Chapter 3: Socioeconomic Conditions

A. INTRODUCTION

This chapter assesses whether the Proposed Actions would result in significant adverse impacts to the socioeconomic character of the area within and surrounding the project site. As described in the 2010 *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 any of 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.

In accordance with *CEQR Technical Manual* guidelines, this socioeconomic analysis considers five specific elements that can result in significant adverse socioeconomic impacts: (1) direct displacement of residential population on a project site; (2) direct displacement of existing businesses or institutions on a project site; (3) indirect displacement of residential population in a study area; (4) indirect displacement of businesses or institutions in a study area; and (5) adverse effects on specific industries.

PRINCIPAL CONCLUSIONS

This analysis finds that the Proposed Actions would not result in any significant adverse impacts as measured by the five socioeconomic areas of concern prescribed in the *CEQR Technical Manual* (numbered above). The following summarizes the conclusions drawn from the analysis.

DIRECT RESIDENTIAL DISPLACEMENT

The Proposed Actions would not result in significant adverse direct residential displacement impacts; the potential for residential displacement would fall well below the 500-person *CEQR Technical Manual* assessment threshold. NYU's proposal for the Proposed Development Area includes the potential reprogramming of the ground floors and the basements of the North Block's Washington Square Village apartment buildings. The ground floors of the buildings collectively include 25 residential dwelling units (including 21 occupied NYU-affiliated units, 3 occupied rent stabilized units, and 1 vacant unit). While a specific program for the ground floors has not been formulated, any reprogramming could require permanent relocation of some or all of the ground floor residents of the buildings. If relocation is required, NYU would relocate ground floor residents to other dwelling units within the Washington Square Village buildings or into other nearby NYU properties.

DIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

A preliminary assessment found that the Proposed Actions would not result in significant adverse impacts due to direct business and institutional displacement. Direct retail displacement would be limited to eight storefronts located within the Proposed Development Area: the Morton Williams Associated Supermarket on the western side of the South Block; and seven storefronts within the LaGuardia Retail building on the North Block. Significant adverse impacts due to direct business displacement of retail uses are not expected for several reasons. First, the New York University (NYU) Mail Services and Copy Central would be relocated by NYU in the future with the Proposed Actions. Second, retail uses that would be displaced are common in the study area such that businesses and consumers would be able to find similar products and services elsewhere in the study area in the future with the Proposed Actions. Furthermore, although there would be some direct retail displacement, the Proposed Actions would introduce up to 94,000 square feet of new retail uses, including a new supermarket use in the proposed Zipper Building that is intended to be operational prior to the displacement of the existing Morton Williams Associated Supermarket. Overall, there would be a modest net increase in the amount of retail offerings and retail employment on the project site as a result of the Proposed Actions, and the retail that would be introduced is anticipated to be similar to the existing retail in the area (i.e., a supermarket and other neighborhood-oriented goods and services).

The Proposed Actions also have the potential to result in direct office and institutional displacement, but such displacement would be limited, and would not result in significant adverse socioeconomic impacts. During Phase 2 of the proposed project, the potential reprogramming of ground floor uses in the two Washington Square Village buildings could require the displacement of existing ground floor businesses and institutional uses in these buildings. Currently, there are seven NYU institutional tenants and five non-NYU business and institutional tenants in the ground floors of the Washington Square Village buildings. While a specific program for the Washington Square Village buildings has not been developed, it is possible that some or all of the existing users could be displaced. If displacement is required to accommodate a reprogramming of the ground floors, it is expected that NYU would relocate most of the NYU uses elsewhere in the buildings, or to other NYU property in the area. The private day care facility—the Creative Steps Playgroup—would also be relocated elsewhere within the Washington Square Village buildings or into another NYU property in the area if relocation were deemed necessary. Similarly, NYU would assist Community Board 2 with relocation of their office uses on the ground floor to another location within the Washington Square Village buildings or to comparable office space in the area. Businesses that could be displaced include three medical offices. While these businesses could be directly displaced, this would not constitute a significant adverse impact under CEQR since they do not represent a substantial amount of study area employment and since the services would continue to be available in the trade area to local residents and businesses.

Within the Commercial Overlay Area, all of the six ground floor uses at projected development sites are operated by NYU, and it is expected that many of the displaced uses would be accommodated within other existing or proposed NYU space.

INDIRECT RESIDENTIAL DISPLACEMENT

A preliminary assessment found that the Proposed Actions would not result in significant adverse impacts due to indirect residential displacement. According to the *CEQR Technical Manual*, a population increase of less than 5 percent of the total study area population would

generally not be expected to change real estate market conditions in a study area. In the future with the Proposed Actions, under the Maximum Dormitory Reasonable Worst-Case Development Scenario (RWCDS) as many as 1,750 student beds would be added to the study area as a result of the proposed residential development. Under this RWCDS, the study area population would increase by approximately 4.3 percent as compared to the population in the future without the Proposed Actions. Therefore, the Proposed Actions would not introduce a substantial new population that could substantially affect residential real estate market conditions in the study area. By creating housing opportunities for students and faculty who currently compete with residents in the study area for off-campus housing, the provision of new housing in the Proposed Development Area with the Proposed Actions could serve to reduce upward pressure on rents within the study area.

INDIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

A preliminary assessment found that the Proposed Actions would not result in significant adverse impacts due to indirect business and institutional displacement. The Proposed Actions would introduce substantial new development on NYU properties that are central to NYU's core campus. However, the new development would not introduce new economic activities, and would not substantially alter existing economic patterns in the study area. The study area already has prominent and well-established institutional, commercial and residential uses. In addition to NYU space, other university uses in the ¼-mile area include space used by Cooper Union for the Advancement of Science and Art and Hebrew Union College. While the Proposed Actions could introduce up to approximately 1,233 dormitory units, the study area already has a concentration of students living the area. Based on 2010 Census data, there are approximately 6,023 students living in college or university housing in the study area, representing 14.9 percent of the study area population. In the future with the Proposed Actions, the student resident population in college or university housing would increase to as many as 7,256 students, or up to 18.0 percent of the population. Thus, there would be a 3.1 percentage point increase in student residents in the future with the Proposed Actions.

