A. INTRODUCTION

As described in Chapter 1, "Project Description," the proposed action would facilitate a proposed approximately 1.3 million gross square foot (gsf) mixed-use development containing 900 rental dwelling units (DUs), 8,800 gsf of local retail; 20,000 gsf of health club space; 330,000 gsf of automobile dealership; 36,000 gsf of NYPD Mounted Unit facility (stable and related space); and up to 225 accessory parking spaces. Twenty percent of the residential units, approximately 180 DUs, would be affordable housing units.

This chapter examines the potential effects of the proposed action on the socioeconomic conditions in the study area, including population and housing characteristics, economic activity, and the real estate market. In accordance with the guidelines presented in the 2001 *City Environmental Quality Review (CEQR) Technical Manual*, this chapter evaluates five specific factors that could create substantial socioeconomic change in a study area: (1) direct displacement of residential population; (2) direct displacement of existing businesses and/or institutions; (3) indirect displacement of residential population; (4) indirect displacement of businesses and/or institutions; and (5) adverse effects on specific industries not necessarily tied to the project site or to the study area.

B. METHODOLOGY

CEQR Overview

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

As mentioned above in the Introduction, there are five circumstances that would typically require a socioeconomic assessment:

- The action would directly displace residential population so that the socioeconomic profile of the neighborhood would be substantially altered.

- The action would directly displace substantial numbers of businesses or employees or if it would directly displace a business or institution that is unusually important in one or more of the following ways: it has a critical social or economic role in the community and unusual difficulty in relocating successfully; it is of a type or in a location that makes it the subject of other regulations or publicly adopted plans aimed at its preservation; it

serves a population uniquely dependent on its services in its present location; or it is particularly important to neighborhood character.

- The action would result in a substantial new development that is markedly different from existing uses, development, and activities within the neighborhood. Such an action could lead to indirect displacement. Typically, projects that are small to moderate in size would not have significant socioeconomic effects unless they are likely to generate socioeconomic conditions that are very different from existing conditions in the area. Residential development of 200 units or less or commercial development of 200,000 square feet or less would typically not result in significant socioeconomic impacts.

- Notwithstanding the above, the action could affect conditions in the real estate market not only on the site anticipated to be developed, but in a larger area. When this possibility cannot be ruled out, an assessment may need to be undertaken to address indirect displacement. These actions can include those that would raise or lower property values in the surrounding area.

- The action could adversely affect economic conditions in a specific industry.

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

Analysis Format and Data Sources

The subsequent analysis follows the preliminary methodologies established in the *CEQR Technical Manual*. The analysis begins with a preliminary assessment that addresses the five principal issues of concern with respect to socioeconomic change outlined in the CEQR Overview above. The purpose of the preliminary assessment is to learn enough about the effects of a proposed action or project either to rule out the possibility of significant adverse impact, or to determine that a more detailed analysis would be required to resolve the question.

The five principal issues of concern regarding socioeconomic conditions and the socioeconomic conditions study area are discussed in more detail below. As shown in the preliminary assessments, no detailed analyses were warranted for any of the five principal issues of concern.

Study Area

This analysis includes a study area that extends approximately one quarter-mile from the project site boundaries (see Figure 3-1). The study area's boundaries have been adjusted to incorporate entire census tracts, where approximately 50 percent or more of the individual tract is included within the quarter-mile radius. The resultant study area is generally bounded

Figure 3-1
Socioeconomic Conditions Study Area



Legend

- Project Site
- Socioeconomic Conditions Study Area
- 127 Census Tracts
- Quarter Mile Radius

by W. 58th Street to the north, the Eighth Avenue to the east, W. 50th Street to the south, and the Twelfth Avenue to the west. As shown in Figure 3-1, the study area includes census tracts 133, 135 and 139.

Demographic and economic data were collected for the socioeconomic conditions study area, the Borough of Manhattan, and New York City, primarily provided by the U.S. Census and the New York State Department of Labor (NYSDOL).

Residential Displacement

As the proposed action would introduce 900 new DUs to the study area, this chapter assesses the potential for secondary (indirect) residential displacement pursuant to the guidelines of the *CEQR Technical Manual*. The analysis of population and housing is based primarily on data from the 1990 and 2000 U.S. Census. These data have been grouped by the Census characteristics:

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

Because the Census is performed every decade, baseline, or current conditions need to be determined based on trends and current data. Therefore, while the Census data serve as a foundation for the baseline conditions, the information has been updated wherever possible to reflect 2006 conditions, the year the most recent data was available. The Census data have been supplemented, where appropriate, with information from field surveys, local real estate agencies, real estate listings from local newspapers, and additional residential development information from Chapter 2, "Land Use, Zoning, and Public Policy." While Census data on median contract rent provide a statistical basis for identifying trends, these data are affected by the presence of rent-regulated housing units in the study area, and so do not reflect market trends experienced by the majority of those seeking residential units in the study area. In order to provide a more accurate picture of current market rate rents in the study area, information was gathered from area newspapers real estate sections, and real estate agency web sites.

In accordance with the guidelines set out in the *CEQR Technical Manual*, information was also gathered on the status (rent-regulated or non-rent-regulated) of existing housing units. Information on rent protected buildings was obtained from the New York State Division of Housing and Community Renewal (DHCR), the New York City Rent Guidelines Board (RGB), the U.S. Department of Housing and Urban Development (HUD), Clinton Housing Development Company (CHDC), Association for Neighborhood and Housing Development, Inc. (ANHD), and other online research. Information on public housing was obtained from the New York City Housing Authority (NYCHA). A list of Mitchell-Lama developments was obtained from the New York City Department of Housing Preservation and Development (HPD). Information regarding 80/20 housing programs was obtained from the HPD, the New

York City Housing Development Corporation (HDC), and the New York State Housing Finance Agency (HFA).

Business and Institutional Displacement

The assessment of business and institutional displacement begins with an analysis of employment trends in the study area and in Manhattan. The analysis is based on private employment data for fourth quarter 2000 and 2006 (ES-202 data set), collected by the New York State Department of Labor (NYSDOL), as well as more recent employment data for 2006 from the NYSDOL for the zip code 10019 that encompass the study area, and for the borough and New York City as a whole. The employment data identify the major employers and industries that dominate or characterize the study area.

Following the employment analysis is a discussion of commercial real estate trends in the study area, based on a variety of secondary data sources similar to the residential preliminary assessment research, described above.

Potential Adverse Effects on Specific Industries

Although there are no existing specific industries concentrated on the project site, there are specific industries in the study area surrounding the project site, including automobile dealership and service businesses that potentially may be affected by the proposed action. The effects of the proposed action on these industries will be assessed in this chapter.

C. PRELIMINARY ASSESSMENT

Under *CEQR Technical Manual* guidelines, the first step in a socioeconomic impact analysis is a preliminary assessment. This section examines each of the five areas of socioeconomic concern in relation to the proposed action. The goal of a preliminary assessment is to learn enough about the potential effects of the proposed action either to rule out the possibility of significant impact, or to establish that a more detailed analysis would be required to determine whether the proposed action would lead to significant adverse impacts.

As discussed below, the preliminary assessment rules out the possibility that the proposed action would have a significant adverse impact any of the five areas of socioeconomic concern.

As noted above, many of the data sources cited in this chapter date from 2006 and were the most recent available at the time the analysis was prepared. To provide a consistent context, information cited on recent trends is based on 2006 conditions. As appropriate, between Draft and Final EIS, more updated information will be provided.

