

A. INTRODUCTION

This chapter examines the potential effects of the proposed Flushing Commons project on socioeconomic conditions, including effects on population and housing characteristics, economic activity, and the commercial real estate market within defined study areas most likely to be affected by the development of the project. As noted in Chapter 1, “Project Description,” the Environmental Impact Statement (EIS) assessments also include the proposed Macedonia Plaza, which is included in the rezoning area, and therefore considered as part of the overall proposed action.

In accordance with the guidelines presented in the 2001 *City Environmental Quality Review (CEQR) Technical Manual*, this chapter evaluates five factors that could create substantial socioeconomic change in the area: (1) direct displacement of the residential population, (2) direct displacement of existing businesses and institutions, (3) indirect displacement of residential population, (4) indirect displacement of businesses and institutions, and (5) adverse effects on specific industries not necessarily tied to the project site or to the study area.

B. PRINCIPAL CONCLUSIONS

For four of the five areas of socioeconomic concern—direct residential displacement, direct business displacement, indirect residential displacement, and adverse effects on specific industries—a preliminary assessment was sufficient to conclude that the proposed action would not cause any significant adverse socioeconomic impacts. The preliminary assessment of the fifth area of concern, indirect business displacement, concluded that a detailed analysis was required to determine whether significant adverse impacts would result due to competition.

As summarized below, the detailed analysis finds that the proposed action would not result in any such significant adverse impacts.

DIRECT RESIDENTIAL DISPLACEMENT

The proposed action would not directly displace any residential population, and therefore no significant adverse impacts would result from direct residential displacement.

DIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

The proposed action would not directly displace any businesses or institutions, and therefore no significant adverse impacts would result from direct business and institutional displacement.

INDIRECT RESIDENTIAL DISPLACEMENT

The proposed action would not result in significant adverse impacts due to indirect residential displacement. The proposed action would introduce an estimated 2,202 new residents. This

amount is approximately 3.3 percent of the estimated existing population in the study area. According to the *CEQR Technical Manual*, generally if a proposed action would increase the population in the study area by less than 5 percent—as is the case here—it would not be large enough to affect socioeconomic trends significantly. While a majority of the new population would have higher incomes than most existing residents, the new residents would not constitute a sizeable addition to the study area and therefore would not change the overall socioeconomic profile of the study area population. The proposed action would introduce 142 units of affordable housing as part of the proposed Macedonia Plaza project, and 620 units of market-rate housing that would be more costly compared with most existing housing in the study area, but comparable to other new developments planned to be built by the time the proposed action is implemented.

The assessment did not identify any factors that could substantially influence residential rents in the study area. The proposed action would also not displace any uses or properties that have had a “blighting” effect on property values in the area, nor would it alter the socioeconomic composition of the study area by direct displacement. The proposed action would introduce a sizable addition of non-residential uses to the study area, but it would not make the area noticeably more attractive as a residential neighborhood complex because Downtown Flushing is surrounded by residential and mixed-use land use patterns radiating from its established commercial core. The proposed action would draw existing residents and additional shoppers to the neighborhood’s stores, further enlivening an area already known for its vibrant commercial district.

INDIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

INDIRECT DISPLACEMENT DUE TO CHANGES IN PROPERTY VALUES AND RENT

One issue for indirect business and institutional displacement is whether an action would increase property values and thus rents in the study area, making it difficult for some categories of business or institutions to remain at their current locations.

Businesses most vulnerable to indirect displacement due to increased rents are typically those whose uses are less compatible with the trends creating the upward rent pressures. The area already has a significant concentration of retail that draws a large amount of customers, and the proposed amounts of new residential and retail uses would not be large enough to create a substantially different customer base for the area such that rents would increase due to increased customer base/foot traffic. This means that the economic activities in the study area would not be substantially changed by the proposed action, and therefore the proposed action would not result in significant adverse indirect business displacement impacts in the ½-mile study area due to increased rents.

INDIRECT DISPLACEMENT DUE TO COMPETITION (PRIMARY TRADE AREA AND LOCAL RETAIL AREA)

As described in the *CEQR Technical Manual*, competitive economic impacts in and of themselves do not necessarily generate environmental concerns; however, competition can be an environmental concern when it has the potential to affect neighborhood character by affecting the viability of neighborhood shopping areas. The analysis therefore considers whether potential impacts on any individual retailer or group of retailers could be great enough to undermine the viability of existing neighborhood shopping strips or shopping centers, and whether such change

could adversely affect neighborhood character. The analysis evaluated potential impacts within two areas: a “primary trade area” defined as an approximately 3-mile radius surrounding the project site, and a smaller local ½-mile study area, from which the proposed project is expected to draw a large portion of its repeat business as a result of more convenient access, shorter travel time and distance, and shoppers’ propensity to take advantage of a major shopping resource close to home.

The detailed competition analysis considers estimated “capture rates” for the primary trade area to help characterize the potential for competitive effects from the proposed action. Capture rates are measures of business activity in a trade area and indicate the percentage of consumer expenditures for retail goods that are being “captured” by retailers in the trade area. To determine the rate at which existing shops capture the spending potential of primary trade area households, the potential demand (i.e., amount of money available for retail expenditures) and supply (i.e., amount of retail sales realized by trade area stores) are compared. The analysis finds that the proposed action would not substantially raise retail capture rates within the primary trade area and, therefore, would not have the potential to adversely affect competitive stores in the broader primary trade area. The overall capture rate, as well as the capture rate for convenience goods¹, and the capture rate for eating and drinking establishments² would not exceed the 70 to 80 percent range characteristic of trade areas that are satisfying the retail demand generated by trade area households. Although the capture rate for shoppers’ goods³ would exceed the 70 to 80 percent range, the proposed project would be a small contributor to overall shoppers goods capture, and the relatively high existing capture rate is influenced by the presence of several large new projects in the primary trade area (notably SkyView Parc/Queens Town Center and Rego Park Mall) that would actually draw from a trade area that is much larger than the primary trade area. Further, Flushing itself is a regional destination drawing shoppers and visitors from well beyond the primary trade area, which has an effect of overestimating the local capture rate because sales from residents who live outside of the primary trade area are contributing to the calculation that defines the local capture rate.⁴ Overall, the proposed action would not have the potential to significantly affect competitive stores in the primary trade area.

Within the local study area, Downtown Flushing is a residential and commercial center that will continue to draw significant numbers of customers from the local population (residents and businesses) and beyond. The central business district is a bustling retail area that draws a niche audience from throughout the region. Retailers also capture the expenditure potential of the workers and visitors to the local retailers, services, eateries, and businesses. Thus, it is unlikely that existing retail uses would be significantly impacted by the proposed project’s new retail. With its close proximity to bus routes and subway lines, the local shopping area would not be

¹ Convenience goods stores are those offering such items as groceries, personal care items, housekeeping products, prescription drugs, newspapers, and magazines—goods that people tend to buy at the location most convenient to them.

² Eating and drinking establishments include such businesses as restaurants, fast-food places, and bars.

³ Shoppers’ goods stores offer such items as furniture, clothing, electronics, and sports equipment—goods that people tend to make deliberate, planned trips to purchase. In general, people are more likely to comparison shop and travel longer distances to purchase shoppers’ goods.

⁴ A capture rate is calculated by dividing the retail sales in the area by the total expenditure potential for those retail goods *from the population residing in the area*. If retailers in an area draw a large percentage of sales from outside the primary trade area, this will increase the capture rate.

significantly impacted by the proposed action as the residential and commuter population would continue to find it convenient to shop along these corridors.

The proposed project would present competition to stores selling shoppers' goods in the area because both the existing and the proposed retail centers target a similar client base for some discretionary purchases, such as clothing, which are typically chosen more carefully than convenience goods based on perceived differences in value. However, the proposed Flushing Commons development is currently anticipated to have national high-end retail tenants whose goods and services do not overlap with local shops. Many existing shopping areas are likely to retain their niche customer base with an expanded potential to also gain new customers based on a new demand generated by the Flushing Commons retail base, which would represent shopping opportunities not currently present in Flushing. Several national chain restaurants are also anticipated to be part of the retail on the development site. Rather than directly competing with existing retail in the study area, the proposed project's shoppers' goods, convenience retail, and new restaurant space is expected to serve the new residential population and expand the price-point, product mix, and space configuration of such uses to existing customers already using downtown Flushing.

Overall, the amount of indirect business displacement due to competition from the proposed action would be minimal, is not expected to jeopardize the viability of any neighborhood retail strips, and is not expected to diminish the level of services provided. Therefore, the proposed action would not result in significant adverse impacts due to competition.

ADVERSE EFFECTS ON SPECIFIC INDUSTRIES

The proposed action would not significantly affect business conditions in any industry or category of businesses within or outside the study area, or indirectly substantially reduce employment or impair the economic viability in the industry or category of business. The study area and broader primary trade area contain thriving, well-established retail corridors whose viability would not be jeopardized by the retail space planned as part of the proposed action. Therefore, the proposed action would not have a significant adverse impact on any specific industry.

C. METHODOLOGY

The *CEQR Technical Manual* sets forth guidelines to determine if a socioeconomic impact analysis is appropriate. The *Manual* states that a socioeconomic assessment should be conducted if an action may be reasonably expected to create substantial socioeconomic changes in an area affected by the action that would not be expected to occur absent the action. The *Manual* offers a guideline that residential development of 200 units or less, or commercial development of 200,000 square feet or less, would typically not result in significant socioeconomic impacts. The proposed action is expected to result in the development of approximately 762 units of residential development and up to 540,000 square feet of commercial development (including retail, office, restaurant, and possibly hotel uses); therefore, a preliminary assessment was conducted.

The purpose of the preliminary assessment is to learn enough about the effects of the proposed action to either rule out the possibility of significant adverse impact or to determine that more detailed analysis is required to resolve the issue.

The concern of indirect business displacement requires a detailed analysis to determine whether the proposed action would generate significant adverse impacts on neighborhood character due to competition. That analysis is framed in the context of existing conditions and evaluations of (1) the future without the proposed action and (2) the future with the proposed action in 2013. The future without the proposed action condition is based on the land use analysis presented in Chapter 2, “Land Use, Zoning, and Public Policy” that reviews specific development projects that are already in the development pipeline and will occur in the area by 2013, as well as consideration of major retail developments planned within a broader primary trade area for the proposed action. Those conditions are then compared against the future with the proposed action to determine the potential for significant adverse impacts.

STUDY AREAS

The proposed action could affect socioeconomic conditions within varying geographic areas, depending on the issue of concern. This chapter uses the following study areas:

The analyses of direct residential, business, and institutional displacement focus on the project site, as only the uses on the project site would be directly displaced by the proposed action.

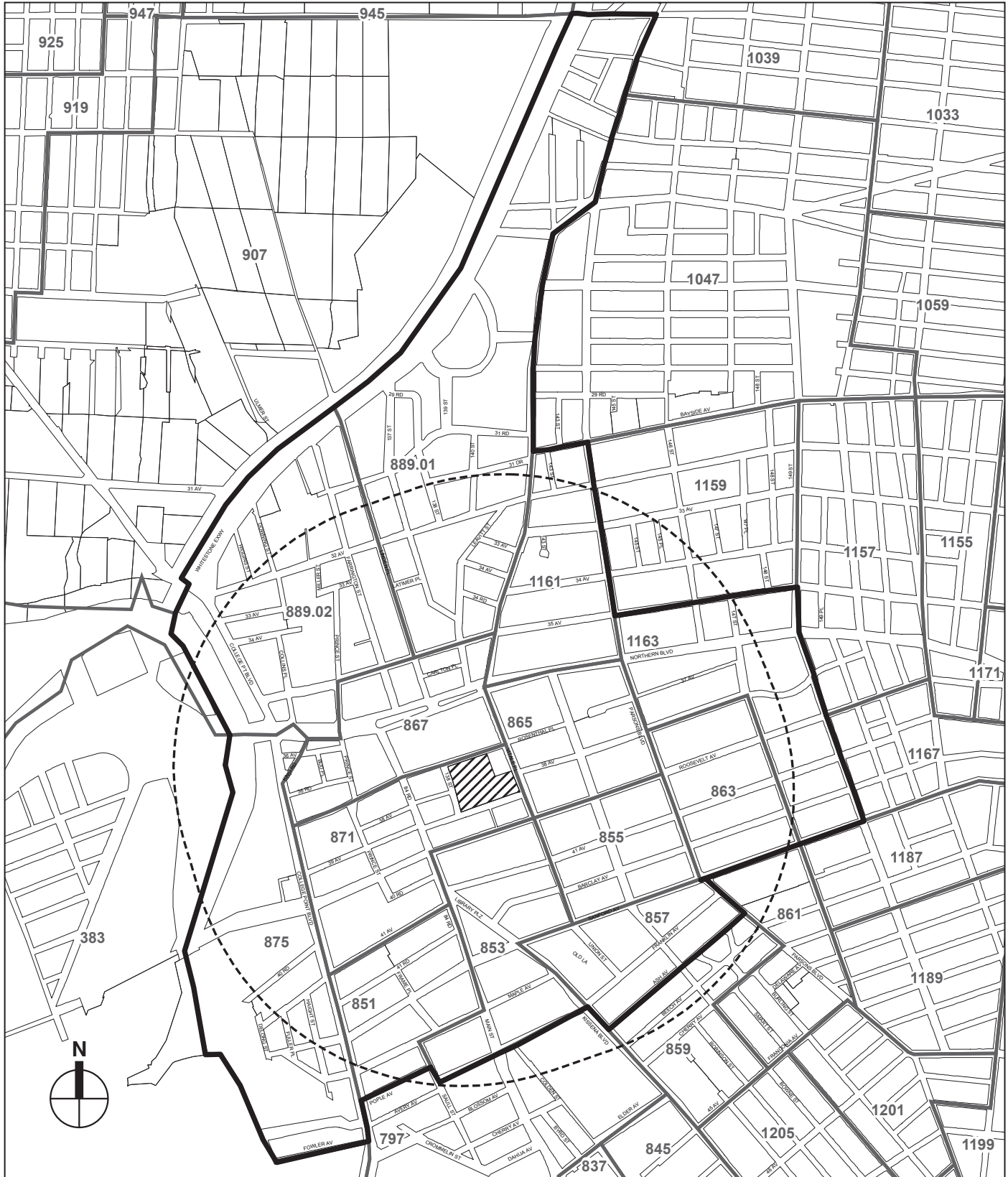
The analysis of whether indirect residential and businesses displacement could occur due to increased rents focuses on an approximately ½-mile area surrounding the project site. This area’s boundaries were modified from the exact ½-mile radius used in Chapter 2 and elsewhere in the EIS to match census tract boundaries that most closely form a ½-mile area surrounding the project site. The use of census tract boundaries allows for more accurate descriptions of the area’s socioeconomic characteristics. The study area comprises census tracts 851, 853, 855, 857, 863, 865, 867, 871, 875, 889.01, 889.02, 1161, and 1163. This area is referred to as the “study area” throughout this chapter and is shown in Figure 3-1. The study area would experience the greatest increase in pedestrian and vehicular traffic due to project-generated trips and would be the location of most new housing.





