

A. INTRODUCTION

This chapter assesses whether the proposed land use actions affecting the eastern end of Block 675 in the west Chelsea neighborhood of Manhattan (as described in detail in Chapter 1, “Project Description”) would result in significant adverse impacts to the socioeconomic character of the area surrounding the project sites. As described in Chapter 1, “Project Description,” and Chapter 2, “Analytical Framework,” in the future with the proposed actions (the With Action condition), the two applicants—DD West 29th LLC (Applicant A) and West 30th Street LLC (Applicant B)—are requesting discretionary actions to facilitate the redevelopment of two new mixed-use buildings on two project sites (project site A—601 West 29th Street and project site B—606 West 30th Street). The Project Area includes these two project sites as well as an intervening lot (Lot 38), which ~~is not~~ may be part of ~~either~~ project site B ~~but~~ and is assumed to be redeveloped for the purposes of environmental review. The Project Area would be rezoned and included in the Special Hudson River Park District. Overall, it is assumed that the Project Area would contain residential apartments, retail, accessory parking, and potentially a public facility (a Fire Department of the City of New York-Emergency Medical Service [FDNY-EMS] Station). As described in the 2014 *City Environmental Quality Review (CEQR) Technical Manual*, the socioeconomic character of an area includes its population, housing, and economic activities. Socioeconomic impacts may occur when a project directly or indirectly changes any of these elements.

In accordance with *CEQR Technical Manual* guidelines, this socioeconomic assessment considers whether the redevelopment of the Project Area—which includes project site A, project site B, and Lot 38—could result in significant adverse socioeconomic impacts due to: (1) direct residential displacement; (2) direct business displacement; (3) indirect residential displacement; (4) indirect business displacement; and (5) adverse effects on a specific industry.

PRINCIPAL CONCLUSIONS*DIRECT RESIDENTIAL DISPLACEMENT*

There are no residential units in the Project Area; therefore, the proposed actions would not directly displace any residents, and no analysis of direct residential displacement is required. There would be no significant adverse impacts from the proposed actions due to direct residential displacement.

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 three businesses in the Project Area including a Mobil gas station and minimart at 209 Eleventh Avenue; a work/warehouse space for the American artist Jeff Koons; and an auto repair shop on

Lot 38. The displacement of these businesses, and the estimated 164 workers associated with the businesses, would not result in any substantial changes to the socioeconomic character of the study area. The uses to be displaced do not comprise a substantial portion of the study area's economic activity, and study area residents and businesses are not dependent upon these uses at their current locations. While gas stations are not abundant within Manhattan, there are several gas stations located within a reasonable drive-time of the Project Area. There are also nine auto repair shops within ½-mile of the project sites. Koons has acquired another property in Manhattan which is currently under construction and to which the entire studio will relocate.

The Project Area also contains the Department of Sanitation of New York (DSNY) Manhattan District 6 (M6) Garage on project site A, and the Garage's repair and maintenance facility on project site B. Together, the Garage on project site A and the repair and maintenance facility on project site B have approximately 52 associated employees. Irrespective of the proposed actions, DSNY has plans to vacate its M6 Garage from the project site A to a location closer to the M6 service district on the East side of Manhattan, cease operations and vacate the equipment storage and maintenance facility at project site B, and cease the storage of DSNY trucks on East 29th Street and on 12th Avenue in the project area.¹ Therefore, the proposed actions would not directly displace these sanitation and repair/maintenance uses.

The Port Authority of New York and New Jersey (PANYNJ) occupies a lot at 615 West 29th Street (western portion of Lot 12 on project site A). PANYNJ uses this lot for security and office functions as well as vehicle parking. There is no employment associated with this lot and it is not considered a displaced use for purposes of a CEQR socioeconomic analysis.

INDIRECT RESIDENTIAL DISPLACEMENT

A preliminary assessment finds that the proposed actions would not result in significant adverse impacts due to indirect residential displacement. While the proposed actions would add new population, the average household income predicted for the incoming population would be similar or lower than the average household income for existing study area households. Therefore, the proposed actions would not introduce a new concentration of higher-income residents that could alter rental market conditions in the study area.

INDIRECT BUSINESS DISPLACEMENT

A preliminary assessment finds that the proposed actions would not result in significant adverse impacts due to indirect business displacement. There are already well-established residential and commercial markets in the study area such that the proposed new residential and retail uses would not substantially alter commercial rents. The proposed actions would not directly displace any type of use that either directly supports businesses in the area or brings a customer base to the area for local businesses, nor would they directly or indirectly displace residents or workers who form the customer base of existing businesses in the area.

ADVERSE EFFECTS ON SPECIFIC INDUSTRIES

A preliminary assessment finds that the proposed actions would not have a significant adverse impact on specific industries. The three directly displaced businesses are not critical to the

¹ DSNY's application for approvals to build a new M6 Garage at 425 East 25th Street is a separate action for CPC review (CEQR#13DOS007M).

viability of any specific industry within or outside of the study area. The analysis of indirect business displacement finds that there is no potential for significant indirect business displacement. Therefore, the proposed actions would not directly or indirectly affect business conditions in any industry or category or business within or outside the study area, and would not substantially reduce employment or impair viability in a specific industry or category of business.

B. METHODOLOGY

BACKGROUND

The objective of a socioeconomic conditions analysis is to disclose whether any changes resulting from a project would have a significant adverse impact compared with what would happen in the future if the project was not completed. Even when socioeconomic changes would 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 beneficial for some groups but adverse for others. The objective of the CEQR analysis is to disclose whether any changes created by the project would have a significant adverse impact compared with what would happen in the No Action condition.

