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# A CASE FOR INVESTMENT IN UNION SQUARE

JUNE 2022

UNION  
SQUARE  
PARTNERSHIP

ECONOMIC ADVISOR

JLP+D







## DEAR FRIENDS,

As Union Square-14th Street's tireless champion for over 45 years, the Union Square Partnership is committed to ensuring the best possible neighborhood for its residents, workers, and visitors. We achieve this by continuing to drive investment into neighborhood improvement projects for the benefit of all to enjoy.

Our Union Square-14th Street District Vision Plan, released in January 2021, presented a bold and inspiring vision for making Union Square the most accessible, safe, and welcoming place in New York. **Now we need public and private partners to join us in making this vision a reality.**

This companion report, *A Case for Investment in Union Square*, demonstrates the far-reaching economic, social, and physical benefits this Vision Plan will have for our neighborhood and our city.

***A \$110M investment in capital projects in Union Square is estimated to generate \$240M annually in additional economic output across the five boroughs.***

Investments made in Union Square—the heartbeat of New York City—will have an exponential impact on job creation, retail sales, tax revenue, and property values. Upgrading transit connections, creating a safer pedestrian environment by dramatically increasing public space by 33%, and making targeted improvements throughout the neighborhood will supercharge recovery and power equitable growth for New York City and the region in the coming decades.

This economic analysis, conducted by James Lima Planning + Development, makes it clear that millions of people will benefit from the projects in the Vision Plan.

We look forward to working with City, State, and Federal agencies and elected officials, along with our community partners and stakeholders, to ensure that Union Square-14th Street gets necessary resources to bring these benefits to fruition.

Sincerely,



Jennifer Falk

# A BOLD VISION FOR UNION SQUARE

If New York City is to remain a great global city, it must invest in, and nurture its vibrant, mixed-use neighborhoods. Union Square-14th is one of the City's most unique and civically important centers, not only for the millions of people who enjoy the park and public spaces, but for those who rely on the district for work, school, transit, fresh food, social services, and community.

Although Union Square is one of the most heavily trafficked neighborhoods in the city, there has been little investment in the district's public realm over the past several decades. This has led to aging infrastructure - both above and below ground - that now poses numerous physical and environmental constraints.

The Union Square-14th Street District Vision Plan sets a blueprint for the future that responds to the district's most pressing needs. These include long-term economic recovery, sustainable multi-modal safety and accessibility, healthy greenery and open space, and support for a diverse and inclusive public realm. Prioritizing these issues will ensure that Union Square will remain a great place for generations to come.



## ADDRESSING CRITICAL NEEDS

- 1. Street safety** - The current street design around Union Square, which prioritizes high-speed vehicular traffic, has created unsafe conditions for pedestrians and cyclists, particularly on Union Square East, 14th Street, and 17th Street.
- 2. Accessible transit** - Although it is the fourth busiest subway station in the system, the Union Square-14th Street station has insufficient ADA access, with elevators on the east side of the station for certain platforms only.
- 3. Park infrastructure** - Union Square Park is in dire need of infrastructure upgrades, including repairs to aging plumbing, utilities, lighting, paving, and park amenities. Major improvements are necessary to sustain the park for the coming decades.
- 4. Trees and greenery** - Beyond Union Square Park, the district has limited street trees and vegetation due to the constraints of the subway below. Additional tree canopy and green infrastructure are essential for public and environmental health.
- 5. Inclusive environment** - Union Square has served as an important gathering place for all New Yorkers, and a venue peaceful demonstrations for more than a century. The district's future should celebrate and honor this legacy.



The Vision Plan is a collaborative project driven by community input and developed in coordination with design consultants led by Marvel. The project kicked off in 2018 as a multi-year neighborhood visioning and planning initiative and launched in January 2021.

*The Vision Plan centers on five key improvements prioritizing multi-modal accessibility, district-wide connectivity, and substantial increases in public open space.*

It builds upon the organization’s past district improvement work, most recently the renovation of the North End of Union Square Park. It also brings together, under one cohesive vision, several City initiatives including NYC Parks’ Parks Without Borders, and NYC DOT’s Plaza Program, the 14th Street Busway, and plans for the pedestrianization of Broadway.



