



Queens: Economic Development and the State of the Borough Economy

June 2006

Report 3-2007

New York State
Office of the State Comptroller
Alan G. Hevesi

Office of the State Deputy Comptroller
for the City of New York
Kenneth B. Bleiwas

Additional copies of this report
may be obtained from:

Office of the State Comptroller
New York City Public Information Office
633 Third Avenue
New York, NY 10017

Telephone: (212) 681-4824

Or through the Comptroller's website at: www.osc.state.ny.us

To help reduce printing costs, please notify the Office of the State Deputy Comptroller at (212) 383-3916 if you wish to have your name removed from our mailing list or if your address has changed.

Contents

I.	Executive Summary	1
II.	Background	3
	History.....	3
	Population and Demographics	5
	Commuting Patterns.....	7
	Housing.....	7
	Cultural and Recreational Resources	9
	Crime.....	10
III.	The Economy of Queens.....	11
	Composition of the Economy	11
	Employment.....	13
	Wages and Salaries	14
	Unemployment Rate	15
IV.	Industry Focus.....	17
	Air Transportation.....	17
	Health Care	19
	Film and Television Production.....	20
V.	Regional Focus	23
	Western Queens	24
	Mid/Central Queens.....	27
	Northern Queens	29
	Eastern Queens.....	31
	Southeast Queens	33
	Southern Queens	35
	Rockaway	37
VI.	Rezoning Initiatives	39
	Appendix A: Housing Characteristics	41

I. Executive Summary

The borough of Queens has a growing and vibrant economy that is benefiting from continued public and private sector investments and actions. Queens has the second-largest and most diversified economy of the five boroughs that make up New York City. Like Manhattan, Queens has a high concentration of export-oriented jobs (which service the needs of customers outside the region), and these typically pay higher wages than locally oriented jobs (which service the needs of local residents). In 2004, Queens had the highest average salary (\$39,835) of the outer boroughs.

Immigration has had a strong influence on the Queens economy. During the 1990s, over 35 percent of all immigrants who moved to New York City settled in Queens. This fueled a 14 percent surge in the borough's population (a gain of approximately 278,000 people), pushing Queens' population to 2,229,379 in 2000. Nearly half of all Queens residents are now foreign-born—a much greater concentration than in any other borough. As a result, Queens is the most diverse borough in New York City, and many of its neighborhoods reflect the rich cultural heritage of their residents. A slowing in immigration has caused a slowdown in the borough's population growth since 2000.

After two years of employment declines during the recession of the early 2000s, Queens added more than 8,500 jobs in the two and a half years ending June 30, 2005. Job growth was particularly strong in the finance sector (especially insurance and banking) and in the leisure and hospitality sector. Although job losses have decreased the size of the manufacturing and transportation sectors, manufacturing still accounts for a bigger share of the Queens economy than it does in any other borough. Even though Queens had the slowest rate of job growth of all the five boroughs, its unemployment rate has reached a 15-year low as it has benefited from citywide job growth.

Unlike the other boroughs, no single industry overwhelmingly dominates the Queens economy. The airline industry is a key component of the borough economy and is a major employer in the neighborhoods around JFK and LaGuardia airports. Film and television production, which is poised for growth if studio expansions in the borough occur as planned, is also an important sector Citywide although it currently represents a relatively small portion of jobs in Queens. Similar to the other boroughs, health care and social assistance is a major employer in Queens and has been steadily growing in recent years. Two thirds of all businesses in Queens employ between one and four people, making small businesses an important part of the borough's economic vitality.

In response to housing needs and a strong real estate market throughout the City, residential development in every part of Queens has dramatically increased in recent years. Almost half of all Queens residents are home owners, a higher percentage than in any other borough except Staten Island. Home values for one-, two-, and three-family homes in Queens have sharply increased. Since 2000, the average home value in Queens has grown by 161 percent, or 14.7 percent annually—a higher growth rate than in the City as a whole and the second-highest borough growth rate after Manhattan.

This report, which is part of an ongoing series of reports on the economies of New York City's boroughs, was compiled at the request of the Queens Overall Economic Development Corporation. In addition to examining the overall economy of Queens, the report highlights the economies and economic development initiatives in each of the borough's seven regions.

A survey of the regions includes the following findings.

- Western Queens is the most populous region in the borough (with about 30 percent of the population), and contains over one third of all jobs in Queens. Despite declines in recent years, manufacturing remains one of the region's top employment sectors.
- Mid/Central Queens had the highest increase in median home values in the borough between 2002 and 2005—they rose by 66 percent during this period. The region also posted strong employment gains during the first half of 2005; jobs grew by 3 percent, which was three times the borough's growth rate.
- Job growth in Northern Queens increased at a faster rate during the first half of 2005 than it did in the borough as a whole. Growth was supported by sharp increases in the finance and insurance sector, which is centered in Flushing, and in the transportation and warehousing sector.
- The neighborhoods of Eastern Queens, which are more suburban than other parts of the borough, have grappled with issues related to overdevelopment. In response, the City has rezoned a number of communities to preserve the low-density character of residential side streets and to focus new development along commercial thoroughfares.
- Southeast Queens, particularly Jamaica, has benefited from several economic development projects in recent years, including the construction of the AirTrain, the designation of three Business Improvement Districts in the downtown area, and the creation of a redevelopment plan for Downtown Jamaica.
- Southern Queens experienced the fastest growth rate of any region in the borough for employment and wages in the first six months of 2005, with jobs increasing by 4.1 percent and wages growing by 8.2 percent.
- Rockaway has the smallest share of the borough's population (4.8 percent) and employment (3 percent). Almost two thirds of all jobs in the region were in the health and social assistance subsector.

Economic development initiatives are addressing many of the challenges that face the borough and the City as a whole, including an aging transportation network, rising housing prices, real estate pressures on industrial firms, and the evolving global market. Queens residents endured the longest commute in the country in 2004. Employed residents spent an average of 41.2 minutes commuting to work, and more than a quarter of the borough's residents commuted for more than an hour each way. Affordable housing is also a particularly pressing need, as the median rent in Queens is rising at a faster rate than in the City as a whole. The need for more housing, however, must be balanced against the need to maintain industrial space for manufacturers, an important source of employment in the borough.

II. Background

Queens has been a center of opportunity and development since the original Dutch settlers of New York came to the area in the early 1600s. It is the largest of New York City's five boroughs—its 112 square miles account for over one third of the City's land. Queens is the second most populous borough (after Brooklyn) and is home to over a quarter of the City's population. Queens is also the City's most diverse borough—nearly half of its residents were foreign-born in 2000, representing over 100 countries and collectively speaking almost 170 languages. The borough's population grew rapidly during the 1990s, fueled by strong immigration, and although the rate of increase in the population and immigration has slowed since 2000, more immigrants still come to Queens each year than to any other borough.

This chapter gives an overview on the borough's history, its people, and its housing stock. The following two chapters focus on the borough's economy and on several major industries, and the next chapter explores different regions of the borough and specific economic development projects. The final chapter addresses a series of rezoning initiatives adopted throughout the borough.

History

Dutch colonists began settling in Western Queens in 1637 and on the Rockaway Peninsula in 1639. In 1643, the first English settlement was established in Maspeth along the Newtown Creek; however, these settlers were driven out within a year by Native Americans. Subsequent settlements in Flushing (1645), Newtown (1652), and Jamaica (1656) were more successful and have endured to modern times (Newtown is now known as Elmhurst). In 1664 the British government assumed control of the former Dutch colony, which at that time included present-day Nassau County, and named it Queens, after Queen Elizabeth Braganza.

Queens remained primarily agrarian until the mid-1800s, when new residential and industrial developments in Western Queens began to transform the region. In 1839, Astoria became the first village incorporated in Queens since the 1600s, and in the 1850s large tracts of farmland in Maspeth, Corona, and Long Island City were developed as factories and residential developments. Ravenswood was developed as an exclusive residential enclave and became the first neighborhood of the Queens "Gold Coast."

Development spread beyond Western Queens in the middle of the century. Beginning in the 1840s, a large influx of Irish and German immigrants led to population growth in Jamaica, Flushing, Astoria, and Middle Village. During this period, industrial activities also spread to Whitestone, College Point, and Woodhaven, while Rockaway was developed as a fashionable seaside resort area. By 1860 the population of Queens had nearly quadrupled, expanding from 7,806 in 1830 to 30,429 in 1860. In the mid-1880s, an ordinance was passed that banned burial grounds in Lower Manhattan. As a result, several large cemeteries were built in Western and Mid/Central Queens.

As New York City's population increased after the Civil War, development in Queens continued to intensify, and by 1900 the borough's population reached 152,999. This increase extended to emerging neighborhoods throughout Queens, including Glendale (1868),

Richmond Hill (1869), Queens Village (1871), Steinway (1872), Ozone Park (1882), Morris Park (1884), and Hollis (1885). Development was encouraged by the extension of several elevated rail lines. During the late 1800s, industrial activities also increased, particularly in Steinway and Long Island City. In 1898, Queens was incorporated with other counties to form New York City.

At the turn of the century, a number of transportation-related projects encouraged additional development and population growth in Queens, and brought development to some areas of the borough for the first time. Between 1905 and 1908, the Long Island Rail Road was electrified, and in 1909 the Queensborough Bridge opened, providing Queens with a direct link to Manhattan. One year later, an underwater tunnel opened under the East River. In 1915, the subway was extended to Queens—the first station was Hunters Point, followed by stations in Astoria, Corona, Jackson Heights, and Jamaica in 1917. Elevated rail lines were also built in Ozone Park, Woodhaven, and Richmond Hill in 1915, which encouraged rapid growth in those neighborhoods. Even Rockaway, which was largely cut off from the rest of the borough, experienced residential development during this period, as the year-round communities of Neponsit and Belle Harbor were constructed.

During the 1920s Queens experienced a significant population boom—by the close of the decade population had increased by 130 percent to reach 1,079,129 residents. This growth spurred additional construction throughout the borough, particularly in Mid/Central, Eastern, and Northern Queens, which received subway service in 1928. Northern Queens experienced additional development and population growth due in part to the 1939 World’s Fair, which was held in Flushing Meadows Corona Park, and the transportation network that was built to support the event—including the Triborough and Whitestone bridges, LaGuardia Airport, and the Grand Central Parkway.

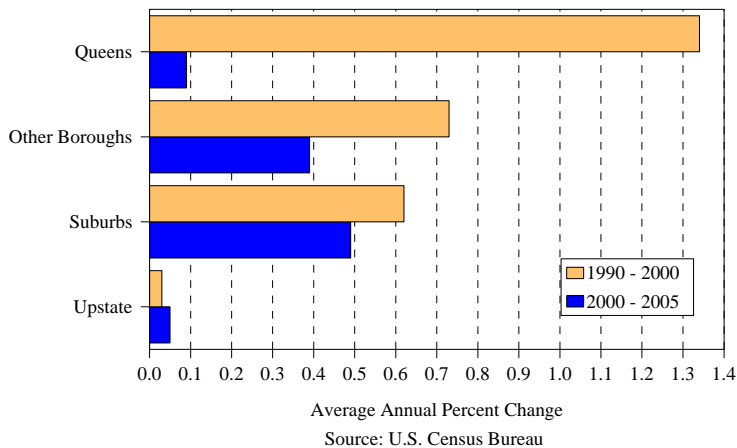
After World War II, development continued as remaining tracts of open land were used for new housing, some of which was dedicated for veterans (Fresh Meadows and Glen Oaks). Development in Eastern Queens resembled suburban developments in Nassau County, while the neighborhoods of Southeast Queens emerged as stable, middle-class African-American communities. Rockaway lost popularity as a vacation area for New York’s elite when subway service was extended to the peninsula, which decreased its exclusivity and encouraged more year-round residents. In the 1950s the City built a series of public housing projects in Far Rockaway, Rockaway Park, and Seaside. Despite these changes, however, many of Rockaway’s neighborhoods, particularly in the western section of the peninsula, remained stable middle- and working-class communities.

Queens lost residents during the 1970s (as did the City as a whole), and saw its population decline for the first time. In the 1980s, the borough’s population stabilized and eventually increased, although at lower levels than in the past. Throughout the 1980s and 1990s, the borough benefited from an influx of new immigrants from Russia, Asia, the Caribbean, and Central and South America. These newcomers and an increase in public and private sector investments are helping to reshape the borough and revitalize many neighborhood economies.

Population and Demographics

Queens' total population surged in the 1990s and reached 2,229,379 in 2000. Since that time, the borough's population growth rate has slowed. As reported by the U.S. Census Bureau, the borough's population increased at an average annual rate of only 0.1 percent between 2000 and 2005¹—for a total increase of about 10,000 people—compared to average annual growth

Graph 1
Population Changes in New York State

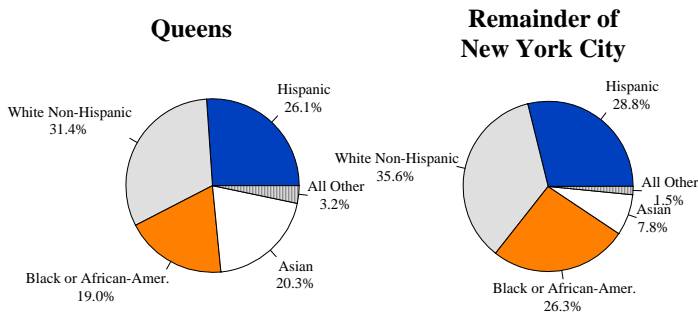


of 1.3 percent between 1990 and 2000 (see Graph 1), which yielded a total population gain of about 278,000.

The recent slowdown in population growth in Queens is due in part to large numbers of U.S. residents moving out of the borough and a reduction in immigration. More than 272,300 U.S. residents moved out of Queens in the first half of the decade—an average of nearly 54,400 annually, with slightly higher losses in the 2002-04 period. While immigration added more than 171,700 residents to Queens in the first half of the 2000s, the net increase from immigration fell from just over 37,200 people in the year ending July 1, 2001 to just under 29,400 in the year ending July 1, 2005. The number of births that exceed deaths has been relatively constant, averaging nearly 15,200 annually.

more than 171,700 residents to Queens in the first half of the 2000s, the net increase from immigration fell from just over 37,200 people in the year ending July 1, 2001 to just under 29,400 in the year ending July 1, 2005. The number of births that exceed deaths has been relatively constant, averaging nearly 15,200 annually.