Direct Residential Displacement

The project site is located on Lot 1, on the western portion of Block 1082 in Manhattan Community District 4. Until May 2007, the project site was occupied by a Verizon automotive service/vehicle storage facility. As-of-right excavation of the site by the applicant began in fall 2007 and continued into 2008. These site preparation activities continue with as-of-right foundation work. Construction of the proposed mixed-use development would commence in 2009 following these site clearance activities, contingent upon approval of the proposed discretionary actions. The project site currently contains no residential units, therefore the proposed action would not directly displace any residential populations, and no further analysis of direct residential displacement is warranted.

Direct Business and Institutional Displacement

As with the previous issue of residential displacement, there would not be any anticipated direct business or institutional displacement as a result of the proposed action as there are currently no businesses or institutions located on the project site. The AT&T building, which currently stands adjacent to the project site, would not be directly affected by the proposed action as it would not displace business or employees of the AT&T building; therefore a detailed analysis of direct business displacement is not warranted.

Indirect Residential Displacement

Indirect residential displacement is the involuntary displacement of residents that results from a change in socioeconomic conditions created by a proposed action. In most cases, the issue for indirect residential displacement is that an action would increase property values, leading to higher rents throughout the study area, making it difficult for some residents to afford their homes. This preliminary assessment is based on the screening criteria outlined in the *CEQR Technical Manual*, which describe circumstances that can generate potentially significant impacts. The criteria are presented (in italics) and responded to below.

- *If the proposed action would add a substantial new population with different socioeconomic characteristics compared to the size and character of the existing population.*

EXISTING CONDITIONS

As shown in Table 3-1, the socioeconomic conditions study area had approximately 19,141 residents and 11,601 households in 1990. Between 1990 and 2000, total population within the study area decreased by approximately 0.19 percent. On the other hand, households increased in the study area by approximately 1.16 percent. As expected, the average household size within the socioeconomic conditions study area decreased from 1.8 to 1.77 persons per household between 1990 and 2000. Manhattan and New York City as a whole both saw increases in population and total households during this time. Also, the average household size in both Manhattan and New York City as a whole increased during that decade, unlike the socioeconomic conditions study area.

Table 3-1
Demographic Characteristics of Socioeconomic Conditions Study Area

Area	Total Population			Total Households			Avg. Household Size	
	1990	2000	% Change	1990	2000	% Change	1990	2000
Study Area	19,141	19,105	-0.19%	11,601	11,735	1.16%	1.65	1.63
Manhattan	1,487,536	1,537,195	3.34%	716,422	738,644	3.10%	2.08	2.08
New York City	7,322,564	8,008,278	9.36%	2,819,401	3,021,588	7.17%	2.60	2.65

Source: U.S. Census Bureau 1990 and 2000 Census SF-1
Note: Average Household Size calculated by dividing Total Population by Total Households for respective year

As discussed in Chapter 2, "Land Use, Zoning, and Public Policy," there has been significant residential development around the project site since 2000. Figure 3-2 and Table 3-2 show ten such developments located within the socioeconomic conditions study area, which introduced approximately 1,724 DUs (1,292 market-rate, 432 low/moderate/middle income) to the study area from 2000 to 2006.

Table 3-2
Demographic Characteristics of Socioeconomic Conditions Study Area in 2006

New Residential Development in Socioeconomic Conditions Study Area from 2000 to 2006

Map No.	Development	Residents			DUs		
		Market Rate	Low/Moderate/ Middle Income	Total	Market Rate	Low/Moderate/ Middle Income	Total
1	Archstone West 54th	292	110	402	178	44	222
2	564 W. 52nd Street	0	110	110	0	44	44
3	501 W. 52nd Street	0	68	68	0	27	27
4	The Westport	487	185	672	297	74	371
5	The Nicole	184	70	254	112	28	140
6	The Helena	784	298	1,082	478	119	597
7	Clinton Parkview	0	240	240	0	96	96
8	West 58	26	0	26	16	0	16
9	The Link	238	0	238	145	0	145
10	The Lumière	108	0	108	66	0	66
2000-2006 Sub-totals		*2,119*	*1,081*	*3,200*	*1,292*	*432*	*1,724*

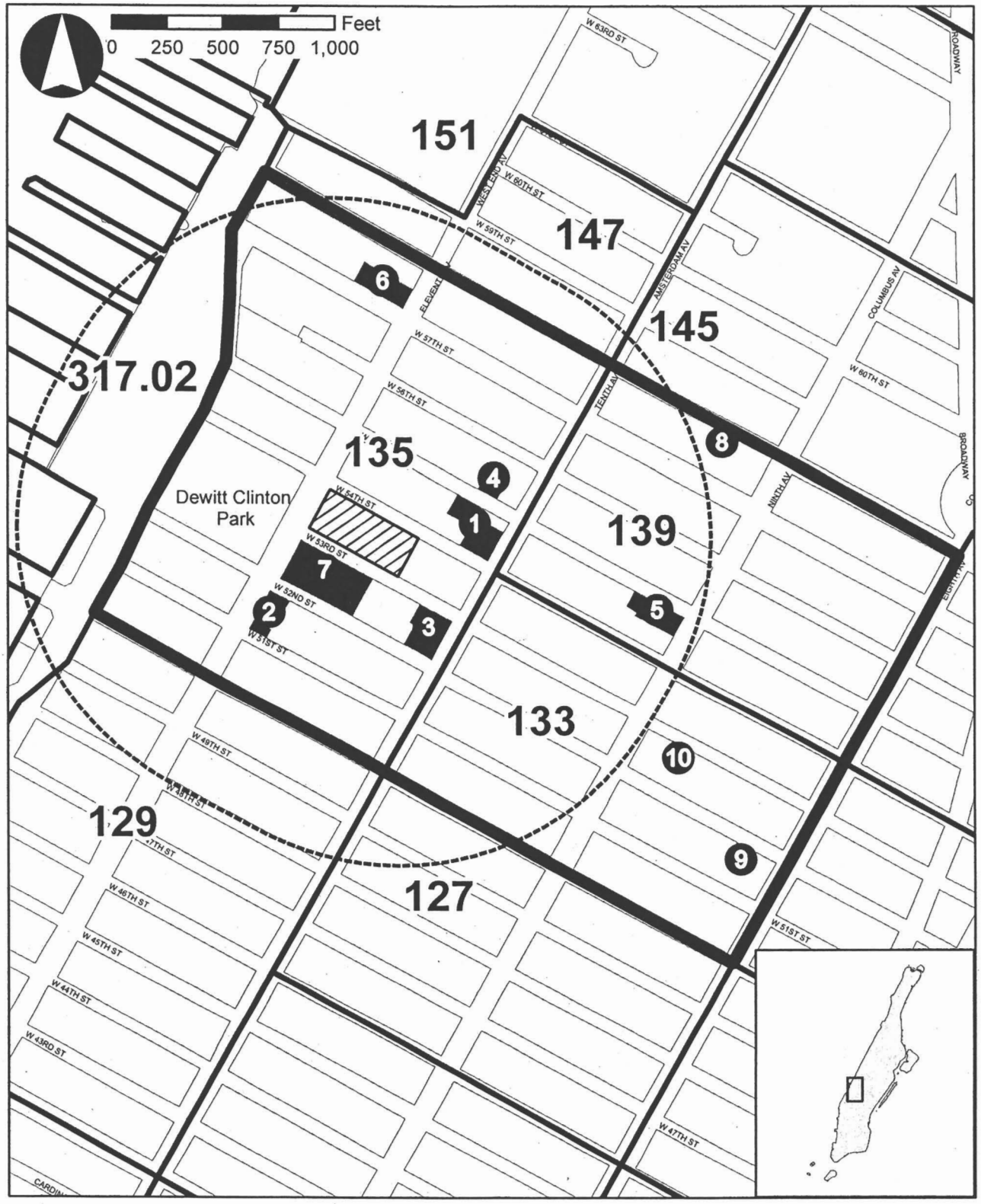
Changes in Demographic Characteristics of Socioeconomic Conditions Study Area 2000-2006

