

A. INTRODUCTION

This chapter describes the socioeconomic changes that could result from the Proposed Actions and assesses whether such changes could result in significant adverse environmental impacts. As described in the 2021 *City Environmental Quality Review (CEQR) Technical Manual*, the socioeconomic character of an area includes its population, housing, and economic activity. Socioeconomic changes may occur when a project directly or indirectly changes any of these elements. 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.

As described in Chapter 1, “Project Description,” the Proposed Actions would facilitate the development of the Western Rail Yard with new mixed-use buildings containing residential, commercial, and community facility space, a hotel resort with gaming, and new public open space (the “Proposed Project”). There is an ongoing state process underway to designate locations for downstate gaming licenses; therefore, the Applicant is also presenting an Alternative Scenario for environmental analysis purposes with a similar density and the same open space configuration as the Proposed Project, but includes residential and commercial buildings in place of a hotel resort with gaming. The scenario that would result in the more conservative analysis is analyzed for each technical area. Both the Proposed Project and the Alternative Scenario are considered in this chapter.

The *CEQR Technical Manual* guidelines recommend examination of five ways in which a project could alter socioeconomic conditions: (1) direct residential displacement; (2) direct business displacement; (3) indirect residential displacement; (4) indirect business displacement; and (5) adverse effects on specific industries. The Proposed Actions would not directly displace any residential population, nor would it directly displace any businesses or institutional uses. In addition, the With Action condition as compared with the future without the Proposed Actions (the No Action condition) would not foster a change in residential market conditions that would lead to indirect residential displacement. However, given the scale of the commercial uses, including the potential introduction of a new use (gaming facility) with the Proposed Project, a preliminary assessment of the socioeconomic conditions related to indirect business displacement and adverse effects on specific industries is warranted.

PRINCIPAL CONCLUSIONS

A preliminary assessment finds that the Proposed Actions would not result in significant adverse impacts due to changes in socioeconomic conditions. The following summarizes findings with respect to each of the five areas of socioeconomic concern.

DIRECT RESIDENTIAL AND DIRECT BUSINESS DISPLACEMENT

The Proposed Actions would not result in any direct residential or business displacement on the Development Site. There are no residential dwelling units currently on the Development Site and the existing rail yard operations would remain uninterrupted in the future with the Proposed Actions.

INDIRECT RESIDENTIAL DISPLACEMENT

The Proposed Actions would not result in significant adverse impacts due to indirect residential displacement under either the Proposed Project or the Alternative Scenario. As compared to the No Action condition, the With Action condition would introduce fewer market rate dwelling units, but would maintain the same number of affordable dwelling units. Because the With Action condition would introduce a higher proportion of affordable units than the No Action condition, the With Action condition would reduce the potential to introduce or accelerate a trend toward increases in rents as compared to the No Action condition.

INDIRECT BUSINESS DISPLACEMENT

The Proposed Actions would not result in significant adverse impacts due to indirect business displacement under either the Proposed Project or the Alternative Scenario. While the Proposed Actions would result in the introduction of new residents, workers, and visitors to the Hudson Yards neighborhood and generate new economic activity, the area's market conditions are already influenced by large residential, worker, and visitor populations such that an influx in consumer expenditure would not be expected to alter or accelerate market conditions in a manner that could lead to substantial indirect business displacement. The growth in commercial and residential space would be consistent with existing development trends in the study area.

ADVERSE EFFECTS ON SPECIFIC INDUSTRIES

The Proposed Actions would not result in a significant adverse impact on business conditions in any specific industry or any category of businesses under either the Proposed Project or the Alternative Scenario, nor would the Proposed Actions indirectly substantially reduce employment or impair the economic viability in any specific industry or category of business.

B. METHODOLOGY

Under CEQR, socioeconomic changes are disclosed if they would affect land use patterns, low-income populations, the availability of goods and services, or economic investment in a way that changes the socioeconomic character of the area. In some cases, these changes may be substantial but not adverse. In other cases, these changes may be good for some groups but bad for others. The objective of the CEQR analysis is to disclose whether any changes created by the Proposed Actions would have a significant adverse impact compared with what would happen in the No Action condition.

