



Executive Summary

Introduction

As of January 2020, New York City has remained one of the world’s most popular travel destinations, the third largest hotel market in the United States after Las Vegas and Orlando, and the largest hotel supply pipeline in the nation according to Lodging Magazine. In 2019, New York City drew a record 66.6 million visitors, a 2.4 percent increase over 2018 and reflective of an uninterrupted 12-year run of consecutive increases in visitor counts. 28 million of those visitors stayed in hotels in the city, accounting for over \$13 billion in direct and indirect business sales.

2019 also saw the continuation of an unprecedented boom in hotel development in New York City that began in 2007 and added over 54,100 hotel rooms since that year—a 73 percent increase in supply. While hotels directly supported 305,900 jobs in 2019 and accounted for \$940 million in property tax, \$634 million in hotel occupancy tax, and \$425 million in sales tax in fiscal year 2019, the rapid pace of new hotel development has introduced new activity that may affect neighborhood conditions in unexpected ways by creating conflicts with existing businesses or altering the economic character of in commercial districts. In addition, while hotels are like residential uses in that they primarily contain sleeping accommodations, the transient nature of hotels can change the primarily residential character of some commercially zoned neighborhoods. At the same time, many C8 and mixed-use districts where new hotels have located lack amenities and services, while surrounding business activity and traffic may create hazards for guests.

The rapid growth of new hotels across the city has led to calls from communities and elected officials to better regulate the development of hotels to limit land use impacts and slow the pace of development in some locations. Over time, the City Planning Commission (CPC) has adopted a variety of special permits to address myriad planning concerns relating to residential development goals, neighborhood character, and conflicts with adjacent uses.

Consequently, the City has an inconsistent and patchwork framework for new hotel development.

Although the COVID-19 pandemic caused an abrupt and precipitous drop in hotel occupancy and construction, visitation is expected to return by 2025 along with a demand for new hotels. When this occurs, a more uniform zoning framework for new hotels citywide could support more predictable development and limit the extent to which a hotel use may impair the future use or development of the surrounding area. Review of the project's relationship to area context will/would result in better configuration of the use on the zoning lot to minimize conflicts with adjacent uses.

Accordingly, to create a more consistent zoning framework for new hotels; to address conflicts with nearby commercial, industrial, and residential uses that new transient uses may introduce; and to avoid the potential for hotel development to impair the future use and development of areas around a new hotel, the Department of City Planning (DCP) proposes a citywide zoning text amendment to establish a new ~~special permit~~ Special Permit under the jurisdiction of the CPC for new hotels, motels, tourist cabins, and boatels in C1, C2, C4, C5, C6, C8, and Mixed-Use (MX) and paired M1/R districts. A Special Permit is a discretionary action by the CPC that requires environmental review and is subject to advisory review by the relevant Community Board and Borough President. A Special Permit granted by the CPC is subject to City Council review and the average time is 18 to 36 months to receive approval.

To address the potential loss of hotel inventory citywide related to the closure of hotels due to the pandemic, DCP proposes provisions that will/would allow adaption, expansion of reopening of existing hotels, and modified vesting provisions to allow hotel projects in the development process with a filed application by date of referral and DOB zoning plan approval by the date of adoption to move forward. Applications for hotels filed prior to 2018 must obtain a foundation permit by the date of adoption. In addition, active or recently approved applications with DCP or BSA facilitating new hotels will/would be excluded from the Proposed Action.

The Proposed Action aims to create a more consistent framework for hotel development citywide and to ensure that new hotels are established on appropriate sites, based on reasonable considerations regarding the hotel development's impact on the future use and development of the surrounding area.

Current Zoning Regulations

Hotel Definition

In the NYC Zoning Resolution, transient hotels are defined as a building or part of a building in which:

- › Living or sleeping accommodations are used primarily for transient occupancy, and may be rented on a daily basis;
- › One or more common entrances serve all such living or sleeping units; and
- › 24-hour desk service is provided, in addition to one or more of the following services: housekeeping, telephone, or bellhop service or the furnishing or laundering of linens.

Permitted accessory uses include restaurants, cocktail lounges, public banquet halls, ballrooms, or meeting rooms. Transient hotels are classified as Use Group 5.

Other forms of transient accommodations defined in the NYC Zoning Resolution are motels, tourist cabins, and boatels. These uses are classified as Use Group 7. Motels or tourist cabins are defined as a building or group of buildings which:

- › Contain living or sleeping accommodations used primarily for transient occupancy; and
- › Have individual entrances from outside the building to serve each such living or sleeping unit.

Boatels are defined as a building or group of buildings which:

- › Contain living or sleeping accommodations used primarily for transient occupancy; and
- › Are immediately accessible by boat.

Since there are very few motels, tourist cabins, or boatels in NYC, and because of these limiting factors, few, if any, are expected to be developed in the future. Therefore, this document uses the term “hotel” but will by implication also refer to these other transient accommodations.

Where Hotels Are Allowed As-of-Right

Transient hotels are currently permitted as-of-right in the following zoning districts: C1 (except for C1-1, C1-2, C1-3 or C1-4 Districts), C2¹, C4, C5, C6, and C8. Hotels are also permitted as-of-right in Mixed Use districts (MX), paired M1/R districts, and in M1 zones at the City’s airports. Motels, tourist cabins, and boatels are permitted as-of-right in C6² and C8 districts, and in C2 districts within a 1,000-foot radius of the entrance/exit of a limited-access expressway.

Where Hotels Are Allowed by Special Permit

Zoning Districts

To address land use conflicts, local planning goals, and community concerns related to rapid hotel development, the CPC has adopted a variety of special permits for new hotels in different geographies over the last 15 years (see **Figure 1**).

These areas include certain special districts in mixed-use and amenity-rich areas in Manhattan, such as special districts in Clinton, Hudson Square, Tribeca, Garment Center, and East Midtown, where a site-specific review and CPC approval of new hotels is required to ensure that the hotel use, which has characteristics of both residential and commercial development, does not impair the essential character of the surrounding area or affect the future use and development of the surrounding area by creating conflicts that might limit opportunities for other types of desired uses, such as housing. The proposed Gowanus

¹ In C2-1 through C2-4 districts, transient hotels may be located only within a 1,000-foot-radius of the entrance/exit of a limited-access expressway.

² Except in C6-1A

Neighborhood plan also includes an area-specific hotel special permit that would be replaced by the proposed Citywide Special Permit if approved.

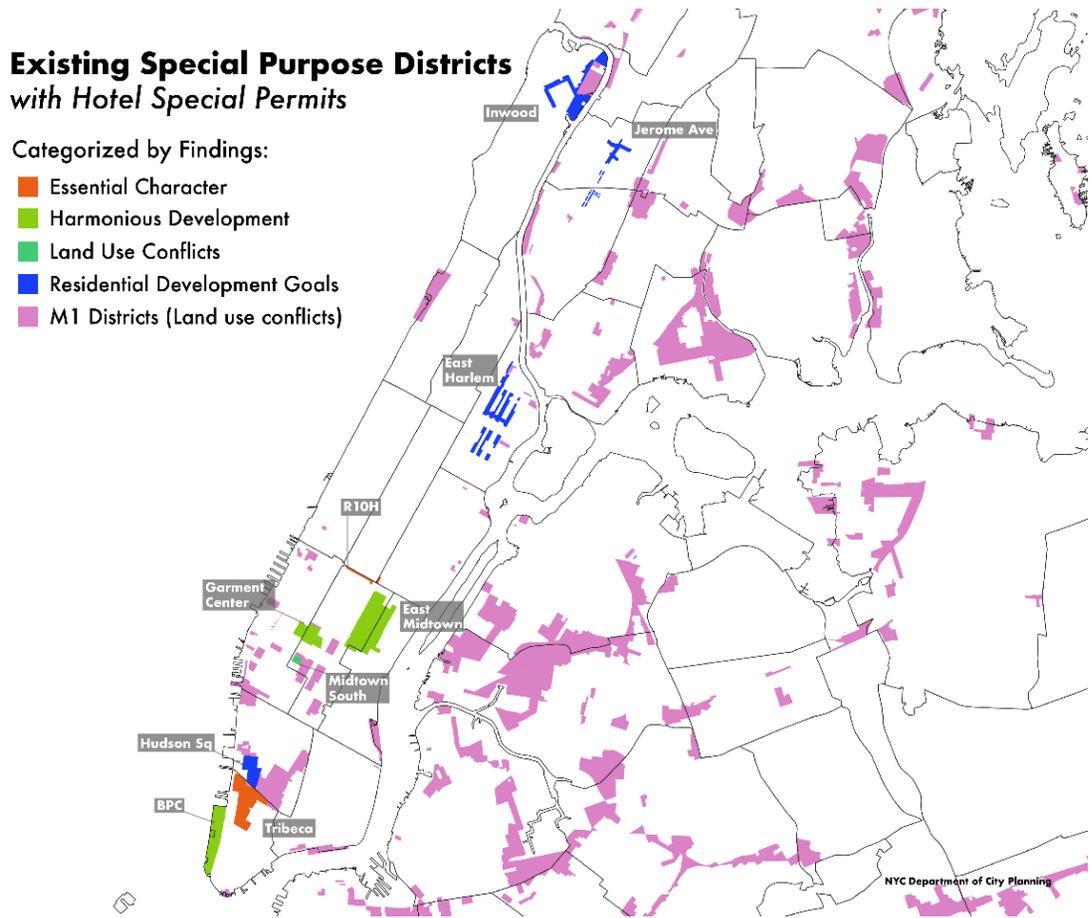
In 2018, the CPC adopted a zoning text amendment to require a ~~special permit~~ Special Permit for new hotels in light manufacturing districts (M1).³ This text amendment was introduced to address conflicts between new hotels and the operations of industrial businesses.