An assessment of socioeconomic conditions distinguishes between the socioeconomic conditions of an area's residents and businesses 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 actions 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 actions. 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 action. Examples of indirect business displacement include higher-paying commercial tenants replacing industrial uses when new uses introduced by a proposed actions because commercial rents to increase. Unlike direct displacement, the exact occupants to potentially be indirectly displaced are not known. Therefore, an assessment of potential 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.

ANALYSIS FORMAT

Based on *CEQR Technical Manual* guidelines, the socioeconomic analyses begin with a screening assessment (see “Section C. Screening Assessment”) that determines for each of the five socioeconomic issues of concern whether there is the need for a preliminary assessment (see “Section D. Preliminary Assessment”). The objective of the preliminary assessment is to learn enough about the 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.

For the proposed actions, screening and preliminary assessments were sufficient to conclude that the proposed actions would not result in any significant adverse socioeconomic impacts.

PROJECT AREA

The Project Area comprises two development sites (project site A and project site B) and an intervening lot in an approximately 1.5-acre area on the eastern end the block bounded by West 29th and 30th Streets and Eleventh and Twelfth Avenues, as shown in **Figure 4-1**.

STUDY AREA

A socioeconomic study area is the area within which the proposed actions could directly or indirectly affect population, housing, and economic activities. A study area typically encompasses areas within approximately 400 feet, ¼-mile, or ½-mile, of a development site (Project Area, in this case) depending upon the project size and area characteristics. According to the *CEQR Technical Manual*, the larger ½-mile study area is appropriate for projects that would potentially increase the ¼-mile area population by more than 5 percent. The proposed actions would increase the ¼-mile area population by approximately 2,050 people (7.52 percent), warranting a larger study area.

Because socioeconomic analyses depend on demographic data, it is appropriate to adjust the study area boundary to conform to the census tract delineation that most closely approximates the desired radius (in this case, a ½-mile radius surrounding the Project Area). The census tracts that constitute the “socioeconomic study area,” or “study area,” are shown on **Figure 4-1**. The adjusted study area captures an approximately ½-mile area surrounding the Project Area and includes the following five census tracts: 93, 97, 99, 103, and 111.

DATA SOURCES

Information used in the analysis of indirect residential displacement was gathered from the U.S. Census Bureau’s 2000 Census and 2011–2015 American Community Survey (ACS) 5-year estimates. Data were gathered on population, housing, and incomes. Data on the Area Median Income (AMI) were obtained from the New York State Affordable Housing Corporation (AHC). Area market-rate rents were researched using StreetEasy, a searchable online database. StreetEasy uses web data extraction to compile an aggregated list of residential property listings from most of New York City’s largest brokerage firms and hundreds of small-scale brokers.

The assessments of business displacement and potential effects on specific industries consider business and employment trends in the study area, compared to those in Manhattan and New York City. The estimated number and types of businesses and jobs in the study area were based on the New York State Department of Labor (DOL) Quarterly Census of Employment and Wages (QCEW) for the third quarter of 2016. DCP’s Housing, Economics, and Infrastructure



- Project Area
- Socioeconomic Study Area
- 99 Census Tracts in the Study Area
- Other Census Tracts
- Open Space

0 1,000 FEET

Planning (HEIP) Division compiled the data at the census tract level in February 2017. AKRF, Inc. gathered the QCEW data for New York County and New York City. Employment estimates for the uses in the Project Area were based on New York City Department of City Planning's (DCP's) MapPLUTO data (for square footage estimates by use) and employment density ratios commonly used in CEQR analyses.

C. SCREENING ASSESSMENT

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.

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.*

The proposed actions would not displace any residential uses. Therefore, an assessment of direct residential displacement is not warranted.

2. *Direct Business Displacement: Would the project directly displace more than 100 employees, or would it displace any business that is unusually important because its products or services are uniquely dependent on its location, are subject of policies or plans aimed at its preservation, or that serves a population uniquely dependent on its services in its present location?*

The proposed actions would result in the direct displacement of three businesses located in the Project Area: a Mobil gas station and minimart at 209 Eleventh Avenue; an approximately 43,859-square-foot workspace and warehouse for the American artist Jeff Koons on project site A; and an auto repair shop on Lot 38. The estimated employment associated with the displaced businesses exceeds the 100-employee threshold. Therefore, further analysis of direct business displacement is warranted and is included in Section D. Preliminary Assessment.

The Project Area also contains the DSNY Manhattan District 6 (M6) Garage, consisting of a personnel building (locker rooms, wash rooms, and offices) on project site A, and the Garage's repair and maintenance facility on project site B. Irrespective of the proposed actions DSNY would relocate its M6 Garage from project site A to a location closer to the M6 service district on the East Side of Manhattan, cease operations and vacate the equipment storage and maintenance facility at project site B, and cease the storage of DSNY trucks on East 29th Street and on 12th Avenue in the Project Area.² Therefore, the proposed actions would not directly displace these sanitation and repair/maintenance uses.

² DSNY's application for approvals to build a new M6 Garage at 425 East 25th Street is a separate action for CPC review (CEQR#13DOS007M).

