3.0 Socioeconomic Conditions

A. Introduction

This chapter describes the socioeconomic changes that would result from the Proposed Actions and assesses whether such changes would result in significant adverse impacts. As described in the 2021 *City Environmental Quality Review (CEQR) Technical Manual*, the socioeconomic character of an area includes its population, housing, and economic activity. These socioeconomic impacts may occur when a project directly or indirectly changes any of these elements.

The Proposed Actions associated with the Midtown South Mixed-Use Plan are intended to nurture a more vibrant, mixed-use neighborhood, create opportunities for new housing through both ground-up development and conversions, support critical commercial activity and job growth, stabilize the commercial real estate market in the wake of the COVID-19 pandemic and shifting work patterns, and reflect the historic architectural legacy of the neighborhood.

The objective of the CEQR analysis is to disclose whether any of the changes resulting from the future with the Proposed Actions (With-Action condition) would have the potential for significant adverse socioeconomic impacts when compared with what could happen in the future without the Proposed Actions (No-Action condition). Even if socioeconomic changes would not result in significant impacts, this analysis will assess whether the Proposed Actions 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 *CEQR Technical Manual* recommends the examination of five ways in which a project could alter socioeconomic conditions: (1) direct residential displacement; (2) direct business displacement; (3) indirect residential displacement; (4) indirect business displacement; and (5) adverse effects on specific industries.

As detailed in Chapter 1, "Project Description," the Proposed Actions would affect an approximately 127-acre area (the Affected Area), consisting of all or parts of 42 blocks of the Midtown South neighborhood. The Affected Area consists of four noncontiguous manufacturing-zoned areas and the C6-4M Special Garment Center Subdistrict A-2. The Proposed Actions aim to expand housing opportunities, promote economic growth, establish appropriate floor area ratios (FAR) and bulk regulations, and promote adaptive reuse.

Based on the locations of the projected development sites, the Proposed Actions would potentially directly displace approximately 54 dwelling units (DU) and 779 private sector businesses across 16 industry sectors, with an estimated 5,304[1] employees. In addition to direct displacement, the Proposed Actions have the potential to result in indirect changes to the socioeconomic character of the area. Thus, a further assessment of socioeconomic conditions is warranted. Finally, given

[1] This chapter uses a more refined assumption of the estimated number of directly displaced workers based on more up-to-date data and use information within the projected conversion area, resulting in a slightly different number (5,304) of displaced workers than other analysis categories.

that the Proposed Actions would directly and may indirectly displace businesses, an assessment of potential adverse effects on specific industries is warranted.

B. Principal Conclusions

Direct Residential Displacement

The preliminary assessment found that the Proposed Actions would not result in significant adverse impacts due to direct residential displacement. The Proposed Actions would potentially directly displace residents living in 54 dwelling units (DU). Assuming the average household size for DU in the Affected Area is 1.68, this would represent a direct displacement of approximately 91 residents.[2] The 54 DU that would be potentially displaced are located on Projected Development Sites 2, 6, 16, 25, 26, 29, 39, 41, 49, 53, 54, 56, 58, and 62.[3] According to the *CEQR Technical Manual*, direct displacement of fewer than 500 residents would not typically be expected to substantially alter the socioeconomic character of a neighborhood. These potentially displaced residents represent 0.05 percent of the estimated 167,139 residents[4] within the 0.5-mile Study Area surrounding the Affected Area.[5] Therefore, the direct displacement of 54 DU and 91 residents would not substantially alter the socioeconomic character of the neighborhood.

Direct Business Displacement

The preliminary assessment found that the Proposed Actions would not result in significant adverse impacts due to direct business displacement. Under the reasonable worst case development scenario (RWCDS), projected development generated by the Proposed Actions by the 2034 Analysis Year would potentially directly displace an estimated 779 private sector businesses and 5,304 jobs associated with those businesses.[6] This includes an estimated 438 private sector businesses and 2,912 jobs on projected development sites, and an estimated 341 private sector businesses and 2,392 jobs in the conversion area. The 779 potentially displaced businesses are across 16 different sectors, as summarized in **Table 3-1**.

[2] The 1.68 average household size was provided by DCP and is based on 2020 Census data for the two Public Use Microdata Area (PUMAs) that cover Manhattan Community Districts 4 and 5.

[3] According to the reasonable worst case development scenario (RWCDS).

[4] According to the 2020 Census via DCP Population FactFinder.

[5] The 0.5-mile Study Area, and its relationship to the Affected Area, is further described in "Methodology."

[6] Business counts for the projected development sites were estimated from BJH consultants' field surveys conducted in September 2024, which were further verified with desktop research on Google Maps and Mergent Intellect. Employment counts were then estimated using standard industry employment density ratios commonly used for *CEQR* analysis. Potentially displaced workers as a result of conversions were estimated by applying employment factors to QCEW employment data on all potential conversion square footage to determine the approximate total gsf for each sector within the Affected Area and then applying the percentage of each sector's total gsf within the Study Area to the total gsf modeled for residential conversion to determine the gsf of each sector that could be displaced. Employment factors were then applied to each sector to determine the number of workers potentially displaced in each sector. The number of displaced businesses for each sector was then estimated using the average gsf of businesses in each sector, which was calculated using gsf estimates from BJH field observations on projected development sites.

Table 3-1: Potentially Displaced Businesses in Descending Order by Sector

	Potentially Displaced Businesses		
Sector	**Located on Projected Development Sites**	**Located on Projected Conversion Area**	**Total**
Wholesale Trade	57	57	114
Professional, Scientific, and Technical Services	58	47	105
Health Care and Social Assistance	45	48	93
Other Services (except Public Administration)	59	19	78
Retail Trade	53	15	68
Accommodation and Food Services	53	9	62
Administrative and Support and Waste Management and Remediation Services	6	49	55
Manufacturing	22	28	50
Arts, Entertainment, and Recreation	25	6	31
Construction	12	15	27
Information	7	20	27
Real Estate and Rental and Leasing	14	6	20
Educational Services	9	7	16
Finance and Insurance	10	5	15
Transportation and Warehousing	7	4	11
Management of Companies and Enterprises	1	6	7
Total, private sector	**438**	**341**	**779**

Sources: DCP analysis of NYS DOL Quarterly Census of Employment and Wages (QCEW); BJH consultants' analysis, MSMX ~~DEIS~~FEIS.
Notes: Business counts for the projected development sites were estimated from BJH consultants' field surveys conducted in September 2024, which were further verified with desktop research on Google Maps and Mergent Intellect. Employment counts were then estimated using standard industry employment density ratios commonly used for *CEQR* analysis. Potentially displaced workers as a result of conversions were estimated by applying employment factors to QCEW employment data on all potential conversion square footage to determine the approximate total gsf for each sector within the Affected Area and then applying the percentage of each sector's total gsf within the Study Area to the total gsf modeled for residential conversion to determine the gsf of each sector that could be displaced. Employment factors were then applied to each sector to determine the number of workers potentially displaced in each sector. The number of displaced businesses for each sector was then estimated using the average gsf of businesses in each sector, which was calculated using gsf estimates from BJH field observations on projected development sites.

The estimated 779 private sector businesses that may be displaced as a result of the Proposed Actions do not represent a substantial proportion of 0.5-mile Study Area businesses or employment for any given sector, and there are alternative sources of their goods and services within the Study Area, Manhattan, and New York City.

The Proposed Actions would eliminate from the zoning map the portion of the Special Garment Center District that is coextensive with the majority of the Northwest Quadrant of the Affected Area (Subdistrict A-1), and Special Garment Center Subdistrict A-2 would be subsumed by the Special Hudson Yards District. The Garment Center Text Amendment of 2018 already removed protections for the garment industry by allowing for the conversion of manufacturing and warehousing uses to office uses in Subdistrict A-1 east of Eighth Avenue. Therefore, any garment industry businesses potentially displaced by the Proposed Actions and occupying sites within the Special Garment Center District are not currently subject to regulations or publicly adopted plans to preserve, enhance, or otherwise protect them. Nevertheless, potentially displaced garment industry businesses were analyzed to determine any adverse impacts, given the significance of the fashion ecosystem in the Northwest Quadrant of the Affected Area and New York City as a whole. Overall, an estimated 114 of the potentially displaced businesses are in the garment industry.[7] Upon review, direct displacement of these businesses does not constitute a significant adverse impact on socioeconomic conditions as defined by the *CEQR Technical Manual*.

Indirect Residential Displacement

A preliminary assessment found that the Proposed Actions would not result in significant adverse socioeconomic impacts due to indirect residential displacement. Per the guidance of the *CEQR Technical Manual,* the objective of the indirect residential displacement assessment is to determine whether an action or project may introduce a trend or accelerate a trend of changing socioeconomic conditions that may potentially displace a vulnerable population. Based on the guidance of the *CEQR Technical Manual,* a vulnerable population is defined as renters living in privately held units unprotected by rent control, rent stabilization, or other government regulations restricting rents, and whose incomes or poverty status indicate that they may not be able to support substantial rent increases.

The Proposed Actions are not anticipated to result in significant adverse impacts due to indirect residential displacement. In the future with the Proposed Actions, the Affected Area would add an additional increment of 9,676 DU, of which 1,940 to 2,890 DU would be permanently affordable. Assuming Mandatory Inclusionary Housing (MIH) Option 2, 30 percent (2,890 DU) would be permanently affordable.[8] The Proposed Actions are not anticipated to result in a new population with higher average incomes than the existing population. Although the Proposed Actions would add new populations, the aggregate new populations would have a lower average household income ($163,263) than the current average household income in the Study Area ($210,646).[9]

However, the population increase under the With-Action condition is large enough to potentially affect real estate market conditions in the 0.5-mile Study Area, because it would increase the 0.5-mile population by more than five percent. Absent the Proposed Actions, the 0.5-mile Study Area is expected to continue to experience the existing trend of increasing rents and increasing

[7] The Northwest Quadrant of the Rezoning Area is the only quadrant containing areas currently mapped to the Special Garment Center District, but garment businesses were identified across all four quadrants for a conservative accounting of potential impacts on the garment industry.

[8] The estimated number of affordable units for MIH Option 2 combines affordable units from the incremental DU on projected development sites (2,656 DU) and the conversion analysis (234 DU), as calculated in the RWCDS.

[9] The weighted average income of the With-Action population is higher than the current Study Area median household income of $131,653 as illustrated in **Table 3-6**.

household incomes. Overall, the 0.5-mile Study Area is already experiencing a trend of increasing rents, and the Proposed Actions would not create or accelerate this trend. During the calendar year of 2023, the monthly median asking rent for market-rate units in the Study Area was $4,685, as shown in **Table 3-12**, "Median Asking Rents, 2018–2023." This is a 28.8 percent increase over the median asking rent for market-rate units in the Study Area in 2018 ($3,637).[10]

The Proposed Actions would result in 9,676 more DU in the Study Area than under the No-Action condition, of which 1,940 to 2,890 DU would be affordable. Of those 9,676 DU, 781 DU are anticipated to be residential conversions from non-residential uses. The Proposed Actions would add new transit-accessible housing stock to the Study Area that is affordable to households with a wide range of incomes, with 30 percent of the housing projected to be affordable for households averaging 80 percent of Area Median Income (AMI).[11] The Proposed Actions would support the socioeconomic diversity of the Study Area and ensure that households with a range of incomes could remain in the neighborhood. Therefore, the Proposed Actions would not result in significant adverse impacts due to indirect residential displacement.

Indirect Business Displacement

A preliminary assessment found that the Proposed Actions would not add new economic activity or add to a concentration of a particular sector of the local economy substantial enough to significantly alter or accelerate existing economic patterns. The new residential and retail uses would be spread throughout the Affected Area, and the Study Area's existing retail and office markets would not be disrupted by the incremental increase and reduction, respectively, in activity introduced by the Proposed Actions. Recent trends indicate that the broader Study Area is already adding multifamily residential uses, with the highest growth occurring outside the Rezoning Area, such as in Hudson Yards. On the other hand, commercial office and retail space experienced increased vacancy rates while industrial space declined, indicating the Proposed Actions are consistent with existing market trends. The retail market may shift slightly to accommodate the increase in residents associated with the incremental 9,676 new DU in residential space through new development and conversions, but these potential shifts would not represent a significant alteration to existing economic patterns. At the neighborhood level, new commercial uses are likely to grow as some sites increase commercial intensity. The Proposed Actions would not directly or indirectly displace uses that provide critical support to businesses in the Study Area, or that bring people into the area that form a substantial portion of the customer base for local businesses. As such, the Proposed Actions would not result in significant adverse impacts due to indirect business displacement, and no further assessment is warranted.

Adverse Effects on Specific Industries

A preliminary assessment found that there would be no significant adverse impact on specific industries as a result of the Proposed Actions. The Proposed Actions would not significantly impact the largest sectors in the Study Area in terms of employment, which are Professional,

[10] For real estate analysis, the Study Area overlaps with several residential real estate markets including Chelsea, Flatiron, Gramercy Park, Midtown, Midtown East, Midtown South, and Midtown West. Additional information on data sources and their application to specific analyses is provided in "Methodology."

[11] Assumes MIH Option 2.

Scientific, and Technical Services; Finance and Insurance; and Administrative and Support and Waste Management and Remediation Services. These sectors collectively employ 44.4 percent of workers in the Study Area and would not be substantially impaired by an incremental decrease in office area. The Proposed Actions would not introduce regulations that affect local industries. The recent adoption of the City of Yes for Economic Opportunity text amendment would support local industries and sectors by providing additional zoning flexibility, including for certain light industrial activities like clothing manufacturing, to locate in commercial districts and above residences in mixed-use buildings.

The garment industry, a concentration of which is primarily located in the northwest portion of the larger MSMX plan area, was examined given that the Proposed Actions would rezone and potentially displace garment industry businesses. Analysis indicates that over the past several decades, the garment industry has already declined substantially at the borough- and city-wide levels, as well as in the northwest portion of the Affected Area itself. Garment industry jobs make up a smaller percent of jobs in the Affected Area than ever before, and fewer garment jobs in New York City are located there. In turn, the sectors experiencing the most growth in employment in the Study Area between 2013 and 2023 were Professional, Scientific, and Technical Services; Health Care and Social Assistance; and Information.

The Proposed Actions are not introducing any new regulations that would affect the garment industry. The 2018 Garment Center Text Amendment included elimination of manufacturing floor area preservation requirements across the Special Garment Center District, which put manufacturing uses on an equal footing to office, hotel, and other non-residential uses permitted in M1 districts. In addition, the 2018 actions permitted limited residential use along with the aforementioned non-residential uses in the C6-4M portion of the Special Garment Center District. The Proposed Actions may result in the displacement of individual garment industry businesses from the Affected Area, but the quantity is insufficient to substantially impact the economic viability of the industry as a whole. The perception of the garment industry, not the presence of any one individual business, is relevant to the industry. It is not expected that all garment businesses would leave given that garment industry businesses would still be allowable under the zoning associated with the Proposed Actions. The City has recognized the significance of the fashion ecosystem in the Study Area, and the City will continue to explore measures outside of zoning to support the industry in this area and throughout New York City.

C. Proposed Actions

The Proposed Actions are intended to respond to neighborhood- and city-wide planning challenges brought on by changes in the real estate and labor markets and were informed by local residents and stakeholders through an engagement process in late 2023 and early 2024. The objectives of the Proposed Actions are to expand housing opportunities, promote economic recovery and growth, ensure visual harmony with the surrounding built context, incentivize mixed-use buildings, and promote adaptive reuse.

The Proposed Actions would affect an approximately 42-block Affected Area, consisting of four noncontiguous areas located at the center of the Study Area. The Affected Area spans an approximately 127-acre area of Midtown South in Manhattan Community Districts 4 and 5 and is

roughly bounded by 40th Street to the north, Fifth Avenue to the east, 23rd Street to the south, and Ninth Avenue to the west.

The RWCDS for the Proposed Actions identified 61 projected development sites within the Affected Area, as well as 1,093,808 gross square feet (gsf) of non-residential area eligible for residential conversions. Under the RWCDS, the total development expected to occur on the 61 projected development sites under the With-Action condition would consist of approximately 10,924,194 gsf of floor area, including 9,867,999 gsf of residential floor area (approximately 9,730 DU), 893,752 gsf of local retail uses, 66,704 gsf of office uses, 95,739 gsf of community facility uses, zero gsf of industrial and warehouse uses, as well as no accessory parking spaces. The estimated population under the With-Action condition would include a total of approximately 16,347 residents and 3,435 workers on these projected development sites and eligible conversion area.

On the projected development sites and the eligible conversion area, the Proposed Actions are expected to result in a net (incremental) increase of approximately 9,676 DU including 1,940 to 2,890 permanently affordable units, as well as approximately 462,129 gsf (402,300 zoning square feet [zsf]) of commercial local retail space and 81,755 gsf (71,125 zsf) of community facility space. At the same time, the Proposed Actions are expected to result in an incremental decrease of approximately 732,619 gsf (651,316 zsf) of commercial office space, 17,386 gsf (15,474 zsf) of industrial space, 52,396 gsf (46,630 zsf) of warehouse space, 1,093,808 gsf of non-residential area eligible for residential conversion, and 69,500 gsf of parking, or approximately 225 parking spaces. The RWCDS also identified seven potential development sites that are considered less likely to be developed by the analysis year. The projected incremental change between the No-Action and With-Action conditions that would result from the Proposed Actions would be an increase of 16,256 residents and a decrease of 5,523 workers.

D. Methodology

The analysis of potential adverse socioeconomic effects applies the methodologies of the State Environmental Quality Review (SEQR) Handbook and the *2021 CEQR Technical Manua*l. According to the *CEQR Technical Manual*, the five principal issues of concern with respect to socioeconomic conditions are whether a project would result in significant impacts due to: (1) direct residential displacement; (2) direct business displacement; (3) indirect residential displacement due to increased rents; (4) indirect business displacement due to increased rents or due to retail market saturation; and (5) adverse effects on specific industries.

As defined by the *CEQR Technical Manual*, direct displacement is the involuntary displacement of residents or businesses from a site or sites directly affected by a project. An example of direct displacement includes a proposed redevelopment of a currently occupied site for new use or a new structure. Indirect displacement is defined by the *CEQR Technical Manual* as the involuntary displacement of residents, businesses, or employees that results from a change in socioeconomic conditions created by a project. One example of indirect displacement includes business tenant turnover to higher-paying commercial tenants due to a new, nearby successful office project. Finally, a project may not displace but may affect the operation of a major industry or commercial

operation in New York City. In those cases, the economic impact of the project on that particular industry would be analyzed.

Following *CEQR Technical Manual* guidance, preliminary assessments were conducted to learn enough about the potential effects of the Proposed Actions to either rule out the possibility of significant adverse impacts or to determine that a more detailed analysis is required to understand the potential for impacts.

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 action (i.e., the No-Action condition). The following screening assessment considers whether threshold circumstances identified in the *CEQR Technical Manual* would lead to socioeconomic changes warranting further assessment.

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 less than 500 residents would not typically be expected to alter the socioeconomic character of a neighborhood. For projects exceeding this threshold, an assessment of direct residential displacement is warranted.

