Total
Visitor Spending	\$1,949.4	\$893.6	\$2,843.0
Show Expenses	\$657.6	\$879.7	\$1,537.3
Theater Expenses	\$27.0	\$11.4	\$38.4
Total	\$2,634.0	\$1,784.7	\$4,418.6

Sources: *Broadway’s Economic Contribution to New York City, 2000-2001, The League of American Theatres and Producers, Inc.*

As an industry that is largely dependent on drawing visitors to New York City, the theater industry serves as a generator of new economic activity in the local economy. As identified in the 2001 economic contribution study, a full 80.6 percent of theater visits were by non-New York City residents, including 24.4 percent from New York City suburbs and the majority of visits drawn from a national and international base. The largest single component of the industry is visitor spending, which includes all visit-related spending, such as hotels, restaurants, and shopping spending. This generated nearly \$2 billion in direct annual spending, and indirectly generated another \$893 million in economic activity.

Show expenses generate about \$1.5 billion in annual activity, including about \$657 million in direct activity and about \$879 million in indirect or generated activity. Show expenses include actor and production salaries as well as a myriad of support businesses (set design, advertising, and suppliers

³² “*Broadway’s Economic Contribution to New York City*”, 2001.

such as lighting, sets, costumes, etc.). Since so much of the spending is local salaries that are then re-invested in the local economy, show expenses tend to have a very high economic impact, with indirect economic activity over 100 percent of the direct spending estimate.

The final category of industry spending is that of theater-specific expenses, which includes house staff salaries and maintenance and upkeep of the facilities supporting such industries as carpenters, plumbers, etc. Annual spending by the theaters was \$27 million in 2001 which, along with an indirect spending of \$11.4 million, generated a total economic value of \$38 million.

Relationship of the Theater Industry with the Proposed Project Area

As noted in Chapter 4, “Land Use, Zoning and Public Policy,” the Theater District and the Project Area overlap along the West 42nd Street Corridor. Here, theater-related uses are found along West 42nd and West 43rd Streets, including small off-Broadway theaters and theater-related business.

In addition, there are theater suppliers that are located throughout the adjacent areas of the Garment Center District, the Project Area, and north and west of the Theater District in Clinton. To determine if the Proposed Action could adversely affect a concentration of such support businesses, a survey of the type and location of theater-related industries was determined through resource listings available through the Theatrical Stage Employees Union Local One, The Thomas Register, and the Yellow Pages (see Table 5-43). In all, 66 businesses were identified which include a wide array of support industries, most notably costumes, musical instruments, lighting, set design, carpentry, sound and photo equipment, dance studios and rehearsal spaces, recording studios, and other related businesses. These businesses are scattered throughout west Midtown from roughly Sixth to Eleventh Avenues and West 21st Street to West 57th Street. Thirteen of the 65 businesses are located within the Project Area, and include three equipment suppliers, seven costume suppliers (including shoes and small props), and three rehearsal studios.

**TABLE 5-43
THEATER-RELATED INDUSTRIES IN WEST MIDTOWN**

Business	Address
Abracadabra Magic and Costumes	19 West 21st Street
Best Instrument Rental Service, Inc.	509 West 34th Street
B&H Photo	420 Ninth Avenue
B & J Fabrics	263 West 40th Street
Barbizon Lighting Company	456 West 55th Street
Broadway Wig Company	555 Eighth Avenue (at West 37th Street)
Bulbtronics.com	720 Ninth Avenue (at West 49th Street)
Carelli Costumes	588 Ninth Avenue
City Knickerbocker Inc	781 Eighth Avenue (at West 48th Street)
Craft Clerical Clothes	247 West 37th Street
Creative Costume CO	242 West 36th Street
Dazian Fabrics	423 West 55th Street (at Ninth Avenue)
De Meo Brothers, Inc.	129 West 29th Street
Downtime Productions	538 West 53rd Street
Electronic Theatre Controls, Inc. (ETC)	630 Ninth Avenue
Excel Lighting Productions	693 Tenth Avenue
Feature Systems Film Equipment Rental	512 West 36th Street
Floodline (costumes)	307 West 38th Street (at Eighth Avenue)
Fourth Phase (lightning & technology)	630 Ninth Ave
Golden Maurice Scenery	414 West 45th Street
Grace Costumes Inc	250 West 54th Street

TABLE 5-43 (CONTINUED)
THEATER-RELATED INDUSTRIES IN WEST MIDTOWN

Business	Address
Hansen, Joseph C., Co	423 West 43rd Street
Helen Uffner Vintage Clothing	345 West 37th Street (between Eighth and Ninth Avenues)
High End Systems, Inc. (controls)	311 West 43rd Street
Hoffman Constance (costumes)	315 West 39th Street (between Eighth and Ninth Avenues)
Karma Productions Inc	630 Ninth Ave (at West 45th Street)
Kaufman's Army & Navy (costumes)	319 West 42nd Street
Kits and Expendables	506 West 36th Street
Lee's Art Shop Inc	220 West 57th Street
Make-Up Center	150 West 55th Street
Menkes Theatrical Shoes	250 West 54th Street
New Era Industrial Hardware Inc.	359 West 54th Street
Nixon Alexander (equipment & fabric)	423 West 43rd Street
Nu-Ease Travel Auto Bag CO	264 West 40th Street
One Dream Sound	509 West 34th Street
Plass Prop House A	520 Eighth Avenue (at West 36th Street)
Production Arts Lighting	630 Ninth Avenue (at West 44th Street)
Production Resource Group (scenery & projection)	630 Ninth Avenue
Sander Grossard Associates (equipment)	225 West 44th Street (at Seventh Avenue)
SLD Lighting	318 West 47th Street
Sound Associates	424 West 45th Street
Stetson Hats Retail	620 Eighth Avenue
Tara Productions	235 West 44th Street (at Eighth Avenue)
Term Systems Inc	636 Eleventh Avenue (at West 46th Street)
Travel Auto Bag	264 West 40th Street (at Eighth Avenue)
Unitech Productions Inc	165 West 46th Street (at Seventh Avenue)
Widmer Designs	311 West 43rd Street (at Eighth Avenue)
Champions Dance Studio	300 West 43rd Street
Champions Dance Studio	257 West 39th Street
Dance Times Square	156 West 44th Street
KTPAA Inc (rehearsal space)	750 Eighth Avenue
New Dance Group Studio	254 West 47th Street
Time Circle Rehearsal Studios	743 Eighth Avenue
Rocket Rehearsal Studio	451 West 37th Street
Tallman Roger Recording Studio	218 West 40th Street
Entertainment Marketing Concepts (rehearsal)	630 Ninth Avenue
Clinton Recording Studios (rehearsal)	653 Tenth Avenue (at West 46th Street)
Capezio Dance Theatre Shop	1650 Broadway (at West 51st Street)
LaDuca Shoe	534 Ninth Avenue (at West 39th Street)
Sansha USA Co (dance shoes)	1717 Broadway (at West 54th Street)
Harlequin Rehearsal Studios	203 West 46th Street (at Broadway)
Hinton Battle Theatre Laboratory (rehearsal)	432 West 42nd Street
Italian American Actors Studio Inc	352 West 44th Street
King Rehearsal Studios Inc	550 West 43 (between Tenth and Eleventh Avenues)
Montana Studios	823 Eleventh Avenue Frnt (56)
New Dance Group Studio	254 West 47th Street

Sources: *Theatrical Stage Employees Union Local One, The Thomas Register, and the Yellow Pages*

Note: Bold indicates businesses located within the Project Area.

c) 2010 Future Without the Proposed Action

The Theater District is expected to retain its premier status in the New York City tourism industry as a center of its cultural resources. As noted by the League of American Theatres and Producers, the industry is recovering from a difficult period through the recent recession and the drop in

international and domestic travel following September 11, 2001. However, by 2010, there are no known changes anticipated by 2010 that would change the basic demographics and viability of the theater industry.

