

ACME FISH EXPANSION

Chapter 3: Socioeconomic Conditions

A. INTRODUCTION

This chapter considers the potential for the Proposed Actions, as described in Chapter 1, “Project Description,” to result in significant adverse impacts to socioeconomic conditions in the area surrounding the Development Site (Block 2615) in Greenpoint, Brooklyn. As described in the 2014 *City Environmental Quality Review (CEQR) Technical Manual*, the socioeconomic character of an area includes its population, housing, and economic activities. Socioeconomic changes may occur when a project directly or indirectly changes these elements. Although some socioeconomic changes may not result in environmental impacts under CEQR, they are disclosed if they would affect land use patterns, low-income populations, the availability of goods and services, or economic investment in a way that changes the socioeconomic character of the area.

As described in Chapter 1, “Project Description,” the Proposed Actions comprise a zoning map amendment and a Large-Scale General Development (LSGD) Special Permit to facilitate the construction of a mixed-use development comprising approximately 654,300 gross square feet (gsf) of commercial and manufacturing uses (the “Proposed Development”) on the block bounded by Banker Street to the east, Wythe Avenue to the south, Gem and North 15th streets to the west, and Meserole Avenue to the north (the “Development Site”), in the Greenpoint neighborhood of Brooklyn Community District (CD) 1. As compared to the No-Action condition, in which it is anticipated that existing occupants would vacate the Development Site and it would be redeveloped with a mix of uses permitted under existing zoning, the Proposed Actions would result in an incremental increase of approximately 91,800 gsf of industrial space, 430,050 gsf of office space, 33,800 gsf of retail space, and a decrease of approximately 35,225 gsf of restaurant/entertainment space and 28,610 gsf of warehouse space.

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

B. PRINCIPAL CONCLUSIONS

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

Direct Residential Displacement

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

Indirect Residential Displacement

The Proposed Actions 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 surrounding area. The Development Site is located within the Greenpoint-Williamsburg Industrial Business Zone (IBZ) and the Proposed Actions would retain manufacturing zoning on the site, which does not allow residential use as-of-right. Therefore, the Proposed Actions would not result in significant adverse socioeconomic impacts due to indirect residential displacement.

Direct Business Displacement

The Proposed Actions would facilitate the redevelopment of the Development Site and would not directly displace any businesses. The Development Site's existing uses would be directly displaced irrespective of the Proposed Actions (as part of the No-Action condition), and therefore, the Proposed Actions would not result in significant adverse socioeconomic impacts due to direct businesses displacement. In absence of the Proposed Actions, without a new flexible purpose-built facility for its operations, Acme Smoked Fish, an existing industrial use, would strongly consider relocating outside of New York State and vacate its buildings on the Development Site. The Proposed Actions would facilitate the preservation of Acme Smoked Fish at the Development Site by increasing the allowable density and intensity of use, and allowing a mix of complementary uses to offset the cost of a new state-of-the-art industrial facility.

Indirect Business Displacement

A preliminary assessment finds that the Proposed Actions would not result in significant adverse impacts due to indirect business displacement. According to the *CEQR Technical Manual*, indirect displacement of businesses or institutions could be an issue if an action would increase property values and thus rents throughout the study area, making it difficult for some categories of businesses to remain in the area. The Proposed Actions would increase the allowable density and intensity of uses at the Development Site, providing additional flexibility for economic growth, as well as facilitate the retention of an existing, long-standing industrial use, Acme Smoked Fish, and its associated light industrial jobs at the Development Site.

The Proposed Actions would facilitate the construction of a new 654,300 gsf mixed-use commercial and industrial development in the Greenpoint-Williamsburg IBZ, which would allow Acme Smoked Fish to remain within its trade area, and retain the company's production in Brooklyn, where it originated more than 100 years ago. The proposed zoning changes would provide capacity for growth and investment in the area, as well as facilitate the expansion, modernization, and increased efficiency of the Acme Smoked Fish operations. In absence of the Proposed Actions, Acme Smoked Fish would strongly consider relocating outside of New York State and vacate its buildings on the Development Site. The Proposed Actions would create the opportunity for the preservation and growth of Acme Smoked Fish, which has limited siting opportunities, and would maintain the light industrial and manufacturing character of the area, while allowing complementary uses.

The area surrounding the Development Site is an established mixed-use business district that supports a dense and diverse amount of economic activity with an emerging office market. All of the uses contemplated under the Proposed Actions are well-established in the study area, and would not constitute new economic activities or alter existing economic patterns. The proposed office and local retail uses would be consistent with the existing and future mix of land uses in the study area and create new

opportunities for businesses to expand and attract new companies. The study area has been experiencing commercial investment, including new construction and the transformation of former industrial buildings into a wide range of commercial uses. The Proposed Development would be consistent with recent mixed-use development in the study area.

While the Proposed Actions would contribute to an existing trend of increasing commercial development in the study area, any upward rent pressure experienced by industrial businesses in the area would be present in the future without the Proposed Actions. Changes are already occurring in the study area; the area is already experiencing a trend of increase in commercial uses, rents are relatively high, and most investment in the area has been commercial development- including hotels, studio/film/production spaces, office, and creative workspaces. New industrial space has been limited and is largely being introduced in conjunction with new commercial space as mixed-use commercial and industrial developments. Through leveraging the demand for office space, newly constructed industrial spaces are being created within mixed-use developments that provide flexible, modern workspaces that serve current industry needs and standards.

Adverse Effects on Specific Industries

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

C. METHODOLOGY

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

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

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

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

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

Determining Whether a Socioeconomic Assessment Is Appropriate

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

The Proposed Actions include a zoning map amendment and a LSGD special permit to construct a new development with approximately 654,300 gsf, comprised of (i) a new and improved 109,300 gsf (95,299 zsf) Acme Smoked Fish processing facility (including accessory administrative space), and (ii) 545,000 gsf (488,479 zsf) of commercial office and retail space (including parking/loading/bike storage spaces). The RWCDs assumes that the Proposed Actions would result in the incremental (net) increase of approximately 91,800 gsf of industrial space, 430,050 gsf of office space, 33,800 gsf of retail space, and 43 accessory parking spaces, and a decrease of approximately 35,225 gsf of restaurant/entertainment space and 28,610 gsf of warehouse space, compared to No-Action conditions.

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

The Development Site (Block 2615) is currently zoned M3-1 and does not contain any residential uses. Therefore, the Proposed Actions would not directly displace any residents, and an assessment of direct residential displacement is not warranted.

