

## 3.2 SOCIOECONOMIC CONDITIONS

### INTRODUCTION

This chapter examines the potential impacts of the proposed East 125<sup>th</sup> Street Development and its associated rezoning on socioeconomic conditions. These include potential effects on the area's population and housing characteristics, housing affordability, and business conditions. The *CEQR Technical Manual* suggests evaluation of socioeconomic conditions related to both residential conditions and business conditions where an action is expected to create substantial socioeconomic changes. According to the *CEQR Technical Manual*, residential projects with less than 200 units and commercial projects with less than 200,000 square feet of floor area would not typically result in significant socioeconomic impacts. The proposed action would result in new residential and commercial development in excess of these thresholds, including in an area that does not currently permit residential use, thus indicating the need for detailed evaluation of socioeconomic conditions.

The *CEQR Technical Manual* suggests a review of several factors in determining whether a project has the potential to create significant socioeconomic impacts and require a socioeconomic assessment, including the potential for: (1) direct displacement of residential population; (2) direct displacement of existing businesses; (3) indirect displacement of residential population; (4) indirect displacement of businesses; and (5) adverse effects on specific industries not necessarily tied to a project site or area. These issues are examined in this chapter pursuant to CEQR methodologies.

The proposed action would increase population and employment near the eastern end of the 125<sup>th</sup> Street corridor in an area that has experienced considerable disinvestment in past decades. The increase in residential population resulting from the proposed action would help to restore the area's population base, with the subject parcels once containing dozens of four-to-five story townhouses and tenement-type apartment buildings. The proposed action would also increase employment in the area, extending major retail and office development eastward on 125<sup>th</sup> Street. The new residential and commercial development will continue a pattern of reinvestment that has been ongoing in Harlem, with significant housing renovation and new construction taking place since the 1990's, and major new commercial development occurring on adjacent blocks in the last five-to-ten years. Proposed non-residential uses include cultural space and retail space for small and locally-owned businesses, with the proposed stores limited to no more than 125,000 square feet in size. Media-related businesses that are envisioned for portions of the proposed office space would restore the area's former role as a center for the media industry, with the project site being the former location of Filmway Studios Inc., a motion picture production studio formerly located at 246 East 127<sup>th</sup> Street.

The approximately 1.7 million square feet of mixed-use development that is proposed is expected to strengthen economic conditions of the surrounding area and result in construction of new affordable housing. As described herein, due to the magnitude of increase in new commercial construction that would be expected as a result of the proposed action, some

potential may exist for secondary or indirect displacement of existing households and businesses. An additional increment of development would also be possible in the future on an off-site parcel that is to be rezoned only (Block 1791, Lot 44). No development is proposed on that lot at this time.

The proposed action includes zoning map changes, disposition of City-owned property, an amendment to the East Harlem Urban Renewal Plan, UDAAP approvals, and City Planning Commission Special TA District Certification. These actions would facilitate the development of new residential, retail and commercial uses on the East 125<sup>th</sup> Street Development project site, with an anticipated year of completion of 2012. Proposed uses include 1,000 units of low, moderate, and middle income housing; approximately 470,000 square feet of retail/entertainment space (including a 300,000-square foot anchor retail tenant, and approximately 120,000 square feet of specialty retail/entertainment space including 50,000 square feet of local retail); 300,000 square feet of commercial office space for media and production/post-production companies; 30,000 square feet of not-for-profit performing/media arts space; a 100,000-square foot hotel; and, a minimum of 12,500 square feet of public open space.

Proposed retail and entertainment space would include 300,000 square feet of national anchor retail, and approximately 120,000 square feet of specialty retail goods and services that reflect the cultural diversity of East Harlem. The proposed action has been planned to attract businesses that provide goods and services that are currently underrepresented in the East Harlem market, and to emphasize anchor tenants that are unique to the region. Storefronts are oriented to the street and proposed outdoor public open space to provide a comfortable, pedestrian-friendly environment. The type of retail that is proposed has been identified so as to not replicate or directly compete with planned and existing retail uses in the surrounding area.

### **Study Area Definition, Data Sources and Methodology**

The initial step in the evaluation of socioeconomic conditions and effects of the proposed action is a preliminary assessment of socioeconomic data for the five assessment areas indicated above for the Socioeconomic Study Area. The *CEQR Technical Manual* calls for a preliminary assessment to discern the effects of a proposed project or action for the purposes of either eliminating the potential for significant impacts or determining that a more detailed analysis is necessary. A detailed assessment is warranted for all socioeconomic areas of concern that do not screen out based on a preliminary assessment.

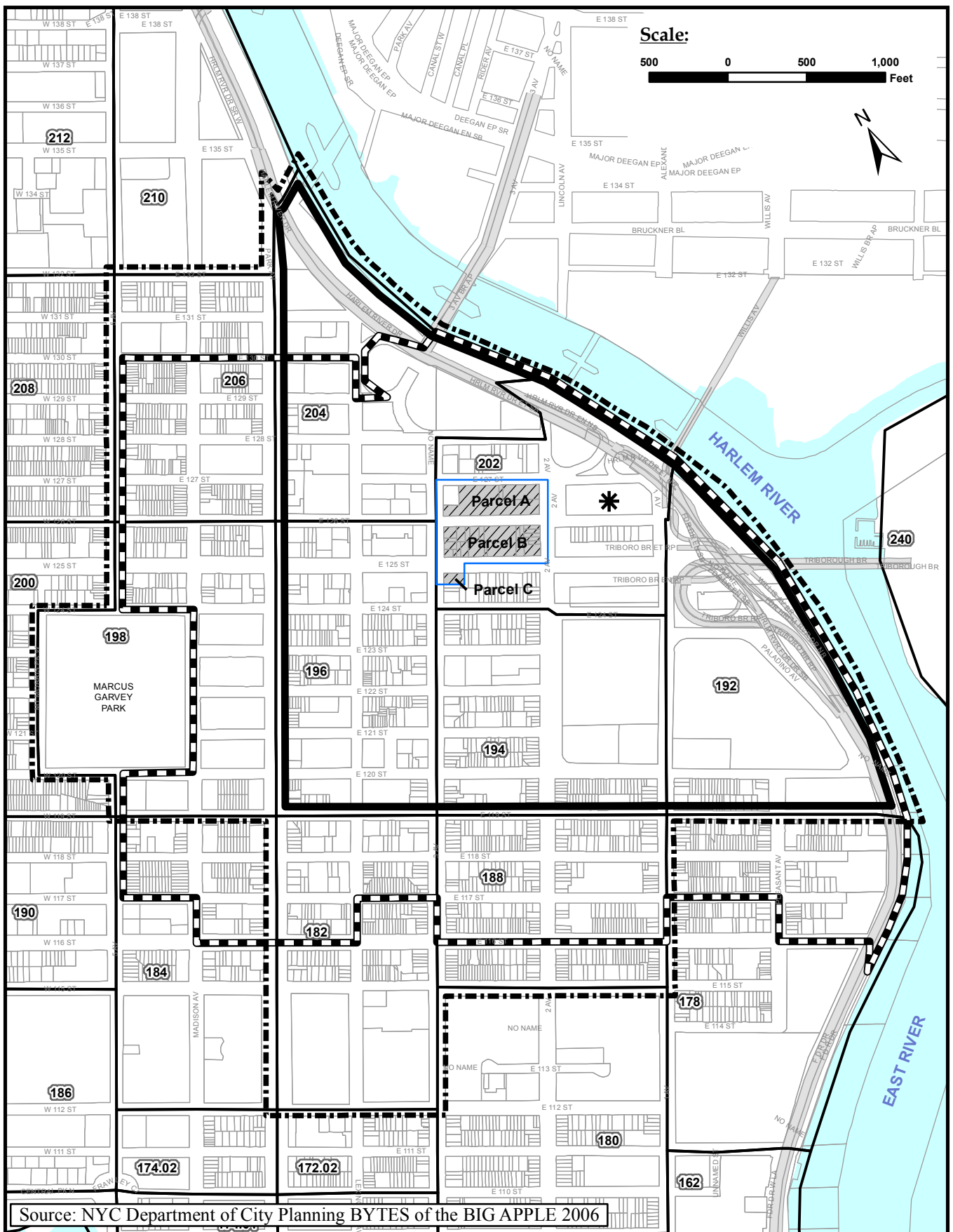
### **Study Areas**

Three types of study areas are used for the evaluation of socioeconomic impacts including Population and Housing Study Areas, and Business and Institutional Study Areas (Figure 3.2-1) and a Retail Market Study Area (Figure 3.2-2). The Population and Housing Study Areas include the primary study area comprised of the proposed action area and its surrounding census tracts (Census Tracts 192, 194, 196, 202 and 204) and a secondary study area extending out in an

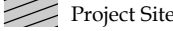
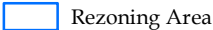





approximately 1/4-mile radius from the project site (Census Tracts 182, 188, 198, and 206). The study area generally includes all census tracts where more than 50 percent of the area is within the radius. Following census tract boundaries, the primary study area for Population and Housing extends from the Harlem River to Park Avenue, and from East 119<sup>th</sup> Street north to the Harlem River (or as far north as approximately East 132<sup>nd</sup> Street). The analysis was conducted at the Census Tract level for the purpose of analyzing demographic indicators, including income data.

The secondary Housing and Population Study Area includes four Census Tracts located to the south and west of the primary study area. To the south (Census Tracts 182 and 188), the secondary study area extends from First Avenue to Park Avenue, and from East 112<sup>th</sup> Street and East 115<sup>th</sup> Street to East 119<sup>th</sup> Street. To the west of the primary study area, the secondary study area extends from Park Avenue to approximately Fifth Avenue, from East 119<sup>th</sup> Street to East 132<sup>nd</sup> Street. The study area is located in Manhattan Community District 11, and comprises parts of East Harlem in a neighborhood referred to as the East Harlem Triangle.

The Business and Institutional Displacement study area consists of ZIP code area 10035, with census data analyzed for the corresponding census tracts, or those tracts within the Population and Housing primary and secondary study areas, to reflect limitations of New York State Department of Labor (NYSDOL) employment data. New York State Department of Labor employment data available at the ZIP code level are analyzed for the evaluation of potential business and institutional displacement (the most detailed level of available NYSDOL employment data, given privacy and disclosure requirements). The Retail Market Study Area is illustrated in Figure 3.2-2. As described below, it includes areas of upper Manhattan south of approximately 155<sup>th</sup> Street and north of West 106<sup>th</sup> Street on the west side of Central Park, and East 96<sup>th</sup> Street on the east side, encompassing the neighborhoods of Central Harlem, East Harlem, West Harlem, Hamilton Heights, and portions of Washington Heights and Morningside Heights. The trade area also includes portions of the South Bronx, including Bronx Community District 1 and Bronx Community District 4.



**Legend**

-  Project Site
-  Rezoning Area
-  2000 Census Tract
-  MTA Bus Depot
-  Primary Population & Housing Study Area
-  Secondary Population & Housing Study Area
-  Business & Institutional ZIP Code Study Area (ZIP Code 10035)

**Figure 3.2-1 - Socioeconomic Study Areas**

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## **DATA SOURCES AND METHODOLOGY**

### ***Residential Displacement***

U.S. Census data from 1990 and 2000 have been analyzed at the census tract level. Census indicators analyzed include total population; household and income characteristics including total households, average household size, and average and median household income; and housing characteristics including number of housing units, housing vacancy and tenure (owner versus renter occupied), median contract rent, median home value, and indicators of the extent of renter households residing in unprotected buildings.

In addition to Census data, information on subsidized housing has been evaluated including data from the New York City Department of Housing Preservation (HPD) and the New York City Housing Authority (NYCHA). Data on the status (rent-regulated or non-rent-regulated) of existing housing units, and information on various types of housing and residential facilities were obtained from DCP's 2007 MapPluto database based on RPAD and Department of Finance information. To supplement the housing and population data, interviews were conducted for this EIS with local real estate agencies, and articles and real estate listings from local newspapers and the internet were reviewed.

### ***Business and Institutional Displacement***

The assessment of business and institutional displacement includes an analysis of employment trends in the zip codes that most closely reflect the boundaries of the proposed action area, the secondary study area, and Manhattan as a whole. The analysis was based on private employment data from 1995 and 2005 (ES-202 data set) collected by NYSDOL and organized by DCP. The Covered Employment and Wages program, commonly referred to as the ES-202 program, is a cooperative endeavor of the U.S. Bureau of Labor Statistics and employment security agencies. Using quarterly data, the Bureau of Labor Statistics summarizes employment and wage data for workers covered by State unemployment insurance laws and for civilian workers covered by the program of Unemployment Compensation for Federal Employees. The employment data identify the major employers and industries within the study areas. As noted above, for confidentiality, employment data were obtained and analyzed at the ZIP code level, as data at the census tract level were not uniformly available. The analysis also identifies public sector employment, which is described in a more qualitative manner. The 2005 private sector employment data were used to describe existing business and employment conditions in the study area in order to analyze the possible effects of potential direct job displacement (total number and types of jobs) as a result of the proposed action through private redevelopment initiatives on the projected development sites. The employment data were also supplemented by field investigations, conducted in the winter and spring of 2007. It should be noted that the existing employment identified on the project site, and on other projected development sites in the study area, might not be located on the affected sites at the time that development on those sites potentially occurs. The analysis represents "a snapshot in time" that describes existing socioeconomic conditions in the vicinity of the proposed action area.

Data gathered by NYSDOL are disclosed at the ZIP code level for the confidentiality of reporting firms, and are thus not coterminous with census tracts. US Census data from 2000 were utilized at the census tract level to supplement gaps in ES-202 zip code data created by non-disclosure of employment in particular industries due to confidentiality requirements.

ES-202 Standard Industrial Classification (SIC) data from 1960 to 2002 were obtained for the larger Manhattan and New York City areas to place study area employment trends in the larger context of employment changes that were occurring elsewhere throughout New York City. Important historical employment trends in New York City and Manhattan going back as far as 1960 are referenced in this section, but are not shown in the tables, as the categories of the wholesale trade and retail industry classification system in 1960 differ from the categories of post-1960 employment data. NYSDOL ES-202 employment data from 1995, 2002, and 2005 were gathered at the ZIP code level to conform to the study area, using both the SIC system for the years 1995 and 2002 and the succeeding North American Industry Classification System (NAICS) for the years 2002 and 2005. The ES-202 SIC and NAICS industry employment gathered from NYSDOL is subject to the following limitations:

1. NYSDOL reviewed two-digit SIC data and three-digit NAICS industry level data and determined that information could not be released due to privacy and disclosure requirements. Instead, SIC and NAICS data were made available at the one digit and two digit levels, thus making industry comparisons less detailed since the classifications are grouped together differently at each level of detail (e.g., three or more digit levels are required in order to reassemble NAICS data and be able to compare it with SIC data). This allows for a comparison of broad industry sectors, such as manufacturing and retail, but does not allow for subsector comparisons of trends.
2. In some instances, NYSDOL was unable to release aggregate ES-202 data if either the data cell consisted of three or fewer employers, or if one employer accounted for 80 percent or more of the total employment in a data cell. This restriction on the release of employment data resulted in missing employment information for some categories of the 2005 NAICS industry data. For example, services industry employment information was suppressed for ZIP Code 10035.

It is possible to estimate missing employment data for these sectors by making comparisons with historical and citywide trend data and through other available sources. Thus, in addition to using ES-202 data, other sources of information were utilized including: 2000 US Census Bureau data, site visits, internet research, knowledge of major employers in the study area, newspaper articles and interviews with commercial brokers knowledgeable about local real estate conditions.

### **3.2.1 PRELIMINARY SCREENING ASSESSMENT**

According to the *CEQR Technical Manual*, a preliminary screening assessment is used to determine the potential significance of socioeconomic change generated by a proposed action. Given the size and density of the proposed East 125<sup>th</sup> Street Development, this chapter follows the guidance set forth in the *CEQR Technical Manual* for both the preliminary and, where warranted, detailed assessments.

#### **Residential Displacement**

##### ***Direct Displacement***

According to the *CEQR Technical Manual*, direct residential displacement does not in and of itself represent an impact under CEQR. Where a public agency is undertaking the action or where tenants are protected by rent control or rent stabilization and where relocation benefits are available, no significant adverse impacts are considered to occur. Impacts of residential displacement could occur if the change would be large enough to alter neighborhood character or perhaps lead to the indirect displacement of remaining residents.

The preliminary assessment of direct residential displacement for the East 125<sup>th</sup> Street Development relies on examination of three factors related to anticipated direct residential displacement including whether: 1) the profile of the displaced residents is similar or markedly different from that of the overall study area; 2) the displaced population represents a substantial or significant portion of the population within the study area; and, 3) the action would result in a loss of this population group within the neighborhood.

The East 125<sup>th</sup> Street Development project site contains approximately ten residential loft apartments above storefronts in two mixed-use buildings located on the north side of East 125<sup>th</sup> Street. Residential uses in these buildings would be nonconforming uses in this M1-2 Light Industrial District. These units do not appear to be currently occupied as dwellings based on field surveys conducted in Spring and Summer 2007. They include six formerly occupied units above an appliance parts store, and approximately four formerly occupied units located above an antiques store. In the case of the two mixed-use buildings on the project site that would be displaced as a result of the project, it was determined that if the small number of units present were to be reoccupied and displaced, the 26 residents that would be estimated to reside in these units would not represent a substantial or significant portion of the population within the study area, and their potential displacement from the primary study area would not lead to an alteration of the character of the surrounding area. No residential displacement would be expected if these units continue to remain vacant or in use for nonresidential purposes such as storage. Total 2000 population of the five census tracts that comprise the Primary Study Area for socioeconomic analysis (Census Tracts 192, 194, 196, 202 and 204) was 16,915 persons. Based on the average household size of Manhattan Community District 11 (2.57 persons per



household<sup>1</sup>), if re-occupied, the ten formerly occupied units that would be displaced by the proposed action would house approximately 26 persons, or less than two tenths of one percent of the primary study area's total 2000 population. Therefore, a detailed analysis of direct residential displacement is not warranted.

### ***Indirect Displacement***

According to the *CEQR Technical Manual*, the issue related to indirect residential displacement resulting from a proposed action is whether an action could result in rising property values, and thus rents, making it difficult for some existing residents to afford their homes or increases in rent levels. The direct effects of an action that can lead to such indirect changes include the following:

- It would add a substantial new population with different socioeconomic characteristics compared to the size and character of the existing population.
- It would directly displace uses or properties that have had a “blighting” effect on property values in the area.
- It would directly displace enough of one or more components of the population to alter the socioeconomic composition of the study area.
- It 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 action is implemented.
- It would introduce a “critical mass” of non-residential uses such that the surrounding area becomes more attractive as a residential neighborhood complex.
- It would introduce a land use that could in and of itself, or combined with other like uses, create a critical mass large enough to offset positive trends in the study area, impede efforts to attract investment to the area, or create a climate for disinvestment.

Because the proposed action includes significant amounts of non-residential development replacing vacant land and other uses that detract from the residential character of the neighborhood, and includes up to 1,000 units of new housing construction for low- moderate- and middle-income households, it was determined that a socioeconomic impact from indirect residential displacement cannot be ruled out and a detailed analysis was undertaken.

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<sup>1</sup> Source: U.S. Census Bureau, 2000 Census SF1 File, as aggregated by the New York City Department of City Planning (December 2001).

## **Business and Institutional Displacement**

### ***Direct Displacement***

Under conditions with the proposed action, new development would displace existing businesses on the project site. The preliminary assessment of business and institutional displacement directly resulting from a proposed action looks at the employment and business value characteristics of the affected businesses to determine the significance of the potential impact. As part of the preliminary assessment, the following circumstances were considered:

- If the business or institution in question has a substantial economic value to the City or region in terms of its products and services (and potential effects on businesses or consumers due to loss of such products or services), and if it can only be relocated with great difficulty or not at all due to locational needs that may not be satisfied at other locations.
- If a category of businesses or institutions is the subject of other regulations or publicly adopted plans to preserve, enhance, or otherwise protect it.
- If the business or institution defines or contributes substantially to a defining element of neighborhood character (or a substantial number of businesses or employees would be displaced that collectively define the character of the neighborhood).

It was determined that a direct socioeconomic impact related to businesses and institutions cannot be ruled out and a detailed analysis was undertaken.

### ***Indirect Displacement***

Like the analysis of indirect residential displacement, the preliminary assessment for indirect business and institutional displacement focuses on the issue of whether an action would increase property values, and thus rents, throughout the study area, making it difficult for some categories of businesses to remain in the area. An action can lead to such indirect changes if:

- It introduces enough of a new economic activity to alter existing economic patterns.
- It adds to the concentration of a particular sector of the local economy enough to alter or accelerate an ongoing trend to alter existing patterns.
- It displaces uses or properties that have had a “blighting” effect on commercial property values in the area, leading to rises in commercial rents.
- It directly displaces uses of any type that directly support businesses in the Project Area or bring people to the area that form a customer base for local businesses.
- It directly or indirectly replaces residents, workers, or visitors who form the customer base of existing businesses in the Project Area.
- It introduces a land use that could have a similar indirect effect, through the lowering of property values if it is large enough or prominent enough or combines with other like

uses to create a critical mass large enough to offset positive trends in the study area, to impede efforts to attract investment to the area, or to create a climate for disinvestment.

It was determined that a socioeconomic impact related to indirect business and institutional displacement cannot be ruled out and a detailed analysis was undertaken.

### **Adverse Effects on Specific Industries**

As set forth under CEQR guidelines, the preliminary assessment of the proposed action's potential to affect the operation and viability of specific industries (and not necessarily tied to the specific proposed action area) is not based on set criteria or the identification of specific economic variables. The *CEQR Technical Manual* indicates that a more detailed examination is appropriate if the following considerations cannot be answered with a clear "no:"

#### ***Would the action significantly affect business conditions in any industry or any category of businesses within or outside the study area?***

Field work, interviews, and the DEIS public scoping process did not reveal any cluster of specific industries within the primary or secondary study areas. Businesses subject to direct displacement are typical of the retail and service uses and comparative goods shopping that exist along 125<sup>th</sup> Street and on north-south running avenues. The approximately 34,881 square feet of commercial use that would be directly displaced consists primarily of local service establishments such as a salon, a dry cleaners, a gas station, automotive service establishments, and local retail uses such as an appliance store and a Dunkin Donuts.

The uses most affected by displacement are retail and service sector uses. However, the displacement of these businesses would in no way diminish the viability of these sectors, with substantial numbers of these types of businesses remaining in the Study Area. Jobs in the retail sector that would be displaced would also be replaced with new jobs generated in the proposed new development. The goods sold at these establishments, such as food sales, antiques, and automotive sales, would still be available at remaining stores in the area. The action would neither affect a particular industry nor the economic viability of an industry or category of businesses. Nearly all of the jobs that would be directly displaced by the proposed action's projected development are part of the retail and service sectors, and are not within categories of businesses or institutions that are the subject of other regulations or publicly adopted plans to preserve, enhance or otherwise protect them. Furthermore, the additional buying power of new residents and workers that would be introduced to the area from development occurring as a result of the proposed action would benefit many of the area's existing businesses, and the proposed action would likely stimulate growth in the project area's retail sector, in terms of both employment and the number of firms. Because the goods and services provided by businesses subject to displacement are diverse and none of these businesses provide inputs that are crucial to the survival of some particular class of business, the proposed action would not have a significant adverse impact on any specific industry within or outside of the study area.

***Would the action indirectly substantially reduce employment or impact the economic viability in an industry or category of businesses?***

As described in the indirect business displacement assessment, the proposed action would not indirectly substantially reduce employment or impair the viability of an industry or category of business. The proposed action would also result in net increases in employment in the retail and service sectors in which displaced businesses are concentrated.

Therefore, adverse effects on business conditions in any particular sector are not expected and a detailed analysis of potential for adverse impact on specific industries was not required.

For purposes of setting forth a clear analysis of each of the remaining three (3) areas of detailed analyses, the following sections present existing, No Action and With Action conditions together for each analysis area.

### **3.2.2 DETAILED ANALYSIS OF INDIRECT RESIDENTIAL DISPLACEMENT**

The following section provides a detailed analysis of indirect residential displacement. Housing and population characteristics of the primary and secondary study areas are compared to those of Manhattan and the City as a whole, and in some cases the surrounding Community District and northern Manhattan environs. Trend data is compared between 1990 and 2000, with updated population estimates for 2005 and projections for future conditions in the year 2012 with the proposed action also analyzed.

#### **Existing Conditions**

##### *Population and Housing Profiles of Study Areas*

###### Primary Study Area Population

The population of the primary study area is housed in a combination of high-rise buildings including public housing and subsidized housing, walk-up tenement apartment buildings, and brownstone townhouses. There are approximately ten formerly occupied residential apartments on upper floors of two mixed-use buildings on the East 125<sup>th</sup> Street Development project site that face East 125<sup>th</sup> Street.

The primary study area for Population and Housing includes five census tracts including tracts 192, 194, 196, 202, and 204. The Robert F. Wagner public housing complex, located east of Second Avenue between East 120<sup>th</sup> Street and East 124<sup>th</sup> Street, contains 22 seven-to-16-story buildings with a total of 2,154 apartments. The 5,132 persons residing at Wagner Houses comprise nearly one third of the total primary study area population. Brownstone townhouses within the primary study area are concentrated on midblocks between Lexington Avenue and Second Avenue, between 120<sup>th</sup> and 124<sup>th</sup> Streets.

The primary study area, like much of the rest of Harlem, experienced a significant increase in population between 1990 and 2000, reflecting an overall trend of housing revitalization and new construction that has continued to the present. As indicated in Table 3.2-1 below, total population of the primary study area in 2000 was 17,725 persons, an increase of 4,109 persons over 1990. This increase was over four times the rate of increase of population for Manhattan (7.16 percent), and more than triple the rate of increase for the City as a whole (9.36 percent). Based on DCP's estimate of a 5.64 percent increase in total population for the combined primary and secondary study areas between 2000 and 2005, 2005 population of the primary study area would be estimated at 18,725 persons. Total population projection for 2007 using this same rate of increase would be 20,897 persons.

**TABLE 3.2-1: Population Trends**

Area	Total Population		Absolute Change 1990 to 2000	Percentage Change 1990 to 2000
	1990	2000		
Primary study area	13,616	17,725	-229	-1.3%
Secondary study area	14,298	17,244	2946	20.6%
Manhattan	2,300,664	2,465,326	164,662	7.16%
New York City	7,322,564	8,008,278	685,714	9.36%

**Source:** US Census Bureau 1990, 2000, Summary File 1.

As of 2000, the population of the primary study area was considerably younger than that of Manhattan, with 30.6 percent of the population being below the age of 18 in 2000 compared to approximately 16.8 percent for Manhattan. There was a similar proportion of senior population in relation to total population for the primary study area (11.2 percent) compared to Manhattan (12.1 percent). Table 3.2-2 below shows age characteristics of the primary study area compared to the secondary study area and Manhattan.

**TABLE 3.2-2: Age Characteristics of the Population**

Area	Percent of Population Below the Age of 18		Percent Change	Percent of Population Between Age 18 and 64		Percent Change	Percent of Population Above Age 65		Percent Change
	1990	2000		1990	2000		1990	2000	
Primary study area	30.16%	30.60%	0.44%	59.43%	58.20%	-1.23%	10.41%	11.20%	0.79%
Secondary study area	32.46%	24.90%	-7.56%	57.78%	64.80%	7.02%	9.76%	10.50%	0.74%
Manhattan	16.59%	16.80%	0.21%	70.14%	71.10%	0.96%	13.27%	12.10%	-1.17%

**Source:** U.S. Bureau of the Census, 2000 Summary File 1

### Secondary Study Area Population

The secondary study area contains a diverse housing stock including owner- and renter- occupied brownstone townhouse buildings generally located on the midblocks north of East 115<sup>th</sup> Street and east of Fifth Avenue; older mid-rise buildings ranging from tenement-style buildings to market-rate apartments, new mid-rise residential buildings including Maple Court and Maple

Plaza facing the east side of Marcus Garvey Park, and public housing complexes including the James Weldon Johnson Houses, a 1,300-unit public housing complex located between East 112<sup>th</sup> Street and East 115<sup>th</sup> Street, between Park Avenue and Third Avenue.

