

LOWER MANHATTAN'S ECONOMIC REVIVAL AND WHAT IT MEANS FOR NEW YORK

**SURGING
AHEAD**

Downtown



appleseed 

Executive Summary

The end of 2014 signaled a major turning point for Lower Manhattan. The opening of One World Trade Center in November was a symbolic achievement in post-September 11 recovery. The area also marked another important milestone last year: private sector employment in Lower Manhattan reached its highest level since the attacks 13 years earlier. The restoration of the economy occurred despite the substantial contraction of the financial sector and instead reflected the growth of an increasingly diverse and vibrant mix of industries — including professional services, health care, education, information, technology and media — that employ New Yorkers of widely varying levels of skills and education from every neighborhood of the city.

Yet, as impressive as this recovery was, what lies ahead for the Lower Manhattan economy through the end of the decade is astounding. The implications for the people of New York are truly remarkable.

In 2015, the area South of Chambers Street surged ahead. A flood of new tenants began moving into the district, and billions of dollars of capital projects began coming online in the form of state-of-the-art office buildings, brand new places to shop and dine, new tourist attractions, hotels and apartment buildings. This investment and development will usher in the most significant and sustained period of job growth seen in Lower Manhattan in the last 30 years. Not only will the area outdo itself, but rates of job growth and GDP expansion in Lower Manhattan will outpace citywide estimates for the years ahead — establishing the district as one of the most important centers of economic activity in the City and the State.

This report chronicles the revival of the Lower Manhattan economy through 2014 and the dawn of a new era of growth and possibility that lies ahead. Highlights of the report include:

- **In Q4 2014, private sector employment in Lower Manhattan hit a post-September 11 peak of over 227,000,** despite a decline of 50,000 jobs in Finance and related industries.
- Lower Manhattan today is a major center of employment for New York City residents, who make up some 70 percent of the area's workforce. In fact, every neighborhood of New York City benefits from employment opportunities in the district — even excluding neighborhoods south of 96th Street in Manhattan, **there are an average of 3,436 people per neighborhood commuting to work in Lower Manhattan.**
- The diverse private sector economy provides employment opportunities for people of varying levels of skill and education, including **approximately 100,000 people working in occupations that do not require a four-year college degree.**

The report also documents dramatic developments expected in Lower Manhattan from January 2015 through year-end 2019:

- More than **4.3 million square feet of space occupied by major office tenants relocating to Lower Manhattan,** including companies seeking room to grow;
- **An additional 2.5 million square feet of new-state-of-the-art office space** opening at 3 World Trade Center;
- The opening of 23 new hotels with 3,941 rooms, **an increase in hotel inventory of 80 percent;**
- **Approximately 15 million unique annual visitors, an increase of over 2.6 million visitors since 2014;**
- **An increase of 5,227 housing units in 31 new residential buildings, an increase in residential inventory of 18 percent;**
- The addition of over 2.3 million square feet of new retail, a **53 percent increase in retail inventory from 2014.**

The combined impact of these trends will result in a surge of employment growth and economic activity in Lower Manhattan, with the anticipated addition of an estimated **40,000 new private sector payroll jobs** between Q1 2015 and Q4 2019. Approximately **two-thirds of these jobs are expected to be net new jobs to the city**. This growth would transform Lower Manhattan's once lagging economy into a powerhouse for the City and State — **as employment in the area is expected to grow by an annual average rate of 2.4 percent between 2015 and year end 2019. This would outpace New York City's overall annual growth rate of 1.3 percent** (according to the New York City Office of Management and Budget's estimation of annual average employment growth). Lower Manhattan is also poised to dramatically enhance its impact on City and State coffers. Based on estimates of job growth and increased economic activity, **its contribution to City tax revenues could increase by nearly \$858 million, or 35 percent, by 2019**. Similarly, Lower Manhattan's contribution to State tax revenues will rise by \$810 million, or 34 percent.

Job growth in Lower Manhattan over the next several years will highlight the continuing diversification of the local economy. A number of sectors are expected to expand, including professional services, information, advertising, media, technology, finance and health care, as well as retail, food service, hospitality and entertainment. Many new jobs will be dependent on higher educational attainment, **but more than half — some 63 percent — will be available to people with associate's degrees, high school diplomas or less**. The majority of the added jobs will likely offer above average pay, with the **median wage for all added jobs estimated at over \$100,000 annually**.

One pivotal factor in the area's employment growth: Lower Manhattan's location and extensive transit network. Because it is relatively easy to travel to the district, even from the City's more distant corners, the area's new jobs will create opportunities for people throughout all five boroughs. **Some 5.3 million New Yorkers live within a 10-minute walk of a subway station that provides convenient access to Lower Manhattan, including 2.3 million people living in neighborhoods of above-average unemployment.**

Since Lower Manhattan is a center for education, job training and small business support, job growth in the district is also a boon to efforts to extend economic opportunity to all of New York City's residents. The area boasts 24 adult/continuing and degree-granting institutions of higher education and 23 not-for-profit agencies focused on workforce development issues — and is also home to a half-dozen city, state and federal agencies aimed at assisting businesses and promoting workforce development. **This rich collection of resources heightens opportunities to help New Yorkers from all areas and backgrounds benefit from investments in Lower Manhattan's revitalization and growth.**

Taking full advantage of these opportunities to leverage Lower Manhattan's potential in the years ahead, as well as confronting possible future challenges, will require sustained commitment from the public sector. Whether addressing the threats of extreme weather and sea level rise, accommodating growth by investing in public spaces, improving circulation for people and cars, or continuing to partner with businesses seeking to move to and grow in the area — the support of all levels of government is critical to achieving this bright future for all of New York.

Introduction

The unveiling of One World Trade Center in November 2014 was a major milestone on the long and difficult road of post-September 11 economic recovery. By the time the historic office tower opened on the site of those devastating terror attacks, Lower Manhattan had undergone a radical transformation in the intervening 13 years. \$30 billion of public and private investment had created 9.1 million square feet of new office space, 14,772 units of housing and 16 new hotels. All of this was accompanied by a reinvigorated shopping and restaurant scene, vastly improved transit infrastructure and revitalized parks and open spaces. By the end of 2014, the Lower Manhattan economy had reached a level not seen since before September 11; **private sector employment had climbed to more than 227,000, the highest level since the fourth quarter of 2001.**¹

Lower Manhattan's current success and its future potential as a community, a center of commerce and a place of opportunity are in, no small measure, due to the work of all those who have not only rebuilt Lower Manhattan during the past thirteen years but have also reimagined what it could be. The vision and commitment of leaders in both the public and private sectors to remake this area has yielded astounding results. And while the accomplishments during the recovery period have been impressive and dramatic, **what lies ahead for the Lower Manhattan economy is even more promising.**

2015 signified the beginning of an entirely new chapter in Lower Manhattan's economic evolution. It was a year distinguished by increased employment in some of New York's highest-value, most dynamic industries, by an enhanced contribution to the growth of the City's gross domestic product and the City tax revenues and by an expansion of economic opportunity for countless New Yorkers. Simply put, the stage is

set for Lower Manhattan's future as an **increasingly powerful engine of economic growth and opportunity for all the residents of New York City.**

Just as notable as the job growth itself is the fact that it is happening in a place that offers a constellation of resources for continuing education and workforce development and an **unparalleled network of public transit connecting to neighborhoods in all five boroughs.** With a vigorous economy and resources to connect a geographically and educationally diverse array of New Yorkers with new job opportunities, Lower Manhattan is poised to become one of New York City's most important hubs of employment.

To better understand what lies ahead in Lower Manhattan's next chapter, the Alliance for Downtown New York hired Appleseed, a New York City-based consulting firm, to conduct an analysis of employment trends, economic growth and fiscal impact generated by business activity and investment in Lower Manhattan between 2015 and 2019. This report incorporates those analyses and draws conclusions about how this will **benefit the diverse residents of New York City through the rest of the decade.**

In 2014, Lower Manhattan Reached

227,069

*Peak Private Sector Payroll Employment
since 9/11*

A LOOK AT WHAT'S CHANGED 2001-2014

OFFICE/WORLD TRADE CENTER

9.1 million new square feet, including:
1 World Trade Center
4 World Trade Center
7 World Trade Center
9/11 Memorial & Museum
Goldman Sachs HQ

TRANSPORTATION

\$2.15 billion in investment, including:
Fulton Center
Staten Island Ferry Terminal
Pier 11 Ferry Terminal
WFC Ferry Terminal
West Street Pedestrian Bridges
South Ferry MTA Station

HOTEL

3,439 new rooms in 16 hotels, including:
Conrad New York Hotel
Andaz Wall Street
Smyth Tribeca Hotel
Holiday Inn
Hampton Inn

RESIDENTIAL

14,772 new units in 104 buildings, including:
8 Spruce Street
2 Gold Street
20 Exchange Place
95 Wall Street
10 Hanover Square

**buildings with over 100 units shown

EDUCATION

Fiterman Hall at BMCC
The Spruce Street School
Pace University residence halls at
180 Broadway & 33 Beekman

OPEN SPACE

The Battery
East River Esplanade
Zuccotti Park
Mannahatta Park
Imagination Playground
Teardrop Park