Motels, tourist cabins, and boatels are permitted in C3 districts by special permit.

Special Permit Findings

The existing special permits have a variety of findings, considerations, and applicability (see **Photo 0Table 0Figure 1**). Consequently, the zoning for regulating hotel development citywide is inconsistent, resulting in a framework that establishes different standards for new hotels in different locations without a unified objective for hotel development citywide.

Figure 1 Existing Special Purpose Districts with Hotels Special Permits



Currently, there are four distinct types of hotel special permit findings:

³ This zoning text amendment includes provisions to exempt hotels in M1 districts operated for a public purpose.

- › First is a special permit requirement that ensures a transient hotel is located as not to impair the essential character of, or the future use or development of, the surrounding area, such as in Tribeca.
- › The second type of hotel special permit requires that a hotel development not only achieve a diverse and harmonious mix of uses in the surrounding area, but also demonstrates that the design is appropriate and incorporates elements that are necessary to address any potential conflicts between the proposed use and adjacent uses.
- › The third type of special permit addresses the need for sufficient development sites to be available in the area to meet residential development goals of the surrounding area.
- › Lastly, East Midtown, Hudson Square, and M1 districts citywide, require a CPC special permit to minimize land use conflicts with adjacent uses and the potential to impair the growth and development of other uses.

~~In the past decade, approximately 4,210 rooms were built through DCP facilitated special actions that met the various findings above.~~

Description of the Proposed Action

DCP is proposing a zoning text amendment to require a CPC ~~special permit~~ Special Permit for new and enlarged transient hotels (Use Group 5) and motels, tourist cabins, and boatels (Use Group 7) (see **Appendix A** for proposed zoning text). A special permit is a discretionary action by the CPC, subject to ULURP review, which permits certain uses of modified use, bulk, or parking regulations if certain conditions and findings specific in the Zoning Resolution are met. The process of establishing findings and the approval of these findings is detailed below under **Public Review Process for the Proposed Action**.

The new CPC ~~special permit will~~ Special Permit would replace existing special permits for hotels in Special Purpose Districts. These include the Inwood, Jerome Avenue, East Harlem, Midtown, Garment Center, Hudson Square, 125th Street, Clinton ~~and~~, Tribeca ~~and~~ CPC approved Gowanus Special Purpose Districts.⁴ It would also require a CPC ~~special permit~~ Special Permit citywide for new hotels and enlargements in C1 (except for C1-1, C1-2, C1-3 or C1-4 Districts), C2⁵, C4, C5, C6, C8, Mixed Use (MX), and paired M1/R districts. This is the “Area of Applicability” for the Proposed Action (see **Figure 2**). The proposed text amendment would retain existing findings and regulations for hotels in M1 districts where a special permit was adopted in December 2018. The Proposed Action would also retain provisions adopted in the 2018 text amendment to exempt hotels in M1 districts operated for a public purpose.

The proposed zoning text amendment would affect every community district within the City, since all community districts contain zoning districts that currently permit as-of-right hotel

⁴ Since the application’s referral into public review, the Gowanus Neighborhood Plan (C 210177 ZMK), which has a separate hotel special permit applicable in the new Special Gowanus Mixed Use District, has been approved by the Commission. Consistent with its citywide approach, it is anticipated that the Commission will modify the Citywide Hotels Text Amendment to remove this area-specific hotel special permit in the Gowanus area. The provisions of the Citywide Hotels Text Amendment will apply. This change is administrative and would have no implications for the analysis presented in the EIS.

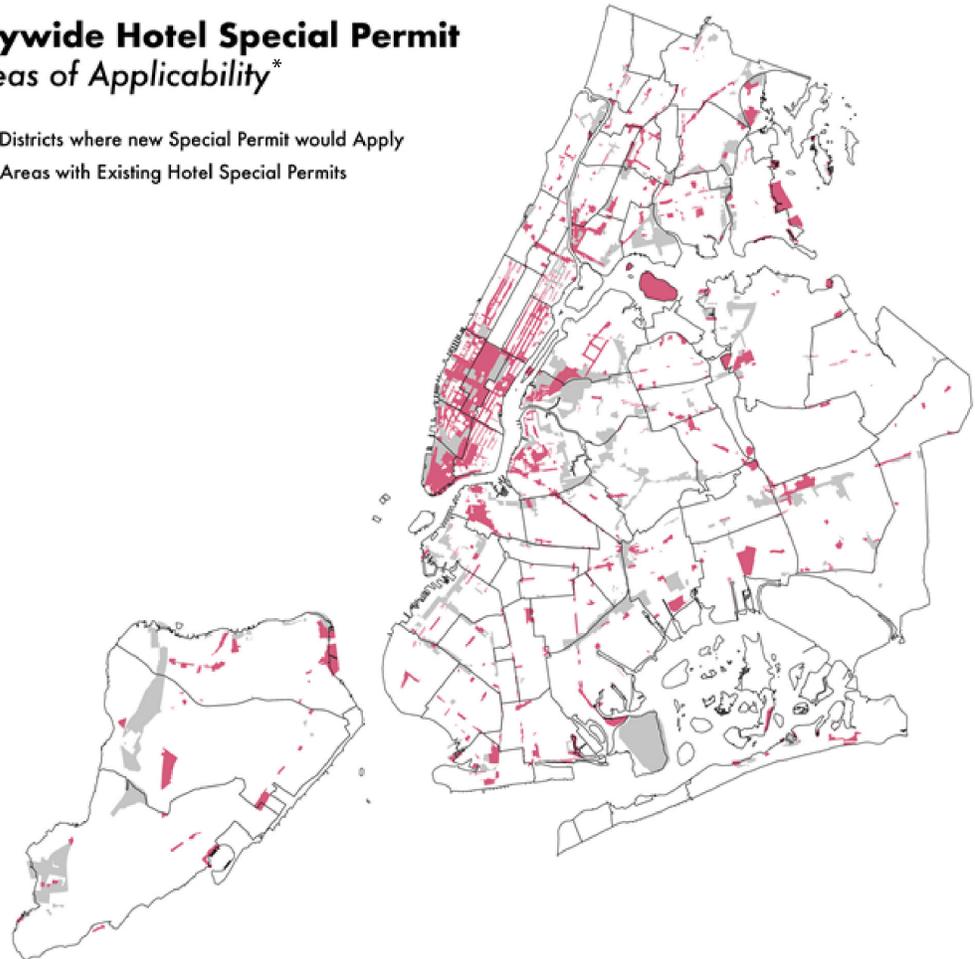
⁵ In C2-1 through C2-4 districts, transient hotels may be located only within a 1,000-foot-radius of the entrance/exit of a limited-access expressway.

development, either in the form of commercial (C) districts or mixed-use (MX) districts. In addition, since changes to discontinuance provisions described below may apply to existing commercial hotels that are closed on the date of enactment and could apply in all districts citywide, the ~~action~~Proposed Action has the potential to affect all community districts.

Figure 2 Areas of Applicability

**Citywide Hotel Special Permit
Areas of Applicability***

- Districts where new Special Permit would Apply
- Areas with Existing Hotel Special Permits



Source: NYC GIS Zoning Features, NYC DCP

Because of the anticipated closure of many of the ~~city's~~City's existing hotels due to the COVID-19 pandemic, DCP proposes several zoning mechanisms to limit the effect of reductions in supply when visitation and hotel demand recovers. These "Recovery Provisions" include the following actions:

- › Existing hotels would be considered conforming uses to allow limited enlargements, alterations, and extensions, and to allow the reconstruction of hotels in the event of damage or destruction.
- › Current zoning that discontinues nonconforming uses that are vacant for two or more years would be suspended for existing hotels in all zoning districts until six years from the date of adoption, thereby allowing hotels existing on the date of enactment to reopen as a hotel without a ~~special permit~~Special Permit.

- › Existing hotels located in any zoning district that are converted to other uses would also be permitted to convert back to a hotel until six years from the date of adoption without obtaining a ~~special permit~~ Special Permit.
- › Hotel projects in the development process with a filed DOB application by the date of referral and DOB zoning plan approval ~~by one year after~~ will/would be vested under current zoning until six years from the date of adoption. However, applications for hotels filed at DOB prior to 2018 must also obtain a foundation permit ~~by~~ within one year after the date of adoption.
- › Projects and land use actions supporting hotel development approved by DCP or BSA after January 1, 2018, or that have filed, including an application for an extension of time to complete construction, with BSA or been ~~approved~~ certified by the CPC before the date of adoption, would be excluded from the Proposed Action until six years from the date of adoption.

