A. INTRODUCTION

This chapter considers the potential for the Proposed Action, as described in **Chapter 1, "Project Description,"** to result in significant adverse impacts to socioeconomic conditions in the area surrounding the Project Site (Block 2023, Lot 10) at 500 Kent Avenue in South Williamsburg, Brooklyn. As described in the 2021 *City Environmental Quality Review (CEQR) Technical Manual*, the socioeconomic character of an area includes its population, housing, and economic activities. Socioeconomic changes may occur when a project directly or indirectly changes these elements. Although some socioeconomic changes may not result in environmental impacts under CEQR, they are disclosed if they would affect land use patterns, low-income populations, the availability of goods and services, or economic investment in a way that changes the socioeconomic character of the area.

The Proposed Action involves several discretionary approvals including special permits pursuant to Zoning Resolution (ZR) Sections 62-837 and 74-512, a zoning map amendment establishing the "Project Site" in a newly rezoned M1-5 district, and a waterfront zoning authorization and certification. The Proposed Action would facilitate the construction of a 23-story, approximately 684,242-gross square foot (gsf) commercial building, comprised of: 598,442 gsf of office space, 21,233 gsf of retail, and 64,567 gsf of public parking with 234 parking spaces (the "Proposed Project"). The proposed development would also provide 49,453 sf (1.14 acres) of publicly accessible waterfront open space along Wallabout Channel. In absence of the Proposed Action, the Project Site would be developed as-of-right pursuant to the site's existing M3-1 zoning district. The No-Action development would include four-stories and approximately 312,599 gsf (FAR of 2.0), including 58,000 gsf of office space, 181,401 gsf of warehouse space, and 73,198 gsf of accessory parking with 279 parking spaces. There would be no on-site public open space under No-Action conditions. As compared to the No-Action condition, the Proposed Action would result in an incremental increase of approximately 540,442 gsf of office space and 21,233 gsf of retail space along with 49,453 sf of public open space, as well as a net reduction of 181,401 gsf of warehouse space and approximately 45 parking spaces.

In accordance with *CEQR Technical Manual* guidance, this chapter considers whether development of the Proposed Project could result in significant adverse socioeconomic impacts due to: (1) direct displacement of residential population; (2) indirect displacement of residential population; (3) direct displacement of existing businesses; (4) indirect displacement of businesses; and (5) adverse effects on a specific industry.

B. PRINCIPAL CONCLUSIONS

This preliminary assessment determined that the Proposed Action would not result in significant adverse socioeconomic impacts. The following summarizes the conclusions for each of the five CEQR areas of socioeconomic concern.

Direct Residential Displacement

The Project Site is currently zoned M3-1 and the Proposed Action would map a M1-5 zoning district at the site. There are no residential dwelling units on the Project Site; therefore, the Proposed Action would not directly displace any residents, and would not result in significant adverse socioeconomic impacts due to direct residential displacement.

Indirect Residential Displacement

The Proposed Action would not introduce a residential population and therefore, would not introduce a trend that could potentially result in changing socioeconomic conditions for residents within the surrounding area. The Project Site is located within the Brooklyn Navy Yard Industrial Business Zone (IBZ) and the Proposed Action would retain manufacturing zoning on the site, which does not allow residential use as-of-right. Therefore, the Proposed Action would not result in significant adverse socioeconomic impacts due to indirect residential displacement.

Direct Business Displacement

The Project Site is currently vacant and does not support any existing uses or businesses, and would be developed irrespective of the Proposed Action. Therefore, the Proposed Action would not result in significant adverse socioeconomic impacts due to direct businesses displacement.

Indirect Business Displacement

A preliminary assessment finds that the Proposed Action would not result in significant adverse impacts due to indirect business displacement. According to the *CEQR Technical Manual*, indirect displacement of businesses or institutions could be an issue if an action(s) would increase property values and thus rents throughout the study area, making it difficult for certain businesses that may be essential to the local economy, or a business that is the subject of regulations or publicly adopted plans, to remain. The proposed zoning changes would maintain the Project Site's M zoning, but would increase the allowable density and intensity of uses, as well as implement more stringent performance standards and decrease accessory parking requirements at the Project Site. These actions are intended to provide additional flexibility for economic growth and would create a transition area between the largely residential neighborhood of South Williamsburg and the Brooklyn Navy Yard. The Proposed Project would introduce a considerable amount of commercial office space as compared to the No-Action Condition.

The study area has a well-established residential market and the greater Williamsburg neighborhood has an office market that is already influenced by an increasing residential population, high demand for office space, and upward rent pressures. The Brooklyn Navy Yard, located directly south of the Project Site and on the other side of Wallabout Channel to the southwest, is an industrial park managed by a not for profit corporation and owned by the City of New York; it is currently undergoing its largest expansion project to support burgeoning industrial and commercial uses in an existing IBZ. The Proposed Action would not introduce new economic activities to the study area, but would facilitate development of commercial space that would add

to and further diversify the market in the study area and in the growing Williamsburg office submarket, where a high demand for such uses exists.

The proposed commercial development is expected to complement recent investment and growth in the Brooklyn Navy Yard and existing trends in the greater Williamsburg neighborhood. The Proposed Project is not expected to displace (directly or indirectly) businesses that either directly support other study area businesses, or bring a customer base to the area for local businesses. Rather, it is expected to help fortify the existing customer base and strengthen the local economy. The Proposed Action would generate new employment and opportunities, as well as create new retail opportunities to meet the needs of local workers, residents, and visitors.

Adverse Effects on Specific Industries

The Proposed Action would not result in significant adverse impacts on specific industries. The Proposed Action is site-specific and would not result in the direct displacement of any businesses. The Proposed Project also would not significantly affect business conditions in any specific industry or any category of businesses, nor would it indirectly reduce employment or impair the economic viability of any specific industry or category of business.

C. METHODOLOGY

Under CEQR, the socioeconomic character of an area is defined by its population, housing, and economic activities. Socioeconomic changes may occur when a project directly or indirectly changes any of these elements. Although socioeconomic changes may not result in impacts under CEQR, they are disclosed if they would affect land use patterns, low-income populations, the availability of goods and services, or economic investment in a way that changes the socioeconomic character of the area. In some cases, these changes may be substantial but not adverse. In other cases, these changes may be good for some groups but bad for others. The object of the CEQR analysis is to disclose whether any changes created by the Proposed Action would have a significant impact compared with what would happen in the future without the Proposed Action (i.e., the "No-Action" condition).