Graph 2
Population Distribution in 2004



Source: U.S. Census Bureau

Immigration fueled much of the population gain in both the City and Queens in the 1990s. During the decade, the increase in immigrants exceeded the net increase in population in every borough except Staten Island. In Queens, the foreign-born population rose by almost 429,300 people in the 1990s, after a gain of over 310,700 in the 1980s. Over 35 percent of the overall increase in the foreign-born population in the City

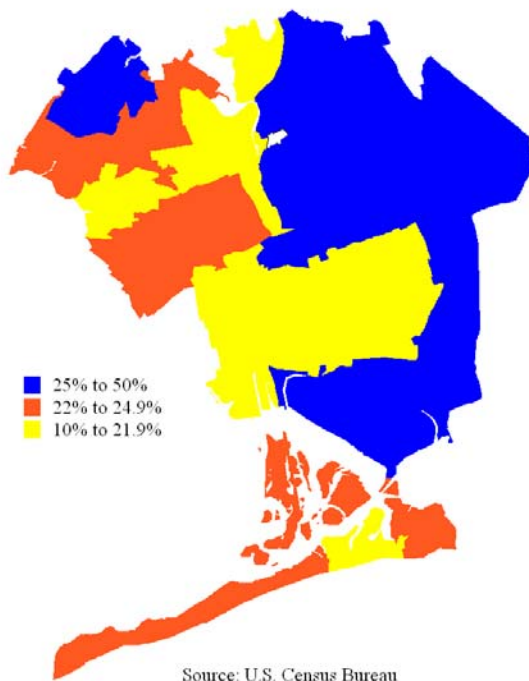
¹ The population in Queens is estimated to have declined slightly in 2003 and 2005, although the City has indicated it will challenge the Census estimates.

occurred in Queens—more than any other borough. As a result, the foreign-born share of the Queens population grew to 46.1 percent in 2000—well above the Citywide average share of 35.9 percent. Despite the slowdown in immigration in the 2000s, Queens is still the most popular destination in the City, continuing to attract over 35 percent of newcomers.

Since 2000, international immigrants have primarily come from Asia. In 2004 (the latest year for which demographic data are available), 20.5 percent of the Queens population was Asian (see Graph 2), up from 18.9 percent in 2000—the largest gain for all racial/ethnic groups during this period. Asians have replaced black or African-American residents as the third-largest group in Queens after white non-Hispanics (32.1 percent) and Hispanics (26 percent). (The percentage of blacks or African-Americans in the total population actually declined slightly between 2000 and 2004.) Less dramatic increases occurred in the Hispanic population in Queens, which grew from 25 percent in 2000 to 26 percent in 2004. Many of these newcomers were from Puerto Rico. White non-Hispanics remain the largest ethnic group in the borough, although their share of the total population has declined, from 34.1 percent in 2000 to 32.1 percent in 2004.

Between 2000 and 2004, the median age for the borough’s residents increased from 35.2 years to 36.7 years. This rise was due to a slight decline in the share of the population aged 44 years or younger (from 65.8 percent to 63.4 percent) and an increase in the population between the ages of 45 and 64. The percentage of senior citizens (those aged 65 and older) was 12.5 percent in 2004—virtually unchanged since 2000.

Graph 3
Percent of College Graduates in 2000



Educational attainment in the borough increased between 2000 and 2004, continuing a trend from the 1990s. Overall, the percentage of people aged 25 years and older who had earned at least a high school diploma increased, from 75.2 percent in 2000 to 79.4 percent in 2004 (this compares with a 78.3 percent share Citywide). Similarly, the percentage of college graduates living in the borough also increased, rising from 23.7 percent in 2000 to 29 percent in 2004. While several regions have much higher concentrations of college graduates (see Graph 3), the borough’s share of college graduates is lower than the overall Citywide average (31.5 percent).

Commuting Patterns

According to the U.S. Census Bureau, the working residents of Queens endured the longest commute in the country in 2004. Employed residents spent an average of 41.2 minutes commuting to work (commute times for residents of the Bronx, Brooklyn, and Staten Island were close behind). More than a quarter of the borough's residents (27.6 percent) commuted for more than an hour each way.

Public transportation is the most common means of commuting in Queens, as it is for all City residents. In 2004, almost half of Queens' residents took public transportation to work (34.2 percent by subway, 12 percent by bus, and 2.9 percent by commuter rail); another 42.5 percent traveled to work by car, including 9.2 percent that participated in carpools; and 4.3 percent walked to work.

Queens has the highest proportion in the City of people who work outside their home borough. According to the U.S. Census Bureau, only 39.5 percent of employed residents in Queens worked locally in 2000 (about the same share as in 1990). For those who worked in Queens, more than half commuted by car, with an average commute time of 29 minutes. For those who worked outside Queens, Manhattan was their primary destination (37.2 percent, also equivalent to the share in 1990). Four out of five Manhattan-bound commuters rode public transportation, with the average commute at 53 minutes. The second and third most popular workplace destinations for Queens residents were Brooklyn (9.4 percent) and Long Island (8.2 percent).

The locations of certain industries also affected commute times. In 2000, Queens residents employed in their home borough were most likely to work in government (17.4 percent), education and health services (15.2 percent), and wholesale and retail trade (13.6 percent). Residents who commuted to Manhattan tended to work in higher-paying industries, primarily financial activities (14.5 percent, including 4.8 percent on Wall Street) and professional and business services (14.3 percent). Of the residents that commuted to Brooklyn, more than a quarter worked for the government, and 15.3 percent were employed in private-sector education and health care. Commuters to Nassau County tended to work in wholesale and retail trade (about 20 percent) and education and health care (17.6 percent).

Housing

Data from the U.S. Census Bureau's recently released 2005 New York City Housing Vacancy Survey show that the rate of home ownership in Queens (46.4 percent) was the second-highest among the five boroughs (behind Staten Island) and far above the City's overall rate of 33.3 percent. Queens residents primarily owned houses rather than condominiums or cooperative apartments. More than 73 percent of the borough's households lived in houses, which was third-highest among the boroughs behind Staten Island and Brooklyn, but still greater than the Citywide rate of 63 percent.

Based on data from the City's Department of Finance, one-, two-, and three-family homes in Queens have steadily risen in value in recent years. Average home values on the tentative FY 2007 tax roll were about \$570,500 in Queens—an increase of 16.3 percent from last year. By comparison, the Citywide average home value is about \$556,000, a 12.7 percent gain.

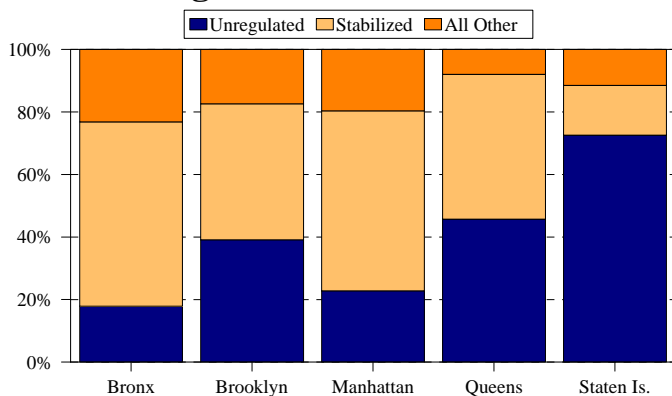
Since 2000, the average home value in Queens has increased by 161 percent—an average annual growth rate of 14.7 percent, slightly faster than the Citywide rates. Both the average value and the growth rate in Queens were the second-highest in the City after Manhattan.

The U.S. Census Bureau data show that median home values in Queens, and throughout the City, have also been rising. The median home value for all types of owner-occupied residences in Queens in 2005 was \$400,000, which is an increase of 60 percent from 2002. (The median value and the rate of increase are both equal to the Citywide values). The median value for a house in Queens in 2005 was \$450,000 (up from \$295,000 in 2002). This was higher than the median value in the City overall, but lower than in Manhattan and Brooklyn. The median value for cooperative apartments in Queens was \$150,000 in 2005, but this is constrained by the fact that a significant number (10.2 percent) of all the co-ops in the borough are Mitchell-Lama limited-profit housing.

The highest median values for all owner-occupied residences in Queens in 2005 were in Mid/Central Queens and Northern Queens, each with a median value of \$450,000. Northern Queens also had the highest median value for houses alone (\$534,926). Between 2002 and 2005, the largest increase in the median value for houses was in Mid/Central Queens—an increase of 66.7 percent. Values for houses increased by 50 percent or more in every region of the borough except for Western Queens, where values grew by 42.9 percent.

Although nearly half of all Queens’ households live in owner-occupied homes, several parts of the borough have much higher levels of home ownership. In Eastern Queens, 65.9 percent of households lived in owner-occupied units in 2005—the highest ownership rate among the borough’s regions. Northern Queens, Southern Queens, and Southeast Queens all had home ownership rates above 50 percent. Rates increased in all areas except Western Queens between 2002 and 2005 (Western Queens had the lowest rate of ownership—24.3 percent—in 2005).

Graph 4
Distribution of Apartments by Rent Regulation Status in 2005



Source: U.S. Census Bureau, New York City Housing and Vacancy Survey

The median monthly rent in 2005 for all apartments in Queens was \$903—the second-highest median rent of the five boroughs behind Manhattan (\$1,000).² This represents a 12.9 percent increase from the \$800 median monthly rent in 2002. The higher median rent in Queens reflects its greater concentration of unregulated apartments (see Graph 4), which have a higher median rent than stabilized apartments. Among the five boroughs, Queens also had the lowest

² U.S. Census Bureau, 2002 and 2005 Housing and Vacancy Surveys.

concentration of other-regulated apartments, such as public and government-sponsored housing, which have lower median rents.

The high percentage of unregulated apartments in Queens in 2005 is attributable to the large share of households that live in rental apartments located in one- and two-family houses (26.5 percent). These residences are not subject to rent regulation, and Queens' percentage is significantly higher than in all other boroughs except Staten Island. Despite the suburban nature of many of the neighborhoods in Queens, over a quarter of all households live in buildings with 50 units or more. This is a lower percentage than Citywide (36.6 percent).

Rising rents are consuming a greater share of household budgets. Between 2002 and 2005, the median percent of income allocated to rent increased in each borough, and the Citywide median rose from 25 percent to 27.4 percent.³ The increase was larger in Queens, where the median share of income devoted to rent increased from 24.2 percent in 2002 to 28.5 percent in 2005. Overall, Queens residents spent the second-highest share of their income on rent, after residents in the Bronx (30 percent).

Among the regions in the borough:

- Southern Queens had the highest concentration of households living in unregulated apartments in 2005—72.6 percent. Unregulated apartments also accounted for more than half of all apartments in Eastern and Southeast Queens. Western Queens had the fewest unregulated apartments (38.5 percent).
- Northern and Eastern Queens had the highest median monthly rents for stabilized apartments in 2005 (\$950) and Northern Queens had the highest median rent for unregulated apartments (\$1,100) and for all apartments (\$1,000). The lowest median monthly rent for all apartments was in Rockaway (\$724), where more than one third of the area's apartments were other-regulated apartments with a median rent of \$608.
- Within Queens, the lowest median level of rent as a percent of income was in Southeast Queens (24.1 percent), and the highest level was in Northern Queens (31.2 percent).

Cultural and Recreational Resources

Queens offers a rich variety of cultural and recreational activities and resources. In addition to museums, galleries, parks, and other recreational resources, Queens has more than 13 choral groups, 9 orchestras, 5 opera and musical theatre companies, 23 other musical ensembles, 12 dance groups, and 17 visual art groups, alliances, exchanges, and clubs.

Long Island City is a hub for art museums, including P.S. 1 Contemporary Art Center (an affiliate of the Museum of Modern Art); the Noguchi Museum (dedicated to sculptor Isamu Noguchi); SculptureCenter (which exhibits contemporary sculpture); and Socrates Sculpture Park (an outdoor museum presenting sculpture and multimedia installations). In addition, the Museum for African Art is using space in Long Island City while its permanent home in Manhattan is completed.

³ U.S. Census Bureau, 2002 and 2005 Housing and Vacancy Surveys.

Museums in Queens are not clustered only in Long Island City. The Museum of the Moving Image, which specializes in motion pictures, television, and digital media, is in Astoria. Flushing Meadows Corona Park houses both the New York Hall of Science and the Queens Museum of Art. The Louis Armstrong House—both a National Historic Landmark and a New York City Landmark—is in Corona. The Queens County Farm Museum in Glen Oaks is the only historical working farm in New York City.

Performing arts venues are also located throughout the borough. The Kupferberg Center for Visual and Performing Arts at Queens College in Flushing presents classical and pop music performances, arts educational programs for children, and other family events. The Queensborough Community College Performing Arts Center in Bayside and the LaGuardia Performing Arts Center (LPAC) at LaGuardia Community College/CUNY in Long Island City both present theater, dance, and music programs. The landmarked Flushing Town Hall hosts contemporary art exhibitions, music events, and historical and education programs.

Queens contains over 7,000 acres of parkland divided into more than 400 parks. The largest is Flushing Meadows Corona Park, which was the site of World's Fairs in 1939 and 1964-65, and has the largest concentration of sports, recreational facilities, and cultural institutions of any park in New York City. It is home to the New York Mets baseball team at Shea Stadium, the U.S. Open Tennis Championships at Arthur Ashe Stadium, the Queens Theater in the Park, the Queens Botanical Garden, and the Queens Wildlife Center.

Other large parks are scattered throughout Queens. Alley Pond Park, a 635-acre wetlands habitat and nature preserve, offers programs for schoolchildren and families to further an understanding and appreciation of the environment. The Jamaica Bay Unit of the National Park Service's Gateway National Recreation Area includes Jacob Riis Park, a beach park; Fort Tilden, a former military base that now offers recreational and art activities; Breezy Point, where a visitors center houses nature displays; and the Jamaica Bay Wildlife Refuge, a 9,000-acre refuge of diverse habitats for a large variety of animals. The Rockaway Peninsula contains beaches that are not part of the Gateway National Recreation Area, including Rockaway Beach, which has a boardwalk and runs for more than six miles.

The Aqueduct Racetrack—the last racetrack in New York City—is in Ozone Park, and holds thoroughbred horse races from January through April and from October through December.