Lower Manhattan 2014: An Economy Restored

Lower Manhattan Reaches Peak Employment Since September 11, 2001

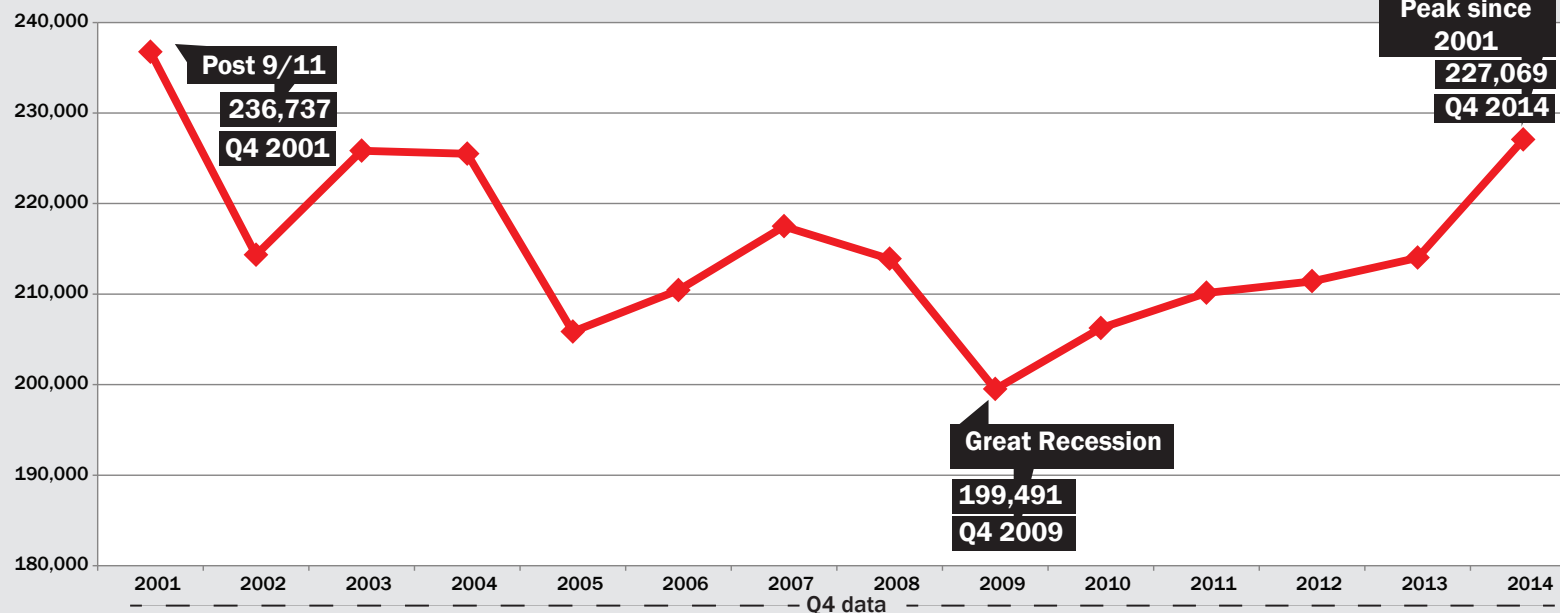
2014 was a momentous year for Lower Manhattan. Many capital projects years in the making were finally completed, employment reached its highest level since September 11 and the list of major tenants relocating to Lower Manhattan grew at a rapid pace.

By the end of 2014, after a surge of business relocations and the opening of new retail and hotels, private sector payroll employment in Lower Manhattan hit a post-September 11 peak of 227,069 workers — up 14 percent from its low point in 2009.² While the

district's post-recession employment trailed the City's growth, 2014's rise in employment signals strong growth ahead.

While small in geography, Lower Manhattan stands tall in impact. Just shy of one square mile, the area accounts for 6.4 percent of total New York City private payroll employment³ and 5.9 percent of all City tax revenues.⁴ This is due in large part to the significant concentration of high quality office space and the cluster of high-value, high-wage industries in Lower Manhattan that both enrich the City's tax coffers and also form the nucleus of a robust and growing economy that provides income to a range of workers. These workers include people with associate's or high school degrees along with those holding advanced college degrees.

LOWER MANHATTAN PRIVATE SECTOR PAYROLL EMPLOYMENT, 2001-2014



Source: Quarterly Census of Employment and Wages (QCEW), reflects Q4 data only

An Important Economic Engine for New York City and State

Lower Manhattan is a critical center of economic activity for the State and the City. The nation's fourth largest business district yields an economic output and fiscal impact that radiates well beyond its borders. **Private sector employers in Lower Manhattan paid a total of \$33.05 billion in aggregate wages and salaries in 2014** — 10.9 percent of the \$303.2 billion in wages and salaries paid to all private sector employees in New York City.⁵

In 2013, Lower Manhattan's resurgent and diversifying economy made significant contributions to New York City's Gross Domestic Product (GDP) and to New York City and State tax revenues. **Lower Manhattan produced \$62.3 billion in value added in 2013**, accounting for 9.2 percent of the City's GDP.⁶ The area also generated \$2.45 billion in property, personal income, business, banking, sales and hotel tax revenue for New York City, accounting for 5.9 percent of the City's total.⁷ Similarly, Lower Manhattan's economy yielded \$2.4 billion in tax revenues for New York State, accounting for about 3.9 percent of total State receipts.⁸

*Private Sector Employers in
Lower Manhattan Paid Over*
\$33 Billion
in Wages and Salaries in 2014

Construction in Lower Manhattan: Major Source of Economic Activity

Construction activity was robust in 2014 in Lower Manhattan, with about \$4.8 billion in construction spending and about 13.4% of all construction spending citywide. This led to an estimated 11,040 full-time equivalent (FTE) construction jobs on site in Lower Manhattan and thousands more in off-site work at other locations throughout New York City.⁹ These estimates include major construction projects, such as the 3 and 4 World Trade Center, Brookfield Place's retail redevelopment, Pier 17 at the South Street Seaport and residential and hotel construction across Lower Manhattan.

**Table 1: 2014 Lower
Manhattan
Construction Snapshot**

Total Construction Spending, 2014	\$4.8 Billion
Share of Citywide Construction Spending	13.4%
FTE, On-Site Jobs in Lower Manhattan	11,040 Jobs
Aggregate Earnings, FTE On-Site Jobs in Lower Manhattan	\$1.49 Billion



Source: Port Authority of NY & NJ, MTA, and Appleseed estimates. Note: Construction activity in Lower Manhattan also generates off-site construction jobs, (primarily concentrated in management, administrative and other office jobs), and in construction-related service industries. Some of these jobs are located in Lower Manhattan, but many others are located elsewhere in the City or the region.

LOWER MANHATTAN IN 2014

0.3%

*of New York City's
land area*

0.7%

*of New York City's
population*

BUT PROVIDES

*Lower Manhattan's total
contribution to New York
state tax revenues (FY 2014)*

**STATE TAX
REVENUE**

**\$2.4
BILLION**

\$2.4 BILLION

in New York City tax revenues (FY 2014)

6.4%

*of New York City's
private-sector payroll jobs*

\$62.3 Billion GDP

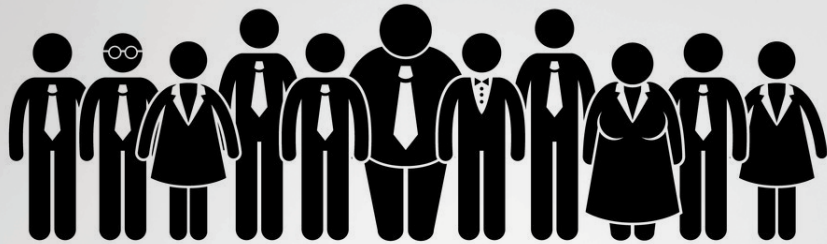
9.2%

of New York City's GDP

2014 ECONOMY BY THE NUMBERS

323,001

total payroll jobs



95,932

government jobs

227,069

private sector jobs



\$33.1 Billion

*total wages and salaries paid
to private sector workers*

\$147,991

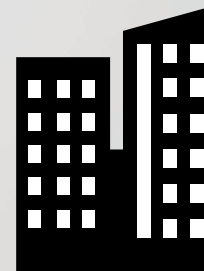
*average annual earnings
per private sector worker*

2014 INVENTORY



4,900

hotel rooms



88.7

million square feet



29,000

residential units



4.4

million square feet

RETAIL

A Diverse Array of Opportunities

Industry Diversification

By now, Lower Manhattan's post-September 11 resurgence is well known to most New Yorkers. What is far less understood is the diversity of opportunities the area's economy offers today to workers and residents throughout the City as a whole. In the next five years, those opportunities will expand dramatically.

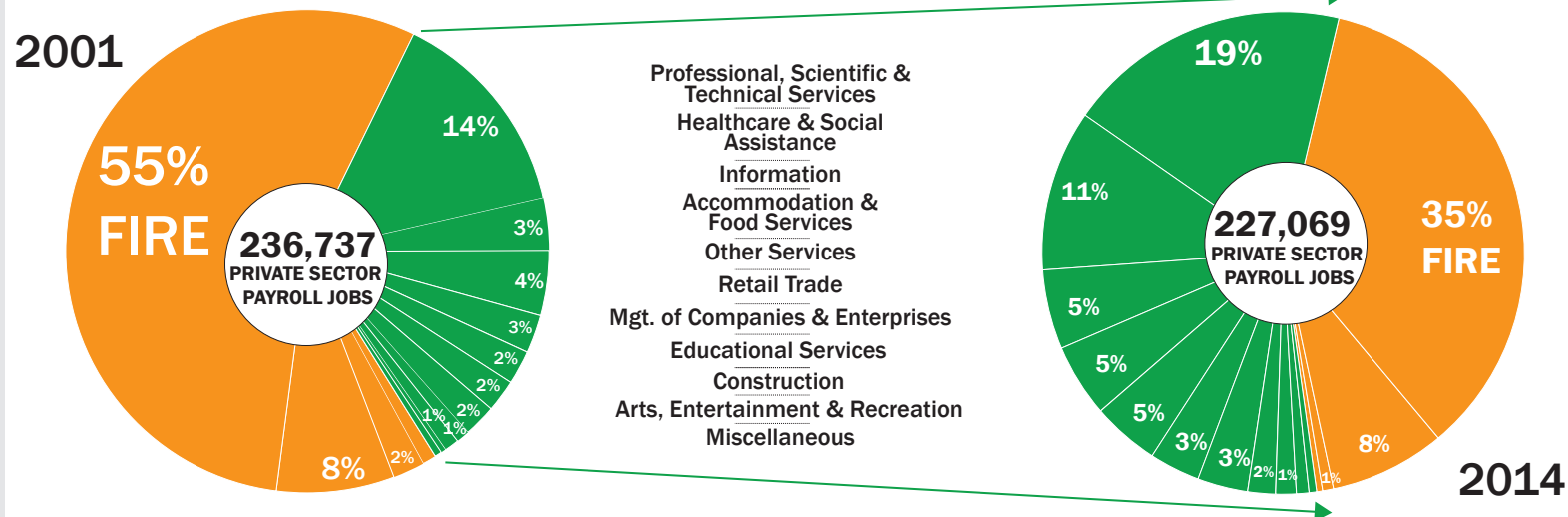
Known for decades as the center of New York City's financial services industry, Lower Manhattan today continues to host a high concentration of firms and workers in the FIRE sector (finance, insurance and real estate). FIRE, in fact, accounts for 35 percent of all private sector payroll employment in Lower Manhattan.¹⁰ Yet the financial services industry's footprint in Lower Manhattan has

been steadily shrinking — a result of a complex array of factors, including industry restructuring, a reduction in profitability and firm consolidations. The impact of these long-term trends was already evident in 2001 and picked up momentum in the wake of the financial crisis of 2008.