The PANYNJ occupies a lot at 615 West 29th Street (western portion of Lot 12 on project site A). PANYNJ uses this lot for security and office functions as well as vehicle parking. There is no employment associated with this lot and it is not considered a displaced use for purposes of a CEQR socioeconomic analysis.

3. ***Indirect Residential and Business 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.***

The proposed actions would not introduce commercial development in excess of 200,000 square feet (sf), and the uses associated with the proposed actions would not be new to the socioeconomic study area. However, the proposed actions would introduce more than 200 units and would directly displace more than 100 employees, which, according to the *CEQR Technical Manual*, trigger the need for an indirect business displacement analysis. Therefore, further analysis of indirect residential and business displacement is warranted and is included in Section D. Preliminary Assessment.

4. ***Indirect Business Displacement due to market saturation: Would the project add to, or create, a retail concentration that may draw a substantial amount of sales from existing businesses within the study area to the extent that certain categories of business close and vacancies in the area increase, thus resulting in a potential for disinvestment on local retail streets? Projects resulting in less than 200,000 square feet of retail on a single development site would not typically result in socioeconomic impacts.***

The proposed actions would introduce up to 40,028 gsf of retail. Therefore, the proposed actions would not introduce retail uses in excess of 200,000 sf on the project sites; and an assessment of potential indirect business displacement due to retail market saturation is not warranted.

5. ***Adverse Impacts on Specific Industries: Is the project expected to affect conditions within a specific industry? An analysis is warranted if a substantial number of residents or workers depend on the goods or services provided by the affected businesses or if it would result in the loss or substantial diminishment of a particularly important product or service within the industry.***

As noted in the responses to screening questions 2 and 3 above, the proposed actions would result in direct business displacement, and a preliminary assessment is necessary to determine the potential for indirect business displacement. Section D. Preliminary Assessment also addresses whether the proposed actions would significantly affect business conditions in any industry or category of business within or outside the study area, or whether they would substantially reduce employment or impair viability in a specific industry or category of business.

D. PRELIMINARY ASSESSMENT

DIRECT BUSINESS DISPLACEMENT

The *CEQR Technical Manual* defines direct business displacement as the involuntary displacement of businesses (including institutional uses) from the site of, or a site directly

affected by a proposed action. In accordance with the guidelines, displacement of a business or group of businesses is not, in itself, considered a significant adverse environmental impact. While all businesses contribute to neighborhood character and provide value to the City's economy, the *CEQR Technical Manual* specifies consideration of the following in determining the potential for significant adverse impacts: (1) whether the businesses to be displaced provide products or services essential to the local economy that would no longer be available to local residents or businesses; and (2) whether adopted public plans call for preservation of such businesses in the area.

The proposed actions would directly displace three businesses and an estimated 164 jobs associated with those businesses. According to the *CEQR Technical Manual*, projects that displace more than 100 employees warrant further assessment because such displacement could alter the socioeconomic character of the neighborhood. As such, a preliminary assessment of direct business displacement was conducted, examining the employment and business value characteristics of the affected businesses. The analysis begins with profiles of the employment and businesses currently found in the socioeconomic study area. It then describes the businesses and employment that could be directly displaced from the Project Area. CEQR assessment criteria are used to determine whether such displacement could result in significant adverse impacts.

PROFILE OF PRIVATE EMPLOYMENT IN THE SOCIOECONOMIC STUDY AREA

As of 2016, there were an estimated 48,651 private sector employees in the socioeconomic study area (see **Table 4-1**). These employees represented 2.3 percent of Manhattan's total private employment, and approximately 1.4 percent of New York City's total private employment.

The economic sector with the highest private sector employment in the socioeconomic study area is Professional, Scientific, and Technical Services, representing 11.9 percent of total private employment. This is a lower percentage of total private employment as compared with Manhattan (16.3 percent), but higher than New York City (10.9 percent).

The next largest economic sector in the study area is Health Care and Social Assistance, with 9.9 percent of the study area's private employment. In Manhattan and New York City, the Health Care and Social Assistance sector employs 10.4 and 18.2 percent of the population, respectively.

The third and fourth largest economic sectors in the study area are Management of Companies and Enterprises (9.4 percent) and Administrative and Support and Waste Management and Remediation (9.2 percent). These are much higher percentages of total private employment for both sectors as compared with Manhattan and New York City. Management of Companies and Enterprises made up 2.9 and 1.9 percent of the private sector employee pool in Manhattan and New York City, respectively. Administrative and Support and Waste Management and Remediation also had lower percentages in Manhattan and New York—6.8 and 6.2 percent, respectively.

Table 4-1
2016 Private Employment in Socioeconomic Study Area,
Manhattan, and New York City