The assessment of socioeconomic conditions distinguishes between the socioeconomic conditions of an area's residents and businesses, although projects may affect both in similar ways. Direct displacement is defined as the involuntary displacement of residents, businesses, or institutions from the actual site of (or sites directly affected by) a proposed action. Examples include the proposed redevelopment of a currently occupied site for new uses or structures, or a proposed easement or right-of-way that would take a portion of a parcel and thus render it unfit for its current use. Since the occupants of a particular site are usually known, the disclosure of direct displacement focuses on identifying the specific businesses and estimating current employment levels, and an identifiable number of residents and workers.

Indirect or secondary displacement is the involuntary displacement of residents, businesses, or employees in an area adjacent or close to a project site that results from changes in socioeconomic conditions created by a proposed project. Examples include rising rents that result from a new concentration of higher-income housing introduced by a project, which ultimately could make

existing housing unaffordable to lower income residents; a similar turnover of industrial to higher-rent commercial tenancies induced by the introduction of a successful office project in an area; or the flight from a neighborhood that can occur if a proposed project creates conditions that break down the community (such as a highway dividing the area).

Even if projects do not displace directly or indirectly businesses, they may affect the operation of a major industry or commercial operation in the City. An example would be new regulations that prohibit or restrict the use of certain processes that are critical to certain industries. In these cases, CEQR may assess the economic impacts of the project on the industry in question.

Determining Whether a Socioeconomic Assessment Is Appropriate

According to the *CEQR Technical Manual*, a socioeconomic assessment should be conducted if an action may be reasonably expected to create socioeconomic changes in the area affected by the action that would not be expected to occur in the absence of the Proposed Action (No-Action condition). The following screening assessment considers threshold circumstances identified in the *CEQR Technical Manual*, which are bulleted below that, can lead to socioeconomic changes warranting further assessment.

The Proposed Action consists of several discretionary approvals including a zoning map amendment and special permits, plus a waterfront zoning certification (a ministerial approval) to construct a new commercial office and retail development with approximately 684,242 gsf and 49,453 sf of public open space. The RWCDS assumes that the Proposed Action would result in the incremental (net) increase of approximately 540,442 gsf of office space and 21,233 gsf of retail space and 49,453 sf of public open space, as well as a net decrease of 181,401 gsf of warehouse space and approximately 45 parking spaces, compared to No-Action conditions.

- *Direct Residential Displacement: Would the proposed project directly displace residential population to the extent that the socioeconomic character of the neighborhood would be substantially altered? Displacement of fewer than 500 residents would not typically be expected to alter the socioeconomic character of a neighborhood.*

The Project Site at 500 Kent Avenue (Block 2023, Lot 10) is currently zoned M3-1 and does not contain any residential uses. Therefore, the Proposed Action would not directly displace any residents, and an assessment of direct residential displacement is not warranted.

- *Direct Business Displacement: Would the project directly displace more than 100 employees, or directly displace a business whose products or services are uniquely dependent on its location, are the subject of policies or plans aimed at its preservation, or serve a population uniquely dependent on its services in its present location? If so, assessments of direct business displacement and indirect business displacement are appropriate.*

The Proposed Action would not result in the direct displacement of any businesses on the Project Site because the site is currently vacant and does not support any active uses or existing businesses. Moreover, the Project Site would be developed irrespective of the Proposed Action. Therefore, the Proposed Action would not have a potential for significant adverse impacts related to direct business displacement, and no further analysis is warranted.

- *Indirect Residential and/or Business Displacement due to Increased Rents: Would the project result in substantial new development that is markedly different from existing uses, development, and activities within the neighborhood? Residential development of 200 units or less or commercial development of 200,000 sf or less would typically not result in significant socioeconomic impacts. For projects exceeding these thresholds, an assessment of indirect residential displacement and indirect business displacement, respectively, is appropriate.*

The Proposed Action would introduce commercial development in excess of 200,000 square feet (sf); therefore, an assessment of potential indirect business displacement is warranted pursuant to *CEQR Technical Manual* guidance. The Proposed Action would not introduce a residential population, and therefore would not introduce a trend that could potentially result in changing socioeconomic conditions for residents within the neighborhood. Therefore, an assessment of indirect residential displacement is not warranted.

- *Indirect Business Displacement due to Retail Market Saturation: Would the project result in a total of 200,000 sf or more of retail on a single development site or 200,000 sf or more of regional-serving retail across multiple sites? This type of development may have the potential to draw a substantial amount of sales from existing businesses within the study area, resulting in indirect business displacement due to market saturation.*

An assessment of indirect business displacement due to market saturation (i.e., competition) is not warranted based on *CEQR Technical Manual* guidance. The Proposed Action would not introduce retail uses in excess of 200,000 sf on the Project Site; therefore, an assessment of potential indirect business displacement due to retail market saturation is not warranted. The Proposed Action would not add to, or create, a retail concentration that may draw a substantial amount of sales from existing businesses within the study area to the extent that certain categories of business close and vacancies in the area increase, thus resulting in a potential for disinvestment on local retail streets.

- *Adverse Effects on Specific Industries: Is the project expected to affect conditions within a specific industry? This could affect socioeconomic conditions if a substantial number of workers or residents depend on the goods or services provided by the affected businesses, or if the project would result in the loss or substantial diminishment of a particularly important product or service within the City.*

As the Proposed Action would not result in any direct business displacement and the potential for any indirect business displacement would be limited and not specific to any industry, an assessment of specific industries is not warranted.

Based on the initial screening assessment presented above, the Proposed Action warrant preliminary analysis of indirect businesses displacement due to increased rents.