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

The Proposed Actions would not result in the direct displacement of any businesses on the Development Site because the site's existing uses would be displaced irrespective of the Proposed Actions (as part of the No-Action condition); therefore, the Proposed Actions would not have a potential for significant adverse impacts related to direct business displacement, and no further analysis is warranted. In the absence of the Proposed Actions, it is anticipated that, without a new state-of-the-art purpose-built facility for its operations, Acme Smoked Fish would strongly consider relocating outside of New York State.

As such, for analysis purposes, it is assumed that in absence of the Proposed Actions Acme Smoked Fish would vacate its buildings on the site. In addition, ABC Stone, which occupies Lot 6 on Block 2615, is expected to vacate the Development Site in the No-Action, as the business is currently in the process of moving out. Based on existing and anticipated real estate market trends, existing structures and site conditions, as well as uses allowed by existing zoning, it is expected that those vacated buildings on the Development Site would be re-occupied. As such, the No-Action scenario assumes that Acme Smoked Fish's and ABC Stone's vacated buildings would be re-occupied by a mix of eating/drinking/entertainment establishments, creative office and warehouse uses. The vacant building on Lot 19, which is the smallest lot on the block, is assumed to be re-occupied by restaurant use in the No-Action. Finally, Lot 125 currently accommodates parking and open storage. Prior to the Proposed Actions being proposed, the current owner of Lot 125 was pursuing a redevelopment of it with a new 3-story commercial building with distillery, office, dance studio and restaurant uses (which would have complied with existing zoning), and filed a building permit application for such a project.¹ Due to the historical reference point, the No-Action scenario assumes that absent the Proposed Actions the current owner would pursue this project instead.

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

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

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

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

- *Adverse Effects on Specific Industries: Is the project expected to affect conditions within a specific industry? This could affect socioeconomic conditions if a substantial number of workers or residents*

¹ Based on a prior permit application that was filed with the Department of Buildings in 2015 (<https://newyorkyimby.com/2015/10/permits-filed-14-wythe-avenue-greenpoint-distillery.html>)

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

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

Analysis Format

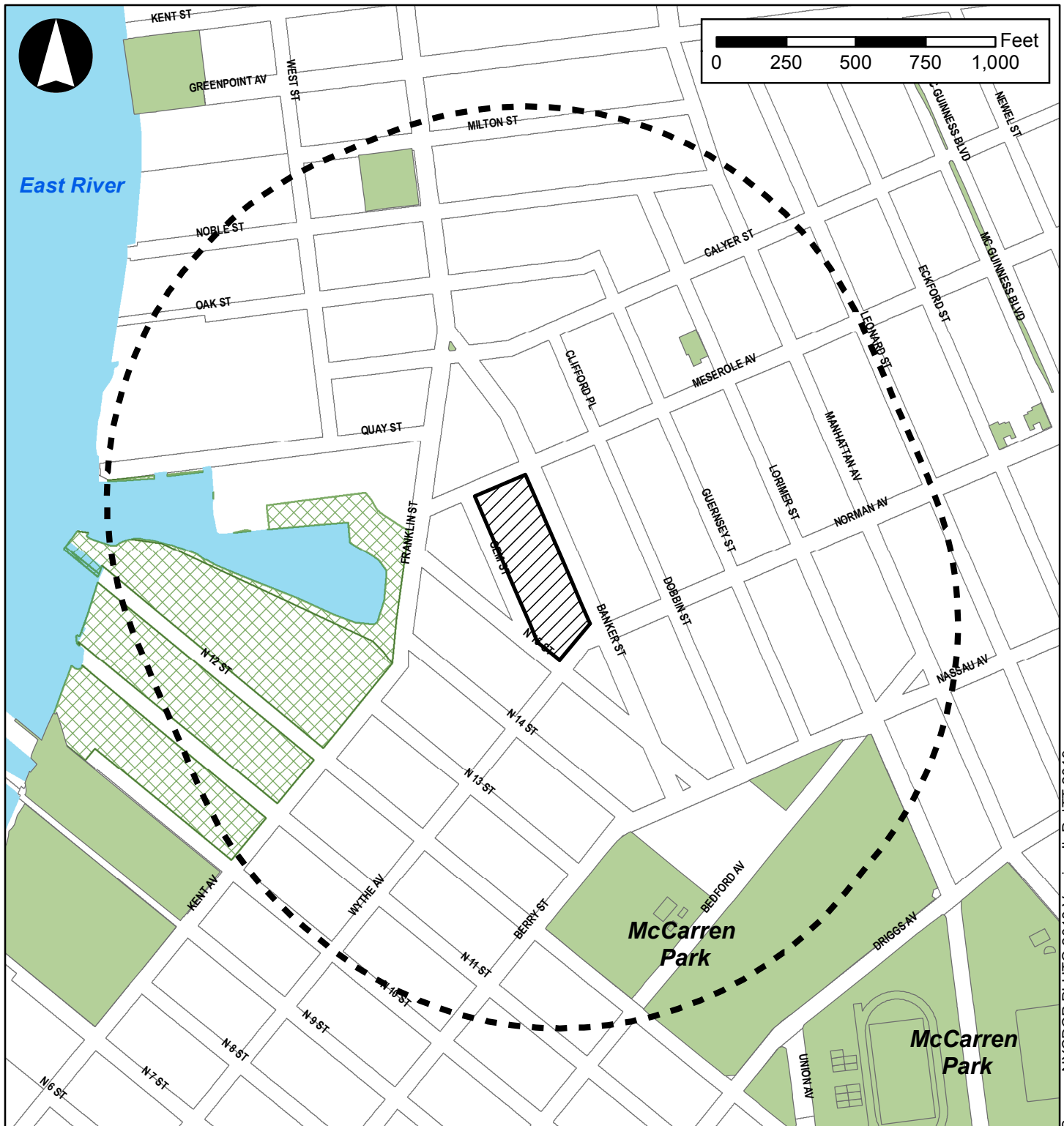
Following *CEQR Technical Manual* guidance, the socioeconomic analysis begins with a screening assessment that determines the need for a preliminary assessment. As described above, for four of the five areas of concern—direct residential displacement, direct business displacement, indirect residential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

Study Area Definition

Typically, the socioeconomic study area boundaries are similar to those of the land use study area. The study area encompasses the Development Site and adjacent area within 400 feet, 0.25 mile, or 0.5 mile, depending on project size and area characteristics. As the Development Site consists of approximately 116,756 sf of lot area, comprising a single block, bounded by Banker Street to the east, Wythe Avenue to the south, Gem and North 15th streets to the west, and Meserole Avenue to the north, in the Greenpoint neighborhood, Brooklyn, the study area used for the socioeconomic preliminary assessment is a roughly 0.25-mile area (see Figure 3-1).