As identified in Chapter 4, “Land Use, Zoning, and Public Policy,” the Future Without the Proposed Action includes the likely redevelopment of Projected Development Site 19, which would create a new residential building along with 497 theater seats, offsetting the loss of the John Houseman and Douglas Fairbanks Theaters as well as the Hinton Battle Theatre Laboratory (a rehearsal facility). Other Future Without the Proposed Action projects are expected to introduce new residential developments along West 42nd Street and along Ninth Avenue, although no specific theater industry businesses as identified in Table 5-42, above, would be directly affected.

d) 2010 Future With the Proposed Action

By 2010, the Hudson Yards redevelopment plan would be in place, with new zoning and completion of the key public infrastructure. Private development of the projected (or potential) development sites would be at an early stage, with a handful of projects expected to be under way. Thus, the transformation of the Project Area would be well-established by 2010, and this could be expected to affect the theater industry. In addition, the completion and operation of the Multi-Use Facility, the expanded and modernized Convention Center, and the No. 7 Subway extension could have a direct influence on the continued and future operations and viability of the theater industry.

Potential Displacement Assessment

(a) Projected Development Sites

No additional theaters or identified support businesses in the Project Area would be displaced by the 2010 analysis year. In the Future With the Proposed Action, Projected Development Site 19 would result in the same displacement of the two off-Broadway theaters and one rehearsal facility that would occur in the Future Without the Proposed Action.

(b) Potential Development Sites

There are no potential development sites under the RWCDs identified for the 2010 analysis year.

Assessment of Potential Effects to the Theater Industry

(a) Effects Generated by the Rezoning and Redevelopment

With no direct displacement of theater jobs in 2010, the Proposed Action is unlikely to adversely affect the adjacent theater industry, in that there would be little direct displacement of theater-related activities and only modest displacement of the businesses that support the industry. As sampled through the business listing provided in Table 5-42, theater support businesses are scattered throughout the neighborhoods surrounding the Theater District, and most are located outside the Project Area.

The types of theater support businesses in the Project Area vary considerably. Businesses related to costumes, fabrics, warehousing, etc., are similar to the remaining apparel businesses discussed above (and some are likely to be protected through the existing and future zoning within the Special Garment Center District). Some businesses, such as photographic equipment and supplies, serve a broader customer base that is likely to be even larger with the new Hudson Yards community. The businesses would be located in an area where redevelopment could lead to higher rents and property values (although this is a well-established trend with or without the Proposed Action). As the Project Area transformation creates a new and vibrant community, the value of land and the likely rent structures of new development can be expected to rise to match the new user populations (i.e., higher rent profile commercial office uses). However, the change would focus on the redevelopment sites themselves which, as noted above, are not expected to significantly displace the current

theater-related jobs that remain in the blocks to be rezoned. For the many buildings that remain, the uses in the buildings are less likely to be subject to significant fluctuations in rent and value, as the new development is expected to absorb most of the new, higher rent uses.

(b) Effects Generated by Redevelopment and Other Project Components

The Proposed Action includes the redevelopment of sites as assessed above, but also the creation of new public use facilities, the new subway extension and the creation of a new 24-hour, mixed-use community. Changes generated by the cumulative effect of the Proposed Action could affect the theater industry in ways beyond the direct displacement concerns described above.

Overall, the theater industry is expected to benefit from the new residents and daily workers and visitors to the Project Area, in that new Broadway patronage could be generated by the increased activity so close to the Theater District. The increase in housing and a more attractive community with new street-level amenities would expand opportunities for those working in or visiting the Theater District.

The theater industry would not be expected to be adversely affected by either the Multi-Use Facility or the Convention Center. In particular, the Convention Center is very compatible with the theater industry, as both complement the resources necessary to maintain a strong tourist and visitor market. The more conference attendees that can be brought to the City, the more Broadway can capture new theater ticket sales.

The convergence of vehicular and pedestrian traffic when the Multi-Use Facility is holding an event has the potential to create adverse effects on the theater industry during the potentially overlapping peak periods of usage on weekends and certain weeknights. This would not be expected to occur on a regular basis throughout the year, thereby limiting the overall effects on the theater industry. In terms of off-street parking demand, Chapter 19, "Traffic and Parking," indicates that there is sufficient capacity to meet demand during evening and weekend conditions, based on the low demand from commercial development that is the source for most of the peak Midday parking demand. The Theater District gets extremely congested with vehicular and pedestrian traffic in and around the core blocks of the district. The same would likely be true for the blocks in and around the Multi-Use Facility during a large event.

(c) 2010 Traffic

Most Broadway theaters are open Tuesday through Sunday, with a limited number open on Mondays. Weekday matinees generally start at 2 PM and end at 4:30 PM. Evening shows typically begin at 8 PM and end around 10:30 PM. A limited number of theaters offer 7 PM shows on Tuesdays in order to accommodate families with school age children. Sunday shows typically start at 3 PM and end at 5:30 PM.

Weekday matinee traffic would be expected to start arriving at theaters after the Midday peak hour, and would start leaving theaters to return home just before the evening peak hour. A limited number of theaters, open on Mondays, would have shows overlap with a Monday night Jets game. However, this overlap would likely occur only once every other year. Other, smaller events at the Multi-Use Facility would be expected to run concurrently with Broadway shows on other weekday evenings. Sunday shows would not be expected to overlap with Jets traffic, which would generally arrive between noon and 1 PM and leave between 4 PM and 5 PM.

As detailed in Chapter 19, "Traffic and Parking," the Proposed Action would increase the traffic on the streets within and adjacent to the Project Area and this could affect some theater patron trips originating in the suburbs that could be traveling to the area and trying to access off-street parking in and around the Theater District, or to return home. Thus, roadway access to and from the Theater District would be subject to additional peak congestion as generated by the Proposed Action, although

no unmitigated traffic impacts in the 42nd Street Corridor are expected in 2010. Since the traffic analyses do not show an unmitigated significant adverse change over Future Without the Proposed Action conditions, the additional traffic congestion is not expected to have a significant adverse effect on the theater industry.

Another overlap issue between the theater industry and the new residential and commercial development would pertain to peak parking demand, particularly for the Wednesday matinee. By 2010, only the first few private development projects would have been completed, and peak parking accumulation demand created by new development would not significantly affect overall Midday utilization. During the weeknight performances, ample parking capacity would be available, since the overnight demand from commercial office users would be greatly reduced. As noted in Chapter 19, “Traffic and Parking,” in the Future With the Proposed Action, weekday evening parking utilization is expected to be 73 percent in 2010, compared with 90 percent at Midday.

e) 2025 Future Without the Proposed Action

With or without the Proposed Action, the Theater District can be expected to remain anchored on Broadway and support businesses would continue to be located in and around the District, although redevelopment of sites over the long term could alter the location of such businesses over time. In the Project Area, there are no known projects in the Future Without the Proposed Action that would displace existing businesses identified in Table 5-42.

f) 2025 Future With the Proposed Action

By 2025 with the Proposed Action, the zoning changes promulgated as part of the Proposed Action would be fully implemented, and redevelopment largely completed. The Project Area would be fundamentally transformed by 2025 with the Proposed Action. From its current mix of lower-density manufacturing, commercial, and large transportation-related uses and business, the Proposed Action would create a higher-density and more office- and commercial-oriented community, along with a significant 24-hour residential population and hundreds of thousands of visitors to the expanded Convention Center and Multi-Use Facility.

