Chapter 3: Socioeconomic Conditions

A. INTRODUCTION

This chapter assesses the proposed action's potential impacts on the socioeconomic character of the area within and surrounding the project site. As described in the 2012 *City Environmental Quality Review (CEQR) Technical Manual*, the socioeconomic character of an area includes its population, housing, and economic activities. Socioeconomic changes may occur when a project directly or indirectly affects any of these elements.

The proposed actions would permit a range of development within the rezoning area; therefore two Reasonable Worst-Case Development Scenarios (RWCDS) have been developed to represent potential development that could result from the proposed actions—RWCDS 1 and RWCDS 2. Under both scenarios, the proposed actions would result in the displacement of some existing uses within the rezoning area, and would introduce residential, retail, hotel, and parking uses. RWCDS 1 would add 1,189 residential units, 181 hotel rooms, 42,000 gross square feet (gsf) of retail, and up to 500 spaces of below-grade public parking to the project site. RWCDS 2 would result in the development of 848 residential units, 466 hotel rooms, 110,000 gsf of retail, 30,000 gsf of community facility space, as well as up to 500 spaces of below-grade public parking to the project site.

In accordance with *CEQR Technical Manual* guidelines, this analysis considers whether development of these uses could result in significant adverse socioeconomic impacts due to: (1) direct displacement of residential population from the rezoning area; (2) indirect displacement of residential population within a ½-mile study area; (3) direct displacement of existing businesses from rezoning area; (4) indirect displacement of businesses within a ½-mile study area; and (5) adverse effects on a specific industry.

PRINCIPAL CONCLUSIONS

This analysis finds that the proposed actions would not result in significant adverse socioeconomic impacts. The following summarizes the conclusions for each of the five CEQR areas of socioeconomic concern enumerated above.

DIRECT RESIDENTIAL DISPLACEMENT

The proposed actions would not directly displace any residents, and therefore would not result in significant adverse socioeconomic impacts due to direct residential displacement.

INDIRECT RESIDENTIAL DISPLACEMENT

A preliminary assessment finds that the proposed actions would not result in significant adverse impacts due to indirect ~~residential~~ displacement of low- or middle-income residents. The proposed actions would introduce a residential population whose average income would be higher than the overall average income in the ½-mile study area, but similar to the average income of the new population expected to reside in the study area in the future without the proposed actions. The Clinton and Lincoln Square neighborhoods, which are included in the study area, began transitioning from industrial and commercial uses to residential and mixed-use in the 1980s. These trends continued in the following decades, with large developments such as the office and residential Worldwide Plaza development and Riverside South in the 1990s, and luxury residential development in the past decade. There is already an existing trend toward more costly housing throughout the ½-mile study area, and rents and sales prices for market rate housing are already above what is affordable to low- to middle-income households. This trend is expected to continue in the future without the proposed actions, with large planned residential developments such as the first Riverside Center buildings (1,710 units total) and the ~~Durst~~ 625 West 57th Street development directly north of the project site (863 units). Therefore, the proposed actions would not introduce a new trend or accelerate an existing trend of changing socioeconomic conditions in a manner that would have the potential to substantially change the socioeconomic character of the neighborhood. In addition, the proposed actions would add 238 affordable housing units to the study area, which would help ensure housing opportunities for lower-income residents and would ~~maintain~~ encourage a more diverse demographic composition within the study area.

DIRECT BUSINESS DISPLACEMENT

A preliminary assessment finds that the proposed actions would not result in significant adverse impacts due to direct business displacement. The proposed actions would directly displace six businesses located on the project site, including one car dealership, two auto repair businesses, storage facilities for a bike rental business, a pedicab business and a public parking garage containing 1,000 spaces. The proposed actions could also directly displace four businesses located on outparcel sites, including a venture capital business, corporate offices for a grocery store business, corporate offices for an oil and natural gas refining company, and an audio and film production studio on out parcel sites. While these 10 potentially displaced businesses are valuable to the City's economy, supporting an estimated 185 jobs, the products and services they provide are not uniquely dependent on their location within the rezoning area, nor are the businesses the subject of regulations or publicly adopted plans aimed at preserving, enhancing, or otherwise protecting them in their current location. The employment associated with the potentially displaced businesses does not constitute a substantial portion of the ½-mile study area's employment base, and the goods and services offered by these uses can be found elsewhere within the ½-mile study area and within New York City as a whole. None of the potentially displaced businesses provide substantial direct support to other businesses in the study area; all of the potentially displaced businesses draw from a larger customer base than the study area. The 1,000 public parking spaces that would be directly displaced would be replaced by up to 500 parking spaces ~~within the rezoning area~~ on development site 1, and the assessment in Chapter 11, "Transportation," finds that there would be adequate parking capacity within the study area in the future with the proposed actions.

INDIRECT BUSINESS DISPLACEMENT

A preliminary assessment finds that the proposed actions would not result in significant adverse impacts due to indirect business displacement. While the proposed actions would add a substantial amount of residential development to the project site, this would be in keeping with existing trend toward higher-density residential development in Midtown West. The retail added by the proposed actions would support the existing and project-generated populations, as well as the consumer demand that would be added to the study area in the future without the proposed actions. The hotel introduced by the proposed actions would also be in keeping with existing trends in the area. Any upward rent pressure experienced by businesses in the area as a result of residential and hotel development would be present in the future with or without the proposed actions.

ADVERSE EFFECTS ON SPECIFIC INDUSTRIES

A preliminary assessment finds that the proposed actions would not result in significant adverse impacts on specific industries. The 10 businesses that could be directly displaced represent a small portion of the businesses and employment within their industries City-wide, and the goods and services provided by these businesses can be found elsewhere in the City. While the displacement of the pedicab business and the facilities used by the bicycle rental facility could decrease the capacity of these individual businesses to serve their consumers, it would not reduce the overall capacity of the pedicab or bicycle rental industries in the City in a manner that would jeopardize the viability of these industries. Similarly, any potential indirect business displacement that could occur as a result of the proposed actions would be limited, and would not be expected to adversely affect conditions within any City industries.

B. METHODOLOGY

BACKGROUND

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

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

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

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

DETERMINING WHETHER A SOCIOECONOMIC ASSESSMENT IS APPROPRIATE

According to the *CEQR Technical Manual*, a socioeconomic assessment should be conducted if a project may be reasonably expected to create socioeconomic changes in the area affected by the project that would not be expected to occur in the absence of the project. The following screening assessment considers threshold circumstances identified in the *CEQR Technical Manual* and enumerated below that can lead to socioeconomic changes warranting further assessment.

RWCDS 1 would result in development on the project site that includes approximately 1,189 residential apartments, retail uses totaling 42,000 gsf, and a below-grade public parking garage. RWCDS 2 considers the development of approximately 848 residential units, public parking, 466 hotel rooms, 110,000 gsf of retail, and 30,000 gsf of community facility space within the rezoning area. This analysis considers the potential impacts of both scenarios, as RWCDS 1 would result in the maximum number of residential units and RWCDS 2 would result in the maximum amount of commercial development.