Use Group 5 transient uses that are operated for a public purpose, such emergency shelters and certain types of for-profit supportive housing that do not operate as commercial hotels, ~~will/would~~ also be excluded from the proposal. It is a legal obligation of the City to provide shelter to all eligible persons within the five boroughs, and the City must maintain the existing flexibility in zoning that permits temporary housing for the homeless in all districts to ensure it has sufficient capacity to meet census demand for temporary accommodations. This is in line with the Administration’s recently released plan, called “Turning the Tide,” to address homelessness in the City. The plan involves a borough-based approach to shelter siting, as the City seeks to end shelter programs in cluster apartments and commercial hotels (NYC Office of the Mayor, 2017b). Any hotel operated for a public purpose that exists within applicable districts on the date of adoption of the Proposed Action would be permitted to cease its public function and return to operating as a commercial hotel without seeking the proposed ~~special permit~~ Special Permit.

Project Purpose and Need

Prior to 2007, New York City’s supply of hotel rooms had not kept up with demand, resulting in some of the highest occupancy and nightly rates in the country. Between 1997 and 2007, the supply of hotel rooms in Manhattan grew by only 17.7 percent.⁶ When the Brooklyn Bridge Marriott opened in 1998, it was the first new hotel built in Brooklyn in more than 60 years.⁷ Although commercial hotels were permitted without restriction in most commercial and light manufacturing districts across the City, there was little new hotel construction outside the Central Business District. In the years between 2003 and 2006, Manhattan lost hotel supply, with the net inventory of hotel rooms in the borough declining by 3 percent, from approximately 66,630 hotel rooms to 64,590.⁸

However, this began to change in 2007, driven by a rise in tourism and new sources of financing for hotels. New York City has added over 54,000 hotel rooms since that year, a 73 percent increase in supply. This growth was remarkable for its endurance—as evidenced by the five years between 2015 and 2019, which saw over 21,000 hotel rooms come online in

⁶ HVS International, 2010 Manhattan Hotel Market Overview

⁷ Muss Development’s Brooklyn Bridge Marriott to begin \$43 million renovation and reposition; NY Real Estate Journal, May 11, 2015

⁸ HVS International, 2010 Manhattan Hotel Market Overview

the City, a 40 percent increase over the number of rooms that came online during the previous five-year period (see **Figure 3** and **Figure 4**). Another feature of this period of hotel growth has been its occurrence across all five boroughs and not just Manhattan. Since 2010, Queens and Brooklyn have both seen hotel room count increases of over 50 percent, with similar growth rates in the smaller markets of the Bronx and Staten Island. Also noteworthy has been the expansion of hotel development into areas of the city that had never supported substantial hotel development before, including light manufacturing districts in every borough. 2019 saw almost 6,000 new hotel rooms added to the city’s supply, with almost 20 percent of the city’s hotel room inventory outside Manhattan. By 2019, New York City experienced record growth in the tourism industry and its hotel pipeline for the tenth consecutive year⁹. However, in M1 zoning districts, the City’s special permit requirement for new hotels, instituted at the end of 2018, resulted in no new hotel projects in these areas.

Figure 3 NYC Hotel and Room Supply 2009-2019



Source: STR, 2020

In 2019, there were over 127,800 hotel rooms in New York City—an all-time high. The city also attracted a record 67 million visitors that year, giving the New York City hotel market the highest occupancy rates of any major hotel market in the United States. However, New York City was also the only top 25 urban market in the nation that experienced negative growth in Revenue Per Available Room (RevPAR).¹⁰ RevPAR is measured by multiplying average daily rates by hotel occupancy rate. Multiple sources, including STR and the Hotel Association of New York, have recognized increased supply and competition from a broader choice of lodging types as a reason for depressed ADR in the New York market. Increased supply and the availability of short-term rentals also limits hotels’ traditional abilities to charge higher rates during so-called “compression” periods, when room demand is higher.

⁹ NYC&Co., 2019

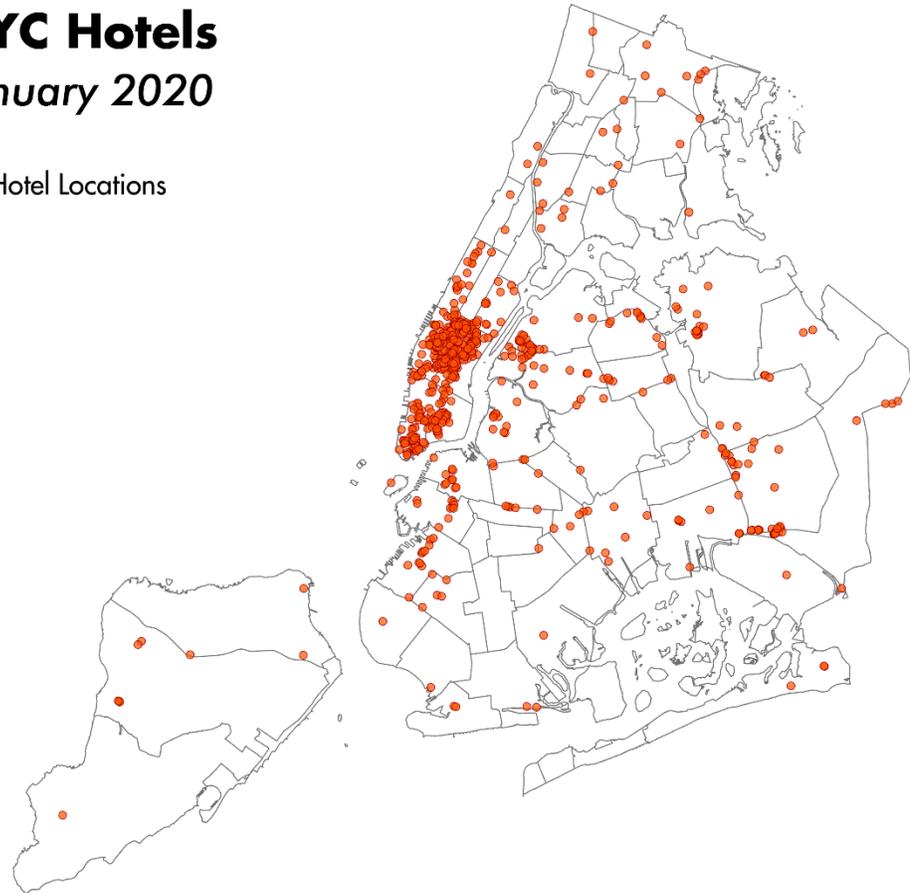
¹⁰ RevPAR is a metric calculated by dividing a hotel’s total guestroom revenue by the room count and number of days in the period being measured

Hotel industry analysts have also identified many of the same trends that are affecting the hotel industry nationwide, most notably high labor costs and third-party commission fees, to be the cause of decline of profitability of hotels in New York City.¹¹

Figure 4 NYC Hotels in January 2020

NYC Hotels January 2020

● Hotel Locations



NYC Department of City Planning

Source: STR, 2020

Hotels are an important part of the city's business districts and economy, lodging an estimated 28 million visitors and accounting for \$13 billion in direct and indirect business sales per year. In fiscal year 2019, hotels directly supported 305,900 jobs and accounted for \$940 million in Property tax, \$634 million in Hotel Occupancy tax, and \$425 million in sales tax.

Until the COVID-19 pandemic brought most new construction to a halt in March 2020, new hotels were outpacing other types of non-residential development in some parts of the city—in some instances introducing conflicts with adjacent uses and influencing development patterns in unanticipated ways. In addition, the rapid growth of hotels in commercial and mixed-use districts, where hotels are currently allowed as-of-right, presents land use challenges in the city's mixed-use business districts.

¹¹ Skift; Tourism is up so why is NYC's hotel market slumping?, Aug. 27, 2019

In these locations, hotels can create conflicts with adjacent uses and residences, and in less centrally located commercial areas, hotels may create nuisances to surrounding residents or local services. Additionally, less centrally located commercial areas often lack infrastructure to address the safety of or meet the needs of hotel guests. Although hotels are appropriate and desirable uses in the city's commercial, mixed-use, and light manufacturing districts, reviewing the project's relationship to area context ~~will~~would result in better configuration of the use to minimize conflicts with adjacent uses and protect the safety of hotel guests.

In addition, while hotels are like residential uses in that they primarily contain sleeping accommodations, the transient nature of hotels can change the residential character of some neighborhoods. At the same time, many C8 and mixed-use districts where new hotels have located lack amenities and services, and surrounding business activity and traffic may pose unsafe conditions for guests. The rapid growth of hotels across the city, especially in locations that had not historically experienced much hotel development, has raised concerns in communities and led to calls for better review of development to address conflicts and potential nuisances.

To address land use conflicts, local planning goals, and community concerns related to rapid hotel development, over the last 15 years, the CPC has adopted a variety of different special permits for new hotels in different geographies (see **Where Hotels are Allowed by Special Permit** and **Figure 2**). This approach has resulted in an inconsistent zoning framework for regulating hotel development citywide. Although the COVID-19 pandemic caused an abrupt and precipitous drop in hotel occupancy and construction, visitation is expected to return along with a demand for new hotels. When demand returns, a more uniform zoning framework for all new hotels citywide can support more predictable development and limit the extent to which a hotel use may impair the future use or development of the surrounding area. Review of the projects within the context of an area around a new hotel ~~will~~would result in better configuration of the hotel to minimize conflicts with adjacent uses and protect the safety of residents and hotel guests.