Analysis Format

Following *CEQR Technical Manual* guidance, the socioeconomic analysis begins with a screening assessment that determines the need for a preliminary assessment. As described above, for four of

the five areas of concern—direct residential displacement, direct business displacement, indirect residential displacement and adverse effects on specific industries—the potential effects of the Proposed Action did not warrant further assessment. For the remaining area of socioeconomic concern—indirect business displacement—the potential for effects identified in the screening assessment warranted preliminary assessment. A preliminary assessment is conducted to learn enough about the potential effects of the Proposed Action to either rule out the possibility of significant adverse impacts or determine that a more detailed analysis is required to determine fully the extent of any potential impacts. A preliminary assessment responds to questions based on guidance from the *CEQR Technical Manual*. If the responses to questions indicate there is no potential for significant adverse impacts, further analysis is not warranted. A detailed analysis, when warranted, addresses the same issues of concern, but frames the assessment to examine the changes to socioeconomic conditions in the With-Action condition as compared to the changes that would be expected in the No-Action condition. With respect to the Proposed Action, a preliminary assessment (presented below in Section D, "Preliminary Assessment") was sufficient to conclude that the Proposed Action would not result in significant adverse socioeconomic impacts related to indirect business displacement.

Study Area Definition

Typically, the socioeconomic study area boundaries are similar to those of the land use study area. The study area encompasses the Project Site and adjacent area within 400 feet, 0.25 mile, or 0.5 mile, depending on project size and area characteristics. As the Project Site consists of a single lot comprising approximately 115,244-sf of lot area along the shoreline of Wallabout Channel with frontage along Division and Kent Avenues, the study area used for the socioeconomic preliminary assessment is a roughly 0.25-mile radius.

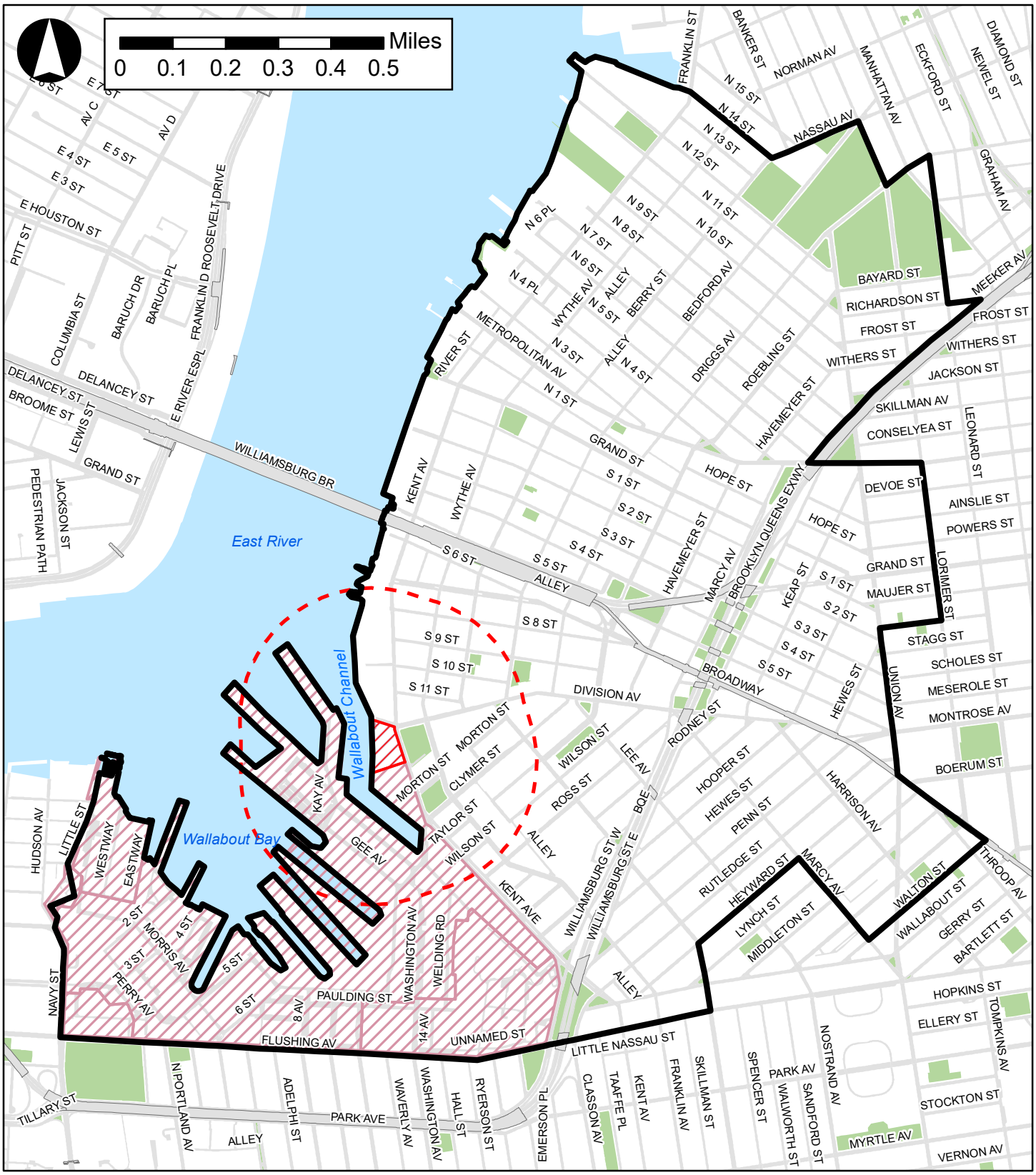
As shown in **Figure 3-1**, the 0.25-mile study area comprises the southwestern edge of Williamsburg, Brooklyn with the Project Site located at the crossroads between South Williamsburg and the Brooklyn Navy Yard. Williamsburg, Brooklyn is generally bordered by Greenpoint to the north, Bedford-Stuyvesant to the south, Bushwick and East Williamsburg to the east, and the East River to the west. The neighborhood has undergone significant transformation, characterized by a vibrant mix of uses and new development, especially along the waterfront.

In addition, in accordance with *CEQR Technical Manual* guidance, the indirect business displacement analysis considers an area "near" the study area (i.e., within an approximate ½-mile radius of the study area) to examine real estate market trends and ascertain whether the surrounding area has experienced a readily observable trend toward increasing rents and the likely effect of the Proposed Action on such trends. The Neighborhood Study Area is comprised of the North Side-South Side and Williamsburg Neighborhood Tabulation Areas (NTAs), as well as the Brooklyn Navy Yard.