Crime

During the ten-year period between 1995 and 2005, every type of major crime significantly decreased in every borough of New York City. Among the five boroughs, Queens had the largest drop in overall criminal incidents (62.6 percent). In the City as a whole, the number of criminal incidents fell by 57.3 percent. Within Queens, declines in the seven major categories of reported crimes ranged from 79.3 percent fewer motor vehicle thefts to 20.1 percent fewer rapes.

Data for 2005 alone show a 6.7 percent decrease in the total number of criminal incidents reported in Queens, although there were increases in rape (5.8 percent) and robbery (2.6 percent). By comparison, the Citywide drop in reported crimes during 2005 was 4.9 percent, and drops occurred in every category except robbery.

III. The Economy of Queens

Queens has the second-largest economy of New York City’s five boroughs (behind Manhattan). In 2004, Queens had 15.2 percent (440,310) of all private sector jobs in New York City and 8.8 percent of private sector wages. The job mix of the Queens economy is diversified, with jobs not only in health care and retail trade but also in manufacturing, construction, transportation, and film and television production. Moreover, a considerable number of economic development projects are underway that seek to maintain the borough’s economic diversity by encouraging growth in many areas.

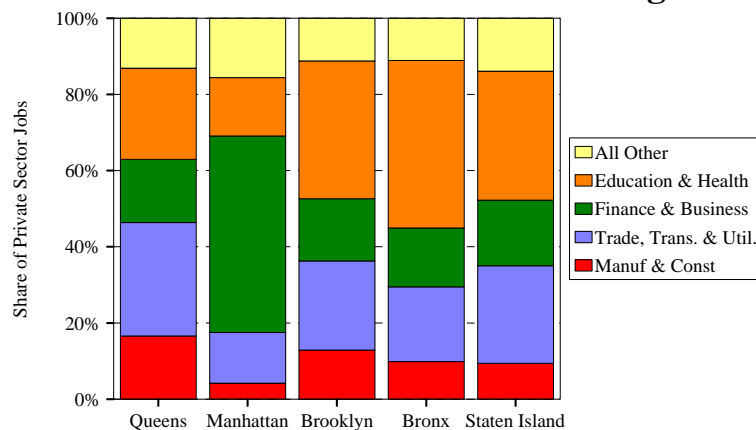
Composition of the Economy

Queens has the most diversified economy of the five boroughs. Employment is spread throughout the major economic sectors more evenly than in other boroughs, and no single sector is overwhelmingly dominant (see Graph 5). By comparison, employment in Manhattan

is heavily concentrated in financial and business services, and in other boroughs is skewed toward education and health care.

The mix of jobs in Queens has continued to evolve, affected by long-term trends and short-term events such as the recent recession. Between 2000 and 2004, the job mix in Queens shifted as the manufacturing and transportation sectors became smaller parts of the economy while the health care and education sector and the

Graph 5
Mix of Private Sector Jobs in Boroughs



Note: “All Other” primarily consists of leisure & hospitality and other personal services.
Source: NYS Department of Labor; OSDC analysis

leisure and hospitality sector grew larger. This paralleled changes that occurred throughout the City.

The diversification in the Queens economy is reflected in the large number of jobs in the export-oriented portions of its economy—such as transportation, manufacturing, and business services—that serve customers outside the region. These jobs account for more than 27 percent of all Queens jobs—the second-highest concentration of export-oriented jobs in the City after Manhattan. Export-oriented jobs tend to offer higher salaries than jobs in sectors like retail trade and health care, which primarily cater to local needs. In 2004 the average salary for jobs in the export-oriented portions of the Queens economy was more than 14 percent greater than the average salary for jobs in the locally oriented portions (\$43,727 compared to \$38,229).

The largest employment sector in Queens is the trade, transportation, and utilities sector, which in 2004 accounted for nearly 30 percent of all jobs. The airline industry—an export-oriented industry—is particularly important to the Queens economy, providing almost one quarter of the sector’s employment and more than 30 percent of the sector’s wages. As detailed in the next section, this industry suffered in the wake of the terrorist attack on the World Trade Center in 2001, and recovery has been hampered by the intense competition and poor financial condition of the industry.

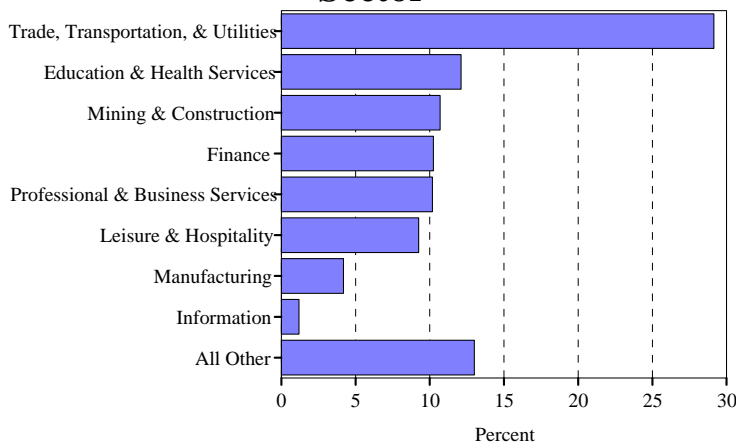
The next largest sector in Queens is education and health services, which has grown steadily in recent years and comprised almost 24 percent of the borough’s jobs in 2004 (up from 21.3 percent in 2000). Within the sector, more than 87 percent of jobs are in health services.

Together, the manufacturing and construction sectors account for nearly 17 percent of the borough’s private sector jobs. Queens has more construction jobs (more than 40,000 in 2004) than any other borough does, and while manufacturing has declined in importance it still accounts for a bigger share of the economy than in the other boroughs. Queens also has more jobs in durable goods manufacturing than any other borough does (Manhattan, with its apparel industry, has the most nondurable goods manufacturing jobs). The information, financial activities, and business and professional services sectors account for almost 17 percent of the jobs in Queens; business services provided the largest share of these jobs.

As of 2003 (the latest year for which data are available), Queens had almost 40,000 business establishments. Reflecting the borough’s employment mix, the trade, transportation, and utilities sector accounted for almost 30 percent of all businesses (see Graph 6). Within this sector, more than 80 percent of firms are in trade.

Two thirds of all businesses in Queens employ between one and four people, making small businesses an important part of the borough’s economic vitality. The borough does have 37 firms with 1,000 or more employees; more than half of these are in the education and health services sector—and of these, all but one are in the health services portion of the sector. Eleven of the remaining large firms are in the trade, transportation, and utilities sector—seven of these do business in the airline industry.

Graph 6
Distribution of Business Enterprises By Sector



Source: U.S. Census Bureau

Employment

Total employment in Queens picked up in the first half of 2005, rising to 474,000 jobs. In 2003 and 2004 employment grew slightly, after declining in 2001 and 2002. During the first half of 2005, Queens had the slowest rate of job growth (1 percent) among the five boroughs (see Graph 7).

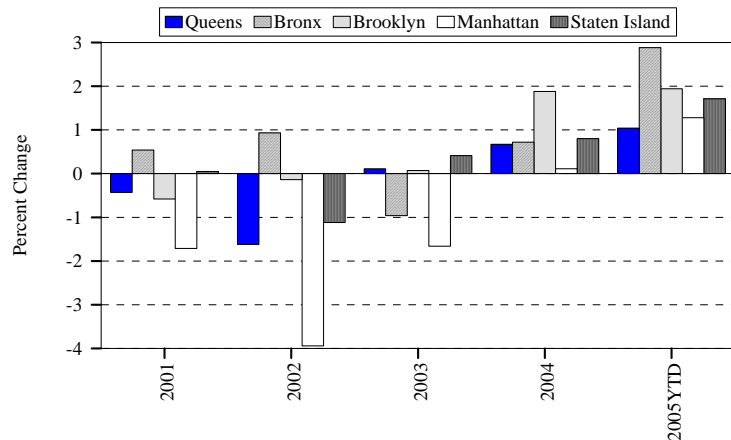
Of the employment sectors that grew in Queens during the first half of 2005, financial activities—which accounts for a relatively small portion of the job base—had the strongest growth,

increasing by 7.4 percent (see Graph 8). Most of this growth was centered in the insurance and banking industries. Growth of 6.2 percent occurred in the leisure and hospitality sector, including the small museum and recreation industries; however, most of the job gains were in restaurants. The professional and business services sector grew by 2.5 percent, with much of the gain in employment services (which includes temporary help agencies) and building services. The rate of growth was subdued in the education and health services sector as job gains in health care were partially offset by losses in education.

Employment in manufacturing continued its long-term downward trend in the first half of 2005, with most of the job losses in the apparel industry. The information sector also continued to lose jobs, with a decline of 2.2 percent. Job losses were centered in the telecommunications industry.

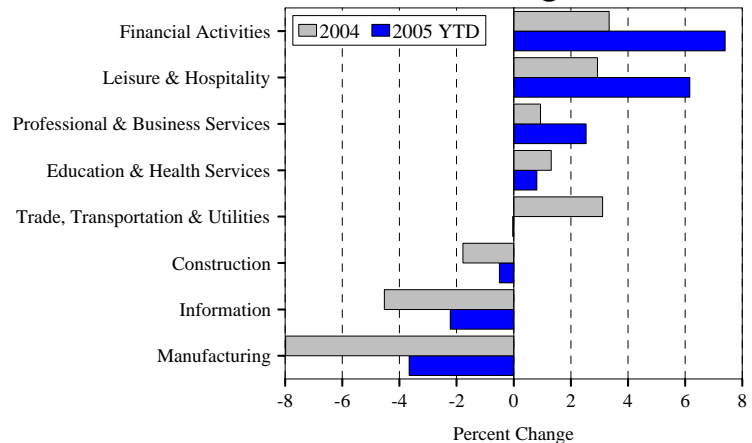
Employment stayed essentially flat in the trade, transportation, and utilities sector. All subsectors reported job declines except for retail trade, which grew by almost 2 percent. The air transportation industry, which had strong job growth in 2004 (adding 3,300 jobs after losing nearly 8,000 in the previous three years), experienced some employment losses (800 jobs) during the first half of 2005.

Graph 7
Employment Growth in New York City



Note: Data for 2005 is for first six months.
Source: NYS Department of Labor

Graph 8
Jobs Gained and Lost in Queens

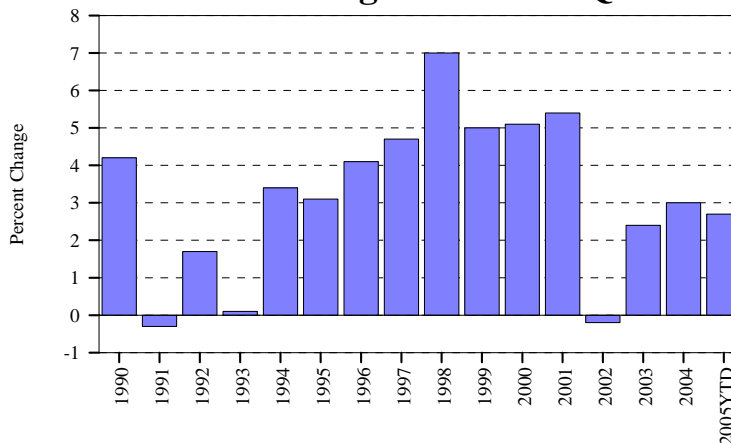


Note: Data for 2005 is the first six months. Change is from the same period one year earlier.
Source: NYS Department of Labor

Wages and Salaries

The recession and a slow recovery have kept private sector wage growth subdued in Queens since 2002 (see Graph 9). During 2004, private sector wages grew by 3 percent, and preliminary data for the first half of 2005 show growth of 2.7 percent. The slow pace of wage growth in recent years has not kept pace with inflation. On an inflation-adjusted basis, private sector wages in Queens declined at an average annual rate of 1.3 percent between 2001 and 2004. Nonetheless, this performance was better than for the City as a whole—inflation-adjusted private sector wages declined at an average annual rate of 2.4 percent, led by the severity of the downturn in Manhattan’s financial sector.

Graph 9
Private Sector Wage Growth in Queens



Note: Growth for 2005 is for first six months compared to the same period one year earlier.
Source: NYS Department of Labor

Queens’ relatively better performance is the reverse of what occurred during the expansion of the late 1990s, when the boom in Manhattan’s financial sector fueled much higher wage gains Citywide than in Queens. Thus, although private sector wages adjusted for inflation grew robustly in Queens in the late 1990s—increasing at an average annual rate of 2.7 percent between 1995 and 2001—Citywide they grew at an average annual rate of 5.6 percent in this period.

As shown in Table 1, several areas with above-average salaries contributed to an overall growth in Queens’ wages during 2004, including the finance and insurance sector (13.3 percent) and air transportation (8.4 percent). Although wages in the air transportation industry declined in the first half of 2005, the rate of wage growth in the finance and insurance sector increased to 22 percent. Continued slow growth in the construction, manufacturing, and professional and business services sectors held down the overall rate of wage increases in the first half of 2005.

The health care and social assistance sector is another large source of employment in Queens, but in 2004 the average salary (\$37,970) was below the borough’s private sector average (\$38,754). Although wages in the health care and social assistance sector increased by 6.1 percent in 2004, the rate of growth slowed to 3 percent in the first half of 2005.

Table 1
Average Salaries for Private Sector Industries That Gained or Lost Jobs in 2004

	2004 Average Salary	Job Change in 2004
Average Salary of All Private Industries	\$38,754	
Top Industries Adding Jobs		
Air Transportation	\$59,560	3,292
Nonstore Retailers	\$34,481	894
Food Services and Drinking Places	\$16,270	755
Merchant Wholesalers	\$44,498	714
Insurance Carriers	\$72,954	542
Credit Intermediation	\$71,872	532
Average Salary of Industries Adding Jobs	\$44,082	10,602
Top Industries Losing Jobs		
Transit and Ground Passenger Transportation	\$38,937	-1,426
Food and Beverage Stores	\$19,671	-683
Food Manufacturing	\$33,797	-460
Couriers and Messengers	\$40,856	-404
Fabricated Metal Product Manufacturing	\$39,869	-370
Apparel Manufacturing	\$26,438	-362
Average Salary of Industries Losing Jobs	\$39,728	-7,113

The average salary for all industries in Queens grew by 2.7 percent to reach \$39,835 in 2004. This was the second-highest level among the five boroughs (after Manhattan's \$79,904), and reflects the relatively large share of jobs in high-paying industries—such as construction, with an average salary of \$57,173, and air transportation, with an average salary of \$59,560. When adjusted for inflation, however, the average salary for Queens declined by 0.8 percent in 2004—the third consecutive year of decline. This follows a nationwide trend, as businesses have limited salary increases in response to rising foreign competition and increasing health care costs.

