Chapter 3: Socioeconomic Conditions

A. INTRODUCTION

This chapter considers the potential for the Proposed Project to result in significant adverse impacts to socioeconomic conditions in the surrounding area of the Upper East Side. As stated in the 2020 *City Environmental Quality Review (CEQR) Technical Manual*, the socioeconomic character of an area includes its population, housing, and economic activities. Socioeconomic impacts may occur when a project directly or indirectly affects any of these elements.

As described in Chapter 1, "Project Description," the New York Blood Center (the Applicant) is requesting a rezoning and other discretionary actions (the Proposed Actions) to facilitate the construction of the Proposed Project, an approximately 596,200 gross-square-foot (gsf) building on the site of its existing New York Blood Center (NYBC) building at 310 East 67th Street, Block 1441 Lot 40 (the Development Site). Block 1441 is bounded by East 66th and East 67th Streets and First and Second Avenues and is part of a larger Rezoning Area which also includes Block 1441, Lots 1001–1202, and Block 1421, p/o Lot 21.

According to the *CEQR Technical Manual*, the five principal issues of concern with respect to socioeconomic conditions are whether a project could result in significant impacts due to: (1) direct residential displacement; (2) direct business displacement; (3) indirect residential displacement; (4) indirect business displacement; and (5) adverse effects on a specific industry. The Proposed Actions would not directly displace any residents or introduce any residential units. Therefore, an assessment of direct or indirect residential displacement is not warranted. In addition, the Proposed Project would not directly displace any businesses; therefore, an assessment of direct business displacement is not warranted. This chapter considers whether development of the Proposed Project could result in significant adverse socioeconomic impacts due to indirect displacement of businesses.

PRINCIPAL CONCLUSIONS

The Proposed Project would not result in significant adverse impacts to socioeconomic conditions. The Environmental Assessment Statement (EAS) found that the Proposed Project would not have the potential to result in significant adverse impacts to direct or indirect residential displacement, direct business displacement, or specific industries, however, the EAS did find that an assessment of indirect business displacement would be warranted. A preliminary assessment finds that the Proposed Project would not result in significant adverse impacts due to indirect business displacement. The Proposed Project would not introduce new economic activities to the study area, as the study area already has a well-established medical, research, and institutional presence. The study area is home to major medical centers such as the New York Presbyterian/Weill Cornell Medical Center and the Memorial Sloan-Kettering Cancer Center and major institutions such as the Rockefeller University. These medical and institutional uses are dispersed within the largely residential and mixed residential and commercial Upper East Side. The study area includes over 5 million gsf of medical and research space and 13.4 million gsf of commercial space overall. The

Health Care and Social Assistance sector accounts for 58.5 percent of the employment in the study area, followed by the Professional, Scientific, and Technical Services sector at 10.4 percent. Therefore, the commercial laboratory and community facility development resulting from the Proposed Project would not constitute new economic activities in the study area that could substantively alter existing economic patterns; rather, the Proposed Project would strengthen the existing cluster of medical, research, and other institutional uses in the Upper East Side.

B. METHODOLOGY

BACKGROUND

Under CEQR, the socioeconomic character of an area includes its population, housing, and economic activity. Although socioeconomic changes may not result in impacts under CEQR, they are disclosed if they would affect land use patterns, low-income populations, the availability of goods and services, or economic investment in a way that changes the socioeconomic character of the area. In some cases, these changes may be substantial but not adverse. In other cases, these changes may be good for some groups but bad for others. The objective of the CEQR analysis is to disclose whether any changes created by the project would have a significant impact compared with what would happen in the No Action condition.

An assessment of socioeconomic impacts distinguishes between impacts on the residents and businesses in an area and separates these impacts into direct and indirect displacement for both of those segments. Direct displacement occurs when residents or businesses are involuntarily displaced from the actual site of the proposed project or sites directly affected by it. For example, direct displacement would occur if a currently occupied site were redeveloped for new uses or structures or if a proposed easement or right-of-way encroached on a portion of a parcel and rendered it unfit for its current use. In these cases, the occupants of a particular structure to be displaced can usually be identified, and therefore the disclosure of direct displacement focuses on specific businesses and a known number of residents and workers.

