

## Alternative Scenarios for Lower Manhattan

The following scenarios for Lower Manhattan are intended to provide a basis for policy and program alternatives for Lower Manhattan, the World Trade Center site, and the New York region. These scenarios are not forecasts of any particular set of outcomes. Rather, they outline how the size and type of economic, residential and visitor activity in Manhattan below Houston Street might change over the next decade under three sets of assumptions. Each set of assumptions attempts to articulate a future that captures a predominant vision that has been expressed for Lower Manhattan:

- A **Global Office Center** that emphasizes a rejuvenated office economy;
- A **Creative Hub** that emphasizes the accelerated diversification of Lower Manhattan's economy; and
- A **Residential Community** that emphasizes the rapid expansion of Lower Manhattan's residential population.

These alternatives recognize that Lower Manhattan already contains all of these attributes, and that a large number of visions have been expressed for its future that may not be fully captured under these themes. However, the goal of this exercise is to explore the implications of a small set of differentiated scenarios that capture a broad range of potential futures. The assumptions also attempt to stay within a realistic range of what can be expected to develop over the next decade given past trends, current conditions and the outlook for particular activities.

The scenarios themselves are based on work originally developed by the Economic Development Working Group. A description of this work, which articulated the first two scenarios, can be found in the *Economic Development Working Group Reports* issued in September 2002. Refinements to these scenarios and the addition of the third alternative were developed by RPA staff in consultation with the Civic Alliance Steering Committee.

### Common Assumptions

All three of the scenarios have several assumptions in common that reflect the principles, findings and recommendations described in the Civic Alliance *Planning Framework to Rebuild Downtown New York*:

1. **All assume that strategies for Lower Manhattan and the World Trade Center site need to be developed in concert with strategies for New York City and the metropolitan region.** Each of the futures described for Lower Manhattan requires complementary actions to develop other parts of the city and region and to insure that the costs and benefits are fairly distributed. These actions will be identified as part of the effort to develop policy and program alternatives associated with each scenario.
2. **All assume a mixed-use future for Lower Manhattan.** In all of the scenarios, office, residential, cultural, small business, visitor and tourist activities remain central to the

fabric of Lower Manhattan. However, each scenario emphasizes different activities and suggests that Lower Manhattan will develop in a different direction beyond the immediate decade ahead.

3. ***All assume that market forces will be as important as policy decisions in shaping the future, and that strategies need be flexible enough to respond to changing conditions and needs.*** One of the outcomes anticipated from further developing the program alternatives is a better understanding of where and how it makes sense to influence development patterns and uses through public policy, and where public goals are best served by letting the market determine how Lower Manhattan will evolve.
4. ***All assume that the memorial design process needs to be integrated into the planning for Lower Manhattan and the World Trade Center site.*** While the scenarios were developed largely to articulate different economic futures, each assumes that memorial goals and designs can be consistent with these futures and will need to be incorporated into strategies that extend beyond the site itself.
5. ***All assume that social, economic and environmental justice goals need to be incorporated into the program alternatives that accompany each scenario.*** Some workforce, housing, community development and environmental policies will be the same in each program alternative, while others may require different strategies depending on the industry and residential assumptions in a particular scenario.
6. ***All assume that sustainable development principles are essential and will make these alternatives more effective in meeting public goals.*** These include the adoption of “green building” and environmental standards for all new development and the development of appropriate energy and waste management strategies for each program alternative.

## **Scenario Descriptions**

The vision, anticipated outcomes, assumptions, benefits and risks for each of the scenarios are described on the following pages.

In all likelihood, the redevelopment pattern of Lower Manhattan will resemble a composite of these scenarios. Even the clearest vision and most effective plans may not result in the desired outcome, as unforeseen economic, social and technological changes are likely to have as much an impact on Lower Manhattan’s future as conscious policy choices. Some attributes, such as the number of visitors to a new memorial, are nearly impossible to anticipate. It is possible that the most desirable future will be the most difficult to achieve. It is also quite possible that the outcome with the broadest benefits for the city and the region will incorporate a combination of attributes from each of these two alternatives. However, articulating what these visions would entail, who they would benefit, and what would need to happen for them to occur can help to clarify policy choices. This can also help to develop a more specific consensus on what our goals should be for a revitalized Lower Manhattan.

## **Global Office Center**

### Vision

A rejuvenated office economy in Lower Manhattan strengthens the competitive position of New York City and the region in high-value financial and professional services. Increased incomes and tax revenues flow through the region, with multiplier effects creating growing job and career opportunities at all income levels. Satellite office centers grow in Brooklyn, Queens, Jersey City and Newark to accommodate backup facilities, support operations and new start-ups.