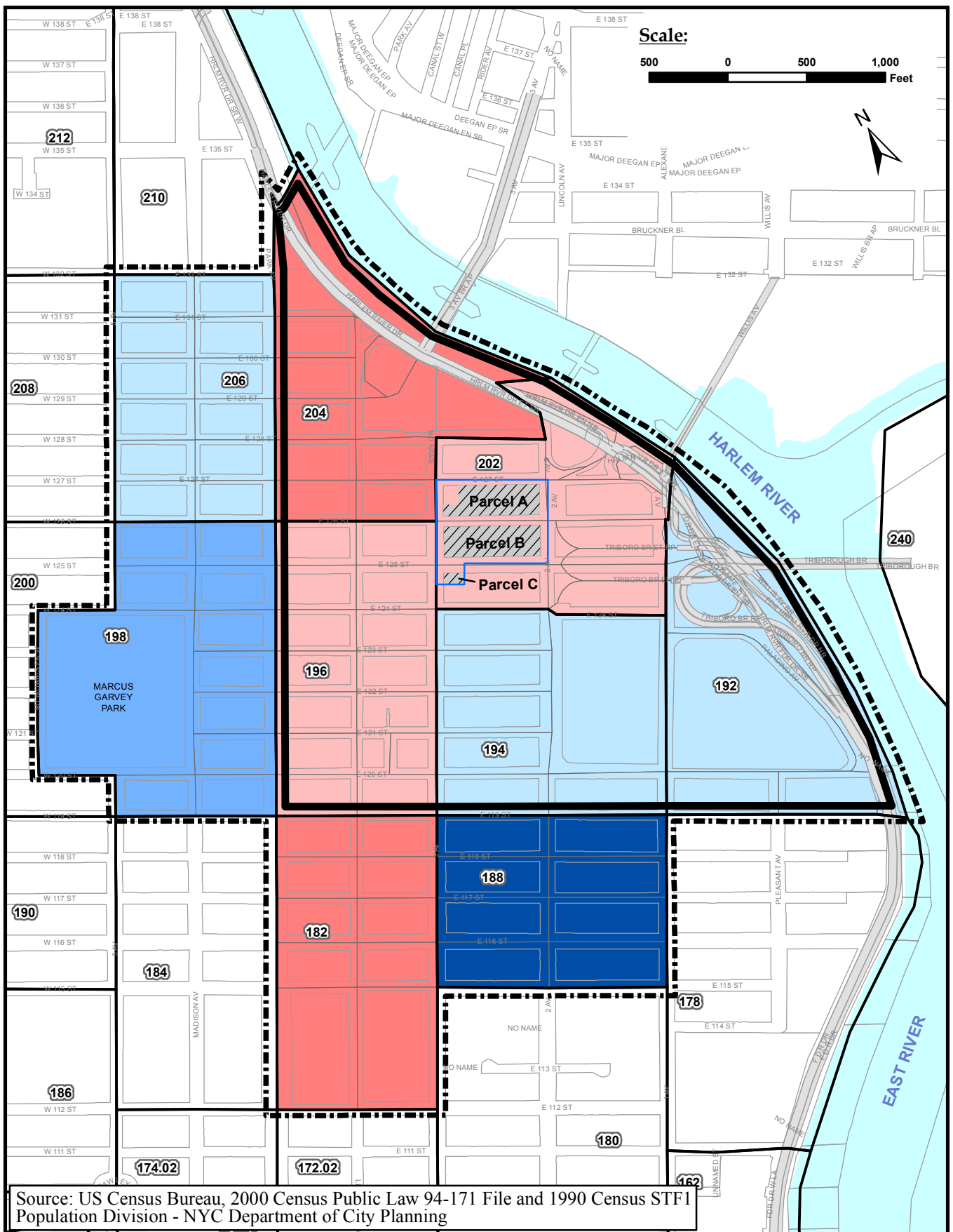
According to the US Census, total population of the secondary study area increased by 20 percent between 1990 and 2000, going from a total of 14,356 persons to a total of 17,157 persons, or an increase of 2,801. Figure 3.2-3 shows change in total population between 1990 and 2000, by census tract. The four census tracts that comprise the secondary study experienced approximately double the rate of growth as the city as a whole, and nearly triple the rate of growth of Manhattan, with much of that increase attributable to construction of subsidized housing and private renovation of vacant brownstone buildings. Maple Court and Maple Plaza, two mid-rise affordable housing developments that were completed in the mid-to-late 1990s, added a total of 290 dwelling units to the secondary study area.

Since 2000, Harlem in general has experienced escalated rates of housing construction and renovation as investors have seized on the brownstone market, making it one of the most active in the city, resulting in a quadrupling of brownstone prices in less than a decade, according to area real estate brokers. Parts of the secondary study area located near Marcus Garvey Park have seen the greatest amount of housing renovation, while residential areas to the east of Park Avenue and north of 125<sup>th</sup> Street have lagged in their degree of housing renovations compared to areas to the west. With the renovation and occupancy of vacant buildings and extensive new construction of subsidized housing has come a significant increase in the population of the secondary study area. Brokers also report the continuing trend since the 1990's of conversion of SRO-type buildings and brownstones with multiple renter tenants to more market-rate owner occupied housing,<sup>2</sup> indicating that population housed in such residential buildings has likely decreased to some extent, while overall population of the secondary study area has increased and likely become more affluent. Based on DCP's estimate of a 5.64 percent increase in total population for the combined primary and secondary study areas between 2000 and 2005, 2005 population of the secondary study area would be estimated at 18,125 persons. Total population projection for 2007 using this same rate of increase would be 20,227 persons. The Department of City Planning's population estimates for 2005 show the highest increases in population in the first half of the decade occurring in the westernmost census tracts located west of Park Avenue.<sup>3</sup>

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<sup>2</sup> Klara Madlin, President, Harlem Homes Realty, Inc., Interview, April 24, 2007.

<sup>3</sup> New York City Department of City Planning, Population and Housing Division, 2006.



*Figure 3.2-3 - Change in Total Population 1990-2000*

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With respect to age characteristics, the secondary study area contains a lower proportion of individuals below the age of 18 (24.9 percent) compared to the primary study area (30.6 percent), yet still considerably more than the proportion for Manhattan (16.8 percent). The secondary study area's generally younger population had a slightly lower percentage of seniors above the age of 65 in 2000 (10.5 percent) compared to Manhattan (12.1 percent).

**Primary Study Area: Households and Income**

As indicated in Table 3.2-3, the primary study area contained a total of 5,969 households in 2000, an increase of over 27 percent over 1990 levels. This increase in population was accompanied by a reduction in household size, with average household size going from 3.09 persons per household in 1990 to 2.76 persons per household in 2000. The decrease in household size between 1990 and 2000 brought the average household size of the primary study area more in line with those of Manhattan and New York City as a whole.

**TABLE 3.2-3**  
**Household Characteristics**

Area	Total Households			Average Household Size	
	1990	2000	% Change	1990	2000
<b>Primary study area</b>	4,682	5,969	27.5%	3.09	2.76
<b>Secondary study area</b>	5,140	6,155	19.7%	2.72	2.68
<b>Manhattan</b>	828,199	880,727	6.3%	N/A	2.8
<b>New York City</b>	2,816,274	3,021,588	7.3%	2.54	2.6

**Sources:** U.S. Bureau of the Census, SF1, 1990, 2000.

After adjusting the primary study area's 1989 median household income to account for inflation, household incomes rose by over 13 percent between 1989 and 1999. However, area median household incomes remained very low in 1999 (\$13,570.24), or around one third of the corresponding average income levels of Manhattan (\$47,030) and New York City as a whole (\$38,293), as indicated in Table 3.2-4. This is partly attributable to the large number of public housing residents residing in the Wagner Houses complex.

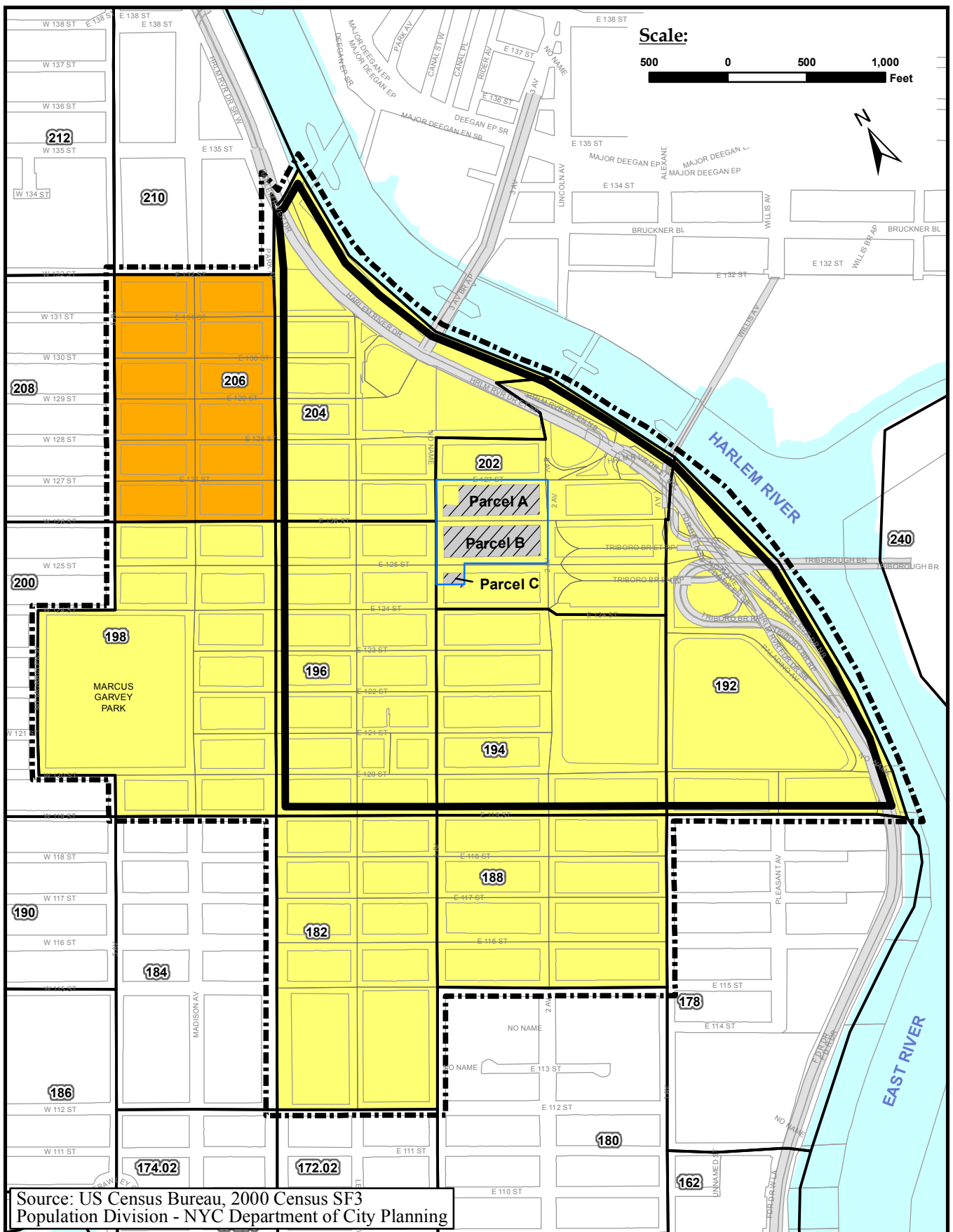
**TABLE 3.2-4**  
**Household Income**

Area	Median Household Income		
	1989	1999	% Change
<b>Primary study area</b>	\$11,981.76	\$13,570.24	13.3%
<b>Secondary study area</b>	\$18,853.15	\$18,450.39	-2.1%
<b>Manhattan</b>	\$43,346	\$47,030	8.5%
<b>New York City</b>	\$40,419	\$38,293	-5.2%
<b>Notes:</b> 1989 Median Household Income converted to 1999 constant dollars using the US Department of Labor's Consumer Price Index for the "New York-Northern New Jersey-Long Island" area. <b>Sources:</b> U.S. Bureau of the Census, SF3, 1990, 2000.			

Secondary Study Area: Households and Income

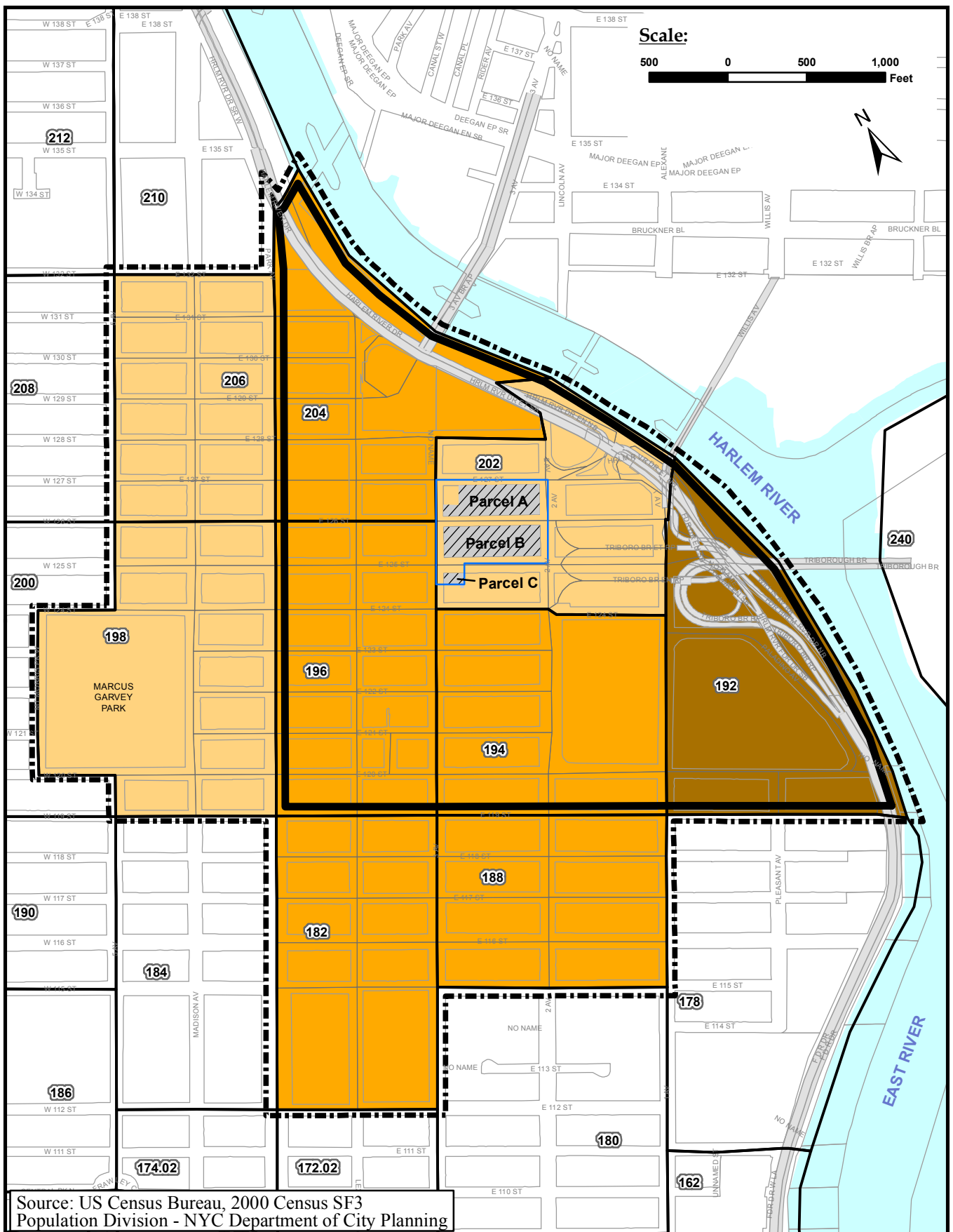
According to the US Census Bureau, the secondary study area contained 6,155 households in 2000, an increase of nearly 20 percent over the 1990 total of 5,140 households. This represents a lower rate of increase than for either Manhattan or New York City as whole. Since 2000, there has been a continued increase in total households in the area. The New York City Department of City Planning estimates an increase of 137 occupied housing units in the primary study area between 2000 and 2005. Household size dropped to 2.76 persons per household in 2000 according to the US Census, with DCP estimating a further reduction to 2.71 persons per household in 2005.

Figure 3.2-4 shows 1999 median household income by census tract. The 1999 average median household income for the secondary study area of \$18,450 declined slightly (2.1 percent) in comparison to area's inflation-adjusted average in 1989, but remained considerably lower than those of the borough (\$47,030) and the city as a whole (\$38,293).



**Figure 3.2-4 - Median Household Income 2000**

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<b>Legend</b>		Percent of Persons Below the Poverty Level	
	Project Site		
	Rezoning Area		50.0% or more
	Primary Study Area		35.0% to 49.9%
	Secondary Study Area		20.0% to 34.9%
	2000 Census Tract		

**Figure 3.2-5 - Percent of Persons Below the Poverty Level in 1999**

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*NYC Economic Development Corporation*

Figure 3.2-5 shows the percentage of population living below the poverty level in the secondary study area by census tract. As indicated in Table 3.2-5 below, there was a slight decrease in the percentage of population living below the poverty level between 1989 and 1999, though the rate in 2000 remained high, at 40.7 percent compared to 25.1 percent for Manhattan.

**TABLE 3.2-5**  
**Percent of Population Below Poverty Level**

Area	1989	1999	% Change
<b>Primary study area</b>	47.5%	45.8%	-1.7%
<b>Secondary study area</b>	43.7%	40.7%	-3.0%
<b>Manhattan</b>	22.7	25.1	2.4
<b>New York City</b>	18.9	20.8	1.9
<b>Source:</b> U.S. Bureau of the Census, 1990 and 2000 Census, SF3.			

Primary Study Area: Housing Characteristics

The total number of households in the primary study area increased substantially between 1990 and 2000, reflecting overall population trends in the Population and Housing Study Area. Since 2000, this increase has continued, with DCP indicating construction of 177 new housing units in the first half of this decade in census tracts 194 and 196 (the southern half of the primary study area west of First Avenue). As shown in Table 3.2-6, primary study area households were overwhelmingly renters in 2000, comprising 98.5 percent of occupied units, compared to 79.9 percent and 69.8 percent of occupied units for Manhattan and New York City as a whole, respectively.

While the pace of new housing construction has been dramatic in Central and Western Harlem over the past 10-15 years, East Harlem and areas generally east of Fifth Avenue have generally experienced an escalation in housing activity only more recently.<sup>4</sup> Interviews with area real estate brokers and field surveys indicate a continued pattern of housing upgrading in Harlem in general since 2000, particularly for the brownstone buildings that face 124<sup>th</sup> and 126<sup>th</sup> Streets. Signs of recent housing rehabilitation, both public and private, are increasingly evident in the primary study area. The following photograph shows several recently renovated townhouses in the primary study area, located on East 123<sup>rd</sup> Street two blocks south of the project site.

<sup>4</sup> Klara Madlin, President, Harlem Homes Realty, Inc., Interview, July 10, 2007.



**Renovated townhouses on East 123rd Street (with Taino Towers to rear)**

The residential vacancy rate of the primary study area remained stable between 1990 and 2000, ranging between four and five percent, or lower than those of both Manhattan and the City. One newly constructed, mid-rise, mixed-use building located at Third Avenue and East 124<sup>th</sup> Street has yet to be occupied. Housing conditions in the primary study area vary, but generally range from buildings that are in average and good condition to renovated townhouses (shown above) and newly constructed mid-rise buildings. According to area real estate brokers, recent housing activity in East Harlem has mainly consisted of new construction as opposed to townhouse

renovation, with East Harlem having fewer architecturally distinguished buildings than other parts of Harlem further to the west.<sup>5</sup>

**Table 3.2-6: Housing Characteristics:  
 Total Housing Units, Occupancy and Tenure**

	Total Housing Units		Housing Occupancy (Percent)				Housing Tenure (Percent)			
			Occupied		Vacant		Owner		Renter	
	1990	2000	1990	2000	1990	2000	1990	2000	1990	2000
<b>Primary study area</b>	4,682	6,278	95.5	95.1	4.5	4.9	0.9	1.5	99.1	98.5
<b>Secondary study area</b>	5,730	6,830	89.7	90.1	10.3	9.9	3.0	7.3	97.0	92.7
<b>Manhattan</b>	785,127	798,144	91.3	92.6	8.8	7.5	17.9	20.1	82.1	79.9
<b>New York City</b>	2,992,169	3,200,912	94.2	94.4	5.8	5.6	28.6	30.2	71.4	69.8

**Source:** U.S. Department of Commerce, Bureau of Census, 1990 and 2000 Census, Summary File 1.

Primary study area 1989 median home value data was not available for all census tracts. For the two that did have data available (tracts 192 and 194), the weighted average median home value in 1989 was \$122,623 (adjusted for inflation to 1999 dollars). The weighted average median home value in 1999 for only tracts 192 and 194 was \$350,408, a slight increase over 1989 levels for these two tracts (see Table 3.2-7 below). According to the US Census Bureau, median contract rents adjusted for inflation in the primary study area decreased by over 25 percent between 1989 and 1999, indicating a continuing pattern of decline in the rental market in this part of East Harlem during that period. The rising home values and decreasing rent levels during the 1990s may have been indicative of new investment by homeowners in a transitional neighborhood. Since then, area rents and housing values have seen increases similar to what was experienced in Central and West Harlem in preceding years.<sup>6</sup>

<sup>5</sup> Ibid.

<sup>6</sup> Ibid.

**Table 3.2-7: Housing Characteristics: Contract Rent and Value**

	Median Contract Rent			Median Home Value		
	1989	1999	% Change	1989	1999	% Change
<b>Primary study area</b>	\$365	\$271	-25.8%	\$346,575*	\$254,735**	-26.5%
<b>Secondary study area</b>	\$439	\$434	-1.1%	\$122,623	\$168,728	27.3%
<b>Manhattan</b>	\$630	\$740	17.5%	N/A	\$1,000,000+	N/A
<b>New York City</b>	\$590	\$646	9.5%	N/A	\$211,900	N/A

**Note:** 1989 Median Household Income converted to 1999 constant dollars using the US Department of Labor's Consumer Price Index for the "New York-Northern New Jersey-Long Island" area.  
**Sources:** U.S. Bureau of the Census, SF1, SF3, 1990, 2000.  
 \*For the primary study area, 1989 average median home value is calculated for Census Tracts 192 and 194 only on a weighted average basis. Data for Tracts 196, 202 and 204 was unavailable for 1989.  
 \*\*Primary study area 1999 weighted average median home value for tracts 192 and 194 alone was \$350,408.

### Secondary Study Area: Housing Characteristics

Like the primary study area, the housing stock of the secondary study area is overwhelmingly renter occupied. Housing conditions vary more widely than in the primary study area, however, with a greater number of vacant buildings, particularly west of Park Avenue in the northern portion of the secondary study area (see photograph below). According to the US Census, the vacancy rate of the secondary study area in 2000 (9.9 percent) was nearly double that of the primary study and greater than both Manhattan (7.5 percent) and New York City (5.6 percent). Owner occupancy increased from 3.0 percent in 1990 to 7.3 percent in 2000. With its greater proportion of non-subsidized housing units, the secondary study area saw a greater increase in home values than the primary study area between 1989 and 1999 (27.3 percent increase). Median contract rent remained fairly stable at around \$430-\$440. The housing revitalization trend that has occurred in this area of East Harlem is generally five to ten years behind the revitalization trend experienced by other areas of Harlem to the west. Total housing units increased in the secondary study area between 1990 and 2000 by approximately 19 percent.

As listed in Table 3.2-8, there are a total of 4,371 units in nine 9 NYCHA developments in the combined primary and secondary study areas, with 2,804 of these being located in the primary study area. These include two large public housing complexes with 1,300 and 2,154 units, and four developments that are for seniors only (Morris Park Senior Citizen Home, U.P.A.C.A. U.R.A. Sites 5 and 6, and Edward Corsi Houses).



### ***Publicly Assisted Housing and Public Development Initiatives***

Harlem is currently undergoing a commercial and residential renaissance, in part due to public development initiatives and subsidized housing activity, and continued efforts of various governmental, church and other non-profit organizations that have worked to stabilize the neighborhood and its residential population.

One of the keys to Harlem's current housing resurgence was a program called HomeWorks that started in 1995. With the participation of experienced builders, this City program resulted in the renovation of small, vacant, city-owned buildings as one-to-four family homes. The buildings were sold in a lottery to individual home buyers at market rate prices, with the City subsidizing purchases by providing no-interest, non-amortizing loans that were forgiven if the buyer kept the property for six years. The purpose of this program was to encourage homeownership and it is still successfully being used today.

Mayor Bloomberg has introduced Cornerstone, a major initiative for revitalizing avenue properties in Harlem, and other neighborhoods. This program for multifamily buildings, middle-income and market-rate new construction has produced 3,000 units of housing in Harlem, 750 of which are located in the Frederick Douglass Boulevard corridor. As of Spring 2005, HPD's Manhattan Office indicated that all development sites on Frederick Douglass Boulevard had been programmed, or are ready to be developed, for future moderate-, middle- or market-rate housing.<sup>7</sup>

The concerted efforts of city, state and federal governments and community-based institutions to put revitalization and redevelopment strategies for Harlem into action has emphasized policies supporting middle-class and market rate home ownership opportunities.<sup>8</sup> The results of public investment within the study area are becoming more apparent as private market rate housing and brownstone renovations have increased throughout Harlem, and new construction has been undertaken with the most prominent example in the secondary study area being the Kalahari. This indicates that the Harlem housing renaissance is no longer limited to rehabilitation of brownstones, as luxury apartment ownership previously found in other neighborhoods of Manhattan is moving northward. However, the public sector is also continuing to invest in housing for low-, moderate- and middle-income tenants and owners. Most of HPD's \$1.5 billion investment in Harlem since 1987 has benefited low- and moderate-income households and given preference to neighborhood residents. Between January 1987 and December 2005, HPD completed the construction of 44,774 affordable housing units in Community Boards 9, 10, and 11 – or 19 percent of the citywide total. Of these, 7,454 units, or 22 percent, are owned rather than rented; helping increase homeownership to 16 percent in 2002, up from less than two percent in 1993. More than 78 percent of HPD's beneficiary households have been low-income, 11 percent have been moderate-income, and 11 percent have been middle-income. HPD's rehabilitation projects have had the additional benefit of avoiding displacement, as the program returns the reconditioned apartment to the original tenant. This mixture of both publicly and

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<sup>7</sup> *IBID.*

<sup>8</sup> The Steven L. Newman Real Estate Institute, 2006 Roundtable discussion "Harlem in Our Eyes, Sustaining Cultural Legacy in a Rapidly Changing Neighborhood," 2006.

privately funded housing development is helping to broaden the mix of income levels in Harlem and the East Harlem Population and Housing Study Area.

The secondary study area has experienced considerable new housing construction since 2000 as a result of major new residential construction projects facilitated by HPD and the City of New York in partnership with local organizations such as Abyssinian Development Corporation, Operation Fight Back, Inc., and Hope Community. For example, just south of the previously described Maple Plaza project is Maple Court, a 135-unit low- and moderate-income limited equity cooperative new construction project. Occupying a full block west of Park Avenue, Maple Court is one of a handful of major new construction projects in Manhattan Community Districts 10 and 11 located near Mount Morris Park.

As listed in Table 3.2-8, there are a total of 4,371 units in 9 NYCHA developments in the combined primary and secondary study areas, with 2,804 of these located in the primary study area. These units are within six public housing complexes, including two developments that are for seniors only – U.P.A.C.A. U.R.A. Sites 5 and 6.