The proposed and projected retail uses also would not represent a new activity within the study area as 20.0 percent of study area employment (or 10,366 employees) is currently in the retail trade sector. The ¼-mile study area also has hotels and several elementary schools; therefore, these would not be new uses to the study area. Therefore, the Proposed Actions would not introduce a new economic activity to the study area, nor would it change the concentration of a particular sector of the local economy sufficiently to alter or accelerate existing economic patterns.

ADVERSE EFFECTS ON SPECIFIC INDUSTRIES

A preliminary assessment found that the Proposed Actions would not have the potential to have a significant adverse impact on specific industries. The businesses that would be directly displaced from the LaGuardia Retail building and the business and institutional uses that could be displaced from the ground floors of the Washington Square Village buildings would collectively account for only a small fraction of the total employment and economic activities in the study area, and the neighborhood retail uses that would be displaced are not expected to be critical to the viability of any City industries.

B. METHODOLOGY

Under CEQR, the socioeconomic character of an area is defined by its population, housing, and economic activities. The assessment of socioeconomic conditions usually distinguishes between the socioeconomic conditions of an area's residents and businesses. However, proposed projects affect either or both of these segments in the same ways: they may directly displace residents or businesses, or they may alter one or more of the underlying forces that shape socioeconomic conditions in an area and thus may cause indirect displacement of residents or businesses.

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 project. Examples include proposed redevelopment of a currently occupied site for new uses or structures, or a proposed easement or right-of-way that would take a portion of a parcel and thus render it unfit for its current use. Since the occupants of a particular site are usually known, the disclosure of direct displacement focuses on specific businesses and employment, and an identifiable number of residents and workers.

Indirect or secondary displacement is defined as the involuntary displacement of residents, businesses, or employees in an area adjacent or close to a project site that results from changes in socioeconomic conditions created by a proposed project. Examples include rising rents in an area 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 directly or indirectly displace businesses, they may affect the operation of a major industry or commercial operation in the city. In these cases, CEQR review may assess the economic impacts of the project on the industry in question.

DETERMINING WHETHER A SOCIOECONOMIC ASSESSMENT IS APPROPRIATE

Under CEQR, a socioeconomic assessment should be conducted if a project may be reasonably expected to create substantial socioeconomic changes within the area affected by the project that would not be expected to occur without the project. According to the 2010 *CEQR Technical Manual*, the following circumstances would typically require a socioeconomic assessment:

- If the project would directly displace residential populations so that the socioeconomic profile of the neighbourhood would be substantially altered.
- If the project would directly displace more than 100 employees, or if it would directly displace a business or institution that is unusually important as follows:
  - Its products or services are uniquely dependent on its location;
  - 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; or
  - It serves a population uniquely dependent on its services in its present location.

  If any of these possibilities cannot be ruled out, an assessment should be undertaken.
- If the project would result in substantial new development that is markedly different from existing uses, development, or activities within the neighborhood. Such a project 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.

- The project would 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. Projects resulting in less than 200,000 square feet of regional-serving retail in the study area or less than 200,000 square feet of local-serving or regional-serving retail on a single development site would not typically result in socioeconomic impacts. Retail that is regional-serving draws primarily from a customer base located beyond the immediate neighborhood. For projects exceeding these thresholds, an assessment of the indirect business displacement due to market saturation is appropriate.
- Notwithstanding the above, if the project may affect conditions in the real estate market not only on the site anticipated to be developed, but in a larger area, and 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.
- If the project may adversely affect economic conditions in a specific industry.

If a project would exceed any of these initial thresholds, an assessment of socioeconomic conditions is generally appropriate. The Proposed Actions would result in the development of over 200 residential units (the Proposed Actions would add up to approximately 1,750 dormitory beds and up to 260 dwelling units for NYU faculty units), and over 200,000 square feet of commercial space, warranting a socioeconomic analysis of the potential for indirect residential and business displacement.

ANALYSIS FORMAT

Following *CEQR Technical Manual* guidelines, the socioeconomic analysis begins with a preliminary assessment. The purpose of the preliminary assessment is to learn enough about the effects of the proposed actions to either rule out the possibility of significant adverse impacts, or determine that a more detailed analysis is required to resolve the issue. A detailed analysis, when required, is framed in the context of existing conditions and evaluations of the future without the proposed project and the future with the proposed project by the project build year. In conjunction with the land use task, specific development projects that occur in the area in the future without the proposed project are identified, and the possible changes in socioeconomic conditions that would result, such as potential increases in population, changes in the income characteristics of the study area, new residential developments, possible changes in rents or sales prices of residential units, new commercial or industrial uses, or changes in employment or retail sales. Those conditions are then compared with the future with the proposed project to determine the potential for significant adverse impacts. For all five areas of socioeconomic concern—direct residential displacement, direct business displacement, indirect residential displacement, indirect business and institutional displacement, and adverse effects on specific industries—a preliminary assessment was sufficient to conclude that the Proposed Actions would not result in any significant adverse socioeconomic impacts.

STUDY AREA DELINEATION

Residential and business displacement impacts are considered to be significant if changes are large enough to adversely affect the character of the neighborhood. Therefore, this chapter's analysis compares the levels and types of economic activities that would be generated by the Proposed Actions to those of a broader study area to determine whether potential displacement could result in substantial changes to the overall socioeconomic conditions within the study area.