Area	Total Population			Total Households			Avg. Household Size	
	2000	2006	% Change	2000	2006	% Change	2000	2006
Study Area	19,105	22,305	16.75%	11,735	13,459	14.69%	1.63	1.66
Manhattan	1,537,195	1,612,630	4.91%	738,644	735,638	-0.41%	2.08	2.19
New York City	8,008,278	8,250,567	3.03%	3,021,588	3,020,284	-0.04%	2.65	2.73

Sources: New residential developments data (see Table 2-2, in Chapter 2, "Land Use, Zoning, and Public Policy."
Census data: U.S. Census Bureau 2000 Census, 2006 American Community Survey, and 2006 NYC Department of City Planning Population estimates adopted by the Census Bureau (Sept. 2007)
Note: Average Household Size calculated by dividing Total Population by Total Households for respective year

It should be noted that, in Figure 3-2 and Table 3-2, there are two residential developments that are not included in the list of recent residential developments taken from Table 2-2 from "Chapter 2: Land Use, Zoning, and Public Policy" of this EIS. The Link (Table 3-2, #9) is

Residential Developments in Socioeconomic Condition Study Area from 2000-2006



Legend

- Project Site
- Socioeconomic Conditions Study Area
- Quarter Mile Radius
- 127 Census Tracts
- 2 Residential Developments 2000-2006 (Refer to Table 3-2)

located at 310 W. 52nd Street and the Lumière (Table 3-2, #10) is located at 350 W. 53rd Street, which are both outside of the land use study area (Figure 2-1) but within the socioeconomic conditions study area. Therefore, these two developments have been included in this analysis.

Assuming that those units are fully occupied and would follow the average household size of Community District 4 in 2000 for market-rate units (1.64 persons per household) and standard planning assumptions for low/moderate/middle income units (2.5 person per unit), these developments introduced approximately 2,119 residents in market rate units and 1,081 residents in low/moderate/middle income units to the study area.

As shown in Table 3-2 above, the 2006 population for the socioeconomic conditions study area increased by approximately 16.75 percent from 2000 to 22,305 residents, and the number of study area households increases by approximately 14.69 percent to 13,459 households. This also led to a slight increase in the average household size within the three census tracts that comprise the socioeconomic conditions study area.

The study area increase in population, 16.75 percent, is considerably higher than the approximately 4.91 percent increase in Manhattan population from 2000-2006, as well as the approximately 3.03 percent increase in NYC as a whole. The increase in the total number of households in the study area from 2000-2006, 14.69 percent, was also higher than Manhattan and NYC as a whole, as the number of households borough-wide and city-wide remained approximately the same. Also, the study area average household size in 2006 increased from 2000, with similar increases registered in the borough and city as a whole.

As shown in Table 3-3 below, the median annual household income within the socioeconomic conditions study area in 1999 was $44,141, slightly below the median annual household income for Manhattan ($47,030), but higher than the median annual household income for New York City as a whole ($40,851). Between 1989 and 1999, the median annual household income in the study area increased in real terms (1999 dollars) by over 20 percent, considerably faster than the borough-wide increase of Manhattan (6.66 percent increase). The median household income of New York City per year actually decreased between 1989 and 1999 by approximately 5.37 percent.

Table 3-3
Economic Characteristics of Socioeconomic Conditions Study Area

Area	Median Household Income			Poverty Level (%)		
	1989	1999	% Change	1989	1999	% Change
Study Area	$36,708	$44,141	20.25%	14.5%	15.2%	0.69%
Manhattan	$44,092	$47,030	6.66%	20.0%	19.4%	-0.61%
New York City	$43,170	$40,851	-5.37%	17.3%	20.8%	3.55%

Note: 1989 median household income shown in constant 1999 dollars; poverty level calculated using 1990 and 2000 populations.
Source: U.S. Census Bureau 1990 and 2000 Census SF-1 and SF-3

The study area also has a lower percentage of population living below the poverty level (Table 3-3) than both Manhattan and New York City as a whole, even with a 0.69 percent

increase of population living below the poverty level within the socioeconomic conditions study area and a 0.61 percent decrease in Manhattan from 1989 to 1999. New York City has seen a 3.55 percent increase in the poverty level from 1989 to 1999. This is the most recent data available by census tract for household income and poverty levels of the socioeconomic conditions study area.

As shown in Table 3-4, approximately 14,333 DUs, or 84 percent of the residential units, within the study area are rent protected. These units are either ownership units, subsidized or public housing, or rent stabilized or rent controlled. The total of 16,859 residential units within the study area was derived from residential units from PLUTO 2005 data, including additional housing information found through housing departmental data and real estate online research. It should be noted that this data reflects all residential units, regardless of occupancy status, and is therefore different from the total households discussed earlier.

Table 3-4
Rent Protected Dwelling Units in Study Area

Type of Housing	Dwelling Units
Rent Stabilized [1]	3,835
Rent Controlled [2]	7,011
Subsidized Housing [3]	2,551
Condominiums [4]	765
Institutional Housing	171
Sub-total	*14,333*
Total DUs in Study Area	**16,871**
Percentage Rent Protected DUs	**84.96%**

(1) Source: NYC Rent Guidelines Board; PLUTO 2005 data residences with +6 units built before 1974.
(2) Source: PLUTO 2005 data residences with +3 units built before 1947.
(3) Source: NYCHA; HUD; HDC; HPD; CHDC; ANHD; HFA; various online research.
(4) Source: Realty website: NYBITS.com; PLUTO 2005 data.

There is one NYCHA development, Harborview Terrace located just north of the project site, in two buildings along W. 55th Street, between Tenth and Eleventh Avenues. Harborview Terrace contains 375 DUs and approximately 696 residents. Subsidized housing in Table 3-4 also includes units under the 80/20 housing program, which reserves 20 percent of housing for low-income units. The rent protected residential units within the study area are discussed in further detail later in this chapter.

ANTICIPATED NO-BUILD RESIDENTIAL DEVELOPMENTS

As discussed in Chapter 2, "Land Use, Zoning, and Public Policy," the trend of residential and mixed-use developments would continue in the study area in the future without the proposed action. As shown in Figure 3-3 and Table 3-5, there would be eleven residential developments within the socioeconomic study area in the 2011 No-Build scenario. Using the same population assumptions as for existing conditions above, these No-Build developments are expected to introduce approximately 3,144 new residents (1,173 market rate, 1,971

Figure 3-3

2011 No-Build Projects Within the Socioeconomic Conditions Study Area



Legend

- Project Site
- Socioeconomic Conditions Study Area
- 7 No-Build Site (see Table 3-4)

low/moderate/middle income) in 1,504 new DUs (716 market rate, 788 low/moderate/middle income) to the socioeconomic conditions study area by 2011. This would increase the study area population to approximately 25,449 residents and increase the household total to approximately 14,963 households, increases of 14.10 percent and 11.17 percent, respectively, from existing conditions. It should be noted that these percentage increases are slightly lower than the residential growth percentage increases the study area has seen since 2000, discussed above.