An assessment of socioeconomic impacts distinguishes between impacts on the residents and businesses in a study area and separates these impacts into direct and indirect displacement for both of those segments. Direct displacement occurs when

residents or businesses are involuntarily displaced from the actual site of a proposed project or sites directly affected by it. For example, direct displacement would occur if a currently occupied site were redeveloped for new uses or structures or if a proposed easement or right-of-way encroached on a portion of a parcel and rendered it unfit for its current use. In these cases, the occupants of a particular structure to be displaced can usually be identified, and therefore the disclosure of direct displacement focuses on a known number of residents and/or specific businesses 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 a project. Examples include the displacement of lower-income residents who are forced to move due to rising rents caused by higher-income housing introduced by a project. Examples of indirect business displacement include higher-paying commercial tenants replacing industrial uses and when new uses introduced by a project cause commercial rents to increase. Unlike direct displacement, the exact occupants to be indirectly displaced are not known. Therefore, an assessment of indirect displacement usually identifies the size and type of groups of residents, businesses, or employees potentially affected.

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

DETERMINING WHETHER A SOCIOECONOMIC ASSESSMENT IS APPROPRIATE

This section presents the *CEQR Technical Manual* threshold circumstances that can lead to socioeconomic changes warranting further assessment and compares those circumstances (numbered in bold italics below) to the Proposed Actions.

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

The Development Site does not contain any residential dwelling units; therefore, the Proposed Actions would not result in the direct displacement of any residential population, and no further assessment of this concern is warranted.

2. Direct Business Displacement: Would the Proposed Actions 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 Development Site contains the western half of the Metropolitan Transportation Authority's (MTA) John D. Caemmerer West Side Yard, which is primarily used as a Long Island Rail Road (LIRR) train yard with the capacity for 386 train cars on 30 tracks, as well as other supportive functions, such as a railroad-interior cleaning facility, storage, and supportive buildings. There are other transportation infrastructure facilities located beneath the Development Site, including tunnels for Amtrak's Hudson River and Empire

Lines; however, there are no other businesses operating on the Development Site. None of these existing facilities would be displaced as a result of the Proposed Actions. Therefore, the Proposed Actions would not result in significant adverse impacts due to direct business displacement, and no further assessment of this concern is warranted.

3. Indirect Residential Displacement due to Increased Rents: Would the Proposed Actions 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 would typically not result in significant socioeconomic impacts.

The Proposed Actions would result in a net decrease in market rate dwelling units compared to the No Action condition, but would maintain the same amount of affordable dwelling units. The Proposed Project would introduce a total of 1,507 units, of which 324 units would be set aside as affordable; the Alternative Scenario would introduce a total of 2,877 units, including 324 affordable units; while the No Action condition would include a total of 3,454 units, including 324 affordable units. As compared with the No Action condition, the Proposed Actions would have a higher proportion of affordable dwelling units that are available to families with lower household incomes, thereby reducing the potential to introduce or accelerate a trend toward increases in rents.

The Proposed Actions would not introduce development markedly different from the neighborhood. There are several other residential and mixed-use developments located throughout the study area. Therefore, the Proposed Actions are consistent with uses and activities surrounding the Development Site and would not result in significant adverse impacts due to indirect residential displacement. No further assessment of potential indirect residential displacement is warranted.

4. Indirect Business Displacement due to Increased Rents: Would the Proposed Actions result in substantial new development that is markedly different from existing uses, development, and activities within the neighborhood. Commercial development of 200,000 square feet (sf) or less would typically not result in significant socioeconomic impacts.

The Proposed Actions would introduce a gaming facility, which would be a new use that is markedly different from existing uses, development, and activities within the neighborhood. In addition, the Proposed Actions would introduce commercial office and retail uses that collectively exceed the 200,000-sf threshold warranting assessment. As such, an analysis of potential indirect business displacement due to increased rents is warranted (see Section C, "Preliminary Assessment").

5. Indirect Business Displacement Due to Market Saturation: Would the Proposed Actions 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 sf of retail on a single development site or less than 200,000 sf or more of region-serving retail across multiple sites would not typically result in socioeconomic impacts.

