



EAST VILLAGE MANHATTAN

Commercial District Needs Assessment



careers
businesses
neighborhoods



Lower East Side Partnership
East Village Independent Merchants Association



ABOUT EAST VILLAGE

Avenue NYC is a competitive grant program created by the **NYC Department of Small Business Services** to fund and build the capacity of community-based development organizations to execute commercial revitalization initiatives. Avenue NYC is funded through the U.S. Department of Housing and Urban Development's Community Development Block Grant (CDBG) Program, which targets investments in low- and moderate-income neighborhoods.

Avenue NYC Commercial Revitalization grants provide multi-year commitments aimed at building the capacity of partner organizations to better understand neighborhood needs, develop impactful programs, and sustain their work in the community for at least three years.

The **Commercial District Needs Assessment (CDNA)** highlights a neighborhood's existing business landscape and consumer characteristics.

This CDNA features the commercial corridors of **Avenues A, B, C, D, 1st, 2nd, and 3rd avenues; Bowery**, and all cross streets between **East Houston and East 14th streets** between **Bowery and Avenue D** in the **East Village**, and was conducted in partnership with the **Lower East Side Partnership** between August 2019 and March 2020.

Key issues and opportunities identified through this assessment will help prioritize SBS-supported local investments, and serve as an informational and marketing resource for the neighborhood.

In This Report

Existing conditions, business data, and qualitative depictions of the neighborhood were gathered from more than **510 surveys** and various stakeholder meetings with neighborhood merchants, shoppers, workers, property owners, and residents.

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Background

The East Village is a neighborhood known for its rich history, diversity, and creative culture. Bordered by East 14th Street, 3rd Avenue, East Houston Street, and the East River, the East Village along with its neighbor to the south, the Lower East Side, has been called the “gateway to the city” for immigrants. The eastern portion of the neighborhood is also known as Alphabet City or Loisaida, a reflection of the Spanish commonly spoken among the large Puerto Rican and Dominican communities. In the heart of the East Village is Tompkins Square Park, which serves as greenspace for community events, dog lovers, skateboarders, and offers a newly renovated playground.

With landmarks dating back to Peter Stuyvesant and the era of New Amsterdam, the East Village has a long history of welcoming immigrant communities; waves of Eastern European, German, Italian, Jewish, and Russian people have called the East Village home. In the second half of the 20th century, the neighborhood welcomed a growing population of Dominican, Polish, Puerto Rican, and Ukrainian residents, with small businesses reflecting this cultural and language diversity.

The East Village also has a history of civic engagement and counter-culture, and is recognized as the home of punk rock and artists alike. Despite suffering from significant neglect, crime, and disinvestment in the 1970s and 1980s, residents developed ways to improve their neighborhood and foster a unique sense of community. The first community garden in the city was established here in 1974, and today the neighborhood maintains a vast network of nearly 40 greenspaces. The Fourth Arts Block, located on East 4th Street between the Bowery and 2nd Avenue, is a significant hub for various arts and community groups. In 2012, a portion of the neighborhood was designated a historic district in recognition of its distinctive architecture.

East Village residential buildings are comprised of a mix of smaller multifamily apartment buildings and large public housing developments. The neighborhood is recognized for its café culture, extensive restaurant and nightlife offerings, and a unique assortment of small retail establishments. These small businesses are an important part of the district's retail diversity and neighborhood character, with clusters of independent stores along cross streets such as St. Marks Place, as well as along the main north-south avenues. Storefronts are interspersed throughout the neighborhood, and residents celebrate the “small town within the big city” feel.

Neighborhood Demographics

See more on page 12

The East Village is a demographically and socioeconomically diverse community. Out of approximately 62,000 residents, 50% are White, 25% are Hispanic or Latino, 13% are Asian, and 10% are African American. The neighborhood's median household income of \$57,104 is significantly lower than that of Manhattan (\$82,459), but only slightly below that of New York City (\$60,762). In recent years, the increase of new, more affluent residents has raised fears of displacement for long-time minority and creative communities. Local organizations are working to protect the people, culture, and small businesses that make the neighborhood unique.

Future Opportunities

See more on page 5

As the East Village continues to evolve, its creative culture and ethnic diversity remain two of its strongest assets. A new subway entrance on Avenue A and the M14 Select Bus Service have provided new opportunities for improved accessibility to the eastern portion of the district. Despite a moderately high retail vacancy rate of 14%, the neighborhood's bustling activity and historic streetscapes continue to draw merchants to open new restaurants and unique businesses. In the face of a changing retail landscape, the small storefronts that characterize the East Village endure as a testing ground for aspiring entrepreneurs from around the world. Continued advocacy and collaboration among a dedicated network of community-based organizations, merchants, and long-standing residents will help guide the neighborhood in the coming years.

East Village



▲ Points of Interest

- Assessed Commercial Corridors
- Parks and Community Gardens
- Arts & Cultural Destinations
- Business Improvement Districts
- Public Facilities

Community Groups

- Cooper Square Committee
- East Village Community Coalition
- East Village Independent Merchants Association
- Good Old Lower East Side (GOLES)
- LES Ecology Center
- Loisaida Inc.
- Loisaida United Neighborhood Gardens (LUNGS)
- Lower Eastside Girls Club

▲ Notable Places



Neighborhood Events

- Dance Parade and Festival
- Loisaida Festival
- Lower East Side History Month
- Saint George Ukrainian Festival
- Tompkins Square Park Halloween Dog Parade

