

West Chelsea District and High Line Open Space Rezoning EIS
CHAPTER 3: SOCIOECONOMIC CONDITIONS

A. INTRODUCTION

The proposed action is not anticipated to have any significant adverse impacts related to socioeconomic conditions. The NYC Department of City Planning (DCP) is proposing zoning map changes and text amendments, as well as acquisition and site selection actions to facilitate the proposed High Line publicly accessible open space in the West Chelsea neighborhood of Manhattan Community District 4. As described in Chapter 1, “Project Description,” the proposed action would map new commercial zoning districts along Tenth and Eleventh avenues and along the mid-blocks between W. 16th and W. 20th streets, and W. 27th and W. 30th streets, and would retain existing light manufacturing zoning districts along the mid-blocks between W. 27th and W. 24th streets, and W. 22nd and W. 20th streets. This would allow for new residential and commercial uses in West Chelsea, while encouraging the continued growth of the area’s vibrant art gallery district. The goals of the proposed action are to encourage and guide the development of West Chelsea as a dynamic mixed-use neighborhood; encourage the development of residential uses along appropriate avenues and streets; encourage and support the growth of arts-related uses; facilitate the restoration and reuse of the High Line elevated rail line as an accessible, public open space; ensure that the form and use of new buildings relate to and enhance neighborhood character and the High Line open space; and create and provide a transition to the lower-scale Chelsea Historic District to the east and the planned higher scale Hudson Yards area to the north.

The reasonable worst case development scenario for the proposed action specifies that by 2013 it is expected that under With-Action conditions there would be 4,809 dwelling units on the projected development sites, an increase from the 101 dwelling units expected under No-Action conditions. As a result, the proposed action would result in a net increase of 4,708 dwelling units. In addition to the residential development associated with the proposed action, it is also expected to generate net increases of ~~292,676~~ 195,215 sf of retail space and 198,726 sf of museum space, and net decreases of ~~816,847~~ 796,947 sf of office, 131,100 sf of hotel, ~~40,809~~ 74,818 sf of storage/manufacturing, ~~318,580~~ 225,940 sf of parking/auto related uses, and ~~25,064~~ 4,080 sf of vacant space on the 25 projected development sites. As noted above, the proposed action also includes the site selection and acquisition of the High Line to create a publicly accessible approximately ~~6.7~~ 5.9 acre open space.

The creation of the High Line open space, which extends south of the rezoning area boundary to Gansevoort Street and also includes the post office spur extending east of Tenth Avenue at W. 30th Street, would have no notable effects on socioeconomic conditions. This open space would not generate any additional residents and would introduce a minimal number of employees. The High Line open space would not directly or indirectly displace any existing businesses or residents, or would it have any adverse effects on specific industries.

This chapter examines the potential effects of the proposed action on socioeconomic conditions in the study area, including population and housing characteristics, economic activity, and the real estate market. In accordance with the guidelines presented in the *City Environmental Quality Review (CEQR) Technical Manual*, this chapter evaluates five specific factors that could create significant socioeconomic impacts in an area, including: (1) direct displacement of residential population; (2) direct displacement of existing businesses; (3) indirect displacement of residential population; (4) indirect displacement of businesses; and (5) adverse effects on specific industries not necessarily tied to a project site or area.

This analysis begins with a preliminary assessment for each specific issue of concern. According to the *CEQR Technical Manual*, the goal of a preliminary assessment is to discern the effects of a proposed project or action for the purposes of either eliminating the potential for significant impacts or determining that a more detailed analysis is necessary to answer the question regarding potential impacts. For those factors that could not be eliminated through the preliminary assessment, a more detailed analysis is presented. Based on screening thresholds, the preliminary assessment conducted below shows that a detailed analysis is warranted for the proposed action's potential to have adverse effects on direct and indirect residential displacement and on direct and indirect business displacement, as well as on two specific industries, commercial art galleries and nightclubs/cabarets.

This chapter, therefore, consists of:

- A section that defines the study area boundaries and the data sources used for the preliminary assessment.
- A preliminary assessment for direct residential, direct business, indirect residential, and indirect business displacement, as well as an examination of effects on specific industries.
- A detailed analysis for the proposed action's effects on all five technical areas where a socioeconomic impact could not be ruled out by the preliminary assessment.

A detailed assessment did not reveal the potential for significant adverse impacts in any of the five socioeconomic impact categories as a result of the proposed action.

B. STUDY AREA DEFINITION, DATA SOURCES, AND METHODOLOGY

Study Areas

The analysis in this chapter generally includes two study areas: the primary study area and a secondary study area (see Figures 3-1 and 3-2). As evident from Figure 3-1, the primary study area for residential displacement consists of the area to be rezoned (proposed action area), as well as the eastern portions of City Blocks 714 and 715. The primary study area is generally bounded by W. 30th Street to the north, W. 17th Street to the south, Tenth Avenue to the east, and Eleventh Avenue to the west, as well as a two block area extending east to Ninth Avenue between W. 18th and W. 16th streets. The primary study area for business displacement includes only the proposed action area (see Figure 3-2).

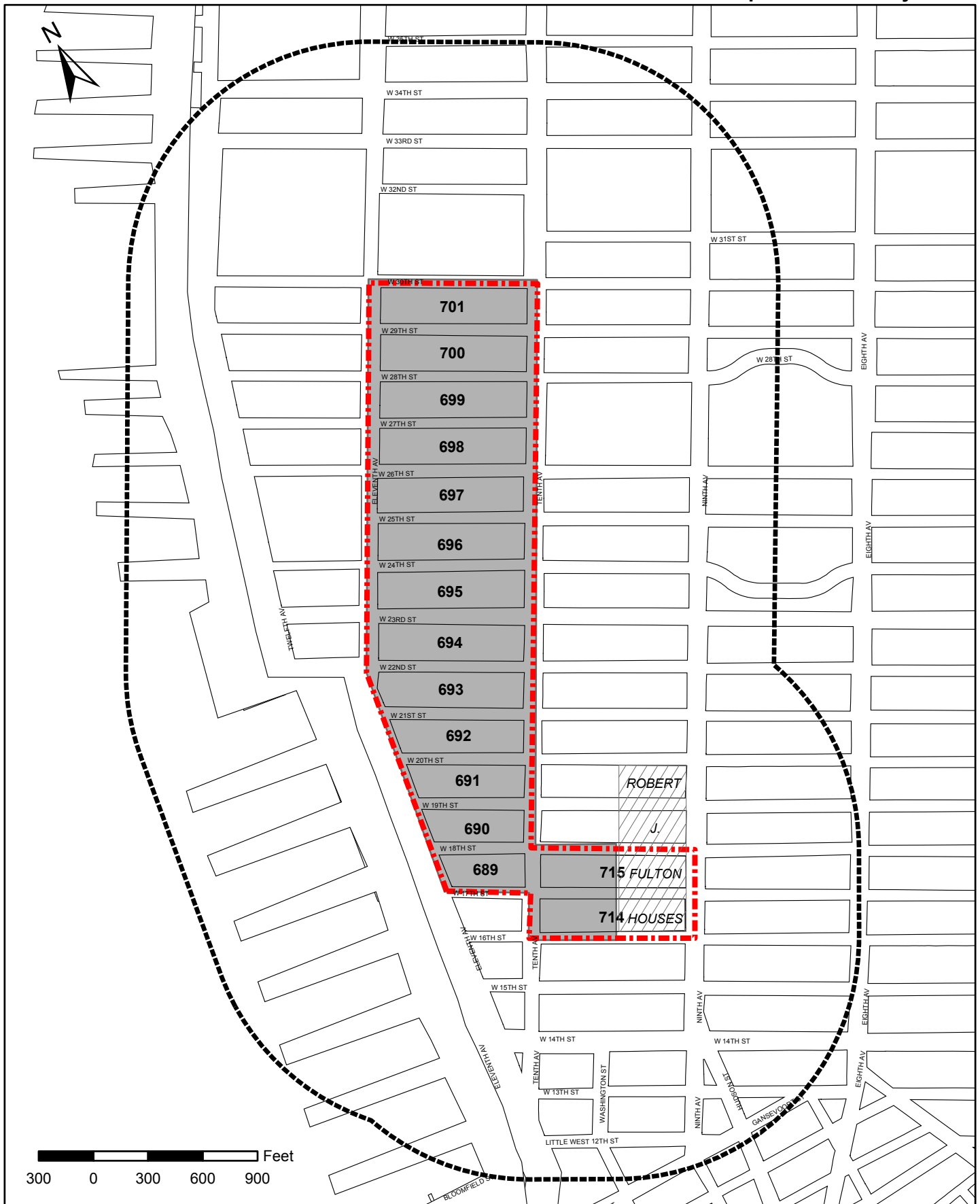
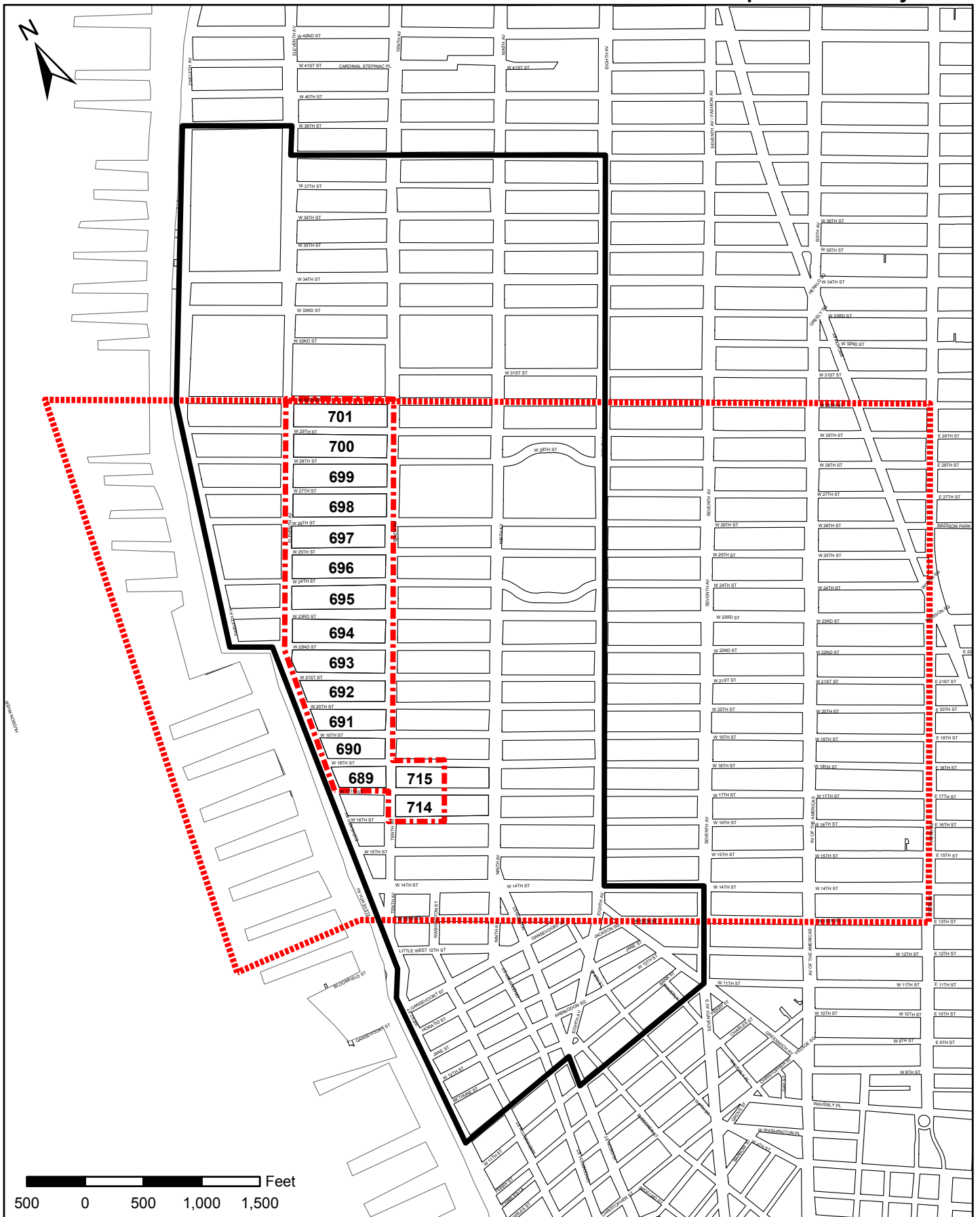


Figure prepared by Philip Habib & Associates

Legend:

- Proposed Action Area
- Primary Study Area
- 1/4-Mile Radius around Proposed Action Area
- 700 Block Number

Business and Institutional Displacement Study Areas



500 0 500 1,000 1,500 Feet

Legend:

- Primary Study Area (Proposed Action Area)
- Real Estate Study Area
- Secondary Study Area
- 700 Block Number

Figure prepared by Philip Habib & Associates

Based on review of the proposed action, the expected projected development that would occur, and the characteristics of the surrounding area, a quarter-mile radius of the proposed action area was selected as the basis for identifying the secondary study area for both residential and business displacement. The secondary study area is generally bounded by W. 39th and W. 38th streets to the north, Bank and W. 11th streets to the south, Eighth Avenue to the east, and Twelfth Avenue (Route 9A) to the west. The majority of the study area is located in Manhattan Community District 4, and comprises most of the Chelsea neighborhood of Manhattan. The southern tip of the study area, south of W. 14th Street, is located in Manhattan Community District 2, and includes a small section of the West Village (including the Meatpacking District). The secondary study area has been drawn to provide basic information on the greater neighborhood as a way of providing a point of comparison with the proposed action area and its immediate surroundings.

It should be noted that the two study areas are treated independently, rather than cumulatively in this chapter. This is important when interpreting study area descriptions and statistics. For example, the total population reported for the secondary study area includes only the population residing within a quarter-mile radius of the primary study area, and does not include the population living in the primary study area.

Data Sources and Methodology

Residential Displacement

The analysis of population and housing is based primarily on data from the 1990 and 2000 U.S. Census. These data have been grouped for the two study areas by the following Census characteristics:

- Total population;
- Household and income characteristics, including total households, average household size, and median household income; and
- Housing characteristics, including number of housing units, housing vacancy and tenure (owner versus renter occupied), median contract rent, median home value, and proportion of rent controlled or stabilized units.

As the area of the proposed zoning generally defines the primary study area, it does not match the boundaries of U.S. Census tracts, and is comprised of portions of two Census tracts (tracts 83 and 99). Therefore, for the primary study area, Census data was gathered at the block-level (a subset of tracts); the smallest geographic unit for which Census data are available. Blocks that straddle the primary study area boundary were included or excluded in the proposed action area calculations depending on what proportion of the block fell within the proposed action area (i.e., blocks with approximately 50 percent of the block area within the proposed action area were included). As such, the primary study area encompasses the proposed action area, as well as the eastern halves of City Blocks 714 and 715 (Census tract 83, blocks 3000 and 3001) (see Figure 3-1).

It is important to note that the majority of land contained within the proposed action area (13 City blocks) is located within Census tract 99, as compared to the two half block area, which is located in

Census tract 83 (Block 714 & 715). Most of the residents in the portion of Census tract 83, which is included in the primary study area, are residents of the Fulton Houses, which are located adjacent to and east of the proposed action area. The majority of the population in the proposed action area is contained in Census tract 99. As such, it is likely that residents and housing characteristics of the proposed action area more closely reflect the residential population and housing conditions of tract 99 than tract 83.

The secondary study area captures all Census tracts within a quarter mile of the study area, including those tracts, which only partially fall within the quarter mile radius (tracts 77, 79, 89, 93, 97, 103 and 111, and part of tracts 83 and 99). Figure 3-3 displays the Census blocks and tracts that were included in each of the study areas.

Because the Census is performed only once every decade, baseline, or 2004 conditions need to be determined based on trends and other current data. Therefore, while the Census data serve as a foundation for the baseline conditions, the information has been updated wherever possible to reflect 2004 conditions in each study area. Updates are based primarily on a list of housing units built in the study areas between 2000 and 2004, which were obtained by Real Property Assessment Data (RPAD) from the New York City Department of Finance. Corresponding population estimates were derived using the 2000 Census average household size and vacancy rate for the secondary study area.

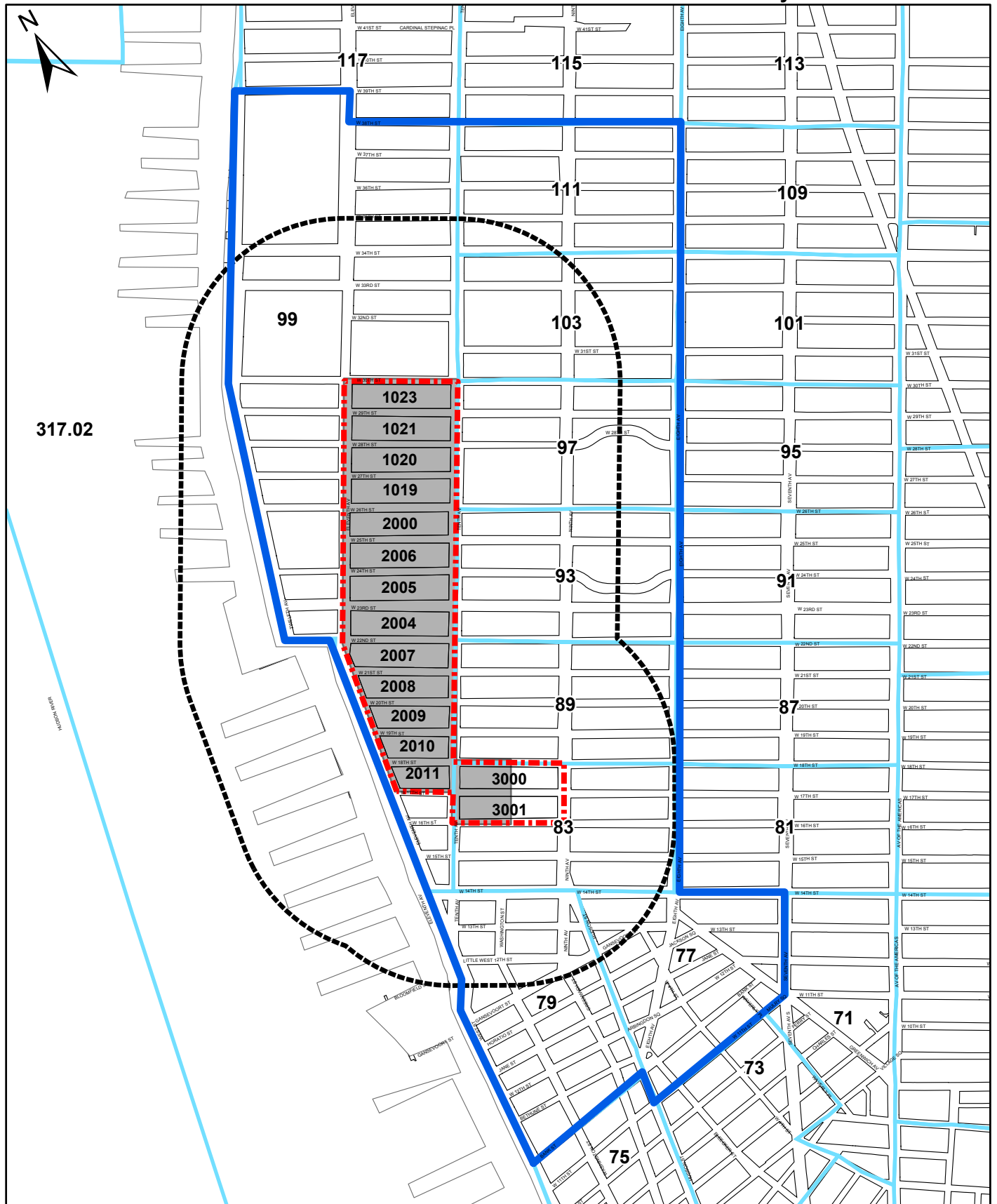
The Census data have been supplemented, where appropriate, with information from local real estate agencies and real estate listings from local newspapers. While Census data on median contract rent provide a statistical basis for identifying trends, these data are affected by the presence of rent-regulated housing units in the study areas, and so do not reflect market trends experienced by the majority of residents in the study areas. In order to provide a more accurate picture of current market rate rents in the study area, information was gathered from *New York Times* real estate sections, and real estate agency web sites.

In accordance with the guidelines set out in the *CEQR Technical Manual*, information was also gathered on the status (rent-regulated or non-rent-regulated) of existing housing units. Information on rent-stabilized buildings was obtained from the New York State Division of Housing and Community Renewal (DHCR) and from RPAD. Information on public housing was obtained from the New York City Housing Authority (NYCHA). A list of Mitchell-Lama developments was obtained from the New York City Department of Housing Preservation and Development (HPD) and Section 8 housing was identified through the U.S. Department of Housing and Urban Development (HUD).

Business/Institutional Displacement

The assessment of business and institutional displacement begins with an analysis of employment trends in the proposed action 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 DCP. The employment data identify the major employers and industries that dominate or characterize the primary and secondary study areas. The analysis also identifies public sector employment, which is described in a more

Figure 3-3
Study Area Census Tracts



Legend:

- Proposed Action Area
- 1/4-Mile Radius around Proposed Action Area
- Primary Study Area
- Secondary Study Area
- 75 2000 Census Tract
- 3000 Census Block Number

Figure prepared by Philip Habib & Associates

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 private redevelopment initiatives on the projected development sites. The employment data were also supplemented by field investigations, conducted in August, September, and October 2004, and data from RPAD. However, it is important to note that the jobs identified on the projected development sites in this chapter might not be located on the affected sites at the time the proposed action is under way. The analysis represents “a snap shot in time” that describes the existing socioeconomic conditions in the vicinity proposed action area.

Following the employment analysis is a discussion of commercial real estate trends in the primary and secondary study areas. The analysis of real estate is based on information from real estate brokerages, market research firms, RPAD, and field surveys. The study area for the office market analysis is slightly larger than the employment study areas, due to the format of available data (see Figure 3-2). A variety of data sources were consulted, including interviews with real estate professionals. Furthermore, several planning studies and publications were consulted, including but not limited to: 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; Second Quarter 2004 New York City Office Market Report by NAIDG HART; and numerous articles from other real estate and business publications.

Adverse Effects on Specific Industries

Given the prevalence of art galleries and nightclub establishments in the primary study area (proposed action area), as well as in the broader secondary study area, this chapter also examines the potential for the proposed action to significantly affect business conditions in these two important industries. To undertake the analysis, the commercial art gallery and nightlife industries – with a specific focus on large nightclubs (defined as establishments with a cabaret license issued by the City of New York and a capacity of more than 200 people)– are summarized in terms of their overall economic profiles, 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 and employment data as researched by DCP.

C. 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 (i.e., the size and density of the projected development), this chapter follows the guidance set forth in the *CEQR Technical Manual* for both the preliminary and, where warranted, detailed assessments.

Residential Displacement

Direct Displacement

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.*
2. *The displaced population represents a substantial or significant portion of the population within the study area.*
3. *The action would result in a loss of this population group within the neighborhood.*

It was determined that a socioeconomic impact cannot be ruled out and a detailed analysis was undertaken. This analysis is provided in Section D.

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. 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.*
- *Directly displace uses or properties that have had a “blighting” effect on property values in the area.*
- *Directly displace enough of one or more components of the population to alter the socioeconomic composition of the study area.*
- *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.*
- *Introduce a “critical mass” of non-residential uses such that the surrounding area becomes more attractive as a residential neighborhood.*

- *Alters land uses such that it offsets positive trends in the study area, impedes efforts to attract investment to the area or creates a climate for disinvestment.*

It was determined that a socioeconomic impact cannot be ruled out and a detailed analysis was undertaken. This analysis is provided in Section D.

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. 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.*
- *If a category of businesses or institutions is the subject of other regulations or public adopted plans to preserve, enhance, or otherwise protect it.*
- *If the business or institution defines or contributes substantially to a defining element of neighborhood character (or a substantial number of businesses or employees would be displaced that collectively define the character of the neighborhood).*

It was determined that a socioeconomic impact cannot be ruled out and a detailed analysis was undertaken. This analysis is provided in Section E.

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. An action can lead to such indirect changes if:

- *It introduces enough of a new economic activity to alter existing economic patterns.*
- *It adds to the concentration of a particular sector of the local economy enough to alter or accelerate an ongoing trend to alter existing patterns.*
- *It displaces uses or properties that have had a "blighting" effect on commercial property values in the area, leading to rises in commercial rents.*

- *It directly displaces uses of any type that directly support businesses in the Project Area or bring people to the area that form a customer base for local businesses.*
- *It directly or indirectly replaces residents, workers, or visitors who form the customer base of existing businesses in the Project Area.*
- *It introduces a land use that could have a similar indirect effect, through the lowering of property values if it is large enough or prominent enough or combines with other like uses to create a critical mass large enough to offset positive trends in the study area, to impede efforts to attract investment to the area, or to create a climate for disinvestment.*

It was determined that a socioeconomic impact cannot be ruled out and a detailed analysis was undertaken. This analysis is provided in Section E.

Adverse Effects on Specific Industries

Through the DEIS scoping process, two important City industries - the commercial art gallery and nightclub/cabaret - were identified as being potentially adversely affected by the redevelopment of the proposed action area. As set forth under CEQR guidelines, the preliminary assessment of the proposed action's potential to affect the operation and viability of these specific industries (and not necessarily tied to the specific proposed action area) is not based on set criteria or the identification of specific economic variables. The *CEQR Technical Manual* indicates that a more detailed examination is appropriate if the following considerations cannot be answered with a clear "no":

- *Would the action significantly affect business conditions in any industry or any category of businesses within or outside the study area?*
- *Would the action indirectly substantially reduce employment or impact the economic viability in the industry or category of businesses?*

It was determined that a socioeconomic impact cannot be ruled out and a detailed analysis was undertaken. This analysis is provided in Section F.

D. DETAILED ANALYSIS OF DIRECT AND INDIRECT RESIDENTIAL DISPLACEMENT

This section combines the detailed analysis in direct and indirect residential displacement, which utilizes similar data on population and housing conditions and trends. It describes the population and housing characteristics of the two study areas, presents trend data since 1989, and compares study area characteristics to the Borough and City as a whole.

Existing Conditions

Residential activity has begun to spread beyond the traditional boundaries of the vibrant residential core of Chelsea, located to the east of Tenth Avenue. The rezoning of W. 23rd Street in West Chelsea in 1999, and the subsequent development of residential buildings on W. 23rd and W. 22nd streets between Tenth and Eleventh avenues, adding on to the existing tenements on Tenth Avenue, is testament to the strong housing demand in West Chelsea and in the broader Chelsea neighborhood.

Population and Housing Profiles of Study Areas

According to 2000 Census Bureau data, the 15 full blocks which comprise the primary study area (see Figure 3-1) had a population base of approximately 2,602 residents, and the nine census tracts that comprise the broader secondary study area supported a population of about 36,171 residents, excluding the primary study area (see Table 3-1). Both of these areas experienced increases in population, with the primary study area growing significantly between 1990 and 2000. The primary study area expanded by about 17 percent, faster than New York City as a whole (9.4 percent) and Manhattan (3.3 percent), as well as the secondary study area (0.9 percent).