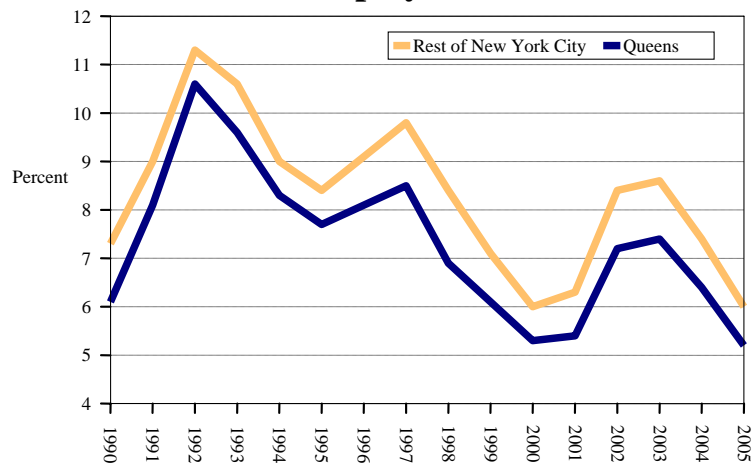
Source: NYS Department of Labor

Unemployment Rate

In calendar year 2005, the unemployment rate in Queens declined to 5.2 percent—the lowest rate in the borough since the current data series began in 1990, and also lower than the Citywide rate (5.8 percent).⁴ Manhattan was the only borough with a lower rate (5.1 percent) in 2005.

The unemployment rate for Queens has historically been lower than for the rest of the City (see Graph 10). While unemployment rates in both the

Graph 10
Local Unemployment Rates



⁴ The unemployment rate is calculated by dividing the number of unemployed by the labor force (those residents who are actively seeking employment).

City and Queens increased between 2000 and 2003, they have since declined. The rate in Queens is now lower than it was in 2000.

The drop in Queens' unemployment rate in 2004 and 2005 was driven by an expansion in the labor force coupled with an even larger decline in the number of unemployed residents—indicating that those entering the labor force were able to find work. While the labor force in Queens in 2005 was about equal to the size of the labor force in 2002, the number of unemployed was significantly lower in 2005. In fact, among the City's boroughs, only Queens and Brooklyn had fewer unemployed residents in 2005 than in 2000, before the recession began.

IV. Industry Focus

A number of economic sectors play an important role in the Queens economy. Some of these sectors, such as film and television production, employ a relatively small number of Queens residents; however, they are an essential component of the Citywide industry and have the potential to grow. Other industries, like the airline industry, are already large employers in the borough and face significant challenges in the years ahead. This chapter is not a comprehensive discussion of all of the industries or major sectors in Queens; instead, it highlights selected industries that are already major employers or are the focus of ongoing economic development efforts.

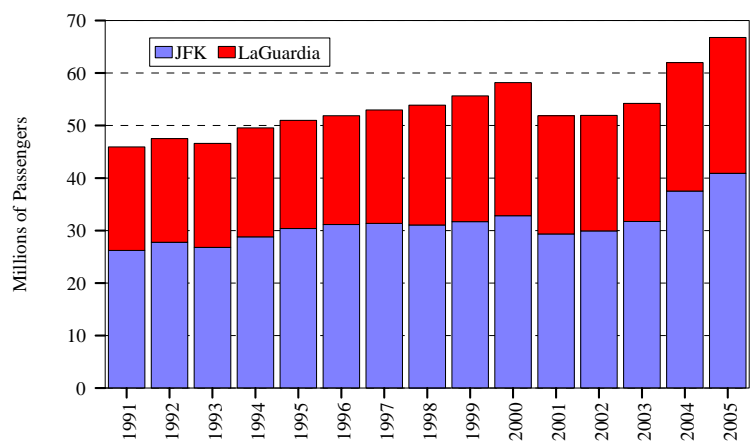
Air Transportation

Queens is the site of the 680-acre LaGuardia Airport and the 4,930-acre John F. Kennedy International Airport—two of the three major airports that serve the New York metropolitan area, and a key component of the Queens economy. In 2004 the airline industry provided 5.1 percent of jobs in Queens, and 7.7 percent of the wages paid. The greater wage share relative to employment reflects the fact that jobs in this industry have an average salary that is more than 50 percent greater than the borough’s private sector average.

In addition to direct employment in the airline industry (e.g., pilots, ground crews, ticket agents, security screeners), the airports support employment in other industries, such as retail operations, food service, and ground transportation. A 2004 study by the Port Authority of New York and New Jersey, which runs both airports, reported that the airports in Queens directly provided jobs for almost 43,000 people and added almost \$37 billion in economic activity to the region. Including the indirect economic activity that resulted from direct income flows, the Port Authority estimated that the airports were responsible for the creation of 325,000 jobs in the New York/New Jersey region.

The national recession and the terrorist attack of September 11, 2001, significantly affected the airline industry—and, by extension, Queens. Between 2000 and 2003, airline industry employment in Queens declined by 27.4 percent, or nearly 8,000 jobs. These large losses pulled down wages in the airline industry by 13.9 percent during that period. In 2004, employment rebounded by almost 3,300 jobs and wages grew by 8.4 percent, reflecting increased travel and tourism in

Graph 11
Passenger Volume at the Queens Airports



Source: The Port Authority of New York and New Jersey

the City. Although tourism continued to surge in 2005, airline industry employment and wages declined slightly in response to the competitive pressures and financial problems that face the industry.

After a steep decline in 2001 and 2002, passenger traffic at the Queens airports rebounded by more than 14 percent in 2004 and by another 7.7 percent in 2005 to reach a new record of more than 66 million passengers (see Graph 11). Both domestic and international traffic grew at both airports in each of these years. The Port Authority reports that in nationwide comparisons of passenger traffic at domestic airports, JFK Airport ranked 8th and LaGuardia Airport ranked 20th in 2004. On a combined basis, the two airports would have ranked 3rd on a combined basis. Although the number of passengers at both airports in 2005 still lagged behind the seven busiest airports in the nation, the growth in traffic at JFK was greater than at any other large airport (see Table 2).

Table 2
Passenger Traffic at U.S. Airports in 2005
(in millions)

	Number of Passengers	Change from 2004
Atlanta	85.91	2.8%
Chicago	76.58	1.4%
Los Angeles	61.49	1.3%
Dallas/Ft. Worth	59.18	-0.5%
Las Vegas	44.27	6.8%
Denver	43.39	2.6%
Phoenix	41.20	4.3%
JFK	40.88	9.0%
LaGuardia	25.88	5.8%

Sources: Local Airport Authorities

The airports in Queens also provide services for cargo that is shipped both domestically and internationally. Almost all of the cargo is shipped through JFK, where freight peaked at almost 1.9 million short tons in 2000. Though 2001 brought a sharp falloff, by 2004 freight volume was growing again, gaining about 270,000 short tons. In 2005, freight volume at JFK declined by 2.4 percent. The volume of freight handled at LaGuardia reached more than 16,000 short tons in 2005, a gain of 13.5 percent compared to 2004. The Port Authority reported that for 2004 JFK was the 6th-busiest airport in the U.S. for cargo, close behind Miami and Louisville. LaGuardia's much smaller freight operation ranked 78th.

To improve passenger access to JFK, the Port Authority constructed the AirTrain, a light rail system that links the airport's terminals and other facilities with the Long Island Rail Road at Jamaica and subway service and at both Jamaica and Howard Beach. The service has also allowed airport employees to travel over airport grounds and connect with airport-related offices that have opened in Jamaica. Service began in late 2003, and during 2005 the number of paying passengers increased—by 9.4 percent to/from the Howard Beach station and by 52.1 percent to/from Jamaica station.⁵ To further improve airport access, New York State is exploring the feasibility of constructing a one-seat rail link from JFK to Lower Manhattan, which would cost an estimated \$6 billion.

⁵ AirTrain charges passengers who use it to get to and from the airport, but provides free service to those who use it to get around the airport. The majority of riders are nonpaying passengers who use the train to get around the airport.

issues, including aging terminals, lengthy delays, and access. In December 2005 the Port Authority issued a new strategic plan that addresses many of the needs of its airports. Among other projects, the plan calls for new ferry landings and a modernized central terminal building at LaGuardia and multi-tenant air cargo facilities and improved truck access at JFK. The modernized central terminal building at LaGuardia Airport is estimated to cost over \$1 billion; however, funding for this project has not yet been allocated.

One of the largest components of the plan is an \$875 million terminal at JFK for JetBlue Airways. The new terminal will include 26 gates capable of handling 250 daily flights and a 1,500-space parking lot. In addition, the terminal will connect with the historic TWA terminal. JetBlue currently operates approximately 100 flights daily out of JFK and will contribute \$80 million to the project. The remainder will be funded by the Port Authority.

American Airlines also has plans to create a new terminal at JFK. The Port Authority has allocated \$67 million for this project in its 2006-2007 capital plan and an additional \$10 million in its 2008-2015 capital plan. In total, the project is expected to cost \$112 million.

Health Care

As in the rest of the City, the health care and social assistance sector in Queens has grown steadily in recent years, continuing to expand even through the recession of the early 2000s. Between 2000 and 2004, health care and social assistance expanded by nearly 7,460 jobs and added \$746 million in wages to the economy (an average annual gain of 2.1 percent and 6.2 percent, respectively).⁶ As a result, the sector's share of private sector wages has risen slightly (to 20.4 percent) in 2004 while its share of private sector employment has held at just under 21 percent. The proportionately faster growth in wages relative to jobs during these years pushed the average salary to nearly \$38,000 in 2004. In the first half of 2005, the rate of growth in jobs and wages in the sector slowed to 1.3 percent and 3 percent, respectively, compared to the same period in 2004.

Not all portions of the health care sector have grown equally. Individual and family social services, outpatient care facilities, and hospitals led in the job gains between 2000 and 2004, while medical laboratories and other residential care facilities saw declines in employment. In the late 1990s, by comparison, hospital jobs declined while other health care jobs grew steadily. There is also a considerable amount of disparity in pay among different parts of the health care sector. In 2004, the highest average salaries were in doctor's offices (\$60,532) and general hospitals (\$52,578), while the lowest salaries were in individual and family social services (\$21,110) and in community care facilities (\$23,211).

⁶ The reported data are for health care and social assistance facilities in the private sector. Facilities operated by governments, such as the New York City Health and Hospitals Corporation, are not included since they are reported under government employment. While NYS Department of Labor data suppression rules do not allow data for government employment in health care and social assistance in Queens to be reported, on a Citywide basis government health care and social assistance employment was much lower than in the private sector—equal to about 11 percent of the private sector level in 2004. Over two thirds of these jobs are in local government-run facilities. Unlike the employment gains experienced in the private portion of this sector, employment in the government portion has been stagnant.

Health care systems in Queens face many challenges caring for a population with a large number of immigrants, many of whom speak limited English and may not have medical insurance. Hospitals are also facing financial pressures similar to those affecting the industry nationwide, and two small hospitals—Mary Immaculate Hospital and St. John’s Queens Hospital—have recently filed for bankruptcy. Nonetheless, hospital employment is expanding and hospitals are making investments to stay competitive. The New York City Health and Hospitals Corporation (HHC), for example, has invested nearly \$400 million in expanding and modernizing two of its facilities in Queens—the Queens Hospital Center and Elmhurst Hospital Center—despite facing financial problems.

Regardless of these investments, hospital resources in the borough are limited. According to the New York State Department of Health, in 2004 the 13 major hospitals in Queens had over 4,100 beds, or 1.8 beds for every 1,000 residents.⁷ By contrast, Manhattan had 6.5 beds per 1,000 residents, and the coverage in other boroughs ranged between 2.4 and 2.9 beds per 1,000 residents. Statewide, there were 2.9 beds per 1,000 residents.⁸

Film and Television Production

Film and television production in New York City generates an estimated \$5 billion annually in economic activity. This industry has historically had a strong presence in Queens, which served as a base for silent movie studios in the 1920s and still houses major studios today. In recent years, New York City and New York State have made considerable investments to support film and television production, as a way of staying competitive with other locations and to reverse a decrease that began in 2000.

In August 2004, the State initiated a refundable 10 percent tax credit for feature films, television programs, pilots, and television movies and miniseries that complete at least 75 percent of their stage work in New York State. A similar law was signed by the New York City Mayor in January 2005, providing an additional 5 percent credit to qualified productions produced in New York City.⁹ Reflecting this increased investment, employment in the motion picture and video industries increased by 2.1 percent during the first half of 2005 compared with the same period in 2004, which followed annual declines from 2001 through 2004.¹⁰ In 2005, the City issued 31,570 permits for location shooting, which was a 35 percent increase from 2004. In total, over 250 films and 100 television shows were filmed in New York City in 2005.

⁷ This figure includes the Long Island Jewish Medical Center, which straddles the border between Queens and Nassau County.

⁸ The number of hospital beds per 1,000 residents has been falling in recent years. The Organization for Economic Co-operation and Development (OECD) estimates that nationally coverage fell from 4.4 beds in 1980 to 2.8 beds in 2003 as hospital stays have shortened and day surgery patients have increased.

⁹ In addition to the tax incentives, which are part of the City’s “Made in New York” incentive program, the Mayor’s Office of Film, Theatre, and Broadcasting streamlined its location shooting permit process to make filming in New York easier. Qualified productions may also receive free outdoor media advertisements (i.e., bus shelters) and other co-branding opportunities worth up to 1 percent of production costs, and a discount card for use with participating vendors.

¹⁰ Based on data from the New York State Department of Labor’s insured employment series.