	Socioeconomic Study Area ¹		Manhattan		New York City	
	Employees	%	Employees	%	Employees	%
Agriculture, Forestry, Fishing, and Hunting	0	0.0%	128	0.01%	263	0.01%
Mining	0	0.0%	31	0.0%	61	0.00%
Utilities	D ²	D	D	D	15,262	0.4%
Construction	2,211	4.5%	38,188	1.8%	138,397	3.9%
Manufacturing	1,893	3.9%	27,181	1.3%	77,472	2.2%
Wholesale Trade	1,854	3.8%	75,513	3.6%	135,684	3.8%
Retail Trade	4,324	8.9%	161,463	7.6%	344,132	9.7%
Transportation and Warehousing	394	0.8%	16,010	0.8%	110,165	3.1%
Information	3,769	7.7%	152,694	7.2%	174,761	4.9%
Finance and Insurance	2,327	4.8%	289,529	13.7%	328,744	9.3%
Real Estate, Rental, and Leasing	3,169	6.5%	82,938	3.9%	126,558	3.6%
Professional, Scientific, and Tech. Services	5,774	11.9%	343,124	16.3%	385,035	10.9%
Management of Companies and Enterprises	4,588	9.4%	61,472	2.9%	68,662	1.9%
Administrative and Support and Waste Management and Remediation	4,453	9.2%	142,589	6.8%	217,997	6.2%
Educational Services	1,311	2.7%	102,784	4.9%	161,737	4.6%
Health Care and Social Assistance	4,797	9.9%	219,600	10.4%	643,092	18.2%
Arts, Entertainment, and Recreation	1,864	3.8%	59,799	2.8%	81,271	2.3%
Accommodation and Food Services	4,230	8.7%	225,525	10.7%	345,089	9.7%
Other Services (except Public Administration)	1,469	3.0%	100,268	4.7%	167,562	4.7%
Unclassified	D ²	D	6,487	0.3%	20,574	0.6%
Total	48,651	100.0%	2,111,022	100.0%	3,542,518	100.0%

Notes:
¹ Private employee counts for the socioeconomic study area are based on an aggregate of values from the QCEW, 3Q 2016 for the following 2010 Census Tracts: 93, 97, 103, 99, and 111.
² To avoid disclosing data for individual employees, the following sectors were considered non-disclosable and were symbolized with a 'D': Utilities and Unclassified and Non-Disclosable. DCP did include the number of non-disclosable employees in the total employee count to provide an accurate representation of the number of employees.
Sources: NYSDOL QCEW, 3Q 2016; DCP's HEIP Division provided NYSDOL QCEW, 3Q 2016 data at the census tract level for the socioeconomic study area (February 2017).

PROFILE OF PRIVATE BUSINESSES IN THE SOCIOECONOMIC STUDY AREA

As of 2016, there were an estimated 2,674 private businesses within the socioeconomic study area (see **Table 4-2**). The Professional, Scientific, and Technical Services sector accounted for the largest share of private employment and businesses within the study area (530 businesses, or 19.8 percent of the businesses in the study area).

Table 4-2

**2016 Private Businesses in Socioeconomic Study Area,
Manhattan, and New York City**

	Socioeconomic Study Area ¹		Manhattan		New York City	
	Firms	%	Firms	%	Firms	%
Agriculture, Forestry, Fishing, and Hunting	0	0.0%	20	0.02%	51	0.02%
Mining	0	0.0%	8	0.0%	11	0.0%
Utilities	D ²	D	D	D	71	0.0%
Construction	75	2.8%	2,218	1.8%	13,083	5.0%
Manufacturing	136	5.1%	2,188	1.7%	5,759	2.2%
Wholesale Trade	189	7.1%	8,299	6.6%	15,173	5.8%
Retail Trade	295	11.0%	11,092	8.8%	32,306	12.4%
Transportation and Warehousing	34	1.3%	787	0.6%	4,821	1.8%
Information	131	4.9%	4,898	3.9%	6,420	2.5%
Finance and Insurance	54	2.0%	8,170	6.5%	11,979	4.6%
Real Estate, Rental, and Leasing	191	7.1%	10,952	8.7%	21,006	8.0%
Professional, Scientific, and Tech. Services	530	19.8%	20,225	16.0%	29,908	11.4%
Management of Companies and Enterprises	39	1.5%	1,170	0.9%	1,469	0.6%
Administrative and Support and Waste Management and Remediation	158	5.9%	6,007	4.8%	10,945	4.2%
Educational Services	47	1.8%	1,867	1.5%	4,046	1.5%
Health Care and Social Assistance	72	2.7%	7,932	6.3%	22,716	8.7%
Arts, Entertainment, and Recreation	140	5.2%	4,125	3.3%	5,685	2.2%
Accommodation and Food Services	158	5.9%	9,715	7.7%	21,552	8.2%
Other Services (except Public Administration)	269	10.1%	20,305	16.1%	35,513	13.6%
Unclassified and Non-Disclosable	D ²	D	6,277	5.0%	18,959	7.3%
Total	2,674	100.0%	126,275	100.0%	261,473	100.0%

Notes:
¹ Private firm counts for the socioeconomic study area are based on an aggregate of values from the QCEW, 3Q 2016 for the following 2010 Census Tracts: 93, 97, 103, 99, and 111.
² To avoid disclosing data for individual firms, the following sectors were considered non-disclosable and were symbolized with a 'D': Utilities; and Unclassified and Non-Disclosable. DCP did include the number of non-disclosable employees in the total employee count to provide an accurate representation of the number of employees.
Sources: NYSDOL QCEW, 3Q 2016; NYSDOL QCEW, 3Q 2016 data was provided at the census tract level for the socioeconomic study area by DCP HEIP Division (February 2017).

The second- and third-most prevalent business sectors in the study area were Retail Trade and Other Services (except Public Administration), representing 11.0 and 10.1 percent of study area businesses, respectively. Meanwhile, the Retail Trade sector accounted for approximately 8.8 and 12.4 percent of businesses in Manhattan and New York City, respectively.