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

   Neither the proposed project site nor the projected development sites contain residential uses. Therefore, the proposed actions would not directly displace any residents, and an assessment of direct residential displacement is not warranted.

2. ***Direct Business Displacement: Would the project directly displace more than 100 employees? If so, assessments of direct business displacement and indirect business displacement are appropriate.***

   The proposed actions could result in the direct displacement of more than 100 employees; therefore assessments of direct business displacement and indirect business displacement are necessary.

3. ***Direct Business Displacement: Would the project directly displace a business whose products or services are uniquely dependent on its location, are the subject of policies or plans aimed at its preservation, or serve a population uniquely dependent on its services in its present location? If so, an assessment of direct business displacement is warranted.***

   The proposed actions could result in the direct displacement of more than 100 employees. Therefore, an assessment of direct business displacement is warranted to determine if the proposed actions could displace any businesses whose products or services are uniquely dependent on their locations, are the subject of policies or plans aimed at its preservation, or serve a population uniquely dependent on their services in their present locations.

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

   The proposed actions would introduce residential uses in excess of 200 units; therefore, an assessment of potential indirect residential displacement is warranted.

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

   The proposed actions would not introduce retail uses in excess of 200,000 gsf; therefore, an assessment of potential indirect business displacement due to retail market saturation is not warranted.

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

   As the proposed actions could result in the direct displacement of 10 businesses as well as development warranting an assessment of indirect displacement, an assessment of adverse effects on specific industries is necessary.

Based on the screening assessment presented above, the proposed actions warrant analyses of direct business displacement, indirect residential displacement, indirect business displacement due to increased rents, and adverse effects on specific industries.

ANALYSIS FORMAT

Based on *CEQR Technical Manual* guidelines, the analyses of direct business displacement, indirect residential displacement, indirect business displacement, and adverse effects on specific industries begin with a preliminary assessment. The objective of the preliminary assessment is to learn enough about the potential effects of the proposed actions to either rule out the possibility of significant adverse impacts or determine that a more detailed analysis is required to fully determine the extent of the impacts. A detailed analysis, when required, is framed in the context of existing conditions and evaluations of the future without the proposed actions and the future with the proposed actions by the project Build year. In conjunction with the land use task, specific development projects that occur in the area in the future without the proposed actions are identified, and the possible changes in socioeconomic conditions that would result, such as potential increases in population, changes in the income characteristics of the study area, new residential developments, possible changes in rents or sales prices of residential units, new commercial or industrial uses, or changes in employment or retail sales. Those conditions are then compared with the future with the proposed actions to determine the potential for significant adverse impacts.

A preliminary assessment was sufficient to conclude that the proposed actions would not result in any significant adverse socioeconomic impacts due to direct business displacement, indirect residential displacement, indirect business displacement, or adverse effects on specific industries.

STUDY AREA DEFINITION

According to the *CEQR Technical Manual*, the socioeconomic study area typically reflects the land use study area, and should reflect the scale of the project relative to the area's population. The *CEQR Technical Manual* explains that for projects that would increase the population by more than 5 percent as compared with the population expected to reside in the ¼-mile study area in the No Action condition, a ½-mile study area is appropriate. As detailed in Chapter 1, "Project Description," RWCDS 1 would result in 1,189 new residential units, which would increase the population of the ¼-mile study area by more than 5 percent. Therefore, the study area for socioeconomic conditions approximates a ½-mile perimeter around the project site. Because the analysis examines population and income data, the ½-mile area was modified to reflect census tract boundaries. The ½-mile socioeconomic study area includes Census Tracts 135, 133, 139, 147, 145, and 151 (see **Figure 3-1**).

DATA SOURCES

For the direct and indirect business displacement analyses, employment data were obtained from ESRI, a commercial data provider. Land use and parcel data were collected from the New York City Department of Finance's Real Property Assessment Data (RPAD) 2012 database.

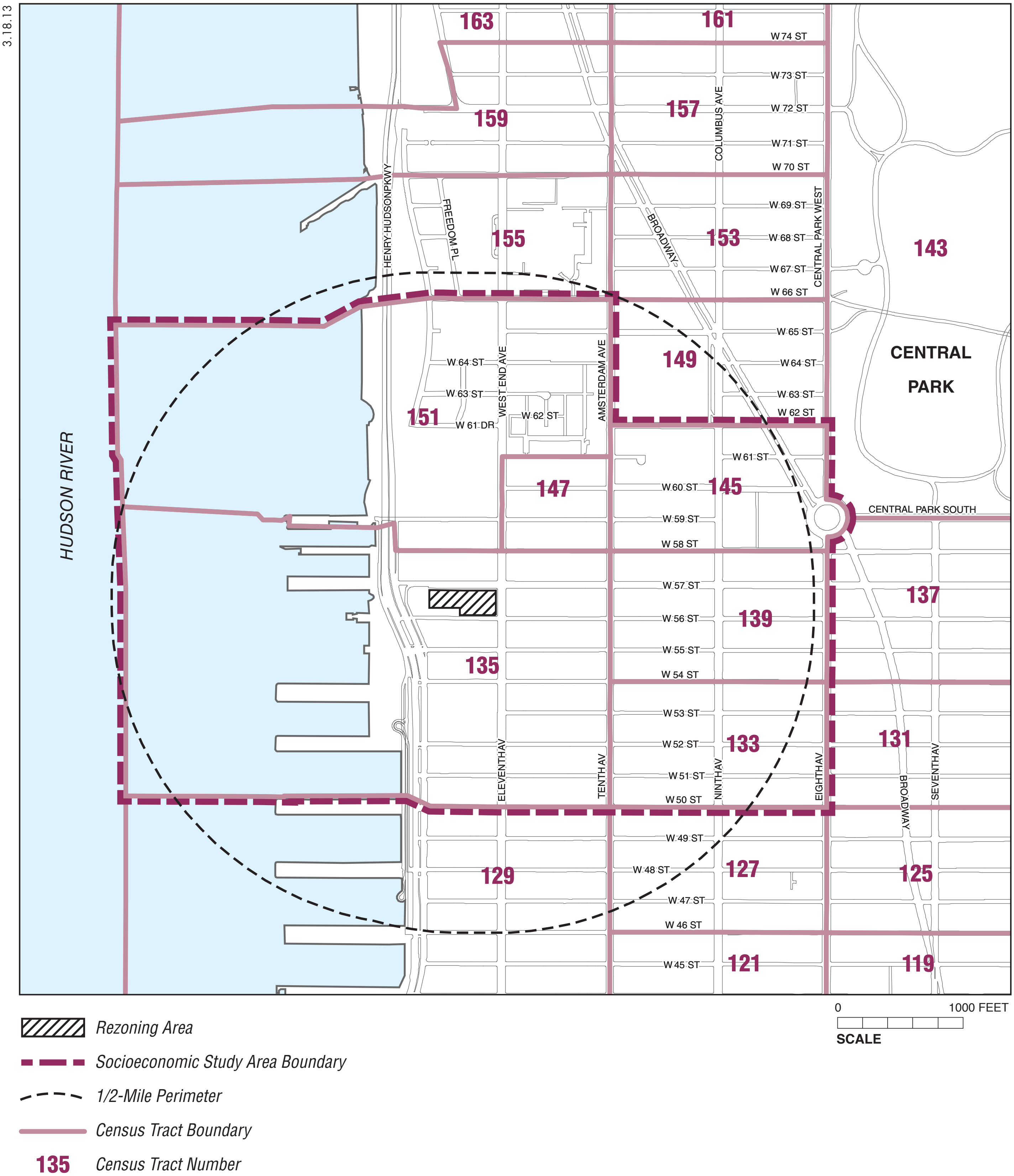
For the indirect residential displacement analysis, population and income data were obtained from the U.S. Census Bureau's 2000 and 2010 Census and the 2007-2011 American Community Survey (ACS). Additional population and income data were obtained from ESRI. Real estate data were obtained from Prudential Douglas Elliman Real Estate and Miller Samuel Inc., MNS Real Estate, The New York Times online, and Streeteasy.com. Low income limits for New York County were obtained from the New York State Housing Finance Agency (HFA) website, accessed on April 8, 2013.