The proposed text amendment ~~will~~would create a consistent zoning framework for new hotels and allow the CPC to evaluate hotel use to ensure it does not impair the future use or development of the surrounding area.

Analysis Analytical Framework and Reasonable Worst-Case Development Scenario

As discussed above, the Proposed Action is a citywide text amendment that would establish a new CPC ~~special permit~~Special Permit for new hotels in the Area of Applicability (as defined above). Since the Proposed Action is a citywide action and has broad applicability, it is difficult to predict the universe of sites where development would be affected by the Proposed Action. For this reason, the Proposed Action is analyzed in this environmental review as a "generic action." Generic actions are programs and plans that have wide application or affect a range of future alternative policies. Generic analyses must employ a methodology that identifies typical cases and a range of conditions, which this section seeks to do. In addition, as the citywide zoning text amendment would establish a new ~~special permit~~Special Permit under the jurisdiction of the CPC for new hotels, there is no new development increment associated with the Proposed Action and, therefore, no projected or potential development sites. The environmental review therefore consists of an assessment of

the potential effects of making hotel use subject to special permit requirements. In addition, as discussed below under **Conceptual Analysis**, as part of the EIS, a conceptual analysis will consider whether there could be environmental impacts from a future application for hotel use that seeks the ~~special permit~~. Special Permit.

The analytical framework is addressed through a Reasonable Worst-Case Development Scenario (RWCDS). A RWCDS is broadly defined as the potential development under both the future No-Action and With-Action conditions that is used to as the basis for analysis of the change in permitted development created by a discretionary action. The RWCDS begins with a description of “existing conditions” to establish a baseline, not against which the Proposed Action’s effects are measured but from which future conditions can be projected. The prediction of future conditions begins with an assessment of existing conditions because these can be measured and observed. Then, using existing conditions as a baseline, conditions expected in the future without the Proposed Action are evaluated (the No-Action condition). The No-Action condition considers changes that are known or expected to be in place by the future analysis year (see **Analysis Year**, below), independent of the Proposed Action. The No-Action condition is the baseline against which the effects of the Proposed Action can be measured. The incremental difference between the No-Action condition and the With-Action condition serves as the basis for the environmental impact analyses.

Analysis Year

It is anticipated that the New York City hotel market will recover to 2019 levels by the year 2025.¹² An analysis year 10 years in the future is generally considered reasonable for generic projects as it captures a typical cycle of market conditions and generally represents the outer timeframe within which predictions of future development may usually be made without speculation. Therefore, an analysis year 10 years after the projected recovery year—or 2035—was chosen in order to account for a typical market cycle plus the unique market effects of the COVID-19 pandemic.

Study Area or Directly Affected Area

As discussed under **Description of the Proposed Action** above, the Proposed Action would apply to the Area of Applicability (see **Figure 2**). Any hotel existing within the Area of Applicability on the date of adoption of the Proposed Action would be considered a conforming use, allowing as-of-right enlargements and extensions of hotels existing on the date of adoption.¹³ A conforming use is a use that is occupied in compliance to the use regulations of the applicable zoning district’s zoning ordinances in a particular area.

Existing Conditions

As discussed above, the identification of existing conditions is critical to establish a baseline, not against which the Proposed Action’s effects are measured but from which future

¹² *Travel Industry Turned Upside Down*, Joint report by McKinsey and Skift, Sept. 2020; *State of the Hotel Industry Six Months After COVID*, American Hotel & Lodging Association, Aug. 2020; McGeehan, Patrick, “Why NYC’s Recovery May Lag the Rest of the Nation,” Oct. 26, 2020, *New York Times*; Clark, Patrick, “With Prices Down by \$200, NYC Hotels Brace for More Pain,” Oct. 9, 2020, *Bloomberg News*; Kallergis, Katherine, “Hotel Owners in Big Cities Hit Major Tipping Point,” Oct. 19, 2020, *The Real Deal*; *The World Remade: Travel & Hospitality Scenarios*, Deloitte, May 2020; *For Corporate Travel, A Long Road Ahead*, McKinsey, Aug. 13, 2020

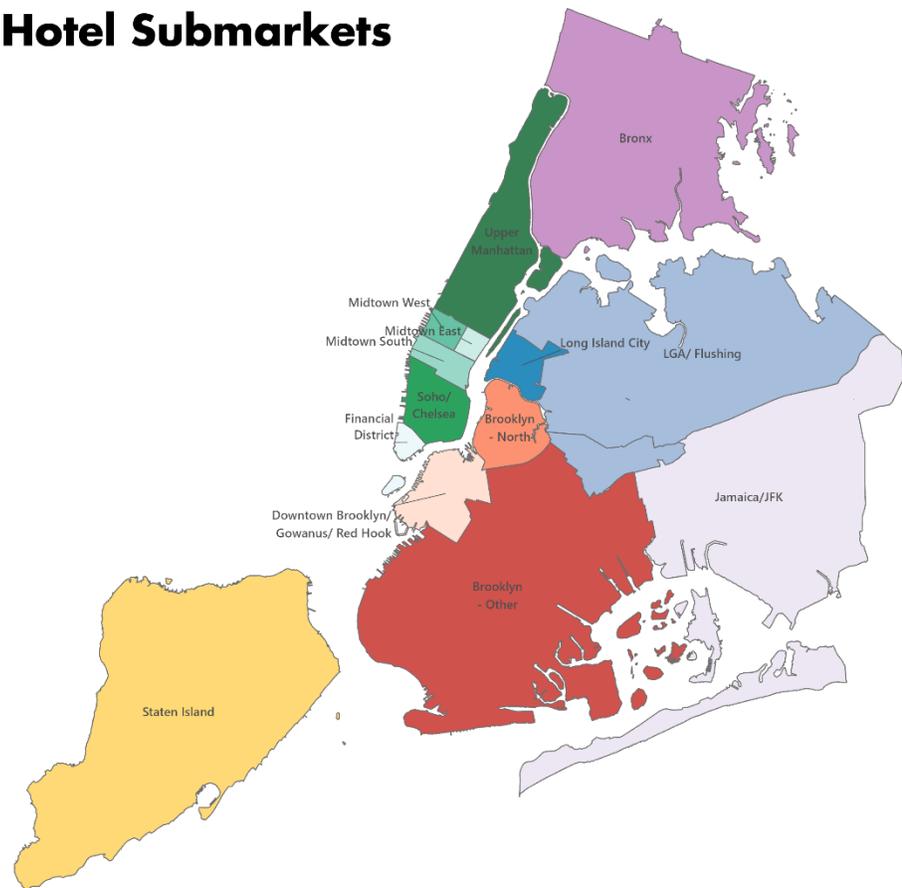
¹³ Enlargements and extensions as defined by the New York City Zoning Resolution

conditions can be projected. To inform the understanding of existing conditions, DCP engaged a socioeconomics consultant team to produce a market analysis of the City’s hotel conditions in the past, current, and future context, referred to as the “Consultant Report” (see **Appendix B: NYC Hotel Market Analysis**).¹⁴

The Consultant Report evaluated hotel development and tourism in New York City as a whole and in each of the five boroughs individually. Manhattan, Brooklyn, and Queens were furthermore distinguished into geographic submarkets, generally based on major existing tourism markets, or in the cases of Brooklyn and Queens, where recent hotel development clusters have arisen (see **Figure 5**). The differentiation into the various geographic submarkets was completed to better understand existing hotel markets and to facilitate the analysis of the potential effects of the Proposed Action.

Figure 5 NYC Borough Hotel Submarkets

NYC Hotel Submarkets



NYC Department of City Planning

Source: Preliminary Consultant Report

In Manhattan, six submarkets were defined, consisting of areas above 59th Street, Times Square, Midtown East, Midtown South, Soho/Union Square, and Financial District. Queens was divided into three submarkets consisting of Long Island City, LaGuardia/Flushing, and

¹⁴ <https://www1.nyc.gov/assets/planning/download/pdf/plans-studies/citywide-hotel/nyc-hotel-market-analysis.pdf>

JFK/Jamaica. Similarly, Brooklyn consists of Downtown Brooklyn, Brooklyn North, and other areas. The entirety of the Bronx and Staten Island boroughs are defined as individual submarkets.

As detailed above, in January 2020, there were over 127,800 hotel rooms in New York City before the COVID-19 pandemic.¹⁵ In addition, as described in **Table 1**, there ~~are~~ currently were approximately 31,800 hotel rooms in active projects in the hotel pipeline, consisting of hotel projects that have filed or approved applications or are permitted for construction with the Department of Buildings (DOB) as of March 2021.