Data Sources

The assessments of indirect business displacement and potential effects on specific industries consider business and employment trends in the study area. For the indirect business displacement analyses, employment data for the study area, borough of Brooklyn, and New York City as a whole were obtained from the U.S. Census Bureau, Longitudinal Employer-Household Dynamics (LEHD) employment data for 2017. The employment data gathered identifies the industry sectors that dominate or characterize the study area, borough and City. Retail market data were obtained from the Real Estate Board of New York



Source: NYCDCP PLUTO 2018 Version II; DoITT 2019

Legend

-  Development Site
-  Quarter-Mile Radius/Study Area
-  Open Space
-  Future Bushwick Inlet Park

(REBNY), and office market data for the Williamsburg/Greenpoint submarket and the borough of Brooklyn were obtained from Newmark Knight Frank (NKF)'s Research Division, Colliers International, and CBRE quarterly market reports. Land use data was analyzed using mapPLUTO data provided by DCP. The analyses were also supported by field visits to the study area conducted by PHA in spring 2018 and 2019. Study area market-rate asking rents were researched using online real estate listing sites, including loopnet.com and cityfeet.com. During the field surveys, PHA staff characterized land uses, business activities, and vacancy rates.

D. PRELIMINARY ASSESSMENT

Indirect Business and Institutional Displacement

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

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

Would the Proposed Actions 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?

PROFILE OF EXISTING EMPLOYMENT AND BUSINESSES IN THE STUDY AREA

As shown in Table 3-1, as of 2017, there were approximately 6,160 private employees in the 0.25-mile study area. These employees represented nearly ten percent of Brooklyn's total private employment and roughly 0.2 percent of the private employment in all of New York City. Private employment within the study area is distributed amongst many industrial sectors; however, as shown in Table 3-1, the accommodation and food services sector dominates and accounts for nearly 27 percent of private employment (1,639 jobs) in the study area. The information sector accounts for the next largest percentage of employment (approximately 14 percent) in the study area, and employs 863 workers, followed by construction (approximately 12 percent), which employs 730 workers. The retail trade and manufacturing sectors each accounted for nearly ten percent of employment in the study area and employed 596 and 584 workers, respectively. Combined with other industrial sectors in the study area (including manufacturing, wholesale trade, transportation, construction, and utility), these sectors collectively employ approximately 1,654 workers. This employment accounts for approximately 27

percent of the study area's total private employment, a higher percentage as compared with Brooklyn (near 17 percent) and New York City as a whole (approximately 13 percent). These industrial jobs reflect the study area's historic roots of low-density industrial uses along the waterfront.

TABLE 3-1
2017 Estimated Private Employment in the 0.25-Mile Study Area¹, Brooklyn, and New York City

	0.25-Mile Study Area		Brooklyn		New York City	
	Employment	Percent	Employment	Percent	Employment	Percent
Agriculture, Forestry, Fishing & Hunting	0	0.0%	136	0.0%	344	0.0%
Mining, Quarrying, and Oil & Gas Extraction	0	0.0%	0	0.0%	46	0.0%
Utilities	0	0.0%	4,666	0.7%	17,831	0.5%
Construction	730	11.8%	32,262	5.2%	150,324	3.9%
Manufacturing	584	9.5%	21,165	3.4%	74,085	1.9%
Wholesale Trade	195	3.2%	25,642	4.1%	149,701	3.9%
Retail Trade	596	9.7%	78,537	12.6%	357,125	9.3%
Transportation & Warehousing	145	2.4%	19,747	3.2%	124,186	3.2%
Information	863	14.0%	10,776	1.7%	216,551	5.6%
Finance & Insurance	71	1.2%	16,610	2.7%	336,271	8.7%
Real Estate & Rental and Leasing	198	3.2%	18,760	3.0%	133,369	3.5%
Professional, Scientific, & Technical Services	176	2.9%	22,894	3.7%	415,446	10.8%
Management of Companies & Enterprises	4	0.1%	2,938	0.5%	77,425	2.0%
Admin. & Support, Waste Management & Remediation	191	3.1%	31,790	5.1%	254,541	6.6%
Educational Services	31	0.5%	34,980	5.6%	194,847	5.1%
Health Care & Social Assistance	37	0.6%	215,254	34.5%	718,187	18.7%
Arts, Entertainment, & Recreation	307	5.0%	8,460	1.4%	90,040	2.3%
Accommodation & Food Services	1,639	26.6%	50,049	8.0%	356,526	9.3%
Other Services (excl. Public Admin.)	394	6.4%	29,875	4.8%	178,962	4.7%
Total	6,161	100%	624,541	100%	3,845,807	100%

Notes:

¹The boundary of the 0.25-Mile socioeconomic study area was modified to match the three census tracts (Brooklyn Census tracts 557, 561, and 569) that most closely define the 0.25-mile (i.e., are at least 50 percent within the 0.25-mile perimeter around the Development Site).

Source: Employment data obtained from the U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics.

Many of the manufacturing jobs are likely attributed to artisan food and beverage manufactures, which include Brooklyn Brewery at 79 North 11th Street, as well as food processing facilities such as Acme Smoked Fish at the Development Site. Food manufacturing boasts the largest share and biggest growth of manufacturing jobs in the borough in recent years. There has been a resurgence of specialty manufacturing, including craft food and beverage making, as well as furniture and home décor as well as fashion, which often serve the local market. Brooklyn's food and beverage manufacturing hubs and markets are mostly clustered in the Williamsburg- Greenpoint and Red Hook-Sunset Park neighborhoods. Additionally, Smorgasburg, located just south of the study area on the waterfront at East River State Park, is an outdoor food market that has roughly 100 vendors that rent space to sell wares.² Also, the area has experienced the emergence of a number of hotels, including The William Vale, Wythe Hotel, McCarren Hotel and Pool, the Williamsburg Hotel and the Hoxton.

² Brooklyn Flea and Smorgasburg Winter Market, which operate on Saturdays and Sundays, have relocated to 8th floor of 25 Kent Avenue for the winter season.

