Chapter 3: Socioeconomic Conditions

A. INTRODUCTION

This chapter analyzes whether the proposed actions would result in changes in residential and economic activity that would constitute significant adverse socioeconomic impacts as defined by the *City Environmental Quality Review (CEQR) Technical Manual*.[1] The proposed actions would result in the redevelopment of an underutilized site with an approximately 214,000-square-foot (sf), 60-foot-tall commercial building currently anticipated to be a BJ's Wholesale Club along with up to three other retail stores on the second level, 690 parking spaces, and approximately 2.4 acres of publicly accessible waterfront open space. The Brooklyn Bay Center site ("project site") is located at 1752 Shore Parkway between Shore Parkway South to the east, Gravesend Bay (Lower New York Bay) to the west, and between the prolongation of 24th Avenue to the north and the prolongation of Bay 37th Street to the south.

The objective of the socioeconomic conditions analysis is to determine if the introduction of the retail uses planned under the proposed actions would directly or indirectly impact population, housing stock, or economic activities in the local study area or in the larger retail trade area. Pursuant to the *CEQR Technical Manual*, significant impacts could occur if an action meets one or more of the following tests: (1) if the action would lead to the direct displacement of residents such that the socioeconomic profile of the neighborhood would be substantially altered; (2) if the action would lead to the displacement of substantial numbers of businesses or employees, or would displace a business that plays a critical role in the community; (3) if the action would result in substantial new development that is markedly different from existing uses in a neighborhood; (4) if the action would affect real estate market conditions not only on the site anticipated to be developed, but in a larger study area; or (5) if the action would have a significant adverse effect on economic conditions in a specific industry.

PRINCIPAL CONCLUSIONS

The analysis finds that the proposed actions would not meet any of these tests pursuant to the *CEQR Technical Manual* listed above, and therefore would not result in significant adverse impacts on socioeconomic conditions.

B. METHODOLOGY

The *CEQR Technical Manual* sets forth guidelines to determine if a socioeconomic impact analysis is appropriate. The manual states that a socioeconomic assessment should be conducted

[1] The socioeconomic conditions analysis has been structured according to the 2001 *CEQR Technical Manual* guidance, but is consistent with the requirements of the 2010 *CEQR Technical Manual*. The conclusions with respect to socioeconomic conditions would not be affected by the structure of the analysis.

if an action may be reasonably expected to create substantial socioeconomic changes in an area affected by the action that would not be expected to occur absent the action. The *CEQR Technical Manual* further states that residential development of 200 units or more or commercial development of 200,000 sf or more should be assessed for their potential to cause significant adverse socioeconomic impacts. Since the proposed actions would result in a commercial development of approximately 214,000 sf, a socioeconomic assessment was conducted.

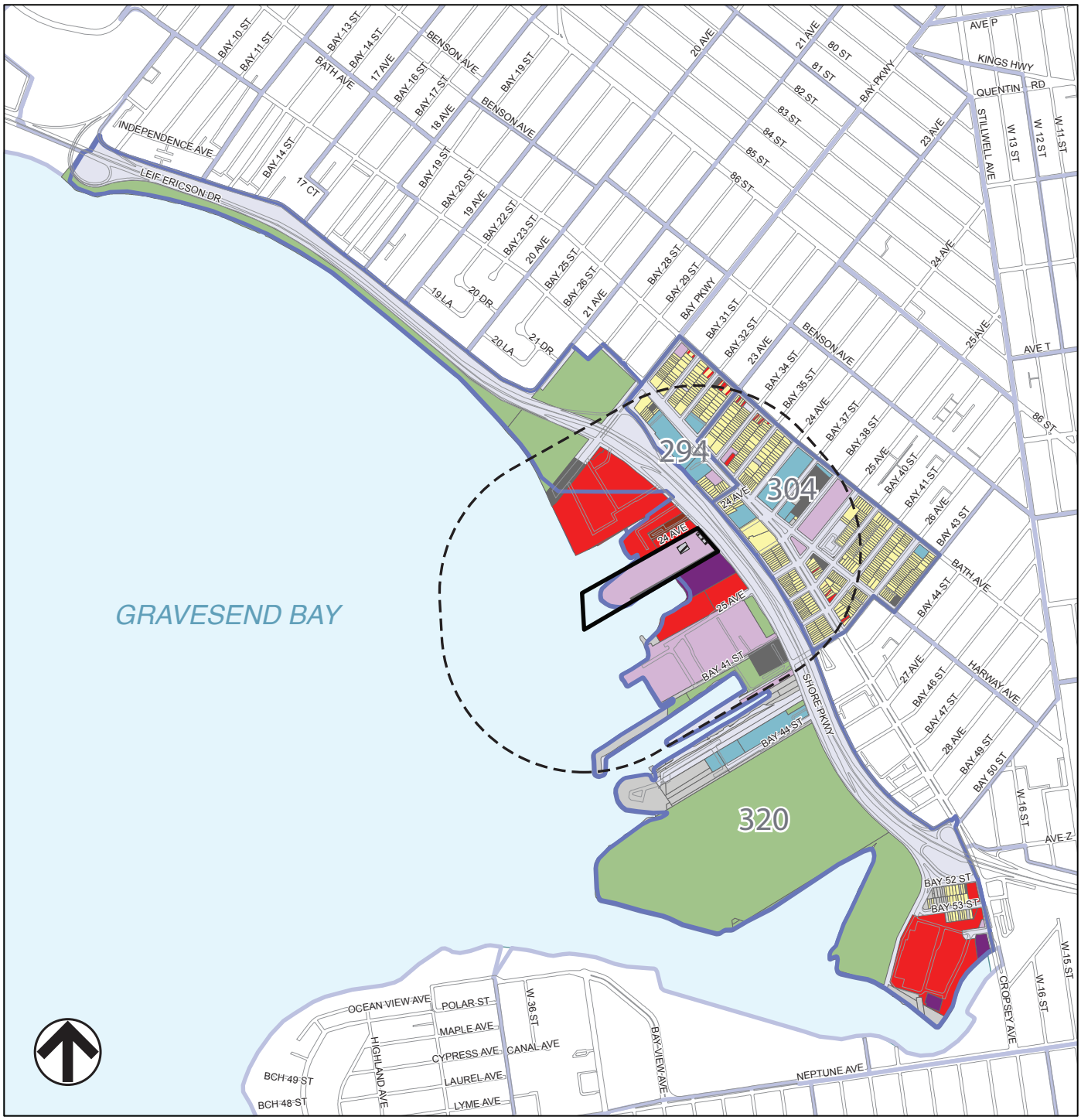
As prescribed by the *CEQR Technical Manual*, the analyses of the five areas of concern begin with a preliminary assessment. The purpose of the preliminary assessment is to learn enough about the effects of the proposed actions to either rule out the possibility of significant adverse impacts, or to determine that more detailed analysis will be required to resolve that issue. For four of the five areas of socioeconomic concern—direct residential displacement, direct business displacement, indirect residential displacement, and adverse effects on specific industries—a preliminary assessment was sufficient to conclude that the proposed actions would not result in any significant adverse socioeconomic impacts. The preliminary assessment of indirect business displacement, the fifth area, concluded that a detailed analysis was required to determine whether significant adverse impacts would result due to competition. The detailed competition analysis is framed in the context of existing conditions and evaluations of (a) the future without the proposed actions and (b) the future with the proposed actions in 2013.

The study areas used for the various components of the preliminary assessment is a roughly ¼-mile area. However, the exact boundaries of the socioeconomic study areas were modified to match the census tracts that most closely delineate a ¼-mile radius surrounding the project site, i.e., Census Tracts that are part of the study area—Census Tracts 294, 304, and 320 (see **Figure 3-1**). By conforming to census tract boundaries, the socioeconomic analysis is able to more accurately apply 2000 Census data, as needed, to depict the demographic characteristics of the surrounding area. Employment trends presented in the detailed analysis are also based on census tracts.

The detailed analysis of indirect business displacement focuses on whether the proposed actions would generate significant adverse impacts on neighborhood character due to displacement caused by competition with existing retail stores. As described in the *CEQR Technical Manual*, competitive economic impacts do not necessarily generate environmental concerns; however, competition can be an environmental concern when it has the potential to affect neighborhood character by affecting the viability of neighborhood shopping areas. The detailed competition assessment therefore considers the potential for the proposed actions to adversely affect the viability of neighborhood shopping areas within an area larger than the ¼-mile study area.

As described in the *CEQR Technical Manual*, an analysis of the potential effects of competition should encompass a primary trade area from which the bulk of the new store's sales are likely to be derived. As described in detail in Section D below, for purposes of analysis the "Primary Trade Area" for the proposed actions is defined as the area approximately three miles from the project site (see **Figure 3-2**), based on the regional attraction that would be created by the addition of approximately 214,000 sf of retail space. To analyze potential impacts on local shopping concentrations in the vicinity of the project site, retail corridors within a more local area (the "Local Area of Potential Competitive Impact") were inventoried and the potential competitive effects of the proposed actions on the character of these shopping areas were assessed.

The primary anchor tenant for the proposed expansion is currently anticipated to be BJ's Wholesale Club. Apart from BJ's Wholesale Club, other specific tenants and store sizes for the proposed expansion have not yet been determined. Therefore, for purposes of providing a conservative assessment of potential socioeconomic impacts this analysis is based on a



Project Site Boundary

Study Area Boundary (1/4-Mile Perimeter)

Study Area Census Tracts

320 Census Tract

Residential

Commercial and Office Buildings

Industrial and Manufacturing

Transportation and Utility

Hotel

Public Facilities and Institutions

Open Space and Outdoor Recreation

Parking Facilities

Vacant Land

Existing Building on Project Site

0 1000 2000 FEET

SCALE

Socioeconomic Conditions Study Area

Figure 3-1

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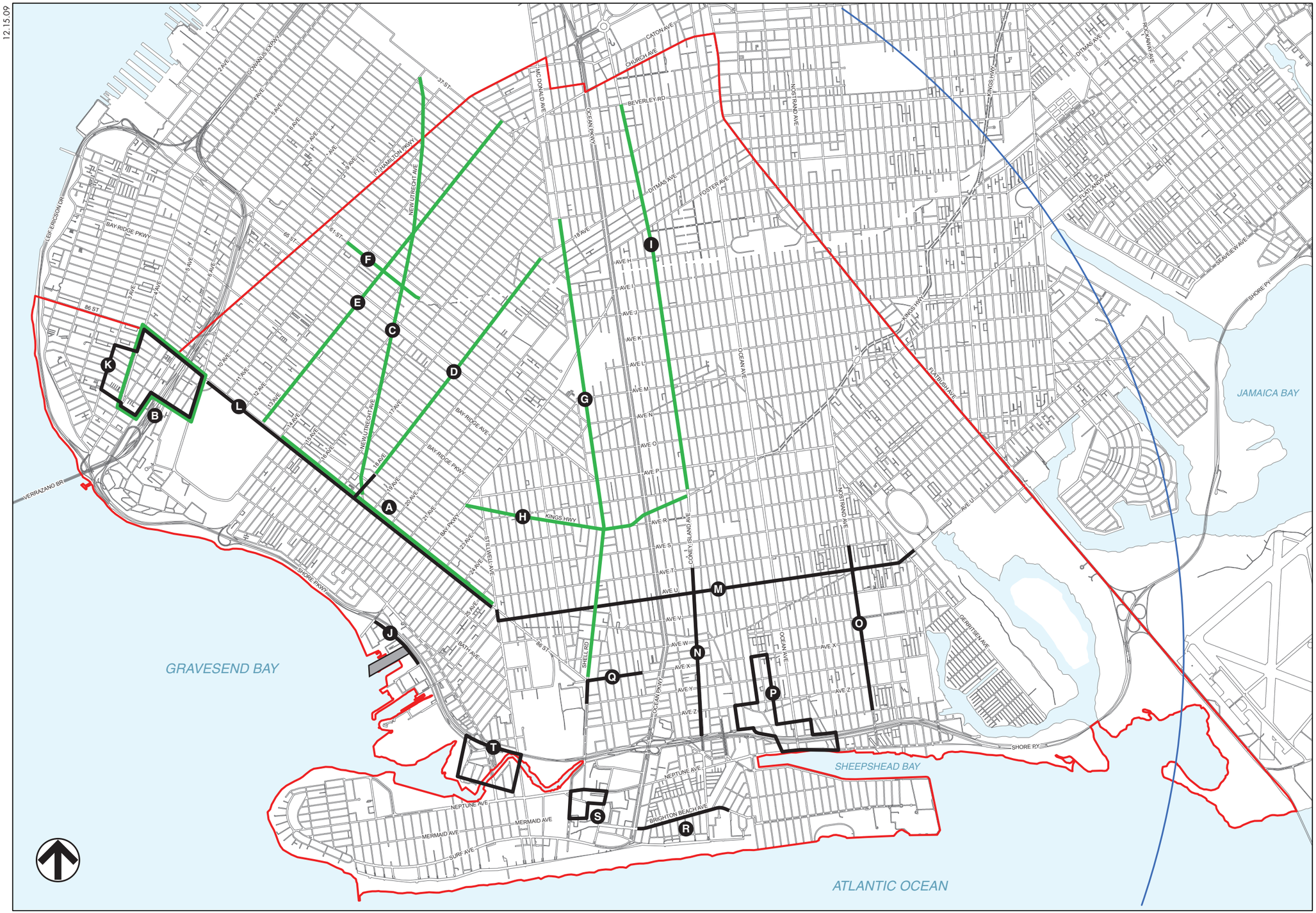

0 1/2 1 MILE
SCALE

BROOKLYN BAY CENTER

Project Site
Primary Trade Area Boundary
Five Mile Perimeter
Detailed Inventory Concentration
Windshield Surveyed Concentration

Retail Concentrations

Windshield Surveyed

- A *86th Street (east)*
- B *86th Street (west)*
- C *New Utrecht Avenue*
- D *18th Avenue*
- E *13th Avenue*
- F *61st Street*
- G *McDonald Avenue*
- H *Kings Highway*
- I *Coney Island Avenue*

Detailed Inventory

- J *Shore Parkway*
- K *Bay Ridge*
- L *86th Street*
- M *Avenue U*
- N *Coney Island Avenue*
- O *Nostrand Avenue*
- P *Sheepshead Bay*
- Q *Avenue X*
- R *Brighton Beach Avenue*
- S *Neptune Avenue*
- T *Cropsey Avenue*

Primary Trade Area
Figure 3-2

reasonable worst-case development scenario (RWCDS) that includes the following as anchor tenants: one BJ's Wholesale Club with 137,500 sf of gross leasable area; and general shoppers' goods retail space with 76,500 sf of gross leasable area.[1]

Large warehouse retail stores such as a BJ's Wholesale Club are classified under Use Group 10. However, because Use Groups 6 and 10 would be permitted on the site, and because a BJ's Wholesale Club would have the potential to competitively impact a variety of retail stores in its Primary Trade Area, both Use Groups are analyzed in this chapter.

Businesses in Use Groups 6 and 10 typically fall into three broad categories: eating and drinking establishments, convenience goods stores, and shoppers' goods stores. Eating and drinking establishments include businesses such as restaurants, fast food places, and bars. Convenience goods stores are those offering items such as groceries, personal care items, housekeeping products, prescription drugs, newspapers and magazines—goods that people tend to buy at the location most convenient to them. Stores classified as convenience stores can also include businesses that provide services rather than goods, such as laundromats, barber shops, and beauty salons. Shoppers' goods stores offer items such as furniture, clothing, electronics, and sports equipment—goods that people tend to make deliberate, planned trips to purchase. In general, people are more likely to comparison shop and travel longer distances to purchase shoppers' goods. A BJ's Wholesale Club, which sells both convenience goods (e.g., food and personal care items) and shoppers' goods (e.g., clothing, books, and jewelry), cannot be categorized neatly into either of these broad classifications. Therefore, the competitive analysis considers the effect of the proposed actions on both convenience and shoppers' goods stores.

All retail employment, sales, and expenditure data presented in this chapter reflect only those retail sectors noted above. These data exclude employment, sales, and expenditures at businesses such as gasoline stations and automobile dealers. Therefore, the retail analysis is organized according to the four broad retail categories: shoppers' goods stores, convenience goods stores, eating and drinking establishments, and building materials garden supplies. Within the convenience goods retail category, grocery store items also are specifically analyzed as a substantial percentage of wholesale club sales are grocery items.