Table 1 Active Hotel Pipeline by Submarket as of March 2021

Submarket	Sum of Net Rooms	Borough Total
Bronx	2,430	2,430
Brooklyn – Downtown/Gowanus/Red Hook	1,230	6,150
Brooklyn – North	1,740	
Brooklyn – Other	3,180	
Manhattan – Financial District	1,790	
Manhattan – Midtown East	190	
Manhattan – Midtown South	6,050	
Manhattan – Midtown West/Times Square	3,600	13,460
Manhattan – Soho/Union Square/Village/Tribeca/Chelsea	1,570	
Manhattan – Upper East Side/Upper West Side/Harlem/Uptown	260	
Queens – Jamaica/JFK/114xx Zip Codes	3,740	9,260
Queens – LGA/Flushing/113xx Zip Codes	1,970	
Queens – Long Island City	3,550	
Staten Island	500	500
Total		31,800

Source: New York City Department of Buildings, March 2021

An analysis of the DOB pipeline as of March 2021 showed that there ~~are~~ were approximately 28,540 hotel rooms in zoning districts outside of M1 districts (see **Table 2**). Of these, approximately 21,440 rooms ~~are~~ were active DOB projects, and 7,100 ~~are~~ were inactive projects, meaning that there ~~has had~~ been no action on the project for three years. In M1 districts, where a special permit ~~will take~~ took effect in June 2021, there ~~are~~ were approximately 12,040 hotel rooms in the DOB pipeline. Of these approximately 10,360 ~~are~~ were active projects and 1,680 ~~are~~ were inactive projects.

Table 2 Hotel Pipeline Details (as of March 2021)

Zoning District	Number of Hotel Rooms in Active DOB Projects
Non-M1	21,440

¹⁵ All numbers in the project description have been rounded for clarity and to convey that they are approximations

M1	10,360
Total	31,800

Source: New York City Department of Buildings, March 2021

An analysis of updated data as of June 2021 shows that the number of rooms in active DOB projects is substantially the same as it was in March 2021. There are also a number of projects that are not in the DOB pipeline but are working towards approval with the City, and are in the public review process with either DCP (approximately 2,590 rooms across 20 projects) or the New York City Board of Standards and Appeals (BSA) (approximately 330 hotel rooms across two projects).

Impact of the COVID-19 Pandemic

According to the Consultant Report, in 2019 New York City saw a record number of tourism and hotel inventory growth. However, in March 2020 the COVID-19 pandemic struck New York City and has had a substantial, ongoing effect on its hotel market. Between January 2020 and March 2021, a net total of 131 (out of 705) hotels and 38,100 (out of 127,810) rooms closed in New York City, representing a decline of 19 and 30 percent, respectively (see **Table 3**). With approximately 98 percent of these room closures occurring in Manhattan, citywide trends are driven almost entirely by the pandemic's specific impact on the Manhattan hotel market, which experienced a 36 percent loss in total rooms (see **Figure 6**). As of March 2021, Manhattan's share of NYC hotel rooms had fallen to approximately 74 percent, which is down from 81 percent in January 2020.

Table 3 Existing Hotel Supply Accounting for Covid-19 Impacts

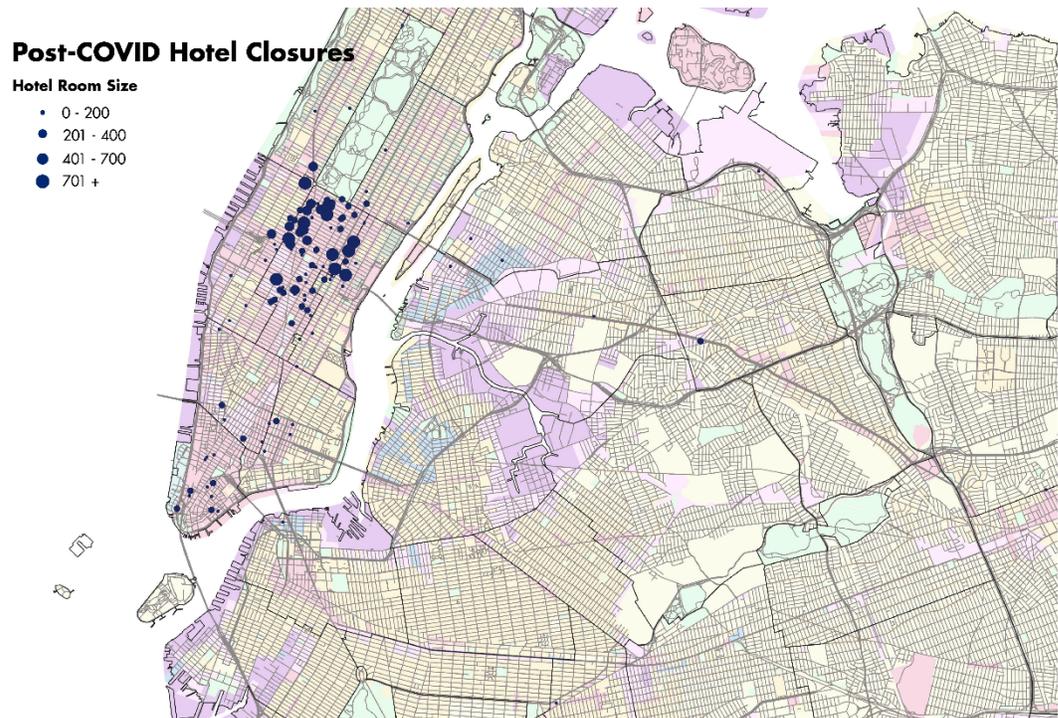
Borough	January 2020 Supply	Permanently Closed Rooms	Temporarily Closed Rooms	March 2021 Supply
Bronx	1,380	0	0	1,380
Brooklyn	7,530	0	50	7,530
Manhattan	103,730	4,930	32,300	66,980
Queens	14,390	0	820	13,800
Staten Island	780	0	0	780
Total	127,810	4,930	33,170	90,470 ¹

Source: STR 2020, HANYC 2021

Notes:

¹ Approximately five new hotels with 790 hotel rooms came to market between January 2020 and March 2021

Queens had the second-largest impact of any borough, with a net loss of seven hotels and 820 rooms, representing a 4 percent loss. The number of hotels and rooms in the Bronx, Brooklyn, and Staten Island remained relatively constant between January 2020 and March 2021. However, Brooklyn experienced a shift in hotel typologies, losing some upscale rooms and adding more economy rooms. ~~Additional details on hotel closures are provided in the Consultant Report, which may be updated between publication of the Draft EIS and Final EIS if conditions have changed, to reflect the most current information available.~~

Figure 6 Hotel Closures as of March 2021

Source: HANYC; NYS Department of Labor WARN Notices; STR, October 2020

Current forecasts estimate the recovery of New York City's tourism sector to 2019 levels will not take place until the end of 2024 or the beginning of 2025. While typically projects in the pipeline with DOB permits are assumed to complete construction under the No-Action condition, several factors influence whether these projects are realized—global, national, and local economies affecting hotel development decisions, trends in international and domestic tourism, the access to equity, the ease of obtaining financing, pace of pandemic recovery, and public policies.

Impact of COVID-19 Pandemic : March 2021-June 2021

As of June 2021, many temporarily closed hotels have reopened, and room occupancy and RevPar rates have started to rebound, as described in the Consultant Report (see **Appendix B**). Approximately 7,210 rooms were permanently closed, an increase of approximately 2,280 rooms since March 2021. However, only 2,415 rooms remained in hotels that were temporarily closed, a large decrease since March 2021. Additionally, approximately 3,630 rooms have come to market in newly constructed or renovated hotels between January 2020 and June 2021. Therefore, as of June 2021, New York City has a hotel room inventory of 121,820 rooms, approximately 95 percent of the inventory that was available in January 2020.¹⁶ As cited in the Consultant Report, although there has been some return to travel in the City, recovery projections citing a 2025 recovery of the hotel industry remain the same, as the City is not yet experiencing "post pandemic" conditions. While hotel occupancy has increased, along with hotel revenue, since the height of the pandemic they remain well below the 2019 levels. Uncertainty surrounding the impacts and duration of the Delta variant

¹⁶ Inventory data from June 2021 as reported by STR, accounting for permanent closures reported by HANYC.

exemplify remaining uncertainty in the tourism and hotel markets, and it is possible that hotels that are in business as of June 2021 may not represent the inventory upon recovery.

Future Without the Proposed Action (No-Action Condition)

This section provides an analysis of likely future conditions in New York City's hotel market without the implementation of the proposed hotel ~~special permit~~ Special Permit.