The analyses are also supported by field visits to the study area conducted by AKRF staff in March 2013.

C. PRELIMINARY ASSESSMENT

DIRECT BUSINESS DISPLACEMENT

The *CEQR Technical Manual* defines direct business displacement as the involuntary displacement of businesses from the site of (or a site directly affected by) a proposed action. As described in Chapter 1, "Project Description," both RWCDS 1 and RWCDS 2 would result in the direct displacement of some existing businesses within the rezoning area. Based on field visits conducted by AKRF, it was determined that the amount of employment associated with the potentially displaced businesses could exceed the 100-employee *CEQR Technical Manual* threshold warranting a preliminary assessment. Therefore, a preliminary assessment of direct business displacement was conducted which evaluates the employment and business value characteristics of the affected businesses to determine the significance of the potential impact.



Socioeconomic Study Area
Figure 3-1

This preliminary assessment starts with a profile of the employment within a ½-mile study area surrounding the project site.

STUDY AREA EMPLOYMENT

As of January 2012, there were an estimated 52,406 employees working in the ½-mile study area (see **Table 3-1**). These employees represented approximately 2.4 percent of Manhattan's total employment, and 1.4 percent of the employment in all of New York City. The private industry sectors with the highest employment in the study area were the Information sector (14.3 percent of total employment in the study area), followed by the Professional, Scientific, and Technical Services sector (14.1 percent) and the Retail Trade Sector (13.7 percent).

Table 3-1
Estimated Employees in ½-Mile Study Area, Manhattan, and New York City

Type of Job by NAICS Category	Study Area		Manhattan		New York City	
	Employees	Percent	Employees	Percent	Employees	Percent
Agriculture, forestry, fishing and hunting	8	0.02%	562	0.03%	1,595	0.04%
Mining	6	0.01%	514	0.02%	772	0.02%
Utilities	135	0.26%	3321	0.15%	4,561	0.12%
Construction	465	0.89%	36,921	1.69%	114,239	3.01%
Manufacturing	1,384	2.64%	77,957	3.56%	146,456	3.86%
Wholesale trade	612	1.17%	51,776	2.37%	120,018	3.16%
Retail trade	7,191	13.72%	232,473	10.62%	432,984	11.41%
Transportation and warehousing	645	1.23%	28,490	1.30%	96,027	2.53%
Information	7,517	14.34%	160,395	7.33%	187,167	4.93%
Finance and insurance	838	1.60%	270,708	12.37%	316,191	8.33%
Real estate and rental and leasing	1,754	3.35%	88,056	4.02%	143,981	3.79%
Professional, scientific, and technical services	7,365	14.05%	340,505	15.56%	405,000	10.67%
Management of companies and enterprises	43	0.08%	30771	1.41%	32,132	0.85%
Administrative and support and waste management and remediation services	986	1.88%	91,270	4.17%	132,563	3.49%
Educational services	5,871	11.20%	109,771	5.02%	337,391	8.89%
Health care and social assistance	3,040	5.80%	207,843	9.50%	500,871	13.20%
Arts, entertainment, and recreation	6,482	12.37%	60,542	2.77%	77,188	2.03%
Accommodation and food services	3,971	7.58%	195,302	8.92%	331,181	8.73%
Other services (except public administration)	2,377	4.54%	111,897	5.11%	229,126	6.04%
Public administration	721	1.38%	52,139	2.38%	130,521	3.44%
Unclassified establishments	995	1.90%	37,171	1.70%	55,688	1.47%
Total	**52,406**	**100%**	**2,188,384**	**100%**	**3,795,652**	**100%**

Source: ESRI Business Analyst Online, Inc., Business Summary Report, January 2012 data.

Profile of Potentially Displaced Businesses on Projected Development Sites

There are approximately 10 businesses that could be displaced by the proposed actions; six are located on the proposed project site, and four are located on the projected development sites within the rezoning area (see **Table 3-2**).[1] By industry sector, Other Services businesses represent the largest share of potentially displaced businesses (3 of the 10 businesses), followed by Management of Companies and Services businesses (2 of the 10 businesses). There is one potentially displaced business within each of the following sectors: Retail Trade; Transportation and Warehousing; Information; Finance and Insurance; and General Warehousing and Storage.

Table 3-2
Directly Displaced Employment by Industry Sector

NAICS	NAICS Category	Businesses		Employees	
		Number	Percent of Total	Number	Percent of Total
44	Retail Trade	1	10.0%	39	21.1%
48	Transportation and Warehousing	1	10.0%	2	1.1%
49	General Warehousing and Storage	1	10.0%	2	1.1%
51	Information	1	10.0%	5	2.7%
52	Finance and Insurance	1	10.0%	40	21.6%
55	Management of Companies and Enterprises	2	20.0%	80	43.2%
81	Other Services (Except Public Administration)	3	30.0%	17	9.2%
	Total	**10**	**100.0%**	**185**	**100.0%**

Source: AKRF, Inc., March 2013

The 10 businesses provide jobs for an estimated 185 workers, comprising less than one percent (approximately 0.35 percent) of the total study area employment. As shown in **Table 3-2**, the largest share of potentially displaced employment by sector is within the Management of Companies and Enterprises Sector, with an estimated 80 employees or 43.2 percent of the total displaced employment. The one business in the Retail Trade sector is a car dealership, which accounts for an estimated 39 employees, or 21.1 percent of the total displaced employment. Because the businesses in the Other Services category are two automotive repair businesses and a parking garage, which have relatively low employment densities, their share of the total displaced employment is relatively small (17 employees or 9.2 percent).

CEQR ASSESSMENT CRITERIA

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

1. Do the businesses that would be displaced provide products or services essential to the local economy that would no longer be available in their "trade areas" to local residents or businesses due to the difficulty of either relocating the businesses or establishing new, comparable businesses?