Information used in the preliminary and detailed analyses was gathered from a variety of sources, including demographic and housing data from the US Census Bureau's 1990 and 2000 Census, New York City Department of Finance's Real Property Assessment Data 2006 database, data from the Environmental Systems Research Institute, Inc. (ESRI)[2], and from field visits to the study area. Characterizations of retail employment and demographic factors affecting market potential in the Primary Trade Area are based on US Census Bureau's Economic Census (Census

[1] Up to 5,000 sf of the 76,500 sf of additional shoppers' goods retail space could be developed as office space on a mezzanine for the BJ's Warehouse Club. This analysis is conservative in assuming retail space instead of office space, because assuming retail space increases projected retail capture by the proposed project.

[2] ESRI is a geographic information system (GIS) software provider. ESRI Business Analyst is set of GIS tools and data designed for business applications, such as analyzing retail sales within a trade area. ESRI's business data is extracted from a comprehensive list of businesses licensed from infoUSA®, as well as data from the Directory of Major Malls, Inc. The business list contains information on more than 11 million U.S. businesses including name and location, franchise code, SIC code, number of employees, and sales volume. The data is current as of January 2007. InfoUSA® compiles business data from annual reports, county courthouse filings, SEC and 10k filings, and Secretary of State data and confirms it with phone calls to businesses.

of Retail Trade - 1987, 1992, and 1997) and data from the US Bureau of Labor Statistics (BLS). Retail sales and expenditure data for the Primary Trade Area, Brooklyn, Queens, and New York City were obtained from ESRI. Sales per sf data for wholesale clubs stores were derived using data from BJ's Wholesale Club's 2008 10-K financial statement. Characterization of the retail stores in the Local Area of Potential Competitive Impact is based on detailed field surveys conducted by AKRF, Inc. in July and August 2008 (retail survey summary forms are provided in **Appendix B**, "Socioeconomic Conditions"). Information on current retail rental rates in the study area was obtained from local real estate brokerage firms, including Prudential Douglas Elliman, ERA Real Estate, and Massey Knakal. Additional information on retail composition and average sales per sf for department stores in the Eastern United States was obtained from the Urban Land Institute's *Dollars & Cents of Shopping Centers: 2008.*

C. PRELIMINARY ASSESSMENT

Under *CEQR Technical Manual* guidelines, the first step in a socioeconomic impact analysis is a preliminary assessment. The proposed actions are framed in the context of the RWCDS, as described in Chapter 1, "Project Description." The goal of a preliminary assessment is to learn enough about the potential effects of the proposed actions either to rule out the possibility of significant impacts or to establish that a more detailed analysis is required to determine whether the proposed actions would cause significant adverse impacts.

All but one issue area—indirect business and institutional displacement—was ruled out during the preliminary assessment. Therefore, the potential for significant adverse impacts due to displacement caused by increased rents is examined in a detailed analysis that follows this preliminary assessment (see Section D, "Detailed Analysis: Indirect Business and Institutional Displacement due to Competition").

DIRECT RESIDENTIAL DISPLACEMENT

Since the project site does not contain any dwelling units, no direct residential displacement would occur under the proposed actions. The proposed actions would therefore not result in significant adverse impacts due to direct residential displacement, and no further analysis of this concern is required.

DIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

The proposed actions would directly displace the bus parking facility that is currently located on the project site. However, the displacement of this business would not result in significant adverse socioeconomic impacts. While all businesses contribute to neighborhood character and provide value to the city's economy, *CEQR* seeks to determine whether displacement of a single business or group of businesses would rise to a level of significance in terms of impact on the city's or the area's economy or the character of the affected neighborhood. The bus parking business is not of substantial economic value to the city or region; nor is it the subject of regulations or publicly adopted plans to preserve, enhance, or otherwise protect it; and it does not substantially contribute to a defining element of the neighborhood character. While the bus parking facility would be displaced, it could potentially relocate within the study area or elsewhere in the city.

INDIRECT RESIDENTIAL DISPLACEMENT

The analysis of indirect residential displacement considers whether the proposed actions would increase property values and subsequently rents in an area, making it difficult for some existing residents to afford their homes. The preliminary assessment is based on the screening criteria outlined in the *CEQR Technical Manual*, which describes circumstances that can generate potentially significant impacts. This section presents responses to the CEQR assessment criteria, which are numbered and italicized.

CEQR ASSESSMENT CRITERIA

(1) Would the proposed actions add substantial new population with different socioeconomic characteristics compared to the size and character of the existing population?

Development resulting from the proposed actions would not include a residential component, and therefore would not add a new population with 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?

Although the project site is currently underutilized, it does not have a blighting effect on residential property values in the surrounding area. The closest residential properties—located across Leif Ericson Drive (also known as the Belt Parkway), on Shore Parkway North, are separated from the project site by the Belt Parkway. Areas to the west of the site are occupied by commercial uses and do not house any residents.

The distance and presence of substantial industrial and institutional uses located between the project site and these residential neighborhoods effectively eliminates the influence of the project site on residential property values.

(3) Would the proposed actions directly displace enough of one or more components of the population to alter the socioeconomic composition of the study area?

As stated above, the proposed actions would not directly displace any existing dwelling units.

(4) Would the proposed actions introduce a substantial amount of a more costly type of housing compared to existing housing and housing expected to be built in the study area by the time the action is implemented?

The proposed actions do not include a residential component, and therefore would not introduce a more costly type of housing compared to existing housing in the 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 residential neighborhood complex?

While the 214,000 sf of retail space planned under the proposed actions would be a sizable addition to the area and would provide an additional retail option to area residents, it would not introduce a "critical mass" of non-residential uses such that the area becomes more attractive as a residential neighborhood complex. The study area is largely characterized by commercial uses to the west of the Belt Parkway and residential uses immediately to the east of the Belt Parkway. The Belt Parkway acts as a physical barrier and partitions the area's commercial and residential uses, which dominate the study area's hotel, public facility and institutional, transportation and utility, and industrial and manufacturing uses. Because the area already contains the variety of

aforementioned uses, the area west of the Belt Parkway is expected to retain its predominately commercial character while spill-over effects to the residential neighborhoods are expected to be very limited.

A wholesale club is a destination for a regional market, while neighborhood retail or service establishments tend to draw more frequent repeat visits from local residents. Because neighborhood retail businesses cater to a local neighborhood's day-to-day needs, they have a stronger influence on the residential attractiveness of a neighborhood. The planned BJ's Wholesale Club would contain shoppers' goods and bulk convenience goods, and would attract a vast majority of its customer trips from beyond the immediate study area. For local residents, the close proximity of a wholesale club and other destination retail uses that would result from the proposed actions would therefore not significantly affect the residential desirability of the neighborhood.

While the open space that would result from the proposed actions would be a valuable new amenity to the study area, there are already open spaces in the study area—such as Drier-Offerman (Calvert Vaux) Park located south of the project site—such that this addition would not substantially affect property values.

(6) Would the proposed actions introduce a land use that could have a similar indirect effect if it is large enough or prominent enough or combines with other like uses to create a critical mass large enough to offset positive trends in the study area, to impede efforts to attract investment to the area, or to create a climate for disinvestment?

The proposed actions would not 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 revitalize an underutilized site, currently used by a bus company for maintenance, storage, and parking, into an area containing new retail development with adjoining waterfront open space and landscaping. The proposed actions would improve the business environment in the study area by replacing an underutilized site with active retail uses, and could help to attract further commercial investments in the future. Further, the proximity of the area to the Belt Parkway would continue to be an attractive asset for other retail businesses.

Based on the preliminary assessment presented above, the proposed actions would not result in significant adverse socioeconomic impacts due to indirect residential displacement. A detailed analysis of this issue is not warranted.

INDIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT DUE TO INCREASED RENTS

This preliminary assessment of indirect business and institutional displacement focuses on whether the proposed actions could increase commercial property values and rents within the study area, so that it would be difficult for some categories of businesses to remain in the area. The following section first presents an economic profile of the study area, followed by responses to the CEQR assessment criteria (numbered in italics below), to determine the potential for significant adverse impact. The assessment of potential business displacement as a result of competition is addressed in Section D, "Detailed Analysis: Indirect Business Displacement Due to Competition."

ECONOMIC PROFILE OF THE STUDY AREA

Study Area Land Uses

The study area contains a mix of uses including industrial, institutional, commercial, residential, and vacant land (see **Figure 3-1**). Overall, the study area is divided into two distinct districts: a predominantly residential area east of the Belt Parkway and a predominantly commercial area west of the Belt Parkway. The remainder of study area contains a wide variety of uses. The site directly north and adjacent to the project site houses a mix of commercial uses including a New York Sports Club fitness center, Samurai Sam teriyaki restaurant, Rejuvenation, a medical spa, and the Harbor Motor Inn, a two-story motel. The Italy 21 furniture store and Stop & Stor Self Storage occupy the next frontage along Shore Parkway South to the northwest.

Caesar's Bay Shopping Center is adjacent to the study area in the north. The shopping center contains Modell's Sporting Goods, Best Buy, Kohl's and Strauss Discount Auto. Other tenants within Caesar's Bay Shopping Center but just beyond the study area boundary are Babies R Us, Toys R Us, and HSBC Bank.

The Belt Parkway, a six-lane, limited access highway, is northeast of the Caesar's Bay Shopping Center and separates the uses on the waterfront from the residential uses further inland. The Belt Parkway begins at the Gowanus Expressway in Bay Ridge and continues along the Brooklyn coastline and through Queens until it reaches the Cross Island Parkway and Whitestone Bridge. An entrance ramp for the southbound Belt Parkway and an exit ramp in the northbound direction are just beyond the study area. The southbound entrance ramp is off Shore Parkway South, approximately 825 feet north of the project site, and the northbound exit ramp off Shore Parkway North (Exit 5) terminates at Bay Parkway.

Three-story rowhouse residences line Shore Parkway North directly east of the Belt Parkway. These homes are predominantly attached townhouses with front yard parking and continue north of 24th Avenue until the 18-story Regina Pacis senior housing building, bounded by Shore Parkway North, Bay 37th Street, and Cropsey Avenue. Six- and seven-story apartment buildings are located on the block south of Bay 37th Street, at the southeastern corner of the study area.

A Mercedes Benz dealership, located on Shore Parkway South and 25th Avenue, is situated at the southwestern boundary of the study area. The dealership has one building with a showroom and service center, and surface parking. Bayside Fuel, an oil storage facility, is located directly south of the project site. The site has an earthen berm covering the portion of the property adjacent to the project site, a two-story storage and office building, and surface parking.

Study Area Employment

As of the 2000 Census, the census tracts comprising the study area (294, 304, and 320) contained 3,194 workers. These workers represented approximately 0.5 percent of all employment in Brooklyn.

As shown in **Table 3-1**, in 2000 almost a quarter of all study area workers (approximately 23.0 percent) were employed in the transportation, warehousing, and utilities sectors, while only 8.9 percent were employed in this sector in the borough of Brooklyn, and 6.6 percent in all of New York City. Sectors associated with industrial uses (construction, manufacturing, wholesale trade, and transportation, warehousing, and utilities) accounted for approximately 31.1 percent of the employment in the study area, compared with 24.9 percent for Brooklyn and 20.4 percent for New York City as a whole.

Table 3-1
Employment Distribution within Study Area, 2000

	Study Area		Brooklyn		New York City	
	Number	**Percent**	**Number**	**Percent**	**Number**	**Percent**
Agriculture, forestry, fishing & hunting, and mining	0	0.0	445	0.1	2,190	0.1
Construction	90	2.8	36,835	5.5	171,880	4.6
Manufacturing	50	1.6	47,590	7.1	226,425	6.0
Wholesale trade	119	3.7	22,760	3.4	119,075	3.2
Retail trade	475	14.9	59,785	9.0	306,860	8.2
Transportation and warehousing and utilities	735	23.0	59,145	8.9	248,485	6.6
Information	255	8.0	16,615	2.5	219,010	5.8
Finance, insurance, real estate, rental, and leasing	65	2.0	45,725	6.9	488,170	13.0
Professional, scientific, management, administrative, and waste management services	295	9.2	45,435	6.8	475,170	12.7
Educational, health, and social services	100	3.1	219,180	32.8	838,210	22.3
Arts, entertainment, recreation, accommodation and food services	165	5.2	34,535	5.2	276,230	7.4
Other services (except public administration)	120	3.8	39,535	5.9	189,985	5.1
Public administration	125	3.9	39,210	5.9	191,280	5.1
Armed forces	0	0.0	680	0.1	2,145	0.1
Total Employment	**3,194**	**100**	**667,475**	**100**	**3,755,115**	**100**

Source: U.S. Census, 2000

The study area contained a relatively high concentration of retail jobs, with 14.9 percent of study area employees (475 people) working in retail, compared with 9.0 percent in Brooklyn and 8.2 percent in New York City. This reflects the presence of a substantial retail concentration within the study area, including individual retail employers such as Kohl's, Toys R Us, Babies R Us, Best Buy, and Modell's Sporting Goods.

Between 1990 and 2000, total study area employment decreased by approximately 11.4 percent, from 2,781 to 2,463 workers while over the same 10 year period, employment in the City grew by approximately 5 percent.

Differences in the industry classification system used for the 1989 and 1999 Censuses make it difficult to compare industry-specific employment data across this period.[1] However, a comparison of the 1989 and 1999 employment sectors indicates that the retail trade sector employed roughly the same percentage of the total workforce—12.0 percent of the workers in 1989 compared to 14.9 percent in 1999. Overall retail employment in the study area increased over the course of the decade, from 257 jobs in 1989 to 475 jobs in 1999.

More recent business and employment data from the U.S. Census Zip Code Business Patterns indicate that between 2000 and 2008 there was a nearly 12 percent increase in the number of business establishments within Zip Code 11214, which is the Zip code that most closely approximates the study area (see **Figure 3-1** and **Table 3-2**). The largest increases in business growth between 2000 and 2008 were in the construction sector (69 additional businesses, a 65 percent increase since 2000); the educational services sector (15 additional businesses, a 68 percent increase); finance and insurance sector (16 additional businesses, a 52 percent increase); the health care and social assistance sector (72 additional businesses, a 51 percent increase); and

[1] The 1989 data is based on the Standard Industrial Classification (SIC) system and the 1999 data is based on the North American Industry Classification System (NAICS). There are significant differences in the way in which businesses were grouped into industry categories under the two classification systems, making it difficult to compare some industry data over time.

the accommodations and food services sector (37 additional businesses, a 41 percent increase). Between 2000 and 2008 the Zip code area experienced notable business reductions in only one sector—manufacturing, which reduced its presence from 36 businesses in 2000 to 32 businesses in 2008, an approximately 11 percent reduction.

Table 3-2
Businesses and Employment in the Study Area in 2008

	Study Area in 2000		Study Area in 2008	
	Number of Establishments	Percent	Number of Establishments	Percent
Total Businesses	1,276	**100**	1,591	**100**
Utilities	1	0.1%		0.0%
Construction	106	8.3%	175	11.0%
Manufacturing	36	2.8%	32	2.0%
Wholesale Trade	76	6.0%	97	6.1%
Retail Trade	274	21.5%	347	21.8%
Transportation & Warehousing	43	3.4%	61	3.8%
Information	16	1.3%	15	0.9%
Finance & Insurance	31	2.4%	47	3.0%
Real Estate & Rental & Leasing	71	5.6%	77	4.8%
Professional, scientific & technical services	124	9.7%	136	8.5%
Management of companies & enterprises	1	0.1%	4	0.3%
Admin, support, waste mgt, remediation services	51	4.0%	49	3.1%
Educational Services	22	1.7%	37	2.3%
Health care and social assistance	142	11.1%	214	13.5%
Arts, entertainment & recreation	12	0.9%	16	1.0%
Accommodation & Food Services	91	7.1%	128	8.0%
Other services (except public administration)	154	12.1%	153	9.6%
Unclassified Establishments	25	2.0%	3	0.2%
Total Employment (Number of Workers)	**9,549**		**10,663**	

Source: U.S. Census Zip Code Business Patterns, 2000 and 2008

CEQR SCREENING CRITERIA

(1) Would the proposed actions introduce enough of a new economic activity to alter existing economic patterns?