Potential Displacement Assessment

(a) Projected Development Sites

Of the thirteen businesses identified in the Project Area, four businesses would be displaced by Projected Development Sites 5, 7, and 23, all located west of Ninth Avenue, including three equipment resources and one rehearsal space. The businesses along Ninth Avenue or within the midblocks between Eighth and Ninth Avenues are not expected to be displaced by Projected Development Site redevelopment. In addition, one off-Broadway theater, the Jose Quintero Theatre, is located on Projected Development Site 16. These uses would be expected to be able to relocate within the Project Area or within areas adjacent to the Theater District.

(b) Potential Development Sites

Individual Potential Development Sites also have a potential to affect theater-related uses, including several small off-Broadway theaters located on Potential Development Sites. Five such Potential Development Sites (50, 54, 63, 79, and 83) are scattered throughout the Rezoning Area from West 31st Street to West 41st Street between Ninth and Tenth Avenues (see Chapter 3, “Analytical Framework”). While it is possible that a combination of Projected and Potential Sites could be developed, not all of the Potential Sites are expected to be developed, and the effects on the theater industry of the development of any of these sites are not expected to be significant.

Assessment of Potential Effects to the Theater Industry

(a) Effects Generated by the Rezoning and Redevelopment

The Proposed Action is unlikely to adversely affect the adjacent Theater District, in that there would be little direct displacement of theater-related activities and only modest displacement of the businesses that support the industry. As sampled through the business listing provided in Table 5-42, theater support businesses are scattered throughout the neighborhoods surrounding the Theater District, and most are located outside the Project Area.

At the same time, the new level of economic activity and the potential patrons drawn to or living in the new Hudson Yards community can be expected to have a positive influence in supporting the Theater District.

(b) Effects Generated by Redevelopment and Other Project Components

The Proposed Action includes the redevelopment of sites as assessed above, but also the creation of new public use facilities, the new subway extension, and the creation of a new 24-hour, mixed-use community. Changes generated by the cumulative effect of the Proposed Action could affect the theater industry in ways beyond the direct displacement concerns described above. However, as in 2025, the theater industry would not be expected to be adversely affected by either the Multi-Use Facility or the Convention Center.

(c) 2025 Traffic

It is anticipated that by 2025, the Proposed Action would add substantial new peak hour traffic generated by the new commercial and residential uses. In 2025 with the Proposed Action, a significant unmitigated impact is expected at West 42nd Street and Tenth Avenue in the weekday PM peak period. During this period, some theater patrons originating in the suburbs could be trying to access off-street parking in and around the Theater District, or to return home. Thus, roadway access to and from the Theater District would be subject to peak congestion as generated by the Proposed Action. This would have the potential to create an adverse effect on theater patronage, and thus on the theater industry, as auto-using patrons would be discouraged from accessing the Theater District.

Theater patrons would have other feasible routes to and from the Lincoln Tunnel and Route 9A that would not be subject to similar impacts. They could also alter their mode choice for getting to the theater or their trip times (i.e., to come to the City earlier or stay later to avoid the traffic peaks). It is also noted that the Proposed Action itself would increase the numbers of tourists coming to the City and thus the number of potential theater patrons originating within the City (non-metropolitan area visitors already account for the bulk of theater patrons). For these reasons, and because this significant unmitigated impact would occur only at one intersection (and one that is somewhat removed from the primary area of the Theater District), it is unlikely to create significant changes in overall theater patronage and no socioeconomic adverse effect on the overall industry would be expected

Peak parking accumulation during the weekday occurs at Midday, when office and commercial demand are at their greatest and when theater patrons are arriving for matinees. For the parking analysis study area, daytime occupancy is currently higher than 80 percent of total capacity. In the Future With the Proposed Action, the daytime occupancy would be at capacity (100 percent), based on the large increase in commercial development and the resulting daytime parking demand. This would not be expected to be an adverse impact on the theater industry, as parking demand for daytime theater patrons is already reflected in the current existing demand, the Theater District utilizes parking resources well beyond the defined parking analysis study area, and auto share for theater patrons is at its lowest for weekday matinees. During the weeknight performances, ample parking capacity would be available, since there would be less overnight demand from commercial tenants. As stated in

Chapter 19, “Traffic and Parking,” expected weekday evening parking utilization in the 2025 Future With the Proposed Action would be 71 percent

In 2025, a single unmitigated traffic impact is projected for the Theater District at the intersection of West 42nd Street and Eleventh Avenue during the weekday morning peak hour. Midday, three intersections would be subject to impacts: West 42nd Street at Tenth and Eleventh Avenues, and West 41st Street at Tenth Avenue. During the evening peak hour, three more intersections would be subject to impacts: West 43rd Street at Eleventh and Twelfth Avenues, and West 42nd Street at Twelfth Avenue. A single intersection, West 42nd Street at Eleventh Avenue, would be subject to impacts during the Sunday Special Event peak hour. No unmitigated traffic impacts are projected for the Theater District during the weekday evening Special Event peak hour.

Given the temporal distribution of theater trips which occur outside the ambient peak hours, the geographic distribution of theater patrons, and the availability of multiple alternative access routes to the Theater District, it is not anticipated that these congested intersections would significantly impact theater patronage or operations. For example, the most extensive traffic impacts are projected for the evening peak hour. The evening peak hour occurs after most matinee patrons have left the area and before evening theatergoers have arrived. The intersections subject to impacts would all be west of Dyer Avenue and thus easily avoidable by most theatergoers. Those theatergoers unable to avoid these congested intersections would be delayed, but not to the extent that their trips would be significantly longer.

F. PROJECTED SOCIOECONOMIC BENEFITS OF THE PROPOSED ACTION

1. Introduction

The Proposed Action is anticipated to generate tremendous economic benefits that would accrue to the New York City and New York State economies. These benefits would result from the initial public and private investment in the construction of the Proposed Action, as well as from the future year operational characteristics of the Hudson Yards community. This section summarizes the key economic and fiscal benefits associated with the Proposed Action. The analysis first summarizes the multi-year and multi-billion dollar construction program anticipated for each of the Proposed Action’s key components: No. 7 Subway Extension, Multi-Use Facility, Convention Center expansion, supporting public infrastructure, and the private development initiatives in response to the proposed rezoning. Second, the future year operational characteristics of these components are then analyzed for the annual or recurring economic activity and benefit generated by the Proposed Action.

The economic benefits summarized below are specific to the Proposed Action. As set forth in Chapter 1, “Purpose and Need,” the Proposed Action is a comprehensive approach developed by the DCP to accommodate and plan for the commercial and residential development necessary to sustain the City’s economy. It has been developed to maximize the development opportunity of an area currently characterized by its low-density, underutilized land uses and its waning manufacturing base. The proposed zoning and the resulting RWCDs have been established to capture a substantial proportion of the anticipated demand for commercial space (primarily Class A office buildings) and residential space through the year 2025 and beyond. The Proposed Action’s public investment in new infrastructure (No. 7 Subway Extension, Midblock Park and Boulevard, the Convention Center expansion and modernization, and the Multi-Use Facility) are expected to leverage a far greater amount of private investment in the new real estate development opportunities created by the proposed rezoning than would be expected in the absence of these components of the Proposed Action.