Data Sources

The assessment of indirect business displacement considers business and employment trends in the study area. For the indirect business displacement analyses, employment data for the study

Socioeconomic Study Area



Legend

- Project Site
- Study Area
- Williamsburg*
- Brooklyn Navy Yard
- Open Space

* Williamsburg here is defined by the combined North Side-South Side Williamsburg Neighborhood Tabulation Areas (NTAs).

area, and borough of Brooklyn, as well as Williamsburg[1] were obtained from the U.S. Census Bureau, Longitudinal Employer-Household Dynamics (LEHD) employment data for 2018. The employment data gathered identifies the industry sectors that dominate or characterize the study area, Williamsburg neighborhood, and borough. Office market data for the Williamsburg/Greenpoint submarket and the borough of Brooklyn were obtained from Newmark Knight Frank (NKF)'s Research Division, Colliers International, and CBRE quarterly market reports. Land use data was analyzed using MapPLUTO data provided by DCP. The analyses were also supported by field visits to the study area conducted by PHA in 2021. Study area market-rate asking rents were researched using online real estate listing sites, including loopnet.com and cityfeet.com. During the field surveys, PHA staff characterized land uses, business activities, and vacancy rates.

D. PRELIMINARY ASSESSMENT

Indirect Business and Institutional Displacement

The objective of the indirect business and institutional displacement preliminary assessment is to determine whether the Proposed Action could potentially introduce trends that would make it more difficult for nearby existing businesses that provide products or services essential to the local economy, or that are targeted to be preserved in their current locations under adopted public plans, to remain in the area. A proposed action could introduce such a trend by causing a marked increase in rents and property values in the area (i.e., by stimulating the demand for more lucrative land uses and thus redevelopment or by increasing the demand for new commercial or retail services with which the existing businesses cannot compete). Additionally, it could directly displace businesses or residents who serve as suppliers or the customer base for nearby businesses, affecting their viability or altering the desirability of their existing location. Finally, it could create enough new retail space to draw substantial sales from existing businesses (i.e., a market saturation impact).

In most cases, the issue for indirect displacement of businesses is that an action would markedly increase property values and rents throughout the study area, making it difficult for some categories of businesses to remain in the area. Pursuant to *CEQR Technical Manual* guidance, the preliminary assessment of indirect business displacement examines the following circumstances described in Section 322.2 of Chapter 5 of the *CEQR Technical Manual:*

Would the Proposed Action introduce a trend that increases commercial property values, making it difficult for businesses essential to the local economy—or a business that is the subject of regulations or publicly adopted plans to preserve, enhance, or otherwise protect it—to remain in the study area?

The 0.25-mile study area is located along the waterfront in South Williamsburg just south of the Williamsburg Bridge and includes the northeastern corner of the Brooklyn Navy Yard. As

[1] The neighborhood of Williamsburg includes the census tracts comprising the Williamsburg and North Side- South Side Neighborhood Tabulation Areas (NTAs).

described in **Chapter 2, "Land Use, Zoning and Public Policy,"** with the exception of the Brooklyn Navy Yard, land use in the study area is primarily residential and consists of multiunit walkup and elevator apartment buildings, as well as mixed-use commercial and residential buildings containing ground floor commercial uses. Most of the 0.25-mile study area is zoned for medium-density residential use with C2 commercial overlays mapped along only a few streets. A single block along the northern edge of the study area near the Williamsburg Bridge approach, which is bounded by Broadway to the north, Wythe Avenue to the east, South 8th Street to the south, and Kent Avenue to the west, is zoned for mixed-use development and mapped with C4-3.

The Project Site and the portion of the Brooklyn Navy Yard included in the study area are zoned for M3 heavy manufacturing/industrial uses and are located within the Brooklyn Navy Yard Industrial Business Zone (IBZ). In contrast to the remainder of the study area, the Brooklyn Navy Yard is a center of urban manufacturing and innovation that supports a wide range of businesses, including commercial, industrial and maritime uses.

PROFILE OF EXISTING EMPLOYMENT AND BUSINESSES IN THE STUDY AREA

Williamsburg

Table 3-1 provides a comparison of employment in the 0.25-mile study area as compared to larger Williamsburg neighborhood and the borough of Brooklyn. As shown in **Table 3-1**, as of 2018, there were approximately 1,465 employees in the 0.25-mile study area, not including the northeastern portion of the Brooklyn Navy Yard within the study area.[2] These employees represented less than 0.2 percent of Brooklyn's total employment and roughly three percent of employment within Williamsburg.

Within the study area, the Health Care and Social Assistance sector accounted for the largest share of total employment (approximately 26 percent), followed by Retail Trade (nearly 21 percent) and Educational Services (roughly 13 percent). The Health Care and Social Assistance sector includes medical offices, health centers, and urgent care facilities. The share of employees in Retail Trade in the study area is more than double the share of workers in this sector in Brooklyn (approximately nine percent); this trend is likely attributed to the study area being predominantly residential.

As described in **Chapter 2, "Land Use, Zoning and Public Policy,"** approximately 44 percent of the total lot area and nearly 50 percent of the total building area in the 0.25-mile study area are occupied by residential, while mixed-use commercial and residential buildings account for an additional roughly 45 percent of total building area. Therefore, most employment in the study area is likely related to neighborhood facilities and services, including Retail Trade, Health Care, and Social Assistance, Accommodation and Food Service, and Educational Services that serve the area's residential population. The 0.25-mile study area includes roughly 530,000 sf of commercial space, and much of this space occupies the lower floors of mixed-use buildings and likely accommodates neighborhood services.

[2] Boundary of the 0.25-mile study area was modified to match two census tracts (Brooklyn census tracts 545 and 547) that most closely define 0.25-mile radius from the Project Site (i.e., are at least 50 percent within 0.25-mile radius of the Project Site).

