Chapter 4: Socioeconomic Conditions

A. INTRODUCTION

This chapter examines the potential effects of the proposed Plan on population and housing characteristics, economic activity, and the commercial real estate market within an area most likely to be affected by the proposed Plan. The Plan calls for the redevelopment of the Willets Point Development District (the District), an approximately 61-acre area generally bounded to the east by the Van Wyck Expressway and an undeveloped lot owned by the Metropolitan Transportation Authority (MTA), to the south by Roosevelt Avenue, to the west by 126th Street, and to the north by Northern Boulevard. The proposed Plan for the District includes a mix of residential, retail, hotel, convention center, entertainment, commercial office, community facility, a primary school, publicly accessible open space, and parking uses. In accordance with the approach outlined in Chapter 2, "Procedural and Analytical Framework," this chapter analyzes the cumulative impact of both the Willets Point Development Plan and the anticipated development on Lot B.

One of the primary issues concerning socioeconomic conditions is the involuntary displacement of residents, businesses, and institutions (and their associated employment). Currently, the approximately 61-acre District contains one residential unit and an estimated 260 businesses and institutions, which generate an estimated 1,711 jobs. The District's resident, businesses and institutions, and employees would be directly displaced by the proposed Plan. In addition, because the proposed Plan would result in substantial new development that is markedly different from existing development patterns in the District, indirect (or secondary) displacement could occur outside of the District.

In accordance with the guidelines presented in the 2001 *City Environmental Quality Review (CEQR) Technical Manual*, this chapter evaluates five specific factors that could create significant adverse socioeconomic impacts in an area: (1) direct displacement of a residential population; (2) direct displacement of existing businesses and institutions; (3) indirect displacement of a residential population; (4) indirect displacement of businesses and institutions due to either increased rents or competition; and (5) adverse effects on specific industries not necessarily tied to a project site or area. Although not required by the *CEQR Technical Manual*, this chapter also presents estimates of the fiscal and economic benefits and public sector costs of new development in the District.

This chapter is organized as follows:

- Section A presents an introduction and summary of principal conclusions;
- Section B provides an overview of the methodology utilized in assessing potential socioeconomic impacts;
- Section C presents the preliminary assessments of residential, business, and institutional displacement (both direct and indirect), and the preliminary assessment of potential adverse effects on specific industries;

- Section D presents a detailed analysis of direct business and institutional displacement;
- Section E presents a detailed analysis of indirect residential displacement;
- Section F presents a detailed analysis of indirect business displacement due to competition;
- Section G presents a detailed analysis of the adverse effects on specific industries; and
- Section H presents the estimated fiscal and economic benefits and public costs that are likely to result from the proposed Plan.

PRINCIPAL CONCLUSIONS

By 2017, the proposed Plan and anticipated development on Lot B would not result in any significant adverse impacts as measured by the five socioeconomic areas of concern prescribed in the *CEQR Technical Manual* (numbered above). Development resulting from the proposed Plan and Lot B would generate substantial economic benefits for New York City and New York State. The principal conclusions drawn from the analyses are summarized below.

DIRECT RESIDENTIAL DISPLACEMENT

There is one residential unit (one household) in the District. This household would be displaced under both the proposed Plan and the No Convention Center Scenario. The displacement of one household would not have the potential to result in significant adverse impacts due to direct residential displacement. Should the proposed Plan be approved, this household would be provided with relocation assistance.

INDIRECT RESIDENTIAL DISPLACEMENT

The proposed Plan and anticipated development on Lot B would not result in significant adverse impacts due to indirect residential displacement. The proposed Plan would introduce 5,500 new residential units, or an estimated 14,795 new residents, to the study area. Under the No Convention Center Scenario, 5,850 units, or an estimated 15,737 residents, would be introduced to the study area. Either scenario would represent a substantial addition to the study area population. Compared with the existing study area population, the population that would be introduced by the Plan could include a larger proportion of households at higher incomes. A detailed analysis of indirect residential displacement has determined that the study area contains an estimated 2,134 households (approximately 5,726 residents) in eight Census tracts (381, 853, 865, 867, 871, 875, 889.02, and 907) that are considered to be “at risk” of indirect residential displacement if their rents were to increase. However, there are a number of reasons why indirect residential displacement of the population identified as at risk would not actually take place in the future as a result of the proposed Plan or anticipated development on Lot B. First, the District is geographically separated from the identified at-risk population, limiting its potential to influence residential trends in those areas. In addition, planned residential developments located between the District and the identified at-risk population (i.e., Flushing Commons and Sky View Parc) are likely to have a greater influence on residential market trends in those tracts than the proposed Plan and Lot B. Second, by adding new housing units, the proposed Plan could serve to relieve rather than increase market pressure in the study area. Third, the proposed Plan would introduce 1,100 affordable housing units to the study area. Although the population that would be introduced by the proposed Plan may include a larger proportion of households at higher incomes as compared with the existing study area population, the proposed Plan’s affordable housing component would ensure that a substantial portion of the new population would have incomes that would more closely reflect existing incomes in the study area.

DIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

The proposed Plan and anticipated development on Lot B would not result in significant adverse impacts due to direct business and institutional displacement. Under either scenario (with or without the convention center), the proposed Plan would directly displace approximately 260 businesses and institutions (approximately 1,711 employees) that provide a variety of products and services within numerous economic sectors, including manufacturing, wholesale trade, retail trade, transportation and warehousing, accommodation and food services, and repair and maintenance services. The majority of businesses that would be displaced (88 percent, or 228 of 260 businesses) are in auto-related sectors, including 163 auto repair, service and maintenance establishments, 6 salvage operations, 54 auto parts retail establishments, and 5 towing services. Other industries with a notable presence include food wholesalers and waste transfer facilities.

The businesses and institutions that would be displaced were determined not to be of substantial economic value to the region or City as defined under CEQR. The District's businesses are not unique; similar services and products are provided throughout Queens, the City, and the region. In addition, the vast majority of these businesses and institutions would be able to relocate to other properties within Queens or the City. Although rental costs would likely increase—as a result of the lower rents currently paid in the District compared with other manufacturing areas, and a competitive industrial real estate market citywide—most of these businesses would remain viable elsewhere.

Although the proposed Plan and the resulting business and institutional displacement would alter the neighborhood character within the District, as described in Chapter 10, "Neighborhood Character," this change in neighborhood character is one of the key goals of the proposed Plan. The loss of displaced businesses and institutions due to the Plan would not substantially alter the neighborhood character of the study area as a whole; the economic sectors with the highest employment in the study area (those which define the character of the area in an economic sense) are not found within the District. In fact, the new uses resulting from the Plan would be comparable to those in the surrounding study area.

Should the proposed Plan be approved, businesses currently located in the District would be offered a relocation package by the New York City Economic Development Corporation (NYCEDC), which would likely include financial coverage for certain moving costs, re-establishment fees, and use of brokerage services to find alternative locations. NYCEDC is currently working with owner-occupied businesses in the District to identify viable relocation properties within New York City. In addition, the City is in the process of developing a Workforce Assistance Plan for District workers who would be displaced by the proposed Plan. The program would provide displaced workers with services such as job training and job placement services, ESL and GED coursework, and additional social services.

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.

The proposed Plan and anticipated development on Lot B would not result in significant indirect business and institutional displacement impacts due to increased rents under either scenario (with or without the convention center). While the introduction of new residents, workers, and visitors to the District would alter existing economic patterns within the District, these changes would not lead to substantial indirect business displacement within the broader study area. Existing local retail establishments in the study area would continue to be more convenient to study area residents outside of the District, while the proposed Plan's residents and visitors—especially convention center and hotel visitors—would shop and dine primarily at retail establishments in the District. The proposed Plan would therefore not result in substantial changes in demand for goods and services that would alter economic conditions in the broader study area. The proposed Plan and anticipated development on Lot B would represent a continuation of existing trends toward the development of retail, office, hotel, and residential uses in the study area, rather than the introduction of a new trend that would change existing economic patterns in the study area.

Indirect Displacement Due to Competition (Primary Trade Area and 1½-Mile Trade Area)

The issue of competition as described in the *CEQR Technical Manual* is whether a proposed action could affect neighborhood character by affecting the viability of neighborhood shopping areas through competition, thereby becoming an environmental concern. A detailed competition analysis was performed for two areas: a "Primary Trade Area," defined as an approximately 5-mile radius surrounding the District, and a smaller, local, "1½-Mile Trade Area," from which the District 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 competition analysis assesses capture rates within the Primary and 1½-Mile Trade Areas to determine potential effects due to competition. A capture rate is a measure that compares expected spending by consumers in a trade area (retail demand) to the volume of retail sales in the trade area.

The analysis finds that the proposed Plan 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 Primary Trade Area. The analysis concludes that within the Primary Trade Area, the proposed Plan would increase the capture rate by 12 percent overall, and that all retail categories except building materials and garden supplies (which have a capture rate in excess of 100 percent even under existing conditions, since sales figures include sales to contractors as well as to individual households) would remain within the 70 to 80 percent capture rate range characteristic of trade areas that are satisfying the retail demand of trade area households. In addition, this capture rate analysis conservatively includes 100 percent of estimated sales from several other large new retail developments in the Primary Trade Area (notably, Sky View Parc and Rego Park Mall) even though these developments will likely draw sales from areas beyond the Primary Trade Area due to their scale and mix of retail offerings. Given that the proposed Plan would not raise retail capture rates within the Primary Trade Area to the extent that retail supply would out proportion demand, the proposed Plan would not have the potential to significantly affect competitive stores in the Primary Trade Area.

Within the 1½-Mile Trade Area, the analysis focuses on grocery stores in particular, because grocery stores often serve as anchors for local retail concentrations, and it is assumed that the proposed Plan could include retailers (such as a supermarket or wholesale club) whose product offerings substantially overlap with typical grocery store offerings. The analysis concludes that local residents would continue to shop at existing grocery stores for their convenience, specialized goods and services familiar to an ethnic community, and public transit accessibility. Although a potential supermarket or wholesale club in the District would compete with nearby supermarkets and grocery stores within the 1½-Mile Trade Area, it is not expected to have a substantial negative effect on nearby grocery stores, nor would it jeopardize the viability of any retail strips in the study area.

Overall, the amount of indirect business displacement due to competition from the proposed Plan and Lot B 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 Plan and Lot B would not result in significant adverse impacts due to competition.

EFFECTS ON SPECIFIC INDUSTRIES

The proposed Plan and anticipated development on Lot B would not result in significant adverse impacts on any specific industry under either scenario (with or without the convention center). Although a large concentration of auto-related uses (228 businesses) would be displaced from the District, these displaced businesses and their associated employment would not significantly impact the industry as a whole. The potentially displaced businesses and employment represent less than 5 percent of citywide employment within the auto-related sectors (including wholesale trade, retail trade, transportation and warehousing, and other services), and the businesses could relocate within the City, potentially in other auto-related clusters, thereby maintaining existing business and employment counts within the industry. Additionally, with 3,642 auto-related businesses within New York City, auto-related goods and services are available elsewhere. Therefore, the potential displacement of these uses from the District would not jeopardize the viability of any industries that rely on those services.

ECONOMIC AND FISCAL BENEFITS AND PUBLIC COSTS

Construction period impacts would include the displacement of the existing economic activity from the District and the construction activity associated with developing the proposed Plan or the No Convention Center Scenario.

Existing Economic Activity to Be Displaced

In the future with the proposed Plan, although the existing economic activity would be displaced from the site, it would continue within the City to the extent that it is relocated here. The proposed Plan would directly displace approximately 1,711 employees. The total employment associated with the economic activity on the site, including off-site jobs generated from the on-site activity, is estimated to equal 2,538 permanent jobs within New York City and a total of 2,981 jobs in New York State. The direct wages and salaries from the annual operation of the existing activity on the site are estimated at $70.93 million (all amounts in 2007 dollars). Total direct and generated wages and salaries resulting from the annual operation of the existing economic activity on the site are estimated at $106.98 million in New York City and a total of $125.62 million in New York State.

The direct effect on the local economy from the operation of the existing economic activity on the site, measured as economic output or demand, is estimated at approximately $352.07 million annually. The total economic activity, including indirect expenditures (those generated by the direct expenditures), that result from the operation of the existing activity on the site is estimated at $675.01 million annually in New York State, of which $556.30 million annually occurs in New York City. The annual operation of the existing activity on the site has tax revenues associated with it, including property tax-related revenues and non-property-tax revenues. The operation of the existing activity on the site is estimated to generate approximately $25.11 million annually in non-property-related tax revenues for New York City, MTA (which collects a 0.375 percent sales tax and tax surcharges on business and utility taxes within the City and the

MTA 12-county region), and New York State. In addition, in fiscal year 2007/2008, the City is estimated to receive property tax revenues from the existing development on the site equal to approximately $2.49 million.

Employment and Economic Benefits from Construction Activity

The development of either the proposed Plan or the No Convention Center Scenario would result in the substantial investment of funds into the area. As a result of this expenditure, the direct employment from construction activity is estimated at about 17,017 person-years of employment for the No Convention Center Scenario or 17,561 person-years of employment for the proposed Plan. (A person-year is the equivalent of one employee working full-time for one year.) Total direct and generated employment from construction activity is estimated at 25,883 to 26,736 person-years in New York City and 32,157 to 33,199 in the larger New York State economy, with the first figure in each case for the No Convention Center Scenario and the second for the proposed Plan.

The direct wages and salaries during the construction period are estimated at $1.13 to $1.17 billion. Total direct and generated wages and salaries resulting from construction activity are estimated at $1.67 to $1.73 billion in New York City and $2.04 to $2.11 billion in the broader New York State economy. The total effect on the local economy from construction activity, measured as economic output or demand, is estimated at $6.94 to $7.20 billion in New York State, of which $5.30 to $5.50 billion would occur in New York City. In total, the construction activity is estimated to generate approximately $345.87 to $352.94 million in tax revenues for New York City, MTA, and New York State, including about $220.88 to $226.10 million for New York State and MTA, and about $124.99 to $126.84 million for New York City. In addition, New York City would receive mortgage recording fees both from the developers and from the owners of the condominium portion of the residential property, and the City would receive real-property-related revenues (i.e., real estate tax payments) during the development period.

Employment and Economic Benefits from Annual Operation

The completion and annual operation of either scenario would have associated with it permanent employment, wages and salaries, other effects on the local economy, and tax revenues for New York City, MTA, and New York State. The direct on-site employment in the completed development is estimated at approximately 7,220 to 7,251 permanent jobs (with, again, the first number corresponding to the No Convention Center Scenario and the second to the proposed Plan). This employment would represent an increase of 5,509 to 5,540 over the area's existing employment of 1,711. Total direct and generated jobs from the annual operation of the completed development are estimated at 10,691 to 11,843 jobs within New York City and 12,340 to 13,526 jobs in New York State.

The direct on-site wages and salaries from the operation of the completed development are estimated at $313.02 to $317.69 million annually (all figures in 2007 dollars). Total direct and generated wages and salaries are estimated at $472.41 to $510.36 million in New York City and $547.13 to $588.88 million in New York State. The direct on-site effect on the local economy from the completed development, measured as economic output or demand, is estimated at approximately $1.18 to $1.30 billion annually. The total economic activity, including indirect expenditures (those generated by the direct expenditures), that would result from the operation of the completed development is estimated at $2.21 to $2.49 billion in New York State, of which $1.90 to $2.17 billion would occur in New York City.

The operation of the completed development is estimated to generate approximately $134.75 to $144.62 million annually in non-property-related tax revenues for New York City, MTA, and New York State, including approximately $77.03 to $82.24 million for New York State and MTA, and about $57.72 to $62.38 million for New York City. For either scenario, the above non-property-related tax receipts do not include income tax paid by the residents of the residential portion of the Plan or income tax from secondary employment generated by such residents. Such revenue would be additional. In addition, the City would receive annual property tax revenues. These revenues would be expected to be changing from year to year, and in any year would be based on the taxable assessed value and the applicable tax rate.

Public Sector Costs

The developer of the proposed Plan would fund all site preparation, infrastructure improvements, and construction within the District. It is anticipated that the City would fund off-site improvements that are necessary to support the proposed Plan, including new ramps to and from the Van Wyck Expressway. Costs associated with these off-site improvements are preliminarily estimated at between $150 and $200 million.

B. METHODOLOGY

CEQR OVERVIEW

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

Direct displacement is defined as the involuntary displacement of residents, businesses, or institutions from the actual site of (or sites directly affected by) a proposed project. Examples include proposed redevelopment of a currently occupied site for new uses or structures, or a proposed easement or right-of-way that would take a portion of a parcel and thus render it unfit for its current use. Since the occupants of a particular site are usually known, the disclosure of direct displacement focuses on specific businesses and employment, and an identifiable number of residents and workers.

Indirect or secondary displacement is defined as the involuntary displacement of residents, businesses, or employees in an area adjacent or close to a project site that results from changes in socioeconomic conditions created by a proposed project. Examples include rising rents in an area that result from a new concentration of higher-income housing introduced by a proposed project, which ultimately forces out lower-income residents; a similar turnover of industrial to higher-rent commercial tenancies induced by the introduction of a successful office project in an area; or the flight from a neighborhood that can occur if a proposed project creates a condition that breaks down the community (e.g., a highway dividing the area).

Even where a project does not directly or indirectly displace businesses, it may affect the operation of a major industry or commercial operation in the City. In these cases, CEQR review may assess the economic impacts of the project on the industry in question.

DETERMINING WHETHER A SOCIOECONOMIC ASSESSMENT IS APPROPRIATE

Under CEQR, socioeconomic assessments should be conducted if a proposed project may be reasonably expected to create substantial socioeconomic changes within the area affected by the project that would not be expected to occur absent the project. According to Section 200 of the *CEQR Technical Manual*, there are five circumstances that would typically require a socioeconomic assessment:

1) The project would directly displace residential populations so that the socioeconomic profile of the neighborhood would be substantially altered.
2) The project would directly displace substantial numbers of businesses or employees, or would directly displace a business or institution that is unusually important, as follows:
   - It has a critical social or economic role in the community and unusual difficulty in relocating successfully;
   - It is of a type or in a location that makes it the subject of other regulations or publicly adopted plans aimed at its preservation;
   - It serves a population uniquely dependent on its services in its present location; or
   - It is particularly important to neighborhood character.

   If any of these possibilities cannot be ruled out, an assessment should be undertaken.
3) The project would result in substantial new development that is markedly different from existing uses, development, or activities within the neighborhood. Such a project could lead to indirect displacement. Typically, projects that are small to moderate in size would not have significant socioeconomic effects unless they are likely to generate socioeconomic conditions that are very different from existing conditions in the area. Residential development of 200 units or less or commercial development of 200,000 sf or less would typically not result in significant socioeconomic impacts.
4) Notwithstanding the above, the project may affect conditions in the real estate market not only on the site anticipated to be developed, but also in a larger area. When this possibility cannot be ruled out, an assessment may need to be undertaken to address indirect displacement. Such projects can include those that would raise or lower property values in the surrounding area.
5) The project may adversely affect economic conditions in a specific industry.

If a project would exceed any of these initial thresholds, an assessment of socioeconomic conditions is generally appropriate. The geographic area and socioeconomic conditions to be assessed and the methods and level of detail by which they are studied depend on the nature of the proposed project. Considering the five circumstances listed above can help identify those issues of socioeconomic assessment that apply to a particular project.

With the proposed Plan, only one of the five circumstances outlined above can be ruled out: direct (or primary) residential displacement. (There is only one household in the District, and the displacement of one household would not have the potential to result in significant adverse impacts.) Therefore, this chapter addresses the four remaining areas of CEQR concern:

1) Direct (or primary) business displacement;
2) Indirect (or secondary) residential displacement;

3) Indirect (or secondary) business displacement; and
4) Effects on specific industries.

ASSESSMENT METHODS

ANALYSIS FORMAT

This chapter follows the preliminary and detailed assessment methodologies established in the 2001 *CEQR Technical Manual*. In conformance with *CEQR Technical Manual* guidelines, the analyses of the four areas of concern outlined above begin with a preliminary assessment. The approach of the preliminary analyses is to learn enough about the effects of the proposed Plan either to rule out the possibility of significant adverse impacts or to determine that more detailed analyses will be required to resolve the question.

The detailed assessments are framed in the context of existing conditions and evaluations of future conditions without the proposed Plan (the future without the proposed Plan) and future conditions with the proposed Plan (probable impacts of the proposed Plan). Existing conditions are as of March 2008. Development projects that would occur in the area in the future without the proposed Plan are identified, and the possible changes in socioeconomic conditions that would result, such as potential increases in population, changes in the income characteristics of the study area, new residential developments, possible changes in rents or sales prices of residential units, new commercial or industrial uses, or changes in employment or retail sales. Those conditions (future conditions without the proposed Plan) are then compared with the probable impacts of the proposed Plan to determine the potential for significant adverse impacts. For each area of potential socioeconomic concern, the effect of the proposed Plan including the convention center is considered first, and is followed by an assessment of the No Convention Center Scenario.

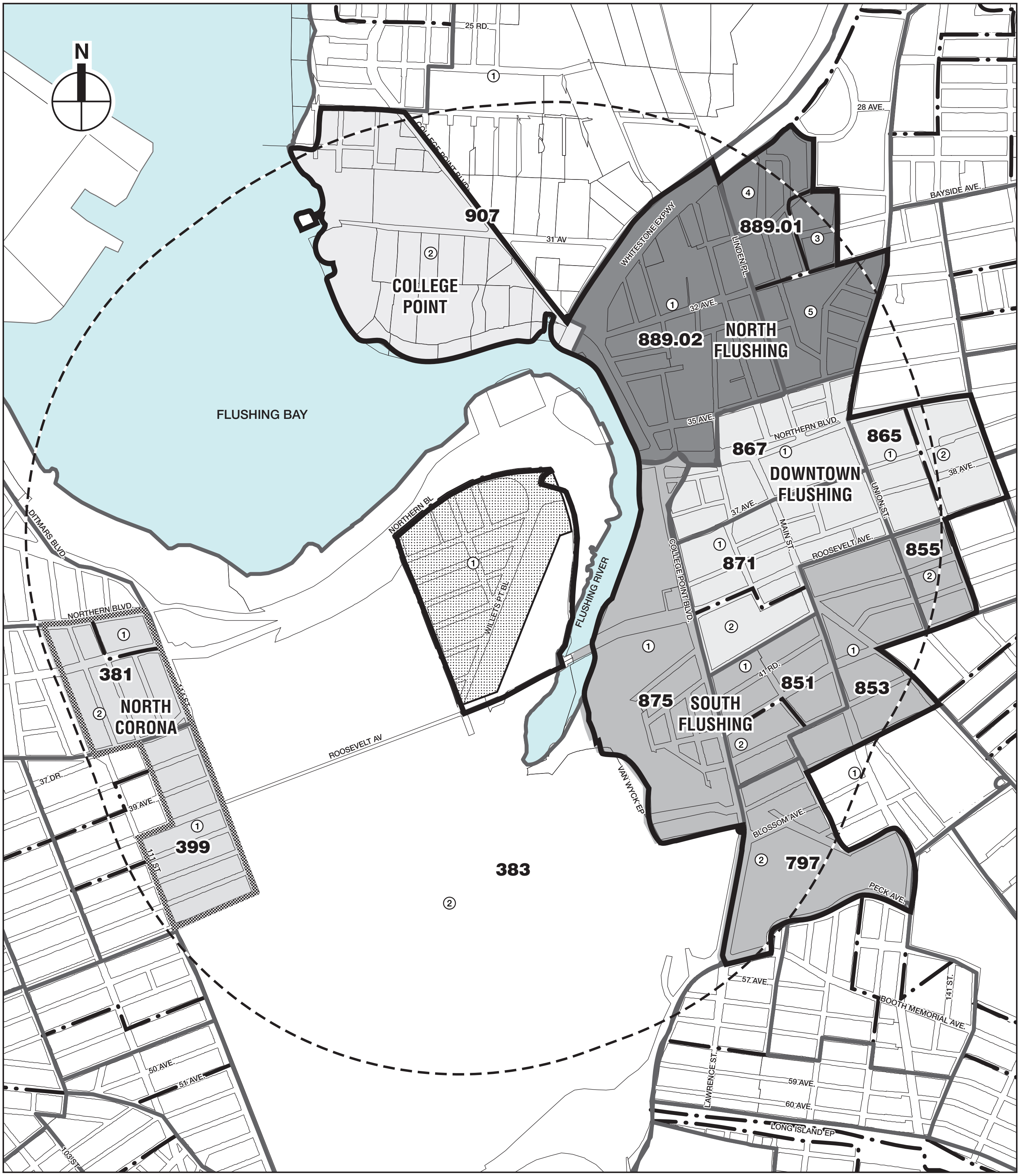
The preliminary and detailed assessments of the CEQR socioeconomic issues of concern are followed by a description of the economic and fiscal benefits and public costs that would be generated by the proposed Plan. The economic benefits analysis—performed using the U.S. Bureau of Economic Analysis' Regional Input-Output Modeling System (RIMS II)—estimates the number of direct and indirect jobs, tax revenues, and economic output generated by the construction and operations of the development expected to result from the proposed Plan.

STUDY AREA DEFINITION

A study area is defined as the area most likely to be affected by a proposed project. Following the guidelines of the *CEQR Technical Manual*, the study areas for the socioeconomic analyses are similar to the study area defined in Chapter 3, "Land Use, Zoning, and Public Policy."

The study area for the indirect residential displacement analysis (residential study area) includes all Census block groups that are at least 50 percent within the ¾-mile perimeter of the District. As shown in Figure 4-1, the residential study area has been divided into the following subareas, which approximate the District and the neighborhoods that surround it:

- Willets Point Development District: overlaps block group 1 of Census tract 383.
- Greater Flushing: includes the entire eastern portion of the study area, and has been subdivided into the following areas:



Willets Point Development District

Residential Study Area Boundary

3/4-Mile Perimeter

415 *Census Tract*

1 *Census Block Group*

Figure 4-1
Neighborhood Study Area

- North Flushing: includes block groups 3, 4, and 5 of Census tract 899.01, and block group 1 of Census tract 899.02.[1]
- Downtown Flushing: includes block group 1 of Census tract 867, block groups 1 and 2 of Census tract 871, and block groups 1 and 2 of Census tract 865.[2]
- South Flushing: includes block group 1 of Census tract 875, block groups 1 and 2 of Census tract 851, block group 1 of Census tract 853, block group 2 of Census tract 855, and block group 2 of Census tract 797.

• North Corona: includes block groups 1 and 2 of Census tract 381 and block group 1 of Census tract 399.

The study area for other areas of analysis (direct business and institutional displacement, indirect business and institutional displacement due to increased rents, and the effects on specific industries) was defined using zip code boundaries so that the profile of the potentially displaced businesses within the District could be compared with the profile of businesses in surrounding neighborhoods, using New York State Department of Labor (NYSDOL) data.[3] As shown in Figure 4-2, the study area (business study area) includes three zip codes: 11354, 11355, and 11368. The profile of existing employment in the District and employment that would be introduced by the proposed Plan and Lot B is compared with the employment profile of the study area zip codes, as well as Queens and New York City.

The study area for the analysis of indirect business and institutional displacement due to competition was defined as the area from which the bulk of new stores' sales are likely to be derived. Given the scale and type of retail offerings possible under the proposed Plan, the Primary Trade Area was defined as the area within an approximately 5-mile radius around the District. The 1½-Mile Trade Area was defined based on the area from which the retail under the proposed Plan and Lot B would have the greatest potential to draw frequent, repeat visits from customers of existing retail concentrations, thereby affecting the business environment of those areas.

DATA SOURCES

Information used in the preliminary assessment for direct residential displacement and indirect residential displacement was gathered from the U.S. Census Bureau's 1990 and 2000 Census and 2005 Annual Population Estimate; the New York City Department of Finance's Real Property Assessment Data (RPAD) 2006 database; NYSDOL; various real estate firms and Web sites, such as *The New York Times*, Prudential Douglas Elliman, and Kalman Dolgin; and field

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[1] Census block group boundaries in 1990 and 2000 are not the same. To provide a coterminous area for North Flushing in 1990 and 2000, North Flushing includes block groups 3, 4, and 5 of Census tract 889 in 1990.

[2] Block group 2 of Census track 865 was included in Downtown Flushing to account for changes in block group boundaries in 1990 and 2000.

[3] Three zip codes—11355, 11354, and 11368—overlap the ¾-mile area around the District. These zip codes extend beyond the ¾-mile boundary; however, most of the commercial and industrial development in zip codes 11354 and zip code 11355 is located within the ¾-mile area. Also, zip code 11368 includes the District, and the commercial and industrial development in the western portion of the study area.

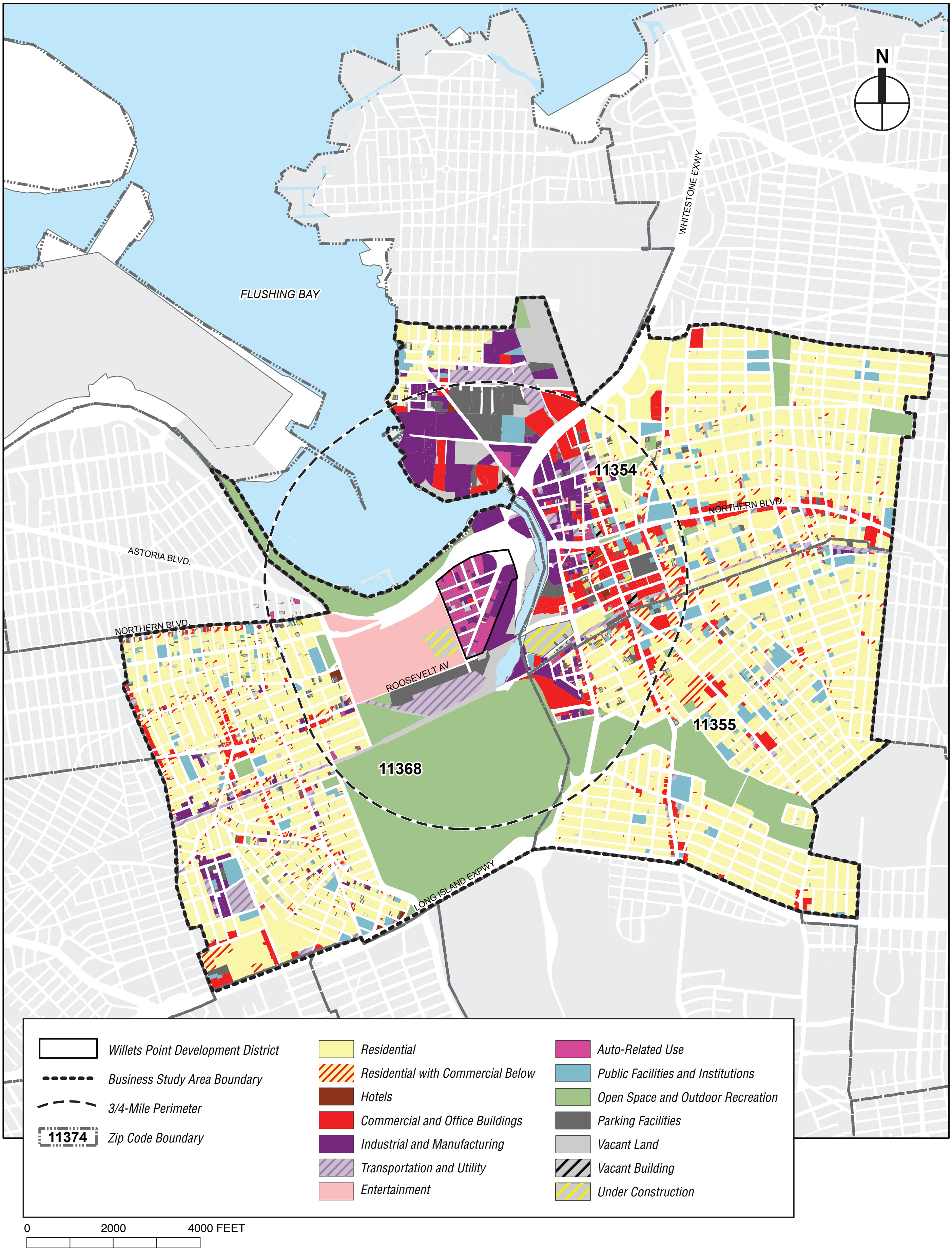

Figure 4-2
Business Study Area

surveys. Retail sales and expenditure data for Queens was obtained from ESRI, a national provider of geographic planning data.

The assessments of direct and indirect business and institutional displacement and effects on specific industries consider business and employment trends in the District, the larger study area, Queens, and New York City. The data for the District—which were used to estimate the total number and types of businesses and jobs that could be directly displaced by the proposed Plan—were based on business surveys conducted by Howard/Stein-Hudson Associates, NYSDOL estimates, field investigations conducted by AKRF, Inc., and by tenant information provided by the New York City Economic Development Corporation (EDC). The analysis of employment trends for the study area, county and city are based on NYSDOL data. Property/rent values and relocation options were obtained from the Howard/Stein-Hudson retail survey and from interviews with real estate professionals and online listings. Data on retail sales and retail demand within the Primary Trade Area and the 1½-Mile Trade Area was obtained from ESRI Business Analyst, a national provider of geographic planning data.[1]

C. PRELIMINARY ASSESSMENT

Under *CEQR Technical Manual* guidelines, the first step in a socioeconomic impact analysis is a preliminary assessment. This section examines four areas of potential socioeconomic impact in relation to the proposed Plan and Lot B.[2] The goal of a preliminary assessment is to learn enough about the potential effects of a proposed project either to rule out the possibility of significant impacts, or to establish that a more detailed analysis will be required to determine whether the proposed project would lead to significant adverse impacts.

For all four issue areas—direct business and institutional displacement, indirect residential displacement, indirect business and institutional displacement, and adverse effects on a specific industry—the preliminary assessment indicates that a more detailed analysis is necessary to adequately assess whether the proposed Plan and Lot B would have significant adverse impacts. The detailed analyses follow this preliminary assessment.

DIRECT BUSINESS DISPLACEMENT

The *CEQR Technical Manual* defines direct business displacement as the involuntary displacement of businesses from the site of, or a site directly affected by, a proposed project. A preliminary assessment of direct business displacement looks at the employment and business value characteristics of the affected businesses to determine the significance of the potential impact. A significant adverse direct displacement impact may exist if the businesses or

[1] ESRI is a geographic information system (GIS) software provider. ESRI Business Analyst is a set of GIS tools and data designed for business applications, such as analyzing retail sales within a trade area. ESRI's business data is extracted from a comprehensive list of businesses licensed from infoUSA®, as well as data from the Directory of Major Malls, Inc. The business list contains information on more than 11 million U.S. businesses including name and location, franchise code, SIC code, number of employees, and sales volume. The data is current as of January 2007. infoUSA® compiles business data from annual reports, county courthouse filings, SEC and 10k filings, and Secretary of State data and confirms it with phone calls to businesses.

[2] Analysis of direct residential displacement (the fifth area of socioeconomic concern) is not warranted. Census, RPAD data, and field surveys indicate that there is one residential unit (one household) in the District. The displacement of one household would not have the potential to adversely affect socioeconomic conditions in the study area. Therefore, no analysis of this issue is required.

institutions in question have substantial economic value to the City or region; are the subject of regulations or publicly adopted plans to preserve, enhance or otherwise protect them; or substantially contribute to a defining element of the neighborhood character.

A profile of the businesses currently in the District is provided below, followed by the preliminary assessment.

PROFILE OF DIRECTLY DISPLACED BUSINESSES AND INSTITUTIONS

There are 260 businesses and institutions located within the District[1]. As detailed in Table 4-1, these businesses and services include: auto repair, service and maintenance; automotive retail; wholesale distribution; waste transfer services; manufacturing; and several limited service eating establishments.

Table 4-1
District Employment by Business Type and Sector

North American Industry Classification System (NAICS) Economic Sector	Number of Businesses/ Institutions	Percent of Businesses/ Institutions	Number of Jobs	Jobs as a Percentage of Total
Auto-Related Businesses	228	88%	1,069	62%
Retail Trade (NAICS 44 &45)	54	21%	423	25%
Repair & Maintenance Services (NAICS 811)	163	63%	561	33%
Wholesale Trade (NAICS 42) – *scrap yards*	6	2%	70	4%
Transportation & Warehousing (NAICS 48)	5	2%	15	1%
Non Auto-Related Businesses	32	12%	642	38%
Construction (NAICS 236 & 238)	8	3.1%	153	9%
Manufacturing (NAICS 31-33)	5	2%	79	5%
Wholesale Trade (NAICS 42)	4	2%	198	12%
Administrative and Support and Waste Management and Remediation Services (NAICS 56)	6	2.3%	180	11%
Arts, Entertainment & Recreation (NAICS 71)	1	0.4%	11	0.6%
Accommodation & Food Services (NAICS 72)	7	3%	21	1%
Other Services (NAICS 813)	1	0.4%	0	0%
Total District Businesses	260	100%	1,711	100%

Notes: Employment figures for auto repair and maintenance establishments were derived from AKRF site visits, interviews by Howard/Stein-Hudson and NYCEDC business interviews, and estimates for businesses based on NYSDOL sector averages for Queens County.
Sources: AKRF, Inc., Howard/Stein-Hudson Business Survey, NYCEDC, NYSDOL

Approximately 88 percent of all businesses located in the District (228 establishments) are in auto-related sectors. The largest proportion of auto-related businesses (163 of the 228 establishments) offer repair services, including general engine repair and maintenance, auto-body and paint work, and glass or tire replacement. Other auto-related businesses in the District

[1] Business estimates based on Howard/Stein-Hudson Business Survey (January 2007) and AKRF, Inc. field surveys (Fall 2006).

include salvage yards selling recycled automotive parts, retail establishments selling new and used parts and tires, and towing companies.

Other industries with a notable presence in the District include specialty food product wholesalers, construction companies, and waste transfer businesses. The two businesses in the grocery wholesale sector are House of Spices and Fodera Enterprises. House of Spices distributes and manufactures South Asian food products to specialty grocery stores and restaurants in the New York City metropolitan area, and has eight distribution centers nationally. Fodera Food Enterprises distributes food products to a mostly local client base, including ethnic bakeries, pasta stores, and doughnut shops.

The largest of the construction businesses is Tully Construction, a general contractor that works on large infrastructure projects primarily for New York City and New York State. The company employs approximately 100 workers on site, making it one of the largest employers in the District. Additional construction companies include smaller general contractors. Tully Environmental and its subsidiary—Evergreen Recycling of Corona—and Crown Container Company operate waste transfer stations and construction recycling businesses within the District, and require M3 zoning and special permits, which cannot be transferred to another site.