EDC's ongoing fiscal benefit analysis is the City's principal tool for measuring these fiscal effects. The analysis is being done in coordination with the Office of Management and Budget (OMB) and DCP and has been refined since completion of the DGEIS. This FGEIS summary includes information from the EDC analysis as well as independent economic analyses of other project components (as originally presented in the DGEIS).

In the absence of the Proposed Action, it is likely that new development would occur elsewhere in Manhattan in order to meet future employment and residential demand. However, as noted in Chapter 1, there are few opportunities to create the development sites associated with this level of economic activity, and such incremental responses could be far costlier and more disruptive, thereby potentially constraining the City's ability to realize or capture the economic growth expected over the next two decades. Nonetheless, because other development projects could be realized to accommodate future demand, it is noted that the summary of overall benefits of the new real estate development generated by the new zoning is specifically a representation of what would happen with the Proposed Action. It is not necessarily considered a summary of absolute or unique economic benefits to the City as a whole. As stated previously, the Proposed Action is the best way to achieve the forecasted employment growth in Manhattan, because the growth would occur primarily in the relatively underdeveloped Project Area, rather than in more developed areas, under the Future Without the Proposed Action.

It is also noted that the summary of economic benefits is not considered the basis for, or determination of, overall project costs and benefits. Such a fiscal evaluation is not examined in this FGEIS.

2. Construction Period Benefits

a) Methodology

The principal tool used to estimate the effect on the City and State economies from the construction associated with and generated by the Proposed Action is the Regional Input-Output Modeling System (RIMS II), developed by the U.S. Department of Commerce, Bureau of Economic Analysis. The model for New York City and New York State contains data on 490 economic sectors, showing how each sector affects every other sector as a result of a change in the quantity of its product or service. In this way, the model estimates the total economic effects of direct change in economic activity, including indirect or secondary economic activity generated throughout the economy by the direct spending. The model has been calibrated and adjusted to reflect the most recent changes in the New York metropolitan area price level.

b) Value of Construction

As summarized in Table 5-44, the Proposed Action would involve the capital expenditure of about \$6.9 billion by 2010 and approximately another \$16.6 billion generated mostly by real estate development between 2010 and the completion of development (assumed to be the 2025 analysis year). In total, the Proposed Action would involve capital expenditures estimated at \$23.5 billion (all expressed in constant 2003 dollars). The summary of public and private investment in Table 5-44 presents the associated construction-related economic benefits of the investment. Table 5-44 does not include costs of project financing, land acquisition, relocation expenses, or the costs for mitigation associated with the Proposed Action.³³

³³ At present, the collective mitigation costs is between \$300 and \$400 million based on the key elements of the mitigation program. These include: traffic improvements (signage, striping, signals, traffic enforcement agents for special events at the Multi-Use Facility, removal of corner bulbs on Route 9A); two pedestrian bridges over Route 9A; new MTA buses; subway station improvements (stairway widenings, new stairways, high speed escalators, HEETs, and new mezzanine

In summarizing the basic economic benefits likely to accrue over a 20-year period, the most relevant basis is presenting the results in current 2003 dollars (the year when the analyses were principally conducted). However, over this extended time-frame future expenditures would reflect inflationary trends, and the actual dollar values would be higher when the expenditures are ultimately made in the future.

These funds are a combination of public and private investment. This substantial construction effort would have profound economic effects and benefits for the local and State economies in terms of employment demand, wages and salaries, and total effects on the local economy, and the associated fiscal effects from new tax revenues for New York City and New York State.

The construction value used in the benefits analysis includes site preparation and hard costs (actual construction including labor and materials), and soft costs (the design, legal, and related costs supporting the construction effort). This excludes other values (such as financing, land value, marketing, etc.) not directly a part of the expenditure for construction. In addition to these direct expenditures, the City and State economies would benefit from expenditures for goods and services indirectly generated by the construction activity.

Compared to the DGEIS, the construction investment set forth in the EDC analysis and summarized in Table 5-44 includes more complete and up-to-date cost estimates for the public infrastructure, refinements to the construction schedule, and updates to model assumptions to reflect the Proposed Action and fiscal projections. The most notable variation is in the anticipated value of the largely private investment associated with new development generated by the proposed rezoning. The cumulative investment of \$17.3 billion dollars is an increase of about 29 percent over the \$13.7 billion dollar investment presented in the DGEIS. Among the key differences in the EDC's analysis contributing to the revised projections are: (1) a more refined estimate of anticipated construction costs (distinguishing more fully between the cost of commercial and residential development); (2) a more conservative estimate of fiscal revenues likely to be generated by the employment growth attributable to the Proposed Action; and, (3), a more conservative estimate of the composition of this employment growth.

levels); an enlarged schools; a fire station by 2025; two new DSNY collection trucks; and noise mitigation measures (City's window attenuation program, air conditioning replacement).

TABLE 5-44
SUMMARY OF ESTIMATED PUBLIC AND PRIVATE CONSTRUCTION COSTS

Proposed Action Component	Estimated Construction Cost (Millions of 2003 Dollars)
2010 Construction	
No. 7 Subway Extension	\$1,727.7
Public Infrastructure	538.5
Quill Bus Depot - New Construction	319.0
Multi-Use Facility	1,349.9
Convention Center Expansion	1,772.9
Private Real Estate Development	1,163.8
<i>2010 Total</i>	\$6,871.8
2010 to Completion of Development (2025)	
No. 7 Subway Extension	\$250.0
Public Infrastructure	\$281.9
Private Real Estate Development	16,127.5
2010 to Completion Total	\$16,659.4
Cumulative Construction to Completion (2025)	
No. 7 Subway Extension	\$1,977.7
Public Infrastructure	820.4
Quill Bus Depot - New Construction	319.0
Multi-Use Facility	1349.9
Convention Center Expansion	1,772.9
Private Real Estate Development	17,291.3
Cumulative Total	\$23,531.2

Source: *New York City Economic Development Corporation*

Note: Public infrastructure includes platform over the eastern portion of the Caemmerer Yard, Midblock Park and Boulevard System construction, construction of the Sanitation and Tow Pound facilities, construction of open space on Lot 675 and other support requirements. Cost estimates are exclusive of mitigation expenses and other project-related costs such as land acquisition..

c) **Economic and Fiscal Analysis**

An analysis of the economic and fiscal impacts associated with the construction expenditures for each of the uses associated with the Proposed Action has been conducted using the RIMS II models for New York City and New York State. The projected employment and economic benefits from construction of the projected 2010 development are presented in Table 5-45. The projected employment and economic benefits from construction of the incremental projected development (2025) are presented in Table 5-46. The projected employment and economic benefits from construction of the entire projected development are presented in Table 5-47.

TABLE 5-45
EMPLOYMENT AND ECONOMIC BENEFITS FROM CONSTRUCTION OF THE
PROJECTED 2010 DEVELOPMENT

	Portion in New York City	Total New York City and State
Employment (Person-Years)¹		
Direct (Construction)	39,474	39,474
Indirect (Secondary and Induced)	21,320	35,362
Total	60,794	74,836
Wages and Salaries (Millions of 2003 Dollars)		
Direct (Construction)	\$2,364.98	\$2,364.98
Indirect (Secondary and Induced)	\$1,162.03	\$1,893.36
Total	\$3,527.01	\$4,258.34
Total Effect on the Local Economy² (Millions of 2003 Dollars)		
Direct (Construction)	\$6,871.8	\$6,871.8
Indirect (Secondary and Induced)	\$3,191.8	\$6,204.9
Total	\$10,063.6	\$13,076.9
Fiscal		
Cumulative Revenues Exclusive of Property Taxes³ (Constant 2003 dollars)		
New York City Taxes		\$230,355,435
New York State Taxes		\$338,749,786
Total		\$569,105,221

Source: The characteristics and construction cost of the projected 2010 building program; the Regional Input-Output Modeling Systems (RIMS II), U.S. Department of Commerce, Bureau of Economic Analysis; and the tax rates by applicable jurisdiction.