The detailed assessment of indirect business displacement due to competition considers the potential for the proposed action to adversely affect the viability of neighborhood shopping areas both within the study area and in surrounding areas. As described in the *CEQR Technical Manual*, an analysis of the potential effects of competition should encompass a primary trade area from which the bulk of the new stores’ sales are likely to be derived. The competition analysis focuses on the primary trade area, which is estimated to be an area within a 3-mile radius of the project site, as well as the more local ½-mile study area that is used throughout this report. The trade areas are described in more detail in the competition analysis section.

DATA SOURCES

Information used in the preliminary assessment was gathered from demographic and housing data from the U.S. Census Bureau’s 1990 and 2000 Census, New York Metropolitan Transportation Council (NYMTC), Real Property Assessment Data (RPAD), interviews with brokers familiar with Flushing’s real estate market, and from field visits to the study area. Information on commercial and residential rents within the study area is based on telephone interviews with local real estate brokers, as well as the Multiple Listing Service, a real estate listing service.

Information used in the detailed analysis of indirect business displacement was gathered from a variety of sources. Profiles of major retail concentrations in the study area were prepared



-  Project Site
-  1/2-Mile Perimeter
-  Study Area Boundary
-  Census Tract

0 1000 2000 FEET
SCALE

Socioeconomic Study Area
Figure 3-1

through detailed field surveys conducted by AKRF, Inc. in March, April, and June 2005. Additional information on retail composition and average sales per square foot was obtained from the Urban Land Institute's *Dollars & Cents of Shopping Centers: 2006*, which was also used to project annual sales from retail projects planned for the future without the proposed action and for proposed retail at Flushing Commons.

Retail sales and expenditure data for the primary trade area, Queens, and New York City were obtained from ESRI, a national provider of geographic planning data. These data are organized into three general retail categories: shoppers' goods stores, convenience goods stores, and eating and drinking places. Shoppers' goods stores offer such items as furniture, clothing, electronics, and sports equipment—goods that people tend to make deliberate, planned trips to purchase. In general, people are more likely to comparison shop and travel longer distances to purchase shoppers' goods. Convenience goods stores are those offering such items as groceries, personal care items, housekeeping products, prescription drugs, newspapers, and magazines—goods that people tend to buy at the location most convenient to them. Eating and drinking establishments include such businesses as restaurants, fast-food places, and bars.

D. PRELIMINARY ASSESSMENT

In accordance with *CEQR Technical Manual* guidelines, the analyses of the five areas of socioeconomic concern begin with a preliminary assessment. The preliminary assessment determines whether the effects of the proposed action rule out the possibility of significant adverse impacts or whether the effects warrant a more detailed analysis to resolve the issue.

For four of the five areas of socioeconomic concern—direct residential displacement, direct business displacement, indirect residential displacement, and adverse effects on specific industries—a preliminary assessment was sufficient to conclude that the proposed action would not result in any significant adverse socioeconomic impacts. The preliminary assessment of indirect business displacement concluded that a detailed analysis is required to determine whether significant adverse impacts would result due to competition.

DIRECT RESIDENTIAL DISPLACEMENT

The project site contains no residential units. Therefore, the proposed action would not directly displace any residential population, and no further analysis of this issue is required.

DIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

The proposed action would not directly displace any businesses⁵ or institutions, and no further analysis of this issue is required. The effects of changes to the overall capacity and location of parking supply is addressed in the analysis of indirect business displacement.

INDIRECT RESIDENTIAL DISPLACEMENT

Indirect residential displacement is the involuntary displacement of residents that can result from a change in socioeconomic conditions created by a project. Indirect residential displacement is

⁵ The proposed project would require the demolition of the existing Flushing Mall; however, in the future without the proposed action, Flushing Mall would be demolished and the site would be redeveloped for other uses to be determined in the future. Therefore, the displacement of the businesses in Flushing Mall is not attributable to the proposed action.

the potential for the project to increase property values, causing rents to increase throughout the study area and making it difficult for some existing residents to continue to afford their homes. The preliminary assessment is based on screening criteria outlined in Section 322.1 of the *CEQR Technical Manual* (in italics below), which describe circumstances that can generate potentially significant impacts.

This preliminary assessment finds that the proposed action would not result in significant adverse socioeconomic impacts related to indirect residential displacement.

Would the proposed action add substantial new population with different socioeconomic characteristics compared to the size and character of the existing population?

According to the *CEQR Technical Manual*, increasing the population in the study area by more than 5 percent could be large enough to affect socioeconomic trends. Table 3-1 shows the study area had 64,224 people in 2000. Based on RPAD data, approximately 1,138 housing units were added to the study area between 2000 and 2005 (the most recent year for which data is available). Applying the study area's 2000 Census figures for household size and vacancy rates to the new residential units, the study area grew by an estimated 3,289 residents between 2000 and 2005, from 64,224 to 67,513 persons, or about 5 percent. In comparison, according to the New York Metropolitan Transportation Council's population estimates, the populations of Queens and New York City grew by 1.9 and 2.5 percent, respectively, between 2000 and 2005.

Table 3-1
Population Change 1990 to 2005

	1990	2000	Est. 2005	% Change 1990-2000	% Change 2000-2005
Study Area	58,622	64,224	67,513	9.6%	5.1%
Queens County	1,951,598	2,229,379	2,283,069	14.2%	2.4%
New York City	7,322,564	8,008,278	8,292,908	9.4%	3.6%
Notes: 2005 population for the study area was estimated by applying the 2000 average household size and vacancy rate to the total number of new units added to the study area between 2000 and 2005. 2005 population for Queens and New York City is from the U.S. Census Bureau's Annual Population Estimates.					
Sources: U.S. Department of Commerce, Bureau of the Census, 1990 and 2000 Census, Summary File 1 and Summary File 3; Real Property Assessment Data, AKRF, Inc.					

The proposed action would add up to 762 new housing units to the study area, or approximately 2,202 new residents (derived from an average household size of 2.89). These residents would represent approximately 3.3 percent of the estimated 2005 study area population, less than the CEQR guideline of 5 percent that indicates possible adverse effects. Thus, the introduction of 762 units with the proposed action is not likely to have the potential to affect the overall socioeconomic makeup of the study area.

According to the 2000 Census, median household income for the study area was \$40,524, below the median incomes for both Queens (\$52,921) and New York City (\$47,751) in 1999 (see Table 3-2). Median household income decreased between 30 and 33 percent in the study area, Queens County, and New York City between 1989 and 1999. Poverty rates in the study area were substantially higher than the borough-wide rates, but only 5 percent higher than the poverty rate for New York City as a whole.

Table 3-2
Income and Poverty Status

	Median Household Income			Poverty Status		
	1989	1999	% Change	1990	2000	% Change
Study Area	\$60,644	\$40,524	-33.2%	16%	22%	37.5%
Queens County	\$78,301	\$52,921	-32.4%	11%	15%	36.4%
New York City	\$68,308	\$47,751	-30.1%	19%	21%	10.5%
Note: Median household income presented in constant 2006 dollars based on the U.S. Department of Labor Bureau of Labor Statistics Consumer Price Index for all urban Consumers for New York-Northern New Jersey-Long Island.						
Sources: 1990 and 2000 U.S. Census, Summary File 1 and Summary File 3, AKRF, Inc.						

To have a potentially significant adverse impact, the population introduced by the project would have to be substantial in number and have a socioeconomic profile dissimilar to that of the existing study area population so that the socioeconomic composition of the study area would change. The 142 new apartments associated with Macedonia Plaza project would be affordable housing and would not present a population with different socioeconomic characteristics compared to the existing population in the study area. The rents for the remaining 620 new apartments associated with the proposed action are expected to be comparable to residential rents for other upscale newly constructed market-rate apartments in the surrounding area. It is likely that residents inhabiting the new units would be on the higher end of the income spectrum, given the upscale nature of the proposed residential construction. While the new population would be likely to have higher incomes than most existing residents, as described above, the new residents would not constitute a sizable addition to the study area and therefore would not change the overall socioeconomic profile of the study area population.

Would the proposed action directly displace uses or properties that have had a “blighting” effect on property values in the area?

The existing use (a two-level parking structure) does not have a blighting effect on residential property values in the area. The facility is well used and well maintained, and would continue to operate if the proposed action is not approved.

The project site is not inhibiting investment in the area. There are several new developments in the area, including Queens Crossing, an approximately 284,000-square-foot mixed-use project directly adjacent to the project site to the west. The building projects listed in Table 2-2 in Chapter 2 indicate that the area is not suffering from a blighting influence.

Would the proposed action directly displace enough of one or more components of the population to alter the socioeconomic composition of the study area?

The proposed action would not directly displace any residents.

Would the proposed action introduce a substantial amount of more costly housing compared to existing housing and housing expected to be built in the study area by the time the action is implemented?

The new housing units associated with the proposed action would not represent a substantial amount of more costly housing compared with existing housing or housing expected to be built in the study area by the time the action is implemented. The proposed action would add 762 new residential units, of which 142 would be affordable housing units and 620 units would be market-rate. In total, the 762 units represent approximately 3.1 percent of the estimated 24,457

study area units in 2005 and approximately 2.8 percent of the 27,484 housing units anticipated in the future with the proposed action. The increase in housing units by the proposed action would represent a small proportion of housing units in the study area.

Table 3-3 shows housing unit characteristics of the study area, Queens, and New York City in 2000. Although home prices were lower in the study area than in Queens or New York City according to the 2000 Census, rental rates were comparable or higher. More current data from realtors indicates that home prices and rental rates are substantially higher than what is reported in the 2000 Census. According to Altos Research as of November 2009 the median single-family home price in Flushing was \$663,242. And according to Multiple Listing Service data as of June 2009 the average rent in Flushing was \$1,527 per month, with an average of \$967 for a studio, \$1,295 for a one bedroom apartment, \$1,529 for a two bedroom, and \$1,950 for three or more bedrooms.⁶

Table 3-3
Households and Housing Value Characteristics

	Total Households			Median Contract Rent			Median Housing Value	
	1990	2000	% Change	1990 ¹	2000	% Change	1990 ²	2000
Study Area	21,620	22,593	4.50%	\$714	\$723	1.26%	Not available	\$92,300
Queens County	720,149	782,664	8.68%	\$676	\$721	6.66%	Not available	\$206,200
New York City	2,819,401	3,021,588	7.17%	\$590	\$646	9.49%	Not available	\$221,200
Notes: 1. 1990 values presented in 2000 dollars 2. Median home values for 1990 and 2000 are not comparable because the Census Bureau's 1990 housing value is based on sample data that excluded multi-unit buildings ("specified owner-occupied units"), while the 2000 median is based on "all owner-occupied units." The median home value data reported in the Census are based on respondents' estimates of how much their properties would sell for if they were for sale, and the median contract rent reported by the Census includes data on rent regulated and rent controlled apartments, these figures do not always accurately reflect true market rental rates and sale prices. Sources: 1990 and 2000 U.S. Census, Summary File 1 and Summary File 3.								