[1] Although Block 1104 Lot 36 contains several businesses that are located in the rezoning area, these businesses are not considered in the analysis of direct business displacement as they are not located on the proposed project site or the projected development sites and would not be displaced under RWCDS 1 or RWCDS 2. In addition, the Lexus dealership located at 827 Eleventh Avenue will relocate to a new facility in the area in the future without the project, and is therefore not considered in the analysis of direct business displacement.

Retail Trade Sector

The one retail establishment that would be displaced from the project site is an Acura car dealership. Within the ½-mile study area, motor vehicle and parts dealers account for approximately 1.9 percent of all businesses, a higher percentage than in Manhattan (0.2 percent) and New York City as a whole (0.6 percent). While this business does not represent a large share of total businesses in the study area or Manhattan, it is a part of a cluster of car dealerships in the study area stretching along Eleventh Avenue from West 47th Street to West 57th Street. According to ESRI data, motor vehicle and parts dealers in the ½-mile study area account for approximately 19 percent of those in Manhattan.

The Acura dealership that would be displaced by the proposed project would be relocated to a site just outside the study area, but within a ½-mile perimeter of the rezoning area. In addition, based on ESRI data, customers would have 45 other comparable businesses to choose from within the ½-mile study area, and 249 others within Manhattan. Therefore, the products and services provided by this displaced business would continue to be available to local customers elsewhere in the trade area.

Transportation and Warehousing

The business in the Transportation and Warehousing sector that would be displaced from the project site is a pedicab company. The company primarily uses the space for storage of the pedicabs, which provide services throughout Manhattan. As the consumer base is not drawn primarily from the ½-mile study area, this business, while valuable to the economy of the City, is not essential to the economy of the ½-mile study area. In addition, the function of this facility is not uniquely dependent on its location in the study area. For these reasons, the displacement of this business would not adversely affect the economy of the study area.

General Warehousing and Storage

The business that would be displaced from the project site that is categorized as General Warehousing and Storage is a warehouse and storage facility for a bicycle rental company (Bike and Roll). As the facility within the rezoning area is a warehouse for the larger bicycle rental business, the services it provides are not essential to the local economy. The bicycle rental business has locations throughout New York City where the business operations take place and from which it draws its customer base. Therefore, the displacement of this facility would not be expected to adversely affect the economy of the study area.

Information

The business in the Information sector that could be displaced from an out parcel site is an audio and film production studio. The displacement of one audio and film production studio is not expected to have adverse impacts on the local business community, as its client base extends beyond the ½-mile study area. Therefore, while this business is valuable to the City's economy, the local economy does not depend on its services for its viability. In addition, the services provided by this business are not unique to the study area; there are clusters of film production businesses elsewhere in Manhattan. As the services provided by the audio and film production company are not contingent on the businesses location in the study area, the potentially displaced business could maintain its existing client base and continue to provide similar services if it were to relocate within the study area or elsewhere in New York City.

Finance and Insurance

The business in the Finance and Insurance sector that could be displaced from an out parcel site is a venture capital company. Venture capital businesses are not dependent on one location, as their client bases typically extend well beyond a local area. Therefore, while this business is valuable to the City's economy, these types of businesses do not provide services essential to the local economy and the venture capital business in the rezoning area could continue to provide its services and maintain its existing client base at other locations within or outside of the study area. In addition, this sector is not a defining part of the study area economy. The Finance and Insurance sector represents only 3.1 percent of businesses in the ½-mile study area, while it accounts for 6.5 percent of businesses in Manhattan and 5.1 percent of businesses in New York City as a whole. Therefore the potential displacement of this business would not alter a defining element of the area's socioeconomic character.

Management of Companies and Enterprises

The two businesses in the Management of Companies and Enterprises Sector that could be displaced from out parcel sites are corporate offices for Gristedes grocery stores and United Refining Energy Corporation. These businesses' locations in the rezoning area account for an estimated 80 employees. As these businesses are offices for companies that conduct sales activities throughout the City and beyond, they are not dependent on their locations for customers, nor are their services essential to the local economy. Therefore, the potential displacement of these offices would not be expected to negatively affect their ability to provide products or services, nor would it negatively affect the economy of the study area.

Other Services

The three businesses that would be displaced from the project site that are classified as Other Services are two automotive repair businesses and one parking garage. According to ESRI data, there are 630 other automotive repair and maintenance businesses in Manhattan, indicating that the services provided by the auto repair businesses are not unique to their trade area and that these services could easily be obtained elsewhere by local residents and businesses. In addition, the auto repair businesses' location in the study area is not imperative to their viability, as the demand for auto repair services are not unique to the Clinton or Lincoln Square neighborhoods.

The parking use that would be displaced is not unique; public parking facilities are widely available within the study area. As discussed in Chapter 11, "Transportation," there are 18 off-street parking facilities in the ¼-mile study area providing a total of approximately 3,651 spaces. Both RWCDS 1 and RWCDS 2 would result in the development of up to 500 parking spaces within the rezoning area. These spaces, combined with existing off-street parking facilities in the ¼-mile study area which operate with available capacities would be able to accommodate the patrons that would no longer be able to use the existing parking facilities on the projected development sites. The loss of these existing on-site parking spaces would not significantly affect the consumer base of any businesses outside the rezoning area; the area is well-served by public transit, and neighborhood retail and service establishments generally are not dependent upon auto-generated customer trips.

In sum, the products and services of the businesses to be displaced are not essential to the local economy. While none of these businesses depend on their location in the rezoning area for their viability, they are expected to be able to relocate elsewhere within New York City and may be able to relocate within the study area.

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

The potentially displaced businesses are not the subject of regulations or publicly adopted plans to preserve, enhance, or otherwise protect their business categories.

CONCLUSION

Given that the uses that could be directly displaced by the proposed actions represent only a small portion of the study area employment (approximately 0.35 percent), are not critical to local businesses and residents of the study area, and are not the subject of regulations or publicly adopted plans to preserve, enhance, or protect them, the proposed actions would not result in significant adverse direct business displacement impacts, and no further analysis is warranted.

INDIRECT RESIDENTIAL DISPLACEMENT

Indirect residential displacement usually results from substantial new development that is markedly different from existing uses and activity in an area, which causes increased property values in the area. Increased property values can lead to increased rents, which can make it difficult for some existing residents to remain in their homes. The indirect residential displacement assessment aims to determine whether the proposed actions would either introduce a trend or accelerate an existing trend of changing socioeconomic conditions that may have the potential to displace a residential population and substantially change the socioeconomic character of the neighborhood. This preliminary assessment follows the step-by-step preliminary assessment guidelines of the *CEQR Technical Manual*.

Step 1: Determine if the expected average incomes of the new population would be higher than the average incomes of the existing population and any new population expected to reside in the study area in the future without the proposed actions.