The proposed actions would not introduce a new economic activity to the study area. The proposed actions would introduce approximately 214,000 sf of commercial (retail) space. While the proposed uses would be substantial additions to the study area, they do not represent new uses. The Caesar's Bay Shopping Center, located in the northernmost portion of the study area, includes more than one "big-box" retail use with a regional customer base. Question 2 addresses the issue of whether the proposed actions would introduce a critical mass of retail uses that could alter existing economic patterns.

(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 patterns?

The proposed actions would not add to the concentration of a particular economic sector such that it would alter or accelerate an ongoing trend to alter existing economic patterns within the study area.

Businesses most vulnerable to indirect displacement due to increased rents are typically those businesses whose uses are less compatible with the economic trend which is creating upward rent pressures in the study area; i.e., those businesses that tend not to directly benefit (in terms of increased business activity) from the market forces generating the increases in rent. For example, if a neighborhood is becoming a more desirable place to live, uses that are less compatible with residential conditions (such as manufacturing) would be less able to afford increases in rent due to increases in property values compared to a neighborhood service use, such as a bank, which could see increased business activity from the increased residential presence.

The area west of the Belt Parkway, where the project site is located, already contains a critical mass of commercial and retail uses such that the proposed actions would not alter exiting economic patterns. The study area more broadly contains mainly commercial uses and residential uses, as well as transportation and utility uses, public facility and institutional uses, open space uses, and one hotel and one industrial use. Since the study area contains such a wide variety of uses, there would be few, if any, uses that could potentially be vulnerable to displacement.

There is an existing trend within the study area toward the development of retail uses, as evidenced by the Caesar's Bay Shopping Center (285,471 sf), completed in 2002. Given the existing established trend toward retail development within the study area, the increase in retail uses, as included in the proposed actions, represents a continuation of an existing trend and would not change existing economic patterns in the study area.

The proposed actions would draw new retail customers to the study area. Industrial uses within the study area would not capture any value from these customer trips, while a retail use could potentially capture additional sales from "cross-shopping" activity. Therefore, industrial uses in the study area could be considered potentially vulnerable to indirect displacement, as a property owner could decide to convert an existing industrial property to a retail use. However, because industrial use is minor within the study area, the possibility of this type of indirect displacement within the study area—and its potential effect on the character of the neighborhood—is limited.

In sum, there is currently a variety of uses within the study area and the study area would continue to be largely defined by its retail uses in the future with or without the proposed actions. As a result, the proposed actions would not alter or accelerate trends to alter existing economic patterns.

(3) Would the proposed actions displace uses or properties that have had a "blighting" effect on commercial property values in the area, leading to rises in commercial rents?

Field surveys of the project site, including the building located on the site, indicate that the property generally appears to be in good physical condition; the project site is currently occupied by a bus storage company and does not impose poor physical conditions on the surrounding area.

Research on commercial rents indicates that rents in the study area and on Shore Parkway South in particular are generally consistent with rents charged in surrounding areas. According to commercial real estate brokers, commercial space along Shore Parkway South demands rents ranging from $25 to $45 per sf. Brokers also stated that vacancies along Shore Parkway South

are generally low and that buildings turn over quickly once they become vacant. One real estate broker estimated that the vacancy rate along the main streets in the study area is less than 5 percent.[1]

In comparison, commercial space in Bensonhurst rents for $30 to $100 per sf, but may vary from block to block, as the rental prices are dependent on location.

Low vacancy rates, as well as the current state of the project site, suggest that the project site does not have a "blighting" effect on commercial property values in the area.

(4) Would the proposed actions directly displace uses of any type that directly support businesses in the study area or bring people to the area that form a customer base for local businesses?

The proposed actions would not directly displace any type of uses that directly support businesses in the study area.

(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.

(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 investment to the area, or create a climate for disinvestment. The goals and objectives of the proposed actions are to implement a development plan for a large-scale commercial development that provides a substantial number of jobs and retail opportunities. By introducing new jobs and expanding the customer base, the proposed actions would initiate new economic activity in the study area. The currently underdeveloped project site is a suitable parcel of land for the siting of a large retail development. The site is highly accessible to Shore Parkway, which would continue to be an attractive asset for commercial and industrial businesses.

The proposed actions would also establish new publicly accessible waterfront open space, providing significant benefits to the Bensonhurst community and the Borough of Brooklyn.

INDIRECT BUSINESS DISPLACEMENT DUE TO COMPETITION

In the case of the proposed actions, there is the potential for indirect business displacement due to competition, as planned retail offerings would overlap with products offered at other retail establishments in the area. A detailed analysis is necessary to determine whether the proposed actions could lead to indirect business displacement due to competition, and whether such displacement, if it were to occur, would result in significant adverse impacts to neighborhood commercial areas. See Section D, "Detailed Analysis: Indirect Business Displacement Due to Competition," below.

[1] Commercial real estate brokers interviewed: Massey Knakal, Fillmore Real Estate, O'Brien Realty.

ADVERSE EFFECTS ON SPECIFIC INDUSTRIES

According to the *CEQR Technical Manual*, it may be possible that a given action could affect the operation and viability of a specific industry (not necessarily tied to the study area). An example as cited in the *CEQR Technical Manual* is a proposal to increase the number of New York City taxi operating licenses. The CEQR review for that proposal addressed its potential impact on business conditions in the taxi industry. This assessment focuses on potential adverse effects to an industry City-wide, through measures such as new regulations that would prohibit or restrict the use of certain processes that are critical to certain industries, rather than on individual businesses. The potential for significant adverse impacts on individual business within an industry is considered as part of the direct and indirect business displacement analyses in this chapter.

A preliminary assessment of the adverse effects on specific industries, using the *CEQR Technical Manual* threshold indicators (numbered in italics below), is provided to determine the potential for significant adverse impacts. The *CEQR Technical Manual* indicates that a more detailed examination is appropriate if the following questions cannot be answered with a clear "no":

(1) Would the proposed actions significantly affect business conditions in any industry or any category of businesses within or outside the study area?

No. As previously stated, the proposed actions would not directly displace any uses, and would not present a substantial change to overall business conditions within any industry through such measures as changes in regulations that affect the basic processes conducted by an industry.

(2) Would the proposed actions indirectly substantially reduce employment or have an impact on the economic viability in the industry or category of businesses?

No. In considering other industries that could be indirectly affected by the proposed actions, there would not be any significant adverse impacts on any specific industry within or outside the study area.

As described in Section D, "Detailed Analysis: Indirect Business Displacement due to Competition," the proposed actions could result in some limited indirect business displacement of supermarkets due to competition with a BJ's Wholesale Club. However, the detailed analysis does not find the potential for significant adverse impacts, and any competitive impacts generated by the proposed actions would not jeopardize the supermarket industry in New York City. Therefore, an adverse impact on a specific industry or category of businesses would not occur, and no further analysis of this concern is required.

D. DETAILED ANALYSIS: INDIRECT BUSINESS DISPLACEMENT DUE TO COMPETITION

This detailed analysis evaluates the potential for the proposed actions to result in significant adverse impacts on neighborhood commercial areas due to indirect business displacement from competition. As described in the *CEQR Technical Manual*, competitive economic impacts in and of themselves do not necessarily generate environmental concerns; however, competition can be an environmental concern when it has the potential to affect neighborhood character by affecting the viability of neighborhood shopping areas. This analysis therefore considers whether potential impacts on any individual retailer or group of retailers could be great enough to undermine the viability of existing neighborhood shopping strips or shopping centers, and whether such change

could adversely affect neighborhood character. Potential impacts could occur in the Primary Trade Area as well as in the Local Area of Potential Competitive Impact.

The analysis conservatively assumes the potential for the proposed actions to compete with all types of retail businesses in Use Groups 6 and 10, such as grocery stores, hardware stores, toy stores, music stores, drug stores, sporting goods stores, and department stores. Within these Use Groups, the analysis focuses specifically on the potential for competition with stores selling grocery items, since approximately 57 percent of sales at BJ's Wholesale Club stores come from grocery items which, according to the company's 2004 annual report, include frozen foods, fresh meat and dairy products, beverages, dry grocery items, fresh produce and flowers, canned goods and household paper products—items that are likely to be found at other food stores in the Primary Trade Area.

The analysis is organized into three sections. The "Existing Conditions" section establishes the baseline for the impact analysis. It describes retail employment and sales trends in the Primary Trade Area, presents demographic information that may affect market potential, describes retail concentrations in the vicinity of the project site, and presents retail capture rates. The "Future Without the Proposed Actions" section predicts changes in retail capture rates that will occur by 2013. The "Probable Impacts of the Proposed Actions" estimates sales from the proposed development's retail uses, predicts changes in trade area capture rates due to the proposed actions, and discusses potential impacts on local grocery stores and other types of local retail businesses in 2013.

THE WHOLESALE CLUB CONCEPT

Wholesale clubs are a relatively new format for retailing in New York City. A wholesale club is a large retail use that brings together a wide variety of retail products—including food, drugs, and personal care items; automotive supplies and accessories; and department store-type merchandise—under one roof, ranging in size from 100,000 to 140,000 sf. Customers include not only households and individual consumers, but also small businesses that often purchase supplies from wholesalers. An annual membership fee, which typically costs about $45 per household or business, is usually required to gain admission to the store. BJ's also allows one-day-shoppers to shop in their stores for a 15 percent surcharge on the purchased amount, which is refunded if the shopper later becomes a member.

The concept generally offers the consumer an opportunity to purchase items at nearly wholesale prices. Packaging also resembles wholesale purchases—i.e., oversized boxes and cans of food, often pre-packed in large quantities. Variety and selection are often limited—i.e., one or two brands of a particular product, with a limited selection of colors, sizes, or models—for example, two or three name brand televisions, available in one or two models and in two or three screen sizes. Canned food is often found in large containers more frequently used by restaurants, caterers, or large families. Fresh meats and poultry are often wrapped in packages containing 5 pounds or more.

Service in the various departments in the store is very limited. Most of the service is found at the cashier counter, where employees check memberships, count items, call out prices, and check receipts as customers exit the store. Merchandise is often not bagged or boxed, but left loose in the oversized shopping carts that customers wheel to their vehicles.

Overall, the recent trend in wholesale clubs is toward further reduction in the number of stock keeping units (SKUs), or the number of individual items carried on the shelves, as well as easing

the membership restrictions. For example, BJ's Wholesale Club carries an average of approximately 7,300 SKUs including both convenience goods and shoppers' goods, compared to supermarkets that normally stock 30,000 to 52,000 SKUs in convenience goods alone, and supercenters such as Big Kmart in the Shops at Bruckner Boulevard, that carry up to 125,000 SKUs including convenience and shoppers' goods.[1] Wholesale clubs typically have business memberships, as well as individual memberships. In 2008, BJ's had a total of 8.8 million members. Costco, one of BJ's competitors, had in 2008 approximately 53.5 million members, of which 24 percent were businesses and 76 percent were individuals. Wholesale clubs offer business members, such as small grocery stores and restaurants, a convenient alternative to wholesale food distributors.[2]

TRADE AREA DELINEATION

To analyze the potential effects of competition the *CEQR Technical Manual* recommends delineating a Primary Trade Area for the proposed anchor stores. According to CEQR *Technical Manual*, the Primary Trade Area is the area from which the bulk of the store's sales are likely to be derived.

The *Shopping Center Development Handbook*, published by the Urban Land Institute (ULI), defines trade areas for shopping centers. According to the handbook, shopping centers similar in size to the proposed development, have trades extending 3 to 5 miles from the shopping center, and can typically be reached within 20 minutes by its trade area population. In general, shopping centers draw approximately 70 to 80 percent of their customers from their primary trade area.

Drawing a three-mile radius around the project site would create a trade area that reaches 10th Street and 5th Avenue in Park Slope in the north and Flatlands and Ralph Avenue in the west. This would not be the appropriate trade area because it would assume that many customers who would travel to the project site would bypass retail concentrations of equal or greater size. For instance, customers in the north-west quadrant of the three-mile trade area would pass an existing wholesale's club store (Costco) on 37th Street and 3rd Avenue.

For the purpose of this analysis the perimeter of the trade area was adjusted to reflect the competitive conditions described above (see **Figure 3-2**). To account for traffic and competing retailers, the trade area was modified and boundaries adjusted. To account for Costco's location on 3rd Avenue and 37th Street, the western boundary was shifted to Fort Hamilton Parkway, which functions as a major artery and divider in south Brooklyn. In the southwestern portion of the trade area, the boundary was extended from 86th Street to the Shore Parkway. The population in South Fort Hamilton has immediate access to the Gowanus Expressway and the Shore Parkway and is likely to prefer the proposed location over the Costco in Sunset Park. The eastern trade area boundary is constituted by Flatbush Avenue, another major thoroughfare. Residents east of Flatbush Avenue tend to orient themselves toward the Gateway Center, which includes a BJ's Wholesale Club, when shopping. In summary, the Primary Trade Area is roughly bounded by Fort Hamilton Parkway and Carlton Avenue in the north and north-west, Flatbush Avenue in the east, the shoreline in the south, and the Belt Parkway and 86th Street in the west.

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[1] U.S. Securities and Exchange Commission, Washington, D.C., Form 10-K, BJ's Wholesale Club, Inc. for the fiscal year ended February 2, 2008.

[2] U.S. Securities and Exchange Commission, Washington, D.C., Form 10-K/A, Costco Wholesale Corporation for the fiscal year (2008) ended August 31, 2008.

In addition to the Primary Trade Area, this analysis considers potential impacts on local shopping concentrations within a more localized sub-area of the Primary Trade Area. Within this Local Area of Potential Competitive Impact (shown in **Figure 3-3**) retail corridors were inventoried and the potential competitive effects of the proposed actions on the character of these shopping areas assessed.

EXISTING CONDITIONS

RETAIL EMPLOYMENT AND SALES IN THE PRIMARY TRADE AREA

Over the last two decades, retail employment in Brooklyn, in the shopper's goods, convenience goods, building and garden supply, and eating and drinking establishments sectors, increased by 26.3 percent, from 56,732 employees in 1987 to 71,650 in 2006 (see **Table 3-3**). During this period, employment in the building materials and garden supply sector more than doubled, while jobs in eating and drinking establishments increased by 61 percent. Between 1987 and 2006, employment in the convenience goods sector experienced an increase of 15.6 percent and shopper's goods jobs grew by 5 percent. Grocery store employment decreased over this 20-year time frame by 6.1 percent, from 10,568 to 9,914.

Table 3-3
Retail Employment and Sales in Brooklyn, 1987-2006

Retail Category[1]	Employment					Sales (millions of dollars)[3]				
	1987	1992	1997	2002	2006	1987	1992	1997	2002	2006
Shoppers' Goods	22,073	18,325	17,491	19,779	23,187	$3,695	$3,305	$3,049	$3,751	NA
Department Stores	5,983	2,981	3,470	2,968	3,403	$887	$463	$552	$578	NA
Convenience Goods	18,863	16,443	17,469	19,775	21,814	$4,319	$3,691	$3,813	$4,829	NA
Grocery stores	10,568	9,178	9,528	9,924	9,914	$2,575	$2,170	$2,039	$2,130	NA
Building Materials & Garden Supply	2,084	1,853	2,934	3,387	4,578	$525	$423	$936	$1,142	NA
Eating & Drinking Establishments	13,712	13,628	15,448	18,718	22,071	$867	$854	$975	$1,166	NA
Total[2]	56,732	50,249	53,342	61,659	71,650	$9,406	$8,273	$8,774	$10,889	NA

Notes: [1] Shoppers' Goods include general merchandise stores; apparel and accessory stores (including shoes); furniture and home furnishing stores; electronics and appliance stores; optical goods stores; sporting goods, hobby, book and music stores; office supplies, stationery and gift stores; used merchandise stores; and art dealers.
Convenience Goods include food and beverage stores (including delis, bakeries, and supermarkets); drug and proprietary stores; florists; pet and pet supplies stores; and other miscellaneous store retailers.
Building Materials and Garden Supply includes hardware stores; building material and supplies dealers; and lawn and garden equipment and supplies stores.
[2] Total does not reflect total employment or sales for all retail—only those retail categories included in Shoppers' Goods, Convenience Goods, Building Materials and Garden Supply, and Eating and Drinking Establishments. Retail establishments not included in this total are: auto-related businesses and non-store retailers.
[3] All sales numbers expressed in 2008 constant dollars.
Sources: U.S. Census Bureau, Economic Census 1987, 1992, 1997, 2002; County Business Patterns 2006

Between 1987 and 2002, total retail sales grew by 15.8 percent, from $9.4 to $10.9 billion[1]. Growth patterns in retail sales mirror the patterns observed in the distribution of employment. Sales in the building materials and garden supply sector more than doubled, while sales in eating and drinking establishments, and convenience goods sectors increased by 34.5 and 11.8 percent, respectively.