Despite the current light industrial zoning of the primary study area, West Chelsea and the larger Chelsea neighborhood have experienced a substantial amount of residential growth since the late 1990s. With the addition of services, shopping and other amenities along the avenue corridors between Sixth and Tenth avenues and the recreational facilities of the Hudson River Park, Chelsea Piers, and Chelsea Waterside Park, as well as the cultural venues such as the numerous art galleries of the West 20s, West Chelsea is emerging as an attractive mixed-use neighborhood.¹ A few large, luxury residential developments, including new construction and industrial loft conversions, have been developed or are currently undergoing construction in the proposed action area on W. 22nd and W. 23rd streets and elsewhere.

Table 3-1, Population Trends

Area	Total Population		Absolute Change 1990 to 2000	Percentage Change 1990 to 2000
	1990	2000		
Primary Study Area*	2,223	2,602	379	17.0%
Secondary Study Area	35,860	36,171	311	0.9%
Manhattan	1,487,536	1,537,195	49,659	3.3%
New York City	7,322,564	8,008,278	685,714	9.4%

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

* The primary study area consists of 15 full City blocks, which encompass the proposed action area and the eastern portions of City Blocks 714 & 715 (Census tract 83, blocks 3000 and 3001). Most of the residents (about 80 percent) in the primary study area reside at the Robert Fulton Houses, which accommodate 945 housing units and support a population of about 2,077 residents. Approximately 621 housing units of the Fulton Houses are located in the primary study area. The Fulton Houses are a public housing development operated by the New York City Housing Authority.

¹ Halstead, September 17, 2004.

According to the *State of New York City's Housing and Neighborhoods 2003*, the western Midtown neighborhoods of Chelsea and Clinton are two of the fastest growing residential communities in Manhattan. Approximately 7,878 certificates of occupancy were issued to new housing units in Chelsea and Clinton between 1993 and 2002.² On average, more than 780 certificates of occupancy were issued per year during this time frame, and in 2002 alone, about 2,344 certificates of occupancy were issued.³ This suggests an intensification of residential trends.

Population

The population in the primary study area is generally concentrated in the southeastern portion of the study area, which includes the area generally bounded by W. 18th and W. 16th streets from Ninth to Tenth avenues. Most of the residents within this two-block area reside within the Robert Fulton Houses, a New York City Housing Authority (NYCHA) public housing complex, which consists of eight 7-story and three 25-story buildings located to the west of Ninth Avenue between W. 19th and W. 16th streets. In total, the Fulton Houses contain 945 housing units. Approximately 621 of these units are located in the primary study area, immediately adjacent to and east of the proposed action area on the eastern portions of City Blocks 714 and 715 (see Figure 3-1). The remainder of the Fulton House's units are located to the north of the primary study area between W. 18th and W. 19th streets along the west side of Ninth Avenue.

Most of the residential buildings within the proposed action area consist of small, walk-up tenements, which contain between six to twelve units, larger converted loft buildings, and new elevator apartment buildings. There are also a significant number of residential units along the street corridors of W. 23rd and W. 22nd streets between Tenth and Eleventh avenues. Some of the larger residential buildings on these street corridors include: The Tate at 535 W. 23rd Street, which contains approximately 313 rental apartments; the Spears Building at 525 W. 22nd Street, which contains approximately 30 condominium units; and The Marais at 532 W. 23rd Street, which contains approximately 107 cooperative units. Few residents live north of W. 24th Street, where there is very little housing other than a few walk-up tenements and loft conversions located primarily along the west side of Tenth Avenue between W. 27th and W. 29th streets.

Households and Income

In 2000, the primary study area contained approximately 929 total households with an average household size of 2.80 (see Table 3-2). Between 1990 and 2000, the total number of households increased by about 9.4 percent, while the average household size increased slightly from 2.62 in 1990 to 2.80 in 2000 (6.9 percent). In general, households in the primary study area are slightly larger than those in the secondary study area, as well as in Manhattan and in the City as a whole.⁴

² Previti, Denis & Michael H. Schill (2003) *State of New York City's Housing and Neighborhoods*, 2003, Furman Center for Real Estate and Urban Policy, New York.

³ Previti & Schill (2003)

⁴ Households in the primary study area are also larger than those in Manhattan Community Board 4, which has an average household size of 1.64.

Table 3-2, Household Characteristics

Total Households	Total Households		Average Household Size	
	1990	2000	1990	2000
Primary Study Area	849	929	2.62	2.80
Secondary Study Area	21,213	21,555	1.69	1.68
Manhattan	716,811	738,644	1.99	2.00
New York City	2,816,274	3,021,588	2.54	2.59

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

Approximately 486 residents in the primary study area (about 19 percent of the total population) live in “group quarters” as opposed to “households” These type of facilities include the Flemister House on W. 22nd Street, a Single Room Occupancy (SRO) housing development with approximately 50 residents who are living with AIDS, and the Bayview Correctional Facility at 550 W. 20th Street, which can accommodate up to 339 female prisoners.

Income characteristics for the study area populations are described below, using the median household income (see Table 3-3). The median household income represents the mid-point of all household incomes in a particular study area. Household income data for the primary study area indicate that it is becoming more affluent. Between 1990 and 2000, household incomes in the primary study area increased by about 6 percent, which is faster than income growth in the City as a whole, but less than the 13 percent income growth experienced in the secondary study area and slightly less than the approximately 8 percent growth in Manhattan.

Table 3-3, Income Characteristics

	Median Household Income ^{1,2}			
	1989	1999	Absolute Change	Percent Change
Primary Study Area	\$35,268	\$37,500	\$2,232	6.3%
Secondary Study Area	\$48,704	\$55,000	\$6,296	12.9%
Manhattan	\$43,724	\$47,030	\$3,306	7.6%
New York City	\$40,419	\$38,293	-\$2,126	-5.3%

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

¹ Two Census tracts in the study area are split by the proposed action area boundary (tracts 83 & 99). Because sample count data (SF3 data) including data on median household income are not available for the block-level, values for Census tracts split by the proposed action area boundaries were calculated using a combination of tract-level data from SF3 and block-level data from SF1. For each of these Census tracts, the geographic distribution of total households and the population was computed using block-level data, in effect creating a sort of “pseudo-tract.” The median household income was calculated based on the distribution of incomes in these “pseudo-tracts.”

² Median incomes are shown in constant 1999 dollars.

In 2000, the median household income of the primary study area was lower than those for the secondary study area, Manhattan, and the City as a whole. This circumstance is likely attributable to the Fulton Houses, which contain low-income, rent-regulated units, housing an estimated 2,077 residents that comprised about 80 percent of the population within the primary study area in 2000.

The residents of the Fulton Houses must meet the strict household income requirements defined by NYCHA. Although 66 percent of the residents of the Fulton Houses are located in the primary study area, they are not located within the boundaries of the proposed action area.

It is also important to note that the majority of land contained within the proposed action area (13 City blocks) is located within Census tract 99, as compared to the two half block area, which is located in Census tract 83. Most of the residents in the portion of Census tract 83, which is included in the primary study area, are residents of the Fulton Houses, and the majority of the population in the proposed action area is contained in Census tract 99. Of the 644 residential units located in Census tract 83, on blocks 3000 and 3001 (City Blocks 714 and 715), less than 30 of these units are located within the boundaries of the proposed action area. As such, it is likely that residents of the proposed action area have income characteristics, which more closely reflect the residential population contained within tract 99 than within tract 83. In 2000, the median household income of Census tract 99 was \$60,476, more than twice the median household income of Census tract 83, with a median household income of \$28,700. Household incomes in tract 99 have also increased significantly by about 40 percent; as compared to tract 83 where the median household income declined by about 16 percent.

Housing Characteristics

Housing patterns in the primary study area generally reflect the population and household patterns, with most of the housing located to the south of W. 24th Street. Between 1990 and 2000, the housing stock in the primary study area expanded by about 14 percent (see Table 3-4). Since the 2000 Census, the primary study area's housing inventory has further expanded due to a number of new residential developments, including the newly constructed Tate and The Marais.

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, as the housing stock of the primary study area increased to meet demand, the vacancy rate for the area increased slightly from less than two percent to about six percent. The six percent vacancy rate for the primary study area in 2000 was comparable to the secondary study area with a vacancy rate of 5.4 percent, and to New York City as a whole with a 5.6 percent vacancy rate. Manhattan's vacancy rate was slightly higher at 7.5 percent (see Table 3-4).

Table 3-4, Housing Characteristics

	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	865	988	98.2	94.0	1.8	6.0	1.2	7.5	98.8	92.5
Secondary Study Area	22,706	22,821	93.4	94.5	6.6	5.5	20.4	27.4	79.6	72.6
Manhattan	785,127	798,144	91.3	92.6	8.8	7.5	17.9	20.1	82.1	79.9
New York City	2,992,169	3,200,912	94.2	94.4	5.8	5.6	28.6	30.2	71.4	69.8

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

The primary study area had a much higher proportion of rental units, 93 percent of the occupied housing stock was renter-occupied in 2000, as compared to 80 percent and below in the other study areas. This circumstance is likely attributable to the Fulton Houses, which consist of predominantly renter-occupied housing units and comprise about 67 percent of the housing units in the primary study area. The number of owner-occupied units within the primary study area has increased from 1990 levels by about six percent.

As shown in Table 3-5, in terms of number of rooms, housing units in the primary study area, on average, are comparable to Manhattan as a whole and slightly larger than the secondary study area. This is attributed to the residential conversion of a number of former commercial and industrial loft buildings in the West 20s between Tenth and Eleventh avenues.

In 2000, the median contract rent (excluding such expenses as electricity, gas, and telephone service) in the primary study area, at about \$775 per month, was approximately \$35 more per month more than Manhattan, and \$129 more per month than the City. The secondary study area, however, had a somewhat higher median contract rent of about \$850 per month, approximately \$75 more than the primary study area.

As described previously, it is important to note that the majority of the proposed action area is located within the boundaries of Census tract 99, and it is likely that the housing characteristics and trends of the proposed action area more closely reflect the housing conditions experienced in tract 99 than in tract 83. The median contract rent of housing units in tract 99 was \$873 per month in 1999, approximately \$270 more than the median contract rent of tract 83, which was \$602 per month.

Table 3-5, Housing Characteristics: Units & Rents

	Median Number of Rooms ^{1,2}		Median Contract Rent ^{1,2}			Median Home Value ^{1,2}		
	1990	2000	1989	1999	% Change	1989 ³	1999	% Change
Primary Study Area	Approx. 4	3.25	\$571	\$775	35.7%	N/A	\$1,000,000+	N/A
Secondary Study Area	Approx. 3	2.80	\$619	\$850	37.3%	N/A	\$1,000,000+	N/A
Manhattan	Between 2 & 3	3.10	\$630	\$740	17.5%	N/A	\$1,000,000+	N/A
New York City	Between 3 & 4	3.80	\$590	\$646	9.5%	N/A	\$211,900	N/A

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

¹ Two Census tracts in the study area are split by the proposed action area boundary (tracts 83 & 99). Because sample count data (SF3 data) including data on median contract rent and home value are not available for the block-level, values for Census tracts split by proposed action area boundaries were calculated using a combination of tract-level data from SF3 and block-level data from SF1. For each of these Census tracts, the geographic distribution of total housing units computed using 2000 block-level data, in effect creating a sort of “pseudo-tract.” The median contract rent and home value were calculated based on the distribution of contract rents and home values in these “pseudo-tracts.”

² All 1990 values were converted to 1999 constant dollars.

³ The 1990 median home value is not reported because the 1990 value was based on “specified owner-occupied housing units” only, while the 2000 median was based on all owner-occupied housing units. As such, the two datasets are not comparable.

Over the course of the decade, rent in the primary and secondary study areas increased substantially from 1990 to 2000. The percent increase in median contract rent for both the primary and secondary

study areas was more than double the percentage increase in Manhattan, and almost quadruple the percentage increase in the City as a whole. These trends reflect the tight real estate market in Chelsea, and the development of upscale housing in both the primary and secondary study areas.

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 a few large, luxury residential developments and conversions along W. 22nd and W. 23rd streets between Tenth and Eleventh avenues, in the existing mixed-use district. As shown in Table 3-6, these new residential developments added more than 430 new housing units to the proposed action area. This represents a 44 percent increase in the housing inventory of the primary study area. (Assuming the average household size of 1.68 and a housing vacancy rate of 5.4 percent, this translates into about 686 additional residents, or an increase of about 26 percent.) Excluding the Tate at 535 W. 23rd Street, which is an 80/20 residential development, all of the new housing units are market-rate.

According to field surveys conducted in August and September 2004, the proposed action area currently contains a total of approximately 770 housing units, including 50 SRO units, as well as about 10 live-work units within a thirteen block and two partial block area. As the average number of persons per occupied dwelling unit is estimated at 1.68 and the vacancy rate for housing units in this area is approximately 5.4 percent, the 770 dwelling units located within the proposed action area are estimated to house approximately 1,224 residents and the 10 live-work units are estimated to be occupied by about 16 occupants.

Like the primary study area, the population levels in the secondary study area have also increased since 2000 due to the development of a few large residential developments and conversions between Tenth and Eighth avenues in the lower West 20s and West 30s. As shown in Table 3-6, these new residential developments added almost 1,540 new housing units to the secondary study area. This represents a 7 percent increase in the housing inventory of the secondary study area. (Assuming the average household size of 1.68 and a housing vacancy rate of 5.4 percent for the secondary study area, this translates into about 2,445 additional residents, or an increase of 7 percent).

Table 3-6, Residential Development Completed in the Primary Study Area & Secondary Study Area After 2000

Building Location	Units	Estimated Population¹
Primary Study Area		
The Tate- 535 W. 23rd St.	313	497
The Marais- 520 W. 23rd St.	107	170
The Eagle- 532 W. 22nd St.	<u>12</u>	<u>19</u>
<i>Total</i>	432	686
Secondary Study Area		
460 W. 20th St.	72	114
303 W. 21st St.	70	111
Chelsea Place- 363 W. 30th St.	77	122
The Penmark Towers- 315 W. 33rd St.	333	529
Hudson Crossing- 400 W. 37th St.	259	412
360 W. 28th St.	17	27
401 W. 22nd St.	57	91
312 W 34th St	<u>654</u>	<u>1,039</u>
<i>Total</i>	1,539	2,445

Source: DCP, RPAD

¹ As the primary study area only contains 988 residential units and the Fulton Houses represent about 67 percent of these units (which are not included within the boundaries of proposed action area), in order to be more conservative, the estimated population for the recently completed residential developments in both the primary and secondary study areas are based on the larger geographical study area (secondary study area) with an average household size of 1.68 and a vacancy rate of 5.4 percent.

Residential Real Estate Market Conditions

The residential real estate market of Chelsea extends across most of southern Midtown Manhattan, and is generally bounded by W. 34th Street to the north, W. 14th Street to the south, Fifth Avenue to the east and the Hudson River to the west. It is typically defined by its diverse range, but complementary mix of housing stock, which includes low-rise, pre-war brownstones and townhouses, luxury converted lofts, mid-rise to high-rise apartment buildings, condominiums and cooperatives, and low-to mid-rise walk-up tenements. North of W. 23rd Street the area is generally characterized by low-to mid-rise converted industrial lofts, and from W. 24th Street to the upper teens from Seventh to Ninth avenues pre-war, low-rise brownstones and townhouses dominate. Numerous high-rise, luxury residential buildings with ground floor destination retail have sprung up along the Sixth and Seventh Avenue corridors during the 1990s and early twenty-first century due to recent rezonings in the 1990s, and the street corridors of Eighth and Ninth avenues, and to a slightly lesser extent Tenth Avenue, have increasingly become attractive to a number of restaurants, cafes, shops, and other services catering to the surrounding area's residential needs. Further west along the waterfront between Twelfth and Tenth avenues from W. 30th to W. 14th streets, the area, which is commonly referred to as West Chelsea, has emerged as the City's premier art gallery district. This area is defined by its dense concentration of art galleries and other art-related industries, which

primarily occupy spaces that formerly accommodated vehicle service garages, warehouses, and other light industrial uses.

Although the core of Chelsea's residential neighborhood is located east of Tenth Avenue, the area between Tenth and Eleventh avenues in the low West 20s has experienced a significant influx of new luxury residential rental and owner-occupied buildings, as well as converted industrial lofts. The area has increasingly become attractive to residents due to its eclectic mix of artistic, cultural and recreational amenities. In tandem with the emergence of art galleries and other art-related industries in the area, there has also been an increase in ground floor restaurants, cafes, bars and nightlife establishments adding to a significant increase in pedestrian activity on surrounding streets. In addition, major recreational facilities, including Hudson River Park, Chelsea Piers and the Chelsea Waterside Park, have become major destination points, drawing residents further west. Furthermore, the cluster of retail, eating and drinking establishments of Gansevoort Market and the Meatpacking District to the south have been encroaching northward.

Chelsea is one of the tightest and most dynamic residential real estate markets in Manhattan, which is highly sought after by a variety of residential tenants, including families, couples and singles. According to an Inventory Tracking Study issued by Halstead Property LLC, Chelsea experienced a 73 percent drop in its available inventory of condominium and cooperative units and townhouses across all prices and sizes within the last year from March 2003 to May 2004. While all categories reflected substantial decreases in inventory, housing units in the \$401,000 to \$650,000 price range experienced the largest decline in inventory at an 83 percent drop. More expensive properties, including condominiums and cooperatives above \$2.5 million, experienced a milder decline of 46 percent, and the townhouse inventory decreased by about 21 percent. This drop in inventory indicates there is a significant demand for and a limited supply of housing in this area of Manhattan.

Rental Market

The Chelsea rental market supports some of the most expensive studio, one-bedroom, and two-bedroom apartments in all of Manhattan. According to the 2002 NYC Housing and Vacancy Survey, the neighborhoods of Chelsea and Clinton possessed some of the highest median monthly rents in Manhattan, at approximately \$1,200 in 2002, after the Upper East Side and Greenwich Village/Financial District. This area also experienced one of the greatest increases in median rent (about 12 percent) from 1999 to 2002, as compared to the Borough of Manhattan, which experienced a 3.5 percent increase over 1999 levels. Manhattan had an overall median rent of \$800 in 2002.

According to Citi Habitat's 3rd Edition of *the Black and White Report* for May through October 2003, Chelsea continued to contain some of the highest priced studios, and one- and two-bedroom apartments in Manhattan. The average rental price for a studio in Chelsea was approximately \$1,731 (\$43.44/sf) between May 2003 and Oct 2003; approximately \$106 more than the average price of a studio in Manhattan as a whole. The average price for a one-bedroom apartment in Chelsea was approximately \$2,386 (\$42.00/sf); about \$80 more than the average price of a one-bedroom in all Manhattan. Two-bedroom units in Chelsea on average were priced at approximately \$3,778 (\$41.16/sf); approximately \$550 more than the average price for a two-bedroom in Manhattan.

Table 3-7 provides a listing of available rental residential properties within the primary and secondary study areas in August and September 2004, which were collected from real estate advertisements in the classified sections of the *New York Times*, as well as from several internet sites of various Manhattan-based real estate brokers.

Table 3-7, Rental Data for Housing Units in the Primary and Secondary Study Areas

Location	Type	Price	Description
Primary Study Area			
535 W. 23 St., The Tate	Rental	Studio: \$2,450-\$2,625 1 bedroom: \$3,395 2 bedroom: \$4,490-\$4,895	Newly built mid-rise, luxury apartment building with 313 dwelling units.
W. 20 St./10 Ave.	Rental	3-bedroom: \$4,595	Elevator apartment building.
W. 27 St./10 Ave.	Loft	2-bedroom: \$2,900	Converted industrial loft.
520 W. 23 St., The Marais	Co-op	1-bedroom: \$2,995	New building with 107 cooperative units.
W. 23 St./10 Ave.	Co-op	1,000 sf, 2-bedroom: \$4,500	Full service cooperative building.
W. 23 St./10 Ave.	Brownstone	750 sf, 1-bedroom: \$2,200	Brownstone.
Secondary Study Area			
W. 18 St.	Live/work	2,000 sf- \$4,500	Loft unit.
410 W. 24 St.- London Terrace	Co-op	800 sf, 1-bedroom: \$3,600	Full-service residential towers.
233 9th Ave.	Townhouse	1-bedroom: \$2,150	Townhouse with 5 units.
447 W. 22 St.	Townhouse	3-bedroom: \$3,300	Townhouse with 6 units.

Sources: *NY Times*, J.C. DeNiro Associates, www.jc.deniro.com; Benjamin James, www.benjaminjames.com; Nest Seekers International, www.nestseekers.com; and Buchbinder & Warren Realty Group, www.buchbinderwarren.com

Sales Market

Similarly to the rental real estate market, the sales market for condominium, cooperative, and other housing units in Chelsea contained some of the most expensive housing in Manhattan. According to New York Citi Habitats' *Black and White Report* for May through October 2003, Chelsea was the second most expensive neighborhood in Manhattan, following the Tribeca/SoHo market in 2003. The average cost per square foot, at \$628, in Chelsea was approximately \$40 more than the average price per square foot for all of Manhattan, at \$587 per square foot. Chelsea also experienced the third highest increase in price per square foot from 2002 to 2003 with an increase of about 14 percent, as compared to Manhattan, which increased by approximately six percent.

During the last ten years from 1994 to 2003, the average sales price for condominiums in Chelsea has increased dramatically by more than 567 percent, as compared to Manhattan, which increased by approximately 200 percent. From 2000 to 2003, the average sales price for condominiums in Chelsea increased by 54 percent from \$797,496 to \$1.234 million.

Table 3-8 provides a listing of available condominiums and cooperatives within the primary and secondary study areas in August and September 2004, which were collected from real estate

advertisements in the classified sections of the *New York Times*, as well as from several internet sites of various Manhattan-based real estate brokers.

Table 3-8, Sales Data for Housing Units in the Primary and Secondary Study Areas

Location	Type	Price	Description
Primary Study Area			
520 W. 23 St., The Marais	Co-op	460 to 880 sf: \$200,000 to 700,000	New building with 107 cooperative units, consisting of studio to 2 bedroom units.
521 W. 23 St.	Condo	1,800 sf, 2- bedroom: \$1.795 million	Converted industrial loft with 12 units.
231 10 Ave.	Condo	1-bedroom: \$1.2 million 3-bedroom: \$2.6 million	New condominium building, consisting of 16 <u>24</u> housing units with 2 units per floor.
Secondary Study Area			
434 W. 23 St.	Co-op	2-bedroom: \$1.249 million	Pre-war brownstone containing 5 units.
458 W. 20 St.	Co-op	550 sf, 1-bedroom: \$465,000	Brownstone.
410 W. 24 St. 470 W. 24 St. London Terrace	Co-op	1-bedroom: \$725,000 3-bedroom: \$1.099 million	Full service residential towers.
W. 22 St./9 Ave.	Co-op	3-bedroom: \$1.695 million	Cooperative building.
438 W. 23 St.	Co-op	2-bedroom: \$1.095 million	Walk-up townhouse containing 5 units.

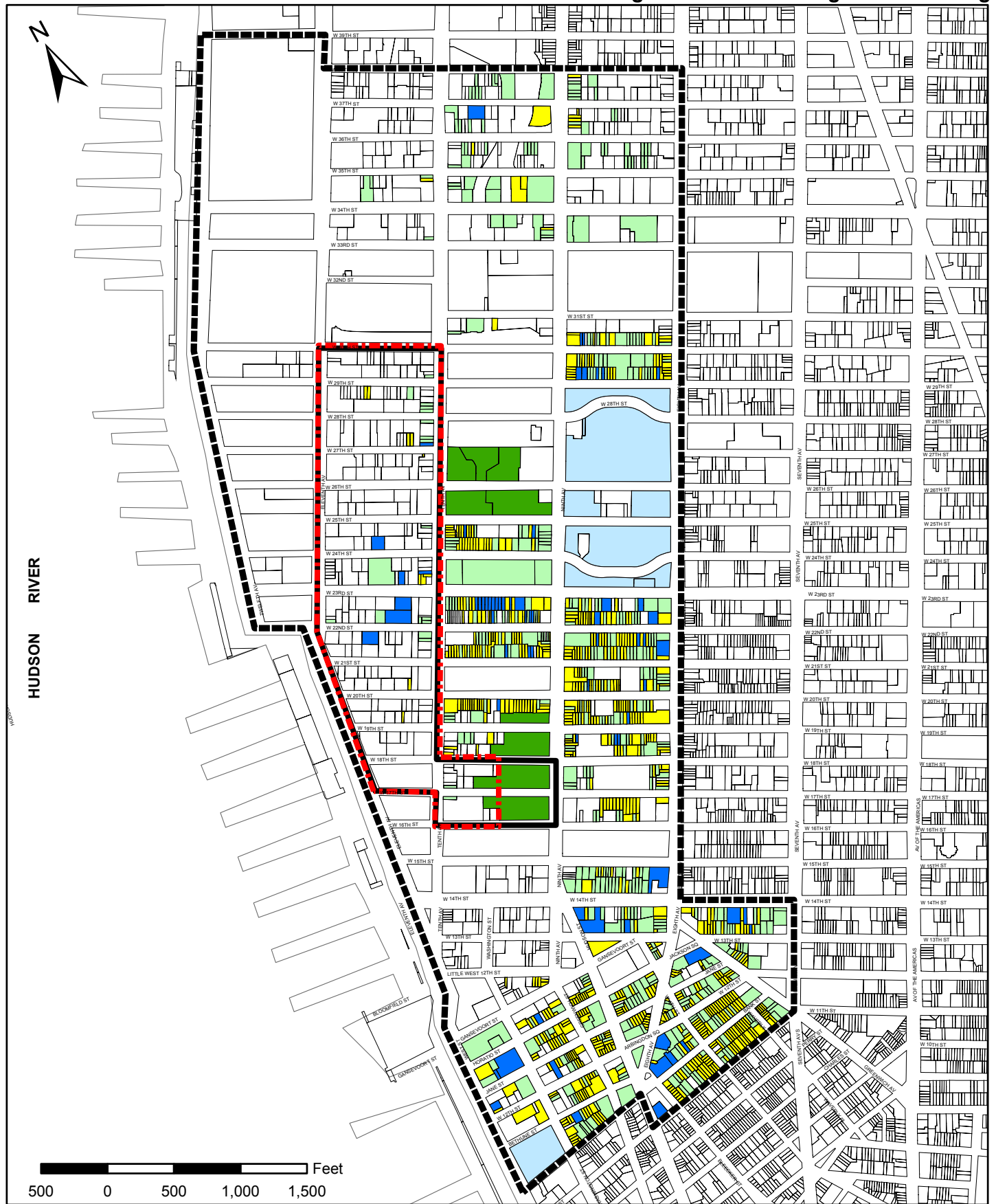
Sources: *NY Times*, J.C. DeNiro Associates, www.jcdeniro.com; Fenwick-Keats Realty, www.fenwick-keats.com, & Corcoran, www.corcoran.com.

Cooperative and Condominium Conversions and Control Status

Figure 3-4 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 the majority of the housing that is present is rent-regulated. 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 and 420c tax exemptions that were widely applied on new West Side construction projects).

As shown in Figure 3-4, and based on data from the New York State Division of Housing and Community Renewal (DHCR), New York City Department of City Planning (NYCDCP), and the New York City Department of Finance (NYCDOF), it is estimated that there are a total of 1,208 rent-stabilized housing units in the primary study area, including 258 units in pre-1974 buildings, and another 16 units in one recently rehabilitated building with 420c tax exemptions, and 313 units in The Tate which is new 80/20 residential development. The primary study area also contains other rent-regulated units or owner-occupied housing, including the approximately 621 housing units of the Fulton Houses public housing complex, and about 164 cooperative and condominium units scattered throughout the primary study area.