The Proposed Actions could displace an estimated 91 residents living in 54 DU, according to the RWCDS.[12] According to *CEQR Technical Manual* guidance, significant adverse impacts would not be expected to occur unless the number of low-income residents to be displaced exceeds five percent of the Study Area's population. The entire potentially displaced population – including but not exclusive to low-income residents – equates to 0.05 percent of all residents in the Study Area. The total number of directly displaced residents, approximately 91 residents, would not exceed the 500-person *CEQR Technical Manual* threshold warranting full assessment, and thus would not be expected to alter socioeconomic character.

Direct Business Displacement

Would the Proposed Project directly displace more than 100 employees, or would it displace any business that is unusually important because its products or services are uniquely dependent on its location, is the subject of policies or plans aimed at its preservation, or that serves 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 Actions would potentially directly displace an estimated 5,304 employees from the projected development sites. This includes an estimated 438 private sector businesses and 2,912 jobs on projected development sites, and an estimated 341 private sector businesses and 2,392

[12] Based on 2020 Census data for the two Public Use Microdata Area (PUMAs) that cover Manhattan Community Districts 4 and 5, the average household size for DU in the Study Area is 1.68.

jobs in the potential conversion area. The number of employees displaced by the Proposed Actions exceeds the CEQR Technical Manual threshold of 100 employees, warranting assessment.

Indirect Residential Displacement Due To Increased Rents

Would the Proposed 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 would typically not result in significant socioeconomic impacts. For projects exceeding this threshold, an assessment of indirect residential displacement is warranted.

The Proposed Actions would result in the incremental development or conversion of 9,676 DU, which exceeds the CEQR threshold of 200 units, warranting further socioeconomic analysis of indirect residential displacement.

Indirect Business Displacement Due To Increased Rents

Would the Proposed Project result in substantial new development that is markedly different from existing uses, development, and activities within the neighborhood? Commercial development of 200,000 sf or less would typically not result in significant socioeconomic impacts. For projects exceeding this threshold, an assessment of indirect business displacement is warranted.

The Proposed Actions will result in an incremental increase of 462,129 gsf of retail space, an incremental decrease of 732,619 gsf of office space, and an incremental decrease of 69,782 gsf of industrial and warehouse space. Due to the substantial increase in retail space, an assessment of indirect business displacement due to increased rents is warranted.

Indirect Business Displacement Due To Market Saturation

Would the Proposed Project potentially draw a substantial amount of sales from existing businesses within the study area, resulting in indirect business displacement due to market saturation? Projects resulting in a total of 200,000 square feet or more of retail on a single development site or 200,000 square feet or more of region-serving retail across multiple sites would not typically result in socioeconomic impacts. For projects exceeding this threshold, an assessment of indirect business displacement is warranted.

The Proposed Actions will not result in a total of 200,000 square feet or more of retail on a single development site. The Proposed Actions will result in an incremental increase of 462,129 gsf of local retail space that will be distributed across the 61 projected development sites and largely serve local needs. Therefore, an assessment of indirect business displacement due to market saturation is not warranted.

Adverse Effects on Specific Industries

Is the Proposed Project expected to affect conditions within a specific industry? The Proposed Project 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 Proposed Project would result in the loss or substantial diminishment of a particularly important product or service within New York City.

The potentially displaced businesses as a result of the Proposed Actions comprise only 1.8 percent of businesses within the 0.5-mile Study Area and do not represent a substantial proportion of Study Area businesses or employment for any given sector. However, an estimated 114 businesses in the garment industry could be displaced as a result of the Proposed Actions,. Therefore, further analysis is warranted of adverse effects on the garment industry businesses.

Conclusion of the Initial Screening

Based on this initial screening, a preliminary assessment is warranted for direct business displacement, indirect residential displacement, indirect business displacement due to increased rents, and adverse impacts on specific industries. Additional analysis is included below.

Study Area Definition

A socioeconomic study area is the area within which the Proposed Actions have the greatest potential to directly or indirectly affect population, housing, and economic activities. A study area typically encompasses a proposed plan area and adjacent areas within approximately 400 feet, 0.25-mile, or 0.5-mile, depending upon the project size and area characteristics. According to the *CEQR Technical Manual*, the larger 0.5-mile Study Area is appropriate for projects that would potentially increase the 0.25-mile area population by more than five percent.

Under the RWCDS, the Proposed Actions would incrementally increase the 0.25-mile population by approximately 16,256 people (23.7 percent over the No-Action condition), using an average household size of 1.68 for the Study Area.[13] As the potential population increase for the 0.25-mile Study Area is more than five percent over the No-Action population, a larger 0.5-mile Study Area is warranted per *CEQR Technical Manual* guidance.

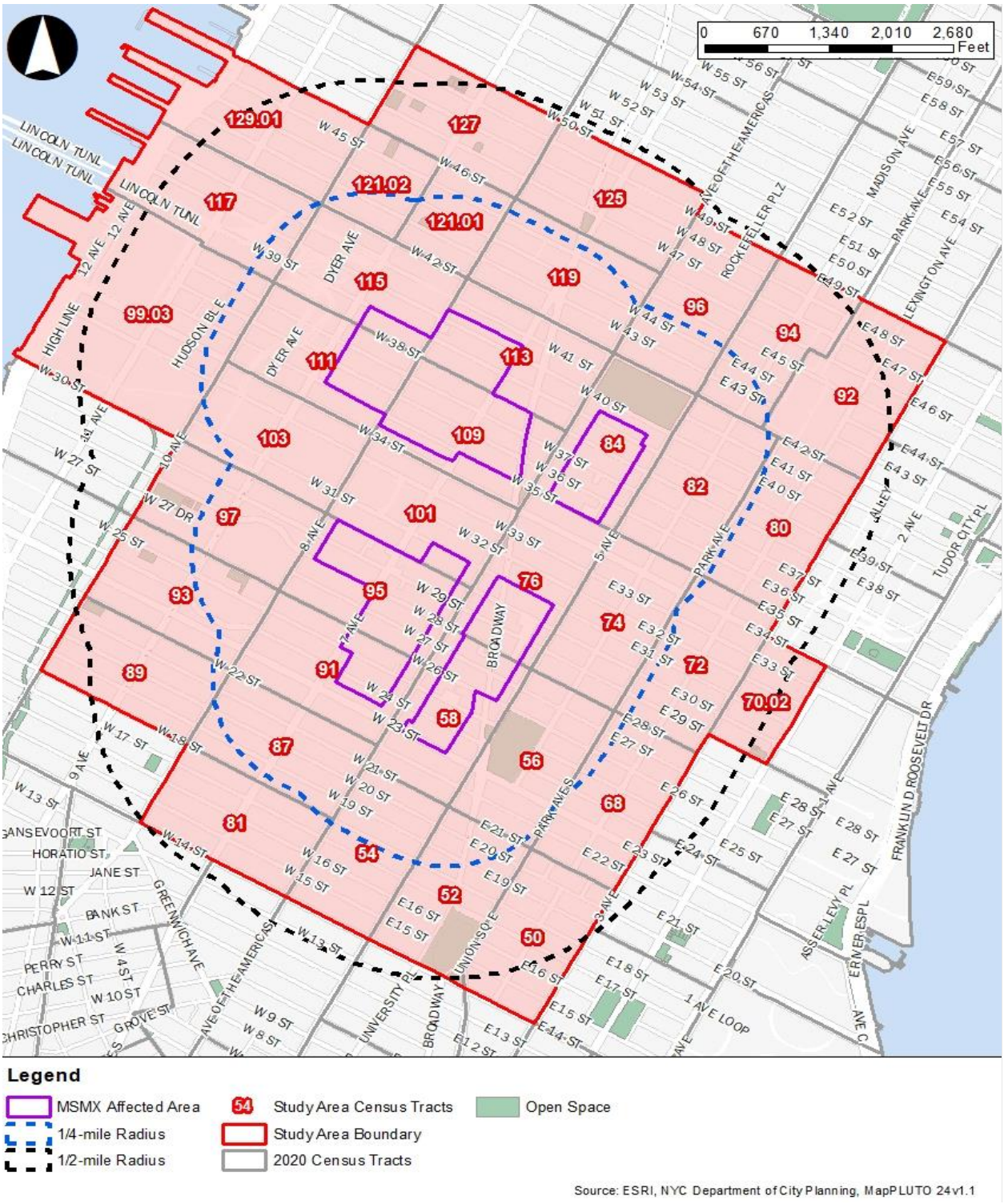
For this analysis, the Study Area boundary conforms to the census tract delineation that most closely approximates the 0.5-mile radius surrounding the Affected Area. These census tracts that comprise the "socioeconomic study area," or "Study Area," are shown in **Figure 3-1**. The adjusted Study Area captures an approximately 0.5-mile area surrounding the Affected Area, including portions of Chelsea, Flatiron, Gramercy Park, and Midtown.

This Study Area comprises the following 37 census tracts: 50, 52, 54, 56, 58, 68, 70.02, 72, 74, 76, 80, 81, 82, 84, 87, 89, 91, 92, 93, 94, 95, 96, 97, 99.03, 101, 103, 109, 111, 113, 115, 117, 119, 121.01, 121.02, 125, 127, and 129.01.14 For real estate and market rent analysis, the Study Area overlaps with several residential real estate markets including Chelsea, Flatiron, Gramercy Park, Midtown, Midtown East, Midtown South, and Midtown West. Additional information on data sources and their application to specific analyses is provided in the forthcoming section.

[13] The 1.68 average household size was provided by DCP and is based on 2020 Census data for the two Public Use Microdata Area (PUMAs) that cover Manhattan Community Districts 4 and 5.

[14] These Census Tracts each have 50 percent or more of their areas within a 0.5-mile buffer of the Affected Area.

Figure 3-1: Socioeconomic Study Area



Additional information on data sources and their application to specific analyses is provided in the forthcoming section.

The approximately 42-block Affected Area, shown in **Figure 3-1**, is the focus of this analysis, consisting of four noncontiguous areas located at the center of the Study Area, and Special Garment Center Subdistrict A-2. The Affected Area spans an approximately 127-acre area of Midtown South in Manhattan Community Districts 4 and 5 and is roughly bounded by 40th Street to the north, Fifth Avenue to the east, 23rd Street to the south, and Ninth Avenue to the west. These noncontiguous areas are bounded by:

- *Northwest Quadrant* – the area bounded by Broadway and Seventh Avenue to the east, West 35th Street to the south, West 40th Street to the north, and a line 100 feet west of Eighth Avenue to the west. This quadrant is coterminous with the M1-6-zoned portion of the Special Garment Center Subdistrict A-1.
- *Special Garment Center Subdistrict A-2* – the area adjacent to the western boundary of the northwest quadrant, bounded by a line 100 feet east of Ninth Avenue to the west, 35th Street to the south, a line 100 feet west of Eighth Avenue to the east, and 39th Street to the north.
- *Northeast Quadrant* – the area bounded by a line 150 feet west of Fifth Avenue to the east, 150 feet east of Sixth Avenue to the west, West 35th Street to the south, and the centerline of the block between West 39th and West 40th Streets to the north.
- *Southeast Quadrant* – the midblocks bounded by a line 100 to 275 feet west of Fifth Avenue to the east, a line 125 to 150 feet east of Sixth Avenue to the west, West 23rd Street to the south, and West 31st Street to the north. The area is bisected by Broadway.
- *Southwest Quadrant* – the area roughly bounded by Seventh Avenue and a line 100 feet east of Eighth Avenue to the west, a line 125 feet west of Sixth Avenue to the east, West 28th Street and the centerline of the block between West 23rd and West 24th Street to the south, and West 30th and West 31st Streets to the north.

The Affected Area includes 61 projected development sites and seven potential development sites (see **Figure 1-4** in Chapter 1, “Project Description”). The 61 projected development sites identified by the RWCDS are the sites most likely to experience redevelopment as a result of the Proposed Actions by 2034. There are seven potential development sites deemed less likely to be redeveloped by 2034. The program associated with potential sites is only included in site-specific analyses and is therefore not included in the assessment of the 2034 With-Action condition.

Data Sources

This study uses data from multiple sources to perform the analyses. Information pertaining to socioeconomic conditions draws upon data from the 2010 and 2020 Decennial Census, and the five-year American Community Survey (ACS) of the U.S. Census Bureau from 2006–2010 and 2018–2022 provided via the New York City Department of City Planning (DCP) Population Factfinder and Social Explorer. Data was collected for the Study Area when appropriate. Where relevant, data were also collected for the Borough of Manhattan and New York City more broadly as a comparison to the Study Area. Several characteristics were analyzed, including population

count, household count, median and mean household income, median and average rents, and poverty status.

Real estate market information was collected from the DCP Primary Land Use Tax Lot Output (PLUTO) database, StreetEasy, CoStar, and the New York University (NYU) Furman Center. PLUTO was used primarily to determine existing conditions of market inventory, while StreetEasy, CoStar, and the Furman Center were used to assess real estate market trends. Real estate market data on residential rents from Streeteasy were analyzed between 2018 and 2023 from several real estate submarkets overlapping with the Study Area, including the neighborhoods Chelsea, Flatiron, Gramercy Park, Midtown, Midtown East, Midtown South, and Midtown West. Commercial real estate data from CoStar were analyzed between 2014-2024. The CoStar real estate submarkets overlapping with the Study Area include Chelsea, Gramercy, Grand Central, Murray Hill, Penn Garment, and Times Square. A larger Midtown market and Manhattan as a whole were also analyzed as benchmarks for commercial real estate.

Employment trend datasets were collected from the New York State Department of Labor (NYS DOL) Quarterly Census of Employment and Wages (QCEW) over a 10-year period from 2013 to the third quarter or Q3 of 2023. Annual QCEW data were also accessed from 2013 and 2023 at the borough and city-wide level. DCP provided aggregated QCEW data by sector from Q3 of 2023 to estimate employment in the potential conversion area.

Fieldwork research was conducted in September 2024 to identify specific businesses on the projected development sites, which was further verified using data from Google Maps and Mergent Intellect. The datasets identified businesses and their associated North American Industry Classification System (NAICS) codes for the Affected Area. Standard industry employment density ratios commonly used in CEQR analysis were used to estimate employment figures.

Additional details on the principal data sources used are as follows (presented alphabetically):

- **ACS 5-Year Estimates, 2006–2010 and 2018–2022.** Administered by the U.S. Census Bureau, ACS presents statistically estimated data gathered over a specified period of time rather than a single point in time.
- **CoStar.** CoStar is a commercial real estate database that was used to provide real estate trend data on office, retail, industrial, and multifamily residential uses in the Study Area and Manhattan.
- **DCP Population FactFinder.** DCP Population FactFinder was used to provide demographic information in this chapter. DCP Population FactFinder provides detailed population and housing profiles for user-defined areas within New York City using data from decennial censuses and the five-year ACS.
- **DCP Primary Land Use Tax Lot Output (DCP PLUTO).** DCP PLUTO provides extensive land use and geographic data at the tax lot level. DCP PLUTO was used to provide information about real estate inventory in the Affected Area and Study Area.
- **Mergent Intellect.** Mergent Intellect, a directory of business information using data from Dun & Bradstreet Hoover's data, was used to provide an estimate of potentially displaced

businesses. Mergent Intellect provides information for over 100 million private companies across the globe. The Mergent Intellect database contains company names, estimated employee counts, estimated revenues, locations, industry, and many other characteristics of the business sectors and workforce in both the Affected Area and Study Area.

- **NYS DOL – QCEW.** DCP provided annual QCEW figures up to the third quarter of 2023, produced by NYS DOL, to assess existing conditions for employment and businesses in the Study Area. Annual QCEW figures were also accessed at the borough- and city-wide level. DCP also provided aggregated QCEW data from the third quarter of 2023 to estimate employment in the potential conversion area.
- **NYU Furman Center Neighborhood Indicators.** NYU Furman Center's *Neighborhood Indicators* and *CoreData.nyc* portal provide data on housing, vacancy, rents, and affordability levels in various New York City neighborhoods.
- **Primary Fieldwork.** This study uses information obtained from fieldwork and other primary sources. Fieldwork was conducted in September 2024 to verify business counts and ground-floor retail tenants in the Affected Area. Additional desktop research was conducted in September 2024 using Google Maps.
- **Social Explorer.** Social Explorer is a demographic data visualization and research website that aggregates a variety of data including data from the ACS and U.S. Census.
- **StreetEasy.** A subsidiary of Zillow, Inc., StreetEasy is an online real estate database and website providing rental listings, leasing history, and other property information. This study uses StreetEasy data to analyze residential rents in the Study Area.
- **U.S. Decennial Census 2010 and 2020.** Data figures from the U.S. Decennial Census were used in this report. The 2010 and 2020 Census figures are used to analyze trends over time in residential and socioeconomic data.

E. Preliminary Assessments

As described above, a preliminary assessment is warranted for direct business displacement, indirect residential displacement, indirect business displacement due to increased rents, and adverse impacts on specific industries.

Preliminary assessments are conducted to learn enough about the potential 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 fully determine the extent of the impacts. A detailed analysis is designed to examine existing conditions and then evaluate the changes to those conditions in the With-Action condition as compared with the changes that would be expected in the No-Action condition.

Direct Business Displacement

The *CEQR Technical Manual* defines direct business displacement as the involuntary displacement of businesses from the site of, or a site directly affected by, a proposed action. In accordance with this guidance, displacement of a business or group of businesses is not, in itself, considered a significant adverse environmental impact. The *CEQR Technical Manual* specifies

consideration of the following two factors when determining a proposed action's potential for significant adverse impacts: (1) whether the businesses to be displaced provide products or services essential to the local economy that would no longer be available to local residents or businesses and (2) whether adopted public plans call for preservation of such businesses in the area.

Before screening for those two questions, this section first describes business characteristics and trends within the Study Area, beginning with an employment profile of the Study Area, comparing it to Manhattan and New York City trends. The analysis then focuses on the characteristics of the potentially displaced businesses within the Study Area and considers their economic value and relocation options.

Profile of Private Employment in the Socioeconomic Study Area

As of 2023 Q3, there were an estimated 870,448 private sector employees in the socioeconomic Study Area (see **Table 3-2**). These employees represent 39.5 percent of Manhattan's total private employment and approximately 22.2 percent of New York City's total private employment. Between 2013 and 2023, employment in all sectors was quite stable in the Study Area; none of the sectors increased or decreased by more than 2.5 percentage points.

The economic sector with the highest private employment was Professional, Scientific, and Technical Services, representing approximately 20.5 percent of total private sector employment in the Study Area, which is higher than the share of employment in this sector in Manhattan (17.1 percent) and New York City (11.2 percent). Professional, Scientific, and Technical Services employers located throughout the Study Area include offices of lawyers, architectural services, and consulting firms, among others. Employment in the Professional, Scientific, and Technical Services sector increased by 2.2 percentage points in the Study Area between 2013 and 2023.