Based on *CEQR Technical Manual* guidelines, an assessment of potential business displacement due to retail market saturation (i.e., competition) is not warranted. Under

the Proposed Project, there would be a negative increment of 15,589 gross square feet (gsf) of local retail and food and beverage space as compared to the No Action condition. Similarly, the Alternative Scenario would result in a negative increment of 29,715 gsf of retail space when compared to the No Action condition. There is currently a gap in existing retail and service establishments along the commercial corridors in the study area. The local retail and food and beverage businesses that would be included in the Proposed Project or Alternative Scenario would fill in that gap. The Proposed Actions would not create a retail concentration that would draw a substantial amount of sales from existing businesses within the study area to the extent that certain categories or businesses close and vacancies in the area rise. Therefore, the Proposed Actions would not have the potential to result in disinvestment on local retail streets due to retail market saturation and associated competitive effects.

6. 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 response to screening question four above, the potential for significant adverse impacts due to indirect business displacement cannot be ruled out without further assessment. As such, an assessment is warranted in order to understand whether the Proposed Actions could significantly affect business conditions in any industry or category of business within or outside the study area, or whether they could substantially reduce employment or impair viability in a specific industry or category of business. Specifically, the assessment considers whether the Proposed Actions have the potential to result in significant adverse impacts on entertainment venues and convention center spaces (see Section C, “Preliminary Assessment”).

ANALYSIS FORMAT

Following *CEQR Technical Manual* guidelines, the socioeconomic analysis begins with a screening assessment that determines the need for a preliminary assessment. As described above, for three of the areas of concern—direct residential displacement, direct business displacement, and indirect residential displacement—the potential effects of the Proposed Actions did not warrant a preliminary assessment. For indirect business displacement due to increased rents and adverse effects on specific industries, preliminary assessments were conducted.

The preliminary assessments are conducted to learn enough about the potential effects of the Proposed Actions to either rule out the possibility of significant adverse impacts or determine that a more detailed analysis is required to fully determine the extent of the impacts. A detailed analysis is designed to examine existing conditions and then evaluate the changes to those conditions in the With Action condition as compared with the changes that would be expected in the No Action condition. In this case, a preliminary assessment was sufficient to conclude that the Proposed Actions would not result in significant adverse socioeconomic impacts.

STUDY AREA

A study area is the area within which a project has the greatest potential to affect change. For a socioeconomic analysis, it is the area within which there is the greatest potential to directly or indirectly affect population, housing, and economic activities. While the Proposed Project is expected to attract customers from a broad region, it is the businesses in close proximity to the Development Site that would have the greatest potential to experience indirect displacement pressures. Therefore, a ¼-mile study area was considered for the analysis of potential indirect business displacement effects (see **Figure 3-1**). 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. The two census tracts that comprise the socioeconomic study area are: 99.02 and 99.03. The study area is roughly bounded by West 38th Street to the north, West 26th Street to the south, Tenth Avenue to the east, and the Hudson River to the west.

DATA

This study utilizes data from multiple sources to perform the various analyses. Information pertaining to socioeconomic conditions draws upon data from the one- and five-year American Community Survey (ACS) of the U.S. Census Bureau for 2022. Employment trend data was collected from the U.S. Census Bureau Longitudinal Employer-Household Dynamics (LEHD). Data was collected for the study area, New York County, and New York City, where appropriate. Land use information was collected from the New York City Department of City Planning (DCP) Primary Land Use Tax Lot Output (PLUTO) database, and hotel information was pulled from New York City Tourism + Conventions reports. An assessment of neighborhood services and retail districts is based on desktop research conducted in March 2024.