TABLE 3-1: 2018 Estimated Employment in the 0.25-Mile Study Area, Williamsburg, and Brooklyn

	0.25-Mile Study Area [1]		Williamsburg [2]		Brooklyn	
	#	Percent	#	Percent	#	Percent
Agriculture, Forestry, Fishing, & Hunting	0	0.00%	5	0.01%	146	0.02%
Mining, Quarrying, & Oil/Gas Extraction	0	0.00%	0	0.00%	10	0.00%
Utilities	0	0.00%	24	0.05%	4,687	0.56%
Construction	36	2.46%	1,955	4.24%	33,917	4.07%
Manufacturing	33	2.25%	1,146	2.48%	20,615	2.47%
Wholesale Trade	99	6.76%	1,054	2.28%	25,155	3.02%
Retail Trade	306	20.89%	3,586	7.77%	78,921	9.47%
Transportation & Warehousing	32	2.18%	524	1.14%	76,469	9.17%
Information	14	0.96%	1,507	3.26%	11,618	1.39%
Finance & Insurance	11	0.75%	603	1.31%	16,509	1.98%
Real Estate & Rental/Leasing	111	7.58%	1,741	3.77%	20,390	2.45%
Professional, Scientific, & Technical Services	35	2.39%	1,610	3.49%	24,753	2.97%
Management of Companies & Enterprises	0	0.00%	192	0.42%	2,722	0.33%
Admin. & Support, Waste Management & Remediation	85	5.80%	9,481	20.54%	33,465	4.01%
Educational Services	184	12.56%	5,079	11.00%	94,856	11.38%
Health Care & Social Assistance	380	25.94%	7,655	16.58%	245,123	29.41%
Arts, Entertainment, & Recreation	2	0.14%	816	1.77%	9,773	1.17%
Accommodation & Food Services	117	7.99%	5,791	12.54%	53,557	6.43%
Other Services (excluding Public Admin.)	20	1.37%	1,605	3.48%	30,231	3.63%
Public Admin.	0	0.00%	1,788	3.87%	50,640	6.08%
Total	***1,465***	***100.00%***	***46,162***	***100.00%***	***833,557***	***100.00%***

Notes:
[1] The boundary of the 0.25-Mile socioeconomic study area was modified to match the two census tracts (Brooklyn census tracts 545 and 547) that most closely define the 0.25-mile (i.e., are at least 50 percent within the 0.25-mile perimeter around the Project Site). The employment data does not include any Brooklyn Navy Yard workers.
[2] The Williamsburg neighborhood includes the census tract comprising the Williamsburg North Side-South Side Neighborhood Tabulation Area (NTA).
Source: Employment data obtained from the U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics.

Employment within greater Williamsburg[3] is more distributed amongst the many industry sectors and generally consistent with employment trends of the larger borough. The Administrative and Support, Waste Management and Remediation sector accounted for the largest share of total employment (approximately 20 percent), followed by Health Care and Social Assistance (approximately 17 percent) and Accommodation and Food Services (approximately 12 percent). Williamsburg includes more than 15 million square feet of commercial space of which nearly three million square feet consists of office space. Much of the office space is relatively new to the area and has increased as demand for workspaces has grown.

As shown in **Table 3-2**, private employment within the study area has increased slightly, by nearly four percent, between 2013 and 2018. The larger Williamsburg neighborhood experienced a more pronounced increase in employment during the same period, with the number of workers increasing by more than 35 percent. Most employment growth occurred in Educational Services, Administrative and Support, Waste Management and Remediation, Accommodation and Food

[3] Williamsburg neighborhood includes census tracts comprising the Williamsburg and North Side- South Side Neighborhood Tabulation Areas (NTAs).

Services, and Retail Trade sectors. This growth mirrors Williamsburg's considerable increase in residential population and housing stock over the last decade; according to 2006-2010 and 2014-2018 ACS data, its residential population has increased by nearly 17 percent and its housing stock by nearly 27 percent.

TABLE 3-2: Comparison of 2013 and 2018 Estimated Private Employment in 0.25-Mile Study Area and Williamsburg

	0.25- Mile Study Area [1]						Williamsburg [2]					
	2013		2018		Change 2013 to 2018		2013		2018		Change 2013 to 2018	
	#	%	#	%	#	%	#	%	#	%	#	%
Agriculture, Forestry, Fishing, & Hunting	0	0.00%	0	0.00%	0	0.00%	0	0.00%	5	0.01%	5	-
Mining, Quarrying, & Oil/Gas Extraction	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Utilities	0	0.00%	0	0.00%	0	0.00%	0	0.00%	24	0.05%	24	-
Construction	15	1.06%	36	2.46%	21	140.00%	1,208	3.69%	1,955	4.41%	747	61.84%
Manufacturing	21	1.49%	33	2.25%	12	57.14%	1,045	3.19%	1,146	2.58%	101	9.67%
Wholesale Trade	76	5.38%	99	6.76%	23	30.26%	1,182	3.61%	1,054	2.38%	-128	-10.83%
Retail Trade	225	15.93%	306	20.89%	81	36.00%	2,479	7.57%	3,586	8.08%	1,107	44.66%
Transportation & Warehousing	36	2.55%	32	2.18%	-4	-11.11%	408	1.25%	524	1.18%	116	28.43%
Information	18	1.27%	14	0.96%	-4	-22.22%	730	2.23%	1,507	3.40%	777	106.44%
Finance & Insurance	14	0.99%	11	0.75%	-3	-21.43%	817	2.49%	603	1.36%	-214	-26.19%
Real Estate & Rental/Leasing	52	3.68%	111	7.58%	59	113.46%	1,047	3.20%	1,741	3.92%	694	66.28%
Professional, Scientific, & Technical Services	79	5.59%	35	2.39%	-44	-55.70%	1,294	3.95%	1,610	3.63%	316	24.42%
Management of Companies & Enterprises	2	0.14%	0	0.00%	-2	-100.00%	326	1.00%	192	0.43%	-134	-41.10%
Admin. & Support, Waste Management & Remediation	13	0.92%	85	5.80%	72	553.85%	6,803	20.77%	9,481	21.37%	2,678	39.36%
Educational Services	54	3.82%	184	12.56%	130	240.74%	2,076	6.34%	5,079	11.45%	3,003	144.65%
Health Care & Social Assistance	694	49.15%	380	25.94%	-314	-45.24%	7,916	24.17%	7,655	17.25%	-261	-3.30%
Arts, Entertainment, & Recreation	4	0.28%	2	0.14%	-2	-50.00%	670	2.05%	816	1.84%	146	21.79%
Accommodation & Food Services	32	2.27%	117	7.99%	85	265.63%	3,272	9.99%	5,791	13.05%	2,519	76.99%
Other Services (excluding Public Admin.)	77	5.45%	20	1.37%	-57	-74.03%	1,478	4.51%	1,605	3.62%	127	8.59%
Total	1,412	100.00%	1,465	100.00%	53	3.75%	32,751	100.00%	***44,374***	100.00%	11,623	35.49%