The one institutional use, the Queensboro Motorcycle Club, is a private membership club that holds weekly meetings and holds social events for motorcycle enthusiasts. There is no District employment associated with this institutional use.

A more detailed description of current business activity in the District is provided in Section D, "Detailed Analysis of Direct Business and Institutional Displacement."

CEQR ASSESSMENT CRITERIA

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

1. Do the businesses or institutions in question have substantial economic value to the City or regional area, and can they be relocated only with great difficulty or not at all?

As set forth in the *CEQR Technical Manual*, the consideration of a business or institution's economic value is based on the following criteria: (1) its products and services; (2) its location needs, particularly whether those needs can be satisfied at a different location; and (3) the potential effects on both businesses and consumers of losing the displaced business as a product or service.

The proposed Plan would directly displace the approximately 259 businesses and one institutional use currently located within the District. This includes the large concentration of auto-related businesses detailed above, as well as the wholesale food distributors, the manufacturing facilities, and the waste transfer facilities.

Auto-related uses are common throughout Queens and New York City. However, the District contains such a large concentration of these businesses (228 out of 260 total District businesses) that a more detailed analysis is warranted to determine if the products and services provided by these establishments represent a significant economic value to the City and the region. Wholesale food distributors, construction companies, manufacturers, and waste transfer facilities are not unique to the study area; however, it is difficult to determine without further investigation whether the particular products and services provided by these businesses (e.g., specialty food products, construction waste, iron manufacturing, and sawdust) may be found elsewhere in the City. In addition, specific locational needs and permitting requirements for industries such as waste transfer and iron works could make it challenging for some of the on-site businesses to relocate. Overall, the effect of the displacement of the existing business and institutional uses on other businesses and consumers is difficult to determine without more thoroughly examining the businesses and their potential for relocation.

Given these businesses' potential for economic value, their specific locational needs, and the unknown potential effects that the displacement would have on businesses and consumers, a detailed analysis is required to determine if the proposed Plan would result in significant adverse impacts due to direct business displacement.

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

The 260 businesses and institutions that would be displaced by the proposed Plan are not subject to existing public policy initiatives to preserve or protect them. Though the proposed Plan would result in a loss of manufacturing-zoned land within New York City, this loss would not be considered significant. The District is not part of a designated Industrial Business Zone (IBZ) as identified in the *New York City Industrial Policy: Protecting and Growing New York City's Industrial Job Base* (January 2005), which created 14 such zones within the five boroughs to protect existing industrial uses and encourage future growth. In addition, the predominant uses in the District are in auto-based sectors, which are not identified in this or other policy initiatives as needing special protection.

3. Do the businesses or institutions in question define or contribute substantially to a defining element of neighborhood character, or do a substantial number of businesses or employees that would be displaced collectively define the character of the neighborhood?

The proposed Plan would completely change the character of the District from an auto-related and industrial area to a mixed-use community with residential, retail, office, convention center, and community facility uses. As described in Chapter 10, this change in character is one of the key goals of the Plan.

Although the proposed Plan would have a dramatic effect on the character of the District itself, the displacement of the existing businesses is not expected to alter the character of the broader study area. According the *CEQR Technical Manual*, neighborhood character is defined by features such as land use, urban design, visual resources, historic resources, socioeconomic conditions, and traffic or noise, which, depending on the neighborhood in question, create its distinct "personality." As described in Chapter 3, the District is mostly isolated from its surrounding neighborhoods. The existing Shea Stadium (and future Citi Field) separate the District from the lower-density, predominantly residential Corona neighborhood to the west; the Van Wyck Expressway and the Flushing River separate the District from the commercial center of Downtown Flushing to the east; Flushing Bay separates the area from industrial College Point to the north; and Roosevelt Avenue and the Long Island Rail Road (LIRR) tracks separate the District from areas to the south. Due to the relative isolation of the District, the existing auto-related and industrial uses have little impact on the character of the surrounding study area; thus, their displacement is unlikely to affect the neighborhood character of the broader study area and the distinct neighborhoods located within it.

Another way to analyze the potential impact of direct business and institutional displacement on the socioeconomic character of the study area is by comparing the types of businesses and employment in the District with the types of businesses and employment that are most prevalent in the study area and that define its character. As shown in Table 4-2, in 2006 the study area had a wide range of employment types, including large concentrations in the health care and social assistance sector, accommodation and food service sector, and the retail trade sector, and smaller concentrations of employment in the transportation and warehousing sector, the manufacturing sector, educational services, and professional and waste management services. In total, all industries employed approximately 42,289 workers.

Table 4-2
Study Area Employment by Industry

Industry	Employment	Percent of Study Area Employment
Utilities	N/A	N/A
Construction	2,831	6.7%
Manufacturing	2,118	5.0%
Wholesale Trade	1,529	3.6%
Retail Trade	5,408	12.8%
Transportation and Warehousing	1,443	3.4%
Information	1,236	2.9%
Finance, Insurance, Real Estate and Rental and Leasing	2,661	6.3%
Professional, Scientific, Management, Administrative, and Waste Management Services	1,562	3.7%
Educational Services	476	1.1%
Health Care and Social Assistance	12,277	29.0%
Arts, Entertainment and Recreation	2,110	5.0%
Accommodation and Food Services	5,454	12.9%
Other Services (except public administration)	2,032	4.8%
Unclassified	1,169	2.8%
Government	N/A	N/A
Total	**42,289**	**100**
Sources: NYSDOL, 3rd Quarter, 2006		

The three sectors that contain a majority of the employment in the study area are health and social services, accommodation and food services, and retail trade. The health and social services sector is the largest employer within the study area (12,753 jobs or 29.0 percent), followed by the accommodation and food services sector with 5,454 workers (12.9 percent of total study area employment), and the retail sector with 5,408 workers (12.8 percent). Employment in these three sectors represents over 55 percent of all employment in the study area, nearly half of which is located in the Greater Flushing subarea just east of the District, across the Flushing River and the Van Wyck Expressway.

These data indicate that the economic sectors that contribute most significantly in terms of defining neighborhood character—those with the highest employment in the study area—are for the most part not the sectors that would be displaced within the District. As shown in Table 4-1, the three largest sectors within the District (repair and maintenance services, auto-related retail trade, and wholesale trade) are not prevalent in the broader study area. On the contrary, existing businesses and employment within the District contrast sharply with those in the surrounding study area, which includes the higher density commercial and residential neighborhood of Downtown Flushing and the low- to mid-density residential community of Corona, as well as the industrial and retail College Point neighborhood to the north. In fact, as shown in Table 4-3, less than one percent of employment in the top two study area sectors (health care and social assistance, and accommodation and food services) would be displaced as a result of the proposed Plan, as would less than 8 percent of jobs within the third highest sector (retail trade). In general, the new businesses and community facilities to be introduced with the proposed Plan would be more consistent with the character of the broader study area than the existing uses are.

Table 4-3
Directly Displaced Employment as a Percentage of Study Area Employment

Industry	Displaced Employment	Displaced Employment as Percent of Study Area Employment
Agriculture	0	0.0%
Construction	153	5.4%
Manufacturing	79	1.2%
Wholesale Trade	268	17.5%
Retail Trade	**423**	**7.8%**
Transportation and warehousing and utilities	15	1.0%
Information	0	0.0%
Finance, insurance, real estate, and rental and leasing	0	0.0%
Professional, scientific, management, administrative, and waste management services	180	11.5%
Educational Services	0	0.0%
Health Care and Social Assistance	**0**	**0.0%**
Arts, Entertainment, Recreation	11	0.5%
Accommodation and Food Services	**21**	**0.4%**
Other services (except public administration)	561	27.6%
Unclassified	0	0.0%
Total	**1,711**	**4.0%**

Sources: AKRF, Inc., Howard/Stein-Hudson Associates, NYCEDC, 2006 NYSDOL.

The displacement of existing uses within the District would not significantly alter the neighborhood character of the study area and, therefore would not result in significant adverse impacts with respect to this criterion.

NO CONVENTION CENTER SCENARIO

The number and type of businesses and institutions that would be displaced by the proposed Plan would be the same with or without the convention center. The potential for significant adverse impacts due to direct business and institutional displacement under the No Convention Center Scenario would be the same as described above.

CONCLUSION

The preliminary assessment for direct business displacement demonstrates that the proposed Plan would not directly displace categories of businesses or institutions that are the subject of regulations or publicly adopted plans to preserve them, and that the Plan would not displace businesses, institutions, or employees that define the character of the study area. However, the preliminary assessment cannot rule out the possibility that the businesses in question have substantial economic value to the City and that they can be relocated only with great difficulty or not at all. Therefore, a detailed analysis of direct business and institutional displacement is required (see Section D, “Detailed Analysis of Direct Business and Institutional Displacement”).

INDIRECT RESIDENTIAL DISPLACEMENT

Indirect residential displacement is the involuntary displacement of residents due to a change in socioeconomic conditions created by a proposed action. In most cases where it occurs, indirect residential displacement is caused by increased property values generated by an action, which then results in higher rents in an area, making it difficult for some existing residents to continue to afford their homes.

The preliminary assessment for indirect residential displacement is based on population and housing data that is presented later in this chapter (see Section D, “Detailed Analysis of Direct Business and Institutional Displacement”). The information includes: population and housing unit counts, socioeconomic indicators such as median household income and poverty status, housing values and median contract rents, vacancy rates, presence of population groups particularly vulnerable to economic changes (e.g., low income residents) and overall development trends in the area.

This preliminary assessment is based on the screening criteria outlined in Section 322.1 of the *CEQR Technical Manual* (numbered in italics below), which describe circumstances that can generate potentially significant impacts.

1. ***Would the project add substantial new population with different socioeconomic characteristics compared with the size and character of the existing population?***

According to the *CEQR Technical Manual*, if a proposed project would increase the study area population by more than 5 percent, it could be large enough to affect socioeconomic trends significantly. The study area had an estimated 2006 population of 38,324 (see Section E, “Detailed Analysis of Indirect Residential Displacement”). The proposed Plan would add up to 5,500 new housing units to the study area, or approximately 14,795 new residents[1], a population equivalent to 31.8 percent of the existing (2006) study area population. Thus, the proposed Plan would add a substantial new population to the study area.

In 1999, half of the households in the study area had incomes below $38,960, 19 percent had incomes between $51,947 and $77,920, and 19 percent had incomes above $77,921 (see Section E, “Detailed Analysis of Indirect Residential Displacement”). Compared with the existing study area population, the population that would be introduced by the Plan may include a larger proportion of households at higher incomes. Because the proposed Plan would increase the study area 2006 population by approximately 31.8 percent, and may include households with higher incomes, a detailed analysis is required to determine whether or not the Plan would generate significant adverse impacts due to indirect residential displacement (see Section D, “Detailed Analysis of Direct Business and Institutional Displacement”).

2. ***Would the project directly displace uses or properties that have had a “blighting” effect on property values in the area?***

The District is characterized by substandard conditions such as environmental contamination, lack of infrastructure, and building code violations. Roads and sidewalks in the District are substandard or nonexistent, with large portions unpaved. Sanitary sewers have not been built, requiring septic fields throughout, which could be a source of contamination if functioning

[1] Based on the 2000 average household size for Community District 7 (2.69 persons per household).

inadequately or if used for non-sanitary liquids. Storm sewers are present; however, substantial flooding after rain storms indicates they are non-functional or severely blocked.

These substandard conditions appear to be limited to the District itself. The District is isolated from surrounding residential neighborhoods by several natural and man-made barriers. Shea Stadium, the existing home of the New York Mets baseball team, and Citi Field, the development site for the future New York Mets stadium, are to the immediate west of the study area. East of the study area are the Van Wyck Expressway and the Flushing River. North of the study area are Northern Boulevard and Flushing Bay. South of the study area are Roosevelt Avenue, the LIRR tracks for the Port Washington Line, a rail yard for LIRR trains, and several parking lots for Mets games. These natural and man-made barriers severely limit the potential for conditions within the District to affect residential real estate values in surrounding areas.

One indication that the District has not had a "blighting" effect on property values in the area is the amount of development that is expected to be completed by 2017. As discussed below, 3,159 residential units are expected to be added to the study area in the future without the proposed Plan. The trend toward residential development in the study area indicates that the District has not had a "blighting" effect on property values outside of the District. Other indications that the District has not had a "blighting" effect on property values are the increasing rental rates and sales prices in housing units in the surrounding areas, which are also discussed in Section D, "Detailed Analysis of Direct Business and Institutional Displacement."

3. Would the project directly displace enough of one or more components of the population to alter the socioeconomic composition of the study area?

As discussed above, the District contains one residential unit, which would be displaced by the proposed Plan. Displacement of this magnitude would not have the potential to alter the socioeconomic composition of the study area. Additionally, in the event that the proposed Plan displaces a portion of the employee population, further analysis is provided in Section D, "Detailed Analysis of Direct Business and Institutional Displacement."

4. Would the project introduce a substantial amount of a more costly type of housing compared with existing housing and housing expected to be built in the study area by the time the project is completed?

As described earlier, 20 percent of the housing introduced by the proposed Plan would be low- to moderate-income units. Nevertheless, because the proposed Plan includes 4,400 market-rate housing units, which may be more costly than what is typical of the existing housing stock in the study area, further analysis is required to determine whether the proposed Plan could result in a significant adverse indirect residential displacement impact.

5. Would the project introduce a "critical mass" of non-residential uses such that the surrounding area becomes more attractive as a residential neighborhood complex?

As described in Chapter 1, "Project Description," the overall purpose of the proposed Plan is to create a dynamic, mixed-use, sustainable community and regional destination. The proposed Plan, along with the anticipated development on Lot B, would introduce approximately 1.9 million sf of retail, including a multi-screen movie theater with up to 2,700 seats and approximately 150,000 sf of neighborhood retail and services. Furthermore, a large portion of the retail in the District would be destination retail.

The proposed Plan and Lot B would introduce a significant amount of new retail, but would not increase the desirability of the surrounding area to the extent that residential property values would increase, making it difficult for some study area residents to continue to afford their homes. Based on RPAD data, the study area currently contains approximately 3.4 million sf of retail. This includes destination retail such as Macy's and Assi Plaza—an Asian food item store, as well as local retailers that cater to the ethnic Asian population of Flushing and the greater New York City. In addition, approximately 1.3 million sf of retail has been recently completed or is expected to be completed by 2017, such as the Sky View Parc, which will have 750,000 sf of retail, and Flushing Commons, which will have 202,986 sf of retail (see Table 2-1 in Chapter 2). Residents living in most parts of the study area already have access to a variety of retail goods and services within walking distance from their homes, and that retail access will continue to expand in the future without the proposed Plan.

The proposed Plan would introduce 500,000 sf of office space, and it is anticipated that approximately 280,000 sf of office space would be built on Lot B. The study area already contains 2.3 million sf of office space, and several developments that include office development have been recently completed or are expected to be completed by 2017 (see Table 2-1 in Chapter 2). For example, Queens Crossing is expected to contain 144,400 sf of office space, and Flushing Commons is expected to contain 106,380 sf of office space and possibly a 120,650-sf office tower. Viewed in context of the existing office inventory and the trend toward office development in the future without the proposed Plan, the introduction of 780,000 sf of office space under the proposed Plan and Lot B would not represent a critical mass that would make the study area more attractive as a residential location.

The open space in the proposed Plan would provide a valuable amenity to the residential and worker population in the study area; however, it would not introduce a critical mass of nonresidential uses that would substantially increase the area's desirability as a neighborhood complex. As described in Chapter 6, "Open Space," the study area currently contains 96.3 acres of active and passive open space in several parks, including the Flushing Bay Promenade and Flushing Meadows-Corona Park, which extends south and west from the southern portion of the study area. At 1,255 acres, Flushing Meadows-Corona Park is the largest park in Queens and one of the largest in New York City. Therefore, although the publicly accessible open space introduced by the proposed Plan would serve as a valuable amenity, it would not represent a new land use or amenity in the study area and would therefore not make the area more attractive as a neighborhood complex.

The proposed Plan's convention center would represent a new economic use in the study area; however, it would not necessarily make the area more attractive as a neighborhood complex. A convention center could make a positive contribution to the neighborhood by hosting events such as trade shows, consumer shows, corporate events, and local events. However, it would not provide amenities that would be used on a regular basis by the local residents and as such, would not make the area a substantially more attractive place to live.

Similarly, the hotel would be a regional resource that would be used by visitors to the convention center, as well as travelers flying into or out of LaGuardia and JFK airports, and visitors to the future Mets stadium (Citi Field) and the USTA National Tennis Center. This facility would also not be used on a regular basis by local residents and as such would not make the area more attractive as a residential location.

Finally, the proposed Plan includes a new K-8 school. This school would primarily serve to meet the additional demand generated by the 5,500 new households, and would not make the surrounding area substantially more attractive as a residential neighborhood complex.

6. Would the project introduce a land use that could offset positive trends in the study area, impede efforts to attract investment to the area, or create a climate for disinvestment?

The proposed Plan and anticipated development on Lot B would not impose any type of change that would diminish investment in the study area. On the contrary, the Plan would introduce new uses and populations to the District that would generate substantial direct and induced economic activity within the study area, Queens, and New York City. The Plan would also help meet the growing demand for housing within Queens and New York City. As discussed in Chapter 1, the most recent New York City Department of City Planning (DCP) demographic study, New York City Population Projections by Age/Sex and Borough (2006), estimates that the population in Queens will increase by 15.1 percent between 2000 and 2030. Also, according to the New York City Department of Housing Preservation and Development (HPD)'s New York City Housing and Vacancy Survey, the residential vacancy rate in Queens was only 2.82 percent in 2005. The proposed Plan would permit housing to be constructed in the study area, which would help accommodate future population growth in Queens, and contribute to the City's overall efforts to meet its short- and long-term demands for housing.

NO CONVENTION CENTER SCENARIO

Compared with the proposed Plan, the No Convention Center Scenario would result in an additional 350 housing units (an estimated 942 residents), 50,000 sf of retail, and 50 school seats. The percentage of affordable housing introduced under the No Convention Center Scenario would be the same as under the proposed Plan (20 percent). Parking would be reduced by 700 spaces, and no convention center would be built. The No Convention Center Scenario would have the same potential for impacts as the proposed Plan. Because this preliminary assessment was able to answer "no" to only four of the six CEQR questions, a more detailed analysis is necessary.

CONCLUSION

The preliminary assessment for indirect residential displacement demonstrates that neither the proposed Plan nor the No Convention Center Scenario would directly displace uses or properties that have a "blighting" effect on property values in the area, directly displace enough of one component of the population to alter the socioeconomic composition of the study area, introduce a "critical mass" of non-residential uses such that the surrounding area becomes more attractive as a residential neighborhood complex; or introduce a land use that could offset positive trends in the study area, impede efforts to attract investment to the area, or create a climate for disinvestment. However, the preliminary assessment could not rule out the possibility that the proposed Plan would add a substantial new population with different socioeconomic characteristics compared to the size and character of the existing population, or would introduce a substantial amount of a more costly type of housing compared to existing housing and housing expected to be built in the study area by the time the Plan is complete. Therefore, a detailed analysis of indirect residential displacement is required (see Section D, "Detailed Analysis of Indirect Residential Displacement").

INDIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

According to Section 322.2 of the *CEQR Technical Manual*, in most cases the issue for indirect displacement of businesses or institutions is that a project would increase property values and thus rents throughout a study area, making it difficult for some categories of businesses to remain in the area. While the proposed Plan is expected to attract customers from a broad region, it is the businesses in close proximity to the District that could be subject to indirect displacement pressures due to increased rents (as a result of increased business in the area generated by customers of the Plan). Such displacement can be of concern when it would result in changes to land use, population patterns, or community character. In addition, the *CEQR Technical Manual* also identifies competition as a potential issue for indirect business and institutional displacement in cases where proposed retail uses may overlap with the existing retail base in an area and attract sales from existing stores. While these competitive socioeconomic impacts do not necessarily generate environmental concerns, they can become an environmental concern if they have the potential to affect neighborhood character by affecting the viability of neighborhood shopping areas. The preliminary assessment is based on the screening criteria outlined in Section 322.2 of the *CEQR Technical Manual*, which describe circumstances that can generate potentially significant impacts. The following section first presents an economic profile of the study area, followed by responses to the CEQR assessment criteria, which are numbered in italics below.

This preliminary assessment finds that the proposed Plan and anticipated development on Lot B would not result in significant adverse socioeconomic impacts related to indirect business and institutional displacement due to increased rents, but that there would be the potential for indirect displacement due to competition because the proposed Plan would introduce retail that would offer products and services similar to those offered at existing retail establishments nearby. Therefore, a detailed analysis of indirect business and institutional displacement due to competition is required (see Section F, “Detailed Analysis of Indirect Business Displacement due to Competition”).

STUDY AREA EMPLOYMENT

In 2006 there were approximately 42,289 people employed at businesses and institutions within the three zip codes that comprise the business study area (see Figure 4-2).[1] Table 4-4 shows 3rd quarter 2006 employment for the three zip codes, Queens, and New York City. Of the 42,289 employees in the study area, 38.6 percent worked in zip code 11354 (which includes College Point, North Flushing, and Downtown Flushing), 33.5 percent worked in zip code 11355 (which includes South Flushing), and 27.9 percent worked in zip code 11368 (which includes North Corona and the District). The employees in the study area represent approximately 8.7 percent of all employment in Queens.

Approximately 29 percent of the employment within the study area, or 12,277 workers, were in the health care and social assistance sector. Over 62 percent of these workers were employed in zip code 11355, largely due to employment at two hospitals: New York Hospital Queens and Flushing Hospital.

Industrial sectors (construction, manufacturing, wholesale trade, and transportation, warehousing, and utilities) collectively employed the next largest segment of the study area’s worker population, with 18.7 percent of total employment. Zip code 11354, which includes College Point, and zip code 11368, which includes the District, had higher concentrations of industrial employment, with approximately 25.1 and 24.2 percent of employment, respectively.

[1] Three zip codes—11355, 11354, and 11368—overlap the ¾-mile study area. These zip codes extend beyond the study area; however, most of the commercial and industrial development in zip codes 11354 and 11355 is located within the study area. Also, zip code 11368 includes the District and the commercial and industrial development in the western portion of the study area.

Table 4-4
3rd Quarter 2006 Employment by Industry

Industry	3 zip code area		11354		11355		11368		Queens		New York City	
	Total Emp.	% of Total Emp.	Total Emp.	% of Total Emp.	Total Emp.	% of Total Emp.	Total Emp.	% of Total Emp.	Total Emp.	% of Total Emp.	Total Emp.	% of Total Emp.
Total Employment	42,289	100%	16,305	100%	14,185	100%	11,799	100%	485,147	100%	3,542,771	100%
Agriculture Forestry Fishing	NA	NA	0	0.0%	D	NA	0	0.0%	0	0.0%	0	0.0%
Utilities	NA	NA	D	NA	0	0.0%	0	0.0%	2,511	0.5%	15,116	0.4%
Construction	2,831	6.7%	922	5.7%	521	3.7%	1,388	11.8%	43,629	9.0%	117,593	3.3%
Manufacturing	2,118	5.0%	1,197	7.3%	148	1.0%	773	6.6%	29,017	6.0%	104,403	2.9%
Wholesale Trade	1,529	3.6%	895	5.5%	238	1.7%	396	3.4%	24,052	5.0%	138,153	3.9%
Retail Trade	5,408	12.8%	2,641	16.2%	1,490	10.5%	1,277	10.8%	50,921	10.5%	279,949	7.9%
Transport & Warehousing	1,443	3.4%	1,075	6.6%	67	0.5%	301	2.6%	54,616	11.3%	100,841	2.8%
Information	1,236	2.9%	295	1.8%	786	5.5%	155	1.3%	8,497	1.8%	153,951	4.3%
Finance & Insurance	1,450	3.4%	912	5.6%	391	2.8%	147	1.2%	16,405	3.4%	337,058	9.5%
Real Estate & Rental & Leasing	1,211	2.9%	753	4.6%	377	2.7%	81	0.7%	14,655	3.0%	116,398	3.3%
Professional Scientific & Technology	748	1.8%	466	2.9%	222	1.6%	60	0.5%	10,676	2.2%	310,168	8.8%
Management Of Companies	NA	NA	D	NA	D	NA	D	NA	1,582	0.3%	57,236	1.6%
Administrative & Support Services	814	1.9%	311	1.9%	161	1.1%	342	2.9%	22,305	4.6%	184,469	5.2%
Educational Services	476	1.1%	169	1.0%	199	1.4%	108	0.9%	12,251	2.5%	114,095	3.2%
Health Care & Social Assistance	12,277	29.0%	3,309	20.3%	7,688	54.2%	1,280	10.8%	98,165	20.2%	534,157	15.1%
Arts Entertainment & Recreation	2,110	5.0%	64	0.4%	83	0.6%	1,963	16.6%	4,912	1.0%	62,092	1.8%
Accommodation & Food Service	5,454	12.9%	1,625	10.0%	926	6.5%	2,903	24.6%	31,168	6.4%	218,470	6.2%
Other Services	2,032	4.8%	1,100	6.7%	536	3.8%	396	3.4%	20,299	4.2%	136,188	3.8%
Unclassified	1,057	2.5%	491	3.0%	338	2.4%	228	1.9%	5,823	1.2%	25,788	0.7%
Government	NA	NA	D	NA	0	0.0%	0	0.0%	33,661	6.9%	536,645	15.1%

Sources: NYSDOL, 3rd Quarter, 2006

However, these sectors represented only 6.9 percent of employment in zip code 11355. In comparison, the study area had a lower share of its workers employed in industrial-related sectors than Queens (31.7 percent) and a higher share than New York City (13.4 percent).

The retail trade sector employed 12.8 percent of employees in the study area, which was a higher share compared with Queens (10.5 percent) and New York City (7.9 percent). Nearly half of the retail employment in the study area was in zip code 11354, which is likely due to the concentration of retail in Downtown Flushing. Retail employment in the other zip codes was similar to Queens, with 10.5 percent in zip code 11355 and 10.8 percent in zip code 11368.

The accommodation and food service sector employed a higher percentage of workers in the study area than Queens and New York City. As shown in Table 4-4, 12.9 percent of employment was in this sector in the study area, compared with only 6.4 percent in Queens and 6.2 percent in New York City. Over half of these employees were in zip code 11368, likely due to food service contractors at Shea Stadium and the USTA Tennis Center. Similarly, the arts, entertainment, and recreation sector had a higher percentage of employees in the study area (5.0 percent) compared with Queens (1.0 percent) and New York City (1.8 percent). 93.0 percent of these employees were in zip code 11368, again likely due to employees at Shea Stadium and Flushing Meadows-Corona Park.

Currently, there are approximately 1,711 employees within the District (see Table 4-5), representing 4.0 percent of employment in the study area. Within the District, employment in sectors associated with industrial uses made up 30.0 percent of employees, with 268 employees in the wholesale trade sector, followed by 153 construction employees, 79 manufacturing employees, and 15 transportation, warehousing, and utilities employees. These employees in industrial-related sectors in the District represent 6.5 percent of industrial employment in the study area.

Table 4-5
2007 District Employment by Industry

	Total District Employment	Industry Employment as a Percent of Employment in the District	Industry Employment as a Percent of Total Employment in the 3 Zip Code Area
Industry	1,711	100%	4.0%
Agriculture, forestry, fishing and hunting and mining	0	0.0%	NA
Construction	153	8.8%	5.4%
Manufacturing	79	4.6%	3.7%
Wholesale trade	268	15.7%	17.5%
Retail trade	423	24.4%	7.8%
Transportation and warehousing and utilities	15	0.9%	1.0%
Information	0	0.0%	0.0%
Finance, insurance, real estate and rental and leasing	0	0.0%	0.0%
Professional, scientific, management, administrative, and waste management services	180	10.4%	11.5%
Educational, health and social services	0	0.0%	0.0%
Arts, entertainment, recreation, accommodation and food services	32	1.8%	0.4%
Other services (except public administration)	561	32.4%	27.6%
Public administration	0	0.0%	NA
Armed forces	0	0.0%	NA

Sources: District employment is from AKRF, Inc., Howard/Stein-Hudson Associates, NYCEDC. Employment from the study area is from NYSDOL.

CEQR PRELIMINARY ASSESSMENT CRITERIA

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

The proposed Plan and Lot B would introduce several types of economic activities/uses to the District: residential units, retail space, office space, a convention center, a hotel, community facility use, and a school. As discussed below, most of these uses are not new to the study area, and would not alter existing economic patterns in the study area.

Based on RPAD data, there is currently 2.3 million sf of office space in the study area. Also, there is an additional 376,703 sf of office space that is expected to be built in the future without the proposed Plan.[1] Thus, the combined 780,000 sf of office space that would be introduced by the proposed Plan and anticipated development on Lot B would not represent a new economic activity in the study area. Similarly, as of 2005, the study area contained an estimated 14,268 housing units and 527,089 sf of hotel space. Thus, the 5,500 residential units and the 700-room hotel introduced under the proposed Plan would not represent economic activities that are new to the study area.

The study area contains 3.4 million sf of retail, and known projects in the study area are expected to add an estimated 1.3 million sf of additional retail space in the future without the proposed Plan. The 1.9 million sf of retail envisioned under the proposed Plan and anticipated development on Lot B would be a substantial addition, but it would not be a new economic activity within the study area.

The proposed convention center would represent a new economic activity in the study area. As described in Chapter 1, the convention center would host large trade shows, consumer shows, festivals, conferences, corporate events, banquets, and local events. In general, convention centers draw a large number of visitors who typically purchase goods and services at businesses in the surrounding area. In most cases, it is possible for a convention center to increase demand for certain types of goods and services (e.g., restaurants) in the surrounding area, causing some effect on existing economic patterns along retail corridors located within close proximity to the convention center. However, in the case of the proposed Plan, it is not likely that the proposed convention center would cause an increase in demand for goods and services in the surrounding area, since the majority of its visitors would shop and dine at the proposed retail adjacent to the convention center. Thus, visitors to the convention center would not represent a substantial new customer base for businesses in the study area, and the presence of the convention center would not likely lead to an increase in commercial rents.

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

The proposed Plan and anticipated development on Lot B would not add to the concentration of a particular sector such that it would alter or accelerate an ongoing trend to alter existing economic patterns within the study area.

The Plan and Lot B would add a substantial amount of retail to the study area, and would allow the potential for Queens to recapture sales dollars currently flowing out of the area. Total retail

[1] This total includes the 106,380 sf of office space that is part of the Flushing Commons mixed-use project. The Flushing Commons project also will include either a 120,650-sf office tower or a 149,600-sf hotel. Since this office tower has not been confirmed, it was not included in the total.

sales in Queens are estimated to be $9.3 billion (see Table 4-6). However, potential retail expenditures are approximately $15.5 billion, indicating that Queens residents are spending over $6 billion outside of the area, which may include Brooklyn, Manhattan, Nassau County, Westchester County, or New Jersey. Thus, the retail in the proposed Plan would enable Queens to recapture dollars being spent by Queens residents outside of the borough.

Table 4-6
Household Retail Expenditures and Total Retail Sales, Queens

	Retail Sales in Queens[1]	Retail Demand from Queens Households[1]	Amount Not Being Captured in Queens[1]	Queens Capture Rate
Retail Sales Total[2]	$9,297	$15,449	$6,152	60%

Notes:
[1] All values are in millions of 2008 dollars.
[2] 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 garden supply, auto-related businesses, and non-store retailers.
Source: ESRI, Inc.

There is also an existing trend in the study area toward the development of retail, as evidenced by the several projects that have recently been completed, or are expected to be completed by 2017, including Sky View Parc (750,000 sf retail), Queens Crossing (110,000 sf retail), the Caldor site (155,000 sf retail), and Flushing Commons (202,986 sf retail). Given the existing established trend toward retail development within the study area, the increase in retail represents a continuation of an existing trend and would not change existing economic patterns in the study area.

However, with the proposed Plan there is the potential for overlap between the possible retail uses and the existing retail base in the area, which could result in indirect displacement due to competition. A detailed analysis is necessary to determine whether the proposed actions could lead to indirect business displacement in the study area or Primary Trade Area, and whether such displacement, if it were to occur, would result in significant adverse impacts. See Section F, “Detailed Analysis of Indirect Business Displacement due to Competition,” below.

The proposed office space would not alter or accelerate an ongoing trend to alter existing economic patterns. According to RPAD, there is 2.3 million sf of office space in the study area. Based on known projects in the study area in the future without the proposed Plan, an additional 376,703 sf of office space will be added to the study area by 2017. Thus, the combined 780,000 sf of office space that would be introduced by the proposed Plan and anticipated development on Lot B would represent a continuation of an existing trend toward office development in the study area.

As of 2005, the study area contained an estimated 14,268 housing units. The study area already exhibits a strong trend toward residential development, including several large projects such as Sky View Parc (1,200 residential units) and Flushing Commons (approximately 500 residential units). The 5,500 households that would be introduced under the proposed Plan would shop at some existing retail establishments, but would likely do a large portion of their shopping at the retail that would be introduced in the District. Therefore, it is not likely that the new households would substantially alter existing retail patterns in the study area.

The 700-room hotel introduced under the proposed Plan would not add to a particular sector of the local economy such that it would affect overall ongoing economic trends in the study area.

According to RPAD data, the study area has 527,089 sf of hotel space. In addition, three hotels are expected to be completed by 2017, including Flushing Commons, which could include a 149,600-sf hotel, and the New Millennium development, which is expected to have 60 hotel rooms. Thus, there is an existing trend toward hotel development in the study area.

As discussed above, the convention center would represent a new economic use in the study area. However, since it is likely that most of the visitors to the convention center would make retail purchases at establishments in the District, the convention center would not alter existing economic patterns in the broad study area.

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

Industrial uses within the study area would not capture any value from these customer trips, while a retail use could potentially capture additional sales from cross-shopping activity. Therefore, industrial uses in the study area could be considered vulnerable to indirect displacement, as a property owner could decide to convert an existing industrial property to a retail use. However, the possibility for this type of indirect displacement is limited by the underlying zoning. College Point and North Flushing are zoned for light manufacturing (M3-1 and M2-1, respectively), which limits the type and size of commercial retail uses without discretionary actions. Also, industrial uses include large municipal facilities, such as the New York City Department of Sanitation (DSNY) North Shore marine transfer station (MTS) in College Point. There are other prominent industrial uses in the study area, including the College Point Corporate Park, a 550-acre corporate park that includes large industrial businesses such as *The New York Times* printing and distribution plant, Skanska’s North American headquarters, and Ares Printing and Packaging. The industrial uses on these properties would maintain the strong industrial character of the area.

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

As discussed above in “Indirect Residential Displacement,” the District has several substandard conditions, such as environmental contamination, lack of infrastructure, and building code violations. These substandard conditions appear to be limited to the District itself due to its relative isolation, with Shea Stadium to the west, the Van Wyck Expressway and the Flushing River to the east, Northern Boulevard and Flushing Bay to the north, and Roosevelt Avenue, the LIRR tracks, the LIRR rail yard, and parking lots to the south. These natural and man-made barriers limit the potential for conditions within the District to adversely affect commercial property values in surrounding areas.

To the north of the District is College Point, which is predominantly an industrial area. A low vacancy rate in College Point indicates that this area has not been affected by a “blighting” effect of the District. According to a 2003 *New York Times* article, the industrial properties in College

Point had a low availability rate that was under 3 percent.[1] This low rate was slightly lower than a vacancy rate of under 5 percent that was quoted for industrial properties in Queens and New York City as a whole by Kalman Dolgin in July 2007. Downtown Flushing, to the east of the District, also has not been affected by a “blighting” effect. This area is a regional destination and is a center of commercial and cultural activity in Queens, with many Asian specialty food shops, restaurants, and retail stores that cater to the local population and draw visitors from outside of the community.

Another indication that the District has not had a “blighting” effect on commercial property values in the area is the amount of development that is under construction or planned for the area. For example, Queens Crossing, which is in Downtown Flushing, approximately ½ mile from the District, will be completed by the end of 2007. It is expected to contain 144,000 sf of office space, 110,000 sf of retail space, 29,600 sf of community facility space, and 400 parking spaces. Flushing Commons, which is also in Downtown Flushing, less than ¾ mile from the District, is another large mixed-use project that is expected to contain approximately 500 residential units, 203,000 sf of retail space, 98,000 sf of community facility space, 1,600 parking spaces, and either a 250-room hotel or an additional 120,000 of office space. These projects indicate that the District has not had a “blighting” influence on Downtown Flushing.

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

The proposed Plan would not displace uses that bring people who form a customer base for local businesses to the area. It is likely that most customers drive to Willets Point for the sole purpose of obtaining automotive services. Although it is possible that some of the current customers of the auto-related establishments in the District may shop or dine at commercial establishments in the study area, this is likely to be infrequent and is expected to be a small portion of the existing customer base. For non-auto-related uses in the District, customers of construction companies and wholesale food establishments order their goods online or by telephone, and have the products shipped to their locations. Therefore, business establishments within the study area do not rely on District employees or visitors for their customer base.

Business establishments in the study area also do not rely on the products or services offered by District businesses. To the extent that products and services offered by District establishments may be utilized by businesses in the surrounding study area, these would still be available in the future with the proposed Plan in other areas of Queens and the City. Study area businesses do not require proximity to District businesses, and would not be adversely affected by the proposed Plan.

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

As discussed above in “Direct Residential Displacement” and “Direct Business Displacement,” the proposed Plan would directly displace one household and approximately 1,711 employees. The single household that would be displaced would not have the potential to adversely affect socioeconomic conditions in the study area. The 1,711 employees that would be displaced by the proposed Plan represent 4.0 percent of the employment in the study area based on NYSDOL data from 3rd quarter 2006. The displacement of these employees would not represent a

[1] “Industrial Hub Emerges in College Point,” *The New York Times*, November 23, 2003.

significant portion of the customer base for existing businesses. Furthermore, although the new residents, workers, and visitors would do the majority of their retail purchases in the District, it is likely that the existing retail businesses in the study area would capture a small portion of their retail expenditures. Based on household expenditure patterns from 2007 ESRI data, the new residents in the District could bring approximately $101.9 million in annual retail expenditure potential to the study area.

The proposed Plan and anticipated development on Lot B are projected to generate approximately 8,851 employees. The majority of these employees (53.2 percent) would be employed in retail stores, followed by 35.2 percent in office jobs. The remaining 1,020 jobs would be from the residential units (220 jobs), hotel (259 jobs), community facility (150 jobs), parking (153 jobs), convention center (160 jobs), and school (77 jobs). Similar to the new residents, while most of their spending would be in the proposed retail in the District, a portion would be captured by the retail in the study area. In addition, some new District employees may live in the study area, increasing the likelihood that a larger proportion of their retail dollars would be spent at existing study area businesses. The influx of residents, employees, and visitors to the study area would create a sizable new customer base for existing and future retail services and businesses.