In the fourth quarter of 2001, FIRE employment in Lower Manhattan was approximately 131,000, accounting for 55 percent of all private sector payroll employment. By year-end 2014, FIRE employment had dropped by over 50,000 jobs and shrunk to a 35 percent share of private employment.

Yet declining FIRE sector employment has not permanently diminished the Lower Manhattan economy, as was once predicted. Instead, as FIRE has receded, a wide array of other industries

SHARE OF LOWER MANHATTAN EMPLOYMENT BY INDUSTRY, 2001 - 2014



Source: QCEW, reflects Q4 data. Note: Miscellaneous includes four sectors: Unclassified, Manufacturing, Agricultural & Mining, and Utilities. Other Services includes personal services such as repair shops, laundries, hair salons, health clubs, etc., as well as a variety of non-profits, unions, trade associations, etc.

**TABLE 2: LOWER MANHATTAN PRIVATE SECTOR PAYROLL
EMPLOYMENT, CHANGE IN INDUSTRY COMPOSITION, 2001-2014**

Industry	2001		2007		2014		2001 - 2014
	Total	%	Total	%	Total	%	Change
FIRE	130,667	55%	93,199	43%	79,866	35%	(50,801)
Administrative & Support Services	18,681	8%	19,495	9%	17,611	8%	(1,070)
Wholesale Trade	5,035	2%	2,145	1%	1,665	1%	(3,370)
Transportation & Warehousing	2,213	1%	1,875	1%	917	0.4%	(1,296)
Professional, Scientific & Technical Services	33,588	14%	38,287	18%	43,231	19%	9,643
Healthcare & Social Assistance	8,270	3%	12,551	6%	24,504	11%	16,234
Information	10,315	4%	10,963	5%	12,150	5%	1,835
Accommodation & Food Services	6,059	3%	7,694	4%	11,104	5%	5,045
Other Services	5,361	2%	8,080	4%	10,229	5%	4,868
Retail Trade	5,139	2%	6,873	3%	7,706	3%	2,567
Mgt. of Companies & Enterprises	5,143	2%	8,275	4%	7,658	3%	2,515
Educational Services	2,073	1%	2,551	1%	4,247	2%	2,174
Construction	2,342	1%	3,187	1%	3,130	1%	788
Arts, Entertainment & Recreation	757	0.3%	843	0%	1,919	0.8%	1,162
Miscellaneous	1,094	0.5%	1,452	1%	1,132	0.5%	38
Total, All Private Sector Jobs	236,737	100%	217,470	100%	227,069	100%	(9,668)

Source: QCEW, reflects Q4 data. Note: Miscellaneous includes four sectors: Unclassified, Manufacturing, Agricultural & Mining, and Utilities. Other Services includes personal services, such as repair shops, laundries, hair salons, health clubs, etc., as well as a variety of non-profits, unions, trade associations, etc.

has stepped in to fill the gap. Health care and social assistance accounted for the largest leap, growing from approximately 8,300 to 24,500 by the end of 2014 (an increase from 3 percent to 11 percent of private sector employment). Professional, scientific and technical services firms added nearly 10,000 jobs over this time period, jumping to 19 percent of private employment.

The educational services sector doubled its employment count, reaching over 4,200 jobs. **This type of modest but steady growth is seen in the post-September 11 recovery period among a wide array of industry categories – from office-based employers in the information sector to hotels, restaurants and retailing.**¹¹ All of these industries have helped to grow and diversify the Lower Manhattan economy.

Hidden within the data on private sector employment is another important story that has dramatically reshaped Lower Manhattan's economic landscape.

37% *Increase in TAMI Employment, 2009-2014*

The rise of the TAMI sector (technology, advertising, media and information) has been a particularly notable narrative in Lower Manhattan's post-September 11 recovery, as it is largely the result of companies moving from Midtown or Midtown South to make a new home downtown. Some companies are consolidating to reduce costs, others seeking newer, more efficient space (allowing for a reduced footprint or, in many cases, an expansion of headcount to accommodate business development and growth). In a 2014 report, *TAMI Takes Lower Manhattan*, the Downtown Alliance documented the **meteoric rise of the TAMI sector, which leased over 3 million square feet of office space in the district over 6 years.** This expanding real estate footprint ushered in a rapid expansion of TAMI employment, which was estimated at just under 23,000 by year end 2014. This represents a 37 percent increase from 2009 and comprises nearly 10 percent of the private sector employment in the district.¹²

Employing a Workforce with Diverse Skills and Education

As a major New York City employment center, Lower Manhattan offers opportunities for workers of all skill levels — from high school graduates to post-doctorates. Industry sectors such as finance, professional services, health care, education, technology, media and information are powered, in part, by a college-educated workforce. But they also rely considerably on the important contributions of workers in an array of occupations — from web developers to security guards to office managers — that may require less than a four-year college degree. Additionally, the growing residential population and strong local travel and tourism sector in the area support tens of thousands of jobs in other industries — hospitality, retail trade and building services that employ workers of widely varying levels of training and experience. **In 2014, there were approximately 100,000 Lower Manhattan workers employed in jobs that require no more than an associate's degree, high school diploma or less formal education.**¹³

Generating Wages Above the New York City Average

With a substantial number of jobs in finance and professional services, along with a growing profile in education, technology, media and information sectors — Lower Manhattan is a center of high-wage employment. Table 3 on the right shows the top 10 Lower Manhattan industries by average earnings. **More than 65 percent of all Lower Manhattan private sector payroll jobs are in industries with average wages that surpass the New York City average of \$88,310.**¹⁴ This concentration of high-wage earners among the Lower Manhattan workforce boosts average earnings among all private-sector workers in Lower Manhattan to \$147,991, well above the average for New York City workers as a whole. A density of high wage industries also yields Lower Manhattan's considerable contributions to the City and State's overall economic output and tax revenues.

Table 3: Top 10 Private Sector Industries by Employment, 2014

	Industry	Number Employed	Average Earnings
1	Finance & Insurance	74,881	\$272,476
2	Professional, Scientific & Technical Services	43,231	\$116,474
3	Healthcare & Social Assistance	24,504	\$29,339
4	Administrative & Support Services	17,611	\$45,422
5	Information	12,150	\$111,952
6	Accommodation & Food Services	11,104	\$33,917
7	Other Services	10,229	\$79,374
8	Retail Trade	7,706	\$47,600
9	Management of Companies and Enterprises	7,658	\$200,114
10	Real Estate & Rental & Leasing	4,985	\$119,451

Source: QCEW, Quarterly Census of Employment and Wages, employment reflects Q4 2014 data and wages reflect 2014 average

The Brain Gain: 2015 Update

Lower Manhattan has thrived in recent years as a high-value business location, because it offers proximity to a large and growing population of highly educated workers. This trend was documented by the Downtown Alliance in a recently released report entitled The Brain Gain: Update 2015. The report



demonstrates how the region's population of college-educated adults ages 18–44 is growing fastest in areas that are in close proximity to Lower Manhattan, while suburban areas are witnessing a stagnating and even declining share of the region's educated workforce. This population trend has been a highly influential factor in the relocation decisions of companies who covet educated workers. Many companies have migrated to Lower Manhattan in recent years in order to tap into the growing ranks of college-educated workers living close to the area. For the full report, please visit: <http://www.downtownnyc.com/reports/>



A Center of Employment for Residents of all Five Boroughs

Lower Manhattan is increasingly known as a popular “live/work” community with a growing residential population and a growing roster of shops, restaurants, parks and cultural attractions.

Another important facet is that it serves as a major employment center for workers from all over New York City and beyond. In fact, while 23 percent of Lower Manhattan’s private and public sector workforce live in Manhattan, another 47 percent live in the other four boroughs. **Overall, 70 percent of all Lower Manhattan workers live in the five boroughs.**¹⁵

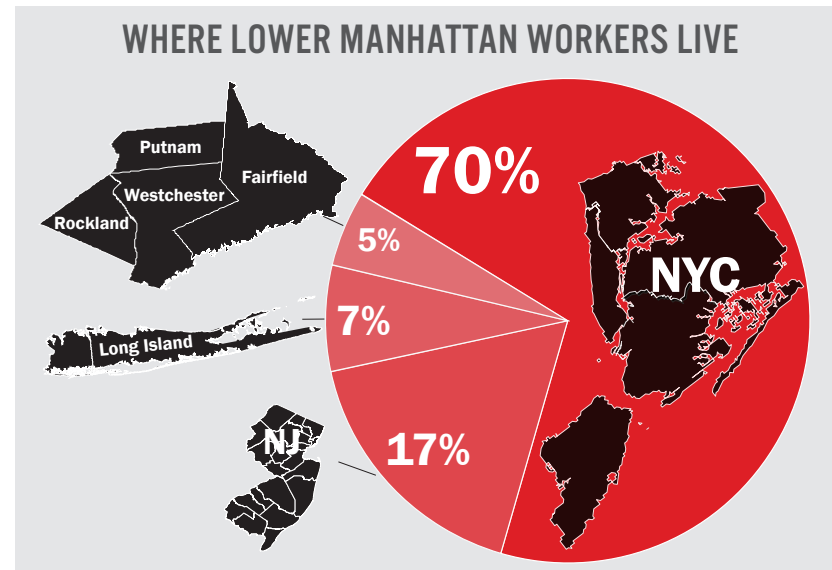
Another 17 percent live in New Jersey, 7 percent on Long Island, and just 5 percent in the City’s northern suburbs.