Notes:
[1] The boundary of the 0.25-Mile socioeconomic study area was modified to match the two census tracts (Brooklyn Census tracts 545 and 547) that most closely define the 0.25-mile (i.e., are at least 50 percent within the 0.25-mile perimeter around the Development Site). The employment data does not include any Brooklyn Navy Yard workers.
[2] The Williamsburg neighborhood includes the census tract comprising the Williamsburg North Side-South Side NTA.
Source: Employment data obtained from the U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics.

Brooklyn Navy Yard

The Brooklyn Navy Yard is located adjacent to and south of the Project Site, and comprises the southwest and western portions of the study area. In its entirety, the Brooklyn Navy Yard includes approximately 300 acres (Block 2023, Lots 1, 50, and 150) and is an expansive industrial park on the Brooklyn waterfront that accommodates a mix of industrial, maritime, and commercial uses and supports a significant worker population.

The Brooklyn Navy Yard is bound by Navy Street to the west, Flushing Avenue to the south, Kent Avenue to the east, and the East River (Wallabout Bay) to the north. It includes over 80 buildings, including adaptively reused older structures and some new buildings, several dry docks, and four active piers. The buildings range in size from single-story to up to 15 stories. The Brooklyn Navy Yard is owned by the City of New York and managed by the Brooklyn Navy Yard Development Corporation (BNYDC), a mission-driven not-for-profit. The site is largely zoned M3-1 for heavy industry, as well as high performance M1-2 and M1-4.

The Brooklyn Navy Yard is recognized as a center of urban manufacturing, creativity and innovation, and is home to over 450 businesses that employ more than 11,000 workers, artists, and

artisans. It contains more than 5 million gross square feet of space, including 725,000-gsf office and retail and more than 4.8 million gsf of industrial/storage/warehouse/media, film, and TV production space. Businesses are diverse and include education/non-profit, creative office, contracting/construction, electronics, energy, fashion, fine art/photography, furniture, food, maritime, lab, media, manufacturing, office, municipal, printing/engraving, prototype/tech, set design, textile, warehousing/transportation, wholesale trade, and woodworking/metal fabrication. A significant share of employees at the Brooklyn Navy Yard are independent contractors, self-employed, or businesses that are headquartered elsewhere.

The Brooklyn Navy Yard offers firms flexible leases and spaces at affordable, often below-market rents. It is approximately 95 percent leased as of the first quarter of 2021. Many of the buildings accommodate multiple tenants. Since 2012, over one billion dollars has been invested in the Brooklyn Navy Yard, and it has undergone significant transformation over the last decade increasing the employment from 7,000 to up to 20,000, and adding more than two million square feet of building area.

In 2017, the BNYDC issued "BNY 2030," a $2.5-billion master plan to facilitate growth of the Brooklyn Navy Yard to support 30,000 jobs by 2030 and pioneering vertical manufacturing construction. In January 2018, the BNYDC completed an updated master plan to move forward on an estimated 5.1 million square feet to be added to the complex, with at least 75 percent dedicated to traditional and advanced manufacturers and the remaining space for complementary businesses in the creative, technology and innovation sectors. With an anticipated technology hub to be built, the estimated additional space at the Brooklyn Navy Yard would be able to accommodate approximately 13,000 additional workers.

Notable uses and businesses located in the Brooklyn Navy Yard that are within the 0.25-mile study area include Steiner Studios, and HITN Television. Steiner Studios occupies approximately 760,000 sf at 15 Washington Avenue and HITN Television occupies approximately 61,000 gsf of Building 292. At Pier 72, located just outside the study area, are the Brooklyn Navy Yard ferry landing and Dock 72, a 16-story, 675,000 sf office building. Completed in 2019, Dock 72 is one of the largest office buildings in Brooklyn and the first ground up commercial development in the Brooklyn Navy Yard. Current tenants of Dock 72 include WeWork (who is a co-developer of the building), Benevolent AI, and Titan Grey. Dock 72 offers innovative and collaborative workspaces, including indoor and outdoor spaces, with state of the art amenities, technology, and high ceilings.

As described in **Chapter 2, "Land Use, Zoning, and Public Policy,"** the Project Site and Brooklyn Navy Yard are part of the Brooklyn Navy Yard IBZ, which is bound generally by Kent Avenue, Franklin Street, Dobbin Street, Nassau Avenue, and North 9th Street. IBZs are high-performance industrial and manufacturing areas that provide competitive advantages over locating in areas outside of New York City. IBZs were established in 2006 to protect existing manufacturing districts, foster economic development and encourage industrial growth citywide. IBZs serve as a commitment by the City to land use and public policies that encourage the retention and growth of industrial and commercial uses and provide expanded business services for industrial and manufacturing businesses. Proposals to rezone industrial land to residential within IBZs are not supported by the City. The Brooklyn Navy Yard is unique as the IBZ is managed by a not-for-project corporation with the aim of providing a prosperous environment for industrial users and businesses.

Real Estate Trends

Generally, there has been a trend of redevelopment of vacant land and underutilized properties, most of which were formerly occupied by industrial and general service uses, with new, higher-density residential uses, particularly along the waterfront in the 0.25-mile study area. Most recent development in the study area has included multiunit apartment buildings with and without stores located near or along the waterfront. Since the 2010 Census, more than 1,200 dwelling units have been added to the study area north of Division Avenue according to NYC Department of City Planning's (DCP's) Housing Database Unit Change Summary Files.[4] Additionally, new largely residential development is anticipated in the near future in the study area.