6. Would the project alter land use patterns such that the project offsets positive trends in the area, impedes efforts to attract investment to the area, or creates a climate for disinvestment that could lower property values?

The proposed Plan and anticipated development on Lot B would not impose any type of change that would diminish investment in the study area. On the contrary, the Plan would reinforce the trend toward increasing residential and retail investment, drawing direct investment to the area through building construction, open space creation, transportation improvements, and the creation of physical connections between the District and the surrounding areas. The Plan would also introduce office, hotel, and convention center uses, which would enhance Flushing and Corona’s roles as regional economic centers. In addition, the Plan and Lot B would introduce new workers and residents to the study area. This would increase the area’s spending power and thus benefit the existing commercial establishments.

NO CONVENTION CENTER SCENARIO

Compared with the proposed Plan, the No Convention Center Scenario would result in an additional 350 housing units, 50,000 sf of retail, and 50 school seats. Parking would be reduced by 700 spaces, and no convention center would be built. Overall, the No Convention Center Scenario would produce 30 fewer jobs than the proposed Plan.

None of these changes would affect the conclusions presented above under the proposed Plan. Without the convention center, the Plan would not introduce any economic activities that are not already present in the study area. The amount of office, hotel, and community facility space would remain the same under the No Convention Center Scenario, and changes to the amount of retail would be minimal. Therefore, the No Convention Center Scenario, like the proposed Plan, would not add to the concentration of a particular sector such that it would alter existing economic patterns. Direct displacement under the No Convention Center Scenario would be the same as under the proposed Plan, and the potential for indirect displacement would be unchanged. Therefore, the No Convention Center Scenario would not displace uses or properties that have had a “blighting” effect on property values in the study area, or displace uses or populations that support businesses in the area, or bring to the area people who form a customer base for local businesses. The No Convention Center Scenario would not lead to significant adverse indirect business or institutional displacement impacts due to increased rents. However, like the retail introduced under the proposed Plan, the retail introduced under the No Convention Center Scenario would potentially overlap with the existing retail base of the area, and a detailed analysis is necessary to determine whether the No Convention Center Scenario could lead to indirect business displacement due to competition, and whether such displacement, if it were to occur, would result in significant adverse impacts.

CONCLUSION

Based on the preliminary assessment presented above, neither the proposed Plan nor the No Convention Center Scenario with Lot B would result in significant adverse impacts on socioeconomic conditions due to indirect business displacement due to increased rents. However, a detailed analysis is necessary to determine whether the proposed Plan and Lot B could lead to indirect business displacement due to competition, and whether such displacement, if it were to occur, would result in significant adverse impacts. This is discussed in Section F, "Detailed Analysis of Indirect Business Displacement due to Competition," below.

ADVERSE EFFECTS ON SPECIFIC INDUSTRIES

As set forth in the *CEQR Technical Manual* guidelines, a significant adverse impact may occur if a proposed project would measurably affect the operation and viability of a specific industry, not necessarily tied to a specific location. An example cited in the *CEQR Technical Manual* would be new regulations that prohibit or restrict certain processes that are critical to specific industries. A more detailed examination is therefore appropriate if the following considerations cannot be answered with a clear "no."

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

As described in the preliminary and detailed analyses of direct business and institutional displacement, 260 businesses and institutions employing an estimated 1,711 workers would be displaced from the District as a result of the proposed Plan. The businesses that would be displaced represent various industry sectors, including construction, manufacturing, wholesale trade, retail trade, waste management, accommodation and food services, and other services.

In total, 88 percent of the businesses that would be displaced from the District are in auto-related sectors (228 of 260 total businesses). This includes the 163 auto repair, maintenance and service establishments, 54 automotive retail businesses, 6 auto wholesalers and salvage yards, and 5 towing companies that are currently located in the District. Due to the size of this concentration, a detailed assessment of the auto industry is required to determine if the potential displacement would have a significant adverse impact on the auto industry as a whole in New York City.

Two wholesale food distributors, Fodera Enterprises and House of Spices, have a significant presence within the District. Fodera Enterprises distributes food products to bakeries and restaurants in Queens and throughout the City. With 423 food product wholesalers located within Queens and 1,654 in New York City[1], the displacement of this business from the District would not significantly impact the City's food product wholesale industry, or other industries

[1] NYSDOL, 2006

that rely on food wholesalers, as they would be able to purchase products from other establishments.

House of Spices is the largest distributor of South Asian food products in the City. The business manufactures and distributes Indian spices and other specialty foods from its Willets Point facility to local and regional restaurants and groceries, and ships products to eight distribution centers around the country. Interviews with real estate brokers and property listings indicate that spaces comparable to the one House of Spices currently occupies are available in other manufacturing-zoned areas in Queens and the City, which have similar highway and transit access. If House of Spices were to relocate within the City, the effect on businesses that purchase its products would be minimal. If House of Spices did not relocate within New York City, the cost of products at groceries and restaurants that depend on their products could increase, either because shipping costs from House of Spices would increase, or because businesses would need to obtain spices from another wholesaler, which could have higher prices. However, existing groceries and restaurants in the City would continue to be able to obtain spices, and business conditions in these industries would not be significantly affected. Overall, the displacement of House of Spices from the District would not significantly affect business conditions in any industry or category of businesses within or outside of the study area.

Displacement of the two waste transfer businesses (Tully Environmental and Crown Container) would not significantly impact the waste transfer industry within Queens or New York City. As discussed in Chapter 15, “Solid Waste and Sanitation,” Crown Container is authorized to process 375 tons per day (tpd) of mostly construction and demolition debris. The permitted capacity of Crown Container represents only 3 percent of the City’s construction and demolition capacity.[1] There are four other facilities in Queens and 24 other facilities in the City that process construction and demolition waste. If Crown Container were displaced, the waste currently processed there could be processed at one of these other facilities. Tully Environmental currently processes putrescible municipal waste (up to 900 tpd) under contract with the City. As described in Chapter 15, in September 2007 the New York State Department of Environmental Conservation (DEC) permitted the construction and operation of the converted North Shore Marine Transfer Station (MTS) in College Point. The North Shore MTS, when completed, will have the capacity to process the waste currently handled by Tully. If Tully were displaced from the District before the North Shore MTS became operational, there would be a reduction in long-haul tractor trailers leaving the District with City waste, and a temporary increase in DSNY trucks driving Queens waste to and from facilities in New Jersey. Therefore, the displacement of Crown Container and Tully Environmental would not significantly impact the waste transfer industry within Queens or New York City.

Bono Sawdust is one of two businesses within New York City that manufacture sawdust-based sweeping compounds and industrial absorbents. The displacement of this business would not harm overall business activity within the absorbent and sweeping compound industry, or within industries that utilize these products. Sawdust is only one of many absorbent compounds utilized for the cleanup of oil and other industrial spills. More commonly utilized materials include kitty litter-like clay compounds (often referred to as “Quick Dry” or “Oil Dry”), fiberclay (a recycled paper compound), and absorbent pads and rolls. These absorbent materials, and sawdust-based

[1] http://www.nylpi.org/pub/Distribution___Capacities_of_Solid_Waste_Trasfer_Stations.pdf (November 2007).

sweeping compounds, are readily available through other businesses and distributors within the City and the region that deliver products directly to customers.

The remaining businesses subject to direct displacement within the District vary in type and size, and are not concentrated in any particular industry sector. None of these businesses are essential to the survival of other industries located outside the study area and within New York City or the region. The remaining businesses that would be displaced are not the exclusive suppliers of goods and services to an entire industry or category of business within New York City or the region. Therefore, the proposed Plan would not have a significant adverse impact on any of these remaining industries within or outside of the study area.

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

The preliminary assessment cannot rule out that the proposed Plan would not indirectly substantially reduce employment or impair the economic viability of the auto industry. Therefore, a detailed analysis of the auto industry is required.

As described above, displacement of non-auto-related businesses in the District would not significantly affect business conditions in any industry or category of business within or outside of the study area. The general products and services offered by these businesses can be found elsewhere in the City; therefore, the displacement of these non-auto businesses would not indirectly substantially reduce employment or impair the economic viability in any industry or category of businesses.

NO CONVENTION CENTER SCENARIO

Direct business and institutional displacement would be the same under the proposed Plan and the No Convention Center Scenario. Therefore, the effects of either scenario on specific industries would be the same.

CONCLUSION

Based on the preliminary assessment presented above, the proposed Plan would not have the potential to result in significant adverse impacts on most industries represented in the District. However, due to the size of the auto-related business concentration in the District, a detailed analysis is required to determine if the potential displacement would have a significant adverse impact on the auto industry as a whole in New York City.

D. DETAILED ANALYSIS OF DIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

The potential for the proposed Plan and anticipated development on Lot B to cause significant direct business and institutional displacement cannot be ruled out through the preliminary assessment presented in Section C, “Preliminary Assessment.” Based on guidelines in Section 331.2 of the *CEQR Technical Manual*, a detailed analysis of direct business displacement is necessary because the preliminary assessment cannot rule out the possibility that the displaced businesses have substantial economic value to the City or the regional area and could be relocated with great difficulty or not at all.

EXISTING CONDITIONS

This section describes the business characteristics within the District and its context within the study area, beginning with a description of the businesses and institutions that could be displaced, their economic value to the City and region, and their relocation options.

PROFILES OF DIRECTLY DISPLACED BUSINESSES AND INSTITUTIONS

This section provides a detailed description of the existing businesses and institutions within the District, including their general industry classification, products and services, employment characteristics, and customer base.

Based on site visits conducted by AKRF, Inc. in fall 2006 and winter 2008, information provided by NYCEDC, and business and employment data from NYSDOL, approximately 259 businesses and one institution are located within the District. Based on business data from NYSDOL, and on interviews with on-site businesses conducted by NYCEDC and by Howard/Stein-Hudson Associates, these businesses and institutions employ approximately 1,711 persons.

The majority of the 260 businesses and institutions that would be displaced by the proposed Plan are involved in automotive trades (228 businesses or 88 percent). As detailed above in Table 4-1, these establishments specialize in various auto-related activities, including wholesale trade (six businesses), retail trade (54 businesses), transportation and warehousing (five businesses), and automotive repair and maintenance services (163 businesses). The non-auto-related businesses include eight construction businesses, five manufacturing businesses, four wholesale trade establishments, six administrative and support, and waste management and remediation services, one recreational facility, and seven limited-service food services. Additionally, one institution—a private motorcycle membership club—would be displaced.

Auto-Related Businesses

In total, 228 of the 260 businesses located in the District are in auto-related sectors (88 percent of all businesses). These businesses employ an estimated 1,069 workers, accounting for 62 percent of all employment within the District.

Approximately 71 percent of the auto-related businesses (163 of 228) are in the repair and maintenance services sector. These businesses include 63 general automotive repair shops, 50 auto body/paint/interior repair shops, 23 automotive glass replacement establishments, 19 automotive exhaust repair shops, and eight other maintenance and repair businesses. These businesses are found throughout the District, with the largest concentrations along Willets Point Boulevard on the eastern boundary of the District and 126th Street on the western boundary, between 38th and 39th Avenues. Approximately 561 workers are employed by these businesses (33 percent of total displaced employment in the District), most of them at establishments that employ fewer than five workers. An additional five towing companies employing a combined 15 workers would also be displaced from the District.

The six auto-related wholesalers located in the District employ a total of approximately 70 persons (four percent of District employment). Most of these businesses operate as scrap or junkyards, actively dismantling and storing recycled automobile parts, which are then sold to local and regional auto repair shops and dealers, including those located in the District. These businesses operate on larger open lots with small administrative offices. Businesses include Sambucci Brothers, Metal Green Recycling, Good Luck Used Auto Parts, United Steel Products, Met Scrap, and ACDC Scrap Metal. Though categorized as wholesalers for the purposes of this analysis, many could also be categorized as used auto part dealers, depending upon classification standards.

In addition to the auto-related wholesale businesses, 54 auto-related retail establishments are located within the District. These businesses specialize in the sale of various automotive parts and supplies, including tires, new and used parts, and accessories. In total, 423 jobs at these locations (25 percent of total employment) would be displaced as a result of the proposed Plan.

Non Auto-Related Businesses

The remaining 32 businesses represent only 12 percent of all establishments in the District, but their workers make up 38 percent of all District employment (642 jobs).

Four businesses operate in wholesale trade with a total of 198 employees (12 percent of all District jobs). The majority of this employment is found at two specialty grocery wholesalers, House of Spices and Fodera Enterprises. House of Spices[1] is a regional distributor of South Asian food products for specialty food stores and restaurants and employs approximately 100 workers. In addition to its District facility, the company operates eight distribution facilities throughout the United States. Fodera Enterprises has 60 employees. The company supplies Italian food products to restaurants and bakeries. Other wholesalers include: T. Mina Supply, Inc. which distributes construction related materials; T&T Supply Company, which sells welding and gas supply equipment; a street sweeping vehicle distributor; and a wholesale sheet metal distributor.

Eight businesses are in the construction industry and employ a total of 153 persons (nine percent of total District jobs). Tully Construction, with approximately 100 on-site employees, makes up the majority of employment in this sector. Tully operates an infrastructure construction business from the site, as well as a construction material waste transfer facility. The remaining seven businesses are general contractors; commercial and institutional construction firms; and plumbing, heating, and air conditioning contractors. These seven businesses employ a total of 53 people.

The six businesses in the Administrative and Support and Waste Management and Remediation Services Sector have a total of 180 employees (11 percent of all employment). The majority of jobs are located at Crown Container Company and Tully Environmental (and Evergreen Recycling of Corona, a subsidiary of Tully), employing 60 and 100 workers, respectively. Crown Container Company operates transfer stations for construction and demolition waste, and commercial waste. Tully Environmental operates a composting facility and waste transfer facility for DSNY, and runs a construction material recycling business (Evergreen Recycling of Corona). The remaining businesses include a tour bus operator and security systems company.

The five manufacturing businesses with 79 total employees include two iron works manufacturers (Feinstein Iron Works, QC Iron Works), a furniture manufacturer, a sawdust mill, and a sign manufacturer. Feinstein Iron Works is a structural steel fabricator specializing in steel stairs and decking for buildings of various types and sizes. The company works throughout New York City, as well as in Westchester, Nassau, and Suffolk counties, and employs 40 workers on site. QC Iron works is a smaller steel fabrication company, employing 12 people. GS Sign and Awning is a sign manufacturing company that employs 16 people. Iron King employs five

[1] The primary business activity at House of Spices is wholesale distribution, and is therefore categorized in this sector. However, several food products distributed by the company are also manufactured on-site.

people and manufactures institutional furniture, and Bono Sawdust (six employees) manufactures industrial absorbents and sweeping compounds, which are used at local airports and locations throughout the New York City metropolitan area.

The District also contains seven limited-service food establishments (delis and coffee shops), which employ a total of 21 workers, as well as a gas station and a sports club. These businesses cater to the local workers and do not attract customers from surrounding neighborhoods.

Institutional Uses

The District contains a single institutional use—the Queensboro Motorcycle Club—located on 34th Avenue. The club has existed in the District since 1940 and caters to motorcycle enthusiasts. The facility is used for organizational activities, including weekly member meetings and social events. The club has no employees.

ECONOMIC VALUE OF DISPLACED BUSINESSES AND INSTITUTIONS

As set forth in the *CEQR Technical Manual*, the consideration of a business or institution's economic value is based on the following criteria: (1) its products and services; (2) its location needs and whether those needs can be satisfied at other locations; and (3) the potential effects on businesses or on consumers of losing the displaced business or institution as a product or service. This section will discuss each of the three criteria individually, both for auto-related and non-auto-related businesses.

Products and Services

<u>*Auto-Related Uses*</u>

As discussed earlier, the majority of businesses (88 percent) that would be displaced as a result of the proposed Plan are in auto-related sectors, including repair and maintenance services, retail trade, wholesale trade, and transportation and warehousing.

The 163 auto repair and maintenance shops, 54 auto parts stores, and five towing services collectively employ approximately 999 workers. Although this represents a significant percentage of the potentially displaced businesses and employment, auto repair businesses, parts retailers, and towing services are not unique to the District. According to NYSDOL data, there were 1,224 auto repair, service, towing, and parts dealers in Queens County in 2006. The 163 firms located within the District represent only 17 percent of total auto repair, towing, and parts locations in Queens, and less than 6 percent of locations within New York City. As shown in Figure 4-3, these auto repair and parts dealers are found throughout Queens, with several located within the study area in Flushing, Corona, and along Northern Boulevard[1], and other clusters identified in Jamaica and Long Island City.

Additional locations and clusters are located throughout the City, particularly in Hunts Point (Bronx), Eastchester (Bronx), along Jerome Avenue (Bronx), around 65th Street in Bay Ridge (Brooklyn), and throughout Staten Island, including a cluster located between the Port Richmond and West New Brighton neighborhoods. Similar to the District, these areas include businesses in a number of different auto-related sectors, including general automotive repair, automotive parts and accessories, and glass replacement shops, with general automotive repair shops representing

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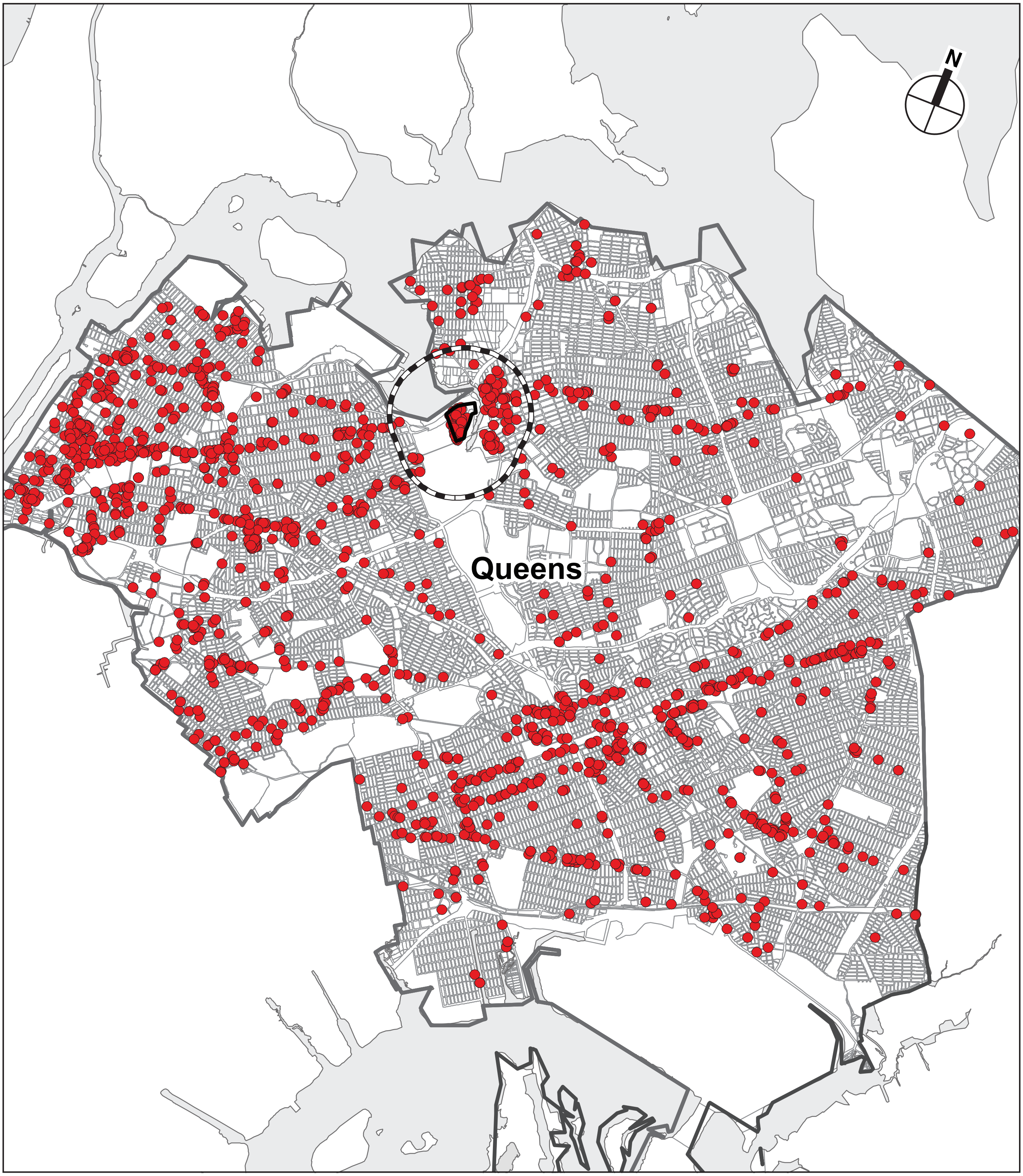
[1] Locations of auto repair locations and parts retailers were identified through listings in the Verizon business pages.

2.13.08



Willets Point Development District

3/4-Mile Boundary

Auto Repair Location

Queens

Figure 4-3
Auto Repair Businesses

the largest proportion of businesses.[1] Figures 4-4 through 4-6 show the geographic distribution of auto-related businesses in selected auto clusters—Hunts Point, Bay Ridge, and Port Richmond/West New Brighton.

The six auto-related businesses categorized in the wholesale sector (under "recyclable material wholesale merchant wholesalers") are predominantly junkyards that dismantle automobiles on site and sell the used automotive parts to auto repair and maintenance shops within the District, as well as to locations throughout Queens, New York City, and other metropolitan area communities. These businesses are not unique to the District; auto salvage wholesale operations are located throughout Queens, including in the surrounding study area as well as in Jamaica and Long Island City, and in other areas such as the Hunts Point auto cluster, identified above. Therefore, the wholesale salvage yards located in the District are not unique to Queens or to New York City.

In sum, although there is a large cluster of auto-related uses within the District, the products and services these businesses provide are not unique to the area and can be found in other neighborhoods in Queens and New York City. Therefore, the displacement of the products and services provided by the auto-related businesses in the District would not represent a significant adverse impact.

Non Auto-Related Uses

The four wholesale trade establishments located in the District include the two food distributors (House of Spices and Fodera Enterprises) and two building supply companies (T. Mina Supplies and T&T Supply Company). With nearly 2,500 wholesale businesses located in Queens, including 425 wholesale food distributors and 286 building supply wholesalers, similar facilities provide the products and services throughout Queens and New York City. House of Spices is the largest distributor of specialty South Asian food products in the country, and this facility acts as its primary distribution center. As indicated earlier under the analysis of adverse effects on specific industries, if House of Spices were unable to relocate within the City, the cost of products at groceries and restaurants that depend on their products could increase, either because shipping costs from House of Spices would increase, or because businesses would need to obtain spices from another wholesaler, which could have higher prices. However, existing businesses in the City would continue to be able to obtain spices, and business conditions in these industries would not be significantly affected. Further, as discussed below, there is potential for House of Spices to relocate within Queens.

The eight construction sector companies include the four general contractors (Concrete by Design, Empire General Contracting, Dom's Home Improvement, and St. John Enterprises, with 20 combined employees); and Tully Construction (100 employees), which works on large infrastructure projects for the City and State of New York. According to NYSDOL, in 2006 there were over 4,300 construction firms of various sizes and types located within Queens, and over 11,800 within New York City. Therefore, construction businesses are not unique to the District.

The six businesses within the administrative and support and waste management services sector include two waste transfer businesses, Tully Environmental (and its subsidiary, Evergreen Recycling of Corona) and Crown Container Company, as well as a tour bus operator (Kum Gang Tour, Inc./Atlantic Express) and a security systems service (Unix CCTV Corp). According to a recent study prepared for DSNY, there were 69 waste transfer facilities located in the five

[1] Businesses were identified through Yellow Pages searches in November 2007 and were classified into auto-related sectors based on business names and selected field work.

12.21.07

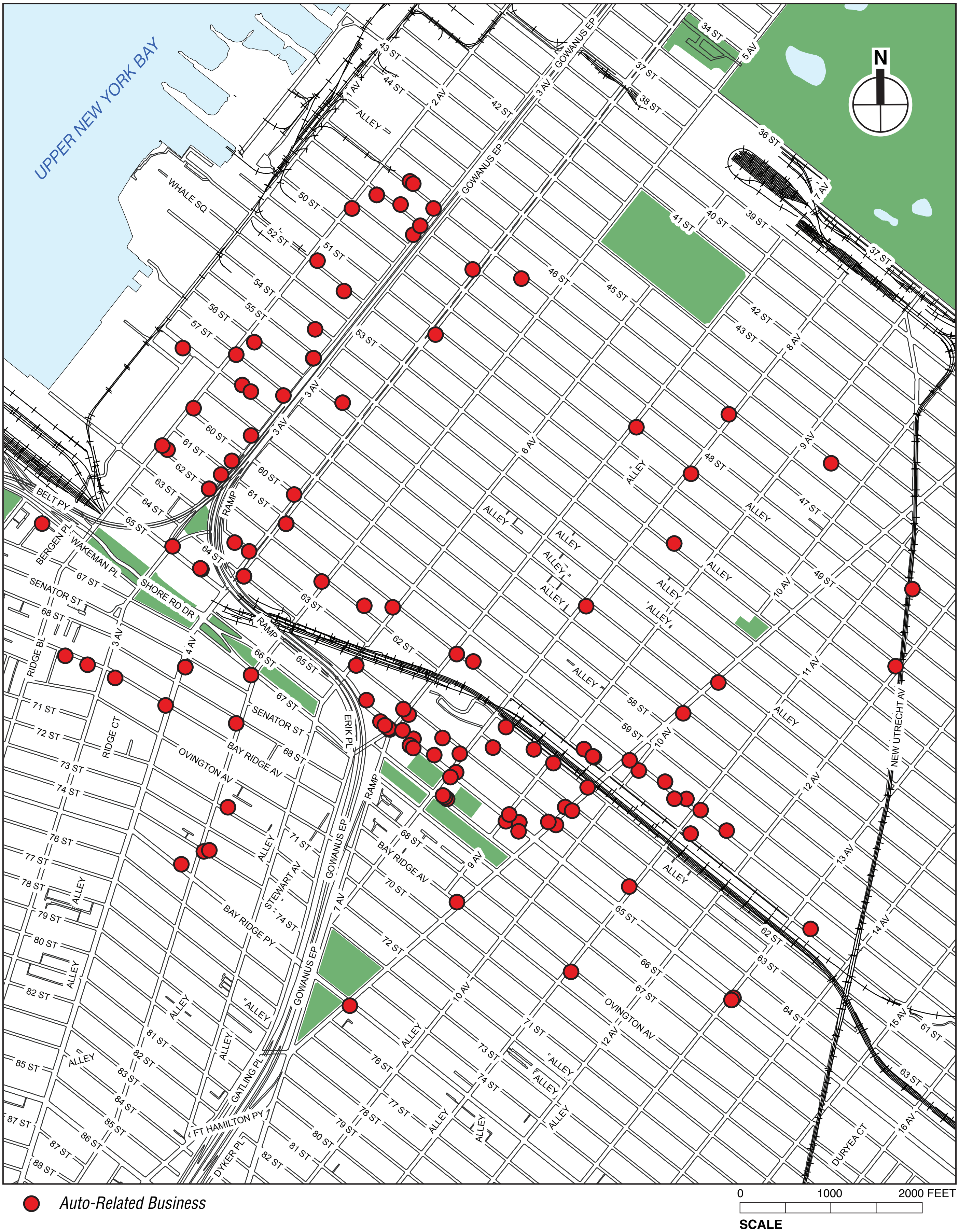


Figure 4-4
Bay Ridge, Brooklyn Auto Cluster

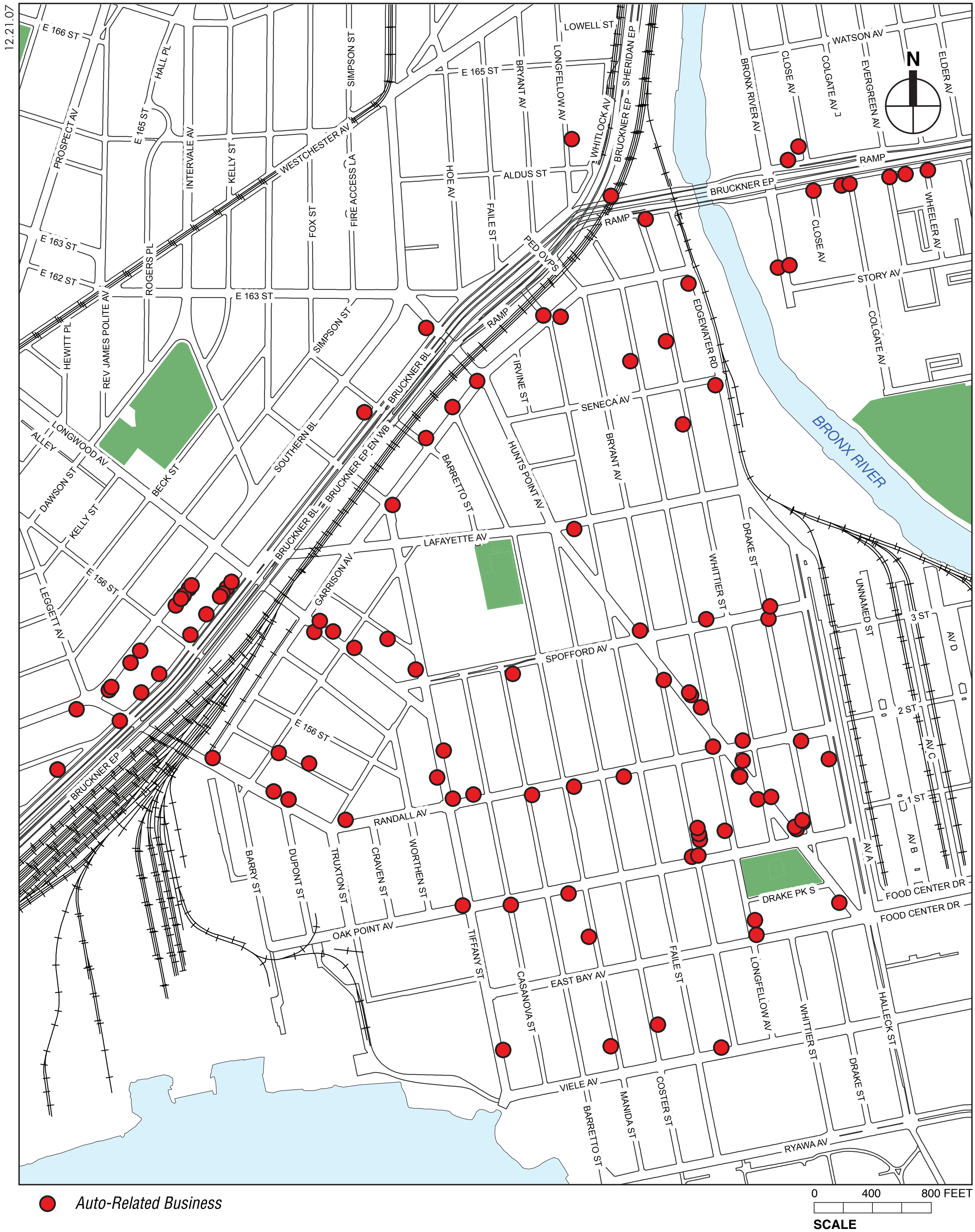


Figure 4-5
Hunts Point, Bronx Auto Cluster

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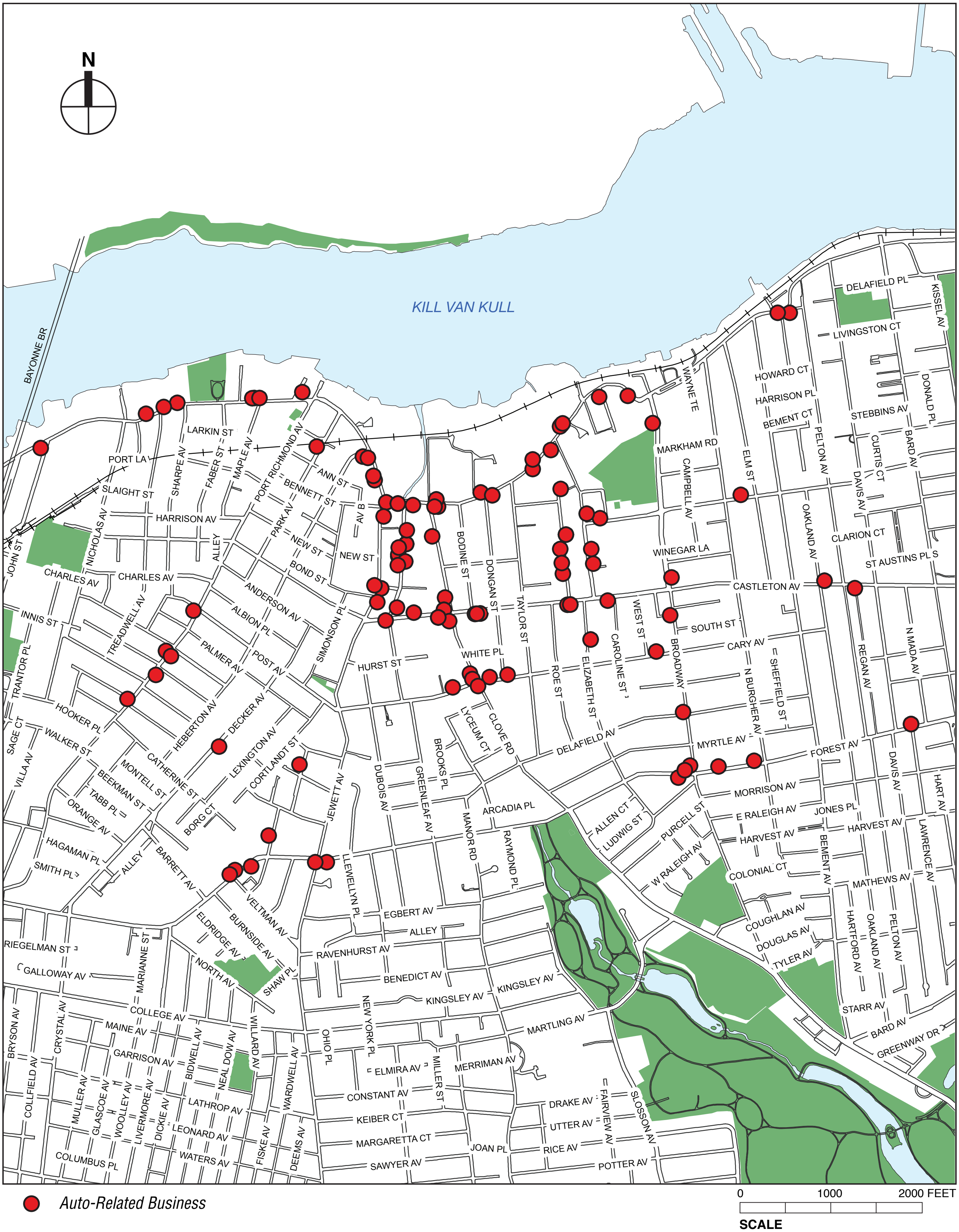

Figure 4-6

Port Richmond/West New Brighton
Staten Island Auto Cluster

boroughs as of March 2004, including 17 in Queens[1] that provide services outside the District. As indicated earlier under the preliminary assessment for adverse effects on specific industries, the permitted capacity of Crown Container represents only 3 percent of the City's construction and demolition capacity[2] and there are four other facilities in Queens and 24 other facilities in the City that process construction and demolition waste. As also described earlier, the New York State Department of Environmental Conservation (DEC) has permitted the construction and operation of the converted North Shore Marine Transfer Station (MTS) in College Point. The North Shore MTS, which is expected to be operational in 2011, will have the capacity to process the waste currently handled by Tully. If Tully were displaced from the District before the North Shore MTS became operational, there would be a reduction in long-haul tractor trailers leaving the District with City waste, and a temporary increase in DSNY trucks driving Queens waste to and from facilities in New Jersey. Therefore, the services provided by the District waste transfer businesses are not unique and can be obtained elsewhere.

The five manufacturing businesses include two metal manufacturers, a furniture manufacturer, a sign manufacturer, and a sawdust manufacturer. The products and services provided by the iron works can be found elsewhere in the City. NYSDOL estimates that in 2006, there were 53 metal manufacturers in the City, and six in Queens. The products and services of sign manufacturers are found at nearly 35 locations in Queens and over 110 in the City as a whole. Institutional furniture is manufactured in nearly 100 locations within Queens and over 300 citywide. Bono Sawdust is one of two identified manufacturers of sawdust-based industrial absorbents and sweeping compounds within New York City. The absorbent and sweeping compounds they manufacture and sell can be obtained from additional manufacturers/suppliers in the New York City region, which ship large quantities directly to customers. Additionally, as indicated earlier, other absorbent materials are more commonly utilized than sawdust, and those absorbent materials are readily available through other businesses and distributors within the City and the region.

The products and services offered by the seven limited-service eating establishments, the K2 Boxing Club, and the gas station located in the District are available at other establishments located throughout the study area, Queens, and the City. In addition, it is likely that these businesses are patronized primarily by District employees, so their displacement would not have a substantial effect on the study area population.

In conclusion, neither the products nor services provided by the potentially displaced businesses classify them either individually or collectively as having substantial economic value to the City or the region. Because House of Spices is the largest distributor of South Asian food products in the City, its displacement from the City could have some effect on consumers. However, this effect is not expected to be significantly detrimental to existing businesses and, as described below, there is potential for House of Spices to relocate within Queens.

Location Needs

Location needs for the various businesses located within the District differ by sector, and are therefore discussed in terms of auto-related and non auto-related sectors below.

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[1] Commercial Waste Management Study, March 2004. Prepared for DSNY by Henningson, Durham & Richardson Architecture and Engineering, P.C.

[2] http://www.nylpi.org/pub/Distribution___Capacities_of_Solid_Waste_Trasfer_Stations.pdf (November 2007).

Auto-Related Uses

Location in Willets Point is not essential to the viability of these businesses. In the business surveys conducted by Howard/Stein-Hudson, auto repair and maintenance owners stated the concentration of automotive businesses is a primary reason for these establishments to locate and remain within the District. The concentration is a draw for regular customers seeking their services, with new business derived through word of mouth or through the use of “promoters” that hail potential customers driving through the area with no specific shop in mind. However, other businesses indicated that location within Willets Point is not required.