Following *CEQR Technical Manual* guidelines, the socioeconomic study area mirrors the land use study area and approximates the ¼-mile perimeter surrounding the project site. The socioeconomic study area includes all census tracts where at least 50 percent of the tract's residential units are within ¼-mile of the project site. The socioeconomic study area includes Census Tracts that most closely describe the ¼-mile perimeter around the project site: Census Tracts 42, 43, 49, 55.01, 55.02, 57, 59, 61, and 65 (see **Figure 3-1**).

DATA SOURCES

Information used in the socioeconomic analysis includes data from the U.S. Census Bureau's 2010 Census, 2000 Census, 2005-2009 American Community Survey, and the New York City Department of Finance's Real Property Assessment Data (RPAD) 2010 database. 2010 data on the number of employees are from ESRI, Inc. (a commercial data provider). Wage data are from U.S. Department of Labor's Bureau of Labor Statistics May 2009 Occupational Employment Statistics (OES) data. The following 2007-2009 American Community Survey data for Manhattan Community Districts 1 and 2 were used to estimate the population of No Build projects: average household size (1.84 people per household) and occupancy rate (85.5 percent). In addition, for this analysis field visits to the study area were made in May and June 2011.

C. PRELIMINARY ASSESSMENT

This section examines the five areas of socioeconomic concern in relation to the Proposed Actions. For all five issue areas—direct residential displacement; direct business and institutional displacement; indirect residential displacement; indirect business and institutional displacement; and adverse effects on specific industries—the preliminary assessment rules out the possibility that the Proposed Actions would have a significant adverse impact as defined in the *CEQR Technical Manual*.

DIRECT RESIDENTIAL DISPLACEMENT

The Proposed Actions would not result in significant adverse direct residential displacement impacts; the potential for residential displacement would fall well below the 500-person *CEQR Technical Manual* threshold for determining when an assessment is warranted. NYU's proposal for the Proposed Development Area includes the potential reprogramming of the ground floors and the basements of the North Block's Washington Square Village apartment buildings during Phase 2 (after 2021). The ground floors of the buildings collectively include 25 residential dwelling units (including 21 occupied NYU-affiliated units, 3 occupied rent stabilized units, and 1 vacant unit). While a specific program for the ground floors has not been formulated, any reprogramming could require permanent relocation of some or all of the ground floor residents of the buildings. If relocation is required, NYU would relocate ground floor residents to other dwelling units within the Washington Square Village buildings or into other nearby NYU properties.

10.14.11



Proposed Development Area Boundary

Commercial Overlay Area Boundary

Mercer Plaza Area

Quarter Mile Perimeter

Socioeconomic Conditions Study Area

Census Tract

NYU Core

Socioeconomic Conditions

Figure 3-1

DIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

The *CEQR Technical Manual* defines direct business and institutional displacement as the involuntary displacement of businesses or institutions from the site of (or a site directly affected by) a proposed action. While many of the potentially displaced businesses and institutional uses would be relocated from spaces redeveloped by the proposed project, some direct business and institutional displacement would occur as a result of the Proposed Actions, and the amount of employment associated with that displacement could slightly exceed the 100-employee *CEQR Technical Manual* threshold warranting a preliminary assessment. Therefore, a preliminary assessment of direct business displacement was conducted which looks at the employment and business value characteristics of the affected businesses to determine the significance of the potential impact. This preliminary assessment starts with a profile of the employment within a ¼-mile study area surrounding the project site.

STUDY AREA EMPLOYMENT

As of 2010, there were 51,932 employees in the study area (see **Table 3-1**). These employees represented approximately 2.4 percent of Manhattan's employment and 1.5 percent of total employment in New York City. The economic sectors with the highest employment in the study area (i.e., those that contribute substantially in an economic sense) were the Retail Trade sector (20.0 percent), followed by the Educational Services sector (15.9 percent) and the Professional, Scientific, and Technical Services sector (15.1 percent).

Table 3-1
Employees in 2010
Study Area, Manhattan, and New York City

Type of Job by NAICS Category	Study Area		Manhattan		New York City	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting	5	0.0%	326	0.0%	1,051	0.0%
Mining	0	0.0%	255	0.0%	329	0.0%
Utilities	0	0.0%	5,124	0.2%	8,394	0.2%
Construction	1,112	2.1%	28,325	1.3%	86,719	2.5%
Manufacturing	905	1.7%	78,671	3.6%	146,253	4.2%
Wholesale trade	680	1.3%	54,122	2.5%	118,766	3.4%
Retail trade	10,366	20.0%	200,933	9.1%	353,729	10.0%
Transportation and warehousing	369	0.7%	23,873	1.1%	88,067	2.5%
Information	4,999	9.6%	201,410	9.1%	229,203	6.5%
Finance and insurance	648	1.2%	375,694	17.0%	411,979	11.7%
Real estate and rental and leasing	2,436	4.7%	80,810	3.7%	130,118	3.7%
Professional, scientific, and technical services	7,852	15.1%	348,970	15.8%	399,869	11.4%
Management of companies and enterprises	2	0.0%	26,779	1.2%	27,385	0.8%
Administrative and support and waste management and remediation services	978	1.9%	84,937	3.9%	118,552	3.4%
Educational services	8,274	15.9%	82,970	3.8%	266,100	7.6%
Health care and social assistance	1,846	3.6%	187,260	8.5%	447,317	12.7%
Arts, entertainment, recreation	1,806	3.5%	64,474	2.9%	77,433	2.2%
Accommodation and food services	5,366	10.3%	159,300	7.2%	233,089	6.6%
Other services (except public administration)	3,817	7.3%	114,591	5.2%	212,209	6.0%
Public administration	32	0.1%	67,439	3.1%	141,846	4.0%
Unclassified Establishments	439	0.8%	18,199	0.8%	22,731	0.6%
Total	**51,932**	**100.0%**	**2,204,462**	**100.0%**	**3,521,139**	**100.0%**

Source: ESRI Business Analyst, Inc, Business Summary Report.