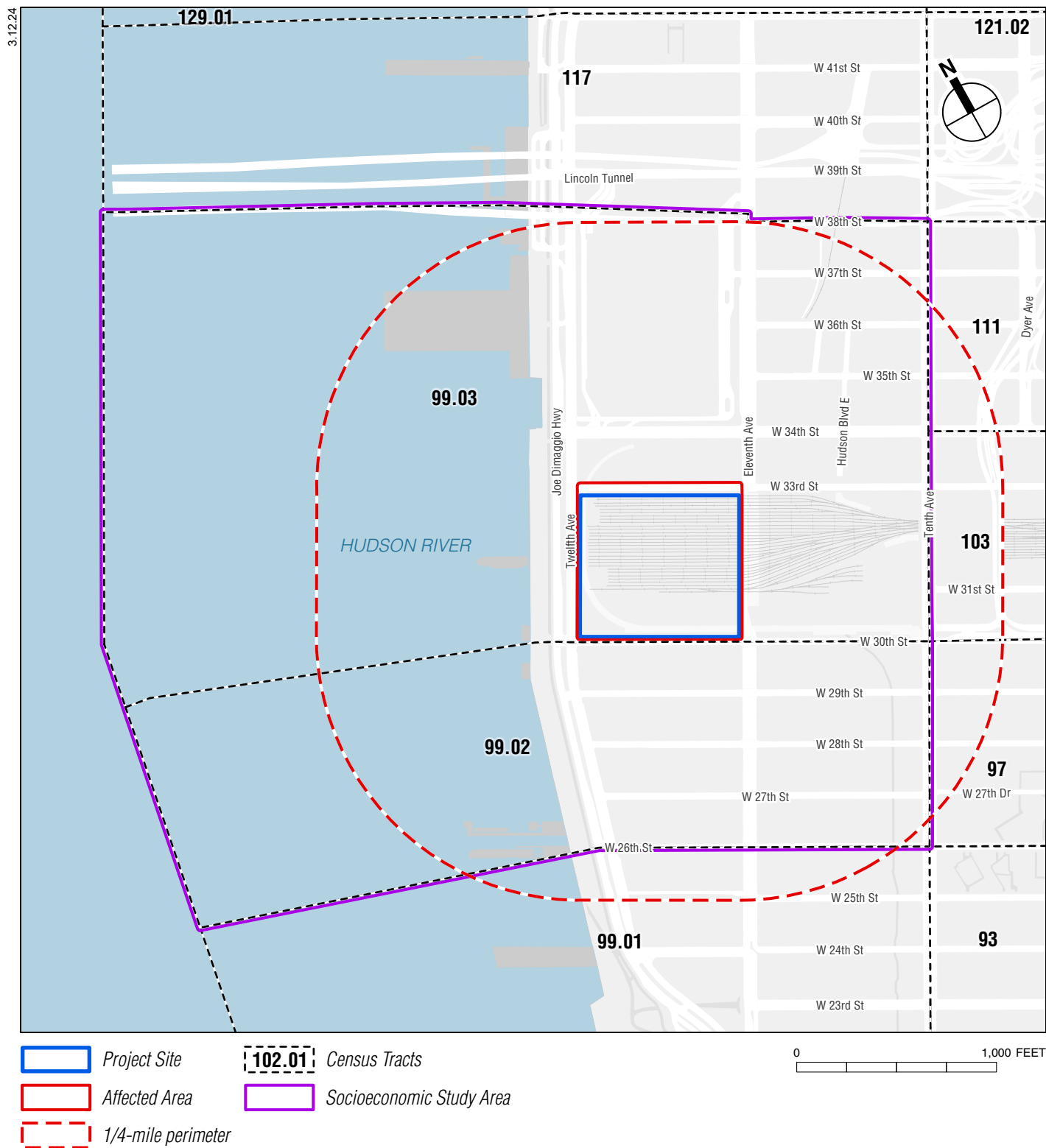
C. PRELIMINARY ASSESSMENT

INDIRECT BUSINESS DISPLACEMENT

The preliminary assessment of indirect business displacement focuses on whether the Proposed Actions could increase property values and rents within the study area, making it difficult for some categories of businesses to remain in the area. Indirect business displacement due to increased market rents can occur when a substantial new population introduces additional consumer expenditure potential. Nearby commercial and industrial property owners seek to capture the additional spending generated by the increase in pedestrian traffic, resulting in potential rent increases. For business owners who are unable to capitalize on the increased consumer expenditure, such as industrial businesses, rents may increase disproportionately to the operational sales growth, resulting in potential displacement. The following section first presents an economic profile of the study area, followed by responses to the CEQR assessment criteria, which are shown in **bold italics** below.