Table 3-5
Demographic Characteristics of Socioeconomic Conditions Study Area No-Build 2011

Anticipated Residential Development in Socioeconomic Conditions Study Area from 2007 to 2011							
		Residents			DUs		
Map No.	Development	Market Rate	Low/Moderate/ Middle Income	Total	Market Rate	Low/Moderate/ Middle Income	Total
1	Encore West	0	213	213	0	85	85
2	The Old School & The Flats	0	215	215	0	86	86
3	The Hit Factory	44	0	44	27	0	27
4	Archstone Clinton	833	313	1,146	508	125	633
5	501-505 W. 51st St. Phase 1	0	30	30	0	12	12
6	405 W. 53rd St.	139	0	139	85	0	85
7	Harborview Terrace Expansion	0	675	675	0	270	270
8	501-505 W. 51st St. Phase 2	0	25	38	0	10	10
9	533-541 W. 52nd Street	0	250	164	0	100	100
10	530-548 W. 53rd Street	0	250	164	0	100	100
11	460 W. 54th St.	157	0	157	96	0	96
	2007-2011 Sub-totals	1,173	1,971	*3,144*	716	788	*1,504*
Study Area Conditions No-Build 2011		Total No-Build Condition Residents			Total No-Build Condition Households		
Totals		25,449			14,963		
% Change since 2006		14.10%			11.17%		

Source: See Chapter 2, "Land Use, Zoning, and Public Policy" Table 2-4 for details

PROPOSED PROJECT

Under the reasonable worst-case development scenario, the proposed action is expected to introduce 900 DUs, of which 80 percent would be market rate units (720 DUs) and 20 percent affordable housing units (180 DUs), as part of the 80/20 housing program. Using the same population assumptions as above, these DUs would be expected to introduce approximately 1,181 market rate residents and approximately 450 low/moderate/middle income residents, for a total increase of 1,631 residents to the study area's population. This would bring an approximately 6.41 percent increase from the 2011 No-Build conditions presented above, to a residential population total of 27,080.

While this is a substantial new population, there would not be a substantial difference in socioeconomic characteristics as compared to the size and character of the anticipated population in the study area in the future without the proposed action. The mixed-use development that would be introduced as part of the proposed action would be similar in economic character and attract a similar residential population as existing and other proposed

residential developments in the study area. The 720 market rate DUs introduced by the proposed action would be offered at rents or sales prices above the 2000 median contract rent for the study area, but is expected to be comparable to residential rents and sales prices for other modern, newly constructed market-rate units in the surrounding community. Similar to these new residential developments, the population occupying the proposed market-rate units would be expected to have household incomes above the median for Manhattan. As previously noted, the study area currently contains a significantly high proportion of rent protected units, which would not be affected by developments that would potentially affect the real estate market. Moreover, the 180 affordable units associated with the proposed action would be introduced to an area containing a significant amount of the same type of housing under existing and planned 80/20 residential buildings.

Therefore, the proposed action would not add a substantial new population with different socioeconomic characteristics compared to the size and character of the existing population and further analysis is not warranted.

- *It would directly displace uses or properties that have had a "blighting" effect on property values in the area.*

Although the project site is currently underutilized, the site and the existing uses on the property have not had a "blighting" effect on residential property values in the study area. Until May 2007, the project site contained Verizon vehicles that use the vacant, paved lot for parking and vehicle storage and is adjacent to the AT&T Switching Center building.

As described in Chapter 2, "Land Use, Zoning, and Public Policy," the area surrounding the project site consists of industrial and transportation and utility uses predominant in the western portions of the neighborhood near the waterfront and residential uses predominant to the east, along with commercial office and retail, and institutional uses. The project site is currently located in an M1-5 zoning district in the Special Clinton District. However, although the project site is within the Special Clinton District, it is part of an "Excluded Area," in which most of the special district's regulations are not applicable. The boundaries of this "Excluded Area" are coterminous with the boundaries of the Clinton Urban Renewal Area (W. 56th Street on the north, Tenth Avenue on the east, W. 50th Street on the south, and Eleventh Avenue on the west).

It is the intent of the proposed action to facilitate the use of the project site in a manner that would be compatible with the existing residential and mixed-use development occurring in the Clinton neighborhood.

NEIGHBORHOOD HISTORY

Historically, Clinton has been recognized as a primarily residential area, with industrial factories along the waterfront and further upland. During the mid-1800s, the area was characterized by rows of tenements amid slaughterhouses and factories. Poverty and racial tension led to riots, the formation of gangs, and other criminal activities that became typical of the neighborhood, more commonly referred to as "Hell's Kitchen." During the Great

Depression of the 1930s, the industrial employment and commerce anchors of Clinton were shut down and employees were laid off, creating many homeless families and beginning a period of disinvestment. During the 1950s and 1960s, sex shops began appearing in Times Square and an overflow of prostitution, drug use, and adult theaters and retailers came to the residential area. The area's population had drastically declined by the 1970s with rent regulations, causing abandonment of buildings by neighborhood landlords and some residential buildings being replaced by parking lots for the nearby theaters[1]. In an effort to improve the neighborhood, the Special Clinton District was created in 1973 to protect the area as a residential district, maintain a broad mix of incomes and ensure that the community would not be adversely affected by new development.

EXISTING CONDITIONS

Today the project study area in Clinton remains generally residential, mixed with commercial and industrial buildings, as well as schools and open spaces. As discussed earlier, the area is undergoing increasing redevelopment and new luxury condominium and rental residential buildings are being constructed around the project site, in the study area and along the waterfront of Clinton.

Occupancy data in 2000 indicated that the study area exhibited a slightly lower vacancy rate at 7.3 percent, than Manhattan (with a vacancy rate of 7.5 percent), but not New York City (with a vacancy rate of 5.6 percent) as a whole.

As shown in Table 3-6, median contract rent data indicated that the socioeconomic conditions study area, though it only encompasses three census tracts, had a diverse range of median contract rent values in 2000, from as low as $526 in census tract 135 to as high as $1,049 in the census tract 139.[2] As noted above, the low median contract rent values in census tract 135 is likely due to the subsidized housing developments, Harborview Terrace and Clinton Towers Apartments, located within the census tract. The higher median contract rents in census tracts 133 and 139 contribute to the overall study area median contract rent ($805) that is higher than the median contract rent in Manhattan ($740) and in New York City ($660) as a whole.

The study area also experienced a higher increase in median contract rent from 1990 to 2000 at 23.1 percent than the increases in Manhattan (15.6 percent) and New York City (6.1 percent). Census tract 133 experienced a significant 41.4 percent increase in median contract rent from 1990 to 2000, likely due to the increased residential development of new condominiums and luxury apartments in the area.

The 2000 median house values in the study area follow a similar trend as the 2000 median contract rent values, with higher values east of Tenth Avenue. Census tracts 133 and 139 median housing values were $392,300 and $275,400, respectively, as compared to the $59,700 median house value of Census tract 135. The overall study area exhibited a median

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1 *"History of Hell's Kitchen" www.hellskitchennyc.com/history.htm*

2 *Contract rent is defined by the U.S. Census Bureau as "the monthly rent agreed to or contracted for, regardless of any furnishings, utilities, fees, meals, or services that may be included."*

house value of $242,467, which was less than the median housing value in Manhattan at $361,100 but higher than New York City at $239,380.

Table 3-6
Median Contract Rent in the Socioeconomic Conditions Study Area

Census Tract	1990 Median Contract Rent *	2000 Median Contract Rent	Percent Change	2000 Median Housing Value**
133	$593	$839	41.4%	$392,300
135	$514	$526	2.3%	$59,700
139	$853	$1,049	23.0%	$275,400
Study Area Average	**$654**	**$805**	**23.1%**	**$242,467**
Manhattan	**$640**	**$740**	**15.6%**	**$361,100**
New York City	**$621**	**$660**	**6.1%**	**$239,380**

Source: U.S. Census Bureau, 1990 and 2000 Census, Summary Files 1 & 3.
** 1990 Dollars are shown in 2000 equivalents*
*** 2000 Median Housing Value taken from all owner-occupied housing units*

As noted above, the overall neighborhood of Clinton is a primarily residential and commercial area, with some existing industrial and manufacturing uses, particularly closer to the waterfront. Zoning districts in the area range from high-density residential to high-density commercial to light-to-heavy manufacturing areas. The Clinton Special District was created to preserve the residential character of the neighborhood as it is located between the high business and cultural hubs of Times Square and the Theater District, and industrial uses near the waterfront. While the project site is located within an excluded area, not subject to the regulations of the Clinton Special District, the surrounding area is still within the Clinton Special District boundaries.