Although many of the auto-related business owners stated that the cluster of auto uses in Willets Point contributed substantially to the success of their business, Willets Point is not the only cluster of such uses within Queens or the City as a whole. As highlighted in Figure 4-3, large clusters of auto uses are also located in Jamaica, Long Island City, and just outside the District in Flushing, with smaller clusters in Queens Village, Hollis, Springfield Gardens, South Ozone Park, and along Northern Boulevard in Elmhurst between Junction Boulevard and 111th Street. As discussed above, there are additional clusters in other boroughs, such as Hunts Point, Eastchester, and Jerome Avenue in the Bronx; Bay Ridge, Atlantic Avenue, and Flatlands Avenue in Brooklyn; and several on Staten Island. These clusters of auto uses indicate that businesses currently located in the District could relocate to other areas of the City and still be situated in close proximity to substantial numbers of other auto businesses.

Like the auto repair locations, there are additional wholesale automotive junkyards located throughout Queens, including in the surrounding study area as well as in Jamaica and Long Island City, and in other areas such as the Hunts Point auto cluster identified above. This indicates that automotive junkyards can successfully operate in other areas of Queens and New York City, particularly those that contain clusters of auto repair and maintenance establishments.

Relocation options were researched through conversations with local brokers at Massey Knakal, Kalman Dolgin, CB Richard Ellis, and Shalom & Zuckerbrot, as well as through online property searches. Though the industrial real estate market throughout the City is tight due to a loss of manufacturing-zoned land due to recent rezoning efforts, brokers indicated that space is available for automotive repair and service establishments, as well as the wholesale businesses, most likely in Jamaica, along Northern Boulevard in Elmhurst, in portions of Long Island City, and in areas of the Bronx and Brooklyn. A search of available industrial spaces suitable for these businesses indicated yearly rent for industrial spaces ranged from $6 to $17 per square foot (psf)[1] (depending on type of facility and location), which are mostly higher than the $5 to $8 psf range currently paid by auto-related businesses that participated in the Howard/Stein-Hudson business survey. However, brokers indicated that rents within the District are considerably lower than in other manufacturing areas as a result of substandard infrastructure conditions and environmental contamination concerns. Therefore, though these businesses may have to pay more in yearly lease costs (up to $10 psf or more), other manufacturing locations offer better facilities and business environments. The same is true for properties for sale. Average prices for Willets Point properties are in the $130 psf range, compared with $150 to $250 psf citywide.

Location could also impact the District workforce. In the survey conducted by Howard/Stein-Hudson, owners of auto repair and maintenance businesses stated that a large percentage of their

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[1] Rental costs psf obtained by DY Realty (www.dyrealty.com), Kalman Dolgin (www.kalmondolgin.com), Shalom & Zuckerbrot (www.s-z.com), July 2007

employees reside in Queens, with many in the surrounding communities of Corona and Flushing. These employees often walk, bike, or take public transportation to their place of work. Those in the wholesale sectors, however, said their employees often drive and come from farther away. However, other auto clusters are located directly along or nearby public transportation routes (subway and bus), providing access to workers throughout Queens. And since most workers in the auto-related wholesale sectors drive to work, location in Willets Point is not essential for access.

In conclusion, although location in Willets Point was reported to be advantageous by existing auto-related businesses, phone book research and conversations with local real estate brokers indicate that there are other areas of Queens where similar businesses are clustered and where the District businesses could likely relocate. While rents may be higher in available commercial and industrial spaces outside of the District, these locations offer better infrastructure and higher quality space than what is currently available in the District.

Non Auto-Related Businesses

The wholesale businesses within the District require large warehouse spaces (food wholesalers) or open storage yards (building material suppliers) within Queens or New York City for their operations. Proximity to highways is also important, since the majority of customers are local and have products shipped directly by truck. The location of these businesses within the District, however, is not tied to their viability. As described above, customers of the food distributors (House of Spices and Fodera Enterprises), as well as those of the building supply companies (T. Mina Supplies, T&T Suppliers), are located throughout the City, and for House of Spices, throughout the country. Customers order goods primarily by telephone or online, which are then shipped directly. Therefore, these businesses could locate elsewhere, since goods could be shipped from alternate locations with similar access to highway infrastructure. Conversations with real estate brokers, and online listings, also indicated that potential spaces are available in Queens for these businesses. In particular, relocation options for the food wholesalers are available in Long Island City and Maspeth, both of which have highway and bridge access. As shown in Table 4-7, large warehouse spaces up to 135,000 sf and vacant sites up to 15,000 sf were identified, with rents ranging from $6 psf to $16 psf, depending on size and amenities. One-story spaces with high ceilings are most desired, according to brokers. Brokers indicated that industrial spaces throughout the City are selling for between $150 and $250 psf. Prices vary based on the condition of the structure, and attributes such as ceiling heights, loading spaces, and access to transportation.

Additionally, the majority of the workforce at these businesses reaches the District by mass transit or by car; therefore, relocation to these sites, particularly in Jamaica or Long Island City, would not significantly affect workers.

The eight construction companies within the District work primarily with a local clientele. Therefore, location within Queens or New York City near highways and public transportation is required for the movement of supplies and workers. Although the District provides the desired location, highway, and transit access, location within the District is not essential to the viability of these businesses. The locations occupied by these businesses within the District are predominantly used for administrative office use and materials storage (e.g., Tully Construction, one of the largest employers in the District), with the majority of work activity occurring at off-site client locations in Queens, the City and beyond. Comparable office and storage space is available in other areas of the City, as indicated in Table 4-7, and with the majority of employment working off-site, relocation of office and storage space outside the District would not significantly affect workers.

Table 4-7
Industrial Rents: Queens County, July 2007

Neighborhood	Square Feet	Yearly Rent (psf)
Jamaica	5,000	$11.00
Jamaica	5,300	$16.00
Jamaica	20,000	$14.00
Jamaica	61,000	$11.00
Long Island City	2,500	$14.00
Long Island City	3,000	$17.00
Long Island City	6,000	$10.50
Long Island City	10,000	$12.00
Long Island City (vacant land)	15,000	$6.00
Long Island City	23,000	$9.50
Long Island City	30,000	$13.00
Long Island City	80,000	$10.00
Long Island City	106,000	$14.00
Long Island City	120,000	$10.00
Maspeth	13,000	$13.00
Maspeth	51,000	$9.00
Maspeth	135,000	$6.00
Ridgewood	7,500	$8.50
Ridgewood	20,000	$12.00

Sources: DY Realty (www.dyrealty.com), Kalman Dolgin (www.kalmondolgin.com), Shalom & Zuckerbrot (www.s-z.com), July 2007

The six businesses within the administrative and support and waste management services sector include the two waste transfer businesses (Crown Container and Tully Environmental), the tour bus operator (Kum Gang Tour, Inc., and Atlantic Express), the landscaping services firm (S&K Tree Services), and the security systems service (Unix CCTV Corp). Location of waste transfer facilities is limited to M3 zones and requires special permits that may be difficult to obtain based on strict regulations and environmental justice review. Additionally, existing permits are non-transferable from one location to another. Therefore, relocation of the District waste transfer businesses within Queens or other parts of the City could be difficult. However, vacant M3 land has been identified within Queens and other parts of the City. Therefore, although relocation would likely be difficult due to limited availability of M3 zoned parcels within the City, with proper permits, the potential for relocation does exist. Further, as described above, the waste currently handled by Crown Container could be handled at other facilities in the City, and the MTS recently approved for College Point will have the capacity to process the waste currently handled by Tully Environmental in the future with or without the proposed Plan. The remaining businesses within the sector (tour bus operator, landscaping services, and security systems service) would likely be able to relocate in other manufacturing zones within Queens or New York City.

The five manufacturing businesses include two iron works, a furniture manufacturer, a sign manufacturer and a sawdust manufacturer. These businesses do not require location within the District to remain viable; however, location near highways is beneficial for receiving raw materials and shipping finished products. The iron works and sawdust operations require facilities in M-3 zoned areas, custom designed spaces, and special permits to operate. Feinstein Ironworks and QC Iron Works require special permits that allow the use of flammable materials utilized at their operations. Bono Sawdust requires non-transferable permits from the New York City Fire Department (FDNY) and the New York City Department of Environmental Protection

(DEP). Broker information, however, suggests space is available for these operations in areas of Queens and the City. Numerous iron works, furniture, and sign manufacturer locations were identified in areas with vacant industrial spaces, including areas in Queens such as Jamaica, Maspeth, and Long Island City. Bono Sawdust's manufacturing operations could be relocated to a suitable industrial space in an M3-zoned district, such as Maspeth, where a similar business was identified.

The seven limited-service eating establishments can be located in all commercial zones. According to real estate brokers, these businesses would likely be able to relocate within the study area, or in other areas of Queens, since retail space is readily available. However, rental costs would likely increase, since rents in the District are depressed compared with other areas of the Queens and the City, due to substandard infrastructure and contamination issues.

Effect on Businesses and Consumers

<u>Auto-Related Uses</u>

The displacement of the 228 auto-related businesses would not have an adverse effect on businesses within the study area because there are other auto-related clusters located throughout Queens and the City, allowing businesses who purchase auto supplies and products to do so elsewhere. In addition, as discussed above, the potential exists for District auto businesses to relocate to other locations within Queens and the City. Although the cost of some products at auto-related businesses outside of the District could be higher than at District businesses, those products would still be readily available to study area businesses, and at price points that are common throughout New York City.

Study area businesses would not lose a substantial customer base with the displacement of District businesses. Because the District is isolated from its surrounding subareas (Downtown Flushing, Corona, and College Point), businesses in the study area would not miss spillover business from District customers, since these customers likely go to the District without patronizing other businesses.

Nor would consumers be adversely impacted by the displacement of the auto-related businesses. As discussed above, consumers who utilize the automotive repair, maintenance, wholesale and retail businesses that are located within the District have numerous opportunities to obtain similar services throughout Queens and the City, even locally in Flushing and along Northern Boulevard in Corona and Elmhurst. Some auto-related goods and services could be more costly at businesses outside the District, but those goods and services would still be available at prices that are common throughout New York City. Displacement of existing auto-related businesses in the District would not have a substantial effect on consumers.

<u>Non Auto-Related Uses</u>

The displacement of the 32 businesses within the District that do not work in auto-related trades would not adversely impact businesses or consumers within the surrounding study area. As described above, businesses within the District are physically isolated from establishments within the surrounding study area. Therefore, study area businesses do not rely on District businesses for their consumer base. In addition, since the majority of goods and services provided by the food wholesalers and construction companies are shipped directly from District locations to clients, study area businesses do not require proximity to District establishments.

Similarly, consumers would not be adversely impacted by the displacement of the non-auto-related businesses from the District. The wholesale food establishments are not retail establishments; therefore, few individual consumers come to the District to purchase goods. Customers (specialty food stores and restaurants) order substantial quantities via telephone or online, and have them shipped to their individual locations. Similarly, construction company products are shipped directly to off-site project locations, where the construction services are performed. Waste transfer clients would have other options within Queens and the City to dispose of waste materials.

Institutions

Institutional uses are often more adversely affected by displacement than business uses because they must relocate nearby in order to continue to serve to a local membership or clientele. However, this is not the case for the Queensboro Motorcycle Club, because its membership is not limited to the community living within the study area. The facility is used for weekly organizational meetings, with members who live throughout Queens and beyond. Large events sponsored by the club, such as their annual Motorcycle Rodeo, are held outside City limits. The institution could be relocated and still serve its membership.

THE FUTURE WITHOUT THE PROPOSED PLAN

This section describes the business and economic conditions that are expected in the future without the proposed Plan between now and 2017 in the study area. As discussed in Chapter 3, the District itself is not expected to experience substantial change in the future without the proposed Plan. Though some redevelopment or improvements may occur, the overall low-density, industrial zoning regulations, substandard infrastructure, and contamination concerns are expected to prevent substantial change within the District. Therefore, absent the proposed Plan, it is expected the overall business activity and employment will continue, and remain relatively isolated from activity and changes in the surrounding neighborhoods.

Zoning and public policy is anticipated to continue to support commercial and residential growth and development in the study area surrounding the District, with the most prominent development project, the new Citi Field, currently under construction in the parking lot of Shea Stadium, directly across the street from the Willets Point Development District. Approximately 53 additional development projects are either under construction or proposed for the study area. These include several large-scale mixed-use developments, such as the approximately 250,000-sf Queens Crossing in Downtown Flushing; Flushing Commons, the hotel, residential, retail and office complex on Municipal Lot #1; and the proposed MTS and NYPD academy, both in College Point. Overall, known developments planned for the study area would add an estimated 5,553 employees to the study area, increasing total study area employment by 13 percent over existing conditions.

THE FUTURE WITH THE PROPOSED PLAN

In the future with the proposed Plan, the 260 businesses and institutions and their 1,711 employees would be directly displaced from the District.

Should the proposed Plan be approved, all businesses currently located in the District would be offered a relocation package, which would likely include financial coverage for certain moving costs, re-establishment fees, and use of brokerage services to find alternative locations. NYCEDC is currently working with owner-occupied businesses in the District to identify viable relocation properties within New York City. Potential relocation sites are located throughout Queens and other parts of New York City. At this time, it is not possible to predict exactly where District businesses would relocate if they were displaced by the proposed Plan. However, it can be assumed that they would relocate to other parts of the City that are zoned to permit auto-related and other industrial uses.[1] None of the businesses located in the District are large emitters of air pollutants (none require a State Facility or Title 5 permit), and none have unique operational characteristics that might cause them to have particular potential for effects on the environment. Therefore, it is unlikely that individual District businesses would have the potential to result in significant adverse impacts in the areas to which they would relocate. As most District businesses would relocate individually, it is not expected that particular neighborhoods would experience an influx of new industrial uses. However, as no specific relocations plans are available, any definitive assessment of the potential for significant adverse impacts would be speculative. Consequently, it is not possible to make site-specific conclusions about the potential for significant adverse impacts due to business relocation activity.

The City would also offer assistance to individual employees working at businesses that are subject to direct displacement. In partnership with the New York City Department of Small Business Services (SBS), NYCEDC has retained LaGuardia Community College to develop a Workforce Assistance Plan for District workers who would be displaced by the proposed Plan. LaGuardia Community College is in the process of developing an 18-month program that would provide assistance to displaced employees, including job training and job placement services, ESL and GED coursework, and additional social services. The program would begin upon approval of the proposed Plan.

As described above under “Existing Conditions,” auto-related businesses would account for the largest number of displaced businesses (228 of 260) with a total of 1,069 jobs, or 62 percent of District employment. This includes 163 businesses that specialize in auto repair, maintenance and service (561 jobs); the 54 retail trade establishments selling new and used automotive parts (423 jobs); the 6 wholesale trade businesses which specialize in salvage operations and resale of parts (70 jobs); and the 5 towing companies in the transportation and warehousing sector (15 jobs).

An additional 31 businesses and one institutional use, which employ a combined 642 workers (38 percent of total District jobs) would also be displaced as a result of the proposed Plan. Four wholesale trade businesses employing 198 workers would be displaced, including specialty food distributors House of Spices and Fodera Enterprises, building supply wholesalers T. Mina Supplies, and welding supplier T&T Supply Company. Five manufacturing sector businesses which employ 79 persons would also be displaced, including Bono Sawdust, a sign manufacturer, and an industrial kitchen equipment manufacturer. Eight construction sector businesses (153 jobs), including four general contractors and a large District employer, Tully Construction, would be displaced. Two waste transfer facilities with a combined 160 employees, Crown Container and Tully Environmental (and its subsidiary, Evergreen Recycling of Corona), would be displaced, as would the tour bus operator, the landscaping service, and the security systems service (20 employees combined). Seven limited-service food establishments employing a total of 21 people, as well as a gas station and a health club (with two and 11 employees,

[1] In general, the auto clusters described above are zoned to allow auto-related uses. However, recent and proposed rezonings in Jamaica and Hunts Point have sought to limit the areas where auto-related uses can locate and have required that many auto-related uses be located in enclosed buildings. Although these regulations may make it difficult for some auto-related uses—such as open-air junkyards—to relocate to these areas, there are other areas of the city where auto uses are clustered and where zoning allows new auto-related uses.

respectively) would also be displaced. Finally, one institutional use, the Queensboro Motorcycle Club, would be displaced. It has no employees.

The displacement of the above businesses as a result of the proposed Plan would not have an adverse impact on consumers and businesses within the study area or the City as a whole. Businesses in the surrounding study area do not rely on the potentially displaced District businesses for their customer base, nor do they need to be within close proximity to the potentially displaced establishments, many of whom ship goods directly to customers. Additionally, customers can find the products and services provided by the displaced businesses at other locations within the study area or within Queens and the City.

Although the displacement of the 260 businesses and institutions and their associated employment would significantly alter the neighborhood character of the District itself, it would not contribute to a change in neighborhood character within the study area as a whole. The physical isolation of the District would prevent these changes from altering the distinct neighborhoods within the study area surrounding it. The economic sectors with the highest employment in the study area (those that define its character) are health and public assistance, accommodation and food services, and retail trade, and are not defining elements of the District. Therefore, the displacement of the businesses and institution within the District would not constitute a substantial shift in the neighborhood character of the overall study area such that a significant impact would occur. In fact, new employment resulting from the proposed Plan (the majority in retail and office uses) would be more consistent with the surrounding study area.

DETERMINING IMPACT SIGNIFICANCE

According to Section 331.2 of the *CEQR Technical Manual*, the identification of impacts for direct business and institutional displacement depends on whether the businesses and institutions are important to the City's economy, whether they can be relocated within the study area or City as a whole, and whether they are a defining element of neighborhood character. The detailed business and institutional displacement analysis finds that for the most part, the businesses and institutions that would be displaced from the District by the proposed Plan do not, individually or collectively, have an important or substantial value to the City; are able to relocate within Queens or the City as a whole; and are not a defining element of the study area's neighborhood character. Though some businesses may have difficulty relocating within the City as a result of increased rents, restrictive zoning and permitting requirements, the products or services they provide are found at other locations within the City, and therefore though impacts would occur, they would not be considered significant. Therefore, the proposed Plan would not result in significant adverse impacts due to direct business and institutional displacement.

THE NO CONVENTION CENTER SCENARIO

The number and type of businesses and institutions that would be displaced by the proposed Plan would be the same with or without the convention center. Therefore, the No Convention Center Scenario, like the proposed Plan, would not result in a significant adverse impact due to direct business displacement.

E. DETAILED ANALYSIS OF INDIRECT RESIDENTIAL DISPLACMENT

The preliminary assessment for indirect residential displacement indicated the need for further investigation into the proposed Plan's potential to result in significant adverse impacts. According to Section 332.1 of the *CEQR Technical Manual*, the approach to a detailed analysis of indirect residential displacement is similar to that of the preliminary assessment, but requires more in-depth analysis of Census information and may include field surveys. The objective of this analysis is to characterize existing conditions of residents and housing in order to identify populations that may be vulnerable to displacement (populations "at risk"), to assess current and future socioeconomic trends in the area that may affect these populations, and to examine the potential effects of the proposed Plan on prevailing socioeconomic trends and, thus, its impact on the identified populations at risk.

In accordance with the *CEQR Technical Manual*, this analysis is divided into three sections: existing conditions, which details population and housing characteristics; conditions in the future without the proposed Plan; and potential impacts of the proposed Plan and Lot B, which describe conditions in the future with the proposed Plan and concludes whether they would result in significant adverse indirect residential displacement impacts.

EXISTING CONDITIONS

This section describes the population and housing characteristics of the study area as it relates to potential indirect residential displacement. It outlines trends data since 1989, and compares the study area characteristics with the characteristics of Queens and New York City as a whole. Where available, more recent information is presented from 2006, to provide a more current representation of population and housing demographics within the study area.

POPULATION

The study area had 35,411 persons in 2000, an increase of 9.9 percent from 1990 (see Table 4-8). This is comparable to the population growth in New York City (9.4 percent), but lower than the growth in Queens (14.2 percent). Within the study area, nearly half of the population lived in South Flushing (47.1 percent or 16,671 persons). Between 1990 and 2000, the population in this area increased by 13.7 percent, or 2,006 residents. Over the same period, North Corona's population increased by 18.4 percent, from 5,076 persons in 1990 to 6,008 persons in 2000.

Table 4-8
Population Change 1990 to 2006

	1990	2000	Est. 2006	% Change 1990-2000	% Change 2001-2006
Study Area	32,209	35,411	38,324	9.9	8.2
College Point	87	60	62	-31.0	3.9
North Corona	5,076	6,008	6,500	18.4	8.2
Greater Flushing	27,046	29,342	31,760	8.5	8.2
North Flushing	5,471	5,873	6,208	7.4	5.7
Downtown Flushing	6,910	6,798	7,496	-1.6	10.3
South Flushing	14,665	16,671	18,064	13.7	8.4
Queens County	1,951,598	2,229,379	2,255,175	14.2	1.2
New York City	7,322,564	8,008,278	8,214,426	9.4	2.6

Notes: 2006 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 2001 and 2006. Most recent 2006 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; New York City Department of Finance; Real Property Assessment Data; AKRF, Inc..

Based on the RPAD 2007 Database, which includes data up to December 2006, approximately 1,082 housing units were added to the study area between 2001 and 2006. The majority of the new units are located in South Flushing (44.3 percent), followed by Downtown Flushing (27.6

percent), North Flushing (13.7 percent), and North Corona (14.3 percent). Applying the study area's 2000 Census figures for household size and occupancy rates to the new residential units, the population in the study area increased by an estimated 2,913 residents between 2001 and 2006 (8.2 percent). This growth rate was higher than the estimated rate of growth in Queens (1.2 percent) and New York City (2.6 percent) for the same period.

For the most part, the study area saw a shift in age, yielding an older population between the ages of 35 and 64 (see Table 4-9). However, similar to Queens and New York City, the study area saw a decrease in the percentage of residents age 65 and older. Both in 1990 and 2000, roughly a quarter of the study area population was between the ages of 35 and 49. This portion of the population saw the highest increase (2.8 percentage points) during these 10 years, due in large part to North Flushing, where the percent of population in this age bracket increased from 18.4 percent to 24.0 percent. While Queens and New York City both experienced growth in the proportion of population age 17 or younger, the study area saw a slight decrease (-0.7 percentage points).

Table 4-9
Age Distribution as Percent of Total Population

1990						
	0-17	**18-29**	**30-34**	**35-49**	**50-64**	**65+**
Study Area	20.5	19.6	10.6	22.7	13.4	13.2
College Point	24.1	21.8	4.6	24.1	16.1	9.2
North Corona	23.0	24.2	11.3	20.4	11.7	9.4
Greater Flushing	20.0	18.8	10.5	23.1	13.7	13.9
North Flushing	17.6	17.6	7.2	18.4	15.2	24.1
Downtown Flushing	18.1	18.0	11.2	23.2	13.9	15.6
South Flushing	21.8	19.6	11.3	24.9	13.1	9.4
Queens County	20.9	19.6	9.2	20.7	14.9	14.8
New York City	23.0	20.1	9.2	20.9	13.7	13.0
2000						
	0-17	**18-29**	**30-34**	**35-49**	**50-64**	**65+**
Study Area	19.8	18.9	8.9	25.5	14.6	12.3
College Point	20.0	16.7	6.7	16.7	20.0	20.0
North Corona	24.9	25.4	9.8	19.9	11.4	8.7
Greater Flushing	18.7	17.6	8.7	26.7	15.2	13.1
North Flushing	17.0	16.1	6.9	24.0	16.7	19.3
Downtown Flushing	18.6	15.0	8.1	26.8	15.2	16.2
South Flushing	19.4	19.1	9.6	27.7	14.7	9.6
Queens County	22.8	17.9	8.5	23.1	14.9	12.7
New York City	24.2	18.5	8.6	22.4	14.5	11.7
Sources: U.S. Bureau of the Census, 1990 and 2000 Census Summary File 1.						

Known residential projects that were recently completed or expected to be completed by 2017 would add approximately 3,159 residential units to the study area by 2017 (see Table 2-1 in Chapter 2). These projects range from smaller residential developments with less than 10 residential units to larger residential developments, such as Sky View Parc with 1,200 residential units, and Flushing Commons with approximately 500 residential units. In total, the projects would add 8,211 new residents to the study area, increasing the 2006 population of the study area to 46,535.[1]

HOUSEHOLDS AND INCOME

Overall, the study area grew in total households and average household size between 1990 and 2000. In sum, there were 12,643 households in 2000 (see Table 4-10), with an average household size of 2.80—slightly higher than the citywide average (2.59). From 1990 to 2000, the average household size increased by 5.3 percent in the study area, though slightly less in Queens (3.7 percent). On the other hand, New York City decreased its household size by 0.4 percent. With the exception of College Point, average household size grew in all parts of the study area during this time period. North Corona experienced the largest increase in household size over 10 years—11.3 percent—from 3.0 in 1990 to 3.34 in 2000. Downtown Flushing and College Point, while accounting for the smallest portion of the study area's population, experienced a decrease in total number of households (25.7 percent and 2.2 percent, respectively). Total households increased in all other subareas.

Table 4-10
Household Characteristics

	Total Households			Average Household Size		
	1990	**2000**	**% Change**	**1990**	**2000**	**% Change**
Study Area	11,898	12,643	6.3	2.66	2.80	5.3
College Point	35	26	-25.7	2.49	2.31	-7.2
North Corona	1,634	1,798	10.0	3.00	3.34	11.3
Greater Flushing	10,229	10,818	5.8	2.61	2.71	3.8
North Flushing	2,340	2,449	4.7	2.34	2.40	2.6
Downtown Flushing	2,798	2,736	-2.2	2.35	2.46	4.7
South Flushing	5,091	5,633	10.6	2.87	2.96	3.1
Queens County	720,149	782,664	8.7	2.71	2.81	3.7
New York City	2,819,401	3,021,588	7.2	2.60	2.59	-0.4

Sources: 1990 and 2000 U.S. Census, Summary File 1 and Summary File 3, AKRF, Inc

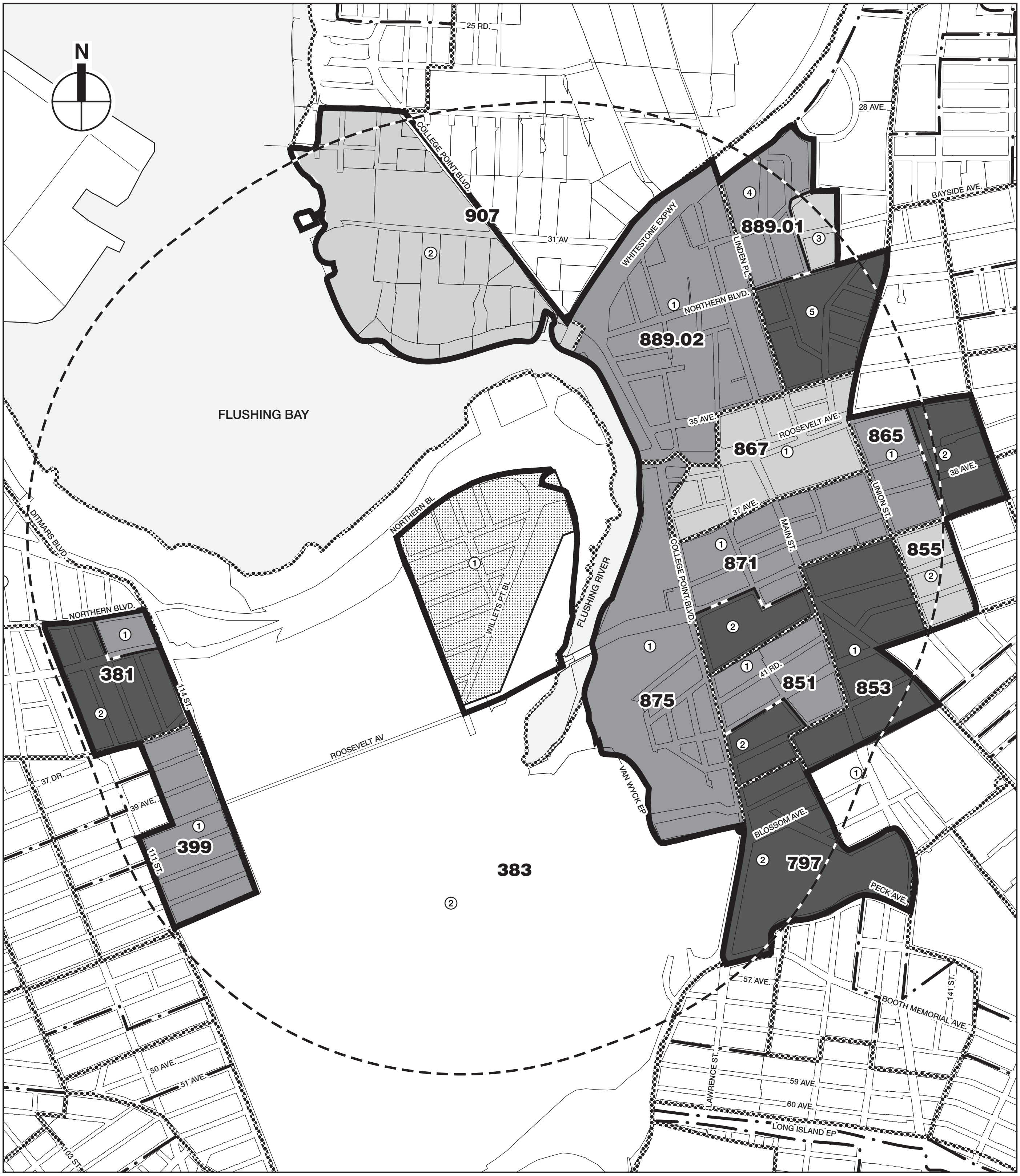
As illustrated in Figure 4-7, the poverty rate in the study area in 2000 was 23.6 percent, 9 percentage points higher than the borough-wide rate, and 2.4 percentage points higher than the poverty rate for New York City as a whole (see Table 4-11). With the exception of College Point, which included only 26 households and where all incomes were at or above the poverty level, the poverty rates in the study area ranged from 20.4 percent in North Flushing to 24.6 percent in South Flushing.

Median household income for the study area was $39,612 in 1999, lower than the median incomes for Queens ($55,115) and New York City ($49,731).[2] Within the study area subareas, the median household income ranged from $33,978 in Downtown Flushing to $49,165 in College Point. Between 1989 and 1999, the study area's median household income decreased by 11.9 percent, compared with an 8.4 percent decrease in Queens and a 5.3 percent decrease in New York City.

[1] Population was projected for the new units based on the 2000 occupancy rate (96.63 percent) and average household size (2.69 persons per household) for Community District 7.

[2] All income figures are presented in constant 2008 dollars.

4.17.08



Willets Point Development District

Residential Study Area Boundary

3/4-Mile Perimeter

415 Census Tract

1 Census Block Group

Percent of Population Below Poverty Level

Under 15%

15%-25%

25%-40%

0 500 1000 FEET

SCALE

Figure 4-7
Percentage of Population Below Poverty Level, 1999

Table 4-11
Income and Poverty Status

	Median Household Income			Poverty Status		
	1989	1999	%Change	1989	1999	%Change
Study Area	$44,984	$39,612	-11.9	19.4	23.6	21.6
College Point	$47,577	$49,165	3.3	32.0	0.0	NA
North Corona	$46,284	$40,781	-11.9	24.2	24.3	0.4
Greater Flushing	$44,786	$39,497	-11.8	18.5	23.5	27.0
North Flushing	$41,680	$37,690	-9.6	15.1	20.4	35.1
Downtown Flushing	$39,536	$33,978	-14.1	22.0	23.3	5.9
South Flushing	$49,025	$43,053	-12.2	18.	24.6	36.7
Queens County	$60,171	$55,115	-8.4	10.9	14.6	33.9
New York City	$52,491	$49,731	-5.3	19.3	21.2	9.8

Notes: Median household income presented in constant 2008 dollars based on the U.S. Department of Labor Bureau of Labor Statistics' January 2008 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

Table 4-12 shows the distribution of household incomes within the study area in 1999. Over 60 percent of households within the study area had incomes below $51,947. Within the study area, Downtown Flushing had a higher portion of households at this income level (72 percent). In comparison, approximately half of households in Queens and New York City had incomes below $51,947.

Table 4-12
1999 Household Income Distribution

	Less than $19,479		$19,480-$38,960		$38,961-$51,946		$51,947-$77,920		$77,921 and over	
	Population	Percent	Population	Percent	Population	Percent	Population	Percent	Population	Percent
Study Area	3,258	25.4	3,154	24.6	1,479	11.5	2,469	19.2	2,486	19.4
College Point	0	0.0	10	45.5	7	31.8	0	0.0	5	22.7
North Corona	410	22.4	457	24.9	198	10.8	412	22.5	357	19.5
Greater Flushing	2,848	25.9	2,687	24.4	1,274	11.6	2,057	18.7	2124	19.3
North Flushing	689	27.0	628	24.6	242	9.5	506	19.8	488	19.1
Downtown Flushing	874	31.2	700	25.0	435	15.5	366	13.1	423	15.1
South Flushing	1,285	22.8	1,359	24.1	597	10.6	1,185	21.0	1213	21.5
Queens County	134,118	17.1	137,267	17.5	93,964	12.0	151,390	19.3	265,907	34.0
New York City	699,727	23.2	528,944	17.5	328,995	10.9	506,650	16.8	958,161	31.7

Note: Median household income presented in constant 2008 dollars based on the U.S. Department of Labor Bureau of Labor Statistics' January 2008 Consumer Price Index for all urban Consumers for New York-Northern New Jersey-Long Island.
Sources: 2000 U.S. Census, Summary File 3, AKRF, Inc.

Higher income households were underrepresented in the study area, with 19 percent of households with incomes above $77,921. South Flushing had a slightly higher percentage of households at this income level, at 22 percent. However, approximately one-third of households in the City and in Queens had incomes above $77,921 (see Table 4-12).

HOUSING

Between 1990 and 2000, the housing stock in the study area grew by 4.7 percent, compared with an 8.6 percent increase in Queens and a 7.0 percent increase in New York City (see Table 4-13). The greatest increase was in North Corona, where the housing stock increased by 9.6 percent (from 1,726 units in 1990 to 1,891 units in 2000). North Flushing and South Flushing followed, with a 6.2 and 6.1 percent increase, respectively, in the number of housing units between 1990 and 2000. The number of housing units in College Point decreased by 36.6 percent, from 41 housing units in 1990 to 26 housing units in 2000.

As shown in Table 4-13, the vacancy rate in the study area was 3.7 percent in 2000, which was lower than both Queens (4.2 percent) and New York City (5.6 percent). South Flushing had the lowest vacancy rate in the study area, at 1.6 percent. The highest vacancy rate in the study area was in North Flushing (5.7 percent). Owner occupancy in the study area was 23.8 percent, ranging from 12.4 percent in Downtown Flushing to 50.0 percent in College Point. The overall owner occupancy rate in the study area was lower than both Queens and New York City (42.8 percent and 30.2 percent, respectively).

Based on 2000 Census data, the overall age of the housing stock in the study area closely mirrors that of Queens, with most housing units built between 1940 and 1959 (see Table 4-14). Within the study area, the highest proportion of homes were built between 1940 and 1959 (35.4 percent). The next highest share of housing units were built between 1960 and 1979 (34.3 percent). Of the 4,521 units built during this time, the largest proportion—42.3 percent (1,943 units) were located in South Flushing.

Table 4-13
Housing Unit Characteristics

	Total Housing Units			2000 Vacancy Rate		2000 Tenure, All Occupied Units	
	1990	2000	Est. 2006	% Occupied	% Vacant	% Owner Occupied	% Renter-occupied
Study Area	**12,545**	**13,130**	**14,212**	**96.3**	**3.7**	**23.8**	**76.2**
College Point	41	26	27	100	0	50.0	50.0
North Corona	1,726	1,891	2,046	95.1	4.9	32.7	67.3
Greater Flushing	10,778	11,212	12,138	96.5	3.5	22.3	77.7
North Flushing	2,445	2,597	2,745	94.3	5.7	43.9	56.1
Downtown Flushing	2,936	2,888	3,187	94.7	5.3	12.4	87.7
South Flushing	5,397	5,727	6,206	98.4	1.6	17.7	82.3
Queens County	**752,690**	**817,250**	**832,512**	**95.8**	**4.2**	**42.8**	**57.2**
New York City	**2,992,169**	**3,200,912**	**3,311,065**	**94.4**	**5.6**	**30.2**	**69.8**

Notes: 2006 housing units were estimated for the study area based on RPAD from the New York City Department of Finance. All buildings constructed during the period between 2001 and 2006 were considered new housing units and added to the 2000 Census Bureau total. Estimates for 2006 housing units for Queens and New York City were from U.S. Census Bureau's Annual Estimates of Housing Units.
Sources: 1990 and 2000 U.S. Census, Summary File 1, AKRF, Inc.

Table 4-14
2000 Units by Year Built

	Built 1939 or Earlier		Built 1940 to 1959		Built 1960 to 1979		Built 1980 to 2000		Total Housing Units	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Study Area	2,270	**17.2**	4,662	**35.4**	4,521	**34.3**	1,731	**13.1**	13,184	**100.0**
College Point	6	**23.1**	14	**53.8**	6	**23.1**	-	**0.0**	26	**100.0**
North Corona	347	**18.5**	742	**39.6**	477	**25.5**	307	**16.4**	1,873	**100.0**
Greater Flushing	1,917	**17.0**	3,906	**34.6**	4,038	**35.8**	1,424	**12.6**	11,285	**100.0**
North Flushing	374	**14.3**	967	**37.0**	1,106	**42.3**	170	**6.5**	2,617	**100.0**
Downtown Flushing	598	**20.4**	921	**31.4**	989	**33.7**	426	**14.5**	2,934	**100.0**
South Flushing	945	**16.5**	2,018	**35.2**	1,943	**33.9**	828	**14.4**	5,734	**100.0**
Queens County	240,565	**29.4**	336,899	**41.2**	189,669	**23.2**	50,117	**6.1**	817,250	**100.0**
New York City	1,151,286	**36.0**	998,069	**31.2**	762,214	**23.8%**	289,343	**9.0**	3,200,912	**100.0**

Notes: The number of housing units in this table presents sample data from Summary File 3. However, the total number of housing units in Table 4-13, "Housing Unit Characteristics," presents 100 percent data from Summary File 1.
Sources: U.S. Department of Commerce, Bureau of the Census, 1990 and 2000 Census, Summary File 3.

The study area gained approximately 1,082 housing units between 2001 and 2006, bringing the total number of units to 14,212 (an 8.2 percent increase). South Flushing experienced the greatest absolute growth (479 units) while Downtown Flushing experienced the greatest relative growth (10.3 percent).