The Williamsburg neighborhood of Brooklyn is characterized as a vibrant and trendy mixed-use area with an emerging office market. It has well-established residential and commercial markets. Since the mid-2000s, the neighborhood has seen significant residential development especially along the Manhattan-facing waterfront. The area has also experienced an influx of bars, restaurants, entertainment uses, boutique and luxury stores, and hotels attracting visitors and tourists. Given the area's proximity to the Brooklyn Navy Yard and growing residential population, Williamsburg has also emerged as a nexus of creativity, a design and production incubation hub attracting creative firms, including Amazon, Kith, Prose, and VICE, as well as startups and tech companies.[5] The location offers walk-to-work conditions that are transit accessible with a quick commute to Manhattan. The employee base for creative firms are largely residents of Williamsburg and greater Brooklyn.

Workspace options in Williamsburg are generally flexible, built to accommodate growing teams/firms that collaborate and innovate together. Most the office stock is new and offers a range of amenities including outdoor spaces and technology infrastructure with flexible floorplates. Approximately 68 percent of Williamsburg's office inventory is under construction or been constructed since 2014. According to Colliers Brooklyn Office Quarter 2 2021 report, the Williamsburg/ Greenpoint market has some of the highest average asking rental rates in the borough with an average asking rent of more than $61 per square foot whereas the greater borough had average asking rent of $48 per square foot.

Recent office additions to the Williamsburg submarket include The Dime at 275 South 5th Street (209 Havemeyer) and One South 1st Street (10 Grand Street), both of which are mixed-use commercial and residential buildings. A recent office conversion at 134 Broadway, located just south of the Williamsburg Bridge, is 100 percent leased with office asking rents between $60 and $70 per square foot. In addition, the mixed-use commercial and industrial development at 25 Kent Avenue added roughly a half million square feet, including more than 278,000 sf of office. 25 Kent Avenue is Williamsburg's first ground-up commercial office development in 50 years. These spaces rent at the higher end of the market between $63 to more than $71 per square foot.

Excluding the Brooklyn Navy Yard, the two largest industrial properties in the 0.25-mile study area, which are located directly north of the Project Site, will be undergoing redevelopment. The

[4] DCP Housing Database Unit Change Summary Files, as of 2020 Quarter 4 (02/2021)

[5] Steele, Jeffrey, "*Brooklyn's Williamsburg Emerges As Hot Spot for Creative Office Workers,"* Forbes (01/25/2021)

property owner at 1 Division Avenue, which is zoned R7-3 with a commercial overlay mapped along Division Avenue, has filed full demolition permits with the DOB to remove the existing three-story 70,665 sf factory at the site. In addition, new building plans have been filed with the DOB to develop residential and commercial uses at 480 and 490 Kent Avenue, both of which are also zoned R7-3 with commercial overlays along Division and Kent Avenues frontages. These properties lie within the planned 470 Kent Avenue development discussed below and in **Chapter 2, "Land Use, Zoning, and Public Policy."** The remaining industrial buildings in the 0.25-mile study area are small, and include 4,000 sf or less; they are mapped in C4 and R6 districts.

Future Without the Proposed Action

Williamsburg is expected to continue to remain attractive for commercial office, retail, and residential uses, reinforcing the area's mixed-use character. As mentioned above and in **Chapter 2, "Land Use, Zoning, and Public Policy,"** directly north of the Project Site is a former industrial site at 470 Kent Avenue that would be redeveloped with residential and commercial uses; the five-building, mixed-use development would be constructed in two phases. Phase 1 would be completed by the 2026 build year, and contain 431 DUs, of which 281 (30 percent) would be affordable, 8,900 gsf of local retail space, 178 parking spaces, and 0.75 acres of publicly accessible open space. In addition, there are two other smaller developments anticipated to be constructed within a 0.25-mile radius of the Project Site, including 491 Bedford Avenue and 75 South 8th Street; collectively, they would add 14 dwelling units and 7,474 sf of community facility space.

The BNYDC is anticipated to continue to support its mission of creating and preserving quality jobs. As noted above, the Brooklyn Navy Yard is currently undergoing its largest expansion project, which intends to redefine 21st century manufacturing and further develop a modern manufacturing campus. In accordance with its Master Plan, BNY 2030, the industrial park strives to increase its employment to 30,000 workers by 2030 and continue to become a leader in vertical manufacturing development through enhancing industrial operations at the site, while also integrating the Brooklyn Navy Yard into the fabric of the surrounding communities and enhancing its dynamic campus.

Irrespective of the Proposed Action, the Brooklyn Navy Yard is anticipated to add approximately 4.6 million square feet of industrial, commercial, and community facility uses, including approximately three million square feet of industrial use, 805,200 sf of commercial use, and 750,000 sf of community facility use by 2030. One of the largest remaining underutilized development sites in the Brooklyn Navy Yard comprises more than 500,000 sf and is located at its perimeter along Kent Avenue directly south of the Project Site. It is anticipated that this site would be improved with roughly 2.5 million square feet of development, including a mix of commercial and industrial uses. However, development of this site is not expected for several years and therefore would not occur by the Proposed Action's 2026 Build year.

Future With the Proposed Action

The Proposed Action would introduce a considerable amount of commercial space to the Project Site replacing vacant land. The proposed development would consist of a single office and retail commercial building comprised of: 598,442 gsf of office space, 21,233 gsf of retail, and 64,567

gsf of parking space. It would also add 1.14 acres (49,453 sf) of publicly accessible open space. None of the proposed uses would be new uses to the study area. It is expected that future office tenants of the development would be companies in the technology and creative media industries consistent with trends in the surrounding area. The proposed retail spaces would have small footprints and be occupied by local retail uses. As compared to the No-Action condition, the Proposed Action would result in an incremental increase of approximately 540,442 gsf of office space and 21,233 gsf of retail space plus 1.14 acres (49,453 sf) of public open space, as well as a net reduction of 181,401 gsf of warehouse space and approximately 45 parking spaces.

The proposed zoning changes and other associated actions would be limited to the Project Site and would not change the existing manufacturing zoning designation of the area. The Proposed Action would increase the allowable density and encourage economic development of a mix of commercial uses at the Project Site. These uses are expected to serve as a transition between the largely residential area comprising the study area to the east and north of the Project Site, and the primarily industrial area of the Brooklyn Navy Yard to the south and west of the site.