The next largest economic sector with the highest private sector employment was Finance and Insurance, with approximately 14.1 percent of private employment in the Study Area, which is slightly lower than the share of employment in this sector in Manhattan (14.4 percent) and higher than the share of employment in this sector in New York City (8.9 percent). Finance and Insurance employers in the Study Area include businesses specializing in investment banking and securities intermediation; portfolio management and investment advice; and financial transactions processing, reserve, and clearinghouse activities, among others. Employment in the Finance and Insurance sector increased by 0.7 percentage points in the Study Area between 2013 and 2023.

The third largest economic sector in the Study Area is Administrative and Support and Waste Management and Remediation Services, making up approximately 9.8 percent of private employment in the Study Area. In Manhattan and New York City, the Administrative and Support and Waste Management and Remediation Services sectors represent 6.9 and 6.1 percent of private sector employees, respectively. Administrative and Support and Waste Management and Remediation Services employers in the Study Area include travel agencies, employment placement agencies, and security systems services, among others. Employment in the Administrative and Support and Waste Management and Remediation Services sector decreased by 0.2 percentage points in the Study Area between 2013 and 2023.

Administrative and Support and Waste Management and Remediation Services are closely followed by Information as the next largest economic sector in the Study Area. The Information sector makes up approximately 9.7 percent of private employment in the Study Area. In Manhattan and New York City, the Information sector represents 8.6 and 5.5 percent of private sector employees, respectively. Information employers in the Study Area include motion picture and video production studios, sound recording studios, and software publishers, among others. Employment in the Information sector increased by 1.5 percentage points in the Study Area between 2013 and 2023.

Table 3-2: Private Sector Employees in 0.5-Mile Study Area Compared to Borough and NYC, 2023 Q3

Estimated Employees in 0.5-Mile Study Area, Manhattan, and New York City												
Type of Job by NAICS Category	2013						2023					
	Study Area		Manhattan		New York City		Study Area		Manhattan		New York City	
	Employ.	Percent	Employ.	Percent	Employ.	Percent	Employ.	Percent	Employ.	Percent	Employ.	Percent
Accommodation and Food Services	70,861	8.9%	204,307	10.2%	304,596	9.2%	68,332	7.9%	209,455	9.5%	347,080	8.8%
Administrative and Support and Waste Management and Remediation Services	79,285	9.9%	132,865	6.7%	199,001	6.0%	85,013	9.8%	152,239	6.9%	240,764	6.1%
Agriculture, Forestry, Fishing and Hunting	-	-	131	0.0%	235	0.0%	-	-	150	0.0%	527	0.0%
Arts, Entertainment, and Recreation	25,742	3.2%	58,979	3.0%	76,073	2.3%	26,928	3.1%	61,881	2.8%	84,147	2.1%
Construction	16,546	2.1%	33,477	1.7%	117,610	3.6%	20,096	2.3%	36,528	1.7%	140,140	3.6%
Educational Services	16,855	2.1%	96,959	4.9%	157,454	4.8%	13,302	1.5%	120,553	5.5%	192,744	4.9%
Finance and Insurance	107,033	13.4%	273,157	13.7%	310,208	9.4%	123,147	14.1%	317,020	14.4%	349,863	8.9%
Health Care and Social Assistance	45,720	5.7%	219,561	11.0%	610,891	18.5%	64,542	7.4%	255,421	11.6%	907,495	23.1%
Information	65,335	8.2%	143,314	7.2%	163,618	4.9%	84,119	9.7%	189,503	8.6%	214,168	5.5%
Management of Companies and Enterprises	24,504	3.1%	57,533	2.9%	64,984	2.0%	28,297	3.3%	61,900	2.8%	70,825	1.8%
Manufacturing	17,049	2.1%	25,861	1.3%	75,860	2.3%	9,734	1.1%	17,720	0.8%	56,841	1.4%
Mining, Quarrying, and Oil and Gas Extraction	-	-	23	0.0%	45	0.0%	-	-	13	0.0%	70	0.0%
Other Services (except Public Administration)	28,041	3.5%	94,973	4.8%	157,255	4.8%	30,988	3.6%	94,974	4.3%	164,460	4.2%
Professional, Scientific, and Technical Services	146,678	18.4%	312,267	15.7%	351,352	10.6%	178,876	20.5%	375,773	17.1%	438,180	11.2%
Real Estate and Rental and Leasing	27,977	3.5%	78,108	3.9%	119,173	3.6%	31,076	3.6%	86,600	3.9%	131,268	3.3%
Retail Trade	57,046	7.2%	163,172	8.2%	336,266	10.2%	41,741	4.8%	124,733	5.7%	301,565	7.7%
Transportation and Warehousing	8,294	1.0%	15,316	0.8%	103,677	3.1%	9,749	1.1%	17,553	0.8%	130,643	3.3%
Unknown/Unclassified	-	-	3,959	0.2%	12,223	0.4%	-	-	6,739	0.3%	19,904	0.5%
Utilities	-	-	-	-	-	-	-	-	-	-	15,184	0.4%
Wholesale Trade	53,368	6.7%	74,310	3.7%	132,315	4.0%	46,363	5.3%	67,186	3.1%	122,492	3.1%
Total, Private Sector Employment	797,358	99.1%	1,993,855	99.7%	3,307,672	99.6%	870,448	99.1%	2,202,262	99.7%	3,928,359	100.0%

Sources: NYS DOL Quarterly Census of Employment and Wages (QCEW), 2013 and 2023 Q3; NYS DOL QCEW 2013 and 2023 Q3 data were provided for the Study Area by DCP (September 2024).
Notes: The 0.5-mile buffer is defined by 37 unique 2020 Census Tracts. Blank cells are either true zeros or denote job counts that cannot be disclosed for the given sector and year. Therefore, totals may not equal column sums.

Profile of Private Businesses in the Socioeconomic Study Area

As of 2023 Q3, there were an estimated 43,056 private sector businesses within the Study Area (see **Table 3-3**). These businesses represent 33.6 percent of Manhattan's total private sector businesses and approximately 15.0 percent of New York City's total private sector businesses. Between 2013 and 2023, the only sector that changed by more than 1.5 percentage points in terms of number of businesses in the Study Area was Wholesale Trade, which decreased 4.1 percentage points over the 10-year period.

The economic sector with the highest number of private sector businesses was Professional, Scientific, and Technical Services, which is also the sector with the most private sector employment in the Study Area. The Professional, Scientific, and Technical Services sector represents approximately 19.7 percent of total private sector businesses in the Study Area, which is higher than the share of private sector businesses in this sector in Manhattan (16.4 percent) and New York City (12.2 percent). The number of businesses in the Professional, Scientific, and Technical Services sector decreased by 1.0 percentage points in the Study Area between 2013 and 2023.

Following Professional, Scientific, and Technical Services, the most common private sector businesses in the Study Area do not follow suit with the sectors with the highest private sector employment. The second largest economic sector in terms of number of private sector businesses was Wholesale Trade, with approximately 10.4 percent of private sector businesses in the Study Area, compared to 5.3 percent in Manhattan and 4.7 percent in New York City as a whole. Wholesale Trade sector businesses in the Study Area include clothing and clothing accessories merchant wholesalers; jewelry, watch, precious stone, and precious metal merchant wholesalers; and piece goods, notions, and other dry goods merchant wholesalers, among others. The number of businesses in the Wholesale Trade sector decreased 4.1 percentage points in the Study Area between 2013 and 2023, more than any other sector.

The next largest economic sector in terms of number of private sector businesses was Real Estate and Rental and Leasing, with approximately 7.8 percent of private sector businesses in the Study Area, compared to 8.6 percent in Manhattan and 7.5 percent in New York City as a whole. Real Estate and Rental and Leasing sector businesses in the Study Area include lessors of nonresidential buildings, offices of real estate agents and brokers, and nonresidential property managers, among others. The number of businesses in the Real Estate and Rental and Leasing sector increased by 0.4 percentage points in the Study Area between 2013 and 2023.

Other Services (except Public Administration) closely follows Real Estate and Rental and Leasing, with Other Services making up 7.6 percent of private sector businesses in the Study Area, compared to 13.6 percent in Manhattan and 11.6 percent in New York City as a whole. Other Services sector businesses in the Study Area include beauty salons, pet care services, and parking lots and garages, among others. The number of businesses in the Other Services sector decreased by 0.3 percentage points in the Study Area between 2013 and 2023.

Finance and Insurance makes up 7.2 percent of private sector businesses in the Study Area, compared to 6.6 percent in Manhattan and 4.3 percent in New York City as a whole. Finance and Insurance is therefore the fourth largest economic sector in the Study Area in terms of private

sector businesses but second in the Study Area in terms of private sector employment. The number of businesses in the Finance and Insurance sector increased by 0.5 percentage points in the Study Area between 2013 and 2023.

Table 3-3: Private Sector Firms in 0.5-Mile Study Area Compared to Borough and NYC, 2023 Q3

Estimated Firms in 0.5-Mile Study Area, Manhattan, and New York City												
Type of Job by NAICS Category	2013						2023					
	Study Area		Manhattan		New York City		Study Area		Manhattan		New York City	
	Firms	Percent	Firms	Percent	Firms	Percent	Firms	Percent	Firms	Percent	Firms	Percent
Accommodation and Food Services	2,301	5.5%	9,372	7.7%	20,394	8.2%	2,630	6.1%	10,177	7.9%	25,015	8.7%
Administrative and Support and Waste Management and Remediation Services	2,474	5.9%	5,498	4.5%	9,937	4.0%	2,665	6.2%	6,329	4.9%	12,506	4.4%
Agriculture, Forestry, Fishing and Hunting	-	-	22	0.0%	51	0.0%	-	-	25	0.0%	61	0.0%
Arts, Entertainment, and Recreation	1,410	3.4%	3,923	3.2%	5,263	2.1%	1,572	3.7%	4,318	3.4%	6,599	2.3%
Construction	845	2.0%	2,157	1.8%	12,479	5.0%	994	2.3%	2,398	1.9%	16,011	5.6%
Educational Services	541	1.3%	1,764	1.4%	3,778	1.5%	573	1.3%	2,062	1.6%	4,815	1.7%
Finance and Insurance	2,782	6.7%	8,135	6.7%	11,925	4.8%	3,080	7.2%	8,400	6.6%	12,276	4.3%
Health Care and Social Assistance	1,535	3.7%	7,727	6.3%	21,786	8.8%	2,118	4.9%	8,623	6.7%	25,212	8.8%
Information	1,849	4.4%	4,470	3.7%	5,835	2.3%	2,506	5.8%	6,378	5.0%	9,547	3.3%
Management of Companies and Enterprises	498	1.2%	1,154	0.9%	1,463	0.6%	548	1.3%	1,360	1.1%	1,907	0.7%
Manufacturing	1,474	3.5%	2,292	1.9%	5,861	2.4%	1,020	2.4%	1,764	1.4%	5,069	1.8%
Mining, Quarrying, and Oil and Gas Extraction	-	-	5	0.0%	8	0.0%	-	-	7	0.0%	23	0.0%
Other Services (except Public Administration)	3,305	7.9%	19,299	15.8%	33,691	13.5%	3,257	7.6%	17,433	13.6%	33,334	11.6%
Professional, Scientific, and Technical Services	8,661	20.7%	19,506	16.0%	28,275	11.4%	8,498	19.7%	20,998	16.4%	34,966	12.2%
Real Estate and Rental and Leasing	3,108	7.4%	10,781	8.8%	20,673	8.3%	3,377	7.8%	11,003	8.6%	21,495	7.5%
Retail Trade	3,015	7.2%	11,454	9.4%	32,389	13.0%	2,586	6.0%	9,712	7.6%	31,257	10.9%
Transportation and Warehousing	294	0.7%	783	0.6%	4,691	1.9%	257	0.6%	734	0.6%	5,519	1.9%
Unknown/Unclassified	-	-	5,140	4.2%	14,963	6.0%	-	-	9,578	7.5%	27,330	9.5%
Utilities	-	-	-	-	-	-	-	-	-	-	133	0.0%
Wholesale Trade	6,057	14.5%	8,607	7.0%	15,449	6.2%	4,467	10.4%	6,755	5.3%	13,484	4.7%
Total, Private Sector Employment	41,770	96.1%	122,097	100.0%	248,965	100.0%	43,056	93.2%	128,117	100.0%	286,558	100.0%

Sources: NYS DOL Quarterly Census of Employment and Wages (QCEW), 2013 and 2023 Q3; NYS DOL QCEW 2013 and 2023 Q3 data were provided for the Study Area by DCP (September 2024).
Notes: The 0.5-mile buffer is defined by 37 unique 2020 Census Tracts. Blank cells are either true zeros or denote job counts that cannot be disclosed for the given sector and year. Therefore, totals may not equal column sums.

Profile of Potentially Displaced Private Businesses

This section describes the characteristics of private sector businesses on the projected development sites and in the potential conversion area that could be directly displaced by the Proposed Actions. Employment locations and worker estimates for the projected development sites were estimated through field surveys, desktop research, and standard industry employment density ratios. Potentially displaced workers and businesses as a result of conversions were estimated by applying employment factors and proportional percentages to QCEW 2023 Q3 employment data on all potential conversion square footage.[15] Worker and business counts are generally reported separately for projected development sites and the conversion area and then as a total.

As shown in **Table 3-4**, under the RWCDS, an estimated 5,304 employees working for 779 private sector businesses may be directly displaced by the Proposed Actions. This includes an estimated 438 private sector businesses and 2,912 jobs on projected development sites, and an estimated 341 private sector businesses and 2,392 jobs in the potential conversion area. Overall, the potentially displaced businesses represent only 1.8 percent of businesses in the entire Study Area and 0.6 percent of total employment in the Study Area. The businesses span a range of industry sectors based on North American Industry Classification System (NAICS) codes.

The industry sector with the largest number of potentially displaced employees is Professional, Scientific, and Technical Services with an estimated 954 employees. The potentially displaced Professional, Scientific, and Technical Services sector businesses on projected development sites include Nomad Photo Studio (Development Site 41); Florek & Endres (Development Site 18); and J L Ramirez Architect (Development Site 35). The Professional, Scientific, and Technical Services sector has the second highest number of potentially displaced businesses, numbering 105.

The sector with the second largest number of potentially displaced employees is Accommodation and Food Services with an estimated 561 employees. The potentially displaced Accommodation and Food Services sector businesses on projected development sites include Playwright Bar & Restaurant (Development Site 51), McDonald's (Development Sites 9 and 18), and The Flat NYC Hotel & Event Space (Development Site 39). The Accommodation and Food Services sector is ranked sixth in terms of the number of potentially displaced businesses, numbering 62.

Other Services (except Public Administration) is the sector with the third highest number of potentially displaced employees with an estimated 497 employees. The potentially displaced Other Services sector businesses on projected development sites include Diamond Cuts Barber Shop (Development Site 16), International Action Center (Development Site 20), and Psychic

[15] Potentially displaced workers in the potential conversion area were estimated by applying employment factors to QCEW employment data in the potential conversion area to determine the approximate total gsf for each sector within the Affected Area and then applying the percentage of each sector's total gsf within the Study Area to the total gsf modeled for residential conversion to determine the gsf of each sector that could be displaced. Employment factors were then applied to each sector to determine the number of workers potentially displaced in each sector. The number of displaced businesses for each sector was then estimated using the average gsf of businesses in each sector, which was calculated using gsf estimates from BJH field observations on projected development sites.

Crystal Boutique (Development Site 14). The Other Services sector has the fourth highest number of potentially displaced businesses at 78.

The Health Care and Social Assistance sector ranks fourth in terms of potentially displaced employees with an estimated 480 employees. The potentially displaced Health Care and Social Assistance sector businesses on projected development sites include Clinicube (Development Site 47), Housing Works 37th Street Health Center (Development Site 1), and Green Zen Organic Spa (Development Site 57). The Health Care and Social Assistance sector has the third highest number of potentially displaced businesses at 93.

The potentially displaced businesses are discussed in further detail by sector in the following section, focusing on whether the businesses provide products or services essential to the local economy that would no longer be available in the trade area due to the difficulty of either relocating the businesses or establishing new, comparable businesses.

If the Proposed Actions are approved, there would be an incremental increase in local retail space where displaced retail businesses could potentially relocate. However, it is also possible that not all businesses projected to be displaced would be able to relocate to other spaces. Businesses that would wish to continue to operate may have to choose to relocate outside of the neighborhood, Manhattan, or even New York City. Some businesses may vacate their spaces on the projected development sites before the analysis years, but for the purposes of this analysis, it is assumed that those businesses listed would be in operation during the time of displacement. It is possible that a number of the displaced businesses would close or relocate for reasons independent of the Proposed Actions. The assessment identifies and evaluates all potentially displaced businesses and institutions, even though certain businesses and institutions may own the property on which they are located and would not be involuntarily displaced as they would have to willingly enter into an agreement to sell their property and relocate.

Generally, those businesses with more stringent location and space constraints would be less likely to find comparable, suitable nearby space. For example, a business that can operate out of a 5,000-sf storefront would likely find it easier to relocate than a business that needs a 50,000-sf space. Many office-based businesses are not uniquely dependent on their location within the Affected Area, because their clients are generally located throughout New York City and the broader trade area. The following section details the industry sectors within which displacement could occur and the potential effects on socioeconomic conditions in the Study Area.

Table 3-4: Private Businesses and Employment Potentially Displaced by the Proposed Actions

	Businesses				Employment			
Type of Job by NAICS Category	**Projected Sites**	**Conversion Area**	**Total**	**Percent of Displaced Businesses**	**Projected Sites**	**Conversion Area**	**Total**	**Percent of Displaced Employment**
Accommodation and Food Services	53	9	62	8.0%	435	126	561	10.6%
Administrative and Support and Waste Management and Remediation Services	6	49	55	7.1%	45	406	451	8.5%
Agriculture, Forestry, Fishing and Hunting	-	-	-	-	-	-	-	-
Arts, Entertainment, and Recreation	25	6	31	4.0%	162	50	212	4.0%
Construction	12	15	27	3.5%	86	130	216	4.1%
Educational Services	9	7	16	2.1%	86	88	174	3.3%
Finance and Insurance	10	5	15	1.9%	98	54	152	2.9%
Health Care and Social Assistance	45	48	93	11.9%	236	244	480	9.0%
Information	7	20	27	3.5%	69	205	274	5.2%
Management of Companies and Enterprises	1	6	7	0.9%	9	53	62	1.2%
Manufacturing	22	28	50	6.4%	52	65	117	2.2%
Mining, Quarrying, and Oil and Gas Extraction	-	-	-	-	-	-	-	-
Other Services (except Public Administration)	59	19	78	10.0%	367	130	497	9.4%
Professional, Scientific, and Technical Services	58	47	105	13.5%	525	429	954	18.0%
Real Estate and Rental and Leasing	14	6	20	2.6%	138	64	202	3.8%
Retail Trade	53	15	68	8.7%	350	102	452	8.5%
Transportation and Warehousing	7	4	11	1.4%	30	22	52	1.0%
Unknown/Unclassified	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-
Wholesale Trade	57	57	114	14.6%	224	225	449	8.5%
Total, Private Sector Employment	**438**	**341**	**779**	**100.0%**	**2,912**	**2,392**	**5,304**	**100.0%**

Sources: DCP analysis of NYS DOL Quarterly Census of Employment and Wages (QCEW); BJH consultants' analysis, MSMX ~~DEIS~~FEIS.
Notes: Business counts for the projected development sites were estimated from BJH consultants' field surveys conducted in September 2024, which were further verified with desktop research on Google Maps and Mergent Intellect. Employment counts were then estimated using standard industry employment density ratios commonly used for *CEQR* analysis. Potentially displaced workers as a result of conversions were estimated by applying employment factors to QCEW employment data on all potential conversion square footage to determine the approximate total gsf for each sector within the Affected Area and then applying the percentage of each sector's total gsf within the Study Area to the total gsf modeled for residential conversion to determine the gsf of each sector that could be displaced. Employment factors were then applied to each sector to determine the number of workers potentially displaced in each sector. The number of displaced businesses for each sector was then estimated using the average gsf of businesses in each sector, which was calculated using gsf estimates from BJH field observations on projected development sites. Some employment data cannot be disclosed. Therefore, totals may not equal column sums.