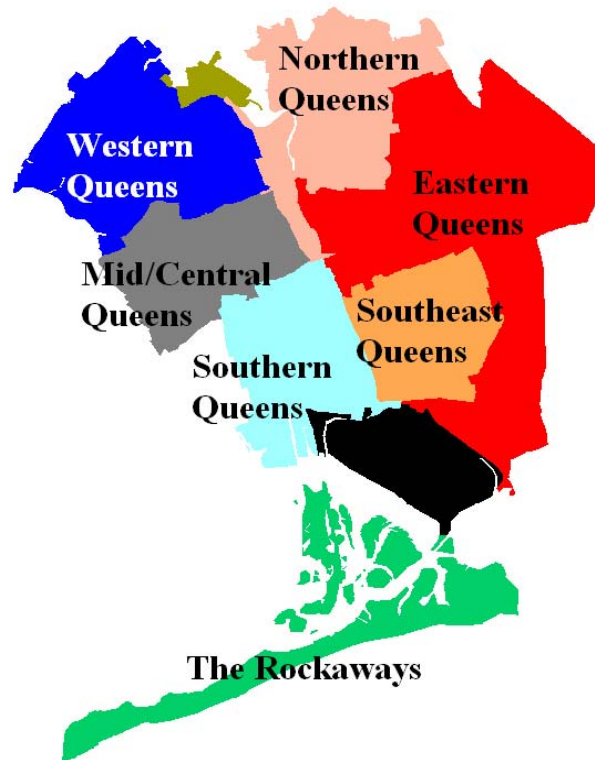
Although Queens has two major film and television studios, most of the industry's jobs and wages are in Manhattan. Average industry employment in Queens during the first half of 2005 totaled just over 500 jobs—only 2.1 percent of the City's 22,900 jobs in the industry. (Manhattan, by comparison, had 94.3 percent of those jobs.) The number of jobs in the industry increased Citywide during the first half of 2005, but the number in Queens declined slightly. Queens employees worked in a variety of studio jobs that paid considerably less than those in Manhattan, which has more artistic and technical—and therefore higher-paying—positions. (In 2004, the average salary in the motion picture industry was \$31,000 in Queens, whereas in Manhattan it was \$94,000.) Queens accounted for less than 1 percent of the industry's wages paid in 2004, which totaled \$524.3 million.

Anticipated growth in film and television production in New York City and a new State tax credit for the creation and expansion of production facilities in New York have encouraged Kaufman Astoria and Silvercup studios in Queens to expand their operations. The proposed expansions, along with other sound stages under construction in Brooklyn, will provide the City with much-needed indoor production space and will help the City compete with other cities for future productions.

Located in Astoria along the East River, Kaufman Astoria Studios, a 14-acre facility with six studios and various support facilities, is one of the City's oldest and largest film studios. Kaufman Astoria Studios was originally built as Paramount Pictures' East Coast location in the 1920s. During World War II, the U.S. Army Signal Corps took over the facility and used it to make films. By the 1970s, however, the studios had been all but abandoned. In 1982 the federal government turned the property over to New York City, which in turn leased it to Kaufman Development. As Kaufman Astoria Studios, the studios underwent a \$50 million renovation in 1982 so it could be used for television and film production. Construction is expected to start next year on an expansion that will include a new 18,000-square-foot studio and 30,000 square feet of dressing rooms, green rooms, and office space.

Silvercup Studios, which opened in 1983 in Long Island City, contains 18 shooting stages, ranging in size from 3,000 square feet to 18,000 square feet, and is currently the home of the popular HBO series "The Sopranos." The studio recently announced plans for a \$1 billion expansion project called Silvercup West, which will be built to the south of the Queensboro Bridge. The 2,000,000-square-foot waterfront project will include eight soundstages, an office tower for media and entertainment companies, two high-rise residential buildings with 1,000 apartments, and a public waterfront promenade. The expansion will make Silvercup the largest film and television production facility on the East Coast. The project has begun the required Uniform Land Use Review Process and will be constructed over the next two years, or in stages depending on demand.

V. Regional Focus



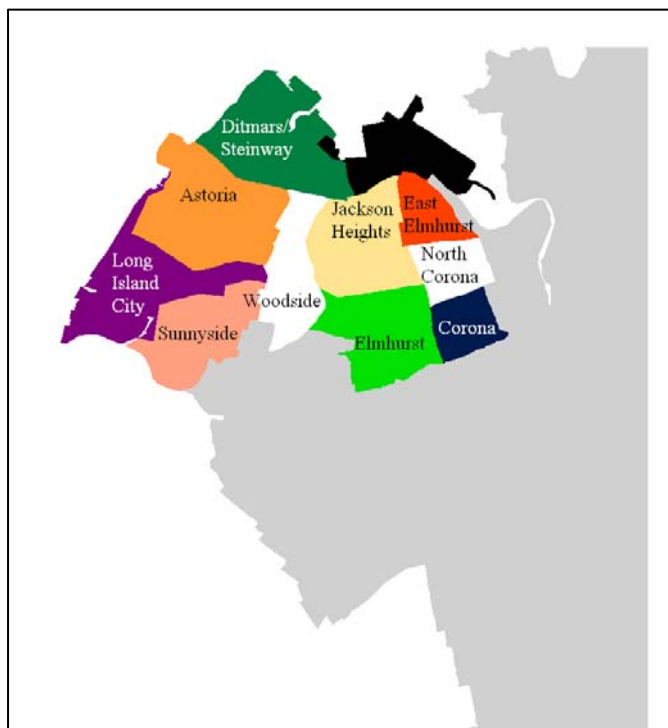
Queens is made up of seven regions—Western Queens, Mid/Central Queens, Northern Queens, Eastern Queens, Southeast Queens, Southern Queens, and Rockaway—each of which has a distinct character and unique mix of jobs.

All of the regions in the borough experienced job growth in the first half of 2005; however, the rate of growth varied from region to region with Southern Queens experiencing the greatest rate of increase during this period. Salaries throughout the borough varied, reflecting the different mix of employment in each region. In 2004 Western Queens had the highest average salary in the borough (\$41,140), while Rockaway had the lowest average salary (\$34,317).

As previously discussed, Queens experienced strong population growth between 1990 and 2000. During this period, the growth rate in Western and Southern Queens exceeded the borough-wide growth rate of 14.2 percent. Residential development in Western Queens also outpaced development in the rest of the borough.

While this section of the report discusses numerous economic development projects and initiatives, it is not intended to cover all projects that are planned or underway in Queens. Unless otherwise noted, the neighborhood designations and boundaries used in the report were taken from the Office of the Queens Borough President.

Western Queens



Western Queens encompasses Community Boards 1, 2, 3, and 4, and is bounded by Bowery Bay to the north, the East River to the west, Newtown Creek and the Long Island Expressway to the south, and Flushing Meadows Corona Park to the east. The region includes the neighborhoods of Astoria, Corona, Ditmars, East Elmhurst, Elmhurst, Jackson Heights, Long Island City, North Corona, Steinway, Sunnyside, and Woodside. Though the region primarily consists of low-density residential neighborhoods, it also includes clusters of industrial and manufacturing activity and LaGuardia Airport. Western Queens is also home to two movie and television production studios, Silvercup and Kaufman Astoria studios. In addition,

Elmhurst, which is home to the Queens Center Mall and Queens Place, is also one of the borough's major retail centers.

Reflecting the more urban nature of Western Queens, the region has the lowest home ownership rates in Queens, and in that sense resembles Manhattan more than the rest of the borough. In 2005, only 25 percent of the area's households owned their homes. By comparison, 46 percent of all Queens households owned their homes that year. Appendix A contains more detail on home ownership and rental rates for Western Queens, the rest of the borough, and the City as a whole.

In recent years, private sector investments and public sector initiatives have encouraged commercial and residential development in the region, with much of the growth centered in Long Island City (LIC). LIC, which still has a significant (but declining) manufacturing sector, has undergone a major transformation from a low-density residential and manufacturing neighborhood to one with luxury high-rise residential developments, large office towers, and a more diversified economy. Today, LIC businesses include Internet and computer service companies, banking and financial institutions, television and film studios, and a thriving arts community.

As part of this evolution, many vacant industrial properties are being converted into high-density residential and commercial developments. In 1989, Citigroup erected the first major commercial development in LIC—a 48-story tower office. In 2001 the City undertook a major rezoning effort in LIC, which, among other changes, rezoned a 37-acre area around Queens Plaza to permit high-rise commercial and residential development. The City also

Profile of Western Queens

Employment

Total Employment (2004)	148,255
Share of Employment for All Areas	35.0%
Percent Change 2004	0.6%
Percent Change 2005 YTD	1.6%

Wages

Total Wages (2004)	\$6,099.3 million
Share of Wages for All Areas	37.5%
Percent Change 2004	3.3%
Percent Change 2005 YTD	4.1%

Three Largest Sectors	% of Area Employment	% Chng 2005 YTD	Three Largest Sectors	% of Area Wages	% Chng 2005 YTD	Avg. Salary 2004
Construction	13.2%	-1.9%	Construction	18.8%	-1.2%	\$58,603
Health Care & Social Assistance	12.8%	5.5%	Manufacturing	11.9%	3.6%	\$38,405
Manufacturing	12.7%	-2.1%	Health Care & Social Assistance	11.5%	0.9%	\$36,749

Western Queens Total Average Salary \$41,140

Demographics

Population

Total 2000 Population	657,228
Share of Queens Population	29.5%
Percent Change 1990-2000	19.6%

Race/Ethnicity - Percent of Total Area Population

Hispanic	41.9%
White	25.6%
Black or African-American	8.0%
Asian	19.7%
Other	4.8%

Educational Attainment - Percent of Total Area Population

High School	67.9%
College	21.5%

Note: Employment and wages for 2005 are preliminary data for the first six months; change is from the same period one year earlier.

Because of address issues in the data, all wage and employment records cannot be assigned to a zip code, therefore the sum of the areas for these measures is less than the borough-wide total.

Sources: NYS Department of Labor; US Census Bureau

allocated \$30 million to improve area streetscapes and designated parts of LIC as a Business Improvement District. In the central business district, several Class A office towers have been constructed or are currently underway, including high-rise buildings for Citigroup, the United Nations Federal Credit Union, and MetLife.

Since 1996, residential development throughout the whole region has dramatically increased. In 1996, only 89 permits were issued for new housing units in Western Queens. This number jumped to 1,030 permits in 2001 and has remained relatively high since then, with 1,147 permits issued in 2003 (the most recent year for which data is available). The increase in permits for new units represents the fastest rate of growth in any of the borough's regions. Queens West, one of the largest new residential developments in the City, is being built in LIC along the East River from Newtown Creek to Anabel Basin. With the first of four phases already completed, this 74-acre project will eventually include 19 high-rise, primarily luxury, residential buildings along with waterfront parks and public esplanades.

The scale and pace of recent market-rate residential development in Western Queens has generated concern among residents and advocates for affordable housing that the needs of middle- and low-income New Yorkers are not being met. Opponents of recent developments have also voiced concern that the conversion of industrial and manufacturing properties in LIC for residential purposes is short-sighted and will further endanger the City's remaining manufacturing firms.

In addition to the region's residential and commercial developments, nearly a dozen power plants are located in Western Queens along the waterfront—and produce more than

50 percent of the electricity used in New York City. Community leaders, elected officials, and environmental groups have worked to reduce the negative impacts of these facilities, and residents have called for the closure of the most pollutive plants, the utilization of cleaner technologies, and a moratorium on the construction of new power plants in the area.

As a result of development and a continued influx of immigrants, Western Queens' population grew by almost 20 percent between 1990 and 2000 to reach 657,228. This rate exceeded the rate of growth in Queens (14.2 percent) and the City overall (9.4 percent). Since the neighborhoods of Western Queens vary significantly in character and ethnic composition, this report separates the region into two parts—the western section and the eastern section—to discuss population and employment trends. The western section includes Community Boards 1 and 2 (Astoria, Ditmars, Long Island City, Steinway, Sunnyside, and Woodside) and the eastern section includes Community Boards 3 and 4 (Corona, East Elmhurst, Elmhurst, Jackson Heights, and North Corona).

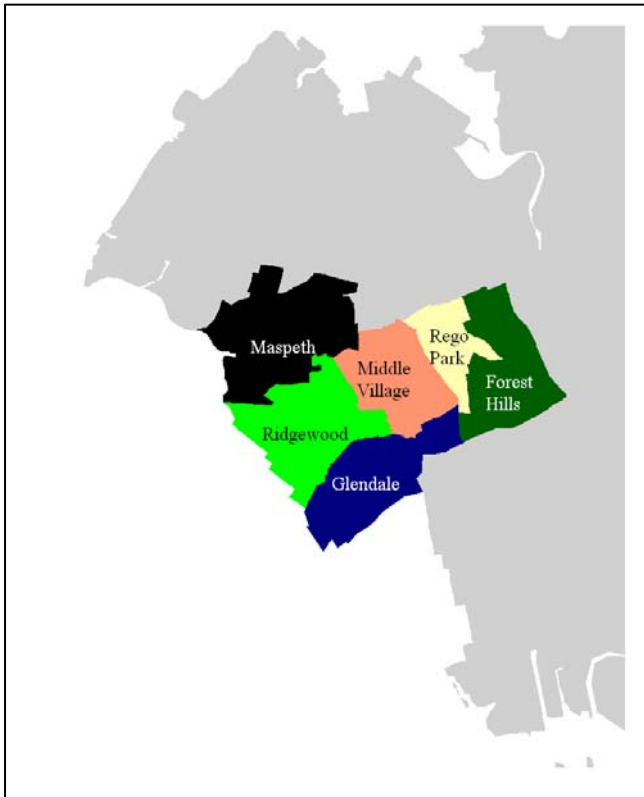
Total population for the western section, or Community Boards 1 and 2, was 321,140 in 2000, with more than half of the residents living in Astoria. White non-Hispanics made up 38.2 percent of the area's population, Hispanics made up 30.9 percent, Asians made up 19.2 percent, and blacks or African-Americans made up 5.2 percent.

The eastern section, or Community Boards 3 and 4, had a slightly higher population—336,088 in 2000. Hispanics accounted for more than half of the area's population and Asians accounted for 20.1 percent. White non-Hispanics and blacks or African American accounted for smaller percentages of the population. Community Boards 3 and 4 have experienced tremendous population growth in recent years, largely due to immigration. In the Jackson Heights neighborhood alone, the population increased by 28.8 percent between 1990 and 2000—twice the overall rate of growth in Queens.

During the first six months of 2005, more than 103,000 jobs were located in the western section of Western Queens—24 percent of all jobs in the borough. Manufacturing, which still has a strong presence in LIC, is the biggest employment sector in this area, followed by construction. Together these sectors provide more than 33 percent of all employment in Community Boards 1 and 2. Employment grew by 1.5 percent during the first six months of 2005—a faster rate than in Queens as a whole.