KEY FINDINGS & OPPORTUNITIES

Strengths

- ▶ Home to an extensive network of greenspaces including community gardens and public parks
- ▶ Residents and merchants share a strong sense of community pride
- ▶ Rich cultural heritage and variety of small independent businesses contribute to a unique neighborhood identity, offering something for everyone
- ▶ Residents are passionate about community activism, neighborhood preservation, and walkable streetscapes
- ▶ Diverse population and creative culture are reflected in the variety of arts, cultural, and entertainment institutions, as well as the distinct designs of storefronts
- ▶ Concentration of dining and nightlife establishments draws people from across the city and beyond

Challenges

- ▶ Moderately high storefront vacancy rate (14% district-wide), especially on Avenue B (25%), with vacant storefronts attracting graffiti
- ▶ Local organizations currently have limited capacity to support merchants
- ▶ Changing residential population that may not be as personally connected to local businesses and the community
- ▶ Amid high commercial rents, evolving consumer preferences are forcing small businesses to compete with online shopping
- ▶ Sanitation and streetscape cleanliness are issues in various parts of the district, with illegal dumping from households and overflowing litter baskets
- ▶ Pedestrians, bikes, delivery trucks, and businesses compete for limited street and sidewalk space
- ▶ Eastern section of the neighborhood, including Avenues C and D, while served by buses, is less accessible due to the distance from the subway



Avenue B and East 6th Street



Nuyorican Poets Cafe



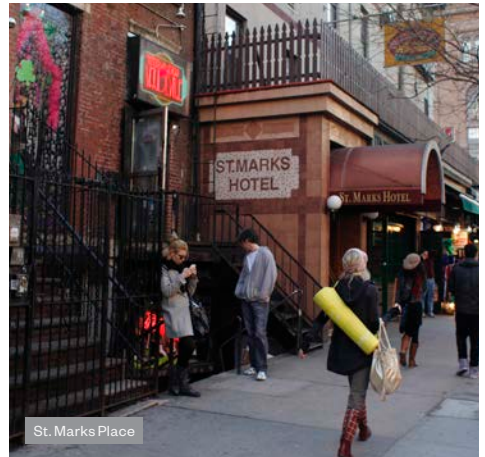
Avenue A



La Plaza Cultural - Armando Perez Community Garden



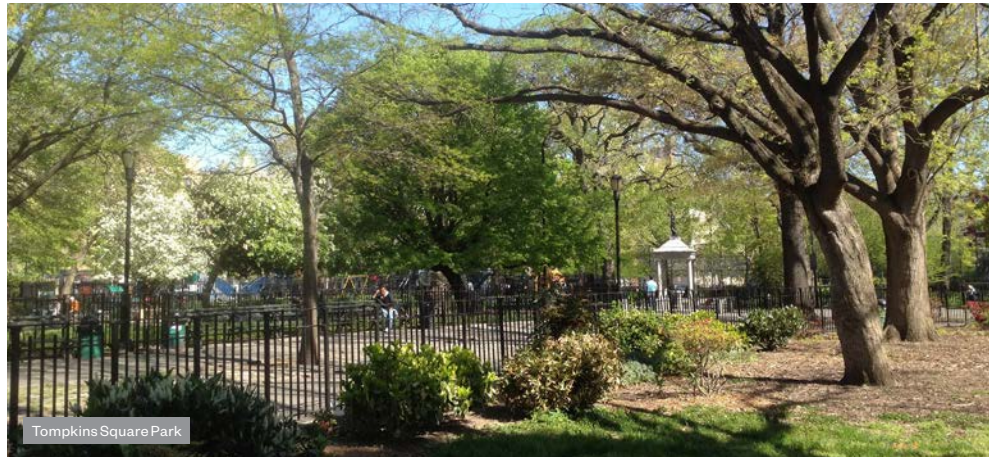
Loisaída Festival



St. Marks Place



La MaMa Experimental Theatre Club



Tompkins Square Park

Opportunities

- ▶ Leverage the neighborhood’s unique identity, history, and culture to market the variety of small business offerings and local destinations
- ▶ Clean, beautify, and maintain the streetscape to make it more attractive to shoppers and pedestrians, and lessen the negative effects of nightlife activity
- ▶ Attract new businesses that meet consumer demand and develop innovative temporary programming to activate vacant storefronts
- ▶ Foster connections between new residents and long-standing businesses, and long-standing residents and new businesses
- ▶ Build the capacity of community-based organizations that serve small businesses and encourage collaboration among merchant associations and business owners
- ▶ Prioritize COVID-19 commercial revitalization response activities by deploying actionable strategies that will enhance the economic recovery and long-term resiliency of the commercial district
- ▶ Support businesses in the eastern portion of the district by using promotions and wayfinding to reduce the perceived distance to the eastern section of the neighborhood
- ▶ Build on the neighborhood’s vibrant street life and walkability by installing benches, streetscape furniture, and amenities
- ▶ Host more community events and cultural programs that connect the arts and business communities

What’s Next?

To address these key findings and opportunities, Avenue NYC Grants have been awarded by SBS to nonprofit organizations.

For more information, visit: nyc.gov/avenuenyc

BUSINESS LANDSCAPE: EAST VILLAGE

Business Inventory

1,767

Total Number of Storefronts

14.4%

Storefront Vacancy*

*Note: In 2019, New York City's 76 Business Improvement Districts reported an average ground floor vacancy rate of 9.1% and median ground floor vacancy rate of 8.4% (SBS BIDs Trends Report, FY2019).