[1] All dollar values shown in "Indirect Business Displacement Due to Competition" are presented in 2008 dollars, i.e., adjusted to account for inflation.

12.15.09

Project Site

Area Boundary of Potential Competitive Impact

Detailed Inventory Concentration

Retail Concentrations – Local Area of Potential Competitive Impact

- (J) *Shore Parkway*
- (K) *Bay Ridge*
- (L) *86th Street*
- (M) *Avenue U*
- (N) *Coney Island Avenue*
- (O) *Nostrand Avenue*
- (P) *Sheepshead Bay*
- (Q) *Avenue X*
- (R) *Brighton Beach Avenue*
- (S) *Neptune Avenue*
- (T) *Cropsey Avenue*

0 1/2 1 MILE

SCALE

BROOKLYN BAY CENTER

Area of Potential Competitive Impact

Figure 3-3

Sales in shopping goods stores was approximately the same in 2006 as in 1987 (1.5 percent higher) while sales in grocery stores in particular, decreased by 17.2 percent (see **Table 3-4**). Both employment and sales categories reflect the major economic downturn in the late 1980s and early 1990s. Employment as well as retail sales decreased in all categories between 1987 and 1992. Increases in retail sales since 1992 indicate a recovery period that started in the mid- to late 1990s.

Table 3-4
Retail Employment and Sales in New York City, 1987-2006

	Employment					Sales (millions of dollars)[3]				
Retail Category[1]	**1987**	**1992**	**1997**	**2002**	**2006**	**1987**	**1992**	**1997**	**2002**	**2006**
Shoppers' Goods	119,475	103,272	105,499	114,305	140,531	$23,626	$20,874	$22,889	$25,774	NA
Department Stores	29,415	21,668	21,254	16,190	19,649	$5,479	$3,632	$4,438	$3,542	NA
Convenience Goods	77,191	68,152	76,634	83,777	105,221	$16,456	$14,917	$16,338	$19,853	NA
Grocery stores	44,431	38,896	40,867	43,720	49,397	$10,188	$8,803	$8,565	$8,875	NA
Building Materials & Garden Supply	7,447	6,196	10,801	12,148	14,617	$1,792	$1,387	$3,249	$3,674	NA
Eating & Drinking Establishments	130,274	120,383	147,936	173,947	191,540	$9,034	$8,360	$10,185	$12,064	NA
Total[2]	334,387	298,003	340,870	384,177	451,909	$50,907	$45,539	$52,660	$61,366	NA

Notes: [1] Shoppers' Goods include general merchandise stores; apparel and accessory stores (including shoes); furniture and home furnishing stores; electronics and appliance stores; optical goods stores; sporting goods, hobby, book and music stores; office supplies, stationery and gift stores; used merchandise stores; and art dealers.
Convenience Goods include food and beverage stores (including delis, bakeries, and supermarkets); drug and proprietary stores; florists; pet and pet supplies stores; and other miscellaneous store retailers.
Building Materials and Garden Supply includes hardware stores; building material and supplies dealers; and lawn and garden equipment and supplies stores.
[2] Total does not reflect total employment or sales for all retail—only those retail categories included in Shoppers' Goods, Convenience Goods, Building Materials and Garden Supply, and Eating and Drinking Establishments. Retail establishments not included in this total are: auto-related businesses and non-store retailers.
[3] All sales numbers expressed in 2008 constant dollars.
Sources: U.S. Census Bureau, Economic Census 1987, 1992, 1997, 2002; County Business Patterns 2006

Employment and retail sales trends for New York City were generally very similar to those for Brooklyn. Employment and sales in the building materials and garden supply sector approximately doubled between 1987 and 2006, and employment in this sector reached 14,617 in 2006. Eating and drinking establishments also experienced a strong growth in employment (47 percent) and sales (33.5 percent) and employment and sales in convenience goods stores increased significantly from 77,191 to 105,221 jobs and from $16.5 million to $19.9 million.

Similar to Brooklyn, New York City experienced a decrease in grocery store sales between 1987 and 2002 (17.2 percent decrease for Brooklyn and 12.9 percent for New York City). However, while store employment decreased in Brooklyn by 6.1 percent over the same time period it increased in New York City by 11.2 percent.

The substantial decrease not only in retail sales but also in retail employment suggests an overall decrease in grocery stores in Brooklyn. This process is a well documented issue as a 1984 article from the *New York Times* indicates. [1] The articles states that New York City lost over 20 percent of its supermarkets between 1981 and 1984 alone. But even in recent years the number of supermarkets in New York City continued to decline as reported by the *Washington Post*. According to an article by the newspaper, "today (2008) there are one-third fewer supermarkets

[1] **Study shows 20% drop in Supermarkets in City,** 1984, *New York Times* online: http://query.nytimes.com/gst/fullpage.html?sec=health&res=9A01EFDE1239F930A35754C0A962948260 - accessed September 2008.

in New York's five boroughs than there were six years ago, said Lawrence Sarf, the president of F&D Reports, a retail consulting company."[1]

DEMOGRAPHIC MARKET FACTORS—PRIMARY TRADE AREA

Population and population trends as well household income characteristics help to determine the market potential of a trade area. The number and characteristics of an area's population and households provide valuable information about the size of the potential customer pool. Household income data and information on vehicles available per household provide information on the total retail expenditure potential and shopping behavior of potential customers. These three demographic/household characteristics are discussed below for the Primary Trade Area, and are used to inform the discussion on potential impacts of the proposed actions.

Population and Households

Table 3-5 presents total population and population growth for the Primary Trade Area, Brooklyn, and New York City. According to recent projections by ESRI, the 2008 population in the Primary Trade was 909,154, up from 818,822 in 1990. Although the population growth for the Primary Trade Area (11.0 percent) was smaller than for New York City (13.7 percent), it was roughly the equivalent to the population growth in Brooklyn (10.8 percent) (see **Table 3-5**). The total projected Primary Trade Area population for 2008 represents approximately 11 percent of New York City's population and 36 percent of Brooklyn's residents.

Table 3-5
Population and Population Trends, 1990 to 2008

	1990	2000	2008	Growth 1990-2008	
	Total	Total	Total	Total	Percent
Primary Trade Area	818,822	904,152	909,154	90,332	11.0
Brooklyn	2,300,664	2,465,326	2,548,982	248,318	10.8
New York City	7,322,564	8,008,278	8,327,026	1,004,462	13.7

Sources: 1990 and 200 data from U.S. Census Bureau, 1990 and 2000 Census, Summary File 1. Year 2008 estimates from ESRI, 2008.

Between 1990 and 2008, the number of households in Brooklyn and New York City grew at a rate similar to the population growth in each area. In the Primary Trade Area however, the population increased by 11.0 percent, while the number of households increased by only 3.4 percent. A comparison of household sizes shows that the average household size in Brooklyn grew by 1.6 percent and by 2.6 in New York City. In the Primary Trade Area the average household size increased by 7.4 percent, from 2.57 persons per household to 2.76. This increase in household size is an indication that new immigrants moving into the area generally live in larger households than the existing population (see **Table 3-6**).

[1] **Groceries Grow Elusive For Many in New York City,** With Rents Soaring, Stores Are Being Demolished for Condos, 2008: *Washington Post* online: http://www.washingtonpost.com/wp-dyn/content/article/2008/02/18/AR2008021802117.html, accessed September 2008.

Table 3-6
Households and Households Trends, 1990 to 2008

	1990	2000	2008	Growth 1990-2008	
	Total	Total	Total	Total	Percent
Primary Trade Area	318,873	332,013	329,772	10,899	3.42
Brooklyn	828,199	880,727	903,168	74,969	9.05
New York City	2,819,401	3,021,588	3,114,914	295,513	10.48

Sources: 1990 and 200 data from U.S. Census Bureau, 1990 and 2000 Census, Summary File 1. Year 2008 estimates from ESRI, 2008.

Household Income

Table 3-7 shows median household income trends for the Primary Trade Area, Brooklyn, and New York City over the past two decades. In 1989, the median household income in the Primary Trade Area was $50,054, in 2008 constant dollars. Between 1989 and 1999, the median household income decreased by 8.7 percent, compared to 6.9 percent for Brooklyn and 5.0 percent in New York City. Between 1999 and 2008, the median household income in Primary Trade Area increased, but at a slower rate than the borough and city—4.1 percent compared with 4.8 percent for Brooklyn and 6.5 percent for New York City.

Table 3-7
Median Household Income, 1989 to 2008

	1989	1999	2008	Growth 1989-2008	
	Total	Total	Total	Total	Percent
Primary Trade Area	$50,054	$45,720	$47,594	-$2,460	-4.9
Brooklyn	$46,369	$43,148	$45,209	-$1,159	-2.5
New York City	$53,842	$51,145	$54,466	$623	1.2

Note: All values are expressed in 2008 constant dollars.
Sources: 1990 and 200 data from U.S. Census Bureau, 1990 and 2000 Census, Summary File 3. Year 2008 estimates from ESRI, 2008.

Vehicle Availability

Data on car ownership are an important indicator for prevailing shopping patterns. Households with members having access to a car tend to travel farther when shopping, while households without a car tend to shop locally, in neighborhood stores that are within walking distance from people's residences. In addition, households without a car are likely to buy less per trip and do more frequent trips to the store than households with access to a car.

Of the three areas compared, the Primary Trade Area had the highest percentage of households with access to one or more vehicles (see **Table 3-8**). Within the Primary Trade Area 51.4 percent of households had access to at least one car compared with 43.0 percent in Brooklyn, and 44.3 percent in New York City. More than 43,000 households or 13.0 percent of all households in the Primary Trade Area had access to two or more cars, compared with 10.0 percent in Brooklyn and 12.7 percent in New York City.

Table 3-8
Vehicles Available per Household, Primary Trade Area and New York City, 2000

	No Car		One Car		Two Cars		Three or More Cars	
	HH	% of HH	HH	% of HH	HH	% of HH	HH	% of HH
Primary Trade Area	161,361	48.6	126,777	38.2	35,749	10.8	7,298	2.2
Brooklyn	501,803	57.0	291,238	33.1	71,838	8.2	15,848	1.8
New York City	1,682,946	55.7	955,165	31.6	305,267	10.1	78,210	2.6

Source: U.S. Census Bureau, 2000 Census, Summary File 3

RETAIL CONCENTRATIONS—PRIMARY TRADE AREA

The Primary Trade Area contains a wide variety of retail strips and clusters. **Figure 3-2** shows the boundaries of the Primary Trade Area and the locations of major retail concentrations within those boundaries. Following is a description of major retail concentrations in the Primary Trade Area, based on field surveys conducted by AKRF in August 2008 and October 2009.

Area A: 86th Street between Bay 43rd Street and 14th Avenue

86th Street in Bensonhurst is the dominating retail corridor in southwest Brooklyn. From Bay 19th Street to Bay 43rd Street, the corridor is situated under aboveground subway lines (D and M lines). There is a large variety of uses on the strip and stores range in size from small (approximately 500 sf) to medium (approximately 5,000 sf). The area is characterized by a large number of small grocery and convenience stores (delis), laundromats, discount apparel stores, small restaurants and fast food chains, and other neighborhood services businesses. Notable are the five medium-sized Asian grocery markets and five furniture stores. This retail corridor is also home to a PC Richard & Son, a major electronics retailer, located between 20th Avenue and 23rd Street. Toward 14th Avenue, professional offices prevail. Very few establishments offer off-street parking, with the exception of a few fast food drive-ins and larger department stores such as JC Penney. The area east of New Utrecht Avenue is characterized by heavy pedestrian traffic levels, partly attributable to the location of four subway stations within the corridor. Subway stops consist of the Bay Parkway, 18th, 20th, and 25th Avenue stations.

Area B: 86th Street to 99th Street and 7th Avenue to 4th Avenue

The portion of Bay Ridge between 4th and 5th Avenues is a major, mature shopping destination. This portion of 86th Street houses numerous national chain stores (e.g., The Gap, Nine West Outlet, Lane Bryant and United Colors of Benetton) and a major department store (Century 21). However, the exteriors of stores in this retail corridor are often outdated and weathered, which is an indication of a lack of investments in recent years. Heavy pedestrian traffic was observed, which may be due in large part to the proximity of the 86th Street Subway Station, and Staten Island Bus S79 stop located at 86th Street and 4th Avenue.

The portion of the retail corridor below 88th Street on 3rd, 4th, and 5th Avenues appears to be in decline and is now home to commercial uses that occupy large footprints, such as car dealerships along 4th Avenue. Many of these establishments provide off-street parking for customers, which make for a sparser grouping of retail stores. In addition to the commercial uses there are a few smaller bars, restaurants, and other neighborhood services (particularly near the 95th Street subway station), which likely only attract the nearby residential population. A former KeyFood supermarket at 95th Street and 3rd Avenue is currently reconfigured and will soon house a

Walgreens store. Subway stops included in this retail corridor consist of two R subway line stations located at 86th and 95th Streets.

Area C: New Utrecht Avenue between 39th Street and 86th Street

Similar to the eastern portion of the 86th Street sector, the New Utrecht Avenue retail corridor is located beneath aboveground subway lines (D and M lines). The strip can be divided into two distinct portions: the northern (Borough Park) portion, which extends from 39th Street to approximately 56th Street; and the southern (Bensonhurst) portion, which includes the remaining area from 56th Street to 86th Street. Retailers in the northern portion primarily serve the Orthodox Jewish population in the surrounding neighborhood of Borough Park. Retail establishments include apparel retailers and food stores that comply with the customs of the residential population. There are no non-Jewish groceries/supermarkets in the northern portion of New Utrecht Avenue. There were a number of retail vacancies noted in this retail corridor.

The southern portion of New Utrecht Avenue is not dominated by a single ethnic group. Rather, Italian, Jewish, and Chinese stores are intermixed. This half of the retail corridor hosts fewer retail establishments than its northern counterpart. A Waldbaum's Supermarket with a large parking lot is located at the intersection of New Utrecht and 18th Avenue.

Subway stops along this portion of New Utrecht Avenue consist of the 9th Avenue, Fort Hamilton Parkway, 50th Street, 55th Street, New Utrecht Avenue at 62nd Street, 71st Street, 79th Street, and 18th Avenue stations.

Area D: 18th Avenue between 79th Street and 48th Street

Retail stores on 18th Avenue cater predominately to an Italian community. Compared with other surveyed retail strips in the area, 18th Avenue is less densely populated with retailers. North of 59th Street, retail businesses become very sparse. Although delis and grocery stores are present, neighborhood offices are much more prevalent along this retail corridor than in the other corridors visited. This portion of 18th Avenue also houses a large number of national chain stores (e.g., Radio Shack, Rite Aid, and CVS). There is one subway station within this corridor, located at the corner of 18th Avenue and 64th Street (N line).

Area E: 13th Avenue between 36th Street and 86th Street

Similar to the northern portion of New Utrecht Avenue, the northern portion of 13th Avenue is also characterized by retailers catering to predominantly Orthodox Jewish customers. Retail establishments range from food markets to apparel stores to specialty stores.

South of 56th Street, the retail landscape on 13th Avenue changes. Fewer retailers now cater to a large Italian population. This portion includes retail businesses (e.g., Rite Aid) and other establishments (e.g., funeral homes) that require a large footprint. There are larger food markets along the southern portion of 13th Avenue, including C-Town Supermarket, which is located at 80th Street and 13th Avenue. Toward 86th Street, storefronts are dominated by delis and neighborhood offices (e.g., law, medical and real estate). There is one subway stop located along this retail corridor, the 55th Street station, located at 55th Street and 13th Avenue (B and M lines).

Area F: 61st Street between 11th Avenue and 16th Avenue

This short retail strip houses a number of larger shopper's goods retailers, including a Pathmark superstore near the corner of 61st Street and 13th Avenue. There is very little pedestrian traffic

along this section of 61st Street, mainly due to the fact that most of the businesses appear to be commercial wholesalers and would not satisfy day-to-day shopping needs for individuals. No subway stations are located along this retail corridor. The closest subway stations are the Fort Hamilton Parkway and New Utrecht Avenue-62nd Street stations (D, M, and N lines).