ECONOMIC PROFILE

The study area is located in the Hudson Yards neighborhood, which contains of a large share of the City's overall office space and traditional office-based employment.



Approximately 18.1 percent of all workers in the study area are employed within the finance and insurance industry sector, compared to 15.0 percent in Manhattan, and 8.9 percent in New York City (see **Table 3-1**). The next most common industry sector in the study area is management of companies and enterprises (16.3 percent). The study area also has a large concentration of administration & support, waste management and remediation sector employees (12.4 percent) compared to Manhattan (6.4 percent) and New York City (5.4 percent). The study area has a comparable share of manufacturing positions (0.6 percent) to the larger borough (0.7 percent), but less than that of the City overall (1.3 percent). However, the share of wholesale trade employees in the study area (8.2 percent) is the greatest of the three geographies.

Despite the recent introduction of new tourism destinations, like the Vessel, and major retail destinations, such as the Shops & Restaurants at Hudson Yards, the study area employs only 3.6 percent of workers in the retail trade sector, compared to 4.9 percent in Manhattan, and 6.9 percent across New York City. Both the arts, entertainment, and recreation sector and the accommodation and food services sector represent similar shares of the workforce across all three geographies.

Table 3-1
Primary Job by Industry Sector, 2021

Industry Sector	Study Area	Manhattan	New York City
Agriculture, Forestry, Fishing and Hunting	0.0%	0.0%	0.0%
Mining, Quarrying, and Oil and Gas Extraction	0.0%	0.0%	0.0%
Utilities	0.0%	0.3%	0.4%
Construction	2.4%	1.8%	3.5%
Manufacturing	0.6%	0.7%	1.3%
Wholesale Trade	8.2%	3.3%	3.1%
Retail Trade	3.6%	4.9%	6.9%
Transportation and Warehousing	0.4%	0.9%	4.5%
Information	11.4%	9.2%	5.5%
Finance and Insurance	18.1%	15.0%	8.9%
Real Estate and Rental and Leasing	3.5%	3.9%	3.2%
Professional, Scientific, and Technical Services	7.6%	16.8%	10.4%
Management of Companies and Enterprises	16.3%	2.9%	1.7%
Administration & Support, Waste Management and Remediation	12.4%	6.4%	5.4%
Educational Services	0.4%	7.6%	9.7%
Health Care and Social Assistance	2.1%	11.6%	19.7%
Arts, Entertainment, and Recreation	1.3%	1.6%	1.2%
Accommodation and Food Services	4.2%	4.6%	4.8%
Other Services (excluding Public Administration)	3.1%	3.9%	3.4%
Public Administration	4.2%	4.8%	6.2%
Total	10,573	2,030,909	3,774,690

Sources: U.S. Census Bureau, Center for Economic Studies, LEHD via OnTheMap, 2021.

According to 2023 PLUTO data, the ¼-mile study area contains 20.6 million gsf of commercial space, including 12.8 million gsf dedicated to office space and 1.7 million gsf of retail. Hudson Yards, a 28-acre development site with approximately 12 million gsf, including approximately 8.9 million gsf of commercial office space, 1.87 million gsf of residential space, and approximately 988,000 gsf of retail space, including the 938,000-

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sf shopping mall known as the Shops & Restaurants at Hudson Yards, comprises a large share of the study area's total development.¹

Outside of Hudson Yards, the study area contains a mix of residential, commercial, and transportation and utility uses. The blocks located between Eleventh Avenue and the West Side Highway (Route 9A) are either occupied by large, newly constructed commercial and residential buildings, or used for transportation and utility purposes.

The Jacob K. Javits Convention Center (Javits Center) is located two blocks north of the Development Site at 429 Eleventh Avenue and offers a total of 3.3 million gsf of event-related space, including exhibit halls, meeting rooms, and a rooftop pavilion.² The Javits Center can accommodate up to 6,000 attendees in special events halls and serves as a major exhibition space that attracts visitors to the area through its year-round events.

South of 30th Street and north of West 27th Street between Tenth and Eleventh Avenues are a mix of low- to medium-density mixed use residential buildings with commercial retail and gallery spaces located along the ground floor. The blocks south of West 27th Street in the study area are predominately commercial.