Profile of Existing Businesses in the Proposed Development Area

There are approximately 18 businesses located in the Proposed Development Area. These businesses include a grocery store (the Morton Williams Associated Supermarket), five occupied storefronts at the LaGuardia retail building, and 12 business and institutional uses located on the ground floor of the Washington Square Village apartment buildings. Collectively these businesses provide jobs for an estimated 183 people, making up 0.4 percent of study area employment (see **Table 3-2**).

Table 3-2
Proposed Development Area Employment by Business Type and Sector

	Employees	% of total	Establishments	% of total
Retail trade	53	29.0%	2	11.1%
Finance and insurance	13	7.1%	1	5.6%
Real estate and rental and leasing	9	4.9%	1	5.6%
Administrative and support and waste management and remediation services	14	7.7%	2	11.1%
Educational services	45	24.6%	4	22.2%
Health care and social assistance	19	10.4%	5	27.8%
Accommodation and food services	26	14.2%	2	11.1%
Other services (except public administration)	4	2.2%	1	5.6%
Total[1]	**183**	**100.0%**	**18**	**100.0%**

Notes: Eight of the 18 businesses are operated by NYU, with a total of 70 employees. Currently there is no employment associated with two vacant retail storefronts in the LaGuardia Retail building.
Sources: NYU; Manta.com; AKRF, Inc.

Institutional Uses at Projected Development Sites in the Commercial Overlay Area

The Reasonable-Worst Case Development Scenario for the Proposed Actions identifies six buildings within the Commercial Overlay Area that would accommodate ground-floor neighborhood retail uses in the future with the Proposed Actions. The existing ground-floor uses at these projected development sites are NYU-owned and operated, and currently include academic lounge space, NYU Computer Store, the Campus Security Office, vacant space that formerly contained the Summer Housing Office, and the NYU Credit Union. It is expected that many of the displaced uses would be accommodated within other existing and planned NYU space.

CEQR ASSESSMENT CRITERIA

As part of the CEQR preliminary assessment, the following threshold indicators (numbered in italics below) are considered to determine the potential for significant adverse impacts.

1. Would the businesses to be displaced provide products or services essential to the local economy that would no longer be available in its "trade area" to local residents or businesses due to the difficulty of either relocating the businesses or establishing new, comparable businesses?

The following addresses this question for each of the potentially displaced uses.

Phase 1: Morton Williams Associated Supermarket

In the future with the Proposed Actions, it is NYU's goal to provide a supermarket use in the proposed Zipper Building prior to demolition of the existing Morton Williams grocery store, and the sequencing of proposed construction activities on the South Block is planned to allow for

continuous provision of a supermarket use on the project site. However, due to the potential for variation in construction timing and sequencing, it is possible that the existing grocery store would be closed prior to the availability of the new supermarket space within the Zipper Building. Even with this potential interruption in supermarket services on the project site, there would be alternative food stores within or near the study area that would be available to local residents, including Gristedes grocery stores located at Mercer and West 3rd Street and at University Place and East Eighth Street, as well as numerous specialty food stores and bodegas. Furthermore, the period of time during which this potential "gap" in the provision of a supermarket on the project site would be shorter than is expected in the future without the Proposed Actions. At some time after 2021 in the future without the Proposed Actions, the existing Morton Williams supermarket building would be demolished, and a replacement supermarket would not open until the new building on the same site is completed. Given the availability of other grocery stores in the immediate area, the potential interruption in the provision of a supermarket use on the South Block would not be a significant adverse socioeconomic impact.

Phase 1: Projected Development Sites in the Commercial Overlay Area

There are five lots containing six buildings within the Commercial Overlay Area that contain ground-floor commercial and institutional uses that would be replaced by new ground-floor, community-serving retail uses in the future with the Proposed Actions. The existing ground-floor uses at these projected development sites are NYU-owned and operated, and therefore their displacement would be voluntary. In addition, the uses and employment associated with those uses are limited, and some of the uses would be relocated to other NYU-owned or operated spaces.

Phase 2: LaGuardia Retail Building

The LaGuardia Retail building contains seven storefronts currently occupied by a bank, a wine store, two restaurants, and the NYU Mail Services and Copy Central; two storefronts are vacant. In the future with the Proposed Actions, after 2021 the LaGuardia Retail building would be demolished, and the retail uses occupying the seven storefronts and their employees would be directly displaced from the project site.[1] This displacement would not constitute a significant adverse socioeconomic impact because the employment loss would not be substantial (based on a typical neighborhood retail employment density of 3 employees per 1,000 square feet of retail space, the approximately 31,000-square-foot LaGuardia Retail building could employ an estimated 93 workers assuming full occupancy); and because the displaced uses are not expected to be unusually important to the community, or serve a population uniquely dependent on services at that location. In addition, neighborhood retail uses are common within the study area, and businesses and consumers would be able to find similar products and services elsewhere in the study area in the future with the Proposed Actions.

Phase 2: Washington Square Village

The potential reprogramming of the ground floors of the Washington Square Village apartment buildings could require the relocation of up to seven NYU institutional (office) uses and five non-NYU business and institutional uses. Ground-floor space in the Washington Square Village

[1] It is expected that the NYU Mail Services and Copy Central business would be relocated by NYU in the future with the Proposed Actions.

apartment buildings is used by the following seven NYU tenants: NYU Office for International Students and Scholars; NYU Africa House and Development Research Institute; a blood bank; Residential Life office; Graduate Life office; the building management for Washington Square Village; and cleaning services for Washington Square Village. In the future with the Proposed Actions, if reprogramming of the ground floors requires the displacement of existing users, it is expected that NYU would relocate most of these NYU uses elsewhere in the buildings, or to other NYU property in the area.

