

**A. INTRODUCTION**

This chapter analyzes whether development resulting from the Proposed Actions would create a significant adverse impact by directly or indirectly changing population, housing stock, or economic activities in the areas surrounding the proposed development.

Development under the Proposed Actions (detailed in Chapter 1, “Project Description”) would result in the direct (or primary) displacement of some existing commercial uses on the project sites. In addition, because the overall scale of development has the potential to alter the demographics and economic activities within the areas surrounding the proposed development (which could in turn result in indirect [or secondary] displacement of existing residents, businesses, and institutions), the 2001 *City Environmental Quality Review (CEQR) Technical Manual* guidelines require analysis of the following five areas of concern to determine if significant adverse impacts could occur:

- Direct residential displacement;
- Indirect residential displacement;
- Direct business and institutional displacement;
- Indirect business and institutional displacement; and
- Adverse effects on specific industries.

**PRINCIPAL CONCLUSIONS**

The Proposed Actions would not result in any significant adverse socioeconomic impacts in either 2017 or 2019.

*DIRECT RESIDENTIAL DISPLACEMENT*

The Proposed Actions would not result in any direct residential displacement. None of the project sites contain a residential population.

*INDIRECT RESIDENTIAL DISPLACEMENT*

The Proposed Actions would not result in a significant adverse impact due to indirect residential displacement. The analysis considers the impact of the new uses introduced by the Proposed Actions, with particular focus on the up to 6,074 new housing units and the associated residential populations that could be added to the project sites’ study areas. Twenty percent of all rental units on the Development Site would be affordable housing units under the terms of the applicable 80/20 program, with the provision of affordable units subject to (1) the allocation of sufficient tax-exempt bond cap or other equivalent low-cost financing to the Developer for each building of rental housing as and when required, and (2) the availability to the Developer of such other incentives, programs, exemptions, credits or abatements as are then generally available for

the development of 80/20 housing in the City. Under the conservative Maximum Residential Scenario-Hotel Option, up to 5,762 residential units would be introduced to the Development Site study area (approximately 5,372 market-rate units and 390 affordable units). The Proposed Actions also would introduce up to 108 affordable housing units to the Ninth Avenue Site study area, and up to 204 affordable housing units to the Tenth Avenue Site study area.

The number of new residents introduced to the Development Site study area by the Proposed Actions would be substantial, representing about 49 percent of the study area's existing population<sup>1</sup>, and 25 percent of the study area's population in the Future with the Proposed Actions. However, the demographic characteristics of the resulting residential population would not differ significantly from that of the study area population in the Future without the Proposed Actions. The market-rate housing introduced by the Proposed Actions would be offered at rents comparable to rents for other newly-constructed market-rate apartments in the surrounding area, and would be comparable to the rents for market-rate residential units expected in the study area in the Future without the Proposed Actions. In the Future with or without the Proposed Actions by 2017 and 2019, housing prices, rents, and median incomes are expected to rise in the study area such that the Proposed Actions would not significantly alter or substantially accelerate the study area's long-term trend toward increasing residential development, affluence, and residential desirability. The Proposed Actions would not introduce any type of land use that would diminish the residential desirability of the area, offset positive trends in the study area, impede efforts to attract investment to the area, or create a climate for disinvestment. For these reasons, a significant adverse impact from indirect residential displacement would not be expected to result from the Proposed Actions.

The Proposed Actions would not result in any indirect residential displacement within the Ninth Avenue Site and Tenth Avenue Site study areas. Given that all of the residential units introduced would be leased to low- to moderate-income households, the new populations would not have different socioeconomic characteristics compared with the size and character of the existing population. In addition, the non-residential uses introduced to those sites would not be of a critical mass that would alter the overall socioeconomic character of the residential neighborhoods.

### *DIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT*

The Proposed Actions would not result in a significant adverse impact due to direct business and institutional displacement. The development plan for the Development Site would require the temporary relocation of some of the Metropolitan Transportation Authority (MTA)-Long Island Rail Road (LIRR) facilities currently located on the Development Site, but there would not be an interruption in LIRR passenger rail service during that time.

The Proposed Actions would permanently displace from the Development Site a Greyhound Bus parking lot and uses related to the New York City Department of Sanitation (DSNY). DSNY is a government agency and, therefore, is not the subject of direct displacement analysis under CEQR, since it is expected that government agencies will continue in operation with or without the Proposed Actions. It is assumed that the City would retain the employees who would be

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<sup>1</sup> The Development Site study area's 2008 population estimate (20,369 residents) is based on the 2000 Census study area population estimate, with an annual background growth rate of 0.5 percent applied between 2001 and 2008. The actual number of existing residents is likely to be significantly higher, given that an estimated 5,510 housing units have been constructed in the study area since 2000.

displaced, as well as the services provided to the City by those employees. DSNY facilities on the Development Site help to serve several customer bases, none of which are within this study area.

As a result of the Proposed Actions, Greyhound would likely be required to find a new location for this bus parking lot, which accommodates approximately 52 Greyhound buses. The location needs of the bus parking lot could be satisfied at other locations in the City or in surrounding areas with access to the Port Authority Bus Terminal. The Port Authority of New York and New Jersey (PANYNJ) is committed to maintaining Greyhound's services in the Port Authority Bus Terminal, and would work with Greyhound to identify an appropriate relocation site. Therefore, the displacement of the parking lot would not jeopardize the operations of Greyhound, and Greyhound would be expected to continue operations serving the City in the Future with or without the Proposed Actions. Additionally, the location of the bus parking lot does not provide substantial economic value to the study area because it serves a region-wide customer base and the services it provides to local residents are not contingent on its proximity to these residents. Finally, although the study area is characterized in part by transportation uses, the bus parking lot itself is not a defining element of the neighborhood. Therefore, the direct displacement of the Greyhound Bus parking lot would not result in a significant adverse impact.

The Proposed Actions would result in the direct displacement of a MTA-New York City Transit (NYCT) surface parking lot from the Ninth Avenue Site. NYCT is a government agency and, therefore, the NYCT parking lot is not the subject of direct displacement analysis under CEQR, since it is expected that government agencies will continue in operation with or without the Proposed Actions. Therefore, the Proposed Actions would not result in a significant adverse impact due to direct business displacement at the Ninth Avenue Site.

The Tenth Avenue Site includes the air space above a below-grade Amtrak rail cut. The development plan for the Tenth Avenue Site would require construction of a platform over the existing Amtrak line. The Amtrak line would continue to operate below the Tenth Avenue Site after construction, and no interruption in Amtrak service would occur. Therefore, the Proposed Actions would not result in a significant adverse impact due to direct business displacement at the Tenth Avenue Site.

#### *INDIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT*

The Proposed Actions would not result in a significant adverse impact due to indirect business and institutional displacement. All of the uses under the Proposed Actions are currently present and well-established in the study areas, and additional similar uses are projected to be in place by the 2017 and 2019 analysis years. The Proposed Actions would not introduce any new types of economic activities to the study areas, nor would they be expected to alter or accelerate an ongoing trend to alter existing economic patterns.

None of the uses directly displaced by the Proposed Actions directly supports businesses in the Development Site study area or bring people to the area who form a customer base for local businesses. The Proposed Actions would add up to 2.2 million gross square feet (gsf) of commercial office space to the Development Site study area, which would bring more people to the area that form a customer base for local businesses. The net effect of the Proposed Actions would be a substantial increase in the number of residents and daytime workers and visitors, thereby providing significant numbers of new customers for the existing and proposed business uses.

### *ADVERSE EFFECTS ON SPECIFIC INDUSTRIES*

The Proposed Actions would not result in significant adverse impacts on any industry or any category of businesses within or outside the study areas. The Proposed Actions would not introduce any regulations or policies that would restrict any business or process from continuing to function within or outside the project sites' study areas. Nor would the Proposed Actions result in a significant adverse impact from the direct displacement of uses currently located on the project sites. Therefore, the Proposed Actions would not have any direct effects on business conditions in any industry or category of business within the study areas or New York City more broadly.

Similarly, the Proposed Actions would not indirectly displace a substantial amount of employment or impair the economic viability in any one industry sector or category of businesses. The study areas include a mix of commercial office, retail, residential, industrial, and transportation uses. According to data from the U.S. Census Bureau, there is not a substantial concentration of any one category of business or industry within the study areas. Therefore, any potential indirect business displacement resulting from the Proposed Actions would not impair the economic viability of any industry or category of business.

## **B. METHODOLOGY**

### **CEQR OVERVIEW**

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

The CEQR socioeconomic assessment considers the potential for significant adverse impacts with respect to the following five issues of concern: (1) direct residential displacement; (2) direct business and institutional displacement; (3) indirect residential displacement; (4) indirect business and institutional displacement; and (5) adverse effects on specific industries.

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

Indirect or secondary displacement is defined as the involuntary displacement of residents, businesses, or employees in an area adjacent or close to a project site that results from changes in socioeconomic conditions created by a proposed action. Examples include: rising rents in an area that result from a new concentration of higher-income housing introduced by a proposed action, which ultimately force out lower-income residents living in housing not protected by rent regulation; a similar turnover of industrial to higher-rent commercial tenancies induced by the introduction of a successful office project in an area; or the flight from a neighborhood that can occur if a proposed action creates conditions that break down the community (such as a highway dividing the area, etc.).

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

#### **DETERMINING WHETHER A SOCIOECONOMIC ASSESSMENT IS APPROPRIATE**

Under CEQR, a socioeconomic assessment should be conducted if an action is reasonably expected to create substantial socioeconomic changes within the area affected by the action that would not be expected to occur absent the action. The following discusses the five circumstances that typically require a socioeconomic assessment in greater detail:

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

If an action would exceed any of these initial thresholds, an assessment of socioeconomic conditions is generally appropriate. The Proposed Actions would allow for the introduction of over 5,000 residential units and two million gsf of commercial space. The allowable development as a result of the Proposed Actions triggers the need for a socioeconomic assessment.

#### **ANALYSIS FORMAT**

This chapter follows the analytical framework established in Chapter 3B of the *CEQR Technical Manual*. In conformance with *CEQR Technical Manual* guidelines, the analysis of the five areas of concern begins with a preliminary assessment. The purpose of the preliminary assessment is to learn enough about the possible effects of the Proposed Actions to either rule out the possibility of significant adverse impacts, or to determine that a more detailed analysis will be required to resolve that question. For the Proposed Actions, a preliminary assessment was sufficient to rule out the possibility of significant adverse impacts with respect to four of the five areas of concern: direct residential displacement, direct business and institutional displacement,

indirect business and institutional displacement, and adverse effects on specific industries. The fifth area of concern—indirect residential displacement—required a detailed analysis to rule out the potential for significant adverse impacts. The detailed analysis of indirect residential displacement is framed in the context of existing conditions (as of November 2008) and evaluations of the Future without the Proposed Actions and the Future with the Proposed Actions in 2019.

As described in Chapter 2, “Framework for Analysis,” the analysis of the Proposed Actions is performed for the expected year of completion of the project—2019. In addition, an assessment of the Proposed Actions’ potential environmental impacts is undertaken for an interim year of development for certain technical areas. The following analysis considers the potential for significant adverse impacts of the Proposed Actions for the interim (2017) and full (2019) Future with the Proposed Actions conditions.

In conjunction with the land use task, specific development projects that would occur in the area in the Future without the Proposed Actions by 2019 are identified, and the possible changes in socioeconomic conditions that would result are described. Such changes can include demographic shifts in the residential population, changes in rents or sales prices of residential units, new commercial or industrial activities, and changes in employment trends. The Future without the Proposed Actions condition is then compared to the Future with the Proposed Actions condition to determine the potential for significant adverse impacts.

The socioeconomic analyses use two reasonable worst-case development scenarios to study the potential effects of development on the Development Site: the Maximum Residential Scenario-Hotel Option, and the Maximum Commercial Scenario. The programs for the two scenarios are detailed in Table 4-1. Proposed development under the Maximum Residential Scenario-Hotel Option is considered for the indirect residential displacement analysis, because that scenario maximizes the amount of market-rate housing that would be introduced by the Proposed Actions, and, therefore, has the greatest potential to alter demographic conditions in the Development Site study area. The Maximum Commercial Scenario is considered for the analyses of indirect business and institutional displacement and adverse effects on specific industries, because it maximizes the amount of new commercial uses that would be introduced by the Proposed Actions, thereby generating the greatest potential for changes in economic activity within the Development Site study area. Direct displacement is unaffected by variations in the types and scale of uses considered for a worst-case scenario.

As shown in Table 4-1, the Proposed Actions would introduce to the Development Site up to 4.5 million gsf of residential use (up to approximately 5,762 units, of which 390 units would be affordable); up to 2.2 million gsf of commercial office uses or 1.0 million gsf of hotel uses; and up to 220,500 gsf of retail space. The Development Site also would include an approximately 120,000-gsf public school, 5 acres of publicly accessible open space, and accessory parking.

As detailed in Table 4-2, proposed development at the Additional Housing Sites would include affordable housing units and retail space, as well as office space and parking for NYCT. Specifically, the Ninth Avenue Site would have up to 108 affordable housing units, 6,750 gsf of local retail space, 30,000 gsf of NYCT office space, and NYCT parking. The Tenth Avenue Site would have up to 204 affordable housing units and 10,800 gsf of local retail space, construction of the Ninth Avenue Site would be complete in 2016. Construction of the Development Site and the Tenth Avenue Site would be completed in 2018.

**Table 4-1**  
**Reasonable Worst-Case Development Scenarios for the Development Site: 2019**

Development Program	Maximum Residential Scenario (GSF)		Maximum Commercial Scenario (GSF)
	Office Option <sup>1</sup>	Hotel Option <sup>1</sup>	
Residential	4,469,063	4,836,563	3,837,225
<b>Residential Units</b>			
Rental Units	1,948 units	1,948 units	1,896 units
Condominium Units	3,399 units	3,814 units	2,728 units
<b>Total Units</b>	<b>5,347 units</b>	<b>5,762 units</b>	<b>4,624 units</b>
Affordable Units (rental)	390 units <sup>2</sup>	390 units <sup>2</sup>	379 units <sup>2</sup>
Market Rate Units (rental and condo)	4,957 units	5,372 units	4,245 units
<b>Commercial</b>			
Office	1,495,000	0	2,185,000
Hotel	0	1,008,000 1,200 rooms	0
Retail	220,500	210,000	220,500
<b>Community Facility</b>			
Public School	120,000	120,000	120,000
<b>TOTAL</b>	<b>6,304,563</b>	<b>6,174,563</b>	<b>6,362,725</b>
<b>Notes:</b>			
1. Two options are being considered for the commercial building in the Maximum Residential Scenario. One would be for a 1,495,000-gsf office building. The other would be for a 1,200-room convention-style hotel.			
2. Twenty percent of all rental units on the Development Site would be affordable housing units under the terms of the applicable 80/20 program.			

**Table 4-2**  
**Additional Housing Sites: Proposed Program**

	Ninth Avenue Site (GSF) 2016 Completion	Tenth Avenue Site (GSF) 2018 Completion	TOTAL (GSF)
<b>Residential</b>	96,300	176,300	272,600
Units	108 units	204 units	312 units
<b>Commercial</b>			
Office	30,000 <sup>1</sup>	0	30,000
Retail	6,750	10,800	17,550
<b>TOTAL</b>	<b>133,050<sup>2</sup></b>	<b>187,100</b>	<b>320,150</b>
<b>Notes:</b>			
1. Office space to be used by NYCT as an employee training facility.			
2. The development would allow for NYCT below-grade parking for emergency vehicles (approx. 15 vehicles)			

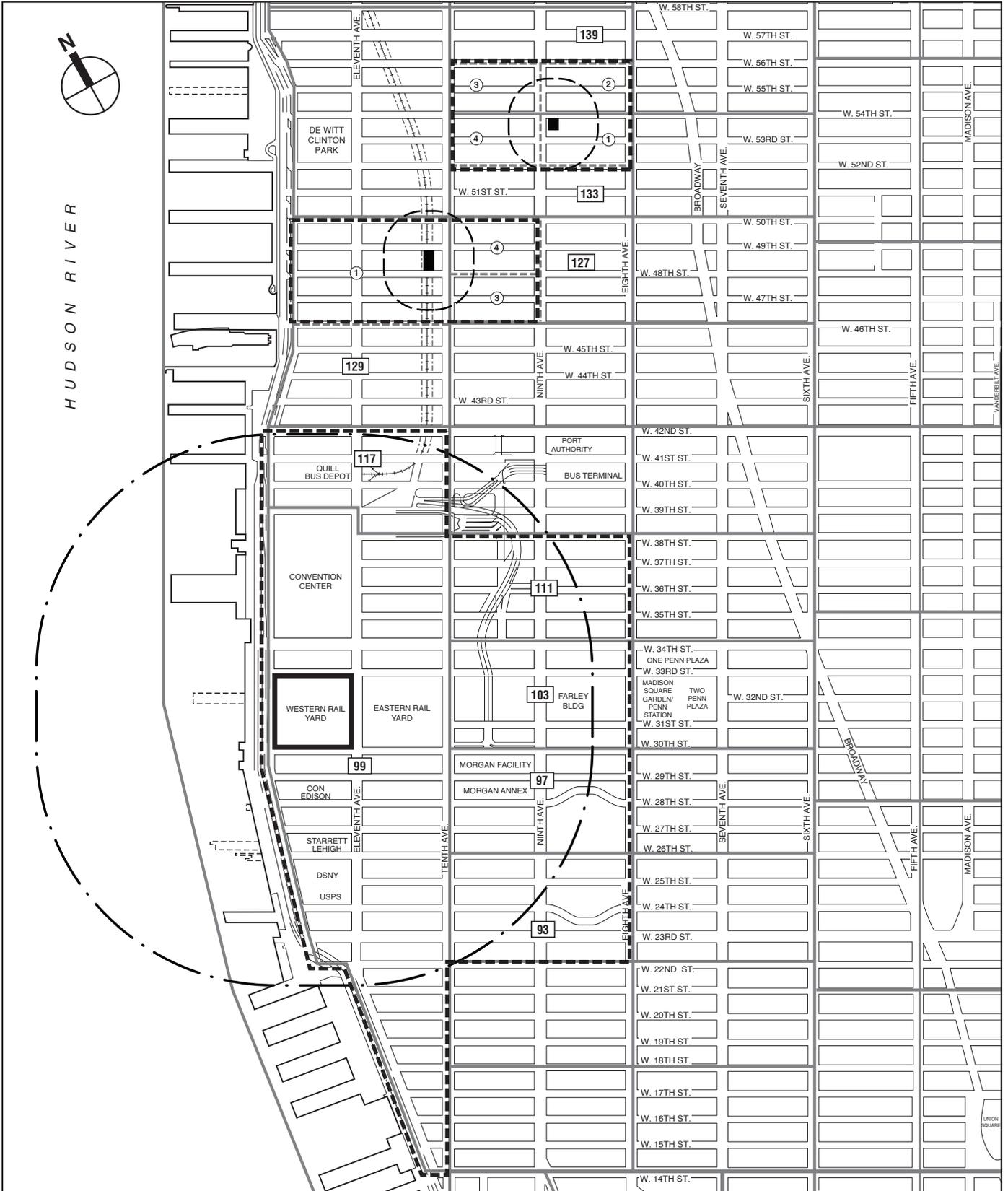
**STUDY AREA DELINEATION**

The *CEQR Technical Manual* defines a study area as the area most likely to be affected by a proposed action. The direct and indirect socioeconomic effects of the Proposed Actions would extend beyond the project sites and into adjacent neighborhoods. Therefore, the analyses focus on the characteristics of the study areas, and compare the socioeconomic profiles of the study areas with those of Manhattan and New York City. The assessment of potential effects on a specific industry examines the potential direct and indirect effects of the Proposed Actions within the context of the broader New York City economy.