Area G: McDonald Avenue between Avenue F and Avenue X

Similar to the New Utrecht Avenue retail corridor, the McDonald Avenue retail corridor is located beneath an aboveground subway line (F line). Furniture stores, thrift stores, home furnishing stores, clothing stores, and auto related businesses compose the majority of retail establishments in this area. Neighborhood service establishments are found throughout this retail corridor, with clusters located at the intersections of McDonald Avenue and Bay Parkway and McDonald Avenue and 18th Avenue. A ShopRite supermarket and a Sleepy's mattress store are located on McDonald Avenue between Elmwood Avenue and Avenue I. Scattered businesses, such as hardware stores and pool supply stores, are also located along this portion of McDonald Avenue.

Retailers catering to predominately Orthodox Jewish customers are located around Colin Avenue and north along McDonald Avenue. Washington Cemetery, which McDonald Avenue extends through, and Friends Field, an adjacent park, are also located along this retail corridor between Bay Parkway and Avenue M.

The area did not appear to attract a substantial amount of pedestrian traffic. Subway stops along this portion of McDonald Avenue consist of the 18th Avenue, Bay Parkway, Kings Highway, and Avenues I, N, P, U, and X stations.

Area H: Kings Highway between Bay Avenue and Ocean Parkway

Retail stores along this portion of Kings Highway are not defined by one single ethnicity but rather by a mixture of ethnicities, including Asian, Italian, Jewish, Middle Eastern, Russian, and Eastern European. The majority of retail establishments are small grocery and convenience stores (delis), laundromats, small restaurants and fast food chains, and other neighborhood services businesses. PC Richard & Son, a major electronics retailer, is located along Kings Highway between Dahill Road and West 1st Street. KeyFood, a large supermarket, is located along Kings Highway between West 5th and West 6th Streets. Few clothing stores were noted along this retail corridor.

New housing construction is commonplace along this retail corridor, which is characterized by heavy pedestrian traffic. Subway stops along this portion of Kings Highway consist of the F line at McDonald Avenue and the N line between West 7th and West 8th Streets.

Area I: Coney Island Avenue between Beverly Road and Avenue R

Similar to 4th Avenue, Coney Island Avenue is a major north-south artery consisting of four lanes. A dense concentration of retail services mixed with residential buildings lines both the north and south sides of the street. Overall, the majority of retail establishments are characterized largely by various neighborhood services, including small grocery and convenience stores (delis), laundromats, small restaurants and fast food chains, and pharmacies. Auto-related businesses are also scattered throughout this retail corridor. Drimmer's Major Appliances, a large, household appliance retailer, is located along Coney Island Avenue between Avenues L and M. The northern portion of Coney Island Avenue is also characterized by retailers catering to predominately Middle Eastern customers. The southern portion of this retail corridor, below Avenue J, is characterized by

retailers catering to predominantly Orthodox Jewish customers. Pomegranate, the nation's largest kosher supermarket, recently opened at the corner of Coney Island Avenue and Avenue L.

Retail establishments along this portion of Coney Island Avenue are frequented by both pedestrian and automobile traffic. Although there are no subway stops along this retail corridor, the B and Q subway lines are located four blocks to the north and run parallel to Coney Island Avenue. Subway stops consist of the Beverly Road, Cortelyou Road, Newkirk Avenue, Kings Highway, and Avenues H, J, and M stations.

Retail Concentrations in Local Area of Potential Competitive Impact

In addition to the nine retail concentrations described above, there are 11 other major retail concentrations within the Primary Trade Area (described below), all of which are located within the Local Area of Potential Competitive Impact.

Area J: Shore Parkway Area

A number of commercial uses occupy properties neighboring the project site. The parcels immediately south of the project site houses Bayside Fuel Oil Depot, while the Harbor Motor Inn, a two-story motel, is located on the parcel that constitutes the northern boundary. The Italy 21 furniture store and Stop & Stor Self Storage occupy the next frontage along Shore Parkway South to the northwest.

Approximately 400 feet north of the site is Caesar's Bay Shopping Center and its associated parking lot. The shopping center includes multiple national chain stores (e.g., Kohl's, Toys R Us, Babies R Us, Best Buy, Modell's, Strauss Auto, and Pearle Vision) and two national banks (e.g., HSBC and Commerce). The Belt Parkway, a six-lane, limited access highway, runs parallel to Shore Parkway and separates the properties described from the residential neighborhoods. A Mercedes Benz dealership lies southeast of the project site.

There are no subway stops in close proximity; however, the B6 bus line runs along the Shore Parkway access road. There are 22 storefronts in immediate area of the project site. 45.5 percent of the stores offer neighborhood services, 31.8 percent of storefronts are dedicated to shopping goods, 13.6 percent provide auto-related trade, and 9.1 percent are eating and drinking establishments.

Area K: Bay Ridge Corridor

The portion of Bay Ridge between 4th and 5th Avenues area is a major, mature shopping destination. This portion of 86th Street houses numerous national chain stores (e.g., The Gap, Nine West Outlet, Lane Bryant, and United Colors of Benetton) and a major department store (Century 21). However, the exterior of the stores in this retail corridor is generally outdated, which suggests a lack of investment in recent years. High volumes of pedestrian traffic were observed, which may be due in large part to the proximity of the 86th Street Subway Station, and Staten Island Bus S79 stop located at 86th Street and 4th Avenue.

The portion of the retail corridor below 88th Street on 3rd, 4th, and 5th Avenues appears to be in decline, and is now home to commercial uses that occupy large footprints, such as car dealerships along 4th Avenue. Many of these establishments provide off-street parking for customers, which make for a sparser grouping of retail stores. In addition to the commercial uses there are a few small bars, restaurants, and other neighborhood services (particularly near the 95th Street subway station), which are likely to attract nearby residents. Two R-line subway stations are located at 86th and 95th Streets.

Overall, there are 508 storefronts in the subarea designated as the Bay Ridge retail corridor. Neighborhood services occupy the largest share of store fronts (42.1 percent). Eating and drinking places occupy 18.3 percent, convenience goods occupy 15.4 percent, shopping goods occupy 14.2 percent, and auto-related trade businesses account for 6.3 percent. Approximately 2.8 percent of stores appeared to be vacant.

Area L: 86th Street Corridor

86th Street in Bensonhurst is the dominating retail corridor in southwest Brooklyn. From Bay 19th Street to Bay 43rd Street, the corridor is below aboveground subway lines (D and M lines). There is a large variety of uses on the strip and stores range in size from small to medium. The area is characterized by a large number of small grocery and convenience stores (delis), laundromats, discount apparel stores, small restaurants and fast food chains, and other neighborhood services businesses. Notable are the five medium-sized Asian grocery markets (e.g., Food Dynasty) and five furniture stores (e.g., Furniture Outlet). This retail corridor is also home to a PC Richard & Son, a major electronics retailer, located between 20th Avenue and 23rd Street. Toward 14th Avenue, professional offices prevail. Very few establishments offer off-street parking, with the exception of a few fast food drive-ins, Waldbaum's supermarket, and larger department stores such as JC Penney. The area east of New Utrecht Avenue can also be characterized as having heavy pedestrian traffic levels, partly attributable to the location of four subway stations within the corridor. Subway stops consist of the Bay Parkway, 18th, 20th, and 25th Avenue stations.

This corridor has 610 total storefronts, the second highest total for all surveyed corridors. These storefronts comprise neighborhood services (31.6 percent), shopping goods (25.7 percent), convenience goods (16.9 percent), eating and drinking places (15.7 percent), vacant storefronts (5.2 percent), auto-related trade (3.4 percent), and building materials and garden supply (1.3 percent) businesses.

Area M: Avenue U Corridor

The Avenue U retail corridor contains 733 total storefronts, the largest total of all the surveyed retail corridors. Most of the grocery and convenience stores (delis) are small in size and offer products specifically for local residents. This strip is not dominated by a single ethnic group. In the western portion of the strip there are Russian doctors, Italian meat markets, and Chinese bakeries. In the eastern section, stores cater to Jewish, Greek, Chinese and Italian population groups. Though the overwhelming majority of storefronts were local in origin, numerous national chain stores are located in the area including Curve, Dunkin Donuts, Mandee, McDonald's, Kentucky Fried Chicken, Pizza Hut, Subway, Sleepy's, Rite Aid, Duane Reade, Payless Shoes, H&R Block and multiple banks (Commerce, Washington Mutual, Chase, North Fork, and HSBC). In addition to the national fast food chains mentioned, the strip has numerous Chinese take-out, pizza, and café limited service establishments. Full service restaurants offer various ethnic options, including Mexican, Japanese, Russian, and Vietnamese establishments. Multiple women's clothing stores were identified in the eastern portion of the retail corridor.

There is a lot of pedestrian activity in the area, which can be largely attributed to the three subway stops in the corridor. Metered parking is provided for auto-based shoppers. Subway stops consist of the Avenue U (N line) station between West 7th and West 8th Streets, the Avenue U (F line) station on McDonald Avenue, and the Avenue U (Q line) station between East 15th and East 16th Streets. Overall, the 733 storefronts comprise neighborhood services (35.5 percent), shopping goods (20.9 percent), convenience goods (17.2 percent), eating and

drinking places (13.4 percent), vacant storefronts (9.8 percent), building materials and garden supply businesses (2.3 percent), and auto-related trade (1.0 percent).

Area N: Coney Island Avenue between Montauk Court and Avenue S

Similar to 4th Avenue, Coney Island Avenue is a major north south artery consisting of four lanes. A dense concentration of retail services mixed with residential buildings lines both the north and south sides of the street. The majority of neighborhood services are professional offices for real estate, insurance and law firms. Hair and tanning salons, dry cleaners, funeral service establishments, and banks are also present. Furniture stores and electronics stores make up the majority of shopping goods establishments, while deli/groceries and florists make up a majority of convenience goods. This retail corridor also contains numerous auto-related establishments including several dealerships (Volkswagon, Ford and Nissan), three gas stations, and several repair and maintenance locations. Metered street parking is available, and several establishments provide parking. The northernmost portion of Coney Island Avenue is characterized by retailers catering to predominantly Orthodox Jewish customers.

This section of Coney Island Avenue includes 148 total storefronts, consisting of neighborhood services (31.1 percent), shopping goods (16.9 percent), vacant storefronts (12.2 percent), convenience goods (10.8 percent), eating and drinking places (10.1 percent), auto-related trade (10.1 percent), and building materials and garden supply (8.8 percent) stores. Retail establishments along this retail sector are frequented mainly by automobile traffic. Little pedestrian traffic was noticed in this area. Although there are no subway stops along this retail corridor, the B and Q subway lines are located four to five blocks to the north and run parallel to Coney Island Avenue. Subway stops consist of the Avenue U, Neck Road, and Sheepshead Bay stations.

Area O: Nostrand Avenue Corridor

Nostrand Avenue is a large four-lane road. Retail stores within this corridor do not cater to any one specific ethnic group. Most of the grocery and convenience stores (delis) are small in size and offer products specifically for local residents. In addition to small groceries, there is one large supermarket in this retail corridor: Pathmark (between Avenues Y and Z). Besides Pathmark, this section of Nostrand Avenue houses few national chain stores (e.g., Radio Shack, McDonald's, Sleepy's, and Blockbuster).

There are no subway stops in close proximity to this retail corridor, although there are B36 and B44 bus stops within this area. In general, there is much more automobile traffic than pedestrian traffic. Overall, this retail corridor houses 112 store fronts, consisting of neighborhood services (32.1 percent), shopping goods (23.2 percent), eating and drinking places (16.1 percent), convenience goods (16.1 percent), vacant storefronts (9.8 percent), auto-related trade (1.8 percent), and building materials and garden supply (0.9 percent) businesses.

Area P: Sheepshead Bay Corridor

This retail corridor resembles a town center, however several shopping centers are found in the periphery, and a more upscale spur runs along Emmons Avenue near the bay. The primary concentration of storefronts is found along Sheepshead Bay Road at the intersection of 17th Street, with both national and local retailers present. Notable tenants include GNC, Bally's gym, H&R Block, Citibank, McDonald's, Dunkin Donuts and Banco Popular. A cluster of larger stores with off street parking is located along 17th Street including Super Stop and Shop, Petco and Ace Home Center. Another shopping center with a Waldbaum's, Duane Reade and North

Fork Bank is located along Ocean Avenue. Emmons Street along the bay comprises mostly higher end establishments such as 9 West and Loehmann's Department Store, and full service restaurants featuring seafood, Japanese, Greek and American options.

There are 248 total storefronts in the Sheepshead Bay retail corridor. The majority of these stores provide neighborhood services (33.5 percent). Other businesses in this retail area include those that provide shopping goods (21.4 percent), eating and drinking places (21.0 percent), convenience goods (15.3 percent), building materials and garden supply (1.2 percent), and auto-related trade (0.4 percent). There are also 18 vacant storefronts in this retail corridor (7.3 percent).

Area Q: Avenue X Corridor

This retail corridor intermixes combines a concentration of retail establishments with residential buildings that lines both sides of the street. Retail stores within this corridor do not seem to cater to any one specific ethnic group. A few businesses within the corridor provided off-street parking (e.g., Rite Aid and the Century Medical Center). Overall, the Avenue X corridor contains 84 total storefronts. Businesses providing neighborhood services (32.1 percent), shopping goods (28.6 percent), convenience goods (21.4 percent), and eating and drinking places (17.9 percent) are all relatively evenly dispersed throughout the corridor. One subway station is located in this retail sector, at Avenue X and McDonald Avenue (F line).

Area R: Brighton Beach Avenue between Ocean Parkway and 15th Street

The western portion of this retail corridor is below an aboveground subway (Q line). Retail services mixed with residential buildings line both the north and south sides of the street. The majority of shopping goods stores is local establishments selling clothing, shoes and accessories, as well as electronics. Neighborhood services are primarily hair and nail salons, medical and professional offices (travel, real estate, tax), and banks. Convenience goods include three supermarkets, numerous deli/grocers, nine specialty markets, and nearly 13 pharmacies. A Met Foods supermarket is located near the intersection of Brighton Beach Avenue and Ocean Parkway. The influence of the Russian population is evident with five fur stores located along the strip, two Russian markets, and four full service restaurants. National and local chains found along the strip area include Starbucks Coffee, GNC, H&R Block, Mandee, Chase Bank, HSBC, Payless and a Curves gym. In addition, a live dinner theater is found along the corridor.

There are 285 total storefronts in the Brighton Beach retail corridor. The businesses in this area largely provide shopping goods (30.5 percent), neighborhood services (26.7 percent), and convenience goods (25.6 percent). In addition, there are eating and drinking establishments (11.9 percent), building materials and garden supply stores (0.7 percent), and vacant storefronts (4.6 percent). There is heavy pedestrian traffic in this retail corridor, mainly because of the corridor's proximity to the beach and public transportation. Subway stops in this retail corridor include the Brighton Beach and Ocean Parkway stations (B and Q lines).

Area S: Neptune Avenue Corridor

This retail corridor primarily serves the surrounding neighborhoods of Brighton Beach and Coney Island. Many retail establishments cater to the Eastern European population in the area. There are few small grocery and convenience stores (delis) that offer products specifically for local residents within this retail corridor. A larger supermarket, KeyFood, is located at the southwest intersection of Neptune Avenue and West 5th Street. A McDonald's is located on the southeast corner of Neptune Avenue and West 5th Street. A Walgreens is located within a shopping strip located between West 5th and West 6th Streets.

There was substantial pedestrian traffic in this retail sector, due in large part to the accessibility of the corridor to public transportation. One subway stop, the Neptune Avenue (F line) stop, is located within this retail corridor at West 6th Street. D, F, N, and Q trains are accessible nearby, at Coney Island-Stillwell Avenue, West 8th Street- NY Aquarium, and Ocean Parkway stations. Furthermore, the B68 bus makes frequent stops along Neptune Avenue.

Overall, this retail corridor includes 57 storefronts, comprised predominantly of businesses providing neighborhood services (45.6 percent), as well as shopping goods (19.3 percent), eating and drinking places (19.3 percent), convenience goods (14.0 percent), and vacant storefronts (1.8 percent).