Figure 3-4
Rent-Regulated and Non-Regulated Housing



Legend:

Proposed Action Area	Cooperatives and Condominiums	Public Housing
Primary Study Area	Mitchell-Lama Developments	Rent-Stabilized Buildings
Secondary Study Area	Unprotected Buildings	

Figure prepared by Philip Habib & Associates

There are approximately 19 “unprotected” units in the primary study area located in 10 small tenement buildings containing from one and three units (see Figure 3-4). Five of these tenement buildings containing a total of 8 dwelling units are identified as direct displacement parcels from the projected or potential sites limiting the potential for indirect displacement. The remaining 11 “unprotected” units are located in five tenements scattered throughout the proposed action area.

Population Currently at Risk of Displacement

The *CEQR Technical Manual* defines a “population at risk of displacement” as “people living in privately held units unprotected by rent control or rent stabilization, whose incomes or poverty status indicate that they could not support substantial rent increases.” It is unlikely that such a population exists in the primary study area. Many new residential buildings have recently been developed on the W. 22nd and W. 23rd Street corridors. Most of the new units are luxury units that command high rents, although in some cases (e.g., The Tate) 20 percent of the units are offered at below-market rates. In addition, existing lofts continue to be converted to residential use. Overall, rents have risen substantially. As shown in Table 3-5, in the proposed action area or primary study area alone, the median contract rent grew from \$571 to \$775, or about 36 percent, between 1990 and 2000. Currently, based on discussions with local realtors, rents for unregulated apartments are ranging from \$1,200 to \$3,000 in walk-up tenement buildings and from \$2,300 to over \$5,500 in newer buildings.

As can be expected, incomes have also risen throughout the primary study area. As shown in Table 3-3, the median household income in the primary study area rose by approximately \$2,232 or six percent between 1990 and 2000. The median household income in Census tract 99, which is assumed to more closely reflect the residential population of the proposed action area, rose by approximately \$17,430 or 40 percent between 1990 and 2000. Furthermore, as shown in Table 3-11 on page 3-22, 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 New York City as a whole.

Similarly, incomes and rents have risen throughout the secondary study area, and by an even greater amount than in the primary study area. As shown in Table 3-5, median contract rent in the secondary study area rose by over 37 percent, from \$619 to \$850, while market rate rents in the area were over \$2,000 a month for a one-bedroom apartment, as shown in Table 3-7. Substantial new market rate construction has occurred in the secondary study area since 2000, most of which has been market rate units, including the 333-unit Penmark Towers on W. 33rd St. and the 57-unit building on W. 22nd Street. As shown in Table 3-3, the median household income in the primary study area rose by approximately \$6,296 to \$55,000, or 13 percent between 1990 and 2000. Median income in the secondary study area is higher than Manhattan, \$47,030, and the city, \$38,293. Furthermore, as shown in Table 3-11 on page 3-22, 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 secondary study area has become more affluent at a faster rate than the primary study area, Manhattan, and New

York City as a whole. Given these trends, it is unlikely that there is a population at risk of indirect displacement in the secondary study area.

Direct Displacement

There are three specific locations in the primary study area where housing and residents would be directly displaced by the proposed action’s projected development. By 2013, the proposed action could result in the direct residential displacement of three small residential buildings on parts of Projected Development Sites 5, 8, and 11 (see Figure 3-5).

Based on field observation and land use surveys, it appears that there are approximately 101 residential units within 11 buildings on portions of 7 projected development sites. Most of these units are located within walk-up buildings containing between 5 and 19 housing units, with ground floor commercial, industrial and/or storage uses. Of the 101 residential units on the projected development sites, 12 of these units would be directly displaced over a 10-year period due to the proposed action, affecting an estimated 20 residents (see Table 3-9).

Table 3-9, Direct Residential Displacement on the Projected Development Sites

Site	Block: Lot	Existing Use	Total Units
5	699:25	3-story tenement building	3
5	699:26	3-story tenement building	2
8	698:141	3-story tenement building	1
11	696:37	4-story tenement building ¹	6
		<i>Total</i>	<i>12</i>

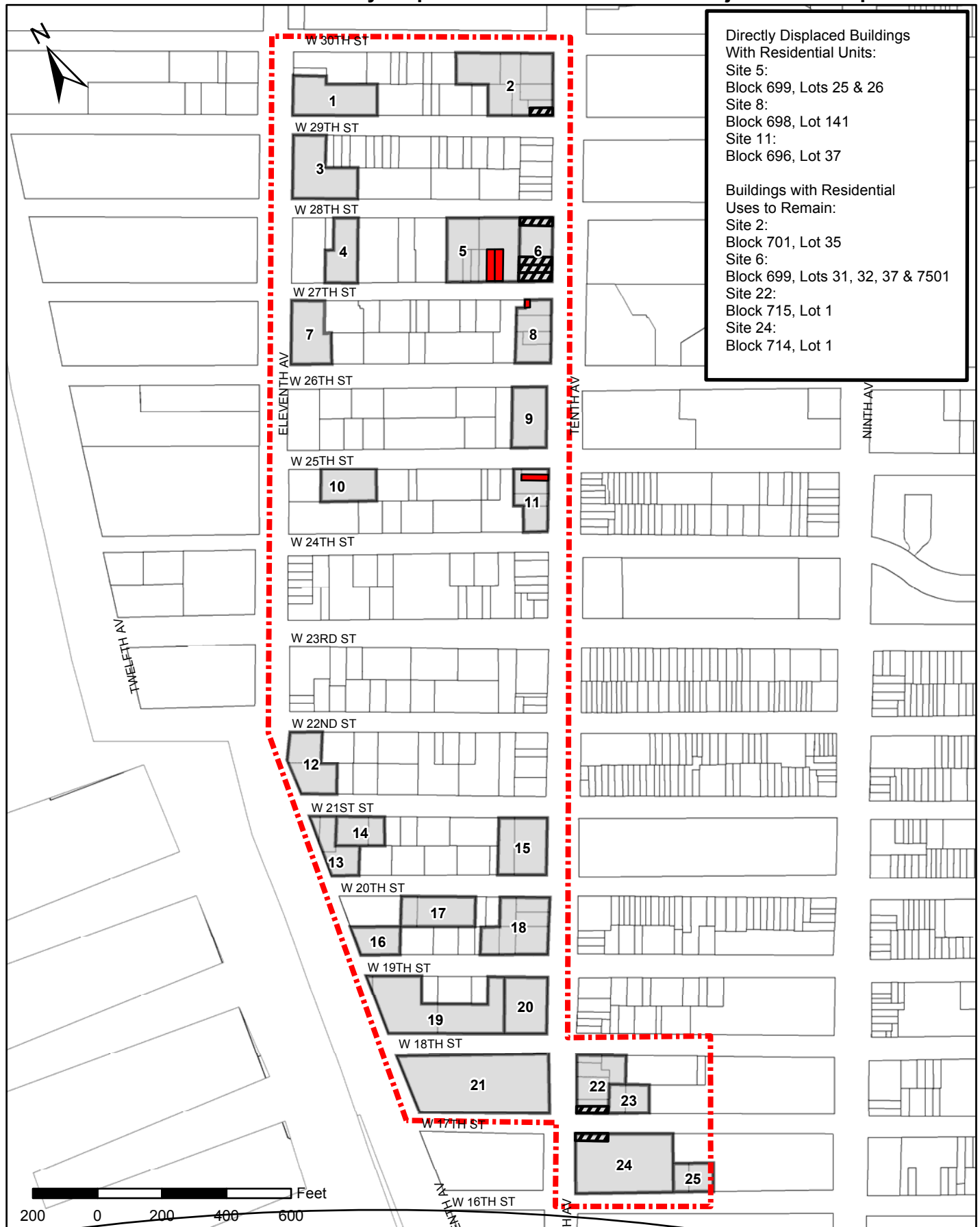
Source:NYCDOF; the West Chelsea Housing Survey; PHA; and New York State Division of Housing and Community Renewal.

¹ Rent-stabilized building

These 12 residential units are located in four low-rise buildings containing between one and six residential units on parts of 3 projected development sites (parts of Sites 5, 8, and 11). As a result of the proposed action, these four buildings could be demolished, and new as-of-right construction would occur on Projected Development Sites 5, 8, and 11. It should be noted that some of these affected residential buildings might include owner-occupied units, which would not be subject to direct displacement. Owners, who elect to sell their property for redevelopment, are not considered to be “displaced.”

The remaining 89 residential units on parts of the other four projected development sites are expected to remain in place (including buildings containing residential units on parts of Sites 2, 6, 22 and 24). It is assumed that those residential structures would transfer unused floor area (or development rights) to other portions of their respective sites, rather than be replaced.

Directly Displaced Residential Uses on Projected Development Sites



Directly Displaced Buildings With Residential Units:
 Site 5:
 Block 699, Lots 25 & 26
 Site 8:
 Block 698, Lot 141
 Site 11:
 Block 696, Lot 37

Buildings with Residential Uses to Remain:
 Site 2:
 Block 701, Lot 35
 Site 6:
 Block 699, Lots 31, 32, 37 & 7501
 Site 22:
 Block 715, Lot 1
 Site 24:
 Block 714, Lot 1

Legend:

- Proposed Action Area
- RWCDs With-Action- Projected Sites
- Directly Displaced Building with Residential Uses
- Building with Residential Uses to Remain

As shown in Figure 3-5, three of the residential buildings expected to be directly displaced are located on W. 27th Street, and the remaining building is located on the west side of Tenth Avenue between W. 25th and W. 24th streets. Of the four buildings, three are tenements containing fewer than 4 housing units. The remaining building contains 6 housing units, and is rent stabilized. In general, the projected development sites are located on or close to Tenth and Eleventh avenues, and along W. 20th, W. 18th and W. 16th streets (see Figure 3-5).

As shown in Figure 3-6, only two tenement buildings with one housing unit each could be directly displaced due to the development of potential development sites. Additionally, there are approximately 6 live/work spaces on parts of 4 potential development sites (Sites 28, 30, 44 and 45), which could also be potentially displaced.

Table 3-10 shows the existing residential units on each of the potential development sites, which could be directly displaced as a result of the proposed action. DCP believes that the potential development sites are less likely to be redeveloped than the projected development sites, but that it is possible that some combination of projected and potential development sites could be redeveloped. Therefore, unlike the data represented in Table 3-9, the data in Table 3-10 has not been totaled.

Table 3-10, Direct Residential Displacement under the Potential Development Sites

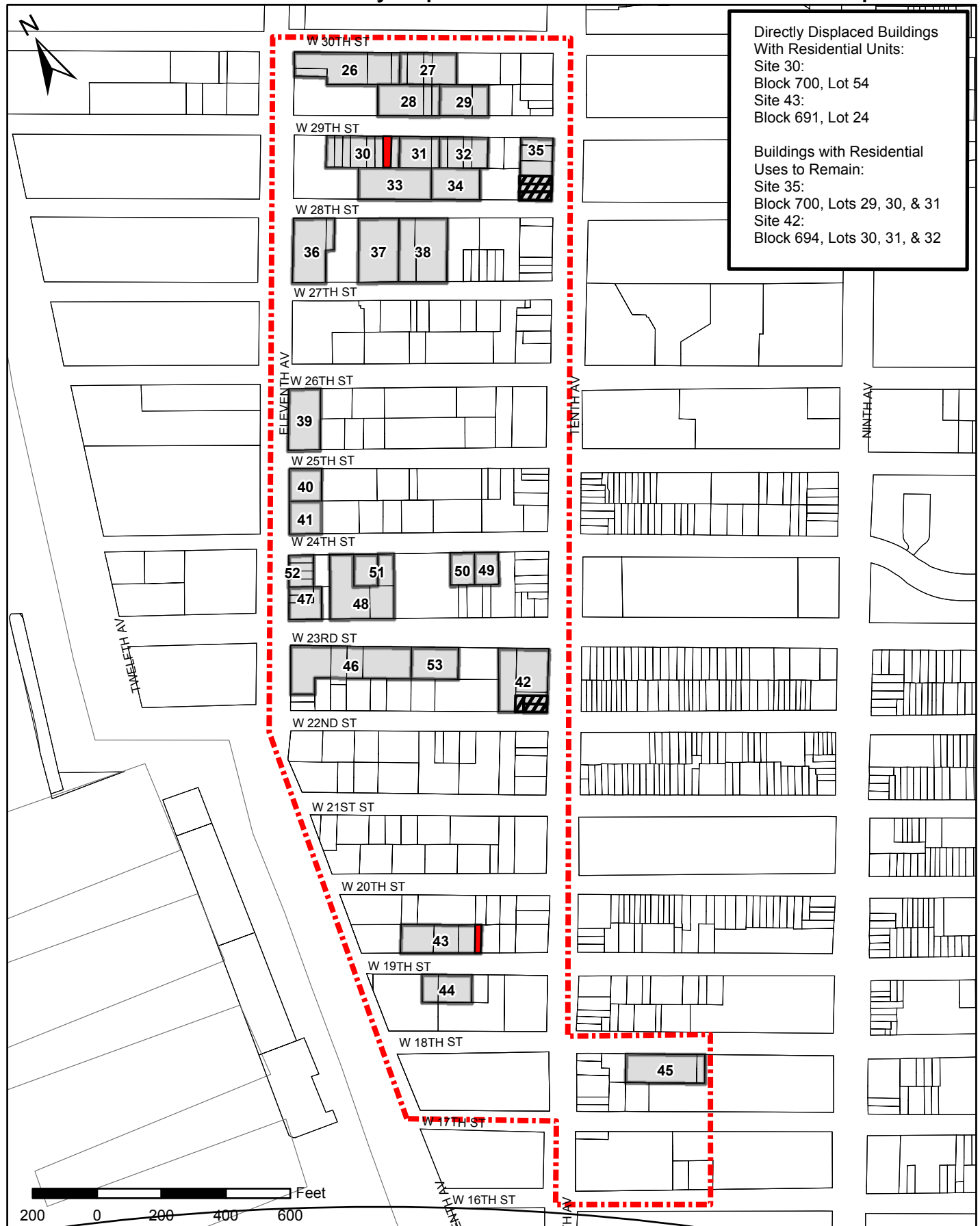
Site	Block: Lot	Existing Use	Total Units
30	700:53	Residence in religious institution	1
30	700:61	Loft building	2
43	691:24	2-story tenement building	1

Sources: New York City Department of Finance; the West Chelsea Housing Survey; & PHA.

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 approximately 6 percent between 1990 and 2000, and the median household income of Census tract 99 increased by about 40 percent during the same time period (see Table 3-3). 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 mid-rise buildings with more than 30 units. As shown in Table 3-11, 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.

Directly Displaced Residential Uses on Potential Development Sites



Directly Displaced Buildings With Residential Units:
 Site 30:
 Block 700, Lot 54
 Site 43:
 Block 691, Lot 24

Buildings with Residential Uses to Remain:
 Site 35:
 Block 700, Lots 29, 30, & 31
 Site 42:
 Block 694, Lots 30, 31, & 32

Legend:

- Proposed Action Area
- Directly Displaced Building with Residential Uses
- RWCDs With-Action- Potential Sites
- Building with Residential Uses to Remain

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 governmental programs that limit rents and tenant incomes.

Table 3-11, 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	
Under 20 units	16,656	\$39,803	17,950	\$54,000	35.7%
20 to 49 units	13,724	\$39,816	14,208	\$50,000	25.6%
50 units and over	36,873	\$44,297	39,447	\$54,100	22.1%
Total Units (owner-& renter-occupied)	67,253		71,605		
Under 20 units	13,686	\$35,515	14,738	\$49,000	38.0%
20 to 49 units	11,467	\$32,741	11,625	\$43,100	31.6%
50 units and over	29,671	\$39,803	29,682	\$49,900	25.4%
Total Units (renter-occupied)	54,794		56,045		

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

¹ Median household income values are represented in constant 1999 dollars.

Note: 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.

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 along the corridor of W. 23rd Street between Tenth and Eleventh avenues, 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 2, “Land Use, Zoning, and Public Policy”). The growth in income in both the primary and secondary study areas, 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.

Continuing recent trends, population and housing levels in the primary study area are expected to rise substantially through 2013 (Table 3-12). Four new residential developments will be introduced within the heart of the primary study area, between W. 23rd and W. 24th streets (for details see

Chapter 2, “Land Use, Zoning, and Public Policy”). The first planned development would be located on a mid-block parcel with frontages on the north side of W. 23rd Street and on the south side of W. 24th Street (Potential Development Site 48), and another planned development would be located on the west side of Tenth Avenue between W. 23rd and W. 24th streets (see Figure 2-3 in Chapter 2, “Land Use, Zoning, and Public Policy”). The remaining two smaller planned residential developments would be located on the north side of W. 23rd Street. In addition, there are ~~seven~~ eight other potential development sites that could also be developed with residential uses by 2013 (Potential Development Sites 42 (portion), 46, 47, and 49 through Site 53).

Table 3-12, Primary Study Area: No-Action Residential Development to be Completed by 2013

Project Address	Units
PLANNED DEVELOPMENT	
543-557 W. 23 St.	<u>337</u>
534-550 W. 24 St.*	
231 Tenth Avenue (<u>Vesta 24</u>)	<u>24</u>
559 W 23 St.	<u>8</u>
519 W 23 St.	<u>9</u>
<i>Total</i>	<u>378</u>
POTENTIAL DEVELOPMENT	
<u>500 W. 23 St. (part of Site 42)</u>	<u>104</u>
<u>522-548 W. 23 St. (Site 46)</u>	<u>335</u>
182-188 11 Ave. (Site 47)	76
543-549 W. 23 St. (Site 48)	222
508 W. 24 St. (Site 49)	43
514 W. 24 St. (Site 50)	43
540 W. 24 St. (Site 51)	43
194-200 11 Ave. (Site 52)	57
524 W. 23rd St. (Site 53)	75

* This development, located on Potential Development Site 48, is under construction.

Source: DCP

In total, development in the future without the proposed action would create ~~376~~ 378 market-rate housing units in the primary study area. This new development would introduce an estimated ~~617~~ 620 new residents to the primary study area, increasing the total population by approximately 24 percent from 2000 Census population levels and about 19 percent from estimated 2004 population levels.

In the secondary study area, additional development would occur in the future without the proposed action. Those residential projects that are known at this time are listed in Table 3-13. Together, these developments could be expected to generate about 1,687 new units and an estimated 3,026⁵ residents, representing an increase of about 8 percent over the 2000 Census population.

⁵ This estimate of new residents is calculated by multiplying the number of market rate units by 1.64, which is the average household size for Manhattan Community District 4. For low-moderate income units, the number of units is

Table 3-13, Secondary Study Area: No-Action Residential Development to be Completed by 2013

Map ID ¹	Project Address	Units
B.	343 W. 16 St.	23
F.	368 10 Ave. (HY ID #31) ²	827
G.	424 W. 33 St. (HY ID #32) ²	323
H.	361 9 Ave. (HY ID #33) ²	<u>514</u>
	<i>Total</i>	1,687

Source: DCP

¹ Map ID corresponds to Figure 2-3 in Chapter 2, “Land Use, Zoning, and Public Policy.”

² The HY ID # corresponds with the map ID that is used in the Hudson Yards FGEIS, November 2004.

In the future without the proposed action, the rate of new housing development and population growth would be considerably higher than recent trends in the secondary study area. As noted above under Existing Conditions, about 115 housing units were added to the secondary study area between 1990 and 2000, and the population increased by less than one percent. Between 2004 and 2013, however, this area could be expected to add more than 180 units per year.

In the future without the proposed action, elements of the Hudson Yards Rezoning and Development Program will be complete and in operation, namely the No. 7 Subway Extension, Multi-Use Facility, portions of the mid-block and boulevard system and Convention Center Expansion. This will bring increased accessibility and pedestrian activity to northern portions of the secondary study area. The rezoning will also generate a substantial amount of development by 2013 including 5.4 msf of new office space, 477,000 sf of new hotel space, 200,000 sf of community facility space, 137,800 sf of new retail space and 1,664 new housing units in the secondary study area. This will have a positive effect on the secondary study area by bringing new investment and economic activity to the in the northern half of the secondary study area and its vicinity.

Absent the proposed action, growth in West Chelsea would be driven, in part, by the redevelopment of the Hudson Yards area to the north, and, as discussed in Chapter 2, “Land Use, Zoning and Public Policy,” by the continued trend of commercial development, including hotel, office and retail uses. Although increased activity and investment is expected to occur in portions of West Chelsea as a result of redevelopment activities in Hudson Yards, the rezoning of the Hudson Yards area is not expected to result in indirect residential displacement in West Chelsea. With regards to indirect residential displacement, the FGEIS for the *No. 7 Subway Extension-Hudson Yards Rezoning and Development Program* concluded that, while redevelopment in Hudson Yards could potentially increase property values in the surrounding neighborhoods, it is unlikely to have much of an effect since the most influential factors in residential property values are Manhattan’s limited supply of

multiplied by 2.50 persons, as the average household size for Manhattan community districts that have higher proportions of low-income residents in 2000 range between 2.28 and 2.90. As the Hudson Yards development program is expected to result in approximately 18.1 percent of affordable housing units by 2013, it is expected to include 1,363 market rate units and 301 low-and moderate-income units for a total of 1,664 units in the secondary study area.

housing and regulatory constraints on the use and type of development. Furthermore, given the projected demand for housing in the future, the increase in property values and the increase in rents, the rezoning of the Hudson Yards area would allow new residential uses north of West Chelsea, increasing housing supply in the secondary study area and potentially ameliorating increases in rent.

2013 Future With the Proposed Action

The proposed action would continue existing and future trends in population and housing that are evident in the primary study area, secondary study area and other nearby areas of Community District 4. 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. The primary study area would capture more household growth, and less growth pressure may be felt in other parts of the borough. With the proposed action, the growth in income in both the primary and secondary study areas and borough, could 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 likely be beneficial in ameliorating these increases in rents.

The proposed action 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 1: “Project Description,” it is anticipated that the proposed action would add a substantial amount of new housing to the primary study area, based on the RWCDs (see Table 1-4 in Chapter 1, “Project Description”). The development projections 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.

Projected Development Sites

Over the course of the next decade, proposed action would result in a net increase of approximately 4,708 housing units (total of 4,809), including an estimated 4,051 market rate residential units and 657 low-and moderate-income affordable housing units. This anticipated development would add an estimated 8,287 new residents to the primary study area by 2013.⁶ This would more than double the population of the primary study area as compared to the 2013 future without the proposed action, bringing the cumulative total population of the primary study area to approximately 12,192 persons. This growth would greatly exceed the residential growth projected for the 2013 future without the proposed action, and would change the density and character of the proposed action area.

Projected development is expected to add a substantial amount of new housing both along and near the street corridors of Tenth and Eleventh avenues (see Figure 3-5). This would depart from existing trends and from the 2013 future without the proposed action condition, in that these areas are currently located in a manufacturing zone. Therefore, these areas are expected to be developed

⁶ This estimate of new residents is calculated by multiplying the number of market rate units by 1.64, which is the average household size for Manhattan Community District 4. For low-moderate income units, the number of units is multiplied by 2.50 persons, as the average household size for Manhattan community districts that have higher proportions of low-income residents in 2000 range between 2.28 and 2.90.

primarily with residential uses with the proposed action. As described in Chapter 1, ‘Project Description,’ the creation of this new housing development opportunity is an objective of the proposed action, in order to support and accommodate population growth for the City, as well as meet the strong local demand for housing. Table 3-14 provides the housing estimates for each of the 25 projected development sites, which are expected to be developed by 2013.

Unlike the 2013 future without the proposed action, new housing development constructed under the proposed action is expected to include affordable units. Among the 4,708 new units, it is estimated that approximately 14 percent, or 657 units would be affordable. These affordable units are expected to be created through both the Inclusionary Housing program, which would be permitted in the C6-4 district proposed for the northern blocks of the proposed action area, and the use of the 80/20 program. According to DCP, approximately 29 affordable units would be established through the Inclusionary Housing program, and about 628 units through the 80/20 program.

Table 3-14, Projected With-Action and Housing in the Primary Study Area on the Projected Development Sites

Site	Total Housing Units	Site	Total Housing Units
1	201	14	0
2	354	15	87
3	291	16	96
4	118	17	122
5	283	18	176
6	159	19	195
7	240	20	130
8	133	21	869
9	175	22	145
10	0	23	81
11	113	24	461
12	144	25	103
13	133	Total	4,809

Source: DCP

The inclusionary housing bonus provision requires that affordable housing be provided either on-site or at an off-site location in the same community district as the compensated development or an adjacent community district if it is within a half-mile of the compensated development. The program is only applicable in R10 or equivalent districts such as C6-4, with a base FAR of 10.0. The 80/20 program requires developers to set aside at least 20 percent of units in a development in Manhattan below 110th Street for low-or moderate-income households in order to receive a 20-year tax abatement. When abatements expire, rents may rise to market rates. In addition, NYC Housing Development Corporation and NYS Housing Finance Agency offer 80/20 programs, which offer tax-free bond financing that can be used in addition to the property tax abatement.

Potential Development Sites

The assessment of primary study area conditions also considers the 28 potential development sites, which have been identified as the sites that may be developed as a result of the proposed action

within the analysis year of 2013 but are considered less likely than projected development sites. The 28 potential development sites are shown in Figure 3-6. Table 3-15 provides the total housing and population estimates for individual potential development sites that could be developed by 2013

Table 3-15, Projected With-Action Population and Housing in the Primary Study Area on the Potential Development Sites

Site	Total Housing Units	Population ¹	Site	Total Housing Units	Population ¹
26	384	630	40	98	161
27	224	367	41	75	123
28	145	238	42	124	203
29	101	166	43	132	216
30	170	279	44	81	133
31	95	156	45	168	276
32	114	187	46	335	549
33	170	279	47	76	125
34	113	185	48	222	364
35	246	403	49	43	71
36	167	274	50	43	71
37	189	310	51	43	71
38	226	371	52	57	93
39	151	248	53	75	123

Source: DCP

¹ Based on average household size (1.64) of Manhattan Community District 4 in 2000.

Direct Displacement in the Future With the Action

According to the *CEQR Technical Manual*, if the number of units to be displaced is substantial and the loss of the existing residential population or the types of units being demolished would result in a significant change in the socioeconomic profile or housing character of the study area, a potential significant adverse impact would occur. The proposed action would not result in such significant primary residential direct displacement impacts. Most of the projected development is anticipated to take place on vacant or underutilized parcels. Only a limited amount of direct residential displacement is anticipated, and the effects of such displacement on neighborhood character are not expected to be large or significant. Although 7 of the 25 projected development sites included in the RWCDS for the proposed action contain some type of existing residential uses, most of the existing residential buildings on the projected development sites would remain, and the proposed action would not substantially alter the socioeconomic profile of the neighborhood (see Figure 3-5).

According to the *CEQR Technical Manual*, a direct displacement impact may be significant if the persons being displaced represent more than five percent of the study area population, and a population with a similar profile would not be able to relocate within the neighborhood (Chapter 3,

Section B-331). The 12 households in four buildings expected to be directly displaced as a result of the proposed action represent 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 10-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.

All 12 of the households or housing units that would be directly displaced are located in walk-up buildings (see Table 3-16). The proposed action area currently contains an estimated 250 housing units in about 28 walk-up tenement buildings. Displacement of 12 tenement units representing less than 5 percent of all units in tenement buildings and under 2 percent of the area’s total housing inventory would not be expected to have a significant effect on housing in the primary study area.