Indirect or secondary displacement occurs when residents, business, or employees are involuntarily displaced due to a change in socioeconomic conditions in the area caused by the proposed project. Examples include the displacement of lower-income residents who are forced to move due to rising rents caused by higher-income housing introduced by a proposed project. Examples of indirect business displacement include higher-paying commercial tenants replacing industrial uses when new uses introduced by a proposed project cause commercial rents to increase. Unlike direct displacement, the exact occupants to be indirectly displaced are not known. Therefore, an assessment of indirect displacement usually identifies the size and type of groups of residents, businesses, or employees potentially affected.

Some projects may affect the operation and viability of a specific industry not necessarily tied to a specific location. An example would be new regulations that prohibit or restrict the use of certain processes that are critical to certain industries. In these cases, the CEQR review process may involve an assessment of the economic impacts of the project on that specific industry.

DETERMINING WHETHER A SOCIOECONOMIC ASSESSMENT IS APPROPRIATE

According to the *CEQR Technical Manual*, a socioeconomic assessment should be conducted if a project may be reasonably expected to create socioeconomic changes in the area affected by the project that would not be expected to occur in the absence of the project. The following screening

assessment considers threshold circumstances identified in the *CEQR Technical Manual* and enumerated below that can lead to socioeconomic changes warranting further assessment.

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

   The Development Site does not contain any residential uses, and the two residential buildings in the Rezoning Area would not be redeveloped as a result of the Proposed Actions. Therefore, the Proposed Actions would not result in the direct displacement any residents on the Development Site or in the Rezoning Area, and an assessment of direct residential displacement is not warranted.

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

   The Proposed Project would not result in the direct displacement of any businesses on the Development Site because the Applicant's existing operations on the site would be rehoused in the Proposed Project. The ground floor retail space in the two residential buildings in the Rezoning Area would not be displaced, as these two lots are not anticipated to be redeveloped as a result of the Proposed Actions. Therefore, an assessment of direct business displacement is not necessary.

3. ***Indirect 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 or commercial development of 200,000 square feet or less would typically not result in significant socioeconomic impacts. For projects exceeding these thresholds, assessments of indirect residential displacement and indirect business displacement are appropriate.***

   The Proposed Project would introduce commercial development in excess of 200,000 square feet; therefore, an assessment of potential indirect business displacement is warranted.

   The Proposed Project would not introduce a residential population and therefore would not introduce a trend that could potentially result in changing socioeconomic conditions for the residents within the neighborhood. Therefore, an assessment of indirect residential displacement is not warranted.

4. ***Indirect Business Displacement due to Retail Market Saturation: Would the Proposed Project result 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? This type of development may have the potential to draw a substantial amount of sales from existing businesses within the study area, resulting in indirect business displacement due to market saturation.***

   The Proposed Project would not introduce retail uses in excess of 200,000 square feet on the Development Site; therefore, an assessment of potential indirect business displacement due to retail market saturation is not warranted.

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

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

Based on the screening assessment presented above, the Proposed Project warrants a preliminary assessment of indirect business displacement due to increased rents.

ANALYSIS FORMAT

Based on *CEQR Technical Manual* guidelines, the analysis of indirect business displacement begins with a preliminary assessment. The objective of the preliminary assessment is to learn enough about the potential effects of the Proposed Project 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, when required, is framed in the context of existing conditions and evaluations of the future without the Proposed Project, or No Action condition, and the future with the Proposed Project, or With Action condition, by the project's Build year. In this case, a preliminary assessment was sufficient to conclude that the Proposed Project would not result in any significant adverse socioeconomic impacts resulting from indirect business displacement as a result of the Proposed Project.

DEVELOPMENT SITE AND REZONING AREA

The Development Site is occupied by a three-story former trade school built in 1930. The existing NYBC structure has been used by the Applicant for their existing operations including laboratories, offices, and van parking since 1964. Although it has been modernized over the years, it is antiquated and not suitable for modern scientific research. An existing auditorium space inside the building is used for meetings including some meetings of Community Board 8.