Storefront & Retail Mix*



East Village Storefront Vacancy by Corridor

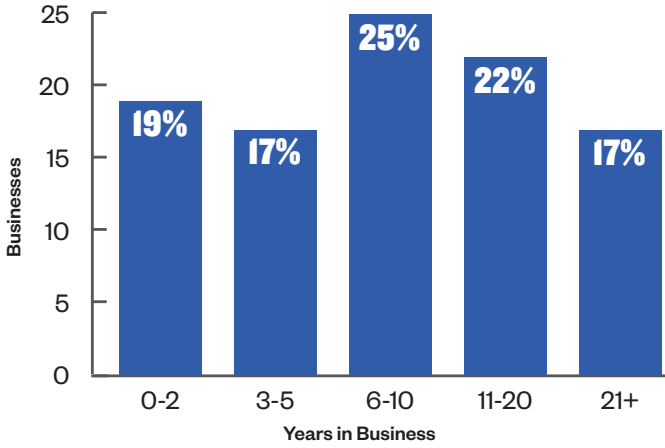
▶ 1st Avenue	12%
▶ 2nd Avenue	15%
▶ Avenue A	18%
▶ Avenue B	25%
▶ Avenue C	16%
▶ Avenue D	17%
▶ St. Marks Place	11%

Business inventory and retail mix data were gathered by the Lower East Side Partnership through a comprehensive area inventory of storefront businesses located along all streets between Bowery, East Houston Street, Avenue D, and East 14 Street (August to October 2019).

***The data and findings presented in this report were gathered before the COVID-19 pandemic.** The economic impact of the COVID-19 outbreak has negatively affected 90% of small business owners nationally. Across New York City, purchases of local goods and services at brick-and-mortar stores declined by 24.9% in March 2020 compared to March 2019. With the exception of grocery stores and pharmacies, spending in all other retail categories declined significantly during the pandemic. During this time, in the East Village, approximately 640 essential businesses remained open for service out of a total of 1,512 storefront businesses. As of June 2020, federal, state, and city resources have been and continue to be developed to support businesses during this extremely challenging time, but many businesses continue to struggle or remain closed. SBS and community partners are working to develop new programs to support businesses and help the East Village commercial district recover from this crisis.

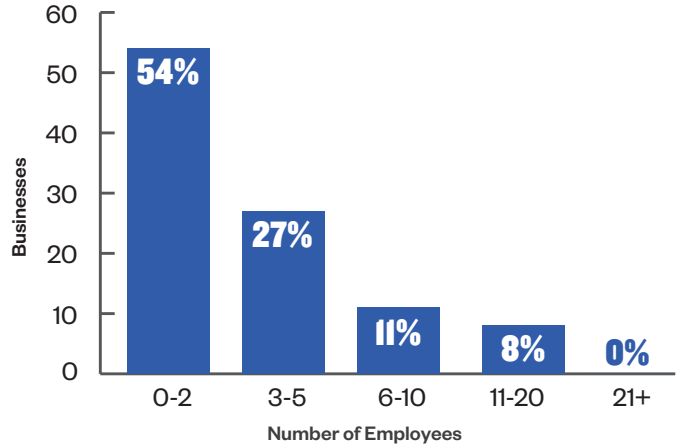
What We've Heard from East Village Merchants

How many years have you been in business here?



*Note: The mean is the average of all responses, the median is the middle number when all responses are arranged in ascending order, and the mode is the most common response.

How many full-time employees do you have?



Do you own or rent your property?



Over the past year, has your business improved, stayed the same, or decreased?



What kinds of resources would help you grow your business?

Resource	% Merchant Responses
Marketing support	27%
Space improvements	17%
Access to financing	15%
Lease support	12%
Assistance with regulatory compliance	5%
New equipment	5%
Training for staff	5%
Legal services	4%
Other services	10%



Source: Based on 101 merchant surveys conducted by the Lower East Side Partnership in Fall 2019 and Winter 2020.

BUSINESS LANDSCAPE

What We've Heard from East Village Merchants

What do you like about the commercial corridor?

"I like that it's pedestrian friendly and there's a good mix of commerce and parks."

"Good mix of young and old people. We have smaller businesses that cater to local people."

"I like the community diversity."

What makes this commercial district unique?

"Smaller buildings, village like."

"The history and the character of the neighborhood. The restaurant and bar culture."

"The particular blends of commerce, arts, and culture."

What We've Heard from East Village Shoppers

What changes would you suggest to improve the East Village commercial district?

"The streets aren't very clean in the East Village and trash cans are always overflowing with garbage."

"Galleries, performance spaces."

"Fewer vacant storefronts, more historical signage, more drinking fountains, safer bike lanes, more bike parking."

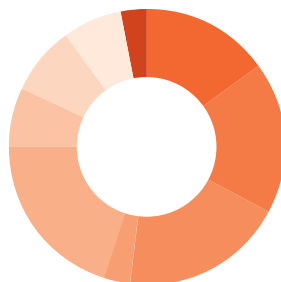
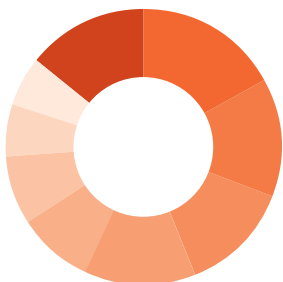
"More trash cans. More lighting in the park."

"Programming, events, and general marketing would help attract visitors."

What changes need to occur in East Village to attract more visitors/shoppers?