Notes:

- 1 A person-year is the equivalent of one person working full-time for a year.
- 2 The total effect on the economy measured as economic output or demand for local industries derived from the direct construction spending.
- 3 Includes personal income taxes, corporation and other business taxes, MTA regional sales tax, sales tax on indirect activity, and numerous other taxes on construction and secondary expenditures.

TABLE 5-46
EMPLOYMENT AND ECONOMIC BENEFITS FROM CONSTRUCTION OF THE PROJECTED
DEVELOPMENT BETWEEN 2010 AND 2025

	Portion in New York City	Total New York City and State
Employment (Person-Years)¹		
Direct (Construction)	106,558	106,558
Indirect (Secondary and Induced)	56,739	95,568
Total	163,297	201,126
Wages and Salaries (Millions of 2003 Dollars)		
Direct (Construction)	\$6,141.98	\$6,141.98
Indirect (Secondary and Induced)	\$3,000.34	\$4,985.47
Total	\$9,142.32	\$11,127.45
Total Effect on the Local Economy² (Millions of 2003 Dollars)		
Direct (Construction)	\$16,659.4	\$16,659.4
Indirect (Secondary and Induced)	\$7,632.9	\$15,117.4
Total	\$24,292.3	\$31,776.8
Fiscal		
Cumulative Revenues Exclusive of Property Taxes³ (Constant 2003 dollars)		
New York City Taxes		\$316,528,733
New York State Taxes		\$588,816,457
Total		\$905,335,190

Source: *The characteristics and construction cost of the projected incremental 2025 building program; the Regional Input-Output Modeling Systems (RIMS II), U.S. Department of Commerce, Bureau of Economic Analysis; and the tax rates by applicable jurisdiction.*

Notes:

- 1 A person-year is the equivalent of one person working full-time for a year.
- 2 The total effect on the economy measured as economic output or demand for local industries derived from the direct construction spending.
- 3 Includes personal income taxes, corporation and other business taxes, MTA regional sales tax, sales tax on indirect activity, and numerous other taxes on construction and secondary expenditures.

TABLE 5-47
SUMMARY OF THE EMPLOYMENT AND ECONOMIC BENEFITS FROM CONSTRUCTION OF THE
FULL BUILD-OUT OF THE PROJECTED DEVELOPMENT

	Portion in New York City	Total New York City and State
Employment (Person-Years)¹		
Direct (Construction)	146,032	146,032
Indirect (Secondary and Induced)	78,059	130,930
Total	224,091	276,962
Wages and Salaries (Millions of 2003 Dollars)		
Direct (Construction)	\$8,506.96	\$8,506.96
Indirect (Secondary and Induced)	\$4,162.37	\$6,878.83
Total	\$12,669.33	\$15,385.79
Total Effect on the Local Economy² (Millions of 2003 Dollars)		
Direct (Construction)	\$23,531.2	\$23,531.2
Indirect (Secondary and Induced)	\$10,824.8	\$21,357.6
Total	\$34,356.0	\$44,888.8
Fiscal		
Cumulative Revenues Exclusive of Property Taxes³ (Constant 2003 dollars)		
New York City Taxes	\$546,874,169	
New York State Taxes	\$927,566,242	
Total	\$1,474,440,411	

Source: The characteristics and construction cost of the projected completed building program; the Regional Input-Output Modeling Systems (RIMS II), U.S. Department of Commerce, Bureau of Economic Analysis; and the tax rates by applicable jurisdiction.

Notes:

- 1 A person-year is the equivalent of one person working full-time for a year.
- 2 The total effect on the economy measured as economic output or demand for local industries derived from the direct construction spending.
- 3 Includes personal income taxes, corporation and other business taxes, MTA regional sales tax, sales tax on indirect activity, and numerous other taxes on construction and secondary expenditures.

Employment

The \$6.9 billion for the 2010 development, \$16.6 billion for the projected incremental development, and the resulting \$23.5 billion for the projected total development represent the direct expenditures during their associated construction periods. As a result of these direct expenditures, the direct employment for constructing the 2010 development program is estimated at about 39,474 person-years (Table 5-45), for constructing the projected development between 2010 and 2025, 106,558 (Table 5-46), and for constructing the entire projected development, 146,032 (Table 5-47). (A person-year is the equivalent of one employee working full-time for one year.) The majority of this construction labor would be generated by public projects until 2010 (with 15,973 real estate-generated construction jobs estimated by the EDC analysis through 2010 out of the total of 39,474 set forth in Table 5-45) while cumulatively by 2025, the majority of construction employment after 2010 would be generated by real estate development (115,063 real estate-generated construction jobs as estimated by EDC out of the total 146,032 person years of employment as set forth in Table 5-47).

In addition to direct construction employment, total employment resulting from construction expenditures would include jobs in business establishments providing goods and services to the contractors and resulting indirect and generated employment. Based on the model's economic multipliers for New York City industrial sectors, the construction of the 2010 development program would generate an additional 21,320 person-years of employment within New York City, bringing the total direct and generated jobs from the construction of the program to 60,794 person-years (see Table 5-45). The model estimates that in the larger New York State economy, the projected 2010 development would generate 35,362 person-years of indirect employment, bringing the total direct and generated jobs from construction of the projected development to 74,836 person-years of employment.

For the entire projected development, based on the model's economic multipliers for New York City industrial sectors, construction would generate an additional 78,059 person-years of employment within New York City, bringing the total direct and generated jobs from the construction of the development program to 224,091 person-years (see Table 5-47). The model estimates that in the larger New York State economy, the entire projected development would generate 130,930 person-years of indirect employment, bringing the total direct and generated jobs from construction of the projected development to 276,962 person-years of employment.

The direct wages and salaries during the construction period for the 2010 development are estimated at \$2.36 billion (\$2,364.98 million), in 2003 dollars (see Table 5-45). Total direct and generated wages and salaries resulting in New York City from construction of the 2010 development program are estimated at \$3.53 billion (\$3,527.01 million). For the broader New York State economy, total direct and generated wages and salaries from construction of the 2010 development program are estimated at \$4.26 billion (\$4,258.34 million).

For the entire projected development, the direct wages and salaries during the construction period are estimated at nearly \$8.51 billion (\$8,506.96 million), in 2003 dollars (see Table 5-47). Total direct and generated wages and salaries resulting in New York City from construction of the entire development program are estimated at \$12.67 billion. In the broader New York State economy, total direct and generated wages and salaries from construction of the entire development program are estimated at \$15.39 billion.

Fiscal Impacts

The construction activity would also generate tax revenues. As indicated above, the total cost for constructing the 2010 development program (excluding financing, land, and similar costs) is estimated at approximately \$6.9 billion, including both public and private expenditures. Based on the U.S. Bureau of Economic Analysis RIMS II model for New York City and State, the total economic

activity, including indirect expenditures (those generated by the direct expenditures), that would result from construction of the 2010 development program is estimated at \$13.08 billion in New York State, of which \$10.06 billion would occur in New York City (see Table 5-45).