Table 3-16, Displaced Housing as a Percentage of Existing Housing Stock in Proposed Action Area

Residential Building Type	Number	Percentage
<i>Walk-up Tenement Buildings¹</i>		
Existing Number of Buildings	28	100.0%
Existing Number of Units	250	100.0%
Direct Displacement of Buildings	4	14.0%
Direct Displacement of Units	12	4.8%
<i>Other Residential Buildings²</i>		
Existing Number of Buildings	7	100.0%
Existing Number of Units	520	100.0%
Direct Displacement of Buildings	0	0.0%
Direct Displacement of Units	0	0.0%

Source: New York City Department of Finance

¹ Includes units in buildings classified as “walk-up apartments,” “store buildings,” “loft buildings with retail stores,” and primarily residential-mixed use buildings.” Most of these buildings contain under 20 units.

² Includes all other residential buildings classified as “elevator apartments” and “condominiums.”

As shown in Table 3-11, 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, residents of smaller buildings experienced the largest amount of income growth, regardless of whether they were renter- or owner-occupied. Based on this assessment, the proposed action is not likely to have significant direct residential displacement impacts.

Indirect Displacement in the Future With the Action

The proposed action is not expected to result in significant indirect displacement impacts in either the primary or secondary study areas. As discussed above on pages 3-21 and 3-22, it is unlikely that

a population at risk of displacement exists in the primary or secondary study areas. It is further unlikely that such a population would exist in the future with or without the action given the ongoing trend of rising incomes within the study areas.

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. The proposed action would result in a net increase in the population of the primary study area of about 8,287 residents. Between 1990 and 2004, the primary study area population grew by 48 percent; from approximately 2,223 to 3,288 residents (see Tables 3-1 and 3-6). Between 2004 and 2013, the population is expected to expand by another 617 residents or 19 percent, in the absence of the proposed action. Thereafter, growth is expected to slow down as the supply of available residentially zoned properties diminishes.

The population growth reflects the housing trends in the primary and secondary study areas. In the context of these existing trends, the proposed action would not create a new trend or accelerate an existing trend. 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 participation in other government programs that limit rents and tenant incomes. The same trends appear to be true in the secondary study area as well.

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 in the proposed action area.

E. DETAILED ANALYSIS OF DIRECT AND INDIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

This section combines the discussions of direct and indirect business and institutional displacement, which use similar data on existing conditions. It describes the employment and business characteristics of the primary and secondary study areas, as well as the real estate market trends in the primary and secondary study areas, with a special focus on Chelsea and the Meatpacking District, and compares study area characteristics to Manhattan and the City as a whole. As noted in Section B, “Study Area Definition, Data Sources and Methodology,” the study area for the office market analysis is slightly larger than the employment study area (primary and secondary study areas), due to the unavailability of data at the employment study area level.

Existing Conditions

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.

While total employment in the City has been steady, the mix of employment has changed significantly since 1969. The manufacturing sector, traditionally the leading employer in the City in the first half of the twentieth 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, publishing, media, tourism, and business and computer services. The boom was also heavily influenced by high-tech or dot.com industries, which include telecommunications, business and computer services sectors. Meanwhile, manufacturing employment continues to decline, following a decades-long trend in which manufacturing, 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.

Employment and Business Profiles of Study Areas

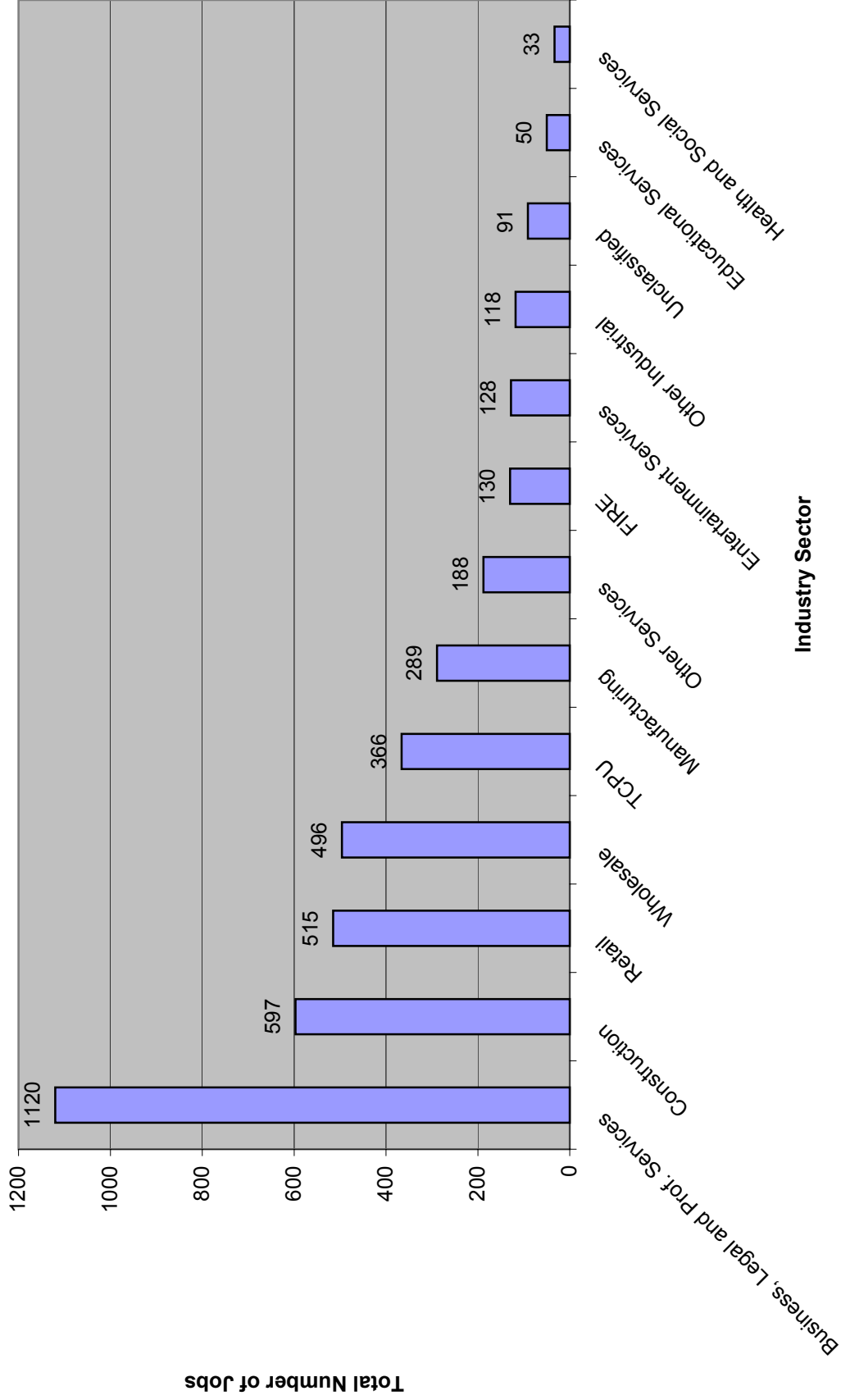
The business displacement analysis uses similar study areas to the residential displacement assessment previously shown in Figure 3-1, except that the business displacement primary study area only includes the proposed action area and does not include the eastern portions of Blocks 714 and 715 (see Figure 3-2). Table 3-17 provides summary data on private sector employment for each of the study areas, as well as for all of Manhattan. In Manhattan, employment grew by approximately 5 percent between 1991 and 2002, while employment in the primary study area increased by approximately 28 percent. The secondary study area experienced a decline in employment of about 1 percent.

Primary Study Area (Proposed Action Area)

As shown in Tables 3-17 and 3-18, the primary study area contained approximately 4,272 private sector jobs in 2002. Figure 3-7 shows the absolute number of jobs by industry sector in the primary study area and Figure 3-8 shows the number of jobs per block within the primary study area. Large concentrations of employment can be found in the northern portion of the study area on Blocks 700 and 701, which are bounded by W. 28th Street, W. 30th Street, Tenth and Eleventh avenues. Approximately 973 jobs are located on Block 700 and about 467 jobs are located on Block 701.

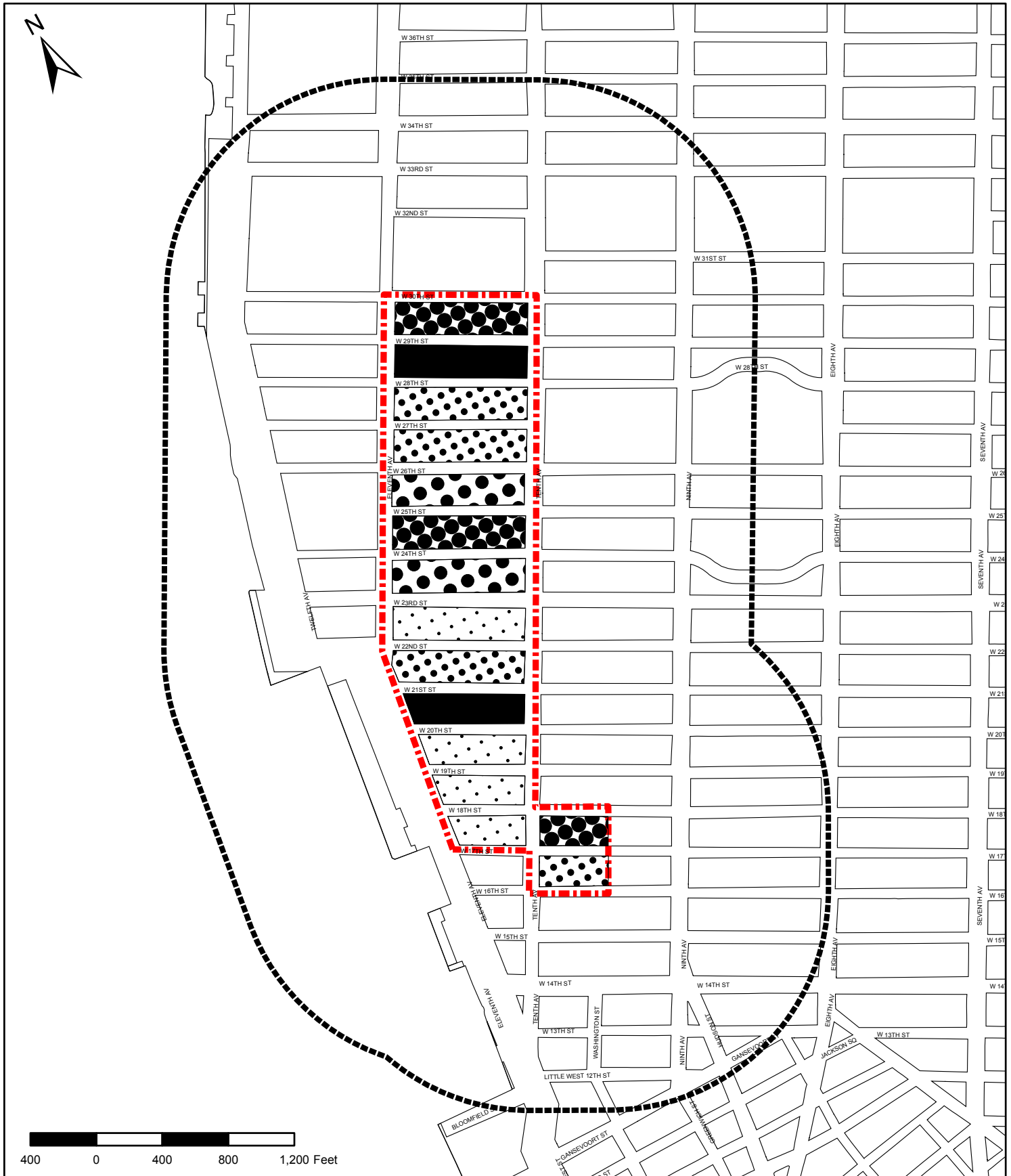
Table 3-18 illustrates that industrial employment has decreased by approximately 5 percent in the primary study area from 1991 to 2002, while non-industrial employment has increased by about 68 percent. The sector of industrial employment that has decreased most significantly in the study area is manufacturing, with a 61 percent decline, from 759 jobs to 296 jobs. Wholesale and construction employment, however, have increased at rates of about 48 and 44 percent, respectively. This circumstance is mainly attributed to an increase in wholesale distribution offices, construction and contractor offices, and warehouses, which are not considered heavy industrial uses.

Distribution of Jobs within the Primary Study Area by Industry Sector



*Prepared by Philip Habib & Associates

Private-Sector Jobs Per Block in the Primary Study Area (Year 2002)



Legend:










	Proposed Action Area		Private Sector Jobs per Block		251 - 350
	1/4-Mile Radius around Proposed Action Area				351 - 450
			0 - 150		451 - 973
			151 - 250		

Figure prepared by Philip Habib & Associates

Table 3-17, 1991 and 2002 Private Sector Employment

Study Area	Employment (Jobs)		Percent Change 1991 to 2002
	1991	2002	
Primary Study Area	3,338	4,272	28%
Secondary Study Area	39,461	39,076	-1%
Total, Remainder of Manhattan	1,643,711	1,727,850	5%
Total Manhattan	1,686,510	1,771,198	5%

Source: New York State Department of Labor (NYS DOL) data compiled by DCP (ES-202Data from 1991 and 2002)

¹ Primary study area includes only the proposed action area.

² Secondary study area includes Census tracts 77, 79, 83, 89, 93, 97,99, 103 and 111, excluding the blocks included in the proposed action area.

Table 3-18, 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	414	12%	597	14%	44%
Manufacturing	759	23%	296	7%	-61%
TCPU	315	9%	366	9%	16%
Wholesale	335	10%	496	12%	48%
Other Industrial	157	5%	119	3%	-24%
Total Industrial	1,980	59%	1,874	44%	-5%
Retail*	202	6%	608	14%	201%
FIRE	37	1%	130	3%	251%
Business, Legal & Professional Services	313	9%	1,120	26%	258%
Entertainment Services	570	17%	142	3%	-75%
Health & Social Services	4	0%	33	1%	725%
Educational Services	17	1%	50	1%	194%
Other Services	210	6%	188	4%	-10%
Total Non-Industrial	1,353	41%	2,271	53%	68%
Unclassified	5	0%	127	3%	2440%
TOTAL	3,338	100%	4,272	100%	28%

Source: NYS DOL data compiled by DCP (ES-202Data from 1991 and 2002).

* The retail sector includes both commercial art galleries and nightclubs/cabarets.

Within the non-industrial sector, health and social services have increased significantly along with business, legal and professional services, FIRE (financial, insurance and real estate), and retail. However, entertainment services and other services experienced declines of about 75 and 10 percent, respectively.

In addition to this private sector employment, the primary study area contains some public sector employment. For example, the New York City Human Resources Administration is located on Projected Development Site 7, and employs about 245 workers, the Bayview Women’s Correctional Facility is located on W. 20th Street between Tenth and Eleventh avenues, and the US Office of

Veteran Affairs is located on Projected Development Site 25 along W. 16th Street between Ninth and Tenth avenues (employing an estimated 56 workers).

There are also several non-profit employers within the primary study area including the DIA Chelsea Center for the Arts and the Chelsea Art Museum both located on W. 22nd Street between Tenth and Eleventh avenues, and the Flemister House, a recovery house for persons living with HIV or AIDS, located on W. 22nd Street between Tenth and Eleventh avenues.

Although not specifically identified in the table above, the primary study area also contains a considerable number of automotive businesses, including repair shops, gas stations, car and truck rental facilities, a car dealership, taxi-related services, and numerous parking facilities (both surface lots and multi-level garages). These parking facilities are distributed throughout the entire study area, and serve the retail and office uses in the area. The other automotive businesses are found in greater concentration on the blocks to the north of W. 24th Street and on the block bounded by W. 21st Street, W. 22nd Street, Tenth Avenue, and Eleventh Avenue but are also found scattered throughout the study area. In general, these businesses are ancillary uses, which are characterized by low levels of property investment, and are not major employment generators. Many of these properties are occupied by open parking lots without buildings, or accommodate small one-story buildings that have had little recent investment.

Industrial Employment

As shown in Table 3-18, the industrial-based sectors (construction, manufacturing, transportation, communications and public utilities [TCPU], wholesale, and “other industrial”) continue to represent almost one half of the total employment in the primary study area, despite the loss of 106 jobs between 1991 and 2002. These jobs are scattered throughout the primary study area.

Among the industrial sectors, construction comprises the largest share of employment, with about 597 jobs (32 percent). In 1991, manufacturing had the highest share of jobs, but it has declined significantly as many manufacturers have vacated the primary study area and other industrial employers (namely wholesale and construction) have grown. Remaining manufacturing businesses in the primary study area produce a variety of goods from metalwork and signs, to clothing and furniture.

Construction businesses in the primary study area, as mentioned before, are mainly administrative offices and warehouses for storage and distribution of construction materials.

Following the construction sector in size are the wholesale and TCPU sectors, which also provided a considerable number of jobs in the proposed action area in 2002. The wholesale sector accounted for approximately 12 percent of total private sector employment during third quarter 2002 (26 percent of all the industrial jobs). (In contrast, as discussed below, this sector accounts for 7 percent of total employment in the secondary study area.) The TCPU industry accounts for approximately 9 percent of the employment in the primary study area (19 percent of all industrial jobs). Most of the TCPU employment is generated by private sector trucking companies and by communication companies, such as Verizon, which has a warehouse and offices on part of Potential Development Site 45 on W. 18th Street between Ninth and Tenth avenues. The largest concentration of wholesale jobs within the primary study area is located on the block bounded by W. 29th Street, W. 28th Street, Tenth Avenue, and Eleventh Avenue.

Non-industrial Employment

The business, legal, and professional services sector is the largest private employer in the primary study area, accounting for about 1,120 jobs, or more than a quarter of total employment. Most of these jobs are located in the northern portion of the study area between W. 28th and W. 29th streets, with smaller concentrations on Blocks 697, 701, 698, 695 and 692 (see Figure 3-3). For example, there are 784 business, legal and professional services jobs on the block occupied by Elite Investigations Limited (Block 700), mostly generated by this firm, plus another 173 jobs on Block 697 to the south of it.

In addition to the office-based sector, the retail sector accounts for approximately 14 percent of the total private employment and about 27 percent of the non-industrial employment in the primary study area. The retail establishments with approximately 608 jobs consist mostly of art galleries, restaurants, bars and other nightlife establishments (including nightclubs/cabarets and bars). Figures 3-9 and 3-10 provide the geographic distribution of commercial art galleries and nightlife establishments in the primary study area. The FIRE (Finance, Insurance and Real Estate) sector with 130 jobs and entertainment sector with 142 jobs each comprise only about 3 percent of total employment. The entertainment sector mainly consists of motion picture studios and production offices clustered near Eleventh Avenue between W. 16th and W. 20th streets.

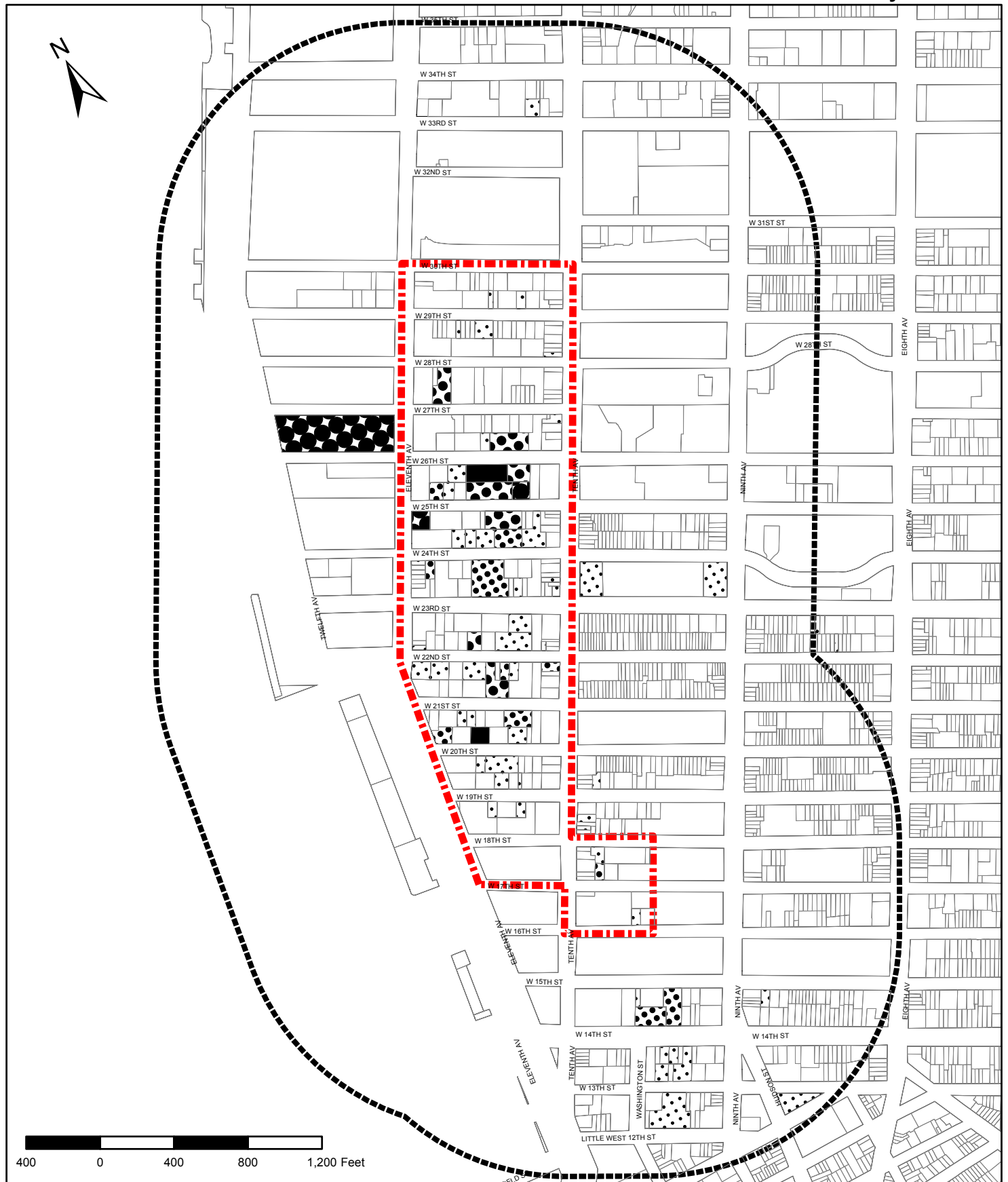
Trends

From 1991 to 2002, employment in the primary study area changed from being predominantly in the industrial sectors (59 percent in 1991) to a primarily service oriented area (53 percent in 2002). Manufacturing jobs declined by over 60 percent, while other industrial employment dropped by 24 percent. Jobs continue to be diversified among a variety of sectors, with no one particular industry sector dominating the mix of employment in the area (see Table 3-18). Overall, the primary study area experienced a 28 percent increase in jobs from 1991 to 2002. There were modest gains in the wholesale and transportation, construction and public utility sectors – presumably a consequence of the loss of manufacturing and other industrial jobs. Parking, wholesale, and other auto uses have replaced some of the manufacturing and light industrial firms. The most substantial jobs gains, however, were in retail and the business and professional services jobs, which both increased greater than threefold. This increase is notable because although manufacturing and other industrial jobs declined significantly, retail and professional service jobs expanded in sufficient quantity to produce a substantial net increase in employment in the primary study area.

Secondary Study Area

The employment profile of this area is generally 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 39,076 private sector jobs in 2002. The business, legal and professional services sector provided the largest share of employment in the secondary study area, with over 7,200 jobs or 19 percent (Table 3-19). This is followed by health and social services (15 percent), retail trade (14 percent), manufacturing (10 percent), and FIRE (8 percent).

Figure 3-9
Gallery Locations



Legend:








- | | | |
|--|---|---|
|  Proposed Action Area | Location and Number of Galleries (by lot) |  7 - 10 |
|  Socioeconomic Study Area (1/4-Mile Radius) |  1 - 2 |  11 - 14 |
| |  3 - 6 |  15 - 36 |

Figure prepared by
Philip Habib & Associates

*Note: See Appendix 3-A
for a list of galleries
referred to in this map.*

Table 3-19, 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	1,954	5%	2,592	7%	33%
Manufacturing	8,006	20%	3,835	10%	-52%
TCPU	1,624	4%	2,695	7%	66%
Wholesale	3,433	9%	2,871	7%	-16%
Other Industrial	129	0%	348	1%	170%
Total Industrial	15,146	38%	12,341	32%	-19%
Retail	3,997	10%	5,596	14%	40%
FIRE	4,956	13%	2,954	8%	-40%
Business, Legal & Professional Services	7,215	18%	7,285	19%	1%
Entertainment Services	806	2%	1,582	4%	96%
Health & Social Services	5,939	15%	5,761	15%	-3%
Educational Services	641	2%	929	2%	45%
Other Services	684	2%	1,922	5%	181%
Total Non-Industrial	24,238	61%	26,029	67%	7%
Unclassified	77	0%	706	2%	817%
TOTAL	39,461	100%	39,076	100%	-1%

Source: NYS DOL data compiled by DCP (ES-202Data from 1991 and 2002)

Between 1991 and 2002, overall employment in the secondary study area decreased by approximately 1 percent, compared to both the primary study area and Manhattan, which increased by about 28 percent and 5 percent, respectively. Among the largest losses in employment in the secondary study area were in the manufacturing and FIRE sectors. The manufacturing sector lost more than 4,000 jobs, and the FIRE sector lost slightly more than 2,000 jobs in the secondary study area.

The role of industrial-based employment in the secondary study area diminished somewhat between 1991 and 2002. In 1991, these sectors (construction, manufacturing, TCPU, wholesaling, and “other industrial”) accounted for approximately 38 percent (over 15,000 jobs) of the secondary study area’s total employment. By 2002, industrial sectors accounted for less than 32 percent (less than 12,350 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, TCPU and other industrial sectors. In 1991, the manufacturing sector was the largest single sector for employment, with about 20 percent of the area’s total jobs, but it dropped to fourth place in 2002, losing more than half of its employment, decreasing its overall share to less than 10 percent.

In addition to private sector employment, the secondary study area contains two offices for the NYC Human Resources Administration, which combined employ more than 1,300 people. Smaller clusters of public sector employment can also be found in the secondary study area including the Drug Enforcement Task Force located at 99 Tenth Avenue, and the Parking Enforcement District at 330 W. 34th Street. There are also 6 schools in the secondary study area. Additionally, the Church of the

Guardian Angel is located on the northwest corner of Tenth Avenue and W. 21st Street, and the Post Office in the Farley Building on Eighth Avenue between W. 31st and W. 33rd Streets.

There are also several non-profit employers within the secondary study area. The largest is a major healthcare insurer that is located on Ninth Avenue between W. 34th and W. 35th streets. Public television broadcaster WNET (Channel Thirteen) is also based in the secondary study area at W. 33rd Street and Tenth Avenue.

The Meatpacking District, located within the secondary study area, is specially analyzed given its proximity to and similarity with the land use and employment trends in the Special West Chelsea area. As its name suggests, the Meatpacking District is a section of the West Village long characterized by a concentration of wholesale meat cutters and distributors. It is bounded, generally, by W. 14th Street to the north, Hudson Street to the east, West Street to the west and Gansevoort Street to the south. Much like the rezoning area, the Meatpacking District is characterized by mostly one- and two-story warehouses and five- to six-story loft buildings with high lot coverage, as well as a number of tenement buildings, many of which were retrofitted for industrial use. It is zoned entirely M1-5, which allows for a broad range of commercial uses and light manufacturing, but does not allow residential. The High Line also runs through the western portion of the Meatpacking District, ending at Gansevoort Street.