The proposed commercial development would add to and further diversify the commercial market in the study area and the Williamsburg office submarket. The Proposed Action is expected to complement ongoing commercial and industrial investment, as well as redevelopment at the Brooklyn Navy Yard, and would not be introducing new economic activities. The proposed commercial uses would be consistent with the existing economic trend toward increased commercial and office development within Williamsburg and create new opportunities for companies to locate in the neighborhood. Williamsburg already has well-established residential and commercial markets, and upward rent pressure is already present in the study area and is expected to continue into the future with the Proposed Action. Residential and commercial rents (retail and office) in Williamsburg are already influenced by the cachet of the market that is attractive to creative professionals. The neighborhood also offers plentiful amenities including outdoor spaces and vibrant culture, a creative local workforce, and new office inventory.

The proposed zoning changes are expected to facilitate the commercial redevelopment of the Project Site with a mix of office and retail uses, attracting additional businesses and encouraging job creation in Brooklyn Community District (CD) 2,[6] providing increased walk-to-work opportunities. Demand for office space in Williamsburg and the study area is supported by the City's rapidly growing and diversifying economy and increasing residential population. Consistent with citywide trends over the past three decades, many new residents are interested in working and living in older industrial neighborhoods that are pedestrian and transit oriented such as Williamsburg. These factors support a trend towards office development in the study area as well as in other areas of Brooklyn, including Downtown Brooklyn, DUMBO, other parts of Williamsburg, and the Brooklyn Navy Yard. This type of development helps to promote the City's *New York Works* plan to bring jobs closer to where New Yorkers live to reduce community times and minimize the strain on NYC's transit network.

[6] The Project Site is located in CD 2, though it is located along its northeastern border, with directly north and east in CD 1, as the boundary is formed by Division Avenue from the Wallabout Channel to Kent Avenue and Kent Avenue south of Division Avenue.

The Proposed Action would retain the site's manufacturing zoning, but would increase the allowable density of appropriate land uses and increase performance standards. The proposed zoning would provide additional capacity and flexibility for economic growth and investment in area, as well as support burgeoning industrial and commercial uses in an existing IBZ. The proposed commercial development would infill a vacant site at a density similar to other nearby developments, buffering residential uses from the Brooklyn Navy Yard and its mix of industrial uses. The proposed development would also be comparable to scale of development in the Brooklyn Navy Yard.

The Applicant believes that this project, by leveraging demand for office space in Brooklyn, would further the mission of the Brooklyn Navy Yard IBZ by strengthening the non-residential character of the IBZ with an active commercial use that is compatible with the mix of uses in present in the Navy Yard. The Proposed Project would create a new hub of business development that would also be complementary to the increased residential uses in the area, providing space for work (office) and shopping (retail) that could reduce travel times and distances for local residents. It would also add to the area's network of waterfront public open space and provide an important link in the long term goal of providing a continuous waterfront shore public walkway linking South Williamsburg and the Brooklyn Navy Yard.

In areas with increasing commercial development, industrial businesses can be potentially vulnerable to indirect displacement due to increased rent, as they tend not to benefit directly from the increased consumer dollars in the area and therefore are less able to afford rent increases due to rising property values. However, based on the land use assessment in **Chapter 2, "Land Use, Zoning and Public Policy,"** with the exception of the Brooklyn Navy Yard, industrial uses are very limited in the 0.25-mile study area. As noted previously, the two largest industrial uses in the study area that are located just north of the Project Site and outside of the Brooklyn Navy Yard, are being redeveloped irrespective of the Proposed Action. Further, upward rent pressure is already present in the study area and greater Williamsburg, and is expected to continue in the future without the Proposed Action.

The Brooklyn Navy Yard is subject to regulations and publicly adopted plans to preserve, enhance and protect its use. Industrial uses currently located within the Brooklyn Navy Yard are protected by the IBZ and the growth and development of industrial and manufacturing uses in the Brooklyn Navy Yard are related to the existence of the IBZ. IBZs are non-zoning designations that demonstrate a commitment by the City for land use and to public policy that encourage the retention and growth of industrial businesses, including financial incentives, designation of local ombudsmen, and a resolution not to support residential rezonings within their bounds. The purpose of IBZs is to promote clusters of active industrial and commercial uses by creating models for unique mixed-use districts that include industrial and commercial uses, and uphold current zoning that limits residential development, as well as provides support to industrial businesses. The Proposed Action would not directly or indirectly displace any businesses within the Brooklyn Navy Yard IBZ, but rather would increase and develop additional workspace opportunities. The proposed development would strengthen the economic base of the South Williamsburg neighborhood and contribute to the diverse mix of uses and employment in the neighborhood.

Assessment

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

The Proposed Action would not directly displace any existing businesses or uses of any type. The Project Site is currently vacant and does not support any active uses or business. Irrespective of the Proposed Action, the vacant Project Site would be developed. Therefore, the Proposed Action would not directly displace uses that provide direct support to businesses in the study area, or that bring to the area substantial numbers of people that form a customer base for local businesses.

Would the proposed action directly or indirectly displace residents, workers, or visitors, who form the customer base for local businesses?

The Proposed Action would not result in any direct business or residential displacement, nor are the Proposed Action expected to indirectly displace a substantial number of residents or workers who form a customer base for local businesses. The Proposed Action are also not expected to result in significant indirect business displacement that would negatively affect the customer base of any existing businesses in the study area. The Proposed Action would introduce new commercial office and retail uses to the Project Site that would increase the number of daytime workers and visitors and add to the customer base of existing businesses.

The proposed zoning changes are intended to increase the allowable density at the Project Site and provide additional flexibility for economic growth in the area. Through increasing the allowable density, the Proposed Action would help to create opportunities for additional workspaces for commercial and high performance light industrial uses in the proposed M1-5 zoning district. The proposed mix of commercial office and local retail would create much needed flexible workspaces in the South Williamsburg neighborhood of Brooklyn and allow for a wider range of commercial and light industrial uses.

The proposed zoning change would contribute to a diverse mix of commercial uses and employment in the area, encourage job creation in an area near transit, provide increased walk-to-work opportunities in Brooklyn CD 2, and strengthen the economic base of the City. The Proposed Action would align with the goals of the *New York Works* plan and promote job and business growth by facilitating office development in a transit accessible area near residential uses and regional employment centers.