To project hotel room demand and supply growth across the City, the Consultant Report relied on visitation and employment projection data, as well as national tourism demand trends and NYC hotel pipeline information. The analysis hypothesized that in 2025, the NYC hotel market will have fully recovered, reaching 2019 demand levels, and then grow by 3.7% each year to reach a demand of approximately 174,730 rooms by 2035 (see **Table 4**). While future citywide demand will continue to be driven by Manhattan, new hotel room supply is expected to be more evenly distributed throughout the city. Assuming future supply will deliver geographically based on the distribution of hotel rooms currently in the pipeline, hotel room demand was reallocated among the boroughs to reflect the pipeline distribution.¹⁷

It is expected that without the Proposed Action, the market would respond to demand increases by increasing supply until the market reaches equilibrium. Therefore, the No-Action condition assumes that, with an expected recovery in 2025, ~~that~~ by the 2035 build year the hotel supply in the City will grow to reach an equilibrium with market demand. Overall, it is estimated that by 2035, the City will be in demand of approximately 174,730 rooms across the five boroughs, regardless of existing and future supply. Demand conditions are estimated assuming demand recovery in 2025; historic 3.7% annual growth rate in the leisure sector; and that demand in the business sector will increase by approximately 1 percent per year for 2025 through 2035, based on historic annual average growth rates. Demand was distributed among the boroughs with a weighted adjustment to account for historic distribution and the distribution of active pipeline hotels. However, given the unique circumstances under COVID-19 with temporary and permanent hotel closures throughout the city, assumptions were made to establish an estimated hotel supply in 2025 so that a number of hotel rooms that would need to be developed in order to reach market equilibrium by 2035 could be determined. Industry based estimates show that 25 percent of the hotel supply as of January 2020 will not return to market.¹⁸ The January 2020 hotel room inventory, as established in the Consultant Report, was approximately 127,810 rooms (see **Appendix B**). Therefore, it is estimated in 2025 that hotel room supply would be approximately 95,860 rooms, about 5,390 more rooms than were open as of March 2021. **Table 4** shows the estimated supply by borough in 2025 given these assumptions.¹⁹ Therefore, from 2025 to 2035, 78,880 hotel rooms would be expected to come to market to meet estimated 2035 demand. Some of this demand would be satisfied by the current pipeline of 31,800 hotel rooms in active DOB projects discussed above under the **Existing Conditions** section, as well as known projects.

¹⁷ Only rooms that are likely to develop given their pipeline status was accounted for in demand adjustments

¹⁸ HANYC, December 2020 and June 2021

¹⁹ 2025 hotel room supply was estimated by assuming that temporary rooms would reopen proportionally to where closures took place.

As described above under **Existing Conditions**, as of June 2021, the hotel inventory has increased, nearing January 2020 conditions. However, more hotels have permanently closed since publication of the DEIS, and the City has not reached a post pandemic economy. Due to this continued uncertainty in the market, the FEIS maintains the assumption that the 2025 hotel room supply will be 75 percent of the January 2020 supply. This will provide a conservative estimate of conditions in an uncertain market.

Table 4 Hotel Room Supply and Demand Conditions through 2035

Borough	Estimated Supply	Gross Future Adjusted Demand (Hotel Rooms)		
	2025	2025	2030	2035
Bronx	1,380	2,860	3,350	3,920
Brooklyn	7,540	10,490	12,240	14,330
Manhattan	72,300	95,280	111,250	130,250
Queens	13,860	18,140	21,180	24,800
Staten Island	770	1,040	1,220	1,430
Total, All NYC	95,850	127,810	149,240	174,730

Source: Consultant Report; STR, 2020; HANYC, 2020; BJH, 2020; BAE, 2020

Notes:

Demand conditions are estimated assuming demand recovery in 2025 and a blended average of business and leisure travelers for 2025- 2035. Demand was distributed among the boroughs with a weighted adjustment to account for historic distribution and the distribution of active pipeline hotels

Future With the Proposed Action (With-Action Condition)

The Proposed Action introduces a discretionary approval process by CPC ~~special permit~~Special Permit for hotel development within the Area of Applicability. CPC special permits generally present a disincentive to development that previously was as-of-right, since obtaining the special permit can add significant time, cost, and uncertainty to a project. Because the Proposed Action introduces a discretionary approval process via a CPC ~~special permit~~Special Permit for hotel development citywide, DCP projects less hotel development under the With-Action condition than the No-Action condition, and accordingly, it is reasonable to assume that the proposed CPC ~~special permit~~Special Permit would have the effect of slowing the rate at which hotels would be developed in C and MX districts.

The proposed text amendment will have provisions to allow for the hotel industry to recover from COVID-19 pandemic impacts, including provisions that address discontinuance, vesting, and exclusions. These are described in detail above under **Description of the Proposed Action**. The estimated hotel supply in 2035 is described below and shown in **Table 5**. As in the No-Action condition, it is estimated that 25 percent of the hotel supply as of January 2020 will not return to market due to economic impacts from the pandemic. This means that of the ~~89,570~~ rooms on the market in ~~March 2021~~ and the ~~33,170~~ temporarily closed hotel rooms as of ~~September 2020~~June 2021, approximately 95,860 total existing rooms are expected to be opened between 2021 and 2025 when the market is recovering, same as above under the No-Action condition. Some of these temporarily closed hotels looking to reopen ~~will~~would be able to through the discontinuance provisions in the text discussed above. It is also estimated that the text provisions would allow for an additional 25,290 hotel rooms in the pipeline to vest before the effective date, and 2,300 hotel rooms currently in

applications for existing special permits with city agencies to be excluded.²⁰ This would result in a hotel room inventory of approximately 123,450 in 2035, comprised of existing hotel rooms and hotels in the pipeline or in applications with the city that are able to vest or be excluded from the ~~special permit provision~~ Special Permit provision. As described above under the **Existing and No-Action Conditions**, as of June 2021, the hotel inventory has increased, nearing January 2020 conditions. However, more hotels have permanently closed since publication of the DEIS, and the City has not reached a post pandemic economy. Due to this continued uncertainty in the market, the FEIS maintains the assumption that the 2025 hotel room supply will be 75 percent of the January 2020 supply. This will provide a conservative estimate of conditions in an uncertain market.

Therefore, under the With-Action condition, for supply to meet market demand, it is estimated that approximately 51,280 future hotel rooms could be affected by the ~~special permit~~ Special Permit, slowing or hindering their development. However, it is expected that an additional 4,210 rooms will come to market between the effective date and 2035 through seeking the proposed ~~special permit~~ Special Permit, based on those that have sought ~~special permits~~ non-discretionary actions, such as City Planning Commission Chair Certifications, for hotels in the past decade. Therefore, it is estimated in the With-Action ~~Condition~~ condition, that there would be a supply of approximately 127,660 hotel rooms, and there would be an estimated unmet demand of approximately 47,070 hotel rooms in 2035.

The effects of the Proposed Action, and the anticipated unmet room demand, are evaluated in this EIS.

Table 5 Hotel Room Supply Estimated in Future Conditions

	No-Action Condition Hotel Rooms	With-Action Condition Hotel Rooms	Increment
Supply Post Pandemic ¹	95,860	95,860	-
Additional Rooms through Vesting and Exclusion provisions ²	-	27,590	-
Rooms Expected to seek Special Permits	-	4,210	-
Future Development without Special Permit ³	78,880	-	-
Total 2035 Supply	174,730	127,660	(47,070)
Total 2035 Demand	174,730	174,730	-

Source: DCP, Consultant Report

Notes:

¹ Estimated at approximately 75% of the January 2020 supply of 127,810

² ~~includes~~ includes development that would occur as-of-right under the With-Action ~~Condition~~ condition

³ Includes development from within the existing DOB pipeline and future unknown development

²⁰ Hotels that are likely to vest are active DOB projects that are moving through the pipeline at a pace that historically ensures they would complete before the actions take effect.

Principal Conclusions of Environmental Analysis

Land Use, Zoning, and Public Policy

Analyses were conducted on the generic action to assess land use, zoning, and public policy as it pertains to the unmet demand for hotel rooms resulting from the Proposed Action. The analysis concluded the Proposed Action would not have the potential to significantly affect land use, zoning or public policy.

Land Use and Zoning

By introducing a CPC ~~special permit~~, the Special Permit, DCP proposes a case-by-case, site-specific review process to ensure that hotel development occurs only in appropriate locations, based on reasonable considerations regarding opportunities for the future siting of a permitted use on the site and the achievement of a balanced mix of uses in the area.

In commercial districts citywide, the Proposed Action would reduce the occurrence of hotels and potential land use conflicts resulting from hotel development. It is expected that various other uses would be developed in the place of hotels. The Proposed Action would change the existing zoning to permit hotels by ~~special permit~~ Special Permit only. Otherwise, zoning under the future With-Action condition is not expected to change from the future No-Action condition.

Public Policy

The Proposed Action would not hinder the goals of relevant public policies, and there would be no adverse impact due to the Proposed Action.

Socioeconomic Conditions

The Proposed Action would not have the potential to result in direct or indirect residential displacement or direct or indirect business displacement, in accordance with the standards set forth in the *CEQR Technical Manual*. However, an assessment of adverse effects to specific industries was warranted. The assessment concluded, as discussed below, that the Proposed Action would have the potential to result in significant adverse impacts to the hotel and tourism industries.

Adverse Effects on Specific Industries

According to the *CEQR Technical Manual*, a Proposed Action may have a significant adverse impact on specific industries if the action significantly affects business conditions in any industry or category of business within or outside of the study area—in this case the study area being defined as the entire city of New York. An impact of a project that would substantially impair the ability of a specific industry or category of businesses to continue operating within the city may be considered significant and adverse, requiring consideration of mitigation. While the Proposed Action has been crafted to minimize adverse impacts on existing hotels in the five boroughs, it would uniquely impede this industry from serving future projected demand. As the majority of overnight visitors to New York City stay in hotels, the Proposed Action also has the potential to diminish future visitor spending in the

broader tourism sector in the city. In this manner, the Proposed Action is *sui generis*, and the *CEQR Technical Manual's* relatively narrow definition of what constitutes adverse impacts on a specific industry or category of business was broadened for this analysis. It was found that the Proposed Action would result in a scale of lost rooms—as much as 25 percent of the projected 2035 inventory—and the resulting loss in visitation may substantially affect the ability of the hotel and tourism industries to grow and meet future anticipated demand. Therefore, there would be potential for significant adverse impacts to the hotel and tourism industries due to socioeconomic conditions in the future with the Proposed Action. This finding warrants discussion of potential mitigation measures (see **Chapter 5, Mitigation**).