PROFILE OF DIRECTLY DISPLACED PRIVATE BUSINESSES

The proposed actions would directly displace three private businesses with an associated 164 jobs. The businesses on project site A are within the Retail Trade sector (a gas station), and Arts, Entertainment, and Recreation sector (an artist work/warehouse space). The auto repair shop on Lot 38 can be categorized as Other Services (Excluding Public Administration). Therefore, the proposed actions would remove one retail establishment (or 0.3 percent of those types of establishments in the study area), one Arts, Entertainment, and Recreation businesses (or 0.7 percent of those in the study area), and one "Other Service" (or 0.4 percent of those in the study area).

CEQR PRELIMINARY ASSESSMENT CRITERIA

According to the *CEQR Technical Manual*, the following threshold indicators are considered to determine the potential for significant adverse impacts due to direct business displacement.

1. Would the businesses to 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?

Retail Trade

The one displaced Retail Trade sector business (a Mobil gas station and minimart) employs an estimated 10 workers. This displaced business represents 0.3 percent of Retail Trade sector businesses, and 0.2 percent of Retail Trade sector employment in the study area. While gas stations are becoming a less frequent presence within Manhattan, there are several gas stations in close proximity of the Project Area: the BP gas station and minimart located on Tenth Avenue between West 36th and West 37th Streets (approximately 7 blocks north, or ½-mile away from the Project Area); the Mobil gas station located on Eleventh Avenue between West 50th Street and West 51st Street (approximately 1 mile away from the Project Area); the Mobil gas station located on Eight Avenue between Horatio Street and West 13th street (approximately 1.4 miles away from Project Area); the BP gas station located on FDR Drive and East 23rd Street (located approximately 2.7 miles away from the Project Area); the Mobil gas station located on West 96th Street between Riverside Drive and West End Avenue (approximately 3.9 miles away from the Project Area). While most of these gas stations are located outside of the study area, they are all within a “consumer trade area” because local vehicle owners can travel a reasonable distance for gas; all of the gas stations cited above are located within a 15-minute drive of the Project Area during uncongested traffic conditions.

Arts, Entertainment, and Recreation

There is one displaced Arts, Entertainment, and Recreation sector business (the workspace/warehouse space for artist Jeff Koons) employing an estimated 150 employees.³ The displaced business represents 0.7 percent of Arts, Entertainment, and Recreation businesses and 8.0 percent of sector employment in the area. This use does not provide a product that is specific to the local community; Jeff Koons art is sold to a global market. Also, Koons has acquired another property in Manhattan that is currently under construction, to which the entire studio plans to relocate.⁴

Other Services (except Public Administration)

There is one displaced auto repair shop on Lot 38, classified as “Other Services” employing an estimated 4 employees. The displaced business represents 0.4 percent of Other Services businesses and 0.3 percent of Other Services employment in the study area. Other auto body shops are located within the study area, most of them on West 37th West 38th Streets, between Eleventh and Tenth Avenues (or approximately 0.4 miles away from the auto repair shop located in the Project Area).

In summary, the uses and employment that would be directly displaced do not represent a substantial portion of study area business activities within any given sector. While all businesses contribute to neighborhood character and provide value to the City’s economy, because there are alternative sources of goods, services, and employment provided within the socioeconomic study

³ As noted in the EAS, this information was provided by Applicant A.

⁴ This information was provided by Applicant A.

area, the displaced businesses are not of critical value to the socioeconomic conditions of the area as defined by CEQR.

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?

None of the directly displaced uses are within a category of business that is the subject of regulations or publicly adopted plans to preserve, enhance, or otherwise protect it.

Based on the above analysis, the proposed actions would not result in significant adverse impacts due to direct business displacement. The businesses directly displaced by the proposed actions do not provide products or services essential to the local economy that would no longer be available in the study area. Further, there is no category of business that may be directly displaced that is the subject of regulations or plans to preserve, enhance, or otherwise protect it.

INDIRECT RESIDENTIAL DISPLACEMENT

As described in the *CEQR Technical Manual*, indirect residential displacement usually results from substantial new development that is markedly different from existing uses and activity in an area, which can lead to 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.

Generally, an indirect residential displacement analysis is conducted only in cases in which the potential impact may be experienced by renters living in privately held units unprotected by rent control, rent stabilization, or other government regulations restricting rents, and whose incomes or poverty status indicate that they may not support substantial rent increases. Residents who are homeowners, or who are renters living in rent-protected units are not considered potentially vulnerable populations under CEQR. This analysis follows the step-by-step assessment guidelines of the *CEQR Technical Manual*. As described below and in keeping with *CEQR Technical Manual* guidelines, Step 1 of the preliminary assessment was sufficient to determine that the proposed actions would not result in significant adverse impacts due to indirect residential displacement.

Step 1: Determine if the proposed actions would add new population with higher average incomes compared to the average incomes of the existing populations and any new population expected to reside in the study area without the project.

EXISTING CONDITIONS AND TRENDS

As shown in **Table 4-3**, according to 2011–2015 ACS data, the average household income for the study area is \$159,404 (in 2016 dollars). This is higher than the average household income in Manhattan as a whole (\$137,149) and New York City (\$86,627).⁵ As indicated in the table, compared with Manhattan and New York City overall, the study area has seen a substantial increase in average household income since 2000 (43.2 percent compared with an approximately 4.6 percent increase in Manhattan and an approximately 0.5 percent decrease in New York City overall).

⁵ Average household incomes are presented in constant 2016 dollars using the U.S. Department of Labor’s Annual 2016 Consumer Price Index for the “New York-Northern New Jersey-Long Island” area.