Because the eastern section of the Western Queens region is close to LaGuardia Airport, the biggest employment sector there is transportation and warehousing—it accounts for almost 16 percent of area jobs. The health care and social assistance sector and the retail trade sector are also strong, given the presence of the Queens Mall and Queens Place retail center as well as area hospitals. Combined, these three sectors account for nearly half of the area's jobs. Employment grew by 1.9 percent during the first half of 2005 to total more than 45,000 jobs, about 10 percent of all jobs in Queens. Construction was the fastest-growing sector.

Mid/Central Queens



Mid/Central Queens encompasses Community Boards 5 and 6 and includes the neighborhoods of Forest Hills, Glendale, Maspeth, Middle Village, Rego Park, and Ridgewood. The region is primarily residential, although some neighborhoods in the western portion of the region are important centers of industrial activity. Mid/Central Queens is generally bounded by the Horace Harding Expressway and Maurice Avenue to the north, Flushing Meadows Corona Park to the east, Forest Park to the south, and Brooklyn to the west.

The region experienced the smallest amount of residential development of all of the regions in Queens between 1996 and 2003, the most recent year for which data is available. Residential development has fluctuated since 1996, reaching its lowest mark in 1997 (43 permits issued for new housing

units) and peaking in 1998 (250 permits). In 2003, 224 new housing units were issued permits.

Industrial activities in Mid/Central Queens are generally centered around Newtown Creek in Maspeth. In an attempt to support and maintain the neighborhood's industrial base, the Queens Borough President created the Maspeth Task Force to address the needs of area businesses. Local businesses also formed the Maspeth Industrial Commercial Owners Local Development Corporation in 2004 to study local infrastructure needs. Newtown Creek itself is the focus of environmental remediation efforts. In 1979, a massive quantity of oil was spilled from one of the many refineries that lined the creek. The spill, which emanated from the Brooklyn side of the creek, is estimated to contain at least 17 million gallons of oil and to cover at least 55 acres—making it the largest petroleum spill in New York State. While some limited cleanup has occurred, the full extent of the contamination has never been determined.

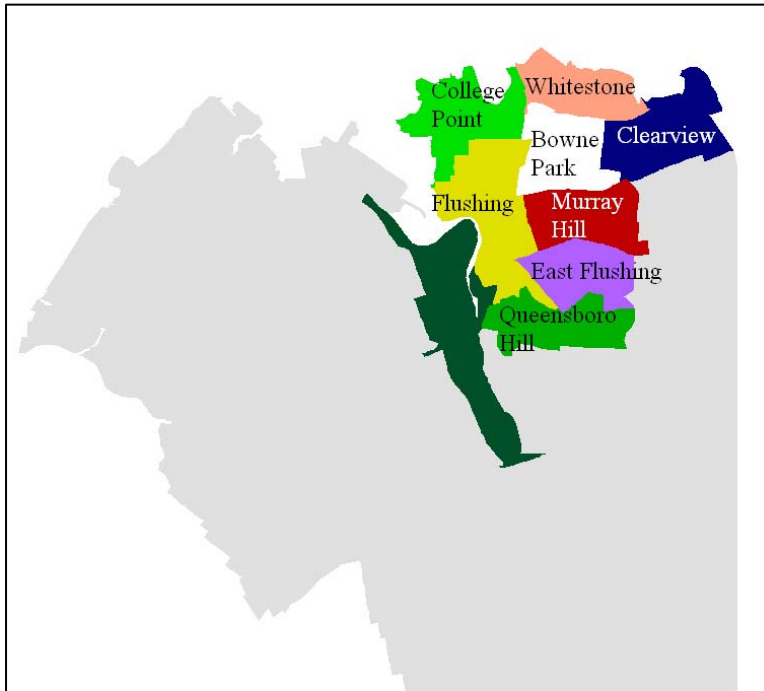
Reflecting the region's proximity to regional transportation infrastructure, transportation and warehousing was the largest employment subsector in 2004, followed by retail trade. Employment in Mid/Central Queens grew by 3 percent during the first six months of 2005—almost three times the borough-wide rate of growth—with the fastest growth in the finance and insurance subsector. Transportation and warehousing had the next-highest growth.

Profile of Mid/Central Queens						
Employment			Wages			
Total Employment (2004)	59,194		Total Wages (2004)	\$2,309.9 million		
Share of All Areas in Queens	14.0%		Share of All Areas in Queens	14.2%		
Percent Change 2004	3.9%		Percent Change 2004	9.9%		
Percent Change 2005 YTD	3.0%		Percent Change 2005 YTD	4.2%		
	% of Area	% Chng		% of Area	% Chng	Avg. Salary
Three Largest Sectors	Employment	2005 YTD	Three Largest Sectors	Wages	2005 YTD	2004
Transportation & Warehousing	14.5%	10.8%	Transportation & Warehousing	15.9%	17.3%	\$42,696
Retail Trade	13.7%	1.2%	Construction	15.3%	-10.0%	\$59,010
Health Care & Social Assistance	13.2%	4.0%	Health Care & Social Assistance	13.7%	5.4%	\$40,645
			Mid/Central Queens Total Average Salary			\$39,023
Demographics			Race/Ethnicity - Percent of Total Area Population			
Population			Hispanic			
Total 2000 Population	281,878		21.6%			
Share of Queens Population	12.6%		White			
Percent Change 1990-2000	10.1%		61.9%			
Educational Attainment - Percent of Total Area Population			Black or African-American			
High School	78.1%		1.5%			
College	29.2%		Asian			
			12.2%			
			Other			
			2.8%			
<p>Note: Employment and wages for 2005 are preliminary data for the first six months; change is from the same period one year earlier. Because of address issues in the data, all wage and employment records cannot be assigned to a zip code, therefore the sum of the areas for these measures is less than the borough-wide total. Sources: NYS Department of Labor; US Census Bureau</p>						

In 1997, the Long Island Rail Road (LIRR) contracted its remaining freight operations to the New York and Atlantic Railway, headquartered in Queens. The railway operates in Brooklyn, Queens, Nassau, and Suffolk counties and uses the same tracks as the LIRR passenger trains. In 2002, the New York State Department of Transportation and the Port Authority of New York and New Jersey awarded the railway nearly \$10 million in grants to improve the rails on the Bay Ridge and Bushwick lines and to upgrade facilities in the Fresh Pond Yard in Mid/Central Queens. The railway currently serves 112 customers with an annual volume of 20,000 carloads of goods that include lumber, paper, building materials, plastics, and food products.

The City is also studying a long-standing proposal to create a cross-harbor freight tunnel across the Hudson River, connecting New York City (and by extension, Long Island) to New Jersey via rail, which would have a significant impact on the region. Under existing proposals, the new rail tunnel would run under the Hudson River from Jersey City, New Jersey to Bay Ridge, Brooklyn. Once in Brooklyn, trains would be routed via the Bay Ridge railroad line to an intermodal distribution terminal in western Maspeth, where goods would be transferred to trucks for local distribution. Proponents of the plan estimate that the completed project would remove 1 million tractor-trailers from New York City streets each year and would greatly improve the air quality in communities that are currently used as truck routes. Area residents and local elected officials, including the Mayor, oppose the project and have raised concerns over potential business displacement and increased truck traffic in the Maspeth area.

Northern Queens



Northern Queens, which encompasses Community Board 7, contains the neighborhoods of Bowne Park, Clearview, College Point, East Flushing, Flushing, Murray Hill, Queensboro Hill, and Whitestone. The region is primarily residential in character with the exception of a downtown commercial center in Flushing and parts of College Point, which contain light industry. Recent public and private sector investments and initiatives have fueled tremendous growth in Flushing, and development is expanding to other neighborhoods in the region.

Northern Queens is bounded on the north and west by the East River and Little Neck Bay, on the east by Little Neck Bay and Utopia Parkway, and on the south by the Long Island Expressway (from Flushing Meadows Corona Park to Utopia Parkway) and 26th Avenue.

Northern Queens contains the largest concentration of Asian residents in the borough, which is largely centered around Flushing. In terms of population, Flushing has the largest Chinese community in New York City.

In recent years, the City has attempted to spur development in Downtown Flushing while rezoning surrounding neighborhoods to preserve their low-density, residential character. The centerpiece of these efforts is the Downtown Flushing Development Framework, a comprehensive land-use plan issued in 2004 that includes recommendations to reconnect and renew Downtown Flushing, revitalize the waterfront, and redevelop Willets Point.

Development has also occurred in the neighborhood of College Point, where developers have initiated a number of residential projects in areas that were formerly used for industrial activities. One proposal to build 86 two-family houses on an 8.5-acre site is on hold because the proposed site has been found to contain unacceptable levels of pollutants.¹¹ It is currently undergoing environmental remediation as part of the State's Voluntary Cleanup program.

¹¹ Portions of College Point were built on landfills, which have since been found to contain contaminated material. As a result, the level of soil pollutants in some properties in the neighborhood currently exceeds acceptable public health levels.

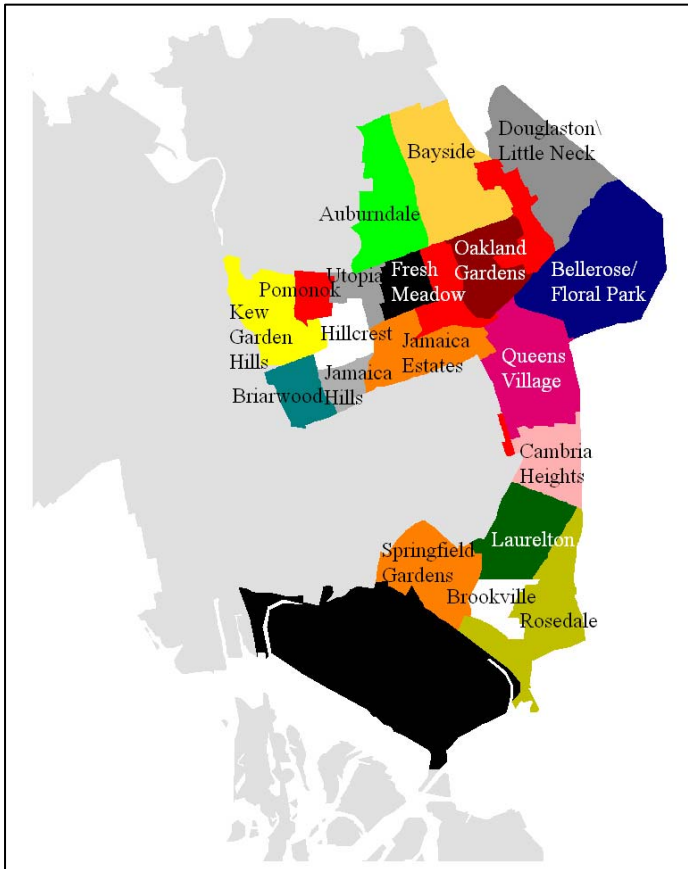
Profile of Northern Queens							
Employment				Wages			
Total Employment (2004)	52,496			Total Wages (2004)	\$1,931.7 million		
Share of All Areas in Queens	12.4%			Share of All Areas in Queens	11.9%		
Percent Change 2004	1.2%			Percent Change 2004	2.0%		
Percent Change 2005 YTD	2.3%			Percent Change 2005 YTD	3.3%		
		% of Area	% Chng			% of Area	% Chng
Three Largest Sectors	Employment	2005 YTD		Three Largest Sectors	Wages	2005 YTD	Avg. Salary
Health Care & Social Assistance	26.9%	2.6%		Health Care & Social Assistance	31.4%	4.3%	\$43,013
Retail Trade	15.0%	-1.8%		Construction	15.3%	3.0%	\$56,116
Construction	10.0%	5.2%		Retail Trade	9.1%	-2.0%	\$22,384
				Northern Queens Total Average Salary			\$36,798
Demographics				Race/Ethnicity - Percent of Total Area Population			
Population							
Total 2000 Population	242,952			Hispanic	16.4%		
Share of Queens Population	10.9%			White	42.8%		
Percent Change 1990-2000	10.2%			Black or African-American	2.7%		
				Asian	35.1%		
				Other	3.1%		
Educational Attainment - Percent of Total Area Population							
High School	77.4%						
College	28.3%						
<p>Note: Employment and wages for 2005 are preliminary data for the first six months; change is from the same period one year earlier. Because of address issues in the data, all wage and employment records cannot be assigned to a zip code, therefore the sum of the areas for these measures is less than the borough-wide total. Sources: NYS Department of Labor; US Census Bureau</p>							

Overall, residential development in Northern Queens has boomed in recent years, increasing from 64 permits issued for new housing units in 1996 to 624 permits in 1999. While the pace of development slowed slightly in 2000 and slowed again in 2002, over 600 new units were permitted annually in 2001 and 2003. A majority of the buildings constructed between 1996 and 2003 were one- and two-family homes, although several larger buildings were also built in the region, particularly in Flushing. In an attempt to prevent overdevelopment in the neighborhood, the City Council rezoned portions of College Point in 2005 to preserve its low-density character and prevent the development of multifamily housing.

Reflecting the residential character of Northern Queens, retail trade was the second-largest employment sector (after health care and social assistance), accounting for 15 percent of the region's jobs. During the first six months of 2005, regional employment grew at a faster rate than the borough. The finance and insurance sector, which is centered in Downtown Flushing, had the fastest growth, followed by the transportation and warehousing sector.

In addition to residential and commercial developments, a number of cultural and recreational assets are located in neighboring Flushing Meadows Corona Park, including Shea Stadium (home of the New York Mets—scheduled to be replaced by a new stadium in 2009), and the United States Tennis Association (USTA) National Tennis Center.

Eastern Queens



Eastern Queens encompasses Community Boards 8, 11, and 13, and includes the neighborhoods of Auburndale, Bayside, Bellrose, Briarwood, Brookville, Cambria Heights, Douglaston, Floral Park, Fresh Meadows, Glen Oaks, Hillcrest, Hollis Hills, Jamaica Estates, Jamaica Hills, Kew Garden Hills, Laurelton, Little Neck, Oakland Gardens, Pomonok, Queens Village, Rosedale, Springfield Gardens, and Utopia. The region contains low-density, residential neighborhoods with a majority of one- and two-family homes, and is more suburban than other parts of Queens, resembling neighboring towns in Nassau County. Eastern Queens borders Nassau County from Little Neck Bay to JFK Airport. The western boundary runs along Utopia Parkway from 26th Avenue to the Horace Harding Expressway,

Flushing Meadows Corona Park, and Francis Lewis and Springfield boulevards from Hillside Avenue to the Southern Parkway.