Table 4-15 shows housing value characteristics of the study area, Queens, and New York City. Overall, in 2000 the median contract rent in the study area ($902) was comparable with Queens ($908), but was 10.8 percent higher than New York City as a whole ($814). Within the study area, South Flushing had the highest median contract rent ($974), followed by North Corona ($917) and Downtown Flushing ($904). College Point had the lowest median contract rent in the study area, at $433.

Table 4-15
Households and Housing Value Characteristics

	Total Households			Median Contract Rent			Median Housing Value	
	1990	2000	% Change	1990	2000	% Change	1990[2]	2000
Study Area	**11,898**	**12,643**	**6.26**	**$899**	**$902**	**0.36**	**NA**	**$169,497**
College Point	35	26	-25.7	$1,009	$433	-57.1	NA	$251,911
North Corona	1,634	1,798	10.0	$875	$917	4.8	NA	$228,249
Greater Flushing	10,229	10,818	5.8	$902	$901	-0.1	NA	$153,996
North Flushing	2,340	2,449	4.7	$610	$658	7.8	NA	$101,689
Downtown Flushing	2,798	2,736	-2.2	$986	$904	-8.2	NA	$181,661
South Flushing	5,091	5,633	10.7	$951	$974	2.4	NA	$195,405
Queens County	**720,149**	**782,664**	**8.7**	$851	$908	**6.7**	**NA**	**$259,720**
New York City	**2,819,401**	**3,021,588**	**7.2**	$744	$814	**9.4**	**NA**	**$278,614**

Notes:
1. Median contract rent and median housing value presented in 2008 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."

Sources: 1990 and 2000 U.S. Census, Summary File 1 and Summary File 3, AKRF, Inc.

The median housing value in the study area was $169,497, which was 34.7 percent lower than Queens ($259,720) and 39.2 percent lower than New York City ($278,614). The median housing value ranged by $150,222, from $101,689 in North Flushing to $251,911 in College Point.

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 data do not always accurately reflect true market rental rates and sales prices. To obtain a more accurate picture of current market rate home values and rental rates, additional information was gathered from local real estate sources. These listings indicate that current housing prices are substantially higher than those reported in the 2000 Census. According to Prudential Douglas Elliman, the median sales price for homes sold between January and June 2007 was approximately $751,354 (in 2008 constant dollars) in zip code 11368, which includes North Corona and the District, but extends beyond the study area (see Figure 4-2). This was approximately 3.3 times more than the median housing value of North Corona and the District as reported by the 2000 Census ($228,249). The median price for homes between January and June 2007 for zip code 11354, which includes College Point, North Flushing, and Downtown Flushing, was $537,666, approximately 4.4 times more than the median home value for College Point, North Flushing, and Downtown Flushing in 2000, which was $120,961 (in 2008 constant dollars). The median price of homes sold between

January and June 2007 in zip code 11355, which includes South Flushing, was $495,286,[1] 2.5 times more than the median home value in South Flushing in 2000 ($191,347).

Table 4-16 presents monthly rental rates in North Corona, College Point, and Flushing, based on listings gathered from several real estate sources, such as *The New York Times*, Prudential Douglas Elliman, and Carollo Realty in July 2007 (in 2008 constant dollars). The average monthly rental rate for current apartment listings in North Corona ranges from $983 for a studio to $1,600 for a 3-bedroom unit. College Point's average rental rate for apartments ranges from $1,379 for a studio to $1,820 for a 3-bedroom unit. The high average rental rates in College Point are primarily due to a new luxury building called Waterview Plaza at 14-34 110th Street, with rents ranging from $1,225 to $1,530 per month for a studio, $1,634 per month for a one-bedroom unit, and $2,042 per month for a two-bedroom unit. The average rental rate in Flushing ranges from $988 for a studio to $2,113 for a 3-bedroom unit.

Table 4-16
Current Monthly Rental Rates[1]

	North Corona	College Point[2]	Flushing
Average Monthly Rent			
Studio	$983	$1,379	$988
1 Bedroom	$1,379	$1,468	$1,270
2 Bedroom	$1,447	$1,732	$1,550
3 Bedroom	$1,600	$1,820	$2,113
Median Monthly Rent	$1,328	$1,685	$1,430

Notes:
[1] All figures presented in 2008 constant dollars.
[2] College Point's rental rates are skewed by a new 6-story development, Waterview Plaza, at 14-34 110th Street.
Sources: *The New York Times,* Prudential Douglas Elliman, Carollo Realty, Century21, House.info Real Estate (July 2007)

RENT-REGULATED AND NON-REGULATED HOUSING

The rental rates for many of the housing units in New York City are controlled through several mechanisms: rent control, rent stabilization, direct public subsidies to landlords, and public ownership. There are two main types of rent regulation programs in New York City: rent control and rent stabilization. Rent control limits the rent an owner may charge for an apartment and restricts the right of an owner to evict tenants. In New York City, the rent control program applies to apartments in residential buildings containing three or more units and constructed before February 1947. For an apartment to fall under rent control, the tenant must have been living in that apartment continuously since before July 1, 1971. When a rent controlled apartment becomes vacant, it either becomes rent stabilized or, if it is in a building with fewer than six units, is removed from regulation. Rent stabilization limits the annual rate at which rents can increase. In New York City, rent stabilization generally applies to apartments in buildings containing six or more units built between February 1, 1947 and January 1, 1974. An apartment is no longer subject to rent stabilization if it becomes vacant and could be offered at a legal

[1]Prudential Douglas Elliman: http://www.prudentialelliman.com/MainSite/Neighborhoods/ Neighborhood Detail.aspx?HCode=FLUSHING (July 13, 2007).

regulated rent of $2,000 or more, or if it is occupied by tenants whose total annual household income exceeds $175,000.[1]

Other types of housing that are rent regulated include Section 8 housing, public housing, Mitchell-Lama developments, and other HPD-owned housing. As described in Chapter 3, the study area contains several public housing complexes; within the ¾-mile study area are Leavitt Street-34th Avenue homes, Latimer Gardens, and James A. Bland homes (all New York City Housing Authority [NYCHA] housing developments). These buildings contain a total of 1,960 residents, representing 5.1 percent of the study area population.

In accordance with *CEQR Technical Manual* guidelines, the number of unregulated units was estimated based on Census data and data obtained from the New York City Department of Finance's RPAD database. Table 4-17 shows the methodology and unit count for the estimated number of unregulated units in the study area. As shown in the table, approximately 1,882 occupied dwelling units in the study area are in buildings of five units or less. There are an additional 2,538 units in buildings with more than five units that are not likely to fall under rent regulation. By applying the 2000 Census owner-occupancy rate to these units (on a tract-by-tract basis), there are an additional 2,021 rental units that are not likely to fall under rent regulation. In total, approximately 3,903 units, or approximately 34.1 percent of the total renter-occupied housing units in the study area, are not likely to be covered by rent control or rent stabilization. The remaining 65.9 percent of the rental units are in structures containing six or more housing units, and were built prior to 1974, and therefore are potentially afforded protection under either rent control or rent stabilization.[2] In comparison, according to the 2005 New York City Housing and Vacancy Survey, approximately 63.4 percent of renter-occupied units in New York City and 53.1 percent of renter-occupied units in Queens were rent protected in 2005.[3]

[1] Rent regulations obtained from the New York State Division of Housing and Community Renewal, Office of Rent Administration and the New York City Rent Guidelines Board.

[2] The actual percentage of rent-regulated units may be lower, given that some of the units may no longer be subject to rent stabilization based on the stipulations described above.

[3] New York Housing and Vacancy Survey, 2005. Series IA, Table 14, "Renter Occupied Housing Units by Rent Regulation Status." (http://www.census.gov/hhes/www/housing/nychvs/2005/s1at14.html)

Table 4-17
Unprotected Units

Row			Study Area	Notes
1	Base of Unprotected Units: Units in Buildings with 1-5 Units	Number of occupied renter-units in buildings with 1-4 units	1,724	Number of units in buildings with 1-4 units (RPAD) * renter occupancy rate for buildings with 1-4 units (2000 Census)
2		Number of units in buildings with 5 units	255	Derived from RPAD
3		Number of renter-occupied units in buildings with 5 units	158	(Row 2) * renter occupancy rate for buildings with 5-9 units (2000 Census).
4		Total number of rental units in 1-5 unit buildings	1,882	(Row 1) + (Row 3)
5	Additional Unprotected Units: Units in Buildings Built After January 1, 1974	Total units (renter- and owner-occupied) built between 1974 and 2006	3,644	Derived from RPAD
6		Total units (renter- and owner-occupied) built between 1974 and 2006 and in buildings with 5 units or less	1,023	Derived from RPAD
7		Total units (owner & renter-occupied) in buildings with more than 5 units, built after January 1, 1974	2,538	(Row 5) - (Row 6) - Public housing units built between 1974 and 2006 (RPAD)
8		Number of rental units in buildings with more than 5 units, built after January 1, 1974	2,021	(Row 7) * (renter occupancy rate for buildings with 5+ units)
9	Total Unprotected Rental Units	Percent of renter-occupied units that are unprotected	34.1%	(Row 4) + (Row 8) / (Total number of renter-occupied units)
10		Number of renter-occupied units that are unprotected	3,903	(Row 4) + (Row 8)

Sources: U.S. Department of Commerce, Bureau of the Census, 2000 Census, Summary File 3; New York City Department of Finance; Real Property Assessment Data 2006; AKRF, Inc.

IDENTIFYING POPULATION AT RISK

According to the *CEQR Technical Manual*, a population at risk of indirect displacement consists of people living in privately held units unprotected by rent control, rent stabilization, or other forms of rent control, whose incomes or poverty status indicate that they could not support substantial rent increases that would occur as a result of the proposed Plan and anticipated development on Lot B. To determine whether a population at risk exists in the study area, the *CEQR Technical Manual* recommends analyzing Census data on income and renters in structures containing fewer than six units, combined with data on other factors, including the presence of subsidized housing and land use.

The following steps were used to identify a population at risk:

1. Census 2000 tract-level data were used to determine the average household income of renters in small (one to four units) buildings. As described above, these buildings are not generally subject to rent regulation laws.
2. For each census tract, the average household income for renters in small buildings was compared with the average household income for all renters in Queens ($55,269 in 2008 dollars). If the average for small buildings was lower than the borough-wide average for all renters, the census tract was identified as having a potentially at-risk population.
3. For each census tract identified as having a potentially at-risk population, the number of households in unregulated units was estimated using the methodology shown in Table 4-17.

As shown in Table 4-18, there are eight census tracts in the study area where the average income for renters in unregulated units is lower than the average income for Queens renters (shown in italics in the table). These tracts are highlighted in Figure 4-8 and described below.

CENSUS TRACT 381

Census Tract 381, located west of the Willets Point Development District[1], forms the northeast portion of North Corona. Consisting mostly of residential use, this tract is separated from the District by Shea Stadium. As of 2000, the housing stock in this part of the study area consisted of smaller, older buildings constructed before 1960. According to RPAD, 70 units were constructed between 2001 and 2006, increasing the 2000 total housing stock by 4.3 percent.

As of the 2000 Census, Tract 381 had an average household size of 3.41 persons per household, roughly 26.8 percent higher than the study area average of 2.69 persons per household. In 1999, the average household income for renters in unprotected buildings in Tract 381 ($51,643) was approximately 6.6 percent lower than the average for all renters living in Queens ($55,269). Of all rental units, there are approximately 1,003 persons living in 294 unprotected units in this tract who are potentially vulnerable to displacement pressures.

CENSUS TRACT 853

Tract 853, is located in the South Flushing subarea. Historically, the tract increased its housing stock by 4.6 percent from 1990 to 2000; however, only 18 residential units were constructed between 2001 and 2006—a 0.8 percent increase. The majority of households in Tract 853 reside

[1] Block Groups One and Two in Census Tract 381 are the only block groups within the socioeconomic study area.

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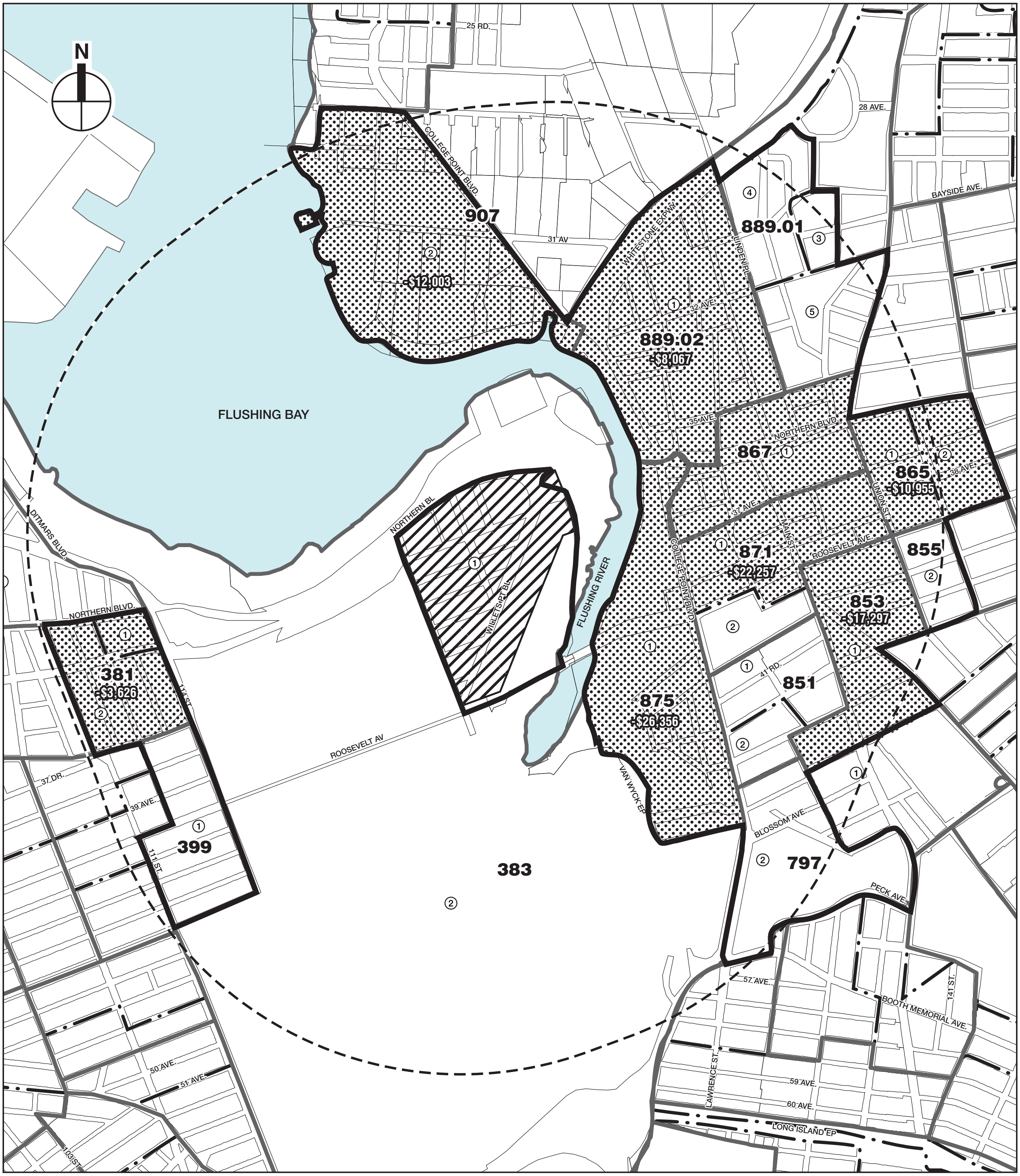

Willets Point Development District

Residential Study Area Boundary

3/4-Mile Perimeter

415 Census Tract

① Census Block Group

Census Tracts with Vulnerable Populations

-$17,297 Difference between average household income for unprotected units and average household income for all renters in Queens ($55,269)

Figure 4-8

Census Tracts Containing Population Vulnerable to Indirect Displacement

in dense high-rise buildings with more 50 units (73.4 percent), including The Stanton (351 units) and The Park Regent (204 units).

Table 4-18
Average Household Income for Renters in Small Buildings and All Renter-Occupied Buildings in Queens (1999)[1]
and Number of Unprotected Housing Units by Tract

Census Tract[2]	Average Household Income in Small Buildings[3]	Difference between Small Buildings and Borough Average[4]	Unprotected Units
381	***$51,643***	***$(3,626)***	***294***
383[5]	$49,735	$(5,533)	0
399	$62,189	$6,920	458
797	$65,516	$10,248	220
851	$56,221	$952	694
853	***$37,972***	***$(17,297)***	***506***
855	$58,022	$2,753	0
865	***$44,313***	***$(10,955)***	***699***
867	***$51,375***	***$(3,894)***	***325***
871	***$33,011***	***$(22,257)***	***153***
875	***$28,913***	***$(26,356)***	***52***
889.01	$86,633	$31,364	398
889.02	***$47,202***	***$(8,067)***	***90***
907	***$43,266***	***$(12,003)***	***15***
Total Units			3,903[5]

Notes:
[1] Average household income presented in constant 2008 dollars based on the U.S. Department of Labor Bureau of Labor Statistics' January 2008 Consumer Price Index for all urban Consumers for New York-Northern New Jersey-Long Island.
[2] Census tracts shown in bold italics are those in which the average household income for small renter-occupied buildings is lower than the average household income for all renters in Queens.
[3] The average household income for small renter-occupied buildings is based on renter-occupied units in buildings with one to four units.
[4] This number represents the difference between the average household income for renters in small buildings and the adjusted average household income for all Queens renters ($55,269).
[5] The average household income for renters in small buildings in tract 383 is lower than the average for Queens renters. However, housing units in this tract are located outside of the ¾-mile study area perimeter and therefore are not included in the "unprotected unit" count.
[6] Detailed amounts may not add to totals due to rounding.
Sources: U.S. Census Bureau, 2000 Census, Summary File 3.

Block Group 1 of Census Tract 853 contains 506 unprotected renter-occupied units. The tract's household size of 2.31 persons per household is 16.5 percent smaller than that of the study area (2.69 persons per household). U.S. Census data from 2000 indicate the average household income for renters in small buildings within this tract was $37,972, roughly 31.3 percent lower than the average for all renters in Queens. In total, there are approximately 1,169 residents living in 506 unprotected units in this tract who are potentially vulnerable to displacement pressures.

CENSUS TRACT 865

Census Tract 865 is located in Downtown Flushing at the eastern edge of the study area. The tract primarily comprises high-rise residences, followed by some commercial and institutional uses. Similar to Tract 853, the majority of housing units consisted of buildings with 50 or more units (64.3 percent) in 2000. Most homes are relatively older, with roughly 48.9 percent of residential units constructed before 1960. RPAD data indicate that 129 housing units were built between 2001 and 2006—a 6.7 percent increase over the number of units in 2000.

As of the 2000 Census, households in Tract 865 were smaller than households in other study area tracts, having an average household size of 2.26. Renters in small buildings earned an average household income of $44,313—19.8 percent lower than the Queens average income for renters ($55,269). An estimated 699 housing units in Tract 865 are unprotected. These units contain approximately 1,580 residents.

CENSUS TRACT 867

Census Tract 867 is located in the heart of Downtown Flushing. It is bisected by Northern Boulevard, and includes a mix of primarily commercial and residential uses. Home to 289 housing units in 2000, this tract experienced the most rapid growth in residential units within the study area, increasing its total stock by 41.2 percent (189 units) between 2001 and 2006. By 2017, another 435 residential units are scheduled to be constructed within the tract. Projects with a residential component that are currently planned for the tract include the RKO Theater complex (200 residential units) and New Millennium (84 units).

As of 2000, there were a total of 867 persons living within the study area portion of this tract. The average household size for the tract was 3.19—18.5 percent lower than the study area average. Renters in small buildings earned an income of $51,375—7.6 percent lower than the average income for all Queens renters. There are an estimated 325 unprotected housing units in Census Tract 867, containing approximately 1,036 residents.

CENSUS TRACT 871

Census Tract 871 is located south of Tract 867, and comprises a large portion of Downtown Flushing. Land use within this tract is heavily commercial. The largest residential building is the 400-unit James A. Bland NYCHA complex on Roosevelt Avenue. As of 2000, this complex housed 56.5 percent of the tract's population (937 residents)[1]. A large portion of residential units were constructed between 1950 and 1959 (41.9 percent). Between 2001 and 2006, Tract 871 increased its number of residential units by 7.1 percent (51 units).

Persons residing within Tract 871 earned a median household income ($33,011), which was 40.3 percent lower than the study area's median, due in part to the presence of the James A. Bland public housing complex. The 2000 average household size for the tract was 2.74. An estimated 419 residents living in 153 units are potentially vulnerable to displacement pressures.

CENSUS TRACT 875

Situated directly east of the Flushing River, Census Tract 875 comprises predominantly commercial and industrial land uses, permeated by some residential use along 40th Road, east of College Point Boulevard. With a total of 47 rental units in 2000, this tract contained the lowest number of units among all census tracts in the study area. More than half of the 102 housing units in the tract were built before 1939 (57.8 percent). Between 2001 and 2006, a total of six units were constructed.

[1] nyc.gov/html/nycha/html/home/home.shtml. New York City Housing Authority (March 3, 2008).

Renters living in small buildings earned the lowest average household income in the study area ($28,913), nearly half as much as the Queens average income for all renters. The 2000 average household size for the tract was 3.63. Between 2001 and 2006 only six units were added. Out of all renter-occupied units, 52 units were unprotected; approximately 189 residents living within these units are considered vulnerable to displacement pressures.

CENSUS TRACT 889.02

Census Tract 889.02 forms the northwest portion of North Flushing. While this tract is relatively close in proximity to the District, it is separated from the District by the Flushing River. Land uses in this tract are predominantly industrial, with small pockets of two to three-story residential uses on Prince and Farrington Streets. Approximately 63 percent of residential units in the tract were built before 1939; there were no units added between 2001 and 2006. Two known projects scheduled for construction within this tract include The New Millennium, containing 84 dwelling units; and a new 9,887 square foot hotel.

Census data indicate that there were 602 people living in tract 889.02 in 2000, with an average household size of 3.19 persons per household. The average household income for renters living in small buildings in the tract was $47,202—17.1 percent lower than the average for Queens renters. Out of all renter-occupied units, 90 were unprotected; approximately 287 residents living within these units are considered vulnerable to displacement pressures.

CENSUS TRACT 907

Forming the southwest portion of College Point, the study area portion of Census Tract 907[1], is bordered by 28th Avenue to the north, College Point to the east, and Flushing Bay to the south and west. Industrial and manufacturing uses dominate most of the tract; all residential units are concentrated in the northwest corner. Within this tract, only one unit was built after 1979. The only known project planned for the tract is the North Shore Marine Transfer Station.

As of 2000, the Census reported a total of 60 persons living in 26 housing units in tract 907. The average household size for the tract was 2.87 persons per household. Renters living in small buildings earned an average income of $43,266—27.7 percent lower than the Queens average income for all renters. This analysis identified 15 unprotected units in the tract, containing an estimated 43 residents at risk of displacement.

FUTURE WITHOUT THE PROPOSED PLAN

This section describes the population and housing conditions that are expected in the future without the proposed Plan, and presents development and population changes that are projected to occur in the study area through 2017. The analysis is based on projects known to be planned for the study area.

POPULATION

Based on the 2000 study area average household size (2.69) and occupancy rate (96.6 percent), the study area will gain an additional 8,211 residents by 2017, bringing the total population to 46,535 residents. This is a 21.4 percent increase from the population in 2006. It is not possible to know the socioeconomic characteristics of the estimated 8,211 residents who will be introduced to the study area in the future without the proposed Plan. However, based on the types of

[1] Only Block Group 2 of Census Tract 907 is included in the study area.

residential projects currently planned for the study area (primarily market-rate), it is likely that the new population would have incomes that are substantially higher than the current average for the study area.

HOUSING

The study area is experiencing an influx of new residential development. Absent the proposed Plan, the study area is expected to gain 3,159 residential units by 2017 (see Table 4-19) for a total of 17,371 housing units. Overall, this is a 22.2 percent increase from the number of units in 2006. It is anticipated that the vast majority of new units will be rented or sold at the current market rate value. For example, condominiums are expected to cost between $400,000 and $1.2 million at Sky View Parc.[1] Current rents for available housing units in the area are significantly higher than median contract rents in 2000, as reported in the Census. The median contract rent for current apartment listings in North Corona is $1,328 per month, approximately 45 percent higher than the median contract rent in 2000. The median rental rate in College Point is $1,685 per month, which is approximately 3.9 times more than the 2000 median contract rent. The median contract rent in Flushing is $1,430 per month, which is approximately 59 percent higher than the median contract rent in 2000 (see Table 4-16, above).[2] Thus, new units scheduled to be constructed by 2017, independent of the proposed Plan, would likely rent or sell at these prices or higher.

Table 4-19
Population and Housing Growth: the Future Without the Proposed Plan, 2006-2017

	Housing Units				Population			
	2006	2006-2017 Growth	2017	Percent Growth 2006-2017	2006	2006-2017 Growth	2017	Percent Growth 2006-2017
Study Area	14,212	3,159	17,371	22.2	38,324	8,211	46,535	21.4

Notes: Population growth was calculated by applying the 2000 average household size and vacancy rate of the study area to the number of housing anticipated to be added between 2006 and 2017.
Sources: U.S. Department of Commerce, Bureau of Census: 1990 and 2000 Census.

PROBABLE IMPACTS OF THE PROPOSED PLAN

The analysis of the future with the proposed Plan considers the effects of the proposed Plan and Lot B in the context of existing conditions and the future without the proposed Plan. This section analyzes the uses under the proposed Plan by 2017 and evaluates the potential for indirect residential displacement associated with those uses.

HOUSING AND POPULATION CHANGES

The proposed Plan would result in the addition of up to 5,500 residential units to the study area, increasing the housing stock to 22,871 units in 2017. This addition would increase the residential

[1] Lauren Elkies, "Unlovely Queens gets new suitors," *The Real Deal*, December 2006, http://www.the realdeal. net/issues/DECEMBER_2006/1164919559.php (July 24, 2007).

[2] According to the US Census Bureau, median contract rent is the middle value of the monthly rent agreed to or contracted for, regardless of any furnishings, utilities, fees, meals, or services that may be included. In addition, this figure is based all area rents, including rent-controlled and rent-stabilized housing units, those of which are less frequently advertised. Although median contract rent is not directly comparable to current rental listings, the disparity between the median contract rent in 2000 and current listings indicate that there has been a notable increase in rents.

units by approximately 31.7 percent in the study area by 2017 as compared with the future without the proposed Plan. Based on the 2000 average household size for the study area (2.69), the proposed Plan would add up to 14,795 residents to the study area by 2017, an increase of 31.8 percent compared with the 2017 future without the proposed Plan population (see Table 4-20).

Table 4-20
Population and Housing Growth: Proposed Plan Condition, 2017

	Housing Units				Population			
	2017 without proposed Plan	Project Increment	2017 with Proposed Plan	Percent Growth	2017 without Proposed Plan	Project Increment	2017 with Proposed Plan	Percent Growth
Study Area	17,371	5,500	22,871	31.7	46,535	14,795	61,330	31.8

Notes: Population growth was calculated by applying the 2000 average household size and vacancy rate for the primary and secondary study area to the number of housing anticipated to be added between 2006 and 2017.

Sources: U.S. Department of Commerce, Bureau of Census: 1990 and 2000 Census, AKRF site visits and New York City Department of City Planning.

INDIRECT RESIDENTIAL DISPLACEMENT ANALYSIS

According to the *CEQR Technical Manual*, indirect displacement of a residential population most often occurs when an action increases property values and thus rents throughout a study area, making it difficult for some existing residents to continue to afford to live in the community. The manual states that:

> If the proposed action may introduce a trend or accelerate a trend of changing socioeconomic conditions *and* if the study area contains population at risk, then it can be concluded that the action would have an indirect displacement impact. Understanding the action's potential to introduce or accelerate a socioeconomic trend is a function of the size of the development resulting from the action compared to the study area and the type of action (does it introduce a new use or activity that can change socioeconomic conditions in the study area)…Generally, if the proposed action would increase the population by less than 5 percent, it would not be large enough to alter socioeconomic trends significantly.

As mentioned above, the proposed Plan would increase the study area population by 14,795 residents (or 31.8 percent) over the future without the proposed Plan condition. Although the *CEQR Technical Manual* does not suggest thresholds for determining the significance of indirect residential displacement impacts, it does say that an impact could generally be considered significant and adverse if "households or individuals would be displaced by legal means…they would not be likely to receive relocation assistance, and, given the trend created or accelerated by the proposed actions, they would not be likely to find comparable replacement housing in their neighborhood." While there is the potential for limited indirect displacement as a result of the proposed Plan, such displacement would not have the potential to adversely affect socioeconomic conditions in the study areas. This detailed analysis of the potential for indirect residential displacement impacts estimates that the study area contains approximately 2,134 units (5,726 residents) in Census Tracts 381, 853, 865, 867, 871, 875, 889.02, and 907 that could be at risk of indirect displacement if their rents were to increase (see Figure 4-8**).** This would account for approximately 9.3 percent of units in the study area with the proposed Plan in 2017.

There are a number of reasons why indirect residential displacement of population identified as at risk would not actually take place in the future with the proposed Plan, including:

- **The District is geographically separated from the identified at-risk population, limiting its potential to influence residential trends in those areas.** The potential for development in the District to substantially affect housing values and socioeconomic characteristics in the surrounding study area is limited by the geographic separation of the District from surrounding communities by the Flushing River, Van Wyck Expressway, Flushing Meadows-Corona Park, and the new Citi Field complex, and the well-established nature of those surrounding communities. For example, Tract 865, which contains an estimated 699 at-risk households (the highest number of all tracts in the study area), is separated from the District not only by the Flushing River and the Van Wyck Expressway, but also by heavily concentrated commercial development in Downtown Flushing (see Figure 4-9). Similarly, tract 381, which contains an estimated 294 at-risk households, is separated from the District by Shea Stadium and associated parking fields and by the Hinton Park and Louis Armstrong playgrounds, which are directly west of the Shea Stadium complex. Such barriers limit the visual and physical connection between the District and surrounding areas, making it likely that the District would be considered a distinct neighborhood and separate residential market in the future with the proposed Plan. Pedestrian connectivity between the District and surrounding areas is also limited. Since Roosevelt Avenue serves as the only pedestrian access route to the District from the east, and pedestrians walking to the District from the west need to cross the Shea Stadium parking fields, even the closest at-risk residential units in the study area are located at a ½-mile walking distance from the District. Limited pedestrian access and considerable walking distances reinforce the separation between the District and surrounding communities, making it unlikely that the District could substantially affect residential market trends in the study area. While at-risk households in tracts that are in closest proximity to the District—907, 889.02 and 875 (containing a total of 157 vulnerable units)—may appear more susceptible to displacement, they too are separated by the same physical barriers and intervening uses mentioned above, and are a considerable walking distance from the District. Given the distance between the identified at-risk population and the District, and the intervening uses, market pressures that could cause rents to rise in unprotected units are not anticipated to be particularly strong.

  In addition, to the extent that residential displacement would occur in the future, it would be influenced by factors other than the proposed Plan and anticipated development on Lot B. As illustrated in Figure 4-9, there are a number of large-scale residential developments planned for locations between the District and the identified at-risk population. These developments are likely to have a greater influence on residential market trends in those tracts than the proposed Plan and Lot B. For example, Census Tracts 853, 867, and 871 are estimated to contain a total of 984 at-risk households. Flushing Commons, a major mixed-use development scheduled to be completed by 2011, will add 500 residential units to Tract 871, increasing the tract's 2006 housing stock by 68.8 percent—from 727 units to 1,227 units. A project of this scale, located in the immediate vicinity of the identified at-risk housing units, would have greater potential to influence residential market values in Tracts 853, 867 and 871, than the proposed Plan and Lot B. In addition, commercial development in Downtown Flushing further separates these Tracts from the District. Similarly, Sky View Parc is scheduled to introduce 1,200 residential units to Census Tract 875 by the end of 2008, and the RKO Theater Complex and New Millennium projects will introduce a total of 375 units to Tracts 867 and 889.02, respectively. These projects will exert greater influence on residential market values in Tracts 867 and 889.02 than the proposed Plan. In sum, the presence of geographic boundaries and intervening land uses would limit the possibility for the proposed Plan and Lot B to influence residential market conditions. At the same time, planned residential development in the study area would have greater potential to influence

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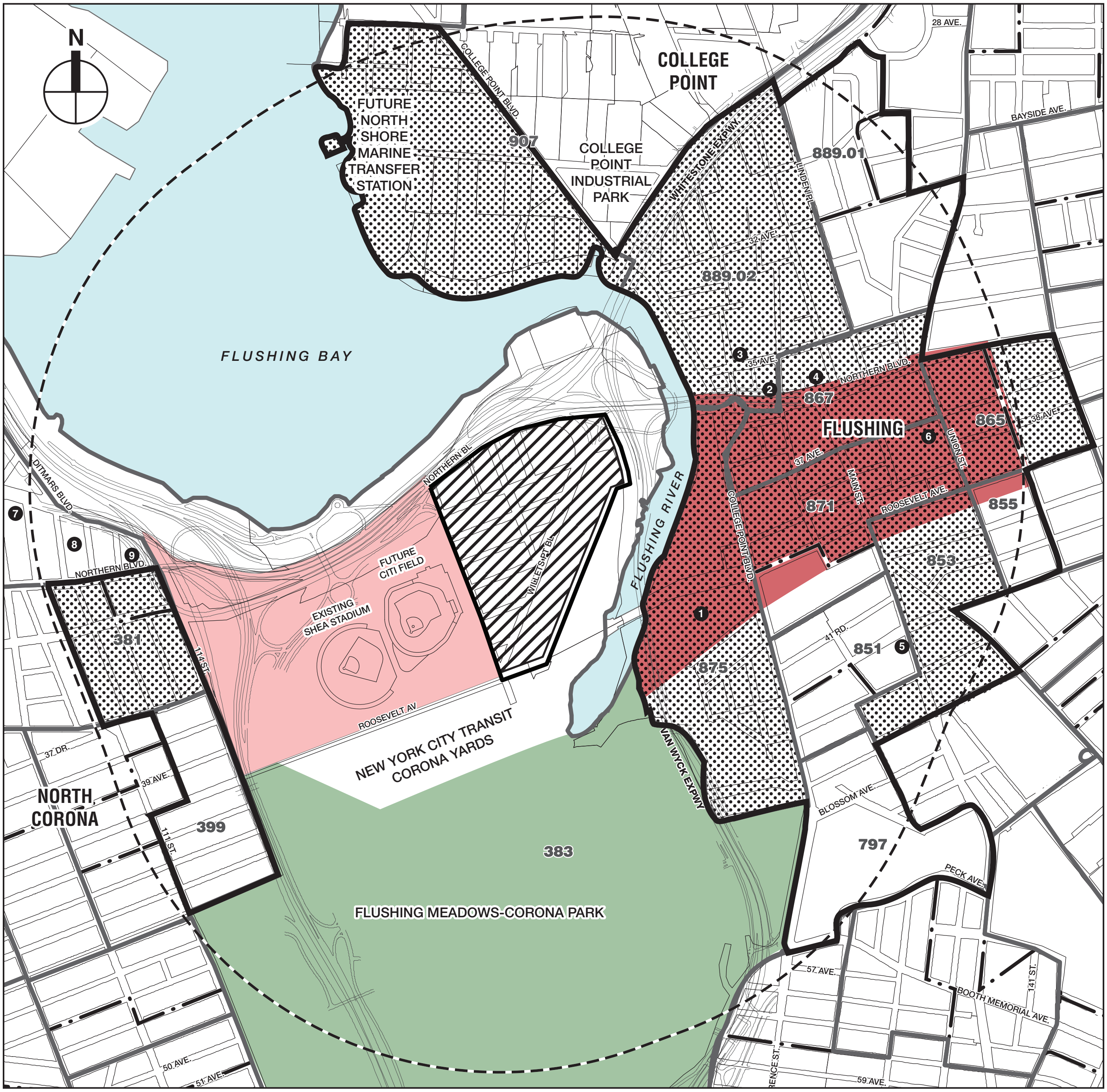


Willets Point Development District

Residential Study Area Boundary

3/4-Mile Perimeter

415 Census Tract

Census Tract Containing Vulnerable Population

1 Selected Residential Projects to be Completed by 2017

Flushing

Shea Stadium

Residential Projects to be Completed

1	Sky View Parc	1,200 Units
2	RKO Keith Theater Complex	200 Units
3	New Millennium	84 Units
4	New Milllennium Northern Blvd.	91 Units
5	Victoria Tower	178 Units
6	Flushing Commons	500 Units
7	108-04, 14, 16 Astoria Blvd.	84 Units
8	111-110, 12, 16 Astoria Blvd.	78 Units
9	Block Bounded by Astoria Blvd., Northern Blvd., and 112th Pl.	147 Units

0 500 1000 FEET
SCALE

Figure 4-9
Factors Limiting District's Potential to Affect Housing Values

residential market trends in tracts identified as containing at-risk population than the proposed Plan and Lot B.

- **By adding new housing units, the proposed Plan could serve to relieve rather than increase market pressure in the study area.** The proposed Plan would introduce 5,500 new residential units to the study area. By adding a substantial number of new housing units, the proposed Plan could relieve, rather than increase, market pressure in the study area. As of the 2000 Census, the housing vacancy rate in the study area was only 3.7 percent, lower than the vacancy rate for both Queens (4.2 percent) and the City (5.6 percent). Low vacancy rates coupled with the substantial number of market-rate housing units recently completed or currently planned for the study area indicate that demand for housing in the study area is high. It is likely that demand for housing in the study area will continue to increase in the future with or without the proposed Plan. The proposed Plan would provide additional market-rate housing in an area where demand is high. This would decrease pressure to upgrade existing study area housing in order to meet this market-rate demand. Thus, by providing additional housing in an area where demand is high, the proposed Plan could absorb housing demand that might otherwise be expressed through increases in rents in the study area. This could reduce displacement pressures on the at-risk population in the study area.
- **The proposed Plan would introduce 1,100 affordable housing units to the study area.** Although the population that would be introduced by the proposed Plan may include a larger proportion of households at higher incomes, the proposed Plan's affordable housing component would ensure that a substantial portion of the new population would have incomes that would more closely reflect existing incomes in the study area. Some portion of the population introduced under the proposed Plan may have socioeconomic characteristics that are different from the existing study area population; however, this is not expected to lead to significant indirect residential displacement.