## KEY IMPROVEMENTS

- 1. Increase public open space 33%** by expanding Union Square Park to the surrounding building edges.
- 2. Transform 14th Street** into a world-class boulevard and permanent crosstown transitway.
- 3. Streetscape elements** including pedestrian-friendly “micro parks,” trees, lighting, and trash containers.
- 4. Enhanced Broadway plaza** at 17th Street, the gateway to the Square and the terminus of the 2.5-mile pedestrian corridor stretching down from Columbus Circle.
- 5. Park infrastructure** such as landscaping and utilities, enhanced ADA accessibility, permanent market stalls, and new subway entrances.









# INVESTING IN UNION SQUARE IS AN INVESTMENT IN NEW YORK CITY'S ECONOMY, EQUITY, AND VIBRANCY

The Union Square-14th Street District is a world-class destination with quintessential New York character. It is a major transit hub, a green oasis, a bustling public square, a vibrant mixed-use neighborhood and an economic engine for New York City.

Our vision is to make Union Square—both the park and the neighborhood—the most welcoming and accessible place in New York. Our Vision Plan, released in January of 2021, proposes a suite of improvements and enhancements to the District and the Park that will yield far-reaching economic and social benefits. These improvements represent a mix of short-term and long-term projects that we plan to champion and oversee over the course of the next decade.

Union Square serves not only the surrounding neighborhoods, but also families and individuals from all five boroughs and beyond. Implementing the projects and improvements proposed in our Vision Plan will be a highly impactful and cost effective way to amplify and maximize citywide benefits. The pages ahead demonstrate that:

- 1. Union Square is a critical social, cultural, and transit hub for New York City**
- 2. Union Square-14th Street District is an economic powerhouse for the city, benefitting New Yorkers citywide**
- 3. Public space improvements will support local businesses, create new jobs, and yield greater long-term citywide economic dividends**

## INVESTING IN

- New and improved infrastructure
- Greater connectivity and accessibility
- Quality of life improvements



## WILL

- Enrich the social and cultural experience for residents and visitors alike
- Fuel New York City's economic recovery and growth
- Generate additional economic, social, and environmental benefits for all New Yorkers

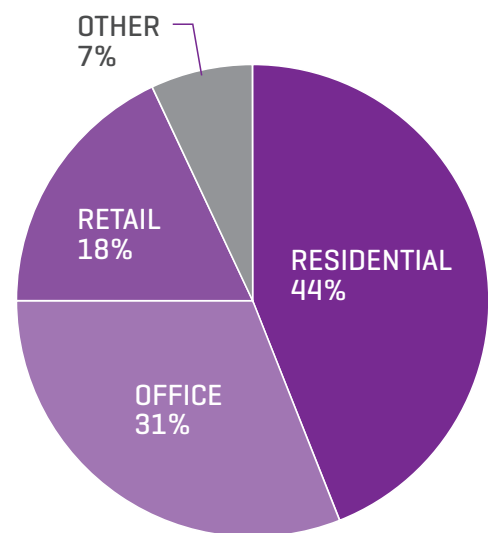


# 1. UNION SQUARE IS A CRITICAL SOCIAL, CULTURAL, AND TRANSIT HUB FOR NEW YORK CITY

There is no denying that Union Square sits at a central juncture for transit routes across New York City. Below ground, more than 32 million visitors pass through the Union Square subway station annually, making it the fourth busiest station in the entire system. Above ground, 9.4M riders use the M14 Local/SBS bus, and the Citi Bike stations around Union Square rank among New York City's top 10 destination stations.

It is also a rarity in Manhattan — a mixed-use neighborhood that is beloved by the local community, businesses, and visitors alike. As a welcoming civic space that celebrates diversity, dialogue, and unity, Union Square is integral to New York City's social and cultural infrastructure.