PROPOSED PROJECT

Would the Proposed Project introduce enough of a new economic activity to alter existing economic patterns?

The Proposed Project would largely consist of existing types of economic activity within the study area, including office, retail, and hotel uses. As described above, the ¼-mile study area contains a mix of residential, retail, office, hotel, light industrial, and open space.

The Proposed Project would introduce approximately 2.2 million gsf in commercial office space and approximately 24,600 gsf of retail space outside of the hotel resort with gaming use. These uses are prevalent within the study area and their introduction would be consistent with the study area's existing trends. The retail space would represent only 0.1 percent of the study area total development, while the office uses would represent approximately 7.5 percent. These incremental uses would not substantively affect existing economic patterns in the study area.

The Proposed Project includes an approximately 2,667,400 gsf hotel resort with gaming, which would represent a new economic activity within the study area. Approximately 251,015 gsf would be set aside for gaming activities, approximately 79,400 gsf would be reserved for a ballroom and meeting space, and approximately 68,000 gsf would be set aside for on-site food and beverage. The food and beverage space within the gaming facility would represent less than 5 percent of the existing retail space in the study area.

In general, gaming facilities tend to attract customers from a large region, suggesting a net new customer base. The Proposed Project is estimated to generate approximately 20,000 visitors per day.³ Though the Proposed Project would offer goods and services to

¹ Estimated square footage of Eastern Rail Yard development site provided by the Applicant.

² <https://www.business.nyc tourism.com/meeting-planners/articles/javits-center-guide>

³ Estimated daily attendance provided to AKRF by Wynn Development.

the hotel resort with gaming visitors, some visitors would make purchases in the nearby vicinity, thereby increasing demand for certain goods and services (e.g., restaurants and retail stores) in the surrounding area. Therefore, the Proposed Project would increase pedestrian foot traffic and economic activity along the retail corridors located within the study area.

As part of the hotel resort with gaming facility, the Proposed Project would include a full-service hotel with 1,750 rooms, including 250 extended stay units. The Hudson Yards neighborhood contains several hotels, including the Pendry Hotel and Equinox Hotel with 164 and 212 rooms each. Other hotel developments are planned in the area, including the Autograph Hotel at 432 West 31st Street with 222 rooms and Hotel Indigo at 255 West 34th Street with 323 rooms. The Proposed Project, therefore, reflects existing trends in the study area and would not be considered a new economic activity in the study area. The Proposed Project would represent an approximate 1.4 percent increase in total available hotel rooms in New York City.⁴

The designated ballroom and conference space would amount to approximately 79,400 gsf. These convening spaces are anticipated to be used to host events four days a week and would range in attendance with a total capacity of 4,000 individuals. The ballroom and conference space is not considered to be a new use to the study area. Just north of the Development Site is the Javits Center, a 3.3 million-gsf multi-use convention center.⁵ The Javits Center draws approximately 2 million visitors a year for various events.⁶ Therefore, the Proposed Project would not create a substantial addition in conference space within the study area, nor would it introduce an entirely new visitor population.

Typically, the businesses and institutions that are most vulnerable to indirect displacement due to rent and affordability are the uses that are less compatible with the existing trends that are creating the upward pressures in the study area. In this instance, light industrial uses such as manufacturing, wholesale trade, and transportation and warehousing uses are most at risk. Owners of commercial- and manufacturing-zoned properties may seek to capitalize on the increased pedestrian traffic generated by the incremental residents, workers, and visitors, which could lead to potential rent increases. Industrial uses are less likely to capture the new consumer expenditure and may struggle to produce sales growth proportionate to rent increases, leaving them vulnerable to indirect displacement. However, many of the private businesses in the study area are not unique to the particular neighborhood and would be able to operate in another location. There are some transportation and utility companies working within the study area, such as Con Edison and the MTA, though they would not be at risk of displacement as they are publicly owned. In the study area, there are three other manufacturing developments, including a personal storage warehouse, a six-story light manufacturing building, and a one-story building that is anticipated for redevelopment into a mixed-use hotel and

⁴ Based on a December 2023 NYC Tourism + Conventions Fact Sheet, there are a total of 121,464 hotel rooms active citywide. "Fact Sheet: New York City Tourism Generates \$74 Billion in Economic Impact for State and City Economy in 2023," NYC Tourism + Conventions, December 18, 2023, <https://www.business.nyctourism.com/press-media/press-releases/year-end-tourism-numbers-announcement>.