In some sectors of the Lower Manhattan economy, the percentage of workers who live in the five boroughs was higher.

- Among those employed in wholesale and retail trade, transportation and utilities, 77 percent live in the City, including 59 percent in the boroughs outside Manhattan;
- Among those employed in the arts, entertainment, restaurants and hotels, 90 percent live in the City, including 61 percent in the boroughs outside Manhattan; and
- Among those employed in other services and government, 75 percent live in the City, including 55 percent in the boroughs outside Manhattan.

The importance of Lower Manhattan as a center of City-wide employment is not limited to the broad context of the City’s five boroughs. A close look at employment data shows that Lower Manhattan workers come not only from every borough, but from every neighborhood.

3,436 *Average Number of Residents per NYC Neighborhood Working in Lower Manhattan (excluding Manhattan south of 96th St.)*



Source: Appleseed Estimates, CTPP data, based on 2006-2010 5-Year ACS data

Map A on the adjacent page shows the number of residents in each of New York City’s neighborhoods who work in Lower Manhattan.

In Brooklyn, significant numbers of Lower Manhattan workers are found throughout the borough — from nearby Brooklyn Heights and Park Slope to areas including Bay Ridge and East Flatbush. As the map on the adjacent foldout shows, there is an average of 3,529 people commuting to Lower Manhattan from each of the borough’s 18 Public Use Microdata Areas (PUMAs. (A PUMA is a Census Bureau-designated area with a minimum population of at least 100,000. The 55 Census-designated PUMAs in New York City approximate New York City’s Community Districts and recognized neighborhood names).

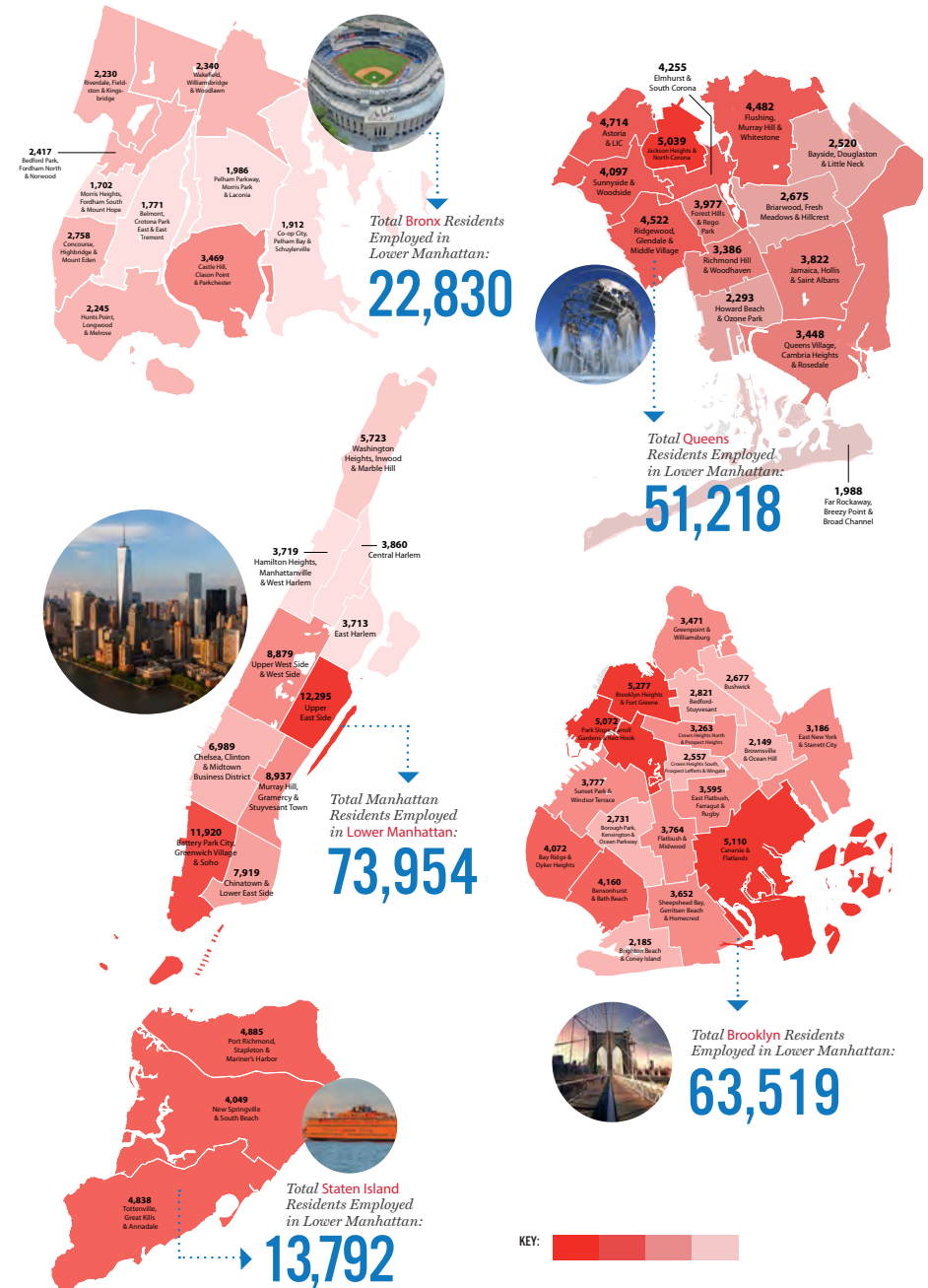
A similar pattern is seen among residents of the Bronx, Queens, Staten Island and upper Manhattan. In fact, every neighborhood of New York City benefits from employment opportunities south of Chambers Street. Even excluding neighborhoods south of 96th Street in Manhattan, there are, on average, 3,436 people per neighborhood throughout New York City commuting to work in Lower Manhattan.

MAP A. WHERE LOWER MANHATTAN WORKERS LIVE

70% of all Lower Manhattan workers live in the **five boroughs** of New York City including:

- **73,954** in **Manhattan**
- **63,519** in **Brooklyn**
- **51,218** in **Queens**
- **22,830** in the **Bronx**
- **13,792** in **Staten Island**

PLEASE ZOOM IN TO VIEW THE NUMBER OF RESIDENTS WHO WORK IN LOWER MANHATTAN BY NYC NEIGHBORHOOD



Surging Ahead through 2019

Lower Manhattan Enters a New Chapter

While the area has made great progress, what lies ahead for Lower Manhattan in the second half of this decade is even more extraordinary as the substantial post-September 11 investments begin to bear fruit.

The increasingly robust and diversifying economy is gaining more momentum in 2015, as tenants move into One World Trade Center and 4 World Trade Center. These new arrivals mark the beginning of what will be a surge of new employment and activity in the area through 2019.

The horizon beyond 2015 promises a flurry of auspicious developments: major new tenants relocating to the area South of Chambers Street; the opening of 3 World Trade Center; the opening of hundreds of new stores and restaurants at Westfield World Trade Center, Brookfield Place and elsewhere throughout the district; and ribbon cuttings for dozens of new hotels and residential buildings.

By 2019, there will be:

- More than **4.3 million square feet of office space occupied by tenants relocating** to Lower Manhattan;¹⁶
- **7.8 million square feet of new office space at the World Trade Center**, following the delivery of 2.5 million square feet at 3 World Trade Center;¹⁷
- 44 hotels and more than 8,865 hotel rooms, **an addition of 23 hotels and 3,941 hotel rooms since Q4 2014**;¹⁸
- Approximately 15 million unique annual visitors, **an increase of 2.6 million since 2014**;¹⁹
- 34,629 residential units, **an increase of 5,227 units and 31 buildings since Q4 2014**;²⁰
- More than 6.7 million square feet of retail space, **an expansion of 2.34 million square feet (53 percent!) since 2014**.²¹

Outpacing Citywide Growth in Employment and GDP

Based on Citywide employment projections, signed lease commitments and the new economic activity attributable to the completion of hotel, retail and residential projects, economic growth in Lower Manhattan is poised to accelerate over the next 5 years. Lower Manhattan employment is expected to grow by an annual average rate of 2.4 percent ²² between 2015 and year end 2019, outpacing the City's overall annual growth rate of 1.3 percent.²³ In addition, Lower Manhattan's Gross Domestic Product is expected to grow by an additional \$7.2 billion (in 2014 dollars) to \$69.5 billion by 2019.²⁴ This reflects an average annual rate of increase of 2.2 percent, outpacing the City's 1.8 percent average annual increase forecast by the New York City Office of Management and Budget.