EMPLOYMENT TRENDS IN THE CITY AND BOROUGH OF BROOKLYN

Within the last decade, there has been a shift in the geography of employment in the City and a trend of job growth in the outer boroughs. Small and mid-sized companies and startups have flooded Brooklyn's office market.³ Many businesses are seeking space outside of Manhattan in areas close to public transportation and near growing residential neighborhoods, such as Downtown Brooklyn, DUMBO, Williamsburg and Long Island City, which have more affordable rents than the established Manhattan office markets. Brooklyn is emerging as a tech hub attractive to startups, innovation and creative firms due to its shorter commutes, cheaper rents, shared workspaces, and bohemian-style offices. The success of the commercial and residential markets has contributed to the other's growth. Many of Brooklyn's commercial tenants are also looking to have a direct connection to and interact with the community.

The Brooklyn office market has expanded rapidly in the first decades of the 21st century. As of the third quarter of 2019, there was a total of roughly 37 million square feet of inventory in the Brooklyn office market, with nearly three million square feet under construction. Most of the borough's office stock is concentrated in Downtown Brooklyn, but other office submarkets include DUMBO, the Navy Yard, Greenpoint/ Williamsburg, and Sunset Park.

According to the New York State Comptroller's *Economic Snapshot of Brooklyn* report from June 2018 and *New York City Employment Trends* from April 2019, private sector job growth has been strong in the borough of Brooklyn since the recession ended in 2009 and has exceeded rates experienced in the greater City. Brooklyn accounted for 26 percent of all private sector jobs created in New York City between 2009 and 2019, and had the highest rate of private sector job growth of all five boroughs with 46 percent increase.

According to the Center for an Urban Future's *Brooklyn's Growing Innovation Economy* report, "Brooklyn is one of just a handful of regions across the country to capture a significant share of the growth occurring in the innovation economy- a set of industries fueled by technology, creativity, and invention that is driving much of the nation's high-wage job gains."⁴ During the past 10 years, innovation industries have added thousands of well-paying jobs and further diversified the borough's economy, as well as given Brooklyn a competitive edge in a part of the economy that is expected to expand substantially in the years ahead.

Most businesses in Brooklyn are relatively small with 84 percent of firms employing fewer than 10 workers and 71 percent with less than five workers. However, the number of businesses in Brooklyn has increased by 32 percent since 2009, exceeding growth rates experienced in the other four boroughs and outpacing the Citywide rate by nearly 50 percent. Except for manufacturing, which experienced a slight decrease, the number of firms increased in each business sector in Brooklyn. The tech sector has become one of the borough's most rapidly growing industries, increasing its employment by 57 percent since 2009, which has escalated office space demand. In addition to significant residential growth since the 2005 Greenpoint-Williamsburg rezoning, the neighborhoods of Greenpoint and Williamsburg experienced substantial job growth between 2009 and 2017 increasing employment levels between 31 and 45 percent.⁵

³ <https://commercialobserver.com/2019/11/smaller-floor-plates-and-flexibility-is-key-to-brooklyn-office-market-panelists/>

⁴ *Brooklyn's Growing Innovation Economy*, Center for an Urban Future, June 2019 report

⁵ Office of the New York State Comptroller, *An Economic Snapshot of Brooklyn*, Report 3-2019, June 2018.

As described in Chapter 1, “Project Description,” the Development Site is located at the southwestern edge of Greenpoint near the northern periphery of the Williamsburg/Northside neighborhood. As detailed in Chapter 2, “Land Use, Zoning, and Public Policy,” land use in the area surrounding the Development Site includes a mix of manufacturing, light industrial, commercial, hotel, parking, and some residential uses in a wide variety of building typologies. As shown in Figure 2-1 in Chapter 2, “Land Use, Zoning, and Public Policy,” the predominant land use within 400-feet of the Development Site is industrial, and reflects both longstanding manufacturing and industrial buildings. However, there have been some commercial space conversions within the 400-foot radius of the site including Root Brooklyn studios at 131 North 14th Street and A/D/O Creative Workspace at 29 Norman Avenue. There is little vacant or undeveloped land, but there are underutilized warehouse and industrial spaces. Residential uses are largely concentrated further to the north and northeast of the site in the study area, and 36-acre McCarren Park is located at the southeastern edge of the study area. The future Bushwick Inlet Park will be located along the waterfront at the western edge of the study area.

EMPLOYMENT TRENDS IN THE STUDY AREA

The Development Site and most of the study area are located within the Greenpoint/Williamsburg Industrial Business Zone (IBZ). As described in Chapter 2, “Land Use, Zoning and Public Policy,” the City’s IBZs are non-zoning designations that demonstrate a commitment to land use and public policies that encourage the retention and growth of industrial businesses, including financial incentives, designation of local ombudsmen, and a resolution not to support residential rezonings within their bounds. IBZs are defined geographical areas that were established to protect existing manufacturing districts and encourage industrial growth citywide.

As shown in Figure 2-4 in Chapter 2, “Land Use, Zoning, and Public Policy,” the Greenpoint-Williamsburg IBZ encompasses roughly 20 blocks (or portions thereof), comprising slightly less than 38-acres on the border of the Greenpoint and Williamsburg neighborhoods. The Greenpoint-Williamsburg IBZ is generally bordered by Kent Avenue/Franklin Street to the west, Calyer Street and Meserole Avenue to the north, Banker, Dobbin, and Guernsey Streets to the east, and Nassau Ave/Berry Street and North 12th and North 13th streets to the south. It is one of the smaller sized IBZ’s within the City, and also one of the least industrial (less than 50 percent of employment is industrial). All of the lots within the Greenpoint-Williamsburg IBZ are privately-owned.

In contrast to other IBZ’s in the City, most lots in the Greenpoint-Williamsburg IBZ are small and characterized by older, low-rise, one- or two-story buildings with little residual lot area. The existing zoning of the Greenpoint-Williamsburg IBZ is primarily high-performance M1-1 and M1-2, which allows up to 1.0 and 2.0 FAR to be developed on a respective property.

Although the study area historically accommodated primarily industrial, manufacturing, distribution and warehousing uses, the area has been transitioning, becoming more mixed-use, and many of the industrial businesses have left or have been pushed out due to increasing rents. These industrial and manufacturing uses have been replaced with largely commercial uses or a mix of commercial, residential, and/or other types of industrial uses. Heavy industries with significant truck traffic have declined as the larger surrounding area has experienced an influx of residential and commercial and services uses that largely cater to residents. Further, the area’s aging building stock is often not well-suited to contemporary industry and is being converted to a range of commercial uses or subdivided to accommodate several firms often creating niche or artisanal products for local market consumption.