% Merchant Response

% Consumer Response



	% Merchant Response	% Consumer Response
Storefront Improvements	17%	15%
Community Events	14%	18%
Landscaping/Beautification	13%	19%
Merchant Collaboration	13%	3%
Sanitation	9%	20%
Parking	8%	7%
Safety	6%	8%
Street Lighting	5%	7%
Other	14%	3%

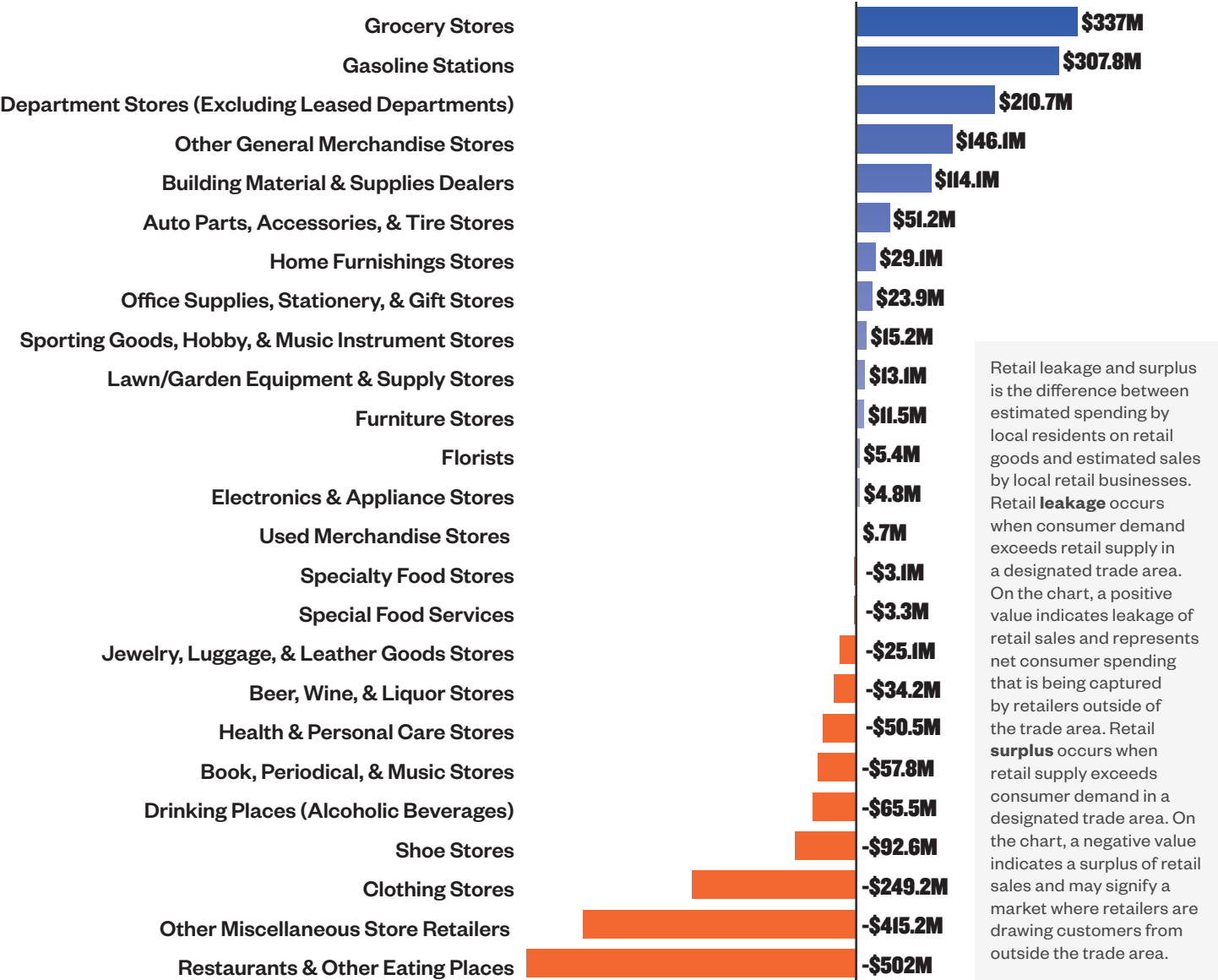
Source: Based on 101 merchant surveys and 409 consumer surveys conducted by the Lower East Side Partnership in Fall 2019 and Winter 2020.

East Village Retail Opportunity

<p>Residents spend</p> <p>\$3.66B</p> <p>each year in goods and services</p>	<p>Local businesses make</p> <p>\$3.32B</p> <p>each year in retail sales</p>	<p>Every year,</p> <p>\$337M</p> <p>is spent outside the neighborhood</p>
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Retail Leakage & Surplus

← Surplus \$0 Leakage →

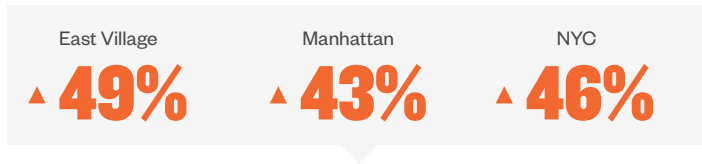


Source: ESRI and Infogroup, 2020

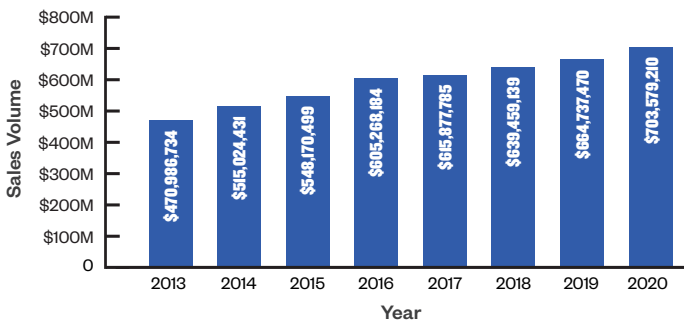
BUSINESS OUTLOOK

Business Trends

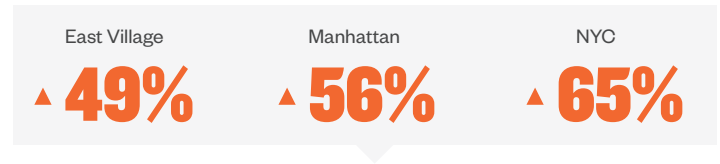
Change in Total Business Sales, 2013-2020