Non-NYU business and institutional uses on the ground floors of the Washington Square Village apartment buildings include: a private day care facility (the Creative Steps Playgroup); three medical offices (including two dentists and one psychologist); and the Community Board 2 office. In the future with the Proposed Actions the Creative Steps Playgroup—a private day care facility for children between the ages of two and four—would be relocated elsewhere within the Washington Square Village buildings or into another NYU property in the area if relocation was determined to be necessary. Similarly, NYU would assist Community Board 2 with relocation of their office uses on the ground floor to another location within the Washington Square Village buildings or to comparable office space in the area. Three medical offices (which collectively employee an estimated 13 persons) could also be displaced with the proposed reprogramming; however, these services would continue to be available in the trade area to local residents or businesses. Therefore, the services that would be displaced would continue to be available to study area residents and businesses.

Within the Commercial Overlay Area, all of the six ground floor uses at projected development sites are operated by NYU, and it is expected that many of the displaced uses would be accommodated within other existing or proposed NYU space.

2. Is the category of businesses or institutions that may be directly displaced the subject of other regulations or publicly adopted plans to preserve, enhance, or otherwise protect it?

The potentially displaced businesses and institutions are not the subject of current public policy seeking to preserve and protect the businesses or institutional categories. To the contrary, as stated in Chapter 2, "Land Use, Zoning, and Public Policy," the Proposed Actions would be consistent with public policies that are applicable to the study area. For example, the Proposed Actions would support the goals of the New York State Smart Growth Public Infrastructure Policy Act by facilitating mixed-use development in a centrally-located dense urban setting that is energy efficient, utilizes low-carbon power sources, and is highly supportive of transit and non-motorized commuting, which are stated goals in the New York State Smart Growth Public Infrastructure Policy Act.

CONCLUSION

Given that the uses that could be directly displaced by the Proposed Actions are not critical to the socioeconomic character of the study area, the Proposed Actions would not result in significant adverse direct business displacement impacts, and no further analysis is warranted.

INDIRECT RESIDENTIAL DISPLACEMENT

In most cases, indirect residential displacement is caused by increased property values generated by a project, which then results in higher rents in an area, making it difficult for some existing residents to continue to afford their homes. This preliminary assessment follows the step-by-step analysis described in Section 322.1 of the *CEQR Technical Manual.*

Step 1: Determine if the proposed project would add new population with higher average incomes compared to the average incomes of the existing populations and any new population expected to reside in the study area without the project.

In the future with the Proposed Actions, under the Illustrative Program[1] approximately 105,000 square feet of faculty housing and 370,000 square feet of student housing would be added, increasing the population by 215 people in faculty housing and 1,233 students in the added dorm space. Based on 2010 Census data, there are approximately 6,023 students living in college or university student housing in the study area, representing 14.9 percent of the study area population. In the future with the Proposed Actions, the student resident population living in college or university student housing could increase to as many as 7,256 students, making up 18.0 percent of the population. Thus, there would be a maximum 3.1 percentage point increase in student residents in the future with the Proposed Actions. The added student population would be similar to the existing student population in the study area; the students would have similar income levels and consumer expenditure habits as the existing residential population such that their presence in the neighborhood would alter market conditions.

According to 2005-2009 ACS data, the median household income for the study area was $101,756 (see **Table 3-3**). This was significantly higher than the median household income in Manhattan ($69,299) and New York City ($52,036). Based on OES data for the New York-Northern New Jersey-Long Island, NY-NJ-PA Metropolitan Statistical Area, selected post secondary occupations had a weighted average annual wage of $98,318 per year. Since more than one wage earner may live in each faculty housing unit, it is possible that household incomes of the faculty housing units would be higher than the median household income of the existing population in the study area. Therefore, since it is possible that a portion of the population that would be introduced by the Proposed Actions would have an average income greater than the average of the study area, Step 2 of the preliminary assessment is required.

Table 3-3
Median Household Income (1999, 2004-2009)

	1999	2004-2009	% Change
Study Area[1]	$96,382	$101,756	5.6%
Manhattan	$65,262	$69,299	6.2%
New York City	$53,138	$52,036	-2.1%

Notes: [1] Median household income for the study area was estimated based on a weighted average of median household incomes for the Census Tracts in the study area.
[2] The ACS collects data throughout the period on an on-going, monthly basis and asks for a respondent's income over the "past 12 months." The 2005-2009 ACS data reflects incomes over 2004 and 2009. Census 2000, however, reflects income data over the prior calendar year (1999). The median household income is presented in 2011 dollars using an average of the U.S. Department of Labor's March 2011 Consumer Price Indexes for the "New York-Northern New Jersey-Long Island Area."
Sources: U.S. Census Bureau, 2000 Census, Summary File 3; 2005-2009 American Community Survey; AKRF, Inc.

[1] The Illustrative Program is considered a Reasonable Worst-Case Development Scenario for this Step 1 determination because it includes all potential population types (i.e., NYU students and faculty) that could be introduced by the Proposed Actions. Moreover, for purposes of the socioeconomic conditions analysis, the distinction between the development scenarios is not substantial and would not affect the conclusions of the analysis.

Step 2: Determine if the project's increase in population is large enough relative to the size of the population expected to reside in the study area without the project to affect real estate market conditions in the study area.