As shown in **Figure 3-1**, the ½-mile socioeconomic study area is roughly bounded by West 66th Street and West 62nd Street to the north, Eighth Avenue to the east, West 50th Street to the south, and the Hudson River to the west, and includes portions of the Manhattan neighborhoods of Clinton in the south and Lincoln Square in the north. Lincoln Square, anchored by the Lincoln Center for the Performing Arts, has an established high-end residential market. The Clinton neighborhood, formerly known as Hell’s Kitchen, has been experiencing a transition from manufacturing and other industrial uses to a more mixed-use community since the 1980s, anchored by the 57th Street corridor. Redevelopment and population growth affected the eastern portion of the study area first, with developments like the Regent, the Beaumont, and Lincoln Tower Plaza built in the 1980s. As the area farther west transitioned from an industrial and commercial district to an increasingly desirable residential neighborhood, new residential towers have attracted professionals who value proximity to Midtown offices.

Development since 2000 has increasingly spread to the west, with buildings like the 597-unit Helena rental development built in 2003, the 371-unit Westport rental development built in 2002, the 83-unit Dillon condo development built in 2010, the 95-unit Griffen Court condo development built in 2010, and the 864-unit Mercedes House rental development built in 2011, all west of Ninth Avenue. Development in the northern portion of the study area includes the Riverside South project, an ongoing residential development on a portion of the former Hudson River Railroad freight yard between West 60th Street and West 72nd Street. Several buildings have been completed in the study area as a part of this development, including the 264-unit

Avery at 100 Riverside Boulevard, the 277-unit Trump Place at 120 Riverside Boulevard, the 286-unit Aldyn at 60 Riverside Boulevard, the 289-unit Rushmore at 80 Riverside Boulevard, and the 209-unit Ashley at 400 West 63rd Street.

The study area also includes the Harborview Terrace Campus, a 377-unit New York City Housing Authority (NYCHA) public housing development, and the 1,084-unit Amsterdam Campus and 174-unit Amsterdam Addition Campus. The concentration of primarily low-income households in these campuses contributes to the slightly lower average household income for the study area as compared with Manhattan. As shown in **Table 3-3**, between 2007 and 2011 the average household income for the ½-mile study area was $130,122, substantially higher than the average for New York City as a whole ($82,834).

Table 3-3
Average Household Income (1999, 2007-2011)[1]

Area	1999	2007-2011	Percent Change
Study Area[2,3]	$140,133	$130,122	-7.1%
Manhattan	$126,911	$131,057	3.3%
New York City	$84,223	$82,834	-1.6%

Notes: 1. The ACS collects data throughout the period on an on-going, monthly basis and asks for respondents' income over the "past 12 months." The 2007-2011 ACS data therefore reflects incomes over 2007 and 2011, while Census 2000 data reflects income over the prior calendar year (1999). The average household income for both time periods is presented in 2013 dollars using an average of the U.S. Department of Labor's January 2013 Consumer Price Index for the "New York-Northern New Jersey-Long Island Area."

2. Average household income for the study area was estimated based on a weighted average of mean household income for the census tracts in the study area.

3. The Census 2000 boundary of Census Tract 151 includes several blocks north of West 66th Street that are not included in the Census 2010 boundary of Census Tract 151 (used in 2007-2011 ACS estimates). These blocks include the Riverside South residential development, several buildings of which would have been built by the time the 2000 Census data was collected. These households are therefore included in the 1999 income estimates, but not in the 2007-2011 estimates.

Sources: U.S. Census Bureau, 2000 Census, Summary File 3; 2007-2011 American Community Survey; U.S. Department of Labor Bureau of Labor Statistics; AKRF, Inc.

Since 1999, the average household income in the study area has decreased by 7.1 percent, while average household incomes in Manhattan as a whole increased by 3.3 percent. Average household income decreased in New York City as a whole over the same time period. The decrease in average household income within the study area is largely due to changes in the census tract boundaries between 2000 and 2010, rather than an actual decline in household incomes. The estimate of study area household income in 1999 is based on Census 2000 tracts that include several blocks north of West 66th Street between Freedom Place and Riverside Boulevard. As a result of Census 2010 tract boundary adjustments, this area is excluded from the 2010 data. These blocks are occupied by the Riverside South site, which include two Trump Place luxury residential developments that were completed by the time the 2000 census data was collected—the 372-unit tower at 200 Riverside Boulevard and the 516-unit tower at 180 Riverside Boulevard. As these developments (and subsequently developed Riverside residential towers) are not included in the 2010 income estimate, which includes portions of the Riverside South site that have yet to be developed, 2010 average household incomes for the study area appear to have decreased compared to 2000 data.

ESRI Business Analyst estimates Census and ACS data for any defined study area, regardless of census tract boundaries.[1] According to ESRI data for the ½-mile socioeconomic study area, the average household income of the study area increased by 2.4 percent between 1999 and 2005 to 2009, the most recent year that ESRI ACS income data is available.

As shown in **Table 3-4**, nearly 30 percent of households in the study area had household incomes of $150,000 or more between 2007 and 2011, more than in Manhattan and New York City as a whole. Between 1999 and 2007 to 2011, the study area experienced a higher percentage point increase in households with incomes of $150,000 or more than Manhattan and New York City. The number of households earning $150,000 or more in 2010 would likely be higher if the 2010 census tract boundaries matched the 2000 boundaries. The study area also had a lower proportion of households with incomes less than $50,000 than in Manhattan and New York City as a whole. It should be noted that many of these lower income households in the study area live in protected housing (such as the Harborview Terrace Campus and the Amsterdam and Amsterdam Addition Campuses). These households would therefore not be vulnerable to any indirect displacement pressure caused by new residential development causing rents to rise.

Table 3-4
Household Income Distribution (1999, 2007-2011)

	Less than $25,000		$25,000 - $50,000		$50,000 - $100,000		$100,000 - $150,000		$150,000 or more	
Area	**1999**	**2007-2011**	**1999**	**2007-2011**	**1999**	**2007-2011**	**1999**	**2007-2011**	**1999**	**2007-2011**
Study Area	25.6%	22.6%	21.3%	14.0%	25.8%	23.1%	11.5%	12.7%	15.8%	27.5%
Manhattan	30.2%	23.9%	21.7%	16.4%	24.2%	23.2%	9.9%	12.7%	14.0%	23.8%
New York City	34.9%	27.3%	25.7%	21.6%	25.7%	27.1%	7.8%	12.1%	5.9%	11.9%

Sources: U.S. Census Bureau, 2000 Census, Summary File 3; 2007-2011 American Community Survey.

The household income distribution reflects residential trends in the study area since 2000, which represent a continuation of trends of residential development and higher incomes that have affected Clinton and Lincoln Square since the 1980s. As described above, redevelopment and population growth affected the eastern portion of the study area first, and moved west as the area farther transitioned from an industrial and commercial district to an increasingly desirable residential neighborhood professionals working in Midtown. Riverside South and the redevelopment of the Hudson River waterfront continued the trend in the northwest portion of the study area. More recent developments have been spread throughout the study area, and according to RPAD data, 19 percent of residential units in the ½-mile study area were built in 2000 or later. Developments in Clinton, in the southern portion of the study area include the 83-unit Dillon condo development at 425 West 53rd Street, the 95-unit Griffen Court condo development at 454 West 54th Street, and the 864-unit Mercedes House rental development at 550 West 54th Street. In the east, closer to Columbus Circle, the 301-unit Sessanta rental development at 229 West 60th Street was completed in 2009. The northern portion of the study area is experiencing ongoing residential development at Riverside South. These newer developments are priced at the high end of the market, and have introduced more affluent households to the study area.