Accommodation and Food Services

There are 62 Accommodation and Food Services sector businesses employing an estimated 561 private employees that could be displaced as a result of the Proposed Actions. This includes an estimated 53 businesses and 435 employees on projected development sites and nine businesses and 126 employees in the conversion area. These businesses include limited-service restaurants, full-service restaurants, snack and nonalcoholic beverage bars, and drinking places, among others. There is also one 44-room hotel, The Flat NYC Hotel & Event Space, located on Development Site 39. The 62 businesses represent 2.4 percent of Accommodation and Food Services sector businesses and 0.8 percent of Study Area private employment in the sector.

There are 2,630 Accommodation and Food Services sector businesses employing 68,332 workers in the Study Area, and there are 10,177 total sector businesses in Manhattan. There are many other businesses in the Study Area that provide limited-service restaurant service (including Joe's Pizza, Shake Shack, Sweetgreen), full restaurant service (including Miss Korea BBQ, Shukette, L'Amico), drinking places (including Blarney Rock Pub, Bar 54, The Portrait Bar), and snack and nonalcoholic beverage bars (including Pinkberry, Om Juice Bar, Anita Gelato). There are other hotels in the Study Area, including Courtyard Marriott, The Gregorian Hotel, and Broadway Plaza Hotel. Aside from the hotel, the potentially displaced Accommodation and Food Services sector businesses are generally easier to relocate as they require smaller footprints that could be found throughout the Study Area and Manhattan. Additionally, if the Proposed Actions are approved, there would be an incremental increase in local retail space where displaced Accommodation and Food Services sector businesses could potentially relocate. The hotel is less likely to redevelop as the trade area is expected to experience fewer available hotel rooms coming online with the adoption of the 2021 Citywide Hotels Text Amendment. In summary, essential goods/services associated with the Accommodation and Food Services sector would still be available in the trade area if these 62 businesses were displaced.

Administrative and Support and Waste Management and Remediation Services

There are 55 Administrative and Support and Waste Management and Remediation Services sector businesses employing an estimated 451 private employees that could be displaced as a result of the Proposed Actions. This includes an estimated six businesses and 45 employees on projected development sites and 49 businesses and 406 employees in the conversion area. These businesses include travel arrangement services, convention and trade show organizers, carpet and upholstery cleaning services, and employment placement agencies, among others. The 55 businesses represent 2.1 percent of Study Area Administrative and Support and Waste Management and Remediation Services sector businesses and 0.5 percent of Study Area private employment in the sector.

There are 2,665 Administrative and Support and Waste Management and Remediation Services sector businesses employing 85,013 workers in the Study Area, and there are 6,329 total sector businesses in Manhattan. There are businesses located in the Study Area that offer similar services. For example, Oriental Rug Care NY and 212 Rug Cleaners both offer carpet and upholstery cleaning services within the Study Area. Aside from carpet and upholstery cleaning services, the Administrative and Support and Waste Management and Remediation Services sector businesses are generally office-based and are not uniquely dependent on their location

within the Affected Area, as their clients are generally located throughout New York City and the broader trade area. In summary, essential goods/services associated with the Administrative and Support and Waste Management and Remediation Services sector would still be available in the trade area if these 55 businesses were displaced.

Arts, Entertainment, and Recreation

There are 31 Arts, Entertainment, and Recreation sector businesses employing an estimated 212 private employees that could be displaced as a result of the Proposed Actions. This includes an estimated 25 businesses and 162 employees on projected development sites and six businesses and 50 employees in the conversion area. These businesses include fitness and recreational sports centers, entertainment agencies and performers, event and amusement centers, theater companies, and dinner theaters, among others. The 31 businesses represent 2.0 percent of Study Area Arts, Entertainment, and Recreation sector businesses and 0.8 percent of Study Area private employment in the sector.

There are 1,572 Arts, Entertainment, and Recreation sector businesses employing 26,928 workers in the Study Area, and there are 4,318 total sector businesses in Manhattan. There are businesses located in the Study Area that offer similar services. For example, Planet Fitness, Barry's Park Avenue South, and CorePower Yoga are fitness and recreational sports centers within the Study Area. Central Casting New York and Global Talent List are entertainment agencies within the Study Area. Dave and Buster's, Frames Bowling Lounge, and AYZA Private Party Events are event and amusement centers within the Study Area.

While the office- and retail-based Arts, Entertainment, and Recreation sector businesses may be easier to locate given their footprint size and potential to relocate within the incremental increase in local retail space associated with the Proposed Actions, the event and amusement centers and theaters may be more difficult to relocate. However, these attractions serve trade areas larger than the Affected Area and would be able to find comparable space within the borough or New York City and still serve their customer base. Additionally, the Study Area includes sections of the Theater District where there is a plethora of entertainment options available, including Lyceum Theatre, Stephen Sondheim Theatre, and New Amsterdam Theatre. These and other businesses could meet the needs of area residents seeking arts, entertainment, and recreation services. In summary, essential goods/services associated with the Arts, Entertainment, and Recreation sector would still be available in the trade area if these 31 businesses were displaced.

Construction

There are 27 Construction sector businesses employing an estimated 216 private employees that could be displaced as a result of the Proposed Actions. This includes an estimated 12 businesses and 86 employees on projected development sites and 15 businesses and 130 employees in the conversion area. These businesses include building construction contractors, tile and terrazzo contractors, and electrical contractors, among others. The 27 businesses represent 2.7 percent of Study Area Construction sector businesses and 1.1 percent of Study Area private employment in the sector.

There are 994 Construction sector businesses employing 20,096 workers in the Study Area, and there are 2,398 total sector businesses in Manhattan. There are businesses located in the Study

Area that offer similar services. For example, building contractors in the Study Area include Melcon General Contractors, Bond Construction, and NYC Build Pros. Cancos Tile & Stone and Zeran Floors are other examples of tile and terrazzo contractors within the Study Area. JMC Electric, Shine Electrical Contractors, and Eco Electrical Services are other examples of electrical contractors within the Study Area. Many of the Construction sector businesses are office-based and could potentially relocate within the Study Area or elsewhere in New York City if their clientele and "job sites" are located throughout the trade area and not solely within the Study Area. In summary, essential goods/services associated with the Construction sector would still be available in the trade area if these 27 businesses were displaced.

Educational Services

There are 16 Educational Services sector businesses employing an estimated 174 private employees that could be displaced as a result of the Proposed Actions. This includes an estimated nine businesses and 86 employees on projected development sites and seven businesses and 88 employees in the conversion area. These businesses include fine arts instruction studios, trade schools, tutoring businesses, recreational licensing businesses, and professional and management development training businesses, among others. The 16 businesses represent 2.8 percent of Study Area Educational Services sector businesses and 1.3 percent of Study Area private employment in the sector.

There are 573 Educational Services sector businesses employing 13,302 workers in the Study Area, and there are 2,062 total sector businesses in Manhattan. There are businesses located in the Study Area that offer similar services. For example, Fred Astaire New York Midtown Dance Studio, Exploring the Arts, and Society of Unique Artists are examples of other arts organizations in the Study Area. Atelier Esthetique and General Assembly New York are other vocational schools in the Study Area. Kumon Math and Reading Center of Chelsea and Big Apple Tutoring are tutoring businesses in the Study Area, and All Borough Construction Safety Training and OSHA 10 NYC are both training businesses in the Study Area. The office-based Educational Services sector businesses are not uniquely dependent on their location within the Affected Area, because their clients are generally located throughout New York City and the broader trade area. In summary, essential goods/services associated with the Educational Services sector would still be available in the trade area if these 16 businesses were displaced.

Finance and Insurance

There are 15 Finance and Insurance sector businesses employing an estimated 152 private employees that could be displaced as a result of the Proposed Actions. This includes an estimated 10 businesses and 98 employees on projected development sites and five businesses and 54 employees in the conversion area. These businesses include financial services and insurance brokers, among others. The 15 businesses represent 0.5 percent of Study Area Finance and Insurance sector businesses and 0.1 percent of Study Area private employment in the sector.

There are 3,080 Finance and Insurance sector businesses employing 123,147 workers in the Study Area, and there are 8,400 total sector businesses in Manhattan. There are businesses located in the Study Area that offer similar services. For example, Gotham Financial Services, Rosenzweig Financial Services, and Drucker Wealth Management are other examples of financial

services businesses within the Study Area, and Greater New York Insurance Co, Kenneth Bieber Insurance, and State Farm are other examples of insurance businesses. The Finance and Insurance sector businesses are all office-based and easily transferable to other generic office spaces. The businesses are generally not uniquely dependent on their location within the Affected Area, because their clients are likely located throughout New York City and the broader trade area. In summary, essential goods/services associated with the Finance and Insurance sector would still be available in the trade area if these 15 businesses were displaced.

Health Care and Social Assistance

There are 93 Health Care and Social Assistance sector businesses employing an estimated 480 private employees that could be displaced as a result of the Proposed Actions. This includes an estimated 45 businesses and 236 employees on projected development sites and 48 businesses and 244 employees in the conversion area. These businesses include the offices of various healthcare providers, social service providers, and medical coworking space, among others. The 93 businesses represent 4.4 percent of Study Area Health Care and Social Assistance sector businesses and 0.7 percent of Study Area private employment in the sector.

There are 2,118 Health Care and Social Assistance sector businesses employing 64,542 workers in the Study Area, and there are 8,623 total sector businesses in Manhattan. Over 2,000 existing Health Care and Social Assistance sector businesses in the Study Area including dentists, physical therapists, masseuses, and acupuncturists, would have sufficient ability to accommodate the clients of the potentially displaced practitioners and offer alternative space for these businesses to relocate. The potentially displaced healthcare and social assistance sector businesses generally have low square footage and could relocate to other generic and medical office spaces in the Study Area or elsewhere in Manhattan if their clients are generally located throughout New York City and the general region.

The potentially displaced social services organizations on the projected development sites include a non-profit service provider for drug addiction and a non-profit legal services organization. The non-profit service provider for drug addiction may serve a local population, but like the other potentially displaced medical spaces, this organization could relocate to another medical office space in the Study Area. The non-profit legal services organization serves immigrants located throughout New York City and is therefore not uniquely dependent on their location within the Affected Area. In summary, essential goods/services associated with the Health Care and Social Assistance sector would still be available in the trade area if these 93 businesses were displaced.

Information

There are 27 Information sector businesses employing an estimated 274 private employees that could be displaced as a result of the Proposed Actions. This includes an estimated seven businesses and 69 employees on projected development sites and 20 businesses and 205 employees in the conversion area. These businesses include four picture and video production studios, media duplication companies, software publishers, and visual arts organizations, among others. The 27 businesses represent 1.1 percent of Study Area Information sector businesses and 0.3 percent of Study Area private employment in the sector.

There are 2,506 Information sector businesses employing 84,119 workers in the Study Area, and there are 6,378 total sector businesses in Manhattan. There are businesses located in the Study Area that offer similar services. For example, Tone Films New York City and Click Play Films are motion picture and video production studios within the Study Area, and DupeCoop CD & DVD Duplication provides media duplication services in the Study Area. Additionally, the office-based activities of the potentially displaced Information sector businesses are not uniquely dependent on their location within the Affected Area, because their clients are located throughout New York City and the broader trade area. In summary, essential goods/services associated with the Information sector would still be available in the trade area if these 27 businesses were displaced.

Management of Companies and Enterprises

There are seven Management of Companies and Enterprises sector businesses employing an estimated 62 private employees that could be displaced as a result of the Proposed Actions. This includes an estimated one business and nine employees on projected development sites and six businesses and 53 employees in the conversion area. The seven businesses represent 1.2 percent of Study Area Management of Companies and Enterprises sector businesses and 0.9 percent of Study Area private employment in the sector.

There are 548 Management of Companies and Enterprises sector businesses employing 28,297 workers in the Study Area, and there are 1,360 total sector businesses in Manhattan. Management of Companies and Enterprises sector businesses likely draw clients from the broader trade area and could therefore relocate elsewhere in the Study Area or Manhattan without meaningfully impacting their clientele. In summary, essential goods/services associated with the Management of Companies and Enterprises sector would still be available in the trade area if these seven businesses were displaced.

Manufacturing

There are 50 Manufacturing sector businesses employing an estimated 117 private employees that could be displaced as a result of the Proposed Actions. This includes an estimated 22 businesses and 52 employees on projected development sites and 28 businesses and 65 employees in the conversion area. These businesses include an estimated 32 garment manufacturing businesses which employ 71.2 percent of potentially displaced sector workers in this sector.[16] The other businesses are small and include commercial printers, ceramics studios, dental laboratories, and die manufacturing businesses, among others. The 50 businesses represent 4.9 percent of Study Area Manufacturing sector businesses and 1.2 percent of Study Area private employment in the sector.

There are 1,020 Manufacturing sector businesses employing 9,734 workers in the Study Area, and there are 1,764 total sector businesses in Manhattan. While Manufacturing represents a use that may be more challenging to relocate due to space demands and operating expense constraints for manufacturers, there are alternative businesses that could provide manufacturing services should the 50 businesses be displaced. For example, SLG International, Handcraft Manufacturing, and Vanny Tousignant are other garment manufacturing businesses within the

[16] Impacts to the garment industry are discussed further in this section as well as in "Adverse Impacts on Specific Industries."

Study Area. Rush Copier, Union Printer NYC, and Staples are other commercial printers within the Study Area. DOCLAY NYC and Pottery Studio 1 Midtown are other ceramics studios within the Study Area. Advanced Dental Laboratory and Goldsmith and Glassman Dental Lab are other dental laboratories within the Study Area. Etna Tool & Die Corporation and 3E Rapid Prototyping Limited are other die-manufacturing businesses located just outside of the Study Area in Manhattan. Many of the Manufacturing sector businesses serve the broader trade area and could potentially relocate elsewhere in New York City and still be able to effectively serve their clientele. In summary, essential goods/services associated with the Manufacturing sector would still be available in the trade area if these 50 businesses were displaced.

Other Services (except Public Administration)

There are 78 Other Services sector businesses employing an estimated 497 private employees that could be displaced as a result of the Proposed Actions. This includes an estimated 59 businesses and 367 employees on projected development sites and 19 businesses and 130 employees in the conversion area. These businesses include beauty salons (e.g. nails, waxing, hair), personal services (e.g. psychics, dating services), parking lots and garages, foundations and civic organizations, pet care services, other personal care services (e.g. tattoo parlors), religious organizations, appliance repair shops, labor organizations, and dry cleaners, among others. The 78 businesses represent 2.4 percent of Study Area Other Services sector businesses and 1.6 percent of Study Area private employment in the sector.

There are 3,257 Other Services sector businesses employing 30,988 workers in the Study Area, and there are 17,433 total sector businesses in Manhattan. There are businesses located in the Study Area that offer similar services. For example, AR Hair Salon, Marc Joseph Salon & Spa, and GLOSSLAB are other beauty salons in the Study Area, and Picasso Tattoo Studio and Sierra Psychic are other personal care services in the Study Area. AZ Parking and Icon Parking both offer parking within the Study Area. PetHotels, Petco, and Katie's Kitty are other pet care services in the Study Area. Since religious organizations are not necessarily interchangeable, members may follow any displaced organizations to their new locations. There are also many other religious organizations of multiple denominations in the Study Area that may serve local needs. NYC Appliance Care and Oven, Range & Stove Repair Pro are other appliance repair shops in the Study Area. Carlyle Cleaners and Gramercy Cleaners NYC are other dry cleaners in the Study Area. Furthermore, the potentially displaced Other Services sector businesses such as beauty salons and parking facilities are not defining characteristics of the area.

The office-based activities of the potentially displaced Other Services sector businesses are not uniquely dependent on their location within the Affected Area, because their clients are located throughout New York City and the broader trade area. Additionally, if the Proposed Actions are approved, there would be an incremental increase in local retail space where displaced retail oriented Other Services could potentially relocate. In summary, essential goods/services associated with the Other Services sector would still be available in the trade area if these 78 businesses were displaced.

Professional, Scientific, and Technical Services

There are 105 Professional, Scientific, and Technical Services sector businesses employing an estimated 954 private employees that could be displaced as a result of the Proposed Actions. This includes an estimated 58 businesses and 525 employees on projected development sites and 47 businesses and 429 employees in the conversion area. These businesses include architecture and engineering services; marketing, advertising, and graphic design firms; photography studios; offices of lawyers; management consulting services; specialized design services; technology services businesses; accountants; and veterinarians, among others. The 105 businesses represent 1.2 percent of Study Area Professional, Scientific, and Technical Services sector businesses and 0.5 percent of Study Area private employment in the sector.

There are 8,498 Professional, Scientific, and Technical Services sector businesses employing 178,876 workers in the Study Area, and there are 20,998 total sector businesses in Manhattan. There are businesses located in the Study Area that offer similar services. For example, Zorz Studios and Digital Headshots NYC are other photography studios within the Study Area. H&R Block and Li & Zheng CPA are other accountants within the Study Area. West Chelsea Veterinary and Murray Hill Pet Hospital are other veterinary services within the Study Area. The other office-based activities of the potentially displaced Professional, Scientific, and Technical Services sector businesses are not uniquely dependent on their location within the Affected Area, because their clients and "job sites" are located throughout New York City and the broader trade area. Typically, clients of these particular office-based businesses, such as architecture firms and law offices, search broadly through New York City and the broader trade area when seeking business. In summary, essential goods/services associated with the Professional, Scientific, and Technical Services sector would still be available in the trade area if these 105 businesses were displaced.

Real Estate and Rental and Leasing

There are 20 Real Estate and Rental and Leasing sector businesses employing an estimated 202 private employees that could be displaced as a result of the Proposed Actions. This includes an estimated 14 businesses and 138 employees on projected development sites and six businesses and 64 employees in the conversion area. The businesses include real estate agents, brokers, lessors, and managers; film equipment rental businesses; and formal wear and costume rental businesses, among others. The 20 businesses represent 0.6 percent of Study Area Real Estate and Rental and Leasing sector businesses and 0.7 percent of Study Area private employment in the sector.