Growing Importance to New York's Financial Coffers

Lower Manhattan's contributions to New York City and State coffers will grow significantly over the next five years. By 2019, the district will generate \$3.3 billion (in 2014 dollars) in property, personal income, sales and business tax revenue for the City — an increase of 35 percent from 2014 levels.²⁵ Lower Manhattan's

Table 4: Lower Manhattan GDP & Tax Contributions, 2014 vs. 2019

	2014	2019	Absolute	% Growth
New York City Taxes	\$2.4 Billion	\$3.3 Billion	\$858.1 Million	35.0%
New York State Taxes	\$2.4 Billion	\$3.2 Billion	\$810.8 Million	33.9%
GDP - Lower Manhattan	\$62.3 Billion	\$69.5 Billion	\$7.2 Billion	11.6%

Source of NYC information: NYC Office of Management and Budget, NYC Department of Finance and Appleseed calculations. NYC tax analysis includes property, personal income, sales, bank, business and hotel taxes. Source of NY State info: New York State Budget Division and Appleseed calculations. NY State tax analysis includes personal income, sales, banking and insurance and hotel taxes.

share of State tax revenue by 2019 will also be \$3.2 billion (in 2014 dollars) in personal income, sales, corporate, banking and insurance taxes — a 34 percent increase from 2014.²⁶

By these measures alone, it is clear that Lower Manhattan will become an increasingly important center of economic activity for both the City and the State in the years ahead.

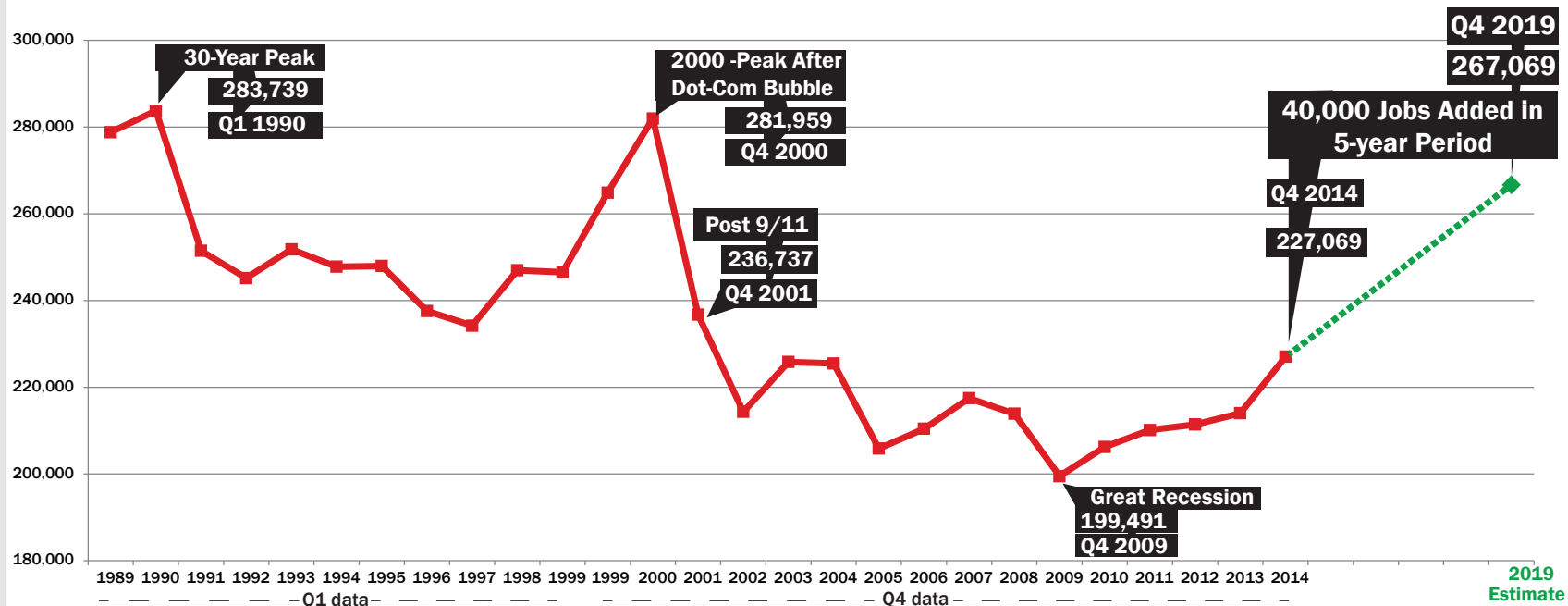
But GDP and tax revenues only tell part of the story.

40,000 *new private sector payroll jobs by 2019*

Private payroll employment in Lower Manhattan is expected to grow by nearly 40,000 new jobs as of 2019 – the most significant sustained employment surge in thirty years.²⁷ At least two-thirds of these jobs are estimated to be net new jobs in New York City. Private sector employment is poised to reach more than 267,000 jobs, a level not seen in Lower Manhattan since before September 11, 2001. This dramatic growth represents a full 34 percent increase in private sector employment since the low point in 2009, when it dropped to less than 199,500.²⁸

The benefits of Lower Manhattan's growth are anticipated to spread across New York City. **Projected job growth will likely encompass a wide range of skills, occupations, educational levels and industry sectors.**

PRIVATE SECTOR PAYROLL EMPLOYMENT, 1989-2014 AND PROJECTED EMPLOYMENT GROWTH THROUGH 2019



Source: 1989-1999 reflects QCEW Q1 data, Q4 1999 is estimated, 2000-2014 reflects QCEW Q4 data, 2019 from Appleseed Estimates

Lower Manhattan: 2015 and Beyond

2015

Time Inc. Moves in

Time Inc.

Brookfield Place
Retail Opened



One World
Observatory Opened



872
Hotel Rooms
Added



70 Pine Converted
to Residential Tower

904
Residential Units
Added

2016

Eataly Opens
in 4 WTC

EATALY
alti cibi

1,385
Hotel Rooms
Added



Westfield World Trade Center Opens and
WTC Transit Hub Completed

Saks Fifth Avenue Opens



773
Residential Units
Added



Gucci Relocates
US Headquarters
to 195 Broadway

GUCCI



Four Seasons
New York Downtown
Hotel & Residences Open

Beekman Hotel &
Residences Open



2017



50 West Street



Hudson Bay Company
Brings 1,850 Employees

Associated Press
Relocates 600 Employees
to Brookfield Place

AP



New Pier 17
Opens

One Wall Street
Residential Conversion
and Retail Addition



112-118 Fulton Street
Residential Tower

Over
300
Hotel Rooms
Added

Almost
9,000
hotel rooms
downtown,
an **80% increase**
since 2014

Over
6.7 MILLION SF
of retail by 2019,
an increase of **53%**
since 2014

By 2019
7.8 MILLION SF
of new
office space at
the WTC

2018

**By
2019**

NOBU

Over
500
Hotel Rooms
Added

Nobu Opens at
195 Broadway



Over
1,100
Residential Units
Added

28 Liberty Retail
Redevelopment



3 World Trade Center
Completed
2.5 Million SF

groupm

Over
1,300
Residential Units
Added

Group M relocates
to anchor
3 World Trade Center

111 Murray Street
Residential Tower



News Corp
**21ST
CENTURY
FOX**

Two World Trade Center
Construction Underway
2.8 Million SF

Over
34,000
residential units,
an **18% increase**
since 2014



**Estimates and completion dates reflect current
best-available data and are subject to change.*

An Influx of High-Skill, High-Wage Jobs

The migration and growth of high-wage, professional jobs in Lower Manhattan will increase in the years ahead, as tenants who have leased space — either in towers One, 3 and 4 at the World Trade Center or in other locations in Lower Manhattan — take occupancy by the end of 2019.

According to occupancy time frames from current World Trade Center lease commitments and the anticipated additional lease-up of space at the towers in the years ahead, **private sector office-based employment at the trade center is expected to grow by an additional 17,900 jobs by 2019.**²⁹

In addition to tenants occupying newly-developed office space at the World Trade Center, others will move into existing office space during the next five years. These include Time Inc. and Hudson's Bay Company (both relocating to Brookfield Place) and Macmillan Science and Education (moving to 1 New York Plaza). According to published estimates, these three companies will transfer a combined total of more than 6,000 jobs to Lower Manhattan.³⁰

Taking into account a range of factors: the completion and partial occupancy of three of the World Trade Center's four towers, the tenanting of existing office space by major new companies and the continued growth of employment in business and professional services, technology and media, **estimates indicate that by year end 2019, the number of people working in office-based industries in Lower Manhattan will increase by 25,400.**³¹

Many of these new office-based jobs are concentrated in high-wage industries — media and information, professional, business and financial services, real estate and the management of companies.

25,400

*Increase in Office-Based
Private Sector Payroll Employment by 2019*

**Table 5: Business Relocations to Lower Manhattan,
Q1 2015 - Q4 2019**

Tenant	Industry	Leased	Move In Date
The Condé Nast Publications	Information	1,186,537	2015
Time Inc.	Information	669,832	2015
Group M	Professional Services	515,457	2018
Hudson's Bay Company	Retail Trade	398,712	2016
Jones Day	Professional Services	330,210	2016
Macmillan Science and Education	Information	176,121	2015
Associated Press	Information	172,000	2017
FULLBEAUTY Brands	Retail Trade	157,210	2015
MediaMath	Professional Services	106,000	2015
High Five Games	Information	87,663	2015
Gucci	Retail Trade	83,964	2016
HUGO BOSS Fashions, Inc.	Retail Trade	73,690	2015
Planned Parenthood	Nonprofit	65,000	2015
Other Business Relocations		298,315	2015-2019
Total Planned Relocations To Date		4.3 Million	

Source: ADNY, CBRE, Colliers International, Newmark Grubb Knight Frank, CoStar. Note: Includes leases announced by the printing of this report, with planned occupancy by 2019.

21st Century Fox/NewsCorp

Depending on the outcome of final negotiations between Silverstein Properties Inc. and News Corporation/20th Century Fox, 2 World Trade Center — the last of the four office towers to be constructed on the original World Trade Center site, with 2.8 million square feet of rentable space — could be completed and ready for occupancy as early as 2020. The relocation of the News Corporation/20th Century Fox headquarters would bring thousands of new media jobs to Lower Manhattan.