### 2010 Scenario Outcomes for Lower Manhattan

- 75,000 new and recaptured office workers from 2002, 10,000 new non-office workers
- 13,000 new residents from 2000-2010 south of Houston
- 20,000 new daily visitors, an increase of 100% over pre-Sept. 11
- 13 million sq.ft. of new office construction
- 1 million sq.ft. of new retail construction
- 6.5 million sq.ft. of new residential construction
- Little conversion of office to residential

### Supporting Trends and Conditions

- Existing transit capacity to support a dense office center
- Existing and potential transit connections to subcenters
- 92 million square feet of existing office space
- Name value of Wall Street
- Historic pattern of rebounds from steep downturns
- Importance of proximity to high-value service functions

### Economic Risks

- Current weakness in regional economy and office market
- A potentially large amount of new office construction in Midtown and northern NJ
- Post-9/11 need to decentralize firm operations
- Potential of technology to erode importance of physical trading locations and central locations for some functions

### Potential Benefits

- Could produce the largest number of job opportunities and revenues to address city and regional needs
- May have most impact on reducing suburban sprawl
- May create demand for satellite office centers in other boroughs and northern NJ

### Potential Costs/Missed Opportunities

- Could require largest public investments in infrastructure and commercial subsidies
- May provide few opportunities to reduce income disparities in the city's workforce
- May limit opportunities to improve quality of life for residents

## **Creative Hub**

### Vision

Accelerated diversification of Lower Manhattan's economy supports a stronger city and regional economy in a range of sectors, including finance, professional services, technology, design, culture & tourism, education, media and communications. The region's economy is less vulnerable to cycles in the financial markets and incomes are less polarized as a result of an expansion of middle-income job opportunities. Urban centers in New York City's other boroughs and northern New Jersey grow, both from the decentralization of financial services and the expansion of other business sectors.

### 2010 Scenario Outcomes for Lower Manhattan

- 25,000 new office workers from 2002-2010, 13,000 new non-office workers
- 26,000 new residents from 2000-2010 south of Houston
- 30,000 new daily visitors, an increase of 150% over pre-Sept. 11
- 5 million sq.ft. of new office construction
- 2.5 million sq.ft. of new retail construction
- 8 million sq.ft. of new residential construction
- 5 million sq.ft. conversion of office to residential

### Supporting Trends and Conditions

- Diversification already underway prior to Sept. 11
- Strong national and regional demand for creative and technology-based industries
- Good transit access to large, talented workforce, diverse neighborhoods and educational/cultural assets
- Strong potential for memorial to greatly increase visitor population
- Synergies of culture, tourism, creative industries and a diverse residential population
- Appeal of Downtown's historic & cultural assets, waterfront and buildings

### Economic Risks

- Still requires relatively strong national and regional demand to succeed
- Even with improvements, no guarantee that new industries will locate and grow in Lower Manhattan
- Loss of financial services could mean a net loss of jobs and income to the city and region, rather than a redistribution to other locations

### Potential Benefits

- Could be the most effective for balancing needs of residents, workers and others
- May provide some opportunity for reducing income disparities
- May provide more opportunity to decentralize some office functions and generate demand for technical, research, culture and tourist activity in other parts of the region

### Potential Costs/Missed Opportunities

- Could require largest public investments in amenities, culture and education
- May result in displacement of low-income residents and some businesses
- May limit city's and region's growth potential for some office industries

## **Residential District**

### Vision

Strong growth in Lower Manhattan's residential population helps relieve New York City's housing shortage of affordable housing, addressing one of the region's critical shortcomings. New housing is created for all income levels in Lower Manhattan while office development expands in new areas, such as the Far West Side of Manhattan, Long Island City and Newark NJ. Lower Manhattan retains a vibrant but shrinking employment base, particularly for industries with a high premium on live-work space.

### 2010 Scenario Outcomes for Lower Manhattan

- Loss of 10,000 office workers over 2002, addition of 13,000 new non-office workers
- 51,000 new residents from 2000-2010 south of Houston
- 20,000 new daily visitors, an increase of 100% over pre-Sept. 11
- 2 million sq.ft. of new office construction
- 1 million sq.ft. of new retail construction
- 15 million sq.ft. of new residential construction
- 10 million sq.ft. conversion of office to residential

### Supporting Trends and Conditions

- Large, diverse population in neighborhoods ranging from Chinatown and the Lower East Side to TriBeCa and Battery Park City
- Rapid residential growth below Canal in 1980s and 1990s
- Strong unmet demand for housing in the city and region
- Good transportation access to jobs within Lower Manhattan, in Midtown, Brooklyn, Staten Island and northern New Jersey
- Current weakness in office market provides room opportunities for residential conversions

### Economic Risks

- Erosion of city's second largest job center could weaken city's growth potential
- Loss of jobs could undercut one of Lower Manhattan's residential attractions—the ability to walk to work
- Housing market is also cyclical and expected demand for Lower Manhattan housing may not materialize

### Potential Benefits

- Could be most beneficial to current residents
- May provide for the largest increase in the number of affordable housing units
- May provide the most opportunity to decentralize office functions to other parts of the region

### Potential Costs/Missed Opportunities

- Could require largest public investments in housing subsidies and residential amenities
- May provide few opportunities to reduce income disparities in the city's workforce
- May negatively impact local economies in Brooklyn, Staten Island and parts of NJ