**Table 3.2-8: New York City Housing Authority Developments, Units and Population**

<b>Development</b>	<b>Address</b>	<b>Number of Units</b>	<b>Population</b>
<b>Park Avenue - East 122nd, 123rd Streets</b> <i>(Primary Study Area)</i>	120 East 123 <sup>rd</sup> St.	90	206
<b>U.P.A.C.A. U.R.A. Site 5</b> <i>(Primary Study Area)</i>	1980 Lexington Ave.	180	197
<b>U.P.A.C.A. U.R.A. Site 6</b> <i>(Primary Study Area)</i>	1940 Lexington Ave.	150	155
<b>East 120th Street Rehab</b> <i>(Primary Study Area)</i>	438 East 120 <sup>th</sup> St.	42	85
<b>Senator Robert F. Wagner, Sr.</b> <i>(Primary Study Area)</i>	90 Paladino Ave.	2154	5232
<b>Jackie Robinson</b> <i>(Primary Study Area)</i>	111 East 128 <sup>th</sup> St.	188	428
<b>James Weldon Johnson</b> <i>(Secondary Study Area)</i>	1581 Park Ave.	1300	2383
<b>Morris Park Senior Citizen Home</b> <i>(Secondary Study Area)</i>	17 East 24th Street	97	101
<b>Edward Corsi Houses</b> <i>(Secondary Study Area)</i>	306 East 117 <sup>th</sup> St.	170	175
<b>Source:</b> *New York City Housing Authority Website, 2006.			



**Vacant Housing in Secondary Study Area  
West of Park Avenue Under Demolition in 2007**



**Newly Constructed Housing (The Kalahari) in the  
Secondary Study Area on 116th Street**

### ***Residential Real Estate Trends***

The continuing trend of increasing housing values in Harlem overall dates back roughly to the mid-1990s,<sup>9</sup> with area home prices having roughly quadrupled in the last five years. Real estate brokers report that brownstone shells in Harlem that typically sold for \$250,000 five years ago now sell for approximately \$1.3 million.<sup>10</sup> Renovations of brownstones in the secondary study area have significantly upgraded the appearance of the community as well as its housing conditions. The *New York Sun* reported in May 2005 that the value of the average Harlem brownstone had increased 335 percent since 1995 largely due to cooperation between private developers and the City working together to rebuild blocks of derelict properties that the City foreclosed on in the 1970s. In Spring 2005, Harlem brownstones were routinely selling for \$1.5 million and empty shells for \$1 million. The year before that, houses went for \$1.2 million and shells for \$800,000. However, this boom was primarily taking place on Harlem's brownstone-lined side streets and the historic sections of Morris Park and Strivers Row, whereas many of the avenues, including Frederick Douglass Boulevard, languished, giving rise to HPD's Cornerstone program.<sup>11</sup> Other more recent press reports attest to the revitalization of the overall Harlem community, with the *New York Times* reporting in April 2007 that "the continued vigor of the housing market from 96<sup>th</sup> Street to 145<sup>th</sup> Street and the planned expansion of Columbia University are giving the area the critical mass of consumers that attract retailers."<sup>12</sup>

Real estate brokers note that the pace of escalation in housing prices in Harlem overall somewhat slowed in late 2006 and early 2007 reflecting, to some degree, the softening of the housing market nationally. The brownstone townhouse market is reported to be relatively flat in comparison to its fast pace of activity in recent years, partly due to overly aggressive pricing by many sellers. However, rent levels are still comparatively high for the area. Typical rents for market rate apartments in Harlem range from \$1,500-\$1,800 for a one bedroom apartment, to about \$2,600 for a two bedroom apartment, and around \$3,300 for a three bedroom apartment.<sup>13</sup>

Recent real estate listings described in the *New York Times* are another source of data on recent market activity and housing values in the area. July 1, 2007 listings include apartments in the Kalahari, located on the south side of East 116<sup>th</sup> Street that are priced starting at \$700,000. Current real estate listings from the *New York Times* include available two-bedroom luxury condominiums in Harlem that are being listed for \$725,000 (Harlem Renaissance Condo);<sup>14</sup> \$395,000 (The Tatum on East 129<sup>th</sup> Street), and \$685,000 (Graceland Court at 111 Lenox Avenue).<sup>15</sup> A three-family brick townhouse at 306 West 138<sup>th</sup> Street, located northwest of the Population and Housing Study Area, recently sold for \$1.175 million after being listed at \$1.2 million.<sup>16</sup> *New York Times* Classified advertisement listings from July 8, 2007 included a three-

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<sup>9</sup> Willie Kathryn Suggs, Willie Kathryn Suggs Licensed Real Estate Brokers, Interview, April 24, 2007.

<sup>10</sup> Klara Madlin, President, Harlem Homes Realty, Inc., Interview, April 24, 2007.

<sup>11</sup> *The New York Sun*, Vitullo-Martin, Julia, "Harlem's Renewal Spreads to the Boulevard," May 26, 2005.

<sup>12</sup> *The New York Times*, Claire Wilson, "The Harlem Revival Brings in the Shops," April 18, 2007.

<sup>13</sup> Sidney Evans, Prudential Douglass Elliman Real Estate, Interview, April 24, 2007.

<sup>14</sup> *New York Times*, Real Estate Listings, May 6, 2007.

<sup>15</sup> *New York Time*, Real Estate Listings, October 14, 2007.

<sup>16</sup> *New York Times*, "Residential Sales Around the Region," May 13, 2007.

bedroom condominium in a landmark brownstone located at 4 Mt. Morris Park West that is selling for \$897,000. As stated above, according to area real estate brokers residential vacancy rates remain at low levels.<sup>17</sup>

Owner occupancy of occupied housing units increased between 1990 and 2000 from 3.0 to 7.3 percent in the secondary study area, similar to trends experienced by the primary study area, Manhattan and New York City. This partly reflects an ongoing trend since the mid-1990's of conversion of Single Room Occupancy (SRO) buildings, many of them being brownstone townhouses.

### ***Population Currently at Risk of Displacement***

Although the real estate market in the Population and Housing Study has experienced dramatic increases in the past ten years or so similar to other parts of Harlem, the US Census indicates that census tracts in the Study Area were characterized in 1999 by generally lower household incomes than Manhattan as a whole. As previously described, household income characteristics range widely in the Population and Housing Study Area, from wealthier households residing in renovated brownstones and the emerging stock of luxury condominiums, to low income households residing in the Robert Wagner Houses public housing complex where greater than 50 percent of the population lived below the poverty level in 1999, though in protected units. Compared to Manhattan's 1999 Median Household Income of \$47,030, only the western-most tracts, north of 119<sup>th</sup> Street, Census Tracts 198 and 206, and Tract 202 containing a row of walk-up apartment buildings on East 126<sup>th</sup> Street, had Median Household Incomes in excess of approximately \$21,000 in 1999.

According to the *CEQR Technical Manual*, a population at risk of indirect displacement consists of persons 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 a proposed action. This section of the chapter presents information needed to determine whether the study area contains a population that would be at risk of indirect displacement under the proposed action. This information includes a tract-level analysis of the study area's economic characteristics along with the estimated number of unprotected rental units in each of the study area's Census tracts, and an analysis of the "population at risk."

In order 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 population at risk:

1. Census 2000 tract-level data were used to determine the average household income of renters in small (1-4 units) buildings. As described above, these buildings are not generally subject to rent regulation laws.<sup>18</sup>

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<sup>17</sup> Klara Madlin, President, Harlem Homes Realty, Inc., Interview, April 24, 2007.

2. For each Census tract, the average household income for renters in small buildings was compared to the average household income for renters in large buildings to determine where income disparities exist between renters in small and large buildings. This information was used to gain a better understanding of the income distribution across housing types and Census tracts. Average incomes were used in place of median incomes for this analysis because Census data on median household income by size of building is not publicly available.

3. For each Census tract, the average household income for renters in small buildings was compared to the average household income for households in Community Districts 9, 10, 11, and 12 (\$37,995)<sup>19</sup>. If the average for small buildings was lower than the average for Community Districts 9, 10, 11, and 12, the Census tract was identified as having a potentially vulnerable population.

4. Census tracts identified as having a potentially vulnerable population were examined in greater detail to determine whether the discrepancy in average incomes between renter-occupied small buildings in the tract and the average for Community District 9, 10, 11, and 12 households is indicative of a truly vulnerable population. In some cases, for example, the income discrepancy is likely to have decreased since the 2000 Census (due to new construction and apartment turnover), and in others, the geographic location of the Census tract makes it less vulnerable to indirect displacement pressures. Any tracts that were not screened out through this more detailed examination of current conditions were assumed to contain some vulnerable population.

The detailed descriptions of Census tracts that may house populations vulnerable to indirect displacement uses 2000 census data as the first indication of whether more detailed consideration of a particular tract is necessary. While such Census tracts exist in the study areas, as described below, there are strong indicators of housing upgrading in the area and other changes to housing market conditions since 2000 that offset the likelihood that these Census tracts still contain substantial numbers of households that would be considered to contain population that is at risk of indirect displacement. Considerable reinvestment in the neighborhoods in the study area of East Harlem has resulted in substantial increases in housing values since the 1990s.

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<sup>18</sup> Census data on renter income is collected for pre-defined categories of buildings. These categories include buildings with 1-4 units and buildings with 5-9 units, making it impossible to develop an accurate average income for renters in buildings with 1-5 units. The average income for unprotected units is therefore based on the incomes for only those renters living in 1-4 unit buildings. This data constraint does not affect the overall analysis. Units in 5-unit buildings represent 24 percent of all unprotected units in the primary study area and 19 percent of all unprotected units in the primary study area. Incomes for these units are likely to be similar to incomes in buildings with 1-4 units, and because they represent a relatively small proportion of the unprotected units, they would not substantially affect the average income.

<sup>19</sup> US Census, 2000, New York City Department of City Planning, 2007.

### ***Unprotected Units***

As described above, unprotected units include those units that are not subject to rent regulation laws. Although no database of these units exist, they are defined as, generally, renter occupied units located in buildings with five or less units and buildings with more than five units built after January 1, 1974. The number of buildings with five units or fewer in the primary and secondary study areas was determined using: 1) Department of Finance RPAD data available via DCP’s 2007 MapPluto database for five unit buildings, and 2) US Census Bureau data at the census tract level for buildings with between one and four units.

As shown in Table 3.2-9, the primary study area contains a total of 4,561 renter-occupied housing units, most of them located in public housing and rent-stabilized mid-rise tenement or mixed-use buildings. A small percentage of these units (6 percent) are located in buildings defined as unprotected, or buildings with five or fewer units. Less than 15 percent of the units in the secondary study area are located in buildings defined as unprotected. The number of buildings with five units or fewer in the primary and secondary study areas was determined using Department of Finance RPAD data available via DCP’s 2007 MapPluto database and surveys undertaken at the time of the land use survey.

**TABLE 3.2-9: Unprotected Housing Units**

Area	Units in 1-5 Unit Buildings (Unprotected Units)*	Total Renter-Occupied Units**	Unprotected Units as % of All Renter Units
<b>Primary Study Area</b>	304	5,797	5.24%
<b>Secondary study area</b>	763	5,298	14.4%
<b>Sources:</b> *New York City Department of City Planning MapPluto 2007, New York City Department of Finance & RPAD data. US Census Bureau 2000, SF1 Summary File; STV Incorporated.			

As shown in the following table, Table 3.2-9a, the highest concentrations of unprotected units in the primary study area were located in Tract 194, with about 57 percent of the unprotected units.

**TABLE 3.2-9a: Unprotected Housing Units by Tract, Primary Study Area**

Tract	Renter-Occupied Units	Units in 1-4 unit buildings	Units in 5-unit buildings	Total unprotected units	Percent of Unprotected Units	Percent of rental units
192	1,196	54	0	54	17.76%	4.52%
194	2,179	148	25	173	56.91%	7.94%
196	1,341	48	5	53	17.43%	3.95%
202	158	0	0	0	0.00%	0.00%
204	923	24	0	24	7.89%	2.60%
<b>TOTAL:</b>	<b>5,797</b>	<b>274</b>	<b>30</b>	<b>304</b>	<b>100.00%</b>	<b>5.24%</b>

**Source:** US Census SF 3, 2000 and 5-Unit Building data from DCP's MapPluto database.

As shown in Table 3.2-9b, the highest concentrations of unprotected units in the secondary study area were located in Tract 188, with 46 percent of the unprotected units, followed by Tract 206 with 33 percent, and Tract 182 with 21 percent.

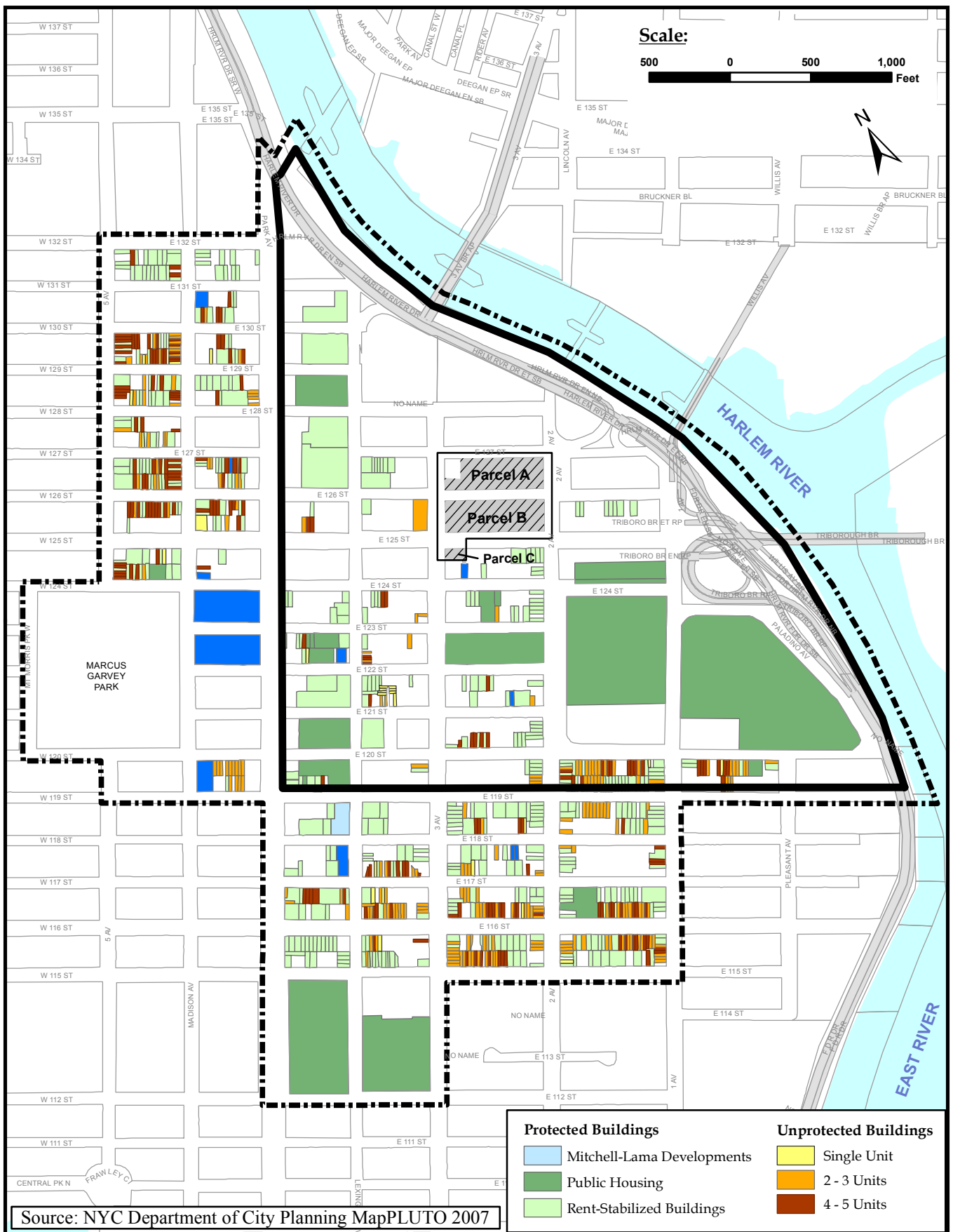
**TABLE 3.2-9b: Unprotected Housing Units by Tract, Secondary Study Area**

Tract	Renter-Occupied Units	Units in 1-4 unit buildings	Units in 5-unit buildings	Total unprotected units	Percent of Unprotected Units	Percent of rental units
182	2,368	143	20	163	21.36%	3.08%
188	1,980	341	10	351	46.00%	6.63%
198	543	72	20	92	10.76%	16.94%
206	906	204	45	249	32.63%	4.70%
<b>TOTAL:</b>	<b>5,797</b>	<b>688</b>	<b>75</b>	<b>855</b>	<b>100.00%</b>	<b>14.40%</b>

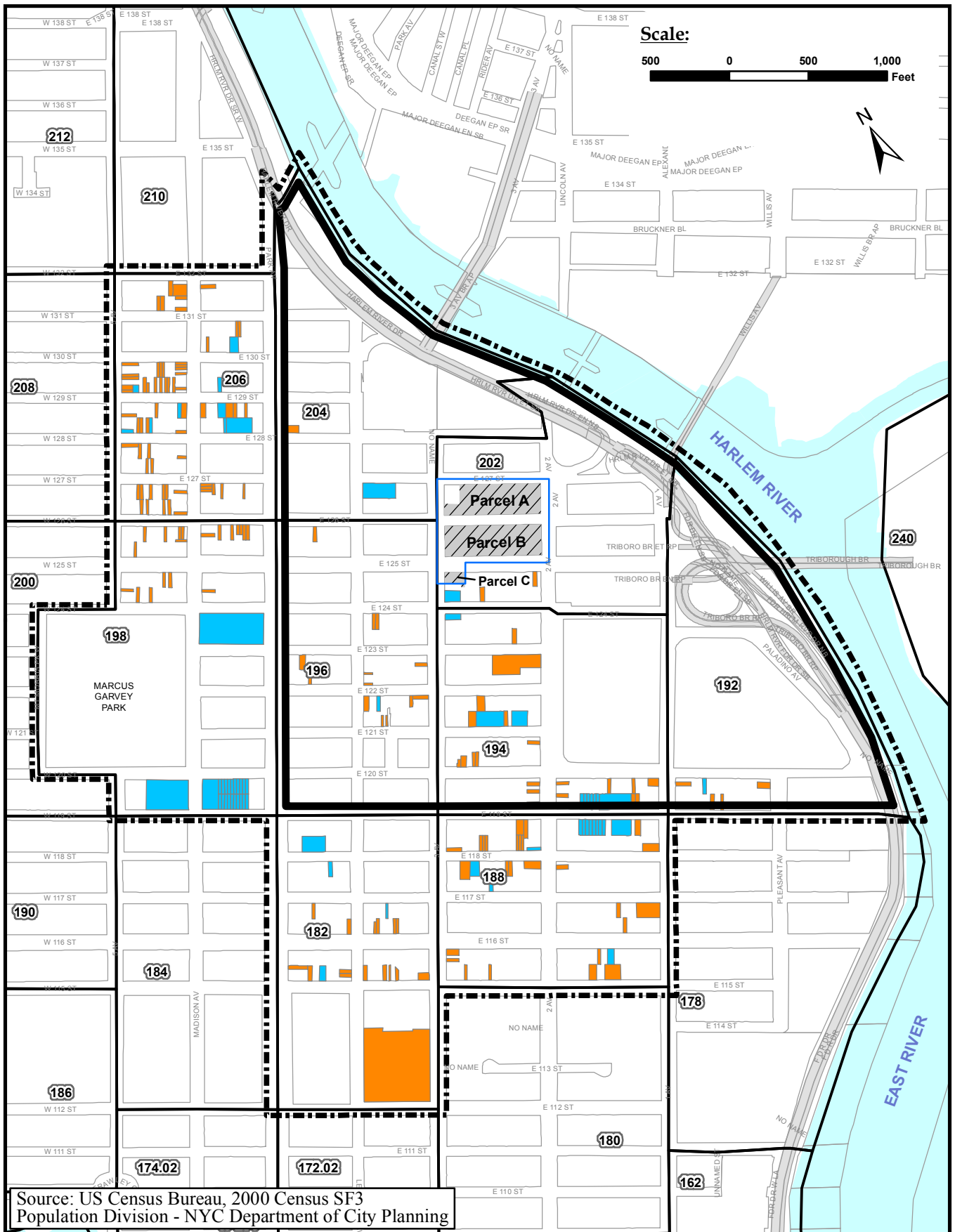
**Source:** US Census SF 3, 2000 and 5-Unit Building data from DCP's MapPluto database

The majority of unprotected housing units in the primary and secondary study areas are located south of 120<sup>th</sup> Street, and west of Park Avenue towards central portions of Harlem, where a trend of brownstone renovation and sales to higher income households has been ongoing according to area real estate brokers and field surveys. Figure 3.2-6 shows the locations of these unprotected buildings. Figure 3.2-7 shows the locations of new construction and building alterations.





**Figure 3.2-6 - Protected and Unprotected Residential Buildings**



**Figure 3.2-7 - New Construction and Building Alterations**

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### *Identifying a Population at Risk of Secondary Displacement*

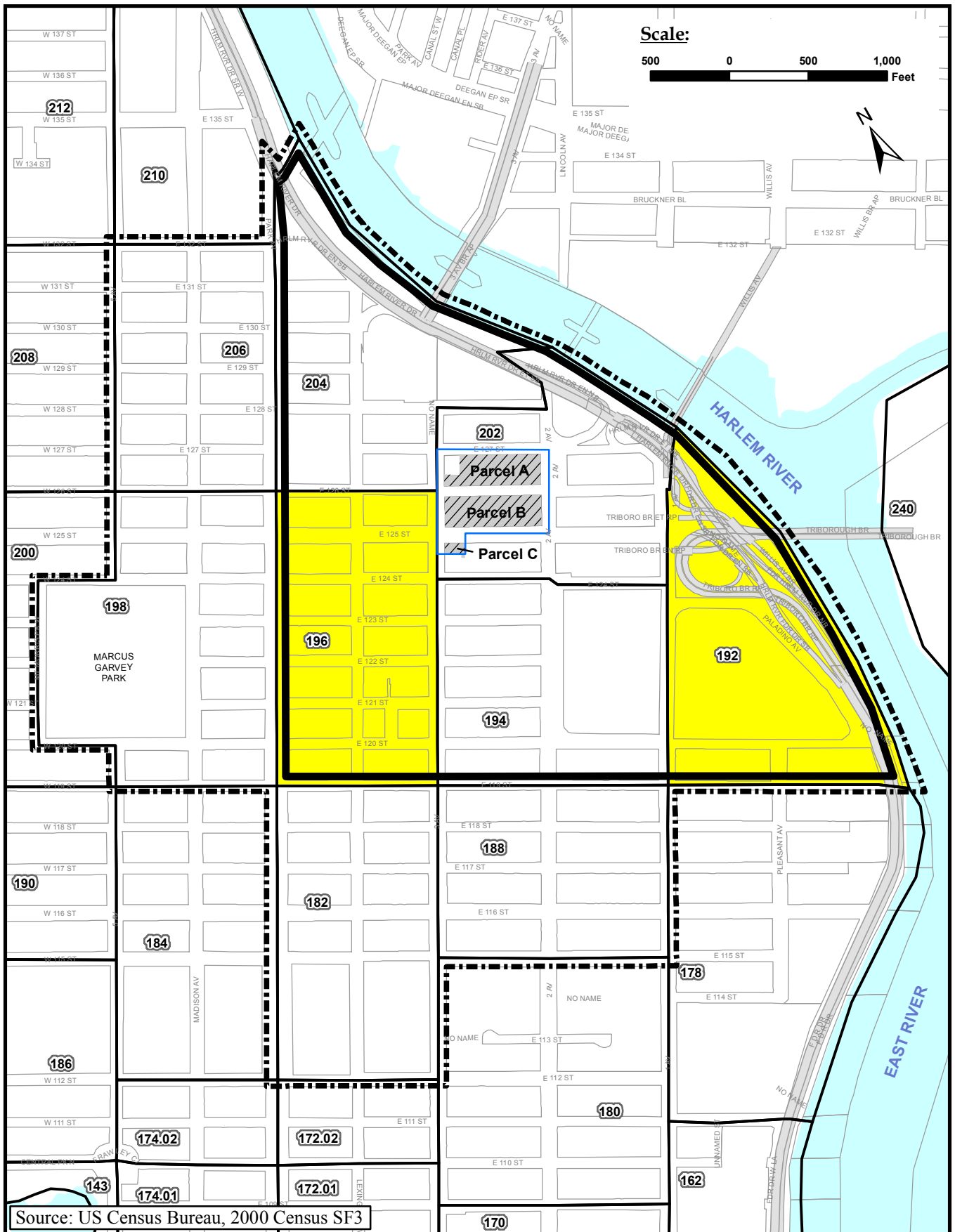
As indicated above, low income renters living in unprotected units would constitute a population potentially at risk of secondary displacement as a result of rising land and housing values due to ongoing housing trends in this area. Since the incomes of renters in specific buildings are not known, a population potentially at risk of indirect displacement was identified according to census tracts where the average household income of renters in small buildings was less than the average household income for households in Community District 9, 10, 11 and 12 (\$37,995).<sup>20</sup> If the average for small buildings was lower than the average for these Community Districts, the census tract was identified as having a potentially vulnerable population in 2000. Table 3.2-10 and corresponding Figure 3.2-8, indicate those census tracts within the secondary study area that are most likely to house populations vulnerable to secondary displacement.







According to the methodology, there were an estimated 1,067 units with an estimated 2,774 residents<sup>21</sup> in 9 census tracts in the primary and secondary study areas containing a population potentially vulnerable to indirect displacement in 2000. However, as explained below, it is likely that many of these units have turned over to higher income households since 2000 and no longer contain a population vulnerable to displacement.

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<sup>20</sup> US Census, 2000, New York City Department of City Planning, 2007.

<sup>21</sup> Based on an average household size of 2.6 for the secondary study area.



<b>Legend</b>		<b>Figure 3.2-8 - Census Tracts Containing Households Vulnerable to Indirect Displacement</b>	
	Project Site		2000 Census Tract
	Rezoning Area		Census Tracts with Households at Risk of Indirect Displacement
	Primary Study Area		
	Secondary Study Area		

**East 125th Street Development EIS**  
**NYC Economic Development Corporation**

**TABLE 3.2-10: Average Household Income for Renters in Small Buildings and Buildings with 5-49 Units, Compared to Median Household Income of Manhattan Community Districts 9, 10, 11 and 12**

Study Area	Tract	Average Household Income in Small Buildings*	Average Household Income in Large Buildings**	Difference Between Small and Large Buildings	Difference Between Small Buildings and Average HH Income CD 9, 10, 11 & 12***	Total Unprotected Units
Primary Study Area	<i>192</i>	\$36,957	\$17,715	(\$19,242)	\$1,038	54
	<i>194</i>	\$27,949	\$25,862	(\$2,088)	\$10,046	173
	<i>196</i>	\$13,715	\$33,025	\$19,310	\$24,280	53
	<b>202</b>	NA	\$23,918	NA	NA	0
	<b>204</b>	\$51,104	\$17,643	(\$33,461)	(\$13,109)	24
Secondary Study Area	<i>182</i>	\$20,061	\$30,725	\$10,664	\$17,934	163
	<i>188</i>	\$37,940	\$25,958	(\$11,982)	\$55	351
	<i>198</i>	\$26,403	\$25,761	(\$641)	\$11,592	92
	<b>206</b>	\$40,003	\$27,065	(\$12,938)	-\$2,008	249

**Notes:**

\*Average household income for small renter-occupied buildings is based on renter-occupied units in buildings with 1 to 4 units.

\*\* Average household income for renter-occupied buildings with 5-49 units.

\*\*\*Compared to Average HH Income in Manhattan Community Districts 9, 10, 11 & 12 of \$37,995.

\*\*\*\* Tracts in italics are those in which the average household income for renter-occupied units in small buildings is lower than the average household income for Manhattan Community Districts 9, 10, 11 and 12 (\$37,995).