While the proposed action may introduce some more costly housing than what is typical of the existing housing stock, the new residential units would be comparable to other new developments planned by 2013. By 2013, development in the future without the proposed action is expected to generate approximately 2,842 new units, most of them market rate. The projects include 1,200 residential units at College Point Boulevard and 40th Road, 200 units at Main Street and Northern Boulevard, and 178 units at Victoria Tower at 41-60 Main Street (see Table 2-2).

According to Census 2000, the owner occupancy rate was lower in the study area than in Queens and New York City. Approximately 23.8 percent of occupied housing units in the study area were owner occupied, compared with 42.8 percent for Queens and 30.2 percent for New York City. The housing vacancy rate in the study area (3.1 percent) was low compared with the vacancy rate for Queens (4.2 percent) and New York City (5.6 percent), indicating a high demand for housing in the study area (see Table 3-4).

⁶<http://activerain.com/blog/view/1141872/june-2009-market-report-for-queens-county-ny-rental-properties>

Table 3-4
Housing Unit Characteristics

Area	Total Housing Units			2000 Vacancy Rate		2000 Tenure, All Occupied Units	
	1990	2000	Est. 2005	% Occupied	% Vacant	% Owner Occupied	% Renter Occupied
Study Area	22,889	23,319	24,457	96.9%	3.1%	23.8%	76.2%
Queens County	752,690	817,250	835,828	95.8%	4.2%	42.8%	57.2%
New York City	2,992,169	3,200,912	3,299,400	94.4%	5.6%	30.2%	69.8%
Notes: 2005 housing units were estimated for the study area based on Real Property Assessment Data (RPAD) from the New York City Department of Finance. All buildings constructed during the period between 2000 and 2005 were considered new housing units and added to the 2000 Census Bureau total. 2000 housing units for Brooklyn and New York City were estimated by applying the 2006 vacancy rate to the estimated number of 2000 households.							
Sources: 1990 and 2000 U.S. Census, Summary File 1, AKRF, Inc.							

The proposed action would not introduce a substantial amount of more costly housing compared with the existing and future housing stock. The 620 market-rate housing units introduced by the proposed action would represent only 2.2 percent of housing units in the study area, and would be comparable to other market rate developments slated for the study area. In addition, while not a significant proportion of the existing housing stock, the proposed action would contribute to new, transit-accessible housing opportunities in an area of escalating demand and very low vacancy rates.

Would the proposed action introduce a critical mass of non residential uses such that the surrounding area becomes more attractive as a residential neighborhood complex?

The study area already contains a critical mass of non residential uses that make the area an attractive residential neighborhood complex. Flushing is a regional commercial and light industrial hub for Queens. Dense retail and office uses line Main Street, Northern Boulevard, and Roosevelt Avenue. The downtown area is a bustling center of retail activity catering extensively to the surrounding Asian population. Radiating from this commercial core, downtown is surrounded by residential and mixed-use land use patterns that would be reinforced by the proposed action. In summary, the study area already has a substantial, established retail presence that draws millions of shoppers to the study area annually.

This means that the proposed action would not be large enough to have a substantial effect on overall residential desirability of the study area. While the proposed 300,000 square feet of retail space, up to 234,000 square feet of office space, up to 130,000 square feet of hotel space, and 108,000 square feet of community facility space planned under the proposed action would be a sizable addition to the study area and would provide additional retail options to area residents, it would not constitute a critical mass of non-residential uses such that the area would become more attractive as a residential neighborhood complex.

Would the proposed action introduce a land use that could have a similar indirect effect if it is large enough or prominent enough or combines with other like uses to create a critical mass large enough to offset positive trends in the study area, to impede efforts to attract investment to the area, or to create a climate for disinvestment?

The proposed action would not offset positive trends in the study area or impede efforts to attract investment to the area. To the contrary, the dynamic mix of commercial and residential uses added by the proposed action would draw existing residents and additional shoppers to the

neighborhood's stores, further enlivening an area already known for its vibrant commercial district. The additional retail would not adversely affect the marketability of the area's residential or commercial building stock.

INDIRECT BUSINESS DISPLACEMENT

The preliminary assessment is based on CEQR screening criteria that describe circumstances that can lead to indirect business displacement. In general, the *CEQR Technical Manual* states that significant adverse indirect business impacts can be caused by two things: (1) adverse changes in neighborhood character due to displacement caused by increases in property value and rent that make it difficult for some existing categories of business to remain in the area; and (2) adverse changes in neighborhood character due to displacement caused by competition with existing retail stores. Although Downtown Flushing's local shopping district is robust, it is possible that an influx of new and more upscale retail could subject local businesses to displacement pressures. The preliminary assessment finds that businesses in Downtown Flushing are not at risk of indirect displacement due to increased rents, but the assessment could not rule out the possibility of indirect displacement due to competition. Therefore, a detailed competition analysis follows the preliminary assessment.

Would the proposed action introduce enough new economic activity to alter existing economic patterns?

The various program elements that would be developed under the proposed action would not represent new economic activities within the study area. The study area has well-established residential and commercial real estate markets.

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

The study area contains a mix of industrial, institutional, commercial, and residential uses. The study area is bounded to the north by 37th Avenue, which contains mostly retail uses, including several buildings that are predominantly residential but have retail on the ground floor. The area directly east of the project site along Union Street includes some retail uses but quickly becomes residential farther east. The site's southern edge is flanked by 39th Avenue and is dominated by small, local business retailers catering largely to the Asian community. The western edge of the proposed development site abuts 138th Street. The southern corner of that street, at the corner of 39th Avenue and 138th Streets, contains the recently-constructed Queens Crossing, which includes approximately 110,000 square feet of retail space, a community facility taking up one full floor, 144,400 square feet of office condominiums, and a 401-space parking garage.

Institutional uses, such as churches, community centers, a library, and a park are scattered throughout the study area. Flushing's residential uses spread from the western commercial and industrial core north, east, and south. The densest industrial uses are found alongside the water and the Whitestone Expressway to the west of the study site.

According to 2000 Census data, approximately 24,110 people were employed at businesses or institutions located within the study area. These workers represented approximately 4 percent of all employment in the borough of Queens. As shown in Table 3-5, the study area had a higher rate of retail employment than Queens County and New York City as a whole in 2000. Approximately 14 percent of workers in the area held retail jobs, as opposed to 9 percent in Queens County and 12 percent for New York City.

Table 3-5
2000 Employment by Industry Sector

Industry (NAICS)	Study Area	Percent	Queens County	Percent	Total NYC	Percent
All Industries	24,110	100.00%	596,550	100.00%	3,755,130	100.00%
Agriculture, forestry, fishing and hunting and mining	0	0.00%	325	0.05%	2190	0.06%
Construction	870	3.61%	43,785	7.34%	171,880	4.58%
Manufacturing	1,938	8.04%	46,945	7.87%	226,425	6.03%
Wholesale trade	610	2.53%	21,700	3.64%	119,075	3.17%
Retail trade	3,410	14.14%	56,170	9.42%	306,860	8.17%
Transportation and warehousing and utilities	3,495	14.50%	85,285	14.30%	248,485	6.62%
Information	1,483	6.15%	15,755	2.64%	219,010	5.83%
Finance, insurance, real estate and rental and leasing	2,145	8.90%	35,980	6.03%	488,170	13.00%
Professional, scientific, management, administrative, and waste management services	1,270	5.27%	38,720	6.49%	475,170	12.65%
Educational, health and social services	4,670	19.37%	143,245	24.01%	838,210	22.32%
Arts, entertainment, recreation, accommodation and food services	1,860	7.71%	38,500	6.45%	276,230	7.36%
Other services (except public administration)	1,510	6.26%	35,445	5.94%	189,985	5.06%
Public administration	834	3.46%	34,480	5.78%	191,280	5.09%
Armed forces	10	0.04%	215	0.04%	2145	0.06%
Note: 2000 data are based on the North American Industry Classification System (NAICS). Source: U.S. Department of Transportation, Bureau of Transportation Statistics, Federal Highway Administration 2000 Census Transportation Planning Package.						

Table 3-6 shows study area employment by industry sector for 1990. The 2000 data presented in Table 3-5 are based on the North American Industry Classification System (NAICS), while the 1990 data in Table 3-6 are based on the Standard Industrial Classification (SIC) system (NAICS data are not available for 1990). Although there are differences in the way in which businesses are grouped into specific industry categories under the two classification systems, the data can be used to determine overall trends in total employment and within broad retail categories.

Table 3-6
1990 Employment by Industry Sector

Industry (SIC)	Study area	Percent	Queens County	Percent	NYC	Percent
All Industries	21,921	100.00%	585,653	100.00%	3,726,776	100.00%
Agriculture, forestry, and fisheries	17	0.08%	1,790	0.31%	8,142	0.22%
Mining	0	0.00%	275	0.05%	1,984	0.05%
Construction	1,241	5.66%	37,019	6.32%	164,270	4.41%
Manufacturing, nondurable goods	1,304	5.95%	34,981	5.97%	267,487	7.18%
Manufacturing, durable goods	1,420	6.48%	34,136	5.83%	140,879	3.78%
Transportation	2,218	10.12%	84,885	14.49%	255,425	6.85%
Communications and other public utilities	819	3.74%	16,591	2.83%	116,031	3.11%
Wholesale Trade	992	4.53%	28,066	4.79%	157,692	4.23%
Retail trade	4,138	18.88%	83,384	14.24%	441,295	11.84%
Finance, insurance, and real estate	2,065	9.42%	34,717	5.93%	513,252	13.77%
Business and repair services	971	4.43%	29,396	5.02%	239,242	6.42%
Personal services	789	3.60%	18,554	3.17%	119,580	3.21%
Entertainment and recreation services	231	1.05%	7,883	1.35%	69,476	1.86%
Health services	2,416	11.02%	60,313	10.30%	374,231	10.04%
Educational services	1,374	6.27%	49,724	8.49%	288,204	7.73%
Other professional and related services	1,054	4.81%	32,277	5.51%	372,835	10.00%
Public administration	862	3.93%	30,825	5.26%	189,817	5.09%
Armed forces	10	0.05%	837	0.14%	6,934	0.19%
Note: The 1990 data are based on the Standard Industrial Classification system (SIC).						
Source: US Department of Transportation, Bureau of Transportation Statistics, Federal Highway Administration 1990 Census Transportation Planning Package.						

Between 1990 and 2000, the total number of jobs in the study area increased significantly. There were a total of 21,921 jobs within the study area in 1990, and by 2000 that number had increased by 2,189 jobs, or approximately 10 percent, to 24,110 jobs. In contrast, the number of jobs grew at a much slower rate in the Queens and the City. In 1990, Queens had a total of 585,653 jobs, and by 2000 that number increased by less than 2 percent, to 596,550. Similarly, New York City had an estimated 3,726,776 jobs in 1990, and by 2000 the number of jobs increased by 28,354 jobs, less than 1 percent. Employment in the retail sector decreased between 1990 and 2000 for all three areas. This is indicative of the growing diversity of the local economic base and of changing trends in the retail sector in terms of store size and employees per store.

Businesses most vulnerable to indirect displacement due to increased rents are typically those whose uses are less compatible with the trends creating the upward rent pressures. The area already has a significant concentration of retail that draws a large amount of customers, and the proposed amount of new retail is not enough to create a substantially different customer base for the area such that rents would increase due to increased customer base/foot traffic. The proposed action would represent less than 10 percent of the 3,365,103 square feet of retail in the study area in 2005. Similarly, the study area already has a substantial commercial office presence (2,284,259 square feet in 2005) such that the commercial use introduced by the proposed action would not create a substantial new worker population in the study area.⁷

The industrial uses at the western boundary of the study area are not likely to capture new value from the additional customer trips, and could be considered potentially vulnerable to indirect

⁷ Commercial square footage estimates for study area based on RPAD 2005 data.

displacement. However, the possibility of this type of displacement is limited by the underlying zoning and surrounding industrial land uses. Furthermore, the industrial uses are far enough away from the project site that they would likely remain unaffected by any increased rent pressures, and collectively would maintain the industrial character of this part of the study area.

Given the anticipated retail uses, there is the potential for appreciable overlap between the proposed uses and the existing retail base within the broader trade area. Therefore, a detailed competition analysis (presented in the next section of this chapter) is required to determine whether the proposed action could result in significant adverse impacts due to indirect business displacement. See Section D, “Detailed Analysis of Indirect Business Displacement due to Competition.”

Would the proposed action displace uses or properties that have had a “blighting” effect on commercial property values in the area, leading to rises in commercial rents?