Industrial

Until recently, industrial employment dominated, with wholesale meatpacking and cutting firms concentrating in the area. In 1991, industrial employment comprised 68 percent of the jobs in the Meatpacking District,⁷ dominated by wholesale meat firms, printing presses, and construction contractors. About 40 percent of the industrial employment was in the wholesale sector, which was comprised largely of meatpacking and food distribution. About 25 percent of industrial employment was in the construction sector, dominated mostly by commercial printing and jewelry manufacturing firms. Roughly one-third of the industrial jobs in the area in 1991 were with construction firms, primarily contracting operations in plumbing, air conditioning, electrical work and some commercial construction.

Industrial jobs decreased by more than half between 1991 and 2002, from 1,889 jobs to 993. The most substantial declines were in the construction and manufacturing sectors, which, respectively, lost 49 percent and 86 percent of total employment. Wholesale firms also declined by over 17 percent, or 125 jobs.

Non-Industrial

Non-industrial jobs represented about one-third of all the employment in the Meatpacking District in 1991, or about 892 jobs. The majority of these jobs were concentrated among the business, legal and professional services and retail sectors, with, respectively, 38 percent and 32 percent of total non-industrial employment. Although no single category of business dominated the professional sector, business services, architecture and graphic design firms were among the most common. Retail firms

⁷ Industrial jobs include firms classified as construction, manufacturing, TCPU, or other industrial by the New York State Department of Labor.

were comprised mostly of restaurants, delis and groceries. The handful of entertainment jobs (19) in the area was mostly with film and video production firms.

Non-industrial jobs almost doubled between 1991 and 2002, from 892 jobs to 1,871. The majority of those gains were in retail employment, which increased by over 500 jobs. Most of those gains were in restaurants, bars, clothing stores, and gift shops, reflecting the area's transition to a shopping and entertainment destination. Professional jobs also increased, by almost 40 percent or 130 jobs. In 2002, advertising agencies, public relations firms, commercial photography, and graphic design were among the most common professional firms. The entertainment sector tripled, adding 59 jobs, mostly in film and video production firms.

Trends

Much like the rezoning area, employment in the Meatpacking District changed from being predominantly in the industrial sectors (68 percent in 1991) to a primarily service oriented area (65 percent in 2002). Despite the significant changes in the area over 11 years, total employment increased only marginally, by just less than 3 percent, or 83 jobs, indicating a shift in employment patterns and real estate trends. (Real estate conditions in the area are discussed in greater detail below). Although its moniker remains, the area is now regarded as much for its nightclubs, high-end shops and trendy restaurants as it is for its meatpacking establishments. The trend has likely accelerated since 2002 as new restaurants, boutiques, art galleries and nightclubs continue to open in former industrial spaces in the area, which, in most cases, have been substantially renovated to accommodate ground floor retail, office tenants, restaurants and small shops.

Many industrial firms have left the area, including a number of meatpackers, although several remain in the Gansevoort Market on Gansevoort Street and Tenth Avenue, a City-owned cooperative of meatpacking and wholesale food establishments, as well as on other sites dispersed throughout the neighborhood.

Real Estate Market Trends- Chelsea & Meatpacking District

As noted above, in Section B, "Study Area Definition, Data Sources and Methodology," the study area for the office market analysis is slightly larger than the employment study area (includes the primary and secondary study areas), due to the unavailability of data at the employment study area level. For the purposes of this analysis, the larger real estate study area includes the area west of Fifth Avenue to the Hudson River, from W. 13th to W. 30th streets, generally equivalent to the Chelsea neighborhood boundaries (see Figure 3-3). Real estate market conditions in the Meatpacking District, located in the West Village just south of the rezoning area, were also analyzed given the area's proximity to the rezoning area and similarities in terms of real estate market trends, development patterns and building types.

The primary and secondary study areas are located on the Far West Side of Southern Midtown Manhattan, which is located to the southwest of the Midtown Manhattan CBD, the core of the New York region's economic strength. With just over one million jobs and 231 million square feet (msf) of office space, Midtown is home to the largest concentration of Fortune 500 corporations in the nation

(33 out of 50 headquarters statewide). The majority of that inventory is located in Class A office buildings,⁸ 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 approximately 172 msf of Class A space in Midtown, representing about 74 percent of the Midtown office inventory, and 76 percent of all Class A space in Manhattan.

As of the second quarter of 2004, office vacancy in Manhattan is about 10 percent, with Midtown faring slightly better at 9.6 percent.⁹ Office vacancies in Midtown South and Lower Manhattan are at 8.7 and 12.7 percent, respectively.¹⁰ 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 space pushed average office rents in Manhattan from \$33 per square foot (psf) in 1996 to nearly \$55 psf in 2000.¹¹ 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 about 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.¹²

The primary and secondary study areas contain predominantly mid-scale, high lot coverage, low and medium density development. 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, apartments and live/work spaces. As such, most of the new offices in the area were established in converted loft buildings. A growing number of art galleries are also establishing locations in converted loft buildings, adding to a growing concentration of galleries within the primary study area.

Office

Office space in the larger real estate study area (Chelsea) ranges from large office towers to small offices above retail stores. Among the most notable office buildings in the vicinity of the proposed action area are the office building at 111 Eighth Avenue, the Starrett-Lehigh Building at 601 W. 26th Street, and the Chelsea Market at 75 Ninth Avenue, a mixed-use complex that also contains wholesale establishments, small-scale food production – mostly baking – retail, and self-service or cafeteria-style restaurants. As of second quarter 2004, the Chelsea contained more than 39 million square feet (sf) of office space. The inventory is heavily weighted towards mid-to lower-end office space (Class B and C),¹ which is relatively sparse in other neighborhoods throughout Midtown. In recent years, some of the Class B and C space in the real estate study area, particularly former industrial lofts, has been converted to professional offices and residences.

⁸ 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).

⁹ NAIDG Hart "New York City Office Market Report" Second Quarter of 2004, www.naidghart.com

¹⁰ NAIDG Hart "New York City Office Market Report" Second Quarter of 2004, www.naidghart.com

¹¹ Cushman & Wakefield. "Office Market Statistics". Manhattan Mid-Year 1997 and Mid-Year 2000.

¹² Cushman & Wakefield. "Market Beat Series: Year-End 2001" and "Midtown New York Office Market, Third Quarter 2003."

In general, demand for office space in Chelsea 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 real estate 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).¹³ A notable example is the Starrett-Lehigh building, located across the street from the proposed action 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 2004, the overall vacancy rate for office space in Chelsea was 10.8 percent. The vacancy rate was higher than the rate of the Garment District neighborhood to the north (8.5 percent), but lower than Downtown to the south (12.7 percent). The second quarter 2004 average rental rate psf in Chelsea was \$28.12 compared to \$30.62 in the Garment District and \$32.40 Downtown.¹⁴

Many industrial and loft buildings in the Meatpacking District have been converted to office space in recent years, including a former commercial printer on W. 13th Street, as well as loft space above Hogs & Heifers bar on Washington Street. Most of the entire block bounded by W. 14th Street to north, W. 13th Street to the south, Washington Street to the West and Ninth Avenue to the east has been converted from industrial use to offices with ground floor retail. Currently, office space above the ground floor in the Meatpacking District rents for about \$25 to \$30 psf.¹⁵

Retail

The retail space in Chelsea is primarily located along Sixth and Seventh avenues, which serve as major retail corridors that are lined with destination retail stores serving a regional population. Eighth Avenue is also beginning to emerge as a major retail corridor with stores such as The Gap at W. 23rd Street and Banana Republic at W. 16th Street. Ninth Avenue and to a lesser extent Tenth Avenue cater to more local residential needs and are lined with restaurants, cafes and bars. The primary retail use west of Eighth Avenue is art galleries with approximately 344 galleries between W. 13th and W. 29th streets (approximately 235 galleries are located in the proposed action area). The majority of galleries are concentrated on W. 24th, W. 25th and W. 26th streets.

Art galleries, which began locating in W. Chelsea in the early 1990s, have brought increased pedestrian activity and visitors to the area, which quickly have attracted affluent shoppers, restaurants and boutiques. Artistic retailers such as the Comme des Garçons and Balenciaga have recently moved into Chelsea, on W. 22nd Street between Seventh and Eighth avenues. A large number of cafes, restaurants, and bars have also located on Eighth, Ninth and Tenth avenues. In addition, Chelsea has attracted a large number of nightlife industries; the second most prevalent retail use is nightclubs and bars with approximately 66 nightclubs and bars located to the west of Eighth Avenue between W. 12th and W. 34th streets.

The adjacent Meatpacking District has transformed in recent years from a wholesale meatpacking and food distribution hub into a popular nightlife and shopping destination. Trendy restaurants, upscale

¹³ 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).

¹⁴ New York City Office Market Report Second Quarter 2004. NAIDG Hart. www.naidghart.com

¹⁵ Haughney, Christine. “Blue Blood Runs in Meatpacking District,” *Craigslist New York Business*; March 15, 2004; Herman, Eric, “New York Real Estate Column,” *Daily News*, Feb. 5, 2003.

shopping, art galleries and nightclubs are gradually replacing the freezer storage and meatpacking establishments in the warehouses which predominant in the area. The area boasted 18 bars and restaurants in 1991. By 2002, there were 52 bars and restaurants¹⁶ in the area, and many more have opened since then. Rents for ground floor retail space in the neighborhood range from \$60 to \$100 psf.¹⁷ Popular restaurants are now paying as much as \$100 psf for ground floor space¹⁸ that, until recently, was occupied by meatpacking firms paying \$10 to \$15 psf.¹⁹

Retail rents in Chelsea are extremely diverse. Rents on the eastern side of the study area near Seventh Avenue are currently high with big box retailers such as Bed, Bath & Beyond, buybuy Baby, Barnes & Noble and Best Buy paying up to \$110 to \$150 psf, while rents in the western side of the study area near Tenth and Eleventh Avenues are as low as \$10 to \$30 psf. These are still low-end rents when compared to \$150 to \$225 psf in the nearby Flatiron District, \$250 to \$350 psf in Midtown, and \$750 to \$1,200 psf on the fashionable Fifth Avenue.²⁰

In general, ground floor commercial space rents along the avenues and W. 23rd Street in Chelsea are higher than along the cross streets. Ground floor spaces along the Tenth and Eleventh avenue corridors between W. 16th and W. 30th streets can rent as high as \$60 psf and ground floor spaces along the cross streets typically rent in the mid \$30s psf.

More retail space is expected in the western portion of the study area as retail establishments follow Balenciaga and Comme des Garçons into the Chelsea district. Rents in the western portion of the study area are also expected to climb.

Industrial

The study area contains a variety of industrial buildings. One-and two-story warehouses, distribution facilities, garages, and storage yards characterize the area west of Tenth Avenue. Older loft buildings, typically 10 to 20 stories tall, are generally located east of Ninth Avenue.

Over the last few decades, industrial real estate in Chelsea 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, gallery, residential, and other mixed-uses. According to local realtors, the movement toward residential conversion is evident. In the core of the study area, conversion of industrial space has primarily involved office, gallery and other commercial uses, as the current zoning of the area does not permit residential uses as-of-right.

Industrial buildings in the study area (both lofts and low-rise buildings) are currently selling for approximately \$125 to \$150 psf. In general, industrial buildings in Chelsea 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 Chelsea.

¹⁶ Eating and Drinking establishments as defined by NYSDOL ES202 Employment data for 1991 and 2003.

¹⁷ Holusha, John. "Commercial Property: From Grit to Chic to Tres Chic," *New York Times*. Nov. 23, 2003.

¹⁸ Siwolop, Sana. "Too Many Cooks, Too Few Affordable Spaces," *The New York Times*. Nov. 10, 2004.

¹⁹ Holusha, John. "Commercial Property: From Grit to Chic to Tres Chic," *New York Times*. Nov. 23, 2003.

²⁰ Consolo, Faith H. "NYC By the Neighborhoods" www.retailtrafficmag.com May 1, 2003.

Much of the industrial space in the Meatpacking District has been converted to office and retail use in the last few years. The blocks between W. 14th Street and Gansevoort Street and east of Washington Street and west of Ninth Avenue have been almost completely converted in recent years from industrial uses, mostly wholesale food distribution and meatpacking, to office space and retail, although some industrial uses are still scattered throughout the area. Fashion designer Diane von Furstenberg recently traded two Greenwich Village townhouses for the former Gachot & Gachot meatpacking warehouse on W. 14th Street.²¹ Most of the existing industrial uses are located on the blocks in the westernmost part of the Meatpacking District, in the warehouses along Tenth Avenue, through which the Highline runs, including the City-owned and operated Gansevoort Meat Market. However, industrial uses are limited on these blocks and several sites are currently under construction for conversion to other uses, including a hotel on Tenth Avenue. Prior to the area's transition to a shopping and dining destination, rents for industrial space in the area ranged from about \$10 to \$15 psf.²²

Direct Business and Institutional Displacement

The detailed analysis of business and institutional displacement directly resulting from a proposed action examines the employment and business value characteristics of the affected businesses and institutions to determine the significance of the potential impact. The proposed action's cumulative displacement effects on businesses and institutions and their employment could include the displacement of up to 81 private businesses and an estimated ~~722~~ 762 private employees plus two government offices with about 301 employees on the 25 identified projected development sites.²³ Figure 3-11 illustrates the location of the projected and potential development sites.

Profiles of Directly Displaced Businesses and Institutions

Most of the jobs which are expected to be directly displaced by the proposed action's projected development are part of the retail sector, and primarily consist of arts-related and entertainment jobs, including such businesses as the Lux Studios/Michael Thompson Gallery and several nightclubs/cabarets such as Lot 61, Roxy, and Marquee. A few retail stores and restaurants, such as the Chelsea Garden Center and Pep Giallo to Go restaurant, would also be directly displaced. In addition, office and warehousing jobs from the construction sector would be directly displaced such as Empire City Subway Co., and some automotive businesses (including parking lots, gas stations, and repair shops).

Two public sector offices are also expected to be directly displaced by the proposed action's projected development. The NYC Human Resources Administration, which is located on Projected Development Site 7 and employs about 245 workers, and the US Office of Veteran Affairs, which is located on part of Projected Development Site 25 and employs an estimated 56 employees would be directly displaced as a result of the proposed action.

Projected Development Sites

²¹ Wilson, Claire. "Out of the Darkness, Into the Kleig Lights," *New York Times*, June 27, 2004.

²² Holusha, John. "Commercial Property: From Grit to Chic to Tres Chic," *New York Times*. Nov. 23, 2003.

Projected and Potential Development Sites



Legend:

- Proposed Action Area
- RWCDs With-Action- Projected Sites
- RWCDs With-Action- Potential Sites

In the 2013 future without the proposed action, it is anticipated that approximately 290 jobs involving 46 firms would likely be directly displaced, as several of the projected development sites would be redeveloped in the 2013 future without the proposed action. (Refer to Chapter 2, “Land Use, Zoning and Public Policy,” for detailed information on No-Action development on the projected development sites.) The proposed action would directly displace an additional ~~1,023~~ 1,063 jobs, involving 81 private businesses and two government offices for a total direct displacement of ~~1,313~~ 1,353 jobs, involving 127 private businesses and two government offices (see Table 3-20). Table 3-20 provides a detailed description of the types of businesses or institutions to be directly displaced in both the 2013 No-Action condition and 2013 future With-Action condition on the projected development sites.

As shown in Table 3-20, a diverse range of businesses currently occupies the projected development sites. Redevelopment of the projected development sites could displace private institutions, such as 9 public parking facilities, 23 art galleries, ~~7~~ 8 nightlife establishments, 13 auto service shops, 3 restaurants, and a museum, among others.

Table 3-21 breaks down the direct displacement on the projected development sites in both the No-Action and future With-Action conditions. The table illustrates that approximately 290 jobs and 46 firms are anticipated to be directly displaced in the No-Action condition, and approximately ~~1,023~~ 1,063 jobs and 83 firms would be directly displaced in the future with the action condition.

The majority of firms to be directly displaced in the No-Action condition are located on Projected Development Site 4, which accommodates approximately 36 firms (78 percent) with about 213 employees (73 percent). The remainder of directly displaced jobs in the No-Action condition are dispersed among eight other projected development sites, including Projected Development Sites 1, 2, ~~6~~, 9, 12, 14, 18, 19, and 22.

In the 2013 future with the proposed action, most of the jobs to be directly displaced are located on Projected Development Sites 7, 25, 22 and 24, which accommodate 245, ~~124~~ 164, 112, and 110 jobs, respectively. The majority of firms to be directly displaced are located on Projected Development Site 23 with a total of 15 firms, employing 40 workers.

Based on the 2002 employment data, of the jobs that would be directly displaced by the proposed action at the projected development sites by 2013, approximately ~~24~~ 23 percent would be part of the industrial sector, about ~~46~~ 48 percent would be part of the non-industrial sector, and the remaining ~~29~~ 28 percent would be government jobs (see Table 3-22). Among the non-industrial jobs to be displaced, the majority of directly displaced jobs would be in the retail sector (~~35~~ 37 percent), affecting such businesses as art galleries, restaurants, bars, and nightclubs/cabarets. These businesses would be able to relocate within the proposed C6 commercial districts in the primary study area in the future with the proposed action. Within the industrial sector most displacement would occur in the construction, wholesale and auto service/repair sectors.

Table 3-20, Direct Displacement on Projected Development Sites (2013)

Site	Block: Lot(s)	Business or Institution
Site 1	701: 1	One commercial storage facility.
Site 2	701: 30, 33, 36, 37, 42, 43, 45	Two public parking lots, one private parking lot, one auto storage facility, two storage warehouses and one restaurant.
Site 3	700:1	Two auto service shops and one public parking lot.
Site 4	699: 5	Eight galleries, eight art/photo/design studios, three construction companies, two educational firms, four entertainment firms, one real estate firm, one social services firm, three wholesale establishments, one manufacturing establishment and three service establishments.
Site 5	699:22, 23, 24, 25, 26, 27,44	One gallery, one bar, one vehicle storage facility, one construction co., one wholesale establishment and one metal scrap yard wholesaler.
Site 6	699: 29, 31, 32, 33, 37	One auto service shop, one vacant commercial space, one bar and two delis.
Site 7	698: 1	One NYC HRA office (government).
Site 8	698: 32, 35, 37, 40	Two auto service shops, one nightclub and one art gallery.
Site 9	697: 27, 31	One filming studio and one private parking lot.
Site 10	696: 58	No existing businesses on this site.
Site 11	696: 32,33, 35,37,38	Two auto service shops, one gas station, one restaurant, one public parking lot and one wholesale establishment.
Site 12	693: 1, 64	One museum.
Site 13	696:7, 61, 63	Four galleries, one wholesaler, one medical research office, one bar, one advertising firm and one real estate firm.
Site 14	692: 53, 57	One art studio/gallery.
Site 15	692: 30, 28	Five auto repair shops and one construction company.
Site 16	691: 11	One public parking lot.
Site 17	691: 43, 50	Three art galleries and two public parking lots.
Site 18	691: 25, 27, 29, 33, 35, 37	One vehicle storage facility and one public parking lot.
Site 19	690: 12, 20, 54	One nightclub.
Site 20	690: 29	One public parking lot.
Site 21	689: 17	One private parking lot.
Site 22	715: 1, 2, 3, 60, 63, 64	One restaurant, one bar/restaurant, one bar and one art gallery.
Site 23	715: 5, 7	Eight art studios, four art galleries, one furniture wholesaler, two interior design firms and one architecture firm.
Site 24	714: 1, 63	One motion picture studio, one theater group and school, one garden store, one bakery, one sandwich shop, two electrical contractors and one auto service shop.
Site 25	714: 14, 16	One government office (US Office of Veteran Affairs), one event space , one nightclub , one art gallery, one non-profit org., one motion picture studio, one photography studio and two unidentified service establishments.
Total Estimated Private Employment = <u>1,353</u> (including 301 government employees)		
Net Employment Displacement = <u>1,063</u> (including 301 government employees)		
Total Estimated Businesses = 129 (including 2 government offices)		
Net Business Displacement = 83 (including 2 government offices)		

Source: DCP (ES-202 Data) and PHA surveys conducted in August and September of 2004.

Table 3-21, Direct Displacement in No-Action and With-Action on Projected Development Sites (2013)

Site	Existing Jobs Directly Displaced Without the Action		Existing Jobs Directly Displaced With the Action		Total Firms	Total Jobs
	Firms	Jobs	Firms	Jobs		
Site 1	1	10	0	0	1	10
Site 2	1	2	3	8	4	10
Site 3	0	0	3	10	3	10
Site 4	36	213	0	0	36	213
Site 5	0	0	5	74	5	74
Site 6	2	3	2	4	4	7
Site 7*	0	0	1	245	1	245
Site 8	0	0	4	56	4	56
Site 9	1	10	0	0	1	10
Site 10	0	0	0	0	0	0
Site 11	0	0	6	37	6	37
Site 12	1	4	0	0	1	4
Site 13	0	0	9	78	9	78
Site 14	1	10	0	0	1	10
Site 15	0	0	6	60	6	60
Site 16	0	0	1	1	1	1
Site 17	0	0	4	13	4	13
Site 18	2	26	0	0	2	26
Site 19	0	0	1	45	1	45
Site 20	0	0	1	4	1	4
Site 21	0	0	1	2	1	2
Site 22	1	12	3	112	4	124
Site 23	0	0	15	40	15	40
Site 24	0	0	9	110	9	110
Site 25**	0	0	9	<u>164</u>	9	<u>164</u>
TOTAL	46	290	83	<u>1,063</u>	129	<u>1,353</u>

Source: DCP (ES-202 Data) and PHA surveys conducted in August and September of 2004.

* Office for the NYCHRA with 245 employees.

** Office for the US Veteran Affairs Office with 56 employees

Table 3-22, Direct Employment Displacement (2013)

Sector	Number of Displaced Jobs	Percentage of Total Displacement
Construction	92	9%
Manufacturing	2	0%
TCPU	0	0%
Wholesale	55	5%
Parking/Vehicle storage	24	2%
Warehousing/Storage	12	1%
Auto service/Repairs	47	<u>4%</u>
Other Industrial	15	1%
Total Industrial	247	<u>23%</u>
Retail	<u>396</u>	<u>37%</u>
FIRE	1	0%
Business, Legal & Professional Services	45	4%
Entertainment Services	29	<u>3%</u>
Health & Social Services	17	2%
Educational Services	21	2%
Other Services	6	1%
Total Non-Industrial	<u>515</u>	<u>48%</u>
Unclassified	0	0%
Government	301*	<u>28%</u>
TOTAL	<u>1,063</u>	100%

Source: DCP (ES-202 Data for 1991 and 2002)

* This number was estimated using 4 employees per 1,000 sf

The proposed action is directly displacing 37 industrial sector firms that employ a total of 247 people. Among the businesses to be displaced are 13 auto service shops with 47 employees, 9 parking facilities with 24 employees, 5 construction firms with 82 employees and 5 wholesale establishments with 55 employees. The largest of the firms to be displaced is a construction firm called Empire City Subway Co. (a subsidiary of Verizon Communications) located on Projected Development Site 15 that employs 50 people.

Of the 82 construction jobs being displaced by the proposed action, at least 36 are office-based jobs (44 percent). These office-based construction businesses could readily relocate within the primary or secondary study areas, given the 12 percent office vacancy rate in the Chelsea area. As mentioned above, 5 wholesale establishments employing 55 people are expected to be displaced by the proposed action.

The remaining 13 auto service shops, 9 parking facilities and 2 construction firms that are not office-based would not likely be able to relocate within the primary study area but could relocate to C8 commercial districts or other M1, M2 or M3 manufacturing districts within Manhattan or in other parts of the City where they are allowed as-of-right. It is important to note that small construction contractors are allowed in the proposed C6 districts as well as in M1-5 districts without size limitation. Automotive repair shops are also permitted in M1-5 districts. Although many of these firms could relocate within the proposed action area, its is likely that in keeping with the current trend many of

these firms would relocate to appropriate zoning districts in other parts of Manhattan or in the other boroughs. While some public parking facilities would be displaced (total of 1,287 public spaces), the proposed action is expected to generate approximately 1,118 new accessory parking spaces. Additional parking would also be permitted by discretionary action pursuant to Article I, Chapter 3 of the Zoning Resolution.

Potential Development Sites

Table 3-23 provides a list of the existing businesses and institutions that could be directly displaced due to redevelopment of potential development sites (see Figure 3-11). 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 Table 3-23 have not been totaled.

As shown Table 3-23, the potential development sites are currently occupied by a wide variety of businesses and institutions. Redevelopment of potential development sites could displace private businesses, including: 18 art galleries, a Verizon garage and office building, the Crobar nightclub and several professional services and design firms.

As compared to the projected development sites, potential development sites include a greater number of parcels in the northern part of the primary study area (see Figure 3-11). The range of potentially displaced businesses and employment would be similar to that of the overall proposed action area in terms of the mix of retailers, wholesale trade, professional services, transportation and warehousing sectors.

Categories of Businesses or Institutions at Risk of Indirect Business and Institutional Displacement

Primary Study Area (Proposed Action Area)

According to the *CEQR Technical Manual*, “the issue for indirect displacement of businesses or institutions is that 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.” As indicated by the economic and real estate market conditions profile above, the primary study area, historically industrial, has experienced an influx of investment in service businesses since the early 1990’s, resulting in a change in the business mix and substantial increases in rents and building sales prices. The remaining industrial businesses, if renters, face increasing demand for their space from potential non-industrial renters and buyers. Any businesses that remain in the traditional sectors of the local economy either own their space, benefit from long-term favorable lease terms, or generate sufficient revenue to compete successfully for space with businesses in the growing service industries. In light of these conditions, this detailed analysis has not identified any categories of businesses or institutions at risk of indirect displacement.

Table 3-23, Direct Displacement from Potential Development Sites (2013)

Site	Block: Lot(s)	Business or Institution
Site 26	701: 59,62, 68, 70.	Three construction offices, one construction warehouse, one sign manufacturing company, one auto service shop, one shipping company, one industrial warehouse and one air conditioning company.
Site 27	701: 52, 55, 56, 58.	One public parking lot.
Site 28	701: 16, 22, 23.	One public parking lot, two photography studios, one art gallery, one construction company, one entertainment firm, two professional services firms and one unidentified service firm.
Site 29	701: 24, 28	Two art galleries, two art studios, one storage company, one shipping company and one antique conservation workshop.
Site 30	700: 53, 54, 55, 56, 57, 59, 60, 61	One art gallery, one art/interior design studio, one flower wholesale/arrangement workshop, one Christian church, one auto service shop, one storage company, one security company, one clothing manufacturing workshop and three professional services firms.
Site 31	700: 48, 49.	One art gallery.
Site 32	700: 45, 47.	One wholesale grocery supply, one cleaning company, one auto service shop, one car audio installation and one lounge.
Site 33	700: 9	One construction warehouse.
Site 34	700: 18	One warehouse.
Site 35	700: 29, 30, 32, 34, 36.	One restaurant, one taxi management office, one vacant commercial space, one parking lot, two auto service shops and one management corporation.
Site 36	699: 1, 63	One auto dealership and one bar.
Site 37	699: 9	<u>One government office.</u>
Site 38	699: 14, 49	One dance club and one adult entertainment club.
Site 39	697: 1	One private parking lot.
Site 40	696: 65	Eleven art galleries, one non-profit art organization, one art consulting firm, two architecture/design firms, one marketing consulting firm, one real estate consulting firm, one frame manufacturer, one photography studio, one rug wholesaler, one art publication office, one warehouse, one construction office, one museum office and one film editing company.
Site 41	696: 1	One art gallery.
Site 42	694: 31, 32, 33, 39, 40.	One bar, one veterinary hospital, one gas station and one private parking lot.
Site 43	691: 15, 19, 22	Five motion picture studios, two construction firms, one art gallery and one industrial plumbing supplies wholesaler.
Site 44	690: 46, 42.	One electronics wholesale, one retail establishment.
Site 45	715: 50, 59.	One communications infrastructure office and garage, one warehouse/storage building.