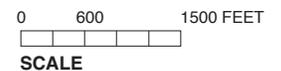
For the Proposed Actions, development would occur at each of the three project sites, and the planned development at each site would potentially impact different geographic areas that do not overlap. Following *CEQR Technical Manual* guidelines, the socioeconomic study areas for each of the project sites mirrors the land use study areas, which are delineated based on the type and scale of planned development at each site. As shown in Figure 4-1, the socioeconomic study area



HUDSON RIVER



- Development Site
- Additional Housing Site
- Study Area Boundary
- 1/2-Mile Perimeter
- 400-Foot Perimeter
- Census Tract Boundary
- Census Tract Number
- Block Group Boundary
- Block Group Number



WESTERN RAIL YARD

Socioeconomic Study Area  
Figure 4-1

for the Development Site approximates the ½-mile land use study area described in Chapter 3, “Land Use, Zoning, and Public Policy,” while the Additional Housing Sites have 400-foot radii that also approximate the land use study areas. Because the individual socioeconomic study areas do not overlap—i.e., because the areas most likely to be affected by development at each of the project sites are geographically separate and distinct—the potential effects of the Proposed Actions are assessed separately for each of the three study areas.

The final socioeconomic study area boundary for each of the sites was determined by using standard U.S. Census Bureau geography in order to make the study areas conform to the boundaries for which data is collected and disseminated.<sup>1</sup> For the Development Site, the Census Tracts that were 50 percent within the ½-mile perimeter surrounding the site were included. These are Census Tracts 93, 97, 99, 103, 111, and 117. Census Tract 99 includes the Development Site. The Development Site study area boundary is roughly defined by West 42nd Street to the north, West 14th Street to the south, Eighth Avenue to the east, and Twelfth Avenue to the west. Because a 400-foot perimeter was used to determine the final study areas for the Additional Housing Sites instead of a ½-mile buffer, Census Block Groups were used instead of Census Tracts.<sup>2</sup> Block Groups that touch the Additional Housing Sites were included. The Tenth Avenue Site study area includes Block Group 1 of Census Tract 129, Block Groups 3 and 4 of Census Tract 127. The Ninth Avenue Site study area includes Block Groups 1 and 4 of Census Tract 133, and Block Groups 2 and 3 of Census Tract 139. See Figure 4-1.

### DATA SOURCES

The data sources used for the analysis are consistent with *CEQR Technical Manual* guidelines for socioeconomic assessments. As described below, the analysis incorporates a variety of data.

### RESIDENTIAL DISPLACEMENT ANALYSES

The depiction of demographic characteristics and trends is based in part on data from the 1990 and 2000 U.S. Censuses. Population and income profiles were developed for the residents in the study areas. These analyses include such parameters as total number of residents, occupation, age, total households, average household size, median income, and poverty status. To provide more current estimates of residential trends since 2000, New York City Department of Finance (DOF) Real Property Assessment Data (RPAD) was used to reflect changes in residential development trends that may have occurred between 2000 and 2008.

Housing profiles also were developed for the study area that include such data as total housing units, occupancy, tenure, number of rooms, contract rent, and age of housing stock, using U.S. Census information, RPAD information, real estate market data, and New York City Department of Housing Preservation and Development (HPD) data. A real estate survey was conducted by obtaining rent information from major print news media in New York City (e.g., *The New York Times*), online resources (including Trulia, Corcoran, Realtor, StreatEasy, and Miller Samuel Associates web sites), and brokers familiar with the area. Field surveys also were conducted to verify information gathered through interviews and secondary sources, and to confirm Single Room Occupancy Units (SRO) status of property listings provided by the New York City Department of City Planning’s (DCP) 2005 MISLAND Multiple Dwellings Report.

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<sup>1</sup> This method is consistent with *CEQR Technical Manual* guidelines. See Chapter 3B, Section 310.

<sup>2</sup> Block Groups are a subset of Census Tracts.

*BUSINESS AND INSTITUTIONAL DISPLACEMENT ANALYSES*

The assessments of direct and indirect business and institutional displacement consider business and employment trends on the project site, within the study area, and more broadly within Manhattan and the City. Collectively, the business and employment data identify the employers and industries that characterize the study area. The employment data are based on field surveys, 2000 Census data, and New York State Department of Labor (NYSDOL) information. Data was also collected from secondary sources such as Cushman and Wakefield reports, Colliers ABR, and CoStar Group and from interviews with local brokers.

*OTHER SOURCES*

Other sources consulted include three recent planning studies for which the study areas analyzed overlap with the Proposed Actions' socioeconomic study areas: the *No. 7 Subway Extension – Hudson Yards Rezoning and Development Program Final Generic Environmental Impact Statement (“Hudson Yards FGEIS”)*; the *Farley Post Office/Moynihan Station Redevelopment Project Final Environmental Impact Statement (FEIS)*; and the *West Chelsea Zoning FEIS*. All three studies contain data relating to the study area's socioeconomic conditions that is applicable to this CEQR analysis. Data used from the studies, and updated as necessary, include residential demographics and trends, industry trends, and real estate market data and trends.

**C. PRELIMINARY ASSESSMENT**

Under *CEQR* guidelines, the first step in the analysis of potential socioeconomic impacts is a preliminary assessment. The purpose of the preliminary assessment is to learn enough about the possible effects of the Proposed Actions to either rule out the possibility of a significant adverse impact or to determine that a more detailed analysis will be required to resolve that question. The preliminary assessment evaluates the potential for a significant adverse impact at each project site separately because the locations and corresponding study areas of the three project sites are distinct.

**DIRECT RESIDENTIAL DISPLACEMENT**

The *CEQR Technical Manual* defines direct residential displacement as the involuntary displacement of residents from the site of a proposed action. For each of the three project sites, the following section considers whether the Proposed Actions would result in a significant adverse impact due to direct residential displacement.

*DEVELOPMENT SITE*

The Development Site serves as the western portion of the LIRR John D. Caemmerer West Side Yard (“Caemmerer Rail Yard”), and has been an active storage and maintenance facility for LIRR since 1986. The Development Site contains 36 tracks and maintenance facilities for LIRR and a small number of other uses. It does not contain residential units; therefore, there would be no direct residential displacement as a result of the Proposed Actions at the Development Site, and no further analysis of this issue is required.

*NINTH AVENUE SITE*

The Ninth Avenue Site is occupied by a surface parking lot used exclusively by NYCT employees; it does not contain residential uses. There would be no direct residential

## **Western Rail Yard**

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displacement as a result of the Proposed Actions at the Ninth Avenue Site, and no further analysis of the issue is required.

### *TENTH AVENUE SITE*

The Tenth Avenue Site currently contains the air space above a below-grade Amtrak rail cut and does not contain residential uses. There would be no direct residential displacement as a result of the Proposed Actions at the Tenth Avenue Site, and no further analysis of this issue is required.

### *CONCLUSION—DIRECT RESIDENTIAL DISPLACEMENT*

The Proposed Actions would not result in the direct displacement of residential uses at any of the three project sites. Therefore, the Proposed Actions would not result in a significant adverse impact due to direct residential displacement, and no further analysis of this issue is required.

## **DIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT**

The *CEQR Technical Manual* defines direct business and institutional displacement as the involuntary displacement of businesses or institutions from the site of a proposed action. For each of the three project sites, the following section considers whether the Proposed Actions would result in a significant adverse impact due to direct business and institutional displacement.

### *DEVELOPMENT SITE*

The majority of the Development Site serves as the western portion of Caemmerer Rail Yard and has been an active storage and maintenance facility for LIRR since 1986. Supporting the daily operation of the LIRR, uses on the site include railroad car interior cleaning services, a yard operations building, a transportation building, an emergency facilities building, storage, and 36 rail tracks to allow peak period trains to continue west after discharging passengers at Penn Station.

The development plan for the Development Site requires the construction of a platform on the site that would ensure the continued operation of the existing LIRR uses underneath (i.e., the proposed residential, commercial, institutional and open space uses would be constructed above the platform). During the construction of the platform, some of the existing LIRR on-site facilities would be temporarily relocated to facilitate the platform construction, but there would not be an interruption in LIRR passenger rail service. Given that the Proposed Actions would not result in the permanent displacement of the LIRR uses from the Development Site, there would not be a significant adverse impact due to direct displacement of these uses.

In addition to the LIRR-related uses described above, there is a Greyhound Bus parking lot and uses related to DSNY on the southern portion of the Development Site, along West 30th Street. These uses would be permanently displaced from the Development Site by the Proposed Actions. The DSNY uses are located near the northeast corner of West 30th Street and Twelfth Avenue. They include a Household Special Waste Drop-Off facility and associated portable office trailer; maintenance uses, such as fuel pumps and a truck washing station; and truck parking under the High Line along West 30th Street. DSNY is a government agency and, therefore, is not the subject of direct displacement analysis under CEQR, since it is assumed that government agencies will continue in operation with or without the Proposed Actions. It is assumed that the City would retain the employees who would be displaced, as well as the services provided to the City by those employees. Additionally, the DSNY facilities on the

Development Site help to serve several customer bases, none of which are within the Development Site study area.

The Greyhound Bus parking lot is located north of the High Line, stretching between Eleventh and Twelfth Avenues. The parking lot serves as a parking and staging area for buses traveling to and from the Port Authority Bus Terminal, located between Eighth and Ninth Avenues and West 40th and West 42nd Streets. With the Proposed Actions the parking lot would be displaced, and Greyhound would likely be required to find a new location for the estimated 52 Greyhound buses parked on the Western Rail Yard in order to maintain current levels of service at the Port Authority Bus Terminal. The location needs of the bus parking lot could be satisfied at other locations in the City or in surrounding areas with access to the Port Authority Bus Terminal. The Port Authority of New York and New Jersey (PANYNJ) is committed to maintaining Greyhound's services in the Port Authority Bus Terminal, and would work with Greyhound to identify an appropriate relocation site. Therefore, the displacement of the parking lot would not jeopardize the operations of Greyhound, and Greyhound would be expected to continue operations in serving the City in the Future with or without the Proposed Actions. Additionally, the location of the bus parking lot does not provide substantial economic value to the study area because it serves a region-wide customer base and the services it provides to local residents are not contingent on its proximity to these residents. Finally, although the study area is characterized in part by transportation uses, the bus parking lot itself is not a defining element of the neighborhood. Therefore, the direct displacement of the Greyhound Bus parking lot would not result in a significant adverse impact.

Overall, the direct displacement of the uses from the Development Site would not result in a significant adverse impact, and no further analysis of this issue is required for the Development Site.

#### *NINTH AVENUE SITE*

The Ninth Avenue Site is occupied by a surface parking lot used by NYCT employees that work in the adjacent NYCT facility. The Proposed Actions would result in the displacement of the surface parking lot and the construction of up to 108 affordable housing units, 30,000 gsf of NYCT office space, 6,750 gsf of neighborhood retail, and parking for up to 15 NYCT emergency vehicles.

NYCT is a government agency and, therefore, is not the subject of direct displacement analysis under CEQR, since it is assumed that government agencies will continue in operation with or without the Proposed Actions. Therefore, the Proposed Actions would not result in a significant adverse impact due to the direct displacement of business or institutional uses at the Ninth Avenue Site. No further analysis of this issue is required for the Ninth Avenue Site.

#### *TENTH AVENUE SITE*

The Tenth Avenue Site currently contains the air space above a below-grade Amtrak rail cut. The development plan under the Proposed Actions would require construction of a platform over the Amtrak line to facilitate the residential and commercial development of the site. The Amtrak line would continue to operate below the Tenth Avenue Site after construction, and no interruption in Amtrak service would occur. Therefore, the Proposed Actions would not result in a significant adverse impact due to direct business and institutional displacement at the Tenth Avenue Site. No further analysis of this issue is required for the Tenth Avenue Site.

*CONCLUSION—DIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT*

The Proposed Actions would not result in a significant adverse impact due to the direct displacement of business or institutional uses at any of the three project sites. No further analysis of this issue is required.

**INDIRECT RESIDENTIAL DISPLACEMENT**

In most cases, the issue for indirect residential displacement is 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 based on *CEQR Technical Manual* guideline questions numbered in italics below.

A preliminary assessment is completed for each project site: the Development Site; the Ninth Avenue Site; and the Tenth Avenue Site. As discussed above, the reasonable worst-case development scenario with the greatest potential for a significant adverse impact is analyzed for each area of socioeconomic concern. For indirect residential displacement, the Maximum Residential Scenario-Hotel Option is the reasonable worst-case development scenario for the Development Site, because it maximizes the amount of new market-rate housing introduced by the Proposed Actions.

Where indicated below, this preliminary assessment could not rule out the possibility of a significant adverse impact and, therefore, a detailed analysis of indirect residential displacement is presented in Section D, “Detailed Analysis of Indirect Residential Displacement.” The detailed analysis finds that a significant adverse impact would not result.

*DEVELOPMENT SITE*

***I. Would the Proposed Actions add substantial new population with different socioeconomic characteristics compared with the size and character of the existing population?***

The Maximum Residential Scenario-Hotel Option would result in the development of up to 5,762 residential units at the Development Site. Of these units, approximately 5,372 would be market-rate condominium or rental apartments, and approximately 390 units would be rental apartments affordable to low- to moderate-income households. In total, the residential units would introduce an estimated 10,000 residents to the study area. The addition of these residents would represent a 51 percent increase in study area population as compared to the 2000 Census study area population (19,572 residents, see Table 4-8), and a 49 percent increase over the estimated 2008 population (20,369 residents).<sup>1</sup> The Proposed Actions would add a substantial new population to the Development Site study area, and many of the new residents would have high incomes, given the price point of market-rate units in the study area. According to *CEQR Technical Manual* guidelines, an action that would increase the population in a study area by greater than five percent would be large enough to have a potential significant affect on an area’s socioeconomic trends. A detailed assessment is required to determine whether the project-generated population could result in a significant adverse impact due to indirect residential displacement. See Section D, “Detailed Analysis of Indirect Residential Displacement.”

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<sup>1</sup> The Development Site study area’s 2008 population estimate (20,369 residents) is based on the Census 2000 study area population estimate, with an annual background growth rate of 0.5 percent applied between 2001 and 2008. The actual number of existing residents is likely to be significantly higher, given that an estimated 5,510 housing units have been constructed in the study area since 2000.

**2. *Would the Proposed Actions directly displace uses or properties that have had a “blighting” effect on property values in the area?***

The Proposed Actions would not displace properties or uses that have a “blighting” effect on residential property values. The Development Site is currently an active rail yard that contains railroad tracks, rail car cleaning facilities, storage, and maintenance facilities. Field surveys of the exteriors of properties in the Development Site showed signs that the area is in good physical condition. Properties near the Development Site that contain residential uses are generally in good condition and generally well-maintained. Although the concrete-wall-lined blockface of the rail yards at street level has been noted as a void in the overall neighborhood character, the area near the Development Site has been a transportation, industrial, and commercial area for decades, and the condition of the surrounding properties reflect this historic use.

**3. *Would the Proposed Actions directly displace enough of one or more components of the population to alter the socioeconomic composition of the area?***

The Proposed Actions would not directly displace any residents from the Development Site.

**4. *Would the Proposed Actions introduce a substantial amount of a more costly type of housing compared with existing housing and housing expected to be built in the study area by the time the project is completed?***

The Maximum Residential Scenario-Hotel Option would result in the development of up to 5,762 residential units on the Development Site, of which approximately 390 units (seven percent) would be affordable. The up to 5,762 units introduced by the Proposed Actions would represent approximately 25 percent of the existing housing stock in the Development Site study area, and 16 percent of the housing stock expected in the Future without the Proposed Actions.

While the Proposed Actions would introduce a substantial amount of housing, the housing is not expected to be more costly compared to existing housing and housing expected to be built in the study area by 2019. It is expected that by 2019, planned projects in the study area would result in the development of an estimated 11,455 units (see Table 4-16 in Section D, “Detailed Analysis of Indirect Residential Displacement”). Most of the growth anticipated by 2019 would occur along Tenth and Eleventh Avenues between the Eastern Rail Yard and West 17th Street, largely as a result of the West Chelsea District rezoning. Development within the Special Hudson Yards District also will contribute to new housing construction in the Development Site study area. Overall, in the Future without the Proposed Actions there will be a substantial addition of primarily market-rate housing to the study area. While many of the planned residential projects will have an affordable housing component, most units would be market-rate units that will be offered at prices comparable to the market-rate units anticipated under the Proposed Actions.

**5. *Would the Proposed Actions introduce a critical mass of non-residential uses such that the surrounding area becomes more attractive as a neighborhood residential complex?***

Under the various reasonable worst-case development scenarios for the Development Site, the Proposed Actions could introduce to the Development Site: up to 2,185,000 gsf of commercial office space or a 1,200-room hotel; up to 210,000 gsf of retail; 120,000 gsf of community facility space; approximately 5 acres of publicly accessible open space; and up to 1,600 accessory parking spaces. By 2019 in the Future without the Proposed Actions, the Development Site study area will already contain a critical mass of commercial office, hotel, retail, and community facility uses that make an area attractive as a neighborhood residential complex. Therefore, while the Proposed Actions’ non-residential uses would enhance the residential

neighborhood amenities, they would not have a substantial effect on the residential desirability of the study area. For example, while the Proposed Actions' 5 acres of publicly accessible open space are intended to be attractive new amenities for residents within the study area, there are already substantial open spaces within, and in close proximity to, the study area. Property values currently reflect the availability of nearby recreational opportunities. Overall, the study area is already a desirable residential neighborhood, as evidenced by the estimated 11,455 residential units planned for the study area in the Future without the Proposed Actions.