Following the general real estate boom of the 1990s that has affected the rest of Manhattan and New York City, the Clinton neighborhood has seen increasing new luxury and market rate rental and condominium development, along with more ground floor retail and restaurants opening. In recent years, Clinton has become a more affordable real estate attraction than the Upper West Side to the north and Chelsea and West Village to the south, and its attractions include close proximity to the central business district of Midtown and the newly renovated waterfront along the Hudson River. However, while rental rates and property values are not as exorbitant as other Westside neighborhoods in Manhattan, they have still been increasing in Clinton.

In 2001, the average prices for studio and one-bedroom units in Clinton ranged from about $400,000 to $450,000 and two-bedrooms ranged from about $500,000 to $600,000. By 2003, studio and one-bedroom costs increased to upwards of $600,000 (increase of about 33 percent) and two-bedrooms from $600,000 up to $2,000,000 (increase of about 233 percent).[3] Between 2004 and 2005, the average cost per square foot (psf) for new condominiums in the Midtown West increased 24 percent from $831 psf to $1,027 psf, compared to a 2005 $1,081

[3] *Neighborhood Profile: Hell's Kitchen and Midtown West; New York Magazine: March 10, 2003. www.nymag.com/realestate/articles/neighborhoods/redhook.htm*

psf average and 19.8 percent increase from 2004, Manhattan-wide.[4] According to The Corcoran Group real estate firm, the median average sale for a condominium Midtown West area increased 36 percent from 2006 to approximately $1.206m in 2007, compared to median condominium sales in 2007 of $1.654m, up 15 percent from 2006, in Manhattan as a whole.[5]

Apartment rents in Clinton experienced a similar trend. In 2001, studio and one-bedroom apartments ranged from $2,000 to $2,500 per month, and two-bedrooms from about $2,900 to $3,200. By 2003, studio and one-bedroom apartment costs ranged from $1,400 to $2,700 (increase of up to 8.0 percent) per month, and two-bedrooms from $2,500 up to $4,500 (increase of about 40.6 percent).[6]

The discrepancy in rents and housing values between the three census tracts within the study area is likely attributed the different land uses clustered in each tract. As previously noted, census tract 135 is located closer to the waterfront and in an "Excluded Area" from the Special Clinton District and is therefore more likely to have industrial uses than the inland tracts. Also, almost the entire western half of census tract 135 is zoned M2-3, medium manufacturing, contributing to a substantially higher number of factories and warehouses, rather than luxury residences in the tract. It is likely that census tract 139 demands the highest median contract rent of the three tracts, as this tract is located closer to the high-income apartments of Upper West. Finally, census tract 133 contains the highest median housing value as there are more likely to be homeowners in the more residential blocks further away from the mostly commercial areas of Columbus Circle and Lincoln Square, as well as the largest increase in contract rent, due to the new residential development in the area.

The overall upwards trend in median contract rent and housing sales indicates that the project site has not had a blighting effect on the value of residential properties in the study area. As noted above, the contract rent in the study area increased by about 23.1 percent between 1990 and 2000, a higher rate of increase than in Manhattan and New York City as a whole. Although census tract 135 has lower median rents and housing values, this is largely attributed to the mixed-use nature of this area, as well as the area's relative isolation from the remainder of Manhattan, compared to the inland tracts. The upward trend of the study area's real estate market is not indicative of an area suffering from blight, and is likely attributed to the steady stream of investment into the area that is expected to continue into the future with or without the proposed action. Although housing values in the Midtown West area are not higher than the median averages for Manhattan as a whole, housing price in the area is increasing at a significantly faster rate, as discussed above. Also, more than 83,000 square feet of commercial/industrial development and 1,704 residential dwelling units have been developed since 2000 within the study area (see to Table 2-2 in Chapter 2, "Land Use, Zoning & Public Policy"), and an additional 1,509 DUs (916 market rate, 593 low/moderate/middle income) and approximately 88,315 sf of retail and theater space are anticipated to be developed within the socioeconomic conditions study area in the future with or without the proposed action. Therefore, no further analysis of this issue is warranted.

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4 *Brown Harris Stevens Manhattan Residential Market Report, Second Quarter 2005.*

5 *The Corcoran Report, 3rd Quarterly 2007.*

6 *Neighborhood Profile: Hell's Kitchen and Midtown West; New York Magazine: March 10, 2003.*

- *It would directly displace enough of one or more components of the population to alter the socioeconomic composition of the study area.*

Given that there is no housing currently located on the project site, the proposed action would not directly displace any residents, and thus would not alter the socioeconomic composition of the study area.

- *It introduces a more costly type of housing compared to existing housing and housing expected to be built in the study area by the time the project is implemented.*

As previously discussed, the proposed project would introduce a total of 900 DUs into the socioeconomic conditions study area. Including the previously noted 1,724 DUs that have been developed since 2000, and the additional 1,504 DUs that are expected to be developed in the future without the proposed action, the proposed 900 DUs associated with the proposed action would only represent approximately 6.4 percent increase in the total DUs in the study area in the future 2011.

Also discussed earlier, the general trend in the study area shows increasing rental costs and housing prices for both existing and new residential developments, particularly in the last several years. It is expected that the 720 market rate units introduced as part of the proposed action would be in a similar price range as the current market rate housing being developed in the surrounding area. Overall, the proposed action would not introduce a substantial amount of a more costly type of housing compared to existing housing as well as housing expected to be built in the study area by the project Build year of 2011.

- *It would introduce a "critical mass" of non-residential uses such that the surrounding area becomes more attractive as a residential neighborhood complex.*

In addition to the residential program, the proposed action would introduce 8,800 gsf of local retail; 20,000 gsf of health club space; 330,000 gsf of automobile dealership space; 36,000 gsf of NYPD Mounted Unit facility; and up to 225 accessory parking spaces. While these uses would benefit the existing residents of the study area, they would not make the area noticeably more attractive as a residential neighborhood complex because the study area is already part of an extremely desirable residential neighborhood, as evidenced by the rising residential rents and sales prices.

The introduction of 8,800 gsf of local retail would not be significant enough to be considered a "critical mass" such that that study area becomes more attractive as a residential neighborhood, as the surrounding neighborhood already contains a considerable amount of commercial and retail space. There is a total of 1.23 million sf of retail space in the socioeconomic conditions study area, according to 2005 PLUTO data. The 16,000 gsf of retail introduced by the proposed action would represent 1.4 percent of the total amount of retail space existing in the study area in 2005, and would not influence the desirability of the residential units in the study area. Similarly, the 350,000 combined sf of health club space and automobile dealership would only represent 2 percent of the 11.1 million sf of commercial space in the study area and would also not influence the desirability of the residential units in

the study area. The NYPD Mounted Unit facility is also not expected to introduce a "critical mass" of non-residential uses as the proposed unit would be a community facility, serving as a NYPD horse stable.

The surrounding residential neighborhoods are already attractive places to live, as evidenced by the rental rates and home values in the study area, which are generally higher than Manhattan or New York City as a whole. In the future without the proposed action, approximately 1,509 residential dwelling units are anticipated to be added to the study area, including a mix of market-rate and lower-income developments (Table 3-5). These new dwelling units will be dispersed throughout and just beyond the study area, most of them (92 percent) clustered within two blocks of the project site.