There are 3,377 Real Estate and Rental and Leasing sector businesses employing 31,076 workers in the Study Area, and there are 11,003 total sector businesses in Manhattan. As real estate businesses, many of the businesses likely own buildings or have ready access to alternative spaces within the Study Area. Additionally, there are businesses located in the Study Area that offer similar services. Century 21 Scope Realty, Batra Group Real Estate, and Alpha Properties NYC are real estate agents and brokers in the Study Area. My.Suit, Abe's Formal Wear, and Alias Costume Rental are other formal wear and costume rental businesses within the Study Area. Camera Rentals NYC and PRG provide film equipment rental services in the Study Area. In summary, essential goods/services associated with the Real Estate and Rental and Leasing sector would still be available in the trade area if these 20 businesses were displaced.

Retail Trade

There are 68 Retail Trade sector businesses employing an estimated 452 private employees that could be displaced as a result of the Proposed Actions. This includes an estimated 53 businesses and 350 employees on projected development sites and 15 businesses and 102 employees in the conversion area. These businesses include an estimated four garment industry retail businesses which employ 6.0 percent of potentially displaced sector workers in this sector.[17] The other businesses include jewelry retailers, smoking supply retailers, clothing and accessories retailers, art dealers and galleries, optical goods retailers, cosmetics retailers, furniture retailers, food retailers, gift and souvenir retailers, florists, musical instrument retailers, book retailers, and electric scooter retailers, among others. Overall, the 68 businesses represent 2.6 percent of Study Area Retail Trade sector businesses and 1.1 percent of Study Area private employment in the sector.

There are 2,586 Retail Trade sector businesses employing 41,741 workers in the Study Area, and there are 9,712 total sector businesses in Manhattan. There are other retail businesses in the area that could provide the same services to consumers if these 68 existing Retail Trade sector businesses are displaced as a result of the Proposed Actions. Similar businesses in the Study Area include De Janeiro Stores, Free People, Pandora Jewelry, Chelsea Vibez Smokeshop, Ronin Gallery, European Optical, Chelsea Florist, Health Food & Vitamin City, Blu Dot, I Love NY Gift, Burke Woodwinds, B&Q Trim Store, Madison Square Convenience & Smoke, Sephora, Montasy Comics NYC, and MiniMotors NYC PEV. Additionally, retail uses are generally easier to relocate as they require smaller footprints that could be found throughout Manhattan. If the Proposed Actions are approved, there would be an incremental increase in retail space on the projected development sites, and displaced businesses could potentially relocate into this new retail space. In summary, essential goods/services associated with the Retail Trade sector would still be available in the trade area if these 68 businesses were displaced.

Transportation and Warehousing

There are 11 Transportation and Warehousing sector businesses employing an estimated 52 private employees that could be displaced as a result of the Proposed Actions. This includes an estimated seven businesses and 30 employees on projected development sites and four businesses and 22 employees in the conversion area. These businesses include support activities for transportation services and storage facilities, among others. The 11 businesses represent 4.3 percent of Study Area Transportation and Warehousing businesses and 0.5 percent of Study Area private employment in the sector.

There are 257 Transportation and Warehousing sector businesses employing 9,749 workers in the Study Area, and there are 734 total sector businesses in Manhattan. There are businesses located in the Study Area that offer similar services. For example, Mellimo Transportation and Onyx Limo & Car Service are other limo services within the Study Area. Direct Rush and Valkyrie Messenger Service NYC are other couriers within the Study Area. Bounce Luggage Storage and LuggageHero both offer luggage storage within the Study Area, and Chelsea Wine Storage offers

[17] Impacts to the garment industry are discussed further in this section as well as in "Adverse Impacts on Specific Industries."

wine storage. Additionally, the office-based activities of the potentially displaced Transportation and Warehousing sector businesses are not uniquely dependent on their location within the Affected Area, because their clients are generally located throughout New York City and the broader trade area. Furthermore, the potentially displaced Transportation and Warehousing sector businesses are not defining characteristics of the area. In summary, essential goods/services associated with the Transportation and Warehousing sector would still be available in the trade area if these 11 businesses were displaced.

Wholesale Trade

There are 114 Wholesale Trade sector businesses employing an estimated 449 private employees that could be displaced as a result of the Proposed Actions. This includes an estimated 57 businesses and 224 employees on projected development sites and 57 businesses and 225 employees in the conversion area. These businesses include an estimated 78 garment industry wholesalers which employ 76.3 percent of potentially displaced sector workers in this sector.[18] The other Wholesale Trade sector businesses include jewelry, watch, precious stone, and precious metal merchant wholesalers; electrical equipment merchant wholesalers; durable and nondurable goods merchant wholesalers; flower and florists' supply merchant wholesalers; and home furnishings merchant wholesalers, among others. The 114 businesses represent 2.6 percent of Study Area Wholesale Trade sector businesses and 1.0 percent of Study Area private employment in the sector.

There are 4,467 Wholesale Trade sector businesses employing 46,363 workers in the Study Area, and there are 6,755 total sector businesses in Manhattan. There are other wholesalers in the area that could provide the same services to consumers if these 114 existing Wholesale Trade sector businesses are displaced as a result of the Proposed Actions. Similar businesses in the Study Area include Alliance Wholesale Corporation, E&L Distributors, Oliver Furs Wholesale, Pindler, Goko Fine Jewelry Supplier, Los Amigos Wholesale Flowers, B&H Photo Video Audio, J&D Oriental Rug Co, and Louis Shiffman Electric. The retail oriented Wholesale Trade sector businesses could potentially relocate to sites with an incremental increase in retail space associated with the Proposed Actions on the projected development sites. Otherwise, the Wholesale Trade sector businesses could relocate within the Study Area or elsewhere in New York City if their clientele is located throughout New York City and not solely within the Study Area. In summary, essential goods/services associated with the Wholesale Trade sector would still be available in the trade area if these 114 businesses were displaced.

Do the businesses and workers that may 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 projected development generated by the Proposed Actions would potentially directly displace an estimated 779 private sector businesses and 5,304 jobs associated with those businesses. Overall, many of the services potentially displaced would eventually be reintroduced into the

[18] Impacts to the garment industry are discussed further in this section as well as in "Adverse Impacts on Specific Industries."

Affected Area in newer spaces or would be able to relocate in existing spaces in the 0.5-mile Study Area, a dense business district containing 33.6 percent of all businesses in Manhattan. As mentioned, the Affected Area has a concentration of businesses and employees in a variety of sectors, especially Administrative and Support and Waste Management and Remediation Services; Professional, Scientific, and Technical Services; Wholesale Trade; and Accommodation and Food Services.

The potentially displaced businesses and institutions provide a wide variety of products and services to the local economy. However, these products and services are not unique to the Study Area, and many of the establishments serve consumers and clients at the city-wide and regional levels. All of the potentially displaced businesses have products and services that may be found in other businesses not being displaced within the Study Area and the larger trade areas of Manhattan and New York City. Similarly, there were no institutions identified that provide services exclusively to the Affected Area.

Most of the potentially displaced businesses and institutions are currently operating in office or retail spaces, which are more easily relocated than large community facilities or industrial spaces. According to 2024 CoStar data, commercial retail rent in the Greater Midtown real estate market averaged $103.45 per square foot, and retail vacancy was 6.1 percent. There was wide variation in the submarkets comprising the Study Area; for example, vacancy rates varied from 3.6 percent in Times Square to 21.9 percent in Murray Hill. In 2024, commercial office rents ranged from $42.13 per square foot in the Penn Garment submarket to $69.89 per square foot in the Gramercy submarket, and commercial office rents in the Greater Midtown market averaged $52.07 overall. Commercial office vacancy rates ranged from 12.3 percent in Times Square to 16.6 percent in Murray Hill in 2024.

The 50 potentially displaced Manufacturing sector businesses may have special difficulty relocating due to their unique zoning and spatial requirements. However, the potentially displaced businesses in the Manufacturing sector comprise only 4.9 percent of Manufacturing sector businesses in the Study Area and 1.2 percent of Manufacturing sector workers. These businesses could potentially relocate within the Study Area or elsewhere in New York City if their clientele and “job sites” are located throughout New York City and not solely within the Study Area. Furthermore, additional businesses offering similar services in the Study Area were identified.

As detailed in Chapter 2, “Land Use, Zoning, and Public Policy,” current land use trends and general development patterns are expected to continue through 2034 under the Future No-Action condition. These trends and patterns are characterized primarily by commercial uses. The primary Study Area will continue to include mixed-use residential and commercial uses, residential uses, and public facilities and institutions. The identified projected development sites are zoned M1-6 and are assumed to remain unchanged from existing conditions. The buildings on these sites would continue to age and become more difficult to lease to commercial tenants seeking quality space. The manufacturing uses are expected to continue declining in the Study Area, including garment manufacturing.

Overall, there are enough opportunities for relocation within the Study Area for potentially displaced businesses serving local clients, as well as opportunities for relocation within the

broader trade area for regional businesses. There are also substantial alternative providers of goods and services, should these businesses be unable to relocate. Therefore, no significant adverse impacts on the 16 sectors in the Affected Area are projected as a result of the Proposed Actions.

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?

A substantial portion of the potentially displaced businesses are in the garment industry, which is notable because portions of the Affected Area are located within the Special Garment Center District. The Proposed Actions would eliminate from the zoning map the portion of the Special Garment Center District that is coextensive with the majority of the Northwest Quadrant of the Affected Area (Subdistrict A-1). Special Garment Center Subdistrict A-2 would be subsumed by the Special Hudson Yards District. The Garment Center Text Amendment of 2018 already removed protections for the garment industry by allowing for the conversion of manufacturing and warehousing uses to office uses in Subdistrict A-1 east of Eighth Avenue. Therefore, any garment industry businesses occupying sites within the Special Garment Center District are not currently subject to regulations or publicly adopted plans to preserve, enhance, or otherwise protect them. Nevertheless, potentially displaced garment industry businesses are analyzed to determine any adverse impacts, given the significance of the fashion ecosystem in the area and New York City as a whole.

Of the estimated 779 potentially displaced businesses, an estimated 78 Wholesale Trade businesses (68.4 percent of its sector), 32 Manufacturing businesses (63.6 percent of its sector), and four Retail Trade businesses (5.7 percent of its sector) are related to the garment industry.[19] These 114 total garment industry businesses represent 14.6 percent of all potentially displaced businesses. Of the estimated 5,304 potentially displaced employees, there are an estimated 343 Wholesale Trade sector employees (76.3 percent of its sector), 83 Manufacturing sector employees (71.2 percent of its sector), and 27 Retail Trade sector businesses (6.0 percent of its sector) within the garment industry, comprising 8.5 percent of all potentially displaced employees.

As discussed, the Retail Trade sector businesses would likely have less difficulty relocating due to their smaller footprints and the fact that there would be an incremental increase in local retail space associated with the Proposed Actions where displaced retail businesses could potentially relocate. It is also possible that a number of the displaced businesses would close or relocate for reasons independent of the Proposed Actions.

The Manufacturing and Wholesale Trade sector businesses may have more difficulty relocating given their generally larger footprints and physical constraints associated with their operations. According to CoStar data of tracked inventory, although industrial space is declining in Greater Midtown, the gsf of industrial inventory in Manhattan as a whole increased by 8.1 percent between 2014 and 2024, indicating that the displaced businesses have options for relocation in the borough. The industrial vacancy rate in Greater Midtown is 2.6 percent, and 1.8 percent in Manhattan. Even if the Manufacturing and Wholesale Trade sector businesses were unable to relocate within the Study Area, the total number of potentially displaced Manufacturing and

[19] Percentages are based on BJH field observations on projected development sites.

Wholesale Trade sector businesses (garment-related and non-garment-related) comprise only 4.9 percent and 2.6 percent of employees in their respective sectors within the Study Area and 1.2 percent and 1.0 percent of businesses in their respective sectors within the Study Area. Furthermore, comparable businesses exist in the Study Area, as summarized in **Table 3-5**.

Table 3-5: List of Garment Industry Businesses Offering Similar Services Within the 0.5-Mile Study Area

Manufacturing	
Empire Apparel Group	1412 Broadway
Maison Madison Couture	54 West 16th Street
Carla Dawn Behrle NYC Leather	303 5th Avenue
SRP Apparel Group	525 7th Avenue
Tulle New York	109 West 38th Street
The Hop NYC	420 Madison Avenue
Modern Custom Graphics	1234 Broadway
SLG International	1407 Broadway
Handcraft Manufacturing	34 West 33rd Street
Vanny Tousignant	45 East 34th Street
Wholesale Trade	
Alliance Wholesale Corporation	10 West 33rd Street
E&L Distributors	1407 Broadway
Oliver Furs Wholesale	295 Madison Avenue
Dreamwear	183 Madison Avenue
MTI New York	20 West 20th Street
Super Denims	827 6th Avenue
Sola Showroom	27 East 21st Street
Lal10	228 Park Avenue South
Ali's Market	34 West 33rd Street
Spring Import	32 West 39th Street
Retail Trade	
B&Q Trim Store	102 West 38th Street

The Trim Source	249 West 34th Street
Discount Fabrics Truemart	170 West 25th Street
Blick	650 6th Avenue
Beads of Paradise	16 East 17th Street
Michaels	675 6th Avenue
Lou Lou Buttons	71 West 38th Street
B&J Fabrics	525 7th Avenue
Sewmark Sewing Machine Corporation	359 West 36th Street
HM Nabavian	36 East 31st Street

Source: Desktop research on Google Maps
Notes: None of the businesses are located on projected development sites or in the conversion area.

Summary

In summary, the 779 potentially directly displaced businesses and the associated 5,304 employees do not represent a substantial proportion of Study Area businesses or employment for any given sector. In many cases, the potentially displaced businesses serve trade areas larger than the Affected Area and would be able to find comparable space within the borough or New York City and still serve their customer base. In other cases, businesses serving local needs could relocate to other commercial spaces in the Study Area, including the spaces comprising the incremental increase in retail space associated with the Proposed Actions. Specific analysis of the garment industry found that comparable businesses exist in the Study Area, the garment industry is already trending downward in the Study Area, and the potentially displaced garment industry businesses could relocate without necessarily impacting their ability to conduct business. While all businesses contribute to neighborhood character and provide value to New York City's economy, because there are alternative sources of goods, services, and employment provided within the Study Area or nearby areas of Manhattan, the direct displacement of these businesses does not constitute a significant adverse impact on socioeconomic conditions. Adverse impacts to the garment industry in particular are also discussed in Adverse Effects on Specific Industries.

Indirect Residential Displacement

The following is a preliminary assessment of the Proposed Actions' potential to result in indirect residential displacement. As described in the *CEQR Technical Manual*, indirect residential displacement usually results from substantial new development that is markedly different from existing uses and activity in an area, which can lead to increased property values in the area. Increased property values can lead to increased rents, which can make it difficult for some existing residents to remain in their homes. The first step in a preliminary assessment of a project's potential for indirect residential displacement is to examine the impact of increased rents, as considered in the following question.

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

Existing Conditions and Trends

Table 3-6 indicates that the 2018–2022 ACS median and mean household incomes in the Study Area are both higher than those values for the Borough of Manhattan and New York City at large. Median and mean household incomes in the Study Area increased between the 2006–2010 ACS and the 2018–2022 ACS, but the exact rate of change cannot be reported with confidence.

According to the 2018–2022 ACS, the estimated average or mean household income in the Study Area is $210,646, compared to $191,440 in the 2006–2010 ACS; the median household income in the Study Area is $131,653, compared to $116,466 in 2006–2010. Meanwhile, Manhattan's average or mean household income is $184,058 with a median household income of $99,880, and the New York City-wide average is $122,667 with a median of $76,607.

Table 3-6: Household Income Characteristics (2006–2010, 2018–2022 ACS)

	Average Household Income			Median Household Income		
Area	**2006–2010 ACS[1]**	**2018–2022 ACS[1]**	**Change or Direction[2]**	**2006–2010 ACS[1]**	**2018–2022 ACS[1]**	**Change or Direction[2]**
Study Area	191,440	210,646	Increasing	116,466	131,653	Increasing
Manhattan	165,451	184,058	+11.2%	87,665	99,880	+13.9%
New York City	105,106	122,667	+16.7%	67,850	76,607	+12.9%

Source: U.S. Census Bureau, 2006-2010 and 2018-2022 ACS 5-Year Estimates (NYC Planning Population FactFinder)

Notes:

1. All dollar figures have been adjusted to 2022 inflation dollars.
2. If the margin of error (MOE) of the difference between 2006-2010 and 2018-2022 ACS data is greater than the difference, a change cannot be reported with confidence; if the MOE of the difference is greater than one-third of the difference, a change cannot be estimated with confidence and only the direction of the change can be reported (i.e., increase/decrease).

Table 3-7 summarizes the distribution of incomes in the Study Area, Manhattan, and New York City. In the Study Area, 45.4 percent of households earn $150,000 or more, which is more than nine percentage points higher than Manhattan (36.1 percent) and more than 20 percentage points higher than New York City as a whole (24.6 percent) for that income bracket. The percentage of households earning $25,000 or less within the Study Area (14.0 percent) is lower than that of Manhattan and New York City as a whole (19.0 and 20.0 percent, respectively).

Table 3-7: Distribution of Household Incomes (2018–2022)

	Study Area		Manhattan		New York City	
Household Income	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
Less than $25,000	11,713	14.0%	146,736	19.0%	655,649	20.0%
$25,000-$49,999	8,700	10.4%	91,336	11.8%	515,571	15.7%
$50,000-$74,999	6,846	8.2%	81,222	10.5%	444,145	13.5%
$75,000-$99,999	6,084	7.3%	67,261	8.7%	356,109	10.8%
$100,000-$149,999	12,187	14.6%	106,762	13.8%	503,212	15.3%
$150,000 or more	37,924	45.4%	279,284	36.1%	808,118	24.6%
Total	**83,454**	**100.0%**	**772,601**	**100.0%**	**3,282,804**	**100.0%**

Source: U.S. Census Bureau, 2018-2022 ACS 5-Year Estimates (NYC Planning Population FactFinder)
Notes: Percentages may not sum to totals due to rounding.

The data presented in **Table 3-8** show the percentage of families in the Study Area with income below the poverty level in the past 12 months, based on data from the 2018–2022 ACS. The share of families in the Study Area with income below the poverty level is 5.1 percent. This is lower than the share of families in Manhattan (11.9 percent) and New York City (13.6 percent) with incomes below the poverty level.

Table 3-8: Percentage of Families with Income Below the Poverty Level in the Past 12 Months (2018–2022)

Geography	Percent Households, 2022
Study Area	5.1%
Manhattan	11.9%
New York City	13.6%

Source: U.S. Census Bureau, 2018-2022 ACS 5-Year Estimates (NYC Planning Population FactFinder)

No-Action Condition

As identified in **Table 3-6**, there is an existing trend of increasing average and median household incomes in the Study Area. As shown in **Table 3-11**, there is a concurrent existing trend in the Study Area of increasing average and median gross rents. It is anticipated that the creation of affordable DU in the Study Area would slow these trends to a degree. In the No-Action condition, it is estimated that the 54 existing DU on the projected development sites would remain, all of which are market-rate as opposed to affordable.[20] Beyond the Affected Area, the broader Study

[20] Projected development sites were cross-referenced against the NYU Furman Center's CoreData.nyc database of subsidized housing units.