In all of these industries — which together account for 58 percent of projected private-sector job growth in Lower Manhattan between 2015 and 2019 — average earnings per worker are well over \$100,000.³²

Job Growth Beyond Office-Based Industries

The occupancy of new office towers between 2015 and 2019 will yield additional employment beyond the jobs provided by tenants. **Building services in new office towers, for instance, is expected to add approximately 750 jobs by 2019.**³³

In addition to the contributions of office development, many of the new jobs in Lower Manhattan will be the direct result of the investments made in the growing of hospitality and residential sectors of the local market. Consider:

- The influx of 2.5 million new, unique annual visitors to Lower Manhattan will add approximately **1,000 additional jobs in arts, entertainment and recreation.**³⁴
- The opening of 23 new hotels with over 3,900 new hotel rooms will yield approximately **2,365 additional hotel services jobs.**³⁵
- The addition of 5,227 additional housing units will generate demand of approximately **1,000 new jobs in education, health care and social services.**³⁶
- The opening of 31 new residential buildings will contribute another **310 new jobs in residential building services (such as doormen, porters, handymen and superintendents).**³⁷
- The opening of 2.34 million square feet of new or repositioned space for retail, restaurants and personal/storefront services will lead to approximately **4,620 new retail jobs, 3,850 restaurant jobs and 1,105 jobs in other service businesses.**³⁸

The addition of 40,000 private-sector jobs in Lower Manhattan by 2019 will do more than boost the area's total employment and GDP. It will also create a wider range of new opportunities for New Yorkers from every borough and of every background and skill level.

Table 6: Estimated Private Sector Payroll Job Growth in Lower Manhattan, by Industry and Average Earnings, 2015 - 2019

Estimated Jobs Added	Industry Sector	Share of Private Sector Job Growth	Average Earnings by Industry (2014 Wages)
9,000	Information	22.5%	\$111,952
8,000	Professional, Scientific & Technical Services	20.0%	\$116,474
4,620	Retail Trade	11.6%	\$47,600
6,215	Accommodation & Food Services	15.5%	\$33,917
3,165	Other Services	7.9%	\$79,374
3,000	Management of Companies & Enterprises	7.5%	\$200,114
2,000	Finance and Insurance	5.0%	\$272,476
1,000	Arts, Entertainment & Recreation	2.5%	\$46,389
1,000	Administrative & Support Services	2.5%	\$45,422
500	Wholesale Trade	1.3%	\$129,165
500	Educational Services	1.3%	\$54,298
500	Real Estate Rental & Leasing	1.3%	\$119,451
500	Healthcare & Social Assistance	1.3%	\$29,339
Total Added Private Sector Payroll Jobs: 40,000		% Growth since 2014: 17.6%	Average Wage: \$100,613

Source: QCEW and Appleseed Estimates. Note: Other Services includes personal services, such as repair shops, laundries, hair salons, health clubs, etc., as well as a variety of non-profits, unions, trade associations, etc.

Occupational Mix of Job Growth in Lower Manhattan

A look at the occupational mix of new employment in Lower Manhattan offers interesting insights into the diversity of skills required for these new jobs.

Data show that even in high-paying industries, such as information and media, professional services and finance — where most upper- and middle-level jobs require at least a bachelor's degree — there are also significant numbers of jobs that require an associate's degree or less. In addition, other growing Lower Manhattan industry sectors including retail, accommodation and food services will add many new positions that do not require a college degree.

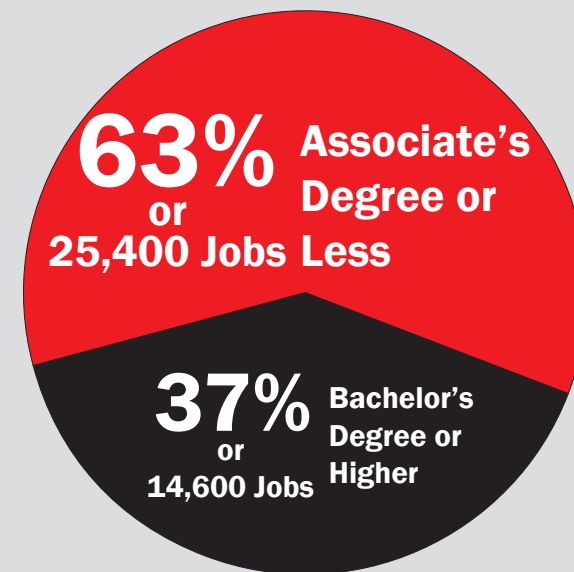
Approximately 37 percent of the new private sector jobs being added in Lower Manhattan between 2014 and 2019 will likely require at least a bachelor's degree, while some 63 percent (approximately 25,400) will be available to people with less than a four-year college degree.³⁹

Table 7 provides a sampling of new jobs that are likely to be added in Lower Manhattan in occupations requiring at least a bachelor's degree. It shows projected 2019 median and entry-level wages in New York City and typical educational requirements for each type of job. Table 8 provides a similar sampling for jobs that typically require an associate's degree or less.

The occupations listed in Table 8 vary widely in terms of the wages they offer. It is worth noting, however, that of the more than 25,000 jobs being added in occupations that typically require an associate's degree or less, approximately 68 percent will likely offer wages exceeding \$15 per hour or \$30,000 per year for a full-time worker.⁴⁰

68% *of all positions available to people without a Bachelor's degree*
will pay **\$30,000** *annually or more*

EDUCATION REQUIREMENTS FOR ADDED OCCUPATIONS, 2015-2019



Source: Appleseed estimates, OES data from BLS and NYS DOL and Congressional Budget Office

Table 7: Occupations Added Requiring Bachelor's Degree or Higher, 2015-2019			
Min. Education Required	Occupation	Estimated Jobs Added	Median NYC Annual Wage
Doctoral or Professional Degree	Lawyers	430	\$175,522
Master's Degree	Pharmacists	61	\$125,798
	Education Administrators, Elementary and Secondary School	24	\$121,219
Bachelor's Degree	Sales managers	232	\$202,663
	Financial Managers	441	\$198,646
	Marketing managers	180	\$186,716
	Computer and information systems managers	355	\$168,009
	Securities/commodities/financial services sales agents	280	\$167,554
	General and operations managers	1,156	\$163,418
	Architectural and engineering managers	100	\$150,557
	Personal financial advisors	147	\$128,191
	Computer network architects	84	\$127,429
	Software developers, applications	984	\$116,163
	Financial Analysts	231	\$115,232
	Loan officers	243	\$112,894
	Producers and Directors	538	\$110,707
	Software developers, systems software	393	\$110,469
	Management analysts	577	\$103,713
	Computer systems analysts	502	\$103,074
	Computer programmers	315	\$97,466
	Network and computer system administrators	312	\$96,200
	Civil Engineers	349	\$94,922
	Registered nurses	312	\$93,071
	Accountants and auditors	1,107	\$91,610
	Architects, except landscape and naval	192	\$83,014
	Editors	537	\$79,441
	Market research analysts and marketing specialists	577	\$77,244
	Human resources specialists	246	\$70,596
	Graphic designers	436	\$69,882
	Other occupations requiring Bachelor's Degree or Higher	3,283	N/A
Total Occupations Added Requiring Bachelor's Degree or Higher		14,624	\$114,550

Table 8: Occupations Added Requiring Associate's Degree or Less, 2015-2019			
Min. Education Required	Occupation	Estimated Jobs Added	Median NYC Annual Wage
Some College or Associate's Degree	Computer network support specialists	187	\$85,634
	Web developers	131	\$80,989
	Computer user support specialists	541	\$63,051
	Paralegals and legal assistants	223	\$57,973
Postsecondary Training & Certification	Hairdressers, hairstylists, cosmetologists	160	\$26,026
High School Diploma or Equivalent	Advertising sales agents	451	\$74,288
	Legal secretaries	247	\$70,542
High School Diploma or Equivalent	Fitness trainers and instructors	303	\$64,729
	First-line housekeeping and janitorial supervisors (union)	111	\$52,100
	First-line retail supervisors	352	\$48,273
	General maintenance workers	769	\$46,996
	Bookkeeping, accounting and auditing clerks	731	\$45,642
	Security guards (union)	108	\$44,940
	Hotel desk clerks	392	\$43,683
	Secretaries and administrative assistants	809	\$43,391
	Customer service representatives	1,640	\$41,247
	Baggage porters and bellhops (union)	72	\$35,620
	Receptionists, information clerks	247	\$32,381
	General office clerks	995	\$32,197
	Maids, hotel housekeepers (union)	414	\$60,000
	Janitors and cleaners (union)	948	\$47,780
	Fast-food workers (covered by \$15/hour minimum)	992	\$32,589
Less than High School	Laborers, stock and material movers	406	\$30,205
	Restaurant cooks	493	\$28,083
	Bartenders	271	\$27,615
	Waiters and waitresses	1,080	\$25,071
	Retail salespersons	1,508	\$24,359
	Stock clerks, order fillers	515	\$22,345
	Fast food cooks	189	\$20,883
	Cashiers	1,239	\$20,559
	Dishwashers	213	\$20,320
	Fast food workers (not covered by \$15/hour minimum)	110	\$19,898
	Other occupations requiring Associate's Degree or Less	8,529	N/A
Total Occupations Added Requiring Associate's Degree or Less		25,376	\$43,195

Sources: QCEW (Downtown Alliance), OES (BLS and NYS DOL), Congressional Budget Office and Appleseed estimates

Transit Network: Connecting Workforce to Opportunity

With 12 subway lines, 2 PATH routes, 20 ferry routes and 28 Citi Bike stations, Lower Manhattan is the hub of a vast, City-wide transit network — and one of the most accessible locations for New Yorkers in all five boroughs and for residents of the wider region.

Since September 11, 2001, over \$6.4 billion⁴¹ has been spent to expand service, enhance facilities and improve the experience of over 380,000⁴² transit riders who pass through Lower Manhattan daily.

The crown jewel of the Lower Manhattan transit network is the New York City subway system, whose myriad lines lead to 13 stations and 107 entrances south of Chambers Street. Riders on the subway system are never more than one transfer away from Lower Manhattan, and many of them need not transfer at all.