**6. *Would the Proposed Actions introduce a land use that could offset positive trends in the study area, impede efforts to attract investment to the area, or create a climate for disinvestment?***

The Proposed Actions would not introduce land uses that could offset positive trends in the study area, impede efforts to attract investment to the area, or create a climate for disinvestment. The Proposed Actions would advance long-standing policy goals of both the City of New York and MTA to encourage the development of new residential, commercial, public school, and open space uses within the largely underutilized Far West Side of Manhattan. Development on the Development Site is intended to enhance the vitality of the Hudson Yards area, build the City's tax base, and help create a new 24-hour neighborhood that complements the emerging developments in the Special Hudson Yards District and the Special West Chelsea District, as well as those in Midtown and Chelsea more broadly.

In summary, the preliminary assessment for the Development Site could not rule out the possibility that the Proposed Actions would cause a significant adverse impact due to indirect residential displacement within the Development Site study area. The Proposed Actions would introduce a substantial new population, many of whom would have high incomes. Therefore, a detailed analysis of this issue is required for the Development Site study area to determine whether the introduction of this population could have significant affects on the area's residential market and socioeconomic trends. See Section D, "Detailed Analysis of Indirect Residential Displacement."

***NINTH AVENUE SITE***

**1. *Would the Proposed Actions add substantial new population with different socioeconomic characteristics compared with the size and character of the existing population?***

According to Census data, the Ninth Avenue Site study area had a population of 6,407 residents in 2000 with a median household income of \$71,745.<sup>1</sup> The Proposed Actions would result in the development of up to 108 residential units at the Ninth Avenue Site; all of these units would be affordable to low- to moderate-income households. Based on an average household size of 2.5 persons per household, these new units would introduce up to 270 new residents to the Ninth Avenue Site study area.<sup>2</sup> The 270 new residents would represent an increase of 4.2 percent over

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<sup>1</sup> Adjusted to 2008 constant dollars using the U.S. Department of Labor's 2008 Consumer Price Index for the "New York-Northern New Jersey-Long Island area."

<sup>2</sup> The average household size in the study area for all households is 1.68 persons per household. However, affordable housing units tend to have higher numbers of people living in them. In order to adhere to a conservative assessment of potential indirect residential displacement, an average household size for affordable units of 2.5 persons per household was used to estimate the population introduced by the Proposed Actions.

the year 2000 study area population, which is not a substantial increase. In addition, because the Proposed Actions would introduce only affordable housing units to the Ninth Avenue Site study area, they would not introduce a population with different socioeconomic characteristics compared with the size and character of the existing population.

***2. Would the Proposed Actions directly displace uses or properties that have had a “blighting” effect on property values in the area?***

The Ninth Avenue Site currently is a surface parking lot owned by NYCT. A two-story NYCT building is located immediately adjacent to the east of the Ninth Avenue Site. This building occupies most of the midblock area between Eighth and Ninth Avenues. Properties near the Ninth Avenue Site are in good condition and well-maintained. In addition, construction near the Ninth Avenue Site along West 54th Street and West 53rd Street are positive signs that the site is not causing a “blighting” effect on commercial property values in the area. Two development projects will be completed by 2019 within the 400-foot study area. The Procida residential building is under construction at 405 West 53rd Street. This building will contain 84 luxury residential units. A two-story building at 345 West 54th Street is being converted to a four-story single-family house. These new developments and other planned projects in the area indicate that the current uses and condition of the Ninth Avenue Site are not inhibiting development in the area and are not having a “blighting” effect on commercial property values in the study area.

***3. Would the Proposed Actions directly displace enough of one or more components of the population to alter the socioeconomic composition of the area?***

The Proposed Actions would not directly displace any residents from the Ninth Avenue Site.

***4. Would the Proposed Actions introduce a substantial amount of a more costly type of housing compared with existing housing and housing expected to be built in the study area by the time the project is completed?***

The Proposed Actions would introduce up to 108 housing units at the Ninth Avenue Site. All of the housing units would be affordable to low- to moderate-income households, and, therefore, would not introduce a more costly type of housing to the Ninth Avenue Site study area.

***5. Would the Proposed Actions introduce a critical mass of non-residential uses such that the surrounding area becomes more attractive as a neighborhood residential complex?***

The Proposed Actions would introduce to the Ninth Avenue Site approximately 30,000 gsf of commercial office space to be occupied by NYCT, and 6,750 gsf of neighborhood retail space. The addition of 30,000 gsf of office space would not add a critical mass of non-residential space such that the surrounding area would become more attractive as a neighborhood residential complex. The study area already has a critical mass of office space; with almost one million gsf of office space, the 30,000 gsf introduced by the Proposed Actions would represent only a three percent increase in commercial office uses. Similarly, the addition of 6,750 gsf of retail space would increase the current inventory in the study area by only 2.7 percent. Therefore, the Proposed Actions would not introduce a critical mass of non-residential uses such that the surrounding area becomes more attractive as a neighborhood residential complex.

**6. *Would the Proposed Actions introduce a land use that could offset positive trends in the study area, impede efforts to attract investment to the area, or create a climate for disinvestment?***

The Proposed Actions would advance the City’s long-standing policy goals of creating and preserving affordable housing. The Proposed Actions also would change the current land use from a surface parking lot to a mix of office, residential, and retail uses, which would complement trends toward a greater mix of uses in the study area. The Proposed Actions would not introduce a land use to the Ninth Avenue Site that could offset positive trends in the study area, impede efforts to attract investment to the area, or create a climate for disinvestment.

Overall, the preliminary assessment finds that the Proposed Actions would not result in a significant adverse impact due to indirect residential displacement within the Ninth Avenue Site study area. Therefore, no further analysis of this issue is required for the Ninth Avenue Site study area.

*TENTH AVENUE SITE*

**1. *Would the Proposed Actions add substantial new population with different socioeconomic characteristics compared with the size and character of the existing population?***

According to Census data, the Tenth Avenue Site study area had a population of 6,007 in 2000 with a median household income of \$57,003.<sup>1</sup> The Proposed Actions would result in the development of up to 204 residential units at the Tenth Avenue Site; all of these units would be affordable to low- and moderate-income households. Based on an average household size of 2.5 persons per household these new units would introduce up to 510 new residents to the study area.<sup>2</sup> The 510 new residents would represent an increase of 8.5 percent over the year 2000 study area population. While this could be considered a substantial new population, all of the 204 units proposed for the Tenth Avenue Site would be affordable units available to low- to moderate-income families. Therefore, the population would not have different socioeconomic characteristics compared to the size and character of the existing population.

**2. *Would the Proposed Actions directly displace uses or properties that have had a “blighting” effect on property values in the area?***

The Proposed Actions would not directly displace any uses from the Tenth Avenue Site, but the platform that would be built over the below-grade Amtrak railroad track would remove that use from view. Overall, the buildings around the Tenth Avenue Site appear to be in good condition and well-maintained. The auto repair shops—including an auto body repair shop located on West 49th Street, four repair and parts supply shops located on the west end of West 48th Street, and an auto body repair shop located on West 47th Street—are generally in worse condition, but overall, this area is characterized by mainly older 5- to 12-story-tall buildings that appear in good condition.

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<sup>1</sup> Adjusted to 2008 constant dollars using the U.S. Department of Labor’s 2008 Consumer Price Index for the “New York-Northern New Jersey-Long Island area.”

<sup>2</sup> The average household size in the study area is 1.68 persons per household, however, affordable housing units tend to have higher numbers of people living in them. In order to adhere to a conservative assessment of indirect residential displacement, a household size of 2.5 persons per household was used to estimate the population generated by the development of affordable units.

Since 2000, 174 residential units and over 20,000 gsf of office space have been constructed in the Tenth Avenue Site study area. This amount of development is an indication that the visibility of uses on the site has not inhibited investment or development in the Tenth Avenue Site study area. In addition, there are several projects that will be developed in the Future without the Proposed Actions. These include a residential building with 109 luxury residential units that will be constructed over an existing below-grade rail cut south of the Tenth Avenue Site. Three development projects are located just beyond the study area boundary. These projects include a new two-story Con Edison service facility located at 684 Eleventh Avenue, an existing manufacturing building located at 653 Eleventh Avenue that will be converted to a 42-room hotel with a ground-floor restaurant, and an existing manufacturing building at 628 Eleventh Avenue that is being converted to an approximately 450,000-gsf office building. Thus, the existing uses at the Tenth Avenue Site have not had a “blighting” effect on property values in the study area.

**3. *Would the Proposed Actions directly displace enough of one or more components of the population to alter the socioeconomic composition of the area?***

The Proposed Actions would not directly displace any residents from the Tenth Avenue Site.

**4. *Would the Proposed Actions introduce a substantial amount of a more costly type of housing compared with existing housing and housing expected to be built in the study area by the time the project is completed?***

The Proposed Actions would introduce up to 204 housing units at the Tenth Avenue Site, all of which would be made available to low- to moderate-income households. Therefore, the Proposed Actions would not introduce to the Tenth Avenue Site study area a more costly type of housing compared with existing housing and housing expected to be built in the study area by the time the project is completed.

**5. *Would the Proposed Actions introduce a critical mass of non-residential uses such that the surrounding area becomes more attractive as a neighborhood residential complex?***

The Proposed Actions would add 10,800 gsf of neighborhood retail space to the Tenth Avenue Site. This amount represents approximately five percent of the overall supply of retail space in the study area. Therefore, while the additional retail would provide an added amenity for new and existing area residents, it would not be of a critical mass that would make the area more attractive as a neighborhood residential complex.

**6. *Would the Proposed Actions introduce a land use that could offset positive trends in the study area, impede efforts to attract investment to the area, or create a climate for disinvestment?***

The Proposed Actions would advance the City’s long-standing policy goals of creating and preserving affordable housing. The Proposed Actions also would add to the site’s current land use (an active below-grade Amtrak railroad line) a mixed-use residential and retail building, which would complement trends toward a greater mix of uses in the study area. The Proposed Actions would not introduce a land use to the Tenth Avenue Site that could offset positive trends in the study area, impede efforts to attract investment to the area, or create a climate for disinvestment.

Overall, the preliminary assessment finds that the Proposed Actions would not result in a significant adverse impact due to indirect residential displacement within the Tenth Avenue Site

study area. Therefore, no further analysis of this issue is required for the Tenth Avenue Site study area.

*CONCLUSION—INDIRECT RESIDENTIAL DISPLACEMENT*

The preliminary assessment finds that the Proposed Actions would not result in a significant adverse impact due to indirect residential displacement within the Additional Housing Sites' study areas. However, the preliminary assessment could not rule out the potential for a significant adverse impact due to indirect residential displacement within the Development Site study area. Therefore, a detailed analysis of this issue is required for the Development Site study area. See Section D, "Detailed Analysis of Indirect Residential Displacement."

**INDIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT**

Like the analysis of indirect residential displacement, the preliminary assessment for indirect business and institutional displacement focuses on whether the Proposed Actions could increase property values and rents within the study areas, making it difficult for some categories of businesses and institutions to remain in the area. In examining the direct effects of an action that may generate indirect changes, the preliminary assessment evaluates the potential for indirect impacts based on *CEQR Technical Manual* guideline questions numbered in italics below.

A preliminary assessment is completed for each project site: the Development Site; the Ninth Avenue Site; and the Tenth Avenue Site. As discussed above, the reasonable worst-case development scenario for the Development Site with the greatest potential for significant adverse impacts is analyzed for each area of socioeconomic concern. For indirect business and institutional displacement, the Maximum Commercial Scenario is the reasonable worst-case development scenario, although the hotel component of the Maximum Residential Scenario-Hotel Option also is considered in order to evaluate the potential indirect effects generated by each possible use under the Proposed Actions.

*DEVELOPMENT SITE STUDY AREA*

The preliminary assessment of indirect business and institutional displacement within the Development Site study area begins with an overview of the economic conditions in the study area, followed by an evaluation of the potential for impacts based on *CEQR Technical Manual* assessment criteria.

*Conditions and Trends in Study Area Employment and Businesses*

The Development Site study area is located on the Far West Side of Midtown Manhattan and extends into the area known as Midtown South. Midtown Manhattan is the core of the New York region's economic strength and is renowned for its supply of high-quality office space. With just over one million jobs and approximately 241 million sf of office space, Midtown is home to the largest concentration of Fortune 500 corporations in the nation (31 out of 55 headquarters statewide). As an indicator of its national dominance, Midtown's office inventory is roughly the equivalent of those of downtown Chicago, San Francisco, and Boston combined.<sup>1</sup>

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<sup>1</sup> Cushman and Wakefield, Marketbeat Manhattan Office Report 3Q08.

The majority of that inventory is located in Class A<sup>1</sup> office buildings, typically in demand by prestigious national and international firms, particularly in the business, legal, and professional services and the Finance, Insurance, and Real Estate (FIRE) sectors. Midtown South has another approximately 64.8 million sf of office space.<sup>1</sup> While there has been some construction of modern Class A office space in the Development Site study area, these buildings are largely single-use and not available for general leasing.

Table 4-3 summarizes employment data provided by the U.S. Census Bureau for year 2000. This data is presented at the Census Tract level, and mirrors the boundaries of the Development Site study area. Table 4-3 also presents data for Manhattan and New York City as a whole.

**Table 4-3  
Development Site Study Area Employment by Industry in 2000**

Industry	Development Site Study Area		Manhattan	New York City
	Employment	Percent of Employment		
Construction	3,065	6.3	3.3	4.6
Manufacturing	4,685	9.7	5.6	6.0
Wholesale trade	1,555	3.2	3.0	3.2
Retail trade	3,515	7.3	7.3	8.2
Transportation, warehousing, and utilities	8,035	16.6	3.8	6.6
Information	4,805	9.9	8.5	5.8
FIRE <sup>1</sup>	4,750	9.8	18.3	13.0
Professional, scientific, management, administrative, and waste management services	5,005	10.4	17.6	12.7
Educational, health, and social services	4,030	8.3	15.1	22.3
Arts, entertainment, recreation, accommodation, and food services	3,574	7.4	8.6	7.4
Other services (except public administration)	1,935	4.0	4.4	5.1
Public administration	3,370	7.0	4.5	5.1
<b>Total</b>	<b>48,359</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Notes:** <sup>1</sup> Finance, Insurance, and Real Estate. Agriculture, forestry, fishing, hunting, mining, and Armed Forces account for less than one percent of total employment in the Development Site study area and are not shown in the table. There are 10 employees in the agriculture, forestry, fishing, hunting, and mining sector, and 25 employees in the Armed Forces sector.

**Source:** U.S. Department of Commerce, Bureau of Census, 2000 Census.

As shown in Table 4-3, the Development Site study area contained approximately 48,359 jobs in 2000. The geographic distribution of employment varies widely, with the largest concentration of jobs located east of Ninth Avenue. Additional concentrations of employment are located to the west at the Development Site, Eastern Rail Yard, and at the Jacob K. Javits Convention Center (“Convention Center”). The area between Ninth and Tenth Avenues from West 34th Street to West 38th Street is largely residential, with a mix of commercial and residential fronting avenues. The largest concentration of residential is roughly bounded by West 22nd Street on the south, Eighth Avenue on the east, West 30th Street on the north, and Tenth Avenue on the west.

Data provided by the Census Bureau includes both full- and part-time workers in all classes (wage and salary, self employed, public or private) and makes the determination of place of

<sup>1</sup> 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 and Wakefield).

## Western Rail Yard

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work by the number of hours a person works. Subsequently, the Census Bureau only counts a person's main job and excludes "second jobs." Nationally, about six percent of the population holds more than one job.

### *Concentrations of Employment*

Because of the method of data collection by the Census Bureau, the presence of the Convention Center in the Development Site study area should be considered because of its ability to draw temporary employment to the study area when trade shows and conventions are being held. The Census Bureau only collects data for workers who are "at work" the week that the survey was performed and could exclude temporary jobs that occur when conventions or other events are held at the center.

The Convention Center has an in-house staff of about 350 employees (administrative staff and in-house electricians, engineers, etc.) which would be included in the data in Table 4-3. However, in addition, 1,200 or more workers are brought in for events on an as-needed basis.<sup>1</sup> Furthermore, of the 3 million people who visit the Convention Center each year, about 15 percent (or 450,000) are employees who work at the exhibits.

Public transportation jobs associated with such facilities as the Quill Bus Depot, Lincoln Tunnel, and Caemmerer Rail Yard are also important employment concentrations in the Development Site study area. Other public sector employment is generated by the U.S. Postal Service (USPS), which employs about 1,100 workers in the Farley Building. Smaller clusters of public sector employment can be found in several police and fire stations and at the Hunter College Voorhees Campus, which houses the college's Masters in Fine Arts program.

There are also several non-profit employers in the study area, the largest of which is Group Health Incorporated, a statewide non-profit health insurer. This organization has its headquarters on Ninth Avenue between West 34th and West 35th Streets, where approximately 1,400 workers are employed.<sup>2</sup> Public television broadcaster WNET (Thirteen) is also based in the study area at the New York Daily News Building on West 33rd Street and Tenth Avenue. Smaller non-profit organizations include St. Michael's Academy, West Side Jewish Center, and several churches. Employment associated with non-profit institutions is included in Table 4-3.

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

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<sup>1</sup> Convention Center Operating Corporation. August 11, 2003.

<sup>2</sup> [www.Manta.com](http://www.Manta.com) – Manta is a respected online source for company profile data and provides current site specific data regarding employment.

### *Industrial Employment*

As shown in Table 4-3, the industrial-based sectors (construction, manufacturing, transportation and warehousing, and wholesale) represent about 35.8 percent (17,340 jobs) of the total employment in the study area, despite the trend toward losses in manufacturing employment. These jobs are scattered throughout the Development Site study area with large concentrations of employment around the transportation uses such as the Quill Bus Depot, Amtrak, Greyhound, Federal Express, and DHL. Transportation and warehousing employers dominate the industrial employment in the study area with almost half of the jobs in the category, 46.3 percent (8,035 jobs) and 16.6 percent of all jobs in the study area.