**Source:** U.S. Bureau of the Census, 2000 Census, Summary File 3.

Of the six census tracts in the Population and Housing Study Area that were characterized in 1999 by income levels for renters in small buildings whose incomes were lower relative to average incomes of households in Manhattan Community Districts 9, 10, 11 and 12, census tracts 182, 188 and 194 had the highest concentration of unprotected units (above 100), with census tract 188 having the highest number of such units (351 units). The specific locations of buildings likely to contain unprotected units according to MapPluto data are shown in Figure 3.2-6. Field surveys indicate that the majority of the unprotected units are located in brownstone townhouses.

***Estimated 2007 Population at Risk of Secondary Displacement***

The majority of unprotected units identified above are located in brownstones, many of which have been sold and renovated since the census data were collected in 2000. As described above in *Residential Real Estate Trends*, the market for brownstones in Harlem has strengthened significantly since 2000 and many buildings that were formerly operated as SROs have since

been purchased, renovated and re-occupied with homeowners and market rate tenants. Given the prices paid for the buildings (typically anywhere from \$1 to \$2 million) and the extent of renovations – often gut renovations – it is likely that many of these unprotected units with a population potentially vulnerable to secondary displacement have already turned over to more affluent households and no longer contain a vulnerable population. Furthermore, as described above, the study area experienced substantial new growth in new construction of market rate housing as well as publicly assisted housing, which has resulted in new investment in many of the areas identified as having a vulnerable population. Therefore, 2000 data on housing type and income for census tracts that exhibited comparatively lower income characteristics in unprotected buildings were supplemented with more recent data on permits for major alterations and new housing construction to gain a clearer understanding of the scale and location of the change and to identify a population at risk of secondary displacement that exists today.

Census tracts that have experienced substantial new housing construction (more than 100 units) or significant renovation of existing unprotected units (more than 50 percent of unprotected units) have likely experienced an increase in aggregate and average income, and renters living in those tracts would not likely be considered to contain a population vulnerable to indirect displacement .

A 2007 population potentially at risk of secondary displacement was estimated by identifying census tracts with vulnerable population in 2000 that did not experience substantial new construction or renovation of unprotected units. Renovated units in buildings with less than six units were removed from the total estimate of vulnerable units in a specific tract since these units are the most likely to have been re-occupied by wealthier households. Table 3.2-10a below provides data from the Department of Buildings on permits filed since 2000 for new residential construction and major renovations (Alt 1 permits) of buildings with less than six units for the census tracts identified as potentially containing a population vulnerable to indirect residential displacement. Substantial change was considered to have occurred if at least 50 percent of unprotected units in the tract were renovated, or more than 100 new units of housing were developed. Since it is likely that these changes have resulted in the migration of higher income households into unprotected units, these census tracts were removed from the population potentially at risk of secondary displacement.

**TABLE 3.2-10a:**  
**Estimated 2007 Population Potentially Vulnerable to Indirect Residential Displacement**

<b>Tract</b>	<b>Renovated Units*</b>	<b>Unprotected units in 2000</b>	<b>% Renovated</b>	<b>New Units Since 2000**</b>	<b>Estimated Unprotected Units 2007</b>	<b>Increase in Household Income Likely Since 2000</b>
182	21	163	13%	156	142	Yes
188	32	351	9%	221	319	Yes
192	4	54	7%	12	50	No
194	23	173	13%	136	150	Yes
196	15	53	28%	60	38	No
198	48	92	80%	424	12	Yes
<b>Estimated Unprotected Units in Tracts With a Population at Risk in 2007 (Tracts 192, 196)</b>					<b>88</b>	
<b>Source: New York City Department of Buildings, compiled by DCP Based on Alt 1 permits filed with DOB since 2000 and Census 2000.</b>						

### **Census Tracts with Population at Risk**

As shown in Table 3.2-10a and Figure 3.2-8, two census tracts (tracts 192 and 196) that contained a population at risk in 2000 have not experienced significant new housing construction or renovation of unprotected units since 2000.

Census tracts 192 and 196 are located in Manhattan Community District 11, which includes East Harlem. Tract 192 is located at the far eastern end of the study area, abutting the exit ramps for the Triborough Bridge. Much of this tract is occupied by the Wagner Houses public housing complex. Tract 192 contains an estimated 50 unprotected units and tract 196 contains 38.

Based on this methodology, there are an estimated 88 units with approximately 226 residents in these two census tracts with a population potentially at risk of secondary displacement in both the primary and secondary study areas.

## **Future Without the Proposed Action**

In the future without the proposed action, the Population and Housing Study Area is likely to experience a continued trend of housing rehabilitation and increasing population and area incomes, as more brownstone renovations take place and as subsidized and luxury housing now planned or in construction comes on-line. Along with major luxury housing complexes including The Kalahari and Fifth on the Park, condominium developments that are in the final stages of construction or that have been completed but not occupied include several condominium complexes including The Lenox Avenue, located at Lenox Avenue and East 129<sup>th</sup> Street, The Ivy, located at East 118<sup>th</sup> Street and Second Avenue, and The Bridges Condominium, located at East 124<sup>th</sup> Street and Third Avenue.

Table 3.2-11 below summarizes the various planned and projected new developments that are anticipated by the 2012, the year when the East 125<sup>th</sup> Street Development would be completed if approved and implemented. With 1,186 units proposed in HPD-assisted projects alone, population of the combined primary and secondary study areas would be expected to increase by approximately 3,048 persons based on Community District 11's average household size of 2.57 persons per household. 631 of these units fall within the primary study area, while 555 of these units fall within the secondary study area. Development of Reasonable Worst Case Development Scenario (RWCDS) sites resulting from the City's 125<sup>th</sup> Street Corridor Rezoning and Related Actions project would result in development of an additional 518 dwelling units in the primary study area, and an additional 117 units in the secondary study area, for a total of 635 dwelling units from that rezoning action, equating to approximately 1,632 new residents. Two known residential developments, the Kalahari and Fifth on the Park, would add a total of 490 dwelling units, housing an estimated 1,260 persons. Combined, the known developments, HPD developments, and RWCDS developments anticipated by 2012 would be expected to increase population in the primary study area by 2,953 persons, or a 16 percent increase in population, bringing total primary study area population to 23,850 persons in the Future Without the Proposed Action.

Secondary study area population is expected to increase by 2,987 persons with combined HPD, known developments, and RWCDS projects resulting from the City's 125<sup>th</sup> Street Corridor Rezoning and Related Actions project, also a 16 percent increase, bringing total secondary study area population to 23,214 persons in the Future Without the Proposed Action. These estimated increases in population are consistent with actual past increases experienced in the primary study area, and would represent a slight increase in the rate of growth in the secondary study area in comparison to its 1990-2000 growth rate. The table below summarizes the sources of anticipated population increase under Future Conditions Without the Action for the primary and secondary study areas.



**Table 3.2-11: Future Without the Action Population Estimates**

Population Source	Primary Study Area	Secondary Study Area
<b>Existing Conditions (2007) Population</b>	20,897	20,227
<b>HPD Projects</b>	1,622	1,426
<b>RWCDS projects</b>	1,331	301
<b>Other Known Projects</b>	---	1,260
<b>Total</b>	23,850	23,214
<b>Source:</b> New York City Department of Housing, Preservation and Development, 2007; New York City Department of City Planning, 2007; Census Bureau SF1 2000; STV, Inc., 2007		

While the continued strength of Manhattan real estate trends have not mirrored the downturn experienced in the national housing market since 2006, the Harlem market has slowed its upward trend to some extent in the last year, partly as a result of increases in the inventory of condominium units from recent new construction, leading developers to provide incentives to buyers such as covering closing costs, according to some area brokers.<sup>22</sup> However, long term increases in prices are expected to continue, and the area's average incomes can be expected to continue to rise as housing conditions are improved and the area experiences continued commercial upgrading.

**Table 3.2-12: No-Action Condition NYC Department of Housing Preservation Development Projects**

Project/Sponsor	Program	Units	CB	Block/Lot	Address
<b>Fifth Avenue Artimus Construction</b>	Cornerstone 3	38	11	1745/2,3,69,70	1463-1465 5 Ave. 1473-1475 5 Ave.
<b>Heritage House ARC</b>	Cornerstone 4/ MIRP/LAMP	40	11	1755/45-49,146	50-60 E. 131 St.
<b>Project Greenhope Project Greenhope</b>	HHAP	49	11	1807/15,16	433-439 E. 119 St.
<b>Colon Plaza East 116 Street Block Association &amp; Horsford &amp; Poteat Realty</b>	HTF/Homes for Working Families	49	11	1621/23-25	1733 Madison, 55-57 E. 115 St.

<sup>22</sup> Klara Madlin, President, Harlem Homes Realty, Inc., Interview, April 24, 2007.

<b>Table 3.2-12: No-Action Condition NYC Department of Housing Preservation Development Projects</b>					
<b>Odyssey House Odyssey House (Primary study area)</b>	OMH	50	11	1772/9-12,110,112	113-127 E. 123 St.
<b>Friendly Hands Ministry, Inc. w/Alembic Development Corp. and Fox y Garcia</b>	LAMP/MIRP	60	11	1783/12-16,18,117	225-241 E. 118 St.
<b>Madison/E. Harlem North Hope - Bluestone JV</b>	Cornerstone 4	69	11	1622/34,50 1645/20,51,52,120, 121,151,152, 1745/15,16, 1768/111 1770/42,47,48,141	Park Ave., Madison Ave., E. 119 St., 54 E. 122 St.
<b>1405 5 Ave. Yuco</b>	Negotiated Sale/ New HOP/Reso A	81	11	1621/1,3-5,67-70,72, 168 1401,1405-1409	5 Ave 4-8 E. 116 St.
<b>All Saints Housing SFDS</b>	Cornerstone 2/ MIRP/LAMP	100	11	1756/30-43	53-57 E. 131 St., 1940-1952 Park Ave., 50-56 E. 132 St.
<b>The Nave Dunn Development and Addicts Rehab Ctr.</b>	Cornerstone 2	118	11	1756/21- 23,25,26,28, 45,51,52	2083-2091 Madison Ave. 45-49 E. 131 St., 46 E. 132 St.
<b>Promesa Systems, Inc. and E. Harlem Council for Community Improvement (EHCCI)</b>	Negotiated Sale	135	11	1808/8	413-431 E. 120 St.
<b>Tahl Propp Equities</b>	Negotiated Sale	147	11	1635/p/o 1	1461 Park Avenue
<b>Kingsgate House Alexander NY LLC (Primary study area)</b>	Negotiated Sale	250	11	1789/18-20,22,121	2417 2 Ave. 237-241 E. 124 St.
<b>Source:</b> New York City Department of Housing Preservation and Development, 2007.					

In addition to the specific projects listed above, the area is expected to see continued renovation of brownstone buildings, including some conversions of SRO-type buildings and rental units in small buildings to owner-occupied housing and consolidated apartments for wealthier households. Area rents are expected to continue to rise to some extent as more affluent households move into the area.

## **Future With the Proposed Action**

The proposed action would introduce 1,000 dwelling units to the rezoning area in five residential towers on Parcel A, two residential towers on Parcel B, and through an incremental increase in development potential of an off-site parcel that is to be rezoned only. A total of up to 2,570 new residents would be expected to reside in the rezoning area in the future with the proposed action, based on the area's existing household size of 2.57 persons per dwelling unit. While not increasing the overall number of dwelling units resulting from the proposed action beyond 1,000, an incremental increase of less than 50 dwelling units would be permitted on the offsite parcel that is to be rezoned, should redevelopment of that offsite parcel be proposed in the future separately from the East 125<sup>th</sup> Street Development project.

Approximately 300 of the new dwelling units proposed at the East 125<sup>th</sup> Street Development are proposed for low-income households at 30-to-60 percent of the Area Median Income. Approximately 350 of these units are proposed for moderate-income households at 61-to-100 percent of the Area Median Income. The remaining approximately 350 units are proposed for middle-income households at between 101 and 150 percent of the Area Median Income. Two and three bedroom units are maximized in the bedroom mix to serve the demographics of the local community. Residents of Manhattan Community Board #11 would be given preferential consideration for a minimum of 50 percent of the units. Approximately 50 percent of the proposed units would be homeownership, with the remaining 50 percent being rental units.

Socioeconomic conditions in the primary and secondary study areas in the future with the proposed action in the year 2012 are expected to include increases in total population through private and public reinvestment in the area's housing stock, and a wider spectrum of household incomes in the area as more varied and more market-rate housing products enter the market. Beyond the near term slowing of the real estate market, increases in housing values and rents are expected to continue in the long term as remaining vacant and derelict properties are upgraded with new residential and retail construction, either planned or now underway.

The proposed rezoning and the affordable housing and commercial development that are proposed through the East 125<sup>th</sup> Street Development are expected to strengthen the trend of reinvestment and housing rehabilitation that has been taking place in the primary and secondary study areas. Area rents are expected to continue to increase in the future with the proposed action. Some of the anticipated increase in average rental prices in the Population and Housing Study Area under this future condition would likely be attributable to the upgrading of physical conditions and increases in residential and nonresidential new construction on the project site. The development of new office space and the anticipated introduction of significant amounts of office sector jobs could potentially increase demand for housing in the primary and secondary study areas, causing rents to rise to some degree. However, the vast majority of existing residents in the study area live in protected units, public housing, or unprotected units that have likely already turned over to more affluent households. Proposed affordable housing at the East 125<sup>th</sup> Street Development would also increase housing options for some low- and moderate-income households in the area that may be subject to rising rents in unprotected units. The

proposed action seeks to preserve the residential character and socioeconomic composition of the rezoning area and the larger East Harlem environs, and housing produced at the East 125<sup>th</sup> Street Development project site through the proposed action would advance City housing policies related to increasing the supply of affordable housing.

### ***Indirect Displacement***

The proposed East 125<sup>th</sup> Street Development would introduce increased numbers of middle income housing units and increased amounts of retail and office construction to the primary study area by 2012. The new private development that would be facilitated by the proposed action is expected to upgrade conditions and make the area more attractive from a residential real estate perspective, including for office workers at new office space that may seek to live in close proximity to their jobs. A portion of Parcel A facing East 127<sup>th</sup> Street between Second and Third Avenue where residential development is not currently permitted under existing zoning is proposed to be rezoned to allow for new residential construction, increasing the residential character of East 127<sup>th</sup> Street. Resulting increases in new residential construction and new middle income housing, and increases in demand for housing to serve new office and retail workers, could potentially lead landlords to raise rents for remaining renter households in unprotected buildings within the primary study area and the larger secondary study area to a greater degree than might otherwise occur without the proposed action. However, as demonstrated above, the likelihood that a substantial number of vulnerable households in unprotected buildings remain in the Population and Housing Study Areas is low, given the extensive renovation of brownstone buildings and other residential buildings with between one and five units, the established luxury condominium market, and the dramatic increases in housing values that have occurred since 2000.

According to the *CEQR Technical Manual* if a proposed action triggers or accelerates socioeconomic change that affects a population at risk or neighborhood character the impact could be considered significant and adverse. It is estimated that there are approximately 266 residents in 88 units in two census tracts that could be vulnerable to secondary displacement if rents rise as a result of the proposed action. However, these units represent less than one percent of the study area population. This change would not affect neighborhood character in the study area as the vast majority of the study area population resides in protected units and would not be affected by rising rents. Nor would the relatively small amount of potential secondary displacement accelerate existing trends as the study area has experienced the widespread renovation of unprotected units since 2000.

Furthermore, new opportunities for affordable housing will be created as a result of the proposed action through the East 125<sup>th</sup> Street Development, which is expected to provide an additional 650 units of affordable housing in the study area.

Therefore, the limited indirect displacement that might potentially occur as a result of the proposed action is not expected to result in significant adverse impacts from indirect residential displacement.

### **3.2.3 DETAILED ANALYSIS OF DIRECT AND INDIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT**

According to the *CEQR Technical Manual*, factors that could create substantial business and institutional change in a neighborhood or in a larger area affected by a proposed action include: 1) direct displacement of existing businesses on the project site, 2) indirect displacement of businesses in the study area, or 3) adverse effects on specific industries not necessarily tied to the project site or to the study area. This section of the report combines discussions of direct and indirect business and institutional displacement, and describes the employment and business characteristics of the primary and secondary study areas, local real estate market trends, and the business and institutional conditions of the study area identified in Figure 3.2-2 compared to Manhattan and New York City. The methodologies used to analyze direct and indirect displacement are described in the “Study Area Definition, Data Sources and Methodology” section of this chapter.

As shown on Figure 3.2-1, the assessment of direct and indirect business and institutional displacement considered conditions within approximately 1/4 of a mile using data available at the ZIP Code level. Employment data for the years 1995 and 2005 were obtained from the NYSDOL at the ZIP Code level of detail for area 10035, the smallest geography for which current employment data are publicly available. In industries where one firm represents more than 80 percent of the employment in a particular zip code, or there are fewer than three firms in the industry in a particular zip, ES-202 data do not disclose employment for those industries. In order to gain a better understanding of undisclosed employment, the DOL data were supplemented, when necessary, with 2000 US Census data, site visits and interviews with commercial brokers knowledgeable about local real estate conditions.

#### **Existing Conditions**

##### ***Historical Context***

In spite of downturns in the economy of the City of New York that occurred in the mid-1970s, in 1987, and following September 11, 2001, the total number of employees in the City has remained stable, with two peaks in 1989 and 1999. While total private sector employment in the City has held steady at around 3 million, the mix of employment has changed significantly since 1970 (see Table 3.2-13). The manufacturing and wholesale trade sectors, traditionally the leading employers in the City in the first half of the twentieth century, have given way to more service oriented industries, such as financial and business services, tourism, and entertainment.

**Table 3.2-13: Private Sector Employment in New York City**

<b>Industry</b>	<b>1970</b>	<b>1980</b>	<b>1990</b>	<b>1995</b>	<b>2000</b>	<b>2002</b>	<b>Change 1970 to 2002</b>
<b>Construction</b>	106,688	75,135	109,383	87,201	117,480	109,588	2.72%
<b>Manufacturing</b>	762,346	492,399	335,216	271,360	239,792	200,867	-73.65%
<b>TCPU</b>	309,985	250,171	219,908	197,875	206,061	184,879	-40.36%
<b>Wholesale Trade</b>	294,232	236,355	208,341	182,351	181,157	163,416	-44.46%
<b>Retail Trade</b>	430,111	363,144	382,170	358,037	424,684	412,062	-4.20%
<b>FIRE</b>	450,920	442,918	512,045	469,075	484,395	451,817	0.20%
<b>Services</b>	532,188	868,996	1,124,007	1,141,085	1,389,582	1,346,629	153.04%
<b>All Other</b>	8,328	16,066	11,879	14,723	13,709	38,428	361.43%
<b>Total Industry</b>	<b>2,894,798</b>	<b>2,745,183</b>	<b>2,902,948</b>	<b>2,721,707</b>	<b>3,056,859</b>	<b>2,907,686</b>	<b>0.45%</b>

**Source:** New York State Department of Labor, ES 202 data, 2006.

Table 3.2-13 presents changes in private sector employment by industry in Manhattan from 1970 to 2002, and shows that employment trends paralleled those throughout the City. From 1970 to 2002 private sector employment in Manhattan ranged from a low of 1.68 million in 1995 to a high of 1.93 million in 2000. The recession from the late 1990's to the early 2000's resulted in a decline in employment to 1.79 million in the year 2002, which according to NYSDOL data had only increased to 1.8 million by 2005.

Manufacturing employment had the greatest decline in employment at 72 percent, while retail trade and Finance, Insurance and Real Estate (FIRE) experienced the smallest decline in employment, at about two percent. All Other and Service Industry categories grew the most, by 212 percent and 105 percent, respectively. Manhattan industries that experienced the greatest percentage decline in employment compared to New York City as a whole were in construction, wholesale trade, and Transportation, Communication and Public Utilities (TCPU). Construction employment in the City as a whole grew by three percent. In Manhattan it declined by 42 percent. Manhattan employment in the TCPU and wholesale trade sectors declined by more than 14 and 12 percent, respectively. From 1970 to 2002, TCPU and wholesale trade employment in Manhattan declined by about 55 percent.

**Table 3.2-14: Private Sector Employment in Manhattan**

<b>Industry</b>	<b>1970</b>	<b>1980</b>	<b>1990</b>	<b>1995</b>	<b>2000</b>	<b>2002</b>	<b>Change 1970 to 2002</b>
<b>Construction</b>	52,948	31,065	35,000	26,906	34,535	30,642	-42.13%
<b>Manufacturing</b>	413,679	276,208	186,576	152,896	139,659	116,479	-71.84%
<b>TCPU</b>	177,440	143,457	109,078	94,113	89,733	81,474	-54.08%
<b>Wholesale Trade</b>	222,933	171,535	138,649	115,243	110,550	98,469	-55.83%
<b>Retail Trade</b>	223,501	187,041	196,606	184,558	232,920	220,042	-1.55%
<b>FIRE</b>	389,339	385,752	449,836	400,656	416,059	383,069	-1.61%
<b>Services</b>	411,452	601,283	736,010	703,958	898,320	842,392	104.74%
<b>All Other</b>	5,754	9,034	5,948	7,327	6,548	18,157	215.55%
<b>Total Industry</b>	<b>1,897,047</b>	<b>1,805,375</b>	<b>1,857,702</b>	<b>1,685,655</b>	<b>1,928,325</b>	<b>1,790,723</b>	<b>-5.60%</b>

**Source:** New York State Department of Labor, ES 202 data, 2006.

The following section describes existing conditions and trends within the study area in terms of business and institutional development and employment.

### **Employment and Business Conditions and Trends**

The 125<sup>th</sup> Street corridor that extends to the west of the project site, and that forms the commercial core of the study area, is Harlem's "Main Street," a vibrant commercial corridor that serves the local Harlem community, Manhattan and the region. Harlem has long been recognized as a place for arts, culture and entertainment. Today Harlem remains a major destination, with performance venues like the Apollo Theater and cultural institutions like the Studio Museum in Harlem. The larger 125<sup>th</sup> Street corridor that extends from the Hudson River to the Harlem River contains a diverse building stock with a variety of retail, commercial, arts, cultural, institutional educational and residential uses. The easterly portion of corridor in the vicinity of the project site is characterized by less intensive commercial development than areas to the west, and contains more vacant land, including on portions of the project site. The westerly portions of the study area extend as far west as Fifth Avenue.

The business climate of the study area, like the rest of Harlem, has shown a greater attractiveness to public, non-profit and private business developers over the last fifteen years due in large part to lower crime rates, new residential development, and a broad market of local customers

including an expanding labor force. While there are many institutional and non-for-profit employers within the study area, other private sector employers are increasingly being attracted to this local market due to its excellent access to public transportation access, broad base of local clients with increasing disposable incomes, and lower rents and operating costs compared to others parts of Manhattan and the city. A number of governmental programs and not-for-profit organizations have been instrumental in creating the attractive business climate for new and existing business in Harlem and the study area, among them the federally sponsored Upper Manhattan Empowerment Zone (UMEZ), state sponsored Empire State Development Corporation (ESDC), the not-for-profit Abyssinian Development Corporation (ADC). The Harlem Community Development Corporation was funded through the ESDC to work with owners of vacant or underutilized commercial properties to develop plans and strategies for their redevelopment that are financially feasible and benefit the entire community by providing services and employment opportunities. The Abyssinian Development Corporation is a leading non-profit community development corporation in Harlem and has been instrumental in facilitating new commercial development. The Abyssinian Development Corporation was the developer of the Pathmark store located just west of the project site on 125<sup>th</sup> Street, which employs over 200 local residents, and Harlem Center, a mixed-use development with retail commercial space and an office tower that has resulted in over 500 jobs for local residents.<sup>23</sup> The Abyssinian Development Corporation has also been instrumental in creating affordable housing, new family services, educational and youth programs, and helping to enable community involvement.

### ***Business Conditions in the Study Area***

New York State Department of Labor employment data are not available below the ZIP Code level due to current disclosure policies. In industries where one firm represents more than 80 percent of the employment in a particular zip code, or there are fewer than three firms in the industry in a particular zip, ES-202 data do not disclose employment for those industries. In order to gain a better understanding of undisclosed employment, ES-202 data were supplemented, when necessary, with 2000 US Census data, site visits and interviews with commercial brokers knowledgeable about local real estate conditions. Data were analyzed for the ZIP Codes comprising the study areas for 1995 and 2005. Due to changes in 1997 in the way the U.S. Department of Commerce classified businesses, the Department of Labor data were analyzed and compiled by DCP so that comparison could be made between the 1995 and 2005 data.

As with the larger Harlem community, there is considerable potential for further expansion of the East Harlem study area's commercial and retail market. Upper Manhattan – north of 96<sup>th</sup> Street – is approximately 7.3 square miles with a 2000 population of 545,000 persons. The community has benefited from a dramatic growth in population and income, which has induced more banks and national retailers to invest and expand. From 1990 to 2000, Upper Manhattan experienced positive growth evidenced by the attraction of new businesses, additional investment, and new residential construction. Upper Manhattan experienced five times more growth in new housing units than the rest of Manhattan during this time period, resulting in residential growth three

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<sup>23</sup> Abyssinian Development Corporation website, May 15, 2007.



times that of the Borough as a whole. Income in Upper Manhattan also rose faster than the rest of Manhattan, primarily from an increase in households earning \$60,000 or more. However, the households in Upper Manhattan continue to be underserved by retail by more than five times the rate of Manhattan and almost three times the rate of the rest of New York City, according to UMEZ.<sup>24</sup>

### ZIP Code 10035

ZIP code area 10035 that comprises the Business and Institutional Study Area is bounded by Fifth Avenue to the west, the East River to the east, and extends from about 116<sup>th</sup> Street northward to East 130<sup>th</sup> Street. As shown in Table 3.2-15, from 1995 to 2005 employment grew by 43 percent, from 6,618 employees to 9,431. The largest percentage decline was in manufacturing. However, this could be partially due to the US Census Bureau post-2002 reclassification of various manufacturing industries into other industries. Nonetheless, there were only 135 manufacturing employees in ZIP Code area 10035 in 1995. The wholesale trade, FIRE, and construction industries experienced an insignificant decline in employment given the percent decrease and number of employees lost. Retail trade, services and TPU all increased in employment. Retail trade grew the most, by 258 percent, going from 444 employees in 1995 to 1,589 in 2005. Services grew by 37 percent, from 4,488 employees to 6,162, and TPU by 15 percent, from 71 employees to 82. Among the new employers in the area are retailers within Gotham Plaza, which opened in 2002, and Pathmark supermarket, which opened in 1999. Both Pathmark and Gotham Plaza are located on East 125<sup>th</sup> Street just west of Third Avenue and the East 125<sup>th</sup> Street Development project site.

**Table 3.2-15 Changes in ZIP Code 10035: Industry Employment from 1995 to 2005**

<b>Industry</b>	<b>1995 Average Employment</b>	<b>2005 Average Employment</b>	<b>Percent Change</b>
<b>Construction</b>	262	254	-2.8%
<b>Manufacturing</b>	135	0	-100.0%
<b>TPU</b>	71	82	15.2%
<b>Wholesale Trade</b>	103	69	-33.2%
<b>Retail Trade</b>	444	1,589	257.6%
<b>FIRE</b>	1,100	1,047	-4.8%
<b>Services</b>	4,485	6,162	37.4%
<b>Undisclosed</b>	18	228	-
<b>Total</b>	<b>6,618</b>	<b>9,431</b>	<b>42.5%</b>
<b>Source:</b> New York State Department of Labor, compiled by NYC DCP			

### ZIP Code 10035 Comparison to Manhattan and New York City

<sup>24</sup> Upper Manhattan Empowerment Zone website, February 12, 2007.