The project site is currently a parking structure used by workers, shoppers, NYPD, and other visitors to the area. The parking lot’s industrial nature has not deterred other projects from being developed in the area. For example, Queens Crossing, a mixed-use retail and office building was recently built directly adjacent to the project site. Existing redevelopment of the area surrounding the project site indicates that the site’s current use as a parking lot does not have a blighting effect on commercial property values in the area.

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

The project site is centrally located in Downtown Flushing. The site is used as a two-tiered parking facility containing 1,101 parking spaces, consisting of 451 spaces with a 12-hour parking limit, 578 spots with a 3-hour limit used mostly by shoppers and visitors to the area, and 72 spaces allotted to permit holders⁸. Municipal Lot 1 provides a shared parking resource for a large retail district that also contains office buildings and a transportation hub. Thus, the temporary and long-term changes to parking supply are a very sensitive issue for the surrounding retail community.

The proposed action would temporarily displace nearly all of the parking capacity on the site. As discussed in more detail in Chapter 18, “Construction”, an interim parking plan providing 1,144 parking spaces at three existing off-site parking lots (the College Point lot, the Fulton/Max lot, and Municipal Lot 2). The College Point lot, which is located on the waterfront at College Point Boulevard, three blocks west of the project site and two blocks from Main Street, is currently underutilized and can be expanded to accommodate 309 spaces. The Fulton/Max lot, located west of the project site at the site of the existing Flushing Mall, would accommodate 647 additional temporary spaces. Additional permanent parking would also be provided by expanding the existing Municipal Lot 2 located west of the project site on the east side of Prince Street between 38th and 39th Avenues, adding approximately 188 spaces. In total, the parking plan would provide 1,144 parking spots during construction of the proposed project. At minimum, there would be little overall change in the number of available spaces that would be available during construction. Thus, while it would likely be somewhat less convenient and cause longer walking times to downtown retailers, sufficient parking capacity would remain to serve the downtown retail community during the construction period.

⁸ Source: <http://www.nyc.gov/html/dot/html/motorist/qnspk-08.shtml>

In the long term, the proposed Flushing Commons parking garage is planned with 1,600 public spaces. Beginning with site construction, the 451 existing spaces with a 12-hour parking limit would be eliminated. The long-term parking demand would be accommodated by a diversion to the commuter lots available at Citi Field, or to other parking garages in the area that would already offer daily and monthly parking. When the Flushing Commons project opens, it is also assumed that some long-term/daily parking will return to the site, and that has been examined in the total demand analysis. While a diversion of long-term daily parking may inconvenience shop owners and employees who currently use the spaces, it would not have a significant effect on the critical need for shoppers to find short-term parking (typically 3 hours or less).

According to a parking study done by AECOM Transportation the trip purposes for people parking in Municipal Lot 1 cuts across a wide range of activities typical of a downtown district, most notably shopping, eating, visiting, entertainment (mostly on weekends), and work (mostly on weekdays). The existing mix is well matched to uses anticipated in the proposed Flushing Commons project, and a very high proportion of trip linkage is expected to continue for both existing and new uses. With the conversion of Municipal Lot 1 to a secured parking garage, it can be anticipated that nearly all the short duration traffic trips of 20 minutes or less (which currently accounts for between 5.8 and 10.8 percent of parking vehicles) would be displaced from the current facility. Non-parking cut-through movements and passenger drop-offs and pick-ups would no longer have access to the off-street bypass. These movements would either be relocated elsewhere in the study area, or conceivably, no longer be expected to occur at all as consumer behavior responds to the new urban form of the project area.

Another key variable likely to reduce demand at the new garage is the effect of increased costs. Research shows that pricing changes have a direct effect on changes in parking demand. Given the area's relatively high density and excellent mass transit access, and based on the anticipated change in pricing at the new garage, it is reasonable to anticipate a considerable reduction in overall demand by existing users of Municipal Lot 1.

The completed project provides 1,600 public parking spaces. The proposed Flushing Commons parking garage would include initial rates slightly below-market to encourage use of the new garage. As detailed in Chapter 14, "Traffic and Parking," the parking and traffic study indicates that the additional spaces would supply enough parking spots to meet the existing demand as well as project-generated demand, even during peak weekend hours. An increased number of shoppers would be able to visit the area by car both during the weekday and the weekend, and no significant change in shopping patterns is expected.

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

The proposed action would not directly displace residents or businesses, and, based on this analysis (and the analysis of competition below), it is not expected to indirectly displace a substantial number of workers or visitors who form the customer base of existing businesses. Furthermore, the proposed action would introduce new residents, workers, and visitors who would be customers of the new and existing retail and restaurants in Downtown Flushing. Furthermore, the new resident populations of the Flushing Commons project would add considerable new household expenditure potential to the already existing demand. Based on typical household expenditure patterns for the U.S. Census of retail trade, the proposed residents could add another \$13.6 million in annual local expenditures.

Would the proposed action introduce a land use that could have a similar indirect effect, through the lowering of property values if it is large enough or prominent enough, or combines with other like uses to create a critical mass large enough to offset positive trends in the study area, to impede efforts to attract investment to the area, or to create a climate for disinvestment?

The proposed action would neither offset positive trends in the study area nor would it create a climate for disinvestment. The Flushing Commons project was proposed in response to a request for proposals issued by the New York City Economic Development Corporation (NYCEDC) to encourage new high-quality development on a large parcel of City-owned land in Downtown Flushing. The proposed development project is expected to create new employment and residential opportunities and generate economic activity and tax revenue for the City.

The proposed action would respond to the City's land use strategy for the site, as reflected in the "Development Framework for Downtown Flushing" from May 2004. The City's strategy includes the creation of a town square-style open space as a center of community activity, enhancing the pedestrian environment to entice shoppers, supplying more housing by establishing a new residential community in Downtown Flushing, and showcasing high-quality design and construction in Downtown Flushing.

ADVERSE EFFECTS ON SPECIFIC INDUSTRIES

The proposed action would not have an adverse effect on any specific industry. According to Chapter 3B, Section 323 of the *CEQR Technical Manual*, a significant adverse impact may occur when an action significantly affects business conditions in any industry or category of businesses within or outside the study area, or it indirectly substantially reduces employment or impairs the economic viability in the industry or category of business. The proposed action would have neither of these effects. The study area and broader primary trade area contain thriving, well-established retail corridors whose viability would not be jeopardized by the retail space planned under the proposed action. In addition, the proposed action would create new employment and residential opportunities and in doing so would grow the customer base for existing retail businesses.

E. DETAILED ANALYSIS OF INDIRECT BUSINESS DISPLACEMENT DUE TO COMPETITION

This detailed analysis evaluates the potential for the proposed action to result in significant adverse impacts on neighborhood commercial areas due to indirect business displacement from competition. As described in the *CEQR Technical Manual*, competitive economic impacts in and of themselves do not necessarily generate environmental concerns; however, competition can be an environmental concern when it has the potential to affect neighborhood character by affecting the viability of neighborhood shopping areas.

This analysis therefore considers whether potential impacts on any individual retailer or group of retailers could be great enough to undermine the viability of existing neighborhood shopping strips or shopping centers, and whether such change could adversely affect neighborhood character. As detailed under "Delineation of the Primary Trade Area," potential impacts are considered for a 3-mile primary trade area and a more local ½-mile area. The analysis presents existing demographic and sales trends that may affect the market, and describes retail concentrations in the vicinity of the project site. The "Future Without the Proposed Action" section predicts market changes that will occur by 2013, the build year of the proposed project.

The “Future With the Proposed Action” section projects retail sales for the proposed project, predicts changes in the primary trade area and study area due to the proposed project, and discusses potential impacts on local retail businesses.

DELINEATION OF THE PRIMARY TRADE AREA

To analyze the potential effects of competition the *CEQR Technical Manual* recommends delineating a primary trade area for the proposed anchor stores. According to *CEQR Technical Manual*, the primary trade area is the area from which the bulk of the store’s sales are likely to be derived. The *Shopping Center Development Handbook*, published by the Urban Land Institute (ULI), defines trade areas for shopping centers. According to the handbook, shopping centers similar in size to the proposed development have trade areas extending 3 to 5 miles from the shopping center, and can typically be reached within 20 minutes by its trade area population. In general, shopping centers draw approximately 70 to 80 percent of their customers from their primary trade area.

The proposed project would likely draw customers from within Flushing, as well as customers traveling to Flushing from surrounding areas to access the mix of merchandise that would be offered at Flushing Commons. A 3-mile primary trade area was therefore established, which is on the low end of the range cited by the *Shopping Center Development Handbook* because retail trade areas in New York City are typically smaller than the national standards cited in the *Shopping Center Development Handbook* (due primarily to the density of development in the New York metropolitan region). The primary trade area—shown in Figure 3-2—is roughly bounded by the East River to the north, Cross Island Parkway to the east, Grand Central Parkway to the south, Queens Boulevard the southwest, and I-278/Brooklyn Queens Expressway to the west.

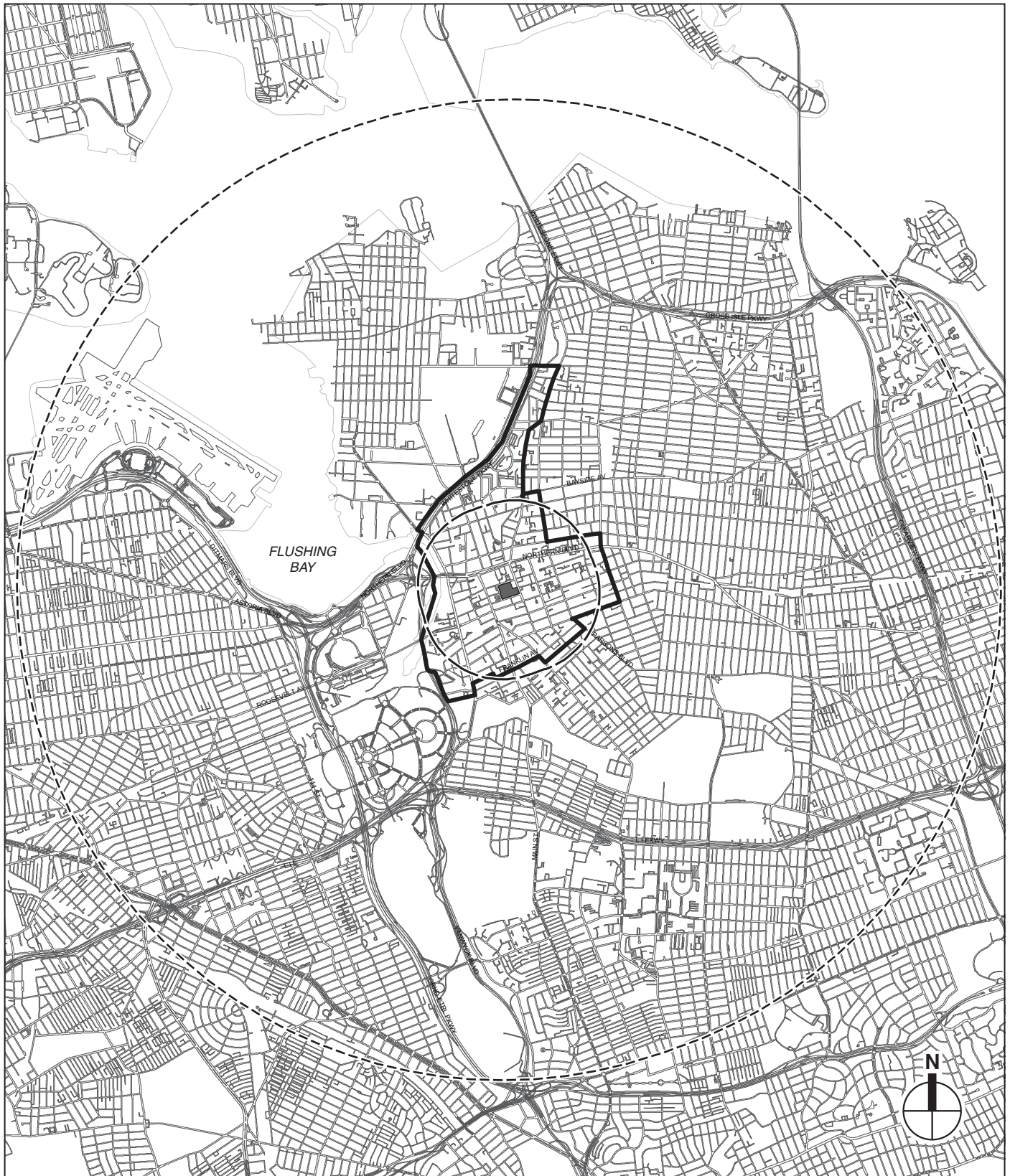
It is expected that within the primary trade area, the proposed project would draw a large portion of its repeat business from residents who live within the smaller, approximately ½-mile study area as a result of more convenient access, shorter travel time and distance, and residents’ propensity to take advantage of a major shopping resource close to home. Those living farther from the proposed project would likely have a greater selection of large shopping resources closer to their homes.