Census data show how much of New York City's working-age population lives near a subway station. Over 5.3 million working-age New Yorkers live in census tracts throughout the five boroughs that are within 0.5 miles of a subway station, putting **80 percent of the City's population age 16 and older within a roughly 10-minute walk of subway access to Lower Manhattan.**⁴³ See Map B on the adjacent page.

Among these residents, **over 2.3 million — or 44 percent — live in census tracts where the unemployment rate is above the Citywide average.**⁴⁴ Almost **920,000 of them live in neighborhoods with unemployment rates at least 50 percent higher than the Citywide average.**

With its dense collection of transit and expanding and diverse employment market, Lower Manhattan's economic growth unlocks potential for residents across New York City.

LOWER MANHATTAN'S RICH TRANSIT INFRASTRUCTURE



12
Subway Lines



30 Bus Routes &
1 SBS Route



6
Ferry Stops
& 20 Routes



2 PATH routes
to NJ



7 Downtown
Connection Buses



28 CitiBike
Stations

SERVES

383,000
Daily Riders

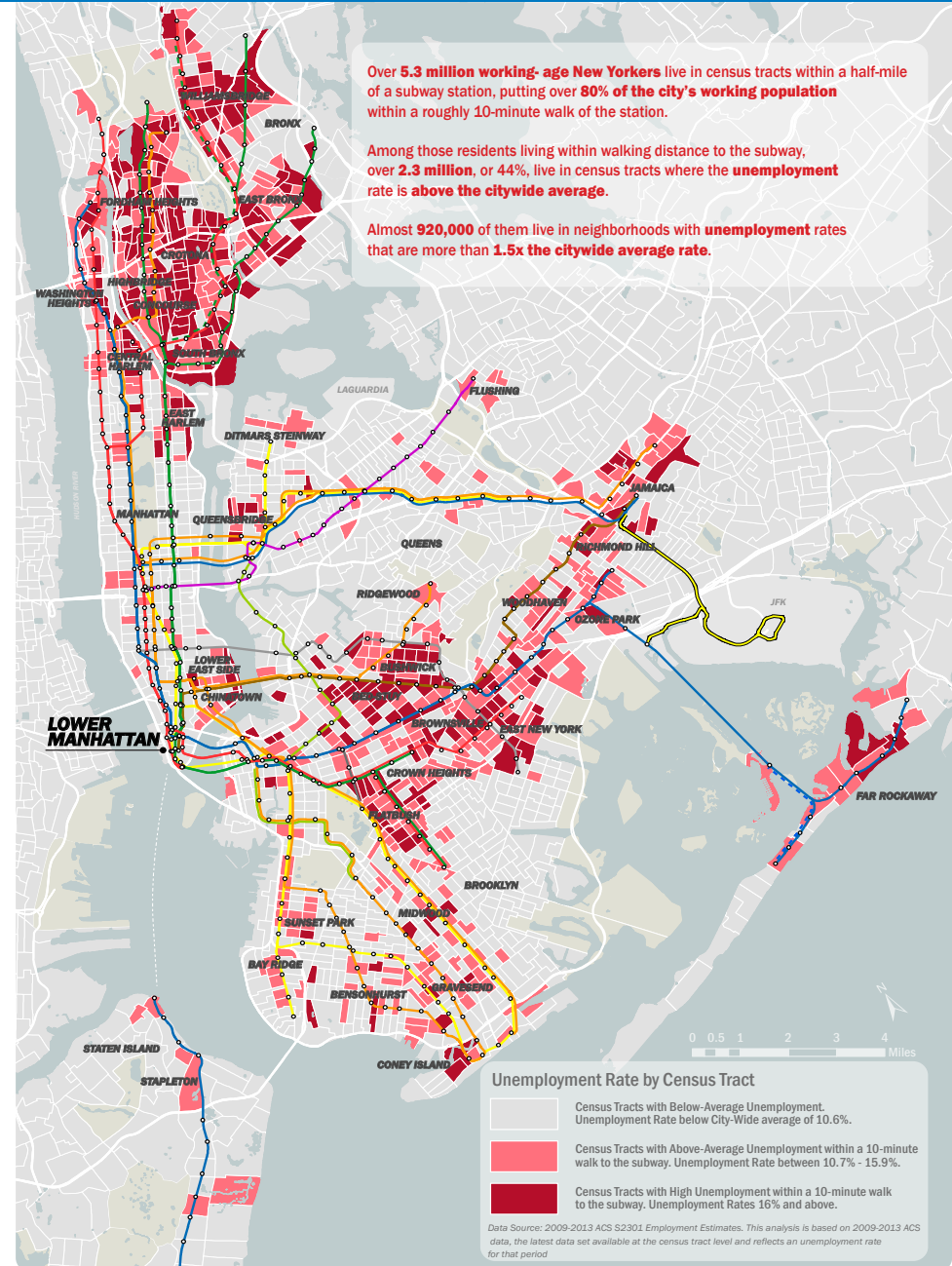
MAP B. CONNECTING WORKFORCE TO OPPORTUNITY

Over **5.3 million working-age New Yorkers** live in census tracts within a half-mile of a subway station, putting over **80% of the city's working population** within a roughly 10-minute walk of the station.

Among those residents living within walking distance to the subway, over **2.3 million**, or 44%, live in census tracts where the **unemployment rate is above the citywide average**.

Almost **920,000** of them live in neighborhoods with unemployment rates that are more than **1.5x the citywide average rate**.

**PLEASE ZOOM IN TO
VIEW MAP**



A Center for Education, Training & Workforce Development

Another facet of Lower Manhattan's employment boom is a concentration of resources that support workforce development and small business growth. These include academic institutions and educational service providers, not-for-profit workforce development organizations and government service providers — many of which have chosen to locate in the district because the transit network provides access to a Citywide constituency and clientele. Lower Manhattan's wealth of workforce development assets offers a tremendous opportunity for policymakers seeking to increase economic opportunity in diverse communities throughout the City.

Educators

Lower Manhattan is home to 24 higher education and adult/continuing education providers, with a combined enrollment of over 52,000 students.⁴⁵ Educational institutions in Lower Manhattan are as diverse as the area's employers and offer a myriad of different services. The district is home to traditional private four-year residential schools, such as **Pace University**, as well as specialized adult education providers and leading development boot camps, including **Fullstack Academy** and the **Flatiron School**. Adult learners can take advantage of educational offerings at the **New York Film Academy**, the **Institute of Culinary Education** and **NYU's School of Continuing Studies**.

Many of these institutions focus on industry-specific job training and career development. The **New York Film Academy** offers degree and certificate programs that prepare students for careers in film and television production, and the **Institute of Culinary Education** offers similar programming for careers in the food and beverage industry. Both the **Borough of Manhattan Community College** and **NYU** offer continuing education programs in Lower Manhattan aimed at adults.

Institute for Culinary Education



The Institute of Culinary Education, newly relocated to Brookfield Place, prides itself on maintaining the largest culinary career services department in New York City. A recent career and externship fair featured a large number of businesses with Lower Manhattan-based restaurants, including Union Square Hospitality Group, STARR Restaurants and Garces Group, as well as with restaurant groups across New York City.

Not-for-profits

Lower Manhattan boasts a unique cluster of not-for-profits delivering workforce development services, with at least 23 separate agencies and organizations operating in Lower Manhattan.

These organizations are as varied as the private sector businesses in the neighborhood and provide services for a diverse group of populations, ranging from adult career changers to disadvantaged youth to LGBT teens to the formerly homeless and incarcerated. Leading workforce development providers in Lower Manhattan include:

- **Year Up**, an intensive one-year program that provides training in information technology, corporate internships and extensive support services to low-income young adults ages 18 to 24.
- **The Center for Employment Opportunities**, which provides pre-employment training, transitional employment, job placement and job retention services for adults who are on probation or parole.
- The **Reciprocity Foundation** provides services for at-risk and homeless LGBT youth, including a workforce development program providing skills training for careers in the media industry.



A Network of Workforce Development Resources in Lower Manhattan

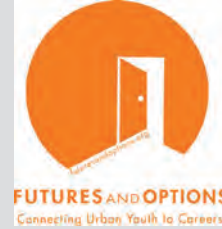
- **Futures and Options**, which works with underserved students through career development and paid, mentored internships.
- The **Grace Institute**, a workforce development program for underserved women, that couples skills training with comprehensive support services, ensuring that 80% of graduates are placed in full-time administrative support positions within one year.

Government

The concentration of City, State and federal government offices in Lower Manhattan offers unparalleled access to government services that assist businesses and promote workforce development.

They include:

- **Manhattan Small Business Development Center**, operated by the Small Business Administration in partnership with Pace University, which provides guidance to new business owners and assistance in developing business plans, securing financing and negotiating approvals.
- **Lower Manhattan Business Solutions Center**, one of seven City-operated small business assistance centers. The Business Solutions Center provides one-on-one assistance to small business owners and new entrepreneurs who are navigating City government, MWBE certification, access to incentives and financing, and recruitment.
- The **New Business Acceleration Team (NBAT)**, which provides client management services for entrepreneurs starting food and beverage, retail or industrial businesses. Clients receive assistance with Department of Buildings plan reviews as well as DOHMH, DEP and FDNY inspections.
- **Workforce1 Centers**. Lower Manhattan is served by two Workforce1 career development centers. The Workforce1 Health Care center provides job placement services in the rapidly growing health care sector. Located just outside of Lower Manhattan on Varick Street, the State Department of Labor's Workforce1 center offers a comprehensive suite of workforce development services for job seekers across a range of industries.



Futures and Options

Futures and Options was founded in 1996 as a pilot project of the Alliance for Downtown New York. Today, the program is run as a nonprofit and has been cited by the U.S. Department of Labor as a model workforce development program.