Area is expected to add 11,294 DUs by 2034 under the No-Action condition from a combination of NYC DOB completions, permits, active permit filings with NYC DOB, and applicant-controlled sites, as summarized in **Table 3-19**. According to the 2020 Census, there are 106,568 housing units in the Study Area, so the new development would represent a 10.6 percent increase in DUs. The vast majority of these new DUs would be market-rate based on current zoning. Based on the No-Action condition of no additional DU on the projected development sites and 11,294 mostly market-rate DU in the broader Study Area, it is expected that existing trends would continue into the future, leading to even higher incomes and rents in the No-Action condition as compared with the existing conditions.

With-Action Condition

According to the RWCDS, the With-Action condition would result in an incremental increase in the number of market-rate and affordable DU, due in large part to the application of the MIH program to the Affected Area. The MIH program sets forth two primary options that are characterized by different affordability levels, which promote a range of affordable development. Under Option 1 of MIH, 25 percent of residential floor area would be set aside for households with incomes averaging 60 percent AMI, including 10 percent set aside for households earning 40 percent AMI. Under Option 2 of MIH, 30 percent of residential floor area would be set aside for households with incomes averaging 80 percent AMI.

For the purposes of this assessment, all affordable units are assumed to be based on Option 2 of the New York City MIH text amendment of March 22, 2016. New York City AMIs and affordable monthly rents by AMI are shown in **Tables 3-9** and **3-10**. AMIs are calculated yearly by the U.S. Department of Housing and Urban Development.

Table 3-9: 2024 New York City Area Median Income (AMI)

Family Size	30% AMI	40% AMI	50% AMI	60% AMI	80% AMI	100% AMI	120% AMI	130% AMI	165% AMI
1	$32,610	$43,480	$54,350	$65,220	$86,960	$108,700	$130,440	$141,310	$179,355
2	$37,290	$49,720	$62,150	$74,580	$99,440	$124,300	$149,160	$161,590	$205,095
3	$41,940	$55,920	$69,900	$83,880	$111,840	$139,800	$167,760	$181,740	$230,670
4	$46,590	$62,120	$77,650	$93,180	$124,240	$155,300	$186,360	$201,890	$256,245
5	$50,310	$67,080	$83,850	$100,620	$134,160	$167,700	$201,240	$218,010	$276,705

Source: U.S. Department of Housing and Urban Development.

Table 3-10: 2024 New York City Affordable Monthly Rents by Area Median Income (AMI)

Unit Size	30% AMI	40% AMI	50% AMI	60% AMI	80% AMI	100% AMI	120% AMI	130% AMI	165% AMI
Studio	$815	$1,087	$1,358	$1,630	$2,174	$2,717	$3,261	$3,532	$4,483
1 BR	$873	$1,165	$1,456	$1,747	$2,330	$2,912	$3,495	$3,786	$4,805
2 BR	$1,048	$1,398	$1,747	$2,097	$2,796	$3,495	$4,194	$4,543	$5,766
3 BR	$1,211	$1,615	$2,018	$2,422	$3,230	$4,037	$4,845	$5,248	$6,661

Source: U.S. Department of Housing and Urban Development.

Notes: Assumes tenant pays electricity. Rents are approximate and have been calculated at 30 percent of annual gross income of the target AMI. For low-income bands, rents are based on 30 percent of 27 percent, 37 percent, 47 percent, 57 percent, and 77 percent of AMI. Studio rents are based on a household factor of 0.6.

The Proposed Actions would facilitate the development or conversion of 9,730 DU for an increment of 9,676 over the No-Action condition. Assuming Mandatory Inclusionary Housing (MIH) Option 2, 30 percent of DU (2,890 DU) would be permanently affordable, and 70 percent would be market-rate (6,786 DU).[21] Based on the affordability levels outlined in **Table 3-9,** this would be approximately $95,446 for the Study Area's average household size of 1.68.[22]

In the future with the Proposed Actions, MIH would be applied to the Affected Area's M1-6 zoning districts. Developments, enlargements, or conversions that do not exceed either 10 units or 12,500 square feet of residential floor area would be exempt from the requirements of the program.

Average Household Income of the With-Action Population

As shown in **Table 3-11**, within the Study Area, the average gross rent from the 2018–2022 ACS was an estimated $2,770 per month, which was greater than the average gross rent in Manhattan as a whole ($2,287) and in New York City overall ($1,841). Median gross rent within the Study Area was an estimated $2,748 per month, which was greater than the median gross rent in Manhattan as a whole ($2,024) and in New York City overall ($1,714). Average gross rents have increased in the Study Area since 2010 by 16.6 percent, which is less than the 19.4 percent increase in Manhattan and New York City overall. Median gross rents have increased in the Study Area since 2010, but the exact rate of change cannot be estimated with confidence. Over the same time period, median gross rents increased in Manhattan by 21.6 percent and in New York City by 18.6 percent.

Table 3-11: Average and Median Gross Rents

	2006–2010 ACS		2018–2022 ACS		Percent Change or Directional Change[2]	
Area	**Average[1]**	**Median[1]**	**Average[1]**	**Median[1]**	**Average**	**Median**
Study Area	$2,376	$2,357	$2,770	$2,748	+16.6%	Increasing
Manhattan	$1,915	$1,665	$2,287	$2,024	+19.4%	+21.6%
New York City	$1,542	$1,445	$1,841	$1,714	+19.4%	+18.6%

Sources: U.S. Census Bureau, 2006–2010 and 2018–2022 ACS 5-Year Estimates via DCP's NYC Population FactFinder and Social Explorer.

Notes:

1. All dollar figures have been adjusted to 2022 inflation dollars.

[21] The estimated number of affordable units for MIH Option 2 combines affordable units from the incremental DU on projected development sites (2,656 DU) and the conversion analysis (234 DU), as calculated in the RWCDS.

[22] The projected average income of households occupying the affordable units is calculated by splitting the difference between the income at the target AMI for an upper bound of a two-person household and a lower bound of a one-person household, based on the average household size for the Study Area (1.68).

2. If the MOE of the difference between 2006–2010 and 2018–2022 ACS data is greater than the difference, a change cannot be reported with confidence; if the MOE of the difference is greater than one-third of the difference, a change cannot be estimated with confidence and only the direction of the change can be reported (i.e., increase/decrease).

U.S. Census data paints a general picture of whether housing costs are changing in a neighborhood, but the data do not provide specific rent information according to regulation status, current listing supply, or household unit size by bedrooms. Market asking rents were therefore used to provide a fuller understanding of where the Study Area market is today. **Table 3-12** includes data from StreetEasy, an online real estate listing database.[23] The table compares median rents in the Study Area for 2018 and 2023. The data encompasses all rental listings tracked by StreetEasy for Chelsea, Flatiron, Gramercy Park, Midtown, Midtown East, Midtown South, and Midtown West – neighborhoods that are at least partially overlapping with the Study Area.

As referenced in **Table 3-12**, there were 69,975 total listings in 2023 with an average median asking rent of $4,685 compared to 74,125 in 2018 with an average median asking rent of $3,637, or an increase of 28.8 percent in median rent over five years.[24]

Table 3-12: Median Asking Rents, 2018–2023

Period	Total Apartment Listings During Period[1]	Average Number of Monthly Listings	Median Asking Rent for All Apartment Listings [2]
Jan - Dec 2023	69,975	5,831	$4,685
Jan - Dec 2018	74,125	6,177	$3,637
		Change 2018-2023:	**+28.8%**

Source: StreetEasy Data Dashboard, Rental Data for neighborhoods Chelsea, Flatiron, Gramercy Park, Midtown, Midtown East, Midtown South, and Midtown West, January-December 2018 and January-December 2023, accessed in August 2024.

Notes:

1. Study Area defined as neighborhoods Chelsea, Flatiron, Gramercy Park, Midtown, Midtown East, Midtown South, and Midtown West, January-December 2018 and January-December 2023, accessed in August 2024.
2. The median asking rents are based on weighted proportions of total listings. StreetEasy indicates that the inventory in the neighborhoods overlapping with the Study Area, from January to December 2023, is 21.8% Studio, 40.9% one-bedroom, 25.7% two-bedroom, and 11.6% three-bedroom or larger.

Table 3-13 shows the median asking rent for market-rate units in the Study Area from StreetEasy for the period January-December 2023, broken down by the number of bedrooms per unit. The datasets show that median asking rents for DU in the Study Area during this period range from $3,443 to $9,286, depending on the size and location of the listing.

[23] StreetEasy Data Dashboard, Rental Data for neighborhoods Chelsea, Flatiron, Gramercy Park, Midtown, Midtown East, Midtown South, and Midtown West, January-December 2018 and January-December 2023, accessed in August 2024.

[24] Additionally, analysis by the NYU Furman Center for *Neighborhood Indicators*, found that 20.6 percent of occupied, recently available rental units in the Clinton/Chelsea/Midtown neighborhood, a central portion of the Study Area, were affordable to appropriately sized households with incomes at 80 percent AMI in 2022.

Table 3-13: Median Asking Rents, January–December 2023

	Studio	One Bedroom	Two Bedroom	Three Bedroom or More
Study Area	$3,443	$4,572	$6,295	$9,286

Source: StreetEasy Data Dashboard, Rental Data for neighborhoods Chelsea, Flatiron, Gramercy Park, Midtown, Midtown East, Midtown South, and Midtown West, January-December 2023, accessed in August 2024.

Table 3-14 shows the expected market-rate household income by unit type based on the assumption that new residents would spend 30 percent of their household income on housing costs. The annual household income expected to afford the monthly current market rent for each of these units would be substantially higher than the median household income for the Study Area ($131,653), as outlined in **Table 3-6**. However, it is important to note that, as of the 2018–2022 ACS, 43.7 percent of occupied units paying rent in the Study Area are paying an annual gross rent that is 30 percent or more of their household income.[25] Additionally, the 2018–2022 ACS reports that the median monthly rent in the Study Area is $2,748, as shown in **Table 3-11**, an amount that is below the current median market rents in the Study Area.

Table 3-14: Household Income by Unit Type (based on 30% expense on rent)

Unit Type	Median Monthly Rent	Estimated Monthly Income	Estimated Annual Income
Studio	$3,443	$11,477	$137,724
One Bedroom	$4,572	$15,240	$182,880
Two Bedroom	$6,295	$20,983	$251,796
Three Bedroom or More	$9,286	$30,953	$371,436
Overall Median	$4,685	$15,616	$187,392

Source: StreetEasy Data Dashboard, Rental Data for neighborhoods Chelsea, Flatiron, Gramercy Park, Midtown, Midtown East, Midtown South, and Midtown West, January-December 2023, accessed in August 2024.

For the past several decades, the conventional public policy indicator of housing affordability in the United States has been the percentage of gross income spent on housing. The U.S. Department of Housing and Urban Development has historically viewed households that spend more than 30 percent of their household income on housing as “burdened.” Therefore, based on the assumption that households would be expected to spend approximately 30 percent of their income on housing costs, under current conditions based on average market rents in the period of January to December 2023, households would need to earn approximately $187,392 annually

[25] U.S. Census Bureau, 2018-2022 ACS 5-Year Estimates (NYC Planning Population FactFinder)

to afford the median market-rate apartment in the Study Area, which is lower than the average household income in the Study Area ($210,646) but higher than the median ($131,653).[26]

Table 3-15 shows the estimated distribution of new market-rate units in the With-Action condition by number of bedrooms. There would be a total of 6,786 market-rate units on projected development sites and from the non-residential area modeled for residential conversions in the With-Action condition. Based on the existing mix of unit types in the Study Area according to the 2018-2022 ACS, approximately 28.9 percent would be studios, 48.0 percent would be one-bedroom units, 17.6 percent would be two-bedroom units, and 5.4 percent would be three-or-more-bedroom units.

Table 3-15: Market-Rate Units by Number of Bedrooms in Study Area (Rental units only)

	Percent[1]	Number of Market-Rate Units in Study Area (ACS 2018–2022)	Number of Market-Rate DU in With-Action Condition[2]
Studio	28.9%	17,822	1,964
One Bedroom	48.0%	29,582	3,260
Two Bedroom	17.6%	10,850	1,195
Three Bedrooms or Larger	5.4%	3,328	367
Total Units	**100.0%**	**61,582**	**6,786**

Source: Distribution of units by number of bedrooms is sourced from the 2018–2022 ACS.
Notes:
1. Percentages may not sum to totals due to rounding.
2. According to the RWCDS, the total number of units in the With-Action condition is 9,730. Of the 9,730, it is assumed that 30 percent would be affordable, and 70 percent would be market-rate. The (net) increment of units in the With-Action condition is 9,676. Of the 9,676 units, it is assumed that 2,890 would be affordable (under Option 2 MIH) and 6,786 would be market-rate.

Table 3-16 shows calculations used to estimate the average household income of the families occupying the market-rate units on the projected development sites and from the non-residential area modeled for residential conversions. Using the median monthly rent by bedrooms compiled from StreetEasy, the estimated household income required for each unit type was calculated by assuming that households spend 30 percent of their gross monthly income on rent. Then, the estimated annual incomes were multiplied by the number of units to determine the aggregate income for all units to produce a weighted average. Finally, this aggregate was divided by the total number of market-rate units to determine the average household income of the market-rate units of $192,144.[27]

[26] This is based on the average median asking rent for all listings in the period of January to December 2023 in the neighborhood-level data summarized in **Table 3-12**, which is $4,685. Average and median household income come from **Table 3-6**.

[27] After accounting for the unit distribution of market-rate units, the weighted average household income of $192,144 (**Table 3-16**) is slightly more than the approximate household income of $187,392 based on median asking rent listings counts on Streeteasy (**Table 3-14**).

Table 3-16: Weighted Average Income of With-Action Market-Rate Renters

Number of Bedrooms	Median Monthly Rent	Estimated Gross Monthly Income	Estimated Gross Yearly Income	Units	Aggregate Income by Number of Bedrooms (Yearly Income x Units)
Studio	$3,443	$11,477	$137,724	1,964	$270,474,379
One Bedroom	$4,572	$15,240	$182,880	3,260	$596,147,616
Two Bedroom	$6,295	$20,983	$251,796	1,196	$301,049,999
Three Bedrooms or Larger	$9,286	$30,953	$371,436	367	$136,215,766
Total				6,786	$1,303,887,761
Weighted Average Income of the With-Action Population (Aggregate Income ÷ Total Units)					**$192,144**

Sources: Monthly rent from StreetEasy, January–December 2023; Percent of units by number of bedrooms from the 2018-2022 ACS.
Notes: Monthly income was estimated using the assumption that renters spend 30 percent of their gross monthly income on rent.

Table 3-17 summarizes the average household income of both the affordable and market-rate units. The same methodology used in **Table 3-16** was applied in **Table 3-17** to derive a weighted average. The average income of market-rate units was multiplied by the total number of market-rate units. The average income of households in affordable units at 80 percent AMI (Option 2) was multiplied by the respective total number of MIH affordable units for each category. These two numbers were added together to determine aggregate income for all the units, both market-rate and affordable. This aggregate income was divided by the total number of units to determine the weighted average income required to afford all proposed unit types under the With-Action condition: $163,263.

Table 3-17: Weighted Average Income of Total With-Action Population

	Income	Units	Aggregate Income (Income x Units)
Market Rate	$192,144	6,786	$1,303,889,184
Affordable MIH Option 2	$95,446	2,890	$275,838,940
Total		9,676	$1,579,728,124
Weighted Average Income of the With-Action Population (Aggregate Income ÷ Total Units)			**$163,263**

Sources: Monthly rent from Streeteasy Listings, January-December 2023; U.S. Department of Housing and Urban Development; 2018-2022 ACS 5-Year Estimates (NYC Planning Population FactFinder).
Notes: Affordable MIH Option 2 is based on the average incomes for 80 percent AMI for the Study Area's average household size of 1.68.

Based on the *CEQR Technical Manual* guidance, if the expected average incomes of the new population would exceed the average incomes of the Study Area's populations, then Step 2 of the analysis should be conducted. Under the With-Action condition, the average household income of the new residents would be approximately $163,263, which is substantially lower than the average household income of the existing residents in the Study Area at $210,646 (see **Table**

3-6). This new average income is lower than the current average due to the substantial amount of affordable housing that would be added to the area in the With-Action condition.[28]

Therefore, in accordance with *CEQR Technical Manual* guidance, Step 2 of the preliminary indirect residential displacement assessment is not warranted. Although further analysis is not warranted, the additional *CEQR* assessment questions are addressed below.

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

As described in the *CEQR Technical Manual,* indirect residential displacement usually results from substantial new development that is markedly different from existing uses and activity in an area, which can lead to increased property values in the area. Increased property values can lead to increased rents, which would make it difficult for some existing residents to remain in their homes. Generally, an indirect residential displacement analysis is conducted only in cases in which the potential impact may be experienced by renters living in privately held units unprotected by rent control, rent stabilization, or other government regulations restricting rents, and whose incomes or poverty status indicate that they may not support substantial rent increases. Residents who are homeowners or who are renters living in rent-restricted units would not be vulnerable to rent pressures.

Table 3-18 summarizes the changes in population within the Study Area, the borough of Manhattan, and New York City at large between the 2010 Census and 2020 Census. The data shows that the Study Area had a population of 138,545 in 2010, which increased to 167,139 by 2020, (a 20.6 percent change). Within the same timeframe, Manhattan and New York City grew by 6.8 and 7.7 percent, respectively. While the Study Area population increased substantially faster than the rest of the borough and City over the ten-year period, this growth was largely experienced outside of the Rezoning Area, in large part because the Rezoning Area is currently zoned for manufacturing. An overview of completed residential construction projects based on data from the New York City Department of Buildings (NYC DOB) shows that 2,994 additional DU have been completed between April 1, 2020, and December 31, 2023. Assuming a Study Area vacancy rate of 4.3 percent and a mean household size of 1.68 persons, this would account for an additional 2,865 occupied units and 4,814 residents, or a total Study Area population of 171,953 by December 31, 2023.[29]

[28] In the With-Action condition, the average household income of the new population ($163,263) would be lower than the average household income of the existing Study Area ($210,646) but higher than the median household income ($131,653) of the existing population in the Study Area (see **Table 3-6**).

[29] The 1.68 average household size was provided by DCP and is based on 2020 Census data for the two Public Use Microdata Area (PUMAs) that cover Manhattan Community Districts 4 and 5. The 4.3 vacancy rate is based on 2022 ACS 1-Year Estimates data for the same area. The 2022 vacancy rate was selected for greater accuracy, because there were convulsions in vacancy rates across New York City but especially in Midtown during the height of the COVID-19 pandemic.