» Among the total **9M square feet of real estate** in the Union Square-14th Street District, 44% is residential, 31% is office, and 18% is retail.<sup>1</sup>

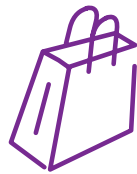






**9M**

**SQUARE FEET OF REAL ESTATE**



**10%**

**OF ALL ANNUAL CUSTOMER VISITS IN MANHATTAN**



**200**

**PUBLIC EVENTS ANNUALLY**



**240**

**GREENMARKET PRODUCERS**

- » The residential population density in Union Square is **3.9 times the city average** and 1.6 times the Manhattan average.<sup>2</sup>
- » In addition to local residents, the District attracts visitation from other parts of the city and beyond. Volume of annual visitation represents **10% of all customer visits** in Manhattan.<sup>3</sup>
- » Over **375,000 visitors** pass through Union Square on a typical weekday.<sup>4</sup>

- » The Union Square Partnerships organizes over **200 public events annually**, showcasing neighborhood businesses and community partners.<sup>5</sup>
- » The Union Square Greenmarket hosts **240 producers 208 days a year**, supplying products from **15,000 acres of farmland** in the region.
- » As of August 2021, **more than 15,000 EBT** transactions [e.g. SNAP benefits] had been conducted at the Greenmarket in 2021.<sup>6</sup> This program provides fresh food to people who need it most while boosting the local — and regional — economy.

<sup>1</sup> NYC Department of City Planning, BYTES of the Big Apple.

<sup>2</sup> U.S. Census Bureau, United States Decennial Census 2020.

<sup>3</sup> Placer.ai, accessed September, 2021.

<sup>4</sup> "Union Square Visitors Count," BFJ Planning, November 22, 2019.

<sup>5</sup> Union Square Partnership.

<sup>6</sup> GrowNYC.

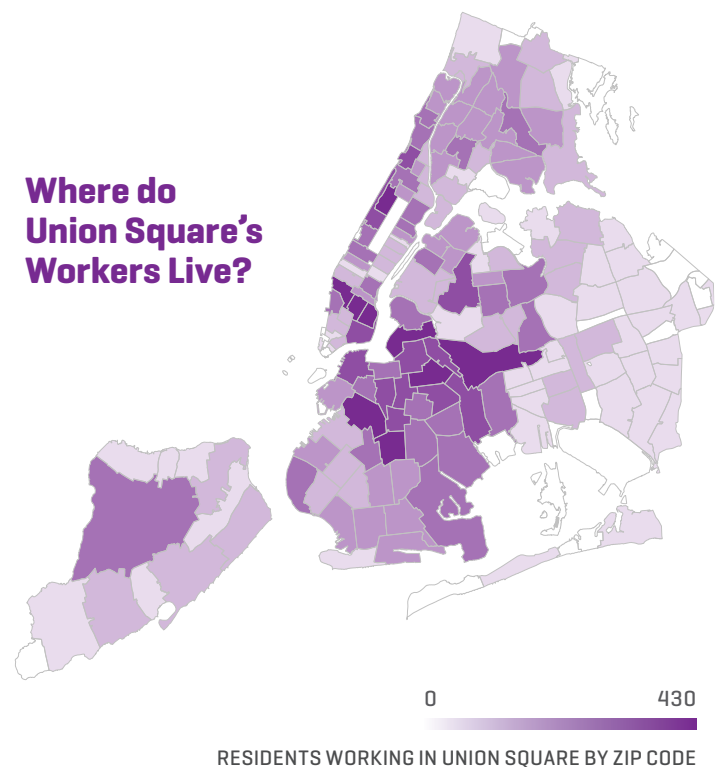


## 2. UNION SQUARE-14TH STREET DISTRICT IS AN ECONOMIC POWERHOUSE FOR THE CITY, BENEFITTING NEW YORKERS CITYWIDE

The high concentration of jobs, businesses, and commercial properties located within the Union Square-14th Street District directly **contribute approximately \$2.2B of GDP** [gross domestic product], which brings prosperity to all five boroughs.<sup>7</sup>

Job density within the District is 3.5 times the average in Manhattan, while **business density is 1.6 times the Manhattan average**. These jobs and businesses are represented across diverse industries, including real estate, professional services, healthcare, food and beverage, retail, utilities, and IT.<sup>8</sup>

The map at the right shows the concentration of residents that work in the Union Square-14th Street District by zip code. **Jobs located in the District support workers from all five boroughs.**<sup>9</sup>



Through the spillover effect of the local economy, the District benefits other neighborhoods in the City. **Every 10 jobs located within the District supports seven additional jobs in other parts of the city** [top industries include real estate, food and beverage, healthcare, and advertising], contributing to \$2.5B in additional economic output [\$1.7B GDP] and \$1B in additional labor income within NYC.<sup>10</sup>

<sup>7</sup> ESRI Business Analyst, accessed 9/2021; IMPLAN 2019 data for model region consisting of New York City [five counties].