F. DETAILED ANALYSIS OF INDIRECT BUSINESS DISPLACEMENT DUE TO COMPETITION

According to the *CEQR Technical Manual*, development activity such as shopping facilities may attract sales from existing stores. While these competitive socioeconomic impacts do not necessarily generate environmental concerns, they can become an environmental concern if they have the potential to affect neighborhood character by affecting the viability of neighborhood shopping areas. The approximately 1.7 million sf of destination and local retail under the proposed Plan and the 184,500 sf of retail on Lot B could potentially result in indirect displacement due to competition. Therefore, this section evaluates whether potential indirect displacement from competition could result in significant adverse impacts.

DELINEATION OF THE TRADE AREA

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 new stores' sales are likely to be derived. As defined by Urban Land Institute's *Shopping Center Development Handbook,* trade areas for shopping centers similar in size to the proposed Plan would generally extend 12 miles from the site, and typically can be reached within a 30-minute drive. Shopping centers expect to draw 70 to 80 percent of their regular customers from this trade area.

Trade areas for major retail projects 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 area. A 12-mile radius from the District extends throughout Queens and into Brooklyn, Manhattan, and the Bronx, as well as Nassau County, NY; Hudson County, NJ; and Westchester County, NY. This would not be an appropriate trade area for the proposed Plan because many of those traveling from the more distant reaches of a 12-mile trade area would be traveling past destination retail concentrations of equal or greater size to reach the District. For example, residents of Nassau County are more likely to regularly visit closer retail destinations such as Roosevelt Field Mall.

Thus, for purposes of analysis, the Primary Trade Area for the proposed Plan is an adjusted five-mile perimeter around the District (see Figure 4-10). The five-mile perimeter was adjusted to exclude the portions of Manhattan and the Bronx that fall within this area. Thus, the Primary Trade Area is roughly bounded by Long Island Sound on the north, the East River on the west, Alley Pond Park on the east, and Rockaway Boulevard on the south. The proposed Plan would likely draw a substantial number of customers from throughout Queens because of the retail center's proximity to major roadways, its merchandise mix, and the regional attraction created by the 1.7 million sf of retail space. It is expected that 70 to 80 percent of the proposed Plan's customer base would be drawn from the Primary Trade Area.

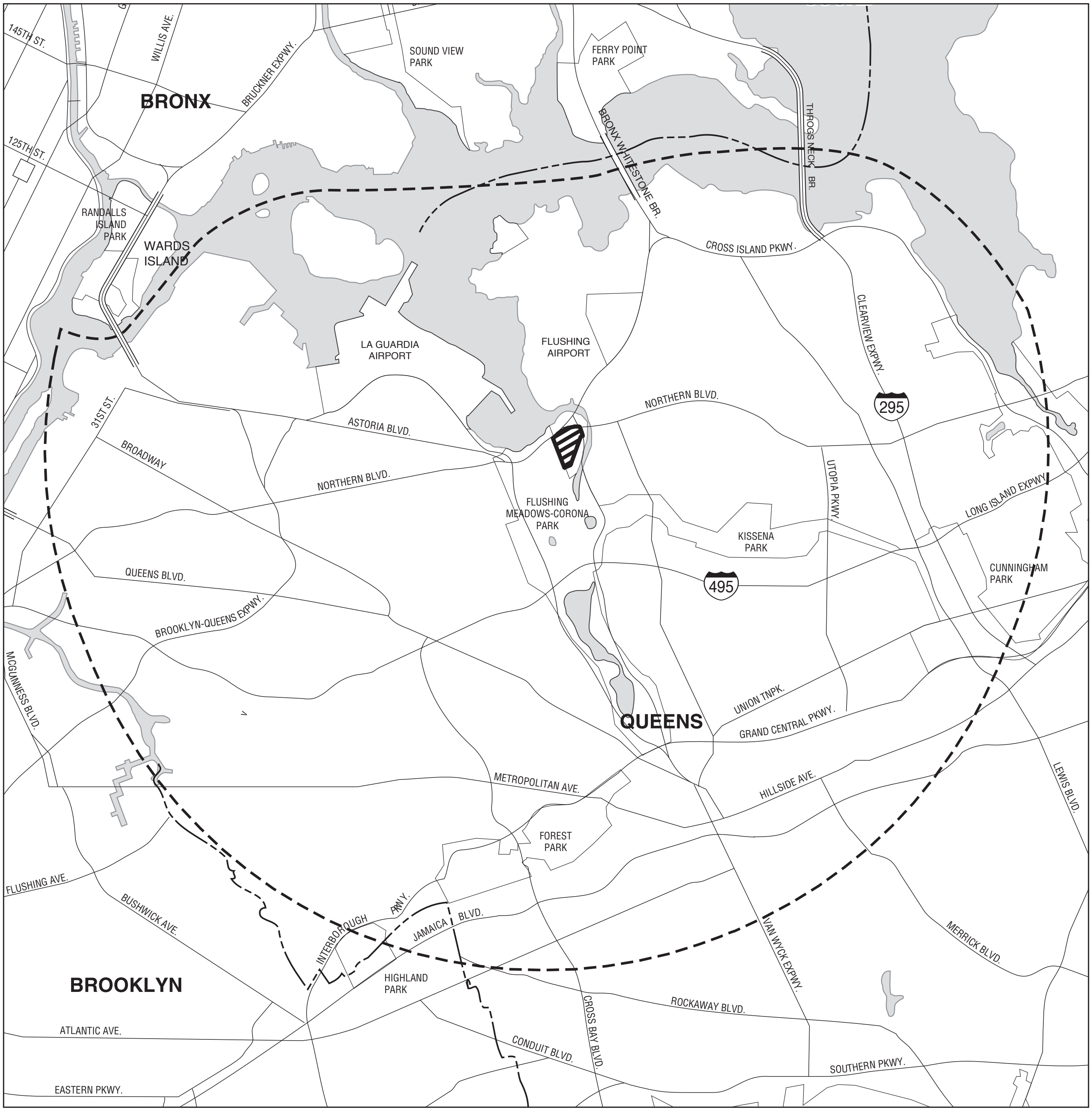
RETAIL EMPLOYMENT AND SALES TRENDS IN THE PRIMARY TRADE AREA

This analysis assesses employment and sales in four major retail categories: shoppers' goods, convenience goods, building materials and garden supplies, and eating and drinking establishments. These categories were analyzed because the proposed Plan could introduce retail in each category. Shoppers' goods are usually higher value goods—such as clothing, electronics, or furniture—for which consumers compare quality and price at more than one store before making a purchase. Convenience goods are usually lower value goods that are purchased frequently and immediately, often near the home or workplace, with little or no comparison shopping. The building materials and garden supplies category includes goods such as hardware, paint, building materials and supplies, and lawn and garden equipment and supplies. The eating and drinking establishment category includes restaurants, bars, and other special food services, such as caterers.

Employment and sales data for department stores and grocery stores—subsets of the shoppers' goods and convenience goods categories, respectively—are also analyzed. This analysis focuses on these stores in particular because grocery stores and department stores often serve as anchors for retail concentrations, and the proposed Plan could introduce stores offering products that would substantially overlap with typical grocery store or department store offerings.

Between 1987 and 2005, the number of jobs in these four major retail categories (shoppers' goods, convenience goods, building materials and garden supply, and eating and drinking establishments) in Queens increased by 15.1 percent, from 64,757 jobs in 1987 to 74,520 in 2005. Between 1987 and 2002, total retail sales increased by 18.3 percent in constant dollar terms[1], from approximately $9.5 billion in 1987 to $11.2 billion in 2002. As shown in Table 4-21 and Figure 4-11, total retail sales decreased between 1987 and 1992. This mirrors the retail trend in New York City (see Table 4-22 and Figure 4-11), and was attributable to a broad economic downturn in the late 1980s and early 1990s. Sales for all categories increased between 1992 and 2002, which is in line with the economic recovery in the mid 1990s.

[1] All dollar values shown in Section F, "Detailed Analysis of Indirect Business Displacement Due to Competition," are presented in 2008 dollars, i.e., adjusted to account for inflation.



Willets Point Development District

Primary Trade Area

Figure 4-10
Primary Trade Area

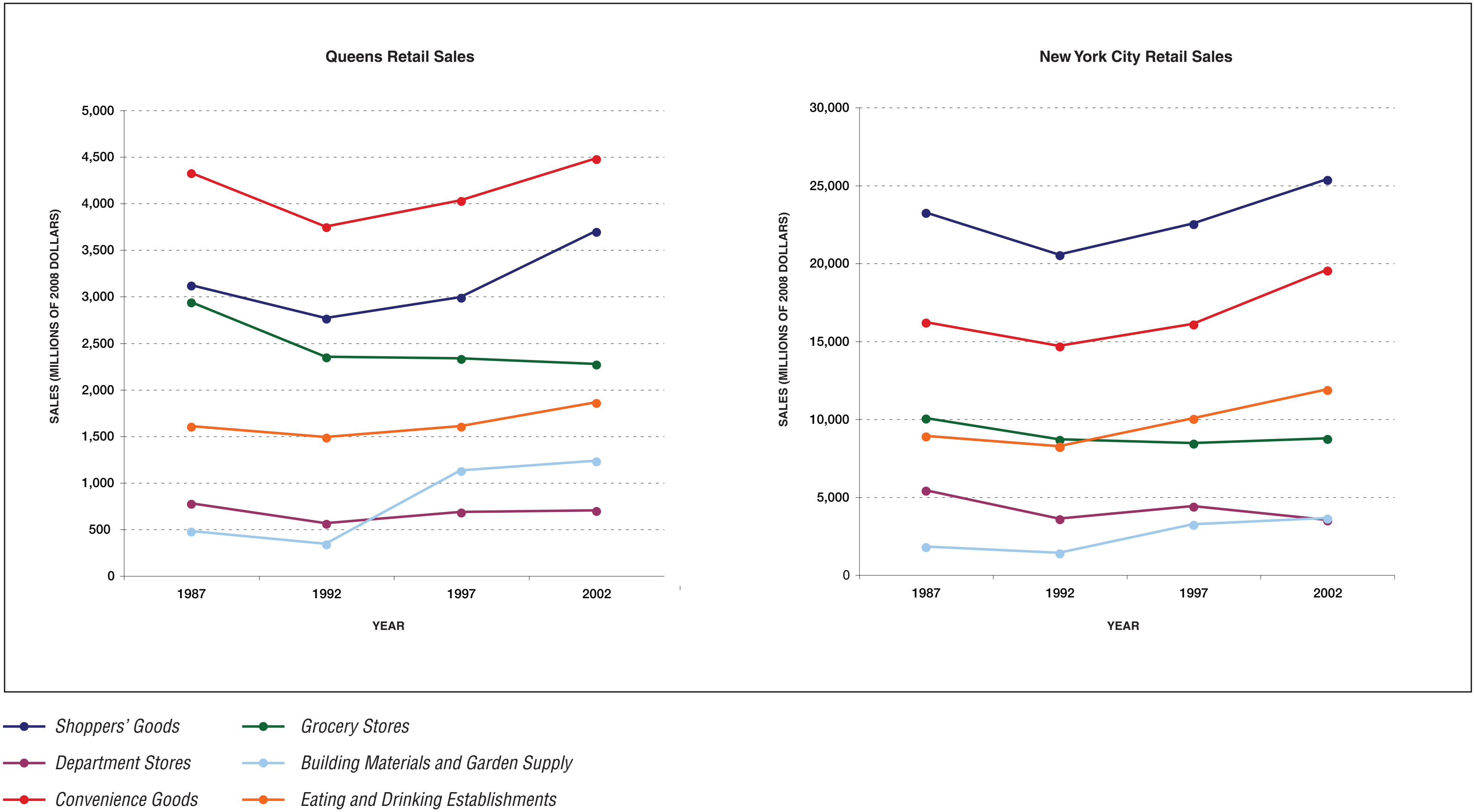


Figure 4-11
Trends in Retail Sales

Table 4-21
Retail Employment and Sales in Queens, 1987 - 2005

Retail Category[1]	Employment					Sales (millions of 2008 dollars)				
	1987	1992	1997	2002	2005	1987	1992	1997	2002	2005
Shoppers' Goods	17,971	15,919	15,349	17,461	19,931	$3,114	$2,761	$2,986	$3,692	NA
Department Stores	*4,936*	*3,924*	*3,987*	*3,442*	*2,910*	*$772*	*$556*	*$677*	*$693*	*NA*
Convenience Goods	21,119	17,627	19,848	19,663	21,815	$4,321	$3,741	$4,025	$4,473	NA
Grocery stores	*12,964*	*10,432*	*11,625*	*10,611*	*12,062*	*$2,935*	*$2,346*	*$2,327*	*$2,265*	*NA*
Building Materials & Garden Supply	2,002	1,549	3,596	3,927	4,305	$472	$335	$1,125	$1,227	NA
Eating & Drinking Establishments	23,665	20,926	23,139	27,247	28,469	$1,600	$1,482	$1,600	$1,855	NA
Total[2]	**64,757**	**56,021**	**61,932**	**68,298**	**74,520**	**$9,507**	**$8,320**	**$9,735**	**$11,248**	**NA**

Notes:
1 Shoppers' Goods include general merchandise stores; clothing and accessory stores (including shoes); furniture and home furnishing stores; electronics and appliance stores; optical goods stores; sporting goods, hobby, book and music stores; office supplies, stationery and gift stores; used merchandise stores; and art dealers.
Convenience Goods include food and beverage stores (including delis, bakeries, and supermarkets); all health and personal care stores except for optical goods stores; florists; pet and pet supplies stores; and other miscellaneous store retailers.
Building Materials and Garden Supply includes hardware stores; building material and supplies dealers; and lawn and garden equipment and supplies stores.
2 Total does not reflect total employment or sales for all retail—only those retail categories included in Shoppers' Goods, Convenience Goods, Building Materials and Garden Supply, and Eating and Drinking Establishments. Retail establishments not included in this total are: auto-related businesses and non-store retailers.
Sources: U.S. Census Bureau, Economic Census 1987, 1992, 1997, 2002; County Business Patterns 2005.

Table 4-22
Retail Employment and Sales in New York City, 1987 - 2005

Retail Category[1]	Employment					Sales (millions of 2008 dollars)				
	1987	1992	1997	2002	2005	1987	1992	1997	2002	2005
Shoppers' Goods	119,475	103,272	105,499	114,305	142,155	$23,216	$20,511	$22,491	$25,326	NA
Department Stores	*29,415*	*21,668*	*21,254*	*16,190*	18,348	$5,384	$3,569	$4,361	$3,481	*NA*
Convenience Goods	77,191	68,152	76,634	83,777	94,764	$16,170	$14,658	$16,054	$19,508	NA
Grocery stores	*44,431*	*38,896*	*40,867*	*43,720*	46,406	$10,011	$8,650	$8,417	$8,721	*NA*
Building Materials & Garden Supply	7,447	6,196	10,801	12,148	12,416	$1,761	$1,363	$3,192	$3,610	NA
Eating & Drinking Establishments	130,274	120,383	147,936	173,947	186,077	$8,877	$8,215	$10,008	$11,855	NA
Total[2]	**334,387**	**298,003**	**340,870**	**384,177**	**435,412**	**$50,024**	**$44,747**	**$51,746**	**$60,299**	NA

Notes:
1 Shoppers' Goods include general merchandise stores; clothing and accessory stores (including shoes); furniture and home furnishing stores; electronics and appliance stores; optical goods stores; sporting goods, hobby, book and music stores; office supplies, stationery and gift stores; used merchandise stores; and art dealers.
Convenience Goods include food and beverage stores (including delis, bakeries, and supermarkets); all health and personal care stores except for optical goods stores; florists; pet and pet supplies stores; and other miscellaneous store retailers.
Building Materials and Garden Supply includes hardware stores; building material and supplies dealers; and lawn and garden equipment and supplies stores.
2 Total does not reflect total employment or sales for all retail—only those retail categories included in Shoppers' Goods, Convenience Goods, Building Materials and Garden Supply, and Eating and Drinking Establishments. Retail establishments not included in this total are: auto-related businesses and non-store retailers.
Sources: U.S. Census Bureau, Economic Census 1987, 1992, 1997, 2002; County Business Patterns 2005.

DEMOGRAPHIC MARKET FACTORS AFFECTING MARKET POTENTIAL

Demographic factors can affect 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 three demographic/household characteristics are discussed below for the Primary Trade Area, and are used to inform the discussion on potential impacts of the proposed Plan and anticipated development on Lot B.

POPULATION AND HOUSEHOLDS

In 2000, there were approximately 1.62 million people living in the Primary Trade Area, representing approximately 73 percent of the population of Queens and approximately 20 percent of New York City as a whole. The Primary Trade Area contained 576,950 households in 2000, 19 percent of all households in the City (see Table 4-23).

Table 4-23
Population and Households, Primary Trade Area, Queens, New York City, 1990-2000

	1990		2000		Growth 1990-2000			
	Population	Households	Population	Households	Population	Households	% Growth in Population	% Growth in Households
Primary Trade Area	1,412,101	537,071	1,619,328	576,950	207,227	39,879	14.7%	7.4%
Queens	1,951,598	720,149	2,229,379	782,664	277,781	62,515	14.2%	8.7%
New York City	7,322,564	2,819,401	8,008,278	3,021,588	685,714	202,187	9.4%	7.2%

Sources: Primary Trade Area: ESRI Business Analyst, based on 1990 and 2000 Census data; Queens and New York City: U.S. Census Bureau, 1990 and 2000 Census, Summary File 1.

Between 1990 and 2000, the population in the Primary Trade Area increased by approximately 207,227 people and by 39,879 households. During this time period, the rate of population growth in the Primary Trade Area (14.7 percent) outpaced the rate in Queens and New York City (14.2 percent and 9.4 percent, respectively). The household growth rate in the Primary Trade Area was 7.4 percent, which was slightly higher than New York City's household growth rate (7.2 percent), but lower than Queens' household growth rate (8.7 percent).

Between 2000 and 2006, approximately 13,409 residential units were constructed in the Primary Trade Area.[1] Applying the 2000 average household size for the Primary Trade Area (2.81 persons per household) to these new households, it is estimated that housing units built between 2000 and 2006 contain approximately 37,679 residents. This brings the total Primary Trade Area population to approximately 1.66 million.

HOUSEHOLD INCOME

In 1999, median household income for the Primary Trade Area, expressed in 2008 constant dollars, was roughly $54,270—approximately $4,539 higher than the citywide median of $49,731 (see Table 4-24). Between 1989 and 1999, the median household income in New York City as a whole decreased by 5.3 percent. The median household income in the Primary Trade Area decreased by 6.7 percent during this time period, which was a slower rate of decline than Queens but a higher rate than New York City as a whole.

[1] New York City Department of Finance's RPAD 2006 database

Table 4-24
Median Household Income,
Primary Trade Area, Queens, and New York City, 1989 and 1999

Area	1989	1999	Absolute Change 1989-1999	Percent Change 1989-1999
Primary Trade Area	$58,168	$54,270	-$3,898	-6.7%
Queens	$60,171	$55,115	-$5,056	-8.4%
New York City	$52,492	$49,731	-$2,761	-5.3%

Note: All values are expressed in 2008 constant dollars.
Sources: Primary Trade Area: ESRI Business Analyst, based on 1990 and 2000 Census data; Queens and New York City: U.S. Census Bureau, 1990 and 2000 Census, Summary File 3.

VEHICLE AVAILABILITY

Vehicle availability can affect shopping habits. Households with access to at least one vehicle generally travel further 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 wholesale club or major supermarket several miles from home to purchase food products to serve their needs for a week or more. Households without access to a car are more likely to shop at the grocery store closest to their homes, and may be more likely to make more frequent trips, buying smaller quantities of food per trip than driving households.

According to the 2000 Census, approximately 40.9 percent of all households in the Primary Trade Area had access to one car (see Table 4-25). In comparison, Queens had a higher share of households with at least one car (41.1 percent) and New York City as a whole had a lower share (31.6 percent). Also, approximately 18.0 percent of households in the Primary Trade Area had access to two or more cars. This percentage was lower than Queens (21.3 percent) and higher than New York City (12.7 percent).

Table 4-25
Vehicles Available for Use by Household Members,
Primary Trade Area, Queens, and New York City, 2000

	No Car		One Car		Two Cars		Three or More Cars	
	HH	% of HH	HH	% of HH	HH	% of HH	HH	% of HH
Primary Trade Area	237,132	41.1%	236,174	40.9%	83,340	14.4%	20,720	3.6%
Queens	295,049	37.7%	321,337	41.1%	132,217	16.9%	34,061	4.4%
New York City	1,682,946	55.7%	955,165	31.6%	305,267	10.1%	78,210	2.6%

Sources: Primary Trade Area: ESRI Business Analyst, based on 1990 and 2000 Census data; Queens and New York City: U.S. Census Bureau, Census 2000, Summary File 3.

HOUSEHOLD RETAIL EXPENDITURE POTENTIAL AND TRADE AREA CAPTURE RATES

According to ESRI, households in the Primary Trade Area spent an estimated $14.6 billion on retail goods and services in 2007 (see Table 4-26). Approximately 42 percent was spent on shoppers' goods, 37 percent on convenience goods, 17 percent on eating and drinking establishments, and 3 percent on building materials and garden equipment stores. On a per household basis, Primary Trade Area residents spent roughly $10,763 annually on shoppers' goods, $9,501 annually on convenience goods, $4,298 annually at eating and drinking establishments, and $777 annually at building materials and garden supply stores. Primary Trade Area households spent approximately $5,600 more than households in Queens for these retail categories and $2,891 more than households in New York City as a whole.

Table 4-26
Household Retail Demand in the Primary Trade Area, Queens, and New York City, 2007

	Primary Trade Area		Queens		New York City	
	Total Demand (Millions of 2008 Dollars)[1]	Demand per Household (2008 Dollars)[1]	Total Demand (Millions of 2008 Dollars)[1]	Demand per Household (2008 Dollars)[1]	Total Demand (Millions of 2008 Dollars)	Demand per Household (2008 Dollars)[1]
Shoppers' Goods[2]	$6,210	$10,763	$6,644	$8,488	$27,399	$9,068
Department Stores	*$280*	*$485*	*$386*	*$493*	*$2,039*	*$675*
Convenience Goods[2]	$5,482	$9,501	$4,762	$6,084	$23,290	$7,708
Grocery Stores	*$2,190*	*$3,796*	*$3,006*	*$3,841*	*$14,591*	*$4,829*
Building Materials and Garden Supply	$448	$777	$636	$812	$2,284	$756
Eating and Drinking Establishments[2]	$2,480	$4,298	$3,408	$4,355	$14,860	$4,918
Total[3]	**$14,620**	**$25,340**	**$15,449**	**$19,740**	**$67,833**	**$22,449**

Notes:
[1] Demand (retail expenditure potential) estimates the expected amount spent by consumers at retail establishments.
[2] Shoppers' goods include general merchandise stores; apparel and accessory stores (including shoes); sporting goods, hobby, book and music stores; electronics and appliance stores; furniture and home furnishing stores; office supplies, stationery, and gift stores; and used merchandise stores. Convenience goods include food stores such as delis, bakeries and supermarkets, drug and proprietary stores, liquor stores; health and personal care stores; florists; and other miscellaneous store retailers. Eating and Drinking places include fast-food and full-service restaurants and bars.
[3] Total does not reflect total expenditures or sales for all retail-only those retail categories included in the Shoppers' Goods, Convenience Goods, Eating and Drinking Places, and Building Materials and Garden Supply categories. Retail establishments not included in this total are: auto-related businesses and non-store retailers.
Source: ESRI, Inc.

The amount of money that Primary Trade Area residents spend on retail goods in these retail categories (an estimated $14.6 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.[1]

Capture rates are also affected by money flowing into an area from people who do not 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 Gateway Center, which is a metropolitan region-wide destination. 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 approximately 93 percent and

[1] 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.

the capture rate for shopper's goods is well over 100 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.

Tables 4-27 through 4-29 show the capture rates for the Primary Trade Area, Queens, and New York City. As shown in Table 4-27, total retail sales for shoppers' goods, convenience goods, building materials and garden supply stores, and eating and drinking establishments in the Primary Trade Area were approximately $7.3 billion in 2007. Potential retail expenditures for these goods, on the other hand, were $14.6 billion, indicating that retail stores in the Primary Trade Area are capturing only 50 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 of the area, which may include other portions of Queens, other boroughs, and very likely Nassau County as well. In comparison, the retail capture rates for these retail categories for Queens and New York City were 60 percent and 93 percent, respectively (see Tables 4-28 and 4-29). As shown in Table 4-29, the high overall capture rate for New York City is attributable primarily to shoppers' goods sales, which has a capture rate of 120 percent. As indicated above, this suggests that shoppers' goods stores in the City are likely capturing a high percentage of available expenditure potential, plus additional spending from people who live outside of the City, including day-trippers, but also overnight visitors from outside the metropolitan area, including national and international visitors.

Table 4-27
Household Retail Expenditures and Total Retail Sales, Primary Trade Area, 2007

	Retail Sales in Primary Trade Area[1]	**Retail Demand from Primary Trade Area Households[1]**	**Amount Not Being Captured in Primary Trade Area[1]**	**Primary Trade Area Capture Rate**
Shoppers' Goods	$2,811	$6,210	$3,398	45%
Department Stores	*$136*	*$280*	*$143*	*49%*
Convenience Goods	$2,478	$5,482	$3,003	45%
Grocery Stores	*$1,230*	*$2,190*	*$960*	*56%*
Building Materials and Garden Supply	$568	$448	-$120	127%
Eating and Drinking Establishments	$1,423	$2,480	$1,057	57%
Total[2]	**$7,281**	**$14,620**	**$7,339**	**50%**

Notes:
[1] All values are in millions of 2008 dollars.
[2] 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, Building Materials and Garden Supply, and Eating and Drinking Places categories. Retail establishments not included in this total are: auto-related businesses, and non-store retailers.
Source: ESRI, Inc.; AKRF, Inc.

Table 4-28
Household Retail Expenditures and Total Retail Sales, Queens, 2007

	Retail Sales in Queens[1]	Retail Demand from Queens Households[1]	Amount Not Being Captured in Queens[1]	Queens Capture Rate
Shoppers' Goods	$3,474	$6,644	$3,169	52%
Department Stores	*$178*	*$386*	*$208*	*46%*
Convenience Goods	$3,112	$4,762	$1,650	65%
Grocery Stores	*$1,597*	*$3,006*	*$1,409*	*53%*
Building Materials and Garden Supply	$664	$636	-$28	104%
Eating and Drinking Establishments	$2,047	$3,408	$1,361	60%
Total[2]	**$9,297**	**$15,449**	**$6,152**	**60%**

Notes:
1 All values are in millions of 2008 dollars.
2 Total does not reflect total expenditures or sales for all retail in Queens - only those retail categories included in the Shoppers' Goods, Convenience Goods, Building Materials and Garden Supply, and Eating and Drinking Places categories. Retail establishments not included in this total are auto-related businesses and non-store retailers.
Source: ESRI, Inc.; AKRF, Inc.

Table 4-29
Household Retail Expenditures and Total Retail Sales, New York City, 2007

	Retail Sales in New York City[1]	Retail Demand from New York City Households[1]	Amount Not Being Captured in New York City[1]	New York City Capture Rate
Shoppers' Goods	$32,927	$27,399	-$5,528	120%
Department Stores	*$1,555*	$2,039	*$484*	*76%*
Convenience Goods	$16,988	$23,290	$6,302	73%
Grocery Stores	*$7,448*	$14,591	*$7,143*	*51%*
Building Materials and Garden Supply	$1,844	$2,284	$440	81%
Eating and Drinking Establishments	$11,240	$14,860	$3,620	76%
Total[2]	**$62,999**	**$67,833**	**$4,834**	**93%**

Notes:
1 All values are in millions of 2008 dollars.
2 Total does not reflect total expenditures or sales for all retail in Queens - only those retail categories included in the Shoppers' Goods, Convenience Goods, Building Materials and Garden Supply, and Eating and Drinking Places categories. Retail establishments not included in this total are auto-related businesses and non-store retailers.
Source: ESRI, Inc.; AKRF, Inc.

THE FUTURE WITHOUT THE PROPOSED PLAN

The primary changes that may affect retail market conditions in the Primary Trade Area in the future without the proposed Plan 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 2020 forecasts generated by the New York Metropolitan Transportation Council (NYMTC)[1], the population of Queens is projected to grow to approximately 2.49 million people by 2017. Applying the average annual percent change as reported in the NYMTC forecasts to the 2000 population, the 2017 population in the Primary Trade Area will be approximately 1.81 million people. Using the average annual percent change for the number of households as reported in the NYMTC forecasts, the Primary Trade Area will contain approximately 647,475 households in 2017, an increase of 70,525 households from 2000. As shown in Table 4-26, Primary Trade Area households currently spend approximately $25,340 per year on the four retail categories highlighted in this analysis. If the additional households continue to spend the same amount per year, the households would increase the retail demand by $1.78 billion. These households would spend approximately $759.1 million on shoppers' goods (including $34.2 million at department stores), $670.1 million on convenience goods (including $267.7 million at grocery stores), $303.1 million at eating and drinking establishments, and $54.8 million at home improvement stores.

Thus, the total household expenditure potential for retail goods—including the additional households anticipated by 2017—will be approximately $16.4 billion in 2017. This represents a 12.2 percent increase over household expenditures in 2007.

At the same time, retail sales in the Primary Trade Area will also increase as new retail projects are completed. Table 4-30 lists known retail projects expected to be completed in the Primary Trade Area by 2017. These projects would add approximately 4.1 million sf 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 $2.07 billion, increasing total trade area retail sales by approximately 28 percent, from $7.3 billion in 2007 to $9.4 billion in 2007.

With annual sales of approximately $9.4 billion and household expenditure potential of $16.4 billion, the capture rate for the Primary Trade Area will be approximately 57 percent by 2017, higher than it was in 2006 (50 percent), but still well below the 70 to 80 percent characteristic of trade areas that are satisfying the retail demand generated by trade area households.

PROBABLE IMPACTS OF THE PROPOSED PLAN

ESTIMATED SALES AT STORES INTRODUCED UNDER THE PROPOSED PLAN

As described above, the proposed Plan would include approximately 1.7 million sf of retail. This section analyzes the potential impacts of the No Convention Center Scenario, as it would include an additional 50,000 sf of retail, as well as the development expected on Lot B. The No Convention Center Scenario includes 1,750,000 sf of retail comprising 150,000 sf of neighborhood retail, approximately 1,546,000 sf of destination retail, and an approximately 54,000 square foot movie theater.[2] Lot B is expected to include 184,500 sf of retail. In total, this analysis considers the potential effects of 1,934,500 sf of retail developed in the District and Lot B.

[1] New York Metropolitan Transportation Council, New York Urban Region Population by County: 1970-2030, June 2005.

[2] The theater would include 2,700 seats. The square footage is estimated at 20 sf per seat.

Table 4-30
Estimated Sales for Retail Projects to be Built in the Primary Trade Area by 2017

Project	Square Feet	Estimated Sales (Millions of 2008 Dollars)
Sky View Parc[1]	**750,000**	**$364.29**
Shopper's Goods	511,744	$241.45
Convenience Goods	74,070	$34.95
Eating and Drinking	34,186	$16.13
Bldg Materials	130,000	$71.76
Queens Crossing	**110,000**	**$51.90**
Shopper's Goods	75,000	$35.39
Eating and Drinking	35,000	$16.51
RKO Keith[2]		
Convenience Goods	**10,000**	**$5.67**
New Millennium 35th Avenue[2]		
Convenience Goods	**3,600**	**$2.04**
New Millennium Northern Boulevard[2]		
Convenience Goods	**17,167**	**$9.73**
Caldor Site[3]		
Shopper's Goods	**155,000**	**$76.20**
Flushing Commons[4]	**380,000**	**$186.81**
Shopper’s Goods	231,000	$113.56
Convenience Goods	115,500	$56.78
Eating and Drinking	33,500	$16.47
40-22 Main Street[2]		
Convenience Goods	**17,015**	**$9.64**
133-47 39th Avenue[2]		
Convenience Goods	**11,419**	**$6.47**
43-57 Main Street[2]		
Convenience Goods	**2,085**	**$1.18**
110-09 Northern Boulevard[2]		
Convenience Goods	**15,500**	**$8.78**
Queens Tax Block 1707[5]	**73,329**	**$36.12**
Shopper’s Goods	15,000	$7.37
Convenience Goods	46,329	$22.82
Eating and Drinking	12,000	$5.92
108-09 Northern Blvd[2]		
Convenience Goods	**8,970**	**$5.08**
106-15 Northern Blvd[2]		
Convenience Goods	**5,502**	**$3.12**
32-56 106th Street[2]		
Convenience Goods	**7,144**	**$4.05**
Rego Park Mall Expansion[6]	**587,700**	**$271.12**
Shopper’s Goods (Discount Department Store)	80,000	$44.19
Shopper’s Goods (Other)	403,313	$178.58
Convenience Goods	66,700	$30.72
Eating and Drinking	37,687	$17.63
Jamaica Courthouse Redevelopment[5]	**42,800**	**$21.04**
Shopper’s Goods	6,000	$2.95
Convenience Goods	26,800	$13.18
Eating and Drinking	10,000	$4.92
“Z Parcel” Rego Park[6]	**80,000**	**$42.58**
Convenience Goods (Supermarket)	60,000	$34.18
Convenience Goods (Other)	20,000	$8.40

Table 4-30 (cont'd)
Estimated Sales for Retail Projects to be Built in the Primary Trade Area by 2017

Project	Square Feet	Estimated Sales (Millions of 2008 Dollars)
Jamaica Rezoning – Local Retail[7]	**665,723**	**$370.76**
Shopper's Goods	287,880	$163.11
Convenience Goods	242,899	$137.63
Eating and Drinking	107,955	$61.17
Bldg Materials	26,989	$8.86
Jamaica Rezoning – Regional Retail[7]	**1,203,137**	**$597.53**
Shopper's Goods	751,960	$369.67
Convenience Goods	225,588	$110.90
Eating and Drinking	125,327	$61.61
Bldg Materials	100,261	$55.35
Total	**4,146,090**	**$2,074.11**
Shopper's Goods	2,516,897	$1,232.06
Discount Department Stores	*80,000*	*$44.19*
Convenience Goods	976,288	$505.31
Grocery Stores	*60,000*	*$34.18*
Eating and Drinking	395,655	$200.37
Bldg Materials	257,250	$135.96

Notes:

1 Sky View Parc is expected to include a home improvement store and a discount department store. These stores were assumed to be approximately 130,000 and 80,000 square feet, respectively. The mix of all other retail space at Sky View Parc was modeled on the mix of space in regional shopping centers, as reported in ULI's *Dollars & Cents of Shopping Centers, 2006*.

2 Assumed to be convenience goods.

3 Assumed to be shopper's goods.

4 Sales estimates were modeled on upper decile sales for US Super Community/Community Shopping Centers as reported in ULI's *Dollars & Cents of Shopping Centers, 2006*.

5 The mix of the retail space was modeled on the typical breakdown of space in neighborhood shopping centers, as reported in ULI's *Dollars & Cents of Shopping Centers, 2006*.

6 The retail mix of the Rego Park Mall Expansion and the Z Parcel mirrors the mix assumed for these developments in the 2005 Rego Park Mall EIS.

7 The Reasonable Worst Case Development Scenario for the 2007 *Jamaica Plan FEIS* proposed approximately 900,000 square feet of "local" retail and 1.25 million square feet of "regional" retail. The retail mix for the local retail was modeled on the typical breakdown of space in convenience shopping centers, as reported in ULI's *Dollars & Cents of Shopping Centers, 2006*. The total for the local retail does not equal 900,000 square feet because it assumed that some of the space would be occupied by neighborhood services and auto-related businesses, which are not included in this analysis. The retail mix for the regional retail was modeled on the typical breakdown of space in super community/community shopping centers, as reported in ULI's *Dollars & Cents of Shopping Centers, 2006*. This mix also assumes that a portion of the space would be occupied by neighborhood service businesses, which are not included in this analysis.

Sources: Sales estimates were derived using per-square-foot sales estimates from Urban Land Institute, *Dollars & Cents of Shopping Centers, 2006*; AKRF, Inc.; New York City Department of City Planning.

Given that specific tenants and store sizes for the proposed Plan and Lot B have not yet been determined, for purposes of providing a conservative assessment of potential socioeconomic impacts, this analysis has developed a reasonable worst-case retail program for the two sites. For the destination retail in the District, this program assumes as anchor tenants: two wholesale clubs totaling 250,000 sf, two discount department stores totaling 230,000 sf, and an 115,000-square foot-home improvement store. The remaining 951,000 sf of destination retail would include eating and drinking establishments and other shopper's goods stores. The neighborhood retail in the District was analyzed with a program including a 50,000-square-foot grocery store, 18,000 sf of eating and drinking establishments, and 82,000 sf of other convenience goods.[1] It was assumed that Lot B would have 134,500 sf of shopper's goods stores and 50,000 sf of eating and drinking establishments.

This retail program provides a conservative assessment of potential impacts because it assumes that the proposed retail in the District would be tenanted by stores that would offer a variety of goods (such as discount department stores, grocery stores, and wholesale clubs) that could compete with a wide range of existing shoppers' goods and convenience goods retailers in the study areas. The wholesale clubs and grocery stores envisioned for the District in this analysis could also directly compete with grocery stores, a store that often functions as an anchor of local retail concentrations. Furthermore, the retail program conservatively assumes that the District would attract two wholesale clubs and two discount department stores; when complete, the District may only have one or none of either store type.

As shown in Table 4-31, retail sales resulting from the proposed Plan and Lot B are projected to be approximately $906.1 million annually, generated by 1,176,500 sf of shoppers' goods space, 351,000 sf of convenience goods space, 238,000 sf of eating and drinking establishments, and 115,000 sf of home improvement space. Annual sales for shoppers' goods are estimated at $552.8 million, annual sales for convenience goods are estimated to be $189.4 million, annual sales for eating and drinking establishments are estimated to be $100.3 million, and estimated annual sales for home improvement stores are $63.5 million.