As commercial uses are also permitted in manufacturing zones, manufacturers and other industrial uses must compete with hotels, offices, entertainment uses, restaurants, retail and other services, which

typically can afford to pay higher rents. These market pressures are often most acute in areas bordering highly desirable residential real estate markets like Williamsburg, Greenpoint, and Long Island City. Typically, in areas with growing residential populations, there is a greater need for retail and other services offerings, including restaurants, food markets, health and fitness uses, and entertainment uses among others that cater to residents.

As shown in Table 3-2, private employment in the 0.25-mile study area has increased by slightly more than 27 percent between 2014 and 2017. Most of this employment growth has occurred within the accommodation and food services and information sectors (and includes publishers, motion picture and video industries, sound recording industries, television broadcasting, telecommunications, and data processing), which combined added nearly 1,100 jobs in the study area.

TABLE 3-2
Comparison of 2014 and 2017 Estimated Private Employment in the 0.25-Mile Study Area¹

	2014		2017		Change 2014 to 2017	
	Employment	Percent	Employment	Percent	Employment	Percent
Construction	912	18.9%	730	11.8%	-182	-20.0%
Manufacturing	441	9.1%	584	9.5%	143	32.4%
Wholesale Trade	232	4.8%	195	3.2%	-37	-15.9%
Retail Trade	507	10.5%	596	9.7%	89	17.6%
Transportation & Warehousing	87	1.8%	145	2.4%	58	66.7%
Information	432	8.9%	863	14.0%	431	99.8%
Finance & Insurance	78	1.6%	71	1.2%	-7	-9.0%
Real Estate & Rental and Leasing	113	2.3%	198	3.2%	85	75.2%
Professional, Scientific, & Technical Services	270	5.6%	176	2.9%	-94	-34.8%
Management of Companies & Enterprises	100	2.1%	4	0.1%	-96	-96.0%
Admin. & Support, Waste Management & Remediation	37	0.8%	191	3.1%	154	416.2%
Educational Services	14	0.3%	31	0.5%	17	121.4%
Health Care & Social Assistance	40	0.8%	37	0.6%	-3	-7.5%
Arts, Entertainment, & Recreation	272	5.6%	307	5.0%	35	12.9%
Accommodation & Food Services	974	20.1%	1,639	26.6%	665	68.3%
Other Services (excl. Public Admin.)	328	6.8%	394	6.4%	66	20.1%
Total	4,837	100%	6,161	100%	1,324	27.4%

Notes:

¹The boundary of the 0.25-Mile socioeconomic study area was modified to match the three census tracts (Brooklyn Census tracts 557, 561, and 569) that most closely define the 0.25-mile (i.e., are at least 50 percent within the 0.25-mile perimeter around the Development Site).

Source: Employment data obtained from the U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics.

REAL ESTATE MARKET TRENDS

As reflected in employment data, the study area is increasingly attracting business establishments that cater to surrounding residential areas, including restaurants, cafes, bars, and entertainment venues. There is an existing well-established trend in the study area toward commercial development (see Table 3-3). New development has primarily consisted of restaurant, entertainment and hospitality uses.

The current land uses in the 0.25-mile study area reflect a significant amount of new development and conversions that have generally occurred since the 2005 Greenpoint-Williamsburg Rezoning, which has resulted in the growing number of non-industrial uses to serve the increasingly residential population of the larger Greenpoint-Williamsburg area. Over this approximately ten-year period, four hotels (including the 183-room William Vale Hotel at 55 Wythe Avenue, 150-room Williamsburg Hotel at 96 Wythe Avenue, the 70-room Wythe Hotel at 75 North 11th Street, and the 64-room McCarren Hotel and Pool at 156 North

12th Street) have been established in the study area. In addition, eight former manufacturing buildings have been converted to commercial uses, including photo and film studios (35 Kent Avenue, 131 North 14th Street and 95 North 10th Street), music venues (74 Wythe Avenue), bowling alleys (200 North 14th Street and 104 North 12th Street), an indoor soccer facility (196 North 14th Street), and eating and drinking establishments (90 Wythe Avenue). Additionally, 44 Berry Street (at the northwest corner of Berry and North 11th Streets) was also converted from manufacturing uses to residential with ground floor retail. Further, a seven-story 142-unit residential building was constructed at 34 Berry Street (the southwest corner of Berry and North 12th Streets) and a 96-unit residential building was constructed at 26 West Street. As a result, the surrounding area has largely become mixed-use supporting a mix of commercial, light industrial, and some residential uses.

TABLE 3-3
Commercial Development in the 0.25-Mile Study Area

Name	Address	Type of Use	Year
The Yard	33 Nassau Street	Office	2008
Brooklyn Bowl	61 Wythe Avenue	Entertainment- Bowling Alley/Music Venue	2009
Berry Park/The Backyard	4 Berry Street/ 196 North 14 th Street	Beer Garden/Indoor Soccer Field	2009
Brooklyn Athletic Club	8 Berry Street	Fitness/Gym	2011
McCarren Hotel & Pool	156 North 12 th Street	Hotel (64 rooms)	2011
Greendesk	67 West Street	Office	2011
The Wythe	80 Wythe Avenue	Hotel (70 rooms)/Restaurants	2012
Amazon	35 Kent Avenue	Photo Studios/ Office	2013
Greendesk	42 West Street	Office	2014
The William Vale	111 North 12 th Street	Hotel (183-room)	2016
Root BKN	131 North 14 th Street	Studios	2016
A/D/O	29 Norman Avenue	Creative Studio Workspaces	2017
Williamsburg Hotel	96 Wythe Avenue	Hotel (160-rooms)/Restaurants	2017
The Hoxton	97 Wythe Avenue	Hotel (175-rooms)/Restaurants	2018

Only recently has there been a development of office space in this study area. According to the City's PLUTO data, since 2007, approximately 325,000 sf of office space has been created in the 0.25-mile study area. The number of buildings classified as office has also more than doubled from only seven in 2007 to 16 office buildings in 2018. The roughly 0.5 million sf 25 Kent Avenue development was also recently completed in the study area. Retail space has also increased significantly since 2007 from approximately 385,000 sf to roughly 621,000 sf (61 percent increase). In addition, the number of residential dwelling units in the study area has increased by approximately 26 percent. At the same time, factory space within the study area has declined by nearly 900,000 sf from more than 1.7 million sf in 2007 to approximately 779,200 sf in 2018. Storage space also decreased by roughly 1.5 million sf between 2007 and 2018 from approximately 1.79 million sf to approximately 215,400 sf.