According to the *CEQR Technical Manual*, a population increase of less than 5 percent of the total study area population would generally not be expected to change real estate market conditions. According to the 2010 Census, the study area contained 40,426 residents, a 0.3 percent decline from the population in 2000 (see **Table 3-4**). In comparison, the population of Manhattan increased by 3.2 percent and the population in New York City increased by 2.1 percent during the same time period.

Table 3-4
Population (2000, 2010)

	2000	2010	% Change
Study Area	40,559	40,426	-0.3%
Manhattan	1,537,195	1,585,873	3.2%
New York City	8,008,278	8,175,133	2.1%

Sources: U.S. Census Bureau, 2000 Census, Summary File 3; 2010 Census; AKRF, Inc.

Based on the list of planned projects that are anticipated in the future without the Proposed Actions (presented in **Table 2-2** of Chapter 2, "Land Use, Zoning, and Public Policy") approximately 245 residential units will be built in the ¼-mile study area in the study area by 2031. Assuming the average household size (1.84 people per household) and occupancy rate (85.5 percent) of Manhattan Community Districts 1 and 2, these No Build projects would add 385 people to the study area, for a total study area population of 40,811 residents (see **Table 3-5**).

Table 3-5
Estimated Population in the Future with the Proposed Actions

	2010 Population	Future without the Proposed Actions[1]	Future with the Proposed Actions[2]	% Change
Study Area	40,426	40,811	42,561	4.3%

Notes: [1]Based on the No Build list that is presented in Table 2-2, there will be approximately 245 residential units built in the ¼-mile study area in the future without the proposed actions. Based on Community District 1 and 2's average household size from the 2007-2009 ACS (1.84 people per household) and the occupancy rate (85.5 percent), 385 people will be added in the future without the proposed actions.

[1]Based on Maximum Dormitory Scenario, 525,000 square feet of dorm space would be added in the future with the Proposed Actions. Assuming 300 gsf per dorm bed/resident, approximately 1,750 dorm beds/residents would be added in the future with the proposed actions.

Sources: Census 2010, New York City Department of City Planning, AKRF, Inc.

In the future with the Proposed Actions, under the Maximum Dormitory Reasonable Worst-Case Development Scenario[1] approximately 525,000 square feet of student residential space (or approximately 1,750 student beds) would be added, increasing the study area population by 4.3 percent to 42,561 residents (see **Table 3-5)**. Since this increase is lower than 5 percent, the

[1] The Maximum Dormitory Scenario is considered the Reasonable Worst-Case Development Scenario for this step 2 determination because it maximizes the total number of residents that could be introduced by the Proposed Actions.

proposed project is not expected to substantially change the demographic composition of the study area, nor it is expected to substantially alter residential real estate market conditions. By creating housing opportunities for students and faculty who currently compete with residents in the study area for off-campus housing, the provision of new housing in the Proposed Development Area with the Proposed Actions could serve to reduce upward pressure on rents within the study area.

Conclusion

Based on the preliminary assessment presented above, the Proposed Actions would not result in significant adverse impacts due to indirect residential displacement, and a detailed analysis is not warranted.

INDIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

The preliminary assessment of indirect business and institutional displacement focuses on whether the Proposed Actions could increase commercial property values and rents within the study area so that it would become difficult for some categories of businesses to remain in the area. The four questions below address the potential for significant adverse indirect business and institutional displacement impacts.

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

The existing ¼-mile study area includes a mix of institutional, commercial, and residential uses. NYU buildings are common in this area; there are approximately 11.4 million square feet of NYU space in Washington Square Proper (see Chapter 1, "Project Description," **Figure 1-9**). In addition to NYU space, other university uses in the ¼-mile area include space used by Cooper Union for the Advancement of Science and Art and Hebrew Union College. Commercial uses are also common throughout the ¼-mile area, particularly on University Place, a north-south commercial corridor with a variety of commercial uses such as grocery stores, community retail stores, and restaurants and cafes (often with residential uses above), as well as along East Eighth Street, along Broadway, and the area south of Houston Street, which is a major retail destination with flagship stores of boutiques and national clothing chain stores. Residential uses are also found throughout the study area. According to RPAD, there are approximately 27,066 residential units in the ¼-mile area.

As discussed in Chapter 2, "Land Use, Zoning, and Public Policy," the proposed additional residential, commercial, and academic uses would be consistent with the existing mix of uses in the study area. While some of the proposed buildings would be substantial additions to the study area, they would not represent new uses that would substantially alter existing economic patterns. Academic uses are already common in the study area. As shown in **Table 3-1**, of the 51,932 employees in the study area, 8,274 employees (or 15.9 percent) were employed in the educational services sector. The study area had a higher share of employment in this sector compared to Manhattan (3.8 percent) and New York City (7.6 percent). Populations affiliated with these academic uses already influence market conditions in the study area, and the student and faculty populations that would live at and visit the project site would be present in the study area irrespective of the Proposed Actions, given the project site's close proximity to NYU's Washington Square core.

The Proposed Actions include up to 94,000 square feet of new retail uses in the Proposed Development Area (a net increase of up to 35,098 square feet when accounting for the

displacement of existing retail uses). Up to 60,000 square feet of new retail would be located within the proposed Zipper Building, and these retail uses are expected to include a supermarket and other neighborhood-oriented goods and services. There would be up to 34,000 square feet of new retail located on the North Block—approximately the same amount as would be displaced from the existing LaGuardia Retail building. There would be up to 12,344 square feet of retail uses in each of the ground floors of the proposed Mercer and LaGuardia Buildings, and a total of up to 9,312 square feet of new retail in the ground floors of the Washington Square Village 1 & 4.