Source: DCP (ES-202 Data) and PHA surveys conducted in August and September of 2004.

Secondary Study Area

Similar to the primary study area, as more non-industrial sector firms locate within the surrounding area and former industrial lofts and warehouses are converted into office and other commercial spaces (higher rent spaces), rents and property values in the secondary study area have increased. The proposed action would not accelerate existing trends or lead to substantial increases in rents and property values that would alter the real estate market conditions faced by businesses in the area.

Thus the analysis has not identified any categories of businesses or institutions at risk of indirect displacement.

2013 Future Without the Proposed Action

In the 2013 future without the proposed action, current 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, continuing the increase in employment it experienced between 1991 and 2002. Lastly, by 2013, the borough as a whole would become more accessible through several potential new transportation projects, including the West Midtown Intermodal Ferry Terminal, the No. 7 Subway Line Extension, the Second Avenue Subway, East Side Access to Grand Central Terminal, the expansion of Pennsylvania Station operations into the neighboring James A. Farley US General Post Office Building (designated as Moynihan Station), and several Lower Manhattan transit improvements.

Absent the proposed action, growth in West Chelsea would be driven, in part, by the redevelopment of the Hudson Yards area to the north. The No. 7 Subway Extension, Multi-Use Facility, portions of the mid-block and boulevard system and Convention Center Expansion will be complete and in operation by 2013. This will bring increased accessibility and pedestrian activity to northern portions of the secondary study area. The Hudson Yards Rezoning and Development Program will also generate a substantial amount of development by 2013 including 5.4 msf of new office space, 477,000 sf of new hotel space, 200,000 sf of community facility space, 137,800 sf of new retail space and 1,664 new housing units in the secondary study area. This is anticipated to have a positive effect on the secondary study area by bringing new investment and economic activity to the in the northern half of the secondary study area and its vicinity.

Primary Study Area

In the 2013 future without the proposed action, new commercial development and employment would be generated in the primary study area as a result of as-of-right planned development projects, which are currently under construction, and proposed as-of-right commercial developments or conversions, which are anticipated to occur on 8 of the projected development sites. As shown in Table 3-24, an estimated ~~3,564~~ 3,971 new jobs would be added to the primary study area by 2013, increasing employment by approximately 83 percent above the 2002 base. Most of the new employment would be office employment with some retail and hotel employment also being generated. The only major office building that is anticipated to be constructed in the primary study area is the headquarters building of InterActiveCorp at 527-537 Eleventh Avenue, which is estimated to employ about 635 office workers.

Current trends within the primary study area are expected to continue to 2013 with increasing retail and service sector jobs and decreasing manufacturing and industrial jobs, similar to employment and development patterns in the nearby Meatpacking District, which has evolved from a primarily industrial neighborhood to a popular nightlife and shopping destination almost entirely through as-of-right development. Following borough-wide trends, the office-based and retail sectors would continue to comprise a large proportion of the area's employment base, while manufacturing and other industrial employment would continue to decline. Over time, the wholesale and construction sectors are also expected to lose employment to retail and office uses as trends in the area and the Meatpacking District continue to accelerate. In addition, the cluster of automotive businesses west of Tenth Avenue and parking facilities scattered throughout the primary study area could continue to operate, but are likely to be replaced gradually by restaurants, galleries, nightclubs, retail uses, and professional firms, such as film and video production and commercial photography, which are growing in the secondary study area. Industrial uses are expected to move to other areas in the city, as they have in the past.

In the absence of the proposed action, redevelopment on some of the projected development sites is likely to occur, and some direct job displacement would result. Nine of the No-Action projects listed in Table 3-24 would be constructed on sites where the proposed action would be expected to stimulate development, i.e. projected development sites. It is estimated that these projects would directly displace about 290 private sector jobs. These estimates are based on existing (2002) employment data; however, the actual displacement in 2013 could be different. Of the approximately 290 displaced private sector jobs, most of the job displacement (213 employees) would result from new development on the block bounded by W. 27th Street, W. 28th Street, Tenth Avenue, and Eleventh Avenue (Block 699) (Projected Development Site 4), where a 97,000 sf office building would likely be upgraded to provide higher quality office space.

Also, as shown in Table 3-24, two new gallery buildings are expected in the primary study area (though not on projected or potential development sites). Together, these buildings are expected to house approximately 407 employees.

Commercial and industrial rents are expected to continue their upward trend in the primary study area through 2013 under No-Action conditions. New uses could be similar to those in the Meatpacking District, which has the same zoning and comparable building types. Following existing trends (including the overall decline of industrial sector jobs and an increase office-based and retail employment), industrial loft buildings in the manufacturing zones would continue to be converted to office space, galleries and other permitted commercial uses, and would likely be occupied by non-industrial tenants, which typically can afford to pay higher rents. In addition, the area is expected to continue to remain attractive to restaurants, bars, and other nightlife establishments.

Secondary Study Area

In the 2013 future without the proposed action, employment in the secondary study area would also rise steadily. As shown in Table 3-25, employment in the entertainment sector would likely grow substantially mainly as a result of the Jacob Javitts Convention Center expansion, the Pier 57 development and the NY Sports and Convention Center projects, together creating more than 1,000 entertainment jobs. Office developments would dominate on Ninth, Tenth and Eleventh avenues

between W. 30th and W. 35th streets as well as the Pennsylvania Station Redevelopment Project involving adaptive reuse of the Farley Building with new office and retail uses, in total generating more than ~~21,790~~ 23,650 office jobs. Approximately ~~714~~ 1,757 retail jobs would be added to the area, primarily through the mixed-use development in Hudson Yards and in the Farley Building. Finally, more than 1,800 institutional jobs would be generated mainly by the Fashion Institute of Technology (FIT) development, the Jacob Javits Convention Center expansion and Pier 57 development.

Table 3-24, Primary Study Area: No-Action Commercial Development to be Completed by 2013

Project Name/ Address	Proposed Use	Square Footage	Estimated Employment**
PLANNED DEVELOPMENTS			
InterActiveCorp Headquarters 527-537 11 Ave. (Projected Development Site 19, Lots 12 & 54) (under construction) *	Office	<u>160,000</u>	635*
<u>520 W. 27 St.</u>	<u>Gallery Retail/ Office/ Art Studios</u>	<u>24,000/12,000/12,000</u>	<u>132</u>
<u>543 W. 25 St.</u>	<u>Gallery Retail/ Office/ Art Studios</u>	<u>50,000/25,000/25,000</u>	<u>275</u>
231 10 Ave. (under construction)	Ground floor Retail only	2,000	6
Residential Developments ***	Doormen, superintendents	<u>378</u> DU	15
PROJECTED DEVELOPMENTS			
Projected Development Site 1	Retail/ Office	25,155/201,050	879
Projected Development Site 2, Lot 43	Retail/ Office	5,555/31,328	142
Projected Development Site 4	Office	94,927	380
Projected Development Site 9, Lot 31	Retail/ Office	37,544/175,260	814
Projected Development Site 12, Lot 1	Retail/ Office	18,779/18,779	133
Projected Development Site 14, Lot 53 & 57	Retail	67,473	202
Projected Development Site 18, Lot 25, 27, 29, 33, 35 & 37	Retail/Hotel	29,498/131,100	349
Projected Development Site 22, Lot 2	Retail	2,500	9
TOTAL			<u>3,971</u>

Source: DCP

* Number taken from IAC Headquarters Accessory Garage EAS.

** Employment estimated as follows: 3 emp. per 1,000 sf of retail, 4 emp. per 1,000 sf of office, 2 emp. per 1,000 sf of hotel, 0.04 emp. per 850 sf of residential; 1 emp. Per 1,000 sf of studio.

*** Includes residential development at 231 Tenth Avenue, 559 W. 23rd Street, 519 W. 23rd Street, and 543-557 W. 23rd Street.

Table 3-25, Secondary Study Area: No-Action Commercial Development to be Completed by 2013

MAP ID*	Project Name/ Address	Proposed Use	Square Footage	Estimated Employment**
A.	FIT Dormitory 406 W. 31 St.	Community Facility/Institutional	319,356	1,064
B.	343 W. 16 St.	Residential	19,369	1
C.	DSNY Tow Pound, Bound by W. 29 and W. 30 streets & 11 and 12 avenues	Parking/Vehicle Storage	468,000	585
D.	NY Sports and Convention Center, Bound by W. 30 and W. 33 streets & 11 and 12 avenues	Retail/ Convention/Sports Facility	50,000/210,000 and 75,000 seats	4,727
E.	Jacob Javitts Convention Center Expansion, southern half of blocks bounded by W. 30 and W. 33 streets and 10 and 11 avenues. (HY ID #2)***	Retail/Office/ Community Facility	25,000/1,507,650/ 200,000	6,773
F.	368 10 Ave. (HY ID #31)***	Residential/Office/Hotel	826,606/377,708/ 477,000	2,504
G.	424 W. 33 St., southwest corner of 9 Ave. and W. 33 St. (HY ID #32)***	Residential/Retail/Office	322,916/24,219/ 1,364,724	5,547
H.	361 9 Ave. (HY ID #33)***	Residential/Retail/Office/ Transportation	514,400/38,580/ 2,173,983/ 128,600	8,997
I.	Pier 57****	Retail/Restaurant/ Ballroom/Office/Convention/ Community Facility/Marina/ Emergency/Transportation	<u>325,433 & 24 slips</u>	1,351
<u>J.</u>	<u>450 W. 14 St.</u>	<u>Retail/Office</u>	<u>10,000/40,000</u>	<u>190</u>
<u>K.</u>	<u>440 W. 14 St.</u>	<u>Retail/Design Studio</u>	<u>12,500/12,500</u>	<u>51</u>
<u>L.</u>	<u>438-450 W. 13 St., a.k.a., 856 Washington St.</u>	<u>Hotel</u>	<u>250,000</u>	<u>500</u>
<u>M.</u>	<u>Penn Station Redevelopment, Moynihan Station at the James A. Farley Post Office Building, Bound by W. 33 St., 8 Ave., W. 31 St., & 9 Ave. *****</u>	<u>Train Station/Retail/Office/US Postal Service space</u>	<u>1,400,000</u>	<u>3,300</u>
			TOTAL	<u>31,600</u>

Source: DCP

* Refer to Chapter 2 “Land Use and Zoning” Figure 2-4 for locations.

**Based on 4 employees per 1,000 sf of office, 3 employees per 1,000 sf of retail, 0.04 employees per 850 sf of residential, 1 employee per 800 sf of tow yard/vehicle storage and transportation/utility, 1 employee per 300 sf of institutional (community facility), 6 employees per 1,000 sf of restaurant, 1 employee per 1,000 sf sports facility, 1 employee per 12,500 sf of convention center and ballroom, 1 employee per 500 sf of hotel, 1 employee per 300 sf of emergency management space, and 1.6 employees per marina slip.

*** The HY ID # corresponds with the map ID that is used in the Hudson Yards FGEIS, November 2004.

**** The data for the Pier 57 development is preliminary.

***** Train station (300,000 sf) is expansion of existing operations in Pennsylvania Station into this facility (no new employees assumed); US Postal Service space (250,000 sf) is existing operations to remain (no new employees assumed).

Employment trends in the Meatpacking District are expected to continue, through the turnover of industrial buildings to non-industrial use. The real estate pressures experienced in the area would be similar to those in the rezoning area.

In the future without the proposed action the four major public use elements of the Hudson Yards Rezoning will be complete and in operation, namely the No. 7 Subway Extension, Multi-Use Facility, portions of the mid-block and boulevard system and Convention Center Expansion. This will bring increased accessibility and pedestrian activity in and around the northern areas of the secondary study area. The rezoning will also generate a substantial amount of development by 2013 including 5.4 msf of new office space, 477,000 sf of new hotel space, 200,000 sf of community facility space, 137,800 sf of new retail space and 1,664 new housing units. This will have a positive effect on the secondary study area by bringing new investment and economic activity to the in the northern half of the secondary study area and its vicinity.

2013 Future With the Proposed Action

By 2013, the proposed zoning changes would be in effect. Although the private sector is expected to take longer to respond to these changes, some degree of redevelopment is projected through 2013, including the ~~141,000~~ 160,000 sf headquarters of IAC, ~~564,254~~ 574,128 sf (net of ~~292,676~~ 195,215 sf) of new retail space, 227,564 sf (net of 198,726 sf) of community facilities and 4,809 (net of 4,708) new housing units.

In 2013, the proposed action could be expected to generate over 2,500 new jobs in the primary study area as the projected development sites become developed (see Table 3-26). These developments would be expected to generate approximately ~~2,616~~ 3,053 new jobs, which would expand the primary study area's existing employment base by about ~~61~~ 71 percent over the 2002 base of 4,272 jobs. However, the 2013 future with the action would likely generate 948 jobs less than the 2013 future without the action. This decrease in the number of jobs between the 2013 future with the action and the 2013 future without the action is expected since the primary purpose of the proposed action is to satisfy the demand for housing in the area by allowing new residential uses, while preserving the art gallery district and creating opportunities for other businesses in the mid-blocks that remain zoned M1-5.

The combined effect of new development and more flexible zoning would likely continue the existing trends in rents and land values. The industrial sector is expected to continue to decline, similar to the future without the action, and the non-industrial sectors such as office-based uses and retail are expected to grow, and absorb the additional non-residential floor area created on the projected development sites due to the additional demand for services created by the greater projected population growth. The area is expected to remain attractive to and support the art studios and commercial art galleries which would be allowed as-of-right in the proposed commercial districts, as well as in the light industrial districts which are to remain.

Table 3-26, Primary Study Area: With-Action Commercial Development to be Completed by 2013

Projected Development Site/ Project	Proposed Commercial Use	Square Footage	Estimated Employment**
PLANNED DEVELOPMENTS			
InterActiveCorp Headquarters 527-537 11 Ave. (Projected Development Site 19, Lot 12 & 54)	Office	<u>160,000</u>	635
<u>520 W. 27 St.</u>	<u>Gallery Retail/ Office/ Art Studios</u>	<u>24,000/12,000/12,000</u>	<u>132</u>
<u>543 W. 25 St.</u>	<u>Gallery Retail/ Office/ Art Studios</u>	<u>50,000/25,000/25,000</u>	<u>275</u>
231 10 Ave. (under construction)	Ground floor retail only	2,000	6
Residential Developments***	Doormen, superintendents	<u>378</u> DU	15
PROPOSED DEVELOPMENTS			
Projected Development Site 1	Retail	25,155	75
Projected Development Site 2	Retail	41,913	126
Projected Development Site 3	Retail	21,983	66
Projected Development Site 4	Retail	15,548	47
Projected Development Site 5	Retail	39,976	120
Projected Development Site 6	Retail	<u>28,637</u>	<u>86</u>
Projected Development Site 7	Retail	30,778	92
Projected Development Site 8	Retail	38,967	117
Projected Development Site 9	Retail	8,888	27
Projected Development Site 10	Community Facility (museum)	110,598	143
Projected Development Site 11	Retail	33,043	99
Projected Development Site 13	Retail	7,331	22
Projected Development Site 14	Community Facility (museum)	88,128	114
Projected Development Site 15	Retail	43,240	130
Projected Development Site 16	Retail	11,273	34
Projected Development Site 17	Retail	18,630	56
Projected Development Site 18	Retail	29,498	88
Projected Development Site 19 (w/o Lots 12 & 54)	Retail	32,900	99
Projected Development Site 20	Retail	20,700	62
Projected Development Site 21	Retail	22,905	69
Projected Development Site 22	Retail	15,586	47
Projected Development Site 24	Retail	26,378	79
Residential Developments	Doormen, superintendents, etc.	4,809 DUs	192
	TOTAL	845,181*	<u>3,053</u>

Source: DCP

* Total does not include residential square footage.

**Based on 4 employees per 1,000 sf office, 3 employees per 1,000 sf retail, 1 employee per 775 sf museum institutional and 0.04 employees per dwelling unit; 1 emp. per 1,000 sf of studio.

*** Includes residential development at 231 10 Ave., 559 W. 23 St., 519 W. 23 St., and 543-557 W. 23 St.

Reflecting the composition of traditional residential neighborhoods in Manhattan, the new employment generated by the proposed action would be almost entirely in the retail trade sectors with additional employment in the institutional sector and in residential support. In the future with the proposed action it is anticipated that ground floor retail would be more continuous along the avenues and throughout the primary study area, while the remaining light industrial, manufacturing, and

commercial office and retail uses could continue as-of-right in M1-5 areas along the mid-blocks of W. 18th to W. 22nd streets and W. 24th to W. 27th streets. Retail and office uses are expected to develop on the mid-blocks as well, consistent with existing development trends in the area and in the adjacent study areas, particularly the Meatpacking District. In addition, two new museums are also expected to establish locations in the primary study area by 2013. The Eyebeam Atelier Museum would be constructed on Projected Development Site 14, located on the south side of W. 21st Street, and another new museum would be constructed on Projected Development Site 10, located on the south side of W. 25th Street (see Figure 3-11 for location of projected development sites).

Direct Displacement in the Future With the Action

According to the *CEQR Technical Manual*, the identification of a significant direct business or institutional displacement impact depends on whether the business or institution is a defining element of neighborhood character, whether it is important to the City economy, and whether it could be located within the study area or elsewhere within the city. As noted in the Direct Business and Institutional Displacement discussion above, the number of employees to be directly displaced by the proposed action is anticipated to be ~~4,023~~ 1,063 jobs and the number of businesses (firms) to be directly displaced is expected to be less than 85 over the 10-year analysis period. As discussed under “Existing Conditions,” no single industry sector defined the primary study area in 2002. Of the 4,272 jobs in the primary study area, no one industry represented more than 26 percent of the area’s employment. However, the area is recognized as the premier center of contemporary art and supports a large concentration of commercial art galleries (235 galleries are located in the proposed action area). In addition, West Chelsea is known for its variety of nightlife establishments (22 are located in the proposed action area). As such, these two industries are discussed in detail in Section F, below.

Among the ~~4,023~~ 1,063 jobs to be directly displaced by 2013, about ~~35~~ 37 percent (~~356~~ 396 jobs) are from the retail sector; including approximately 44 art gallery employees and ~~245~~ 285 nightclub/cabaret employees. An additional 324 jobs (~~32~~ 30 percent) are in construction, wholesale, government, auto service, business, legal and professional services, and entertainment. Combined, these directly displaced jobs represent about ~~13~~ 14 percent of the total employment anticipated in the primary study area in the 2013 future with the proposed action, which is expected to introduce about 6,110 jobs. The businesses to be directly displaced include 13 auto service/repair shops, 14 art galleries, nine parking facilities, ~~five~~ six nightclubs/cabarets (including three large capacity establishments with cabaret licenses), three restaurants, three artists’ studios, two small office buildings, two warehouses and the offices of the US Office of Veteran Affairs and the NYC Human Resources Administration.

Of the ~~4,023~~ 1,063 jobs directly displaced by the proposed action in the primary study area, 247 jobs are within the industrial sector (~~24~~ 23 percent). The industrial category with the most jobs directly displaced would be construction with 92 jobs (9 percent), wholesale with 55 jobs (5 percent), auto service/repair with 47 jobs (~~5~~ 4 percent), parking/vehicle storage with 24 jobs (2 percent), warehouse/storage with 12 (1 percent), other industrial with 15 (1 percent), and manufacturing with 2 jobs (0.2 percent).

As mentioned previously, the largest portion of the direct displacement (about ~~356~~ 396 jobs) would occur in the retail sector. However, even after the anticipated displacement, there would still be over 250 existing retail jobs remaining in the primary study area. Additionally, the proposed action would

more than compensate for this loss of retail jobs, as it is expected to result a net increase of approximately ~~292,676~~ 195,215 sf of retail space, which would introduce about ~~878~~ 556 retail jobs. The second highest loss of private sector employment from direct displacement (about 92 jobs) would occur in the construction sector. This loss represents about 12 percent of the current employment in the construction sector in the primary study area

No individual business or mix of businesses to be directly displaced represents a substantial economic value to the City. While each of the displaced businesses contributes to the economy of the City, they are 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 (13 percent). In terms of economic output, the small number of businesses that would be displaced (83) 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, some of the parking spaces to be directly displaced would be replaced by the Action-generated accessory parking. Similarly, employment in other businesses to be displaced, including the auto repair shops, art galleries, restaurants, nightclubs, and offices, represents only a small portion of the 1.8 million jobs located in Manhattan alone. Further, the proposed action would add approximately ~~878~~ 556 retail employees, as well as about 256 community facility employees due to the construction of two new museums on Projected Development Sites 10 and 14.

Retail businesses make up 35 percent of all the directly displaced businesses in the primary study area. Inclusive of planned developments occurring independent of the proposed action, in the future with the action ~~more than 800,000~~ approximately 640,254 sf of new retail (net increment of ~~292,676~~ 195,215 sf of retail) is expected. Therefore, all of the directly displaced retail businesses would be able to relocate within the primary study area or other locations in the City. As mentioned above, approximately 14 art galleries, involving 44 jobs, and ~~2~~ 3 large capacity cabaret establishments, involving ~~80~~ 120 jobs, would be directly displaced as a result of the proposed action. Since the art gallery and nightclub/cabaret industries give West Chelsea a unique character, a detailed discussion of the proposed actions potential effect on these two industries is provided in Section F, below

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 where light industrial zoning exists.

It is also 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 typically 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.

The proposed action would displace existing parking and auto related uses in the primary study area. These uses are not employee-intensive and would only displace approximately 71 employees in 22 businesses. The proposed Special West Chelsea District would be governed by the underlying zoning parking requirements which allow accessory parking of up to 0.2 spaces per DU and 1 per 4,000 sf of commercial and community facility use. These future accessory-parking facilities would replace some of the lost TCPU jobs in this area as well as give opportunity for some companies to remain in this area of West Chelsea.

With respect to government institutions, it is assumed that the relevant government agencies would identify a suitable site (although not necessarily in the primary study area) for the US Office of Veteran Affairs and the NYC Human Resources Administration, and that their respective workers would remain employed at the new locations.

In conclusion, the proposed action directly displaces businesses in the retail, construction, wholesale, business, legal and professional services and auto service sectors. These businesses do not constitute a significant or unique economic value to the City or region and could be relocated within and outside Manhattan; they are not subject to regulations or publicly adopted plans to protect them; and except for commercial art gallery and nightlife establishments, they do not constitute a defining element of neighborhood character (the art gallery and nightclub displacement will be further discussed in Section F "Adverse Effects to Specific Industries"). Therefore, the proposed action is not likely to have a significant adverse direct displacement impact on business and institutional uses.

Indirect Business and Institutional Displacement in the Future With the Action

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

Primary Study Area

More than 4,700 housing units would be introduced into the primary study area by the proposed action, substantially affecting businesses in and around the primary and secondary study areas. The proposed action would have a strong positive effect on the real estate market in the area. Large amounts of investment would go into the primary study area as a broad range of commercial uses as well as residential would be allowed as-of-right under the proposed zoning. In the future with the proposed action ~~292,676~~ 195,215 sf of new retail and 198,726 sf of new community facilities would be added to the primary area. The new residents that would be introduced to the area would form a large new customer base for local retail businesses. In addition, the area would be more attractive, encouraging new businesses to come into the area and improving overall business conditions. Some of the industrial uses on mid-blocks are expected to turn over to retail uses in the future, with or without the proposed action. These firms comprised mostly of auto-related and light industrial uses, are expected to relocate to other parts of the city, as they have in recent years. Existing office uses, such as film and video production, are expected to remain in the area, as they have in the nearby Meatpacking and Ladies Mile Districts.

Because the projected development in the future with the action would benefit many area businesses in the service sector, and the consequences for other categories of businesses, particularly the industrial businesses that have already been in decline in the area, are the same with or without the action, the proposed action is not likely to have significant indirect displacement impacts on businesses and institutional uses.

Secondary Study Area

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

As discussed in the “2013 Future Without the Proposed Action”, property values and rents in the secondary study area are expected to rise with or without the proposed action. 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.

F. ADVERSE EFFECTS ON SPECIFIC INDUSTRIES

Introduction

Two specific industries have been identified as important elements of the New York City economy that could be affected by the proposed action. The commercial art gallery industry has a strong presence in the proposed action area with approximately 235 art galleries concentrated on the blocks bounded by W. 30th Street to the north, W. 16th Street to the south, Tenth Avenue to the east, and Eleventh Avenue to the west (see Figure 3-9 for distribution of art galleries). The nightclub/cabaret

industry is also prevalent with nine ten large capacity venues in the proposed action area (see Figure 3-10). The following analysis examines the relationship of the proposed action with these two important industries.

Art Gallery Industry

The traditional centers of New York City's art gallery industry have been SoHo and the Midtown areas of West 57th Street and Fifth Avenue, and Madison Avenue from the East 60s to the East 80s. In recent years, space in SoHo has become expensive and scarce, while Chelsea, and in particular West Chelsea has become a viable option for many artists and art dealers to relocate. Some galleries have even moved out of the Borough of Manhattan entirely, and have relocated to areas such as Dumbo and Greenpoint-Williamsburg in Brooklyn.

West Chelsea has emerged as the premier center of the contemporary art world, and is home to a number of emerging artists and art dealers, as well as renowned art galleries. Some 200 galleries have opened their doors in West Chelsea in recent years (see Appendix 3-A at the end of this chapter for a list of galleries in West Chelsea). Now, of the approximate 637 galleries located in Manhattan, approximately 275 are located in the broader Chelsea neighborhood (43 percent). The proposed action area, consisting of approximately 13 whole and two partial City blocks, contains about 235 galleries, or 37 percent of all the galleries in Manhattan and 85 percent of the galleries in Chelsea. Most of these galleries are located in the mid-blocks of W. 24th to W. 27th streets, with W. 26th Street serving as the unofficial "gallery row".

Existing Conditions

Manhattan Overview

The art gallery industry is an important component of New York City's economy, and the majority of art gallery related employment is located within the Borough of Manhattan. A recent study undertaken by the Alliance for the Arts in 1997 to quantify the economic impact of the "Arts" on New York City and New York State found that in 1995 the total economic impact of the arts on New York City was approximately \$11.1 billion with commercial art galleries and auction houses generating about \$823 million or 7 percent of the total revenue. Direct and indirect employment generated by the arts totaled slightly less than 130,500 employees. The report also cited the importance of "cultural tourism" to the city, which attracts many visitors and new residents every year. Many people visit New York City because of its numerous cultural attractions, including its vast array of art galleries.