The manufacturing sector has about 27 percent of the industrial sector jobs in the study area (4,685 jobs) or 9.7 of the total jobs in the study area. Manufacturing jobs in Manhattan declined by 28.2 percent from 52,788 in 2002 to 37,887 in 2007.<sup>1</sup> There has also been a decline in the number of manufacturing jobs in the study area. Zip-code level NYSDOL data for the study area showed a greater decline of 40.2 percent in manufacturing employment from 25,596 employees in 2000 to 15,314 employees in 2007.<sup>2</sup> Some manufacturing jobs are located in the small portion of the Garment Center District<sup>3</sup> located in the study area. According to the New York Industrial Retention Network, the Garment Center has the densest cluster of industrial jobs in the U.S. with eight percent of the nation's apparel production jobs.<sup>4</sup> In addition to apparel production, manufacturing businesses in the study area generally specialize in the production of paper and printed materials (i.e., publishing) and fabricated materials. Notable publishers in or near the study area include the New York Daily News at West 33rd Street and Tenth Avenue and McGraw-Hill at Two Penn Plaza just east of the Development Site study area at Seventh Avenue between West 31st Street and West 33rd Street. However, a portion of the Garment Center District was rezoned in 2005 to allow for new high density residential and commercial development on predominantly vacant sites, and limited residential and commercial conversions of existing buildings. For instance, a 24-story apartment building is being constructed on West 38th Street between Eighth and Ninth Avenues on a site that was formerly a parking facility.

The remaining industrial sectors are construction and wholesale. These sectors make up the remaining 26.7 percent of the industrial employment category (4,620 jobs). Overall, they represent 6.3 and 3.2 percent of total jobs in the study area respectively. According to the Bureau of Labor Statistics, the number of construction jobs in Manhattan increased by 9.5 percent from 31,977 in 2002 to 35,021 in 2007.<sup>5</sup> NYSDOL data for the zip codes most closely approximating the study area show a 43.1 percent increase in the number of construction jobs from 5,593

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<sup>1</sup> Bureau of Labor Statistics, Quarterly Census of Employment and Wages, New York County, New York. <<http://data.bls.gov/PDQ/outside.jsp?survey=en>> [Accessed December 2, 2008].

<sup>2</sup> NYSDOL. In zip codes where there are few employers in particular industry categories, NYSDOL follows a common policy to suppress industry-specific data for any sector that might inadvertently reveal information about a specific firm.

<sup>3</sup> The portion of the Garment Center District in the study area is roughly bounded by West 36th Street on the south, Eighth Avenue on the east, West 38th Street on the north, and Ninth Avenue on the west.

<sup>4</sup> New York Industrial Retention Network. "About New York City Manufacturing." <http://www.nyirn.org/index.cfm?fuseaction=Page.viewPage&pageId=661&parentID=655&nodeID=3> [Accessed December 2, 2008].

<sup>5</sup> Bureau of Labor Statistics, Quarterly Census of Employment and Wages, New York County, New York. <<http://data.bls.gov/PDQ/outside.jsp?survey=en>> [Accessed December 2, 2008].

## Western Rail Yard

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employees in 2000 to 8,001 employees in 2007.<sup>1</sup> Wholesale employers represented the smallest numbers of jobs in the study area at 3.2 percent.

Manufacturing businesses in Manhattan are facing threats from rezoning pressures, increasing land cost, and ongoing transportation and traffic-related challenges. Manufacturing land uses have been unable to compete with demand for residential and commercial development sites. In order to retain remaining businesses and to prevent a further loss of industrial space in New York City, 18 industrial zones were created since 2005 with various degrees of protection to protect existing major industrial areas and to mitigate potential issues. Industrial zones were either designated Industrial Business Zones (IBZs) or Ombudsman Areas. Most relevant to the Development Site is the Garment Center Ombudsman Area which is east of the study area generally bounded by Ninth Avenue on the west, West 35th Street on the south, Seventh Avenue on the east and West 40th Street on the north. Ombudsman Areas were created in locations that already have experienced a change in their industrial fabric, mostly in the form of residential development. In these areas, a designated ombudsman has been tasked to mitigate issues stemming from uses competing with industrial activities. In contrast to the IBZs, Ombudsman Areas do not receive the same level of protection.

### *Non-Industrial Employment*

As of 2000, the office-based sectors (professional and information services, business management and administration, and FIRE) made up the largest private employers in the study area, accounting for 9,755 jobs, or about 20.2 percent of total employment. Most of these jobs are located in the blocks east of Ninth Avenue. The blocks between Eighth Avenue and Ninth Avenue and West 30th and West 40th Streets (excluding the Farley Building) contain an average of 600 office-based jobs per block. West of Ninth Avenue, the largest number of office-based jobs is located in the Starrett-Lehigh Building at 200 West 27th Street and in the IAC Building at 555 West 18th Street.<sup>2</sup> Other office-based employment is located in the Daily News Building and on Tenth Avenue between West 36th and West 37th Streets, where the corporate headquarters of Affinia Hospitality is located. The numbers of office-based jobs could have increased with the addition of new office buildings constructed in the study area since 2000. However, similar to other areas of Manhattan, it is likely that there will be a decrease in the number of employees in the financial services sector in the study area over the next two years as it is expected that the City will lose 35,000 jobs in this sector. In addition, it is possible that employment in the office-based sectors could decrease further as there are expected to be further employment declines in other professional and business service sectors. In addition to office-based users, private sector employment in the study area is created by arts, entertainment, recreation, accommodation, and food service (about 7.4 percent), educational, health and social services (about 8.3 percent), and retail services (about 7.3 percent). The entertainment services are generally associated with the West 42nd Street Corridor.

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<sup>1</sup> NYSDOL. In zip codes where there are few employers in particular industry categories, NYSDOL follows a common policy to suppress industry-specific data for any sector that might inadvertently reveal information about a specific firm.

<sup>2</sup> This office building has been constructed since 2000 and would not be included in the non-industrial sector employment figures in Table 4-12.

*TRENDS IN REAL ESTATE VALUES AND RENTS*

Current economic conditions in New York City indicate that the City is experiencing a significant downturn; and the National Bureau of Economic Research announced that the nation entered a recession in December 2007. From October 2007 to October 2008, total employment in New York City increased from 3,779,100 to 3,786,400 jobs. Growth was seen in sectors such as professional, scientific and technical services, with a 2.3 percent increase in employment from 337,100 employees in October 2007 to 344,900 in October 2008. Employment in the educational and health services sector also increased slightly, by about one percent, from 719,000 to 725,000 employees. While certain industries saw employment increases, the employment in the financial sectors decreased dramatically. Overall, employment in financial activities declined by 2.8 percent, from 470,000 employees in October 2007 to 456,900 in October 2008. The finance and insurance sector decreased by 4.9 percent, from 348,600 employees in 2007 to 331,700 employees in October 2008. Securities and commodity contracts employment had the greatest decrease in employment (a 13.2 percent decline), from 129,800 employees in October 2007 to 112,700 in October 2008.<sup>1</sup>

Manhattan has repeatedly overcome record vacancies following economic recessions. Nearly all of Manhattan's office stock was absorbed during the economic boom of the late 1990s that followed Manhattan's peak office vacancy rate of 18.5 percent at year-end 1992. But as the economy emerged from recession, demand for office space (particularly Class A) and limited construction of new office buildings consequently drove vacancy levels to record lows and rent levels to record highs. The overall vacancy rate in Manhattan hit a record low of 3.5 percent in third quarter 2000, just before the recession that began after the September 11, 2001 terrorist attacks. In Midtown, the vacancy rate was even lower, down to 3.2 percent in third quarter 2000, leaving a relatively small amount of space available for lease. In third quarter 2003, office vacancy in Manhattan was about 12.5 percent, with Midtown faring better at 11.9 percent. Office vacancies in Midtown South and Lower Manhattan were slightly higher at 13.7 and 13.0 percent, respectively. Traditionally, office vacancy rates between 7 and 9 percent indicate that the market is in equilibrium, providing space for expansion without extraordinary increases in rents.

In first quarter 2007, Manhattan's office vacancy rate remained well below equilibrium at 5.7 percent; however by October 2008 the vacancy rate in Manhattan had risen to 7.7 percent. This increase in overall vacancy in Manhattan is due largely to a downturn in the financial services sector which as a result has increased the amount of sublease space available to the market. As of October 2008, Manhattan contained 395.0 million sf of office space, an increase of 4.3 percent since year-end 2001.<sup>2</sup>

Rental rates have followed a similar pattern as vacancy rates. Demand for a limited supply of Class A office space pushed average office rents in Manhattan from \$33 per sf in 1996 to nearly \$55 per sf in 2000.<sup>3</sup> Subsequently, the economic downturn and the after-effects of the September 11th attacks combined to depress rental rates. In Manhattan, the overall rate for office space decreased by 20 percent as of third quarter 2003, down to about \$41 per sf. Midtown's premier

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<sup>1</sup> NYSDOL. Current Employment Statistics Survey.  
<http://www.labor.state.ny.us/workforceindustrydata/cesemp.asp> [Accessed December 3, 2008.]

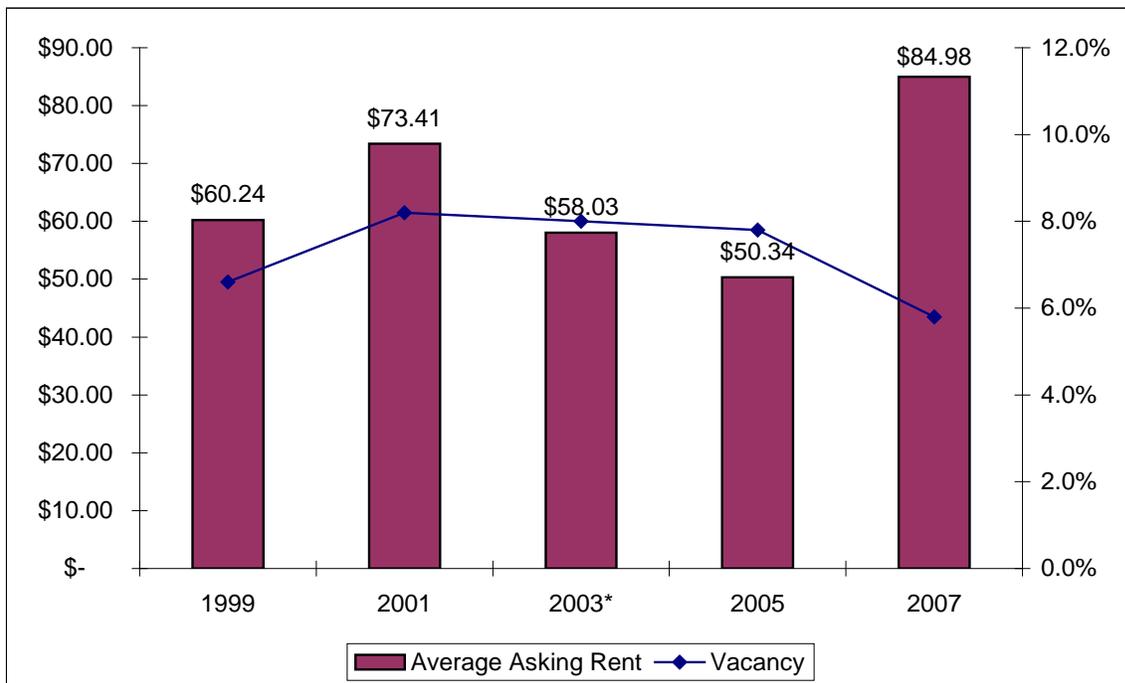
<sup>2</sup> Cushman and Wakefield, Marketbeat Manhattan Office Report October 2008 and Marketbeat Manhattan Office Report Year End 2001.

<sup>3</sup> Cushman and Wakefield. Office Market Statistics. Manhattan Mid-Year 1997 and Mid-Year 2000.

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 per sf.<sup>1</sup> By the third quarter of 2008, Manhattan’s Class A space reached \$90.30 per sf, up 13 percent from year end 2007. The asking rent for Class A space in Midtown climbed to \$95.62 per sf, with \$63.63 per sf reported for Class A space in Midtown South.<sup>2</sup>

As office vacancy rates have fallen over the past six years rents have spiked, particularly in the Midtown area. Figure 4-2 shows the correlation between asking rent and vacancy rates in Midtown between 1999 and 2007.

**Figure 4-2**  
**Midtown Overall Average Asking Rent (Class A) and Vacancy Rate**  
**Inflation adjusted to 2007 Dollars**



As shown in Figure 4-2, Class A rents in the Midtown market have increased substantially between 2005 and 2007. The implication in rising Class A rents for Class B office users is that it puts pressure on Class B rents as well. In addition, in times of higher vacancy and lower rents, Class A building owners can more easily fill their available space by offering Class B users lower rents and greater amenities than they could otherwise get in the open market. The reverse occurs when the market experiences the tighter vacancy.

News reports over the past couple of years have documented the rising rents and movement of office users. Newmark Knight Frank, a commercial brokerage firm, estimates that 90 percent of

<sup>1</sup> Cushman and Wakefield. Market Beat Series: Year-End 2001 and Midtown New York Office Market, Third Quarter 2003.

<sup>2</sup> Cushman and Wakefield, Marketbeat Manhattan Office Report 3Q08.

the space in Manhattan is used by tenants needing 6,000 sf or less and 75 percent need less than 2,250 sf. These statistics show that while big, multi-national firms get a lot of press for building large, new headquarters buildings, that the New York office market is really driven by firms smaller than 20 people. With the growth in the economy over the past few years and lack of new supply, it is not surprising that Class B rents have increased 31 percent overall in the City<sup>1</sup>. However, as the economy has entered a recession, it is likely that Class B rents will decrease in 2009.

*Development Site Study Area Existing Commercial*

Within the Development Site study area, there are 30.4 million sf of commercial space (see Table 4-4). Approximately 23.5 percent of the space is storage space, followed by office space and other. Retail space only accounts for 4.1 percent of commercial space in the study area.

**Table 4-4**

**Estimated Commercial Space in Development Site Study Area (Square Feet)**

Commercial Area	Office	Retail	Garage	Storage	Factory	Other
30,421,912	7,065,623	1,804,135	3,190,211	10,197,863	1,011,426	7,150,154
<b>Percent of Commercial</b>	<b>16.3%</b>	<b>4.1%</b>	<b>7.3%</b>	<b>23.5%</b>	<b>2.3%</b>	<b>16.4%</b>

**Source:** DOF Real Property Assessment 2007 Database

Field surveys have shown that some properties, such as the Starrett-Lehigh Building, are classified as “storage” but are loft office space. The loft space is typically occupied by fashion design companies, publishing houses, and design firms unrelated to the apparel industry, such as architects, engineers, and graphic designers. In addition, other buildings in the study area that are classified as storage appear to have industrial/manufacturing activities within them, such as many of the buildings within the small portion of the Garment Center District that falls within the Development Site study area. This suggests that the amount of office and industrial space within the study area could be higher than the RPAD database estimates.

Between 1985 and November 2007, approximately 283,000 sf of office space has been constructed in the Development Site study area.<sup>2</sup> Most of the commercially available office space in the study area is located in buildings constructed before 1960 and are generally classified as Class B office space. The largest building to be constructed during this period is the IAC Headquarters Building which has approximately 200,000 sf. This building is single use and is not available for general leasing.

Based on a recent search of office space in the Development Site study area, only smaller blocks of space are currently available. As shown in Table 4-5, the amount of space available ranged from 1,200 to 6,634 sf. The main exception to this is the Starrett-Lehigh Building and the River Place I Building, where office space is available in blocks larger than 10,000 sf. Most of the office space in this area is between \$32 and \$45 per sf.

<sup>1</sup> “Tenants Search for Cheaper Office Space Fuels 31% Hike in City’s Class B Rents”, Real Estate Weekly, January 9, 2008.

<sup>2</sup> The U.S. Government constructed an 800,000 sf office building for its use during this period but it is not included in this estimate or discussion.

**Western Rail Yard**

Retail space in the Development Site study area is generally neighborhood oriented and is located mainly along avenues in low-rise mixed use buildings. According to the CoStar Group, Inc., retail rents in the Midtown South submarket were an average \$82.46 per sf for general retail space. Vacancy rates in the submarket are extremely low at 2.9 percent.

As previously noted, storage space can be associated with loft office, manufacturing, or the actual storage of goods. These buildings are generally clustered between Tenth and Eleventh Avenues and West 26th Street and 38th Street; however, the northeast corner of the study area also has a concentration of buildings with high amounts of storage area. As discussed above, field surveys have confirmed that industrial activity is occurring in some of these buildings.

**Table 4-5  
Current Asking Rents in Development Site Study Area**

<b>Industrial</b>	<b>Square Feet</b>	<b>Asking Rent</b>	
257 W. 38th St.	3,150	\$ 45.00	psf
428 W. 37th St.	36,000	\$ 18.33	psf
W. 38th and Ninth Ave.	1,500	\$ 28.00	psf
W. 38th and Eleventh Ave.	1,350	\$ 25.78	psf
<b>Weighted Average Asking Rent</b>		<b>\$ 20.92</b>	
<b>Office</b>			
W. 38th St. and Ninth Ave.	4,300	\$ 35.00	psf
W. 35th St. and Eighth Ave.	1,200	\$ 35.00	psf
W. 37th St. and Eighth Ave.	4,300	\$ 39.00	psf
W. 37th St. and Eighth Ave.	2,300	\$ 33.39	psf
W. 35th St. and Eighth Ave.	2,000	\$ 34.80	psf
W. 38th St. and Eighth Ave.	3,100	\$ 35.00	psf
W. 37th St. btwn Tenth and Eleventh Aves.	2,619	\$ 35.00	psf
W. 36th St. btwn Eighth and Ninth Aves.	3,200	\$ 40.00	psf
W. 38th St. btwn Eighth and Ninth Aves.	4,650	\$ 35.00	psf
W. 38th St. btwn Eighth and Ninth Aves.	2,300	\$ 28.00	psf
307 W. 36th St.	1,740	\$ 25.00	psf
330 W. 42nd St.	6,634	\$ 42.00	psf
601 W. 26th St. – Starrett-Lehigh	16,000	N/A	psf
320 W. 37th St.	1,600	\$ 32.00	psf
505 Eighth Ave.	3,500	\$ 45.00	psf
520 Eighth Ave.	1,900	\$ 44.00	psf
520 Eighth Ave.	4,200	\$ 85.00	psf
247 W. 37th St.	3,700	\$ 35.00	psf
<b>Weighted Average Asking Rent</b>		<b>\$ 40.62</b>	
<b>Source:</b> <i>New York Times Classified</i> , November 2008, Newmark Knight Frank			

There were limited availabilities for industrial space in the Development Site study area. As shown in Table 4-5, three small spaces under 3,500 sf were identified, with asking rents between \$25 and \$45 per sf. One space at West 38th Street and Ninth Avenue was listed at 36,000 sf.