Furthermore, as previously noted in Table 3-4, a significant proportion (83.96 percent) of the residential units in the study area are owner-occupied, rent-regulated, public housing, or publicly assisted housing, which means their tenants would not be directly affected by potential increases in market rates. Therefore, indirect displacement of these residents is highly unlikely.

New York City's rent protection laws further limit the residential population potentially vulnerable to indirect residential displacement. Rent control can apply to buildings with more than three units built before 1947, and rent stabilization can apply to structures with six units or more built before 1974. According to 2005 PLUTO Data and the 2005 New York City Rent Guidelines Board (RGB), approximately 64.3 percent (10,846 units) of the socioeconomic conditions study area housing stock is located in buildings with 6 or more units built before 1974, or in buildings with three units built before 1947, or otherwise provides rent protection.

Also, not all of the remaining 2,709 housing units are renter-occupied, which further reduces the population potentially vulnerable to rent increases. As shown in Table 3-4, approximately 4.53 percent (765) of the residential units within the study area are owner-occupied condominiums. There was no data available for owner-occupied cooperative units. In addition, at least 171 units of the housing stock in the study area are owned by institutional uses, including the Bard Globalization and International Affairs Program student dormitory housing (70 units) which leases residential units only to Bard College students; Centro Maria, a residence facility under the direction of the Religious of Mary Immaculate for young women working or studying in New York (approximately 70 units); the Alexander Abraham Residence, a transitional housing shelter (31 units); and St. Paul's House, a rescue mission that provides a homeless shelter program. These institutions would not be subject to market conditions, and therefore, not be subject to indirect residential displacement pressures. Accounting for the subsidized housing and rent-protected units, approximately 14,162 of the 17,002 housing units in the study area (or approximately 83.96 percent of the total) are likely provided some form of rent protection, and therefore a significant amount of the housing stock in the study area is not vulnerable to indirect residential displacement pressures (Table 3-4).

This preliminary assessment of residential conditions indicates that the proposed action does not have the potential to cause significant indirect residential displacement. The potentially affected population is relatively small; as described above, less than 15 percent of the study area's housing units are occupied by residents that could be potentially vulnerable to indirect residential displacement. In addition, there is an existing trend of increasing residential development in the area, and the uses proposed for the project site would not exacerbate this trend, as the proposed project would likely reflect rather than change market trends.

- *It would 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.*

As previously noted, the study area is likely to see new mixed-use and residential development in the future without the proposed action. Although the proposed action would introduce uses similar to these like uses in the area, it would not be prominent enough to offset any positive trends in the study area. On the contrary, the proposed action would be part of the ongoing redevelopment of Clinton that is expected to attract further investment.

The proposed action would not impede efforts to attract investment to the area, or create a climate for disinvestment. It would introduce new residents and workers to the study area, thereby increasing the area's spending power, benefiting existing commercial establishments, and increasing the attractiveness of the neighborhood.

Based on the above assessment, the proposed action would not create any indirect residential displacement of existing populations within the study area. Therefore, there would be no adverse impacts to the residential population and no mitigation is necessary.

Indirect Business and Institutional Displacement

Like the analysis of indirect residential displacement, the preliminary assessment for indirect business and institutional displacement focuses on whether the proposed action would increase property values and rents throughout the study area, making it difficult for some categories of business to remain at their current locations. The preliminary assessment is based on a characterization of the study area in terms of: conditions and trends in employment; physical and economic conditions; existing conditions and trends in real estate values and rents; zoning and other regulatory controls; the presence of categories of vulnerable businesses/institutions or employment; and underlying trends in the city's economy.

As previously discussed, the proposed action would introduce 16,000 gsf of local retail; 31,000 gsf of health club space; 236,000 gsf of automobile dealership space; and 28,000 gsf of NYPD Mounted Unit facility for a combined 311,000 gsf of commercial space to the project site.

Based on *CEQR Technical Manual* guidelines, the preliminary assessment of indirect business and institutional displacement uses the following criteria:

- *Would the proposed action introduce enough of a new economic activity to alter existing economic patterns?*

Economic data available from the U.S. Census Bureau and the New York State DOL are available by industry sector and zip code. For the purposes of this analysis, zip code 10019 was used. While the socioeconomic conditions study area is not coterminous with the boundaries of zip code 10019, the entire study area is included in this zip code and it was therefore used as for data of employment changes within the study area (see Figure 3-4). Industry sectors are classified by definitions under the North American Industry Classification System (NAICS), a new classification system that was developed in 2000. Sectors under the previous classification system (U.S. Standard Industry Classification system) used before 2000 are incomparable to the current NAICS, therefore economic data was collected for the years between 2000 and 2006 for the purposes of this analysis.

Table 3-7 shows the changes in employment rates in zip code 10019, the borough of Manhattan and New York City as a whole from 2000 to 2006.

Employment and business conditions and trends in zip code 10019 show significant changes between 2000 and 2006. As of 2006, the zip code contained 141,222 private-sector employees, as opposed to 130,921 in 2000—an increase of approximately 7.9 percent. In comparison, over the same 6-year period, total private-sector employment in Manhattan decreased by 4.3 percent and private-sector employment in New York City as a whole decreased by 5 percent (Table 3-7). Within the zip code 10019, there have been notable decreases in construction (66.8 percent), manufacturing (46.9 percent), and transportation/warehousing (47.9 percent). Equally notable employment increases include finance and insurance (88.9 percent) and administrative and support/waste management/remediation services (53.9 percent). Within the zip code in 2006, the finance and insurance sectors had the highest number of employees at 27,415, followed by professional/scientific/technical services with 23,175 employees, and food/accommodation services with 20,134 employees. However professional/scientific/technical services and food/accommodation services both experienced decreases in percentage of total private-sector employment in the zip code between 2000 and 2006 (-9.2 percent and -3.0 percent, respectively). Borough-wide, manufacturing and transportation/warehousing sectors also decreased at 44 percent and 26.7 percent, respectively. Similar to the zip code 10019, finance and insurance (288,161 employees) and professional/scientific/technical services (278,714 employees) had the highest number of private-sector employees, although they both decreased from 2000, 11.7 percent and 1.9 percent, respectively.