As shown in Tables 3.2-15 and 3.2-16 in the year 2005, the 10035 ZIP Code study area had about 65 percent of its employees in services industries, representing 6,162 of 9,431 employees. The services industry was also the largest employment sector in Manhattan and New York City, comprising about 55 and 52 percent of all employees, respectively, in each of those areas. The increasing strength of the service sector reflects national trends. However, because the amount of service sector employees in the 10035 ZIP Code is higher than Manhattan and the City; the service sector is considered to be a particularly robust sector within the local economy. The next highest employment sector was retail services, with about 17 percent of all employees in the 10035 ZIP Code area. The retail trade industry was also the second highest in New York City, at 17 percent of all employees, and ranked the third highest in Manhattan at 15 percent. In addition, though employment in Construction declined (see Table 3.2-16), construction employment remained higher than Manhattan, and close to the City's percentage. The FIRE industry in Manhattan represented nearly 20 percent of all employees, whereas in New York City it was 15 percent. In the 10035 ZIP Code area it was only about 11 percent, representing a decline since 1995.

**Table 3.2-16: Number of Employees by Industry and ZIP Code  
 Manhattan and New York City Study Areas (2005)**

Industry	10035		Manhattan		New York City	
	Number of Employees	Percent of Employees	Number of Employees	Percent of Employees	Number of Employees	Percent of Employees
<b>Construction</b>	254	2.7	29,320	1.6	110,004	3.7
<b>Manufacturing</b>	0	0.0	42,667	2.4	113,384	3.8
<b>TPU</b>	82	0.9	26,010	1.4	114,484	3.9
<b>Wholesale Trade</b>	69	0.7	80,677	4.5	137,637	4.7
<b>Retail Trade</b>	1,589	16.8	276,672	15.4	488,014	16.6
<b>FIRE</b>	1,047	11.1	357,132	19.8	437,314	14.8
<b>Services</b>	6,162	65.3	981,929	54.5	1,528,462	51.9
<b>Unclassified</b>	0	0.0	7,434	0.4	17,934	0.6
<b>Undisclosed</b>	228	2.4	0	0.0	0	0.0
<b>Total</b>	<b>9,431</b>	<b>100.0</b>	<b>1,801,933</b>	<b>100.0</b>	<b>2,947,476</b>	<b>100.0</b>
<b>Source:</b> New York State Department of Labor, compiled by NYC DCP						

## **Real Estate Market Existing Conditions and Trends**

### *Office*

Office tenants in Harlem have traditionally come from the public, not-for-profit, and institutional sectors of the economy,<sup>25</sup> which have made strategic decisions to locate in Harlem as part of an economic development strategy. Additional office space is now being planned and constructed in Harlem with a focus on attracting more private sector tenants, building on the successes of preceding governmental and not-for-profit investment in the area.

According to the data obtained by DCP from CoStar, a commercial real estate information company, there is an eight percent office vacancy rate in Harlem.<sup>26</sup> The price of office space along the 125<sup>th</sup> Street corridor is generally about \$30 per square foot for Class A<sup>27</sup> & B office space.<sup>28</sup> This compares to Class A office space in Midtown Manhattan, which rose 33 percent annually in March 2007 to an average of \$82.44 per square foot.<sup>29</sup> Class A and B office rents of \$30 per square foot are likely to be found in office buildings at addresses 55, 200, and 215 West 125<sup>th</sup> Street, and 103 East 125<sup>th</sup> Street. Newer office buildings being planned for 125<sup>th</sup> Street are expected to have rents ranging from \$40 to \$50 per square foot.<sup>30</sup> Lower land costs and other incentives to entice office users to the site of the former Harlem Park proposal on East 125<sup>th</sup> Street and Park Avenue, are allowing Harlem building owners the opportunity to offer rents at less than half the \$100 per square foot rate of comparable new office space in Midtown.

### *Retail*

Over the past several years, there has been a strong recognition of the untapped retail market within Harlem, resulting in the construction of new retail and commercial mixed-use buildings and the location of several nationally-known chain and department stores along the 125<sup>th</sup> Street corridor and in East Harlem. While some are free-standing, such as the new H&M and Marshall's stores, others are multi-tenant buildings with a variety of retailers. Harlem's largest retail complex is the 285,000-square-foot Harlem USA, at 125<sup>th</sup> Street and Frederick Douglass Boulevard, completed in 2000. The success of Harlem USA paved the way for other such development, including Gotham Plaza and Harlem Gateway, and has led the way for increased retail and commercial activity along 125<sup>th</sup> Street.<sup>31</sup> In December 2002, the previously described 90,000-square foot Gotham Plaza opened across the street from the Pathmark supermarket, which opened in April 1999 on the block adjacent to the west of the project site. Gotham Plaza has 15,200 square feet of retail use on its ground floor, including Payless Shoes, Petland

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<sup>25</sup> Levitt, David, "Vornado to Develop in Harlem for First Time in 30 Years", *The New York Sun*, May 1, 2007.

<sup>26</sup> CoStar Realty Information Inc., 2007.

<sup>27</sup> According to Cushman Wakefield, Class A office space represents the most prestigious buildings competing for premier office users with above-average rents. Buildings have high-quality-standard finishes, state-of-the-art systems, exceptional accessibility, and suggest a definitive market presence.

<sup>28</sup> Scott Auster, Ripco Real Estate Corporation, Interview, May 11, 2007.

<sup>29</sup> Levitt, David, "Vornado to Develop in Harlem for First Time in 30 Years", *The New York Sun*, May 1, 2007.

<sup>30</sup> Eugene Giscombe, Henderson Giscombe, Interview, May 11, 2007.

<sup>31</sup> Bowles, Jonathon, "Q&A with Kenneth Knuckles", Center for an Urban Future, November 10, 2004.

Discount, Radio Shack, Rockaway Bedding, The Children's Place clothing store, and a branch of Bank of America.<sup>32</sup> The increased number of retailers in the area has led to increased sales activity for many businesses. Harlem USA recently reported that their tenants have experienced a 30 percent increase in sales between January 2006 and January 2007.<sup>33</sup>

On East 125<sup>th</sup> Street to the east of Park Avenue retail rents tend to be much lower than rents west of the Park Avenue Viaduct, which has substantially more destination retail development and higher residential densities. Along East 125<sup>th</sup> Street, rents typically range from \$100 to \$125 per square foot.<sup>34</sup> Retail rents along the larger 125<sup>th</sup> Street corridor vary based on the location and age of buildings, which range from 100-year-old, low-rise buildings to new complexes like the Harlem Center, a 12-story, 126,000-square foot office building with ground floor retail. This development represents one of the largest of its kind undertaken by any Empowerment Zone.<sup>35</sup> The Real Estate Board of New York recently reported that the range of rents along 125<sup>th</sup> Street from river to river vary from \$35 to \$177 per square foot, with an average rent of \$94 and a median of \$85 per square foot.<sup>36</sup> Retail rents within the commercial core of 125<sup>th</sup> Street, from Malcolm X Boulevard to Frederick Douglass Boulevard, near the vicinity of the Apollo Theater, are currently going for \$125 per square foot.<sup>37</sup> Both north and south of 125<sup>th</sup> Street, rental rates are lower, as they are for upper floors of buildings along 125<sup>th</sup> Street. As an additional incentive to bring new business to the Harlem area, tenants may qualify for sales tax and utility benefits, as well as real estate tax abatements, and New York City Real Estate Assistance Program (REAP) benefits, which provide up to \$3,000 per employee per annum for qualified companies.<sup>38</sup>

### **Future Without the Proposed Action**

In the future in the year 2012, under conditions without the proposed action in place, current employment and real estate trends in Manhattan are expected to continue. However, the study area is expected to capture a more substantial amount of employment growth, continuing the increase in employment it experienced between 1995 and 2005.

In the 2012 future without the proposed action, new commercial and institutional development and employment would be generated in the study area as a result of as-of-right and known development projects that are currently under construction, and proposed as-of-right commercial developments or conversions that are anticipated on seven projected development sites as a result of DCP's 125<sup>th</sup> Street Rezoning and Related Actions project. While DCP projects future development resulting from that separate rezoning action to occur by 2017, this EIS assumes the buildout of those projected development sites by 2012, for the purpose of providing a conservative analysis.

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<sup>32</sup> Stoler, Michael, "Harlem Staging Its Latest Renaissance", *The New York Sun*, September 14, 2006.

<sup>33</sup> Wilson, Claire, "The Harlem Rival Brings in the Shops", *The New York Times*, April 18, 2007.

<sup>34</sup> Wilson, Claire, "The Harlem Rival Brings in the Shops", *The New York Times*, April 18, 2007.

<sup>35</sup> Stoler, Michael, "Harlem Staging Its Latest Renaissance", *The New York Sun*, September 14, 2006.

<sup>36</sup> Stoler, Michael, "Harlem Staging Its Latest Renaissance", *The New York Sun*, September 14, 2006.

<sup>37</sup> Eugene Giscombe, Henderson Giscombe, Interview, May 11, 2007.

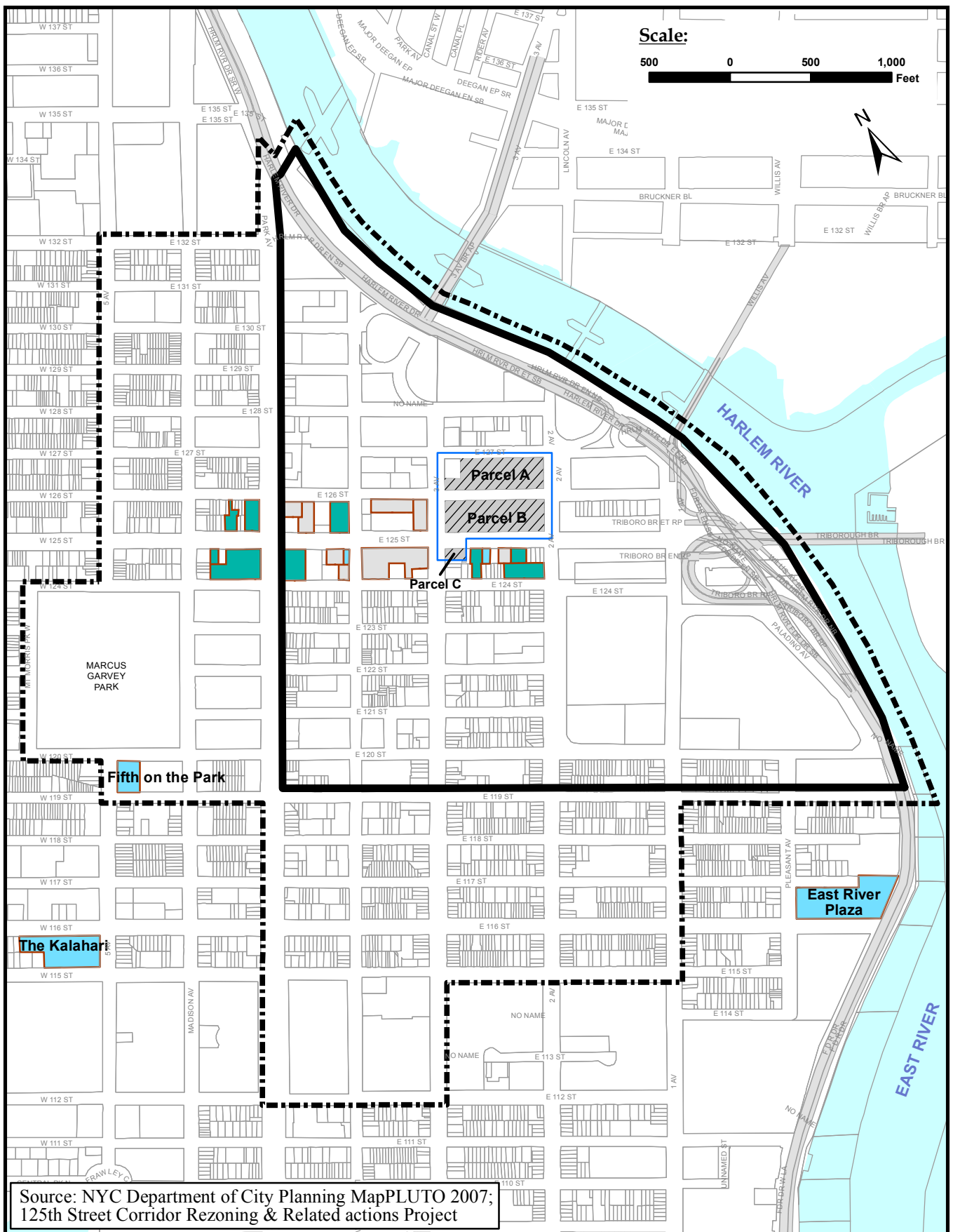
<sup>38</sup> Stoler, Michael, "Harlem Staging Its Latest Renaissance", *The New York Sun*, September 14, 2006.

Two known development sites lie within the study area. These developments are expected to be in place by 2012 and would occur independently of the proposed action. They would create 36,279 square feet of institutional space, and are expected to generate about 121 jobs in the primary study area. Site E is currently includes a vacant building. This known development is expected to convert the existing building to a community facility. Site F currently includes a vacant building. This known development is expected to convert the existing building to an education-related community facility.

**Table 3.2-17: Business and Institutional Study Area: No-Action Condition  
 Known Commercial Development and Employment to be Generated by 2012**

<b>Known Development Site</b>	<b>Block / Lot</b>	<b>DUs</b>	<b>Retail FA</b>	<b>Office FA</b>	<b>Hotel FA</b>	<b>Public Facility FA</b>	<b>Institutional Conversion FA</b>	<b>Utility FA</b>	<b>Parking sqf</b>	<b>Estimated Employment per Site*</b>
<b>E</b>	1773 / 62	0	0	0	0	0	8,500	0	0	28
<b>F</b>	1789 / 39	0	0	0	0	0	27,776	0	0	93
<b>Total</b>		0	0	0	0	0	36,276	0	0	121
<b>Estimated Employment per Category</b>		0	0	0	0	0	121	0	0	
<b>Percent Estimated Employment</b>		0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%

**Source:** New York City Department of City Planning, 2006.  
 \* Employment estimate as follows: Three employees per 1,000 square feet of retail; four employees per 1,000 square feet of office; one employee per 500 square feet of hotel space; one employee per 300 square feet of public facilities and institutional; one employee per 800 square feet of utility use, one employee per 10,000 square feet of parking



*Figure 3.2-9 - Future Development Without the Proposed Action*

*East 125th Street Development EIS  
NYC Economic Development Corporation*

In the future without the proposed action, as-of-right development totaling 657 dwelling units, 231,991 square feet of retail, 372,287 square feet of office space, 59,618 square feet of community facility space, 20,586 square feet of institutional conversions, and 4,504 square feet of utility space would be expected to occur on seven of the projected development sites resulting from DCP's 125<sup>th</sup> Street Rezoning and Related Actions project. These sites are listed in Table 3.2-18 and their locations are shown on Figure 3.2-9. The following conditions are expected on the projected development sites resulting from DCP's 125<sup>th</sup> Street Rezoning and Related Actions projects in the future without the proposed action:

- **Site 18** would include 39 dwelling units, a 3,848-square foot community facility, and approximately 7,473 square feet of ground floor retail.
- **Site 19** is comprised of two lots on Block 1750. The existing building, the Corn Exchange, is a designated New York City Landmark. In the future without the proposed action it would be developed with 99 dwelling units, approximately 23,000 square feet of ground floor retail and 20,586 square feet of community facility use.
- **Site 20** is currently vacant. In the future without the proposed action it would be developed with 18 dwelling units and approximately 4,000 square feet of ground floor retail.
- **Site 21** is comprised of six lots on Block 1749. Lot 24, the New York College of Podiatric Medicine. The remaining five lots are currently vacant but used for parking. These would be developed with approximately 500,000 square feet of retail, office and community facility uses.
- **Site 22** is comprised of two lots on Block 1774 and would be developed with approximately 39,000 square feet of retail use and 140 dwelling units..
- **Site 23** is comprised of five lots on Block 1773. In Lots 4 and 72 would be developed with a total of 20 new dwelling units and over 11,000 square feet of retail.
- **Site 26** is comprised of ten lots on Block 1789. Lots 23 and 24 would remain in their existing condition. The remaining eight lots would be developed with 87 new dwelling units. Lots 22, 25 and 121 would also include over 5,000 square feet of ground floor retail.

As shown in Table 3.2-18, an estimated 2,459 jobs would be added to the primary study area by 2012 at the projected development sites resulting from DCP's 125<sup>th</sup> Street Rezoning and Related Actions project in the No-Action Condition, increasing employment by approximately 44 percent above levels of employment for the primary study area indicated by the 2000 US Census. Most of the new employment would be in the areas of retail and office with a significant amount of community facility and institutional. Site 21, located at the southwest corner of 125<sup>th</sup> Street and Park Avenue, is the largest projected development site, with new construction expected to include about 500,000 square feet of retail and office space. This is the location of the New York Podiatric College, a major employer and institution that is expected to undertake development in

cooperation with Vornado Realty Trust.

Combined, the known and projected as-of-right developments resulting from DCP's 125<sup>th</sup> Street Rezoning and Related Actions project are expected to result in the creation of about 2,580 jobs by 2012 and a 46 percent increase in employment within the primary study area. Following borough-wide trends, current commercial real estate trends within the primary study area are expected to continue to 2012 with increasing retail and service sector jobs, and decreasing manufacturing and industrial jobs. Over time, the wholesale and construction sectors are also expected to lose employment to retail and office uses following overall trends in the area. Job growth in tourist related businesses, including in arts and entertainment-related businesses, and in other spinoff businesses such as restaurants, galleries, nightclubs, and retail uses, is projected to continue on 125<sup>th</sup> Street and in the study area.



**Table 3.2-18: Business and Institutional Study Area 2012 No-Action Condition  
New Commercial Development on 125<sup>th</sup> Street Rezoning RWCDs Projected Sites**

Site #	Block / Lot	Dwelling Units	Retail FA	Office FA	Hotel FA	Community Facility FA	Inst. Conv. FA	Utility FA	Parking sqf*	Estimated Employment per Site**
18	1750 / 28, 29, 30, 44	34	7,473	0	0	3,848	0	0	0	35
19	1750 / 34, 40	99	22,938	0	0	0	20,586	0	0	138
20	1749 / 48, 49	18	4,289	0	0	0	0	0	0	13
21	1749 / 24, 31, 33, 35, 40, 43	0	108,843	372,287	0	55,770	0	0	0	2002
22	1774 / 17, 56	140	39,068		0	0	0	0	0	117
23	1773 / 1, 4, 67, 69, 72	179	40,066	0		0	0	4,504	0	126
26	1789 / 16, 18-25, 121	187	9,314	0	0	0	0	0	0	28
<b>Total Square Feet</b>			231,991	372,287		59,618	20,586	4,504	0	
<b>Estimated Employment per Category**</b>		0	696	1,489		199	69	6		2,459
<b>Percent Estimated Employment</b>		0.0%	28.3%	60.6%	0.0%	8.1%	2.8%	0.2%	0.0%	100.0%

**Source:** DCP, 2007 MapPluto

\* Parking square footage estimated based on number of parking spaces at 160 square feet per space or 8 feet by 20 feet.

\*\* Employment estimates are as follows: Three employees per 1,000 square feet of retail; four employees per 1,000 square feet of office; one employee per 500 square feet of hotel space; one employee per 300 square feet of public facilities and institutional; one employee per 800 square feet of utility use, one employee per 10,000 square feet of parking

Office and retail rents are expected to continue their upward trend in the primary study area through 2012 under No-Action conditions. Additional national and local retail and service firms are likely to be attracted to the area and renovation of underutilized parcels of land and buildings is expected to become more common. Banking and national retail chains are likely to continue to expand their presence in the neighborhood, continuing to pay the highest rents in the area for

prime corner locations along 125<sup>th</sup> such as Lexington Avenue. In addition, the area is expected to retain its popularity in terms of retail/cultural uses.

In addition to increases in potential development and quantifiable changes in employment and the distribution of various types of non-residential uses that would result from development expected in the area over the next five years without the proposed action, continuation of existing trends in the area's commercial real estate market could further alter the character of commercial activity in the study area to some degree.

Employment in the study area would also be expected to rise steadily due to the redevelopment of the Washburn Wire plant site as part of the East River Plaza project, and occupancy of the Kalahari project, which is now in construction. These two projects alone would result in the creation of 1,612 additional jobs within the study area by the year 2012 in the retail sector (Table 3.2-19).

**Table 3.2-19: Business and Institutional Study Area No-Action Condition  
Commercial Development to be Completed by 2012**

Land Use Type	East River Plaza	The Kalahari	Total	Estimated Employment*	Percent New Jobs
<b>Residential Dwelling Units</b>	0	250	250	0	<b>0.0%</b>
<b>Retail FA</b>	485,000	40,000	525,000	1,575	<b>97.7%</b>
<b>Office FA</b>	0	0	0	0	<b>0.0%</b>
<b>Hotel FA</b>	0	0	0	0	<b>0.0%</b>
<b>Community Facility FA*</b>	0	0	0	0	<b>0.0%</b>
<b>Cultural Facility FA</b>	0	0	0	0	<b>0.0%</b>
<b>Hospital FA</b>	0	0	0	0	<b>0.0%</b>
<b>Parking FA</b>	374,400	0	374,400	37	<b>2.3%</b>
<b>Estimated Employment*</b>	<b>1492</b>	<b>120</b>	---	<b>1,612</b>	<b>100%</b>
<b>Percent New Jobs by Land Use Development</b>	<b>92.6%</b>	<b>7.4%</b>		---	---
*Employment estimates are as follows: Three employees per 1,000 square feet of retail; four employees per 1,000 square feet of office; one employee per 500 square feet of hotel space; one employee per 300 square feet of public facilities and institutional; one employee per 800 square feet of utility use, one employee per 10,000 square feet of parking					

By the year 2012, the proposed East River Plaza and Kalahari projects are expected to introduce 525,000 square feet of new retail space, over 1,500 parking spaces, and 250 housing units. This in turn will have a positive multiplier effect on the study area by bringing new complementary investment, as well as increased economic activity that would be expected to sustain the existing and growing needs of both the local Harlem community and tourist activity.

## **Future With the Proposed Action**

As discussed above, the study area has experienced recent renewed development and private investment, especially commercial development. Substantial new construction of residential and retail uses is projected to occur in the future with the proposed action, with the proposed East 125<sup>th</sup> Street Development increasing area commercial development to a greater extent than would occur under conditions in the future without the proposed action. The proposed action would result in substantial new office and retail uses centered on, and just north of, East 125<sup>th</sup> Street between Second Avenue and Third Avenue in an area that does not currently contain concentrated office or retail uses. Most of the East 125<sup>th</sup> Street Development project site is currently occupied by vacant lots and parking facilities with some retail and auto-related service uses also present. All of the existing business on the East 125<sup>th</sup> Street Development project site would be replaced as a result of the proposed action.

Overall, the proposed project is expected to increase employment and strengthen business conditions in the study area. By 2012 with the proposed action in place, the role of the 125<sup>th</sup> Street corridor as a major mixed-use corridor and local and regional destination for arts, entertainment, and retail would be reinforced as a result of the East 125<sup>th</sup> Street Development. Major office development would be introduced that would strengthen the role of 125<sup>th</sup> Street as an employment center and bring workers and visitors to an area that is well served by mass transit. The proposed hotel will provide a needed facility consistent with local policies of Community Board 11, and would bring additional shopping and tourist dollars, and street activity, to this area. The resulting revitalization of East Harlem is expected to bolster local economic development initiatives that have been underway for numerous years.

The East 125<sup>th</sup> Street Development includes approximately 470,000 square feet of retail/entertainment space; 300,000 square feet of commercial office space for media and production/post-production companies; 30,000 square feet of not-for-profit performing/media arts space; a 100,000-square foot hotel; and, a minimum of 12,500 square feet of public open space. Of the retail uses that are envisioned, the proposed East 125<sup>th</sup> Street Development would most likely include one department store such as a Macy's-type store containing 125,000 square feet of floor area; a 60,000-square foot Cinema; a 40,000-square foot Other Home Furnishings Store; a 40,000-square foot book store; 50,000 square feet of local retail use including a 25,000-square foot health and personal care establishment; 25,000 square feet of convenience store retail; and 155,000 square feet of mixed retail split between Clothing & Clothing Accessory Stores (approximately 25,000 square feet); 25,000 square feet of entertainment-type retail selling sporting goods, hobby goods, books and music-related products, approximately 30,000 square feet of limited service restaurants such as a coffee shop; and, 30,000 square feet of full service restaurant use.

While retail and service industries are fueling a high demand for additional space, which the proposed action would foster, manufacturing is expected to employ a decreasing proportion of the study area's workers, consistent with existing trends. Remaining auto service-related light industrial jobs on the project site would need to relocate to other heavy commercial or industrially-zoned properties in other parts of Harlem or surrounding areas of the city.

The proposed action could potentially generate over 2,700 net new jobs in the business and institutional study area. This would include 1,410 retail employees, 1,200 office employees, 100 workers at the proposed not-for-profit performing/media arts space, and 65 employees at the proposed hotel. Approximately 75 existing retail and service sector jobs would be displaced from the project site.<sup>39</sup> When taken together, known and projected developments combined with the proposed action would be expected to generate approximately 5,280 new jobs, which would expand the primary study area's existing employment base by about 90 percent over the 2000 levels.

The effect of the proposed new mixed-use development would likely continue existing trends in rents and land values. The small manufacturing sector is expected to continue to decrease, similar to the future without the action, and the non-industrial sectors such as office and retail use are expected to grow, and absorb the additional non-residential floor area created on the project site.

Reflecting the composition of traditional residential neighborhoods in Manhattan, the new employment generated by the proposed action would be almost entirely in the retail trade, office and service sectors. In the future with the proposed action, ground floor retail would be more continuous along 125<sup>th</sup> Street in the vicinity of the project site, with retail at the ground floor providing transparency to enhance pedestrian conditions. In addition, new arts and entertainment venues are expected to provide the eastern end of 125<sup>th</sup> Street with new cultural destinations. Changes to the character of retail uses would also be expected that include increases in national brand stores, and more diverse stores catering to individuals and households with a broad range of incomes.

A 100-room hotel is proposed on the upper floors of the proposed mixed-use building on 125<sup>th</sup> Street, abutting the proposed passive open space on its eastern side. The proposed hotel would expand lodging opportunities in Harlem, with existing facilities in Harlem currently limited to smaller motels and Bed & Breakfast establishments, such as 102Brownstone at 102 West 118<sup>th</sup> Street, and Sugar Hill Harlem Inn B&B, located on 141<sup>st</sup> Street. The *Observer* reported on July 31, 2007 that New Jersey-based Reisman Properties intends to break ground on a new 240-to-260-room hotel on Fifth Avenue between 125<sup>th</sup> and 126<sup>th</sup> Street.<sup>40</sup> Another previously proposed hotel is the Harlem Park Hotel, proposed in 2004 for a site located on the west side of Park Avenue between East 124<sup>th</sup> and 125<sup>th</sup> Street. The full-service hotel that is envisioned as part of the East 125<sup>th</sup> Street Development would provide high-end lodgings in an area that does not currently have such types of hotel facilities, and would support the creation of a globally competitive destination on the project site that would be expected to help to attract media and entertainment companies to this part of New York City. There is high demand for such facilities in Manhattan, with hotel occupancy at 89 percent in the City in May 2007 (up from 88 percent in

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<sup>39</sup> Employment estimates based on 3 employees per 1,000 sq. ft. of retail, 4 employees per 1,000 sq. ft. of office, and 1 employee per 300 sq. ft. of public facilities and institutions. The number of Hotel employees is estimated based on *Hotel and Motel Management* magazine data (*Hotel and Motel Management*, March 21, 2005; see website [http://findarticles.com/p/articles/mi\\_m3072/is\\_5\\_220/ai\\_n15734450](http://findarticles.com/p/articles/mi_m3072/is_5_220/ai_n15734450)).

<sup>40</sup> "Harlem to Get First Luxury Hotel," *The New York Observer*, Mark Wellborn, July 31, 2007.