In the Future without the Proposed Actions, recent trends suggest that the Development Site study area would continue to shift away from manufacturing uses and toward a more mixed-use area that would include more residential, retail, hotel and office uses. Employment trends and future expected development patterns in the Development Site study area show that the employment in the industrial sector would continue to shrink and that employment in non-industrial sectors would increase in the Development Site study area. In October 2008, the New York City Comptroller’s office predicted that the City could lose more than 165,000 jobs over

the next two years. Approximately 21 percent of these jobs (about 35,000 jobs) are expected to be within the financial services sector.<sup>1</sup> In addition to the loss of financial services jobs, it is expected that further job losses will occur in other professional and business service sectors.<sup>2</sup> Despite the announcement of the recession, the New York City Comptroller stated “Unfortunately, this means that the downturn has not yet found a bottom, and many challenges still lie ahead. One thing is certain: New Yorkers have seen tough times before and will respond with the energy and ingenuity for which we are renowned.”<sup>3</sup> Based on the rebound that occurred between 2003 and 2007, it is possible that these job losses could be replaced within four years after the recession.

No Build projects in the surrounding area are summarized in Table 2-5 in Chapter 2, “Framework for Analysis,” and are shown in Figure 2-1. By 2019, approximately 37.9 million gsf of development is expected to be added to the study area, including 18.2 million gsf of office space, 2.7 million gsf of retail space, and 5,045 hotel rooms. In addition, approximately 15,438 residential units and 406,186 gsf of community facility space are expected to be added in the Future without the Proposed Actions. Using standard employment assumptions,<sup>4</sup> employment in the Development Site study area is expected to experience an increase by 83,635 (or by 172.9 percent from 48,359 employees in 2000). The overwhelming majority of the jobs at the Development Site would occur in the commercial office space (87.1 percent, or 72,815 jobs). Retail employment would account for 9.7 percent of the jobs (8,115 jobs).

Newly constructed commercial space in the Development Site study area is expected to command higher rents than commercial space that currently exists in the study area. Commercial office space would be offered at rents comparable to other Class A office buildings in the Midtown and Midtown South areas and should demand a premium over asking rents at previously constructed properties in the study area. However, with the employment losses that are expected to occur due to the recession, it is likely that the job losses that are discussed above could lead to higher vacancy rates. This rise in vacancy rates will likely lead to lower rents in 2009.<sup>5</sup>

Retail space in the study area that is expected in the Future without the Proposed Actions will generally be local, although a couple of expected projects will be destination type retail. For instance, the Farley Building on the block between Eighth and Ninth Avenues and West 31st Street and West 33rd Street is anticipated to include 553,100 gsf of destination retail and Penn East is anticipated to include 70,508 gsf of destination retail. Upward pressure on retail rents would be a result of new residential activity, improved economic opportunity through new commercial uses, and new retail centers constructed in the Development Site study area.

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<sup>1</sup> Office of the New York City Comptroller William C. Thompson, Jr. “New York City Comptroller Forecasts 165,000 Job Losses over the Next Two Years.” PR08-10-142. [Accessed December 1, 2008]

<sup>2</sup> Cushman and Wakefield. Marketbeat Manhattan Office Report. 3Q2008.

<sup>3</sup> Office of the New York City Comptroller William C. Thompson, Jr. “Thompson statement on country entering a recession.” ST08-12-063. [http://www.comptroller.nyc.gov/press/2008\\_releases/st08-12-063.shtm](http://www.comptroller.nyc.gov/press/2008_releases/st08-12-063.shtm) [Accessed December 2, 2008]

<sup>4</sup> These include: 1 employee per 250 sf of office space, 1 employee per 333 sf of retail space, 1 employee per 3 hotel rooms, 1 employee per 25 residential units, and 1 employee per 1,000 sf of community facility space.

<sup>5</sup> Cushman and Wakefield Marketbeat Manhattan Office Report. 3Q2008.

Increasing sales as a result of new residential growth is expected to offset any increases in retail rents that are caused by new development in the study area.

*CEQR Assessment Criteria*

***1. Would the Proposed Actions introduce enough of a new economic activity to alter existing economic patterns?***

The Maximum Commercial Scenario would introduce a combination of residential, commercial/retail and community facility uses, none of which would be new economic activities to the Development Site study area. Similarly, a hotel use as proposed under the Maximum Residential Scenario-Hotel Option would not be a new economic activity in the study area.

Based on RPAD data, there are currently 7.1 million gsf of commercial office space in the Development Site study area, and an additional 18.2 million gsf of office space that is expected to be built in the Future without the Proposed Actions. Thus, the commercial office space that would be introduced by the Proposed Actions would not represent a new economic activity in the Development Site study area.

The Development Site study area currently has 1.8 million gsf of retail space, and an estimated 2.7 million gsf of retail space is expected to be built in the Future without the Proposed Actions. The retail space that would be introduced by the Proposed Actions would not represent a new economic activity in the Development Site study area.

The Development Site study area contained an estimated 23,894 residential units as of November 2007. In addition, there are 15,438 residential units expected to be built in the Future without the Proposed Actions. Thus, the residential units that would be introduced due to the Proposed Actions would not represent a new use to the study area.

As discussed in Chapter 5, "Community Facilities and Services," there are 13 schools within the study area: four elementary; one intermediate; and eight high schools. Thus, the public school that would be introduced due to the Proposed Actions would not be a new use to the study area.

Although not part of the Maximum Commercial Scenario, the Proposed Actions would introduce 1,200 hotel rooms under the Maximum Residential Scenario-Hotel Option. There are hotels in the Development Site study area, including the Best Western Convention Center Hotel at 522 West 38th Street, Comfort Inn Convention Center at 442 West 36th Street, and the Clarion Collection Hotel-GEM Hotel on 449 West 36th Street. In addition, approximately 5,045 hotel rooms will be added to the Development Site study area in the Future without the Proposed Actions. Thus, the hotel units that would be introduced due to the Proposed Actions would not represent a new use to the study area.

***2. Would the Proposed Actions add to the concentration of a particular sector of the local economy enough to alter or accelerate an ongoing trend to alter existing economic patterns?***

The Proposed Actions would introduce a substantial mixed-use development at the Development Site, with a wide range of allowable uses that already are well-established in the study area. As discussed above, the Development Site study area already includes the uses that would be added with the Proposed Actions.

Independent of the Proposed Actions, the Development Site study area has a significant amount of economic activity planned for the area, particularly due to the Special Hudson Yards District that was approved by the City Council in January 2005 and the Special West Chelsea District

that was approved by the City Council in June 2005. The Special Hudson Yards District sought to transform the Hudson Yards area from a neighborhood characterized by parking lots, warehouses, auto body shops and open rail cuts into a vibrant mixed-use community with new commercial and residential space, and a substantial amount of new open space. The Special West Chelsea District also sought to encourage the development of West Chelsea as a dynamic mixed-use neighborhood.

Given the trend toward the development of mixed-use projects within the Development Site study area, the Proposed Actions would not change economic patterns in the study area. The Proposed Actions mirror the long-term trend toward a greater mix of uses in the study area, which will continue irrespective of the Proposed Actions through regulations and development within the recently-established Special Hudson Yards District and Special West Chelsea District.

**3. *Would the Proposed Actions directly displace uses or properties that have a “blighting” effect on commercial property values in the area, leading to rises in the commercial rents?***

The Proposed Actions would not displace properties or uses that have a “blighting” effect on commercial property values. The Development Site is currently an active rail yard that contains railroad tracks, rail car cleaning facilities, storage, and maintenance facilities. Field surveys of the exteriors of properties in the Development Site showed signs that the area is in good physical condition. Properties near the Development Site that contain commercial uses are generally in good condition and generally well-maintained. The area near the Development Site has been a transportation, industrial, and commercial area for decades and the condition of the surrounding properties reflect this.

In addition, there is a significant amount of recent and planned residential and commercial construction activity in the Development Site study area, indicating that the Development Site has not had a blighting influence or hampered new investment in the surrounding area.

**4. *Would the Proposed Actions directly displace uses of any type that directly support businesses in the area or bring people to the area that form a customer base for local businesses?***

The Proposed Actions would not displace uses that bring people who form a customer base for local businesses to the area. The Proposed Actions would allow for the construction of a platform over below-grade railroad tracks, maintenance facilities, rail car cleaning facilities, and storage area that are used by LIRR. These uses would continue at the Development Site in the Future with or without the Proposed Actions. In addition to LIRR-related uses described above, there is a Greyhound Bus parking lot and uses related to DSNY on the southern portion of the Development Site along West 30th Street. Although it is possible that some of the current employees of these establishments may shop or dine at commercial establishments in the Development Site study area, this is likely to be infrequent and is expected to be a small portion of the existing customer base. Therefore, business establishments within the Development Site study area do not rely solely on employees at the Greyhound Bus parking lot or at the DSNY facilities for their customer base.

**5. *Would the Proposed Actions directly or indirectly displace residents, workers, or visitors who form the customer base of existing businesses in the study area?***

The Proposed Actions would allow for the construction of a platform over below-grade railroad tracks, maintenance facilities, rail car cleaning facilities, and storage that are used by LIRR. Workers who are employed at these facilities would not be directly displaced. As discussed

above, employees at the Greyhound Bus parking lot and at the DSNY facilities would be displaced; however, these employees are likely a small portion of the existing customer base of existing businesses in the study area.

There are no residential uses on the Development Site; therefore, the Proposed Actions would not directly displace any residents. The detailed analysis of indirect residential displacement finds that the Proposed Actions would not result in significant indirect residential displacement, and the Proposed Actions would introduce a substantial new residential population that would add to the area's existing customer base. Therefore, the Proposed Actions would not directly or indirectly displace residents, workers, or visitors who form the customer base of existing businesses in the area.

***6. Would the Proposed Actions introduce a land use that could have a similar indirect effect, through the lowering of property values if it is large enough or prominent enough or combines with other like uses to create a critical mass large enough to offset positive trends in the study area, to impede efforts to attract investment to the area, or to create a climate for disinvestment?***

The Proposed Actions would not offset positive trends in the study area, impede efforts to attract investments to the area, or create a climate for disinvestment. The Proposed Actions would advance long-standing policy goals of both the City of New York and MTA to encourage the development of new residential, commercial, community facility, and open space uses within the largely underutilized Far West Side of Midtown Manhattan. The Proposed Actions are intended to enhance the vitality of the Hudson Yards area, build the City's tax base, and help create a new 24-hour neighborhood that complements the emerging developments in the Special Hudson Yards District and the Special West Chelsea District, as well as areas of Midtown and Chelsea more broadly.

Overall, this preliminary assessment finds that the Proposed Actions would not result in a significant adverse impact due to indirect business and institutional displacement within the Development Site study area. Therefore, no further analysis of this issue is required for the Development Site study area.

***NINTH AVENUE SITE***

***1. Would the Proposed Actions introduce enough of a new economic activity to alter existing economic patterns?***

The Proposed Actions would not introduce any types of economic activity that are new to the Ninth Avenue Site study area. The Proposed Actions would introduce to the Ninth Avenue Site approximately 108 permanently affordable low- to moderate-income housing units, 30,000 gsf of office space to be used by NYCT, and 6,750 gsf of neighborhood retail use. Based on RPAD data, the lots within 400-feet of the Ninth Avenue Site include 322,549 gsf of office space, 100,362 gsf of retail space, and 1,928 residential units. In addition, approximately 181 residential units are expected to be built in the Future without the Proposed Actions. Thus, the uses introduced by the Proposed Actions are not new to the Ninth Avenue Site study area, and would not alter existing economic patterns in the study area.

**2. *Would the Proposed Actions add to the concentration of a particular sector of the local economy enough to alter or accelerate an ongoing trend to alter existing economic patterns?***

The Proposed Actions would not add to the concentration of a particular sector of the local economy enough to alter or accelerate ongoing trends or alter existing economic patterns. The amount of commercial space proposed for the Ninth Avenue Site—36,750 gsf—is well within the 200,000-square-foot threshold cited in the *CEQR Technical Manual* as an amount that typically would not result in a significant adverse impact. In addition, the 30,000 gsf of NYCT office space will be used as a training facility for the NYCT employees working in the adjacent NYCT building, and would not bring a new worker population into the area. The Proposed Actions would introduce uses that are all currently present and well-established in the Ninth Avenue Site study area.

**3. *Would the Proposed Actions directly displace uses or properties that have a “blighting” effect on commercial property values in the area, leading to rises in the commercial rents?***

The Ninth Avenue Site currently is a surface parking lot owned by NYCT. A two-story NYCT building is located immediately to the east of the Ninth Avenue Site. This building occupies most of the midblock area between Eighth and Ninth Avenues. Properties near the Ninth Avenue Site are in good condition and well-maintained. In addition, construction near the Ninth Avenue Site along West 54th Street and West 53rd Street are positive signs that the site is not causing a “blighting” effect on commercial property values in the area. Two development projects will be completed by 2019 within the 400-foot study area. The Procida residential building is under construction at 405 West 53rd Street. This building will contain 84 luxury residential units. A two-story building at 345 West 54th Street is being converted to a four-story single-family house. These new developments and other planned projects in the area indicate that the current uses and condition of the Ninth Avenue Site are not inhibiting development in the area and are not having a “blighting” effect on commercial property values in the study area.

**4. *Would the Proposed Actions directly displace uses of any type that directly support businesses in the area or bring people to the area that form a customer base for local businesses?***

The Proposed Actions would not directly displace uses of any type that directly support businesses in the area or bring people to the area that form the customer base for local businesses. The Proposed Actions would displace a surface parking lot that is currently owned by NYCT, and used by NYCT employees. NYCT is a government agency and, therefore, the parking lot is not the subject of direct displacement analysis under CEQR, since it is assumed that government agencies will continue in operation with or without the Proposed Actions. Because the parking lot is used only by NYCT employees, it does not bring non-NYCT employees to the area who form a customer base for local businesses.

**5. *Would the Proposed Actions directly or indirectly displace residents, workers, or visitors who form the customer base of existing businesses in the study area?***

The Proposed Actions would not directly or indirectly displace residents, workers, or visitors who form the customer base of existing businesses in the study area. To the contrary, the Proposed Actions would add approximately 270 residents and 20 retail workers to the study area, increasing the potential customer base for area retail and services businesses. The office space is intended to be used as a training facility for NYCT, and would not likely introduce new workers to the study area.

- 6. *Would the Proposed Actions introduce a land use that could have a similar indirect effect, through the lowering of property values if it is large enough or prominent enough or combines with other like uses to create a critical mass large enough to offset positive trends in the study area, to impede efforts to attract investment to the area, or to create a climate for disinvestment?***

The Proposed Actions would not offset positive trends in the study area, impede efforts to attract investments to the area, or create a climate for disinvestment. The Proposed Actions would advance the City’s long-standing policy goals of creating and preserving affordable housing. The Proposed Actions also would enhance economic activity in the area by adding a mix of new uses to an underutilized site.

Overall, the preliminary assessment finds that the Proposed Actions would not result in a significant adverse impact due to indirect business and institutional displacement within the Ninth Avenue Site study area. Therefore, no further analysis of this issue is required for the Ninth Avenue Site study area.

*TENTH AVENUE SITE*

- 1. *Would the Proposed Actions introduce enough of a new economic activity to alter existing economic patterns?***

The Proposed Actions would result in the development of approximately 204 permanently affordable low- to moderate-income residential units and 10,800 gsf of neighborhood retail at the Tenth Avenue Site. The Proposed Actions would not introduce any new types of economic activity to the Tenth Avenue Site study area. Based on RPAD data, lots within 400-feet of the Tenth Avenue Site includes 62,977 gsf of retail space and 1,285 residential units. Thus, the residential and neighborhood retail uses that would be introduced by the Proposed Actions would not represent economic activities that are new to the Tenth Avenue Site study area.

- 2. *Would the Proposed Actions add to the concentration of a particular sector of the local economy enough to alter or accelerate an ongoing trend to alter existing economic patterns?***

The Proposed Actions would not add to the concentration of a particular sector of the local economy enough to alter or accelerate ongoing trends or alter existing economic patterns. The amount of commercial space proposed for the Tenth Avenue Site—10,800 gsf—is well within the 200,000-square-foot threshold cited in the *CEQR Technical Manual* as an amount that typically would not result in a significant adverse impact. Also, as discussed above, the Proposed Actions would introduce uses that are all currently present in the Tenth Avenue Site study area.

- 3. *Would the Proposed Actions directly displace uses or properties that have a “blighting” effect on commercial property values in the area, leading to rises in the commercial rents?***

The Proposed Actions would not directly displace any uses from the Tenth Avenue Site, but the platform that would be built over the below-grade Amtrak railroad right-of-way to support the residential development would eliminate the view of the rail tracks. Overall, the buildings around the Tenth Avenue Site appear to be in good condition and well-maintained. The auto repair shops, including an auto body repair shop located on West 49th Street, four repair and parts supply shops located on the west end of West 48th Street, and an auto body repair shop located on West 47th Street, are generally in worse condition. But overall, this area is characterized by mainly older 5- to 12-story-tall buildings that appear in good condition.

Since 2000, 174 residential units and over 20,000 sf of office space have been constructed in the Tenth Avenue Site study area. This amount of development is an indication that the visibility of uses on the site has not inhibited investment or development in the Tenth Avenue Site study area. In addition, there are several projects that will be developed in the Future without the Proposed Actions. These include a residential building with 109 luxury residential units that will be constructed over an existing below-grade rail cut one-block south of the Tenth Avenue Site. Three development projects are located just beyond the study area boundary. These projects include a new two-story Con Edison service facility located at 684 Eleventh Avenue, an existing manufacturing building located at 653 Eleventh Avenue that will be converted to a 42-room hotel with a ground-floor restaurant, and an existing manufacturing building at 628 Eleventh Avenue that is being converted to an approximately 450,000-gsf office building. Thus, the existing uses at the Tenth Avenue Site have not had a “blighting” effect on property values in the study area.

***4. Would the Proposed Actions directly displace uses of any type that directly support businesses in the area or bring people to the area that form a customer base for local businesses?***

The Proposed Actions would allow for a platform to be built over a below-grade Amtrak railroad track. This use would continue at the Tenth Avenue Site in the Future with or without the Proposed Actions. Therefore, the Proposed Actions would not directly displace uses of any type that directly support businesses in the area or bring people to the area that form a customer base for local businesses.