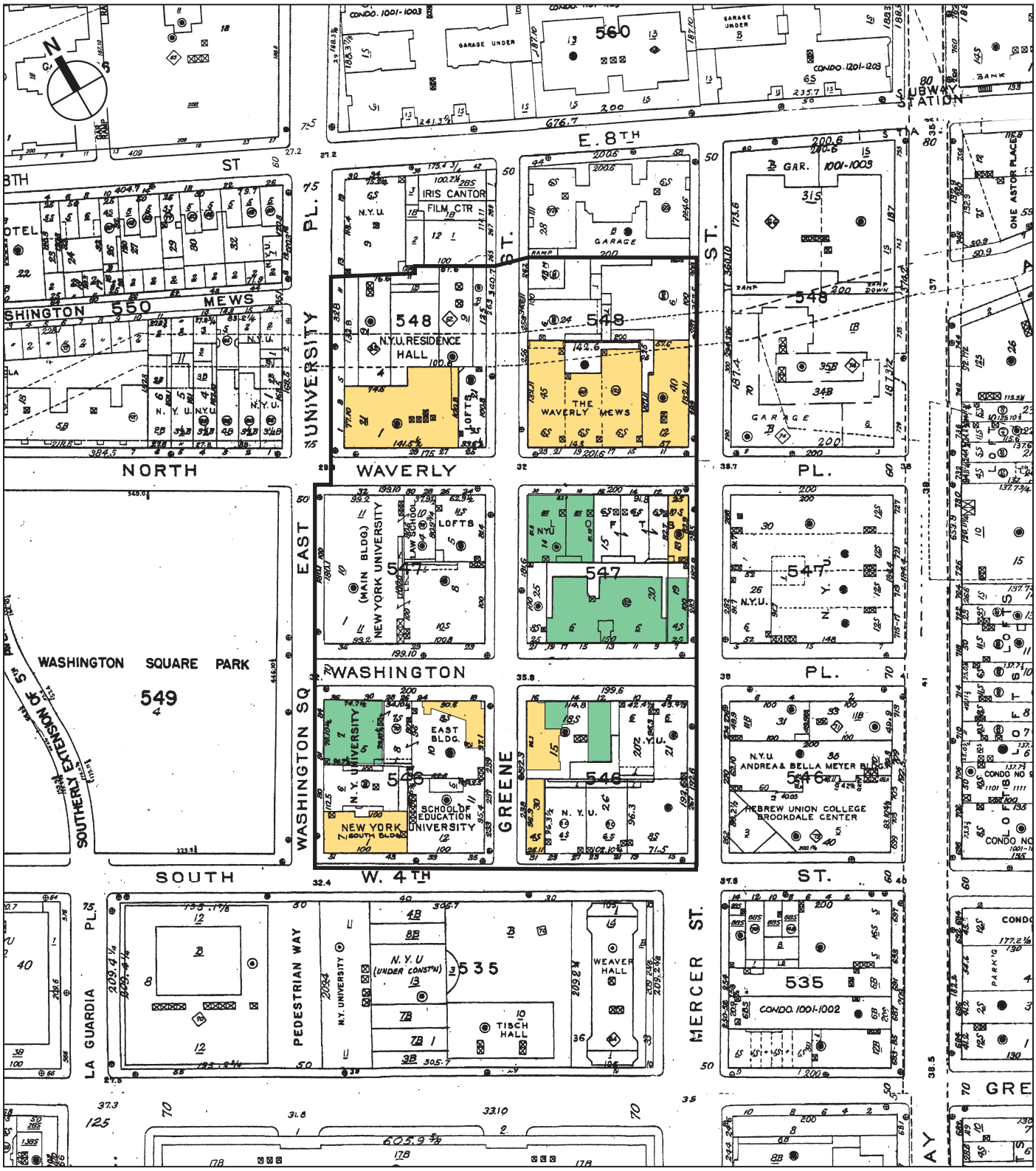
In addition to the retail uses within the Proposed Development Area, the Proposed Actions are projected to result in the addition of up to 23,236 square feet of ground-floor retail uses in the Commercial Overlay Area. As shown in **Figure 3-2**, the projected retail uses within the Commercial Overlay Area would be located along Waverly Place and Washington Place, with one retail store having frontages on both Washington Place and Washington Square East. While the specific types of retail stores that would result from the Proposed Actions are unknown, they are expected to be neighborhood-oriented retail uses such as specialty food stores, restaurants, and convenience goods stores that would serve the day-to-day needs of the study area population.

The proposed and projected retail uses would not represent a new economic activity within the study area. Retail is currently present within the Proposed Development Area and in the Commercial Overlay Area, and is common throughout the study area. As shown in **Table 3-1**, 20.0 percent of study area employment is in the retail trade sector. This share of employment is significantly higher than the share of retail employees in Manhattan (9.1 percent) and New York City (10.0 percent).

The Proposed Actions would also add up to 180,000 square feet of hotel space as part of the Zipper Building within the Proposed Development Area. While the proposed hotel would be a new use in the Proposed Development Area, there are several hotels located within the ¼-mile study area, including Washington Square Hotel at 103 Waverly Place, The Mercer at 147 Mercer Street, Lafayette House at 38 East 4th Street, and the Cooper Square Hotel at 25 Cooper Square. The ¼-mile study area also has several elementary schools; therefore, the proposed public school would not be a new use to the area. Finally, the Proposed Actions would introduce 76,000 square feet of replacement accessory parking, but there would be a net reduction in parking on the project site as a result of the Proposed Actions, and this replacement parking would not represent a new use to the study area. Therefore, the Proposed Actions would not introduce a new economic activity to the study area.

