

## LONG ISLAND CITY: THE REGION'S NEXT MAJOR CENTER?

Long Island City, located on the western edge of Queens directly across the East River from Midtown Manhattan, is one of the region's most important assets. It is also the type of place that poses a quandary for how to maximize its economic potential. With 370 manufacturing and distribution firms that employ approximately 17,000 workers, the district is currently one of the region's leading centers of industrial jobs and activities. It is also a place that has the potential to become a regional commercial center on par with places like Jersey City and Stamford, and can attract thousands of new office job opportunities to the region's core. There are also tantalizing possibilities for Long Island City to develop as a mixed-use district that combines technology-intensive commercial uses, high performance production activity, and residential development that maximizes opportunities to live and work in a compact, walkable neighborhood.

Planners and developers have long touted the potential for Long Island City to become a major commercial center. The assets that create this potential are clear. Long Island City is a 10 minute subway ride from Midtown Manhattan and Grand Central Terminal, and it is the nexus for more subway lines than anyplace other than Downtown Manhattan and Downtown Brooklyn. It has good access to the region's highway network and the Queens airports, and it has the potential to become a major intermodal rail hub with service from Long Island Railroad, New Jersey Transit and Amtrak. There are several large spaces for development, great views of Manhattan, a dense fiber optic network for telecommunications and a local workforce with educational resources such as LaGuardia Community College.

With the economic expansion of the late 1990s triggering a scarcity of commercial space in Manhattan, it appeared that Long Island City's time for commercial development had finally arrived. Technology companies were eyeing the low rents and large floor plates of existing industrial buildings, new towers were rising at Queens West to go with the Citicorp building that has dominated Long Island City's skyline since the late 1980s, and New York City's Department of City Planning certified a rezoning proposal that would create a 37 block mixed-use district in the district's core that would permit high-density residential and commercial development.

In the last year however, the rapid cooling of Manhattan's real estate market has greatly lowered the immediate expectations for commercial development and has again raised questions about when—if ever—the region will see Manhattan's Central Business District expand eastward into Queens. This pause in the economy however, provides an opportunity to clarify the vision and lay the foundations for the next expansion. Implementation of the City Planning rezoning initiative would establish a framework for the development of a new central business district in Long Island City's core, and recent state and city financial incentives will reduce the effective rents of new commercial tenants. However, several other issues will need to be addressed to determine what type of business district this will become, and what impact its development will have on the rest of Long Island City and the larger metropolitan region. Leading the list of issues are the following:

- *Transportation Investments:* Even with Long Island City's current transit connections, the proposed central business district cannot support more than a few million square feet of commercial development without transportation improvements that would reduce traffic congestion and provide greater transit access from suburban areas. The action with the greatest impact would be the development of an Intermodal Station that would have service from both Long Island Railroad and New Jersey Transit, and potentially from Amtrak. The Metropolitan Transportation Authority is currently planning the construction of a Long Island Railroad station at Long Island City's

Sunnyside Yards as part of its East Side Access project. New Jersey Transit currently uses the Sunnyside Yards for trains that terminate at Penn Station, and could institute passenger service from Penn Station to Long Island City.

- *Image and Amenities:* Perhaps the greatest impediment to commercial development is a lack of restaurants, retail, open space and street life to attract tenants and support a 24/7 community. This has been the essential Catch 22 for expanding commercial activity. Without a critical mass of business, it is impossible to sustain a diverse set of services and amenities. Without these amenities, it is impossible to attract a critical mass of business. Investments in parks, streetscapes and other public spaces are essential to developing a sense of place and an appealing image. However, the answer may also lie in the organic development of a mixed-use district with an initial phase that emphasizes residential development and smaller scale entrepreneurs that will create the demand for additional amenities. This type of transformation has taken place in a number of urban districts during the 1990s, in part as an outgrowth of the preferences of “new economy” workers.
- *Industrial Retention:* Unquestionably, commercial development will result in some loss of manufacturing and distribution activity. However, there is the possibility of creating a dense, thriving mixed-use district in the core area while maintaining the industrial character in most of Long Island City. Part of the appeal of a Long Island City central business district is the potential to develop a compact center around transit hubs with all major commercial buildings within walking distance of each other. Some production activities, such as high-end printing or technology products, may thrive in and around this district. Other industrial activities can be strengthened in other parts of Long Island City with adequate zoning protection and enforcement, relocation assistance and financial incentives to expand and upgrade industrial space. These incentives could be funded through different mechanisms that capture a portion of the additional property value created through commercial development.
- *Community development:* Residents of Long Island City and adjacent areas could benefit from new development to the extent that they take advantage of either rising property values or new job opportunities. However, since most residents are renters, and since many may not have the skills or connections to take advantage of employment in new office industries, development strategies also need to consider actions that would allow these residents to benefit from an increase in commercial and residential activity. Programs to increase home ownership are one potential tool. Also, developing partnerships between new businesses and local institutions—such as LaGuardia Community College—is another avenue for expanding access to new job opportunities.

Connecting all of these issues is the understanding that Long Island City’s potential to become the region’s next major commercial center is dependent on the full range of issues that define it as a destination, and on implementing an integrated set of strategies to achieve a shared vision.