***5. Would the Proposed Actions directly or indirectly displace residents, workers, or visitors who form the customer base of existing businesses in the study area?***

The Proposed Actions would not directly or indirectly displace residents, workers, or visitors who form the customer base of existing businesses in the Tenth Avenue Site study area. To the contrary, the Proposed Actions would introduce approximately 510 new residents and 32 retail employees who would add to the existing customer base within the study area.

***6. Would the Proposed Actions introduce a land use that could have a similar indirect effect, through the lowering of property values if it is large enough or prominent enough or combines with other like uses to create a critical mass large enough to offset positive trends in the study area, to impede efforts to attract investment to the area, or to create a climate for disinvestment?***

The Proposed Actions would not offset positive trends in the study area, impede efforts to attract investments to the area, or create a climate for disinvestment. The Proposed Actions would advance the City’s long-standing policy goals of creating and preserving affordable housing. The Proposed Actions also would enhance economic activity in the area by adding a mix of new uses to an underutilized site.

Overall, the preliminary assessment finds that the Proposed Actions would not result in a significant adverse impact due to indirect business and institutional displacement within the Tenth Avenue Site study area. Therefore, no further analysis of this issue is required for the Tenth Avenue Site study area.

*CONCLUSION—INDIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT*

Overall, the preliminary assessment finds that the Proposed Actions would not result in a significant adverse impact due to indirect business and institutional displacement within any of the three project study areas. Therefore, a detailed analysis of indirect business and institutional displacement is not required.

**POTENTIAL EFFECTS ON SPECIFIC INDUSTRIES**

A significant adverse impact may occur if an action would measurably diminish the viability of a specific industry that has substantial economic value to the City's economy. An example as cited in the *CEQR Technical Manual* would be new regulations that prohibit or restrict the use of certain processes that are critical to certain industries. As set forth under *CEQR Technical Manual* guidelines, the preliminary assessment of the Proposed Actions' potential to affect the operation and viability of specific industries (not necessarily tied to the study areas) 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 questions cannot be answered with a clear "no."

*DEVELOPMENT SITE*

***1. Would the Proposed Actions significantly affect business conditions in any industry of any category of business within or outside the study area?***

The Proposed Actions would not introduce any regulations or policies that would restrict any business or process from continuing to function within or outside the Development Site study area. Nor would the Proposed Actions result in a significant adverse impact from the direct displacement of uses on the Development Site. Therefore, the Proposed Actions would not have any direct effects on business conditions in any industry or category of business within the Development Site study area or New York City more broadly. The potential indirect effects of the Proposed Actions on business conditions are addressed in the question below.

***2. Would the Proposed Actions indirectly substantially reduce employment or impair the economic viability in the industry or category of businesses?***

As described in the detailed analysis of indirect business and institutional displacement, the Proposed Actions would not result in a significant adverse impact due to indirect business displacement, and would not indirectly displace a substantial amount of employment or impair the economic viability in any one industry sector or category of businesses. The study area includes a mix of commercial office, retail, residential, industrial, and transportation uses. According to data from the U.S. Census Bureau, there is not a substantial concentration of any one category of business or industry within the Development Site study area. Therefore, any potential indirect business displacement resulting from the Proposed Actions would not have the potential to impair the economic viability of any industry or category of business.

A small portion of the Special Garment Center District (about a quarter of the blocks bounded by West 35th and West 37th Streets between Eighth and Ninth Avenues) is located in the Development Site study area. The District was created in 1987 to protect and enhance the apparel industry's employment base in apparel manufacturing as well as wholesaling, design and showrooms, retail, and related businesses that support the industry. While remaining the vital center of New York's apparel industry, the Garment Center has been significantly changing over the past decades. Its traditional base in manufacturing employment has been dramatically

reduced, and the current employment base is a broader mix of commercial, wholesaling, and related uses (see Table 4-6).

**Table 4-6  
Citywide Apparel Manufacturing (NAICS 315)**

Year	10-yr Rate of Change	Apparel Manufacturing Employees (NAICS 314 & 315; SIC 22 & 23) (in thousands)	Production Workers (in thousands)	Capital Expenditures (in thousands)***	Capital Expenditures/Employee	CPI Adj.
1967**		277.1	233.6	\$312,417.00	\$1,127.45	6.09
1977**	-24.61%	208.9	171.9	\$370,944.00	\$1,775.70	3.36
1987**	-41.26%	122.7	97.1	\$150,002.00	\$1,222.51	1.79
1997**	-29.67%	86.3	64.1	\$128,877.22	\$1,493.48	1.27
2000*		53.8	39.9			
2002**		40.5	30.2	\$54,710.08	\$1,350.87	1.13
2005*	-66.74%	28.7	21.2			

**Notes:**  
 \* Based on NYSDOL ES202 data.  
 \*\* Based on Census of Manufacturers.  
 \*\*\* In 2007 dollars.  
**Sources:** DCP, March 2008.

As shown in Table 4-6, Citywide apparel manufacturing has been on the decline for over 30 years, with the greatest 10-year rate of change occurring from 1995 to 2005 (dropping nearly 67 percent). Both apparel manufacturing and production employment have been on a steady decline, dropping from about 277,100 and 233,600 employees in 1967 to about 28,700 and 21,200 employees in 2005, respectively. Capital expenditures per employee also have been on the decline.

Table 4-7 compares Citywide fashion-related employment from 2000-2005 to fashion-related employment within the Fashion Center (Zip Code 10018) and Midtown (Zip Codes 10001, 10016, 10018, 10019, and 10036). Fashion-related employment decreased in all three analysis areas from 2000 to 2005. Total Citywide fashion-related employment decreased by nearly 33 percent from 2000 to 2005, compared with a decrease of about 17 percent in the Fashion Center and a decrease of over 10 percent in Midtown. The greatest declines occurred in apparel manufacturing production and office-based employment, compared with slight declines (Citywide and in the Fashion Center) and a slight increase (in Midtown) in wholesale/showroom/design employment. These statistics reinforce an ongoing trend in the Special Garment Center District and Citywide toward the conversion of apparel manufacturing space to showrooms and other non-apparel-related uses.

**Table 4-7  
Change in Fashion-Related Employment, 2000-2005**

	Citywide			Fashion Center Zip Code 10018			Midtown* Zip Codes 10001, 10016, 10019, 10036, and 10118		
	2000	2005	% Change	2000	2005	% Change	2000	2005	% Change
Manufacturing-Production**	39,800	19,981	-49.8	10,506	7,132	-32.11			
Manufacturing-Office	22,019	12,183	-44.67	5,177	3,504	-32.32	7,008	4,667	-33.4
Wholesale/Showroom/Design***	36,051	33,783	-6.29	14,628	14,456	-1.18	9,811	10,365	5.65
Total Fashion-Related	97,870	65,947	-32.62	30,311	25,092	-17.22	16,819	15,032	-10.62

**Notes:**  
 \* Midtown apparel manufacturing jobs assumed to be office-based employment.  
 \*\* Estimate of production jobs derived from the 1997 Economic Census, Manufacturing, Geographic Area Series, released May 2000.  
 \*\*\* Estimate of Citywide fashion design jobs taken from the Bureau of Labor Statistics.  
**Sources:** NYSDOL, ES202, 2000, and 2005 (4Q).

In recognition of this long-term trend, the *Hudson Yards FGEIS* included a rezoning of the P-2 Preservation Area of the Special Garment Center District (generally between West 35th and 39th Streets from Eighth to Ninth Avenues from M1-5 and M1-6 to C6-4M), allowing for new construction of residential, commercial, or community facility uses, as well as as-of-right conversions to residential, commercial, or community facility uses if the building is less than 70,000 sf of floor area. This zoning change, enacted in 2005, already has led to number of new developments and planned developments in the area, including hotels and residential conversions. For instance, a 24-story apartment building is being constructed on West 38th Street between Eighth and Ninth Avenues on a site that was formerly a parking facility.

Overall, the preliminary assessment for the Development Site finds that there would be no a significant adverse impact on specific industries as a result of the Proposed Actions. In the future, the apparel industry is likely to continue its current pattern of consolidation towards the showroom, design, wholesale, and retail focus, while apparel manufacturing is expected to continue to diminish throughout the City, including activities within the Garment Center and in the study area. These trends are expected to continue with or without the Proposed Actions; the Proposed Actions would not affect these trends. No further analysis of this issue is required for the Development Site study area.

### *NINTH AVENUE SITE*

#### ***1. Would the Proposed Actions significantly affect business conditions in any industry of any category of business within or outside the study area?***

The Proposed Actions would not introduce any regulations or policies that would restrict any business or process from continuing to function within or outside the Ninth Avenue Site study area. And as detailed in the preliminary assessment of direct displacement, the Proposed Actions' direct displacement of a NYCT surface parking lot at the Ninth Avenue Site would not jeopardize the viability of the services performed by NYCT. The Proposed Actions would not result in the direct displacement of any other uses in the Ninth Avenue Site study area.

According to data from the U.S. Census Bureau, there is not a significant concentration of any one category of business within the Ninth Avenue Site study area that could be adversely affected by the Proposed Actions. The Special Garment Center District is located over 10 City blocks to the south of the Ninth Avenue Site study area, well outside of the area where potential effects from the Proposed Actions at this site could occur.

#### ***2. Would the Proposed Actions indirectly substantially reduce employment or impair the economic viability in the industry or category of businesses?***

As described in the preliminary assessment of indirect business and institutional displacement, development at the Ninth Avenue Site would not result in a significant adverse indirect business displacement impact, and would not have the potential to indirectly displace a substantial amount of employment or impair the economic viability in any one industry sector or category of businesses. As discussed above, the study area does not include a significant concentration of any one category of business. The study area is dominated by mixed-use residential buildings with ground-floor retail and residential uses above.

Overall, the preliminary assessment for the Ninth Avenue Site finds that there would be no significant adverse impact on a specific industry as a result of development occurring on the Ninth Avenue Site. No further analysis of this issue is required for the Ninth Avenue Site study area.

*TENTH AVENUE SITE*

**1. *Would the Proposed Actions significantly affect business conditions in any industry of any category of business within or outside the study area?***

The Proposed Actions would not introduce any regulations or policies that would restrict any business or process from continuing to function within or outside the Tenth Avenue Site study area. In addition, the Proposed Actions would not result in the direct displacement of any uses in the Tenth Avenue Site study area. Therefore, the Proposed Actions would not have any direct effects on business conditions in any industry or category of business within the Tenth Avenue Site study area or New York City more broadly. The potential indirect effects of the Proposed Actions on business conditions are addressed in the question below.

**2. *Would the Proposed Actions indirectly substantially reduce employment or impair the economic viability in the industry or category of businesses?***

As described in the preliminary assessment of indirect business and institutional displacement the Proposed Actions would not result in significant adverse indirect business displacement, and would not indirectly displace a substantial amount of employment or impair the economic viability in any one industry sector or category of businesses. The study area does not include a significant concentration of any one category of business; it includes a mixture of residential, institutional, open space, hotel, commercial, and limited transportation uses. According to data from the U.S. Census Bureau, there is not a significant concentration of any one category of business within the study area. The Special Garment Center District is located over nine City blocks to the south and two City blocks to the east of the Tenth Avenue Site study area, well outside of the area where potential effects from the Proposed Actions at this site could occur.

Overall, the preliminary assessment finds that development resulting from the Proposed Actions at the Tenth Avenue Site would not adversely affect any specific industries. Therefore, no further analysis of this issue is required for the Tenth Avenue Site.

***CONCLUSION—ADVERSE EFFECTS ON SPECIFIC INDUSTRIES***

The preliminary assessment finds that there would be no significant adverse impact on specific industries as a result of the Proposed Actions. Therefore, no further analysis of this issue is required.

**D. DETAILED ANALYSIS OF INDIRECT RESIDENTIAL DISPLACEMENT**

The preliminary assessment presented in Section C could not rule out the possibility that the Proposed Actions would result in a significant adverse impact due to indirect residential displacement within the Development Site study area. Therefore, a detailed analysis of this concern is presented below. According to Chapter 3B, Section 332.1 of the *CEQR Technical Manual*, the approach to a detailed assessment of indirect residential displacement is similar to that of a preliminary assessment, but requires more in-depth analysis of Census information and can include field surveys and interviews. The analysis is based on evaluating a variety of socioeconomic data related to the study area populations and housing characteristics, and includes such data points as demographic characteristics, housing values, and rents.

The objective of the analysis is to characterize the existing conditions of residents and housing in order to identify populations that may be vulnerable to displacement (“populations at risk”), to assess current and future socioeconomic trends in the area that may affect these populations, and

to examine the effects of the Proposed Actions on prevailing socioeconomic trends and, thus, their impact on the identified populations at risk. In accordance with *CEQR Technical Manual* guidelines, the detailed analysis is divided into three main sections: existing conditions; the Future without the Proposed Actions; and the Future with the Proposed Actions, which includes a determination of whether the Proposed Actions would cause a significant adverse impact. The analysis of the Proposed Actions focuses on the potential effects of the Maximum Residential Scenario, which maximizes the amount of new residential uses and is the most likely to generate an indirect residential displacement impact.

### EXISTING CONDITIONS

This section of the analysis describes the existing population and housing characteristics of the study area, and compares the study area's demographics to that of Manhattan and New York City as a whole. Presented are Census 1990 and 2000 data, followed by a discussion of population and housing trends since 2000.

#### *POPULATION AND HOUSING PROFILE OF THE STUDY AREA*

The Development Site study area is located on the Far West Side of Midtown Manhattan and is bounded roughly by West 42nd Street on the north, Tenth and Eighth Avenues on the east, West 21st and West 14th Streets on the south, and Hudson River Park on the west (see Figure 4-1). The Development Site study area encompasses parts of several neighborhoods, including the majority of the Hudson Yards area, the southern edge of Clinton, the southwestern corner of the Special Garment Center District, and the western portion of Chelsea.

#### *Population*

The Development Site study area had a population of approximately 19,572 residents in 2000, up 6.5 percent from 1990. The 6.5 percent growth rate for the decade was larger than that of Manhattan (3.3 percent) but lower than New York City as a whole (9.4 percent). As shown in Table 4-8, by far the largest population increase (63.8 percent growth) occurred in Census Tract 99, which includes the Development Site and is bounded generally by Tenth Avenue to the east, West 38th Street to the north, West 14th Street to the south, and the Hudson River to the west. This area's population increase is a direct result of the rapid growth that has occurred largely to the south of the Development Site for almost two decades. Census Tract 111 (bounded by Tenth Avenue to the east, West 42nd Street to the north, West 38th Street to the south, and the Hudson River to the west) and Census Tract 117 (bounded by Eighth Avenue to the east, West 38th Street to the north, West 34th Street to the south, and Tenth Avenue to the west) also experienced significant population increases from 1990 to 2000, growing their populations by over 30 percent. For example, River Place I, located at 640 West 42nd Street, was built in 1999 and added 921 residential units to the Development Site study area (Census tract 117). Also, the Olivia located at 315 West 33rd Street was built in 2000 and added 333 residential units to the Development Site study area (Census Tract 103). Other Census tracts in the study area showed relatively small changes in population from 1990 to 2000.

The population in the Development Site study area is generally concentrated between Eighth and Tenth Avenues, south of 30th Street, but a substantial number of residents also live in Census Tract 111, bounded by West 38th Street to the north, West 34th Street to the south, Eighth Avenue to the east, and Tenth Avenue to the west. Fewer residents live west of Tenth Avenue south of West 42nd Street, where there is little housing. There is no population or housing in the Convention Center Corridor between Eleventh and Twelfth Avenues.

**Table 4-8**  
**Population Trends in Development Site Study Area**

Area	Total Population		Percent Change 1990 to 2000
	1990	2000	
<b>Development Site Study Area</b>	<b>18,381</b>	<b>19,572</b>	<b>6.5</b>
CT 93	8,920	8,714	-2.3
CT 97	4,809	4,852	0.9
CT 99	705	1,155	63.8
CT 103	1,467	1,463	-0.3
CT 111	2,228	3,048	36.8
CT 117	252	340	34.9
<b>Manhattan</b>	<b>1,487,536</b>	<b>1,537,195</b>	<b>3.3</b>
<b>New York City</b>	<b>7,322,564</b>	<b>8,008,278</b>	<b>9.4</b>

**Sources:** U.S. Census Bureau, 1990 and 2000 Census, Summary File 1.

#### *Households and Income*

In 2000, the Development Site study area contained approximately 10,800 households with an average household size of 1.68 residents per household (see Table 4-9). Between 1990 and 2000, the total numbers of households increased by a modest 5.7 percent, but increases were more substantial in individual Census tracts, reflecting an increase in residential construction activity in the latter part of the decade (see “Housing,” below, for more details). The total number of households in Census Tract 99, which includes the Development Site, increased by more than 50 percent between 1990 and 2000 (although it contained just 3.4 percent of the households in the Development Site study area in 2000). Census Tract 111 experienced a 50.7 percent increase in households over the decade, and as of 2000 contained 14.1 percent of all study area households as compared to 9.9 percent of the households in 1990. The remaining Census tracts showed slight decreases in the number of households from 1990 and 2000, except for Census Tract 117, which dropped significantly (-41.5 percent); however, the number of households in this Census Tract is very low (only 0.2 percent of the total in the study area). The average household size for the Development Site study area increased slightly, from 1.66 persons per household in 1990 to 1.68 persons per household in 2000. In general, households in the study area are smaller than those in Manhattan and the City as a whole.

As shown in Table 4-9, in 2000 the Development Site study area’s median household income (\$65,742) was very similar to that of Manhattan (\$66,304) and higher than New York City (\$53,986). Household income data indicate that the study area has become more affluent. Between 1990 and 2000, household incomes in the Development Site study area increased by about 22 percent, considerably faster than income growth in Manhattan (about 14.8 percent). During the same period, the City as a whole experienced a marginal increase in median household income.

In 2000, approximately 19 percent of the Development Site study area’s population lived below the poverty level, up from 15.9 percent in 1990, but still lower than in Manhattan (20 percent) and the City as a whole (21.2 percent) (see Table 4-9). The presence of temporary residential shelters in the study area strongly influences the poverty rate, so that it is not totally representative of the larger residential community. Approximately 1,432 residents in the study area (7.3 percent of the total population) live in “group quarters” as opposed to “households.” In 2000 these types of facilities include Covenant House on West 41st Street, with approximately 340 shelter residents; and the Icahn Center Tier II Shelter, also on West 41st Street, with about 290 shelter residents (the Icahn Center Tier II Shelter is no longer in operation). A re-categorization by the 2000 Census of rooming and boarding houses as housing units (and their inhabitants as householders) rather than as part of

group homes, which contributes to Census estimates showing an increased percentage of study area residents living below the poverty level between 1990 and 2000.