⁵ <https://www.business.nyctourism.com/meeting-planners/articles/javits-center-guide>

⁶ <https://javitscenter.com/media/120475/floorplan-booklet.pdf>

condominium building. This redevelopment, at 538-542 West 29th Street, is indicative of the existing, ongoing trends toward commercial and residential uses in the neighborhood.

Would the Proposed Project add to the concentration of a particular sector of the local economy enough to alter or accelerate an ongoing trend to alter existing economic patterns?

Compared to the No Action condition, the Proposed Project would have a net decrease of 1,947 residential units, approximately 5,101 gsf less office space, 139,862 gsf less retail space, and a net increase in 2,667,400 gsf of hotel resort with gaming, 500 more parking spaces, and 1.32 more acres of open space. The Proposed Project would develop the same amount of institutional and community facility uses as the No Action condition, including a 750-seat school, 10,000-sf day care, and 16,000-sf cultural space.

As previously noted, when compared to existing conditions, the Proposed Project would reflect 17.0 percent of the total office space in the study area. The hotel resort with gaming, which would be considered a commercial use, would represent approximately 12.9 percent of the total commercial square footage in the study area. The designated gaming area space represents a small portion of the overall Proposed Project (approximately 4 percent) and would represent approximately 1.2 percent of the study area's commercial square footage. The introduction of the Proposed Project would be reflective of ongoing trends toward new commercial development in the study area. In addition, the residents, workers, and visitors associated with the Proposed Project would increase the already growing share of visitors and tourists in the study area.

Would the Proposed Project directly or indirectly displace residents, workers, or visitors who form the customer base of existing businesses in the area?

The Proposed Project would not directly displace any residents or workers, nor would it indirectly displace residents who form the customer base of existing businesses. The Proposed Project's uses would generate approximately 14,000 new employees within the study area, of which 5,000 workers would specifically support the hotel resort with gaming use. These new employees could increase demand for local retail uses in the study area, including restaurants, convenience stores, and catering services. The influx of new employees and visitors has the potential to serve as a new customer base for existing and future retail services and businesses.

ALTERNATIVE SCENARIO

Like the Proposed Project, the Alternative Scenario would not result in any direct residential or business displacement. Compared with the Proposed Project, the Alternative Scenario would introduce an additional 1,370 units of market rate units, approximately 1.86 million gsf of office space, and approximately 110,000 gsf of retail. The Alternative Scenario would maintain the same amount of community facility space (including total school seats) and the same amount of parking spaces and open space acreage as the Proposed Project. However, the Alternative Scenario would not include the proposed hotel resort with gaming facility.

While the Alternative Scenario would not contain hotel resort with gaming uses, it would employ a greater number of office and retail workers. The Alternative Scenario would develop approximately 1.86 million gsf in office space above what is proposed in the future with the Proposed Project. The Alternative Scenario would introduce approximately

1.3 times more office space than the existing conditions. However, to date, Hudson Yards development has introduced approximately 8.6 million gsf in office-related inventory, indicating an ongoing trend towards new office development in the study area. Under the Alternative Scenario, the proposed development would still introduce less than 200,000 gsf of retail space; therefore, it would not markedly change retail conditions in the study area. The overall total employment would also be slightly higher than that of the Proposed Project due to the additional office space. The Alternative Scenario would not result in significant adverse impacts due to indirect business displacement.

CONCLUSION

Based on the preliminary assessment presented above, neither the Proposed Project nor the Alternative Scenario would result in significant adverse impacts on socioeconomic conditions due to indirect business displacement.

ADVERSE EFFECTS ON SPECIFIC INDUSTRIES

As outlined in the *CEQR Technical Manual*, a significant adverse impact may occur if a proposed project would measurably affect the operation and viability of a specific industry, not necessarily tied to a specific location. An example cited in the *CEQR Technical Manual* would be new regulations that prohibit or restrict certain processes that are critical to specific industries.