DEMOGRAPHIC MARKET FACTORS AFFECTING MARKET POTENTIAL IN PRIMARY TRADE AREA

Demographic factors can affect retail market potential. Changes in the number of people living in a trade area alters the potential customer pool, household income levels affect how much households spend on retail purchases, and car ownership or availability can affect where people shop. These demographic characteristics are discussed below for the primary trade area and are used to inform the discussion on potential impacts of the proposed development project.

POPULATION AND HOUSEHOLDS

As shown in Table 3-7, as of the 2000 Census, there were 770,441 people (or 269,995 households) living in the primary trade area. These residents represent approximately 34.5 percent of the population of Queens. Between 1990 and 2000, the population in the primary trade area grew by 110,736 residents, or nearly 17 percent more than the area had in 1990. The area’s population increased twice as quickly as the area’s number of households, indicating that



-  Project Site
-  Study Area Boundary
-  1/2-Mile Boundary
-  3-Mile Boundary

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households added between 1990 and 2000 were large, with an average household size of 2.68 and 2.85, respectively (see Table 3-7).

Table 3-7
Population, Households, and Median Household Income in Primary Trade Area

	1990	2000	Change 1990-2000	% Change 1990-2000
Total Population	659,705	770,441	110,736	16.79%
Households	246,533	269,995	23,462	9.52%
Median HH Income	\$56,593	\$52,894	-3,699	-6.54%
Notes: Population statistics may not correspond directly to average household sizes cited above because the primary trade area does not exactly match to census tracts. Median household income data is from 1989 and 1999, and is presented in 2006 constant dollars.				
Sources: U.S. Census; AKRF, Inc.				

HOUSEHOLD INCOME

Median household income decreased significantly in the 3-mile trade area between the 1990 and 2000 Census. In 1990, median household income was approximately \$56,593, while in 2000 it was approximately \$52,894, a decrease of 6.5 percent, or \$3,699 less per household (see Table 3-7).

VEHICLE AVAILABILITY

Vehicle availability can affect shopping habits. Households with access to at least one vehicle are generally more likely to travel farther distances to make certain household purchases than households without access to a car. For example, a household with access to a car may drive to a major supermarket several miles from home and purchase food products to serve their needs for a week or more. Households without access to a car are more likely to shop at stores closest to their homes and may be more likely to make more frequent trips, buying smaller quantities of food per trip than driving households.

As shown in Table 3-8, the proportion of households owning cars did not change significantly between 1990 and 2000. In both 1990 and 2000, almost one-third of all residents in the primary trade area did not own a vehicle. Another 42 to 43 percent (in 2000 and 1990 respectively), owned one vehicle. In 1990, 17 percent of families owned two cars, and in 2000, 16 percent owned two cars.

Table 3-8
Vehicle Ownership in Primary Trade Area

No. of Vehicles Owned			0	1	2	3	4+
1990	Percent		36%	43%	17%	3%	1%
	Number	246,448	88,860	106,391	40,699	8,154	2,344
2000	Percent		38%	42%	16%	3%	1%
	Number	269,690	101,254	114,514	42,970	7,953	3,000

RETAIL CONCENTRATIONS IN THE PRIMARY TRADE AREA

The proposed project could draw customers from existing retail areas in the primary trade area. In addition to the extensive areas of additional street retail throughout the primary trade area (see page 3-26 below), this section describes five major retail concentrations located in the primary

trade area, focusing on merchandise selection, likely customer bases, and storefront vacancy rates for each area (see Figure 3-3).

Downtown Flushing. Downtown Flushing is a central business district (CBD) centered at the corner of Main Street and Roosevelt Avenue. It is located within both the primary trade area and the smaller project-specific study area. Downtown Flushing contains the Queens Crossing building, large national chain stores, such as Macy's and Old Navy, as well as an enormous variety of smaller convenience and shoppers' goods stores, a large proportion of which cater to the Asian residential population living in Flushing.

Rego Park Mall, Queens Center Mall, and Queens Place Mall. Rego Park Mall, Queens Center, and Queens Place Mall are approximately 3 miles southeast of the project site in Elmhurst. These three retail centers front on the north side of Queens Boulevard and are easily accessed from the Long Island Expressway, by subway on the R, V, or G lines to Woodhaven Boulevard, or by bus on the Q11, Q88, Q38, Q29, Q53, Q60, Q60, Q29, QM10 Express, QM11 Express, B58, or B59.

Rego Park Mall anchor stores include Bed, Bath, and Beyond, Circuit City, Marshall's, Old Navy, and Sears. Rego Park Mall recently expanded from 600,000 square feet to over a million square feet.

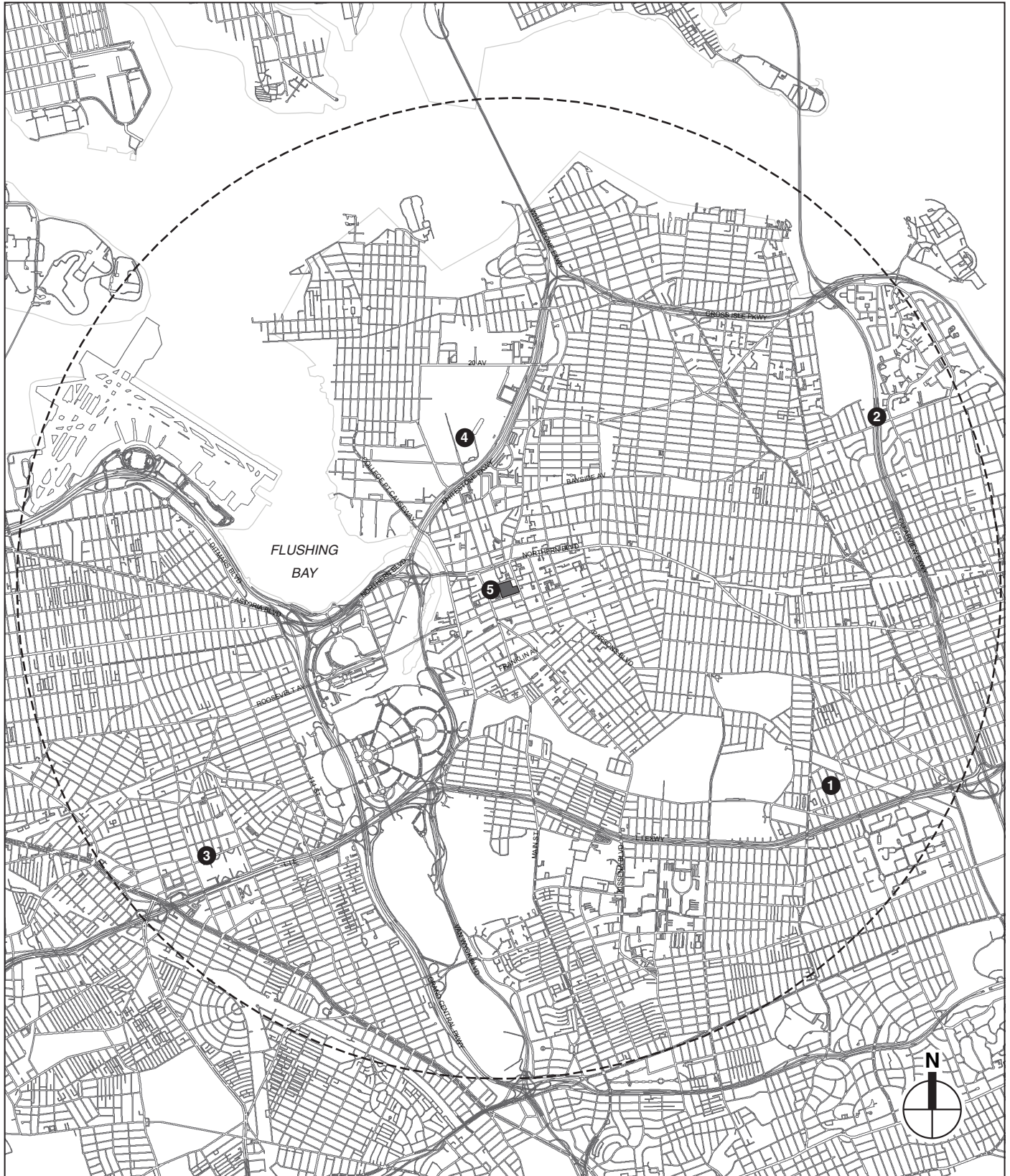
Queens Center Mall was remodeled in 2004. It is anchored by Macy's and JC Penney and has a wide variety of mall chains, such as Claire's, The Disney Store, The Gap, cell phone stores, Sunglass Hut, Bath and Body Works, Victoria's Secret, Kay Jeweler's, Payless Shoes, and a food court.



Queens Place Mall is another indoor mall that has such stores as Best Buy and Target, and such eateries as an Outback Steakhouse.

Bay Terrace. Bay Terrace Shopping Center is an outdoor strip mall located 3 miles east of the project site on 26th Avenue and Bell Boulevard in Bayside. It is convenient to the Cross Island Expressway, or the Q13 bus to Bell Boulevard and 23rd Avenue or the Q28 to 213th Place and Bay Terrace Court. The mall has free parking and a movie theater, and is small compared with the Queens Center and Rego Park Malls. Bay Terrace hosts such major chains as Barnes & Noble, Men's Warehouse, Victoria's Secret, The Gap, Express, Parade of Shoes, Foot Locker, Waldbaum's, Kay Bee Toys, Applebee's, and Outback Steakhouse. There are also several independent stores and restaurants, such as Jack's Pizza, Christy's Salon, and Cakebox.

Fresh Meadows. Fresh Meadows is a retail strip located approximately 3 miles southeast of the project site, and is accessible from the Long Island Expressway from Utopia Parkway to 195th Street, or entered at 188th Street near the Horace Harding Expressway. Fresh Meadows shopping center includes national chains, such as Kohl's, Big and Tall Casual Male, Dress Barn, CVS, Starbucks, and Boston Market. The center also contains a variety of local neighborhood services, such as a diner and a doctor's office. Shoppers often visit the Waldbaum's off Francis Lewis Boulevard and the Long Island Expressway, which is located in a shopping center with Rite Aid and several small stores. Along 188th Street are a Radio Shack, Parade of Shoes, and Applebee's. This retail enclave is more ethnically mixed and geared toward Asian shoppers than the other retail strips listed in this section of the chapter.

College Point. College Point is a collection of big-box retail strip malls approximately a mile north of the project site. The retail area is accessible to the east by I-678/Whitestone Expressway and to the south by 20th Avenue, and by the 20A or 76 bus lines. The strip includes a variety of



- | | |
|---|--|
|  <i>Project Site</i> | 1 <i>Fresh Meadows</i> |
|  <i>Primary Trade Area 3-Mile Boundary</i> | 2 <i>Bay Terrace Shopping Center</i> |
| | 3 <i>Rego Park Mall, Queens Center Mall and Queens Park</i> |
| | 4 <i>College Point</i> |
| | 5 <i>Downtown Flushing</i> |

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Flushing Commons

national chain stores, such as BJ's, Target, TJ Maxx, Circuit City, Modell's, Old Navy, Babies 'R' Us, Home Depot, and such fast-food stores as Dunkin' Donuts. The College Point Multiplex Cinemas directly southeast from the retail strip has 12 movie screens and a mini-arcade.

HOUSEHOLD RETAIL DEMAND AND PRIMARY TRADE AREA CAPTURE RATE

In 2006, households in the primary trade area spent an estimated \$4.2 billion on retail goods and services (see Table 3-9). Roughly 44 percent of that was spent on shoppers' goods, 33 percent on convenience goods, and 23 percent at eating and drinking establishments. On a per household basis, primary trade area residents spent roughly \$7,898 annually on shoppers' goods, \$5,858 on convenience goods, and \$4,105 at eating and drinking establishments. As shown in Table 3-9, primary trade area households spent approximately the same amount on retail goods as Queens households (\$17,862 versus \$17,901) but approximately \$2,265 less than the New York City average. (\$17,862 versus \$17,901) but approximately \$2,265 less than the New York City average.

Table 3-9
Household Retail Demand in the Primary Trade Area, Queens, and NYC, 2006

	Primary Trade Area		Queens County		New York City	
	Total Demand (Millions of 2006 Dollars)	Demand per Household (2006 Dollars)	Total Demand (Millions of 2006 Dollars)	Demand per Household (2006 Dollars)	Total Demand (Millions of 2006 Dollars)	Demand per Household (2006 Dollars)
Shoppers' Goods	\$1,863	\$7,898	\$6,228	\$7,915	\$25,532	\$8,248
Convenience Goods	\$1,382	\$5,858	\$4,616	\$5,867	\$22,647	\$7,316
Eating & Drinking Places	\$969	\$4,105	\$3,241	\$4,119	\$14,123	\$4,563
Total	\$4,214	\$17,862	\$14,084	\$17,901	\$62,302	\$20,127

Notes:

Total does not reflect total expenditures or sales for all retail-only those retail categories included in the Shoppers' Goods, Convenience Goods, and Eating and Drinking Places categories. Retail establishments not included in this total are: building materials and supplies, auto-related businesses, and nonstore retailers.