In addition to the existing NYBC facility, the Rezoning Area contains two residential buildings, not owned or controlled by the Applicant. Immediately adjacent to the Development Site on Lots 1001–1202 is 310 East 66th Street, a 16-story, approximately 208,000-gsf building on Second Avenue between East 66th and East 67th Streets. It has ground floor retail uses in its Second Avenue frontage. Across Second Avenue is a 45-story approximately 776,206 gsf tower (Block 1421, p/o Lot 21). It has a sunken ground level with retail space. It is part of a larger development which includes townhouses on East 67th Street that are outside the rezoning area. Given the existing size and use of these two buildings, neither site is expected to be redeveloped as a result of the Proposed Actions.

STUDY AREA AND DATA SOURCES

According to the *CEQR Technical Manual*, the socioeconomic study area should reflect the study area likely to be affected by the Proposed Project. Therefore, the socioeconomic assessment establishes a ¼-mile radius around the Rezoning Area. Consistent with CEQR guidance, the study area was adjusted to include all census tracts with at least 50 percent of their area within a ¼-mile

of the Rezoning Area. **Figure 3-1** shows the socioeconomic study area and the census tracts that comprise the study area.

For the indirect business displacement analysis, 2017 Census Longitudinal Employer-Household Dynamics (LEHD) data for the census tracts in the study area were used to estimate employment. Land use and parcel data were collected from the New York City Department of City Planning's MapPLUTO 20V5 database.

C. PRELIMINARY ASSESSMENT

INDIRECT BUSINESS DISPLACEMENT

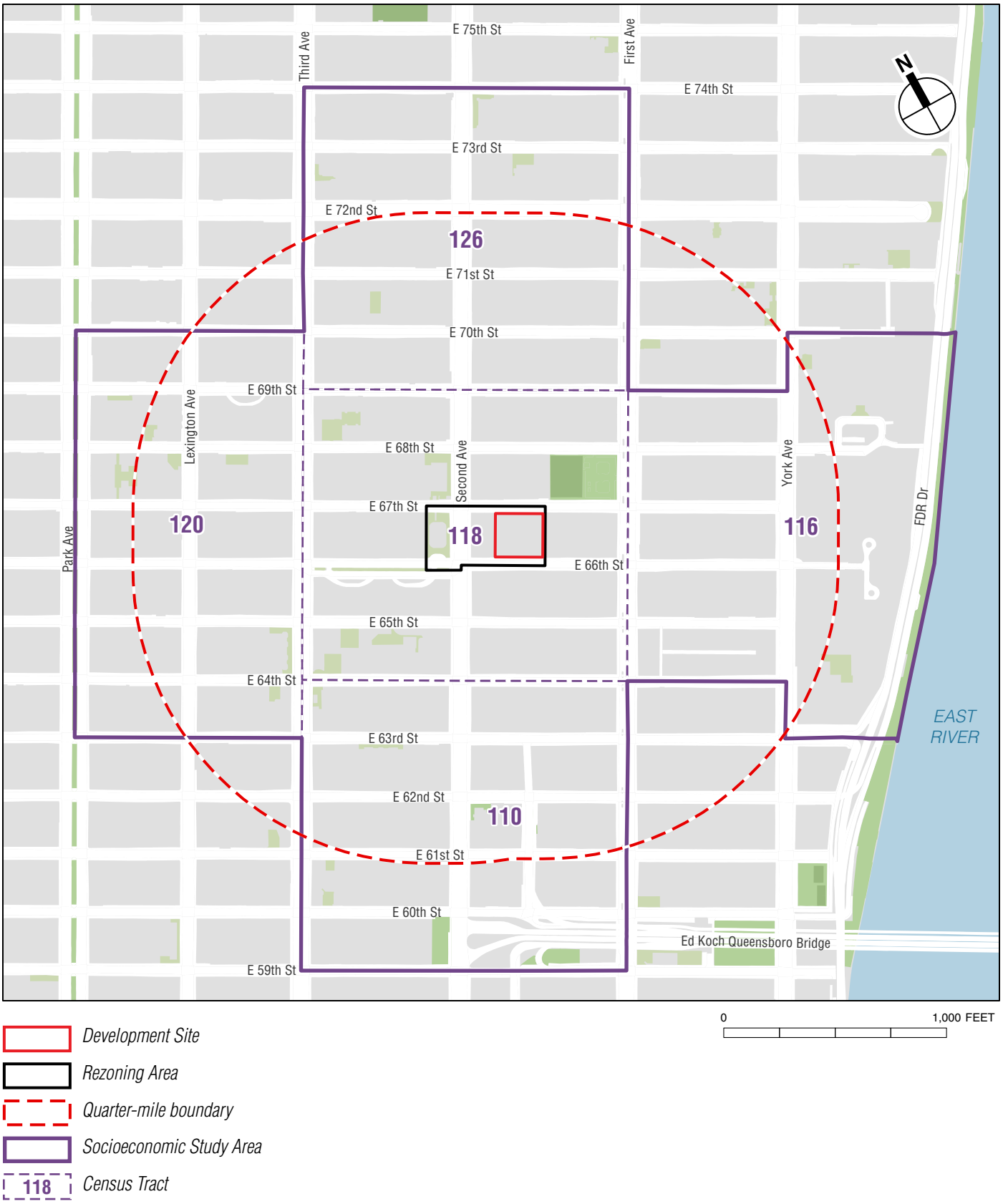
The preliminary assessment of indirect business displacement focuses on whether the Proposed Project could increase commercial property values and rents within the ¼-mile study area such that it would become difficult for some categories of businesses to remain in the area. The following three questions (numbered in italics below) address the potential for significant adverse indirect business displacement impacts.