Table 4-31
Estimated Retail Sales at Stores Introduced Under the Proposed Plan and Lot B

	Square Feet	Total Sales (Millions of 2008 Dollars)
Convenience Goods	**351,000**	**$189.43**
Grocery at Wholesale Club[1]	150,000	$86.73
Grocery at Discount Department Store[2]	69,000	$32.34
Grocery at Neighborhood Retail	50,000	$30.05
Other Neighborhood Retail	82,000	$40.31
Shoppers Goods	**1,176,500**	**$552.83**
Wholesale Club	100,000	$57.82
Discount Department Store	161,000	$75.46
All Other	915,500	$419.56
Eating and Drinking	**238,000**	**$100.31**
Destination Retail	220,000	$96.47
Neighborhood Retail	18,000	$3.84
Building Materials	**115,000**	**$63.48**
Movie Theater[3]	**54,000**	**NA**
Total	**1,934,500**	**$906.06**

Notes:
1 Based on information from selected 2006 and 2007 SEC 10K filings of typical wholesale clubs, approximately 60 percent of the wholesale club sales are assumed to be from grocery items.
2 Based on information from selected 2006 and 2007 SEC 10K filings of typical discount department stores, approximately 30 percent of sales at the discount department store are assumed to be from grocery items.
3 The movie theater is planned to be 2,700 seats. Square footage was estimated at 20 square feet per seat. Sales at the movie theater are not included in the analysis.

Sources: Wholesale club sales per square foot were estimated based on sales data presented in the 2005 900 Brush Avenue, Bronx EAS, which analyzed potential impacts related to the introduction of a B.J.'s Wholesale Club. Discount department store and home improvement sales were estimated based on proprietary sales data from discount department stores and home improvement stores and shopping centers in the New York Metropolitan Area. Sales for all other shoppers' goods, convenience goods, and eating and drinking establishments were estimated based on data from the Urban Land Institute's *2006 Dollars and Cents of Shopping Centers*.

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[1] The other convenience goods in the neighborhood retail component conservatively includes all neighborhood service businesses (e.g., Laundromat, nail salon, etc.)

ESTIMATED CHANGES IN PRIMARY TRADE AREA CAPTURE RATE

As described under "Future Without the Proposed Plan," the Primary Trade Area is expected to grow by approximately 70,525 households by 2017. With these households, the household expenditure potential for retail goods will be approximately $16.4 billion in 2017. Under the No Convention Center Scenario, the proposed Plan would introduce 5,850 households. These households would add approximately $148 million to the trade area expenditure potential, increasing it to $16.6 billion in the future with the proposed Plan. As described above, total sales for the new stores under the proposed Plan and Lot B are projected to be approximately $906.1 million. Adding this to existing sales in the trade area and to sales at retailers that are expected to open in the Primary Trade Area, total projected sales for retail categories analyzed would be approximately $10.3 billion in 2017 with the proposed Plan.

The overall capture rate in the Primary Trade Area would increase to 62 percent in the future with the proposed Plan (see Table 4-32). This capture rate is approximately 5 percentage points higher than it would be in the future without the proposed Plan. Only one retail category—building materials and garden supply—would see a capture rate substantially in excess of the 70 to 80 percent characteristic of trade areas that are satisfying the retail demand generated by trade area households. The capture rate for building materials and garden supply stores would increase by 11 percentage points to 151 percent. The building material and garden supply retail category has a capture rate in excess of 100 percent even under existing conditions. This is typical for the building materials and garden supply retail category, most likely because the sales figures include sales to contractors and well as individual households. Comparing the combined sales from households and contractors with the expenditure potential of households only results in a capture rate that is higher than 100 percent.[1]

The capture rate for department stores in the future with the proposed Plan would be 81 percent. This is only slightly greater than the 70 to 80 percent capture rate that is characteristic of a well-served trade area and would not represent an oversupply of department stores in the Primary Trade Area. This analysis conservatively assumes that 100 percent of the sales for department stores in the trade area come from residents of the trade area. However, given the scale of other retail developments with department stores and the mix of retail offerings (such as Target at the Queens Center Mall in Elmhurst and the department store planned for the Rego Park Mall expansion), it is likely that a portion of the sales at department stores in the trade area come from residents outside of the trade area.

All other retail categories would remain below a 70 percent capture rate. The capture rate for shoppers' goods would increase by approximately 7 percentage points to 65 percent. The capture rate for convenience goods would increase by 3 percentage points, to 51 percent. As a subset of convenience goods, grocery store capture rates would increase to 57 percent. Eating and drinking establishments would capture 61 percent of trade area demand, up from 58 percent in the future without the proposed Plan. The trade area would remain undersupplied by these retail categories.

[1] Although ESRI, Inc. excludes sales to businesses, it is likely that a portion of the sales at home improvement stores includes some sales to smaller contractors.

Table 4-32
Comparison of Estimated Retail Capture Rates in Primary Trade Area: Existing Conditions, Future Without the Proposed Plan and Future With the Proposed Plan

	Retail Sales in Primary Trade Area[1]	Retail Demand from Primary Trade Area Households[1]	Primary Trade Area Capture Rate
Existing Conditions			
Shoppers' Goods	$2,811	$6,210	45%
Department Stores	*$136*	*$280*	*49%*
Convenience Goods	$2,478	$5,482	45%
Grocery	*$1,230*	*$2,190*	*56%*
Eating and Drinking	$1,423	$2,480	57%
Building Materials and Garden Supply	$568	$448	127%
TOTAL	**$7,281**	**$14,620**	**50%**
2017 Without the Proposed Plan			
Shoppers' Goods	$4,044	$6,969	58%
Department Stores	*$181*	*$314*	*58%*
Convenience Goods	$2,983	$6,152	48%
Grocery	*$1,265*	*$2,458*	*51%*
Eating and Drinking	$1,623	$2,783	58%
Building Materials and Garden Supply	$704	$503	140%
TOTAL	**$9,355**	**$16,407**	**57%**
2017 With the Proposed Plan			
Shoppers' Goods	$4,597	$7,032	65%
Department Stores	*$256*	*$317*	*81%*
Convenience Goods	$3,173	$6,207	51%
Grocery	*$1,414*	*$2,480*	*57%*
Eating and Drinking	$1,723	$2,808	61%
Building Materials and Garden Supply	$768	$508	151%
TOTAL	**$10,261**	**$16,555**	**62%**

Note: [1]All dollar values are presented in millions of 2008 dollars.
Sources: See source notes for Tables 4-6 through 4-11.

The proposed Plan and Lot B would increase the capture rate within the Primary Trade Area by only 5 percentage points compared with the future without the proposed Plan. Although building material and garden supply stores would have a capture rate of 151 percent, they have a capture rate over 100 percent under existing conditions and, as described previously, this analysis does not account for sales to smaller contractors that may drive up the capture rate. Further, this retail program is designed to provide a conservative assessment of the proposed Plan’s potential socioeconomic impacts, and a home improvement store would not necessarily locate in the District. Likewise, department stores in the future with the proposed Plan would have an 81 percent capture rate, but this analysis conservatively assumes that all sales are to consumers living within the Primary Trade Area. In all other retail categories, capture rates would be below 70 percent. Therefore, the proposed Plan and Lot B would not significantly affect competitive stores within the Primary Trade Area.

PROBABLE 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 proposed anchor stores have the potential to affect the operations of competitive stores located on neighborhood commercial strips, and if these competitive stores are the anchor stores on those strips, there would be the 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.

This section examines the proposed Plan's potential competitive effects within about 1½ miles of the District (the 1½-Mile Trade Area) to determine whether competition with stores in local shopping areas could undermine the viability of retail concentrations, thereby leading to significant adverse impacts on neighborhood character. The 1½-Mile Trade Area, as shown in Figure 4-12, encompasses seven nearby retail corridors and one large shopping center.

The analysis focuses on grocery stores in particular, because grocery stores generally serve as anchors for retail concentrations, and the proposed Plan could introduce three stores offering products that substantially overlap with typical grocery store offerings. Specifically, the reasonable worst-case program analyzed for the proposed Plan includes an approximately 50,000-square-foot grocery store in the neighborhood retail portion of the project. Because of the supermarket's expected size, it would primarily serve the grocery needs of neighborhood shoppers and would compete with other local supermarkets. The proposed Plan as analyzed would also include two wholesale clubs totaling 250,000 sf, of which an estimated 150,000 sf of space would be dedicated to the sale of groceries.[1] Although capture rates for home improvement stores and department stores, respectively, would be 151 percent and 81 percent in the future with the proposed Plan, these store types are not included in this analysis because they do not anchor local retail concentrations near the District and they tend to draw customers from larger trade areas than food stores.

RETAIL CONCENTRATIONS WITHIN THE 1½-MILE TRADE AREA

The 1½-Mile Trade Area includes several retail concentrations that play an important role in the economic needs of neighborhood residents as well as the social life of their communities. The retail in the proposed Plan could have the potential to draw customers from existing retail concentrations within the 1½-Mile Trade Area, thereby affecting the business environment of those areas. This section describes major retail concentrations within the 1½-Mile Trade Area, focusing on the types of retail (i.e., shopper's goods, convenience goods, neighborhood services, etc.) in each area. Characterizations of the retail concentrations are based on detailed field visits conducted by AKRF in February 2008. The location of each retail strip is shown in Figure 4-12.

Downtown Flushing

Downtown Flushing is located directly east of the Flushing River from the District. Its retail district is centered at the corner of Main Street and Roosevelt Avenue, but encompasses the area bounded roughly by College Point Boulevard to the west, Sanford Avenue to the south, Northern

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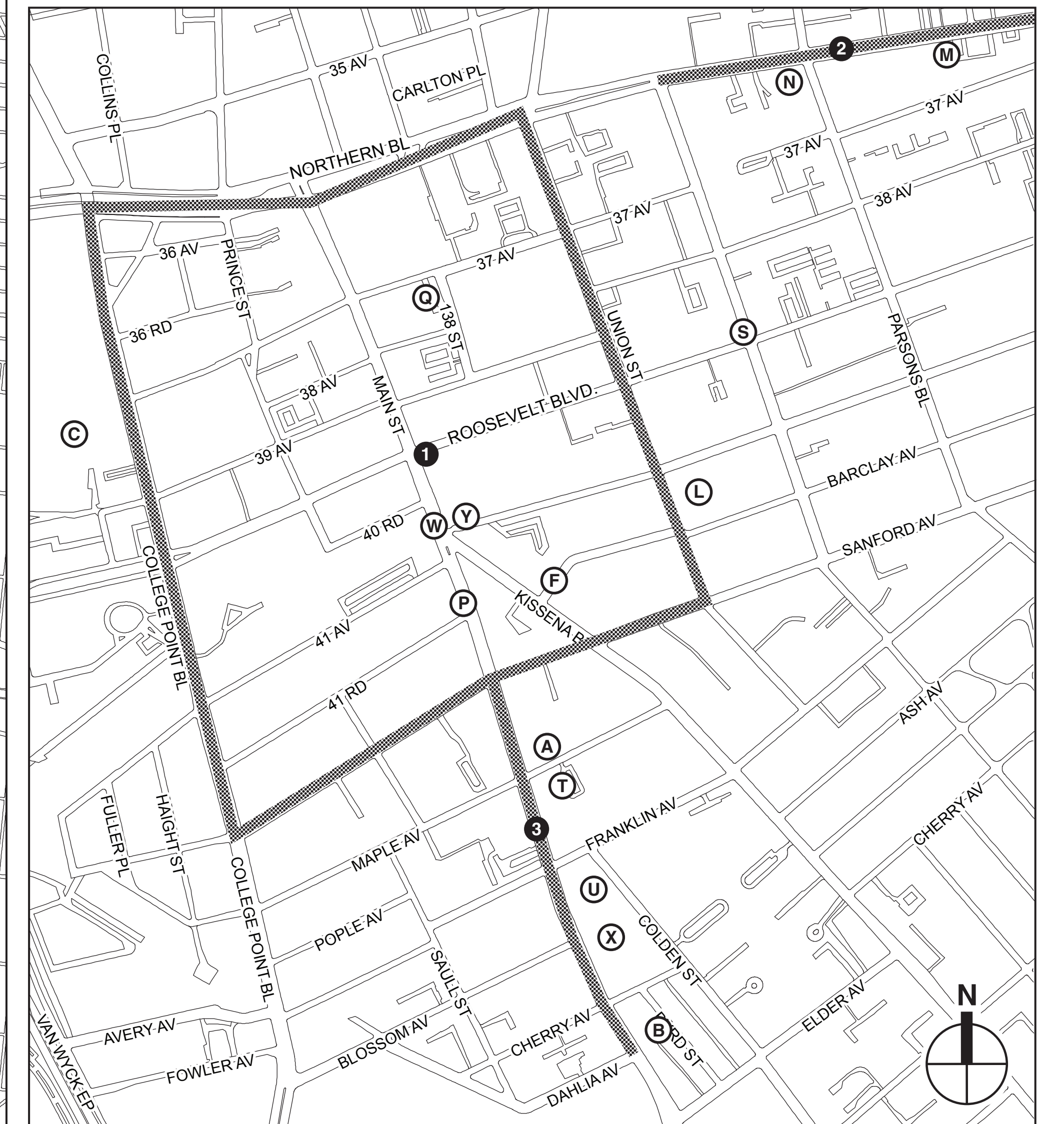
[1] Based on wholesale club data from selected 2006 and 2007 SEC 10K filings, approximately 60 percent of the wholesale club sales are assumed to be from grocery items.

4.10.08

DOWNTOWN FLUSHING INSET



Willets Point Development District

1-1/2-mile Trade Area

1 Retail Concentrations

A Supermarket Location

RETAIL CONCENTRATIONS

1. Downtown Flushing
2. Northern Boulevard between Bowne Street and Murray Street
3. Main Street from Sanford Avenue to Dahlia Avenue
4. Main Street from Booth Memorial Avenue to the Long Island Expressway
5. Junction Boulevard from 34th Avenue to 40th Avenue
6. Corona Avenue from 90th Street to 108th Street
7. 103rd Street/National Street from 37th Avenue to 42nd Avenue
8. College Point Shopping Center

Figure 4-12

Retail Concentrations within the 1½-mile Trade Area

Boulevard to the north, and Union Street to the east. Downtown Flushing is a full-scale Central Business District (CBD), with a combination of office and retail uses. Residential uses become more prevalent near the southern and eastern boundaries of the area. Flushing has a vibrant retail district with a broad range of store sizes and types, and an active business community supported by the Downtown Flushing Transit Hub Business Improvement District, which was established in 2003.

Several large national chain stores, including Macy's and Old Navy, are located at or near the corner of Main Street and Roosevelt Avenue. In addition to national chain stores, downtown Flushing also contains a variety of shoppers' goods stores and smaller convenience stores, a large proportion of which cater to the Asian population living in Flushing. Pedestrian traffic is very high throughout most of the downtown area. The Flushing CBD can be reached by the No.7 subway line, 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.

Northern Boulevard between Bowne Street and Murray Street

This eastern portion of Northern Boulevard is more auto-oriented than most corridors surveyed, with two lanes of traffic flowing in each direction, few pedestrians, and several establishments offering free off-street parking. Storefronts are generally less concentrated and more scattered along this retail strip. Most of the stores along this strip offer neighborhood services or convenience goods, including three large supermarkets that cater to the Asian population nearby. Many shops are in one-story buildings and several parking lots are dedicated to specific stores, such as a 7-11, Burger King, and the three supermarkets. Residential buildings become denser and taller, as compared with the single-family homes that surround Downtown Flushing.

Main Street from Sanford Avenue to Dahlia Avenue

Main Street continues to function as a retail corridor south of downtown Flushing from Sanford Avenue to Dahlia Avenue. This stretch of Main Street has fewer shopper's goods stores and more neighborhood services and convenience goods. Pedestrian traffic is generally less than within downtown Flushing, but still high overall. This stretch has several small grocery stores and delis, including grocery stores focusing on Asian-Indian groceries and Halal foods.

Main Street from Booth Memorial Avenue to the Long Island Expressway

The southern portion of Main Street is an active retail strip located southeast of the District. The corridor is lined mostly with small, one-story storefronts offering convenience goods and neighborhood services. Local establishments make up the majority of the stores. Compared to other retail concentrations within the 1½-Mile Trade Area, pedestrian and auto traffic is lighter. It is likely that the customer base for this retail concentration comes primarily from the surrounding residential neighborhood.

Junction Boulevard from 34th Avenue to 40th Avenue

This Corona neighborhood retail strip extends from 34th to 40th Avenues along Junction Boulevard. The strip contains a mixture of shoppers' and convenience goods stores, including clothing, shoe, and furniture stores, as well as pharmacies, restaurants, grocery stores, and 99 cent stores. Based on field observations, the strip appears to be more heavily weighted toward shoppers' goods than convenience goods. Larger stores include VIM clothing store, Payless Shoe Source, Food Dimensions grocery store, and a Junction Food Bazaar grocery store at Junction Boulevard and 34th Avenue. Chain retailers have a stronger presence along this corridor compared with other retail concentrations within the 1½-Mile Trade Area. Many of the stores—food stores and restaurants in particular—cater to a Hispanic population. Transit service to the corridor is good, with a No. 7 subway line express train stop located at Junction Boulevard and Roosevelt Avenue.

Corona Avenue from 90th Street to 108th Street

Corona Avenue is situated southwest of Willets Point, approximately 1 mile from the District. The strip is lined with a mixture of commercial, residential, and institutional uses, with commercial uses most densely clustered at the intersections with 91st Street, Junction Boulevard, and 108th Street. Many of the stores in this concentration offer neighborhood services, and there are also a number of convenience goods stores and restaurants. Shopper's goods, such as clothing, jewelry, or furniture, are scarce. Most of the stores cater to the local Hispanic community, offering Central and South American food products and posting signs written in Spanish in store windows.

103rd Street/National Street from 37th Avenue to 42nd Avenue

The National Street/103rd Street retail concentration is a narrow retail corridor that runs from 37th Avenue to 42nd Avenue and is bisected by Roosevelt Avenue. Stores along this corridor offer mostly convenience goods, such as a 99 cent store, several delis, and a grocery store, as well as neighborhood services like a beauty salon and a barber shop. There are also several limited-service restaurants and a handful of shopper's goods stores, including a carpet and furniture store, a jewelry store, and an athletic shoes store. Several of the stores appear oriented toward serving the local shopping needs of the surrounding Hispanic community. Pedestrian traffic is highest at 103rd Street and Roosevelt Avenue, where the 103rd Street-Corona Plaza No. 7 subway line local train stop is located.

College Point Shopping Center

The College Point Shopping Center is located on 20th Avenue between 132nd Street and the Van Wyck Expressway in College Point. The center opened in 1998 and today includes a variety of destination retail stores, including Old Navy, Modell's Sporting Goods, Babies R Us, BJ's Wholesale Club, Circuit City, TJ Maxx, Target, and Staples, along with chain eating and drinking establishments such as McDonalds and Starbucks.

POTENTIAL IMPACTS ON LOCAL FOOD STORES

The retail corridors within the 1½-Mile Trade Area contain a wide variety of food and beverage stores, including several large chain supermarkets and smaller independent stores such as delis and grocery stores, meat and fish markets, fruit and vegetable markets, and retail bakeries. Supermarkets and grocery stores in the 1½-Mile Trade Area include a few large chain supermarkets, such as Waldbaums, as well as many smaller supermarket chains, such as Associated and C-Town, and several Asian food markets of varying size (see Table 4-33). There are approximately 26 supermarkets or grocery stores in the 1½-Mile Trade Area. The names and addresses of each supermarket or large grocery store are provided in Table 4-33 and are mapped in Figure 4-12. As noted above, the analysis focuses on grocery stores in particular, because grocery stores generally serve as anchors for retail concentrations, and the proposed Plan could introduce stores offering products that substantially overlap with typical grocery store offerings.

Table 4-33
Selected Supermarkets in 1½-Mile Trade Area

Map No.	Name	Address/Location
A	**A&N Food Market**	**41-79 Main St**
B	Al-Habib Halal Meat and Grocery	43-25 Main St
C	**Assi Plaza**	**131-01 39th Ave**
D	Associated Supermarket	39-09 103rd St
E	C Town	94-53 Corona Ave
F	**Chang Jiang Supermarket**	**41-41 Kissena Blvd**
G	**Corona Food Plaza**	**41-25 102nd St**
H	Fine Fare Supermarket	109-01 37th Ave
I	Fine Fare Supermarket	108-02 Otis Ave
J	**Food Bazaar**	**34-20 Junction Blvd**
K	**Food Dimensions**	**35-60 Junction Blvd**
L	Goowha Market	41st Ave and Union St
M	**GW Flushing Market**	**144-50 Northern Blvd**
N	Han Ah Reum (Hmart)	141-40 Northern Blvd
O	**Hanyang Mart**	**150-51 Northern Blvd**
P	Hing Long Supermarket	41-16 Main St
Q	**Hong Kong Supermarket**	**37-13 Main St**
R	**Key Food Supermarket**	**25-03 Parsons Blvd**
S	**Key Food Supermarket**	**142-41 Roosevelt Ave**
T	**Maple Supermarket**	**42-01 Main St**
U	New Subzi Mandi	42-55 Main St
V	**NSA Supermarket**	**99-32 Corona Ave**
W	Ou Jiang Supermarket	40-36/38 Main St
X	Patel Brothers	42-79 Main St
Y	Sunrise Food Market	40-33 Main St
Z	**Waldbaums Supermarket**	**132-01 20th Ave**

Notes: Supermarkets greater than 10,000 sf are listed in **bold**.
Sources: Store square footage based on RPAD data and estimates from aerial photography.

As described below, with the proposed Plan, the amount of competitive business displacement of grocery stores and local retail stores more generally would be minimal, is not anticipated to jeopardize the viability of any neighborhood retail strips, is not expected to diminish the level of services provided and, therefore, is not anticipated to result in significant adverse impacts due to competition.

Local stores would remain more convenient to many shoppers.

Local area residents would continue to make a majority of their shopping trips to stores closest to their homes and closest to public transportation. It is therefore unlikely that a large portion of consumer sales would be diverted from local stores to the proposed retail development under the proposed Plan and Lot B. Many residents, especially those without access to a car, would continue to do the majority of their grocery shopping at the stores on the local retail corridors because they would remain more convenient as well as because transit service to the District would not be convenient for many residents of the 1½-Mile Trade Area. Although the District is served by the No. 7 subway line and the Q19, Q66, and Q48 buses, these transit options do not serve the entirety of the 1½-Mile Trade Area, especially those households in the northern and southern portions of the trade area. Further, it is unlikely that residents would travel out of their way to access a transit route to the District, especially when many existing retail concentrations are well served by buses and subways.

For households not along the transit routes that serve the District, a car would be the most convenient way to access the proposed retail. Approximately 46 percent of households in the 1½-Mile Trade Area do not have a vehicle available to them. The 54 percent vehicle availability rate indicates that while many local households may make trips to area supermarkets once in a while (in cars with friends or family, or by private car service), they are not likely to do their more frequent grocery shopping there and would instead be likely to continue to do a majority of their food shopping at grocery stores closest to their homes and closest to convenient public transportation. In general, local grocery stores and supermarkets would continue to meet the demand by local residents in the 1½-Mile Trade Area for convenience food purchases.

In addition, the central locations of local grocery stores put them at an advantage over the District in some respects. Residents are likely to combine shopping trips for groceries with errands such as trips to the bank or dry cleaner, and may also shop for retail goods such as clothing, shoes, or books on the same trip. Many of the smaller grocery stores in the 1½-Mile Trade Area are located along major commercial corridors that offer a variety of convenience goods, shopping goods, and neighborhood services, or in small retail clusters that include other basic convenience goods stores. Many residents, even those with access to a car, would continue to do the majority of their grocery shopping at these supermarkets because of the opportunity they provide for easily combining trips. It is therefore unlikely that a large portion of their sales would be diverted from local grocery stores to a supermarket in the District.

The development of a wholesale club and supermarket as part of the retail mix of the proposed Plan would not be expected to substantially affect the area’s small- and medium-sized food and beverage stores. Specialty stores like meat and fish stores, and bakeries are generally patronized by neighborhood residents who value the convenience of shopping at a smaller store located near to their home, and the high quality of goods and personal service that can be offered by stores that specialize in certain food products. A wholesale club or chain supermarket would not offer the same specialized products or service, and business at specialty food and beverage stores is not expected to be significantly affected by the inclusion of a either a wholesale club or supermarket in the proposed Plan.

Small- to medium-sized, independently owned grocery stores, bodegas, and delis serve a retail function similar to specialty food stores, though they offer a wider variety of food items. In general, these smaller grocery stores tend to act as convenience stores, where customers make frequent trips and purchase fewer items that are in immediate demand, such as milk or bread, or housekeeping supplies such as light bulbs. While shoppers may sometimes purchase these types of goods at chain supermarkets, they typically do not make frequent trips for convenience goods to wholesale clubs or area supermarkets; instead, they are likely to continue to fill their more frequent convenience food and beverage needs at smaller, nearby grocery stores.

Local retail corridors tend to have more convenience goods and neighborhood services stores compared with anticipated uses under the proposed Plan.

Most of the retail corridors in the 1½-Mile Trade Area cater to local communities. As such, these concentrations tend to offer a variety of convenience goods stores and neighborhood service stores. Neighborhood-oriented retail would not compete with the destination retail in the District. Although the proposed Plan includes 150,000 sf of neighborhood retail, including a potential 50,000 sf grocery store, this retail would cater to the 5,850 residential units that are being built as part of the proposed Plan.

Many retail corridors in the 1½-Mile Trade Area cater to specific ethnic groups.

Many neighborhoods in Queens have a distinct character in terms of income levels and ethnic background of their residents. The local retail concentrations reflect the income and ethnic patterns of their local neighborhoods, with local retailers offering specialty goods and services familiar to a specific ethnic community and frequently doing business in a foreign language. For example, shopping areas found along Corona Avenue, Junction Boulevard, 103rd Street/National Street, and Downtown Flushing cater to the local Hispanic and Asian populations. By focusing on a specific, and in some cases, geographically small local market area, these retail concentrations in Queens have maintained strong local support. And despite the fact that many of the local commercial strips draw from a small primary trade area (in some cases a two- or three-block radius), sales are high due to very high population densities throughout the borough. Furthermore, it is unlikely that the proposed retail would offer goods, services, or restaurants that would directly compete with the specialty goods, services, and ethnic restaurants offered by local retailers focusing on a specific ethnic community. Overall, many shopping areas would be likely to retain their customer base.

Supermarkets offer a broader selection of merchandise compared with a wholesale club.

The selection of grocery items at the potential wholesale clubs under the proposed Plan would not be comparable with the selection offered at supermarkets within the 1½-Mile Trade Area. For example, Costco limits the number of different items offered in each product line, carrying an average of approximately 4,000 active stockkeeping units (SKUs) per warehouse.[1] In contrast, the filing indicates supermarkets normally stock between 40,000 and 60,000 SKUs or more. Shoppers who prefer to have a wide assortment of items to choose from would likely continue to shop at area supermarkets.

Some portion of sales at the wholesale club would be diverted from sales at other wholesale clubs.

Although specific tenants have not been confirmed for the proposed Plan, it could potentially include a wholesale club. There is already a BJ's Wholesale Club nearby at the College Point Shopping Center, but some Queens residents nearby may choose not to shop there because they prefer other wholesale retailers, such as Sam's Club and Costco. These consumers may also choose to travel to a Costco at Vernon Boulevard and Broadway in Queens, or outside the borough to a Costco in Lawrence, NY, near JFK Airport, or to a Sam's Club in Linden, NJ. Depending on the wholesale store operator, some of these residents may choose to shop at the new store if the proposed Plan is developed, rather than traveling to stores outside of the borough. Therefore, some portion of sales at the proposed Plan's wholesale club would represent sales that have been diverted from other wholesale clubs, not from local supermarkets.

Cost of membership will discourage some from shopping at a wholesale club.

Households are required to purchase a wholesale club membership card in order to shop at the store. The cost of a membership card at wholesale clubs is typically about $40 to $50 per household. This may serve as a barrier to some households in the 1½-Mile Trade Area. Households who are not able or choose not to pay a $40 membership fee would continue to shop at local supermarkets.

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[1] Costco Wholesale Corporation, 2006 SEC Filing (Form 10-K).

There is an outflow of consumer spending within the 1½-Mile Trade Area.

Stores that are most likely to experience competitive pressure from a wholesale club and large chain supermarket are other large chain supermarkets and large grocery stores. This is because some local residents who currently shop in bulk at existing local supermarkets could decide to do their bulk shopping at the wholesale club or potential supermarket instead. However, a capture rate analysis for the 1½ -Mile Trade Area shows that sales from a new supermarket and wholesale club would change capture rates for grocery stores very little. Sales at new grocery stores would be balanced by population growth resulting from the proposed Plan and developments in the future without the proposed Plan. Overall, the capture rate would decrease in the future with the proposed Plan, from 68 percent to 67 percent (see Table 4-34). This analysis assumes that only a portion of the sales from the retail under the proposed Plan would be generated by households living in the 1½-Mile Trade Area.

In the future without the proposed Plan, new components of demand would be added to the 1½-Mile Trade Area with the construction of the 3,482 No Build units near the District (see Table 17-9). This would constitute a substantial new customer base in the 1½-Mile Trade Area. As shown above in Table 4-26, households within the Primary Trade Area spend approximately $3,796 per household annually at grocery stores. It is expected that new residents of the 1½-Mile Trade Area would spend a comparable amount at grocery stores, resulting in an additional $13.2 million of grocery expenditure potential, which would increase the grocery expenditure potential of the 1½-Mile Trade Area to $278 million. No new grocery stores are expected in the 1½-Mile Trade Area, and annual grocery store sales would remain approximately $180 million (see Table 4-34). With annual sales of approximately $180 million and annual grocery expenditure potential of $278 million, the capture rate would decrease to 65 percent.

Table 4-34
Comparison of Estimated Grocery Store Capture Rates in the 1½-Mile Trade Area: Existing Conditions and Future Without and With the Proposed Plan

	Grocery Sales in 1½-Mile Trade Area[1]	Grocery Demand in 1½-Mile Trade Area[1]	1½-Mile Trade Area Capture Rate
Existing Conditions			
Grocery Stores	$179.8	$264.7	68%
Future Without the Proposed Plan			
Grocery Stores	$179.8	$277.9	65%
Future With the Proposed Plan			
Grocery Stores	$200.0	$300.1	67%

Notes: [1]All dollar values are presented in millions of 2008 dollars.
Sources: See source notes for Tables 4-26 through 4-31.

In the future with the proposed Plan, an additional 5,850 households would be added to the 1½-Mile Trade Area. These new households would constitute a substantial new customer base in the 1½-Mile Trade Area and would increase the annual grocery store expenditure potential by roughly $22.2 million, to $300 million. In comparison, grocery store sales in the 1½-Mile Trade Area would increase to $200 million, accounting for sales at the potential wholesale club and potential supermarket under the proposed Plan. This sales volume would represent a 67 percent capture rate for grocery items in the 1½-Mile Trade Area. This capture rate would be lower than it is under existing conditions and lower than the 70 to 80 percent capture rate typical of trade areas that are satisfying the retail demand generated by trade area households.

Many individual supermarkets in the 1½-Mile Trade Area are not critical to the survival of local retail concentrations.

Indirect displacement due to competition in itself does not constitute a significant adverse impact under CEQR guidelines. The potential for significant adverse impacts exists only if proposed stores have the potential to affect neighborhood character by affecting the viability of neighborhood shopping areas. The 1½-Mile Trade Area contains approximately 26 supermarkets; 14 of these are large supermarkets that might serve as anchors of their respective retail concentrations. Smaller supermarkets, such as Met Food and C-Town, typically with less than 10,000 sf of space, primarily serve the convenience shopping needs of local residents, and so they would not directly compete with a supermarket or wholesale club in the proposed Plan. Even though one or more of these smaller grocery stores may be present on a local shopping street, they do not typically anchor the commercial mix and are not critical to the survival of surrounding stores, and so would not adversely alter neighborhood character even if they were to be negatively affected by competition.

The section below evaluates whether specific large supermarkets and grocery stores might be vulnerable to competition from a potential wholesale club or supermarket in the District, and whether or not these supermarkets are critical to the survival of the neighborhood commercial strips or shopping centers in which they are located. As discussed below, many of these supermarkets are not critical to the survival of their retail concentration, and those that are would remain competitive for a variety of reasons. Overall, the proposed Plan and anticipated development on Lot B are not expected to result in the displacement of local grocery stores and supermarkets that are critical to the vitality of retail concentrations within the 1½-Mile Trade Area.

A&N Food Market, Assi Plaza, Chang Jiang Supermarket, Hong Kong Supermarket, Key Food Supermarket, and Maple Supermarket in Downtown Flushing: Several large supermarkets are located in Downtown Flushing and the surrounding blocks. Downtown Flushing is the busiest retail concentration in the 1½-Mile Trade Area, and one of the busiest in Queens as a whole. As described above, pedestrian traffic is high, and retailers draw customers from the densely populated residential areas nearby, as well as employees in the Downtown Flushing CBD and other visitors. This retail concentration is served by the No. 7 subway line and many buses, and would continue to attract customers who use mass transit. The area offers a wide variety of shopper's goods, convenience goods, neighborhood services, and eating and drinking establishments, and it is likely that these grocery stores attract customers that prefer to combine grocery trips with trips for other retail offerings. Most of these supermarkets offer a wide array of specialty foods that cater to the local Asian population and would not significantly overlap with the goods offered by a potential supermarket or wholesale club in the District. Furthermore, in the unlikely event that one or more of these supermarkets were displaced due to competition, Downtown Flushing does not depend on any particular one of them for its vitality. There are other stores in the area that function as anchors, such as the Macy's on Roosevelt Avenue. Therefore, given the population density of the area, the strength of the Downtown Flushing CBD, the variety of retail offerings in the area, the proximity to transit, and the retailers' focus on ethnic communities, these supermarkets would not experience detrimental competitive effects from a potential supermarket or wholesale club in the District.

Corona Food Plaza at 42nd Avenue and 102nd Street: The Corona Food Plaza is located near the intersection of 42nd Avenue, 102nd Street, and National Street and serves the densely populated Corona neighborhood. This store is at the southern end of the 103rd Street/National

Street retail concentration and does not serve as a critical anchor for other retail stores in the area. The 103rd Street-Corona Plaza No. 7 subway line local train stop is only a few blocks away, and this store, as well as the retail concentration in general, would continue to attract customers who use mass transit. The retail concentration offers several neighborhood services stores, and the Food Plaza would continue to attract customers who prefer to combine grocery trips with trips for other neighborhood services. Finally, many of the stores in the retail concentration cater to the Hispanic population in the area, and it is expected that these populations would continue to patronize this corridor even with a supermarket or wholesale club in the District. It is not expected that this supermarket would be negatively affected by competitive pressure from the proposed Plan and Lot B. In the unlikely event it is displaced due to competition, it does not serve as a critical anchor for the retail corridor.

Food Bazaar and Food Dimensions on Junction Boulevard between 34th and 40th Avenues: These two supermarkets are located on the retail corridor along Junction Boulevard between 34th and 40th Avenues. Food Bazaar is located at the northern end of the corridor at the intersection of 34th Avenue and Junction Boulevard, and is a free-standing store with a parking lot. Food Dimensions is located at 37th Avenue and Junction Boulevard. Both supermarkets serve the densely populated Elmhurst and Corona neighborhoods and have good access to transit at the No.7 subway line express train stop at Junction Boulevard and Roosevelt Avenue. Furthermore, the supermarkets are located almost 1½ miles from the District, a distance that would deter shopping trips for convenience items. Given the distance from the District and the population density of the area, it is unlikely that the supermarkets would lose a significant amount of sales to a supermarket or wholesale club developed under the proposed Plan.

Waldbaums in the College Point Shopping Center: This Waldbaums is located in the College Point Shopping Center at the northern edge of the 1½-Mile Trade Area, approximately 1½ miles from the District. The shopping center is occupied by several other large chain retailers, including Target and BJ’s Wholesale Club, and has a large parking lot. This parking lot, along with the other retailers, allows Waldbaums to attract customers from a broad area that includes Flushing, Whitestone, and College Point. It is likely that many of these customers would continue to find this Waldbaums more convenient than the potential supermarket or wholesale club in the District. The presence of other major brand shops indicates that even in the unlikely event that the Waldbaums is displaced due to competition; it would not have a significant adverse impact on neighborhood character because the College Point Shopping Center does not depend on Waldbaums for its vitality.

GW Flushing Market and Hanyang Mart on Northern Boulevard between Bowne Street and Murray Street: GW Flushing Market and Hanyang Mart are located along Northern Boulevard east of Downtown Flushing. As described above, this retail corridor is more auto-oriented than most corridors surveyed, with two lanes of traffic flowing in each direction, few pedestrians, and free off-street parking. Both of these establishments have their own parking lots. These Asian supermarkets serve the surrounding Asian, particularly Korean, community. As such, it is expected that the products offered at a wholesale club or supermarket in the District would not substantially overlap with the products offered at these stores, and that the Asian community would continue to patronize these stores even with a supermarket or wholesale club in the District. These stores would also continue to draw customers from a wide area due to the availability of parking. Therefore, it is not expected that either store would be significantly adversely impacted by competitive pressure from the retail under the proposed Plan and Lot B.

Key Food Supermarket at Parsons Boulevard and Willets Point Boulevard: Located northeast of the District, this Key Food is a large store with a parking lot. The supermarket is not situated on a major retail corridor and does not serve as an anchor for other neighborhood retail. In addition, the density of residential development in the surrounding neighborhood assures that the store would continue to experience demand for food and other convenience items, supporting its continued viability.

NSA Supermarket at Corona Avenue and 102nd Street: NSA Supermarket is a free-standing store with a parking lot that serves the densely populated Corona neighborhood. This supermarket is located near the center of the Corona Avenue retail corridor. Compared with other retail corridors in the 1½-Mile Trade Area, this one has a broader mix of uses, with residential and institutional uses interspersed among the commercial establishments. Therefore, given the relative sparseness of retail along this corridor, it is likely that many Corona residents purchase their convenience goods at this supermarket. Many stores along the corridor cater to the nearby Hispanic population, and it is expected that this population would continue to patronize the retail corridor even without the NSA Supermarket. In addition, the store is located almost 1½ miles from the District, a distance that would deter shopping trips for convenience items. Therefore, the Corona Avenue retail corridor would not be significantly adversely impacted due to competition from the retail under the proposed Plan and Lot B.