For the entire projected development, the total cost for constructing the development program is estimated at approximately \$23.5 billion, including both public and private expenditures. Based on the U.S. Bureau of Economic Analysis RIMS II model for New York City and State, the total economic activity, including indirect expenditures (those generated by the direct expenditures), that would result from construction of the entire development program is estimated at \$44.89 billion in New York State, of which \$34.36 billion would occur in New York City (see Table 5-47).

The construction activity would have associated with it tax revenues for New York City and New York State. Although the development could be exempt from paying sales tax on construction materials to the City and State, or these funds could be dedicated to activities associated with the Proposed Action, the tax revenues from the construction activity would still be substantial. The construction of the 2010 development is estimated to generate approximately \$569.1 million in tax revenues for the City and State, in 2003 dollars (see Table 5-45). Of these tax revenues, the largest portion would come from personal income taxes, corporate, business, and related taxes on direct and induced economic activity. New York State would receive about \$338.7 million of the tax revenues generated by construction of the 2010 development program, and New York City would receive about \$230.4 million of these tax revenues.

For the entire projected development, construction is estimated to generate approximately \$1.47 billion in tax revenues for New York City and New York State, in 2003 dollars (see Table 5-47). Of these tax revenues, the largest portion would come from personal income taxes, corporate, business, and related taxes on direct and induced economic activity. New York State would receive about \$927.6 million of the tax revenues generated by construction of the entire development program, and New York City would receive about \$546.8 million of these tax revenues.

3. Operational Benefits

a) Overview

By 2010, the annual operation or economic activity associated with implementation of the Multi-Use Facility, the expanded Convention Center, and the new commercial development can be expected to add substantially to the local and State economies in terms of new workers, wages and salaries, sales of goods and services, and the resulting fiscal benefits generated by the new economic activity. It is noted that the full completion and operation of the expanded Convention Center will be phased in beyond 2010. In addition to these direct expenditures, the City and State would benefit from the economic activity indirectly generated by the operation of these new activities in the Hudson Yards area.

The primary components of the Proposed Action have project sponsors seeking to obtain approvals for and implementation of their respective parts. As part of their efforts, separate economic benefits analyses have been prepared. This section summarizes the findings of these studies.

Ernst & Young prepared an economic assessment of the proposed Multi-Use Facility on behalf of the New York Jets in March 2003 and Pricewaterhouse Coopers prepared an expansion study on behalf of the Jacob K. Javits Convention Center Operating Corporation in January, 2004. In addition, as noted above, EDC updated the fiscal benefits analysis since completion of the DGEIS. EDC has also performed an independent economic assessment of the proposed Multi-Use Facility. These individual reports are summarized below for the three key operational components that would be in place with the Proposed Action. It is noted that each of these studies was done independently, with different assumptions and economic models, and at different times. As a result, while they provide a

reasonable picture of future economic benefits, they are not directly comparable and no cumulative assessment is presented. In addition, the analyses are based on the building program available at the time the studies were prepared, and differ slightly from the information as currently presented in Chapter 2, "Description of the Proposed Action," although they represent a reasonably accurate forecast of future economic activity.

Sequentially, it is assumed that beginning in 2010 and every year thereafter, the Multi-Use Facility and the Convention Center would be fully operational and generate the annual economic activity summarized below. Thus, there is only one assessment of operational period economic activity and benefits.

The private real estate development has a longer phase-in towards completion. By 2010, there would be a small proportion of the build-out in place, and these completed projects would generate new economic activity as they are occupied. Between 2010 and 2025, the real estate component of the Proposed Action would generate both newly completed projects with operational economic effects and the continued economic activity associated with new construction. Thus, the economic benefits generated by the development would ramp up annually through the 2025 analysis year and beyond. As a result, the analysis of the private sector economic activity is presented for both the 2010 and 2025 analysis years.

b) Projected Real Estate Development

Project Summary

The EDC economic assessment assumes that development under the Proposed Action would match demand, which was projected based on the real estate development potential analysis undertaken by EDC and DCP. According to this analysis, such development demand would include 28.3 million square feet of office space, 1.2 million sf of retail space, 12,870 housing units, and 3,000 new hotel rooms.

Methodology and Assumptions

As with the construction analysis, EDC utilized a comprehensive fiscal projection model that incorporates elements of the RIMS II econometric model as well as additional employment and fiscal data. The model has been developed in consultation with OMB and DCP. The analysis was modified and calibrated to use a representative range of economic sectors to reflect the mix of uses and business likely to experience growth as a result of the new development in the Project Area. This includes: business services, FIRE, consulting/ management services, legal services, publishing, non-profit, hotel, retail, and residential.

Economic and Fiscal Benefits

(a) Employment

The Proposed Action would generate full build of the estimated 111,148 direct new jobs in the Project Area. Together with indirect or induced employment, the total employment in New York City is estimated at 10,163 jobs for the year 2010, and, cumulatively by 2025, a total of 225,941 jobs. (see Tables 5-48 and 5-49).

TABLE 5-48
SUMMARY OF THE EMPLOYMENT AND FISCAL BENEFITS FROM THE
PROJECTED REAL ESTATE DEVELOPMENT (2010)

	Portion in New York City	Total New York City and State
Employment		
Direct (Hudson Yards)	5,576	5,576
Indirect (Secondary and Induced)	4,587	6,618
Total	10,163	12,194
Wages and Salaries (Millions of 2003 Dollars)		
Direct(Hudson Yards)	\$348.1	\$348.8
Indirect (Secondary and Induced)	190.7	262.3
Total	\$538.8	\$610.4
Fiscal		
Annual Revenues² (Constant 2003 dollars)		
New York City Taxes		\$39,273,413
New York State Taxes		\$50,778,181
Total		\$90,051,594

Source: EDC and AKRF, Inc.

Notes:

- 1 The total effect on the economy measured as economic output or demand for local industries.
- 2 Includes personal income taxes, corporation and other business taxes, sales and use taxes, utility, hotel occupancy, and commercial rent taxes. Does not reflect recent increases in sales, income and property taxes, as revenues are based on historical data. Also does not include revenues generated by Proposed Action in terms of PILOTs, leases, or DIF payments

TABLE 5-49
SUMMARY OF THE EMPLOYMENT AND FISCAL BENEFITS FROM THE
PROJECTED REAL ESTATE DEVELOPMENT AT FULL BUILD-OUT

	Portion in New York City	Total New York City and State
Employment		
Direct(Hudson Yards)	111,148	111,148
Indirect (Secondary and Induced)	114,793	160,460
Total	225,941	271,608
Wages and Salaries (Millions of 2003 Dollars)		
Direct(Hudson Yards)	\$8,034.5	\$8,034.5
Indirect (Secondary and Induced)	4,643.5	5,909.1
Total	\$12,678.6	\$13,943.6
Fiscal		
Annual Revenues² (Constant 2003 dollars)		
New York City Taxes		\$689,399,765
New York State Taxes		\$939,165,857
Total		\$1,628,565,622

Source: EDC and AKRF, Inc.

Notes:

- 1 The total effect on the economy measured as economic output or demand for local industries.
- 2 Includes personal income taxes, corporation and other business taxes, sales and use taxes, utility, hotel occupancy, and commercial rent taxes. Does not reflect recent increases in sales, income and property taxes, as revenues are based on historical data. Also does not include revenues generated by Proposed Action in terms of PILOTs, leases, or DIF payments

(b) Personal Income

The direct wages and salaries associated with the 2010 employment in the Project Area is estimated at \$348.1 million annually (in 2003 dollars). Total *direct* and *indirect* wages and salaries in New York

City are estimated at \$538.1 million. In the broader New York State economy, total direct and generated wages and salaries are estimated at \$610.4 million annually.