Shoppers' goods include general merchandise stores, apparel and accessory stores (including shoes), furniture and home furnishing stores, used merchandise, and other miscellaneous shoppers' goods. Convenience goods include food stores such as delis, bakeries and supermarkets, drug and proprietary stores, liquor stores, and health and personal care stores. Eating and Drinking places include fast-food and full-service restaurants and bars.

Demand (retail expenditure potential) estimates the expected amount spent by consumers at retail establishments.

Source: ESRI, Inc.

The amount of money that primary trade area residents spend on retail goods (an estimated \$4.21 billion in 2006) is considered the primary trade area demand or retail expenditure potential. This expenditure potential can be compared with total retail sales in the primary trade area to obtain a "capture rate." Capture rates are measures of business activity in a trade area, indicating the percentage of consumer expenditures for retail goods that are being captured by retailers in the trade area. If the total sales in the trade area are much lower than the area's expenditure potential, then residents are spending a large portion of their available dollars outside of the trade area, and the capture rate is low. If sales are closer in value to expenditure potential, then area residents are likely spending a higher proportion of their available resources within the area, and the capture rate is high. In general, trade areas that are satisfying the retail demand generated by trade area households have capture rates of between 70 and 80 percent.⁹ However, capture rates are also affected by money flowing into an area from people who do not

⁹ The *Shopping Center Development Handbook*, published by the Urban Land Institute, indicates that shopping centers can expect to draw between 70 and 80 percent of their regular customers from their primary trade area.

live in that area. Some of the sales in the primary trade area, for example, may be from people living in other areas of Queens, other New York City boroughs, Nassau County, and elsewhere, shopping at stores in the primary trade area. It is not possible to know exactly who (residents or nonresidents) is spending money in the area. This is particularly true for Flushing itself, which is a metropolitan region-wide destination for Asian consumers. Therefore, a high capture rate may be indicative of an area with a high proportion of destination retail, i.e., retail that will attract customers from greater distances in order to compare price, quality, and the selection of merchandise. This is the case for New York City as a whole, where the retail capture rate is over 90 percent. Despite these uncertainties about the origin of sales in any particular trade area, comparing expenditure and sales data provides a good indication of how much of a trade area's household expenditure potential is being captured by trade area retailers. For the primary trade area, this capture rate is fairly low.

Tables 3-10 through 3-12 show the capture rates for the primary trade area, Queens, and New York City. As shown in Table 3-10, total retail sales for stores in the primary trade area were approximately \$2.33 billion in 2006. Potential retail expenditures for these goods, on the other hand, were \$4.21 billion, indicating that retail stores in the primary trade area are capturing only 55 percent of the primary trade area household expenditure potential. This indicates that primary trade area residents are making a substantial portion of their retail purchases outside the area, which may include other portions of Queens and Manhattan or Brooklyn, but very likely Nassau County as well. In comparison, the retail capture rate for Queens was 61 percent (also low), and the capture rate for New York City was 93 percent. As shown in Table 3-12, the high overall capture rate for New York City is attributable primarily to shoppers' goods sales, which produce a capture rate of 123 percent for shoppers' goods. As indicated above, this suggests that retail stores in the City, particularly shoppers' goods stores, are likely capturing a high percentage of available expenditure potential, plus additional spending from people who live outside the City, including day-trippers, but also overnight visitors from outside the metropolitan area, including national and international visitors.

Table 3-10

Household Retail Expenditures and Total Retail Sales, Primary Trade Area, 2006

	Retail Sales in Primary Trade Area	Retail Demand from Primary Trade Area Households	Amount Not Being Captured in Primary Trade Area	Primary Trade Area Capture Rate
Shoppers' Goods	\$1,104	\$1,863	\$759	59%
Convenience Goods	\$848	\$1,382	\$534	61%
Eating & Drinking Places	\$377	\$969	\$592	39%
Total	\$2,329	\$4,214	\$1,885	55%
Notes: All values are in millions of 2006 dollars. Total does not reflect total expenditures or sales for all retail in the primary study area - only those retail categories included in the Shoppers' Goods, Convenience Goods, and Eating and Drinking Places categories. Retail establishments not included in this total are: building materials and supplies, auto-related businesses, and nonstore retailers. Source: ESRI, Inc.				

Table 3-11

Household Retail Expenditures and Total Retail Sales, Queens, 2006

	Retail Sales in Queens	Retail Demand from Queens Households	Amount Not Being Captured in Queens	Queens Capture Rate
Shoppers' Goods	\$3,997	\$6,228	\$2,231	64%
Convenience Goods	\$3,068	\$4,616	\$1,548	66%
Eating & Drinking Places	\$1,470	\$3,241	\$1,771	45%
Total	\$8,535	\$14,084	\$5,550	61%
Notes: All values are in millions of 2006 dollars. Total does not reflect total expenditures or sales for all retail in Queens - only those retail categories included in the Shoppers' Goods, Convenience Goods, and Eating and Drinking Places categories. Retail establishments not included in this total are: building materials and supplies, auto-related businesses, and nonstore retailers. Source: ESRI, Inc.				

Table 3-12

Household Retail Expenditures and Total Retail Sales, New York City, 2006

	Retail Sales in New York City	Retail Demand from New York City Households	Amount Not Being Captured in New York City	New York City Capture Rate
Shoppers' Goods	\$31,278	\$25,532	-\$5,746	123%
Convenience Goods	\$17,300	\$22,647	\$5,346	76%
Eating & Drinking Places	\$9,362	\$14,123	\$4,761	66%
Total	\$57,940	\$62,302	\$4,361	93%
Notes: All values are in millions of 2006 dollars. Total does not reflect total expenditures or sales for all retail in New York City - only those retail categories included in the Shoppers' Goods, Convenience Goods, and Eating and Drinking Places categories. Retail establishments not included in this total are: building materials and supplies, auto-related businesses, and nonstore retailers. Source: ESRI, Inc.				

THE FUTURE WITHOUT THE PROPOSED ACTION

The primary changes that may affect retail market conditions in the primary trade area in the future without the proposed action are population changes, which could increase expenditure potential and generate additional demand for retail goods, as well as new retail projects, which would expand the retail inventory.

Based on 2015 forecasts generated by the New York Metropolitan Transportation Council (NYMTC),¹⁰ the population of Queens is projected to grow to approximately 2.42 million people by 2013. Based on the 2000 average household size for the primary trade area (2.85 persons per household) and the projected growth rate for Queens (8.4 percent between 2000 and 2013) to the existing primary trade area population, the area will contain an estimated 292,645 households in 2013. Growth in the number of households between 2006 (the year of the current conditions data used in this capture rate analysis) and 2013 is estimated to be 12,196 households. Based on 2006 per household retail expenditures for the primary trade area (\$17,862 per household per year), the

¹⁰ New York Metropolitan Transportation Council, New York Urban Region Population by County: 1970-2030, June 15, 2005.

household expenditure potential for retail goods considered in the capture rate analysis will be \$4.43 billion in 2013. This represents a 5.2 percent increase over household expenditures in 2006.

At the same time, retail sales in the primary trade area will also increase, as new retail projects are completed. Table 3-13 lists known major retail projects recently completed and expected to be completed in the primary trade area by 2013. These projects would add approximately 1.46 million square feet of retail space to the primary trade area. Based on sales per square foot estimates obtained from *Dollars & Cents of Shopping Centers, 2006*, the stores would have annual sales of approximately \$665.42 million, increasing total trade area retail sales by approximately 29 percent, from \$2.33 billion in 2006 to \$2.995 billion in 2013.

Table 3-13

**Estimated Sales for Retail Projects Recently Constructed or to Be Built in
Primary Trade Area by 2013**

Project	Retail SF	Sales (Millions of 2006 Dollars)
SkyView Parc/Queens Town Center (Muss)*	620,000	\$280.47
<i>Shoppers' Goods</i>	511,744	\$231.43
<i>Convenience Goods</i>	74,070	\$33.55
<i>Eating & Drinking</i>	34,186	\$15.49
Queens Crossing (TDC)	110,000	\$49.83
<i>Shoppers' Goods</i>	75,000	\$33.98
<i>Eating & Drinking</i>	35,000	\$15.86
New Millennium 35th Avenue***	3,600	\$1.96
New Millennium Northern Boulevard***	17,167	\$9.34
40-22 Main Street***	17,015	\$9.26
133-47 39th Avenue***	11,419	\$6.21
River Park Place***	13,157	\$7.16
Z Parcel**	80,000	\$40.89
<i>Convenience Goods (supermarket)</i>	60,000	\$32.84
<i>Convenience Goods (other stores)</i>	20,000	\$8.06
Rego Park Mall Expansion**	587,700	\$260.31
<i>Shoppers' Goods</i>	483,313	\$213.88
<i>Convenience Goods</i>	66,700	\$29.50
<i>Eating & Drinking</i>	37,687	\$16.93
Total	1,460,058	\$665.42
Notes:		
* SkyView Parc/Queens Town Center is likely to include a home improvement store. This store was assumed to be approximately 130,000 square feet and was not included in the sales projection. The breakdown of all other retail space at SkyView Parc/Queens Town Center was modeled on the breakdown of space in regional shopping centers, as reported in ULI's <i>Dollars and Cents of Shopping Centers</i> .		
** The breakdown of retail at the Z Parcel and Rego Park Mall Expansion mirrors the breakdown used for these developments in the 2005 Rego Park Mall Expansion EIS.		
*** Assumed to be convenience goods.		
Source: Sales estimates were derived using per-square-foot sales estimates from Urban Land Institute, <i>Dollars & Cents of Shopping Centers, 2006</i> .		

As shown in Table 3-14, with annual sales of \$2.995 billion and annual household expenditure potential of \$4.43 billion, the capture rate for the primary trade area will be approximately 68 percent by 2013—13 percentage points higher than it was in 2006, but still close to the 70 to 80 percent range that is characteristic of trade areas that are satisfying the retail demand generated by trade area households.

The 13 percentage-point increase in the overall capture rate is due to the projected increase in sales at shoppers' goods stores. As shown in Table 3-14, shoppers' goods sales are estimated to increase by approximately 50 percent in the future without the proposed action, to \$1.58 billion in 2013, resulting in an 81 percent capture rate for shoppers' goods. This substantial increase is primarily due to anticipated sales at SkyView Parc/Queens Town Center and Rego Park Mall expansion, both of which are large-scale retail developments (620,000 square feet and 587,700 square feet, respectively) and will retail mainly shoppers' goods. Although some portion of sales at the planned retail developments—particularly SkyView Parc/Queens Town Center and Rego Park Mall—would come from households outside of the primary trade area, this analysis conservatively assumes that 100 percent of the sales would come from primary trade area residents. The resulting capture rate is higher than one that would be generated by assuming that some portion of sales would come from households outside of the primary trade area. For example, if one-third of all sales at Rego Park Mall and SkyView Parc/Queens Town Center were assumed to come from the primary trade area, the shoppers' goods capture rate would be 69 percent rather than 81 percent, and the overall retail capture rate would be 62 percent rather than 68 percent.¹¹

Table 3-14
Estimated Retail Capture Rates in Primary Study Area
in Future Without the Proposed Action

	Retail Sales in Primary Trade Area	Retail Demand from Primary Trade Area Households	Primary Trade Area Capture Rate
Shoppers' Goods	\$1,584	\$1,960	80.8%
Convenience Goods	\$986	\$1,454	67.8%
Eating & Drinking	\$425	\$1,019	41.7%
Total	\$2,995	\$4,432	67.6%
Note: All dollar values are presented in millions of 2006 dollars.			
Sources: ESRI, Inc.; Urban Land Institute, <i>Dollars & Cents of Shopping Centers, 2006</i> ; AKRF, Inc.			

THE FUTURE WITH THE PROPOSED ACTION

ESTIMATED SALES AT STORES INTRODUCED WITH THE PROPOSED ACTION

Flushing Commons is expected to include 275,000 square feet of retail—241,500 square feet of shoppers' and convenience goods stores and approximately 33,500 square feet of eating and drinking places. In addition, as described in Chapter 1, "Project Description," 25,000 square feet of retail could be constructed under the proposed Macedonia Plaza project in the portion of the rezoning area that is not included in the Flushing Commons project site. In total, 300,000 square feet of retail could be developed in the rezoning area.

¹¹ Due to the scale of development and mix of retail offerings at Rego Park Mall and SkyView Parc/Queens Town Center, the primary trade areas for these developments would likely encompass all of Queens. As of the 2000 Census, 32 percent (approximately one-third) of Queens households were located in the 3-mile primary trade area. Therefore, it can reasonably be assumed that one-third of all sales at these developments would come from the primary trade area. Even this reduced allocation may be an overstatement, given that only 70-80 percent of sales are typically derived from primary trade area residents, so some of the sales at Rego Park Mall and SkyView Parc/Queens Town Center would likely come from outside of Queens.