Hotel Industry

While the Proposed Action would not have an impact on existing hotels in New York City—nor would it, due to the proposed Recovery Provisions, impact hotels in the development pipeline—the Proposed Action would affect future hotel supply in the City, which under existing conditions has been significantly decreased due to the COVID-19 pandemic.

In the No-Action condition, hotel supply in 2035 is estimated to be 174,730 rooms and in the With-Action condition it is estimated to be 127,660 rooms. Therefore, for the hotel sector in 2035, the imposition of the Special Permit is projected to result in approximately 47,070 fewer hotel rooms than in the No-Action condition. The analysis year of 2035 is used for the assessment of economic effects. Estimated values are not cumulative but are annual values for that year only. The analysis showed that the foregone direct gross output on the local economy is estimated to be \$5.3 billion in 2035, from \$19.8 billion in the No-Action condition to \$14.5 billion in the With-Action condition. An employment analysis based on current worker-per-room ratios indicates that in the No-Action condition the hotel industry would directly employ approximately 70,420 workers and generate \$4.7 billion in direct wages in 2035. In the With-Action condition, the industry would directly employ 51,450 workers and generate \$3.5 billion in direct wages in 2035. As such, there would be approximately 18,970 fewer direct workers and \$1.3 billion fewer direct wages in the hotel sector in the With-Action condition in 2035. All dollar amounts are in 2019 dollars.

The approximately 47,070 fewer hotels rooms in the With-Action condition represents a 27-percent decrease in the hotel room supply as compared to the No-Action condition. This reduction in room supply would have a significant adverse impact on the ability of the city's Accommodation sector to grow and meet anticipated future demand, resulting in significant loss of projected future overnight visitors who cannot be accommodated as well as opportunity costs both for the hotel industry and the broader tourism industry in New York City. Therefore, the Proposed Action would have a significant adverse impact on the hotel industry due to socioeconomic conditions. This finding warrants discussion of potential mitigation measures (see **Chapter 5, Mitigation**).

Tourism Industry

For the broader tourism sector in New York City—which encompasses food and beverage establishments, retail, arts/entertainment/recreation, and local transportation in addition to the lodging sector itself—the Proposed Action would likely diminish future potential visitor spending, as it would create the supply gap of approximately 47,070 hotel rooms noted above. Not all of the spending associated with those 47,070 rooms would be lost, as some visitors would shift to online short-term rentals or friends/family stays.

As outlined in this chapter, it is anticipated that approximately two-thirds of the visitors unable to secure hotel rooms in New York City due to the supply gap in the With-Action condition would nevertheless still travel into the city, while the remaining one-third would cancel their travel plans entirely. Of the two-thirds of these visitors that would still travel to New York, the analysis assumes that one half of this cohort would find non-hotel accommodations in the five boroughs and the other half of the cohort would choose to stay in hotels in the metro region outside of the city. The analysis assumes that the first half of the cohort that is staying overnight in New York City would still maintain their non-hotel visitor spending at levels similar to hotel guests in the No-Action condition. The analysis assumes that the second half of the cohort that is staying overnight elsewhere in the metro area would still consider New York City their primary destination and therefore would likely spend the majority of their activity and non-hotel spending in New York City. It is assumed that approximately two-thirds of this group's non-hotel spending would take place in New York City and the remaining one-third of their non-hotel spending would occur outside the five boroughs, closer to where they are staying.

Of the one third of the visitors that would cancel their travel plans entirely, a cohort representing 15,690 hotel rooms, all corresponding spending in the broader tourism sector would be entirely forfeited. An analysis based on 2019 numbers shows that each occupied hotel room in New York City generates approximately \$300,000 in annual visitor spending. Therefore, the loss of these future hotel rooms under the Proposed Action and its restriction on tourism industry growth would constitute a significant adverse impact on the city's tourism industry. This finding warrants discussion of potential mitigation measures (see [Chapter 5, Mitigation](#)).

Neighborhood Character

The Proposed Action would not result in a significant adverse impact on neighborhood character. As discussed throughout this chapter, the commercial districts of the city have varied neighborhood context in terms of their land uses, the types of commercial activity they support, and their pedestrian and vehicular activity.

Using methodologies outlined in the *CEQR Technical Manual*, the preliminary assessment evaluated the expected changes resulting from the Proposed Action in the following technical areas: land use, zoning, and public policy and socioeconomic conditions. The assessment used the findings from the respective chapters of this EIS to identify whether the Proposed Action would result in any significant adverse impacts or moderate adverse effects in these technical areas, and whether any such changes would have the potential to affect the defining features of neighborhood character.

Of the relevant technical areas specified in the *CEQR Technical Manual*, the Proposed Action would not cause a significant adverse impact to land use, zoning, or public policy, but would cause significant adverse impacts regarding socioeconomic conditions. However, the significant adverse socioeconomic impact would not result in a significant adverse impact to neighborhood character. It is expected that the commercial and visitor activity that currently characterizes the commercial districts throughout the city would continue to contribute to the local neighborhood character under the With-Action condition. Furthermore, just as potential significant adverse impacts in the relevant technical areas would not affect any

defining feature of neighborhood character, no moderate adverse effects that would affect such defining features—either singularly or in combination—have been identified.

Therefore, based on the results of the preliminary assessment, a detailed assessment is not warranted, and the Proposed Action would not have a significant adverse neighborhood character impact.

Mitigation

~~In accordance with the 2020 CEQR Technical Manual, where significant adverse impacts are identified, mitigation is developed and evaluated to reduce or eliminate the impacts to the fullest extent practicable.~~

~~As discusseddetailed in **Chapter 3, Socioeconomic Conditions**, the Proposed Action has the potential towould result in significant adverse impacts to socioeconomic conditions. The scale of lost rooms and resulting loss in visitors has the potential to substantially affect the ability ofon the hotel and tourism industries to grow and meet future anticipated demand.~~

~~Between publication of this Draft Environmental Impact Statement (DEIS) and the Final EIS, DCP will continue to explore Potential mitigation measures that could reducefor the unmet hotel demand under the With Action condition, thereby mitigating (or partially mitigating) the identified significant adverse impact on socioeconomic conditions identified in this DEIS. Categoriesimpacts were explored by the NYC Department of mitigation could include limiting applicability of the special permit, vesting a larger proportion of the hotel pipeline, promotion of City attractions, and increased funding for programs to encourage regional visitors to stay overnight. City Planning. Potential methods to limit the applicability of the Proposed Action include the Geographic Exclusion Alternative, Size Exclusion Alternative, and the implementation of a sunset provision. Another potential mitigation would be to delay the onset of the Proposed Action and implement a sunrise provision to allow for additional growth of the hotel inventory to promote economic recovery before the Proposed Action takes effect. Overall, the Geographic Exclusion Alternative, the Size Exclusion Alternative, a sunset provision, or a six-year sunrise provision, if implemented, would partially mitigate the adverse socioeconomic impact.~~

~~The Geographic Exclusion Alternative and Size Exclusion Alternative have the potential to partially mitigate the adverse socioeconomic impact to the hotel and tourism industries by lessening the anticipated gap between future supply and demand. However, as discussed in **Chapter 6, Alternatives**, there are ways in which both Alternatives would not meet the intended purpose and need of the Proposed Action by allowing for continued hotel development without site specific review. Furthermore, the Geographic Exclusion Alternative has the potential to result in other adverse impacts to socioeconomic conditions such as direct or indirect displacement, and unmitigated impacts in other analysis areas associated with the induced development in Exclusion Districts.~~

~~The potential sunset provision would allow for the Proposed Action to be revisited by the CPC in the future given the uncertainty of market conditions due to the COVID-19 pandemic. If implemented, a sunset provision would eliminate the adverse socioeconomic impact to the hotel and tourism industries, but there would still be a temporary adverse impact. There would be lost opportunity cost from growth in the industries, but unless the Proposed Action~~

is renewed, the market would revert to the No-Action condition and eventually be able to satisfy demand when the Proposed Action sunsets.

Two sunrise provision scenarios are examined - a one-year sunrise and a six-year sunrise. The one-year sunrise would have minimal mitigation to the identified significant adverse impact, while a six-year sunrise would partially mitigate the impact if implemented. A six-year sunrise would not induce growth that would not occur under the No-Action condition, but given the uncertainty surrounding market conditions for hotels, it is possible that a sunrise provision could lead to more rapid growth in the near future, which would be counter to the stated purpose and need.