CBRE's *Marketview Brooklyn Office* report for the third quarter of 2019 notes that the Williamsburg/Greenpoint submarket office inventory includes more than six million square feet within 56 buildings, representing roughly 13 percent of Brooklyn's office market. According to Tristate Commercial Realty, areas of Williamsburg have been completely transformed within the last decade. Newmark Knight and Frank Realty describe it as one of the fastest growing Brooklyn office submarkets. There is high demand in the under 10,000 sf market in North Brooklyn, and the area is expected to continue to thrive.⁶

⁶ <https://nyrej.com/tri-state-commercial-realty-the-brooklyn-office-market-has-room-for-growth>

Within the study area, new development and conversions have largely tended toward entertainment and nightlife uses and a limited amount of office. However, as described in Chapter 1, “Project Description,” Brooklyn as a whole has seen a significant increase in its office inventory in Downtown Brooklyn, DUMBO, the Navy Yard and Williamsburg over the past five years. This includes the approximately 1.2 million sf mixed-use business district of Dumbo Heights, a five-building complex in DUMBO, which has office tenants such as Etsy and WeWork, and the approximately 400,000 sf commercial development of Empire Stores, also in DUMBO, which has office and retail tenants such as West Elm, 72andSunny, United Technologies, Newell Brands, and Laundry Service. The recent commercial conversion of 10 Jay Street in DUMBO accommodates office tenants such as Rent the Runway, Sidewalk Labs, Soho Works, Translation, and Nuxeo. Within the Brooklyn Navy Yard, new commercial development has included the approximately 1 million sf Building 77 renovation and the new approximately 675,000 sf Dock 72 building.

Additional commercial development is also currently under construction, including the approximately 700,000 sf Panorama commercial office and retail project, a 5-building commercial complex in Columbia Heights, and the approximately 600,000 sf new building at 47 Hall Street near the Brooklyn Navy Yard, among others. An increase in demand from the media, technology, and creative industries has led to very low inventory of available modern/functionally-competitive/renovated or new commercial space in Downtown Brooklyn, DUMBO, and Williamsburg. Commonly cited reasons given for this demand include the desire of tenants to occupy non-traditional converted loft-spaces and the attraction of operating near the communities in which their workforces reside. Office spaces that are accessible, and offer efficient space and amenities are highly competitive. In particular, significantly renovated office buildings located adjacent to transit-accessible waterfronts have generally leased rapidly. Small and mid-sized companies, which make up most of Brooklyn’s business growth, as well as startups are driving the market and are seeking to locate in areas in close proximity to, or otherwise accessible by, their workforces, near public transportation, and growing residential markets. The success of the Greenpoint and Williamsburg residential markets is contributing to the growth of the commercial market in the area and the associated demand for additional office space.

Given the study area’s accessibility and proximity to the G and L trains and East River Ferry, formerly underutilized industrial buildings and warehouses are also being converted to offices, studios, entertainment spaces, retail, and other commercial uses. Several former industrial spaces and factories have been converted to flexible co-working, turn-key offices, such as Green Desk at 67 West Street and 42 West Street, The Yard at 33 Nassau Avenue, and PencilWorks at 61 Greenpoint Avenue. Green Desk, The Yard, and PencilWorks enable companies and individuals to rent fully furnished office space, suites, and meeting spaces that are fully equipped with high speed internet and hardwired, as well as virtual spaces, on a short-term, typically month-to-month basis. The Wing, a woman focused co-working space collective and club, also recently leased 18,000 square feet of space at the new constructed 71 North 7th Street boutique class A office and retail building in Williamsburg. Rents for co-working spaces range from \$350 to \$550 per month for a private office, \$200 to \$400 for a dedicated desk per month, and open co-working spaces cost less. These creative office spaces also offer a range of amenities and services and largely cater to growing startups in a co-working environment, providing maximum flexibility with minimum maintenance. They also provide companies with lower rents than established business districts in close proximity to the desirable residential areas of Greenpoint and Williamsburg.

Other former warehouse and industrial buildings have been retrofitted as creative studios and workspaces, such as A/D/O (Amalgamated Drawing Office) at 29 Norman Avenue and Northside Creative Studios LLC at 117 Dobbins Street. A/D/O is a membership-based community that offers creative collaborative workspaces, including fabricated labs in a roughly 23,000 sf space. Northside Creative Studios offers creative studio space to small businesses and entrepreneurs in approximately 14,800 sf.

Smaller buildings such as 259 Banker Street have been converted into live-work spaces, which accommodate studio space on the ground floor and a loft apartment on its upper floor. This building recently had an asking price of \$10 million.

According to CBRE’s Marketview Brooklyn Office report for the third quarter of 2019, the Williamsburg/Greenpoint office submarket experienced a two percent increase in average asking rents to \$59.64 per square foot from 2018. Williamsburg/Greenpoint has some of the highest average asking office rents in the borough. Table 3-4 provides a listing of recent asking rents for commercial and industrial properties within the 0.25-mile study area. As shown in Table 3-4, there is a significant range in asking rents from \$20 to upwards of \$100 per square foot. Most properties are listed with rents in the mid-\$40s and low \$50s. Retail ground floor storefronts have some of the highest rents. According to REBNY’s Winter 2019 Brooklyn Retail Report, average asking rents in Greenpoint are increasing, and rose nine percent to \$70/sf along Manhattan Avenue between Driggs Street and Kent Avenue, compared to winter 2018, and 23 percent on Franklin Street, between Meserole Avenue and Commercial Street, year-over-year to \$70/sf. This upward trend is due to a combination of increased local foot traffic from new, high-density residential developments along the Greenpoint waterfront and an increased willingness among owners to accommodate a diverse spectrum of tenants, by building out retail space and providing long-term lease agreements.