May 2006), and average daily hotel room rates of \$300 in May 2007, a 14 percent increase from May 2006.<sup>41</sup>

### **Direct Displacement in the Future With the Action**

According to the *CEQR Technical Manual*, the identification of a significant direct business or institutional displacement impact depends on whether a business or institution that is proposed to be displaced is a defining element of neighborhood character, whether it is important to the City economy, and whether it could be located within the study area or elsewhere within the city. The detailed analysis of business and institutional displacement directly resulting from a proposed action examines the employment and business value characteristics of the affected businesses and institutions to determine the significance of the potential impact. The direct business and institutional displacement data information that is described below is a result of a field survey conducted in April 2007 to identify the specific type, location, and number of employees at businesses that would be displaced as a result of the proposed East 125<sup>th</sup> Street Development.

Approximately 75 employees in ten existing businesses would be expected to be directly displaced to create the proposed development parcel. These include employees at primarily local retail and auto-related service establishments, and comparison type retail uses facing 125<sup>th</sup> Street, including a salon and barber shop, a flooring store, an appliance store, a commercial parking lot, a muffler repair establishment, and an antiques store. A Dunkin' Donuts store, a gas station, and a small tire repair (flats fixed) business would be displaced on Second Avenue. A motorcycle dealership, auto body shop and dry cleaners located on East 127<sup>th</sup> Street would be displaced. The remainder of the East 125<sup>th</sup> Street Development project site is either vacant, used for parking, or used by the MTA as a bus storage facility. The MTA bus storage facility would be replaced underground within the proposed East 125<sup>th</sup> Street Development.

Under a reasonable worst case development scenario for the off-site parcel that is to be rezoned only, the existing United Moravian Church would be expected to be rebuilt on the site (Block 1791, Lot 44), with housing constructed above it. No displacement would be expected on this parcel that is to be rezoned only.

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<sup>41</sup> PKF Consulting, 2007, from "Economic Snapshot: A Summary of New York City's Economy," New York City Economic Development Corporation, July 2007.

**Table 3.2-20: Anticipated Direct Employment Displacement (2012)**

Block/Lot	Estimated Number of Displaced Jobs by Type						Total
	Retail	Office/ Commercial	Community Facilities	Auto- related/ Pkg	Pkg (C of O)	Storage/ Manufacturing	
1790/1	6						6
1790/5	4						4
1790/8				12			12
1790/12	6						6
1790/24	10			5			15
1790/13					4		4
1790/46	10						10
1790/101	4						4
1791/1				6			6
1791/34				8			8
<b>TOTAL:</b>	40			31	4		75

Source: STV, Inc., 2007.

The largest portion of the direct displacement, 40 jobs or about 53 percent of the total employee displacement, would occur in the retail sector. In terms of net employment, the proposed action would be expected to compensate for the direct displacement of retail jobs, as it is expected to result in new retail, office and other nonresidential uses that would accommodate about 1,410 additional retail sector jobs. The second highest loss of private sector employment from direct displacement, about 31 jobs, would be in auto-related employment. The approximately four remaining jobs that would be displaced are parking related jobs associated with a parking lot on Parcel B.

***Profiles of Directly Displaced Businesses and Institutions***

Nearly all the jobs that would be directly displaced as a result of the proposed action are part of the retail and service sectors, and are not within categories of businesses or institutions that are the subject of other regulations or publicly adopted plans to preserve, enhance or otherwise protect them. Retail jobs displaced would represent about 53 percent of all jobs displaced. There would be 35 displaced jobs within the auto-related and parking categories. The names and types of businesses to be displaced are listed on the following table.

**Table 3.2-21: Potential Direct Displacement on Project Site (2012)**

Block/Lot	Estimated Number of Displaced Jobs by Type*	
	Jobs	Business
1790/1	6	Preferred Flooring, Retail Carpet and Flooring Store
1790/5	4	Tone's Barber Shop and Elizabeth Salon, Salon/Barber Shop
1790/8	12	Lee Myles and Midas Muffler Shop, Auto Repair
1790/12	6	United Control and Refrigeration, Appliance Store
1790/24	15	BP Gasoline Service Station & Dunkin Donuts & Lugo Flats Fix
1790/13	4	Surface Parking, Privately Operated Parking Lot
1790/46	10	Fancy Dry Cleaners, Dry Cleaners
1790/101	4	Schmuck Bros. Antiques, Antiques Store
1791/1	6	Manhattan Coach Works, Auto Repair
1791/34	8	Cycle Therapy, Motorcycle Sales
<b>TOTAL:</b>	75	

Source: STV, Inc. Survey, Spring 2007.

### **Economic Value of Displaced Businesses**

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

Of the ten retail firms that would be displaced under the proposed actions, none provide products or services that are unique to the study area, with similar products and services being available at other locations throughout the study area, Manhattan and New York City. The products sold at gas stations and food, antiques, appliance and auto sales stores are also sold by stores within the surrounding blocks and along 125<sup>th</sup> Street. Personal services such as salons, barber shops and dry cleaners can also be found within the surrounding blocks and along 125<sup>th</sup> Street. The demand for these products or services could also potentially be met by other nearby stores within the study area, or in easily accessible surrounding areas, and the locational needs of the displaced retail stores could be met at other sites within the study area, Manhattan, or the City.

In sum, none of the products or services provided by the displaced businesses is unique to the City or the region, and similar products and services are offered at other locations borough- and citywide. Their business operations do not require that they remain in the proposed action area and there would not be a significant adverse effect on businesses or consumers in losing any of the displaced businesses. Therefore, the displaced businesses would not be classified as having substantial economic value to the City or region.

## **Indirect Business and Institutional Displacement in the Future With the Action**

Indirect business displacement is the involuntary displacement of businesses that results from a change in socioeconomic conditions created by a proposed action. Similar to indirect residential displacement, the issue for indirect business displacement is that an action would increase property values and thus rents throughout the study area, making it difficult for some categories of business to remain at their current locations.

According to the *CEQR Technical Manual*, the detailed analysis of indirect business and institutional displacement should qualitatively assess, based on historic patterns of development in comparable neighborhoods and the strength of the underlying trends, whether and under what conditions the action would stimulate changes that would raise either property values or rents and, if so, whether this would make existing categories of tenants vulnerable to displacement.

The proposed action would have a strong positive effect on the real estate market in the area. Significant investment would go into the study area as a broad range of commercial as well as residential development would be introduced. Approximately one thousand units of new housing (including 650 affordable units) would be added to the primary study area as a result of the proposed action. The additional residential development that would be facilitated by the proposed action would significantly increase the buying power of the study area's future population, benefiting new and existing businesses alike and offsetting to some degree the negative effects on existing businesses of potential increases in commercial rent levels. The 1,000 units of housing that would be facilitated by the proposed action would generate considerable additional personal disposable income, some of which would be spent at retail and service establishments in the Business and Institutional Study Area. Because the anticipated growth in number of households and household spending is large, it can be assumed that household demand for retail and neighborhood services would reasonably support both new and existing retail and neighborhood services establishments. As a result of the proposed action and the improved physical conditions and new attractions that it would bring, the area would be more attractive as a retail destination, encouraging new businesses to come into the area, and improving overall business conditions.

Indirect business and institutional displacement also can occur through more indirect mechanisms, such as when an action introduces enough of a new economic activity to alter existing economic patterns. While the proposed action would facilitate substantial redevelopment within the project area, none of the anticipated uses would be considered new economic activity. Rather than introducing new economic activity, the proposed actions would encourage compatible land uses that would strengthen existing retail and commercial areas.

The proposed action is expected to facilitate new economic growth and housing through a mixed-use development between Second and Third Avenue, thereby creating a vibrant center of office, retail, entertainment on the eastern end of 125<sup>th</sup> Street, and re-establishing residential uses on the project site. While these changes in economic conditions could result in some limited indirect business displacement, the proposed action would not result in significant adverse indirect business and institutional displacement impacts within the study area. Finally, the proposed action would not directly displace uses that substantially support businesses in the



study area or that generate a substantial customer base for businesses in the study area. Overall, the proposed action would not result in significant adverse indirect business and institutional displacement impacts, including through adverse impacts through business competition, as described below.

### **Indirect Business and Institutional Displacement: Competition Analysis**

According to the *CEQR Technical Manual*, occasionally development activity such as a shopping center or stand-alone “destination retail” may attract sales from existing stores. While these competitive effects do not necessarily generate significant 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 proposed East 125<sup>th</sup> Street Development includes retail development totaling 470,000 square feet in size, with the largest single retail use being a 125,000-square foot department store and other individual proposed retail uses being between approximately 25,000 square feet and 60,000 square feet in size. Therefore, an evaluation of whether potential indirect displacement from competition could result in significant adverse impacts has been conducted and is described below.

#### ***Delineation of the Trade Area***

An analysis of the potential effects of competition should encompass the market area from which the bulk of a new stores’ sales are likely to be derived, or the primary trade area. According to *Dollars & Cents of Shopping Centers / The Score 2006*, published by the Urban Land Institute, a regional shopping center provides general merchandise, apparel, furniture, and home furnishings in depth and variety, as well as being built around one or two full-line department stores, similar to the retail that is proposed at the East 125<sup>th</sup> Street Development. For regional shopping centers, the Urban Land Institute indicates a typical market area of up to 12 miles from a project site, or within approximately 30 minutes driving time, based on national data. In an urban setting, however, the market trade area would be smaller due to the availability of similar types of retail uses in areas that patrons from a 12-mile radius would pass by if arriving by automobile. The trade area for a project of the size proposed, and located in an urban setting such as Manhattan, would be defined by neighborhoods within a two-to-three mile radius of the project site, encompassing those areas accessible via transit within a similar 30 minute period. The *CEQR Technical Manual* provides an example of a study area for a retail use that could affect shopping patterns as comprising all shopping strips within a three-mile radius.

For the purposes of this analysis, the primary trade area includes areas of upper Manhattan south of approximately 155<sup>th</sup> Street, and north of West 106<sup>th</sup> Street on the west side of Central Park and East 96<sup>th</sup> Street on the east side of Central Park, encompassing the neighborhoods of Central Harlem, East Harlem, West Harlem, Hamilton Heights, and portions of Washington Heights and Morningside Heights. The trade area also includes portions of the South Bronx, including Bronx Community District 1 and Bronx Community District 4. These boundaries were determined in consultation with the DCP and are based on the neighborhoods and areas that would reasonably be expected to contribute 70 to 80 percent of the patrons of the proposed retail uses. Retail

corridors within this area include many that were examined as part of the retail competition analysis conducted for the EIS for the Gateway Center Mall at the Bronx Terminal Market,<sup>42</sup> with only those south of 110<sup>th</sup> Street not studied in that EIS.

### ***Existing Conditions***

The ability of an area to absorb new retail uses without significantly impacting existing businesses from competition largely depends on factors related to the amount of similar types of retail uses that are present, and the available expenditures of households to support the additional stores. The following section presents demographic conditions of the primary trade area, a profile of the retail sector, and data on overall employment, retail sales, and numbers of retail businesses within the area. The sources for this section are US Census Bureau 1990 and 2000 demographic data, as well as data obtained from Claritas, Inc., the New York State Department of Labor, and field surveys. Field survey data used in this analysis includes retail corridor surveys conducted for this EIS, and retail corridor survey data collected for the previous competition analysis conducted for the Gateway Center at the Bronx Terminal Market FEIS from 2005.<sup>43</sup> The Gateway Center at the Bronx Terminal Market project is located in the southwest Bronx at East 149<sup>th</sup> Street and the Major Deegan Expressway.

### **Demographic Profile**

As indicated in the table above, the trade area experienced a high rate of population increase between 1990 and 2000 (14.3 percent), from 503,738 persons in 1990 to 575,990 persons in 2000. Neighborhoods within this area were the subject of revitalization efforts and housing investment, with the number of households increasing by 8.1 percent. The rate of population growth was approximately 50 percent higher than that of New York City as a whole, and was over four times as high as that of Manhattan. The area includes portions of the South Bronx and Harlem that experienced new housing construction and rehabilitation following decades of disinvestment.

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<sup>42</sup> *Gateway Center at Bronx Terminal Market FEIS*, Prepared by AKRF, Inc., for the New York City Office of the Deputy Mayor for Economic Development and Rebuilding, December 7, 2005.

<sup>43</sup> *Ibid.*

**Table 3.2-22: Primary Trade Area Population and Households, 1990 and 2000 Versus the Bronx, Manhattan and New York City**

Area	1990 Census		2000 Census		Growth 1990-2000			
	Population	Households (HH)	Population	HH	Population	HH	% Growth in Population	% Growth in Households
<b>Trade Area</b>	503,738	194,188	575,990	209,953	72,252	15,765	14.3%	8.1%
Bronx	1,203,789	424,112	1,332,650	463,212	128,861	39,100	10.7%	9.2%
Manhattan	1,487,536	716,422	1,537,195	738,644	49,659	22,222	3.3%	3.1%
Total New York City	7,322,564	2,819,401	8,008,278	3,021,588	685,714	202,187	9.4%	7.2%

**Sources:** US Census Bureau, 1990 and 2000 Census, Summary File 1 (adjusted by STV Incorporated, July 2007 and obtained through the NYC DCP website: <http://www.nyc.gov/html/dcp/>)

**Table 3.2-23: Primary Trade Area Median Household Income Versus the Bronx, Manhattan and New York City**

Area	1989 Census	1999 Census	2006 Estimate	2011 Projection	Growth 1989-1999	
					Absolute Change	Percent Change
<b>Trade Area</b>	\$20,614	\$21,952	\$25,083	\$27,526	\$1,338	6.5%
Bronx	\$34,809	\$32,317	--	--	-\$2,492	-7.2%
Manhattan	\$51,176	\$55,045	--	--	\$3,869	7.6%
Total New York City	\$47,307	\$44,819	--	--	-\$2,488	-5.3%

**Sources:** US Census Bureau, 1989 and 1999 Census, Summary File 3, Gateway Center at Bronx Terminal Market FEIS; Trade Area data from Claritas, Inc., 2006 Demographic Trend data.

Although the trade area had median household incomes in 1999 that were less than half the level of Manhattan and New York City as a whole, the area experienced increases in median household incomes between 1990 and 2000 of 6.5 percent. Data from Claritas, Inc., a nationally recognized source of demographic and marketing research data, indicate a continuing trend of rising household incomes in this area, with the area projected to have a median household income in 2011 of \$27,526.

**Table 3.2-24: Primary Trade Area 2000 Vehicle Availability Versus  
the Bronx, Manhattan and New York City**

Area	No Car		One Car		Two Cars		Three or More Cars	
	Households (HH)	Percent of HH	Households (HH)	Percent of HH	Households (HH)	Percent of HH	Households (HH)	Percent of HH
<b>Trade Area</b>	169,038	80.6%	35,404	16.9%	3,959	1.9	1,298	0.6%
Bronx	285,309	61.6	133,331	28.8	35,841	7.7	8,731	0.7
Manhattan	72,094	77.5	149,476	20.2	13,172	1.8	3,902	1.9
Total New York City	1,682,946	55.7	955,165	31.6	305,267	10.1	78,210	2.6
Sources: US Census Bureau, 2000 Census, Summary File 3; New York City Department of City Planning website, see <a href="http://www.nyc.gov/html/dcp/">http://www.nyc.gov/html/dcp/</a> .								

Proposed retail uses at the East 125<sup>th</sup> Street Development are planned to be oriented towards patrons arriving by transit, with the Lexington Avenue subway located one block to the west. However, vehicle availability is an important factor in determining household shopping patterns. Large goods in particular are more likely to be purchased by those accessing shops by private automobile. Households with access to at least one vehicle are generally more likely to travel farther distances to comparison shop than households without a car. The primary trade area has a relatively low percentage of vehicle availability (16.9 percent for one automobile) in comparison to the Bronx (28.8 percent), Manhattan (20.2 percent) and New York City as a whole (31.6 percent). Nearly 81 percent of primary trade area households did not have access to a car in 2000. This area does, however, have excellent transit, being served by five subway lines and the Metro-North Railroad, with stops on 125<sup>th</sup> Street.

### Employment Profile

To indicate recent trends in employment in the primary trade area, DOL ES-202 employment data was collected for the primary trade area, Manhattan and New York City as a whole for the fourth quarters of 2002 and 2006. As indicated in the table below, employment in the primary trade area increased by nearly 56 percent over this four year period in comparison to moderate increases in employment for Manhattan and New York City of approximately four and five percent, respectively. Gains in employment in the primary trade area were primarily related to educational employment, retail employment, finance and insurance employment, and transportation and warehousing employment. The total change in employment not counting the educational sector was approximately five percent, similar to Manhattan and the City as a whole. The sectors with the largest numbers of employees in the primary trade area in 2006 were educational services (29,324 employees), health care and social assistance (18,423 employees), and retail trade (4,468 employees). Other specific sectors with significant employment increases included transportation and warehousing (64 percent) and finance and insurance (96 percent).

**Table 3.2-25: Private Sector Employment Trends  
Within Primary Trade Area**

<b>Employment Category</b>	<b>Fourth Quarter 2002</b>	<b>Fourth Quarter 2006</b>	<b>Percent Change</b>
Construction	874	726	-16.93%
Manufacturing	345	242	-29.86%
Wholesale Trade	315	281	-10.79%
Retail Trade	3,572	4,468	25.08%
Transportation and Warehousing	170	279	64.12%
Information	716	472	-34.08%
Finance and Insurance	343	672	95.92%
Real Estate and Rental and Leasing	2,232	2,226	-0.27%
Professional, Scientific and Technical Services	1,514	1,392	-8.06%
Management of Companies and Enterprises	172	142	-17.44%
Administrative and Support and Waste Management and Remediation Services	324	351	8.33%
Educational Services	7,759	29,324	277.94%
Health Care and Social Assistance	18,108	18,423	1.74%
Arts, Entertainment, and Recreation	599	576	-3.84%
Accommodation and Food Services	2,549	2,991	17.34%
Other Services	2,238	2,590	15.73%
Unclassified	283	352	24.38%
<b>Primary Trade Area Total Employment</b>	<b>42,113</b>	<b>65,507</b>	<b>55.55%</b>
<b>Manhattan</b>	<b>1,813,503</b>	<b>1,909,875</b>	<b>5.31%</b>
<b>New York City</b>	<b>2,950,823</b>	<b>3,100,725</b>	<b>4.83%</b>

**Source:** New York State Department of Labor, ES-202 Data, Fourth Quarter 2002 and 2006. Note: Employment Data for Trade Area includes private sector employment for Zip code areas 10026, 10027, 10029, 10030, 10031, 10037, 10039, 10452, 10451, 10454, and 10455.

### Retail Profile

Retail store data obtained for the primary trade area from Claritas, Inc., divide area retailers into the major categories of 1) motor vehicles and parts dealers; 2) furniture and furnishings stores; 3) electronics and appliance stores; 4) building material and garden equipment stores; 5) food and beverage stores; 6) health and personal care stores; 7) gasoline stations; 8) clothing and clothing

accessories stores; 9) sporting goods, hobby, book, and music stores; 10) general merchandise stores; 11) miscellaneous stores (e.g., florists, used merchandise, office supplies); 12) non-store retailers; 13) food service and drinking places; and, 14) general merchandise, apparel, furniture and other stores, representing merchandise normally sold in department stores. The proposed East 125<sup>th</sup> Street Development would most likely include one department store such as a Macy's-type store containing 125,000 square feet of floor area; a 60,000-square foot Cinema; a 40,000-square foot Other Home Furnishings Store; a 40,000-square foot book store; 50,000 square feet of local retail use including a 25,000-square foot health and personal care establishment and 25,000 square feet of convenience store retail; and 155,000 square feet of mixed retail including Clothing & Clothing Accessory Stores (approximately 25,000 square feet); 25,000 square feet of entertainment-type retail selling sporting goods, hobby goods, books and music-related products, approximately 30,000 square feet of limited service restaurants such as a coffee shop; and, 30,000 square feet of full service restaurant use.

According to Claritas, Inc., total 2006 retail sales in the primary trade area including eating and drinking places totaled approximately \$3.5 billion. The largest categories of retail sales were in food and beverage stores (\$838 million), food service and drinking places (\$599 million), health and personal care stores (\$596 million), clothing and clothing accessory stores (\$407 million), and general merchandise stores (\$323 million). Of the retail categories proposed as part of the East 125<sup>th</sup> Street Development, department store sales (\$260 million) accounted for seven percent of all sales; home furnishing store sales (\$33 million) accounted for 0.9 percent of all sales; book store sales (\$32 million) accounted for 0.9 percent of all sales; health and personal care establishment sales (\$596 million) accounted for 17 percent of all sales; clothing & clothing accessory store sales (\$407 million) accounted for 12 percent of all sales; sporting goods, hobby goods, books and music-related product store sales (\$49 million) accounted for one percent of all sales; limited service eating places sales (\$148 million) accounted for four percent of all sales; and, full service restaurant sales (\$394 million) accounted for 11 percent of all sales.

### Capture Rates

According to *Dollars & Cents of Shopping Centers / The Score 2006*, published by the Urban Land Institute, a regional shopping center provides general merchandise, apparel, furniture, and home furnishings in depth and variety, as well as being built around one or two full-line department stores, similar to the retail that is proposed at the East 125<sup>th</sup> Street Development. Department stores offer a variety of general merchandise typically including men's, women's and children's apparel, home furnishing, housewares, and small appliances. The selection of comparison goods may also include electronics such as TV's and audio equipment, toys and a limited offering of furniture. Traditional department stores within such regional centers that fall within central and urban locations are indicated as having median sales per square foot of Gross Leasable Area (GLA) of \$213.91.<sup>44</sup>

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<sup>44</sup> Urban Land Institute & International Council of Shopping Centers, *Dollars & Cents of Shopping Centers / The Score 2006*, 2006, page 114.

Estimated capture rates for competitive retail stores in the primary trade area are shown in Table 3.2-26. With the market area for the East 125<sup>th</sup> Street Development having a retail gap in 2006 for department stores, excluding leased departments, of \$90,761,106 (the gap between the amount of consumer expenditure demand in the area, or \$350,987,117, and the amount of supply, or existing retail sales, or \$260,226,011), there would appear to be a deficit of department stores in this area amounting to 424,296 square feet of retail GLA. Existing sales represent a capture rate of 74 percent of available expenditures for this category of retail.<sup>45</sup> These data are supported by anecdotal evidence indicating that East Harlem, and Harlem in general, has a more narrow range of retail offerings than other parts of Manhattan and the City (see Real Estate Market Existing Conditions and Trends). The Gateway Center FEIS similarly identified a deficit of department stores, with a capture rate identified of only 27 percent of the expenditures potential for department stores. The Gateway Center FEIS also noted that there was one department store for every 225,000 residents in its largely overlapping primary trade area compared to one department store for every 55,000 residents in nearby Westchester County and one department store for every 92,000 residents in nearby Queens County.<sup>46</sup>

According to Claritas, Inc., four of the eight categories of retail stores proposed as part of the East 125<sup>th</sup> Street Development were substantially over-represented in the market area in 2006 in terms of existing sales of those stores types (supply) compared to consumer expenditures (demand), with capture rates for those categories ranging from 127 percent of 2006 expenditures for clothing and clothing accessory stores to 202 percent for health and personal care stores. Combined sporting goods, hobby goods, books and music stores were only slightly over-represented when comparing 2006 retail sales to 2006 consumer expenditures (106 percent). However, the proposed action includes store sizes of between approximately 25,000 square feet and 40,000 square feet for these over-represented categories of retail stores. This magnitude of additional retail development would not be expected to have a significant impact on similar types of retailers in the market area, particularly considering the additional shopping dollars that would be brought into the community as a result of the increase in resident and worker population. The remaining categories of proposed retail other than department stores were underrepresented in the study area in 2006, with retail capture rates of 55 percent for limited service eating places, and 81 percent for home furnishing stores.

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<sup>45</sup> Claritas, Inc., 2007.

<sup>46</sup> Ibid 41.

**Table 3.2-26: Estimated Capture Rates for Competitive Retail Stores in the Primary Trade Area**

Category	Primary Trade Area Demand/Consumer Expenditures (Millions of 2006 dollars)	Primary Trade Area Supply/Retail Sales (Millions of 2006 Dollars)	Capture Rate & Opportunity Gap/(Surplus)
Department Stores (Excluding Leased Departments)	\$350,987,117	\$260,226,011	74% \$90,761,106
Home Furnishing Stores	\$40,243,725	\$32,690,464	81% \$7,553,261
Book Stores	\$20,520,050	\$31,903,025	155% (\$11,382,975)
Health and Personal Care Stores	\$295,283,383	\$595,895,736	202% (\$300,612,353)
Clothing & Clothing Accessory Stores	\$320,360,380	\$407,104,109	127% (\$86,743,729)
Sporting Goods, Hobby Goods, Books, and Music Stores	\$96,408,664	\$102,837,447	106% (\$6,428,783)
Limited Service Eating Places	\$268,151,132	\$147,845,363	55% \$120,305,769
Full Service Restaurants	\$277,845,820	\$394,379,153	141% (\$116,533,333)
<b>Source:</b> Claritas, Inc., 2007 (Data are for 2006).			

### Major Retail Concentrations in the Trade Area

For the purposes of the inventory of major retail concentrations in the primary trade area, the retail sector is divided into six major categories that define the types of goods found along the area's commercial corridors. The six categories include shopping goods; building materials, hardware, and garden supply; auto-related trade; convenience goods; eating and drinking establishments; and neighborhood services. Vacant storefronts were also surveyed and included in the total number of storefronts per corridor.

Shopping goods contain general merchandise or department stores; furniture, home furnishings, and equipment stores; as well as miscellaneous goods such as books, jewelry, and sporting goods. The building materials, hardware, and garden supply category includes stores selling goods such as paint, glass, wallpapers, lumber and other building materials, as well as hardware stores. Auto-related trade includes auto dealerships, auto parts and supply stores, gas stations, car rental businesses, and paid parking garages and lots. Convenience goods are broken into two main categories: food stores and other convenience goods. Food stores include small groceries and delis, supermarkets, meat markets, bakeries, and fruit and vegetable markets. Other convenience goods stores include drug stores and pharmacies, liquor stores, florists, pet and pet



supply stores, copy stores, and newsstands. Eating and drinking establishments include full-service and take-out restaurants, fast food restaurants, and bars. Neighborhood Services include businesses offering a wide variety of services from banks, medical offices, travel agencies, health clubs, to shoe repair, tailors, hair and nail care, and laundromats.

As described below, about half of the retail corridors that constitute the primary market area were the subject of a detailed survey in the summer of 2004 for the Gateway Center at Bronx Terminal Market FEIS. Others were newly surveyed by STV, Inc. and the New York City Economic Development Corporation in Summer 2007 using a similar survey methodology as the 2004 survey. The retail corridors surveyed for the Gateway Center report in 2004 were re-surveyed in Summer 2007 to identify changes in vacancy rates, as an indicator of potential changes in the corridors' retail climates. New business and housing developments were also noted in the 2007 survey. The 2004 corridor descriptions from the Gateway Center at Bronx Terminal Market FEIS are included in italics below for each corridor, preceded by an update on business activity within these areas. For the newly surveyed corridors, each business was counted and classified according to similar groupings as were used for the 2004 data (see Appendix I). The tables below summarize the field surveys, followed by descriptions of each corridor.

**Table 3.2-27: Primary Trade Area Retail Establishments  
per Major Retail Category**

<b>Business Description</b>	<b>Number of Establishments</b>	<b>Percent of Retail Businesses</b>
Total Neighborhood Services	326	23.0%
Convenience Goods	315	22.2%
Eating and Drinking Establishments	255	18.0%
Vacant Storefronts	240	16.9%
Shopping Goods	238	16.8%
Building Materials and Hardware	22	1.6%
Auto-Related Trade	20	1.4%
<b>Total</b>	1416	100.0%
<b>Source:</b> STV Incorporated, field surveys, Summer 2007; <i>Gateway Center at Bronx Terminal Market FEIS</i> , Prepared by AKRF, Inc., for the New York City Office of the Deputy Mayor for Economic Development and Rebuilding, December 7, 2005.		