[1] ESRI estimates data for polygon study areas using Census block or block group centroids to approximate the polygon and proportional weights to assign data values.

A survey of current market-rate rentals in Clinton and Lincoln Square found that rental rates for studios generally range from $1,424 to $6,595 per month in Clinton, and from $1,425 to $4,200 in Lincoln Square. One-bedroom units generally range from $2,000 to $6,500 per month in Clinton and from $2,400 to $6,995 in Lincoln Square. Rental rates for two-bedroom units range from $2,350 to $7,695 per month in Clinton, and from $2,600 to $8,788 in Lincoln Square. Rental rates for three-bedroom units range from $3,490 to $12,500 per month in Clinton, and from $3,000 to $15,495 in Lincoln Square.[1]

According to the MNS *Manhattan Rental Market Report* from February 2013, which provides mean rental rates for neighborhoods within Manhattan, the mean rental rates for doormen buildings in Midtown West are $2,769 per month for studios, $3,739 per month for one-bedroom units, and $5,752 per month for two-bedroom units. Mean rental rates for doormen buildings in the Upper West Side are $2,499 per month for studios, $3,644 per month for one-bedroom units, and $6,281 per month for two-bedroom units. Based on these data, and assuming that households spend 30 percent of their annual income on rent, renters of a studio in the study area would be projected to earn approximately $107,310, renters of a one-bedroom apartment would be projected to earn approximately $148,346, and renters of a two-bedroom apartment would be projected to earn approximately $236,839.[2]

Residential development is expected to continue in the future without the proposed actions. By the 2017 Build year, planned developments will introduce an estimated 4,617 new residential units to the ½-mile study area. The majority of these will be market rate units and will continue the trend of increasing incomes in the study area.

In the With Action condition under RWCDS 1, approximately 1,189 residential units would be introduced to the study area.[3] Assuming an average household size of 1.65 persons (the average household size in Manhattan Community District 4 according to the 2010 Census), these housing units would add an estimated 1,962 residents to the rezoning area at 100 percent occupancy. It is assumed that 238 of the 1,189 residential units would be developed as affordable housing and reserved for low-income tenants. Half of the affordable housing units would be reserved for households earning no more than 40 percent of the area median income, adjusted for family size, and half would be reserved for households earning no more than 50 percent of area median income, adjusted for family size. The affordable housing added by the proposed actions would help ensure housing opportunities for lower-income residents and would maintain a more diverse demographic composition within the study area. The remaining 951 residential units would be market-rate and would be expected to rent at the high end of the study area's price range. In the aggregate, the average household income of the project-generated population—estimated to be $154,240—would be higher than the average household income of the existing study area population.

---

[1] Average rental rates were obtained from searches for apartment listings on Streeteasy.com, Elliman.com, and New York Times Real Estate online conducted on March 12, 2013.

[2] The calculation for the study area is based on weighted averages of Upper West Side and Midtown West mean rents. The 30 percent housing cost assumption is based on U.S. Department of Housing and Urban Development (HUD) definition of affordable housing. According to HUD, families who pay more than 30 percent of their income for housing are cost burdened.

[3] RWCDS 1 is used in the indirect residential displacement analysis because it includes the maximum number of residential units added by the proposed actions.

The average household income of the project-generated population is expected to be comparable to the average income of the new population expected to reside in the study area without the proposed project. However, given the difference between the study area's existing average household income and that of the project-generated population, Step 2 of the preliminary assessment is warranted.

Step 2: Determine if the project's increase in population is large enough relative to the size of the population expected to reside in the study area without the project to affect real estate market conditions in the study area.

According to census data, in 2010 there were 38,664 residents living in the ½-mile study area (see **Table 3-5**). The study area experienced a 17.7 percent rate of population growth between 2000 and 2010, a rate higher than experienced in Manhattan (3.2 percent) and in New York City as a whole (2.1 percent). Due to changes in Census Tract boundaries and the exclusion of a portion of the Riverside South development from the 2010 study area that were included in the 2000 study area, this population increase would likely be higher for the study area than these numbers indicate.

Table 3-5
2000 and 2010 Population

Area	2000	2010	Percent Change
Study Area[1]	32,838	38,664	17.7%
Manhattan	1,537,195	1,585,873	3.2%
New York City	8,008,278	8,175,133	2.1%

Notes: 1. The Census 2000 boundary of Census Tract 151 includes several blocks north of West 66th Street that are not included in the Census 2010 boundary of Census Tract. These blocks include portions of the Riverside South residential development that contained 2,275 residential units in 2013, 940 of which were built after the 2000 Census. The population in these 940 residential units was therefore not included in the 2010 population estimates.
Sources: U.S. Census Bureau, 2000 Census, Summary File 1; 2010 Census, Summary File 1; AKRF, Inc.

Assuming an average household size of 1.65 persons (the average household size in Manhattan Community District 4 according to the 2010 Census), the 1,189 residential units added to the study area under RWCDS 1 would introduce 1,962 new residents to the study area. As shown in **Table 3-6**, when compared with the population expected to reside in the study area in the No Action condition, the proposed actions would result in an estimated 4.24 percent population increase in the ½-mile study area.

Table 3-6
Estimated Population in the ½-Mile Study Area:
No Action and With Action Conditions

	2010	No Action Condition	With Action Condition (RWCDS 1)	Percent Change
Study Area	38,664	46,282	48,244	4.24%

Notes: Population estimates for planned projects in the No Action condition assume an average household size of 1.65 persons, the average household size for Manhattan Community District 4.
Sources: Census 2010, New York City Department of City Planning, AKRF, Inc.

According to *CEQR Technical Manual* methodology, if the project-generated population increase is greater than 5 percent in the study area, Step 3 of the preliminary assessment should be conducted. As this increase approaches the 5 percent threshold defined by the *CEQR Technical Manual*, Step 3 of the preliminary assessment was conducted.

Step 3: Consider whether the study area has already experienced a readily observable trend toward increasing rents and the likely effect of the action on such trends.

As discussed above, the study area has experienced increasing residential development since the 1980s, and this has continued in following decades with new luxury residential development throughout the study area. The Lincoln Square neighborhood has an established high end residential market, anchored by Lincoln Center. The Clinton neighborhood, formerly referred to as Hell's Kitchen, was renamed as part of the transition to a more residential neighborhood. It began attracting professionals working in Midtown in the 1980s, and new residential development and renovations accelerated as crime decreased. Developments in the 1980s included the Regent, the Beaumont, and Lincoln Tower Plaza. Development in the late 1980s and 1990s included Worldwide Plaza, a mixed-use office and residential development on West 50th Street between Eighth and Ninth Avenues, the Long Acre House Apartments at 305 West 50th Street, and the Archstone Midtown West, formerly the Gershwin apartments at 250 West 50th Street. The Riverside South development was approved in 1992, and residential development spread to the west, attracted by the Hudson River waterfront.