Table 3-18: Study Area, Manhattan, and New York City Residential Population (2010-2023)

Geography	2010 Census	2020 Census	Estimated Population through 12/31/2023	Percent Change 2010–2020	Percent Change 2010–2023
Study Area	138,545	167,139	171,953	+20.6%	+24.1%
Manhattan	1,585,873	1,694,251	N/A	+6.8%	N/A
NYC	8,175,133	8,804,190	N/A	+7.7%	N/A

Sources: DCP Housing Database Project Files Q4 2023; 2010 and 2020 Census via DCP's NYC Population FactFinder.

Notes: Methodology for calculating an estimated 12/31/2023 population for the Study Area is described above. Note that this methodology was not applied to Manhattan or New York City as a whole.

Table 3-19 shows additional information regarding planned or known development sites within a 0.5-mile radius of the Study Area based on the NYC Department of Buildings (NYC DOB) list of recent completions, active permits, and active permit filings as of Q4 2023, including "No-Build" sites.[30] From these recent completions and planned or known development sites, an additional 11,294 DUs will be built regardless of the With-Action condition by the analysis year of 2034.[31] Assuming a Study Area average household size of 1.68 persons and a vacancy rate of 4.3 percent, such new development would yield approximately 10,808 occupied DU and 18,158 new residents.[32]

Table 3-19: Projected Background Study Area Growth Under the No-Action Condition

	Additional Units Estimate from Permits or Filings[1]	Occupied Units Estimate[2]	Additional Population as of 12/31/2028[2]
Completions between 4/1/20 and 12/31/23[1]	2,994	2,865	4,814
Active Permits as of 12/31/23	2,463	2,357	3,960
Active Filings as of 12/31/23	2,297	2,198	3,693
Additional No-Build sites	3,540	3,388	5,692
Total	**11,294**	**10,808**	**18,158**

Sources: NYC DCP Housing Database Project Files Q4 2023; DCP No-Build List.

Notes:

1. Net numbers provided for completions, permits, and filings may include developments in addition to the No-Build list including properties under five units, completions, and demolitions.
2. Based on 2020 Census data via DCP Population FactFinder, the average household size for residential units in the Study Area is 1.68. Except for applicant-controlled sites, the Study Area vacancy rate of 4.3 percent is applied to population counts in Recent Completion, No-Build, and No-Action population growth.

[30] The calculations used in **Table 3-19** may include developments in addition to the No-Build list including properties under five units, completions, and demolitions.

[31] Projects with active permits are assumed to be built by December 31, 2026. Projects with active filings are assumed to be built by December 31, 2028. The Study Area vacancy rate of 4.3 percent (2022 ACS 1-Year Estimates) and average household size of 1.68 persons (2020 Census) are applied to population counts.

[32] The Study Area vacancy rate of 4.3 percent (2022 ACS 1-Year Estimates) and average household size of 1.68 persons (2020 Census), are applied to population counts.

Under the No-Action condition, in addition to the 54 existing DU on the projected development sites, it is assumed that 11,294 new DUs will be produced. This estimate is based on NYC DOB completions, permits, active permit filings with NYC DOB, and applicant-controlled sites. Assuming a Study Area average household size of 1.68 persons and a vacancy rate of 4.3 percent, this would result in a total Study Area population of 185,388 as outlined in **Table 3-20**.[33]

Table 3-20: Summary of No-Action Condition of 0.5-Mile Study Area

	Existing Population	Recent Completions Background Growth		No-Action Population Background Growth		No-Action Population on Affected Area Sites		Study Area No-Action Total Population (2034) (Existing Population + Incremental No-Build + No-Action Population)
		Residential (DU)	Incremental Population on Completion Sites	Residential (DU)	Incremental Population on Active and No-Build Sites	Residential (DU)	No-Action Population on Affected Area Sites	
Total No-Action	167,139	2,994	4,814	8,300	13,344	54	91	185,388

Sources: DCP Housing Database Project Files Q4 2023; 2010 and 2020 Census via DCP's NYC Population FactFinder.
Notes: Assumes a vacancy rate of 4.3 percent and average household size of 1.68.

The With-Action condition would result in an incremental increase of 9,676 DU, with 16,256 incremental residents over the No-Action condition, assuming the same average household size in the Study Area (average of 1.68 residents per unit). Assuming a 4.3 percent vacancy rate, the With-Action condition would result in an incremental increase of 9,260 occupied units with 15,557 incremental residents over the No-Action condition. Thus, the total With-Action Study Area population would be 200,944, an 8.4 percent increase over the No-Action condition, as shown in **Table 3-21**. Based on guidance in the *CEQR Technical Manual*, if the population increase is greater than five percent in the Study Area, then further analysis should assess whether the Study Area has experienced a readily observable trend toward increasing rents and the likely effect of the Proposed Actions on such trends.

[33] The Study Area vacancy rate of 4.3 percent (2022 ACS 1-Year Estimates) and average household size of 1.68 persons (2020 Census), are applied to population counts.

Table 3-21: Summary of With-Action Condition of 0.5-Mile Study Area

	No-Action Total Population (2034)	With-Action Population			With-Action Population with Vacancy		
		Incremental Population	Total Population (2034)	Percent Increase Over No-Action	Incremental Population	Total Population (2034)	Percent Increase Over No-Action
Total With-Action	185,388	16,256	201,644	8.8%	15,557	200,944	8.4%

Sources: DCP Housing Database Project Files Q4 2023; 2010 and 2020 Census via DCP's NYC Population FactFinder.
Notes: Assumes a vacancy rate of 4.3 percent and average household size of 1.68.

Step 3: Consider whether the study area has already experienced a readily observable trend toward increasing rents and the likely effect of the action on such trends. For the purposes of Step 3, "near" is defined as within a 0.5-mile of the study area boundary.

The *CEQR Technical Manual* states that, if the vast majority of the Study Area has already experienced a readily observable trend toward increasing rents and new market-rate development, further analysis is not warranted. Between the 2006–2010 ACS and the 2018–2022 ACS, the Study Area's median household income and average household income increased, although the exact rate of change cannot be reported with confidence (per **Table 3-6**).

As referenced in **Table 3-11**, average gross rent for the Study Area's housing supply increased by 16.6 percent between the 2006-2010 ACS and the 2018-2022 ACS, compared to 19.4 percent in Manhattan and New York City as a whole. Based on market asking rent data from StreetEasy, median asking rents have also increased in each of the neighborhood's markets that overlap with the Study Area.[34] An analysis of recent listings (see **Table 3-12**) shows that market rents have continued to increase in recent years. Median asking rents in the Study Area neighborhood markets increased by 28.8 percent overall between 2018 and 2023 from $3,637 to $4,685.[35]

In addition, **Table 3-22** shows the five-year trends of median asking rents in each neighborhood market that overlaps the Study Area. Since 2018, the highest rate of change in median asking rents occurred in Chelsea, where rents increased by approximately 32.1 percent between 2018 and 2023 ($4,018 to $5,305). Meanwhile, median asking rents in Flatiron increased by approximately 26.9 percent ($4,614 to 5,855), and approximately 30.3 percent in Gramercy Park ($3,569 to $4,650). In the various Midtown neighborhoods, median asking rents increased by approximately 31.6 percent in Midtown ($3,900 to $5,133), 29.7 percent in Midtown East ($3,368 to $4,367), 26.3 percent in Midtown South ($3,806 to $4,807), and 24.1 percent in Midtown West

[34] Neighborhood markets include Chelsea, Flatiron, Gramercy Park, Midtown, Midtown East, Midtown South, and Midtown West. U.S. Census data paints a general picture about whether housing costs are changing in a neighborhood, but the data does not provide specific rent information according to regulation status, current listing supply, or unit size. Market asking rents were therefore used to provide a fuller understanding of where the Study Area market is today.

[35] This is based on a weighted average of the median asking rent for all Study Area neighborhoods, as summarized in **Table 3-12**.

($3,428 to $4,254). Overall, rents declined in 2020 due to the COVID-19 pandemic but have since increased to above pre-pandemic rates.

Table 3-22: Change in Median Asking Rents in Study Area, 2018-2023

Study Area Markets	Median Asking Rent for All Apartment Listings, Jan - Dec 2018[1]	Median Asking Rent for All Apartment Listings, Jan - Dec 2023[1]	Percent Change in Median Rent, 2018-2023
Chelsea	$4,018	$5,305	+32.1%
Flatiron	$4,614	$5,855	+26.9%
Gramercy Park	$3,569	$4,650	+30.3%
Midtown	$3,900	$5,133	+31.6%
Midtown East	$3,368	$4,367	+29.7%
Midtown South	$3,806	$4,807	+26.3%
Midtown West	$3,428	$4,254	+24.1%
Overall	$3,637	$4,685	+28.8%

Source: StreetEasy, including rental data for neighborhoods Chelsea, Flatiron, Gramercy Park, Midtown, Midtown East, Midtown South, and Midtown West for January-December 2018 and January-December 2023, accessed in August 2024.

Without the Proposed Actions, the Study Area is expected to continue the existing trend of increasing rents and household incomes. The affordability requirement of the Proposed Actions would also result in more affordable units in the Affected Area than in the No-Action condition and may help to stabilize rents. Therefore, the Proposed Actions would not result in significant adverse impacts due to indirect residential displacement, and no further assessment of potential impact is warranted.

Indirect Business Displacement

The preliminary assessment of indirect business displacement focuses on whether the Proposed Actions could increase commercial property values and rents within the 0.5-mile Study Area such that it would become difficult for some categories of businesses to remain in the area. The Study Area for this analysis is the 0.5-mile Study Area.

The RWCDS for the Proposed Actions identified 61 projected development sites within the Rezoning Area, as well as 1,093,808 gsf of sites eligible for residential conversions in the Affected Area. Under the RWCDS, the total development expected to occur on the 61 projected development sites under the With-Action condition would consist of approximately 10,924,194 gsf of floor area, including 9,867,999 gsf of residential floor area (approximately 9,730 DU), 893,752 gsf of local retail uses, 66,704 gsf of office uses, 95,739 gsf of community facility uses, zero gsf of industrial and warehouse uses, as well as no accessory parking spaces. The estimated population under the With-Action condition would include a total of approximately 16,347 residents and 3,435 workers on these projected development sites and areas eligible for residential conversions.

On the projected development sites and the eligible conversion area, the Proposed Actions are expected to result in an incremental increase of approximately 9,676 DU on projected development sites and residential conversions, including 1,940 to 2,890 permanently affordable units. The Proposed Actions will also result in an incremental increase of approximately 462,129 gsf of commercial local retail space and 81,755 gsf of community facility space. At the same time, the Proposed Actions are expected to result in an incremental decrease of approximately 732,619 gsf of commercial office space, 17,386 gsf of industrial space, 52,396 gsf of warehouse space, 69,500 gsf of parking (or approximately 225 parking spaces. The RWCDS also identified seven potential development sites that are considered less likely to be developed by the analysis year. The projected incremental change between the No-Action and With-Action conditions that would result from the Proposed Actions would be an increase of 16,256 residents and a decrease of 5,523 workers.

The Proposed Actions would allow residential development in the primary Study Area where it is not currently permitted in areas zoned M1-6. This change would facilitate the development of new housing, including affordable housing, and allow for the conversion of commercial space into new housing and permanently affordable housing.

Given that the Proposed Actions could result in substantial new development that is markedly different from existing uses, development, and activities within the neighborhood, a preliminary assessment of indirect business displacement is warranted. The following four questions frame the potential for significant indirect business displacement.

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

According to PLUTO, the Study Area currently consists of approximately 109,834 DU, 200.6 million gsf of office space, 34 million gsf of retail space, 2.1 million gsf of industrial space, and 6.6 million gsf of warehouse space. Under the Proposed Actions, residential space in the Study Area would increase by an increment of 9,676 DU (+8.8 percent), and retail space would increase by 462,129 gsf (+1.4 percent), as shown in **Table 3-23**. Meanwhile, office space would decrease by 732,619 gsf (-0.4 percent), industrial space would decrease by 17,386 gsf (-0.8 percent), and warehouse space would decrease by 52,396 gsf (-0.8 percent). The new residential and retail uses would be spread throughout the Affected Area on the projected development and in the conversion area.

Table 3-23: Existing Land Uses and Incremental Land Uses Under No-Action and With-Action Conditions

Land Use Type	Existing Conditions		No-Action		With-Action			Percent Change in Study Area from No-Action to With-Action
	Existing in Rezoning Area	Existing in Study Area	No-Action Development on Projected Sites	No-Action Study Area Total	With-Action Development on Projected Sites	With-Action Study Area Total	Incremental Amount Introduced Under With-Action	
Residential (DU)	54 DU	109,834 DU	54 DUs	109,834 DU	9,730 DUs	119,510	9,676 DUs	+8.8%
Commercial office (gsf)	799,323	200,595,729	799,323	200,595,729	66,704	199,863,110	-732,619	-0.4%
Commercial retail (gsf)	431,623	33,984,171	431,623	33,984,171	893,752	34,446,300	462,129	+1.4%
Industrial (gsf)	17,386	2,090,108	17,386	2,090,108	0	2,072,722	-17,386	-0.8%
Warehouse (gsf)	52,396	6,640,452	52,396	6,640,452	0	6,588,056	-52,396	-0.8%

Source: Existing use estimates for projected development sites and incremental use amounts introduced under the Proposed Actions RWCDS were based on 2024 MapPLUTO Data.

In recent years, the Study Area, like other business districts in Manhattan, has experienced an increase in office and retail vacancy, due in large part to shifting workplace dynamics emerging from the COVID-19 pandemic. Meanwhile, the City is working to increase the supply of affordable housing city-wide to meet the needs of current and future residents. The Proposed Actions intend in part to create opportunities for new housing through both ground-up development and conversions and stabilize the commercial real estate market in the wake of the pandemic and shifting work patterns.

According to CoStar data of tracked inventory in Midtown, there is already evidence of a trend towards increasing residential space, with a 12.3 percent increase in multifamily residential gsf between 2014 and 2024 and a decrease in multifamily vacancy of 0.3 percentage points, as shown in **Table 3-24**. Meanwhile, vacancy in commercial office space increased by 6.6 percentage points in Midtown between 2014 and 2024, and gross rent decreased by 12.1 percent, indicating a softening office market. Over the same 10-year period, vacancy in commercial retail space increased by 2.9 percentage points in Midtown, and triple net rent decreased by 11.0 percent. Industrial space has decreased the most over the last 10 years in Midtown, with a 24.2 percent decrease in industrial building area, while industrial vacancy rates increased by 2.5 percentage points. These trends over the past 10 years indicate that any potential changes in these categories under the Proposed Actions would be consistent with existing market trends.

Table 3-24: Summary of Trends in Greater Midtown 2014-2024 YTD

Retail	Inventory SF	+2.4%
	Inventory Buildings	-6.2%
	Vacant Percent Direct	+2.9%
	Triple Net Rent Direct	-11.0%
Office	Inventory SF	+4.0%
	Inventory Buildings	-3.1%
	Vacant Percent Direct	+6.6%
	Gross Rent Direct	-12.1%
Multifamily	Inventory SF	+12.3%
	Inventory Buildings	+1.2%
	Vacant Percent Direct	-0.3%
	Asking Rent Per Unit	+23.1%
Industrial	Inventory SF	-24.2%
	Inventory Buildings	-27.5%
	Vacant Percent Direct	+2.5%
	Triple Net Rent Direct	N/A

Source: CoStar, 2024.
Notes: Greater Midtown is a benchmark representing the entire Midtown market, which is inclusive of but larger than the Study Area. Triple net rent data was not available for industrial uses.

Overall, the Proposed Actions would not introduce new types of economic activity to the Study Area. The incremental increase in retail area would not substantially alter existing economic patterns, because the projected increase represents only 1.4 percent of retail in the Study Area, and the retail would be distributed across projected development and in the conversion area. The incremental increase in residential area aligns with the existing trend of increasing residential demand and residential area in fast-growing sections of the Study Area outside the Rezoning Area. The incremental decrease in office and industrial area aligns with existing trends of a softening office real estate market and declining industrial sector in the Study Area. The Study Area's existing retail and office markets would not be disrupted by the incremental increase and reduction, respectively, in activity introduced by the Proposed Actions.

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

Indirect displacement of businesses generally occurs when a proposed action or new project would significantly increase property values and rents throughout the Study Area, making it

difficult for some categories of businesses to remain in the area. The incremental changes in residential, commercial, and industrial uses anticipated as a result of the Proposed Actions are analyzed in this section.

Residential Uses

The Proposed Actions would add to the concentration of residential uses in the Study Area. While the Rezoning Area has not experienced substantial residential growth due to the underlying manufacturing zoning, the broader Study Area contains well-established and growing residential markets, including residential communities in Chelsea, Gramercy Park, Flatiron, and Hudson Yards. According to data from CoStar, the amount of residential area in each of the six submarkets comprising the Study Area increased over the last 10 years, and residential vacancy remains virtually unchanged. Meanwhile, multifamily residential rents increased on average 26.3 percent across the six submarkets and 23.1 percent in the Greater Midtown market, indicating a strong and sustained demand for housing. Therefore, there is an existing trend toward housing development and housing demand in the Study Area.

As determined in the "Preliminary Assessment of Indirect Residential Displacement," under the With-Action scenario, the 2034 population of the Study Area is projected to be 200,944 residents, a 16.9 percent increase from 2023.[36] Under the No-Action scenario, the 2034 population of the Study Area is projected to be 185,388 residents, a 7.8 percent increase from 2023. The residential population in 2034 would be 8.4 percent higher under the With-Action scenario compared to the No-Action with the addition of 15,557 residents. The average household income under the With-Action scenario is expected to be less than the current average household income.

Therefore, it is not expected that the new customer base will accelerate displacement of commercial businesses in the Study Area. In fact, the introduction of a new residential population would likely increase demand for the goods and services provided by existing businesses. Given the evidence of demand for housing in the Study Area and the existing trend of increasing residential gsf over the last 10 years, the 8.4 percent increase in residential population over the No-Action scenario aligns with ongoing residential trends in the Study Area.

Commercial Uses

Commercial uses in the Study Area include both retail and office use. In terms of retail uses, there currently exists 431,623 gsf of retail floor space on the projected development sites and approximately 34 million gsf of retail space in the Study Area. The Proposed Actions would add an increment of 462,129 gsf of retail floor space, all of which is local retail, over the No-Action condition, representing a 1.4 percent increase in retail gsf in the With-Action condition within the Study Area.

As shown in **Table 3-25**, changes in retail real estate trends have been moderate over the past 10 years in the Study Area, despite any volatility spurred by the COVID-19 pandemic. The gsf of retail area in the six submarkets comprising the Study Area increased by 1.3 percent from 2014 to 2024 and by 2.4 percent in the Greater Midtown market. Meanwhile, the gsf of retail area in

[36] The 2023 Study Area population is estimated to be 171,953. The estimated population growth from DOB completions was added to the 2020 Census population to arrive at this number.

Manhattan increased by 8.3 percent. Retail vacancy rates in the Study Area increased by 3.9 percentage points from 2014 to 2024, 2.9 percentage points in Greater Midtown, and 2.1 percentage points in Manhattan as a whole.

The 1.4 percent incremental increase in retail floor space associated with the Proposed Actions would be spread across the projected development sites and aligns with local retail market trends. Therefore, the retail added under the With-Action condition would not be enough to alter or accelerate ongoing trends.