PROPOSED PROJECT

Would the Proposed Project significantly affect business conditions in any industry or any category of business within or outside the study area?

The Proposed Project would not directly displace any established businesses or institutions on the Development Site or within the study area. The uses associated with the Proposed Project would not represent a critical mass of any particular industry sector or area of employment. As previously noted, the study area contains a wide array of uses, ranging from residential to commercial office and retail space, to transportation and utility services. Approximately 18.1 percent of those working in the study area are employed within the finance and insurance sector, followed by 16.3 percent of those working in the management of companies and enterprises. Other major sectors of employment include administration and support, waste management and remediation (12.4 percent), and the information industry (11.4 percent).

There is no single major employer in the district that represents a critical mass of a particular industry sector.

While the Proposed Project would introduce a large concentration of a new use to the study area—approximately 2.6 million gsf of hotel resort with gaming use—the Proposed Project would not be expected to detract from existing office and retail space in the surrounding area. Furthermore, there are a number of entertainment venues and tourist attractions in the nearby vicinity that generate new visitors every day. Directly across from the Development Site, Hudson Yards offers a number of entertainment and tourist attractions, including the Vessel, an interactive and climbable 16-story structure; the Edge, a 100-story high observation deck; and The Shed, a performing arts center. The High Line also weaves through the Development Site before extending approximately 1.5

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miles south through Manhattan's West Side. The proposed hotel resort with gaming would introduce more visitors to the area, generating greater economic activity for all entertainment venues. Therefore, the Proposed Project would not significantly affect business conditions in any industry or any category of business within or outside the study area.

Would the Proposed Project indirectly substantially reduce employment or impair the economic viability in the industry or category of businesses?

The Proposed Project would not have direct impacts on any industry or category of business. The Proposed Project would introduce new employment and customers to the Development Site and surrounding study area. Under the Proposed Project, an estimated 14,000 workers would be employed on-site, representing less than 1 percent of all employment in Manhattan. Approximately 5,000 workers would support the hotel resort with gaming operations. The new workers generated by the Proposed Project would not indirectly alter the employment in the region.

The introduction of the hotel resort with gaming and other related commercial and residential uses would not substantially impair the ability of any particular industry to continue operations within Manhattan or the City overall. New York City, and in particular, Manhattan, contains a large concentration of entertainment venues, along with accommodation and food services. These businesses draw on the approximately 19.6 million residents in the New York City metropolitan region,⁷ along with approximately 61.8 million tourists visiting New York City annually.⁸ Times Square, which is located just beyond the study area, averages 360,000 pedestrians a day. The Proposed Project would not attract a sizeable population that would detract from nearby entertainment venues.

The Proposed Project would contain approximately 79,400 gsf of ballroom and conference space that could serve as exhibition and meeting space. As previously detailed, these convening spaces are anticipated to be used to host events four days a week and would range in attendance with a total capacity of 4,000 individuals. The proposed meeting and event space at the Development Site would not impair the operations of the Javits Center, as the Javits Center caters to larger events with its approximately 3.3 million gsf of multi-use convention center space, and from a marketing perspective could benefit from its close proximity to a hotel resort with gaming facility. The 79,400 gsf of ballroom and conference space would not be expected to substantively affect the market for smaller event spaces in New York City such as those found in many hotels.

ALTERNATIVE SCENARIO

Similar to the Proposed Project, there would be no direct business displacement under the Alternative Scenario. The Alternative Scenario would not introduce a substantial

⁷ U.S. Census Bureau, 2021-2022 American Community Survey (ACS) 1-Year Estimate.

⁸ "Fact Sheet: New York City Tourism Generates \$74 Billion in Economic Impact for State and City Economy in 2023," NYC Tourism + Conventions, December 18, 2023, <https://www.business.nyctourism.com/press-media/press-releases/year-end-tourism-numbers-announcement>.

increment of one particular industry sector and therefore would have no effects on specific industries in the study area.

CONCLUSIONS

Based on the preliminary assessment presented above, the Proposed Actions would not result in a significant adverse effect on specific industries and a detailed assessment is not warranted. *