**Table 3.2-28: Primary Trade Area Shopping Goods Establishments**

<b>Business Description</b>	<b>Number of Establishments</b>	<b>Percent of Retail Businesses</b>
Total Shopping Goods	238	100.0%
Apparel and accessory stores	105	44.1%
Miscellaneous shopping goods stores	85	35.7%
Furniture, home furnishings, and equipment stores	47	19.7%
Department stores	1	0.4%
<b>Source:</b> STV Incorporated, field surveys, Summer 2007; <i>Gateway Center at Bronx Terminal Market FEIS</i> , Prepared by AKRF, Inc., for the New York City Office of the Deputy Mayor for Economic Development and Rebuilding, December 7, 2005.		

**Table 3.2-29: Primary Trade Area Building Materials and Hardware Establishments**

<b>Business Description</b>	<b>Number of Establishments</b>	<b>Percent of Retail Businesses</b>
Total Building Materials and Hardware	22	100.0%
Hardware	19	86.4%
Lumber and other building materials	2	9.1%
Paint, glass, and wallpaper	1	4.5%
<b>Source:</b> STV Incorporated, field surveys, Summer 2007; <i>Gateway Center at Bronx Terminal Market FEIS</i> , Prepared by AKRF, Inc., for the New York City Office of the Deputy Mayor for Economic Development and Rebuilding, December 7, 2005.		

**Table 3.2-30: Primary Trade Area Auto-related Trade Establishments**

Total Auto-Related Trade	20	100.0%
Paid parking garages and lots	12	60.0%
Gasoline stations	6	30.0%
Auto supplies and parts	2	10.0%
Motor vehicle dealers	0	0.0%
Car rental	0	0.0%
<b>Source:</b> STV Incorporated, field surveys, Summer 2007; <i>Gateway Center at Bronx Terminal Market FEIS</i> , Prepared by AKRF, Inc., for the New York City Office of the Deputy Mayor for Economic Development and Rebuilding, December 7, 2005.		

**Table 3.2-31: Primary Trade Area Convenience Goods Establishments**

Business Description	Number of Establishments	Percent of Retail Businesses
Total Convenience Goods	315	100.0%
Food stores	193	61.3%
Miscellaneous convenience goods	122	38.7%
<b>Source:</b> STV Incorporated, field surveys, Summer 2007; <i>Gateway Center at Bronx Terminal Market FEIS</i> , Prepared by AKRF, Inc., for the New York City Office of the Deputy Mayor for Economic Development and Rebuilding, December 7, 2005.		

**Table 3.2-32: Primary Trade Area Eating and Drinking Establishments**

Business Description	Number of Establishments	Percent of Retail Businesses
Total Eating and Drinking Establishments	255	100.0%
Restaurants	151	59.2%
Refreshments/Fast food	54	21.2%
Other Eating Establishments	42	16.5%
Bars	8	3.1%
<b>Source:</b> STV Incorporated, field surveys, Summer 2007; <i>Gateway Center at Bronx Terminal Market FEIS</i> , Prepared by AKRF, Inc., for the New York City Office of the Deputy Mayor for Economic Development and Rebuilding, December 7, 2005.		

**Table 3.2-33: Primary Trade Area  
 Neighborhood Services Establishments**

<b>Business Description</b>	<b>Number of Establishments</b>	<b>Percent of Retail Businesses</b>
Total Neighborhood Services	326	
Hair and nail care	128	39.3%
Cleaners and tailors	48	14.7%
Banks	38	11.7%
Laundromats	31	9.5%
Medical offices	21	6.4%
Mobile phone carrier	14	4.3%
Travel agencies	11	3.4%
Other neighborhood services	11	3.4%
Shoe repair	8	2.5%
Funeral services	5	1.5%
Health/Fitness club	3	0.9%
Video rental	2	0.6%
Appliance repair	2	0.6%
Other professional offices	2	0.6%
Home improvement services	2	0.6%
<b>Source:</b> STV Incorporated, field surveys, Summer 2007; <i>Gateway Center at Bronx Terminal Market FEIS</i> , Prepared by AKRF, Inc., for the New York City Office of the Deputy Mayor for Economic Development and Rebuilding, December 7, 2005.		

## Major Retail Concentrations in the Primary Trade Area

Following are descriptions of the major retail concentrations in the Primary Trade Area, including descriptions from the 2004 *Gateway Center at the Bronx Terminal Market FEIS*, with its partly overlapping trade area, and updated information on these areas based on surveys conducted in Summer 2007 for this EIS.

### **138<sup>th</sup> Street, between Alexander and Jackson Avenues**

The vacancy rate for the 138<sup>th</sup> Street retail corridor decreased between summer 2004 and 2007. There were 18 vacant storefronts in 2007, compared to 26 surveyed in 2004. It has a vacancy rate of 12 percent, representing a five percent decrease from the 2004 vacancy rate. Following is the description of this corridor from the 2004 *Gateway Center at the Bronx Terminal Market FEIS*.

*138th Street in the Bronx has a total of 153 storefronts between Alexander Avenue to the west and Jackson Avenue to the east. This retail strip primarily serves the surrounding residential community with convenience goods and neighborhood services that together account for nearly half of the total storefronts. Retail activity is interrupted by large public housing projects, including the Mill Brook Houses and the John Purroy Mitchell Houses. Of the 35 convenience goods stores that represent 23 percent of all storefronts, 26 are food stores, including 16 small groceries and bodegas and only 1 supermarket. Neighborhood service establishments represent about 26 percent of all storefronts on this strip, and primarily provide hair and nail care, laundromats, and medical and other professional offices. There are 30 shopping goods retailers, or about 20 percent of the inventory, primarily selling apparel and accessories, and home furnishings, including records and musical instruments. Eating and drinking places account for about 13 percent of the total business establishments. National chains on along this strip include McDonald's and Rite Aid. Vacancies are high, with 26 vacant storefronts, representing about 17 percent of the inventory. Some of the more recent additions to the retail inventory along East 138th Streets include a credit union, grocery, sign shop, hair braiding and two medical offices in renovated storefronts between St. Ann's Avenue and Cypress Avenue.<sup>47</sup>*

### **The Hub: Third Avenue and 149<sup>th</sup> Street**

The Hub continues to be an active retail hub with a low commercial vacancy rate. From 2004 to 2007, the number of vacant storefronts in The Hub retail center decreased by half (from 34 vacant storefronts to 17). The current vacancy rate is eight percent, as opposed to 16 percent in 2004. In addition, there is a new, 150,000-square-foot Forman Mills clothing store, and three other women's clothing stores including Beverly Boutique, Revolution, and Cookies. Following is the description of The Hub from the 2004 *Gateway Center at the Bronx Terminal Market FEIS*.

*One of the most vibrant commercial areas in the Bronx is The Hub, located around the intersection of 149th Street and Third Avenue. It is both a center of retail activity and a transportation hub, well serviced by subway lines and buses. Five streets intersect, creating an area extremely trafficked by cars, buses, and pedestrians. Both Third Avenue and 149th Street are busy thoroughfares that provide direct access to Manhattan via the Third Avenue Bridge and the 145th Street Bridge, respectively. Although retail activity is located primarily on Third Avenue and 149th Street, it spills over to Melrose, Westchester, and Willis*

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<sup>47</sup> AKRF, Inc., *Gateway Center at Bronx Terminal Market FEIS*, prepared for the New York City Office of the Deputy Mayor for Economic Development and Rebuilding, December 7, 2005, pp. 40-61.

Avenues. The Hub is oriented toward destination shopping. The field survey observed 213 storefronts in The Hub, of which 109, or 51 percent are shopping goods stores (see Table 3-21). Among these are 42 apparel and accessory stores (mostly women's and family clothing), 29 furniture, home furnishings or equipment stores (mostly furniture or audio and video electronics), 30 miscellaneous shopping goods stores (primarily jewelry and other miscellaneous shopping goods), and 8 discount general merchandise stores. Neighborhood services account for 16 percent of total storefronts (34 stores), including many hair and nail care establishments, medical offices, and other neighborhood services. There are 13 convenience goods stores, mostly small grocery stores and bodegas and meat and fish markets, which account for about 6 percent of the commercial inventory. Eating and drinking places make up about 9 percent of total storefronts in the area. Thirty-four vacant storefronts were observed during the survey, representing about 16 percent of the storefronts. Stores are densely packed in this area, and there are many large stores, particularly discount stores. Most of the retail stores are local chains, including Conway and Jimmy Jazz. National chains are less common, but include Modell's, Jennifer Convertible, Fleet, White Castle, and McDonald's.<sup>48</sup>

### **161<sup>st</sup> Street, between River and Morris Avenues**

The number of vacant storefronts along this segment of 161<sup>st</sup> Street remains the same as in 2004, with six vacancies. This retail corridor has benefited from activity associated with new courthouse construction since 2000 and the area's strengthened role as a civic center. Following is the description of this corridor from the 2004 *Gateway Center at the Bronx Terminal Market FEIS*.

*161st Street is a heavily trafficked area due to the presence of Bronx Borough Hall, several courts and other municipal buildings, law offices, retail stores (including the Concourse Plaza Mall), and high density residential development in Concourse Village and along the Grand Concourse. In addition, Yankee Stadium is located close by at 161st Street and River Avenue. The location of the court buildings and the shopping mall, combined with the width of the Grand Concourse, effectively divides this commercial area in half, with the more neighborhood-oriented retail located at either end of the strip. 161st Street between Morris and River Avenues has a total of 51 storefronts, excluding Concourse Plaza Mall. Neighborhood services account for about 31 percent of total storefronts, or 15 establishments that are primarily legal offices. Shopping goods account for 10 percent of the total storefronts with 10 stores. Eating and drinking places also account for 25.5 percent of the total, with 13 restaurants and fast food places (not counting Concourse Plaza) that primarily serve the dense office activity in the area. Convenience goods account for only 10 percent of the total storefronts with 5 stores. There are only six vacant storefronts on 161st Street, which represent 12 percent of the total commercial inventory.<sup>49</sup>*

### **Concourse Plaza Mall**

The Mall tenants are generally similar to those surveyed in 2004. Stores such as Payless shoes and Foot Action remain, as well the mall's anchor tenants Food Bazaar and a 10-screen movie theater. As in the 2004 survey, there are no vacancies. Following is the description of the Concourse Plaza Mall from the 2004 *Gateway Center at the Bronx Terminal Market FEIS*.

*Concourse Plaza Mall is a retail shopping center located on 161st Street just east of the Grand Concourse in the Bronx. The shopping center is essentially a strip mall, anchored by a Food Bazaar supermarket, food*

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<sup>48</sup> Ibid.

<sup>49</sup> Ibid.

*court, and a multiplex movie theater. Surface parking is provided in front of the stores, with a lower level parking deck. As shown in Table 3-23, the shopping center has a total of 17 establishments, with shopping goods stores sandwiched between the supermarket and the food court/movie theaters. Altogether, there are 11 shopping goods stores that represent about 65 percent of the tenant mix, including 7 apparel and accessory stores, most of which are shoe stores, such as Foot Action and Payless shoes. There are two neighborhood service establishments, representing about 12 percent of the tenant mix, including a bank and medical office.<sup>50</sup>*

### **East 96<sup>th</sup> Street, between Second Avenue and Madison Avenue**

East 96<sup>th</sup> Street between Second Avenue and Madison Avenue is relatively more residential in character than the previously described corridors, with 33 businesses primarily located on the ground floor of apartment buildings. The highest number of businesses provide convenience goods (about 33 percent of all businesses) and neighborhood services (about 24 percent of all businesses). Half of the businesses offering neighborhood services are hair and nail shops. In addition, about 12 percent of the businesses are eating and drinking establishments and about 6 percent are auto-related businesses (one gasoline station and one commercial parking facility). Three vacant storefronts comprise about nine percent of the total surveyed.

### **East 110<sup>th</sup> Street, between Second Avenue and Madison Avenue**

There are a total of 43 businesses along this stretch of East 110<sup>th</sup> Street, with retail continuity along the corridor being interrupted by the presence of several large housing complexes. Retail uses are dominated by convenience goods, comprising 34 percent of the total businesses. The majority of these businesses are small food stores and delis. In addition to convenience goods, 19 percent of the corridor's businesses are eating and drinking establishments and businesses offering neighborhood services. Combined, convenience goods, eating and drinking establishments, and neighborhood services make up over 70 percent of the corridor's retail establishments. The corridor has a vacancy rate of 19 percent. However, three of these vacancies are within a new condominium building with unoccupied ground-floor retail. The recent construction of luxury condominium buildings along this corridor is an indication of the increasing buying power of area residents.

### **Third Avenue, between 96<sup>th</sup> Street and 110<sup>th</sup> Street**

Third Avenue between 96<sup>th</sup> Street and 110<sup>th</sup> Street is an active retail corridor with local neighborhood and comparison shopping, with numerous stores that cater to an ethnic Latino clientele. Many of the stores displayed their items on the sidewalk at the time of the survey. There are 110 businesses along the corridor, with the majority of the businesses – nearly 37 percent – selling shopping goods. Half of the businesses that comprise the shopping goods category are apparel stores selling discount clothing (20 of 40, or 18 percent of the total businesses). There are also five opticians located on this segment of Third Avenue. Despite the active business climate in this area, there is a very high number and percent of vacant storefronts, with 23 vacancies, or nearly 21 percent of the corridor's storefronts. Vacant storefronts make up

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<sup>50</sup> Ibid.

the next largest category of the storefronts surveyed following shopping goods stores. The remaining 47 businesses are comprised of 16 percent convenience goods; 13 percent neighborhood services; 12 percent eating and drinking establishments; 2 percent building materials, hardware, and garden supply; and 1 percent auto-related trade. Among the food stores located along the corridor there are one bakery, two fruit and vegetable markets, one meat and fish market, one supermarket, and three small groceries and delis. Other stores selling convenience goods include three drug stores, one pet supply store, one copy shop, one photo processor, and one party supply store. The service-oriented businesses along this segment of Third Avenue include one video rental store, two banks, one tailor, three hair and nail care shops, one laundromat, three medical offices, two cell phone stores, and one health/fitness club. This diverse range of businesses indicates that the corridor serves a broad customer base, and draws patrons from beyond the immediate area.

### **Second Avenue, between 96<sup>th</sup> Street and 110<sup>th</sup> Street**

Second Avenue between 96<sup>th</sup> and 110<sup>th</sup> Street is less active and its stores offer a less diverse array of goods and services than the Third Avenue corridor to the west. Of the 84 businesses along this retail corridor, there are 27 vacant storefronts, which make up 32 percent of all storefronts. Convenience goods and neighborhood services each make up about 24 percent of all businesses. Over half of the convenience goods are small groceries and delis and nearly half of the neighborhood services are hair and nail shops. There is one supermarket, an Associated Supermarket, located at 100<sup>th</sup> Street. There are 11 eating and drinking establishments (13 percent of all businesses); two building materials, hardware, and garden supply stores (2 percent of all businesses); and stores selling shopping goods (about five percent of all businesses).

### **First Avenue, between 96<sup>th</sup> Street and 110<sup>th</sup> Street**

There are 45 businesses along First Avenue between 96<sup>th</sup> and 110<sup>th</sup> Streets. The storefronts present are dominated by convenience goods stores, which comprise 40 percent of the total businesses. The types of convenience goods offered include food stores (22 percent) and other convenience goods (16 percent), with most of the corridor's food stores being small groceries, delis, and fruit and vegetable markets. There are two larger markets, including Pioneer Supermarket. The majority of the other convenience goods stores are comprised primarily of drug stores, with a handful of liquor stores and discount stores. In addition to convenience goods, the corridor is comprised of 20 percent eating and drinking establishments, and businesses offering neighborhood services. Combined, convenience goods, eating and drinking establishments, and neighborhood services make up 78 percent of the corridor's storefronts. Auto-related trade makes up 11 percent of the storefronts, mostly comprised of commercial parking lots. The number of vacant storefronts is comparatively low, with a vacancy rate of just over 11 percent. Recent development along this stretch of First Avenue includes construction of new luxury condominiums on 104<sup>th</sup> Street and 100<sup>th</sup> Street, as well as a new bank (North Fork Bank).



### **Lexington Avenue, between 96<sup>th</sup> Street and 110<sup>th</sup> Street**

Lexington Avenue between 96<sup>th</sup> Street and 110<sup>th</sup> Street contains a comparatively high number of businesses (112). It has a varied retail base, a high vacancy rate, and mixed building conditions. Many of the businesses cater to an ethnic Latino clientele. The largest retail concentrations are convenience goods (25 percent), neighborhood services (24 percent) and eating and drinking establishments (18 percent). Nearly all – 20 of 28 – convenience goods stores are small groceries and delis, and 14 of the 27 stores offering neighborhood services are hair and nail shops. There are seven stores selling shopping goods (6 percent); two stores selling building materials, hardware, and garden supplies (2 percent); and four auto-related businesses (4 percent). Three of the four auto-related businesses are commercial parking lots. The area has 24 vacant storefronts, resulting in a high vacancy rate of 21.4 percent, with a concentration of vacancies around 100<sup>th</sup> Street. There are a number of large institutions along Lexington Avenue, including a Greek Orthodox church at 102<sup>nd</sup> Street, a cultural center at 105<sup>th</sup> Street, as well as a church and parochial school at 106<sup>th</sup> Street.

### **Madison Avenue, between 96<sup>th</sup> Street and 110<sup>th</sup> Street**

Madison Avenue between 96<sup>th</sup> and 110<sup>th</sup> changes in its level of retail activity north of the Mount Sinai Medical Center at 101<sup>st</sup> Street, where the corridor's eight vacancies (nearly 12 percent of the total storefronts) are located. The largest retail concentrations are convenience goods (30 percent), neighborhood services (24 percent), eating and drinking establishments (25 percent), and neighborhood services (22 percent). The businesses are generally geared toward local residents including convenience goods, and eating and drinking establishments. Neighborhood services make up about 80 percent of the corridor's retail establishments. The corridor has a wide variety of establishments offering neighborhood services, including banks, cleaners, tailors, laundromats, shoe repair shops, medical offices, and hair and nail shops. The types of convenience goods offered are roughly divided between food stores (18 percent) and other convenience goods (13 percent). Most of the corridor's food stores are small groceries and delis, with two larger markets. The majority of the other convenience goods stores are comprised of six drug stores, one florist, one liquor store, and a newsstand. There are four stores selling shopping goods (six percent of businesses) and two commercial parking lots (three percent of businesses).

### **East 116<sup>th</sup> Street, between Second Avenue and Madison Avenue**

This segment of East 116<sup>th</sup> Street has experienced a decrease in its vacancy rate since 2004, with evidence of renovation of several storefronts. It contains a large food store, Sandaga Food Market. Currently, the corridor has 13 vacant storefronts, a decrease of six vacant storefronts since 2004. In 2004, the vacancy rate of this corridor was about 13 percent, while the 2007 vacancy rate is just over nine percent. Of these 13 vacant storefronts, three appeared to be undergoing renovation. If these three renovated storefronts were to be occupied, the vacancy rate would decrease from nine percent to seven percent. Following is the description of this corridor from the 2004 *Gateway Center at the Bronx Terminal Market FEIS*.

*Located in East Harlem in Manhattan, East 116th Street is an active retail strip providing a variety of shopping goods, neighborhood services, and convenience goods for local residents. As shown in Table 3-25, there are a total of 129 storefronts along East 116th Street between Second and Madison Avenues. The elevated tracks of the Metro North Rail Road effectively separate retail activity along this strip. The blocks east of Park Avenue are characterized by more intense activity with retail and neighborhood services located at the street level and second floors, and the block west of Park Avenue are characterized by a distinctly lighter concentration of stores, in addition to 3 vacant lots. Many stores market primarily to the local Hispanic community. Shopping goods are prominent on East 116th Street, featured in 43 stores or about 33 percent of the total storefronts along the strip. Of these, 16 sell apparel and accessories, such as shoes and women's clothing, including Regina's and Victoria Fashions; 15 feature miscellaneous shopping goods, such as jewelry and religious articles; 2 are general merchandise stores, including the visually prominent Numero Uno Department Store; and 10 are furniture and home furnishings stores. Neighborhood services account for approximately 26 percent of storefronts, providing banking, medical and other professional services. Convenience goods account for 16 percent of total storefronts. An Associated Supermarket is located centrally on the north side of the street. Eating and drinking places account for 23 storefronts or about 18 percent of the total inventory, including a pizza shop, luncheonette, and a cuchifritos shop. There are 8 vacant storefronts, a rate of about 6 percent.<sup>51</sup>*

### **West 116<sup>th</sup> between Malcolm X Boulevard and Frederick Douglas Boulevard**

A number of storefronts appear to have been recently renovated along this corridor, which has experienced commercial revitalization over the last three years along with the development of new housing. Among the smaller retail uses are ethnic African and Middle Eastern shops. The larger-scale retailers include a C-Town supermarket and a Conway clothing store. Area stores are distributed evenly between the various retail categories, with 30 percent being shopping goods, 18 percent being convenience goods, 18 percent being eating and drinking establishments, and 20 percent being neighborhood services. There is one business within the Building Material, Hardware, and Garden Supply category. This segment of West 116<sup>th</sup> Street has experienced a sharp decline in its number of vacant storefronts, as well as significant new condominium development, including Casa Loma and Graceline Court, which are both currently in construction. Newer boutiques are also present. In 2004, there were 29 vacant storefronts, resulting in a 34 percent vacancy rate. Over the past three years this total has decreased to only nine vacancies, reducing the vacancy rate to just over 12 percent. Following is the description of this corridor from the 2004 *Gateway Center at the Bronx Terminal Market FEIS*.

*The portion of West 116th Street between Malcolm X and Frederick Douglass Boulevards serves the Central Harlem community. Retail activity is concentrated on the eastern portion of this strip, anchored by the Malcolm-Shabazz Harlem Market, a covered market with vendors selling primarily shopping goods. Overall, there are 86 storefronts located along this strip. Neighborhood services dominate the inventory with 22 stores, accounting for almost 26 percent of the storefronts. Of these, 10 provide hair and nail care, and 2 provide other neighborhood services. There are 8 convenience goods stores, making up 9 percent of the total storefront inventory. Although shopping goods stores represent only 17 percent of the total storefronts, the percentage of shopping goods retailers is likely to be higher, since the Malcolm-Shabazz Harlem Market contains several vendors selling a variety of shopping goods, including apparel and accessories and home furnishings, many of which are African goods reflective of neighborhood culture. There are a large number of vacant storefronts (29) along this strip, accounting for nearly 34 percent of total storefronts. Although the retail vacancies are relatively high, there are several vacant storefronts in the ground floor of abandoned buildings that are potential development sites, including two sites on the*

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<sup>51</sup> Ibid.

*north side of West 116th Street between St. Nicholas Avenue and Frederick Douglass Boulevard, and one site on the south side of West 116th Street between Malcolm X Boulevard and St. Nicholas Avenue.<sup>52</sup>*

### **Lexington Avenue, between East 116<sup>th</sup> Street and 125<sup>th</sup> Street**

The number of vacant stores along Lexington Avenue south of 125<sup>th</sup> Street has remained the same as the number surveyed in 2004 (seven vacancies). This retail corridor remains active with primarily neighborhood services and shopping. The commercial renaissance along 125<sup>th</sup> Street has improved this adjacent commercial corridor both physically and economically, with the Pathmark store and other new stores at the northern end of the corridor in the vicinity of the Lexington Avenue IRT Line 125<sup>th</sup> Street subway station generating considerable pedestrian traffic and bringing additional shoppers to the area. Following is the description of this corridor from the 2004 *Gateway Center at the Bronx Terminal Market FEIS*.

*Lexington Avenue between East 116th and 125th Streets is primarily oriented to neighborhood services and shopping needs. There are 59 storefronts in the retail, with several mixed-use buildings. Community use of outdoor space and community gardens help to create a lively residential feel along this street. Neighborhood services dominate this mixed-use strip, with 18 storefronts or about 31 percent of the total inventory. Of these storefronts, 8 are hair and nail care shops, 2 are other neighborhood services, 3 are professional services, and 3 are cleaners and tailors. There are 16 convenience goods stores, representing about 27 percent of total storefronts, including a liquor store and 14 food stores, consisting of 10 bodegas, 2 retail bakeries, 1 supermarket, and 1 confectionary. At the intersection with East 125th Street, the Pathmark Supermarket adds a great deal of shopping activity to the neighborhood orientation of this corridor. Shopping goods stores account for a small portion of the inventory with 11 stores, representing 18 percent of total storefronts. The number of vacancies along the strip is unusually high, with 7 vacant stores, representing nearly 12 percent of the total inventory.<sup>53</sup>*

### **La Marqueta**

La Marqueta currently has six tenants in one building and is open Monday to Saturday from 8:00 am to 6:00 pm. The New York City Economic Development Corporation is currently working with local stakeholders to explore future development options for La Marqueta. The residential real estate market in this area has continued to experience increases since 2004, indicating potential for increases in the buying power of area residents. Following is the description of La Marqueta from the 2004 *Gateway Center at the Bronx Terminal Market FEIS*.

*La Marqueta is an enclosed market located under the elevated tracks of the Metro North Rail Road on Park Avenue between East 111th and 116th Streets. The market was opened in 1936, and soon became the principal food market in East Harlem, carrying a wide range of products aimed principally at the local Hispanic population. After a period of decline, a portion of the market was reopened in 1993. Currently an open-air market and a 10,000-square-foot building have been renovated. The enclosed space is occupied by approximately 8 vendors in spaces ranging from 90 to 250 square feet, selling goods such as fresh fish, cell phones, apparel, candy, craft supplies and fabric. A small farmers' market operates on weekends in the open-air portion of La Marqueta.<sup>54</sup>*

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<sup>52</sup> Ibid.

<sup>53</sup> Ibid.

<sup>54</sup> Ibid.

### **East 125<sup>th</sup> Street, between Second Avenue and Frederick Douglass Boulevard**

This segment of 125<sup>th</sup> Street has a relatively high density of larger-scale shopping goods stores such as Lazarus and Marshall's, Aerosoles, and Jimmy Jazz that sell clothing and discount goods. There are also a number of smaller stores oriented towards convenience goods and neighborhood services, as well as ethnic goods stores and local restaurants. The East 125<sup>th</sup> Street Development project site is located on the eastern end of this corridor where M1-2 zoning permits auto-related businesses such as those present on and near the Second Avenue portion of the project site, including automotive repair, commercial parking, and gas station uses. Other uses along the eastern end of this corridor that comprise the project site include comparative retail shopping including flooring, appliance and antiques stores. The number of vacant storefronts has increased slightly since 2004, from 22 vacancies to 26, with the number and density of vacant storefronts being relatively higher to the east of Madison Avenue. Following is the description of this corridor from the 2004 *Gateway Center at the Bronx Terminal Market FEIS*.

*The East 125th Street corridor is the historic heart of Harlem. It is the location of such landmark businesses as the Apollo Theater, which is currently undergoing renovation, and continues to serve as a busy east-west transportation route, linking the FDR Drive and the Triborough Bridge with the Henry Hudson Parkway. Pedestrian traffic is also generally heavy along most of the corridor. Metro North Rail Road operates a commuter rail station at East 125th Street and Park Avenue. Among the more notable commercial developments during the past several years is the Adam Clayton Powell, Jr., State Office Building, located between Malcolm X Boulevard and Adam Clayton Powell, Jr., Boulevard. More recently, retail activity has accelerated with the opening of national chains such as Blockbuster Video, Starbucks, the Body Shop, Dunkin Donuts, Duane Reade, Rite Aid, and Pathmark. The location of several national and local apparel chains, such as Lane Bryant, H&M, Payless Shoes, A Children's Place, and Jimmy Jazz, indicate that shopping goods retailing (and retailing, in general) is stronger toward the west of the corridor. As shown in Table 3-28, there are a total of 249 storefronts along East 125th Street between Frederick Douglass Boulevard and Second Avenue. Shopping goods stores are predominant, making up 41 percent of the total inventory. Apparel and accessories make up a majority of shopping goods with 51 stores, or about 21 percent of the total inventory. Neighborhood services occupy about 20 percent of the total storefronts. Convenience goods stores represent 10 percent of the inventory. The current vacancy rate is 9 percent, with 22 vacant storefronts along the corridor<sup>55</sup>.*

### **West 125<sup>th</sup> Street, between Frederick Douglass Boulevard and Broadway**

The number of vacant storefronts along this stretch of 125<sup>th</sup> Street has increased from 13 to 21 since 2004. The 2007 vacancy rate for this retail corridor is approximately 20 percent, a significant increase over the past three years from 13 percent vacant in 2004. The 21 vacancies are roughly evenly distributed among the major retail categories. There are 20 Shopping Goods stores; 18 Eating and Drinking Establishments; and 25 Neighborhood Services businesses, the later comprising the dominant retail category along the corridor. Following is the description of this corridor from the 2004 *Gateway Center at the Bronx Terminal Market FEIS*.