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

The Proposed Project would introduce new commercial laboratory and office space on the Development Site, resulting in a total of 206,400 gsf of community facility space to replace the Applicant's existing facility, and 389,800 gsf of commercial laboratory space. The No Action building (with which the Proposed Project is compared) would be a 229,092-gsf building with 188,931 gsf of community facility space for the Applicant's operations and 40,161 gsf of medical office space. Therefore, the Proposed Project would result in an increment of 389,800 gsf of commercial laboratory space and a negative increment of 22,692 gsf of community facility space.

As shown in **Table 3-1**, based on data from 2017, there were an estimated 44,914 employees in the ¼-mile study area. These employees represented approximately 1.8 percent of Manhattan's total employment, and 1.0 percent of the employment in all of New York City. Within the study area, the Health Care and Social Assistance sector accounted for the largest share of total employment (58.5 percent), followed by the Professional, Scientific, and Technical Services sector (10.4 percent) and the Accommodation and Food Services sector (5.9 percent). The share of employees in the study area who work in the Health Care and Social Assistance sector is much higher than the share of workers in this sector in Manhattan and New York City overall, which indicates that this sector is clustered, or concentrated in the study area.

9.4.20



Socioeconomic Study Area

NEW YORK BLOOD CENTER—CENTER EAST

Figure 3-1

Table 3-1
Estimated Employees in ¼-Mile Study Area, Manhattan, and New York City

Type of Job by NAICS Category	Study Area		Manhattan		New York City	
	Employees	Percent	Employees	Percent	Employees	Percent
Health Care and Social Assistance	26,265	58.5%	265,360	10.6%	777,700	17.8%
Professional, Scientific, and Technical Services	4,693	10.4%	364,278	14.6%	416,032	9.5%
Accommodation and Food Services	2,651	5.9%	232,571	9.3%	356,526	8.2%
Other Services (excluding Public Administration)	2,296	5.1%	107,597	4.3%	178,962	4.1%
Educational Services	2,126	4.7%	152,909	6.1%	372,093	8.5%
Retail Trade	2,117	4.7%	162,797	6.5%	357,125	8.2%
Real Estate and Rental and Leasing	1,735	3.9%	88,523	3.5%	138,824	3.2%
Public Administration	832	1.9%	110,256	4.4%	187,396	4.3%
Information	605	1.3%	197,223	7.9%	216,551	5.0%
Wholesale Trade	432	1.0%	85,689	3.4%	149,701	3.4%
Arts, Entertainment, and Recreation	409	0.9%	78,877	3.2%	98,873	2.3%
Administration and Support, Waste Management and Remediation	216	0.5%	184,300	7.4%	271,016	6.2%
Finance and Insurance	205	0.5%	299,860	12.0%	339,057	7.8%
Management of Companies and Enterprises	128	0.3%	69,818	2.8%	77,425	1.8%
Construction	103	0.2%	48,312	1.9%	156,741	3.6%
Manufacturing	69	0.2%	24,872	1.0%	74,085	1.7%
Transportation and Warehousing	31	0.1%	20,653	0.8%	181,383	4.2%
Agriculture, Forestry, Fishing and Hunting	1	0.0%	159	0.0%	344	0.0%
Mining, Quarrying, and Oil and Gas Extraction	0	0.0%	18	0.0%	46	0.0%
Utilities	0	0.0%	6,778	0.3%	17,901	0.4%
Total	**44,914**	**100%**	**2,500,850**	**100%**	**4,367,781**	**100%**

Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics, 2017.