Area T: Cropsey Avenue Corridor

The Cropsey Avenue corridor primarily serves the surrounding neighborhoods of Sea Gate, Coney Island, and Brighton Beach. This retail corridor does not cater to one specific ethnic population. Although it is one of the smaller sized retail corridors, this retail corridor houses a number of national chain stores (e.g., Home Depot, Starbucks). In addition, a large Pathmark with adjacent off-street parking is located between Bay 53rd and Bay 54th Streets. There is little pedestrian but heavy automobile traffic in this area, due in large part to the fact that the closest subway stations are approximately one mile away. However, there are bus stops for the B82 and X28 lines within this corridor.

Overall, this retail corridor includes 94 storefronts and is dominated by automotive businesses (54.3 percent). In addition, businesses in this section provide eating and drinking places (17.0 percent), neighborhood services (8.5 percent), convenience goods (8.5 percent), shopping goods (6.4 percent), and building materials and garden supplies (3.2 percent). There were only two vacant stores in this retail corridor (2.1 percent).

HOUSEHOLD DEMAND AND EXPENDITURE POTENTIAL

Retail expenditure potential and retail sales estimates used to develop capture rates for the Primary Trade Area were provided by ESRI, a commercial data provider. Data reflect 2008 conditions and are presented in 2008 constant dollars.

In 2008, households in the Primary Trade Area spent approximately $5.4 billion on retail goods and services included in Use Groups 6 and 10 such as clothing, furniture, groceries, pharmaceuticals, dry cleaning, and dining out. Roughly 39 percent of those expenditures went toward shoppers' goods, 35 percent toward convenience goods, and 22 percent to eating and drinking establishments (see **Table 3-9**). In comparison, 43 percent of the total retail spending in New York City is spent on shoppers' goods, 31 percent is spent on convenience goods, and 23 percent at eating and drinking places.

Based on 2008 ESRI data, the average household in the Primary Trade Area spends approximately $16,255 on retail goods that fall within in use groups 6 and 10. Households in the Primary Trade Area spend about $230 more annually on the selected retail categories than households in Brooklyn. Households in New York City spend on average approximately $4,250 more on these retail goods annually than households in the Primary Trade Area. On a per household basis in 2008, Primary Trade Area households spent roughly $6,311 on shoppers' goods, $5,691 on convenience goods, and $3,615 at eating and drinking establishments. Of the $5,691 spent on convenience goods, about $3,513 (62 percent) was spent on groceries.

Table 3-9
Household Retail Demand in the Primary Trade Area, Brooklyn, and New York City, 2008

	Primary Trade Area		Brooklyn		New York City	
	Total Demand (Millions of 2008 Dollars)[1]	Demand per Household (2008 Dollars)[1]	Total Demand (Millions of 2008 Dollars)[1]	Demand per Household (2008 Dollars)[1]	Total Demand (Millions of 2008 Dollars)[1]	Demand per Household (2008 Dollars)[1]
Shoppers' Goods[2]	$2,081	$6,311	$5,659	$6,265	$27,410	$8,800
Department Stores	$159	$482	$432	$479	$1,549	$497
Convenience Goods[2]	$1,877	$5,691	$5,036	$5,576	$19,550	$6,276
Grocery Stores	$1,159	$3,513	$3,107	$3,441	$11,559	$3,711
Building Materials and Garden Supply	$211	$638	$559	$619	$2,419	$777
Eating and Drinking Establishments[2]	$1,192	$3,615	$3,219	$3,564	$14,527	$4,664
Total[3]	$5,361	$16,255	$14,473	$16,025	$63,907	$20,516

Notes:
[1] Demand (retail expenditure potential) estimates the expected amount spent by consumers at retail establishments. Expenditure estimates based on Consumer Expenditure Survey conducted by the Bureau of Labor Statistics.
[2] Shoppers' goods include general merchandise stores; apparel and accessory stores (including shoes); sporting goods, hobby, book and music stores; electronics and appliance stores; furniture and home furnishing stores; office supplies, stationery, and gift stores; and used merchandise stores. Convenience goods include food stores such as delis, bakeries and supermarkets, drug and proprietary stores, liquor stores; health and personal care stores; florists; and other miscellaneous store retailers. Eating and Drinking places include fast-food and full-service restaurants and bars.
[3] Total does not reflect total expenditures or sales for all retail-only those retail categories included in the Shoppers' Goods, Convenience Goods, Eating and Drinking Places, and Building Materials and Garden Supply categories. Retail establishments not included in this total are: auto-related businesses and non-store retailers.
Source: ESRI, Inc., 2008

RETAIL SALES, AND TRADE AREA CAPTURE RATES

Capture rates are measures of business activity in a trade area and indicate the percentage of consumer expenditures for retail goods that are being "captured" by retailers in the trade area. To determine the rate at which existing shops capture the spending potential of Primary Trade Area households, the potential demand (i.e., amount of money available for retail expenditures) and supply (i.e., amount of retail sales realized by trade area stores) are compared.

If total sales in a trade area are substantially lower than the area's total expenditure potential, then residents are spending a large portion of their available dollars outside of the trade area, and the capture rate is low. If sales are closer in value to the expenditure potential of the trade area, then area residents are likely spending a higher proportion of their available resources within the area, and the capture rate is high. High capture rates can also be generated by an inflow of money from people who do not live within the area, such as employees or visitors. Some of the sales in the Primary Trade Area, for example, may be from people living in other New York City boroughs, New Jersey, and elsewhere, shopping at Primary Trade Area stores. This is likely to be the case for a large number of Primary Trade Area stores, which cater to a specific ethnic group. Members of these groups who live in other parts of New York City, where they do not have direct access to the products and services they desire, tend to travel to areas where ethnic stores are clustered. **Tables 3-10** to **3-12** compare retail expenditures by Primary Trade Area, Brooklyn, and New York City residents with retail sales at stores in those areas, and present the resulting capture rates. Expenditure and sales amounts do not include other major retail categories, such as gas stations, new or used cars or non-store retailers.

Table 3-10
Retail Expenditures and Total Retail Sales, Primary Trade Area, 2008

	Total Retail Sales[1]	Total Retail Demand [1]	Amount Not Captured	Capture Rate
Shoppers' Goods	$1,523	$2,081	$558	73.2%
Department Stores	$141	$159	$18	88.6%
Convenience Goods	$1,635	$1,877	$242	87.1%
Grocery Stores	$891	$1,159	$268	76.9%
Building Materials and Garden Supply	$660	$1,192	$532	55.3%
Eating and Drinking Establishments	$135	$211	$76	64.0%
Total[2]	$3,953	$5,361	$1,407	73.7%

Notes:
[1] All values are in millions of 2008 dollars.
[2] Total does not reflect total expenditures or sales for all retail in the Primary Study Area - only those retail categories included in the Shoppers' Goods, Convenience Goods, Building Materials and Garden Supply, and Eating and Drinking Places categories. Retail establishments not included in this total are: auto-related businesses, and non-store retailers.
Source: ESRI, Inc., 2008

Table 3-11
Retail Expenditures and Total Retail Sales, Brooklyn, 2008

	Total Retail Sales[1]	Total Retail Demand [1]	Amount Not Captured	Capture Rate
Shoppers' Goods	$3,939	$5,659	$1,720	69.6%
Department Stores	$326	$432	$106	75.5%
Convenience Goods	$4,146	$5,036	$890	82.3%
Grocery Stores	$2,451	$3,107	$656	78.9%
Building Materials and Garden Supply	$1,848	$3,219	$1,371	57.4%
Eating and Drinking Establishments	$501	$559	$58	89.6%
Total[2]	$10,434	$14,473	$4,039	72.1%

Notes:
[1] All values are in millions of 2008 dollars.
[2] Total does not reflect total expenditures or sales for all retail in the Primary Study Area - only those retail categories included in the Shoppers' Goods, Convenience Goods, Building Materials and Garden Supply, and Eating and Drinking Places categories. Retail establishments not included in this total are: auto-related businesses, and non-store retailers.
Source: ESRI, Inc., 2008

Table 3-12
Retail Expenditures and Total Retail Sales, New York City, 2008

	Total Retail Sales[1]	Total Retail Demand [1]	Amount Not Captured	Capture Rate
Shoppers' Goods	$29,769	$27,410	$2,358)	108.6%
Department Stores	$1,924	$1,549	$(375)	124.2%
Convenience Goods	$18,934	$19,550	$616	96.8%
Grocery Stores	$10,175	$11,559	$1,384	88.0%
Building Materials and Garden Supply	$14,874	$14,527	$(346)	102.4%
Eating and Drinking Establishments	$2,052	$2,419	$367	84.8%
Total[2]	$65,629	$63,907	$(1,722)	102.7%

Notes:
[1] All values are in millions of 2008 dollars.
[2] Total does not reflect total expenditures or sales for all retail in the Primary Study Area - only those retail categories included in the Shoppers' Goods, Convenience Goods, Building Materials and Garden Supply, and Eating and Drinking Places categories. Retail establishments not included in this total are: auto-related businesses, and non-store retailers.
Source: ESRI, Inc., 2008

In general, it is not possible to know exactly who (residents or nonresidents) is spending money in the area. Therefore, a high capture rate may also be indicative of an area with a high proportion of destination retail, i.e., retail that will attract customers from greater distances to compare price, quality, and the selection of merchandise. This is the case for the shopper's goods retail market in New York City, which receives a large number of tourists and visitors and has capture rates that can exceed 100 percent.

Potential retail expenditures in the Primary Trade Area represent approximately 37 percent of the total demand in Brooklyn, while retail sales represent approximately 38 percent of total sales in the selected retail categories in the borough. The amount of retail demand currently not captured by retail stores in the Primary Trade Area was largest for shopper's goods ($558 million), building materials and garden supplies ($532 million), and grocery stores ($268 million).

Total retail sales for shoppers' goods, convenience goods, building materials and garden supply stores, and eating and drinking establishments in the Primary Trade Area were approximately $3.95 billion in 2008. Potential retail expenditures for these goods by Primary Trade Area residents, on the other hand, were $5.36 billion, indicating that retail stores in the Primary Trade Area are capturing approximately 73.7 percent of the Primary Trade Area household expenditure potential. This is roughly equivalent to the retail capture rate for Brooklyn as a whole (72.1 percent, but far lower than the total capture rate for New York City (102.7 percent). In terms of shopper's goods, the Primary Trade Area captures 73.2 percent of the expenditure potential while Brooklyn captures 69.6 percent and New York City 108.6 percent. The high shoppers' goods and department store capture rate in particular, for New York City indicates a substantial inflow of expenditures from outside the New York City trade area for these retail categories due to national/international draw of stores.

Primary Trade Area convenience goods stores were able to capture 87.1 percent of the area's expenditure potential and 76.9 percent of expenditures typically spent on groceries. Grocery store captures were higher for Brooklyn (78.0 percent) and New York City (88 percent). Eating and drinking establishments in the Primary Trade Area only capture 64 percent of the $211 million that households spent on average in eating and drinking establishments.

THE FUTURE WITHOUT THE PROPOSED PROJECT

Changes in retail demand in the Primary Trade Area are influenced by two primary factors: population changes, which could increase or decrease the total expenditure potential of the trade area population; and new retail projects, which could increase the total retail inventory in a trade area.

Table 3-13 lists three retail projects that are anticipated to be developed within the Primary Trade Area by 2013, the Build year for the proposed actions. As shown in **Table 3-13**, by 2013 area retail space is expected to grow by approximately 34,000 sf. Of that amount, approximately 30,000 sf are expected to be used by shoppers' and convenience goods retailers, while approximately 4,000 sf will be used as restaurant (eating and drinking) space. The additional retail space is projected to increase retail sales in the shoppers' goods category by $8.3 million to a total of $1.53 billion, and by $7.1 million in the convenience goods category. Restaurant sales are projected to increase by $2.6 million to a total of $662 million (see **Tables 3-13** and **3-16**).

Table 3-13
Estimated Sales of Retail Projects to be Built in the Primary Trade Area by 2013

	Retail (sf)	Sales (per sf)	Total Sales
Coney Island Commons[1]			
Shoppers' Goods	9,500	$550	$5.2 million
Convenience Goods	9,500	$473	$4.5 million
Stillwell Avenue[1]			
Shoppers' Goods	5,619	$550	$3.1 million
Convenience Goods	5,619	$473	$2.6 million
1403 Mermaid Avenue			
Eating and Drinking	4,257	$470	$5.2 million
Total	**34,494**		**$20.6 million**

Notes: [1] Since tenants and store sizes are unknown at this time, it is assumed that 50 percent of the retail space would be used by shoppers' goods retailers while the other half would be used by convenience goods retail businesses.
Sources: Urban Land Institute, *2008 Dollars and Cents of Shopping Centers,* BJ's Wholesale Club 10-K.

Population and household growth figures presented in this section are based on projections from ESRI. Based on the ESRI data, by 2013 the Primary Trade Area population will increase by 6,080 persons (0.7 percent) and the number of households will increase by 1,460 (0.4 percent). By 2013, the Primary Trade Area will contain an estimated 915,240 residents and 331,230 households.

As shown in **Table 3-9**, Primary Trade Area households currently spend about $16,255 per year on the four major retail categories. New households added to the Primary Trade are expected to spend the same amount on the identified retail categories, which would increase the retail demand by $23.7 million. **Table 3-14** shows the total additional expenditure potential broken out into the retail categories highlighted in this analysis. New households would spend approximately $9.2 million on shoppers' goods, $8.3 million on convenience goods (including $5.1 million on grocery stores), $5.3 million at home improvement stores, and $900,000 at eating and drinking establishments.

Table 3-14
Retail Sales and Total Expenditure Potential Without the Proposed Actions in the Primary Trade Area, 2013

	Total Retail Sales	New Retail Demand	Total Retail Demand	Capture Rate
Shoppers' Goods	$1,532	$9.2	$2,090	73.3%
Department Stores	$142	$0.7	$160	88.7%
Convenience Goods	$1,642	$8.3	$1,885	87.1%
Grocery Stores	$894	$5.1	$1,164	76.9%
Building Materials and Garden Supply	$662	$5.3	$1,197	55.3%
Eating and Drinking Establishments	$135	$0.9	$211	63.8%
Total	$3,971	$23.7	$5,384	73.7%

Note: Retail sales and demand in millions of dollars.
Sources: ESRI, 2008

With annual sales of approximately $3.97 billion and household expenditure potential of $5.4 billion, the capture rate for the Primary Trade Area will be approximately 73.7 percent by 2013, the same as the estimated capture rate in 2008. The retail capture rate for shoppers' goods is

expected to increase by 0.1 percentage points to 73.3 percent, while the convenience goods capture rate is expected to remain the same as in 2008 (87.1 percent). The capture rate for grocery stores is also anticipated to remain the same as 2008 (76.9 percent).

PROBABLE IMPACTS OF THE PROPOSED PROJECT

ESTIMATED SALES IN STORES ADDED BY THE PROPOSED ACTIONS

Estimates of sales in stores added by the proposed actions is based on a program that includes: a 137,500-sf BJ's Wholesale Club, assumed to consist of 59,000 sf of shoppers' goods and 78,000 sf of convenience goods; and 76,500 additional sf of shoppers' goods retail space potentially used by retailers such as furniture, clothing, or electronics stores. To derive a reasonable per-square-foot sales estimate for the wholesale club category, the total square footage of stores currently operated by BJ's Wholesale Clubs was divided by the total sales amount generated by the stores to arrive at a national average sales per sf estimate. Using numbers presented in the company's 2008 10-K statement resulted in a sales-per-square foot ratio of $473. This national sales estimate was then adjusted upward, to an estimated $682 per sf, to account for the potential for better-than-average sales from a New York City store.[1] Sales per sf for other shoppers' goods stores are based on the upper decile listed for super regional shopping centers in the 2008 ULI Dollars and Cents for Shopping Centers ($550 per sf).

Retail sales resulting from the proposed actions are projected to be approximately $135.9 million annually, generated by 135,625 sf of shoppers' goods space and 78,375 sf of convenience goods space. Annual sales for shoppers' goods are estimated at $82.4 million and annual sales for convenience goods are estimated to be $53.5 million (see **Table 3-15**).