For the entire projected development, the direct wages and salaries associated with the Proposed Action are estimated at \$8.03 billion annually (in 2003 dollars). Total *direct* and *indirect* wages and salaries in New York City are estimated at \$12.68 billion. In the broader New York State economy, total direct and generated wages and salaries are estimated at \$13.94 billion annually.

(c) *Fiscal Revenues*

By 2010, the projected development would generate annual tax revenues of approximately \$90.0 million, including \$39.3 million for New York City, and an additional \$50.7 million for New York State (see Table 5-48). At full buildout assumed in 2025, the projected development would generate annual tax revenues of approximately \$1.6 billion \$689.4 million for New York City, and an additional \$939.2 million for New York State (see Table 5-49). These estimates include revenues from, sales and use taxes, hotel occupancy taxes, personal income taxes, corporation and other business taxes, utility taxes and commercial rent taxes. However, they do not reflect the recent increases in City and State sales taxes, the temporary increase in income taxes, or increases in property taxes, as they are based on historical data. They also exclude potential revenue streams generated by specific provisions of the Proposed Action such as PILOTs, leases, and payments to the proposed DIF (which may be pledged to secure the financing of the Proposed Action).

c) **Convention Center Expansion**

Project Summary

As discussed in Chapter 2, the Proposed Action includes the expansion of the Convention Center, including the construction of new exhibition halls, meeting rooms, service areas, support space and food service areas connected to the existing building. In January 2004, Pricewaterhouse Coopers prepared for the CCOC, *Market and Economic Analysis for a Proposed Jacob K. Javits Convention Center Expansion and Headquarters Hotel*, which included the projection of economic and fiscal impacts.

Methodology and Overview

The projection of economic and fiscal benefits from a convention center is driven by the number of events, square footage of exhibit space utilized, event length, and most importantly, by the associated number of visitors and visitor spending. The Expansion study projected that the expansion would result in an incremental 419,000 convention and trade show attendees annually and 99,000 public show attendees annually, for a total of 518,000 new attendees. The spending associated with these attendees, particularly the out-of-town attendees attending conventions and trade shows, would dramatically affect the City's hotel, entertainment, food and beverage, retail trade, and other industries. To determine the indirect (including secondary or induced economic activity) effects of this direct economic activity, the IMPLAN input-output model was utilized to estimate total economic output based on the model's calibration for New York City. IMPLAN is an input/output multiplier system developed at the University of Minnesota for, and in cooperation with, the Land Management Unit of the U.S. Forest Service.

Economic and Fiscal Impacts

(a) *Employment*

The expansion of the Convention Center would create substantial economic and fiscal benefits for the City of New York by increasing visitor spending and jobs in Manhattan and indirectly throughout the City. Table 5-50 presents a summary of the incremental employment and fiscal benefits from the annual operation of the expanded Convention Center. As indicated in the table, the incremental total direct and indirect employment from the expansion of the Convention Center is projected to equal

7,400 jobs in New York City. In the broader New York State economy, due to greater indirect and generated employment, the total direct and indirect employment from the expansion of the Convention Center is projected to equal 9,000 jobs.

TABLE 5-50
SUMMARY OF THE INCREMENTAL EMPLOYMENT AND FISCAL BENEFITS FROM THE ANNUAL OPERATION OF THE EXPANDED CONVENTION CENTER

	Portion in New York City	Total New York City and State
Employment		
Total Direct and Indirect Employment	7,400	9,000
Income (Millions of 2003 Dollars)		
Total Direct and Indirect Income	\$277.0	\$284.0
Total Effect on the Local Economy¹ (Millions of 2003 Dollars)		
Direct ²	\$390.7	\$388.5
Indirect (Secondary and Induced)	258.3	303.5
Total	\$649.0	\$692.0
Fiscal		
Tax Revenues³ (Constant 2003 dollars)		
New York City Taxes	\$26,730,000	
New York State Taxes	\$26,955,000	
Total	\$53,685,000	

Sources: Pricewaterhouse Coopers, *Market and Economic Analysis for a Proposed Jacob K. Javits Convention Center Expansion and Headquarters Hotel, January 2004.*

Notes:

- 1 The total effect on the economy measured as economic output or demand for local industries.
- 2 Differences between State and City numbers are due to the adjustment for State residents that would attend the event elsewhere in the State and would not be considered incremental.
- 3 Includes sales tax, MTA sales tax, personal income tax, hotel occupancy tax, auto rental tax, and gasoline tax.

(b) Personal Income

The operation of the expanded Convention Center is projected to create incremental total direct and indirect income equal to approximately \$277.0 million annually in New York City (in 2003 dollars). In the State's economy, the operation of the expanded Convention Center is projected to create incremental total direct and indirect income equal to approximately \$284.0 million annually.

(c) Total Effect on the Local Economy

The operation of the expanded Convention Center is projected to have a direct incremental effect on the local economy, measured as economic output or demand for local industries, equal to approximately \$390 million annually. The total direct and indirect incremental effect from the operation of the expanded Convention Center is projected at \$649.0 million annually in New York City. In the broader New York State economy, the total direct and indirect incremental effect from the operation of the expanded Convention Center is projected at \$692.0 million annually.

(d) Tax Revenues

The operation of the expanded Convention Center is projected to create incremental tax revenues of approximately \$26.7 million annually for New York City. In addition, the operation of the expanded Convention Center is projected to create incremental tax revenues for New York State of approximately \$26.9 million annually. In total, the operation of the expanded Convention Center is projected to create incremental State and local tax revenues equal to approximately \$53.7 million annually.

d) Multi-Use Facility

Project Description

The Proposed Action would include a Multi-Use Athletic and Exhibition Facility built above the western portion of Caemmerer Yard. The facility would provide a venue for hosting several types of events and exhibitions, including:

- A stadium for New York Jets football games and other sports events;
- A venue for national events occurring in either a stadium or Plenary Hall configuration, such as the Super Bowl or a political convention;
- A flexible Plenary Hall configuration for plenary session events with seating capacity of up to 40,000 (for example, to host a keynote address); and
- A 180,000 gross-square-foot exhibit hall for expositions, such as trade shows, consumer shows, conventions, and large single-day events.

Methodology and Assumptions

Economic and fiscal impacts of the Multi-Use Facility were initially projected by Ernst & Young based on a number of key data and assumptions.³⁴ These include a pro forma operating statement for the New York Jets, apportionment of players’ salaries for estimated “duty days,” or days present at training or playing facilities in New York City and New York State, and relevant information published by the International Association of Convention and Visitors Bureau Foundation and NYC & Co., such as average length of convention events, overnight and non-overnight attendance, expenditures for food, lodging, transit, and shopping, average prices of tickets for football and other events, and expenses incurred by regional visitors during day trips. Table 5-51 summarizes the principal operating characteristics projected by Ernst & Young for specific configurations of the proposed Multi-Use Facility.