<sup>8</sup> ESRI Business Analyst; IMPLAN 2019 data.

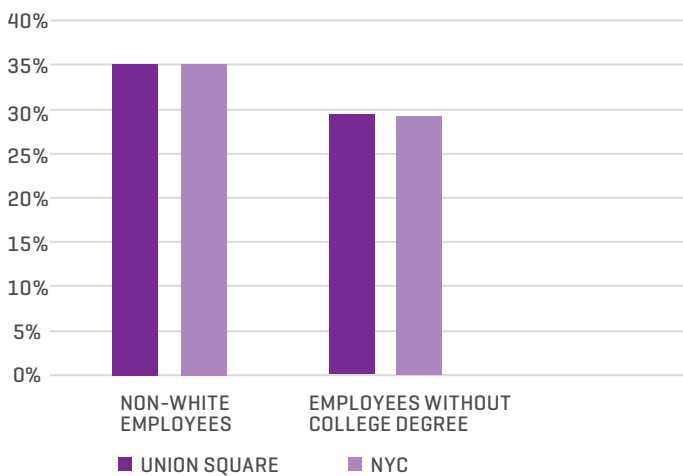
<sup>9</sup> "Longitudinal-Employer Household Dynamics Origin-Destination Employment Statistics Data," U.S. Census Bureau [2002-2019], accessed September 2021, <https://onthemap.ces.census.gov/>.

<sup>10</sup> IMPLAN 2019 data.

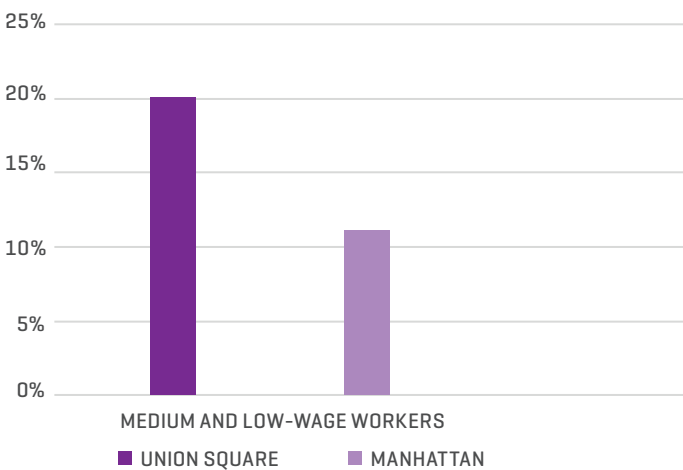




### Workers in Union Square reflect NYC's workforce diversity<sup>11</sup>



### People of all different income levels find work in Union Square-14th Street<sup>12</sup>



- » Total spending power is **11+ times** the city average [per acre, residents and non-residents].<sup>13</sup>
- » The District contributes substantial local tax revenue. Real estate assessment per acre of land in the District is **5.3+ times** the city average, contributing **\$227M** in total property taxes.<sup>14</sup>
- » Businesses located within the District contribute another **\$49M in NYC tax revenue** [on sales, corporate profit, and personal income].<sup>15</sup>
- » Combined NYC taxes directly attributable to the District total **\$276M**, providing the funding needed, for example, to hire **4,200 public school teachers**.<sup>16</sup>



<sup>11</sup> U.S. Census Bureau, accessed September, 2021.

<sup>12</sup> U.S. Census Bureau, accessed September, 2021.

<sup>13</sup> Placer.ai, accessed September, 2021.

<sup>14</sup> NYC Department of City Planning, BYTES of the Big Apple; NYC Department of Finance, Property Valuation and Assessment Data.