*The West 125th Street corridor changes course west of Frederick Douglass Boulevard, both in terms of its geographic direction and in terms of its retail character. As the road bends to the northwest, the retail changes to more neighborhood-oriented businesses. In place of shopping*

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<sup>55</sup> Ibid.

goods, neighborhood services dominate the mix, accounting for 32 of the 96 businesses in this segment of the corridor (see Table 3-29). Nearly half of these service establishments are hair and nail care salons. Almost 13 percent of the storefronts in this segment of West 125th Street sell convenience goods, including one supermarket, seven grocery stores and bodegas, one drug store, a liquor store, and a florist. There are 14 eating and drinking places, representing about 15 percent of the storefronts, and two hardware stores, accounting for only 2 percent of the business inventory. Apparel and accessories stores dominate the shopping goods merchants, accounting for 10 of the 22 shopping goods retailers. The remaining 12 shopping goods stores are a mix of home furnishing stores, miscellaneous shopping goods stores, three electronics stores and one records/music store. The vacancy rate is high, with 13 vacant storefronts, which represent 14 percent of the total business inventory.<sup>56</sup>

### **Third Avenue, between East 110<sup>th</sup> Street and 125<sup>th</sup> Street**

The number of vacant storefronts along this segment of Third Avenue (nine) is the same as was found in the 2004 survey. New retail construction on the northern end of the corridor and continued residential growth and new housing construction along abutting blocks have revitalized the corridor economically, with increases in the buying power of local residents expected to accompany ongoing housing revitalization. Ground floor retail is included in new mid-rise residential construction on the east side of Third Avenue at East 124<sup>th</sup> Street, upgrading retail conditions there. Following is the description of this corridor from the 2004 *Gateway Center at the Bronx Terminal Market FEIS*.

*Third Avenue between East 110th and 125th Streets has a total of 143 storefronts, largely oriented toward shopping goods which make up 43 percent of the total storefronts. Apparel and accessories dominate the retail mix, with 19 stores accounting for about 13 percent of the total inventory. The remainder of the shopping goods stores offers a wide range of shopping goods, including 16 miscellaneous shopping goods stores which account for 11 percent of total storefronts, and 5 general merchandise stores which make up about 4 percent of the inventory. Furniture and home furnishings stores are very prominent in this area, with 22 furniture and home furnishings stores representing 15 percent of the total storefronts. Most of these are furniture stores (9), with only 1 floor-covering store, 1 drapery and curtain stores, 4 audio stores, 1 record and tape shop, and 4 miscellaneous home furnishing stores. Convenience goods represent about 18 percent of storefronts, including 5 drug and proprietary stores and 3 supermarkets. Neighborhood services make up about 15 percent of storefronts, providing banking, hair and nail, cleaners and tailors, and medical services. A number of national chains such as Blockbuster Video, Rite Aid and McDonalds are represented along this strip. There are 9 vacant storefronts, accounting for 6 percent of the total inventory. There are a variety of neighborhood service establishments in 22 storefronts that account for about 15 percent of the businesses, as well as 16 eating and drinking places. The retail activity along the Third Avenue corridor is interrupted for a short distance between East 112th and 115th Streets by the Jefferson Houses to the east and J.W. Johnson Houses to the west.<sup>57</sup>*

### **Malcolm X Boulevard, between West 115<sup>th</sup> Street and 135<sup>th</sup> Street**

In 2004 there were 27 vacant storefronts along this corridor, reflecting a 16 percent vacancy rate. By 2007, the number of vacancies increased to 37 vacant storefronts, resulting in a vacancy rate of 25 percent. However, of these 37 vacant storefronts, three were currently being rehabilitated and seven appeared to have been newly-constructed but not yet leased. If these new and

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<sup>56</sup> Ibid.

<sup>57</sup> Ibid.

upgraded storefronts were to be occupied and re-occupied, the vacancy rate would fall to approximately the 2004 level of 16 percent vacancy. Notable institutions along this segment of Malcolm X Boulevard include the Harlem Hospital Center and the Shomburg Center for Research in Black Culture, located at Malcolm X Boulevard and 135<sup>th</sup> Street. In terms of larger food stores, there is a C-Town located at 135<sup>th</sup> Street and Lenox Terrace. Following is the description of this corridor from the 2004 *Gateway Center at the Bronx Terminal Market FEIS*.

*Malcolm X Boulevard between West 115th and 135th Streets is a wide street with a mix of residential and retail uses. Some blocks, like the one between 120th and 121st Streets, are almost entirely residential. The vacancy rate along this strip is high, with 27 vacant storefronts, accounting for nearly 16 percent of the total inventory. Clusters of active storefronts are located at the intersection of 125th and 135th Streets. The intersection of 125th Street and Malcolm X Boulevard is the location of several well-known Harlem businesses, such as the Lenox Lounge and Sylvia's Restaurant. There are a total of 174 storefronts along this 20-block segment of Malcolm X Boulevard. Neighborhood services dominate the mix, with 61 storefronts, or 35 percent of the inventory, including 31 hair and nail stores and 5 funeral parlors. Convenience goods are found in 35 stores, or about 20 percent of the inventory. Among these are 18 bodega-style groceries, 2 fish and meat markets, 2 liquor stores, and 3 supermarkets. There are 24 eating and drinking places, representing nearly 14 percent of the total inventory, including 12 refreshment or fast food places, 11 luncheonettes, and 1 drinking place, some of which have entertainment. Shopping goods stores account for 14 percent of total storefronts.<sup>58</sup>*

### **Adam Clayton Powell, Jr. Boulevard, between West 116<sup>th</sup> Street and 148<sup>th</sup> Street**

According to the 2004 survey, Adam Clayton Powell, Jr. Boulevard appeared to be showing signs of revitalization, albeit with a high vacancy rate of nearly 32 percent. The business climate along the corridor has not improved since that time based on its vacancy rate. The 2004 survey found 96 vacancies, as compared to the 2007 survey that found 106 vacancies. There was a higher number of vacant storefronts in the northern portion of the corridor, from 148<sup>th</sup> Street to 140<sup>th</sup> Street, with nearly 25 percent of vacancies occurring between 145<sup>th</sup> Street and 141<sup>st</sup> Street. Following is the description of this corridor from the 2004 *Gateway Center at the Bronx Terminal Market FEIS*.

*Adam Clayton Powell, Jr. Boulevard between West 116th and 148th Streets is a long, wide strip with intermittent retail and commercial activity. Currently, the high number of vacancies gives the strip an underutilized look, except near the intersection with 134th Street where the storefronts are in generally better condition. Of the total 301 storefronts, 96 stores are vacant, about 32 percent of the total inventory. Among the occupied storefronts neighborhood services predominate, representing about 28 percent of the total inventory. Of the 80 neighborhood services establishments, 33 are hair and nail salons, 6 are laundromats, 3 are funeral parlors, 17 are professional services, and 10 are other neighborhood services. Convenience goods stores account for about 19 percent of all storefronts. In this 32-block stretch of Adam Clayton Powell, Jr. Boulevard there are 57 convenience goods stores, including 34 small corner grocers, 4 supermarkets, and 4 meat and fish markets. Restaurants and luncheonettes and fast food places account for almost 10 percent of the storefronts. Shopping goods occupy nearly 10 percent of the total inventory on this strip, with 29 store fronts. Although the retail vacancy rate is high, there are signs of revitalization along Adam Clayton Powell, Jr. Boulevard that may reduce retail vacancies in the future. Several abandoned buildings are already undergoing renovation, including a site on the northwest corner of Adam Clayton Powell, Jr. Boulevard and West 117th Street. Other buildings further north on the boulevard have already been rehabilitated for residential reuse with new ground floor retail storefronts, including sites on the west*

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<sup>58</sup> Ibid.

*side of the boulevard between West 136th and 137th Streets (where there is a new H & R Block tax office), as well as on the eastside of the boulevard between West 145th and 146th Streets where buildings have been renovated under the New York City Department of Housing Preservation and Development's (NYCHPD) New Housing Marketplace program with new ground floor retail spaces that are currently being leased. In addition, there are several sites where abandoned buildings could potentially be redeveloped with residential units and ground floor retail spaces, including the eastside of Adam Clayton Powell, Jr. Boulevard between West 123rd and 124th Streets, and the east side of the boulevard between West 137th and 138th Streets.<sup>59</sup>*

### **Frederick Douglass Boulevard, between West 116th Street and 135th Street**

The number of vacancies along this stretch of Frederick Douglass Boulevard has been reduced from 45 to 39 since 2004, continuing the revitalization trend identified in the 2004 survey,. The corresponding vacancy rate has declined from 29 to 25 percent. However, of these 39 vacancies, eight are either being rehabilitated or are within new developments. If these storefronts were to be occupied, the number of vacancies would total 31, for a vacancy rate of 20 percent. Though the vacancy rate is still relatively high, this corridor is experiencing marked improvement, as evidenced by the new SOHA mixed-use condominium development on 118<sup>th</sup> Street and other newly developed or renovated housing in the area that are expected to increase the buying power of area residents. Following is the description of this corridor from the 2004 *Gateway Center at the Bronx Terminal Market FEIS*.

*Frederick Douglass Boulevard is a wide avenue with commercial and residential uses. There are several segments of almost exclusively residential uses along this 19-block stretch of Frederick Douglass Boulevard, including St. Nicholas Houses between 127th and 131st Streets. The commercial mix and vacancy rate vary dramatically along the length of Frederick Douglass Boulevard. The area around 135th Street is in the best condition, including several new or newly renovated commercial spaces, as well as a number of neighborhood services, such as a branch of the Chase Manhattan Bank. Vacancies and deteriorated storefronts are more prevalent to the north and south of the redeveloped 135th Street hub. For instance, the stretch from 118th Street to 121st Street is mostly vacant. There are 155 storefronts on Frederick Douglass Boulevard between West 116th and 135th Streets. Convenience goods predominate, occupying 40 storefronts and accounting for about 26 percent of all storefronts. Of these, 22 are food stores, and of these 16 are small groceries, 3 are supermarkets, and 2 are meat and fish markets. There are 30 neighborhood services stores, the majority of these service establishments are hair and nail care salons, and other services such as laundromats, banks, shoe repair, and medical offices. Vacant storefronts outnumbered all other categories, with 45 storefronts, representing 29 percent of the total inventory on the strip. The most recent changes to the retail inventory along Frederick Douglass Boulevard are in the vicinity of West 119th Street to West 121st Street. Harriet Tubman Gardens presents 5 new storefronts on the west side of the boulevard between West 120th and 121st Streets, including a wine store, cosmetics store, realtor and contractors office, dry cleaner, and a math and reading center. Just to the south of Harriet Tubman Gardens residential buildings are undergoing renovation with new storefronts, including a new office for Councilman Bill Perkins and his campaign for Manhattan Borough President. Several new retail storefronts are being leased in the ground floor of a renovated residential building on the east side of Frederick Douglass Boulevard between West 133rd and 134th Streets. Other sites where potential redevelopment could revitalize retail storefronts are located along the west side of Frederick Douglas Boulevard between West 128th and 129th Streets and on the east side of the boulevard between West 118th and 119th Streets.<sup>60</sup>*

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<sup>59</sup> Ibid.

<sup>60</sup> Ibid.

### **Broadway, between 114th Street and 152nd Street**

Broadway offers a wide variety of goods and services, from book stores, boutiques, and specialty food stores south of 125<sup>th</sup> Street, to national chains and discount clothing stores in the northern segment of the corridor. Broadway is divided into three general sections: higher-end establishments near Columbia University; larger discount clothing department stores, local services, ethnic foods, and some national chains around 125<sup>th</sup> Street; and smaller delis, groceries, neighborhood goods, as well as sit-down restaurants in its northern section. There are two C-Town supermarkets along Broadway, as well as a Morton Williams specialty supermarket, smaller gourmet markets, and the Columbia University Barnes and Noble bookstore located in the southern portion of the corridor.

Though it remains vibrant, with popular retail attractions nearby such as the Fairways specialty food store, the number of vacant storefronts has increased since 2004, with 51 vacant storefronts as compared to 36 in 2004. As a result, the vacancy rate has increased to nearly 13 percent, from 10 percent in 2004. Forty five of these vacancies were located between 130<sup>th</sup> Street and 152<sup>nd</sup> Street. Occupied storefronts that were closed and gated at the time of the survey in mid-morning may account for the relatively large degree of vacancies identified. Following is the description of this corridor from the 2004 *Gateway Center at the Bronx Terminal Market FEIS*.

*This segment of Broadway primarily serves local retail needs of Manhattanville residents. The commercial strip is characterized by smaller stores and busy pedestrian and vehicular traffic. Storefronts become more upscale south of Tiemann Place because of the influence of higher income customers and students associated with Columbia University. There are a total of 359 storefronts on Broadway between West 114th and 152nd Streets. Of these, 95 provide neighborhood services, accounting for about 27 percent of all storefronts, including 38 hair and nail care establishments, and 13 other professional services, such as check cashing. Shopping goods and convenience goods also have a substantial presence on the strip, representing about 24 percent and 22 percent of total storefronts, respectively. These include national chains such as Foot Locker, Starbucks, and Cohen Optical, as well as local stores such as the El Mundo Department Store, a large store in the northern segment of this strip selling a wide assortment of home furnishings and apparel. Broadway has 36 vacant storefronts, accounting for about 10 percent of all commercial establishments.<sup>61</sup>*

### **Broadway, between 113th Street and 106th Street**

Broadway between 113<sup>th</sup> Street and 116<sup>th</sup> Street has 53 businesses that offer a wide variety of shopping goods, convenience goods, eating and drinking establishments, and neighborhood services. The area is generally more upscale in its retail character than portions of Broadway to the north, and businesses serve large numbers of students and faculty affiliated with Columbia University. This segment of Broadway has a much lower vacancy rate than portions of Broadway to the north, or approximately two percent. There are large a number of full-service and take-out restaurants. A new apparel store, American Apparel, opened within the last year at 112<sup>th</sup> Street. Also notable are two gourmet markets, Westside Market at 110<sup>th</sup> Street and Morten William's at 115<sup>th</sup> Street, as well as two bookstores -- Labyrinth Books at 112<sup>th</sup> Street and the Columbia University Barnes and Noble at 115<sup>th</sup> Street. The largest retail groupings along the

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<sup>61</sup> Ibid.



corridor are neighborhood services (28 percent of all businesses), convenience goods (26 percent of all businesses), and eating and drinking establishments (25 percent of all businesses). There is also a significant number of stores selling shopping goods (nine stores or 17 percent of all businesses), as well as one hardware store (two percent of all businesses).

### **Columbus Avenue, between 106<sup>th</sup> Street and 110<sup>th</sup> Street**

Columbus Avenue between 106<sup>th</sup> Street and 110<sup>th</sup> Street has 52 businesses, most of which provide services geared towards local residents. Businesses providing neighborhood services and vacant storefronts comprise the largest category of storefronts. Service-oriented businesses and vacancies each make up nearly 33 percent of total businesses. In addition to neighborhood services, the corridor offers nine eating and drinking establishments (17 percent of total businesses), six stores selling convenience goods (12 percent of total businesses), one hardware store (two percent of total businesses), and two stores selling shopping goods (four percent of total businesses).

### **Amsterdam Avenue, between 106<sup>th</sup> Street and 110<sup>th</sup> Street**

Amsterdam Avenue between 106<sup>th</sup> Street and 110<sup>th</sup> Street is a revitalizing retail corridor, as evidenced by its large number of new restaurants (22 or about 37 percent of total businesses). Restaurants make up the largest retail category. Businesses largely cater to local residents, including students and faculty of Columbia University. In addition to restaurants, 24 percent of the businesses provide neighborhood services, 19 percent of the businesses sell convenience goods, and 10 percent sell shopping goods. There are two hardware stores along the corridor, comprising three percent of the corridor's total businesses. This segment of Columbus Avenue has a comparatively low vacancy rate (seven percent).

### **West 106<sup>th</sup> Street, between Broadway and Columbus Avenue**

West 106<sup>th</sup> Street, between Broadway and Columbus Avenue, has a largely residential character with only 24 businesses. The corridor's small number of businesses are roughly divided between shopping goods (four businesses, or 17 percent), convenience goods (seven businesses, or 29 percent), eating and drinking establishments (four businesses, or 11 percent), and neighborhood services (seven businesses, or 29 percent). There are two vacant storefronts, for a vacancy rate of 8 percent.

### Future Conditions Without the Project

Claritas, Inc. projects that total population of the primary trade area will increase from 601,760 in 2006 to 624,737 in 2011, with households increasing from 220,438 to 229,654.<sup>62</sup> New residential and commercial development would be expected as a result of other area projects that include the Manhattanville Rezoning and the 125<sup>th</sup> Street Rezoning & Related Actions projects. Other known developments include those identified earlier in this chapter, as well as a number of other retail projects identified in the Gateway Center FEIS, including the Yankee Stadium project with 19,000 square feet of retail.

Growth in population and associated expenditure potential by 2012 would be likely to outpace growth in retail sales, particularly in Harlem, and expenditures would be likely to continue to leak out of the borough and New York City as a whole for many categories of shopping goods. Under future conditions without the project, the market area for the East 125<sup>th</sup> Street Development is expected to see the development of an additional 144,034 square feet of Department Store development at the Gateway Center Mall at Bronx Terminal Market project, located north of 149<sup>th</sup> Street in the South Bronx. Subtracting this amount of planned Department Store development from the currently available deficit of Department Store sales would result in a lower amount of deficit for this category of retail of 280,262 square feet.

### Probable Impacts of the Proposed Action

The issue of competition as described in the *CEQR Technical Manual* is whether a project could affect neighborhood character by affecting the viability of neighborhood shopping areas through competition, thereby becoming an environmental concern. If an impact on any individual retailer or group of retailers is found to be great enough to undermine the viability of existing neighborhood shopping strips or shopping centers, and that effect may, in turn, alter neighborhood character, then the impact would be considered to be adverse.

As described above, the East 125<sup>th</sup> Street Development would include moderate size retail uses of 40,000 square feet or less with the exception of a 60,000-square foot cinema and its anchor Department store that would contain 125,000 square feet of floor area. Based on retail data from Claritas, Inc. and information on the new department store that is under construction at the Gateway Center Mall at the Bronx Terminal Market project, the primary trade area's deficit of department store use would be expected to continue under future conditions without the action. As described above, the deficit without the proposed action would constitute approximately 280,262 square feet of floor area of department store use. The proposed 125,000-square foot Department Store at the East 125<sup>th</sup> Street Development would therefore increase the amount of anchor store retail development at a level commensurate with overall demand for this type of store that exists in the defined market area, and with the level of supply that is expected in the future without the proposed action. The capture rate for department store sales would be expected to increase to 91 percent with the addition of the proposed East 125<sup>th</sup> Street Development and the Gateway Center Mall at the Bronx Terminal Market project. Given that

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<sup>62</sup> Claritas, Inc., 2007.

the proposed project would not substantially raise the capture rate for its anchor store category (department stores) in the primary trade area, the proposed project would not have the potential to adversely affect competitive stores throughout the trade area.

Proposed moderate levels of other types of retail uses are not expected to significantly increase competition for those types of stores, such as clothing and clothing accessory stores, sporting goods/hobby/book and music stores, limited and full service restaurants, other home furnishings stores, or cinemas. Rising household incomes and population levels anticipated as a result of other planned development, such as planned market rate housing and RWCDs site development resulting from the 125<sup>th</sup> Street Rezoning and Related Actions project, are expected to further increase demand for the goods and services that would be newly available at the proposed East 125<sup>th</sup> Street Development, and at other planned and projected retail developments.

In addition to enhancing the retail selection available to residents of the primary trade area, the retail stores proposed at the East 125<sup>th</sup> Street Development would help to recapture sales outflows from the primary trade area, and would provide sales tax revenues to New York City and employment opportunities that might have otherwise been realized in other parts of the city, or outside of New York City.

Although the project is intended to enhance the current mix of retail tenants in the area and avoid replicating or directly competing with existing and planned retail uses in the surrounding area, given the broad range of product offerings anticipated at the East 125<sup>th</sup> Street Development's retail stores there would likely be some overlap with the primary trade area for the proposed project's retail offerings. However, shopping stores along 125<sup>th</sup> Street such as H&M, Marshall's, Nine West, Ann Taylor, and Staples that may sell products that would be sold at stores that are proposed as part of the project, consumers would most likely continue to be drawn to these existing retail concentration because of the high density of shopping goods stores along the 125<sup>th</sup> Street corridor that provide a wide variety of product selection and price points, particularly with respect to apparel, than is typical of a department store. 125<sup>th</sup> Street and the other major retail corridors within the primary market area have also historically withstood competitive pressures created by substantial additions of destination retail in the surrounding area. The surrounding dense neighborhoods would be expected to continue to provide significant numbers of customers from the local population, and the area's excellent transit access would be likely to ensure that the residential and commuter population would likely continue to find it convenient to shop along the existing commercial corridors. The amount of indirect displacement due to competition would therefore be expected to be minimal, and is not expected to jeopardize the viability of any neighborhood retail strips or diminish the level of services provided.

## CONCLUSIONS

The East 125<sup>th</sup> Street Development is not expected to result in significant adverse impacts on socioeconomic conditions in the study area related to direct or indirect residential or business displacement. The socioeconomic study area in which the project site is located is expected to continue to experience housing and commercial revitalization in the future with or without the proposed action. The proposed action would contribute to the future strengthening of the 125<sup>th</sup> Street corridor as a shopping, cultural, and employment center, and as a desirable residential neighborhood. It would build on the success of projects such as the adjacent Pathmark store and other nearby commercial and residential developments.

With 1,000 units of proposed housing divided between low-, moderate- and middle-income units, the East 125<sup>th</sup> Street Development would have the beneficial socioeconomic effects of re-establishing residential use on the project site, preserving the mixed income nature of the community, and expanding the area's housing supply to address strong local and citywide demand for affordable housing. The additional residents, visitors and workers generated by the project would generate additional sales for businesses in the surrounding study area.

With respect to businesses and institutions, the proposed action is not expected to result in significant adverse impacts for the three areas considered in the socioeconomic analysis: direct business displacement, adverse effects on specific industries, and indirect business displacement. Conclusions related to these areas of potential socioeconomic impact, as outlined in the *CEQR Technical Manual*, are summarized below.

***Direct Business Displacement:*** It is estimated that approximately ten businesses and 75 employees would be directly displaced by the proposed action. Based on the guidelines in the *CEQR Technical Manual*, the direct displacement of these businesses would not result in a significant adverse impact. Although all of the businesses subject to displacement make some contribution to the City's economy, they are not providing substantial economic input to the City or region. None of the businesses are subject to regulations or publicly adopted plans to preserve, enhance, or protect them. Finally, the potentially temporarily affected employees represent a small fraction of jobs in the primary study area and none of the individual businesses subject to direct displacement define the character of the study area.

***Adverse Effects on Specific Industries:*** According to the guidelines of the *CEQR Technical Manual*, the proposed action would not have an adverse impact on a specific industry because it would not significantly affect the business conditions for any industry or category of businesses within or outside of the study area, nor would it indirectly reduce employment or impair the economic viability of a specific industrial sector or business category. It was determined that there were no specific industries that are unique to the area and thus detailed analysis was not required to be performed.

***Indirect Business Displacement:*** According to the guidelines presented in the *CEQR Technical Manual*, the proposed action would not cause significant indirect business displacement impacts. The addition of approximately 470,000 square feet of new retail use and 300,000 square feet of new office space, along with a new hotel and a cultural facility (auditorium), and the

displacement of the ten existing businesses on the project site that are anticipated under the proposed action, would not significantly alter existing economic patterns or add to the concentration of a particular sector enough to alter trends. The proposed East 125<sup>th</sup> Street Development would not introduce a new type of land use that would offset positive trends in the study area or impede efforts to attract investment. In general, the proposed action would not directly or indirectly displace uses or people that support businesses in the area or form the customer bases for existing businesses. Automotive services and parking located on the project site would be provided to area residents and employees at businesses in the surrounding area or in other parts of the City that are zoned for such uses.

The market for retail space in Harlem has changed over the past several years to reflect the acknowledgement of the significant and growing purchasing power that resides in this stable and growing community. The proposed action seeks to add to the stabilization and expansion of the residential and commercial base of the area through the addition of new residential and commercial opportunities, and to support the destination cultural institutions and districts that have been Harlem's historical legacy. New residents expected to reside in the East 125<sup>th</sup> Street Development under the proposed action would bring millions of dollars per year in additional spending power that would be available for capture by existing and proposed retail and service establishments. Because the anticipated growth in the number of households and household spending is large and the amount of retail development expected under the proposed action is modest compared to the existing magnitude of commercial development in the study area, it can be assumed that household demand for retail and neighborhood services would reasonably support both new neighborhood goods and service shops expected under the proposed action, as well as existing retail and service establishments.

Based on data provided by Claritas, Inc., and updated surveys of retail corridors in an identified market area, the anchor store proposed at the East 125<sup>th</sup> Street Development (a department store) would be expected to increase the amount of anchor store retail development at a level commensurate with overall demand for this type of store that exists in the defined market area, and with the level of supply that is expected in the future without the proposed action.

**Direct Residential Displacement:** The proposed action is not expected to result in significant negative impacts as a result of direct displacement, as described above. The number of formerly occupied residential units that would be displaced by the East 125<sup>th</sup> Street Development is small in comparison to the number of units present in the primary study area, and the displacement of this small number of units, if they were to be re-occupied, would not be expected to result in a significant change to neighborhood character. Therefore, no mitigation measures are proposed related to direct residential displacement.

**Indirect Residential Displacement:** With regard to secondary or indirect residential displacement, the Population and Housing Study Area contains populations that could be vulnerable to displacement pressures, as described herein. Potential secondary displacement as a result of the substantial increase in the non-residential development proposed, and the upgrading of three blocks in the East Harlem Triangle with new mixed-use development, would be offset to some degree by the proposed affordable housing that would include up to 650 units of low- and moderate-income housing. However, as described previously, some negative effects may result

as a result of rising land values and rents in areas surrounding the project site if low income households in unprotected buildings in the area are forced to move due to rising rents.

Mitigation measures described in the *CEQR Technical Manual* to address such adverse effects include actions such as providing appropriate, comparable space as part of development projects, either on-site or off-site but within a reasonable distance of the current location of the units that would be displaced; contributions to tenant advocacy groups; or enacting laws and regulations to prevent indirect displacement from occurring. In the case of the East 125<sup>th</sup> Street Development, a significant amount of affordable housing is proposed onsite. Further measures that could mitigate indirect residential displacement impacts caused by the proposed action could include HPD working with local Community Development Corporations to counsel displaced tenants and connect them to affordable housing resources. Another option for mitigation to address the potential for secondary displacement would be for HPD to continue to utilize publicly controlled properties in the community for the development of affordable housing, and to target a certain percentage of affordable units constructed on publicly-controlled property for local residents. Even with the implementation of such mitigation measures to address the potential for secondary displacement, some degree of potential indirect residential displacement resulting from the East 125<sup>th</sup> Street Development might remain unmitigated.