Table 4-3
Annual Average Household Income (2000, 2011–2015 ACS)

Area	2000	2011–2015	Percent Change
Socioeconomic Study Area	\$111,339	\$159,404	43.2
Census Tract 93	\$130,043	\$177,699	36.7
Census Tract 97	\$71,018	\$107,249	51.0
Census Tract 99	\$169,089	\$217,376	28.6
Census Tract 103	\$116,503	\$112,468	(3.5)
Census Tract 111	\$98,650	\$132,140	34.0
Manhattan	\$131,174	\$137,149	4.6
New York City	\$87,052	\$86,627	(0.5)

Note: ¹ All dollar figures have been adjusted to 2016 dollars based on the U.S. Department of Labor Consumer Price Index, 2016.
Sources: U.S. Census Bureau, Census 2000 and 2011–2015 ACS 5-year estimates.

There is variation in household income amongst the study area’s census tracts. Census Tract 97, located between West 30th Street to the north, West 26th Street to the south, Eighth Avenue to the east, and Tenth Avenue to the west, had the lowest income at \$107,249. Census Tract 99, bounded by the waterfront to the west and Tenth Avenue to the east, between West 37th Street to the north and West 14th Street to the south, had the highest income. This variation is in part attributable to the distribution of market-rate residential units and rent-regulated housing. Within the study area, New York City Housing Authority (NYCHA) has three public housing complexes located within Census Tract 97 (Elliott with 608 dwelling units, Chelsea with 426 dwelling units, and Chelsea Addition with 96 dwelling units, for a total of 1,130 affordable units). In addition, housing protected by rent control, rent stabilization, or other government regulations limiting rent increases for the low- and moderate-income residents are also located within the study area.

Table 4-4 illustrates the distribution of incomes within the socioeconomic study area, Manhattan, and New York City. Approximately 44.3 percent of study area households earn more than \$100,000 annually. The overall income distribution of the study area is similar to that of Manhattan as a whole, where approximately 39.5 percent of households earn more than \$100,000 annually.

Table 4-4
Distribution of Household Incomes (2011–2015 ACS)

	Total Households	Households earning less than \$25,000		Households earning \$25,000 to \$49,999		Households earning between \$50,000 and \$99,999		Households earning \$100,000 to \$199,999		Households earning \$200,000 or more	
		Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Study Area	14,417	2,786	19.3	2,190	15.2	3,054	21.2	3,440	23.9	2,947	20.4
Manhattan	750,419	173,151	23.1	113,433	15.1	167,074	22.3	159,419	21.2	137,342	18.3
New York City	3,113,535	841,490	27.0	631,267	20.3	819,358	26.3	578,543	18.6	242,877	7.8

Sources: U.S. Census Bureau, 2011–2015 ACS 5-year estimates.

Table 4-5 presents average and median gross residential rents based on the U.S. Census and ACS data. These datasets do not provide specific rent information according to regulation status

or unit size, but instead can paint a general picture about the rate at which housing costs are changing in a neighborhood.

Table 4-5
Average and Median Gross Rent (2000, 2011–2015 ACS)

Area	2000		2011–2015 ACS		Percent Change	
	Average	Median	Average	Median	Average	Median
Socioeconomic Study Area	\$1,348	\$1,167	\$2,025	\$2,010	50.2	72.3
Census Tract 93	\$1,366	\$1,229	\$1,742	\$1,571	27.5	27.8
Census Tract 97	\$946	\$803	\$1,139	\$839	20.4	4.4
Census Tract 99	\$1,881	\$1,414	\$2,662	\$2,932	41.6	107.4
Census Tract 103	\$1,396	\$1,841	\$2,381	\$2,481	70.6	34.8
Census Tract 111	\$1,396	\$1,262	\$2,174	\$2,416	55.8	91.5
Manhattan	\$1,467	\$1,184	\$1,685	\$1,535	14.8	29.6
New York City	\$1,140	\$1,049	\$1,269	\$1,269	11.3	20.9

Note: ¹ All dollar figures have been adjusted to 2016 dollars based on the U.S. Department of Labor, Consumer Price Index, 2016.
Sources: U.S. Census Bureau, Census 2000 and 2011–2015 ACS 5-year estimates.

Table 4-5 shows that gross average and median rents in the study area have increased more rapidly than Manhattan and New York City rents. Within the study area, since 2000 average rents increased by 50.2 percent and median rents increased by 72.2 percent. Meanwhile, average rents increased by 14.8 and 11.3 percent, and median rents increased by 29.6 and 20.9 percent in Manhattan and New York City, respectively. Average and median gross rents vary widely when looking at the data at the census tract level, with disproportionately high average and median gross rents in Census Tract 99 (along the waterfront), and low average and median gross rents to the southeast of the project site (Census Tract 97, where there is a concentration of NYCHA housing).

NO ACTION CONDITION

Project Area

In the future no actions conditions, no new population would be added to the Project Area.

Study Area

Within the study area, numerous background development projects are expected to be built by 2022 including the Eastern Rail Yards, as described in Chapter 3, “Land Use, Zoning, and Public Policy.” The projects are expected to introduce substantial new residential, commercial, retail, community facility, and other active uses, increasing the density and mixed-use character of the study area. Most notably, the Eastern Rail Yards are anticipated to be complete by 2022 and would include approximately 2,200 residential units, 1 million sf of retail, 6.8 million sf of office use as well as hotel, community facility, and open space uses. Being constructed to the east of the Project Area at 520 West 30th Street, a residential above commercial mixed-use development with 179 units and 13,219 sf of ground-floor retail is nearing completion. Other background development projects within the study area include another mixed-use residential with commercial developments between Tenth and Eleventh Avenues, including a 375-unit residential building at 507 West 28th Street with ground-floor retail. Overall, approximately 6,034 new residential units are planned or projected to be built in the study area by 2022.