While Eastern Queens had been predominantly white, in the 1960s new, often middle-class immigrants from places such as India, Asia, Latin America, and the Caribbean began to settle in Eastern Queens. At the same time, areas such as Laurelton, Rosedale, and Springfield Gardens became home to diverse middle-class communities of African- and Caribbean-Americans.

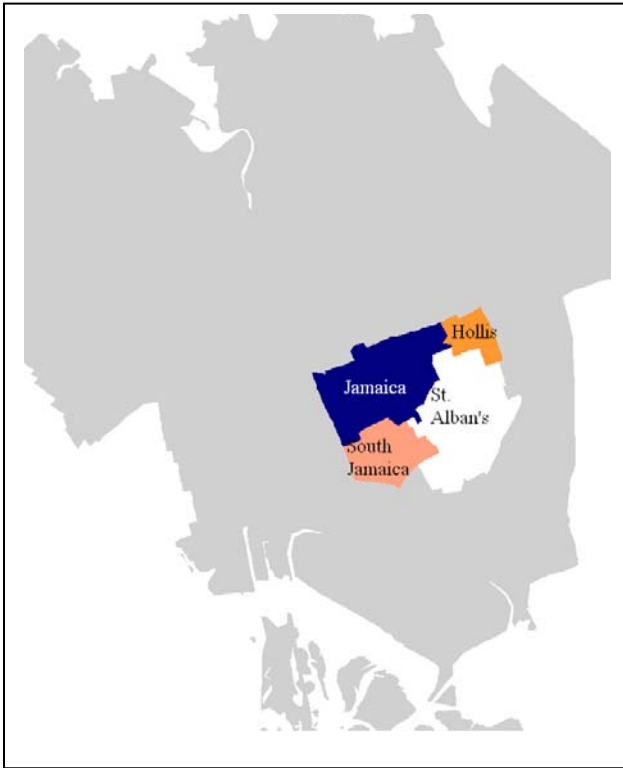
Residential development in Eastern Queens has greatly increased in recent years. Over 900 permits were issued for new housing units in 2003, a 390 percent increase from 1996, with the greatest year-to-year jump in permits occurring between 2002 and 2003. Reflecting the suburban character of the region, an overwhelming majority of the permits issued in Community Boards 11 and 13 were for one- and two- family homes. In recent years, a number of multifamily buildings have been constructed in Community Board 8.

Profile of Eastern Queens						
Employment			Wages			
Total Employment (2004)	94,726		Total Wages (2004)	\$3,569.5 million		
Share of All Areas in Queens	22.4%		Share of All Areas in Queens	21.9%		
Percent Change 2004	0.5%		Percent Change 2004	1.4%		
Percent Change 2005 YTD	3.2%		Percent Change 2005 YTD	0.2%		
	% of Area	% Chng		% of Area	% Chng	Avg. Salary
Three Largest Sectors	Employment	2005 YTD	Three Largest Sectors	Wages	2005 YTD	2004
Transportation & Warehousing	22.9%	-0.1%	Transportation & Warehousing	28.7%	-4.2%	\$47,254
Health Care & Social Assistance	22.7%	2.7%	Health Care & Social Assistance	20.9%	-1.5%	\$34,631
Retail Trade	10.5%	5.9%	Government	13.2%	2.4%	\$51,899
			Eastern Queens Total Average Salary			\$37,682
Demographics			Race/Ethnicity - Percent of Total Area Population			
Population			Race/Ethnicity - Percent of Total Area Population			
Total 2000 Population	459,282		Hispanic	12.6%		
Share of Queens Population	20.6%		White	32.9%		
Percent Change 1990-2000	10.0%		Black or African-American	30.9%		
			Asian	18.1%		
			Other	5.5%		
Educational Attainment - Percent of Total Area Population						
High School	81.7%					
College	30.3%					
<p>Note: Employment and wages for 2005 are preliminary data for the first six months; change is from the same period one year earlier. Because of address issues in the data, all wage and employment records cannot be assigned to a zip code, therefore the sum of the areas for these measures is less than the borough-wide total.</p> <p>Sources: NYS Department of Labor; US Census Bureau</p>						

As residential development has increased, Eastern Queens has grappled with issues related to overdevelopment. These issues are exemplified by development in Bayside, a primarily residential area with one- and two-family homes, which experienced increasing development activities over the past ten years as one- and two-family detached homes were replaced with larger homes and attached and multi-family developments that were out-of-scale with their surroundings. To preserve the low-density character of the area and prevent overdevelopment, 350 blocks in the Bayside area were rezoned by the City in 2005.

During the first half of 2005, employment in Eastern Queens grew at a faster rate than in the borough, although employment in one of the region's top sectors (transportation and warehousing) decreased during this period. The arts, entertainment, and recreation sector grew the fastest in the area, and the finance and insurance sector and the administrative and waste services sector also showed significant growth. The health care and social assistance sector, which is one of the region's top employers, grew modestly. Some of the key institutions of health care and higher education in Eastern Queens include: Queens College, CUNY Law School, St John's University, Touro College, Rabbinical Seminary of America, Queensborough College, and Queens Hospital Center.

Southeast Queens



Southeast Queens encompasses Community Board 12, and includes the neighborhoods of Hollis, Jamaica, Saint Alban's, South Jamaica, and parts of Springfield Gardens. While the region is primarily residential in character, with small retail hubs along Merrick and Linden boulevards, Jamaica has a large business and commercial district, and some industrial activity extends into South Jamaica. About 40 percent of the residences in Southeast Queens are one- and two-family homes; however, the area has several high-rise apartment buildings, including the 5,860-unit Rochdale Village in South Jamaica. Southeast Queens is bounded by Hillside Avenue to the north, Francis Lewis Boulevard and Springfield Boulevard to the east, the Southern State Parkway to the south, and the Van Wyck Expressway to the west.

Jamaica, once the center of business and retail activities in Queens, is reemerging as a center of economic activity following more than 20 years of investment—valued at over \$2 billion—from the public and private sectors. These investments, coupled with State and City incentive programs such as the State's Empire Zone program and the City's In-Place Industrial Park program, have provided existing businesses with much-needed support and have created incentives that attracted new businesses to the area. Moreover, the City has established three Business Improvement Districts in Jamaica.

The construction of the AirTrain, a light-rail system linking JFK Airport to Jamaica's transportation hub, has spurred further infrastructure improvements and development projects, including JFK Corporate Square, which will include Class A office space, retail space, and possibly a hotel.

Retail options also continue to expand in Jamaica, as national chains return to the downtown community. One Jamaica Center, which includes 130,000 square feet of retail space occupied by national retailers, a 90,000-square-foot movie theater, and a two-story underground garage, opened in 2001. Plans are also underway to develop a 105,000-square-foot Home Depot store on the site of the former Long Island Press building, which has been vacant since 1978. The project, which will cost an estimated \$75 million, will include a rooftop parking garage for at least 250 cars and is slated for completion in 2007.

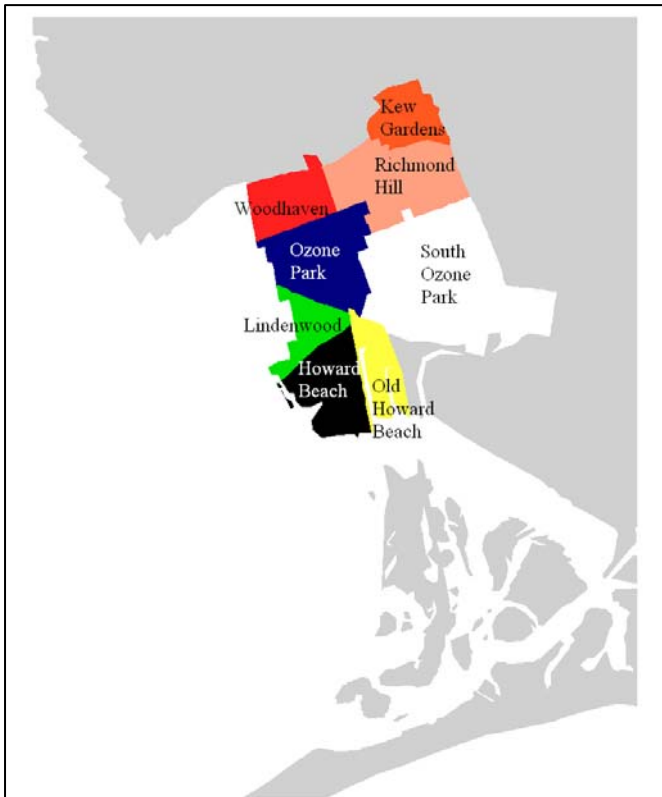
Profile of Southeast Queens						
Employment			Wages			
Total Employment (2004)	26,420		Total Wages (2004)	\$909.2 million		
Share of All Areas in Queens	6.2%		Share of All Areas in Queens	5.6%		
Percent Change 2004	6.5%		Percent Change 2004	3.8%		
Percent Change 2005 YTD	0.9%		Percent Change 2005 YTD	3.9%		
	% of Area	% Chng		% of Area	% Chng	Avg. Salary
Three Largest Sectors	Employment	2005 YTD	Three Largest Sectors	Wages	2005 YTD	2004
Transportation & Warehousing	23.3%	-3.6%	Transportation & Warehousing	27.6%	1.5%	\$40,778
Health Care & Social Assistance	16.7%	3.1%	Health Care & Social Assistance	14.0%	6.2%	\$28,964
Retail Trade	9.4%	-1.4%	Manufacturing	8.1%	11.3%	\$41,437
			Southeastern Queens Total Average Salary			\$34,412
Demographics			Race/Ethnicity - Percent of Total Area Population			
Population			Hispanic			
Total 2000 Population	223,602		12.6%			
Share of Queens Population	10.0%		White			
Percent Change 1990-2000	11.1%		6.2%			
Educational Attainment - Percent of Total Area Population			Black or African-American			
High School	73.8%		68.9%			
College	18.1%		Asian			
			6.2%			
			Other			
			6.1%			
<p>Note: Employment and wages for 2005 are preliminary data for the first six months; change is from the same period one year earlier. Because of address issues in the data, all wage and employment records cannot be assigned to a zip code, therefore the sum of the areas for these measures is less than the borough-wide total. Sources: NYS Department of Labor; US Census Bureau</p>						

The pace of residential development in Southeast Queens has increased since 1996, when 162 permits were issued for new housing units, and peaked in 2002 at 680 permitted units. In 2003, the most recent year for which data is available, 401 permits were issued.

To further facilitate commercial and residential development, the Downtown Jamaica Redevelopment Plan, which is a comprehensive strategy intended to support Jamaica's business district, is being proposed by the New York City Department of City Planning. Under this plan, 356 blocks in Jamaica would be rezoned to encourage appropriately scaled residential development in Jamaica and neighboring communities including Hollis, St. Albans, and South Jamaica. The plan also calls for the designation of a new three-block urban renewal area around the Long Island Rail Road and AirTrain Terminals.

Between 1990 and 2000, Southeast Queens experienced strong population growth of 11.1 percent; although this was a lower rate than in Queens overall, it exceeded the Citywide growth rate for the decade. Southeast Queens has the greatest concentration of blacks or African-Americans in all of Queens—68.9 percent of the area's population in 2000—and accounts for more than one third of the borough's black or African-American population.

Southern Queens



Southern Queens encompasses Community Boards 9 and 10 and includes Howard Beach, Kew Gardens, Lindenwood, Ozone Park, Richmond Hill, South Ozone Park, and Woodhaven. The region is the governmental center of Queens and contains Queens Borough Hall and the County Courthouse, both located on Queens Boulevard in Kew Gardens. Southern Queens is bounded by Forest Park and Union Turnpike to the north, Brooklyn to the east, Jamaica Bay to the south, and the Van Wyck Expressway and JFK Airport to the west.

Southern Queens predominantly consisted of German and Irish immigrants through the 1960s, when the region's population began to diversify. Today, the region's northern neighborhoods are home to immigrants

from Central Asia, China, the Caribbean, the Dominican Republic, Eastern Europe, Latin America, and Iran.

Residential development has occurred at a slower pace in Southern Queens than in all other regions except for Mid/Central Queens. In 1996, only 133 permits were issued for new residential units in Southern Queens. After fluctuating for three years, the rate of residential development in the region has gradually increased since 2000, and in 2003 the number of permits issued for new housing units reached 394.

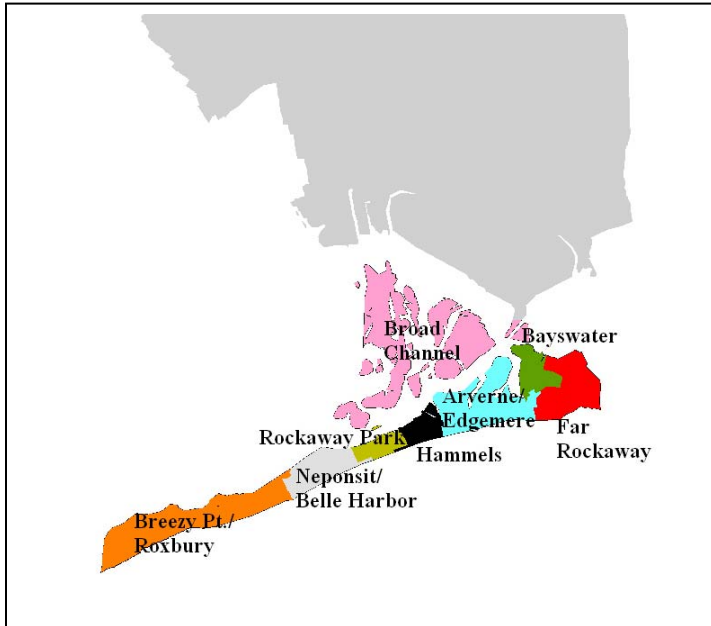
While most of Southern Queens has a suburban character, larger-scale development has occurred in Kew Gardens, which is generally more densely populated than the rest of the region. To mitigate the impacts of new developments and to retain the existing character of neighborhoods, the City Council adopted zoning changes for 140 blocks in Kew Gardens and Richmond Hill in March 2005. In addition to downzoning residential side streets, these changes promoted housing development on wider avenues and near subway stations, and encouraged mixed-use development along Jamaica Avenue.