Table 3-7
Private Sector Employment 2000 - 2006

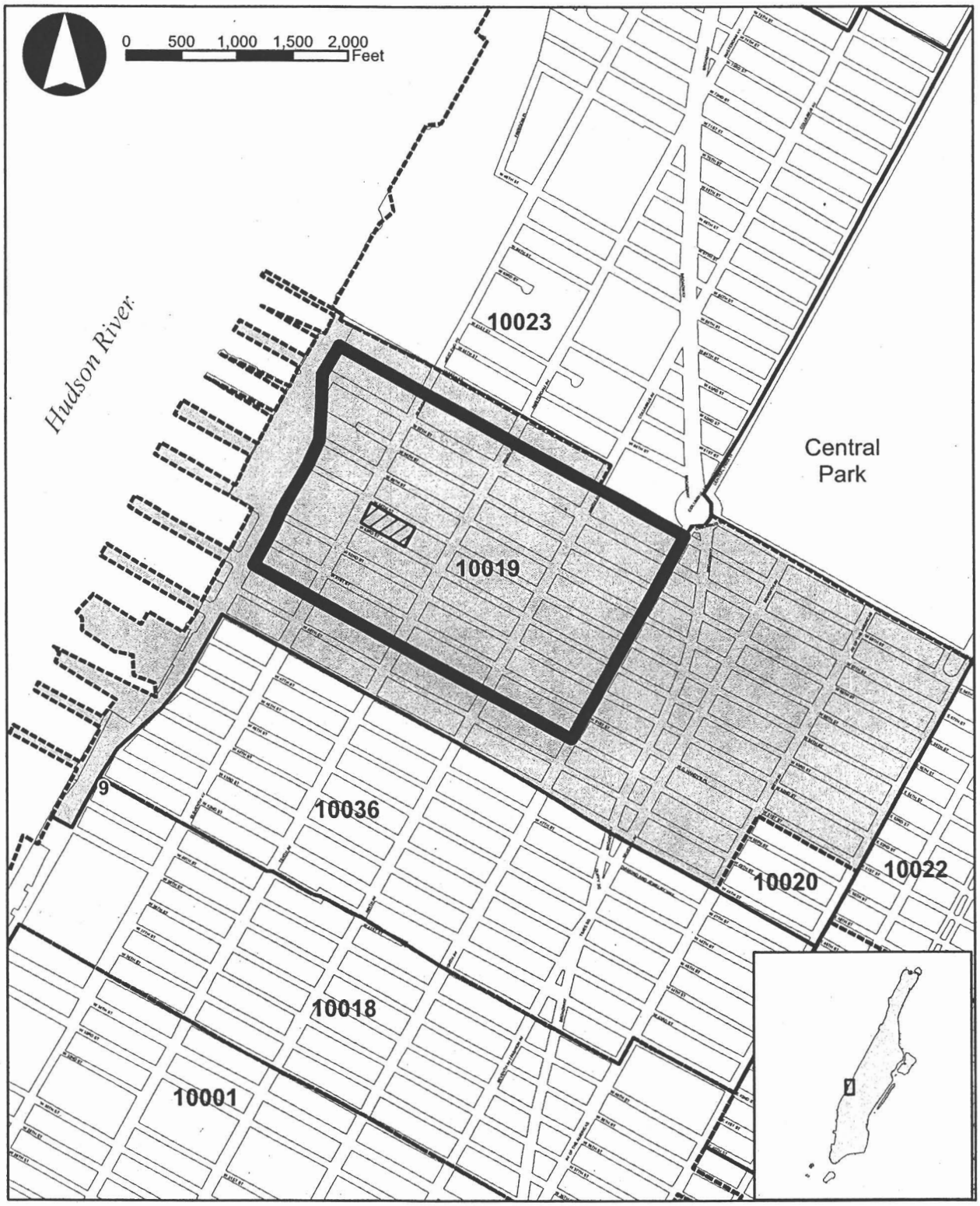
	Zip Code 10019			Manhattan			New York City		
	Employment		Percent Change	Employment		Percent Change	Employment		Percent Change
Industry	2000	2006	2000-2006	2000	2006	2000-2006	2000	2006	2000-2006
Construction	2,213	734	-66.8%	35,488	31,403	-11.5%	117,188	15,035	-87.2%
Manufacturing	1,832	972	-46.9%	70,022	39,183	-44.0%	172,267	105,329	-38.9%
Wholesale Trade	3,580	3,251	-9.2%	90,765	80,296	-11.5%	150,948	138,086	-8.5%
Retail Trade	8,354	8,821	5.6%	133,361	136,336	2.2%	274,302	283,204	3.2%
Transportation & Warehousing	1,279	666	-47.9%	27,804	20,375	-26.7%	114,285	102,778	-10.1%
Information	14,536	16,219	11.6%	162,335	131,896	-18.8%	189,182	153,151	-19.0%
Finance & Insurance	14,512	27,415	88.9%	326,427	288,161	-11.7%	357,948	329,490	-8.0%
Real Estate & Rental Leasing	5,538	6,335	14.4%	75,492	76,830	1.8%	115,833	116,370	0.5%
Professional, Scientific & Technical Services	25,537	23,175	-9.2%	284,138	278,714	-1.9%	312,272	308,759	-1.1%
Management of Companies & Enterprises	6,144	4,977	-19.0%	46,728	52,189	11.7%	51,293	57,046	11.2%
Administrative & Support & Waste Management & Remediation Services	5,878	9,044	53.9%	155,661	129,161	-17.0%	207,649	179,804	-13.4%
Educational Services	1,299	1,607	23.7%	64,941	77,710	19.7%	106,253	127,328	19.8%
Health Care & Social Assistance	8,045	7,260	-9.8%	180,052	203,128	12.8%	477,569	535,351	12.1%
Arts, Entertainment & Recreation	6,616	5,497	-16.9%	43,690	49,201	12.6%	54,864	61,493	12.1%
Accommodation & Food Services	20,764	20,134	-3.0%	137,184	149,554	9.0%	195,251	217,344	11.3%
Other Services (except Public Administration)	4,649	4,684	0.8%	82,754	84,946	2.6%	135,048	137,107	1.5%
Unclassified	145	431	197.2%	3,437	9,017	162.4%	7,497	21,425	185.8%
Total Industry	**130,921**	**141,222**	**7.9%**	**1,920,279**	**1,838,100**	**-4.3%**	**3,039,649**	**2,889,100**	**-5.0%**

Source: New York State Department of Labor

New York City (NYC) as a whole showed similar patterns as zip code 10019 and Manhattan, in showing notable employment decreases in both construction (87.2 percent) and manufacturing (38.9 percent) from 2000 to 2006. Also, NYC showed a high proportion of finance and insurance sector employees (329,490 employees), but the most populated private sector in all five boroughs was health care and social assistance, with 535,351 employees in 2006 (12.1 percent increase from 2000). These trends are likely due to the increasing residential development, combined with the declining industrial and manufacturing activity in the study area, as well as Manhattan and NYC as a whole.

Retail trade in all three areas has shown moderate increases during the six-year span. Zip code 10019 shows a 5.6 percent increase in employees, from 8,354 in 2000 to 8,821 employees in 2006. This rate of increase is higher than both the borough of Manhattan (2.2 percent) and NYC as a whole (3.2 percent). As previously noted, the proposed action is expected to introduce approximately 8,800 sf of local retail, as well as 330,000 sf of automotive dealership space to project site. These new retail uses appear to be in line with the ongoing

Zip Code Boundaries in the Vicinity of the Project Site



Legend

- Project Site
- Socioeconomic Conditions Study Area
- 10019 Zip Code 10019
- 10036 Other Zip Codes

trend of increasing retail trade within the zip code 10019, which includes the entire socioeconomic conditions study area, as well as Manhattan and NYC as a whole.

Also, it should be noted that the neighborhood that the project site is located in has historically been a center for automotive dealerships, and still hosts a significant number of automotive dealerships to this day. As shown in Figure 3-5 and Table 3-8, there are at least 13 dealerships clustered around Eleventh Avenue, seven of which are within the socioeconomic conditions study area. While the proposed action would introduce a significant amount of automotive dealership space, it is likely to fit in with the general retail focus of the area, which has become an informal "automobile dealership row."

The proposed action is not expected to introduce any new economic activities that would potentially alter existing economic patterns, as a large amount of automotive dealership uses already exist in the study area. Also, according to Table 2-1 in Chapter 2, "Land Use, Zoning, and Public Policy," there is a significant amount of commercial/office use (17.2 percent) and mixed-use (17.8 percent), that are most likely residential buildings with ground-floor retail, under existing conditions, as well as the aforementioned approximately 88,315 sf of commercial and theater space anticipated in the future without the proposed action, therefore the 8,800 sf of retail space associated with the proposed action is not expected to introduce any new economic activities to the study area that would alter existing economic patterns. The health club associated with the proposed action would most likely be used by residents of the proposed mixed-use development and other nearby residents, and is not expected to have any significant effect on economic activities of the study area. Similarly, the NYPD facility associated with the proposed action is also not expected to have any effect on the economic activities of the study area.