The organization recruits youth who attend schools that lack the resources to provide career and educational guidance and matches them with paid, mentored internships. To date, the program has served 4,500 New York City teens and coordinated internship placements at more than 500 private and nonprofit businesses in New York City, with 90 percent of all participants successfully completing their internships, graduating from high school and pursuing higher education.



Grace Institute

Founded in 1897 by past mayor W.R. Grace, Grace Institute is a workforce development program serving 300 unemployed women per year through a tuition-free job skills training course. Grace is the only program for women in NYC that couples skills training with

comprehensive support services, ensuring that 80% of graduates are placed in full-time administrative support positions within one year.

The Grace Institute recently relocated to Lower Manhattan from its longtime headquarters on the Upper East Side, taking advantage of the area's rich transportation and affordable office space. According to the organization, the new location symbolizes Grace Institute's new focus on innovation and sector-focused partnerships in the healthcare, retail and finance industries, and the goal to double the number of low-income women served by 2017.

Conclusion

After 13 years of struggle, recovery and renaissance, Lower Manhattan has begun a bold new chapter — one that should be defined by a surging economy that will benefit a broad cross section of New York City residents. The completion of a staggering number of new development projects coupled with the migration of a long roster of businesses to the district will collectively **add nearly 40,000 new jobs to this increasingly diverse local economy.** The expansion will include both office and non-office based industries, and will feature job growth in a wide range of job categories. As Lower Manhattan shifts into the fast lane it will deliver job growth and increasing economic output that will likely outpace the rest of the City for years to come, and the resulting payoff will include a more than 30 percent increase in City and State tax revenues by 2019.

But beyond the benefits of increased tax receipts, the surging Lower Manhattan economy will also provide tremendous new employment opportunities for New Yorkers throughout the City. **Over 5.3 million New Yorkers with ready transit access to Lower Manhattan can seek out jobs in a wide range of sectors and occupations – well-paying jobs available to workers over a spectrum of educational attainment ranging from high school to Post-Doctorate.** And with a host of educational, non-profit and government support services to enhance worker readiness for these new jobs, the accelerating Lower Manhattan economy offers tremendous potential to spread the benefits of economic success to New Yorkers in all neighborhoods who are aspiring to enter the workforce or advance to a better job.

Yet these opportunities are not guaranteed, and their impact may not be sustained — **unless the public and private sectors continues to work together to reinforce Lower Manhattan’s future.** No one can afford to lose the valuable momentum building in south of Chambers Street, just as the economy is shifting into higher gear.

A number of key pieces are critical to sustaining progress over the next decade. The government and other stakeholders must continue to invest in Lower Manhattan’s infrastructure and transportation network and make sure its parks and public spaces are protected and enhanced. They also need to make sure meaningful incentives are in place for companies looking to grow in the area.

A powerful opportunity exists in Lower Manhattan to promote broad based economic development for all New Yorkers– it can only be fully seized through a robust and committed partnership.

Endnotes

¹ Quarterly Census of Employment and Wages (QCEW) available from the New York State Department of Labor (NYS DOL) for the following set of zip codes: 10004,10005,10006,10007, 10008,10015,10038,10041,10043,10045,10048,10080,10081,10260,10270,10271,10272, 10274,10278,10279,10280,10281,10282,10285,10286, and 10292.

² Downtown Alliance (using QCEW data from Q4 2009 and Q4 2014).

³ Appleseed, *Economic Growth and Opportunity: Building New York City’s Future in Lower Manhattan*, page 3 (using data from QCEW, Q4 2014).

⁴ Appleseed, page 17 (using FY 2014 data from NYC Office of Management and Budget (OMB) and NYC Department of Finance (DOF)).

⁵ Appleseed, page 5 (using data from QCEW).

⁶ Appleseed, page 13 (using data from IMPLAN, a software and database used to estimate local economic impacts; 2013 reflects the most recent IMPLAN data available).

⁷ Appleseed, page 17 (using data from the NYC OMB and the NYC DOF).

⁸ Appleseed, page 19 (using data from the New York State Budget Division).

⁹ Appleseed, pages 8-10 (using data from the Port Authority of NY & NJ (PANYNJ); the Metropolitan Transportation Authority (MTA); and publicly reported cost estimates for Brookfield Place, Pier A and Pier 17).

¹⁰ QCEW, Q4 2014.

¹¹ According to the North American Industry Classification System (NAICS), developed by the U.S. Office of Management and Budget, the Information sector includes publishing, motion picture and sound recording industries, broadcasting, internet publishing, telecommunications services, data processing, libraries and other information services.

¹² Downtown Alliance, *TAMI Takes Lower Manhattan*, page 5 (using data from QCEW and the Downtown Alliance and revised to reflect updated occupancy dates). TAMI — or Technology, Advertising, Media, and Information — represents a collection of industries that cut across QCEW industry sectors, including Professional Services, Information, Manufacturing and Retail Trade. Report available here: <http://www.downtownny.com/reports/>

¹³ Appleseed, page 6 (using data from Occupational Employment Statistics (OES), available from the Bureau of Labor Statistics, NYS DOL and the Congressional Budget Office).

¹⁴ Appleseed, pages 6-7 (using data from 2014 QCEW).

¹⁵ Appleseed, pages 10-13 (using Census Transportation Planning Package (CTTP) data based on 2006-2010 5-Year American Community Survey (ACS) data at the PUMA level). PUMAs, or Public Use Microdata Areas, are statistical geographic places defined for the decennial census and the American Community Survey. According to the New York City Department of City Planning, New York City's 55 PUMAs approximate Community Districts and are referred to as "neighborhoods" in this report.

¹⁶ Downtown Alliance (using data from CoStar, CBRE, Colliers International and Newmark Grubb Knight Frank).

¹⁷ Silverstein Properties and the PANYNJ.

¹⁸ Downtown Alliance.

¹⁹ Westfield World Trade Center.

²⁰ Downtown Alliance.

²¹ Downtown Alliance.

²² Appleseed, page 28 (using QCEW data).

²³ Appleseed, page 28 (using data from NYC OMB).

²⁴ Appleseed, page 30 (using IMPLAN 2013).

²⁵ Appleseed, page 32 (using data from NYC OMB and NYC DOF).

²⁶ Appleseed, page 32 (using data from New York State Budget Division).

²⁷ According to QCEW data from Q1 1989 to Q4 2014, the only time employment in Lower Manhattan reached above 265,000 in the last thirty years was in 1990 and again in 2000 – at a time when there was 108 and 94 million square feet of office space in the market, respectively (using Cushman and Wakefield's office inventory for Class A and B properties only). Even with the completion of the 1, 3 & 4 World Trade Center buildings, total office inventory in Lower Manhattan, as of 2019, is only estimated to be 79.7 million square. Conversion of office space to residential and hotel use has wiped out more than 18.5 million square feet since 1995.

²⁸ QCEW, Q4 2009.

²⁹ Appleseed, page 22 (using published estimates of the number of people who will be employed by major tenants that have moved or will be moving into the World Trade Center and assuming that 1 and 4 World Trade Center will be approximately 90 percent occupied in 2019 and that 3 World Trade Center will be approximately 60 percent occupied by 2019).

³⁰ Appleseed, page 22 (using published estimates of employees relocating to Lower Manhattan offices).

³¹ Appleseed, page 22 (using the estimate of employees moving into the World Trade Center and average of 4.5 jobs per 1,000 square feet of occupied space for other new tenants relocating to other properties throughout Lower Manhattan).

³² Appleseed, page 35 (using 2014 wage levels available from QCEW data). Please note 2019 wages are expected to be higher.

³³ Appleseed, page 22 (based on jobs-per-1,000-square-foot ratios for other high-end office buildings now being developed in Manhattan).

³⁴ Appleseed, page 27 (based on growth in visitor traffic).

³⁵ Appleseed, page 25 (using the Downtown Alliance's hotel pipeline and an estimate of 0.6 workers added per hotel room in Lower Manhattan).

³⁶ Appleseed, page 25 (using the Downtown Alliance's residential pipeline).

³⁷ Appleseed, page 25 (using the Downtown Alliance's residential pipeline and jobs-per-1,000-square-foot ratios for other residential buildings now being developed in New York City).

³⁸ Appleseed, page 23 (using the Downtown Alliance's retail pipeline and ratios of 3.5 jobs per 1,000 square feet for retailers and service businesses and 7.0 for restaurants).

³⁹ Appleseed, page 36 (using OES data from the NYS DOL and BLS and data from the Congressional Budget Office and QCEW).

⁴⁰ Appleseed page 39 (using OES data from the NYS DOL and BLS, the Congressional Budget Office, and the QCEW). These estimates include the approved \$15 per hour minimum wage for fast food workers in New York City by 2018.

⁴¹ Downtown Alliance (using data from the MTA and PANYNJ).

⁴² Downtown Alliance (using data from the PANYNJ, MTA and NYC Department of Transportation (DOT)).

⁴³ NYC DOT, *World Class Streets: Remaking New York City's Public Realm*, page 13 (a 10-minute walk is roughly equivalent to a 0.5 mile radius). Report available here: http://www.nyc.gov/html/dot/downloads/pdf/World_Class_Streets_Gehl_08.pdf

⁴⁴ Appleseed, page 40 (using data from the 2009-2013 ACS Employment Estimates, Table S2301). This analysis is based on 2009-2013 ACS data, the latest data set available at the census tract level and reflects New York City's unemployment rate over that period.

⁴⁵ Downtown Alliance (using enrollment estimates available from educational institutions and providers in Lower Manhattan).

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Jarrod Grim, Senior Research Analyst
Frank Futia, Research Analyst
Maria Alvarado-Behl, Director, Public Affairs
Adam Fifield, Director of Communications
Bathsheba Parker, Graphic Designer

Source material for this report provided
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and their report, prepared for the Alliance for Downtown New York:



Economic Growth and Opportunity: Building New York City's Future in Lower Manhattan

This report as well as other research on Lower Manhattan available here:
<http://www.downtownny.com/research-statistics>