**Table 4-9  
Household and Income Characteristics**

Area	Housing Characteristics				Income Characteristics			
	Total Households		Average Household Size <sup>1</sup>		Median Household Income <sup>2</sup>		Population Below Poverty Level (%) <sup>4</sup>	
	1990	2000	1990	2000	1990	2000	1990	2000
<b>Development Site Study Area</b>	<b>10,221</b>	<b>10,800</b>	<b>1.66</b>	<b>1.68</b>	<b>\$53,857</b>	<b>\$61,585</b>	<b>15.9</b>	<b>19.0</b>
CT 93	5,321	5,262	1.62	1.65	\$63,209	\$68,293	9.2	15.5
CT 97	2,778	2,656	1.73	1.72	\$37,305	\$42,724	20.9	22.7
CT 99	241	370	1.83	1.80	\$57,347	\$79,870	24.7	14.6
CT 103	832	969	1.47	1.50	\$57,538	\$80,571	15.6	17.3
CT 111	1,008	1,519	1.85	1.81	\$48,050	\$55,389	22.0	22.8
CT 117	41	24	2.04	2.00	\$9,284	\$21,933	84.9	67.6
<b>Manhattan</b>	<b>716,422</b>	<b>738,644</b>	<b>1.99</b>	<b>2.00</b>	<b>\$57,746</b>	<b>\$66,304</b>	<b>20.5</b>	<b>20.0</b>
<b>New York City</b>	<b>2,819,401</b>	<b>3,021,588</b>	<b>2.53</b>	<b>2.59</b>	<b>\$53,380</b>	<b>\$53,986</b>	<b>19.3</b>	<b>21.2</b>

**Notes:**  
<sup>1</sup> The average household size for the study area represents a weighted average of the average household sizes for the Census tracts in the study area.  
<sup>2</sup> All dollars presented in constant 2008 dollars using the U.S. Department of Labor's 2008 Consumer Price Index for the "New York-Northern New Jersey-Long Island area."  
<sup>3</sup> The study area median income represents a weighted average of the median incomes of all the census tracts in the study area.  
<sup>4</sup> Percent of population with incomes below established poverty level. The U.S. Census Bureau uses its established income thresholds to define poverty level.

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

*Housing*

Housing patterns in the Development Site study area generally reflect the population and household patterns, with most of the housing located south of West 30th Street and east of Tenth Avenue. Between 1990 and 2000, the housing stock in the Development Site study area increased by 5.4 percent. Both Manhattan and the City as a whole increased the number of housing units during this same period; Manhattan by 1.7 percent, and the City by 7 percent.

Over the last decade or so, demand for housing throughout New York City increased as a result of in-migration and natural population growth. Between 1990 and 2000, demand for housing in the Development Site study area drove the vacancy rate down from 6 percent to 5.8 percent (see Table 4-10). The Development Site study area's vacancy rate in 2000 was lower than that of Manhattan (7.5 percent) and slightly above New York City (5.6 percent). The study area had a lower percentage of rental units (70.2 percent) than Manhattan as a whole (79.9 percent) in 2000, and between 1990 and 2000 experienced a decline in the percentage of rental versus ownership units slightly larger than the declines in Manhattan and the City as a whole.

As shown in Table 4-11, the Development Site study area's housing unit mix results in a median number of rooms per unit of three. This is the same as Manhattan, but less than that of New York City as a whole, which has a median of four rooms per unit. Census Tracts 103 and 111 have, on average, two rooms per unit. This may be attributable to the presence of high-rise apartment buildings, which generally offer units with two bedrooms or less. Only about 20 percent of the Development Site study area consists of owner-occupied housing (e.g., condominiums and cooperatives). Home ownership in the Development Site study area is limited, and as discussed below, is geared toward affluent residents.

**Table 4-10**  
**Housing Characteristics: Occupancy and Tenure**

Area	Total Housing Units		Occupancy (%)				Tenure (%)			
			Occupied		Vacant		Owner		Renter	
	1990	2000	1990	2000	1990	2000	1990	2000	1990	2000
<b>Development Site Study Area</b>	<b>10,871</b>	<b>11,463</b>	<b>94.0</b>	<b>94.2</b>	<b>6.0</b>	<b>5.8</b>	<b>21.6</b>	<b>29.8</b>	<b>78.4</b>	<b>70.2</b>
CT 93	5,626	5,498	94.6	95.7	5.4	4.3	25.0	35.6	75.0	64.4
CT 97	2,868	2,772	96.9	95.8	3.1	4.2	23.3	37.8	76.7	62.2
CT 99	250	401	96.4	92.3	3.6	7.7	4.6	16.5	95.4	83.5
CT 103	882	1,093	94.3	88.7	5.7	11.3	8.4	7.4	91.6	92.6
CT 111	1,189	1,645	84.8	92.3	15.2	7.7	15.1	13.8	84.9	86.2
CT 117	56	54	73.2	44.4	26.8	55.6	0.0	4.2	100.0	95.8
<b>Manhattan</b>	<b>785,127</b>	<b>798,144</b>	<b>91.2</b>	<b>92.5</b>	<b>8.8</b>	<b>7.5</b>	<b>17.9</b>	<b>20.1</b>	<b>82.1</b>	<b>79.9</b>
<b>New York City</b>	<b>2,992,169</b>	<b>3,200,912</b>	<b>94.2</b>	<b>94.4</b>	<b>5.8</b>	<b>5.6</b>	<b>28.6</b>	<b>30.2</b>	<b>71.4</b>	<b>69.8</b>

**Sources:** U.S. Census Bureau, 1990 and 2000 Census, Summary File 1.

**Table 4-11**  
**Housing Characteristics: Rooms and Rent**

Area	Median No. of Rooms		Median Contract Rent <sup>1</sup>		Percent Change
	1990	2000	1990	2000	
<b>Development Site Study Area</b>	<b>3</b>	<b>3</b>	<b>\$804<sup>2</sup></b>	<b>\$1,075<sup>2</sup></b>	<b>33.7</b>
CT 93	3	3	\$873	\$1,108	26.9
CT 97	3	3	\$678	\$736	8.5
CT 99	4	3	\$1,036	\$1,231	18.8
CT 103	2	2	\$913	\$1,641	79.8
CT 111	3	2	\$680	\$1,149	68.9
CT 117	3	4	\$179	\$247	37.8
<b>Manhattan</b>	<b>3</b>	<b>3</b>	<b>\$856</b>	<b>\$1,043</b>	<b>21.9</b>
<b>New York City</b>	<b>4</b>	<b>4</b>	<b>\$802</b>	<b>\$911</b>	<b>13.6</b>

**Notes:**  
<sup>1</sup> Median contract rents shown in constant 2008 dollars.  
<sup>2</sup> Values represent a weighted average across all of the census tracts in the study area.  
**Sources:** U.S. Census Bureau, 1990 and 2000 Census, Summary File 3.

In 2000, the median contract rent (excluding such expenses as electricity, gas, and telephone service) in the Development Site study area was about \$1,075 per month, slightly higher than in Manhattan (\$1,043 per month) and also higher than in New York City as a whole (\$911 per month). Over the course of the decade from 1990 to 2000, rents in the Development Site study area increased by nearly 34 percent, a much higher growth rate than Manhattan (about 22 percent) or New York City (about 14 percent). These trends reflect the substantial development of upscale housing in the Development Site study area between 1990 and 2000. For example, River Place I at 640 West 42nd Street is an upscale residential building that was built in 1999. According to the building’s leasing office, current rental rates at River Place I range from \$2,000 to \$2,600 for a studio, from \$2,650 to \$3,500 for a one-bedroom unit, and from \$3,650 to \$4,350 for a two-bedroom unit.<sup>1</sup> The Olivia, which was built in 2000, is another upscale residential building located at 315 West 33rd Street. Current rental rates at The Olivia range from \$2,188 for an alcove studio to \$4,363 for a two-bedroom unit.<sup>2</sup>

<sup>1</sup> Requested information from the leasing office on December 5, 2008.

<sup>2</sup> <http://www.theolivianny.com/available.asp> (Accessed December 5, 2008)

**Western Rail Yard**

*Population, Housing, and Income Trends since 2000*

Since 2000, approximately 5,500 new residential units have been constructed in the Development Site study area, with the majority of the new units (81 percent) being located in Census Tract 99 (which includes the Development Site and is bounded generally by Tenth Avenue to the east, West 38th Street to the north, West 14th Street to the south, and the Hudson River to the west) and Census Tract 117 (bounded by Eighth Avenue to the east, West 38th Street to the north, West 34th Street to the south, and Tenth Avenue to the west). The addition of these housing units would increase the Census 2000 residential unit count for the study area by almost 50 percent. Table 4-12 shows the specific locations of new residential construction projects in the Development Site study area, an estimate of the number of units built, and whether the units are rental or for-sale.

**Table 4-12**  
**Residential Developments in Development Site Study Area after 2000**

Census Tract	Building/Location	No. of Units	Rental/For-Sale
CT 93	401 West 22nd Street	57	Rental
	350 West 23rd Street	16	For Sale
CT 97	360 West 28 Street	17	For Sale
CT 99	527 West 23rd Street	313	Rental
	520 West 23rd Street	107	For Sale
	519 West 23rd Street	11	For Sale
	555 West 23rd Street	336	For Sale
	511 West 24th Street	1	Rental
	516 West 19th Street	26	For Sale
	100 Eleventh Avenue	72	For Sale
	200 Eleventh Avenue	16	For Sale
	245 Tenth Avenue	18	For Sale
	500 West 23rd Street	106	Rental
	505 West 37th Street	855	Rental
CT 103	363 West 30th Street	77	Rental
	315 West 33rd Street	333	Rental
CT 111	400 West 37th Street	259	Rental
	310 West 38th Street	258	Hotel/Condo <sup>1</sup>
CT 117	640 West 42nd Street	921	Rental
	500 West 42nd Street	25	For Sale
	557 Tenth Avenue	420	Rental
	533 Eleventh Avenue	1,266	Rental
<b>Development Site Study Area Total</b>		<b>5,510</b>	<b>N/A</b>
<b>Note:</b> <sup>1</sup> This project is a combination rental apartment and hotel. Hotel services are available for full-time residents.			
<b>Sources:</b> AKRF, Inc., October 2008.			

New rental projects in the study area range from about \$2,200 per month for a studio apartment to about \$5,000 for a two-bedroom apartment.<sup>1</sup> Few new rental buildings have been constructed with three-bedroom units.

Prices for condos in for-sale new construction buildings in the Development Site study area differ depending on location. Properties located in the southern part of the study area command higher prices due to their location within the Chelsea neighborhood. In addition, new construction in the southern part of the study area has a wider range of condominiums available by number of bedrooms. Units available in the southern part of the study area can range from a 600-square-foot, one-bedroom unit to a 4,000-square-foot, five-bedroom unit. Prices generally start at \$750,000 in this area and exceed \$10,000,000. Properties in the northern section of the study area have lower

<sup>1</sup> NY Bits. www.nybits.com, October 2008

price levels and generally start at about \$500,000 for a 400-sf studio, \$750,000 for a 650-square-foot one-bedroom, and \$1,500,000 for a 1,200-square-foot two-bedroom condo.<sup>1</sup>

The median sales price of all cooperative and condominiums in the Chelsea and Clinton neighborhoods<sup>2</sup> according to Miller Samuel Inc., a respected real estate appraiser and consultant, was \$926,607 for Clinton in the third quarter of 2008 and \$1,207,500 for Chelsea during the same period. Complete historic data for Chelsea is unavailable; however, the median sales price for cooperatives and condominiums in the Clinton neighborhood was \$419,000 in the first quarter of 2001. This is a significant increase during the seven-year period.

The Development Site study area has experienced a dramatic increase in household incomes over the past 18 years, development of new housing, and an increase in the amount and cost of market rate housing, particularly since 2000. Despite the increasing of the residential desirability of the Far West Side neighborhoods, the study area continues to maintain a diverse income mix due in large part to the high concentration of rent-protected units relative to other areas of Manhattan, most notably in SRO units (1,124 units, see discussion below), affordable housing in Penn Station South (2,820 units), and public housing in the Elliott Houses (with 589 units).

#### *VULNERABLE HOUSING POPULATION*

In addressing the potential for a vulnerable housing population, it is important to identify those housing circumstances in which low- to moderate-income residents of the study area could be displaced. According to the *CEQR Technical Manual*, vulnerable populations are typically low-income residents including occupants of lower-rent housing not subject to rent protection (addressed under *Housing Status* below) or SRO units.

#### *Single Room Occupancy Units (SRO)*

SRO units are of particular concern in this analysis because they have traditionally been, and are still, a source of housing for low- and moderate-income study area residents. Also, in neighborhoods attracting substantial amounts of new investment, buildings with SRO units have been vulnerable to upgrading with a subsequent displacement of their tenants.

An inventory was developed of potential SRO units in the study area based on DCP's 2005 MISLAND Multiple Dwellings Report. Field surveys were then conducted in October 2007 and October 2008 that included a visit to every building on the MISLAND list to determine whether the buildings actually house SRO tenants. A number of building characteristics, including the following, were used to confirm the presence of SROs:

- Signage;
- Evidence of a lack of centralized facility management, such as:
  - Exterior cable wires connected through windows;
  - Multiple doorbells/mailboxes without tenant names;
  - Inconsistency in air-conditioning unit/fan installation methods and brands;
  - Inconsistency in window dressings; and
  - Minimal property upkeep.

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<sup>1</sup> STREETeasy, [www.streeteasy.com](http://www.streeteasy.com), October 2008.

<sup>2</sup> Data for median sales price of residential property is only available at the neighborhood level.

**Western Rail Yard**

Buildings under significant renovation were eliminated from the inventory of potential SROs. Buildings that serve as student dormitories or are affiliated with a college or university, such as the Fashion Institute of Technology (FIT), were also excluded from the inventory of potentially vulnerable SRO units. While these buildings may contain SRO units, they are classified as institutional uses. Where it was difficult to discern whether a hotel contained SRO units, internet searches were performed to obtain information on the types of units offered at the hotel (i.e., private bath versus shared bath). Under any circumstance in which the presence of SRO units could not be ruled out, the building was included in the inventory.

Based on information provided by DCP, reviews of previous studies, and field surveys, list of current SRO dwelling buildings was compiled. Table 4-13 shows that there are an estimated 1,124 SRO units in the study area.

**Table 4-13**  
**Single Room Occupancy (SRO) Units in Development Site Study Area**

Census Tract	Address	Building Type	SRO Rooms
93	483 West 22nd Street	Pre-1929 Converted Transient	16
93	415 West 22nd Street	Pre-1929 Conversion	6
93	458 West 25th Street	Pre-1929 Converted Transient	17
93	317 West 22nd Street	Pre-1929 Conversion	14
93	328-330 West 23rd Street	Pre-1929 Converted Transient	22
93	332-334 West 23rd Street	Pre-1929 Hotel	84
93	362 West 23rd Street	Pre-1929 Converted Transient	11
93	364 West 23rd Street	Pre-1929 Converted Transient	15
97	351 West 29th Street	Pre-1929 Converted Transient	29
97	333 West 29th Street	Pre-1929 Converted Transient	29
97	389 Eighth Avenue	Pre-1929 Converted Transient	17
97	300 West 30th Street	Pre-1929 Converted Transient	18
97	302 West 30th Street	Pre-1929 Conversion	19
97	304 West 30th Street	Pre-1929 Converted Transient	13
97	360 West 30th Street	Pre-1929 Converted Transient	31
97	366 West 30th Street	Pre-1929 Converted Transient	18
99	162 Eleventh Avenue	Pre-1929 Converted Transient	21
99	563-565 West 23rd Street	Pre-1929 Hotel	68
103	341 West 30th Street	Pre-1929 Converted Transient	23
103	325 West 30th Street	Pre-1929 Converted Transient	17
103	323 West 30th Street	Pre-1929 Converted Transient	18
103	321 West 30th Street	Pre-1929 Converted Transient	15
103	319 West 30th Street	Pre-1929 Converted Transient	16
103	317 West 30th Street	Pre-1929 Converted Transient	14
103	315 West 30th Street	Pre-1929 Converted Transient	18
111	413-423 West 34th Street	Pre-1929 Hotel	392
111	369-371 West 35th Street	Pre-1929 Converted Transient	16
111	330-332 West 36th Street	Pre-1929 Hotel	101
117	515 West 41st Street	Icahn House West	46
<b>Total:</b>			<b>1,124</b>
<b>Sources:</b>	DCP, 2005 MISLAND Database, <i>Multiple Dwellings Report</i> and verified through AKRF field survey and internet searches in October 2007 and October 2008.		

SRO units are subject to legal and community support structures that impose heavy penalties for illegal evictions. It is reasonable to assume that with the effective laws regulating tenancy of SRO dwellings and against illegal harassment actions on the part of landlords, there could be effective protection against displacement even under market pressures to convert properties to single-family residential. New York City’s anti-harassment policies protecting SRO tenants from displacement pressures require that owners of SRO units who are seeking to convert to another use request Certification of No Harassment from HPD. The application process permits HPD to conduct an investigation of any potential tenant harassment in the 36-month period before filing of the application. The inquiry may include a Request for Comments on Application for

Certification of No Harassment from tenants with respect to threats, physical force, deprivation of essential services, or other forms of harassment.<sup>1</sup>

### *Housing Status*

As indicated above, a key objective of this detailed indirect residential displacement analysis is to characterize existing conditions of residents and housing in order to identify populations that may be at risk of displacement. At-risk populations are defined under CEQR as people living in privately held units that are unprotected by rent regulations, whose incomes or poverty status indicates that they could not pay substantial rent increases (*CEQR Technical Manual* page 3B-11). This section estimates the status (rent-regulated or non-regulated) of the housing stock in the Development Site study area. The findings are then used in concert with income data to identify the number and location of potentially at-risk households in the study area.