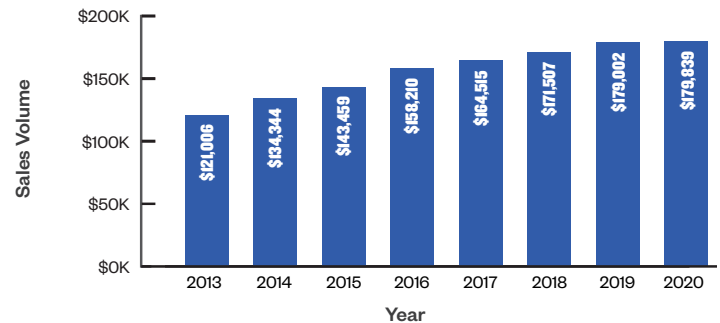
East Village Total Business Sales*



Change in Median Sales by Business, 2013-2020






East Village Median Sales by Business*



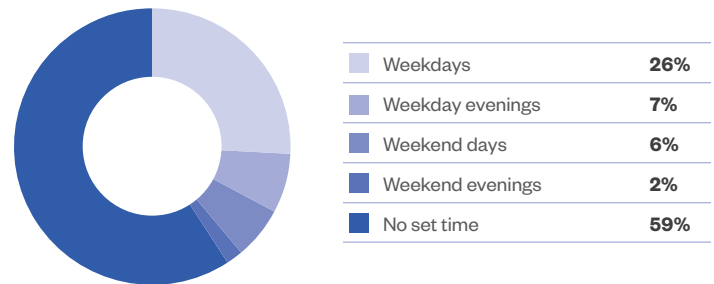
*Year 2020 reflects data gathered up until March 2020. Source: Division of Tax Policy, NYC Department of Finance

What We've Heard from Shoppers

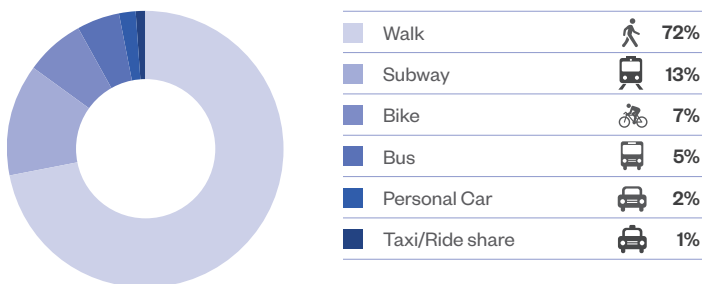
What additional types of businesses would you like to see in the East Village?

- ▶ Independent, locally-owned stores 
- ▶ Bakeries, coffee shops, cafés 
- ▶ Clothing stores 
- ▶ Shoe stores & shoe repair 
- ▶ Grocery & fresh produce stores 

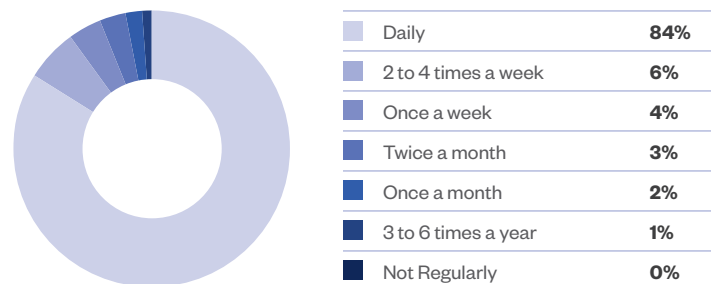
When do you usually shop in the East Village?



How do you usually get to the East Village?