In conclusion, competitive pressure generated by a wholesale club or chain supermarket would be felt most strongly by major supermarkets in the 1½-Mile Trade Area. Smaller food stores and shopping goods stores would experience more moderate competitive pressure, if any, and neighborhood services stores and eating and drinking establishments would not be adversely impacted. Local residents would continue to shop at existing grocery stores for convenience, variety and selection of items, specialized goods and services familiar to an ethnic community, and public transit accessibility. The proposed Plan and Lot B are not expected to alter the number of businesses and services that are located on retail corridors in the 1½-Mile Trade Area, and vacancy rates are not expected to change in the future. While the possibility of some limited indirect business displacement due to competition cannot be ruled out, any displacement that might occur would not jeopardize the viability of any local retail strips. Similarly, although a potential supermarket in the District would compete with nearby supermarkets and grocery stores within the 1½ -Mile Trade Area, it is not expected to have a substantial significant impact on nearby grocery stores, nor would it jeopardize the viability of any retail strips in the study area. Therefore, the proposed Plan and Lot B would not result in significant adverse impacts on neighborhood character due to competition.

G. DETAILED ANALYSIS OF ADVERSE EFFECTS ON SPECIFIC INDUSTRIES

Based on guidelines in Section 333 of the *CEQR Technical Manual*, a detailed analysis is required if the preliminary assessment cannot rule out significant adverse effects on specific industries. The preliminary assessment in Section C, “Preliminary Assessment,” identified one industry that requires further analysis: the auto parts and repair industry. Therefore, a detailed analysis of this industry is provided below.

EXISTING CONDITIONS

The District

As detailed in Section C, "Preliminary Assessment," there are 228 businesses within the District engaged in automotive trades, including: 163 automotive repair and maintenance businesses; 6 auto salvage wholesalers; 54 retail establishments; and 5 towing services in the transportation and warehousing sector. In total, these businesses employ 1,069 workers.

Queens and New York City

According to NYSDOL, in 2006, there were approximately 1,400 auto parts and repair related businesses within Queens and nearly 3,800 in all of New York City that employed 6,383 and 17,822 workers, respectively. These businesses provide auto repair, service, and maintenance needs to automobile owners and operators throughout the City, supply new and used automotive parts, and provide towing services. The 228 automotive businesses located in the District represent less than 15 percent of total auto-industry businesses (and jobs) within Queens, and less than 5 percent of total auto-related businesses (and jobs) within New York City.

NYSDOL data from 2000 and 2006 indicates that businesses in auto-related trades within New York City are on the decline. As shown in Table 4-35, the number of establishments in auto-related sectors decreased by 5 percent between 2000 and 2006, and employment by 28 percent. Additionally, employment within auto-related sectors does not make up a significant portion of New York City's job base. In total, only 1.4 percent of total jobs within Queens and less than 1 percent of total jobs within the City are found within the auto-related sectors.[1]

Table 4-35
Auto-Related Firms and Jobs in New York City, 2000 and 2006

	2000	2006	% Change
Auto-Related Firms	3,840	3,642	-5.2%
Auto-Related Jobs	22,386*	16,031*	-28.4%

Notes: *Totals above include establishments and jobs from all auto-related industries, with the exception of "recyclable merchant wholesalers" (salvage yards). The category includes both auto-related and non auto-related recycling establishments, and therefore was not included.
Sources: NYSDOL, 2000 and 2006.

Industry Characteristics

Auto-related businesses within New York City can be located in various manufacturing and commercial zoning districts, depending on the use. Auto repair and maintenance establishments can be located in all manufacturing zones and in C8 commercial zones. Retail supply stores (without repair service) operate in commercial districts (C1, C2, C4, C5, C6, C8) and all manufacturing zones. Automobile wrecking and salvage operations are limited to M3 zones.

These businesses operate both in isolation from one another, and, as discussed in Section D, "Detailed Analysis of Direct Business and Institutional Displacement," in large industry clusters. Business listings identify stand-alone auto repair and maintenance establishments throughout Queens with substantial clusters located in Elmhurst, South Ozone Park, Hollis, and Queens Village. Larger clusters of auto-related businesses are located in M3 zoned areas in Flushing

[1] NYSDOL, 2006

(primarily within the District), Jamaica, and Long Island City. Stand-alone auto businesses are also located throughout the City, with clusters identified in Hunts Point, Eastchester, and Jerome Avenue in the Bronx; Bay Ridge, Atlantic Avenue; and Flatlands Avenue in Brooklyn; and across Staten Island. Although the District may have some regional draw for auto repair and maintenance, substantial auto centers are also located just outside the City, in Deer Park on Long Island, and Hillside and Harrison, New Jersey, indicating that customers outside of the City do not rely on District businesses for their automotive repair and supply needs.

Although many auto-related businesses operate independently, a circular supply chain is apparent for those businesses operating within the large clusters (including the District and Jamaica). In clusters, salvage yards and retail establishments supply used and new parts to repair and maintenance shops, while repair and maintenance shops simultaneously supply automobiles to salvage yards to recycle parts for resale. While these cluster businesses consider the concentration beneficial to their operations, proximity to one another is not essential for their viability, as evidenced by the numerous auto repair, maintenance, wholesale and retail businesses operating successfully outside the most substantial clusters (the District and Jamaica). These businesses serve local clients, and order parts and supplies that they either pick up from local salvage yards, or have delivered to their establishments.

THE FUTURE WITHOUT THE PROPOSED PLAN

As discussed in Chapter 3, the District itself is not expected to experience substantial change in the future without the proposed Plan. Though some redevelopment or improvements may occur, the overall low-density, industrial zoning regulations, substandard infrastructure, and contamination concerns are expected to prevent substantial change within the District. Therefore, the auto-related businesses are expected to remain within the District.

Although the District will continue to have a large concentration of auto-related businesses, trends within the auto industry indicate that demand for the products and services currently offered by the establishments within the District could decrease in the future. As part of a long-term trend, the auto repair industry is shifting to dealer-operated or factory-authorized repair businesses, as longer warrantees typically require service to be performed in-house or at authorized facilities using factory supplied parts. (One dealership in the District, Empire Auto, is confirmed to be a factory authorized repair facility.) Additionally, an increase in computerized components and other modern technologies (such as hybrid engines) has transformed the field from one of basic repair services to one that is highly technical and that requires sophisticated training and knowledge.[1] District businesses may find it difficult to provide these services as a result of the above referenced authorized facility restrictions and the finances of the technical training that would be required.

Shifts in auto salvage yard operations could decrease needs of District businesses as well. Modern automobiles last longer, reducing the value of recycled car parts that the majority of District salvage businesses provide. Additionally, technologically advanced salvage operations with online inventory services allow for online ordering and shipment of parts directly to individual customers. Because parts can be obtained easily via these systems, expansive regional facilities away from other auto uses or clusters are possible.

[1] "Industry Overview: The Automotive Repair Industry" (Forbes.com, April, 2006)

In conclusion, although the District has been and will continue to be a successful automotive destination in the future without the proposed Plan, the need for the products and services it provides are likely to diminish to an extent in coming years.

THE FUTURE WITH THE PROPOSED PLAN

In the future with the proposed Plan, the 228 auto-related businesses and their associated 1,069 employees would be directly displaced from the District. Although this displacement would eliminate auto-related industry employment within the District, it would not substantially reduce employment or impair the economic viability of the auto-repair industry within the New York City, or within any industries reliant upon auto repairs. As detailed above, the displacement of these auto-related businesses represents less than 17 percent of all auto-related businesses and employment in Queens, and less than 6 percent citywide, indicating that numerous establishments are located within the City to provide customers with the same products and services as those currently found within the District. This would include both individuals and businesses seeking repair and maintenance services, new and used parts, as well as wholesale recycled parts.

Additionally, although the 228 auto-related businesses would be displaced from the District, many could remain within Queens or the City. As discussed above in Section D, "Detailed Analysis of Direct Business and Institutional Displacement," the potential for relocation exists in Queens and other areas of the City, including properties in other auto clusters with appropriate manufacturing and commercial zoning. Therefore, the number of businesses and jobs within the auto-related sector citywide would not diminish significantly as a result of the proposed Plan and Lot B.

NO CONVENTION CENTER SCENARIO

The number and type of businesses and institutions that would be displaced by the proposed Plan would be the same with or without the convention center. Therefore, the No Convention Center Scenario, like the proposed Plan, would not result in a significant adverse impact due to effects on the auto industry.

H. ECONOMIC AND FISCAL BENEFITS AND COSTS

CONSTRUCTION PERIOD IMPACTS

Construction period impacts would include the displacement of the existing economic activity from the site and the construction activity associated with developing the proposed Plan or the No Convention Center Scenario.

EXISTING ECONOMIC ACTIVITY TO BE DISPLACED FROM THE SITE

Table 4-36 summarizes the existing economic activity that would be displaced from the site under the proposed Plan. Although this economic activity would no longer occur in the District in the future with the proposed Plan, it would continue within the City to the extent that the businesses relocated in the City. Should the proposed Plan be approved, businesses currently located in the District would be offered a relocation package by NYCEDC, which would likely include financial coverage for certain moving costs, re-establishment fees, and use of brokerage services to find alternative locations.

The principal model used to estimate the economic effects of changes within the City's economy is the Regional Input-Output Modeling System (RIMS II), developed by the U.S. Department of Commerce, Bureau of Economic Analysis. The model contains data for New York City on 490 economic sectors, showing how each sector affects every other sector as a result of a change in the quantity of its product or service. A similar RIMS II model for New York State, also developed by the U.S. Department of Commerce, has been used to trace the effects on the State economy. The models have been adjusted to reflect the most recent changes in the New York metropolitan area price level. Using these models and the specific characteristics of the project, the total effect has been projected for New York City and State.

Permanent Employment

As discussed in Section D, “Detailed Analysis of Direct Business and Institutional Displacement,” the proposed Plan would directly displace approximately 1,711 employees. As shown in Table 4-36, based on the RIMS II model’s economic multipliers for New York City industrial sectors, the total employment associated with the economic activity on the site, including indirect jobs, would equal 2,538 permanent jobs within New York City. In the larger New York State economy, the model estimates that the total direct and generated jobs from the annual operation of the activity on the site would equal 2,981 jobs in New York State.

Wages and Salaries

The direct wages and salaries from the annual operation of the existing activity on the site are estimated at $70.93 million in 2007 dollars (see Table 4-36). Total direct and generated wages and salaries resulting in New York City from the annual operation of the existing economic activity on the site are estimated at $106.98 million. In the broader New York State economy, total direct and generated wages and salaries from the annual operation of the existing activity on the site are estimated at $125.62 million in 2007 dollars.

Annual Effect on the Local Economy

The direct effect on the local economy from the operation of the existing economic activity on the site, measured as economic output or demand, is estimated at approximately $352.07 million annually. Based on the RIMS II model for New York City and State, the total economic activity, including indirect expenditures (those generated by the direct expenditures), that results from the operation of the existing activity on the site is estimated at $675.01 million annually in New York State, of which $556.30 million annually occurs in New York City (see Table 4-36).

Fiscal Impacts

The annual operation of the existing activity on the site has associated with it tax revenues for New York City, MTA, and New York State. These tax revenues include property tax-related revenues and non-property-tax revenues. Based on aggregate data for the economic activity on the site, in total, the operation of the existing activity on the site is estimated to generate approximately $25.11 million annually (in 2007 dollars) in non-property-related tax revenues for New York City, MTA, and New York State. Of these tax revenues, the largest portion comes from personal income taxes, sales tax, corporate and business taxes, and similar taxes on the direct and generated economic activity from the existing development. New York State is estimated to receive about $14.55 million annually of the tax revenues generated by the operation of the existing development, MTA receives an estimated $0.79 million annually, and New York City receives an estimated $9.76 million annually. In addition, the City receives property tax revenues. These revenues change from year to year, and in any year are based on the taxable assessed value of the property and the applicable tax rate. In fiscal year 2007/2008, these revenues from the existing development on the site equal approximately $2.49 million.

Table 4-36
Existing Economic Activity

	Portion in New York City	Total New York City And State
Employment (Full- and Part-Time Jobs)		
Direct (On-Site)	1,711	1,711
Indirect (Secondary and Induced)	827	1,270
Total	2,538	2,981
Wages and Salaries (Millions of 2007 Dollars)		
Direct (On-Site)	$70.93	$70.93
Indirect (Secondary and Induced)	$36.05	$54.69
Total	$106.98	$125.62
Total Economic Output or Demand* (Millions of 2007 Dollars)		
Direct (On-Site)	$352.07	$352.07
Indirect (Secondary and Induced)	$204.23	$322.94
Total	$556.30	$675.01
	Fiscal	
Typical Tax Revenues, Exclusive of Real Estate (Constant 2007 dollars)**		
New York City Taxes	$9,760,100	
MTA Taxes	$791,700	
New York State Taxes	$14,554,800	
Total	$25,106,600	

Notes: The above figures do not include the economic activity on Citi Field Parking Lot B. The existing 600 parking spaces on Lot B would be increased to 970 spaces in the future, thus resulting in a net gain in the economic activity associated with the parking spaces in the area.

* The economic output or total effect on the local economy derived from the direct operational spending.

** The amounts are typical based on aggregate data for the economic sectors on the site and do not reflect detailed data on the taxes from the actual establishments on the site. Includes personal income taxes, corporate and business taxes, sales tax, and numerous other taxes on direct on-site and secondary expenditures.

Sources: The employment and economic characteristics of the existing development; the Regional Input-Output Modeling System (RIMS II), U.S. Department of Commerce, Bureau of Economic Analysis; and the tax rates by applicable jurisdiction.

CONSTRUCTION OF THE PROPOSED PLAN

Value of the Construction

The development of the proposed Plan would be undertaken by the investment of funds into the area. Most of the investment funds would be from the private sector. Based on preliminary estimates, the investment for construction of the proposed Plan is estimated for the purpose of this analysis to equal about $3.8 billion. This amount includes site preparation and hard costs (actual construction), and design, legal, and related costs. The total estimated amount of $3.8 billion reflects the cost of physical improvements to the site, and excludes values not directly part of the expenditures for construction, such as financing, the value of the land, marketing, etc. The total cost—including financing, the value of the land, real estate payments, management, initial marketing expenditures, and similar expenditures—would be substantially more.

Employment

The $3.8 billion represents the direct expenditures during the construction period to develop the proposed Plan. As a result of the direct expenditures, the direct employment is estimated at about 17,561 person-years of employment. (A person-year is the equivalent of one employee working full-time for one year.) In addition to direct employment, total employment resulting from construction expenditures would include jobs in business establishments providing goods and services to the contractors and the resulting indirect and generated employment. Based on the model's economic multipliers for New York City industrial sectors, the project would generate an additional 9,175 person-years of employment within New York City, bringing the total direct and generated jobs from the construction of the proposed Plan to 26,736 person-years (see Table 4-37). In the larger New York State economy, the model estimates that the proposed Plan would generate 15,638 person-years of indirect employment, bringing the total direct and generated jobs from construction of the Plan to 33,199 person-years of employment.

Wages and Salaries

The direct wages and salaries during the construction period are estimated at $1.17 billion ($1,169.65 million); see Table 4-37. Total direct and generated wages and salaries resulting in New York City from construction of the proposed Plan are estimated at $1.73 billion ($1,727.54 million). In the broader New York State economy, total direct and generated wages and salaries from construction of the project are estimated at $2.11 billion ($2,110.03 million).

Total Effect on the Local Economy

As indicated above, the total construction cost for the proposed Plan (excluding financing and similar costs) is estimated at approximately $3.8 billion. Based on the RIMS II model for New York City and State, the total economic activity, including indirect expenditures (those generated by the direct expenditures), that would result from construction of the proposed Plan is estimated at $7.20 billion ($7,198.48 million) in New York State, of which $5.50 billion ($5,502.41 million) would occur in New York City (see Table 4-37).

Fiscal Impacts

The construction activity would have associated with it tax revenues for New York City, MTA, and New York State. Based on aggregate data on economic activity and tax receipts for the New York City and State economies from development projects, it is estimated that City tax revenues resulting from construction of a project such as this would equal approximately 2.31 percent of the proposed Plan's total economic activity in New York City. New York State and MTA (which collects a 0.375 percent sales tax and tax surcharges on business and utilities taxes within the City and the MTA 12-county region) would receive revenues equal to about 3.14 percent of the Plan's total economic activity in the State. In total, the construction of the proposed Plan is estimated to generate approximately $352.9 million in tax revenues for New York City, MTA, and New York State. Of these tax revenues, the largest portion would come from sales tax, personal income taxes, and corporate, business, and related taxes on direct and induced economic activity. New York State and MTA would receive about $226.10 million (64.06 percent) of the tax revenues generated by construction of the project, and New York City would receive about $126.8 million (35.94 percent) of these tax revenues.

In addition, the proposed Plan would be expected to generate mortgage recording fees for New York City both from the developers and from the owners of the condominium portion of the residential property, and New York City would receive real-property-related revenues (i.e., real estate tax payments) during the development period.

Table 4-37
Employment and Economic Benefits from Construction of the Proposed Plan

	Portion in New York City	Total New York City And State
Employment (Person-years)*		
Direct (Construction)	17,561	17,561
Indirect (Secondary and Induced)	9,175	15,638
Total	26,736	33,199
Wages and Salaries (Millions of 2007 Dollars)		
Direct (Construction)	$1,169.65	$1,169.65
Indirect (Secondary and Induced)	$557.88	$940.39
Total	$1,727.54	$2,110.03
Total Economic Output or Demand (Millions of 2007 Dollars)**		
Direct (Construction)	$3,819.24	$3,819.24
Indirect (Secondary and Induced)	$1,683.17	$3,379.24
Total	$5,502.41	$7,198.48
	Fiscal	
Tax Revenues, Exclusive of Real Estate* (Constant 2007 dollars)**		
New York City Taxes	$126,840,700	
MTA Taxes	$9,619,000	
New York State Taxes	$216,480,500	
Total	$352,940,200	

Notes: The above figures do not include the employment and economic effects from constructing the park and school, which would be additional.
* A person-year is the equivalent of one person working full-time a year.
** The economic output or total effect on the local economy derived from the direct construction spending.
*** Includes sales tax, personal income taxes, corporate and business taxes, and numerous other taxes on construction and secondary expenditures. Figures assume no sales tax on construction materials from the on-site infrastructure and convention center components of the project.
Sources: The characteristics and construction cost of the proposed development; the Regional Input-Output Modeling System (RIMS II), U.S. Department of Commerce, Bureau of Economic Analysis; and the tax rates by applicable jurisdiction.

CONSTRUCTION OF THE NO CONVENTION CENTER SCENARIO

Value of the Construction

As with the development of the proposed Plan, the development of the No Convention Center Scenario would be undertaken by the investment of funds into the area. Most of the investment funds would be from the private sector. Based on preliminary estimates, the investment for construction of the No Convention Center Scenario is estimated for the purpose of this analysis to equal about $3.7 billion, approximately $132.2 million less than the construction cost of the proposed Plan. The total estimated amount of $3.7 billion reflects the cost of physical improvements to the site, and excludes other values, such as financing, the value of the land, real estate payments, management, initial marketing expenditures, and similar expenditures.

Employment

The $3.7 billion represents the direct expenditures during the construction period of the No Convention Center Scenario. As a result of the direct expenditures, the direct employment is estimated at about 17,017 person-years of employment. In addition to direct employment, total employment resulting from construction expenditures would include jobs in business establishments providing goods and services to the contractors and resulting indirect and generated employment. Based on the model's economic multipliers for New York City industrial sectors, the project would generate an additional 8,865 person-years of employment within New York City, bringing the total direct and generated jobs from the construction of the No Convention Center Scenario to 25,883 person-years (see Table 4-38). In the larger New York State economy, the model estimates that the No Convention Center Scenario would generate 15,139 person-years of indirect employment, bringing the total direct and generated jobs from construction of the No Convention Center Scenario to 32,157 person-years of employment.

The construction of either scenario (with or without the convention center) would create similar order-of-magnitude employment. In either case, the amount of employment would be significant. Overall, the No Convention Center Scenario would generate slightly fewer (3.1 percent) direct and indirect employees in New York City and State than the proposed Plan.

Wages and Salaries

The direct wages and salaries during the construction period for the No Convention Center Scenario are estimated at $1.13 billion ($1,128.67 million); see Table 4-38. Total direct and generated wages and salaries resulting in New York City from construction of this scenario are estimated at $1.67 billion ($1,665.11 million). In the broader New York State economy, total direct and generated wages and salaries from construction of the No Convention Center Scenario are estimated at $2.04 billion ($2,035.09 million).

The wages and salaries associated with the construction of either scenario would be significant. Total wages and salaries generated by the construction of the No Convention Center Scenario in New York City and New York State would be only slightly lower (3.6 percent) than the wages and salaries generated by the construction of the proposed Plan. In either case, total wages and salaries would total approximately $1.7 billion in New York City and approximately $2.0-$2.1 billion in New York State.

Total Effect on the Local Economy

As indicated above, the total construction cost for the No Convention Center Scenario (excluding financing and similar costs) is estimated at approximately $3.7 billion. Based on the RIMS II model for New York City and State, the total economic activity, including indirect expenditures (those generated by the direct expenditures), that would result from construction of the scenario is estimated at $6.94 billion ($6,937.44 million) in New York State, of which $5.30 billion ($5,302.22 million) would occur in New York City (see Table 4-38).

Total economic output associated with the construction of either scenario would be significant. The projected economic output would be only slightly lower (about 3.6 percent) in the No Convention Center Scenario compared with the proposed Plan. Total economic output would still exceed $5.3 billion in New York City and $6.9 billion in New York State.

Table 4-38
Employment and Economic Benefits from Construction of the No Convention Center Scenaro

	Portion in New York City	Total New York City And State
Employment (Person-years)*		
Direct (Construction)	17,017	17,017
Indirect (Secondary and Induced)	8,865	15,139
Total	25,883	32,157
Wages and Salaries (Millions of 2007 Dollars)		
Direct (Construction)	$1,128.67	$1,128.67
Indirect (Secondary and Induced)	$536.44	$906.44
Total	$1,665.11	$2,035.09
Total Economic Output or Demand (Millions of 2007 Dollars)**		
Direct (Construction)	$3,687.03	$3,687.03
Indirect (Secondary and Induced)	$1,615.19	$3,250.41
Total	$5,302.22	$6,937.44
	Fiscal	
Tax Revenues, Exclusive of Real Estate* (Constant 2007 dollars)**		
New York City Taxes	$124,989,000	
MTA Taxes	$9,526,500	
New York State Taxes	$211,356,000	
Total	$345,871,500	

Notes:
The above figures do not include the employment and economic effects from constructing the park and school, which would be additional.
* A person-year is the equivalent of one person working full-time a year.
** The economic output or total effect on the local economy derived from the direct construction spending.
*** Includes sales tax, personal income taxes, corporate and business taxes, and numerous other taxes on construction and secondary expenditures. Figures assume no sales tax on construction materials from the on-site infrastructure components of the project.
Sources: The characteristics and construction cost of the proposed development; the Regional Input-Output Modeling System (RIMS II), U.S. Department of Commerce, Bureau of Economic Analysis; and the tax rates by applicable jurisdiction.

Fiscal Impacts

The construction activity would have associated with it tax revenues for New York City, MTA, and New York State. Based on aggregate data on economic activity and tax receipts for the New York City and State economies from development projects, it is estimated that City tax revenues resulting from construction of a project such as this would equal approximately 2.36 percent of the No Convention Center Scenario's total economic activity in New York City. New York State and MTA would receive revenues equal to about 3.18 percent of the Plan's total economic activity in the State. In total, the construction of the No Convention Center Scenario is estimated to generate approximately $345.87 million in tax revenues for New York City, MTA, and New York State. Of these tax revenues, the largest portion would again come from sales tax, personal income taxes, and corporate, business, and related taxes on direct and induced economic activity. New York State and MTA would receive about $220.88 million (63.9 percent) of the tax revenues generated by construction of the project, and New York City would receive about $124.99 million (36.1 percent) of these tax revenues.

Overall, total fiscal impacts would be only slightly lower (about 2 percent) for this scenario compared with the proposed Plan. The fiscal impacts associated with the construction of either scenario would be significant.

As with the construction of the proposed Plan, this scenario would be expected to generate additional revenue for New York City from mortgage recording fees, both from the developers and from the owners of the condominium portion of the residential property, and New York City would receive real-property-related revenues (i.e., real estate tax payments) during the development period.

ANNUAL OPERATION IMPACTS

PROPOSED PLAN

The completion and annual operation of the proposed Plan would have associated with it permanent employment, wages and salaries, other effects on the local economy, and tax revenues for New York City, MTA, and New York State.

Permanent Employment

Based on typical ratios of employees psf, the direct on-site employment in the completed development with the proposed Plan is estimated at approximately 7,251 permanent jobs. Table 4-39 presents the estimated permanent on-site employment generated by the proposed Plan. Of the total 7,251 jobs, approximately 4,250 would come from the retail development, 2,000 from the office development, 259 from the hotel, 220 from the operation and maintenance of the residential development, 160 from the convention center, and the remainder from the community facility space, parking, and the school. The figures for the convention center do not include off-site employment from out-of-town visitor spending associated with the operation of the convention center, which would be additional.

Table 4-39
Estimated Permanent On-Site Employment with the proposed Plan

Type	Employees
Retail Trade	4,250
Office	2,000
Hotel	259
Residential	220
Convention Center	160
Community/Cultural	150
Parking	134
School	77
TOTAL	**7,251**

Note: All figures independently rounded. Figures for the convention center do not include off-site employment from out-of-town visitor spending associated with the operation of the convention center, which would be additional. Employment assumptions include: retail, 1 employee per 400 sf; office, 1 employee per 250 sf; hotel, 1 employee per 2.7 rooms; residential, 1 employee per 25 units; parking, 1 employee per 50 spaces; convention center, 1 employee per 2,500 sf; community/cultural, 1 employee per 1,000 sf; and school, 1 employee per 11 seats.
Source: The characteristics and area of the proposed development, and AKRF, Inc.

This employment figure of 7,251 would be an increase of 5,540 over the area's existing employment figure of 1,711. Not all of this employment, however, would necessarily be new to New York City; some of this employment might represent jobs that relocate to the Willets Point Development District from elsewhere in the City. However, this employment would represent jobs either new or retained in New York City, which might have gone outside the City if the District were not redeveloped.

In addition to direct on-site employment, total employment resulting from the annual operation of the completed proposed Plan would include jobs throughout the City created by out-of-town convention center visitors' spending and indirect jobs in business establishments off-site providing goods and services to the occupants of the on-site buildings. Table 4-40 presents a summary of the employment and economic benefits from the annual operation of the completed proposed Plan.

Table 4-40
Annual Employment and Economic Benefits from Operation of the Completed Proposed Plan

	Portion in New York City	Total New York City and State
Permanent Employment (Full- and Part-Time Jobs)		
Direct:		
On-Site	7,251	7,251
From Convention Center Visitors' Spending	867	867
Indirect (Secondary and Induced)	3,725	5,408
Total	11,843	13,526
Annual Wages and Salaries (Millions of 2007 dollars)		
Direct:		
On-Site	$317.69	$317.69
From Convention Center Visitors' Spending	$18.16	$18.16
Indirect (Secondary and Induced)	$174.51	$253.03
Total	$510.36	$588.88
Total Annual Economic Output or Demand* (Millions of 2007 dollars)		
Direct:		
On-Site	$1,303.26	$1,303.26
From Convention Center Visitors' Spending	$60.96	$60.96
Indirect (Secondary and Induced)	$807.20	$1,130.58
Total	$2,171.42	$2,494.80
	Fiscal	
Annual Tax Revenues, Exclusive of Real Estate (Constant 2007 dollars)**		
New York City Taxes	$62,382,900	
MTA Taxes	$4,679,600	
New York State Taxes	$77,555,800	
Total	$144,618,300	

Notes:
The above projections of economic activity do not include any increase in economic activity from the redevelopment of Citi Field Parking Lot B, which would be additional. The above figures on wages and salaries, economic effect, and tax revenues also do not include the effect from the household income of the residents in the residential portion of the project, which would be additional.
* The economic output or total effect on the local economy derived from the direct operations spending.
** Includes personal income taxes, corporate and business taxes, sales tax, hotel occupancy tax, parking tax, and numerous other taxes on direct and secondary expenditures. The figures do not include property-related payments from the development, which would be additional.
Source: The characteristics of the proposed development; NYCEDC's projection of convention center visitor's spending; the RIMS II, U.S. Department of Commerce, Bureau of Economic Analysis; and the tax rates by applicable jurisdiction.

Out-of-town convention center visitors' spending for food and beverage, sports and entertainment, lodging, shopping, and transportation is estimated to create an additional 867 jobs in New York City. Based on the RIMS II model's economic multipliers for New York City industrial sectors, the completed proposed Plan would also generate an additional 3,725 indirect permanent jobs within New York City, bringing the total direct and generated jobs from the annual operation of the completed proposed Plan to 11,843 jobs within New York City. In the larger New York State economy, the model estimates that the completed Plan would generate 5,408 jobs of indirect employment, bringing the total direct and generated jobs from the annual operation of the completed proposed Plan to 13,526 jobs in New York State (see Table 4-40).

Wages and Salaries

Based on average salaries by economic sector from NYSDOL, the direct on-site wages and salaries from the annual operation of the completed proposed Plan are estimated at $317.69 million in 2007 dollars (see Table 4-40). Total direct on-site wages and salaries, and those created from visitors' spending and off-site indirect and generated activity from the annual operation of the completed proposed Plan, are estimated at $510.36 million in New York City. In the broader New York State economy, total direct and generated wages and salaries from the annual operation of the completed proposed Plan are estimated at $588.88 million.

Annual Effect on the Local Economy

The direct on-site effect on the local economy from the completed proposed Plan, measured as economic output or demand, is estimated at approximately $1.30 billion ($1,303.26 million) annually. Based on the RIMS II model for New York City and State, the total economic activity, including indirect expenditures (those generated by the direct expenditures), that would result from annual operation of the proposed Plan is estimated at $2.49 billion ($2,494.80 million) in New York State, of which $2.17 billion ($2,171.42 million) would occur in New York City (see Table 4-40).

Fiscal Impacts

The annual operation of the completed proposed Plan would have associated with it tax revenues for New York City, MTA, and New York State. These tax revenues would include property-tax-related revenues and non-property-tax revenues. For either scenario, the tax receipts projected in this section do not include income tax paid by the residents of the residential portion of the proposed Plan or income tax from secondary employment generated by such residents. Such revenue would be additional.

The operation of the completed proposed Plan is estimated to generate approximately $144.62 million annually (in 2007 dollars) in non-property-related tax revenues for New York City, MTA, and New York State (see Table 4-40). Of these tax revenues, the largest portion would come from personal income taxes from employees, sales tax, corporate and business taxes, hotel occupancy tax, parking tax, and similar taxes on the direct and generated economic activity from the completed development. New York State would receive about $77.56 million of the tax revenues generated by the operation of the completed Plan, MTA would receive about $4.68 million, and New York City would receive about $62.38 million. As is the case with the employment from the completed proposed Plan, not all of these tax revenues would necessarily be new to New York City; some of these revenues might represent amounts that would accrue from the proposed Plan that currently occur elsewhere in the City. However, this revenue would represent amounts either new or retained in New York City, which might have gone outside the City if the proposed Plan were not developed.

In addition, the City would receive annual property tax revenues. These revenues would be expected to be based initially on the assessed value of the land, with the assessed value of improvements to the land phased in according to one of the applicable real estate tax programs, such as—for commercial development—the City's Industrial and Commercial Incentive Program; and—for residential development—Section 421-a of the New York State Real Property Tax Law. Taxes would be changing from year to year, and in any year would be based on the taxable assessed value and the applicable tax rate. Over time, the value of the land and improvements would be totally taxable. All of the incremental property taxes from the new development on the project site would be new to New York City.

NO CONVENTION CENTER SCENARIO

The completion and annual operation of the No Convention Center Scenario would have associated with it permanent employment, wages and salaries, other effects on the local economy, and tax revenues for New York City, MTA, and New York State.

Permanent Employment

Based on typical ratios of employees psf, the direct on-site employment in the No Convention Center Scenario is estimated at approximately 7,220 permanent jobs (see Table 4-41). Of the total 7,220 jobs, approximately 4,375 would come from the retail development, and 234 would come from the operation and maintenance of the residential development, slightly more than with the proposed Plan. The remainder of the employment would be essentially the same as with the proposed Plan, except there would be no convention center employment, and the school employment would be marginally greater.

Table 4-41
Estimated Permanent On-Site Employment with the No Convention Center Scenario

Type	Employees
Retail Trade	4,375
Office	2,000
Hotel	259
Residential	234
Community/Cultural	150
Parking	120
School	82
TOTAL	7,220

Notes: All figures independently rounded. Employment assumptions include: retail, 1 employee per 400 sf; office, 1 employee per 250 sf; hotel, 1 employee per 2.7 rooms; residential, 1 employee per 25 units; parking, 1 employee per 50 spaces; community/cultural, 1 employee per 1,000 sf; and school, 1 employee per 11 seats.

Source: The characteristics and area of the proposed development, and AKRF, Inc.

This employment figure of 7,220 would be an increase of 5,509 over the area's existing employment figure of 1,711. As with the proposed Plan, not all of this employment, however, would necessarily be new to New York City; some of this employment might represent jobs that relocate to the Willets Point Development District from elsewhere in the City. However, this employment would represent jobs either new or retained in New York City, which might have gone outside the City if the proposed Plan were not developed.

In addition to direct employment, total employment resulting from the annual operation of the No Convention Center Scenario would include indirect jobs in business establishments off-site providing goods and services to the occupants of the buildings. Table 4-42 presents a summary of the employment and economic benefits from the annual operation of the No Convention Center Scenario. Based on the RIMS II model's economic multipliers for New York City industrial sectors, the No Convention Center Scenario would generate an additional 3,471 permanent jobs within New York City, bringing the total direct and generated jobs from the annual operation of the completed Plan to 10,691 jobs within New York City. In the larger New York State economy, the model estimates that the No Convention Center Scenario would generate 5,120 jobs of indirect employment, bringing the total direct and generated jobs from the annual operation of the completed Plan to 12,340 jobs in New York State (see Table 4-42).

Table 4-42
Annual Employment and Economic Benefits from Operation of the Completed No Convention Center Scenario

	Portion in New York City	Total New York City and State
Permanent Employment (Full- and Part-Time Jobs)		
Direct (On-Site)	7,220	7,220
Indirect (Secondary and Induced)	3,471	5,120
Total	10,691	12,340
Annual Wages and Salaries (Millions of 2007 dollars)		
Direct (On-Site)	$313.02	$313.02
Indirect (Secondary and Induced)	$159.39	$234.12
Total	$472.41	$547.13
Total Annual Economic Output or Demand* (Millions of 2007 dollars)		
Direct (On-Site)	$1,177.23	$1,177.23
Indirect (Secondary and Induced)	$725.35	$1,033.79
Total	$1,902.57	$2,211.02
	Fiscal	
Annual Tax Revenues, Exclusive of Real Estate (Constant 2007 dollars)**		
New York City Taxes	$57,719,600	
MTA Taxes	$4,384,100	
New York State Taxes	$72,644,900	
Total	$134,748,600	

Notes:
The above projections of economic activity do not include any increase in economic activity from the redevelopment of Citi Field Parking Lot B, which would be additional. The above figures on wages and salaries, economic effect, and tax revenues also do not include the effect from the household income of the residents in the residential portion of the project, which would be additional.
* The economic output or total effect on the local economy derived from the direct operations spending.
** Includes personal income taxes, corporate and business taxes, sales tax, hotel occupancy tax, parking tax, and numerous other taxes on direct and secondary expenditures. The figures do not include property-related payments from the development, which would be additional.
Source: The characteristics of the proposed development; the Regional Input-Output Modeling System (RIMS II), U.S. Department of Commerce, Bureau of Economic Analysis; and the tax rates by applicable jurisdiction.

Wages and Salaries

Based on average salaries by economic sector from NYSDOL, the direct wages and salaries from the annual operation of the No Convention Center Scenario are estimated at $313.02 million in 2007 dollars (see Table 4-42). Total direct and generated wages and salaries resulting in New York City from the annual operation of the completed development are estimated at $472.41 million. In the broader New York State economy, total direct and generated wages and salaries from the annual operation of the completed development are estimated at $547.13 million. All figures are in 2007 dollars.

Annual Effect on the Local Economy

The direct effect on the local economy from the No Convention Center Scenario, measured as economic output or demand, is estimated at approximately $1.18 billion ($1,177.23 million) annually. Based on the RIMS II model for New York City and State, the total economic activity, including indirect expenditures (those generated by the direct expenditures), that would result from annual operation of the development is estimated at $2.21 billion ($2,221.02 million) in New York State, of which $1.90 billion ($1,902.57 million) would occur in New York City (see Table 4-42).

Fiscal Impacts

The annual operation of the No Convention Center Scenario would have associated with it tax revenues for New York City, MTA, and New York State. As with the proposed Plan with the convention center, these tax revenues would include property-tax-related revenues and non-property-tax revenues. For either scenario (with or without the convention center), the projected tax receipts in this section do not include income tax paid by the residents at the residential portion of the proposed development or income tax from secondary employment generated by such residents. Such revenue would be additional.

The operation of the No Convention Center Scenario is estimated to generate approximately $134.75 million annually (in 2007 dollars) in non-property-related tax revenues for New York City, MTA, and New York State (see Table 4-42). Of these tax revenues, the largest portion would come from personal income taxes from employees, sales tax, corporate and business taxes, hotel occupancy tax, parking tax, and similar taxes on the direct and generated economic activity from the completed development. New York State would receive about $72.64 million of the tax revenues generated by the operation of the development, the MTA would receive about $4.38 million, and New York City would receive about $57.72 million. As with the proposed Plan, not all of these tax revenues would necessarily be new to New York City; some of these revenues might represent amounts that would accrue from the proposed Plan that currently occur elsewhere in the City. However, this revenue would represent amounts either new or retained in New York City, which might have gone outside the City if the proposed Plan were not developed.

The City would also receive annual property tax revenues. As with the proposed Plan, these revenues would be expected to be based initially on the assessed value of the land, with the assessed value of improvements to the land phased-in according to one of the applicable real estate tax programs, such as—for commercial development—the City's Industrial and Commercial Incentive Program; and—for residential development—Section 421-a of the New York State Real Property Tax Law. Taxes would be changing from year to year, and in any year would be based on the taxable assessed value and the applicable tax rate. Over time, the value of the land and improvements would be totally taxable. As with the proposed Plan, all of the incremental property taxes from the new development with the No Convention Center Scenario would be new to New York City.

PUBLIC SECTOR COSTS

The developer of the proposed Plan would fund all site preparation, infrastructure improvements, and construction within the District. It is anticipated that the City would fund off-site improvements that are necessary to support the proposed Plan, including the rebuilding of the existing 37th Avenue Pump Station and modified access to and from the Van Wyck Expressway. Costs associated with these off-site improvements are preliminarily estimated at between $150 and $200 million. ✷