As shown in **Table 4-3** there is an existing trend of increasing average and median household incomes in the study area. As identified in **Table 4-5**, there is a concurrent existing trend in the study area of increasing average and median gross rent. Given the prevailing trends toward increased rents and higher cost for market rate units, maintenance of the mixed-income demographic as it currently exists within the study area depends in large part on the introduction and preservation of affordable housing. A share of the With Action condition dwelling units would be permanently affordable, thus counterbalancing the existing trend. The residents of the affordable units in the With Action condition would likely bring down the average income as compared to the No Action condition. As such, there would likely be considerably less indirect residential displacement in the With Action condition than the No Action condition, thanks to the introduction of MIH and other measures designed to combat existing trends toward increased incomes and rent.

WITH ACTION CONDITION

In the future with the proposed actions, the study area population would increase by an estimated 2,050 people, based on the 2010 average household size for Manhattan Community District 4 (1.65 persons per household). By 2022, the proposed actions would result in an incremental increase in market-rate and affordable dwelling units under the Mandatory Inclusionary Housing (MIH) program.

Given that MIH has a variety of possible income tiers for affordable housing, for purposes of CEQR analysis it is reasonable to assume that 20 percent of the overall residential floor area is set aside for “affordable” residential units, and that “affordable” refers to residential units set aside for families/residents earning 80 percent (or below) of AMI. Based on this assumption, the proposed actions would introduce up to 994 market-rate housing units,⁶ and 248 affordable units occupied by families/residents earning 80 percent of AMI.⁷

In order to estimate the average household income of residents introduced by the proposed actions, it is necessary to estimate the incomes of future residents in both the market-rate and affordable units. For market-rate units, an estimate was made based on research into current market-rate rents in the study area (as summarized in **Table 4-6**) and the assumption that incoming market-rate renters would be spending 30 percent of their household income on rent, since the U.S. Department of Housing and Urban Development (HUD) defines families who pay more than 30 percent of their income for housing as cost burdened.

Assuming that the incoming market-rate renters would be spending 30 percent of their income on rent, a person renting a market-rate unit that would be available as a result of the proposed actions would have an income between approximately \$113,000 and \$283,000, depending on the unit type (see **Table 4-6**). Assuming that the mix of unit types would be similar to the current distribution within the study area, a household renting a market-rate unit that would be available as a result of the proposed actions would have a weighted average income of \$165,000.

⁶ The market-rate units will be rent stabilized and thus subject to price regulations.

⁷ Affordable units produced under MIH could be available to households earning 80 percent of AMI or less. Given this socioeconomic analysis calculates the range based on 80 percent AMI, the actual incomes of residents living in these affordable dwelling units could be lower.

According to HUD, two-person families in the New York City region would be eligible for rental assistance if they were making up to \$61,050 annually, which is 80 percent of AMI.⁸ Since the study area’s average household size is 1.65 persons per household (and the average household size of the study area’s renter-occupied homes is 1.64 persons per household), it is assumed that the average income of a family living in an affordable unit would be \$61,050.

**Table 4-6
Estimated Income for the Proposed Market-Rate Units**

Unit Type	Number of apartments listed ¹	Percent of apartments listed in the study area	Average Rent ¹	Estimated Average Monthly Income ²	Estimated Average Yearly Income ²
Studio	46	26.9	\$2,817	\$9,390	\$113,000
1BR	72	42.1	\$3,705	\$12,350	\$148,000
2BR	34	19.9	\$5,193	\$17,310	\$208,000
3BR+	19	11.1	\$7,086	\$23,620	\$283,000
Average	171	100.0	\$4,137	\$13,790³	\$165,000³

Notes:
¹ Represents the number of apartments listed and the average monthly rent based on April 2017 market listings.
² Average household incomes were imputed using the HUD 30% guideline described above and were rounded to the nearest thousand.
³ The project’s weighted average incomes were calculated assuming a similar mix of unit types as currently exists in the study area based on recent rental listings.
Source: Street Easy, <http://streeteasy.com/>, accessed in April 2017.

As noted above, the proposed actions would result in an increment of 1,242 dwelling units, of which it is assumed that 248 would be affordable to families making 80 percent of AMI, and 994 would be market rate. The average income of a household with rental assistance would be \$61,050 annually, and the average income of a household in a market-rate unit would be \$165,000. In the aggregate, the weighted average household income of the project-generated population would be approximately \$144,000, which is less than the study area’s current average household income by approximately \$15,000 (see “Existing Conditions and Trends,” above). The projected incomes are also anticipated to be similar to that of the future study area population, since No Action condition projects in the study area, including development following the Hudson Yards Rezoning, are mostly a combination of affordable and market rate housing.

Based on the Step 1 analysis, the proposed projects’ populations would be anticipated to have incomes that are similar or lower than the existing and future study area populations. The proposed actions would not introduce a new concentration of higher-income housing that could substantially alter rental market conditions in the study area. Therefore, based on *CEQR Technical Manual* guidelines, the proposed actions would not result in significant adverse impacts due to indirect residential displacement.