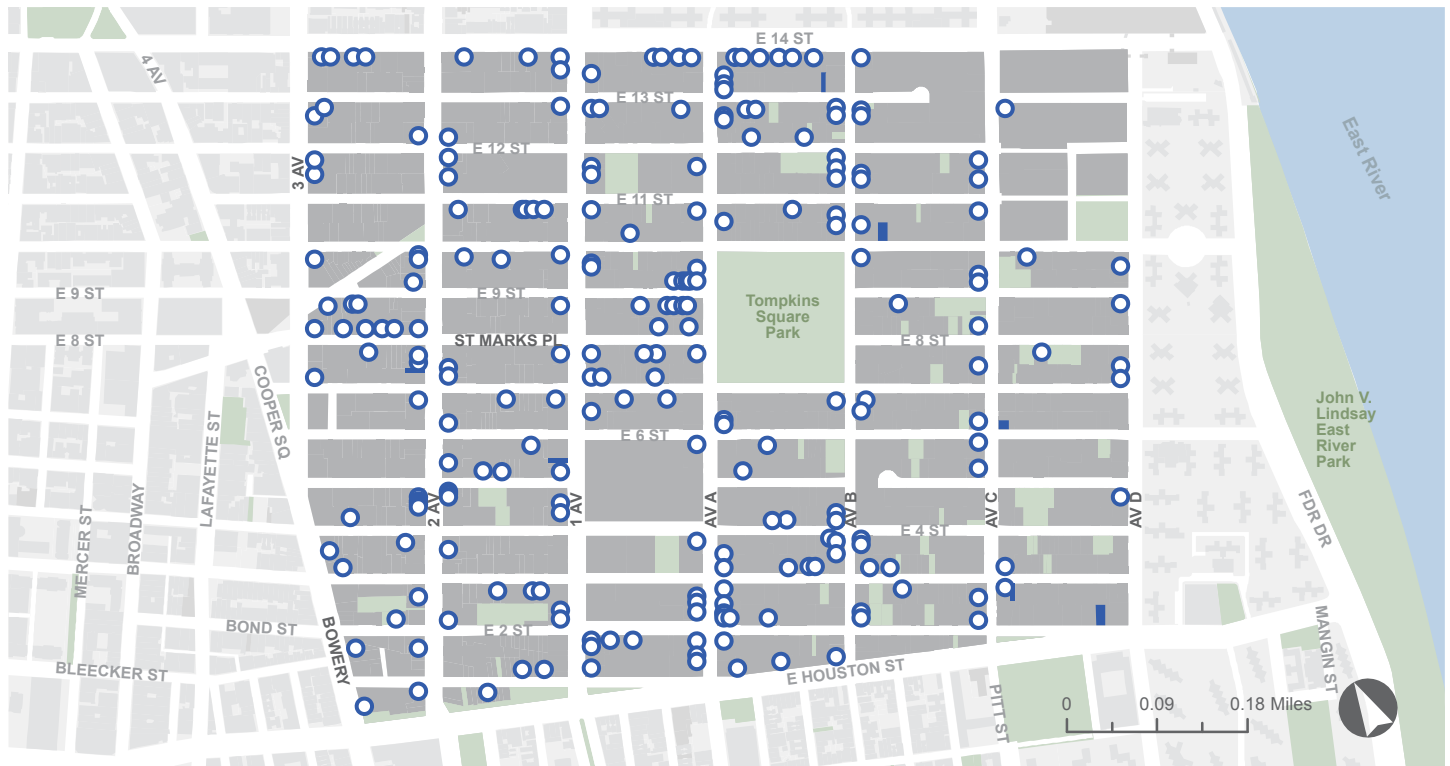


How often do you shop in the East Village?



Source: Based on 409 consumer surveys conducted by the Lower East Side Partnership in Fall 2019 and Winter 2020.

Storefront Vacancies

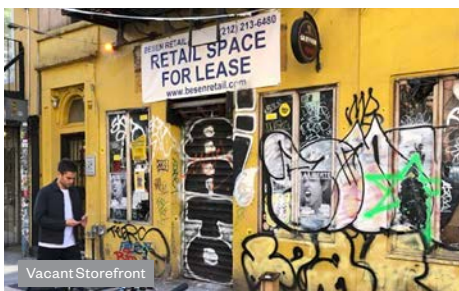


- Vacant Lots
- Vacant Storefronts
- Parks & Community Gardens

An analysis of 1,767 storefronts along Avenues A, B, C, D; 1st, 2nd, and 3rd avenues; Bowery, and all cross streets between East Houston Street and East 14th Street between Bowery and Avenue D revealed that 26% of storefronts are in poor condition, 25% are in average condition, and 49% are in good condition.

Streetscape Observations

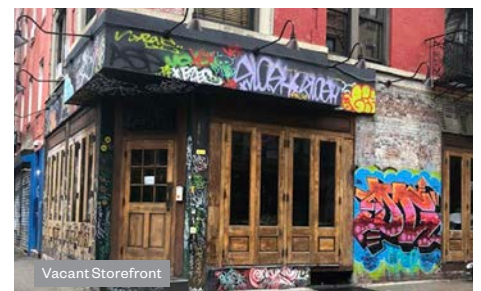
- ▶ Relatively high storefront vacancy rates disrupt the continuity of commercial corridors and discourage foot traffic.
- ▶ Stickers, tags, and other forms of graffiti are prevalent in various areas in the district, and they are especially concentrated on vacant storefronts that attract vandalism.
- ▶ Public greenspace is accessible throughout the corridor in the many community gardens and public parks. Outside of parks and gardens, the corridor lacks public seating and could benefit from more sidewalk furniture.
- ▶ Litter baskets are frequently overflowing and illegal dumping is common; pet waste was identified as a problem throughout the district.
- ▶ Bike lane safety can be improved, with recurring conflicts observed between bikes, pedestrians, delivery trucks, and other vehicles.
- ▶ Sidewalks and streets are easily navigable, with many streets having new concrete and most sidewalks in good condition.



Vacant Storefront



Litter Baskets



Vacant Storefront

DATA APPENDIX

Study Area Boundaries

Assessed Commercial Corridors

Primary data on East Village storefront businesses presented on pages 6-8 was gathered along the following commercial corridors:

- ▶ Avenues A, B, C, D; 1st, 2nd, and 3rd avenues; and Bowery between East Houston Street and East 14th Street
- ▶ All cross streets between East Houston Street and East 14th Street between Bowery and Avenue D

Trade Area

Retail leakage, surplus, and retail opportunity data on page 9 correspond to the 0.25 mile trade area.

East Village Context Area

Demographic and employment data on pages 12-13 represents the population within the East Village neighborhood context area.