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

The Proposed Actions would add up to 1.64 million square feet of academic space, a 146,000-square foot replacement athletic center, and up to 85,000 square feet of academic/conference space. The study area is largely defined by its institutional uses, and business activity already is influenced by institutional uses and its user populations. As stated in Chapter 1, "Project Description," the academic space would allow for continued incremental growth on NYU's property, thereby minimizing impacts to the character of the neighboring communities. The new athletic center would replace the outdated sports facility that the University built 30 years ago. The Proposed Actions would meet NYU's need for additional facilities. It is not expected that the increase in academic and university facility space would alter existing economic patterns in the study area.



Ground Floor Retail in the Commercial Overlay Area

Figure 3-2

The Proposed Actions would not alter or accelerate existing patterns in the retail sector. Based on RPAD data, the study area has 4.67 million square feet of retail. In the future without the Proposed Actions, approximately 76,200 square feet of retail will be added in the study area for a total 4.75 million square feet of retail by 2031. By 2031, the Proposed Actions would introduce up to 94,000 square feet of retail in the Proposed Development Area and approximately 23,236 square feet of retail in the Commercial Overlay Area, resulting in a 2.5 percent increase in retail in the study area as compared to the future without the Proposed Actions.

In the Commercial Overlay Area, currently there is an estimated 70,025 square feet of ground floor retail uses. In the future with the Proposed Actions, up to 23,236 square feet of retail would be added to the Commercial Overlay Area, for a total 93,261 square feet of retail (or a 33.2 percent increase in the Commercial Overlay Area compared with the future without the Proposed Actions). This amount of development would not be enough to alter or accelerate existing economic trends. Similar to existing retail uses in the Commercial Overlay Area, the retail space that would be introduced by the Proposed Actions would be oriented to meeting the demands of the neighborhood's existing and future residents, workers, and visitors, and would not attract substantial numbers of people to the area. Other more prominent retail concentrations in the study area—such as those along and south of Houston Street, along Broadway, along University Place and along East Eighth Street—would continue to serve as primary retail destinations.

The Proposed Actions would also add community facility space, parking, and mechanical/service areas. The addition of these uses would not alter existing economic patterns.

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

As discussed above, the Proposed Actions would directly displace neighborhood retail storefronts within the LaGuardia Retail building, which is currently occupied by a bank, a wine store, two restaurants, and NYU Mail Services and Copy Central (two storefronts are vacant). In addition, the reprogramming of the ground floors of the Washington Square Village apartment buildings could result in the displacement of up to 12 business and institutional uses, although many of those uses are expected to relocate within the study area. None of the potentially displaced businesses provide substantial direct support to other businesses in the study area, nor do they bring substantial numbers of people to the area that form a customer base for local businesses. The goods and services offered by potentially displaced uses can be found elsewhere within the study area, and the proposed project would introduce similar uses. Furthermore, neighborhood retail uses, medical offices, and the Community Board office are primarily used by local residents and/or workers, and do not attract substantial numbers of people to the area that form a customer base for local businesses. Therefore, the displacement of these retail businesses would not have an adverse effect on the remaining businesses or consumers in the study area.

4. Would the proposed project directly or indirectly displace residents, workers, or visitors who form the customer base of existing businesses in the study area?

As discussed above, the Proposed Actions would not result in significant adverse impacts due to direct or indirect residential and business displacement. Residents of occupied units in the ground floors of the Washington Square Village apartment buildings, if they were displaced by reprogramming, would be relocated within the buildings or within other NYU property nearby, and therefore would still be a part of the consumer base of businesses in the study area.

Although the employees of the potentially directly displaced businesses and institutions may form a portion of the customer base of neighborhood service establishments (food and drink establishments, retail, etc), the Proposed Actions would introduce up to 1,750 residents and up to approximately 3,511 workers to the study area. The influx of residents and employees to the study area would add to the customer base of existing study area businesses.

CONCLUSION

Based on the preliminary assessment above, the Proposed Actions would not result in significant adverse impacts due to indirect business displacement, and a detailed analysis is not warranted.

ADVERSE EFFECTS ON SPECIFIC INDUSTRIES

According to the *CEQR Technical Manual*, a significant adverse impact may occur if an action would measurably diminish the viability of a specific industry that has substantial economic value to the city's economy. An example as cited in the *CEQR Technical Manual* would be new regulations that prohibit or restrict the use of certain processes that are critical to certain industries. A preliminary assessment of the adverse effects on specific industries, using the *CEQR Technical Manual* threshold indicators (numbered in italics below), is provided to determine the potential for significant adverse impacts.

1. Would the proposed project significantly affect business conditions in any industry or any category of business within or outside the study area?

The Proposed Actions would not significantly affect business conditions in any industry or any category of business within or outside the study area. As described in "Direct Business and Institutional Displacement" above, the Proposed Actions would directly displace the LaGuardia Retail building, which is currently occupied by a bank, a wine store, two restaurants, and NYU Mail Services and Copy Central. In addition, the proposed reprogramming of the ground floors of the Washington Square Village apartment buildings could directly displace four office tenants. The products and services offered by the businesses that would be displaced are not expected to be essential to the viability of other businesses within or outside of the study area. Therefore, there would not be an adverse effect on any specific industry within or outside of the study area.

2. Would the proposed project indirectly substantially reduce employment or impair the economic viability in the industry or category of businesses?

As described above, the Proposed Actions would not result in significant indirect business and institutional displacement. The directly displaced employment—up to an estimated 110 workers—would account for approximately 0.2 percent of employment in the study area. Therefore, the Proposed Actions would not substantially reduce employment in any industry or category of business.

CONCLUSION

Based on the preliminary assessment discussed above, the Proposed Actions would not have the potential to have a significant adverse impact on specific industries within the study area. The businesses that could be displaced account for only a small fraction of the total employment in the study area. Therefore, there would be no significant impact on specific industries. ✷