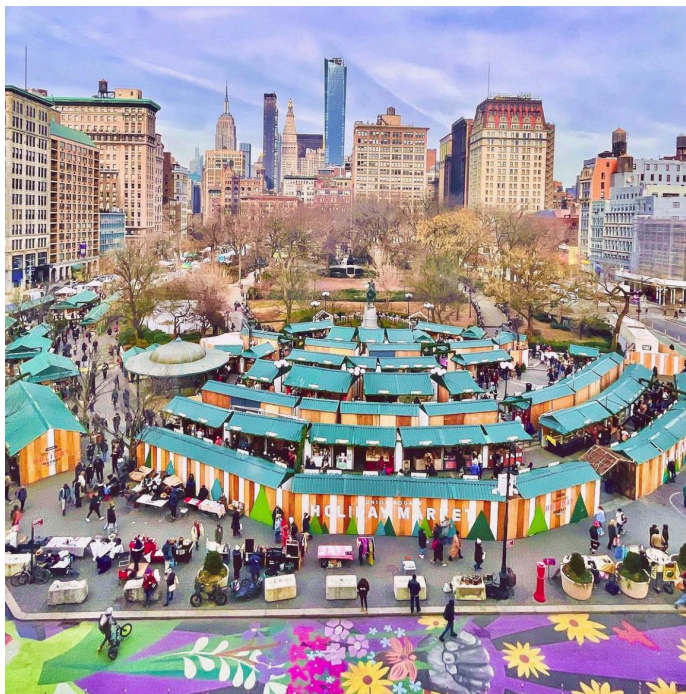
<sup>15</sup> ESRI Business Analyst; IMPLAN 2019 data.

<sup>16</sup> Assuming a \$65,000 salary for a new school teacher (2019-2020). "Benefits and Pay," NYC Department of Education, <https://www.schools.nyc.gov/careers/working-at-the-doe/benefits-and-pay>



### 3. PUBLIC SPACE IMPROVEMENTS WILL SUPPORT LOCAL BUSINESSES, CREATE NEW JOBS, AND YIELD GREATER LONG-TERM CITYWIDE ECONOMIC DIVIDENDS

According to the New York City Department of Transportation’s pivotal study “The Economic Benefits of Sustainable Streets,” within two years of public plaza and/or corridor improvements, sales at surrounding businesses increased by 20%-77% faster than the growth experienced in their respective neighborhood comparison sites.<sup>17</sup> These are sizable long-term economic benefit for local businesses and their workers.



Public realm improvements in job-rich urban centers also yield citywide economic dividends beyond the immediate neighborhoods. In the District, the approximately \$110M capital investment in construction alone is estimated to support a range of jobs and economic activities.

Analogous improvements in New York City as well as in comparable mixed-use districts in the U.S. and globally indicate that the permanent economic benefits of the Vision Plan for workers of all trades will be substantial.



**During the construction period, the economic benefits are estimated at:**



**771**  
JOBS IN NYC



**\$71M**  
LABOR INCOME



**\$157M**  
ECONOMIC OUTPUT

- » During the course of construction, an estimated **562 construction trades jobs** will be supported directly on site, with approximately \$53M in labor income.<sup>18</sup> Each million dollars invested in construction at Union Square is projected to generate almost half a million dollars in additional economic output elsewhere in New York City.
- » Constructing the projects in the Vision Plan will provide ample opportunities for workforce development and **Minority + Women-Owned Business Enterprise (M/WBE)** procurement.

- » Taking into account the indirect and induced economic activities in other parts of the five boroughs, the overall economic benefits during the construction period are estimated at: **771 total jobs, \$71M labor income, \$102M GDP, and \$157M economic output.**<sup>19</sup>
- » After construction, local businesses will benefit from increased foot traffic and improved experience that increase sales. According to conservative estimates, after the third year of project implementation, **local economic output within the District is estimated to increase by \$149M annually**, and with the strong economic and transit connections between Union Square and the rest of New York City, this translates to approximately **\$91M of economic output elsewhere across the five boroughs.**<sup>20</sup>
- » Taken together, the \$110M invested in the Vision Plan would potentially generate \$47M additional one-time economic output during construction and **\$240M additional annual economic output after construction** for New York City, benefiting workers and communities inside and outside the District.<sup>21</sup>



<sup>17</sup> New York City Department of Transportation, "The Economic Benefits of Sustainable Streets": <https://www.nyc.gov/html/dot/downloads/pdf/dot-economic-benefits-of-sustainable-streets.pdf>.