Area Demographics

Total Population

62,179 East Village

1,632,480 Manhattan

8,443,713 New York City

Population Density (per square mile)

96,157 East Village

71,507 Manhattan

27,926 New York City

Average Household Size

1.83 East Village

2.07 Manhattan

2.62 New York City

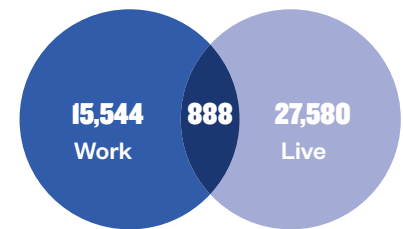
Car Ownership

16.4% East Village

23.0% Manhattan

45.4% New York City

Commuting Patterns



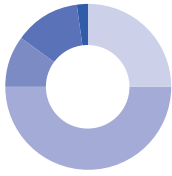
15,544 Work in East Village, live elsewhere

888 Live & Work in East Village

27,580 Live in East Village, work elsewhere

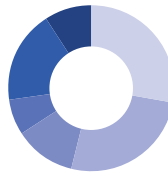
Area Demographics

Race/Background



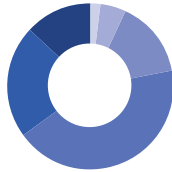
	East Village	MN	NYC
Hispanic or Latino (of any race)	25%	26%	29%
White alone	50%	47%	32%
Black or African American alone	10%	13%	22%
Asian alone	13%	12%	14%
Two or more races	2%	2%	2%
Some other race alone	0%	0%	1%
American Indian and Alaska Native alone	0%	0%	0%
Native Hawaiian and Other Pacific Islander	0%	0%	0%

Educational Attainment



	East Village	MN	NYC
12th Grade or Less, No Diploma	13%	13%	18%
High School Graduate	15%	12%	24%
Some College, No Degree	10%	10%	14%
Associate's Degree	4%	4%	6%
Bachelor's Degree	38%	31%	22%
Graduate or Professional Degree	20%	30%	16%

Population Age



	East Village	MN	NYC
Under 5 Years	2%	5%	7%
5-14 Years	5%	7%	11%
15-24 Years	15%	11%	12%
25-44 Years	43%	37%	31%
45-64 Years	22%	24%	25%
65+ Years	13%	16%	14%

Median Age

34.4	East Village
37.3	Manhattan
36.5	New York City

Foreign-Born Population

24%	East Village
29%	Manhattan
37%	New York City

Income

Median Household Income

\$57,104	East Village
\$82,459	Manhattan
\$60,762	New York City

Pop. Below Poverty Line

24%	East Village
17%	Manhattan
19%	New York City

Employment

Population in Labor Force

63%	East Village
67%	Manhattan
64%	New York City

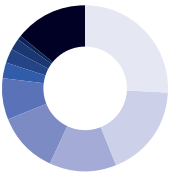
Unemployment*

5.0%	East Village
5.7%	Manhattan
6.9%	New York City

*Note: As of January 2020, the unemployment rate is 3.2% for Manhattan and 3.5% for New York City (NYS DOL); updated neighborhood-level data for East Village is not available.

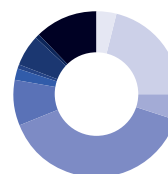
Local Jobs and Employment

Local Residents' Employment



Professional, Scientific, & Technical Services	26%
Educational Services, Health Care, Social Assistance	18%
Finance, Insurance, Real Estate	13%
Accommodation, Food Services, Arts, Entertainment	12%
Retail Trade	8%
Manufacturing	3%
Transportation, Warehousing, Utilities	3%
Public Administration	2%
Construction	1%
Other Services	14%