Profile of Southern Queens						
Employment			Wages			
Total Employment (2004)	29,682		Total Wages (2004)	\$1,020.8 million		
Share of All Areas in Queens	7.0%		Share of All Areas in Queens	6.3%		
Percent Change 2004	-1.7%		Percent Change 2004	2.1%		
Percent Change 2005 YTD	4.1%		Percent Change 2005 YTD	8.2%		
	% of Area	% Chng		% of Area	% Chng	Avg. Salary
Three Largest Sectors	Employment	2005 YTD	Three Largest Sectors	Wages	2005 YTD	2004
Health Care & Social Assistance	25.7%	3.4%	Health Care & Social Assistance	31.6%	1.7%	\$42,216
Retail Trade	13.4%	1.4%	Construction	17.6%	33.7%	\$54,007
Construction	11.2%	18.6%	Retail Trade	9.6%	13.4%	\$24,484
			Southern Queens Total Average Salary	\$34,390		
Demographics			Race/Ethnicity - Percent of Total Area Population			
Population			Hispanic			
Total 2000 Population	268,883		28.6%			
Share of Queens Population	12.1%		White			
Percent Change 1990-2000	22.3%		31.2%			
Educational Attainment - Percent of Total Area Population			Black or African-American			
High School	70.6%		11.4%			
College	16.8%		Asian			
			14.5%			
			Other			
			14.3%			
<p>Note: Employment and wages for 2005 are preliminary data for the first six months; change is from the same period one year earlier. Because of address issues in the data, all wage and employment records cannot be assigned to a zip code, therefore the sum of the areas for these measures is less than the borough-wide total. Sources: NYS Department of Labor; US Census Bureau</p>						

While Southern Queens lost jobs in 2004, employment grew in the first six months of 2005 by 4.1 percent—faster than in any other region in the borough. Wages also increased at a higher rate than in the rest of Queens during this period, growing by 8.2 percent. The average salary in Southern Queens in 2004 was the lowest of any region in the borough except Rockaway and was well below the borough-wide average of \$39,835.

Health care and social assistance is the largest employer in Southern Queens. Despite the relatively low average salary in Southern Queens and the fact that this sector typically pays relatively low wages, employees in this sector in Southern Queens earned more than their counterparts in every other region except Northern Queens and had an average salary higher than the borough-wide average.

Rockaway



Rockaway, which is entirely contained in Community Board 14 and separates the Atlantic Ocean from Jamaica Bay, includes the neighborhoods of Arverne, Bayswater, Belle Harbor, Breezy Point, Broad Channel, Edgemere, Far Rockaway, Neponsit, Rockaway Beach, Rockaway Park, Roxbury, and Seaside. The Rockaway Peninsula—a 10-mile stretch of land physically attached to Nassau County but actually part of Queens—is also referred to as “the Rockaways,” and derives its name from the Native American word “reckowacky.”

While many of Rockaway’s communities remain stable, middle-class neighborhoods, the communities of Arverne, Edgemere, Far Rockaway, and Seaside have experienced a significant decline in past decades. In recent years, the scarcity and expense of property in Manhattan has prompted developers to build residential projects in neighborhoods that had previously not experienced much development. In the early 1990s a local developer began constructing two-family semi-detached housing in Rockaway Park. The success of this venture prompted the developer to construct additional homes farther east on the peninsula. Soon after, other developers recognized the area’s potential and began planning more ambitious residential projects in Rockaway.

In recent years, New York City has made significant new investments in the region. In 1999, for the first time in 25 years, the entire Rockaway boardwalk—the second-largest boardwalk in the U.S. after Atlantic City—was opened to the public following a multimillion-dollar, City-funded restoration project. In 2001 the City announced the construction of “Arverne by the Sea,” an \$800 million mixed-use urban renewal project, in the Arverne Urban Renewal Area—the largest urban renewal site in the country.

The first phase of the project officially opened in 2004 and consists of 2,300 residential units in a mix of one- and two-family homes and mid-rise apartment buildings and condominiums; more than 250,000 square feet of commercial and retail space; a 30,000-square-foot community recreation center; a charter school; and 10 acres of parkland. Phase II of the development, which is already underway, will include 121 two-family homes. An additional

Profile of Rockaway						
Employment			Wages			
Total Employment (2004)	12,844		Total Wages (2004)	\$440.8 million		
Share of All Areas in Queens	3.0%		Share of All Areas in Queens	2.7%		
Percent Change 2004	-0.2%		Percent Change 2004	4.7%		
Percent Change 2005 YTD	2.9%		Percent Change 2005 YTD	4.0%		
	% of Area	% Chng		% of Area	% Chng	Avg. Salary
Three Largest Sectors	Employment	2005 YTD	Three Largest Sectors	Wages	2005 YTD	2004
Health Care & Social Assistance	61.1%	-4.5%	Health Care & Social Assistance	67.7%	-3.9%	\$38,062
Retail Trade	6.1%	-3.6%	Manufacturing	6.8%	20.5%	\$40,987
Manufacturing	5.7%	-6.3%	Retail Trade	3.9%	7.0%	\$22,137
			The Rockaways Total Average Salary			\$34,317
Demographics			Race/Ethnicity - Percent of Total Area Population			
Population			Hispanic			
Total 2000 Population	106,686		White			
Share of Queens Population	4.8%		Black or African-American			
Percent Change 1990-2000	6.1%		Asian			
Educational Attainment - Percent of Total Area Population			Other			
High School	72.0%					
College	20.4%					
<p>Note: Employment and wages for 2005 are preliminary data for the first six months; change is from the same period one year earlier. Because of address issues in the data, all wage and employment records cannot be assigned to a zip code, therefore the sum of the areas for these measures is less than the borough-wide total.</p>						
Sources: NYS Department of Labor; US Census Bureau						

request for proposals is expected to be issued for 47 undeveloped acres of the Arverne Urban Renewal Area, and is expected to produce 1,500 units of mixed-income housing and over 600,000 square feet of commercial and retail space. The City also has plans for 200 additional housing units as part of its Waters' Edge development. In total, the City has constructed or initiated plans to construct up to 4,100 new homes in the Arverne Urban Renewal Area. As a result of renewed investments, the number of residential housing permits issued in the region increased from 66 units in 1996 to 738 units in 2002. In 2003, the most recent year for which data is available, permits were issued for 688 units.

Limited by its small land mass relative to other areas of Queens, Rockaway had the lowest population of all the borough's regions in 2000. Rockaway's population is generally younger than in other regions in the borough and in Queens as a whole. In 2000, 51.4 percent of the population in Rockaway was younger than 35 years, which was higher than the borough percentage of 48.7 percent. The share of residents younger than 20 years old was 31.5 percent, considerably higher than in all of Queens (25.2 percent). Rockaway also had a higher percentage of its residents aged 65 years and older than did the borough as a whole.

The health and social assistance subsector accounted for almost two thirds of all jobs in Rockaway, in part because of several hospitals in the area. During the first six months of 2005, employment in the region grew by 2.9 percent, as growth in other sectors offset a decline in health and social assistance jobs. While wages increased in 2004 by the second-highest growth rate in the borough, the average salary in Rockaway that year was the lowest of any region in Queens.

VI. Rezoning Initiatives

As development has continued to occur throughout Queens, the City has grappled with issues related to overdevelopment. In an effort to control development and mitigate its impact on residential communities, the City has approved several rezoning amendments in Queens over the past five years. The predominant goal of these rezoning efforts has been to combat overdevelopment and preserve the character of low-density, residential communities. At the same time, higher-density, mixed-use development has also been permitted in selected areas, such as the Long Island City business district and along the waterfront in Western Queens. The City also intends to designate certain industrial and manufacturing areas as Industrial Business Zones under a new program designed to protect industrial areas from encroaching residential development and real estate speculation.

The City's zoning changes have not occurred without controversy. Some property owners and developers have argued that the changes are too restrictive—that they limit property rights and prevent neighborhoods from evolving. Affordable housing advocates have argued that the downzoning of neighborhoods could reduce the number of new housing units built in Queens, particularly for low- and moderate-income residents.

Low-Density Residential Downzoning

In 2004, in response to widespread concern about overdevelopment in low-density residential neighborhoods throughout Queens, the City announced a rezoning initiative to preserve the scale and character of targeted residential neighborhoods. While previous efforts had been made to prevent out-of-character development, including the 2003 rezoning of North Corona, recent rezonings have been much more ambitious.

The City's recent efforts were enacted largely to address loopholes in the 1961 zoning law that allowed builders to replace existing housing with new structures that were out of scale with their surroundings. Increasingly, builders have replaced smaller one- and two-family detached homes with much larger single-family homes. Builders have also erected low-rise multifamily dwellings, such as town houses and garden apartments, as of right, in neighborhoods that have a predominantly low-density character.

The City enacted zoning changes and more restrictive (or “contextual”) zoning to require new development to match the scale, density, and character of surrounding neighborhoods. For example, in 2005, the City created a new R2-A zoning district, which uses bulk, height, and setback regulations to restrict the scale of renovations and to match new construction to surrounding single-family detached homes. The City also corrected the zoning in many low-density areas where one- and two-family attached and semi-detached housing predominated, but where the 1961 regulations permitted the construction of town houses and multifamily developments. The City directed multifamily developments to wider commercial thoroughfares and areas close to mass transportation.

In April 2005, the City rezoned 350 blocks in Bayside as part of the rezoning initiative. To combat overdevelopment, areas predominantly made up of single-family detached housing were rezoned from R2 to the new R2-A zoning designation. Portions of Bayside were also

downzoned to prevent the demolition of existing detached housing and the construction of low-rise attached and multifamily housing in its place. In addition, the City rezoned areas along major thoroughfares, such as Northern and Bell boulevards, and near mass transportation, to encourage medium-density and higher-rise housing.

Other neighborhoods facing overdevelopment in Northern Queens, Eastern Queens and Rockaway—such as Bayswater/Far Rockaway, Cambria Heights, College Point, Fresh Meadows/Utopia, and Whitestone—were rezoned based on the Bayside model. Between July 2005 and April 2006, the City rezoned 82 blocks in Bayswater/Far Rockaway, 200 blocks in Cambria Heights, 161 blocks in College Point, 310 blocks in Whitestone, and 83 blocks in Fresh Meadows/Utopia. In each case, areas with single-family detached housing were rezoned to prevent the construction of out-of-scale developments, and low-density areas with mostly one- and two-family houses were downzoned to prohibit attached housing and multifamily developments. In College Point, for example, attached dwellings had been permitted in 90 percent of the area; after the rezoning, these buildings were prohibited in 85 percent of the affected blocks. The City has also proposed similar rezoning plans for Jamaica Hills/Hillcrest to preserve the low-density character of those communities.

Low- to Medium-Density Residential Downzoning

The City has also taken steps to combat overdevelopment in low- to medium-density neighborhoods such as Glendale, Kew Gardens, Middle Village, and Richmond Hill. In March 2005, the City rezoned 140 blocks in the Kew Gardens and Richmond Hill neighborhoods, which contain a mixture of one- and two-family detached housing as well as six- and seven-story apartment buildings, to restrict development in lower-density residential streets and encourage medium-density, mixed-use developments along Jamaica Avenue. In 2006, 161 blocks in Middle Village and Glendale were rezoned to preserve the predominantly low-rise, low-density character of existing residential areas while creating a medium-density district along Metropolitan Avenue for multifamily buildings.

A similar rezoning proposal is under consideration for Maspeth/Woodside. It aims to preserve lower density areas while permitting medium-density, multifamily housing along wide corridors, such as Queens Boulevard.

Mixed-Use Zoning

While most of the rezoning efforts in Queens over the past two years have focused on protecting residential neighborhoods, some important changes have been enacted to permit expanded uses in manufacturing districts and to allow greater commercial and residential development in select residential districts. In 2001, the City created the Special Long Island City Mixed Use District and rezoned a 37-block area of Long Island City to create a mixed-use office district that allows higher-density, commercial developments and residences while still maintaining existing commercial and light industrial activities.

Three years later, 43 blocks between the Citicorp Tower and the Queens waterfront within the Special Long Island City Mixed Use District were rezoned to promote higher-density residential and mixed-use development in the area.

Appendix A

Housing Characteristics

	Western Queens	Mid/Central Queens	Northern Queens	Eastern Queens	Southern Queens	Southeast Queens	Rockaway	Queens	New York City
All Occupied Housing Units									
Built Before 1920	5.3%	8.7%	1.0%	1.6%	10.1%	4.9%	4.5%	5.0%	17.2%
Built Between 1920 and 1946	58.3%	53.2%	32.4%	39.6%	59.6%	58.9%	36.1%	49.7%	41.8%
Built After 1946	36.4%	38.1%	66.6%	58.7%	30.3%	36.2%	59.4%	45.3%	41.0%
Home Ownership									
Median Value 1- to 3-Family Homes	\$500,000	\$500,000	\$534,926	\$450,000	\$400,000	\$300,000	\$400,000	\$450,000	\$435,000
Home Ownership Rate	24.3%	44.8%	51.1%	65.9%	52.9%	59.0%	44.9%	46.4%	33.3%
Rental Rate	75.7%	55.2%	48.9%	34.1%	47.1%	41.0%	55.1%	53.6%	66.7%
Occupied Rental Housing									
Rent Stabilized	51.6%	51.0%	51.3%	42.9%	27.4%	35.6%	39.3%	46.3%	50.1%
Other Regulated	9.9%	1.5%	1.8%	5.9%	0.0%	14.2%	37.9%	8.0%	16.9%
Unregulated	38.5%	47.5%	46.9%	51.2%	72.6%	50.2%	22.9%	45.7%	33.0%
Percent in 1- and 2-Family Homes	17.0%	25.3%	20.2%	39.7%	50.8%	40.1%	17.5%	24.3%	13.2%
Percent in Buildings with 50 or More Units	25.5%	28.8%	39.7%	20.4%	11.5%	25.1%	52.5%	30.4%	36.6%
Monthly Median Contract Rent	\$925	\$900	\$1,000	\$977	\$925	\$800	\$724	\$903	\$850

Source: U.S. Census Bureau 2005; New York City Housing Vacancy Survey

Major contributors to this report include:

Kenneth B. Bleiwas	Deputy Comptroller for the City of New York
Adam Freed	Assistant Comptroller
Michael Brisson	Director, Bureau of Tax and Economic Analysis
Jane Moore	Report Editor

James Chen
Holly Clarke
Diane Diamond
Aliya Flake
Bob Kepple
Felix Rosado
Sandy Stevenson
Marina Weisz