INDIRECT BUSINESS DISPLACEMENT

As described in the *CEQR Technical Manual*, indirect business displacement usually results from substantial new development that is markedly different from existing uses and activity in an area, which can lead to increased property values in the area. Increased property values can lead to increased rents, which can make it difficult for some existing businesses to remain in the

⁸ <https://www1.nyc.gov/assets/hpd/downloads/pdf/NSP-tenant-lease-guidelines.pdf> last accessed May 3, 2017

area. The preliminary analysis follows the methodology of the *CEQR Technical Manual* in analyzing the criteria numbered in bold, italics below.

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

The proposed actions would facilitate the introduction of new residential, commercial, and community facility uses. With the proposed actions, the residential uses would include a combination of market-rate and affordable units; the commercial uses would include ground-floor retail. The project sites and broader socioeconomic study area have well-established residential and retail markets such that the proposed projects would not be introducing new economic activities to the project sites or the study area.

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

RESIDENTIAL USES

The proposed actions would add to the concentration of residential uses in the study area, but not enough to alter or accelerate an ongoing trend or existing patterns. The study area has a large concentration of residential land uses (approximately 20,725 dwelling units) generally located between Seventh and Tenth Avenues and south of West 31st Street. There are no existing dwelling units in the Project Area. Recent construction shows a trend towards increased residential developments in the study area. Residential developments built in the last few years in the area include Jardim, a 26-unit luxury residential building located at 527 West 27th Street; Zaha Hadid's 39-unit condominium at 520 West 38th Street; Chelsea Waterside Residences located at 559 West 23rd Street; and 551 West 21st Street, with 44 dwelling units. Demographics of the study area as presented in the indirect residential displacement analysis show that there is an increasing average household income.

In the With Action condition, there would be an increase of 1,242 dwelling units, 20 percent of which would be set aside as affordable, on the project sites. The large number of affordable dwelling units in the With Action condition would reinforce the existing demographic pattern of mixed-incomes in the study area by providing housing opportunities that can be afforded by a range of households. The large number of affordable dwelling units would help maintain a balance of incomes and would preserve consumer demand for businesses offering goods and services at a range of price points.

COMMERCIAL USES

The proposed actions would introduce up to 40,028 gsf of new retail and would result in an overall reduction of commercial space in the Project Area (there is currently 56,865 gsf of commercial floor area in the Project Area). With over 4 million gsf of retail space in the study area, the incremental project-generated retail space would not be enough to alter or accelerate ongoing trends.

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

The proposed actions would not directly displace uses that offer critical support services to local businesses, or that draw a substantial customer base to the study area. As noted in the

preliminary assessment of direct business displacement, the proposed projects would directly displace three businesses, for a total of 164 workers: the Jeff Koons artist space; a Mobil gas station and associated market; an auto repair shop. The businesses do not draw large volumes of customers to their location relative to the overall consumer draw within the study area, nor are the businesses relied upon exclusively for products or services by other business establishments in the study area. Moreover, the City is relocating the DSNY uses. As described above, the sanitation uses provided by DSNY on project site A provide services for Community District 6 on the east side of Manhattan. Relocating these uses would not affect the trash services in the study area, and would likely improve the services on the eastside because they would be moving to a permanent facility with better adjacency to the area they serve. In addition, Koons has acquired another property in Manhattan which is currently under construction and to which the entire studio will relocate. Therefore, the potential displacement of these businesses and public facility would not have a significant adverse effect on the remaining businesses or consumers in the study area.

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

The proposed actions would not directly or indirectly displace residents, workers, or visitors who form a substantial portion of the customer base of existing businesses in the study area. In the future with the proposed projects, a new residential population from the addition of 1,242 dwelling units on the project sites would increase the customer base in the area.

Based on the above consideration of CEQR criteria, this preliminary assessment finds that the proposed projects would not add a new economic activity or add concentration of a particular sector of the local economy enough to significantly alter or accelerate existing economic patterns. The proposed redevelopment would not directly or indirectly displace uses that provide critical support to customer base for local businesses. As such, the proposed projects would not result in significant adverse socioeconomic impacts due to indirect business displacement, and no further assessment is warranted.

ADVERSE EFFECTS ON SPECIFIC INDUSTRIES

According to the *CEQR Technical Manual*, a significant adverse impact may occur if an action would quantifiably diminish the viability of a specific industry that has substantial economic value to the city's economy. As an example as cited in the *CEQR Technical Manual* is new regulations that prohibit or restrict the use of certain processes that are critical to certain industries.

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

As described above, the businesses that would be displaced do not represent a critical mass of businesses within any City industry, category of business, or category of employment. Although the businesses are valuable to the City's economy, the services offered by the displaced uses could be found elsewhere within the socioeconomic study area, within the broader trade area, and within the City as a whole. Furthermore, as discussed under the "Indirect Business Displacement" section of this chapter, the products and services offered by the business that would be displaced are not expected to be essential to the viability of other businesses within or outside the study area. Therefore, the proposed actions would not affect business conditions in any specific industry within or outside the study area.

2. Would the proposed projects indirectly substantially reduce employment or have an impact on the economic viability in the industry or category of business?

As described in the Indirect Business Displacement analysis, the proposed actions would not result in significant indirect business displacement. Therefore, the proposed actions would not indirectly reduce employment or have an impact on the economic viability in any specific industry or category of business.

Based on this preliminary assessment, the proposed actions would not result in significant adverse impacts due to adverse effects on specific industries. *