Table 3-27 presents an overview of the art gallery industry in Manhattan from 1998 to 2001. As shown in Table 3-27, art gallery employment has been rising steadily in the last few years, and has increased by more than 9 percent from 1998 to 2001. The number of art gallery firms has also been increasing steadily, and has expanded by about 3 percent over the same time frame. The average employment per gallery has remained relatively constant, with approximately 3.5 employees per establishment. In 2001, more than 2,400 employees were employed at 637 art galleries, providing annual wages and salaries of almost \$150,000,000.

Table 3-27, Employment Change in the Art Gallery Industry in Manhattan (1998-2001)

Year	Annual Wages*	# of Establishments	Employment	Employment Change
1998	\$106,039	619	2,203	
1999	\$117,194	626	2,244	2%
2000	\$138,098	632	2,311	3%
2001	\$148,985	637	2,409	4%

Source: US Census, County Business Patterns, NAICS Data for New York County, 1998-2001.

* Annual wages are represented in thousands of dollars.

Notes:

The art gallery industry is composed of art dealers (North American Industry Classification System, or NAICS code 453920).

There is no historical data for this industry since the previous industry classification system (Standard Industry Classification, SIC) grouped art galleries within “other retail.” Therefore, the SIC and NAICS datasets for art galleries are not compatible.

Industry Characteristics

The New York commercial art scene is in constant fluctuation with galleries opening and closing on a regular basis. Artists and art dealers seek large, open spaces that are typically located in economically depressed areas of the city, and underutilized industrial and commercial areas. Art galleries prefer to locate in close proximity to one another, as evidenced by the high concentrations of galleries located in Chelsea, SoHo and Midtown Manhattan. Galleries usually opt for buildings with large, open floor plates with high ceilings, and favor ground floor visibility. However, many emerging first time art dealers occupy gallery space on floors containing several individual small showroom areas above the ground floor. Galleries also occupy a wide range of floor areas from a few 100 sf to more than 20,000 sf. Manufacturing zones typically offer optimal locations to find real estate that suits these specifications, as well as maintains affordable rents, particularly of concern to new and smaller art dealers.

Following the decline in factory production in the 1950s and 1960s, New York City artists and art dealers discovered large open areas in multi-storied lofts and other industrial buildings at an affordable price in an area they designated as SoHo (south of Houston Street). The vacant and underutilized early twentieth century lofts and warehouses provided ideal studio and live/work spaces with spacious interiors, high ceilings and naturally lighted spaces at affordable prices. Art galleries also looking for large ground floor retail spaces and low rents, in close proximity to artists, followed the artists into SoHo. Shortly after, shops, restaurants, bars, and other similar services entered the area, recognizing the new demand for services generated by the artists and art gallery patrons, and the increased pedestrian traffic in the area. Finally, residential uses followed, taking advantage of neighborhood improvements and amenities. Today, SoHo has evolved into a retail center, with major, upscale national and international retail chain stores, expensive restaurants and other services. The area also supports a significant affluent residential population. Rents and land values have risen dramatically, and with this many galleries and artists have been priced out of the area. Additionally, many artists and art dealers, who owned their respective spaces, have also sold or leased their properties to other parties for profits and have looked for fresh new areas to relocate.

Chelsea has begun to exhibit a similar pattern of development. Art galleries and exhibition spaces began moving into Chelsea in the late 1980s and early 1990s, when area rents and property values

were low. The area’s extensive stock of industrial lofts formerly used by auto service, printing, publishing, and storage industries had lost their value as prime industrial space and had low prices due to market conditions, which, in turn, first attracted artists and art galleries to the area. First time art dealers were able to open establishments in the area due to the affordable prices. The DIA Center for the Arts was one of the first art institutions to locate within West Chelsea, and has occupied exhibition space in the area since 1987. The DIA Center for the Arts currently has one of its main exhibition galleries, which is currently closed for renovations, at 548 W. 22nd Street between Tenth and Eleventh avenues.

According to local gallery owners, rents and property values within West Chelsea remained affordable through the mid-1990s. By the late 1990s, however, rents and property values within the area had risen dramatically, particularly for ground floor space, as West Chelsea established itself, as a destination for gallery enthusiasts. Rents and property values within the area continue to rise and have more than tripled within the last three years, as the larger, more established, financially robust galleries began to locate venues in the area. Many of the smaller galleries, which are mostly located on the upper floors of buildings in the primary study area (e.g., 529 W. 21st Street and 525 W. 26th Street), have also established venues over the last five years. Accordingly, while rents have increased, the area continues to attract increasing number of galleries.

Today, West Chelsea is the world’s showcase for contemporary art with an international customer base, offering high concentrations of galleries in multi-story loft buildings that accommodate several galleries per floor. Galleries are found in both high visibility ground floor spaces and on upper floors. Most galleries in the area are not located in prime storefronts with street visibility but are in the large spaces of multi-story former garages and warehouses. However, galleries and other art exhibition spaces primarily occupy the area’s ground floor space. Some of the more prominent galleries in the area include the Gagosian Gallery, Cheim & Read, and Mary Boone, which are located in ground floor spaces. The majority of galleries are located in converted loft buildings and garages, primarily on the mid-blocks between W. 20th and W. 27th streets. Approximately 169 galleries (61 percent of the galleries in Chelsea and 72 percent of the galleries in the proposed action area) are located in the mid-block core of the primary study area, which would not be rezoned by the proposed action.

Table 3-28 shows the rapid expansion of the commercial art gallery industry in the primary study area. Between 1991 and 2004, more than 230 galleries established locations in the primary study area. The trend has intensified during the last two years, as the number of galleries has more than tripled since 2002.

Table 3-28, Galleries in the Primary Study Area

Year	Number of Galleries
1991	2
2002	74
2004	235

Source: ES-202 Data from the NYSDOL, www.westchelseaarts.com and <http://nyartsmagazine.com>.

The Chelsea art gallery district is different from the SoHo and Midtown districts in that while Midtown showcases more traditional art and SoHo houses the more established artists, Chelsea has arts from a wide variety of media including painting, sculpture, photography and installation art from newer, less established contemporary artists. In addition, many of the more established, financially stable galleries, which largely relocated from other areas, purchased their spaces when they first moved into the area.²⁴

Across Chelsea, shops, restaurants, bars and other nightlife establishments have also started moving into the area. Retail uses now occupy much of the ground floor space on Eighth, Ninth and Tenth avenues, responding to the needs of area residents, artists and gallery visitors, among others, for places to shop and dine. In the late 1990s, responding to residential demand, the areas to the east of Tenth Avenue, including the Sixth and Seventh Avenue corridors, and along the W. 23rd Street corridor between Tenth and Eleventh avenues were rezoned to permit as-of-right residential development. Numerous residential developments and conversions have been built or are currently underway, and the demand for residential development is spreading west of Tenth Avenue.

It is important to note that the majority of the ground floor space within the newly constructed or converted residential buildings along the W. 22nd, W. 23rd, and W. 24th street corridors between Tenth and Eleventh avenues is occupied by art galleries. The recently constructed Tate at 535 W. 23rd Street accommodates approximately 10 commercial art galleries in its ground floor commercial space. The Eagle, a newly converted residential loft building at 532 W. 22nd Street, contains two galleries on its ground floor, including the well-known Sonnabend gallery; the Spears building at 525 W. 22nd Street contains approximately four galleries on its ground floor; and The Marais at 520 W. 23rd Street contains approximately two galleries on its ground floor.

According to local real estate brokers, commercial gallery space in West Chelsea currently rents for approximately \$45 to \$60 psf on the ground floor, with the higher rents typically along the avenue corridors and on W. 23rd Street. Most of the galleries on the ground floor within West Chelsea invest substantial capital into their spaces. Due to the high demand for ground floor space in the area, brokers/landowners are able to lease “unfinished spaces” (i.e., no flooring, lighting etc.) without offering any incentives or concessions to buyers/lesors. Art dealers within galleries on the ground floor typically pay high rents and invest a considerable amount of capital to renovate the spaces so that it is usable.²⁵

The upper floors of warehouse and loft buildings in the area, however, rent for less and are typically finished spaces (i.e., have flooring, lights etc.). These spaces generally rent from \$18 to \$30 psf, with the penthouse floors reaching upwards to about \$40 to \$50 psf.²⁶

Chelsea Arts Tower, a new development under construction at 543 W. 25th Street (a.k.a., 545 W. 25th Street), is an indicator of the continuing strong market for art gallery space in the primary study area.

²⁴ Brozan, Nadine (11/22/04) Homes Start to Invade A Gallery Neighborhood. *New York Times*. New York, NY: p. 1 & 11 & Holusha, John (10/12/97) Ex-Garages Attracting Art Galleries from SoHo. *New York Times*. New York, NY: p. 7.

²⁵ According to Signature Partners; NYC real estate professionals.

²⁶ According to Signature Partners; NYC real estate professionals

This development, which DCP was not aware of at the time the DEIS was prepared, will be approximately 100,000 sf, 20-story building marketed for gallery space. It will be a commercial condominium and, according to local brokers is expected to have asking sales prices of approximately \$1,000 per sf for first floor space and \$650 to \$675 per square for upper floor space. It is scheduled for completion in early 2006. Another new gallery building is planned for 520 W. 27th Street (refer to Table 3-24).

2013 Future Without the Proposed Action

Based on industry sector trends in the commercial art gallery industry, market forces would continue to shape and redefine the industry. It is likely the Citywide industry would continue to grow in terms of the number of establishments and in total employment. Art dealers and gallery owners are expected to continue to seek real estate with affordable rents in “up-and-coming areas,” as well as the established art gallery districts that now exist. However, it should be noted that many of the larger art galleries, which represent the bulk of the industry, have access to capital and invest substantial sums of money into their space. Galleries are expected to continue to locate in West Chelsea and the broader Chelsea neighborhood. West Chelsea is also likely to continue to maintain its role as the heart of the contemporary art world, and serve as the home for a substantial number of galleries, artist studios, and other art-related industries.

As discussed in Chapter 2, “Land Use, Zoning, and Public Policy,” the primary and secondary study areas would also continue to experience development pressures, primarily driven by new commercial and residential demand as the supply of available land diminishes, which could result in increases to area rents and land values. The continued trend toward mixed-use, residential development to the west of Tenth Avenue and along the street corridors of W. 22nd, W. 23rd, and W. 24th streets is expected to continue. Two new residential projects have been recently constructed on W. 23rd and W. 22nd streets between Tenth and Eleventh avenues, the Tate and the Marais, and four new residential projects are under construction on Tenth Avenue between W. 23rd and W. 24th streets, and on W. 23rd Street between Tenth and Eleventh avenues. Both the Tate and the Marais contain galleries on their ground floors, and the new residential buildings are also expected to have ground floor commercial space, which could accommodate additional galleries. Given the increasing demand for residential conversion and development in West Chelsea and the broader Chelsea area, the area is expected to experience pressures for residential development.

The proposed action area is also expected to continue to experience commercial development pressure, as vacant and underperforming industrial spaces are converted into higher-cost renovated commercial space. The long-term trends away from manufacturing and other industrial sectors and a shift to as-of-right commercial uses in the primary and secondary study areas are expected to continue. Galleries and other art exhibition spaces are expected to continue to locate within the area on ground floor spaces as well as in upper floor showrooms. The area is also expected to remain attractive to ground floor restaurants, bars and nightlife establishments, adding to a significant increase in pedestrian activity.

Expected development on the projected and potential development sites in the 2013 future without the proposed action point to an increase in office, retail and hotel uses. As a result of anticipated

development on the projected developments, approximately 9 galleries, employing about 17 workers would be directly displaced under the No-Action condition on parts of Projected Development Sites 4 and 14.

In the future without the proposed action, the four major public use elements of the Hudson Yards Rezoning would be complete and in operation including, the No. 7 Subway Extension, portions of the mid-block and boulevard system, the Multi-Use Facility and the Convention Center Expansion. This is anticipated to bring increased accessibility and foot traffic in and around the northern areas of both the primary and secondary study areas, which is expected to be beneficial to the art gallery industry. The Hudson Yards Rezoning could bring additional gallery patrons to the study area. The rezoning will also generate a substantial amount of development by 2013 including 5.4 msf of new office space, 477,000 sf of new hotel space, 200,000 sf of community facility space, 137,800 sf of new retail space and 1,664 new housing units in the secondary study area. This would also have a positive effect on the study areas by making the area more attractive, and bringing new investment and economic activity to the northern half of the study areas and its vicinity.

2013 Future With the Proposed Action

By 2013, in the future with the proposed action, the Special West Chelsea District would be established and the RWCDS development projects would be largely completed. The proposed action would enable existing manufacturing, storage, and auto-related uses to remain, but would also encourage retail and higher density residential development at various locations throughout the proposed action area. The proposed action is also expected to allow for the growth of arts-related uses, and is not anticipated to directly or indirectly displace a substantial number of commercial art galleries or gallery employees, or accelerate the loss of commercial art galleries in the study areas. Rents and property values within West Chelsea are high and are expected to continue to rise with or without the proposed action. Galleries, particularly ground floor establishments, pay premium rents and would most likely continue to be able to pay high rents in both the future without and future with the proposed action.

The proposed action would change the existing M1-5 zoning district, mapped over most of the proposed action area, to C6-2, C6-3 and C6-4 zoning districts which permit residential uses as-of-right. The existing M1-5 zoning district would be retained in the mid-blocks between W. 20th and W. 22nd streets and W. 24th and W. 27th streets, where the core of the West Chelsea art gallery district is located.

Potential Displacement Assessment

Projected Development Sites

Of the 25 projected development sites, approximately six of the sites contain at least one commercial art gallery, which are expected to be directly displaced as a result of the proposed action. On Projected Development Sites 8, 13, 17, 22, 23, and 25, the proposed action would displace a total of 14 art galleries (6 percent of galleries in the primary study area). By 2013, it is estimated that approximately 44 art gallery workers would be directly displaced. This is equivalent to about 2 percent of all art gallery jobs in Manhattan, and about 6 percent of the gallery jobs in West Chelsea.

As such, development generated by the proposed action is anticipated to only minimally affect existing art gallery industry jobs. Additionally, the 14 art galleries on the projected development sites are small establishments employing an average of three persons, which could be readily accommodated in the ~~more than 800,000~~ approximately 640,254 sf of new ground floor retail expected in the future with the proposed action, since they are an allowed use in C6-2, C6-2A, C6-3, C6-3A and C6-4 districts, as well as in M1-5 districts. The proposed action would create a substantial amount of ground floor retail space on the cross streets, approximately 100 feet west of Tenth Avenue and 100 feet east of Eleventh Avenue, which would be ideal space for galleries seeking ground floor visibility.

Given the general trends in the industry, most notably the tendency of art galleries to relocate and their high turnover rate, it is important to note that there is no certainty that these jobs would be in their current location by the time redevelopment could occur. In summary, on the projected development sites of the RWCDS, no direct adverse impacts on art gallery jobs would be anticipated.

Potential Development Sites

As discussed in Chapter 1, “Project Description,” if development does not occur on the projected development sites, the same overall amount of development could occur instead on some or all of the potential development sites (Sites 26 through 53, as shown on Figure 3-10). Although these considered possible sites for future development, these sites are considered less likely to be developed over the ten-year analysis period than the projected development sites. Site conditions, location, and market demand are among the factors contributing to the more limited likelihood for redevelopment of potential development sites.

Of the 28 potential development sites, five of the sites (Potential Development Sites 28, 30, 31, 41, and 43) contain one commercial art gallery, which could be potentially directly displaced as a result of the proposed action. It is important to note that the potential redevelopment of Potential Development Site 41 could displace one of the area’s most well-known galleries, the Gagosian Gallery at 555 W. 24th Street.

Assessment of Adverse Effects to the Art Gallery Industry

Based on the analysis of both projected development sites (with only modest levels of direct displacement of less than 50 art gallery jobs) and potential development sites (with the less likelihood of redevelopment), the potential gallery job displacement from the proposed action would be small in proportion to the overall gallery jobs in the overall industry (estimated at over 2,400, See Table 3-27). As a result, the proposed action is not expected to have a significant adverse effect on gallery industry employment.

The proposed action is also not anticipated to diminish measurably the viability of the art gallery industry in West Chelsea. Most of the larger art galleries, which represent the bulk of the industry are not vulnerable, as they currently pay premium rents, particularly ground floor establishments (\$45 to \$60 psf), and have access to capital. Galleries typically invest substantial sums of capital into their spaces. Although the proposed action would allow residential use in the proposed action area, which is not currently permitted as-of-right, the core of the West Chelsea art gallery district would retain the

existing M1-5 zoning, allowing galleries to continue to locate in the core of the West Chelsea art gallery district. Vacant space on the mid-blocks and new retail space on projected development sites is expected to accommodate the continued growth of the industry.

The existing M1-5 zoning district would continue to overlay the mid-blocks of W. 20th to W. 23rd streets and W. 24th to W. 27th streets between Tenth and Eleventh avenues, which would continue to allow art exhibition space and galleries in West Chelsea. There are currently 163 galleries in the mid-blocks where the existing M1-5 zoning will be retained. This represents 69 percent of the galleries in the proposed action area, and 26 percent of all the galleries in Manhattan. In addition to the galleries that could continue to operate as-of-right in this zone, there is still a large amount of space within the proposed M1-5 blocks to accommodate new art galleries.

The proposed action is intended to provide a planned framework for the continuation of existing trends that likely would otherwise proceed in an ad-hoc, unplanned manner in the future without the proposed action. New residential growth would be directed along appropriate avenues and streets, and is expected to primarily replace underutilized uses and vacant land formerly used for manufacturing and other industrial uses, where there is no longer a concentration of industrial activity. The new residential uses would be compatible with the art gallery industry. As art galleries are permitted as-of-right within proposed C6 zoning district, they would be able to locate within the ~~564,254~~ 574,128 sf of ground and second floor retail spaces anticipated to be developed on the projected development sites. Most of the newly constructed residential buildings on W. 22nd, W. 23rd, and W. 24th streets contain galleries on their ground floor spaces. Accordingly, it is expected that galleries would likely occupy some of the projected ground and second floor retail spaces.

It is possible that the proposed action could lead to some increases in commercial rents and property values in the primary study area, as vacant and underutilized properties are redeveloped with new residential and commercial uses. Various effects of the proposed action could increase pressures to raise rents and lead to a rise in property values, which may encourage galleries to relocate. It is not anticipated, however, that the resulting increases in rents or property values would have a substantial effect on galleries, as galleries currently pay high rents, particularly on the ground floor level.

West Chelsea and the greater Chelsea area have been experiencing an influx of residential, office, retail and other commercial uses and higher-rent profile users. Property values and rents in the area have been increasing and are expected to increase with or without the proposed action. The proposed action is not expected to accelerate existing trends or lead to substantial increases in the rents for galleries in either the primary or secondary study areas that would force them out of the area.

The proposed action could result in some positive changes for the art gallery industry. Street activity and pedestrian movements in the proposed action area, as well as in the secondary study area, are 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. The increase in housing and a more vibrant community with new open space would expand opportunities for those working in or visiting the art gallery district and would help the industry prosper and remain viable.

According to the *CEQR Technical Manual*, an action could have a significant adverse affect on a specific industry if it would “significantly affect business conditions in any industry or category of

businesses”, or if it would “indirectly or substantially reduce employment or impair the economic viability” of an industry. In conclusion, the action is not expected to have a significant adverse impact on the art gallery industry because the proposed action is not expected to affect significantly business conditions, nor is it expected to substantially reduce or impair economic viability for art galleries citywide.

Nightclub/Cabaret Industry

Introduction

The proposed action can be expected to have both direct and indirect effects on the area’s adjacent nightclub/cabaret industry. The most notable beneficial effect of the proposed action is that the creation of a new mixed-use community would provide a new and proximate neighborhood to support the nightclub/cabaret industry in terms of new patrons generated by new residents in the area as well as tourists and visitors drawn to the area by the art galleries and the High Line.

There are approximately ~~22~~ 23 nightlife establishments including dance clubs, cabarets, lounges, bars and pubs within the primary study area and 44 in the secondary study area. Of the ~~66~~ 67 nightlife establishments within the primary and secondary study areas, ~~17~~ 18 have cabaret licenses.²⁷ Only the nightlife establishments with cabaret licenses and a capacity of more than 200 people were considered for the purposes of this analysis since bars and pubs are located in almost every neighborhood in the city while large cabarets are found only in certain areas of Manhattan. The proposed action area contains ~~nine~~ ten large capacity cabarets. In the future with the proposed action, ~~two~~ three large capacity cabarets would be directly displaced. This represents ~~2~~ 3 percent of the 112 large capacity cabarets in Manhattan and ~~22~~ 30 percent of those within the primary study area.²⁸

Existing Conditions

Manhattan Overview

Cabarets are legally defined as “any room, place or space in the city in which any musical entertainment, singing, dancing or other form of amusement is permitted in connection with the restaurant business or the business of directly or indirectly selling to the public food or drink, except eating or drinking places, which provide incidental musical entertainment, without dancing either by mechanical devices, or by not more than three persons.” New York City established the cabaret law in 1926 to regulate dancing in nightclubs in the city. The law required that all venues, with dancing on the premises, have a cabaret license.²⁹ Since 1926 the law has been added to and amended a few times.

The nightclub/cabaret industry has become increasingly important to the city through the years, as Manhattan became known worldwide as a nightlife hotspot. According to a study carried out by the New York Nightlife Association (NYNA) in January of 2004, the nightlife industry in New York City

²⁷ According to www.manhattancb4.org, as of July 2004 and DCP.

²⁸ According to the 2004-05 Zagat *New York City Nightlife Survey*.

²⁹ Excluding “incidental dancing”.

generated an estimated \$9.7 billion in annual economic activity. This economic activity supports about 95,500 jobs and generates about \$391 million in local tax revenues. Table 3-29 summarizes this analysis of economic activity associated with the two key areas of economic activity associated with the industry, including: industry spending and visitor spending.

Table 3-29, Nightclub/Cabaret Industry’s Economic Impact, 2004

Economic Activity	Millions of Dollars		
	Direct	Indirect	Total
Industry Spending	\$1,285	\$1,584	\$2,869
Visitor Spending	\$5,284	\$1,567	\$6,851
Total	\$6,569	\$3,151	\$9,720

Source: *The \$9 Billion Economic Impact of the Nightlife Industry on New York City, 2004.*

The nightclub/cabaret industry is partially dependent on drawing visitors to New York City, which brings new economic activity to the area. According to the NYNA study, 36 percent of all the nightlife attendees were non-New York City residents, including 22 percent from the New York City suburbs and 5 percent international visitors. The largest single component of the industry is direct visitor spending which includes all visit-related outlays, such as hotels, restaurants, transportation and shopping. This generated \$5.3 billion in direct annual spending, and indirectly generated another \$1.6 billion in economic activity.

Industry spending generated about \$2.8 billion in annual activity, including about \$1.3 billion in direct activity and about \$1.6 billion in indirect or generated activity. Industry spending includes labor, supplies and other operational expenditures.

Table 3-30 is based on data for “Drinking places (alcoholic beverages)” as categorized by the NAICS Code #722410. The table shows the change in employment in the restaurant/nightclub industry in Manhattan from 1998 to 2001. The table shows that although employment has been increasing steadily, it increased at a high rate (7 percent) from 1999 to 2000 and grew at a slower rate from 2000 to 2001 (4 percent). Also, although employment numbers have risen steadily, the number of establishments from 1998 to 2001 has decreased.

While the County Business Patterns data show that Manhattan had 4,175 places that served alcoholic beverages in 2001, according to the Department of Consumer Affairs (DCA) there are 158 establishments with cabaret licenses in the city and 112 of them have a capacity of over 200 people. Therefore, the DCA number was used for comparison purposes herein in the study in order to focus specifically on large nightclubs – which have unique location preferences – rather than on all bars, which are located in virtually every neighborhood in the city.

Table 3-30, Employment Change in the Nightclub* Industry in Manhattan (1998-2001)

Year	Wages	# of Establishments	Employment	Annual Employment Change
1998	\$201,029	4,208	17,657	
1999	\$217,092	4,141	18,099	3%
2000	\$252,633	4,173	19,403	7%
2001	\$263,320	4,175	20,140	4%

Source: U.S. Census, County Business Patterns for Manhattan 1998-2001

* These data include all restaurants serving alcoholic beverages as well as nightlife establishments in Manhattan.

Primary Study Area

As mentioned before, there are ~~nine~~ ten large capacity cabarets (defined as establishments with cabaret licenses and a capacity of more than 200 people) within the primary study area and eight within the secondary study area. They represent ~~8~~ 9 percent and ~~15~~ 16 percent (cumulatively) of the 112 large capacity cabarets in Manhattan, respectively. The study areas contain a wide variety of cabarets from strip bars like Scores on W. 28th Street and Privilege New York on W. 23rd Street, trendy clubs like Marquee on Tenth Avenue and W. 26th Street and large industrial dance clubs like Crobar on W. 28th Street. A complete table of all the large capacity cabarets in the primary and secondary study areas can be found in Appendix 3-B and by location in Figure 3-10. Most of the large capacity cabarets within the primary study area have located there recently. Many clubs make significant investments in their properties even though they do not stay open for more than a few years.

Cabarets in the primary study area usually locate in one-to two-story freestanding buildings with large floor plates. The larger cabarets pay \$25 to \$35 psf in rents for larger one-and two-story buildings while the smaller cabarets typically pay \$35 to \$45 psf for ground floors in commercial buildings. Some of the larger cabarets lease their spaces for less than \$25 psf in exchange for paying for major renovations to the building.³⁰

Location Preferences

Cabarets, like art galleries, often locate in close proximity to each other. There are nightclubs, clubs, bars and lounges in every neighborhood of Manhattan: from small neighborhood bars on the Upper East Side to trendy lounges in the East Village and large dance clubs in Chelsea. West Chelsea has a particular concentration of large capacity cabarets including Crobar, Roxy and Octagon. Recently there has been an influx of cabarets into the area that have become among the most popular nightlife destinations in the city, including Marquee, Coral Room, and Suite 16. West Chelsea offers large spaces in old industrial buildings as well as large lots adequate for building structures with large floor plates.

³⁰ According to Signature Partners; NYC real estate professionals.

Zoning Restrictions

Cabarets are classified as Use Group 12 in the NYC Zoning Code. Use Group 12 is defined as “Eating or drinking establishments with entertainment and a capacity of more than 200 persons, or establishments of any capacity with dancing.” Cabarets are allowed as-of-right in commercial districts C4, C6,³¹ C7 and C8 and all manufacturing districts, with some exceptions. A Special Permit pursuant to zoning resolution section 73-243 can be obtained to locate a cabaret in C1-1, C1-2 and C1-3 commercial districts. Also, a Special Permit pursuant to section 73-244 can be obtained to locate cabarets in C2, C3, C4, M1-5A, M1-5B, M1-5M and M1-6M Districts and the Special Tribeca Mixed Use District. Cabarets are allowed as-of-right under the current M1-5 zoning in the primary study area. In the future with the proposed action cabarets would also be allowed as-of-right under the proposed C6 zoning and remaining M1-5 zoning cores, therefore they would be allowed as-of-right in all of the primary study area in the future with the proposed action.