Current residential development is increasingly characterized by higher-density, luxury units, with 27 residential buildings built in the study area since 2000, accounting for 18.9 percent of the residential units.[1] According to the *Manhattan Decade Elliman Report,* in Lincoln Square, the median sales price for co-ops increased 33.3 percent between 2003 and 2012, and the median sales price for condominiums increased 113.3 percent. The median co-op sales price in Clinton increased by 35.2 percent during the same time, and the median condominium sales price increased by 139.4 percent. Recent residential developments include the 83-unit Dillon condo development at 425 West 53rd Street, the 95-unit Griffen Court condo development at 454 West 54th Street, the 864-unit Mercedes House rental development at 550 West 54th Street, 301-unit Sessanta rental development at 229 West 60th Street. In addition, the southern portion of the Riverside South site—which is planned for luxury residential development, as described below—is located in the study area.

Real estate trends indicate that Clinton and Midtown West in general are becoming more desirable as residential neighborhoods. The southern portions of the study area primarily appeal to buyers and renters who work in nearby Midtown but have been priced out of the Chelsea and Upper West Side residential markets. According to the *Manhattan Decade Elliman Report* for 2003-2012, condos in Lincoln Square saw the second highest year-over-year gains in average price per square foot in Manhattan during this time (a 9.5 percent increase). Average price per square foot for co-ops in Lincoln Square increased 31 percent between 2003 and 2012, and 83 percent for condos; average price per square foot increased 45 percent for co-ops and 92 percent for condos in Midtown West/Clinton during the same time.

This trend is expected to continue in the future without the proposed actions. By the 2017 Build year, planned developments will introduce 4,617 new residential units to the ½-mile study area. The Durst development at 625 West 57th Street will add 863 residential units (151 affordable and 712 market rate units), the Fordham University Lincoln Center development will add 876 residential units, and the first Riverside Center buildings together will add 1,710 units. The

[1] According to RPAD data.

market rate units that will be added to the study area by 2017 will continue the trend of increasing incomes in the study area.

Collectively, these recent and planned developments indicate that the study area has already experienced a readily observable trend toward increasing rents. The 1,189 residential units added by the proposed actions under RWCDS 1 would represent a continuation of this existing trend. In addition, the 238 affordable units that would be added by the proposed actions would help maintain income diversity in the study area. Therefore, the proposed actions would not introduce a trend in the residential market that would ~~potentially~~ substantially change the socioeconomic character of the neighborhood.

CONCLUSION

The preliminary assessment finds that the proposed actions would not result in significant adverse impacts due to indirect ~~residential~~ displacement of low- or middle-income residents. Though the expected average incomes of the new population would be higher than the average incomes of the existing study area population, the study area has experienced a trend of residential conversion and luxury residential development, indicating an existing trend toward increasing rents. The incomes of the project-generated population would be similar to incomes of the population expected to reside in the study area in the future No Action condition. Furthermore, as discussed above, the study area's average household income is affected by a substantial population living in public housing, and this population would not be vulnerable to upward rent pressures caused by market forces. In addition, the proposed actions would add affordable housing to the study area, which would help ensure housing opportunities for lower-income residents and would maintain a more diverse demographic composition within the study area.

INDIRECT BUSINESS DISPLACEMENT

The preliminary assessment of indirect business displacement focuses on whether the proposed actions could increase commercial property values and rents within the ½-mile study area such that it would become difficult for some categories of businesses to remain in the area. The following three questions (numbered in italics below) address the potential for significant adverse indirect business displacement impacts.

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

RWCDS 2 would introduce the maximum amount of commercial development, including 466 hotel rooms, 35,000 gsf of local retail, 75,000 gsf of destination retail, 30,000 gsf of community facility, as well as public parking. RWCDS 1 would introduce the maximum amount of residential development—1,189 residential units, including 238 affordable units. The proposed actions' residential population would add to the study area's consumer base, but would not introduce a trend that would alter existing economic patterns. As described above, there is already a trend of increasing residential development and consumer demand in the ½-mile study area. This trend will continue in the future without the proposed actions, with an estimated 4,617 new housing units and 7,618 new residents added to the study area by 2017. While the proposed actions would contribute to the trend of increased residential development, the community facility use and retail introduced by the proposed project would satisfy a portion of the study area’s increasing demand for neighborhood goods and services, and in this respect could serve to alleviate upward rent pressures on commercial properties in the surrounding area.

As shown in **Table 3-1** above, as of January 2012, there were an estimated 52,406 employees in the ½-mile study area. Within the study area, the Information sector accounted for the largest share of total employment (14.3 percent), followed by the Professional, Scientific, and Technical Services sector (14.1 percent) and the Retail Trade Sector (13.7 percent). Retail in the study area is concentrated along Ninth, Tenth, and to a lesser extent, Eleventh Avenues. The retail introduced by the proposed actions would represent a 4.6 percent increase over the study area retail square footage in the future without the proposed actions, and would serve the existing residents as well as those introduced by planned projects and the proposed actions. While it is possible that the proposed actions’ residential population and retail uses could lead to increased retail rental rates in the study area, these pressures would be present in the study area in the future with or without the proposed actions due to increased residential development.

Under RWCDS 2, the proposed actions would result in the development of a 285-room hotel on the proposed project site and a 181-room hotel on a projected development site. According to ESRI Business Analyst, the study area has 14 existing hotels with an estimated 470 employees. In addition, in the future without the proposed actions, a 250-room hotel will be built as part of the Riverside South development. Therefore the proposed and projected hotels would not represent new uses in the study area; they would mirror an existing trend toward hotel development in the ½-mile study area, and would not add to a particular sector of the local economy such that it would affect overall ongoing economic trends.

In areas with increasing residential development, industrial businesses can be potentially vulnerable to indirect displacement due to increased rent, as they tend not to benefit directly from the increased consumer dollars in the area and therefore are less able to afford rent increases due to rising property values. The study area’s industrial sectors—including construction, manufacturing, wholesale trade, and transportation and warehousing—collectively make up 5.9 percent of study area employment. This is a smaller share than that in Manhattan (9.0 percent) and New York City as a whole (12.6 percent), and reflects the historic trends of increased residential development and the relocation of industrial uses out of the study area. While some industrial businesses could be displaced due to upward rent pressure, there is no specific industrial business within the study area that is critical to the local economy or that is the subject of regulations or publicly adopted plans to preserve, enhance, or otherwise protect its use. In addition, upward rent pressure is already present in the study area and is expected to increase in the future irrespective of the proposed actions.

The ½-mile study area already has well-established commercial and residential markets, and therefore the proposed actions would not be introducing new economic activities to the proposed project site, the projected development sites or to the study area that would alter existing economic patterns.