Table 3-15
Estimated Retail Sales for the Proposed Actions

	Retail SF	Sales PSF	Total Sales (Millions of 2008 Dollars)
Shoppers' Goods	**135,625**		**$82.4**
Other Shoppers' Goods [2]	76,500	$550	$42.1
Wholesale Club[1]	59,125	$682	$40.3
Convenience Goods	**78,375**		**$53.5**
Grocery at Wholesale Club[1]	78,375	$682	$53.5
TOTAL	214,000		**$135.9**

Notes:
[1] Based on wholesale club sales data from selected 2008 annual reports, 57 percent of the wholesale club sales are assumed to be from grocery items. Sales per square foot average was developed using total square feet and total sales as listed in 2008 10-K statement, adjusted upward to reflect likely increased sales in New York City using 2008 Dollars and Cents of Shopping Centers.
[2] Sales per square foot for shopper's goods stores are based on the upper decile sales for shopper's good stores listed for super regional shopping centers in the Urban Land Institute's *2008 Dollars and Cents of Shopping Centers*.
Sources: Urban Land Institute, *2008 Dollars and Cents of Shopping Centers,* BJ's Wholesale Club 10-K.

[1] The estimated national average of $473 per sf was adjusted upward by approximately 44.1 percent, which is the percentage difference between average sales per sf in U.S. super regional shopping centers ($300.15 per sf), as compared to the upper decile of sales in the Eastern U.S. at super regional shopping centers ($432.56 per sf), according to data from ULI's Dollars & Cents of Shopping Centers/The SCORE 2008.

ESTIMATED CHANGE IN PRIMARY TRADE AREA CAPTURE RATES

Table 3-16 illustrates estimated capture rates under existing conditions, and in the future 2013 conditions without and with the proposed actions in the Primary Trade Area. In the future with the proposed actions, the overall capture rate is projected to increase by 2.6 percentage points as compared to the future without the proposed actions, reaching a total of 76.3 percent retail capture. The capture rate for shoppers' goods would increase by approximately 3.9 percentage points, to 77.2 percent. The capture rate for convenience goods is one of the highest for all retail categories in the future without the proposed actions (87.1 percent), and would increase by approximately 2.9 percentage points, to 90.0 percent with the proposed actions. However, the comparatively high capture rate is caused by sub-categories of convenience goods other than grocery goods; with the proposed actions the capture rate for grocery goods would be 81.4 percent, which is 4.5 percentage points higher than in the future without the proposed actions. This would be on the high end of the range of 70 to 80 percent capture that is characteristic of trade areas satisfying the retail demand generated by trade area households. The analysis represents a conservative scenario, since 100 percent of potential new sales from the retail development are attributed to be generated by Primary Trade Area residents. It is expected that some portion of the total sales will be generated by customers coming from outside of the Primary Trade Area. Overall, the modest changes in capture rates in the future with the proposed actions indicate that the proposed actions would not significantly affect competitive stores within the Primary Trade Area.

Table 3-16
Comparison of Estimated Retail Capture Rates in Primary Trade Area: Existing Conditions, Future Without the Proposed Actions, and Future With the Proposed Actions

	Retail Sales[1]	Retail Demand[1]	Capture Rate
Existing Conditions			
Shoppers' Goods	$1,523	$2,081	73.2%
Department Stores	$141	$159	88.6%
Convenience Goods	$1,635	$1,877	87.1%
Grocery Goods	$891	$1,159	76.9%
Eating and Drinking	$660	$1,192	55.3%
Home Improvement	$135	$211	64.0%
TOTAL	**$3,953**	**$5,361**	**73.7%**
2013 Without the Proposed Actions			
Shoppers' Goods	$1,531	$2,090	73.3%
Department Stores	$142	$160	88.7%
Convenience Goods	$1,642	$1,885	87.1%
Grocery Goods	$894	$1,164	76.9%
Eating and Drinking	$662	$1,197	55.3%
Home Improvement	$135	$211	63.8%
TOTAL	**$3,970**	**$5,384**	**73.7%**
2013 With the Proposed Actions			
Shoppers' Goods	$1,613	$2,090	77.2%
Department Stores	$142	$160	88.7%
Convenience Goods	$1,696	$1,885	90.0%
Grocery Goods	$948	$1,164	81.4%
Eating and Drinking	$662	$1,197	55.3%
Home Improvement	$135	$211	63.8%
TOTAL	**$4,106**	**$5,384**	**76.3%**

Notes: [1] Retail Sales in million of 2008 dollars.
Sources: ESRI, 2008, Urban Land Institute, *2008 Dollars and Cents of Shopping Centers,* BJ's Wholesale Club 10-K., and AKRF, Inc.

POTENTIAL IMPACTS ON LOCAL SHOPPING AREAS

As described in the *CEQR Technical Manual*, competitive effects on stores closest to a project site can occur even when there are still substantial unspent expenditures within a trade area. While competition does not constitute a significant adverse impact under CEQR guidelines, when competition adversely affects neighborhood character, it could constitute a significant adverse impact. If proposed anchor stores have the potential to affect the operations of competitive stores located on neighborhood commercial strips, and if these competitive stores anchor stores on those strips, there would be the potential for neighborhood character impacts. The *CEQR Technical Manual* also states that the number and variety of proposed non-anchor stores could accentuate the potential impacts.

The following section examines the proposed actions' potential competitive effects within the Local Area of Potential Competitive Impact to determine whether potential competition with stores in local shopping areas could undermine the viability of retail concentrations, thereby leading to significant adverse impacts on neighborhood character. The Local Area of Potential Competitive Impact extends roughly 1.5 miles from the project site, and was delineated based on accessibility to the project site provided by major roadways and the demographic and retail characteristics of surrounding neighborhoods (see **Figure 3-3**). Because of the site's proximity to the Shore Parkway, which provides easy access to the site, the Local Area of Potential Competitive Impact extends beyond 1.5 miles to the east and west, following the course of the Belt Parkway. To the north, the Local Area of Potential Competitive Impact extends for less than 1.5 miles, as ethnic populations north of 86th Street are expected to conduct the majority of their shopping within their neighborhoods, where they can shop at stores that specifically cater to their needs.

As described in "Existing Conditions" above, the Local Area of Potential Competitive Impact includes 11 of the 20 retail concentrations identified in the Primary Trade Area. In addition to the descriptions of these retail concentrations in the existing conditions section, retail summary forms for each retail concentration within the Local Area of Potential Competitive Impact are included as **Appendix B**, "Socioeconomic Conditions."

Within the Local Area of Potential Competitive Impact Area, there are a wide variety of retail stores. Based on a retail survey, the majority of the approximately 2,900 stores recorded offer neighborhood services (33.7 percent). Businesses within the shopper's goods category form the second largest retail category with 621 stores or 21.4 percent. 486 stores or 16.8 percent provide convenience goods and 450 businesses are eating and drinking establishments, representing approximately 15.5 percent (**Table 3-17**).

Table 3-17
Retail Storefronts in Local Area of Potential Competitive Impact

Retail Category	Storefronts	Percent of Total
Shoppers' Goods	621	21.4
Building Materials, Hardware, & Garden Supply	52	1.8
Auto-Related Trade	132	4.6
Convenience Goods (includes supermarkets)	486	16.8
Eating and Drinking Places	450	15.5
Neighborhood Services	979	33.7
Vacant Storefronts	181	6.2
Total Storefronts	2,901	100

Notes: Tabulation only includes storefronts along major retail corridors within the Primary Trade Area. More detailed retail survey data are provided in Appendix B.
Sources: AKRF survey, August 2008

The analysis of potential neighborhood character effects within the Local Area of Potential Competitive Impact focuses on grocery stores in particular, because grocery stores tend to serve as anchors for retail concentrations, and the proposed actions are currently anticipated to result in the introduction of a store offering products that substantially overlap with typical grocery store offerings. The proposed actions would introduce an approximately 135,000-sf wholesale club, of which approximately 77,000 sf would offer grocery products.

The majority of convenience stores in the Local Area of Potential Competitive Impact are smaller independent stores such as delis and grocery stores, meat and fish markets, fruit and vegetable markets, and retail bakeries. Larger supermarkets over 5,000 square feet such as Key Food Supermarkets and Universal Supermarket—potential anchors for purposes of analysis—account for 13 stores (see **Table 3-18** and **Figure 3-4**). A description of each of these 13 stores and their context in their neighborhoods is provided below.

Table 3-18
Selected Supermarkets within Local Area of Potential Competitive Impact

Map Reference Number (Fig 3-4)	Name	Address	Distance from Project Site (miles)
1	Pathmark	2965 Cropsey Avenue	0.9
2	Key Food	8772 18th Avenue	1.0
3	Waldbaum's	8121 New Utrecht Avenue	1.4
3	Food Dynasty	1525 86th Street	1.8
5	Key Food	599 Avenue Z	1.8
6	Fine Fare	2901 Mermaid Avenue	2.0
7	Met Foods	100 Brighton Beach Avenue	2.4
8	Super Stop & Shop	1710 Avenue Y	2.9
9	Foodtown	9105-27 3rd Avenue	3.0
10	Waldbaum's	3100 Ocean Avenue	3.1
11	Pathmark	3785 Nostrand Avenue	3.4
12	Food Basics	2185 Coyle Street	3.5
13	Key Food	2245 Gerritsen Avenue	3.5

Sources: AKRF, Inc., October 2009.

Supermarket 1: Pathmark at Cropsey Avenue and Bay 53rd Street
Located between Bay 54th Street and Bay 53rd Street, this Pathmark is a large, free-standing store with a parking lot. Cropsey Avenue is an auto-oriented retail corridor that primarily serves the Brighton Beach, Coney Island, and Sea Gate neighborhoods. The retail strip has only a limited number of convenience goods stores.

Supermarket 2: Waldbaum's at New Utrecht Avenue and Bay 16th Street
Located on New Utrecht Avenue between 81st Street and 84th Street, this Waldbaum's is a large, free-standing store with a parking lot. This Waldbaum's serves the densely populated Bath Beach and Bensonhurst neighborhoods, and is part of the 86th Street retail corridor, which is the dominating retail corridor in southwest Brooklyn with over 600 storefronts. This retail corridor has a high percentage of neighborhood services that cater primarily to a local customer base. The market is close to the D and M subway lines, with stops at 79th Street and 18th Avenue only one to two blocks away, and would continue to attract customers who use mass transit.

Supermarket 3: Met Foods at Brighton Beach Avenue and Ocean Parkway
This supermarket is located on Brighton Beach Avenue between Beach Walk and Ocean Parkway. It is part of the Brighton Beach Avenue retail corridor, which is heavily influenced by the surrounding population of Russian ethnicity, and primarily serves the residents of the

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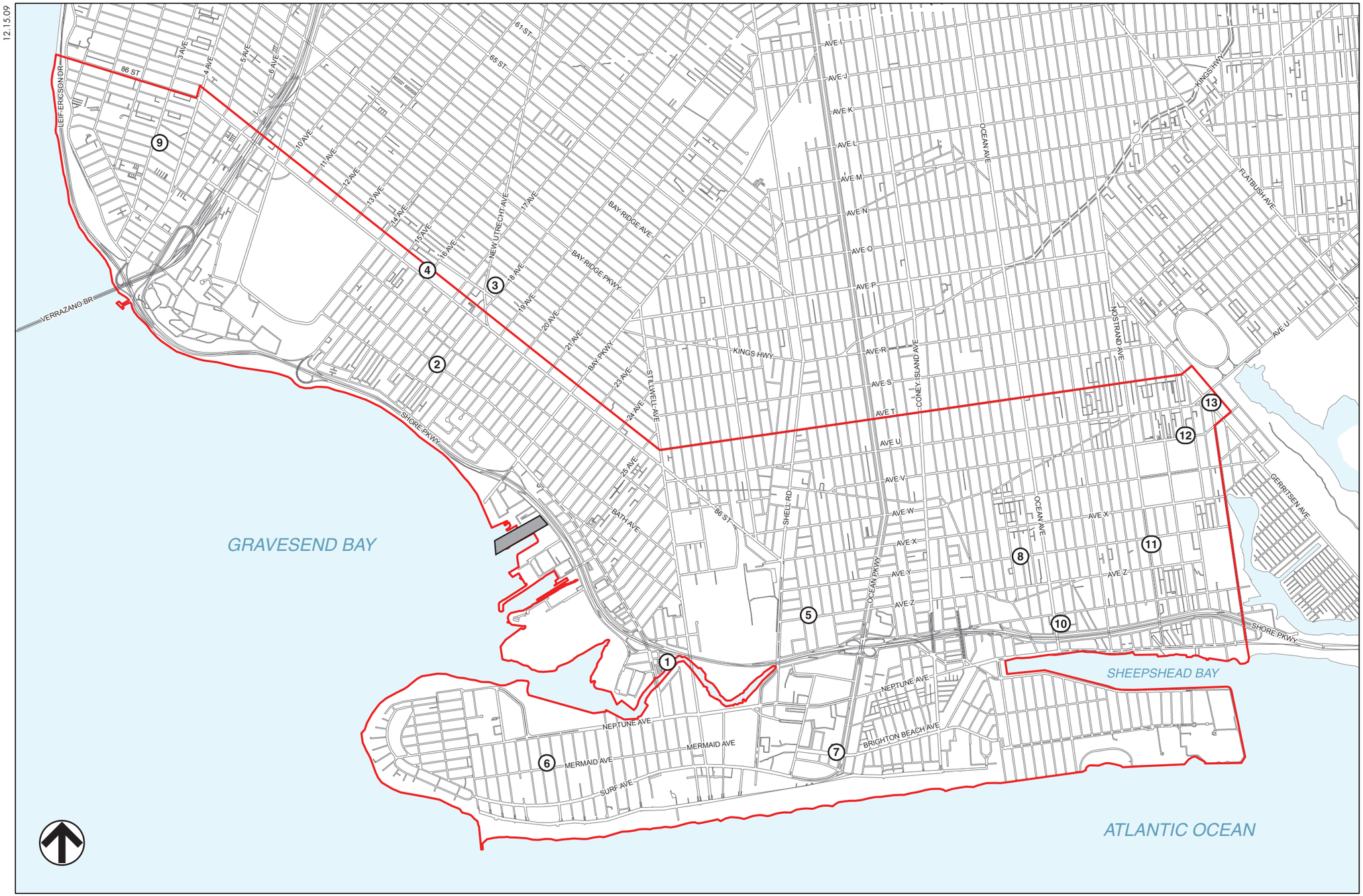

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SCALE

BROOKLYN BAY CENTER

Selected Supermarkets within Area of Potential Competitive Impact
Figure 3-4

Brighton Beach neighborhood. The retail corridor the market is embedded in has a high level of pedestrian traffic and consists largely of businesses providing neighborhood services, shopping goods, and convenience goods. Met Foods is located approximately 2.4 miles from the project site, and is in close proximity to the B and Q subway lines, with stops at Brighton Beach and Ocean Parkway, only one and six blocks away respectively.

Supermarket 4: Foodtown at 3rd Avenue and 91st Street
Located on 3rd Avenue between 91st and 92nd Street, this Foodtown is a free-standing store with a parking lot. The Foodtown market is part of the Bay Ridge retail corridor, which contains over 600 storefronts and serves the densely populated Bay Ridge and Fort Hamilton neighborhoods. The retail corridor is approximately three miles from the project site and has a high percentage of neighborhood services that cater to a local customer base.

Supermarket 5: Pathmark at Nostrand Avenue and Avenue Y
This Pathmark is a large, free-standing store with rooftop parking for its customers. Located at the southeast corner of Nostrand Avenue and Avenue Y, this market is part of the Nostrand Avenue retail corridor, which contains over 100 storefronts and a large percentage of neighborhood services.

Supermarket 6: Super Stop & Shop at Avenue Y and East 18th Street
This Super Stop & Shop is a large, free-standing supermarket with an in-store pharmacy. It provides rooftop parking in addition to a ground-level parking lot for its customers. Located on Avenue Y between East 17th and East 18th Streets, this supermarket is part of the Sheepshead Bay retail corridor, which contains over 200 storefronts. The surrounding retail corridor has a large percentage of neighborhood services that cater to a local customer base. The supermarket is in close proximity to the B and Q subway lines, with stops at the Sheepshead Bay Station, only three blocks away.

Supermarket 7: Waldbaum's at Voorhies Avenue and Ocean Avenue
Located on Voorhies Avenue between East 19th Street and Ocean Avenue, this Waldbaum's is a large supermarket that shares a parking lot with a pharmacy and a bank. This Waldbaum's is part of the Sheepshead Bay retail corridor, which, as previously mentioned, contains over 200 storefronts and multiple neighborhood services establishments. This supermarket is in close proximity to the B and Q subway lines, with stops at the Sheepshead Bay Station, only five blocks away.