In terms of office uses, there currently exists 799,323 gsf of office space on the projected development sites and 200.6 million gsf of office space in the Study Area. The Proposed Actions would introduce an incremental decrease of 732,619 gsf of office space, representing a 0.4 percent decrease in office space in the Study Area.

Many of the predominant industries in the Study Area in terms of employment are typically sited in office space (e.g. Professional, Scientific, and Technical Services). However, the increase in office vacancy over the last 10 years in the Study Area suggests that the demand has softened, in large part due to changes in working trends associated with the COVID-19 pandemic.

As shown in **Table 3-26**, office vacancy rates increased by 7.2 percentage points between 2014 and 2024 in the submarkets comprising the Study Area, 6.6 percentage points in the Greater Midtown market, and 5.9 percentage points in Manhattan as a whole. Meanwhile, commercial office rents decreased 15.4 percent in the submarkets comprising the Study Area, 12.1 percent in the Greater Midtown market, and 7.2 percent in Manhattan as a whole. Therefore, a slight incremental decrease in office space associated with the Proposed Actions is aligned with trends in the local office market.

Table 3-25: Study Area Retail Trends 2014-2024 Year to Date (YTD)

Submarket	2014				2024 YTD				Percent Change 2014-2024 YTD			
	Inventory SF	Inventory Buildings	Vacant Percent Direct	Triple Net Rent Direct	Inventory SF	Inventory Buildings	Vacant Percent Direct	Triple Net Rent Direct	Inventory SF	Inventory Buildings	Vacant Percent Direct	Triple Net Rent Direct
Chelsea	4,993,879	452	4.0%	$109.43	5,025,134	424	4.7%	$121.75	+0.6%	-6.2%	+0.7%	+11.3%
Gramercy	2,592,667	244	0.8%	$99.95	2,496,615	227	3.7%	$159.96	-3.7%	-7.0%	+2.9%	+60.0%
Grand Central	428,926	41	0.9%	-	428,926	41	12.6%	-	0.0%	0.0%	+11.7%	-
Murray Hill	662,637	81	2.6%	-	643,204	76	21.9%	-	-2.9%	-6.2%	+19.3%	-
Penn Garment	6,056,240	184	1.1%	$146.86	6,418,178	170	8.6%	-	+6.0%	-7.6%	+7.5%	-
Times Square	2,402,905	127	6.7%	$49.88	2,344,173	118	3.6%	-	-2.4%	-7.1%	-3.1%	-
Study Area Submarkets Total	**17,137,254**	**1,129**	**2.7%**	**-**	**17,356,230**	**1,056**	**6.7%**	**-**	**+1.3%**	**-6.5%**	**+3.9%**	**-**
Greater Midtown Total	**26,190,187**	**1,557**	**3.2%**	**$116.23**	**26,830,943**	**1,461**	**6.1%**	**$103.45**	**+2.4%**	**-6.2%**	**+2.9%**	**-11.0%**
Manhattan	**54,444,054**	**4,289**	**2.9%**	**$97.07**	**58,982,692**	**4,366**	**5.0%**	**$94.78**	**+8.3%**	**+1.8%**	**+2.1%**	**-2.4%**

Source: CoStar, 2024.

Notes: The Study Area Submarkets Total is the sum of the six neighborhood submarkets comprising the Study Area. The Greater Midtown Total is a benchmark representing a larger area comprising the entire Midtown market. Manhattan is included for reference.

Table 3-26: Study Area Office Trends 2014-2024 Year to Date (YTD)

Submarket	2014				2024 YTD				Percent Change 2014-2024 YTD			
	Inventory SF	Inventory Buildings	Vacant Percent Direct	Gross Rent Direct	Inventory SF	Inventory Buildings	Vacant Percent Direct	Gross Rent Direct	Inventory SF	Inventory Buildings	Vacant Percent Direct	Gross Rent Direct
Chelsea	43,251,636	520	5.1%	$57.37	43,983,421	521	14.8%	$51.36	+1.7%	+0.2%	+9.7%	-10.5%
Gramercy	29,010,105	253	5.3%	$63.60	29,188,610	243	14.5%	$69.89	+0.6%	-4.0%	+9.2%	9.9%
Grand Central	57,894,240	181	11.7%	$61.86	58,480,792	173	14.0%	$52.95	+1.0%	-4.4%	+2.3%	-14.4%
Murray Hill	16,677,223	154	3.8%	$48.05	16,425,467	150	16.6%	$42.94	-1.5%	-2.6%	+12.8%	-10.6%
Penn Garment	71,583,542	440	5.4%	$48.03	88,614,073	433	13.6%	$42.13	+23.8%	-1.6%	+8.2%	-12.3%
Times Square	57,631,465	136	5.9%	$66.47	57,915,393	131	12.3%	$44.68	+0.5%	-3.7%	+6.4%	-32.8%
Study Area Submarkets Total	**276,048,211**	**1,684**	**6.7%**	**$57.88**	**294,607,756**	**1,651**	**13.9%**	**$48.95**	**+6.7%**	**-2.0%**	**+7.2%**	**-15.4%**
Greater Midtown Total	**402,396,438**	**2,336**	**6.7%**	**$59.23**	**418,597,079**	**2,263**	**13.3%**	**$52.07**	**+4.0%**	**-3.1%**	**+6.6%**	**-12.1%**
Manhattan	**552,832,748**	**3,658**	**7.2%**	**$56.25**	**587,262,376**	**3,767**	**13.1%**	**$52.18**	**+6.2%**	**+3.0%**	**+5.9%**	**-7.2%**

Source: CoStar, 2024.

Notes: The Study Area Submarkets Total is the sum of the six neighborhood submarkets comprising the Study Area. The Greater Midtown Total is a benchmark representing a larger area comprising the entire Midtown market. Manhattan is included for reference.

Industrial Uses

The Study Area contains approximately 2.1 million gsf of industrial space and 6.6 million gsf of warehouse space. The Proposed Actions are projected to remove the existing 17,386 gsf of industrial and 52,396 gsf of warehouse space from the projected development sites, representing a 0.8 percent decrease in both uses in the Study Area.

According to CoStar data of tracked inventory, industrial uses have declined in the Study Area over the last 10 years. The amount of industrial area and buildings declined in all six submarkets comprising the Study Area from 2014 to 2024, with a 24.9 percent reduction in industrial area in the submarkets comprising the Study Area and a 24.2 percent reduction in industrial area in the Greater Midtown market. The square footage of industrial uses is not projected to grow in the No-Action condition. Therefore, a slight incremental decrease in industrial space associated with the Proposed Actions is aligned with trends in the local real estate market. There would still be approximately 2.1 million gsf of industrial uses in the Study Area, with a vacancy rate of approximately 2.6 percent according to CoStar data for the Greater Midtown market.[37] Any displaced businesses could relocate to appropriately zoned sites elsewhere in the Study Area or New York City.

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

The Proposed Actions would potentially displace 779 private sector businesses and 5,304 employees associated with those businesses. This includes an estimated 438 private sector businesses and 2,912 jobs on projected development sites, and an estimated 341 private sector businesses and 2,392 jobs in the conversion area. As noted in the "Preliminary Assessment of Direct Business Displacement," businesses from several sectors could be displaced by the Proposed Actions, with the largest share of displaced businesses from the Wholesale Trade and Professional, Scientific, and Technical Services sectors. The projected direct displacement amounts to approximately 1.8 percent of the Study Area businesses and leaves a vast majority of the current business base intact.

According to the *CEQR Technical Manual*, businesses and institutions that are most vulnerable to indirect displacement due to rent affordability are those establishments whose uses are less

compatible with the economic trend that is creating upward pressures in the Study Area. Particularly vulnerable to displacement are sectors housed in traditionally industrial-class real estate, such as Manufacturing and Wholesale Trade. These sectors are already contracting in terms of numbers of firms and employees, in both the Study Area and in New York City as a whole.

he difficulty of preserving traditional manufacturing and wholesale retail uses in the Study Area has led to more manufacturing-to-office-space renovations even before the 2018 Garment Center

[37] Some industrial space may be classified as office in CoStar, and the office vacancy rate (13.3 percent) is significantly higher than the industrial vacancy rate of 2.6 percent.

Text Amendment took place.[38] On the ground-floor level, many of the garment- and manufacturing-related retail businesses have already switched to different types of neighborhood services and convenience goods, like restaurants and offices.

On a similar front, industrial to commercial conversions in Chelsea-NoMad have put development pressures on longstanding shopping areas where new hotels and restaurants are moving in.

Overall, the potentially displaced businesses are relatively small and do not include businesses that draw large volumes of customers relative to the overall consumer draw of the Study Area. The relatively small size of the businesses is advantageous if they are displaced and seek relocation sites and there are similar existing businesses within the Study Area that could serve as substitute establishments should any be displaced. Thus, the potentially displaced businesses are not relied upon exclusively for products or services by business establishments within the Study Area. Furthermore, changes to the legacy industries have been underway for decades, and the projected changes associated with the Proposed Actions would not prompt new trends in the Study Area. Therefore, the potential displacement of these businesses would not have a significant adverse effect on the remaining businesses or consumers in the Study Area.[39]

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

According to the RWCDS, the Proposed Actions are estimated to introduce 3,435 workers in the Affected Area, but the incremental change in workers is estimated as a loss of 5,523 workers. As determined in the "Preliminary Assessment of Indirect Residential Displacement," the With-Action scenario would introduce an incremental residential population of approximately 15,557 residents, which is 8.4 percent higher than the No-Action scenario, increasing the local customer base and extending the hours of demand on local businesses. The retail market may shift slightly to accommodate the increase in local residents through new developments and conversions. This may include the addition of more retail businesses catered towards life at home (e.g. grocery stores, personal care services, convenience stores). The businesses catering to the daytime working population (e.g. limited-service lunch restaurants, office supply stores, courier services) would remain viable for the increased residential population and would likely remain. Therefore, the potential shifts would not represent a significant alteration to existing economic patterns.

Based on the above consideration of CEQR criteria, this preliminary assessment finds that the Proposed Actions would not add a new economic activity or add to a concentration of a particular sector of the local economy substantial enough to significantly alter or accelerate existing economic patterns. The Proposed Actions would not directly or indirectly displace uses that provide critical support to businesses in the Study Area, or that displace people from the area that form a substantial portion of the customer base for local businesses. As such, the Proposed Actions would not result in significant adverse impacts due to indirect business displacement, and no further assessment is warranted.

[38] The 2018 Garment Center Text Amendment allowed for the conversion of manufacturing and warehousing uses to office uses in Subdistrict A-1 east of Eighth Avenue.

[39] Impacts to the garment industry are discussed further in Adverse Impacts on Specific Industries.

Adverse Effects on Specific Industries

According to the *CEQR Technical Manual*, a significant adverse impact may occur if an action would diminish the viability of a specific industry that has substantial economic value to the economy of New York City. An example cited in the *CEQR Technical Manual* is new regulations that prohibit or restrict the use of certain processes that are critical to certain industries. This analysis should focus on the potential effects upon specific industries that are not related to the displacement of businesses or residents, which was analyzed in the direct and indirect business displacement analyses. Given that the Proposed Actions would rezone and potentially displace garment industry businesses from portions of the Study Area that historically served as the nexus for its trade area, potential adverse effects on the garment industry are examined in this section.

The Special Garment Center District was created in 1987 to protect and enhance the apparel industry's employment base in apparel manufacturing as well as wholesaling, design and showrooms, retail, and related businesses that support the industry. While remaining a center of New York City's apparel industry, the area traditionally known as the Garment District – generally bound by Ninth Avenue to the west, 42th Street to the north, Fifth Avenue to the east, , and 34th Street to the south, the Garment District experienced substantial change over the past several decades, and garment industry businesses have declined. The Garment District Alliance, which is the Business Improvement District (BID) overseeing this portion of the Study Area, reported that apparel manufacturing employees in the Special Garment Center District decreased 74% between 1987 and 2016 (down to approximately 4,400 workers), which aligned with the industry decline experienced citywide and nationwide.[40] The space occupied by apparel manufacturing decreased 93% over the same period, to approximately 1.4 million SF.[41] As of 2023, only 11.0 percent of all jobs are in the fashion industry, and 30.0 percent of all fashion jobs in NYC are located within the Garment District Alliance's territory.[42] Meanwhile, the sectors experiencing the most growth in employment in the Study Area between 2013 and 2023 were Professional, Scientific, and Technical Services; Health Care and Social Assistance; and Information.[43]

Looking at Manhattan and New York City as a whole, garment industry businesses and employment within the Manufacturing, Wholesale Trade, and Retail Trade sectors have declined substantially between 2013 and 2023, as shown in **Tables 3-27** and **3-28**. These tables also demonstrate the presence of garment industry businesses outside of Manhattan and the area known as the Garment District. For example, clusters of garment industry businesses have emerged in neighborhoods such as Sunset Park and Bushwick, Brooklyn.[44]

[40] *Garment District Residential Study*. The Garment District Alliance. 2022.

[41] *Garment District Residential Study*. The Garment District Alliance. 2022.

[42] *Garment District NY Forward Strategic Investment Plan*. The Garment District Alliance. 2024.

[43] NYS DOL Quarterly Census of Employment and Wages (QCEW), 2013 and 2023 Q3; NYS DOL QCEW 2013 and 2023 Q3 data were provided for the Study Area by DCP (September 2024).

[44] The Council of Fashion Designers of America, Inc. (CFDA) Production Directory; Google Maps.

Table 3-27: Garment Industry Statistics, Manhattan, 2013-2023

	Manhattan					
	2013			2023		
Garment Industry Sector	Firms	Average Employment	Total Wages	Firms	Average Employment	Total Wages
Manufacturing	874	11,128	$739,943,656	494	4,889	$445,445,746
Wholesale Trade	2,247	26,846	$3,130,399,323	1,578	20,517	$2,888,292,277
Retail Trade	86	573	$31,090,732	56	328	$26,424,158
Total	3,207	38,547	$3,901,433,711	2,128	25,734	$3,360,162,181

Source: NYS DOL Quarterly Census of Employment and Wages (QCEW), 2013 and 2023.
Notes: Garment industry businesses within the Manufacturing, Wholesale Trade, and Retail Trade sectors were identified within the following NAICS 3-digit codes: 313, 314, 315, 316, 339, 424, and 459.

Table 3-28: Garment Industry Statistics, New York City, 2013-2023

	New York City					
	2013			2023		
Garment Industry Sector	Firms	Average Employment	Total Wages	Firms	Average Employment	Total Wages
Manufacturing	1,461	18,858	$937,324,187	851	7,887	$578,296,527
Wholesale Trade	2,737	29,742	$3,326,487,794	1,982	22,967	$3,203,738,428
Retail Trade	159	788	$35,445,140	100	467	$30,419,251
Total	4,357	49,388	$4,299,257,121	2,933	31,321	$3,812,454,206

Source: NYS DOL Quarterly Census of Employment and Wages (QCEW), 2013 and 2023.
Notes: Garment industry businesses within the Manufacturing, Wholesale Trade, and Retail Trade sectors were identified within the following NAICS 3-digit codes: 313, 314, 315, 316, 339, 424, and 459.

The Garment District has historically functioned as a cluster economy and can be considered part of a broader fashion ecosystem containing fashion schools such as the Fashion Institute of Technology (FIT) and Parsons, fashion media and market researchers, industry groups such as the Council of Fashion Designers of America, showrooms, and retail stores.[45] Costume designers from the nearby Theater District also source materials from this ecosystem. The fashion industry supply chain is disaggregated and tiered, with textile manufacturers supplying apparel

[45] *Making Midtown*. Design Trust for Public Space. 2012.

manufacturers, who distribute to retailers and then consumers. Before the mass production stage begins, the design process requires iteration that benefits from proximity to suppliers of textiles, patterns, and decorative elements. This provides services and elements of all aspects of the fashion supply chain, including wholesale button and fabric stores, notion shops, and cut-and-sew garment producers. Designers, both emerging and established, rely on this cluster of apparel-related uses for these services and products. Showrooms and wholesale warehouses have also concentrated in the area to market garments to retail buyers.

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

As detailed in Chapter 2, "Land Use, Zoning, and Public Policy," the City has already taken actions to address the declining garment industry through zoning actions. The 2005 Hudson Yards Rezoning modified the zoning map and text for the Special Garment Center District to in part facilitate more residential development and conversions in Subdistrict A-2 west of Eighth Avenue. In 2018, the Garment Center Text Amendment allowed for the conversion of manufacturing and warehousing uses to office uses in Subdistrict A-1 east of Eighth Avenue. Therefore, the Proposed Actions are not introducing any new regulations that would affect the garment industry.

As noted in the Environmental Assessment Statement (EAS) for the 2018 Garment Center Text Amendment, the Special Garment Center District zoning had been ineffective in preserving the industry in the designated Preservation Areas, it failed to rationalize land use patterns in the District by concentrating apparel production in the Preservation Areas, and it did not reflect existing land use conditions in the District with close to 50 percent of commercial uses in the Preservation Areas non-compliant to zoning as of 2018.[46]

Additionally, it has continued to serve as the center of the fashion industry in New York City and the United States, garment manufacturers and other components of the industry's ecosystem have steadily left the area for decades for a variety of reasons, as they seek more affordable rents in other neighborhoods across New York City or elsewhere, close shop altogether, or move to other parts of the global workplace. As a result, traditional business practices in the industry, long based on the close proximity of all components of the industry, have been rapidly evolving in order to accommodate the emergence of smaller industry clusters throughout New York City. While these changes have led to much more efficient business operations and have also made it possible for designers and showrooms to be less dependent on their proximity to other aspects of the industry, such as supply shops, warehouses, and factories, it has led the industry to decentralize into other areas of New York City. Therefore, the garment industry is already experiencing substantial shifts in its workforce independent of the Proposed Actions.

Would the Proposed Actions indirectly substantially reduce employment or have an impact on the economic viability in the industry or category of business?

In order to indirectly and substantially reduce employment in the garment industry or have an impact on the economic viability of the industry, the Proposed Actions would need to displace enough garment industry businesses to have cascading impacts on other garment industry businesses in the broader trade area. As described in the "Preliminary Assessment of Direct

[46] *Garment Center Text Amendment EAS*. CEQR No. 17DCP149M.

Business Displacement," 114 garment industry businesses employing 453 employees may be displaced as a result of the Proposed Actions. These businesses comprise 3.9 percent of garment industry businesses in New York City, according to the QCEW data in **Table 3-28**. The perception of the garment industry, and not the presence of any one individual business, is relevant to the industry. Garment industry businesses in the Affected Area would still be allowable under the zoning associated with the Proposed Actions, so the Proposed Actions are not expected to initiate a decline in the garment industry beyond what is already occurring within the industry.

The preliminary assessment finds that there would be no significant adverse impact on specific industries as a result of the Proposed Actions. Therefore, no further analysis is warranted. The garment and fashion ecosystem in the Study Area is important, and the City continues to support the industry outside of land use through measures such as tax incentives and long-term leases in this area and throughout the City.