Alternatives

The EIS considers two alternatives to the Proposed Action:

- ~~A No-Action Alternative, which is mandated by CEQR and the State Environmental Quality Review Act (SEQRA), and is intended to provide the lead and involved agencies with an assessment of the expected environmental impacts of no action on their part;~~
- ~~A Non-Recovery Alternative, which demonstrates the effects of the Special Permit without the Recovery Provisions detailed above in Project Description.~~

A summary of the principal conclusions for the alternatives is described below.

No-Action Alternative

The No-Action Alternative examines future conditions but assumes the Proposed Action—the proposed zoning text amendment to establish a CPC Special Permit for new transient hotel development in districts citywide—is not adopted. Under the No-Action Alternative, existing zoning provisions would remain in place in the area affected by the Proposed Action, and new hotels could continue to develop as-of-right within permissible zoning districts.

Under the No-Action Alternative, by the 2035 build year, it is expected that 174,730 hotel rooms would be developed on an as-of-right basis throughout the city. The No-Action Alternative would not result in significant adverse impacts to the hotel or tourism industries.

Geographic Exclusion Alternative

In the Geographic Exclusion Alternative, the text amendment would be modified such that certain areas of the City would be excluded from the Area of Applicability. Within these Excluded Districts, existing zoning provisions as they relate to hotels would remain unchanged, and hotels would continue to be allowed to develop as-of-right, rather than subject to a Special Permit. Outside of the Excluded Districts, as with the Proposed Action, hotels would be subject to the Special Permit. Under this alternative, the following areas were identified for consideration as Excluded Districts: Midtown (excluding East Midtown) Special Purpose District, Hudson Yards Special Purpose District, Lower Manhattan Special Purpose District, and Downtown Brooklyn Special Purpose District. These areas were identified as Excluded Districts as they make up the City's three largest central business districts and have substantial commercial density and stated goals that support hotel development.

A soft site analysis identified 412 Potential Hotel Development Sites (PHDSs) that could provide approximately 58,690 hotel rooms across the Exclusion Districts. While based on the soft site estimations it is possible that all of this demand could be satisfied in the Exclusion Districts, it is unlikely that all of the PHDSs would be developed with hotels due to potential return, competition and over supply, site specific constraints, and location-based demand. However, it is likely more hotel development would occur in Exclusion Districts under Geographic Exclusion Alternative than under the Proposed Action due to the retention of some land where hotel development would remain as-of-right and changed market conditions. Therefore, this alternative would at least partially satisfy demand and lessen the gap between supply and demand projected for 2035. It is expected that this alternative would reduce the significant adverse impact to the hotel and tourism industries, but the potential for direct and indirect displacement of residents and businesses within the Exclusion Districts cannot be eliminated, as well as site specific impacts associated with induced development.

Hotels are appropriate within the City's major business districts, which support a diverse mix of commercial and residential uses. However, approximately 20 percent of the City's existing hotel inventory and approximately 19 percent of the vested pipeline are already located with these geographies. Since the Geographic Exclusion Alternative's has the potential to further concentrate new hotel development in these limited geographies, it could affect the future use and development of the surrounding area by introducing conflicts with residents or local businesses and would therefore be inconsistent with the proposal's purpose and need.

Size Exclusion Alternative

In the Size Exclusion Alternative, the text amendment would be modified such that the Proposed Action would exclude hotels of a certain size from being required to seek the Special Permit. Under the Size Exclusion Alternative, the Area of Applicability of the Proposed Action would not change, and existing zoning provisions for hotels under a certain room count would remain the same citywide. The Proposed Action would apply only to new hotels exceeding the size threshold. Smaller hotels do not have as many visitors or auxiliary space such as conference space, and therefore do not generate as much visitor or delivery traffic or pedestrian trips, threat of indirect business displacement, or pressure on open space resources, and for that reason may pose fewer conflicts with surrounding uses and their exclusion is assessed for this alternative. However, it is important to note that some conflicts are not size related, and small hotels may cause conflicts due to their location in a neighborhood of primarily residential character, in an area with an already high concentration of hotels where infrastructure or amenities for guests are stressed, or in an area with a lack of infrastructure.

An assessment of average room sizes across districts and a sensitivity test based on CEQR thresholds determined that density related analysis would typically not be exceeded for a hotel of 150 rooms. Approximately 30 percent of rooms built citywide from 2010 to 2019 were in hotels with less than 150 rooms, and an estimated additional 14,260 hotel rooms over the With-Action condition would be developed citywide by 2035 for a total of approximately 141,920 rooms under the Size Exclusion Alternative. Furthermore, it is likely that that a greater number of small hotels may be developed under the Size Exclusion Alternative than under the No-Action condition, due to adjustment that developers may

make under this alternative's constraints, but fewer hotels than would be developed in the No-Action condition overall.

However, 64% of new hotels built between 2010 and 2019 contained less than 150 rooms. The proposal is intended to address concerns with the rapid development of hotels of all sizes in a wide range of neighborhoods across the city. Excluding small hotels would result in a continuation of existing patterns, precluding the CPC from assessing the appropriateness of such development based on the future use and development of the local neighborhood context.

Non-Recovery Alternative

The Non-Recovery Alternative examines future conditions with the Proposed Action but assumes that the Proposed Action does not include "Recovery Provisions"⁷ without these Recovery Provisions, this alternative would result in more hotel development being subject to the Special Permit. The Non-Recovery Alternative would result in a larger unmet demand for hotel rooms in the 2035 analysis year, therefore, leading to a greater reduction of economic and fiscal activity as compared to the future with the Proposed Action. Therefore, like the Proposed Action, it is expected that the Non-Recovery Alternative would result in significant adverse socioeconomic impacts to the hotel and tourism industries. In addition, existing and proposed hotel developments in the active DOB pipeline or seeking actions from DCP and BSA, would potentially be affected and result in hotels, such as those that are temporarily closed due to the COVID-19 Pandemic, to be displaced or not be completed. Therefore, unlike the Proposed Action, the Non-Recovery Alternative has the potential to result in direct business displacement.

Unavoidable Significant Adverse Impacts

As described in ~~Socioeconomic Conditions~~ and **Chapter 5, Mitigation**, the Proposed Action would result in significant adverse impacts with respect to socioeconomic conditions. To the extent practicable, mitigation will be proposed for ~~these~~ the identified significant adverse impacts ~~between the DEIS and Final EIS.~~ However, in some instances no practicable mitigation can ~~be~~ been identified to fully mitigate significant adverse impacts, and there are no reasonable alternatives to the Proposed Action that would meet the Proposed Action's purpose and need, eliminate potential impacts, and not cause other or similar significant adverse impacts. ~~Should measures to fully mitigate impacts be determined to be impracticable, significant adverse impacts would then be considered unmitigated in the Final EIS.~~ In other cases, mitigation has been proposed, but absent a commitment to implement the mitigation, the impacts may not be eliminated.

Growth-Inducing Aspects of the Proposed Project

The *CEQR Technical Manual* indicates that an analysis of the growth-inducing aspects of a proposed project is appropriate when the project:

- › Adds substantial new land use, new residents, or new employment that could induce additional development of a similar kind or of support uses, such as retail establishments to serve new residential uses; and/or
- › Introduces or greatly expands infrastructure capacity (e.g., sewers, central water supply).

As described in **Chapter 1, Project Description**, the Proposed Action would create a ~~special permit~~Special Permit for hotels Citywide. The Proposed Action is not anticipated to directly induce development and consequentially, would not add substantial new land use, new residents, or new employment that could induce additional development. Sites that could possibly be developed with a hotel use under the No-Action condition are unknown. Further, it is not known what land uses would be developed on these sites under the With-Action condition. The Proposed Action would not introduce or greatly expand infrastructure capacity, and no further analysis is warranted.

Irreversible and Irretrievable Commitments of Resources

As described in **Chapter 1, Project Description**, the Proposed Action would create a Special Permit for hotels Citywide. The Proposed Action is not anticipated to directly induce development and, consequentially, would not involve resources in the form of building materials, energy, or human effort. Therefore, further analysis is not warranted.

Conceptual Analysis

The Proposed Action would create a new Special Permit to allow new and enlarged hotels within the Area of Applicability upon approval by CPC. Although it is impossible to predict the precise impacts that would be realized by the utilization of the proposed ~~special permit~~Special Permit, a conceptual analysis was conducted for the purpose of understanding the probable range of impacts that may result with the proposed ~~special permit~~Special Permit. In general, use of the ~~special permit~~Special Permit could affect those environmental analysis areas that are influenced by a development's use. While use of the ~~special permit~~Special Permit would not change aspects of allowable building bulk or design, the conceptual analysis also considers those analysis areas that are influenced by a development's proposed design.

The requirements of the new ~~special permit~~Special Permit would limit the potential for significant adverse impacts related to land use, zoning, and public policy. It is feasible that the areas of subsurface disturbance would be different between the existing (or No-Action) condition and a building that makes use of the ~~special permit~~Special Permit. Therefore, hotel development pursuant to the ~~special permit~~Special Permit could result in different potential impacts on archaeological resources and/or hazardous materials. A number of environmental analysis areas are site specific and dependent on factors unique to a particular development, and, as a result, a determination of potential for significant adverse impacts cannot be made absent a specific application for the new ~~special permit~~Special Permit. Consequently, the results would be determined on a case-by-case basis at the time a specific project is proposed and undergoes its own environmental review.