Table 3-8
Automotive Dealerships on Eleventh Avenue in the Vicinity of the Project Site

Map No.	Automotive Dealer	Address
Automotive Dealerships within Socioeconomic Conditions Study Area		
1	Lexus	829 Eleventh Avenue
2	Cadillac (Potamkin)	798 Eleventh Avenue
3	Volkswagen (Potamkin)	711 Eleventh Avenue
4	BMW	555 W. 57th Street
5	Nissan/Infiniti	622 W. 57th Street
6	Audi	629 W. 54th Street
7	Ford-Lincoln-Mercury	787 Eleventh Avenue
7	Land Rover	788 Eleventh Avenue
7	Jaguar	789 Eleventh Avenue
7	Mazda	790 Eleventh Avenue
Automotive Dealerships on Eleventh Avenue Outside Study Area		
8	Nissan	646 Eleventh Avenue
9	Acura	662 Eleventh Avenue
10	Honda (Potamkin)	30 West End Avenue
11	Volvo	677 Eleventh Avenue
12	Jeep-Chrysler-Dodge	666 Eleventh Avenue
13	Toyota	647 Eleventh Avenue

Note: Automotive dealerships as of October 2007

Therefore, the proposed action is not expected to introduce any new economic activity that would alter existing economic patterns in the study area and further analysis is not warranted.

- *Adds to the concentration of a particular sector of the local economy enough to alter or accelerate an ongoing trend to alter existing economic patterns.*

As discussed above, under the RWCDS, the proposed action would introduce a relatively significant amount of automobile dealership space, as part of the overall mixed-use development. Although the surrounding area is host to several existing automobile dealerships and service shops (Table 3-7), it is unlikely that the proposed action would generate a significant increase in the concentration of this sector, or any other industry sector that would alter existing economic patterns. The proposed action is expected to follow the existing conditions and trends of mixed commercial use and new residential development in the study area.

- *Displaces uses or properties that have had a "blighting" effect on commercial property values in the area, leading to rises in commercial rents.*

Although the project site is currently underutilized, the site and the existing uses on the property have not had a "blighting" effect on commercial property values in the study area. As described in the indirect residential displacement section, as of May 2007, the project site contained Verizon vehicles that use the paved lot for parking and vehicle storage and is currently undergoing as-of-right foundation work.

Retail businesses in the vicinity of the project site include a wide variety of small restaurants, bistros, bakeries, bars, boutique and specialty shops, as well as convenience shops that are primarily located along Tenth and Ninth Avenues and service the area's residential population. According to local realtors, average annual retail rents per square foot have been increasing in the past few years in the Clinton neighborhood. Midtown's average direct rent increased to $80.63/sf from $77.87/sf in June 2007 and by 36.4 percent over the past year. The average direct rent for Class A space took another big jump in July 2007, increasing to $85.26/sf from $82.18/sf in June 2007. These rents are up 38.5 percent over the last year and 52.3 percent since mid-2005. Both of these are higher than the average for Manhattan, which had an asking retail rent of $61.39/sf in October 2007 with an average asking rent for Class A space finished the month at $71.11/sf in October 2007.[7]

Sale price per square foot of commercial space within a half-mile radius of the project site has also increased over the past several years, averaging $516.06/sf between 2004-2006, and then increasing 108.7 percent to $1,081.26/sf in 2007 alone.[8]

While the proposed action would improve the project site, it is unlikely to result in significant increases in commercial and industrial rents in the area, which as noted above, are at the top

[7] *Newmark Office Market Report, Monthly Manhattan Snapshot, August 2007. www.newmarkre.com*

[8] *Online research of commercial property sales within half-mile of project site from www.propertyshark.com*

Automotive Dealerships in the Vicinity of the Project Site



Legend

- Project Site
- Socioeconomic Conditions Study Area
- 7 Automobile Dealership (refer to Table 3-6)

of the Manhattan market and part of an existing increasing trend. Therefore, a detailed analysis of this issue is not warranted.

- *Directly displaces uses of any type that directly support businesses in the area or bring people to the area that form a customer base for local businesses.*

As previously noted, the proposed action would develop on a project site that is currently vacant and underutilized and therefore would not directly displace uses that directly support business in the area or bring people the study area that form a customer base for local businesses. Therefore, a detailed analysis of the issue is not warranted.

- *Directly or indirectly displaces residents, workers, or visitors who form the customer base of existing businesses in the area.*

As previously discussed, the project site is currently undergoing as-of-right foundation and site preparation work, therefore the proposed action would not displace any residents, workers or businesses. It is expected that the mixed-use development would generate an estimated 405 jobs on the project site through the proposed residential units, retail space, automotive dealership, health club and NYPD facility, using standard planning assumptions. Furthermore, the proposed action is not expected to result in any direct or indirect residential displacement. As a result, the proposed action is not expected to have any significant adverse impact on the customer base of the study area, and no further analysis of this issue is warranted. In fact, the proposed action could potentially have positive impacts by increasing the customer base for local businesses through action-generated residents and workers.

- *Introduces a land use that could have a similar indirect effect, through the lowering of property values if it is large enough 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 disinvestments.*

In the future without the proposed action, there is not anticipated to be any development proposed for the project site by 2011. The proposed action would contribute to supporting the ongoing trend of residential and commercial redevelopment throughout the area and replace an underutilized lot with a mixed-use development that would introduce residential and a variety commercial and community facility uses to the project site. The proposed action would create new residences, employment and retail opportunities, and create economic and fiscal benefits to the City in the form of economic revitalization and tax revenue. Therefore, the proposed action would not offset positive development trends or lower property values in the study area and no further analysis is warranted.

Potential Effects on Specific Industries

According to the *CEQR Technical Manual*, a significant adverse impact may occur if an action affects the operation and viability of a specific industry or category of businesses that has substantial economic value to the City's economy. The proposed action would introduce approximately 330,000 sf of automotive dealership, but as noted above in the indirect

business and institutional displacement section, the surrounding area is an informal district for automobile dealerships and the proposed action is expected to positively contribute to this business sector.

As set forth under CEQR guidelines, the preliminary assessment of the proposed action's potential to affect the operation and viability of this specific industry (and not necessarily tied to the specific project site) is not based on set criteria or the identification of specific economic variables. The *CEQR Technical Manual* indicates that a more detailed examination is appropriate if the following considerations cannot be answered with a clear "no":

- *Would the action significantly affect business conditions in any industry or any category of businesses within or outside the study area?*

The proposed action is not expected to significantly affect business conditions of any industry or category of business either within or outside the study area.

- *Would the action indirectly substantially reduce employment or impact the economic viability in the industry or category of businesses?*

As noted above, the proposed action would bring additional automotive dealership space to the study area, which is located in a neighborhood containing a significant number of automobile dealerships. However, the proposed action would not directly displace any existing dealerships and would contribute to the automotive retail industry by providing additional automobile retail opportunities for customers already attracted to the area for the high number of dealerships.

The proposed action would not create any indirect displacement of existing businesses or institutions within the study area. Therefore, there would be no adverse impacts and no mitigation is necessary.

D. CONCLUSION

The proposed action would result in 900 new DUs (720 market-rate, 180 low/moderate/middle-income) and 1,631 new residents (1,181 in market-rate units, 450 in low/moderate/middle-income units). While this is a significant increase in residential population and households in the socioeconomic conditions study area, these residents and DUs would be following the trend of residential and mixed-use development that has been occurring in the area, and is expected to continue to the project Build year of 2011. Similarly, the commercial businesses introduced by the proposed action would affect the area's socioeconomic conditions in a positive manner by generating new jobs, businesses activity and community facilities, such as the NYPD unit. The 330,000 sf of automobile dealership space introduced by the proposed action would complement the existing cluster of automotive dealerships along Eleventh Avenue, in the vicinity of the project site.

Moreover, there would be no residents, employees or businesses displaced as a result of the proposed action and therefore, no significant adverse impacts on socioeconomic conditions within the surrounding area are anticipated to occur and no mitigation is necessary.