Licensing Process

The process to acquire a cabaret license in New York City involves several steps and approvals. First, a licensed electrician must inspect the building to make sure it complies with current electrical building codes. Second, the Fire Department must inspect the building to make sure it complies with all fire safety codes (a current Place of Assembly permit would render this inspection unnecessary). If the building does not pass either of these two inspections the necessary corrective measures would need to be undertaken to further pursue the license. If the building passes these two inspections then a complete application must be filed at the New York City Licensing Center. The application must include:

- A Basic Premise License Application form, filled.
- A notarized copy of the Business Certificate, the Partnership Certificate or a stamped Certificate of Incorporation or filing receipt.
- A sales tax identification number
- A photo ID of the person submitting the application
- An affidavit operating prior to the issuance of a license form, filled.
- Environmental Control Board Clearance
- Current Place of Assembly Permit
- Certificate of Occupancy
- Current Food Service Establishment Permit
- Certificate of flame resistance of drapes on the premises, if any.
- Affidavit of Compliance with Zoning Resolution § 11-113 which prohibits the creation of a new, or enlargement of, an adult establishment.
- Notarized Affidavit of Security Personnel Background Check
- Notarized Child Support Certification form
- License fee (\$600-\$1,000 + extra rooms).

³¹ C6 districts require that cabarets have an interior waiting space.

2013 Future Without the Proposed Action

As mentioned above, the primary study area is changing: its manufacturing jobs are being replaced by retail and professional service jobs. This is changing the area considerably, as the large industrial buildings that housed these manufacturing jobs are being torn down or renovated into higher quality office lofts and buildings with smaller footprints, more adequate for retail and office use. Higher quality office and retail buildings charge higher rents than the old manufacturing buildings, driving rents up in the primary study area. This change is expected to continue in the future with or without the proposed action. Because of this continued shift in land use patterns, in the future without the proposed action, it is expected that the larger cabarets will have some difficulty in finding the large spaces they require within the primary study area. If the availability of lots with large footprints does decrease these establishments could relocate to other areas within Manhattan. In the future without the proposed action, entertainment uses would continue to establish in the primary study area as-of-right.

Additionally, four major elements of the Hudson Yards Rezoning will be complete and in operation in the future without the proposed action, including: the No. 7 Subway Extension, portions of the mid-block and boulevard system, the Multi-Use Facility and the Convention Center Expansion as well as some projected development induced by the rezoning. This will bring increased accessibility and pedestrian activity in and around the northern areas of the secondary study area. This will benefit the nightclub/cabaret industry in the area as it will increase the cabaret's accessibility as well as bring new patrons to the area.

2013 Future With the Proposed Action

In 2013, under With-Action Conditions, cabarets would be able to locate in all of the primary study area as-of-right under the proposed C6 and existing M1-5 zoning. Residential uses would be widespread in the primary study area as well as retail ground floor uses including neighborhood retail stores and art galleries. The area will remain an attractive location for nightlife establishments, and existing nightclubs will continue operate as-of-right in the primary study area. Nightlife establishments could continue to locate in the area to benefit from increased residences and foot traffic.

Potential Displacement Assessment

Projected Development Sites

As previously mentioned, in the future with the proposed action a total of ~~two~~ three businesses would be directly displaced. These are Marquee on Projected Development Site 8, ~~and~~ Roxy on Projected Development Site 19, ~~and the recently opened GLO on Projected Development Site 25 (opened since the preparation of the DEIS).~~ These businesses employ approximately ~~80~~ 120 workers within the primary study area. This represents a direct displacement of ~~2~~ 3 percent of the large capacity cabarets in Manhattan, ~~45~~ 17 percent in the secondary study area and ~~22~~ 30 percent in the primary study area. The direct employment displacement of ~~80~~ 120 workers represents ~~0.2~~ 0.3 percent of the total number of employees in the secondary study area and ~~2~~ 3 percent of those in the primary study area.

Potential Development Sites

In the future with the proposed action three cabarets could be directly displaced from potential development sites in the primary study area, including the Crobar dance club and Scores on Potential Development Site 38 and Coral Room on Potential Development Site 32. These businesses currently employ about 260 people.

Assessment of Adverse Effects to the Nightclub/Cabaret Industry

As shown, the primary study area does contain a concentration of cabarets. This small cluster of firms (nine businesses, approximately 8 percent) does not represent a significant portion of the industry in New York City, and the action is unlikely to preclude existing and new firms from locating to other sites in both the primary study area and surrounding areas.

In the future with the proposed action, cabarets and all other nightlife establishments would be allowed as-of-right under the proposed C6 zoning. In addition, the new residents in the primary study area would constitute a new customer base for the cabarets in the area.

Although residential uses and nightlife establishments, especially large capacity cabarets are not highly compatible uses, they can coexist with the proper regulations. City laws exist that regulate noise and disorderly conduct that may be associated with drinking and dancing establishments. It is expected that a properly operated cabaret should not be a nuisance to its surrounding neighborhood and should not have compatibility issues with residential uses.

Rents in the primary study area are expected to increase with or without the proposed action and this increase is not expected to affect large cabarets since they already pay rents of up to \$35 psf in the primary study area. Lots with large footprints are expected to be in shorter supply in the primary study area by 2013. Therefore, the ~~two~~ three large capacity cabarets that would be directly displaced by the proposed action could have to relocate to other areas within Manhattan and the other boroughs. There are buildings with large floor plates in many other locations throughout the City and the large capacity cabarets should not have difficulty relocating to other commercial and manufacturing districts where they can be accommodated.

Therefore, even though rents and property values are expected to increase in the primary study area, this would occur in the future with or without the proposed action. The proposed action would directly displace ~~2~~ 3 percent of the large capacity cabarets in Manhattan and ~~22~~ 30 percent (~~two~~ three of ~~ten~~ nine) of those within the primary study area. Of these, most could relocate elsewhere in the City.

According to the *CEQR Technical Manual*, an action could have a significant adverse affect on a specific industry if it would “significantly affect business conditions in any industry or category of businesses”, or if it would “indirectly or substantially reduce employment or impair the economic viability” of an industry. In conclusion, the action is not expected to have a significant adverse impact on the nightclub industry because the proposed action is not expected to significantly affect business

conditions, nor is it expected to substantially reduce or impair economic viability for nightclubs citywide.

APPENDIX

**TABLE 3-A
ART GALLERIES IN CHELSEA**

No.	Block	Lot	Gallery Name	Address
1	694	7501	303 Gallery	525 W. 22nd St.
2	697	23	511 Gallery	511 W. 25th St.
3	697	47	@304.art	526 W. 26th St.
4	697	23	A.I.R. Gallery	511 W. 25th St.
5	692	15	ACA Galleries	529 W. 20th St., 5th Fl.
6	692	15	Admit One Gallery	529 W. 20th St., 4th Fl.
7	696	49	Agora	530 W. 25th St., 2nd Fl.
8	716	2	Alexander and Bonin	132 10th Ave. @ 18th St.
9	696	49	Allen Sheppard Gallery	530 W. 25th St.
10	700	56	Alona Kagan Gallery	540 W. 29th St.
11	693	18	American Fine Arts, Co.	530 W. 22nd St.
12	696	49	Amos Eno Gallery	530 W. 25th St., 6th Fl.
13	697	23	Amsterdam Whitney	511 W. 25th St.
14	692	15	Andre Zarre Gallery	529 W. 20th St., 7th Fl.
15	696	7501	Andrea Rosen	525 W. 24th St.
16	692	15	Andrew Edlin Gallery	529 W. 20th St. 6th Fl.
17	693	18	Annina Nosei Gallery	530 W. 22nd St., 2nd Fl.
18	691	50	Anton Kern	532 W. 20th St.
19	692	7	Ariel Meyerowitz Gallery	120 11th Ave., 2nd Fl.
20	696	65	Art @ Urban Architecture, Inc.	210 11th Ave., 4th fl.
21	696	49	Art of this Century	530 W. 25th St., 6th Fl.
22	705	29	Art Resources Transfer/ A.R.T. Press	511 W. 33rd St., 3B
23	746	24	Atelier A/E	323 W. 22nd St.
24	712	14	AU Base Gallery	433 W. 14th St.
25	697	47	Audiello Fine Art Inc.	526 W. 26th St.
26	701	28	Aurora Gallery	515 W. 29th St.
27	697	47	Axel Raben Gallery	526 W. 26th St., 304
28	715	5	Axis Gallery	453 W. 17th St., 4th Fl.
29	694	7501	Barbara Greene Fine Art	525 W. 22nd St.
30	712	21	Baumgartner Gallery	418 W. 15th St.
31	692	15	Beatrice Conde	529 W. 20th St., 6th fl.
32	715	5	Bespoke Gallery	453 W. 17th St.
33	692	15	Bill Maynes	529 W. 20th St., 8th Fl.
34	696	49	Blue Mountain Gallery	530 W. 25th St., 4th Fl.
35	693	18	Bonadkar Jancou	521 W. 21st St.
36	697	42	Bose Pacia Gallery	508 W. 26th St., 11th Fl.
37	672	1	Bound & Unbound	601 W. 26th St., 1201
38	696	49	Bowery Gallery	530 W. 25th St., 4th Fl.
39	692	15	Brenda Taylor Gallery	529 W. 20th St.
40	693	18	Brent Sikkema	530 W. 22nd St.

No.	Block	Lot	Gallery Name	Address
40	693	18	Brent Sikkema	530 W. 22nd St.
41	701	22	Briggs Robinson Gallery	527 W. 29th St.
42	693	37	Bruce Silverstein Gallery	504 W. 22nd St.
43	672	1	Bryce Wolkowitz Gallery	601 W. 26th St., Ste. 1240
44	699	5	Cadena Gallery	547 W. 27th St.
45	697	42	Caelum	508-526 W. 26th St.
46	697	47	Caren Golden Fine Art	526 W. 26th St., 2nd fl.
47	646	32	Casey Kaplan	416 W. 14th St.
48	699	5	Ceres	547 W. 27th St., 2nd Fl.
49	696	65	Chambers Fine Art	210 11th Ave., 2nd Fl.
50	697	47	Chappell Gallery	526 W. 26th St., 317
51	696	10	Charles Cowles Gallery	537 W. 24th St.
52	697	8	Cheim & Read	547 W. 25th St.
53	693	64	Chelsea Art Museum	556 W. 22nd St.
54	691	24	Chelsea Studio Gallery	515 W. 19th St.
55	692	15	Christinrose Gallery	529 W. 20th St., 2nd Fl.
56	697	47	Clementine Gallery	526 W. 26th St., Ste. 211
57	712	14	Clinica Aesthetica	427 W. 14th St.
58	692	15	COFA/claire oliver fine art	529 W. 20th St., 2w
59	716	4	Cohan and Leslie	138 10th Ave. (btwn 18th and 19th)
60	694	14	CRG Gallery	535 W. 22nd St., 3rd Fl.
61	697	23	Cue Art Foundation	511 W. 25th St.
62	712	14	Cynthia Broan Gallery	423 W. 14th St.
63	694	7501	D'Amelio Terras	525 W. 22nd St.
64	692	41	Daniel Silverstein Gallery	520 W. 21st St.
65	697	47	David Krut Projects	526 W. 26th St., 816 & 608
66	691	19	David Zwirner	525 W. 19th St.
67	694	7501	DCA Gallery	525 W. 22nd St.
68	698	18	Debs & Co.	525 W. 26th St., 2nd Fl.
69	698	18	DeChiara	521 W. 26th St., lower level
70	692	15	Dee/Glasoe	529 W. 20th St., 9th Fl.
71	692	15	Denise Bibro Fine Art	529 W. 20th St., 4th Fl.
72	697	47	Derek Eller Gallery	526-30 W. 25th St., 2nd Fl.
73	693	59	DIA Center for the Arts: Chelsea	548 W. 22nd St.
74	697	23	DJT Fine Art/Dominic J. Tagliatella	511 W. 25th St., 2nd Fl.
75	692	15	Dorfman Projects	529 W. 20th St., 7th Fl. E.
76	696	65	Edition Schellmann	210 11th Ave, 8th Fl.
77	672	1	Edlin Fine Art	601 W. 26th St. 2nd fl.
78	696	65	Edward Thorp	210 11th Ave., 6th Fl.
79	697	47	Elga Wimmer	526 W. 26th St.
80	692	7	Elizabeth Dee Gallery	545 W. 20th St.
81	692	15	Elizabeth Harris	529 W. 20th St.
82	694	14	Ernest Shaw at Ricco/Maresca Gallery	535 W. 22nd St.
83	698	18	Esso Gallery & Books	531 W. 26th St.
84	708	31	Exit Art	475 10th Ave.
85	692	53	Eyebeam	540 W. 21st St.
86	699	5	Eyestorm	547 W. 27th St.
87	696	49	Feature Inc.	530 W. 25th St., Gr. Fl.
88	692	15	Feigen Contemporary	535 W. 20th St.
89	697	47	First Street Gallery	526 W. 26th St., 915

No.	Block	Lot	Gallery Name	Address
90	696	65	Fischbach Gallery	210 11th Ave., 801
91	697	13	Florence Lynch Gallery	531-539 W. 25th St., Gr. Fl
92	699	5	Foley Gallery	547 W. 27th St.
93	692	15	Folin/Riva	529 W. 20th St.
94	699	5	Foxy Productions	547 W. 27th St.
95	693	37	Fredericks Freiser Gallery	504 W. 22nd St., Gr. Fl.
96	694	14	Frederieke Taylor Gallery	535 W. 22nd St., 6th Fl.
97	694	14	Freidrich Petzel	535 W. 22nd St.
98	695	67	Gagosian Gallery	555 W. 24th St.
99	695	15	Galeria Ramis Barquet	532 W. 24th St.
100	697	47	Galerie Lelong	528 W. 26th St.
101	695	65	Gallery 24	552 W. 24th St.
102	692	15	Gallery Alexie	529 W. 20th St., 4th Fl.
103	697	5	Gallery Henoch	555 W. 25th St.
104	697	13	Gary Tatintian Gallery, Inc.	525 W. 25th St.
105	712	51	Gavin Brown's Enterprise, Corp.	436 W. 15th St.
106	692	15	Generous Miracles	529 W. 20th St., 8F
107	697	23	George Billis Gallery	511 W. 25th St., Gr. Fl.
108	696	20	Gladstone Gallery	515 W. 24th St.
109	697	47	Gordon Green Gallery	526 W. 26th St. Suite 701
110	697	47	Gorney Bravin & Lee	534 W. 26th St.
111	693	37	Gracie Masion	504 W. 22nd St.
112	697	47	Greene Naftali	526 W. 26th St.
113	696	65	Haim Chanin Fine Arts	210 11th Ave (btwn 24th and 25th)
114	694	42	Heidi Cho Gallery	522 W. 23rd St.
115	646	30	Heller Gallery	420 W. 14th St.
116	697	47	Henry Urbach Architecture	526 W. 26th St., 10th Fl.
117	692	15	Howard Scott	529 W. 20th St., 7th Fl.
118	692	15	I-20 Gallery	529 W. 20th St.
119	672	1	International Poster Center	601 W. 26th St., 13th fl.
120	697	47	International Print Center New York	526 W. 26th St., Rm. 824
121	697	13	J. Cacciola Gallery	531 W. 25th St.
122	692	23	Jack Shainman	513 W. 20th St.
123	692	41	Jack Tilton Gallery	520 W. 21st St.
124	698	16	James Cohan Gallery	533 W. 26th St.(btwn 10th and 11th)
125	672	1	Jan Van Der Donk Rare Books, Inc.	601 W. 26th St., 12th fl.
126	695	7501	Jason McCoy Inc.	525 W. 22nd St.
127	700	29	Jay Grimm	505 W. 28th St., ground fl.
128	697	23	Jeff Bailey Gallery	511 W. 25th St., 808
129	697	42	Jeffrey Coploff	508 W. 26th St., 318
130	700	29	JG Contemporary/James Graham & Sons	505 W. 28th St.
131	695	34	Jim Kempner Fine Art	501 W. 23rd St.
132	692	15	John Elder Gallery	529 W. 20th St., 7W
133	746	63	John Stevenson Gallery	338 W. 23rd St.
134	692	15	John Weber Gallery	529 W. 20th St.
135	692	15	Josee Bienvenu Gallery	529 W. 20th St., 2nd Fl.
136	672	1	Julie Cencebaugh Contemporary	601 W. 26th St.
137	694	14	Julie Saul Gallery	535 W. 22nd St., 6th Fl.
138	646	57	Karen McCready Fine Art	425 W. 13th St.
139	697	13	Kashya Hildebrand Gallery	531 W. 25th St.

No.	Block	Lot	Gallery Name	Address
140	692	15	Kathryn Markel Fine Arts	529 W. 20th St., 6W
141	712	14	Katzen-Stein	421 W. 14th St.
142	697	13	Kent Gallery	541 W. 25th St.
143	692	15	Kim Foster	529 W. 20th St.
144	690	46	Klemens Gasser & Tanja Grunert Inc.	524 W. 19th St., 2nd Fl.
145	693	18	Kravets/Wehby Gallery	521 W. 21st St., Gr. Fl.
146	697	56	Lehmann Maupin	540 W. 26th St.
147	696	65	Lemmons Durham Contemporary Art	210 11th Ave., 8th Fl.
148	694	14	Leslie Tonkonow Artworks + Projects	535 W. 22nd St., 6th Fl.
149	695	15	LFL Gallery	530 W. 24th St.
150	695	65	LiebmanMagnan	552 W. 24th St., 2nd fl.
151	693	37	Linda Kirkland Gallery	504 W. 22nd St, 2nd fl.
152	692	15	Lindenberg	529 W. 20th St.
153	697	47	Lindsey Brown	526 W. 26th St., 6th fl.
154	697	13	Lohin Geduld Gallery	531 W. 25th St.
155	698	18	Lombard-Freid Fine Arts	531 W. 26th St.
156	712	14	Long Fine Art	427 W. 14th St.
157	701	28	Lost Art	515 W. 29th St., PH
158	697	42	Lucas Schoormans	508 W. 26th St., 11B
159	696	7501	Luhring Augustine	531 W. 24th St.
160	715	60	Lux Studios/Michael Thompson, Inc.	456 W. 18th St.
161	697	47	Lyons Wier Gallery	526 W. 26th St, 7th fl.
162	697	23	lyonsweirgallery	511 W. 25th St., 205
163	697	23	Margaret Thatcher Projects	511 W. 25th St., 404
164	694	14	Marianne Boesky Gallery	535 W. 22nd St.
165	697	47	Marvelli Gallery	526 W. 26th St., 205
166	696	10	Mary Boone Gallery	541 W. 24th St.
167	697	47	Massimo Audiello	526 W. 26th St. 5th fl.
168	693	18	Matthew Marks Gallery	521 W. 21st St.
169	693	46	Matthew Marks Gallery	522 W. 22nd St.
170	696	20	Matthew Marks Gallery	523 W. 24th St.
171	696	28	Max Protetch	511 W. 22nd St.
172	692	7	Maya Stendhal Gallery	545 W. 20th St.
173	697	23	McKenzie Fine Art	511 W. 25th St., 2nd Fl.
174	694	7501	Messineo Wyman Projects	525 W. 22nd St., 5th fl
175	696	20	Metro Pictures	519 W. 24th St.
176	695	15	Mike Weiss Gallery	520 W. 24th St.
177	672	1	Mixed Greens	601 W. 26th St., 11th Fl.
178	715	5	Murray Guy	453 W. 17th St.
179	697	13	Nancy Margolis Gallery	523 W. 25th St.
180	696	49	New Century Artists	530 W. 25th St., Ste. 406
181	693	64	New Museum of Contemporary Art	556 W. 22nd St., 1st Fl.
182	697	47	Nicole Klagsbrun Gallery	526 W. 26th St., 213
183	694	30	Nikolai Fine Art	505 W. 22nd St. ground fl.
184	696	49	Noho Gallery	530 W. 25th St., 4th Fl.
185	699	5	NY Art Prospects	547 W. 27th St.
186	697	5	P.P.O.W.	555 W. 25th St., 2nd Fl.
187	693	18	Pablo Baldacci	521 W. 21st St.
188	697	13	PaceWildenstein	534 W. 25th St.
189	672	1	Pamela Auchincloss	601 W. 26th St., 12th fl.
190	692	15	Papp Gallery	529 W. 20th St. 4th fl.

No.	Block	Lot	Gallery Name	Address
191	693	18	Pat Hearn Gallery	530 W 22nd St.
192	712	14	Patrick Gallery	433 W. 14th St.
193	698	40	Paul Kasmin Gallery	293 10th Ave @ 27th St
194	721	7501	Paul Morris	465 W. 23rd St.
195	692	15	Paul Rogers/9W	529 W. 20th St., 9th Fl.
196	692	52	Paula Cooper Gallery	534 W. 21st St.
197	695	15	Pavel Zoubok	533 W. 23rd St.
198	697	23	Perimeter Gallery	511 W. 25th St., Ste. 402
199	695	15	Perry Rubenstein Gallery	526 W. 24th St.
200	699	5	PH Gallery	547 W. 27th St.
201	696	65	Phoenix Gallery	210 11th Ave.
202	696	49	Pleiades Gallery of Contemporary Art	530 W. 25th St., 4th Fl.
203	697	5	Plum Blossoms Gallery	555 W. 25th St.
204	717	5	Postmasters Gallery	459 W. 19th St.
205	696	49	Prince Street Gallery	530 W. 25th St., 4th Fl.
206	694	14	Printed Matter, Inc.	535 W. 22nd St.
207	672	1	Qui New York/Zwicker Collective USA	601 W. 26th St., Ste. 1507
208	672	1	Radio House Gallery	601 W. 26th St., 14th fl.
209	698	18	Rare	521 W. 26th St.
210	697	47	Real Gallery	526 W. 26th St.
211	696	13	Reeves Contemporary	535 W. 24th St., 2nd Fl.
212	692	15	Remy Toledo Gallery	529 W. 20th St., 8th Fl.
213	694	7501	Revolution	525 W. 22nd St.
214	692	15	Ricco/Maresca Gallery	529 W. 20th St., 3rd Fl.
215	692	15	Riva Gallery	529 W. 20th St., 11th Fl.
216	696	65	Robert Mann Gallery	210 11th Ave.
217	697	47	Robert Miller Gallery	524 W. 26th St.
218	697	23	Robert Steele Gallery	511 W. 25th St.
219	697	47	Rush Arts Gallery & Resource Center	526 W. 26th St., 311
220	692	15	SAI Gallery Alexi	529 W. 20th St.
221	693	7501	Sandra Gering Gallery	534 W. 22nd St.
222	691	43	Sara Meltzer Gallery	516 W. 20th St.
223	695	35	Sarah Morthland Gallery	225 10th Ave.
224	700	49	Sean Kelly Gallery	528 W. 29th St.
225	696	65	Sears-Peyton Gallery	210 11th Ave, 802
226	672	1	Sherry French	601 W 26th St., 13th Fl.
227	692	41	Silverstein Gallery	520 W. 21st St.
228	692	15	Skoto Gallery	529 W. 20th St., 5th Fl.
229	697	23	Soho20 Chelsea	511 W. 25th St., Ste. 605
230	672	1	Solo Impression	601 W. 26th St.
231	693	7501	Sonnabend	536 W. 22nd St.
232	646	7501	Sperone Westwater	415 W. 13th St.
233	692	7	Spike Gallery	547 W. 20th St.
234	697	5	Stark Gallery	555 W. 25th St., 2nd Fl.
235	696	49	Stefan Stux Gallery	528 W. 25th St.
236	692	15	Steffany Martz Gallery	529 W. 20th St.
237	692	15	Stephen Gang Gallery	529 W. 20th St., 4th Fl.
238	697	56	Stephen Haller	542 W. 26th St.
239	696	65	Stricoff Fine Art	564 W. 25th St.
240	697	23	Studio 601	511 W. 25th St.
241	695	7502	Susan Conde Gallery	521 W. 23rd St., 2nd Fl.

No.	Block	Lot	Gallery Name	Address
242	694	14	Susan Inglett Gallery	535 W. 22nd St., 6th Fl.
243	697	42	Tabakman Moderne & Contemporary	508 W. 26th St.
244	692	15	Taitstcheff Gallery	529 W. 20th St., 6th fl.
245	693	18	Tanya Bonakdar Gallery	521 W. 21st St.
246	712	21	Tate	413 W. 14th St.
247	697	42	Tatunz	508 W. 26th St.
248	698	18	Team	527 W. 26th St.
249	697	47	Ten in One Gallery	526 W. 26th St., 3rd fl.
250	690	40	The Kitchen Gallery	512 W. 19th St.
251	694	1	The Proposition: Donahue/Sosinski Art	559 W. 22nd St.
252	691	43	Thomas Erben Gallery	516 W. 20th St.
253	692	15	Thomas Korzelius Fine Art	529 W. 20th St., 6th fl.
254	697	47	Thomas Werner Gallery	526 W. 26th St., 712
255	645	29	Trans Hudson Gallery	416 W. 13th St.
256	714	14	Trinity Gallery	437 W. 16th St.
257	738	7502	Tucker Robbins	366 W. 15th St.
258	697	42	UFA Gallery	508 W. 26th St.
259	696	28	Universal Concepts Unlimited	507 W. 24th St., 8th fl.
260	695	7502	Van de Weghe Fine Art	521 W. 23rd St.
261	697	47	Vanetia Kapernekas Fine Arts, Inc.	526 W. 26th St., 8th floor
262	696	49	Viridian Artists	530 W. 25th St., 407
263	672	1	Visual Arts Gallery	601 W. 26th St., 15th Fl.
264	697	5	Von Lintel Gallery	555 W. 25th St., 2nd Fl.
265	699	5	Wallspace Gallery	547 W. 27th St.
266	698	18	White Box	525 W. 26th St.
267	628	17	White Columns	320 W. 13th St.
268	712	21	Wooster Projects	418 W. 15th St.
269	697	47	World House Gallery	526 W. 26th St.
270	693	37	XL/Xavier La Boulbenne	504 W. 22nd St.
271	694	14	Yancy Richardson Gallery	535 W. 22nd St.
272	695	65	Yossi Milo Gallery	552 W. 24th St., 3rd fl.
273	696	65	Yvon Lambert	564 W. 25th St.
274	697	13	ZieherSmith	531 W. 25th St.
275	672	1	Zone:Chelsea	601 W. 26th St., 523

Source: www.weastchelseaarts.com and <http://nyartsmagazine.com>

**TABLE 3-B
CABARETS IN CHELSEA***

#	Block	Lot	Nightclub Name	Address
1	695	1	Privilege New York	565 W. 23rd Street
2	740	30	Suite 16	127 8th Avenue
3	693	8	El Flamingo	547 W. 21st Street
4	698	37	Marquee	289 10th Avenue
5	675	24	Ruby Falls	609 W. 29th Street
6	700	42	Coral Room	512 W. 29th Street
7	700	27	Quo	511 W. 28th Street
8	698	54	Spirit	530 W. 27th Street
9	690	20	Roxy	515 W. 18th Street
10	705	5	Octagon	555 W. 33rd Street
11	699	14	Scores	536 W. 28th Street
12	699	49	Crobar	530 W. 28th Street
13	705	1	Copacabana	560 W. 34th Street
14	662	11	Chelsea Brewing Co.	W. 18th Street & Hudson River (Pier 59)
15	758	28	Hammerstein Ballroom	311 W. 34th Street
16	712	24	Lotus	409 W. 14th Street
17	763	34	New Escuelita	301 W. 39th Street
18	714	16	GLO	431 W. 16th Street

Source: New York City Department of Consumer Affairs

* Notes:

For the purposes of this analysis a cabaret is defined as an establishment possessing a cabaret license from the City of New York with a capacity of over 200 people.

*Chelsea is defined as the area delimited by W.34th Street, W. 14th Street, Eighth Avenue and the Hudson River.