There are two main types of rent regulation programs in New York City: rent control and rent stabilization. Rent control limits the rent an owner may charge for an apartment and restricts the right of an owner to evict tenants. In New York City, the rent control program applies to apartments in residential buildings containing three or more units and constructed before February 1947. For an apartment to fall under rent control, the tenant must have been living in that apartment continuously since before July 1, 1971. When a rent controlled apartment becomes vacant, it either becomes rent stabilized or, if it is in a building with fewer than six units, is removed from regulation. Rent stabilization limits the annual rate at which rents can increase. In New York City, rent stabilization generally applies to apartments in buildings containing six or more units built between February 1, 1947 and January 1, 1974. An apartment is no longer subject to rent stabilization if: (a) it is an occupied apartment with a legal rent of \$2,000 or more, and the household income of the occupants has exceeded \$175,000 in each of the two preceding calendar years; or (b) it is a vacant apartment that could be offered at a legal regulated rent of \$2,000 or more.<sup>2</sup>

Other types of housing that are rent-regulated include Section 8 housing,<sup>3</sup> public housing, Mitchell-Lama developments, and other HPD-owned housing.

### *Unprotected Units*

Comprehensive counts of rent-regulated housing are available only for geographic areas that are larger than the Development Site study area. Therefore, in accordance with *CEQR Technical Manual* guidelines, the number of unregulated units was estimated based on data obtained from RPAD and Census data. Table 4-14 provides calculations on the numbers of unprotected housing units in the study area, based on information available in RPAD, from the New York City Housing Authority (NYCHA), and from the Census, to identify the number of residential units

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<sup>1</sup> New York City Administrative Code and Charter: §27-198

<sup>2</sup> Rent regulations obtained from the New York State Division of Housing and Community Renewal, Office of Rent Administration, and the New York City Rent Guidelines Board.

<sup>3</sup> Under Section 8, voucher recipients contribute 30 percent of their adjusted gross income to rent, with the administering agency paying the remaining amount directly to landlords, up to federally approved rates. According to a NYCHA press release (January 29, 2007), over 83,000 Section 8 vouchers are currently administered by NYCHA, and an additional 22,000 will be made available to eligible recipients over the next two years. Though vouchers are not tied to residential units in specific areas, it is anticipated that vouchers could be applied to some housing within the study area.

**Table 4-14**  
**Unprotected Units in the Development Site Study Area**

Row #			Total	Notes
1	<b>Base of Unprotected Units: Units in Buildings with 1-5 Units</b>	Number of units in buildings with 1-4 units	236	Derived from RPAD
2		Number of renter occupied units in buildings with 1-4 units	152	(Row 1) * (Renter occupancy rate for buildings with 1-4 units)
3		Number of units in buildings with 5 units	135	Derived from RPAD
4		Number of renter occupied units in buildings with 5 units	94	(Row 3) * (Renter occupancy rate for buildings with 5-9 units)
5		Total number of renter-occupied units in 1-5 unit buildings	247	(Row 2) + (Row 4)
6	<b>Additional Unprotected Units: Units in Buildings Built After January 1, 1974</b>	Total units ( <i>renter- and owner-occupied</i> ) built between 1974 and 2007	5,819	Derived from RPAD
7		Total units ( <i>renter- and owner-occupied</i> ) built between 1974 and 2007 and in buildings with 5 units or less	2	Derived from RPAD
8		Public housing units built between 1974 and 2007	0	Derived from RPAD
9		Total units ( <i>owner &amp; renter-occupied</i> ) in buildings with more than 5 units, built after January 1, 1974	5,817	(Row 6) - (Row 7) - (Row 8) This number was derived by taking the total number of units built between 1974 and 2007 and subtracting out public housing units built between 1974 and 2007 and subtracting those in buildings with 5 or fewer units (to avoid double counting).
10		Number of <i>rental</i> units in buildings with more than 5 units, built after January 1, 1974	5,498	(Row 9) * (renter occupancy rate for buildings with 5+ units) This row filters out owner-occupied units by applying the renter-occupancy rate for each census block group
11	<b>Total Unprotected Rental Units</b>	Total number of renter-occupied units that are unprotected	5,744	(Row 5) + (Row 10)
12		Total number of residential units	17,916	Derived from RPAD
13		Total number of renter-occupied units	13,703	(Row 12) * (renter occupancy rate for all units)
14		Percent of renter-occupied units that are unprotected	41.9%	(Row 11) / (Row 13)

**Sources:** DOF RPAD 2008 database, Census 2000, AKRF, Inc.

in the study areas that are in buildings that meet the following criteria, and are assumed to be unprotected from rent increases: (1) they are privately owned buildings (i.e., no public housing units); (2) the buildings contain rental units; (3) they are in buildings that are not old enough to be subject to rent control or rent stabilization; and/or (4) they are in buildings too small to be subject to rent control or rent stabilization.<sup>1</sup> The total number of residential buildings with one to four units and five or more units built after 1974 in the study areas was determined using RPAD.

<sup>1</sup> There may be dwelling units that meet these criteria but are, in fact, protected from rent increases through programs such as Section 8 housing, Mitchell-Lama housing and 421-a or 420-c tax abatements. However, the analysis conservatively assumes that all units meeting the criteria are unprotected.

Based on the calculations shown in Table 4-14, the study area contains approximately 13,703 renter-occupied units, of which an estimated 5,744 units (41.9 percent of the total renter-occupied units) are currently unprotected.

*Identifying Population Currently at Risk of Displacement*

In order to determine whether a population at risk of indirect residential displacement exists in the study area, the *CEQR Technical Manual* recommends analyzing census data on income and renters in structures containing fewer than six units combined with data on other factors, including the presence of subsidized housing and land use. However, given that a vast majority of the unregulated units in the study area are in buildings with more than five units built after 1974 (5,498 of the 5,744 unregulated units, or approximately 96 percent), examining data on income and renters in structures containing fewer than six units as suggested by the *CEQR Technical Manual* would not reflect the incomes of most renters in unregulated apartments within the study area, nor would it provide an adequate sample size for purposes of analysis. The analysis examines trend data on median household incomes for housing units within a wider range of sizes of buildings.

As shown in Table 4-15, 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. (Table 4-15 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 median income of residents living in small buildings was essentially the same as the median income of residents of large buildings. Incomes were slightly lower in medium-sized buildings (20 to 49 units). These trends were the same regardless of whether the units were owner- or renter-occupied.

**Table 4-15  
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 <sup>1</sup>	Number of Households	Median Household Income <sup>1</sup>	
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
<b>Total Units (Owner- and Renter- Occupied)</b>	<b>67,253</b>		<b>71,605</b>		
Under 20 units	13,686	\$35,515	14,738	\$49,000	38.0
20 to 49 units	11,437	\$32,741	11,625	\$43,100	31.6
50 units and over	29,671	\$39,803	29,682	\$49,900	25.4
<b>Total Units (Renter-Occupied)</b>	<b>54,794</b>		<b>56,045</b>		
<b>Note:</b>	<sup>1</sup> Median household incomes are presented in constant 1999 dollars.				
<b>Sources:</b>	1990 and 2000 U.S. Census. Public Microdata Series (PUMS) for Manhattan Community Districts 4 and 5.				

In general, economic trends that place unregulated rents out of reach of low- and moderate-income households have been well-established in the study area due to the substantial rise in the median income in the area from 1990 to 2000. Those low- and moderate-income households that remain in the study area owe their continued tenure to rent regulation and participation in other government programs that limit rents and tenant incomes.

## **THE FUTURE WITHOUT THE PROPOSED ACTIONS**

### *DEVELOPMENT SITE*

By 2019 in the Future without the Proposed Actions, the uses on the Development Site will remain unchanged. The site is expected to continue to operate as a rail yard for LIRR.

### *DEVELOPMENT SITE STUDY AREA*

In the Future without the Proposed Actions, the trends toward an increased, more affluent population are expected to continue in the Development Site study area. Despite the recent economic downturn, there are many projects planned for the study area that are expected to move forward, which will continue existing trends of increased numbers of households and rising incomes. As detailed in Chapter 3, “Land Use, Zoning, and Public Policy,” the Development Site study area has a good deal of developable land and zoning that will allow for additional residential development. It is expected that by 2019, the number of residential developments in the Development Site study area will increase substantially. Table 4-16 shows that many residential projects are expected to be introduced into the Development Site study area, increasing the amount of housing by an estimated 11,455 units. This increment would be roughly the same as the total number of housing units in the Development Site study area reported in 2000 (11,463), although as previously stated, the number of housing units estimated to have been constructed in the study area between 2000 and 2008 is approximately 5,500. The future residential projects expected to occur in the Development Site study area would add an estimated 19,244 new residents, based on the average household size for the study area’s household in 2000 (1.68 persons per household) and assuming 100 percent occupancy. While many of the planned residential projects will have an affordable housing component, the population introduced will generally have incomes above the median for the study area.

Most of the growth anticipated in the Future without the Proposed Actions by 2019 would occur along Tenth and Eleventh Avenues between the Eastern Rail Yard and West 17th Street. This growth is largely a result of the West Chelsea District rezoning which would be unlikely to directly displace residents as most of the rezoned area was previously zoned for light industrial uses. Development within the Special Hudson Yards District also will contribute to new housing construction in the Development Site study area. Overall, in the Future without the Proposed Actions there will be a substantial addition of primarily market-rate housing to the study area, maintaining the area’s residential desirability and the rent pressures on market-rate units in the study area.

## **PROBABLE IMPACTS OF THE PROPOSED ACTIONS—2019**

The Proposed Actions would allow for the development of housing, commercial, community facility, and open space within the Development Site. By full build (2019), the platform over the Development Site would be constructed and under the Maximum Residential Scenario-Hotel Option the site would contain: up to 5,762 residential dwelling units; 1,200 hotel rooms; 210,000 gsf of retail space; 5 acres of open space; and a 120,000-gsf public school.

**Table 4-16  
Development Site Study Area Residential Development  
to be Completed by 2019**

Map # (Figure 2-1)	Project	Residential Units
1	Eastern Rail Yard - between West 30th and 33rd Streets and Tenth and Eleventh Aves	1,904
3	316 Eleventh Ave (east side) between West 29th and 30th Sts (Block 701, Lots 62, 68, and 70)	365
4	Hudson Yards Site 4, Moinian Group - east side Eleventh Ave between West 34th and 35th Sts	359
6	Related Companies - midblock on south side West 30th St between Tenth and Eleventh Aves	368
7	Related Companies - southwest corner of Tenth Ave and West 30th St (Block 701, Lots 30, 33, 36, 37, 42-44)	382
8	Avalon Bay Properties - Eleventh Ave at West 28th St, NE Corner (Block 700, Lots 1, 9, 18)	600
9	Taxi Garage Site: Tenth Ave between West 28th and 29th Sts (Block 700, Lots 27, 42, 44, 45, 32, 34, 38)	46
10	Extell Development - Hudson Yards Potential Site 62, east side Tenth Ave btwn West 31st and 30th Sts	220
11	Hudson Yards Site 11, Rockrose - west side of Tenth Ave btwn West 37th and 38th Sts	855
17	River Place II, Eleventh Ave btwn West 41st and 42nd Sts	1,349
20	515 West 41st St	333
23	Hudson Yards Site 23, Rockrose, east side of Tenth Ave btwn West 37th and 38th Sts	388
24	Hudson Yards Site 24, Hudson Mews I (North), Dermot Company, Dyer Ave btwn West 37th and 38th Sts	448
26	Tower 37, LLC south side of West 37th St, near Ninth Ave (Block 760, Lots 10, 67, 68)	208
28	Hudson Yards Site 28, Hudson Mews II (South), Dermot Company, Dyer Ave between West 36th and 37th Sts	361
29	310-328 West 38th Street, Glenwood Management, midblock on West 37 and 38 Sts between Eighth and Ninth Aves	569
50	415 Eighth Ave at SW corner of 31st St, Block 754 Lot 44	106
52	West Chelsea Projected Site 4, 547-59 West 27th St, Block 699, Lot 5	118
53	West Chelsea Projected Site 5, 507-17 West 27th St Block 699, Lots 9, 22-27, 44	283
54	West Chelsea Projected Site 6, 299-311 Tenth Ave Block 699, Lots 29, 31-33, 37	159
57	Spindler Site: Block 698, Lots 28, 32: West 26th St and Tenth Ave	31
58	West Chelsea Projected Site 9, 507 West 25th St Block 697, Lots 27 and 31	175
59	420 West 25th St, south side, midblock between Ninth and Tenth Aves	76
61	245 Tenth Ave	18
62	High Line 519: 519 West 23rd St, north side, midblock between Tenth and Eleventh Aves	11
63	200 Eleventh Ave	16
64	552 West 24th St	15
65	HL 23, West 23rd St	11
66	10 Chelsea, 500 West 23rd St	68
69	West Chelsea Projected Site 13, 550 West 21st St Block 692, Lots 7, 61, 63	133
71	West Chelsea Projected Site 15, 521-527 West 20th St Block 692, Lots 28, 30	87
72	Nouvel on 19th Street, 19th St and Eleventh Ave	72
73	Metal Shutter Houses, West 19th St	9
74	520 West Chelsea, 520 West 19th St	26
75	High Line Bonus Site C, West Chelsea Subarea G, Tenth Avenue btwn West 18 and 19th Sts	341
76	High Line Bonus Site B, Block 689, Lot 17; West Chelsea Subarea H	945
<b>Total</b>		<b>11,455</b>
<b>Notes:</b>	This table reflects only those residential developments expected to occur within the Development Site study area by 2019.	
<b>Source:</b>	DCP, New York City Department of Buildings, and New York Economic Development Corporation.	

Of the up to 5,762 residential units, approximately 5,372 would be units offered at rents and sales prices comparable to other modern, newly constructed market-rate units in the surrounding area, and comparable to the high rents and sales prices for market-rate units expected to be developed in the Future without the Proposed Actions. Assuming an average household size of 2.5 persons per household for the affordable units and the Development Site study area's year 2000 average household size of 1.68 persons per household for market rate units, the 5,762 residential units would introduce an estimated 10,000 residents to the Development Site study area by 2019 (conservatively assuming 100 percent occupancy). The 10,000 residents introduced to the study area would represent about 25 percent of the 2019 study area population in the Future with the Proposed Actions. An estimated 9,025 of the 10,000 residents introduced by the Maximum Residential Scenario-Hotel Option would live in market-rate housing, and would be expected to have household incomes above the median for Manhattan. The median household

income for the Development Site study area was slightly lower than that of Manhattan in 2000; however, it has risen dramatically in the study area since 1990. Development activities in the study area have shown that the area is an extremely desirable location for housing, as changes in zoning regulations have allowed for the development of new residential uses. The increasing affluence of new residents has influenced the type of housing offered as new construction in the study area has been geared toward the luxury end of the residential market.

### *DETERMINING IMPACT SIGNIFICANCE*

According to the *CEQR Technical Manual*, if a proposed action increases the population in the study area by less than five percent, it would not be large enough to affect socioeconomic trends significantly. While the Proposed Actions would add a substantial new population, increasing the study area population by approximately 25 percent, the demographic characteristics of the resulting residential population would not differ substantially from that of the study area population in the Future without the Proposed Actions. By 2019, housing prices and rents are expected to continue to rise in the study area with or without the Proposed Actions. Current rents for available new or renovated apartments in the area are higher than the median affordable rents of current residents. The newer housing developments generally offer luxury rental apartments with monthly rents ranging from about \$2,200 per month for studio units, up to \$5,000 for two-bedroom units, and over \$6,500 for penthouses with river views.<sup>1</sup>

Any demographic changes resulting from the project would mirror socioeconomic trends (population growth and increasing affluence) that have taken hold in the area; the Proposed Actions would not alter or substantially accelerate these trends. Between 2000 and 2008, the Development Site study area experienced growth of over 5,510 housing units. Between 2008 and 2019 another 11,455 housing units will be constructed in the study area, resulting in a substantial population gain in the absence of the Proposed Actions.

As explained above, a large percentage of the study area's rental housing stock is covered by rent control or rent stabilization, which affords a high degree of protection against market-driven displacement pressures. Economic trends have already placed unregulated rents out of reach of low- and moderate-income households; those low- to moderate-income households that remain in the study area owe their continued tenure to rent regulation and participation in other government programs that limit rents and tenant incomes. The population potentially vulnerable to indirect residential displacement within the study area is limited, and will likely experience increased rent pressures in the Future without the Proposed Actions. The Proposed Actions would not significantly alter or substantially accelerate the study area's long-term trend of increasing residential development, affluence, and residential desirability. Through the provision of housing, the Proposed Actions would add to the study area's housing supply and may serve to keep prices from rising as quickly as they would absent the Proposed Actions.

The SRO units in the study area are subject to legal and community support structures, which are designed to protect against illegal evictions. Although these protections have not always proven to be a firm barrier against displacement, it is reasonable to assume that with effective enforcement of the laws regulating tenancy of SRO dwellings and prohibiting illegal actions on the part of landlords, effective protection against displacement would be afforded to these residents even with the elevated market pressures that already exist in the study area.

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<sup>1</sup> StreetEasy [www.streeteasy.com](http://www.streeteasy.com), October, 2008.

In summary, due to the substantial amount of market-rate housing that has recently been built and that is planned, irrespective of the Proposed Actions the study area is expected to maintain its long-term trends toward increasing residential population, household incomes, residential property values, and rents. The Proposed Actions would reflect, rather than alter, these residential trends. Therefore, no significant adverse impact from indirect residential displacement would be expected to result from the Proposed Actions.

**PROBABLE IMPACTS OF THE PROPOSED ACTIONS—2017**

As described in Chapter 2, “Framework for Analysis,” for analysis purposes, the interim year of development of the Proposed Actions is 2017. By 2017, construction on the Development Site is anticipated to be complete for the three buildings closest to Eleventh Avenue, the central open space area, and a plaza located at the northwest corner of the site. Total program floor area would comprise 1.49 million gsf of office space or a 1,200 room convention-style hotel in the north building, retail space of up to 162,750 sf gsf, and up to 1,558 residential units in the two southerly buildings. The interim development would also include the PS/IS school, and 850 accessory parking spaces. This mixture of land uses that is the same for the 2017 Future with the Proposed Actions condition as the 2019 Future with the Proposed Actions condition—residential, commercial, community facility, open space, and parking.

Given the similarity of uses between the interim and full Build years, the interim year would have a smaller amount of development as compared to the 2019 Future with the Proposed Actions condition, and that the analysis of the 2019 Future with the Proposed Actions condition concludes that the Proposed Actions would not result in a significant adverse impact from indirect residential displacement (see above), this analysis concludes that the Proposed Actions would not result in a significant adverse impact from indirect residential displacement in the 2017 Future with the Proposed Actions condition. \*