Supermarket 8: Food Basics at Avenue V and Coyle Street
Located on Avenue V between Coyle Street and Bragg Street, the Food Basics supermarket, (part of the Canadian discount supermarket chain) is part of the Avenue U retail corridor, the largest of the surveyed retail corridors. Containing over 700 storefronts, over one-third of this corridor's storefronts provide neighborhood services. This supermarket is located in the eastern portion of the corridor, which caters to a mix of Jewish, Greek, Chinese and Italian ethnic groups. The closest subway station is the Avenue U (Q line) station between East 15th and East 16th Streets, 19 blocks away. Metered parking is available along Avenue U and a large parking lot is located adjacent to the supermarket.

Supermarket 9: Key Food at Avenue U and Gerritsen Avenue
This Key Food supermarket is located at the intersection of Avenue U and Gerritsen Avenue, at the eastern end of the Avenue U retail corridor. As previously noted, the Avenue U retail corridor caters to a mix of ethnic groups and contains over 700 storefronts. While the Avenue U retail corridor is a busy corridor with a high level of pedestrian traffic, the closest subway station

is the Avenue U (Q line) station between East 15th and East 16th Streets, 22 blocks away. Customer parking is provided at an adjacent parking lot at the northern side of the supermarket.

Supermarket 10: Fine Fare at Mermaid Avenue and West 30th Street
Located on Mermaid Avenue between West 30th Street and West 29th Street, this Fine Fare supermarket serves the densely populated Coney Island community, in which retail establishments are located mainly along Mermaid Avenue. The closest subway station is the Coney Island-Stillwell Avenue (D, F, N, Q lines) station on Surf Avenue and Stillwell Avenue, 13 blocks away from the supermarket. Parking is available along Mermaid Avenue and free parking is provided in a lot adjacent to the supermarket. The surrounding area has a limited number of convenience goods stores.

Supermarket 11: Key Food at Avenue Z and West 2nd Street
This Key Food is located on Avenue Z between West 2nd and West 3rd Streets. This supermarket, located just two blocks south of the Avenue X retail corridor, is part of a stand-alone strip mall which contains the Key Food plus five small retail establishments (including eating and drinking places and neighborhood services establishments). The Avenue X retail corridor combines a mix of retail establishments with residential buildings on both sides of the avenue. This retail strip is relatively close to the F subway line, with a stop at Avenue X and McDonald Avenue two avenues away. An attached parking lot with an entrance along Avenue Y is provided at the rear of the store.

Supermarket 12: Food Dynasty on 86th Street and 16th Avenue
This Food Dynasty is located between 15th Avenue and 16th Avenue along the 86th Street retail corridor, which is the dominating retail corridor in southwest Brooklyn with over 600 storefronts. This supermarket shares a parking lot with four small retail establishments and serves the densely populated Bath Beach and Bensonhurst neighborhoods. The retail corridor has a high percentage of neighborhood services that cater to a local customer base. This 86th Street retail strip is relatively close to the D and M subway lines, with a stop at 18th Avenue and 85th Street seven blocks away. In addition, Food Dynasty maintains customer loyalty by offering a discount program for regular customers.

Supermarket 13: Key Food at 18th Avenue and Bath Avenue
This supermarket is located just three blocks south of the 86th Street retail corridor, at 18th Avenue and Bath Avenue. While this section of 18th Avenue contains a fair number of retail establishments, the nearby 86th Street is the retail corridor that truly defines the retail character of this neighborhood. This retail strip is close to the D and M subway lines, with a stop at 18th Avenue and 85th Street four blocks away, and would continue to attract customers who use mass transit.

IMPACTS ASSESSMENT

For reasons described below, the amount of competitive business displacement of grocery stores and local stores more generally is anticipated to be minimal, and would not jeopardize the viability of any neighborhood retail strips. If indirect displacement due to competition were to occur, the changes in neighborhood character would be limited, and would not diminish the overall levels of service provided by neighborhood retail concentrations. Potential competitive effects would therefore not result in significant adverse impacts on neighborhood character.

Local stores would remain more convenient to many shoppers.

Local area residents are expected to continue to conduct a majority of their shopping in stores closest to their homes and closest to public transportation. Because the project site is located between the Shore Parkway and the Gravesend Bay waterfront, it is not conveniently accessible to pedestrians. It is unlikely that a large portion of consumers would chose the project site as a place to do their daily shopping, thereby diverting sales from local stores to the proposed retail development.

Many residents, especially those without access to a car, would continue to do the majority of their grocery shopping in stores on the local retail corridors. Approximately 47.6 percent of households in the Local Area of Potential Competitive Impact do not have access to a vehicle. And although some of theses non-vehicle households will make trips to area supermarkets once in a while (in cars with friends or family, or by private car service), they are not likely to do their more frequent grocery shopping there. These households are likely to continue to do a majority of their food shopping at grocery stores closest to their homes and closest to public transportation. Trips by these shoppers to the potential warehouse club would be discouraged because the project site is not well-served by public transportation; only the B6 bus stops in the immediate vicinity of the project site and the nearest subway stop is approximately one mile away. In general, local grocery stores and supermarkets would continue to meet local residents' demand for convenience food purchases.

Residents often combine shopping trips for groceries with errands such as trips to the bank or dry cleaner, and may also shop for retail goods such as clothing, shoes or books during the same trip. Many of the smaller grocery stores in the Local Area of Potential Competitive Impact are located along major commercial corridors that offer a variety of convenience goods, shopping goods, and neighborhood services, or in small retail clusters that include other basic convenience goods stores. Grocery stores in these locations would continue to be frequented as part of these multipurpose trips.

Many residents, even those with automobile access, would continue to do the majority of their grocery shopping at these grocery stores because of the opportunity they provide for easily combining trips. It is therefore unlikely that a large portion of their sales would be diverted from local grocery stores to a supermarket at the project site.

The development of a wholesale club as part of the retail mix of the proposed actions would not be expected to substantially affect the area's small- and medium-sized food and beverage stores. Specialty stores like meat and fish stores are generally patronized by neighborhood residents who value the convenience of shopping at a smaller store located in close proximity to their home and the high quality of goods and personal service that can be offered by stores that specialize in certain food products. A wholesale club or chain supermarket would not offer the same specialized products or service, and business at specialty food and beverage stores is not expected to be significantly affected by the inclusion of a wholesale club in the proposed actions.

Small- to medium-sized, independently owned grocery stores, bodegas, and delis serve a retail function similar to specialty food stores, though they offer a wider variety of food items. In general, these smaller grocery stores tend to act as convenience stores, where customers make frequent trips and purchase fewer items that are in immediate demand, such as milk or bread, or housekeeping supplies such as light bulbs. While shoppers may sometimes purchase these types of goods at chain supermarkets, they typically do not make frequent trips for convenience goods

to wholesale clubs; instead, they are likely to continue to fill their more frequent convenience food and beverage needs at smaller, nearby grocery stores.

Wholesale clubs offer a more limited selection of merchandise compared to other retail stores.

The selection of groceries and other retail items at the wholesale club would not be comparable to the selection offered at supermarkets, other convenience goods stores, and shoppers' goods stores within the Local Area of Potential Competitive Impact. According to the corporation's 2004 SEC Filing (Form 10-K), BJ's Wholesale Club limits the number of different items offered in each product line, carrying an average of approximately 7,500 active SKUs at any one time, including SKUs for both convenience and shoppers' goods. In contrast, the filing indicates, supermarkets normally stock between 30,000 and 52,000 SKUs and supercenters such as Big Kmart that generally stock up to 125,000 SKUs. Shoppers who prefer to have a wide assortment of items to choose from will continue to do their regular shopping for items such as food, clothing, shoes, accessories, furniture, and electronics at existing local area stores.

Some portion of sales at the wholesale club would be diverted from sales at other wholesale clubs.

Some nearby Brooklyn, Staten Island, and Queens residents may choose not to shop at the proposed BJ's Wholesale Club because they prefer other wholesale retailers or other BJ's Wholesale Club locations. These consumers may choose to travel to the BJ's at Gateway Plaza in Brooklyn, the Costco at 37th Street and 2nd Avenue in Brooklyn, or out of Brooklyn to the Costco in Lawrence, NY, near JFK Airport, or to the Sam's Club in Linden, NJ. Depending on the wholesale store operator, some of these residents may choose to shop at the new store if the proposed actions are built, rather than traveling to stores outside of the borough. Therefore, some portion of sales at the proposed wholesale club would represent sales that have been diverted from other wholesale clubs, not from local supermarkets.

Cost of membership will discourage some from shopping at a wholesale club.

Households are required to purchase a wholesale club membership card to shop at a wholesale club store. The cost of a membership card at wholesale clubs is typically about $45 per household. This may serve as a barrier to some households in the Local Area of Potential Competitive Impact. Households who are not able or choose not to pay the membership fee would continue to shop at existing local stores.

Individual supermarkets in the primary retail corridors are not critical to the survival of local shopping centers.

Indirect displacement due to competition in itself does not constitute a significant adverse impact under CEQR guidelines. Only if proposed stores have the potential to affect neighborhood character by affecting the viability of neighborhood shopping areas is there a potential for significant adverse impacts. An estimated 301 food and beverage stores were identified in the retail corridors within the Local Area of Potential Competitive Impact, and of those, roughly 99 are supermarkets, delicatessen-type establishments, or other grocery stores selling a variety of grocery items. Of those 99, approximately 13 are large and/or chain-type supermarkets (see **Table 3-18**). Smaller supermarkets such as C-Town Supermarket and Legacy Supermarket typically with less than 10,000 sf of space primarily serve the convenience shopping needs of local residents, i.e., frequent trips for smaller purchases, and so they would not directly compete with a supermarket at the project site. Even though one or more of these smaller grocery stores may be present on a local shopping street, they do not typically anchor the commercial mix and

are not critical to the survival of surrounding stores, and so would not adversely alter neighborhood character even if they were to be negatively affected by competition.

Based on field surveys, it was determined that 6 of the 13 larger supermarkets located within the Local Area of Potential Competitive Impact do not have the potential to alter neighborhood character, even if they were to be displaced through competition generated by the proposed action. The Pathmark at Cropsey Avenue and Bay 53rd Street, Super Stop & Shop at Avenue Y and East 18th Street, Food Basics at Avenue V and Coyle Street, Waldbaum's at Voorhies Avenue and Ocean Avenue, Key Food at Avenue U and Gerritsen Avenue, and Met Foods at Brighton Beach Avenue and Ocean Parkway are not critical anchors of a retail strip, and do not play a unique role within their communities.

Critical anchor stores on a retail strip are typically larger than the surrounding stores, attract a substantial portion of retail strip customers, are physically integrated and embedded in the retail strip, and offer a critical mass of a unique product to customers frequenting the larger retail cluster. Freestanding supermarkets are much less likely to cause a change in neighborhood character since their displacement has a much more localized effect, and typically affects only a single building or property. These six supermarkets do not meet these criteria, and therefore their potential displacement would not jeopardize the viability of neighborhood retail concentrations that contribute to defining neighborhood character.

Three of the 13 supermarkets play a more important role within their community in that they are the only large, chain-type supermarket within their immediate neighborhoods: Fine Fare supermarket at Mermaid Avenue and West 30th Street is the only major supermarket serving the Coney Island and Seagate neighborhoods; Foodtown at Third Avenue and 91st Street is the only major supermarket serving the Bay Ridge neighborhood; and Key Food at Avenue Z and West 2nd Street is the only major supermarket serving the southern portion of the Gravesend neighborhood adjacent to the Belt Parkway. Were these uses to be displaced through competition, local residents who frequent these establishments would have to travel further to shop at a similarly-sized grocery store. While this would constitute a change in the level of neighborhood amenities, particularly for those without access to a vehicle, it would not result in significant adverse neighborhood character impacts. There are a number of smaller grocery stores and bodegas in each of these neighborhoods that would continue to serve the day-to-day convenience goods needs of the immediate community. There would continue to be a critical mass of retail offerings such that displacement of these supermarkets, were displacement to occur, would not substantially alter local real estate conditions, nor would it create a climate for disinvestment.

Two of the 13 supermarkets were identified as anchors along the 86th Street retail corridor. Waldbaum's, located at New Utrecht Avenue and Bay 16th Street, is the largest supermarket within the 86th Street corridor, and serves as an anchor to the surrounding smaller retailers along New Utrecht Avenue and 18th Avenue. The approximately 15,000-sf supermarket has an extensive selection of goods and is well-respected within the community. Food Dynasty, located at 86th Street and Bay 10th Street and between 8,000 and 10,000 sf in size, serves as a retail anchor to the western portion of the 86th Street retail corridor, between 17th Avenue and 7th Avenue. Along this portion of the 86th Street retail corridor, the retailing experience is less walkable, as retail establishments are more scattered than in the denser eastern portion. If either of these supermarkets were to be displaced by competition, there would be the potential for a reduction in consumer traffic at immediately adjacent retailers, which could in turn result in some localized secondary displacement of surrounding storefronts. However, such displacement

would not jeopardize the overall retail character of the 86th Street retail corridor, which contains over 600 storefronts and would continue to have a critical mass of retail offerings necessary to maintain the overall vitality of the retailing within the neighborhoods it serves. Therefore, indirect displacement would not result in significant adverse neighborhood character impacts.

Two of the 13 major supermarkets in the Local Area of Competitive Impact serve as anchor stores, but they do not anchor retail concentrations that substantially contribute to the defining elements of the character of neighborhoods in which they are located. Key Food supermarket at Bath Avenue and 18th Avenue serves an anchor for the local retail environment, which is located mostly along Bath Avenue. In contrast to 86th Street, this retail environment is less densely populated with retail businesses, and the approximately 8,000-sf Key Food is one of the largest stores in the retail concentration. The Pathmark at Nostrand Avenue and Avenue Y is positioned at the southern end of the retail corridor on Nostrand Avenue, which is a large four-lane road, and has a largely consumer base that arrives largely by automobile. Displacement of these supermarkets could jeopardize the viability of co-located retailers, given their dependence on these supermarkets for cross-shopping activities. However, such displacement effects would not jeopardize the viability of nearby, larger retail concentrations that more strongly define neighborhood character, and therefore would not result in significant adverse impacts on neighborhood character.

In conclusion, the amount of competitive business displacement of grocery stores and local stores more generally within the Local Area of Potential Competitive Impact is anticipated to be minimal. If indirect displacement due to competition were to occur, the changes in neighborhood character would be limited, and would not diminish the overall levels of service provided by neighborhood retail concentrations. Potential competitive effects would therefore not result in significant adverse impacts on neighborhood character.

E. CONCLUSION

The analysis finds that the proposed actions would not result in significant adverse socioeconomic impacts with respect to any of the five areas of socioeconomic concern outlined in the *CEQR Technical Manual*. The proposed actions would not:

- Directly displace any residential population.
- Directly displace substantial numbers of businesses or employees, or directly displace any businesses or institutions that are unusually important to the economic conditions of the local area.
- Substantially alter or accelerate residential or commercial trends in the local Study Area such that significant indirect displacement would result.
- Significantly affect conditions in the real estate market.
- Adversely affect economic conditions in a specific industry.

With respect to potential competitive effects, the products offered at the stores anticipated as a result of the proposed actions would overlap with products sold at existing retail stores in the Primary Trade Area. The analysis finds that in the future with the proposed actions there would continue to be sufficient unspent consumer expenditure potential within the Primary Trade Area, and that the proposed actions would therefore not significantly affect competitive stores within the Primary Trade Area.

Recognizing that competitive effects on stores closest to a project site can occur even when there are substantial unspent expenditures within a trade area, the analysis also considered the potential for neighborhood character impacts resulting from the potential displacement of local businesses. Smaller food stores and shopping goods stores are less likely to experience competitive pressure, if any, and neighborhood services stores and eating and drinking places would not be adversely affected. Local residents would continue to shop at existing food stores and shoppers' goods stores for reasons cited above—convenience, variety and selection of items, public transit accessibility, and absence of membership fees.

Larger supermarkets within the Local Area of Potential Competitive Impact could experience competition from the anticipated BJ's Wholesale Club. While the possibility of indirect business displacement due to competition can not be ruled out, the impacts would be limited, and would not result in significant adverse impacts on neighborhood character. Competitive effects would not jeopardize the viability of any local retail corridors that substantially contribute to neighborhood character. ✷