Based on information from the project sponsor, it is anticipated that approximately 120,750 square feet of retail space in the proposed project (50 percent of the 241,500 square feet of non-restaurant retail space) would be occupied by larger destination retailers offering shoppers' goods. The remaining 120,750 square feet of non-restaurant project site retail, as well as the additional 25,000 square feet of retail that would be constructed on the non-project site portion of the rezoning area, are anticipated to be occupied by convenience goods stores. Approximately 33,500 square feet of project site retail would be dedicated to eating and drinking places.

As shown in Table 3-15, total retail sales resulting from the proposed action are projected to be approximately \$141.6 million annually. Annual sales for shoppers' goods are estimated at \$57.0 million, annual sales for convenience goods are estimated to be \$68.8 million, and annual sales for eating and drinking establishments are projected to be \$15.8 million.

Table 3-15
Estimated Retail Sales with Proposed Action

	Total SF	Total Sales (Millions of Dollars)
Shoppers' goods	120,750	\$57.0
Convenience goods	145,750	\$68.8
Eating & Drinking	33,500	\$15.8
Total	300,000	\$141.6
Notes: Sales are assumed to be \$472 per square foot, the upper decile sales for U.S. Super Community or Community Shopping Centers. Sales reported in 2006 dollars.		
Source: Urban Land Institute, <i>Dollars & Cents of Shopping Centers, 2006</i> .		

ESTIMATED RETAIL DEMAND FROM HOUSEHOLDS INTRODUCED WITH THE PROPOSED ACTION

The proposed action would introduce approximately 762 new households to the primary trade area. Assuming that these new households spend roughly \$17,862 per year on retail goods (the average for households in the primary trade area, based on data from ESRI, Inc.), they would increase demand for retail goods by approximately \$13.6 million per year. These households would annually spend approximately \$6.0 million on shoppers' goods, \$4.5 million on convenience goods, and \$3.1 million at eating and drinking places.

ESTIMATED CHANGES IN PRIMARY TRADE AREA CAPTURE RATES

As described under "Future Without the Proposed Action," the population of the primary trade area is expected to grow by approximately 12,196 households by 2013, and the household expenditure potential for retail is expected to increase by 5.2 percent to \$4.43 billion. As described above, total sales for the new stores in the rezoning area are projected to be \$141.6 million. Adding this to existing sales in the trade area, and to sales at retailers in the trade area that are expected to open prior to the retail anticipated with the proposed action, total estimated sales for retail would be approximately \$3.14 billion in 2013 (see Table 3-16).

The proposed action would raise the retail capture rate within the primary trade area by an estimated 4.4 percent compared to the future without the proposed action. As shown in Table 3-16, the overall capture rate in the primary trade area would increase to 70.5 percent in the future with the proposed action. This overall rate is on the low end of what is typical for a primary trade area, meaning that the proposed action would not be introducing retail to an already-saturated consumer market, which could in turn lead to displacement through competition.

Table 3-16

**Comparison of Estimated Retail Capture Rates in Primary Trade Area:
Existing Conditions, Future Without the Proposed Action, and
Future With the Proposed Action**

	Retail Sales in Primary Trade Area	Retail Demand from Primary Trade Area Households	Primary Trade Area Capture Rate
Existing Conditions			
Shoppers' Goods	\$1,104	\$1,863	59%
Convenience Goods	\$848	\$1,382	61%
Eating & Drinking	\$377	\$969	39%
Total	\$2,329	\$4,214	55%
2013 Without the Proposed Action			
Shoppers' Goods	\$1,584	\$1,960	80.8%
Convenience Goods	\$986	\$1,454	67.8%
Eating & Drinking	\$425	\$1,019	41.7%
Total	\$2,995	\$4,432	67.6%
2013 With the Proposed Action			
Shoppers' Goods	\$1,601	\$1,966	83.5%
Convenience Goods	\$1,095	\$1,458	72.3%
Eating & Drinking	\$441	\$1,022	43.1%
Total	\$3,136	\$4,455	70.5%
Note: All dollar values are presented in millions of 2006 dollars.			
Source: Urban Land Institute, <i>Dollars & Census of Shopping Centers</i> , 2006.			

The analysis also considers likely effects on specific capture rates for shoppers' goods, convenience goods, and eating and drinking places because an overall retail capture rate can conceal a relatively high capture rate in a particular retail category, which would be a potential concern. In the future with the proposed action the capture rate for convenience goods would increase by 6.7 percent to 72.3 percent, and the capture rate for eating and drinking places would increase 3.4 percent, to 43.1 percent. These capture rates are below typical capture rates for a primary trade area. Therefore, the proposed action is not likely to introduce any competitive effects within these retail categories because the area is undersupplied with respect to these categories.

The capture rate for shoppers' goods would increase by 3.3 percent—a small increase in relative terms—but would reach 83.5 percent. This is higher than the 70 to 80 percent capture rates that are characteristic of trade areas that are satisfying the retail demand generated by trade area households. However, capture rates in the future with the project would be influenced by the presence of several large new projects in the primary trade area that would actually draw from a trade area that is much larger than the primary trade area, and therefore not all of the sales for these projects would come from the primary trade area. Like the analysis presented under "Future Without the Proposed Action," this analysis conservatively assumes that 100 percent of the sales at new stores in the rezoning area would come from primary trade area residents. And it builds on the future no build analysis, which conservatively attributes 100 percent of all sales at the Rego Park Mall expansion and SkyView Parc/Queens Town Center to primary trade area households. Thus, the capture rate for shoppers' goods is artificially inflated. Using the same example cited previously (attributing only one-third of the sales at these two retail centers to primary trade area households) but still assuming that 100 percent of sales at rezoning area stores would come from primary trade area households, the overall retail capture rate in the future with the proposed action would be 64 percent and the shoppers' goods capture rate would be 68 percent. Therefore, the proposed action is not expected to saturate a market in any

particular retail category, and because of this would not be expected to result in significant indirect business displacement due to competition in the primary trade area.

POTENTIAL IMPACTS ON LOCAL SHOPPING AREAS

As described in the *CEQR Technical Manual*, competitive effects on stores closest to a project site can occur even when there are still substantial unspent dollars within a trade area. While competition does not constitute a significant adverse impact under CEQR guidelines, when competition adversely affects neighborhood character, it could constitute a significant adverse impact. If the proposed stores have the potential to affect the operations of competitive stores located in Downtown Flushing, there would be potential for neighborhood character impacts.

The *CEQR Technical Manual* also states that the number and variety of proposed non-anchor stores could accentuate the potential for impacts. As described in Chapter 1, the proposed Flushing Commons project would contain up to 515,000 square feet of commercial space, including 275,000 square feet of retail (including restaurants), up to 234,000 square feet of office, and up to 130,000 square feet of hotel. The project is expected to attract national brand name retailers, including upscale men and women's clothing retailers and an off-price department store, shoe stores, a kitchen supply store, a book store, a furniture store, and a home goods store. Collectively, there is the potential for overlap between the existing retail inventory in the study area and the anticipated retail offerings in the proposed project such that indirect business displacement due to competition could result.

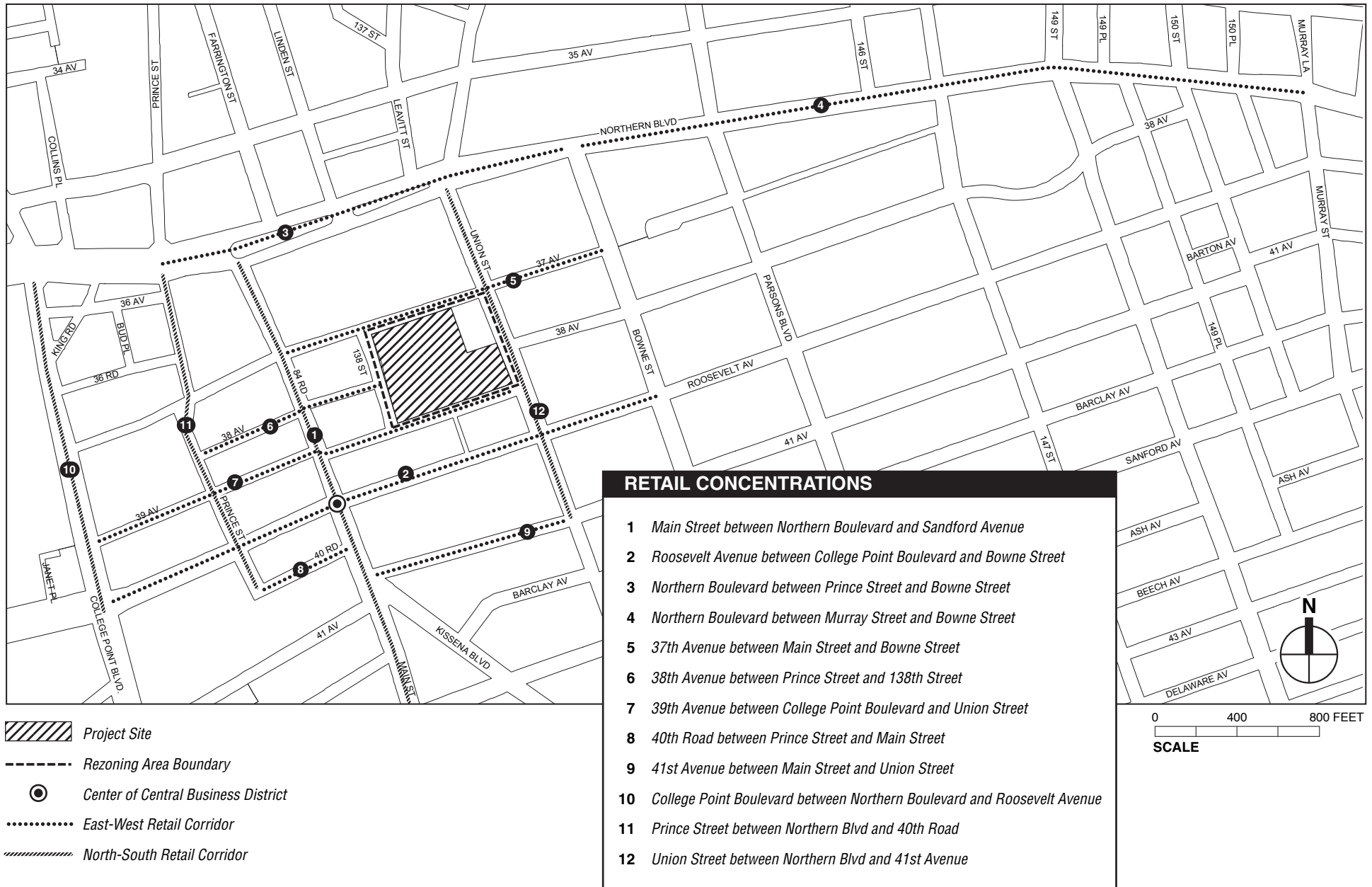
The following section focuses on the existing retail and customer base in the study area, evaluates the potential for indirect business displacement due to competition, and determines whether potential indirect business displacement could undermine the viability of retail concentrations, thereby leading to significant adverse impacts. The analysis begins with a description of retail corridors in the study area, focusing on merchandise selection, likely customer bases, and storefront vacancy rates for each corridor. The information is based on detailed retail surveys performed by AKRF, Inc. in spring of 2006. Retail corridors surveyed are shown in Figure 3-4.

OVERVIEW OF RETAIL CORRIDORS IN STUDY AREA

As indicated earlier, the study area encompasses the Downtown Flushing CBD, which is centered at the corner of Main Street and Roosevelt Avenue. The Flushing CBD can be reached by the No.7 train subway, which stops at the corner of Main Street and Roosevelt Avenue, or by any of the approximately two dozen bus lines that converge at the downtown area. Flushing has a broad range of store sizes and types and an active business community supported by a business improvement district (BID) established in 2003. Large national chain stores, including Macy's and Old Navy, are located at the corner of Main Street and Roosevelt Avenue. In addition to well-known brands, downtown contains a variety of smaller convenience and shoppers' goods stores, a large proportion of which cater to the Asian residential population living in Flushing. According to a local real estate broker, rental rates for retail space in Flushing ranges from \$150 to \$175 per square foot.¹²

As shown in Table 3-17, there are a total of 970 storefronts located on surveyed retail corridors in the study area. Of the 970 storefronts, only 6 percent are vacant, for a total of 57 vacant

¹² Telephone interview with Luis Chavez, Realtor and Broker, Gotham Realtors, June 1, 2006.



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storefronts scattered throughout the study area. Over 385 stores, or almost 40 percent of the total, offer neighborhood services. Neighborhood services are scattered throughout the area's major retail corridors and include banks, Laundromats and dry cleaners, beauty salons, and medical or dental offices. Another 24 percent or 231 stores sell such items as clothing, furniture, jewelry, and books. Approximately 12 percent of establishments are convenience goods stores such as supermarkets, bodegas, pharmacies, and florists. The study area has 14 storefronts that sell building materials and hardware, and another 14 storefronts related to automobiles, including gas stations and car rentals.