<sup>18</sup> IMPLAN 2019 data.

<sup>19</sup> Ibid.

<sup>20</sup> NYC DOT, "The Economic Benefits of Sustainable Streets"; ESRI Business Analyst; IMPLAN 2019 data.

<sup>21</sup> Ibid.



# LOCAL + INTERNATIONAL PRECEDENTS



## BARCELONA SUPERBLOCKS

Barcelona has been redesigning city blocks to form pedestrian-oriented “superblocks” since 2005. Similar to the Union Square Vision Plan, the superblocks reduce and eliminate through-traffic (with the exception of necessary vehicles), and convert streets to pedestrian-only spaces with seating and planters. The superblock model generates positive social and economic impacts.

**20% Reduction in  
premature deaths**

**13% reduction in diseases**

According to a 2020 study, the transformation made the city safer and healthier, reducing the premature mortality by 20% and reducing the overall burden of diseases by 13%. The increased life expectancy and reduction in death and disease have an economic impact of \$1.7B euro per year.<sup>22</sup>



<sup>22</sup> Natalie Mueller et al., “Changing the urban design of cities for health: The superblock model,” Environment International 134 (January 2020), <https://doi.org/10.1016/j.envint.2019.105132>.



## LONDON'S EXHIBITION ROAD

The shared space improvements made to Exhibition Road in London (a 0.5 mile-long corridor) created a unified, pedestrian-friendly space for local cultural institutions to activate. The Victoria and Albert Museum, one of the anchor institutions on the road, increased its annual visitorship by 500,000 (a 19% increase) from 2010 to 2013. Today, visitors on Exhibition Road total \$11M per year, and 74% of pedestrians surveyed who had experienced the street before and after the transformation preferred the new, shared space design.



### 19% Increase in visitorship by year 3

The vision for Union Square West (a .14 mile-long corridor) would similarly transform the street and its surrounding area into a dynamic, unified streetscape.<sup>23</sup>

<sup>23</sup> Victoria and Albert Museum, Annual Reports 2010 and 2013; Ruiz-Apilánez, Borja, Kayvan Karimi, Irene García-Camacha and Raúl Martín. "Shared space streets: design, user perception and performance." URBAN DESIGN International 22 (2017): 267-284.



## SAN FRANCISCO'S VALENCIA STREET

Studies of San Francisco's Valencia Street [a commercial corridor of approximately 2 miles] indicated that shared streets had a positive impact on the retail environment, with 60% of retailers noting an increase in retail sales and a 12% increase in pedestrian weekend visitation.<sup>24</sup>

**60% of retailers reporting sales increase**

**12% increase in pedestrian weekend visitation**



The Vision Plan's 14th Street Boulevard project [a .14 mile-long corridor] will provide a similar shared street experience.

<sup>24</sup> San Francisco Great Streets Project, "Parklet Impact Study", [https://nacto.org/docs/usdg/parklet\\_impact\\_study\\_sf\\_planning\\_dept.pdf](https://nacto.org/docs/usdg/parklet_impact_study_sf_planning_dept.pdf)





## TIMES SQUARE'S BROADWAY PLAZA

The pedestrianization of Times Square's Broadway Plaza (30K SF), which had already been a top tourist destination in the city, increased daily foot traffic by 30% between 2008 and 2018. Hotel occupancy rates in Times Square increased from 85% to 92% in the same period, outpacing other hotels in Manhattan where occupancy rates overall increased by only 3%.<sup>25</sup>

**30% increase of daily  
foot traffic by year 10**

**+7 percentage point  
increase in hotel  
occupancy rate by  
year 10**

In the Union Square-14th Street District, the Park Masterplan (255K SF) and Triangle Plaza (20K SF) seek to similarly improve the pedestrian environment.



<sup>25</sup> Times Square Alliance, "Annual Public Meeting 2019," <https://www.timessquarenyc.org/>; CBS New York, "Officials Celebrate Times Square Pedestrian Plaza Anniversary While New Yorkers Complain About 'Sea Of People,'" <https://newyork.cbslocal.com/2019/06/04/times-square-pedestrian-plaza-anniversary/>





## BROOKLYN'S WILLOUGHBY PLAZA

Streetscape improvements in Brooklyn's Willoughby Plaza (15K SF) were associated with an 18% increase in pedestrian volumes following implementation and a 47% increase in sales revenue by year three. Since the plaza project, the area saw an increase in new businesses, including local and national chains opening adjacent to the new public space.<sup>26</sup>

### 47% increase in sales by year 3

The Willoughby Plaza is comparable to the Vision Plan's Broadway Gateway Plaza (13K SF), which aims to redesign the street as public space.