TABLE 5-51
OPERATING CHARACTERISTICS OF MULTI-USE FACILITY EVENTS

	Stadium	National Events	Plenary Session	Exposition
Event Days per Year	17	2	3	108
Total Annual Attendance	1,170,000	130,000	39,000	319,125
Percent Overnight Visitors	NA	65%	55%	55%
Percent Regional Day-Trips	50%	17.5%	27%	27%
Percent New York City Residents	50%	17.5%	18%	18%
Average Overnight Stay (days)	NA	3.0	3.5	2.6
Average Daily Spending by Residents ¹	\$25	\$0	\$0	\$0
Average Daily Spending by Overnight Visitors	NA	\$270	\$362	\$362
Average Daily Spending by Regional Day-Trips	\$60	\$203	\$74	\$74
Percent Incremental to New York City	100%	100%	67%	65%

Sources: *Preliminary Estimates of the Economic and Fiscal Impacts of a Proposed Multi-Use Athletic and Exhibition Facility, Hudson Yards District, New York City, April 2004, Ernst & Young.*

Notes:

- 1 40 percent of this spending is assumed to be incremental to New York City
- 2 Assumes 4 guests for every 5 attendees, spending an average daily amount equal to 50% of the amount spent by the exposition attendee.

³⁴ Dated April 2004.

In addition, Ernst & Young projected that the stadium configuration would generate revenues from ticket sales of about \$92.4 million annually (based on average ticket cost of \$73), gross food and beverage sales of \$16.2 million, gross game-day retail sales of \$4 million, and operating labor compensation of \$3.4 million, assuming that 50 percent of the labor force resides in New York City.

To determine the indirect (including secondary or induced economic activity) effects of this direct economic activity, the IMPLAN input-output model was utilized to estimate total economic output based on the model’s calibration for New York City. For purposes of the analysis provided below, rather than using the Ernst & Young projections used in the DGEIS, projections have been revised to report EDC’s refined analysis.

Economic and Fiscal Impacts

(a) *Employment*

The Multi-Use Facility would generate significant economic and fiscal benefits for the City of New York by increasing visitor spending and jobs in Manhattan and indirectly throughout the City. The combined operations of stadium, mega-events, plenary sessions, and exhibitions would create a total of 6,710 jobs, including about 5,248 jobs in direct employment at the facility and an additional 1,462 jobs of indirect employment (Table 5-52).

TABLE 5-52
SUMMARY OF THE EMPLOYMENT AND FISCAL BENEFITS FROM THE ANNUAL OPERATION OF THE MULTI-USE ATHLETIC AND EXHIBITION FACILITY

	Portion in New York City
Employment	
Direct	5,248
Indirect (Secondary and Induced)	1,462
Total	6,710
Wages and Salaries (Millions of 2003 Dollars)	
Direct	231.0
Indirect (Secondary and Induced)	117.5
Total	348.5
Total Effect on the Local Economy¹ (Millions of 2003 Dollars)	
Direct	398.61
Indirect (Secondary and Induced)	205.85
Total	604.46
Fiscal	
Tax Revenues² (Constant 2003 dollars)	
New York City Taxes	25,580,770
New York State Taxes	28,473,527
Total	54,054,297

Sources: EDC Independent and revised analysis of Preliminary Estimates of the Economic and Fiscal Impacts of a Proposed Multi-Use Athletic and Exhibition Facility, Hudson Yards District, New York City, April 2004, Ernst & Young.

Notes:

- 1 The total effect on the economy measured as economic output or demand for local industries.
- 2 Includes real property taxes, personal income taxes, corporation and other business taxes, sales and use taxes, utility, hotel occupancy, and commercial rent taxes.

(b) *Personal Income*

Operation of the Multi-Use Facility would generate approximately \$359 million in wages and salaries in New York City, with about \$238 million in direct wages and salaries, and an additional \$121 million in indirect wages and salaries.

(c) Total Effect on the Local Economy

The total demand for goods and services (total output) in New York City created by the operation of the Multi-Use Facility would equal about \$622 million annually. About \$411 million of this amount in goods and services would be for direct demand, and \$211 million of this amount would be for indirect demand.

(d) Tax Revenues

Once operational, the Multi-Use Facility would generate tax revenues of approximately \$25.6 million annually in New York City, and an additional \$28.5 million for New York State (in 2003 dollars). This includes revenues from real property taxes, sales and use taxes, hotel occupancy taxes, personal income taxes, corporation and other business taxes, utility taxes, and commercial rent taxes.

The EDC analysis indicates that the fiscal benefits generated will exceed the projected public sector debt service obligations.

G. CORONA YARD

1. Existing Conditions

As discussed in Chapter 2, the No. 7 Subway cars are presently stored and maintained at the NYCT's Corona Yard in Flushing, Queens. The existing yard is located between Shea Stadium and the National Tennis Center. The area where the yard would be reconfigured and upgraded (north of Roosevelt Avenue and west of the Flushing River) is also owned by the MTA and is largely vacant.

The closest residential neighborhoods (North Corona and Flushing) are located relatively far away, beyond two major highways—the Grand Central Parkway and the Van Wyck Expressway. There are no residents in the immediate area of Corona Yard. The closest businesses are located directly west of the proposed yard expansion area, between Willets Point Boulevard and 126th Street, where there is a dense concentration of automotive businesses. Many of the properties in this area contain large storage yards for auto parts. The Willets Point area and adjacent Flushing Creek are the subjects of ongoing planning for redevelopment. Corona Yard itself is staffed by approximately 327 NYCT workers. Employment in the study area is also subject to fluctuations, depending on the schedule of sporting events at Shea Stadium and the National Tennis Center.

2. 2010 Future Without the Proposed Action

Independent of the Proposed Action, the MTA has approved a reconfiguration and upgrading of Corona Yard to accommodate all existing No. 7 Subway trains as needed. These improvements would be completed by 2010, the interim analysis year for the Proposed Action, and would include a new maintenance shop, car wash facility, loop track, and larger train storage areas.

The socioeconomic conditions in the area surrounding Corona Yard are not expected to change by 2010. The closest neighborhoods, located beyond the 400-foot study area on the other side of the Grand Central Parkway and Van Wyck Expressway, are well-established and are therefore unlikely to experience any noticeable changes. In addition, employment levels are expected to remain stable. In the yard itself, even with the improvements, employment would remain about the same.

3. 2010 Future With the Proposed Action

By 2010, improvements to the Corona Yard in Flushing, Queens would be completed to support operation of the extended No. 7 Subway. These improvements would take place on MTA-owned property located north of Roosevelt Avenue and west of the Flushing River. Therefore, no direct residential displacement would occur. Moreover, indirect residential displacement is not expected to occur, as the proposed improvements would not alter residential real estate trends. First, the

improvements would build upon an existing economic activity. Although the proposed improvements would intensify the rail/transit use, they would not have a blighting effect on the area. Secondly, Corona Yard is relatively isolated from residential neighborhoods, given its location between Shea Stadium, the National Tennis Center, and the Flushing River.

Similarly, no direct displacement of businesses, institutions or employment would occur, as the improvements would take place on MTA-owned property. The proposed improvements are relatively minor and would not be expected to alter existing development patterns or real estate trends which have resulted in a uniform pattern of light-industrial and automotive services uses in the adjacent Willets Point area. However, they could result in an additional 90 NYCT jobs, expanding the presence of public sector transportation employment in the area.

4. 2025 Future Without the Proposed Action

Between 2010 and 2025, no specific land use changes are expected to occur in the Corona Yard study area. Therefore, the socioeconomic conditions are unlikely to change.

5. 2025 Future With the Proposed Action

The socioeconomic conditions of Corona Yard and the surrounding study area are not expected to change between 2010 and 2025, and there would be no additional effects from the Proposed Action.

H. MITIGATION

No significant adverse impacts have been identified that would require additional mitigation measures beyond those already incorporated into the Hudson Yards plan. ❖