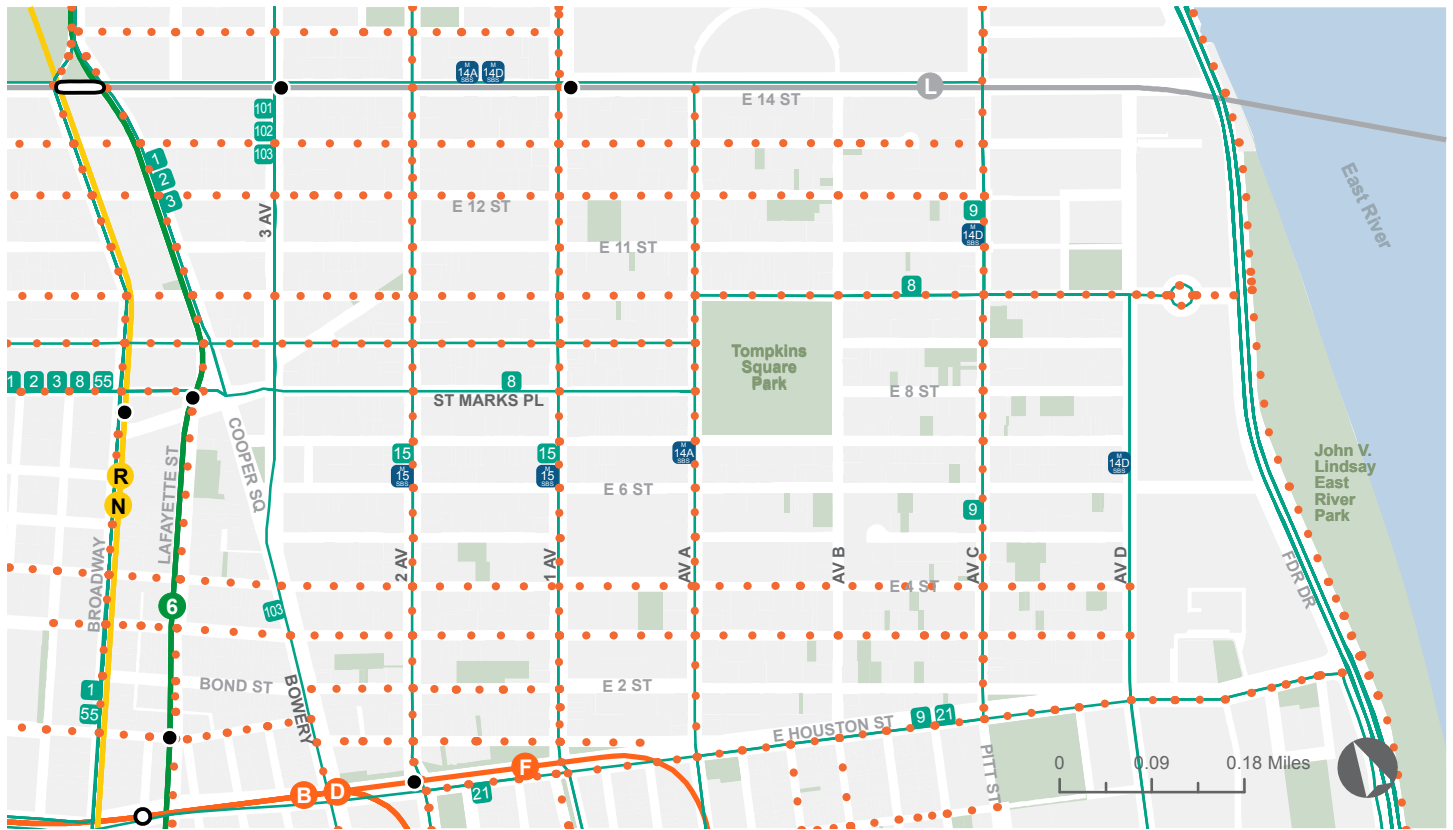
Jobs Located in the East Village



Professional, Scientific, & Technical Services	4%
Educational Services, Health Care, Social Assistance	21%
Finance, Insurance, Real Estate	5%
Accommodation, Food Services, Arts, Entertainment	39%
Retail Trade	9%
Manufacturing	2%
Transportation, Warehousing, Utilities	1%
Public Administration	6%
Construction	1%
Other Services	12%

DATA APPENDIX

East Village Transportation



▲ East Village Transportation

— Bus Routes

... Bicycle Lanes

— NYC Subway

MTA Annual Bus Ridership

0.5M	M8
1.5M	M9
8.6M	M14
14.1M	M15 SBS

Vehicular Traffic

16,047	Average daily vehicles on East 14th Street between 5th Avenue and Avenue C
21,869	Average daily vehicles on 1st Avenue between East Houston and East 23rd streets
21,658	Average daily vehicles on 2nd Avenue between East Houston and East 23rd streets
6,749	Average daily vehicles on Avenue B between East Houston and East 14th streets
7,910	Average daily vehicles on Avenue C between East Houston and East 18th streets
4,621	Average daily vehicles on Avenue D between East Houston and East 14th streets
7,373	Average daily vehicles on East 10th Street between 5th Avenue and Avenue D

Average Weekday Subway Ridership (2018)

20,998	L	1 Avenue
6,749	L	3 Avenue
16,031	6	Astor Place
15,995	F	2 Avenue

Source: MTA 2018; NYS DOT, 2016 Annual Average Daily Traffic data.

Recent SBS Neighborhood Investments

- ▶ *Commercial Revitalization*, Avenue NYC grant awarded to the Lower East Side Partnership, 2020.
- ▶ *Business Attraction*, Avenue NYC grant of \$30,000 awarded to the East Village Community Coalition, 2017.
- ▶ *Business Attraction*, Avenue NYC grant of \$30,000 awarded to the East Village Community Coalition, 2016.
- ▶ *Business Attraction*, Avenue NYC grant of \$30,000 awarded to Good Old Lower East Side, 2016.

Existing Plans & Studies

Loisaida Cultural Plan, Loisaida Inc., 2017.

Preserving Local, Independent Retail: Recommendations for Formula Retail Zoning in the East Village, East Village Community Coalition, 2015.

East Village/Lower East Side Historic District, NYC Landmarks Preservation Commission, 2012.

East Village Shoppers Study: A Snapshot of Travel and Spending Patterns of Residents and Visitors in the East Village, Transportation Alternatives, 2012.

East Village/Lower East Side Rezoning, NYC Department of City Planning, 2008.

Sources

ESRI and Infogroup, Inc. 2020 ESRI Retail MarketPlace Profile.

JPMorgan Chase Institute, "The Early Impact of COVID-19 on Local Commerce: Changes in Spend Across Neighborhoods and Online," June 2020, <https://institute.jpmorganchase.com/institute/research/cities-local-communities/early-impact-covid-19-local-commerce>

Metropolitan Transportation Authority. 2018. Average Weekday Subway Ridership and Annual Bus Ridership.

National Federation of Independent Business, April 9, 2020,

<https://www.nfib.com/content/press-release/economy/70-percent-of-small-businesses-applied-for-ppp-loans-nearly-half-applied-for-eid/>

NYS Department of Labor. January 2020. Unemployment Rate Rankings by County.

NYS Department of Transportation. 2016 Annual Average Daily Traffic, using Traffic Data Viewer.

NYC Department of Finance, Division of Tax Policy, using data from NYS Department of Taxation and Finance. Business sales are reported by tax year, which runs from March 1st to February 28th. Sales data are compiled from sales tax returns, which are rolled up by tax filer within a year, excluding returns with negative sales amounts. For each year, each tax filer is reported according to the address listed on their latest return. Large outliers were removed from the analysis, and the top 5% of filers from Manhattan and the top 1% of filers from the outer boroughs by sales were removed.

NYC Department of Small Business Services. Fiscal Year 2019. Business Improvement Districts Trends Report.

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ABOUT SBS

The NYC Department of Small Business Services helps unlock economic potential and create economic security for all New Yorkers by connecting New Yorkers to good jobs, creating stronger businesses, and building thriving neighborhoods across the five boroughs.

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