As indicated by the employment data, laboratory and office space exists in the study area, much of which is associated with the major medical centers located in the eastern portion of the study area. New York-Presbyterian/Weill Cornell Medical Center is located in multiple buildings generally from East 68th Street to East 71st Street between First Avenue and FDR Drive, and the main New York-Presbyterian campus is located between East 68th and East 70th Streets**.** Memorial Sloan Kettering Cancer Center is located between East 66th and 69th Streets and First and York Avenues. These two world-class medical institutions contain medical offices, laboratories, and hospital space, totaling over 4 million gsf in the study area including the recently completed New York-Presbyterian Koch Building at 1283 York Avenue. The Rockefeller University, located between East 63rd and East 68th Street and York Avenue and the FDR Drive, is a private graduate biomedical research university with a total of approximately 1.38 million gsf, including the recently completed the Rockefeller University New River Building.

Though the study area is predominantly residential, there is a total of 13.4 million gsf of commercial space already in the study area. The Proposed Project's increment of 389,800 gsf of commercial laboratory space would represent a 2.9 percent increase over the existing conditions. Therefore, the Proposed Project's laboratory and office space would not represent new uses in the study area, and would not add to a particular sector of the local economy such that it would affect overall ongoing economic trends.

In areas with increasing commercial development, industrial businesses can be potentially vulnerable to indirect displacement due to increased rent, as they tend not to benefit directly from the increased consumer dollars in the area and therefore are less able to afford rent increases due to rising property values. However, based on the land use assessment in Chapter 2, "Land Use, Zoning, and Public Policy," industrial uses are non-existent in the land use study area, and based on MapPluto data for the socioeconomic study area, there is only one industrial use in the study

area—a fine art and antiques storage warehouse on the east side of Second Avenue between East 61st and East 62nd Streets. There is no specific industrial business within the study area that is critical to the local economy or that is the subject of regulations or publicly adopted plans to preserve, enhance, or otherwise protect its use.

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

As discussed above, the Proposed Project would not directly displace residences or businesses in the Rezoning Area. Therefore, the Proposed Project would not directly displace uses that provide direct support to businesses in the development site study area, or that bring to the area substantial numbers of people that form a customer base for local businesses. The Proposed Project's new worker population would support the ground floor retail in the study area.

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

As described above, the Proposed Project would not directly displace any residents or businesses and therefore would not result in a substantial loss of a customer base for existing businesses as a result of the Proposed Project. In addition, the Proposed Project is not expected to result in significant indirect displacement of businesses or residents. The Proposed Project would add more workers, increasing the customer base of existing businesses in the study area.

CONCLUSION

The preliminary assessment finds that the Proposed Project would not result in significant adverse impacts due to indirect business displacement. The Proposed Project would not introduce new economic activities to the study area, as the study area already has a well-established medical, research, and institutional presence. The study area is home to major medical centers such as the New York Presbyterian/Weill Cornell Medical Center and the Memorial Sloan-Kettering Cancer Center and major institutions such as the Rockefeller University. These medical and institutional uses are dispersed within the largely residential and mixed residential and commercial Upper East Side. The study area includes over 5 million gsf of medical and research space and 13.4 million gsf of commercial space overall. The Health Care and Social Assistance sector accounts for 58.5 percent of the employment in the study area, followed by the Professional, Scientific, and Technical Services sector at 10.4 percent. Therefore, the commercial laboratory and community facility development resulting from the Proposed Project would not constitute new economic activities in the study area that could substantively alter existing economic patterns; rather, the Proposed Project would strengthen the existing cluster of medical, research, and other institutional uses in the Upper East Side. ✷