<sup>26</sup> NYC DOT, "The Economic Benefits of Sustainable Streets."





## BROOKLYN'S VANDERBILT AVENUE

Pedestrian improvements to Vanderbilt Avenue (a 0.3 mile-long corridor) in Brooklyn resulted in a 109% increase in retail sales revenue by the third year post-implementation. The increases measured on Vanderbilt significantly outpaced comparable sites in Brooklyn and around the city.<sup>27</sup>

### *109% increase in sales by year 3*

Similar pedestrian improvements are reflected in the Vision Plan's Union Square West and 14th Street Boulevard projects (both .14 mile-long corridors).



<sup>27</sup> Ibid.

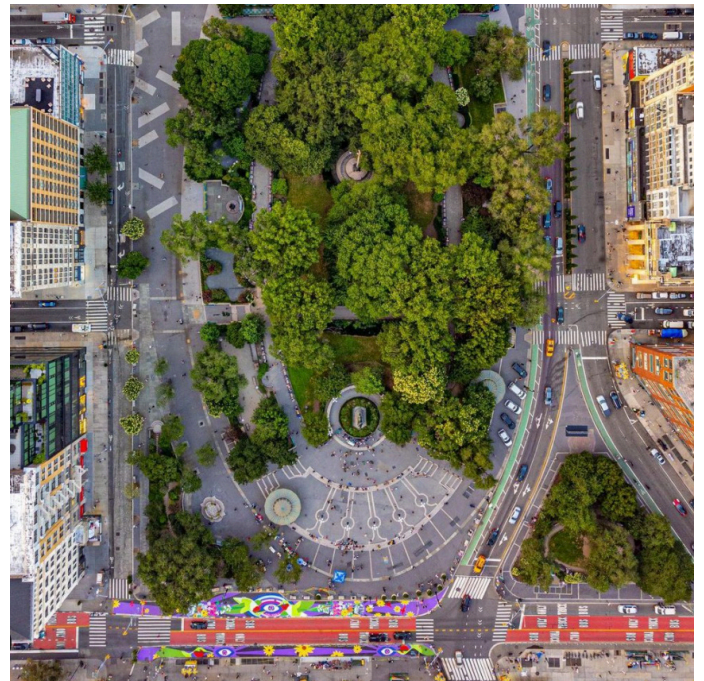


# CONCLUSION

Union Square-14th Street is one of the most civically important places in New York City, a destination for domestic and international visitors, as well as a mixed-use hub with high concentrations of jobs, institutions, and transit connections.

These qualities make this place a strategic location for public realm investment that will generate new benefits to help people from all five boroughs and beyond.

***Bringing this vision to reality requires a shared commitment by public and private sector stakeholders.***



Investing in the Union Square-14th Street District Vision Plan will require leveraging diversified funding sources to implement projects that will improve infrastructure, connectivity and accessibility, and the experience of place and quality of life.

Furthermore, Union Square-14th Street is a place of great meaning to people from every corner of New York City and the region. Its future well-being is consequential for the millions who live, work, learn in, and visit Union Square, as well as the families and businesses in the broader region that depend on its economic, social, and cultural infrastructure.

**Image Credits:** Liz Ligon, Jane Kratochvil, Cititourny.com, Zerolrving.com, @nknysnaps, Del Rio Bani, Ben Freeman, Victoria and Albert Museum, Patricia Chang, Gabrielle Lurie/San Francisco Chronicle, Michael Grimm, Downtown Brooklyn Partnership, NYC DOT.



# ACKNOWLEDGMENTS

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The Union Square Partnership works to ensure the community's continued growth and success by providing sanitation, public safety, economic development, and marketing services, and by investing in the beautification of Union Square Park. For more information visit [unionsquarenyc.org](http://unionsquarenyc.org).

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