TABLE 3-4
Current Asking Rents in the Study Area

Address	Building Type	Square Footage Available	Asking Rent
190 North 14 th Street	2 nd Floor Office	700 sf	\$44.00/sf
28 Wythe Avenue	Warehouse/Industrial	Entire building (27,246 gsf)	\$60.00/sf
1-15 Kent Avenue	Ground Floor Retail	20,000 sf	\$45.00/sf
24-36 Dobbin Street	2 nd Floor Office	12,000 sf	\$38.00/sf
221 Banker Street	Flex Space/Industrial	1,500 sf	\$50.00/sf
11-25 Franklin Street	Industrial	16,000 sf	\$65.00/sf
85 Quay Street	Office/Retail	750 sf to 8,835 sf	\$60 to \$72/sf
58 Dobbin Street	Industrial	5,000 sf	\$30.00/sf
65 Kent Avenue	Warehouse	2,500 sf	\$31 to \$36/sf
61 North 9 th Street	Warehouse/Industrial	9,000 sf	\$102/sf
39 Norman Avenue	Ground Floor Retail	3,400 sf	\$72-\$84/sf
102 Franklin Avenue	Commercial- Retail/Office	800 sf	\$67/sf
67 West Street	Office	900 sf to 6,000 sf	\$30 to \$32/sf
77-107 Dobbin Street	Industrial	9,000 sf	\$18-20/sf
735 Manhattan Avenue	Retail	2,100 sf	\$75/sf
742-750 Manhattan Avenue	Retail-storefront	4,400 sf	\$80/sf
742-750 Manhattan Avenue	Office- 2 nd floor	9,400 sf	\$38/sf

Source: loopnet.com and cityfeet.com, searches conducted in June 2019.

THE FUTURE WITHOUT THE PROPOSED ACTIONS (NO-ACTION CONDITION)

The trend of commercial development is anticipated to continue in absence of the Proposed Actions. As described in Chapter 2, “Land Use, Zoning, and Public Policy,” approximately 106,351 sf of retail, 517,163 sf of office, 155-hotel rooms, and 46,000 sf of other commercial uses are planned within the 0.25-mile study area by the analysis year of 2024. In addition, approximately 130,000 sf of industrial space would be added to the study area. Furthermore, the Development Site is anticipated to accommodate approximately 35,225 gsf of restaurant/entertainment uses, 66,750 gsf of creative office space, 28,610 gsf of warehousing spaces, and 17,500 gsf of industrial space (distillery), as well as an estimated 21,400 gsf of accessory parking (107 spaces).

There has been very limited investment in industrial space. Most new industrial space is being introduced in conjunction with new commercial space such as the mixed-use commercial and industrial developments at 25 Kent Avenue, 12 Franklin Avenue, and 103 North 13th Street. Through leveraging the demand for office space, newly constructed industrial spaces are being created within mixed-use developments that provide flexible, modern workspaces that serve current industry needs/standards.

Most of the new office space in the study area has been created or is planned pursuant to City Planning Commission (CPC) special permits, which incentivize the construction of commercial and/or manufacturing buildings that allocate a portion of their floor area to certain light industrial uses in Industrial Business Incentive Areas (IBIAs). The eight story, approximately 405,156 gsf 25 Kent Avenue⁷, which is located three blocks to the south of the Development Site, was the first project in the City to establish and map an IBIA and apply for a special permit. The recent completion of 25 Kent Avenue has added approximately 278,754 sf of office, 37,347 sf of retail, and 70,722 sf of industrial space, as well as 275 parking spaces to the study area. 25 Kent Avenue is Williamsburg's first ground-up commercial office development in 50 years. In early December 2019, Kith, a multifunctional fashion lifestyle brand for men, women, and children, as well as a progressive retail establishment, signed the first long-term lease at 25 Kent Avenue and is anticipated to occupy 58,000 sf of manufacturing space, relocating its SoHo headquarters. To date, 25 Kent Avenue has attracted significant interest from media, cosmetic, and technology companies, as well as a brewery and is anticipated to be fully leased by 2021.

THE FUTURE WITH THE PROPOSED ACTIONS (WITH-ACTION CONDITION)

The Proposed Actions would allow for the retention of an industrial use and facilitate the construction of a new multi-level, mixed-use facility with flexible floorplates that would create new employment opportunities in the area. The Proposed Actions would introduce approximately 654,300 gsf of new development, comprised of a new 109,300 gsf Acme Smoked Fish processing facility, and 545,000 gsf of office and retail space (including parking/loading/bike storage spaces). As compared to the No-Action condition, the Proposed Actions would result in an incremental increase of approximately 91,800 gsf of industrial space, 430,050 gsf of office, 33,800 gsf of retail space, and a decrease of approximately 35,225 gsf of restaurant/entertainment space and 28,610 gsf of warehouse space.

The proposed zoning changes would be limited to the Development Site and would retain manufacturing zoning on the site, and would increase the allowable density and performance standards at the site. The proposed zoning changes would provide capacity for growth and investment, as well as the retention of a long-standing industrial business and its associated light industrial jobs in Brooklyn within the Greenpoint-Williamsburg IBZ, a policy-adopted plan aimed at preserving industrial uses. The Proposed Development would provide a modern industrial facility and flexible space for a mix of commercial uses in one of the City's designated industrial areas consistent with the City's *10-Point Industrial Plan*. It would enable Acme Smoked Fish to remain within its trade area, and keep the company's production in Brooklyn, where it originated, while expanding and modernizing its operations. The Proposed Actions would create the opportunity for the preservation and growth of Acme Smoked Fish, which has limited siting opportunities and would maintain the light industrial and manufacturing character of the area, while allowing complementary uses.

The site is appropriate for additional density, given its proximity to transit and would provide increased walk-to-work opportunities in Brooklyn Community District 1. The Development Site is also located in a developed light industrial and commercial area. The Proposed Development would contribute to a diverse

⁷ Although the 25 Kent Avenue building has been completed, it is not yet fully occupied and is therefore included as a No-Build site for CEQR analysis purposes.

mix of business uses and employment in the surrounding area. Consistent with the City's *New York Works* jobs plan of promoting the creation of new work space that meets the needs of city's economy, supporting office and professional space growth in emerging markets throughout the five boroughs, and ensuring that there is space available for companies to grow and people are able to work closer to where they live.

As mentioned above, the surrounding neighborhoods of Greenpoint and Williamsburg have experienced significant residential growth, and while new office conversions have been completed in the surrounding area, the amount of existing office space in the surrounding area has not expanded sufficiently to meet the needs of the growing residential population. Moreover, as detailed in the *New York Works* report, there is increased demand for office space outside Manhattan to create jobs closer to where New Yorkers live, including in commercial and industrial areas in Brooklyn, Queens, Staten Island, and the Bronx, to improve worker commute times and reduce the burden on transit infrastructure. The new commercial office space facilitated by the Proposed Actions would help meet a borough-wide demand for more commercial office space and locate offices closer to where workers live, consistent with the goals of *New York Works*.