Table 3-17

Summary of Storefronts on Major Retail Corridors in Study Area, 2006

Store Type	No. of Establishments	% of Total
Shoppers' Goods	231	24%
Blding Materials, Hardware, and Garden Supply	14	1%
Auto-Related Trade	14	1%
Convenience Goods	113	12%
Eating and Drinking Places	156	16%
Neighborhood Services	385	40%
Vacant Storefronts	57	6%
Total	970	100%
Note: See Figure 3-4 for illustration of retail corridors included in survey.		
Source: AKRF retail survey, March, April, and June 2006.		

Further detail on each of the retail corridors in the study area is provided below.

Main Street between Northern Boulevard and Sanford Avenue

Main Street is a bustling retail corridor in the Flushing Commons study area served by a four-lane road and a subway station entrance at the intersection of Main Street and Roosevelt Avenue. The area is busy with pedestrian and automobile traffic. Main Street is one block west of the project site.

The area of Main Street surveyed by AKRF has a total of 208 storefronts, many of them two and three stories high. Almost 35 percent (or 71) of the storefronts offer neighborhood services, such as banks, hair and nail care, travel agencies, and video rental stores. Notably, there are 17 hair and nail care shops, nine banks, seven travel agencies, and 20 non-medical professional offices, such as law offices and financial services. Nearly 30 percent (or 63) of the storefronts offer shoppers' goods, including clothing and shoe stores, cell phone and other electronics, jewelry, and optical shops. Thirteen percent (or 28 total storefronts) are eating and drinking places, including fast-food chains, such as Burger King, KFC, McDonalds, and Starbucks. Six percent (or 12) of this section's storefronts are vacant. Although many of the shops are small, local retailers catering to the Asian market, a large Old Navy, a Benetton outlet, and a Duane Reade drugstore figure prominently.

Another notable retail node along Main Street is the Hong Kong Plaza. There are several such indoor shopping "mini-malls" scattered throughout the study area, selling mostly electronics, beauty supplies, and clothing.

Roosevelt Avenue Between College Point Boulevard and Bowne Street

Roosevelt Avenue between College Point Boulevard and Bowne Street is another one of Downtown Flushing's busiest retail corridors, served by a subway station at the intersection of

Main Street and Roosevelt Avenue. Roosevelt Avenue is one block south of the project site. AKRF's retail survey indicated a total of 208 storefronts, many of them up to four stories high. Almost 44 percent (or 91) of the area's storefronts are neighborhood services, including a driving school, employment agency, palm reader, Western Union, and a beauty school. More than a quarter of the area's retail is shoppers' goods, including apparel and accessory stores, electronics stores, and jewelry stores. Twelve percent of the area's storefronts (24 stores) in the area sell convenience goods, including such food stores as bakeries and fruit and vegetable markets, and other goods, such as newsstands and florists. There are 23 eating and drinking places along this strip of Roosevelt Avenue (12 percent). Seven percent (or 14) of the area's storefronts are vacant. Some of the area's retail has commercial retail at grade and professional offices above (140).

Although most of the retail stores in the area are local shops, there are several chain stores, including an Athlete's Foot, a Payless shoe store, a Dunkin' Donuts, and a KB Toys. The first block on Roosevelt Avenue east of Main Street is dominated by a very large vacant Caldor building and a Macy's department store that is still in business. The area becomes more residential with high rises on both corners of the intersection between Roosevelt Avenue and Union Street.

Northern Boulevard Between Prince Street and Bowne Street

There are a total of 74 storefronts on Northern Boulevard between Prince Street and Bowne Street, one block to the north of the project site. Forty percent (or 30 storefronts) offer neighborhood services, including two banks and more than a dozen professional offices. Twenty percent of the storefronts sell shoppers' goods, including four home furnishings shops, four computer shops, and a music store. There is a Sears on Northern Boulevard between Leavitt and Linden Streets, but most of the shops cater specifically to Asian consumers. Fifteen percent of the area's retail includes eating and drinking places. There are seven vacant storefronts in the area. Of note in the area are several institutional uses, including two churches, the Queens North Task Force NYPD, the Flushing YMCA, Flushing's Town Hall, and a school.

Northern Boulevard Between Bowne Street and Murray Street (East)

Two blocks from the project site is Northern Boulevard's eastern section, between Bowne and Murray Streets. This section has a total of 110 storefronts, of which six, or about 5 percent, are vacant. This part of Northern Boulevard leads away from the project site, and is oriented toward a more scattered concentration of commercial storefronts. The character of the retail becomes more suburban and spread out, with most shops in one-story buildings, and several parking lots dedicated to specific stores, such as a 7-11, Burger King, or supermarket. Residential buildings become denser and taller, as compared with the single-family homes that surround Downtown Flushing.

Nearly 36 percent of this area's storefronts offer neighborhood services, including video rentals, banks, hair and nail care, and laundromats. Another 19 percent of the area's storefronts are stores selling convenience goods, such as drugstores, and florists. Fourteen of the 21 convenience goods storefronts are supermarkets.

37th Avenue Between Main Street and Bowne Street

The portion of 37th Avenue abutting the north side of the project site between Main and Bowne Streets has a quieter, more residential feel than the dense retail-oriented main streets of the study area. In fact, retail uses abruptly end at the intersection of 37th Avenue and Bowne Street and

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the neighborhood becomes predominantly residential in character. The street has 45 total storefronts, including some buildings with retail at grade and residential uses above. Neighborhood services, such as doctor's offices and skin care, represent the largest percentage (49 percent) of uses on the street. Shoppers' goods, such as home furnishings, clothing, and jewelry stores, represent more than a quarter (29 percent) of retail shops along this stretch of 37th Avenue. There are two convenience goods stores along this stretch and four eating and drinking places. The street has four vacant storefronts.

38th Avenue Between Prince Street and 138th Street

The section of 38th Avenue between Prince and 138th Streets abuts the project site's western edge, as well as the northern edge of the Queens Crossing project. Retail storefronts on the street provide mostly neighborhood services (55 percent), including a travel agency, law office, and immigration center. Shoppers' goods stores selling clothing, electronics, and books comprise 5 percent of the area's retail. Eating and drinking places are another 4 percent of 38th Avenue's storefronts. There are three vacant storefronts in this section, or 10 percent of the total number of storefronts.

39th Avenue Between College Point Boulevard and Union Street

The section of 39th Avenue between College Point Boulevard and Union Street is three blocks long and abuts the project site's south side. This section has a total of 90 storefronts, of which only three are vacant. Neighborhood services, such as hair salons, banks, and professional offices, comprise 42 percent of the storefronts. Shoppers' goods comprise nearly 28 percent of these three blocks, including the Flushing Mall, which has several clothing stores and a bridal shop. Flushing Mall is another example of a dense cluster of retail in a "mini-mall" setting. Eating and drinking places comprise 21 percent of the area's retail offerings. There are five convenience goods shops on 39th Street. The strip also contains three parking areas, a Sheraton hotel, and a church.

40th Road Between Prince Street and Main Street

The retail concentration two blocks southwest of the project site contains mostly two- and three-story buildings with retail on multiple floors. The block has a total of 37 storefronts, most of them offering neighborhood services (41 percent). Another 38 percent of the retail is restaurants. The block also has four convenience goods stores and three shoppers' goods stores. The block has one vacant storefront and one large parcel under construction.

41st Avenue Between Main Street and Union Street

The retail along 41st Avenue's north side marks the edge of one of the main retail corridors in Downtown Flushing and is two blocks south of the project site. The south side of the block is mostly residential and also contains a school and a church. The other side of the street is more heavily retail in nature and offers predominantly neighborhood services (45 percent), including video rentals, hair and nail care shops, a travel agency, and funeral services. There are seven shoppers' goods stores, including shops selling cell phones, and a thrift store. Shoppers' goods comprise 21 percent of the total retail on this block. There are seven eating and drinking places (21 percent) and four convenience goods stores.

College Point Boulevard Between Northern Boulevard and Roosevelt Avenue

College Point Boulevard between Northern Boulevard and Roosevelt Avenue is more allied with Flushing's industrial uses than its retail uses. The street is three blocks west of the project site, is

bustling with car traffic, and is less residential than other streets in the vicinity. Thirty percent (eight storefronts) of College Point Boulevard's retail is building materials, hardware, and garden supply, including stores selling range hoods, kitchen countertops, carpet and flooring, construction materials, lumber and other building supplies, and doors. Another 26 percent (seven storefronts) provide auto-related trade, such as car rentals including a U-Haul rental center, gas stations, and auto repair. College Point Boulevard also has two convenience goods stores, two neighborhood services stores, and three vacant storefronts.

Prince Street Between Northern Boulevard and 40th Road

The area of Downtown Flushing on Prince Street between Northern Boulevard and 40th Road is two blocks west of the project site and is less dense than Main Street and Roosevelt Avenue, the two main retail and circulation corridors. This area has 32 total storefronts, of which 17 (53 percent) are eating and drinking places. Neighborhood services comprise 22 percent of the area's retail storefronts. Shoppers' goods comprise almost 10 percent of the storefronts, and convenience goods another six percent. The area has two vacant storefronts.

Union Street Between Northern Boulevard and 41st Avenue

Part of Union Street between Northern Boulevard and 41st Avenue directly abuts the proposed development site. The retail along this section of Union Street totals 77 storefronts, 49 percent of which are neighborhood serving stores. Shoppers' goods, including clothing shops, jewelry stores, and a hardware store, comprise another 22 percent (or 17 storefronts) in the area. There are 12 eating and drinking places along Union Street (16 percent of the total retail stores) and seven stores selling convenience goods (nine percent). Two of the storefronts along this stretch are vacant. The block on Union between 37th Avenue and Northern Boulevard is particularly dense, with narrow pad sites, and retail shops stacked on top of each other.

IMPACT ASSESSMENT FOR LOCAL SHOPPING AREAS

For reasons described below, the amount of indirect business displacement from competition would be minimal, is not anticipated to jeopardize the viability of any neighborhood retail strips, and is not expected to diminish the level of services provided. Therefore, significant adverse impacts due to competition are not expected to result.

Existing Retail is Located in a Central Business District and in Close Proximity to Established Residential Neighborhoods.

The closer a retail location is to high pedestrian traffic, the better its chances of capturing some of the expenditures, regardless of the type of store. There is evidence of this at the intersection of Main Street and Roosevelt Avenue, the center of Flushing's retail district. Fewer storefronts in the center of town are vacant than along the less traveled side streets. The new pedestrian and auto traffic introduced by the additional parking spaces, as well as the incremental pedestrian traffic generated by the increased retail offerings, could add to the potential customer base for existing businesses along major retail corridors.

Downtown Flushing is a residential and commercial center that will continue to draw significant numbers of customers from the local population (residents and business). The CBD is a bustling retail area that draws a niche customer base from throughout the region. Retailers also capture the expenditure potential of the workers and visitors to the local retailers, services, eateries, and businesses. Thus, it is unlikely that the retail would be significantly impacted by the proposed project's new retail.

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The Local Shopping Area is Located Near a Transportation Hub

The study area can be reached easily by bus or subway. The subway stop is located in the center of the CBD at the intersection of Main Street and Roosevelt Avenue. Local retailers draw shoppers from pedestrians from the surrounding neighborhoods and businesses, and also from visitors traveling by public transportation. With its close proximity to bus routes and subway lines, the local shopping area would not be significantly impacted by the proposed action as the residential and commuter population would continue to find it convenient to shop along these corridors.

The Local Shopping Area Caters to Specific Ethnic Groups.

Flushing has a distinctive ethnic character in terms of its residents, businesses, eateries, and retailers. The shops in Downtown Flushing reflect the ethnic pattern of the local neighborhood, with many local retailers specializing in specialty goods and services familiar to the Asian community and advertising products and services in foreign languages. By focusing on a small and specific geographic local market area, these retail concentrations in Flushing have maintained strong local support.

Limited Competitive Overlap With Existing Stores

The proposed project would present competition to stores selling shoppers' goods in the area because both the existing and the proposed retail centers target a similar client base for some discretionary purchases, such as clothing, which are typically chosen more carefully than convenience goods based on perceived differences in value. Thus, clothing stores, such as J. Crew and Banana Republic, might compete for the same discretionary spending dollars. However, as discussed earlier, the proposed development is currently anticipated to have national high-end retail tenants whose goods and services do not overlap with local shops. Many existing shopping areas are likely to retain their niche customer base with an expanded potential to also gain new customers based on a new demand generated by the Flushing Commons retail base that represents shopping opportunities not currently present in Flushing. Several national chain restaurants are also anticipated to be part of the retail on the development site. Rather than directly competing with existing retail in the study area, the proposed project's new shoppers' goods, convenience retail, and new restaurant space is expected to serve the new residential population and expand the price-point, product mix, and space configuration of such uses to existing customers already using downtown Flushing. *