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

As discussed in the direct displacement sections above, the proposed actions would directly displace six businesses located on the project site, including one car dealership, two auto repair businesses, storage facilities for a bike rental business, a pedicab business and a public parking garage. The proposed actions could also directly displace four businesses located on out parcel sites, including a venture capital business, corporate offices for a grocery store business, corporate offices for an oil and natural gas refining company, and an audio and film production studio on out parcel sites. Due to the nature of the business sectors represented, all of the potentially displaced businesses draw their customer bases from a larger trade area than the ½-mile study area. The public parking that would be displaced would be replaced by up to 500 parking spaces within the rezoning area, and there would be adequate capacity within the study area in the future with the proposed actions. None of the businesses to be displaced provide substantial direct support to other businesses in the study area, nor do they bring to the area substantial numbers of people that form a customer base for local businesses.

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

As described above, the proposed actions would not directly displace any residents, and the direct business displacement resulting from the proposed actions would not result in a substantial loss of a customer base for existing businesses. In addition, the proposed actions are not expected to result in significant indirect displacement of businesses or residents. The proposed actions would in fact add more residents than the existing workers, increasing the customer base of existing businesses in the study area.

CONCLUSION

While the proposed actions would add a substantial amount of residential development to the project site, this would be in keeping with existing trends toward higher-density residential development in Midtown West. The retail added by the proposed project would support the existing and project-generated population, as well as the residential demand that would be added to the study area in the future without the proposed actions. The hotels introduced by the proposed actions would also be in keeping with existing trends. Any upward rent pressure experienced by businesses in the area would be present in the future without the proposed actions. Therefore, based on *CEQR Technical Manual* guidelines, the proposed project would not result in any significant adverse impacts due to indirect business displacement.

ADVERSE EFFECTS ON SPECIFIC INDUSTRIES

According to the *CEQR Technical Manual*, a significant adverse impact may occur if an action would measurably diminish the viability of a specific industry that has substantial economic value to the City’s economy. An example as cited in the *CEQR Technical Manual* would be new regulations that prohibit or restrict the use of certain processes that are critical to certain industries. As described in “Direct Business Displacement” above, the proposed actions could displace an estimated 10 businesses and 185 employees. These include one car dealership, two auto repair businesses, storage facilities for a bike rental business, a pedicab business, and a parking garage that would be displaced from the project site, and a venture capital business, two corporate offices, and an audio and film production studio that could be displaced from out parcel sites. As described above, The Acura dealership that would be displaced by the proposed project would be relocated to a site just outside the study area, but within a ½-mile perimeter of the rezoning area, and it is expected that the other businesses could relocate elsewhere in New York City and may be able to relocate within the study area. All of the businesses that could be displaced account for small shares of their sectors’ total employment Manhattan and New York City as a whole. Although these businesses are valuable individually and collectively to the City’s economy, the goods and services offered by potentially displaced uses can be found elsewhere within the ½-mile study area and within the City. In addition, as described above, all of the potentially displaced businesses draw their customer bases from a larger trade area than the ½-mile study area. However, the pedicab and bicycle rental facilities support the larger business operations for the pedicab and bicycle rental companies which occur in locations throughout the City. For this reason, the following section considers the issues identified in the *CEQR Technical Manual* (numbered in italics below) to determine whether the displacement of these two facilities would result in significant adverse impacts to the bicycle rental or pedicab industries.

POTENTIAL FOR ADVERSE EFFECTS ON THE PEDICAB INDUSTRY

1. Would the proposed project significantly affect business conditions in the pedicab industry?

In the past ten years, the pedicab industry has grown in New York City. Pedicabs are generally concentrated in Midtown Manhattan and cater to the tourist population. According to a November 2012 Wall Street Journal article, the City Department of Consumer Affairs has licensed 117 pedicab businesses and 1,335 drivers.[1] The pedicab business that would be displaced by the proposed actions would represent a small portion of this larger industry, and would therefore not significantly affect business conditions in the pedicab industry.

2. Would the proposed project indirectly substantially reduce employment or impair the economic viability in the pedicab industry?

The proposed actions would not affect the economic viability or substantially reduce employment in any industry or category of business. The proposed actions would displace a facility used by a pedicab business. The business operations of the pedicab business do not occur at this location, but rather in locations throughout the City where the pedicabs pick up customers. However, their business is in part dependent on the facility within the rezoning area, which provides parking, storage, and support space for the business, in a location near the majority of its business. Therefore, the proposed actions could decrease the business' capacity to serve its consumer base. However, the displacement of the pedicab company would not result in a reduction in the overall capacity of the pedicab industry in the City in a manner that would jeopardize the viability of the industry. The approximately 116 other licensed pedicab businesses in New York City would continue to provide this service in the future with the proposed actions.

POTENTIAL FOR ADVERSE EFFECTS ON THE BICYCLE RENTAL INDUSTRY

1. Would the proposed project significantly affect business conditions in the bicycle rental industry?

The proposed actions would displace a facility used by a bicycle rental business, Bike and Roll. The facility is used as a warehouse for the company, and therefore the business operations of the company do not occur at this location. Bike and Roll has nine separate rental locations throughout Brooklyn and Manhattan, including Governors Island. However, their business is in part dependent on the facility within the rezoning area, which provides parking, storage, and support space for the business, in a location near the entrance to Central Park at Columbus

[1] "Council Set for Pedicab Crackdown." *Wall Street Journal* online: November 25, 2012. Accessed March 20, 2013.

Circle, a major source of business for the company. Therefore, the proposed actions could decrease the business' capacity to serve its consumer base. However, as described above, the function of the warehouse facility used by the bicycle rental business within the rezoning area is not uniquely dependent on its location. As the business has nine other rental locations throughout New York City, the displacement of this facility would not be expected to substantially affect the business' ability to provide products or services. This bicycle rental business, while valuable to the City's economy, represents a small portion of the larger industry. Bike New York, a nonprofit that works to facilitate and promote cycling throughout New York City, lists 35 bicycle rental businesses throughout New York City. The displacement of this business would therefore not significantly affect business conditions in the bicycle rental industry as a whole.

2. Would the proposed project indirectly substantially reduce employment or impair the economic viability in the bicycle rental industry?

As the proposed actions are not expected to result in substantial indirect business displacement, they would not be expected to indirectly substantially reduce employment or impair the economic viability in the bicycle rental industry. In addition, as described above, the displacement of the warehouse facility would not be expected to substantially affect Bike and Roll's ability to provide products or services. As the facility is estimated to represent a small amount of the employees working in Bike and Roll's nine rental locations throughout New York City, the displacement of the warehouse facility for the business would not result in a reduction in the overall capacity of the bicycle rental industry in the City that would jeopardize the economic viability of the industry.

CONCLUSION

Based on this preliminary assessment, the proposed actions would not have the potential to result in significant adverse impacts on specific industries. The businesses that would be directly displaced account for a small fraction of the total employment in the study area, and any indirect displacement would be limited, and would not be expected to affect any specific category of businesses. ✷