The Proposed Actions would not introduce any new uses to the study area that would substantially alter existing economic patterns, nor would the Proposed Actions add to the concentration of a particular sector of the local economy enough to alter or accelerate an ongoing trend to change existing economic patterns. The proposed mix of commercial and industrial uses are expected to be consistent with the existing mix of uses in the study area. Although the proposed office space would be substantial and the Proposed Development would be the largest office building within the study area, office uses are already currently located in, and planned for, the study area. The 0.25-mile study area is increasingly becoming more diverse in terms of the types of businesses and development occurring in the area. While the Proposed Actions would contribute to an existing trend of increasing commercial development in the study area, any upward rent pressure experienced by industrial businesses in the area would be present in the future without the Proposed Actions. As described above, change is already occurring in the study area, the area is already experiencing a trend of increase in commercial uses, rents are relatively high, and most recent investment in the area has been commercial development- including hotels, studio/film/production spaces, office, creative workspaces.

Businesses most vulnerable to indirect displacement due to increased rent are typically those businesses whose uses are less compatible with the economic trend that is creating upward rent pressures in the study area, i.e., those businesses that tend not to benefit directly (in terms of increased business activity) from the market forces generating the increases in rent. For example, if a neighborhood is becoming a more desirable place to live, uses that are less compatible with residential conditions (such as manufacturing) would be less able to afford increases in rent due to increases in property values than a neighborhood service use, such as a restaurant, which could see increased business activity from the increased residential presence. In addition, industrial businesses 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.

Industrial businesses could be considered potentially vulnerable to indirect displacement, as a property owner could decide to convert an existing industrial property to retail or other commercial uses. While some industrial businesses could be displaced due to upward rent pressure in the future With-Action condition, upward rent pressure is already present in the study area and is expected to continue into the future without the Proposed Actions. As described above, manufacturers and other industrial uses are currently experiencing real estate pressures of increasing rents and land values, and are often forced to compete with commercial uses for space, which can typically afford higher rents. A number of industrial

properties in the area are either vacant and being warehoused for future development, or are soon to close due to planned redevelopment. Recent commercial projects in the area include several hotels and entertainment venues. Several co-working spaces have also been developed, including the Yard, Greendesk, the Wing, and PencilWorks. In addition, in the future without the Proposed Actions, the Proposed Development Site would be developed with a mix of commercial and warehousing uses, and there are a number of commercial uses planned for the study area on former manufacturing land. While the Proposed Actions would contribute to an existing trend of increasing commercial development in the study area, any upward rent pressure experienced by industrial businesses in the area would be present in the future without the Proposed Actions.

Therefore, the Proposed Actions would not alter existing economic patterns by introducing a new economic activity to the study area.

Would the proposed project 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 not directly displace uses of any type as it is anticipated that, without a new state-of-the-art purpose-built facility for its operations, Acme Smoked Fish would strongly consider relocating outside of New York State and vacate its buildings on the Development Site (Lots 1, 21, 25, and 50). Lot 6, which is currently occupied by ABC Stone, is also expected to be vacated in the No-Action, as the business is currently in the process of moving out. Based on existing and anticipated real estate market trends, existing structures and site conditions, and uses allowed by existing zoning, it is expected that the vacated buildings would be re-occupied in the No-Action condition. As such, the No-Action scenario assumes that Acme Smoked Fish's and ABC Stone's vacated buildings would be re-occupied by a mix of eating/drinking/ entertainment establishments, creative office and warehouse uses. The vacant building on Lot 19, which is the smallest lot on the block, is assumed to be re-occupied by restaurant use in the No-Action. Finally, Lot 125 currently accommodates parking and open storage. Prior to the Proposed Actions being proposed, the current owner of Lot 125 was pursuing a redevelopment of it with a new 3-story commercial building with distillery, office, dance studio and restaurant uses (which would have complied with existing zoning), and filed a building permit application for such a project.⁸ Due to the historical reference point, the No-Action scenario assumes that absent the Proposed Actions the current owner would pursue this project instead. As such, the Proposed Actions would not directly displace any existing businesses.

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

As described previously, the Proposed Actions would not result in any direct business or residential displacement, nor are the Proposed Actions expected to indirectly displace a substantial number of residents or workers who form a customer base for local businesses. The Proposed Actions are also not expected to result in significant indirect business displacement that would negatively affect the customer base of any existing businesses in the study area. The Proposed Actions would retain an existing, long-standing industrial business that employs more than 100 workers and has been in Brooklyn for more than 100 years and in the Greenpoint neighborhood at 30 Gem Street for approximately 65 years. The Proposed Actions would also introduce new commercial uses to the Development Site that would add to the customer base of existing businesses.

⁸ Based on a prior permit application that was filed with the NYC Department of Buildings in 2015 (<https://newyorkimby.com/2015/10/permits-filed-14-wythe-avenue-greenpoint-distillery.html>)

The proposed zoning changes are intended to support and preserve an existing manufacturing business as well as provide additional flexibility for economic growth in the area. Through increasing the allowable density, the Proposed Actions would help to create opportunities for uses, such as Acme Smoked Fish, that have limited siting opportunities, and would help to maintain the light industrial and manufacturing character of the area, while also allowing a mix of other complementary uses that are permitted within the proposed M1-5 zoning district. Acme Smoked Fish is the largest producer of smoked fish in the county and is an industry leader for premium smoked seafood and pickled seafood products. Its brands are widely distributed throughout the United States in supermarkets, delis, specialty grocers and warehouse clubs. The existing Acme Smoked Fish facility on the Development Site poses a number of challenges, including limited capacity and an outdated plant. Moreover, advances in food safety require increased cost, and stretch the capabilities of the existing aging facility, and the level of investment required to upgrade the current facility would be cost-prohibitive. The Proposed Development seeks to enable the cost of a new state-of-the-art factory for Acme Smoked Fish to be offset by allowing a mix of complementary uses at a greater density above the current allowable FAR of 1.0. Under the Proposed Actions, Acme's headquarter operations would remain in Brooklyn at the Development Site and would further the mission of the Greenpoint-Williamsburg IBZ by strengthening the commercial and manufacturing character.

The proposed zoning change would contribute to a diverse mix of commercial uses and employment in the area, encourage job creation in an area near transit, provide increased walk-to-work opportunities in Brooklyn CD 1, and strengthen the economic base of the City. The new commercial uses are also expected to add to the customer base of the existing businesses.